

FINANCIAL STATEMENTS

TOWNSHIP OF MATHIAS

For the year ended March 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Unit Name TOWNSHIP OF MATHIAS	County ALGER
Fiscal Year End 03/31/07	Opinion Date 10/23/07	Date Audit Report Submitted to State 11/21/07			

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- | | | |
|-----|----|--|
| YES | NO | Check each applicable box below. (See instructions for further detail.) |
|-----|----|--|
1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 4. The local unit has adopted a budget for all required funds.
 5. A public hearing on the budget was held in accordance with State statute.
 6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 8. The local unit only holds deposits/investments that comply with statutory requirements.
 9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 11. The local unit is free of repeated comments from previous years.
 12. The audit opinion is UNQUALIFIED.
 13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 14. The board or council approves all invoices prior to payment as required by charter or statute.
 15. To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

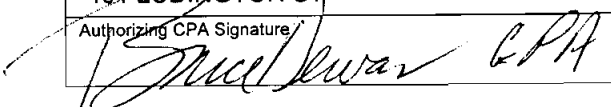
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) SCHNEIDER, LARCHE, HAAPALA & COMPANY, PLLC		Telephone Number 906-786-6151		
Street Address 401 LUDINGTON ST		City ESCANABA	State MI	Zip 49829
Authorizing CPA Signature 	Printed Name BRUCE D DEWAR		License Number 1101011278	

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TOWNSHIP OF MATHIAS

March 31, 2007

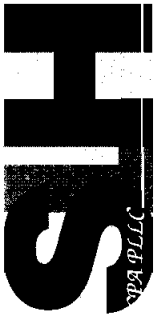
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*Schneider, Larche,
Haapala & Co., PLLC*

**CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS**

David P. Pechawer, C.P.A., P.C.
Denise M. Boyle, C.P.A., P.C.
Bruce D. Dewar, C.P.A.
Karen L. Meiers, C.P.A., P.C.

October 23, 2007

Township Board
Township of Mathias
Alger County, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mathias as of and for the year ended March 31, 2007, 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 opinions 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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mathias as of March 31, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 25 through 28 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying other supplemental information, as listed in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Schneider Tesche Haapala Company P.C.C.
Certified Public Accountants

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS
March 31, 2007**

This discussion and analysis of the Township's financial position and activities is presented as of and for the year ended March 31, 2007. The information presented should be read in conjunction with the Township's financial statements that follow.

The discussion and analysis is intended to assist the readers understanding of the financial statements by highlighting summarized financial data, activities, trends and other related information.

ANNUAL REPORT

The Township annual report consists of three main financial information components as follows:

- Basic financial statements
- Required supplemental information
- Other supplemental information

Basic Financial Statements - The basic financial statements present government - wide financial statements that provide information about the Township's financial condition and activities as a whole. The government - wide financial statements provide data relating to the long-term nature of the Township's operations by reporting all Township assets and liabilities that will provide or require financial resources in the future and the Township's investment in property and equipment.

In addition, the basic financial statements present fund financial statements that provide information about the significant individual funds of the Township. The basic financial statements also include footnote disclosures necessary to provide additional information regarding the basic financial statements and other significant issues regarding the Township's financial position and activity.

Required Supplemental Information - Required supplemental information is not a part of the basic financial statements but is an important part of the annual report. The primary financial information contained herein is budgetary information of the Township's General Fund and other major special revenue funds.

Other Supplemental Information - Other supplemental information provides additional financial information regarding nonmajor funds of the Township and budgetary information not included as required supplemental information.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2007**

FINANCIAL HIGHLIGHTS

Financial highlights discussed below include the following items:

- Government-wide financial information
- Governmental funds financial information
- Other information

Government - wide Financial Information - The net assets of the Township as a whole for the year ended March 31, 2007 decreased by \$19,506 to \$1,410,414. A comparison of net assets as of March 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Cash	\$ 226,808	\$ 230,408
Receivables	<u>16,933</u>	<u>20,688</u>
Total noncapital assets	243,741	251,096
Capital assets, net	<u>1,166,808</u>	<u>1,201,873</u>
Total assets	<u>1,410,549</u>	<u>1,452,969</u>
Accounts payable and accrued expenses	135	1,024
Deferred revenues	<u>-</u>	<u>22,025</u>
Total liabilities	<u>135</u>	<u>23,049</u>
Net assets	<u>\$1,410,414</u>	<u>\$1,429,920</u>

