

***BURLINGTON TOWNSHIP
LICKING COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2006 & 2005

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

Board of Trustees
Burlington Township
12160 Smoketown Road NE
Utica, Ohio 43080

We have reviewed the *Report of Independent Accountants* of Burlington Township, Licking County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Burlington Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 22, 2008

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BURLINGTON TOWNSHIP
LICKING COUNTY
AUDIT REPORT
For the years ended December 31, 2006 and 2005

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

**Burlington Township
Licking County
12160 Smoketown Road NE
Utica, Ohio 43080**

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burlington Township (Township), Licking County, Ohio, as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township, as of December 31, 2006 and 2005, and the respective changes in cash basis financial position and the budgetary comparison for the General fund, Gasoline Tax fund, Cemetery fund, and Fire District fund for the years then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2005, the Township revised its financial statement presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 10, 2008 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
January 10, 2008

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

This discussion and analysis of the Burlington Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$33,627, or 11 percent, an increase from the prior year.

The Township's general receipts are primarily property and other local taxes. These receipts represent 72 percent of the total cash received for governmental activities during the year. The overall increase in cash balances is due to a larger increase in receipts versus disbursements.

Key highlights for 2005 are as follows:

Net assets of governmental activities decreased \$15,690, or 5 percent from the prior year.

The Township's general receipts are primarily property and other local taxes. These receipts represent 61 percent of the total cash received for governmental activities during the year. The overall decrease in cash balances is due to a higher increase in disbursements rather than receipts.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity: Governmental activities – All the Township's basic services are reported here. Real estate and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are put in one category: governmental.

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) are combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gas Tax Fund and Levy Funds – Cemetery and Fire. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. There is no reconciliation between the two reports as the Township reports on the cash basis.

The Township as a Whole

Table 1 provides a summary of the Township's net assets (assets less liabilities) for 2006 and 2005 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Cash and Cash Equivalents*	\$ 335,013	\$ 301,386
Net Assets		
Restricted for:		
Capital Projects	19,499	21,607
Debt Service	8,550	-
Other Purposes	200,703	183,083
Permanent Fund		
Expendable	41	39
Nonexpendable	700	700
Unrestricted	105,520	95,957
Total Net Assets	\$ 335,013	\$ 301,386

* Cash equivalents are investments which can be quickly converted to cash.

The Township implemented GASB 34 during 2005. Since 2005 is the first year the Township has reported on this method, there are no comparative financial results for 2004.

As mentioned previously, net assets of governmental activities increased \$33,627 or 11 percent during 2006.

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities:

(Table 2)
Changes in Net Assets

	Governmental Activities 2006	Governmental Activities 2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 6,732	\$ 5,542
Operating Grants and Contributions	103,756	124,550
Total Program Receipts	<u>110,488</u>	<u>130,092</u>
General Receipts:		
Property and Other Local Taxes	223,896	150,285
Grants and Entitlements Not Restricted to Specific Programs	59,648	51,555
Interest	4,869	3,399
Miscellaneous	31	100
Total General Receipts	<u>288,444</u>	<u>205,339</u>
Total Receipts	<u>398,932</u>	<u>335,431</u>
Disbursements:		
General Government	97,145	83,189
Public Safety	127,941	60,390
Public Works	107,311	176,150
Health	14,842	8,482
Capital Outlay	18,066	22,910
Total Disbursements	<u>365,305</u>	<u>351,121</u>
Increase (Decrease) in Net Assets	33,627	(15,690)
Net Assets, January 1	301,386	317,076
Net Assets, December 31	<u>\$ 335,013</u>	<u>\$ 301,386</u>

Program receipts in 2006 and 2005 represent only 28 and 39 percent, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license, gas tax money, zoning and cemetery fees.

General receipts in 2006 and 2005 represent 72 and 61 percent, respectively, of the Township's total receipts, and of this amount, over 78 and 74 percent, respectively, are local taxes. Grants and entitlements make up the balance of the Township's general receipts 21 and 25 percent, respectively. Other receipts are somewhat insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

Public Safety represents the costs of fire/EMS protection; health is the health department; and public works is the cost of maintaining the roads.