Net assets are categorized as follows:

Invested in capital assets, net of related debt	\$1,166,808	\$1,201,873
Unrestricted net assets	<u>243,606</u>	<u>228,047</u>
	<u>\$1,410,414</u>	<u>\$1,429,920</u>

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2007**

Government - wide Financial Information (Continued)

Significant revenues and expenditures on a government-wide basis are as follows for the years ending March 31, 2007 and 2006:

Revenues:	<u>2007</u>		<u>2006</u>	
Program:		<u>%</u>		<u>%</u>
Charges for services	\$ 51,444	30	\$ 54,669	37
Grants and contributions	22,025	13	-	-
General:				
Taxes	54,851	32	50,593	34
State revenue sharing	40,539	23	41,164	27
Other	<u>3,788</u>	<u>2</u>	<u>2,884</u>	<u>2</u>
	<u>172,647</u>	<u>100</u>	<u>149,310</u>	<u>100</u>
Expenditures:				
General operations	64,735	34	64,880	40
Public safety	53,748	28	27,882	17
Public works	10,260	5	5,567	3
Interest expense	-	-	33	-
Other expenditures	22,706	12	24,753	15
Water system operations	<u>40,704</u>	<u>21</u>	<u>40,090</u>	<u>25</u>
	<u>192,153</u>	<u>100</u>	<u>163,205</u>	<u>100</u>
Change in Net Assets	(\$ <u>19,506</u>)		(\$ <u>13,895</u>)	

Revenues for the year ended March 31, 2007 were comparable to the prior year except for federal grant revenue of \$22,025 recognized during the current year. Revenues for the year ended March 31, 2008 are currently projected to approximate revenues reported for the year ended March 31, 2007, except that no federal grant revenues are expected.

Expenditures for the year ended March 31, 2007 were comparable to the prior year, except for the expenditure of federal grant funds of \$22,025 on fire safety. Expenditures for the year ended March 31, 2008 are expected to remain constant with the year ended March 31, 2007, exclusive of federal grant expenditures.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2007**

Governmental Funds Financial Information - As discussed in the basic financial statements, the basis of presentation and the basis of accounting used in preparing the government-wide and governmental funds financial statements are different.

The fund balances of the governmental funds of the Township increased by \$15,655 to \$193,948 for the year ended March 31, 2007. Cash balances of the governmental funds increased by \$2,106 to \$187,571 for the same period.

Revenues and expenditure comparisons with the prior year are as follows:

	<u>2007</u>	<u>2006</u>
Total Revenues:		
General fund	\$ 75,594	\$ 75,168
Other funds	<u>81,204</u>	<u>61,970</u>
	<u>156,798</u>	<u>137,138</u>
 Total Expenditures:		
General fund	89,206	75,179
Other funds	<u>51,937</u>	<u>47,765</u>
	<u>141,143</u>	<u>122,944</u>
 Change in fund balances	 \$ <u>15,655</u>	 \$ <u>14,194</u>

Other fund revenues for 2007 were increased over the prior year due to the recognition of a fire safety grant that was deferred as of March 31, 2006.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2007**

Business-type Funds Financial Information - Net assets of the business-type fund of the Township decreased by \$25,747 to \$775,033 for the year ended March 31, 2007. Cash balances of the fund decreased by \$1,494 to \$39,237 for the same period.

Revenue and expense comparisons with the prior year are as follows:

	<u>2007</u>	<u>2006</u>
Total Revenues:		
System revenues	\$ 13,966	\$ 13,069
Interest income	<u>991</u>	<u>549</u>
	<u>14,957</u>	<u>13,618</u>
 Total Expenses:		
Operating expenses	11,932	11,485
Depreciation	<u>28,772</u>	<u>28,605</u>
	<u>40,704</u>	<u>40,090</u>
 Change in net assets	(\$ <u>25,747</u>)	(\$ <u>26,472</u>)

Other Information

Debt Service - The Township made principal payments on long-term debt totaling \$21,059 in 2006, including the early pay-off of principal of \$10,154 not due until after March 31, 2006. There was no long-term debt outstanding as of March 31, 2006 and 2007.