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

Governmental Activities

If you look at the Statement of Activities on pages 11 and 19, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities in 2006 and 2005 are for public safety and public works which account for 35 and 29 percent in 2006, 17 and 50 percent in 2005 of all governmental disbursements, respectively. General government also represents a significant cost, about 27 percent in 2006 and 24 percent in 2005. The next two columns of the Statement entitled Program Receipts identify (1) amounts paid by people who are directly charged for the service, and (2) grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which is paid by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2006	2006	2005	2005
General Government	\$ 97,145	\$ (95,186)	\$ 83,189	\$ (80,898)
Public Safety	127,941	(127,941)	60,390	(60,390)
Public Works	107,311	(3,555)	176,150	(51,600)
Health	14,842	(10,069)	8,482	(5,231)
Capital Outlay	18,066	(18,066)	22,910	(22,910)
Total Disbursements	\$ 365,305	\$ (254,817)	\$ 351,121	\$ (221,029)

The dependence upon property tax receipts is apparent as over 69 and 63 percent of governmental activities are supported through these general receipts in 2006 and 2005, respectively.

The Township's Funds

During 2006 total Township funds had receipts of \$398,932 and disbursements of \$365,305. The most significant change was in the Fire District Fund. The fund balance of the Fire District Fund increased \$12,273 from 2005 as a result of an increase in tax receipts.

During 2005 total Township funds had receipts of \$335,431 and disbursements of \$351,121. The greatest change within governmental funds occurred within the Gasoline Tax Fund. The fund balance of the Gasoline Tax Fund decreased \$35,157 as the result of necessary road projects (both expected and not anticipated).

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances (money ear-marked for disbursement). The most significant budgeted fund is the General Fund.

During 2006 and 2005, the Township amended its General Fund budget several times to reflect changing circumstances.

For 2006, actual receipts were greater than budgeted receipts. Final disbursements were budgeted at \$201,018 while actual disbursements were \$97,373. The Township kept spending under budgeted amounts as demonstrated by the reported variances.

For 2005, final disbursements were budgeted at \$192,762 while actual disbursements were \$93,189. The Township spent under the budgeted amounts as demonstrated by the reported variances. The result is the increase in fund balance to \$95,957 for 2005.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure other than the annual inventory valuation of assets for insurance purposes.

Debt

The Township had no outstanding debt during years 2006 and 2005. However, the township did receive "Audit Finding Number BURLI-01" for the 2004/2003 Audit. Being corrected as required per the Ohio Revised Code.

At December 31, 2005, the Township's outstanding debt included an Audit Finding Number 2004-BURL-01. For further information regarding the Township's debt, refer to Note 10 in the basic financial statements.

At December 31, 2005, the Township's outstanding debt fund balance of \$934 was transferred to Road and Bridge and the debt service fund was closed.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry supporting the tax base.

Burlington Township, Licking County
Management's Discussion and Analysis
For the Year Ended December 31, 2006 and 2005
Unaudited

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Linda Brown, Fiscal Officer, 12160 Smoketown Road, Utica, Ohio 43080.