Capital Outlay - The Township's total investment in property and equipment totaled \$1,880,412 as of March 31, 2007. This investment includes water system property and equipment of \$1,160,090 and other property and equipment of \$720,322.

MATHIAS TOWNSHIP

STATEMENT OF NET ASSETS

March 31, 2007

ASSETS

	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash	\$ 187,571	\$ 39,237	\$ 226,808
Taxes receivable	6,441	-	6,441
Accounts receivable	135	917	1,052
Due from other governmental units	9,440	-	9,440
TOTAL CURRENT ASSETS	203,587	40,154	243,741
 Noncurrent Assets:			
Buildings, land and improvements	393,726	11,900	405,626
Water system	-	1,148,190	1,148,190
Equipment	326,596	-	326,596
Less: accumulated depreciation	(288,393)	(425,211)	(713,604)
NET NONCURRENT ASSETS	431,929	734,879	1,166,808
TOTAL ASSETS	\$ 635,516	\$ 775,033	\$ 1,410,549

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable and accrued expenses	\$ 135	\$ -	\$ 135
TOTAL CURRENT LIABILITIES	135	-	135
 Net Assets:			
Invested in capital assets, net of related debt	431,929	734,879	1,166,808
Unrestricted	203,452	40,154	243,606
TOTAL NET ASSETS	635,381	775,033	1,410,414
TOTAL LIABILITIES AND NET ASSETS	\$ 635,516	\$ 775,033	\$ 1,410,549

See notes to financial statements.

TOWNSHIP OF MATHIAS

STATEMENT OF ACTIVITIES

For the year ended March 31, 2007

<u>Functions/Programs</u>	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
				<u>Activities</u>	<u>Activites</u>	<u>Total</u>
Governmental Activities:						
Legislative	\$ (21,515)	\$ -	\$ -	\$ (21,515)		\$ (21,515)
General government	(43,220)	27,614	-	(15,606)		(15,606)
Public safety	(53,748)	7,250	22,025	(24,473)		(24,473)
Public works	(10,260)	-	-	(10,260)		(10,260)
Health and welfare	(2,614)	2,614	-	-		-
Other	(20,092)	-	-	(20,092)		(20,092)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (151,449)	\$ 37,478	\$ 22,025	(91,946)		(91,946)
Business-type Activities:						
Water	\$ (40,704)	\$ 13,966	\$ -		\$ (26,738)	(26,738)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ (40,704)	\$ 13,966	\$ -		(26,738)	(26,738)
General Revenues:						
Property taxes				54,851	-	54,851
State revenues				40,539	-	40,539
Other local revenues				2,797	991	3,788
TOTAL GENERAL REVENUES				98,187	991	99,178
Change in net assets				6,241	(25,747)	(19,506)
Net assets - April 1				629,140	800,780	1,429,920
Net assets - March 31				\$ 635,381	\$ 775,033	\$ 1,410,414

See notes to financial statements.

TOWNSHIP OF MATHIAS

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2007

	General Fund	Fire Fund	Community Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 64,433	\$ 81,180	\$ 24,107	\$ 17,851	\$ 187,571
Taxes receivable	2,477	3,964	-	-	6,441
Accounts receivable	-	-	-	135	135
Due from other funds	-	811	-	-	811
Due from other governmental units	9,440	-	-	-	9,440
TOTAL ASSETS	\$ 76,350	\$ 85,955	\$ 24,107	\$ 17,986	\$ 204,398
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 135	\$ 135
Due to other funds	811	-	-	-	811
Deferred revenues	5,540	3,964	-	-	9,504
TOTAL LIABILITIES	6,351	3,964	-	135	10,450
<u>FUND BALANCE:</u>					
Unreserved	69,999	81,991	24,107	-	176,097
Unreserved Nonmajor Funds:					
Special revenue	-	-	-	17,851	17,851
TOTAL FUND BALANCES	69,999	81,991	24,107	17,851	193,948
TOTAL LIABILITIES AND FUND BALANCE	\$ 76,350	\$ 85,955	\$ 24,107	\$ 17,986	\$ 204,398

See notes to financial statements.

TOWNSHIP OF MATHIAS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

March 31, 2007

Total fund balances-governmental funds		\$	193,948
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Cost of net assets	\$	720,322	
Accumulated depreciation		<u>(288,393)</u>	431,929
Certain revenues are deferred in the governmental funds since they are not available to pay current year expenditures			<u>9,504</u>
Total net assets-governmental activities		\$	<u><u>635,381</u></u>

See notes to financial statements.

TOWNSHIP OF MATHIAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

GOVERNMENTAL FUNDS

For the year ended March 31, 2007

	General Fund	Fire Fund	Community Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 22,271	\$ 29,526	\$ -	\$ 2,296	\$ 54,093
Federal sources	-	22,025	-	-	22,025
State sources	38,824	-	-	1,581	40,405
Charges for services	12,535	1,500	-	2,614	16,649
Interest and rentals	1,541	449	20,944	268	23,202
Other	424	-	-	-	424
TOTAL REVENUES	75,595	53,500	20,944	6,759	156,798
<u>EXPENDITURES</u>					
Legislative	21,515	-	-	-	21,515
General government	30,571	-	17,242	-	47,813
Public safety	13,015	25,834	-	-	38,849
Public works	4,013	-	-	6,247	10,260
Health and welfare	-	-	-	2,614	2,614
Other	20,092	-	-	-	20,092
TOTAL EXPENDITURES	89,206	25,834	17,242	8,861	141,143
Change in Fund Balances	(13,611)	27,666	3,702	(2,102)	15,655
Fund Balance, April 1	83,610	54,325	20,405	19,953	178,293
FUND BALANCE, MARCH 31	\$ 69,999	\$ 81,991	\$ 24,107	\$ 17,851	\$ 193,948

See notes to financial statements.

TOWNSHIP OF MATHIAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the year ended March 31, 2007

Total net change in fund balance-governmental funds	\$ 15,655
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay in the current period.	(10,306)
Revenues that are not available to pay current obligations are not recorded as revenues until available in the governmental funds.	<u>892</u>
Change in net assets of governmental activities	\$ <u><u>6,241</u></u>

See notes to financial statements.

TOWNSHIP OF MATHIAS

STATEMENT OF NET ASSETS
BUSINESS-TYPE FUNDS

March 31, 2007

	<u>Water System Fund</u>	<u>Total</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 39,237	\$ 39,237
Accounts receivable	917	917
	<u>40,154</u>	<u>40,154</u>
TOTAL CURRENT ASSETS		
Noncurrent Assets:		
Land	11,900	11,900
Water system	1,148,190	1,148,190
Less: accumulated depreciation	<u>(425,211)</u>	<u>(425,211)</u>
	<u>734,879</u>	<u>734,879</u>
	<u>\$ 775,033</u>	<u>\$ 775,033</u>
TOTAL ASSETS		
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
TOTAL CURRENT LIABILITIES		
<u>NET ASSETS</u>		
Invested in capital assets	734,879	734,879
Unrestricted	<u>40,154</u>	<u>40,154</u>
	<u>\$ 775,033</u>	<u>\$ 775,033</u>
TOTAL NET ASSETS		

See notes to financial statements

TOWNSHIP OF MATHIAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUSINESS -TYPE FUNDS

For the year ended March 31, 2007

	<u>Water System Fund</u>	<u>Total</u>
Operating Revenues:		
Customer charges	\$ 13,966	\$ 13,966
TOTAL OPERATING REVENUES	<u>13,966</u>	<u>13,966</u>
Operating Expenses:		
Wages	5,072	5,072
Office	1,104	1,104
Insurance	826	826
Utilities and fuel	1,851	1,851
Repairs and maintenance	3,079	3,079
Depreciation	<u>28,772</u>	<u>28,772</u>
TOTAL OPERATING EXPENSES	<u>40,704</u>	<u>40,704</u>
Operating Income (Loss)	(26,738)	(26,738)
Nonoperating Revenues (Expenses):		
Interest income	<u>991</u>	<u>991</u>
NET INCOME (LOSS)	(25,747)	(25,747)
Net Assets, April 1	<u>800,780</u>	<u>800,780</u>
Net Assets, March 31	<u>\$ 775,033</u>	<u>\$ 775,033</u>