Burlington Township, Licking County

Statement of Net Assets - Cash Basis

December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 335,013</u>
Net Assets	
Restricted for:	
Capital Projects	\$ 19,499
Debt Service	8,550
Other Purposes	200,703
Permanent Fund	
Expendable	41
Nonexpendable	700
Unrestricted	<u>105,520</u>
<i>Total Net Assets</i>	<u>\$ 335,013</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts			Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Receipts and Changes in Net Assets
Governmental Activities				
General Government	\$ 97,145	\$ 1,959	-	\$ (95,186)
Public Safety	127,941	-	-	(127,941)
Public Works	107,311	-	\$ 103,756	(3,555)
Health	14,842	4,773	-	(10,069)
Capital Outlay	18,066	-	-	(18,066)
<i>Total Governmental Activities</i>	<u>\$ 365,305</u>	<u>\$ 6,732</u>	<u>\$ 103,756</u>	<u>(254,817)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				59,941
Special Purposes				163,955
Grants and Entitlements not Restricted to				
Specific Programs				59,648
Interest				4,869
Miscellaneous				31
<i>Total General Receipts</i>				<u>288,444</u>
Change in Net Assets				33,627
<i>Net Assets Beginning of Year</i>				<u>301,386</u>
<i>Net Assets End of Year</i>				<u>\$ 335,013</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Gasoline Tax	Cemetery	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 105,520	\$ 43,661	\$ 62,351	\$ 43,418	\$ 80,063	\$ 335,013
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 105,520	-	-	-	-	\$ 105,520
Special Revenue Funds	-	\$ 43,661	\$ 62,351	\$ 43,418	\$ 51,273	200,703
Debt Service Fund	-	-	-	-	8,550	8,550
Capital Projects Funds	-	-	-	-	19,499	19,499
Permanent Fund	-	-	-	-	741	741
<i>Total Fund Balances</i>	<u>\$ 105,520</u>	<u>\$ 43,661</u>	<u>\$ 62,351</u>	<u>\$ 43,418</u>	<u>\$ 80,063</u>	<u>\$ 335,013</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Gasoline Tax	Cemetery	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 59,941	-	\$ 16,421	\$ 110,130	\$ 37,404	\$ 223,896
Licenses, Permits and Fees	1,959	-	3,600	-	-	5,559
Intergovernmental	42,039	\$ 90,204	1,736	11,810	15,713	161,502
Sale of Cemetery Lots	-	-	3,075	-	-	3,075
Interest	2,966	1,448	-	-	455	4,869
Other	31	-	-	-	-	31
<i>Total Receipts</i>	<u>106,936</u>	<u>91,652</u>	<u>24,832</u>	<u>121,940</u>	<u>53,572</u>	<u>398,932</u>
Disbursements						
Current:						
General Government	97,145	-	-	-	-	97,145
Public Safety	-	-	-	109,667	18,274	127,941
Public Works	228	89,299	-	-	17,784	107,311
Health	-	-	14,842	-	-	14,842
Capital Outlay	-	-	8,457	-	9,609	18,066
<i>Total Disbursements</i>	<u>97,373</u>	<u>89,299</u>	<u>23,299</u>	<u>109,667</u>	<u>45,667</u>	<u>365,305</u>
<i>Net Change in Fund Balances</i>	9,563	2,353	1,533	12,273	7,905	33,627
<i>Fund Balances Beginning of Year</i>	<u>95,957</u>	<u>41,308</u>	<u>60,818</u>	<u>31,145</u>	<u>72,158</u>	<u>301,386</u>
<i>Fund Balances End of Year</i>	<u>\$ 105,520</u>	<u>\$ 43,661</u>	<u>\$ 62,351</u>	<u>\$ 43,418</u>	<u>\$ 80,063</u>	<u>\$ 335,013</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 56,219	\$ 56,219	\$ 59,941	\$ 3,722
Licenses, Permits and Fees	2,290	2,290	1,959	(331)
Intergovernmental	40,549	40,549	42,039	1,490
Interest	1,998	1,998	2,966	968
Other	4,172	4,172	31	(4,141)
<i>Total receipts</i>	<u>105,228</u>	<u>105,228</u>	<u>106,936</u>	<u>1,708</u>
Disbursements				
Current:				
General Government	150,618	154,118	97,145	56,973
Public Works	33,000	33,000	228	32,772
Health	10,000	10,000	-	10,000
Conservation-Recreation	3,000	3,000	-	3,000
Capital Outlay	900	900	-	900
<i>Total Disbursements</i>	<u>197,518</u>	<u>201,018</u>	<u>97,373</u>	<u>103,645</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(92,290)	(95,790)	9,563	105,353
Other Financing Sources (Uses)				
Other Financing Uses	(3,500)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(3,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(95,790)	(95,790)	9,563	105,353
<i>Fund Balance Beginning of Year</i>	<u>95,957</u>	<u>95,957</u>	<u>95,957</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 167</u>	<u>\$ 167</u>	<u>\$ 105,520</u>	<u>\$ 105,353</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
2021 Gasoline Tax
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 74,000	\$ 74,000	\$ 90,204	\$ 16,204
Interest	1,000	1,000	1,448	448
<i>Total receipts</i>	<u>75,000</u>	<u>75,000</u>	<u>91,652</u>	<u>16,652</u>
Disbursements				
Current:				
Public Works	<u>115,307</u>	<u>115,307</u>	<u>89,299</u>	<u>26,008</u>
<i>Total Disbursements</i>	<u>115,307</u>	<u>115,307</u>	<u>89,299</u>	<u>26,008</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(40,307)	(40,307)	2,353	42,660
<i>Fund Balance Beginning of Year</i>	<u>41,308</u>	<u>41,308</u>	<u>41,308</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,001</u>	<u>\$ 1,001</u>	<u>\$ 43,661</u>	<u>\$ 42,660</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 2041 Cemetery
 For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 16,440	\$ 16,440	\$ 16,421	\$ (19)
Licenses, Permits and Fees	2,800	2,800	3,600	800
Intergovernmental	1,816	1,816	1,736	(80)
Sale of Cemetery Lots	1,000	1,000	3,075	2,075
<i>Total receipts</i>	<u>22,056</u>	<u>22,056</u>	<u>24,832</u>	<u>2,776</u>
Disbursements				
Current:				
Health	62,000	62,000	14,842	47,158
Capital Outlay	20,300	20,300	8,457	11,843
<i>Total Disbursements</i>	<u>82,300</u>	<u>82,300</u>	<u>23,299</u>	<u>59,001</u>
<i>Net Change in Fund Balance</i>	(60,244)	(60,244)	1,533	61,777
<i>Fund Balance Beginning of Year</i>	<u>60,818</u>	<u>60,818</u>	<u>60,818</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 574</u>	<u>\$ 574</u>	<u>\$ 62,351</u>	<u>\$ 61,777</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
2111 Fire District Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 110,424	\$ 110,424	\$ 110,130	\$ (294)
Intergovernmental	12,269	12,269	11,810	(459)
<i>Total receipts</i>	<u>122,693</u>	<u>122,693</u>	<u>121,940</u>	<u>(753)</u>
Disbursements				
Current:				
Public Safety	153,838	153,838	109,667	44,171
<i>Total Disbursements</i>	<u>153,838</u>	<u>153,838</u>	<u>109,667</u>	<u>44,171</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(31,145)	(31,145)	12,273	43,418
<i>Fund Balance Beginning of Year</i>	<u>31,145</u>	<u>31,145</u>	<u>31,145</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,418</u>	<u>\$ 43,418</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County

Statement of Net Assets - Cash Basis

December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 301,386</u>
Net Assets	
Restricted for:	
Capital Projects	\$ 21,607
Other Purposes	183,083
Permanent Fund:	
Expendable	39
Nonexpendable	700
Unrestricted	<u>95,957</u>
<i>Total Net Assets</i>	<u>\$ 301,386</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2005

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 83,189	\$ 2,291	-	\$ (80,898)
Public Safety	60,390	-	-	(60,390)
Public Works	176,150	-	\$ 124,550	(51,600)
Health	8,482	3,251	-	(5,231)
Capital Outlay	22,910	-	-	(22,910)
	<u>\$ 351,121</u>	<u>\$ 5,542</u>	<u>\$ 124,550</u>	<u>(221,029)</u>
<i>Total Governmental Activities</i>				
General Receipts				
Property Taxes Levied for:				
General Purposes				56,219
Special Purposes				94,066
Grants and Entitlements not Restricted to Specific Programs				51,555
Interest				3,399
Miscellaneous				100
				<u>205,339</u>
<i>Total General Receipts</i>				
Change in Net Assets				(15,690)
<i>Net Assets Beginning of Year</i>				<u>317,076</u>
<i>Net Assets End of Year</i>				<u>\$ 301,386</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Gasoline Tax	Cemetery	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 95,957	\$ 41,308	\$ 60,818	\$ 31,145	\$ 72,158	\$ 301,386
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 95,957	-	-	-	-	\$ 95,957
Special Revenue Funds	-	\$ 41,308	\$ 60,818	\$ 31,145	\$ 49,812	183,083
Capital Projects Funds	-	-	-	-	21,607	21,607
Permanent Fund	-	-	-	-	739	739
<i>Total Fund Balances</i>	<u>\$ 95,957</u>	<u>\$ 41,308</u>	<u>\$ 60,818</u>	<u>\$ 31,145</u>	<u>\$ 72,158</u>	<u>\$ 301,386</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Gasoline Tax	Cemetery	Fire District Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 56,219	\$ -	\$ 16,237	\$ 43,771	\$ 34,058	\$ 150,285
Licenses, Permits and Fees	2,291	-	3,650	-	-	5,941
Intergovernmental	41,212	92,519	1,784	4,774	34,417	174,706
Sale of Cemetery Lots	-	-	1,000	-	-	1,000
Interest	1,998	1,075	-	-	326	3,399
Other	100	-	-	-	-	100
<i>Total Receipts</i>	<u>101,820</u>	<u>93,594</u>	<u>22,671</u>	<u>48,545</u>	<u>68,801</u>	<u>335,431</u>
Disbursements						
Current:						
General Government	83,189	-	-	-	-	83,189
Public Safety	-	-	-	46,147	14,243	60,390
Public Works	10,000	128,751	-	-	37,399	176,150
Health	-	-	8,482	-	-	8,482
Capital Outlay	-	-	-	-	22,910	22,910
<i>Total Disbursements</i>	<u>93,189</u>	<u>128,751</u>	<u>8,482</u>	<u>46,147</u>	<u>74,552</u>	<u>351,121</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,631</u>	<u>(35,157)</u>	<u>14,189</u>	<u>2,398</u>	<u>(5,751)</u>	<u>(15,690)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	934	934
Transfers Out	-	-	-	-	(934)	(934)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	8,631	(35,157)	14,189	2,398	(5,751)	(15,690)
<i>Fund Balances Beginning of Year</i>	<u>87,326</u>	<u>76,465</u>	<u>46,629</u>	<u>28,747</u>	<u>77,909</u>	<u>317,076</u>
<i>Fund Balances End of Year</i>	<u>\$ 95,957</u>	<u>\$ 41,308</u>	<u>\$ 60,818</u>	<u>\$ 31,145</u>	<u>\$ 72,158</u>	<u>\$ 301,386</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 56,380	\$ 56,380	\$ 56,219	\$ (161)
Licenses, Permits and Fees	2,624	2,624	2,291	(333)
Intergovernmental	40,389	41,051	41,212	161
Interest	1,036	1,036	1,998	962
Other	4,616	4,358	100	(4,258)
<i>Total receipts</i>	<u>105,045</u>	<u>105,449</u>	<u>101,820</u>	<u>(3,629)</u>
Disbursements				
Current:				
General Government	119,621	134,871	83,189	51,682
Public Works	24,670	31,795	10,000	21,795
Health	8,300	15,425	-	15,425
Conservation-Recreation	3,000	3,000	-	3,000
Capital Outlay	7,009	7,671	-	7,671
<i>Total Disbursements</i>	<u>162,600</u>	<u>192,762</u>	<u>93,189</u>	<u>99,573</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(57,555)</u>	<u>(87,313)</u>	<u>8,631</u>	<u>95,944</u>
Other Financing Sources (Uses)				
Other Financing Uses	(29,500)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(29,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(87,055)	(87,313)	8,631	95,944
<i>Fund Balance Beginning of Year</i>	<u>87,326</u>	<u>87,326</u>	<u>87,326</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 271</u>	<u>\$ 13</u>	<u>\$ 95,957</u>	<u>\$ 95,944</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
2021 Gasoline Tax
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 67,146	\$ 67,146	\$ 92,519	\$ 25,373
Interest	718	718	1,075	357
<i>Total receipts</i>	<u>67,864</u>	<u>67,864</u>	<u>93,594</u>	<u>25,730</u>
Disbursements				
Current:				
Public Works	141,500	144,000	128,751	15,249
Capital Outlay	2,500	-	-	-
<i>Total Disbursements</i>	<u>144,000</u>	<u>144,000</u>	<u>128,751</u>	<u>15,249</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(76,136)	(76,136)	(35,157)	40,979
<i>Fund Balance Beginning of Year</i>	<u>76,465</u>	<u>76,465</u>	<u>76,465</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 329</u>	<u>\$ 329</u>	<u>\$ 41,308</u>	<u>\$ 40,979</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
2041 Cemetery
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 16,464	\$ 16,464	\$ 16,237	\$ (227)
Licenses, Permits and Fees	2,850	2,850	3,650	800
Intergovernmental	1,824	1,499	1,784	285
Sale of Cemetery Lots	975	975	1,000	25
<i>Total receipts</i>	<u>22,113</u>	<u>21,788</u>	<u>22,671</u>	<u>883</u>
Disbursements				
Current:				
Health	52,000	52,000	8,482	43,518
Capital Outlay	16,400	16,400	-	16,400
<i>Total Disbursements</i>	<u>68,400</u>	<u>68,400</u>	<u>8,482</u>	<u>59,918</u>
<i>Net Change in Fund Balance</i>	(46,287)	(46,612)	14,189	60,801
<i>Fund Balance Beginning of Year</i>	<u>46,629</u>	<u>46,629</u>	<u>46,629</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 342</u>	<u>\$ 17</u>	<u>\$ 60,818</u>	<u>\$ 60,801</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
2111 Fire District Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 44,387	\$ 44,387	\$ 43,771	\$ (616)
Intergovernmental	4,852	3,933	4,774	841
<i>Total receipts</i>	<u>49,239</u>	<u>48,320</u>	<u>48,545</u>	<u>225</u>
Disbursements				
Current:				
Public Safety	75,000	75,000	46,147	28,853
<i>Total Disbursements</i>	<u>75,000</u>	<u>75,000</u>	<u>46,147</u>	<u>28,853</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(25,761)	(26,680)	2,398	29,078
<i>Fund Balance Beginning of Year</i>	<u>28,747</u>	<u>28,747</u>	<u>28,747</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,986</u>	<u>\$ 2,067</u>	<u>\$ 31,145</u>	<u>\$ 29,078</u>

See accompanying notes to the basic financial statements

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 1 – Reporting Entity

Burlington Township, Licking County, Ohio (the Township), is a body politic and corporate established in 1812 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Fiscal Officer. The elected officials serve four year terms.

A. Primary Government

The Township consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, and fire protection. Police protection for the Township is provided by the Licking County Sheriff.

B. Component Units

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a *cash* basis of accounting. This *cash* basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *cash* basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the *cash* basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its governmental activities. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Governmental-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

The statement of net assets presents the cash of the governmental activities of the Township at year end. The statement of activities compares disbursements with the program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a *cash* basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township programs or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township used fund accounting to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are classified as governmental.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Cemetery Fund and Fire District Fund.

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio

Gasoline Tax Fund – The Gasoline Tax Fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads

Cemetery Fund – The Cemetery Fund is used to account for the proceeds of property tax revenues and charges for services for operating and maintaining Township cemeteries.

Fire District Fund – The Fire District Fund receives property tax money, grants, and fees to pay for fire protection services.

The other governmental funds of the Township account for grants and other resources and capital projects of the Township whose use is restricted to a particular purpose.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

C. Basis of Accounting

The Townships financial statements are prepared using the *cash* basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this *cash* basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriation resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time first appropriations were passed by the township for the entire year.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Interest earnings are allocated to Township funds according to State statues, grant requirements, or debt related restriction. Interest receipts credited to the General Fund during 2006 and 2005 were \$2,966 and \$1,998 respectively.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets at year-end.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for special purposes, debt service, capital outlay and permanent fund.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and all major Special Revenue funds is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the *cash* basis is that outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (*cash* basis). There were no encumbrances at either year end.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 4 – Deposits and Investments

State statutes classify deposits held by the Township into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. The securities must be obligation of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

As of December 31, 2006 and 2005, the carrying amount of the Township's deposits was \$335,013 and \$301,386, respectively, as compared to bank balances of \$340,500 and \$306,229, respectively. Of the bank balances at December 31, 2006 and 2005, \$100,000 respectively was on deposit and covered by federal depository insurance and in 2006 and 2005, respectively, \$240,500 and \$206,229 were collateralized by a pool of securities maintained by the Township's financial institution but not in the Township's name.

Interest Rate Risk – the Ohio Revised code generally limits security purchases to those that mature within five years of settlement.

Credit Risk – The Township's investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on the individual securities do not exceed income generated from the remaining portfolio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township has no investment policy dealing with custodial credit risk beyond the requirements of the State which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The Township places no limit on the amount the Township may invest in one issuer.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposit being secured.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

For the years ended December 31, 2006 and 2005, the Township had no investments.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 and 2005 represent the collection of 2005 and 2004 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2004 became a lien on December 31, 2004, were levied after October 1, 2004, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property tax receipts in 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2006 and 2005, was \$10.100 and \$7.200 respectively per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

	Year Ended December 31, 2006	Year Ended December 31, 2005
Real Property:		
Residential and Agricultural	22,231,570	20,523,620
Commercial	900,900	793,280
Mineral Rights	46,320	39,570
Public Utility		
Personal Property	3,389,010	3,410,740
Tangible		
Personal Property	141,690	190,540
Total	\$ 26,709,490	\$ 24,957,750

Collection Year	Full Rate	Res/Ag Eff. Rate	Other Eff. Rate	Personal Property Rate
2006	10.100	9.224943	9.133635	10.100
2005	7.200	6.563421	6.938521	7.200

Note 6 – Risk Management

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a nonassessable, unincorporated non-profit association providing a formalized, jointly administered selfinsurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Settlement amounts did not exceed insurance coverage for the past three fiscal years. Also, there was no reduction of benefits during the years ending December 31, 2006 and 2005.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<u>2006</u>	<u>2005</u>
Assets	\$ 9,620,148	\$ 8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Member's Equity	<u>\$ 6,290,528</u>	<u>\$ 5,470,791</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614)222-6705 or (800) 222-7377.

For the year ended December 31, 2006 and 2005, members were required to contribute 9 percent and 8.5 percent, respectively of their annual covered salaries and the Township's contribution rate for 2006 and 2005 was 13.70 percent and 13.55 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2006, 2005 and 2004 were \$24,342, \$21,505 and \$19,696, respectively. The full amount has been contributed for all 3 years.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 8 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years qualifying Ohio service credit with the traditional plan. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 and 2005 local government employer contribution rate was 13.70 and 13.55 percent, respectively of covered payroll; 4.50 and 4.0 percent, respectively of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005 (the latest information available), include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 and 2005 which were used to fund postemployment benefits were \$7,995 and \$7,064, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

Note 9 – Debt

The Township had no outstanding debt during years 2006 and 2005.

Note 10 – Change in Basis of Accounting

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in Note 2.

Burlington Township, Licking County
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

Note 11 – Change in Accounting Principle

For 2006 and 2005, the Township implemented GASB Statement No. 40 “Deposit and Investment Risk Disclosures”. GASB Statement No. 40 establishes disclosure requirements for investment credit risks, interest rate risk, deposit custodial risk and foreign currency risk.

The implementation of GASB Statement No. 40 did not affect the presentation of the financial statements of the Township.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Burlington Township
Licking County
12160 Smoketown Road NE
Utica, Ohio 43080

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Burlington Township, Licking County, Ohio (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated January 10, 2008, wherein we noted that the Township followed the cash basis of accounting rather than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated January 10, 2008.

This report is intended for the information and use of management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
January 10, 2008

BURLINGTON TOWNSHIP
LICKING COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: Explain: Per ADAM 2001-10-Disclose the current year finding in this schedule
2004-BURL-01	ORC Section 5705.10	Yes	Finding No Longer Valid



Mary Taylor, CPA
Auditor of State

BURLINGTON TOWNSHIP

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 6, 2008**