See notes to financial statements

TOWNSHIP OF MATHIAS
STATEMENT OF CASH FLOWS
BUSINESS-TYPE FUNDS

For the year ended March 31, 2007

	Water System Fund	Total
Cash Flows From Operating Activities:		
Cash received from customers	\$ 13,870	\$ 13,870
Payments to suppliers	(5,072)	(5,072)
Payments to employees	(7,270)	(7,270)
	1,528	1,528
 Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	(4,013)	(4,013)
	(4,013)	(4,013)
 Cash Flows From Investing Activities:		
Interest received	991	991
	991	991
NET INCREASE (DECREASE) IN CASH	(1,494)	(1,494)
Cash, April 1	40,731	40,731
Cash, March 31	\$ 39,237	\$ 39,237
 Reconciliation Of Operating Income (Loss) To Net Cash From Operating Activities:		
Operating income (loss)	\$ (26,738)	\$ (26,738)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	28,772	28,772
Change in assets and liabilities:		
Accounts receivable	(96)	(96)
Accounts payable	(410)	(410)
NET CASH FROM OPERATING ACTIVITIES	\$ 1,528	\$ 1,528

See notes to financial statements

TOWNSHIP OF MATHIAS

FIDUCIARY FUNDS STATEMENT OF ASSETS AND LIABILITIES

March 31, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ <u>3,237</u>
	\$ <u><u>3,237</u></u>
<u>LIABILITIES</u>	
Due to other governmental units	\$ <u>3,237</u>
	\$ <u><u>3,237</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Mathias have been prepared in accordance with generally accepted accounting principles in the United States of America as applicable to governmental entities. A summary of the significant accounting policies followed in the preparation of the financial statements are presented below.

A) Reporting Entity - The Township of Mathias's financial statements present the Township as the primary government. The Township does not have any component units.

B) Basic Financial Statements - The Township's basic financial statements are comprised of the following five components:

- 1) Government-wide financial statements
 - 2) Governmental funds financial statements
 - 3) Business-type funds financial statements
 - 4) Fiduciary funds financial statements
 - 5) Notes to the financial statements
- 1) Government-wide financial statements report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has generally been removed from these statements. Governmental activities normally supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The Statement of Net Assets displays the assets, liabilities and net assets of the Township as a whole. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Program revenues include user fees, and grants and contributions restricted for specific operational or capital acquisition purposes. Taxes, unrestricted state grants and other revenues not properly reported as program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 2) Governmental funds financial statements report on the individual governmental funds of the Township. Major governmental funds are reported on separately and nonmajor governmental funds are grouped for reporting purposes

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenue sources meeting the availability criteria include state shared revenues. Various receivables collected after the period of availability would be recorded as deferred revenues.

Expenditures generally are recorded when a liability is incurred. Expenditures not normally paid from currently available resources are recorded when payment is due. Examples of expenditures recorded when due would include debt service expenditures, expenditures relating to compensated absences, and claims and judgements.

The individual governmental funds are each considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Township's governmental funds can be classified into two specific fund types. The specific fund types, purposes and the actual funds maintained by the Township, are as follows:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources and transactions not properly or legally accounted for in another of the Township's funds.

Special Revenue Funds - The Township's special revenue funds are used to account for proceeds of specific revenue sources or to finance specific activities as required by law or administration regulations. The following special revenue funds are maintained by the Township:

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Funds:

- Fire Fund
- Community Center Fund

Nonmajor Funds:

- Rural Health Fund
- Road Fund
- Housing Rehabilitation Fund

- 3) Business-type funds financial statements report proprietary funds that include enterprise funds. The Township's only enterprise fund is its Water System Fund. The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows using the accrual basis of accounting. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary fund relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, depreciation on capital assets and debt costs associated with financing upgrades to the water system. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

- 4) Fiduciary fund financial statements are used to report assets held in a trustee or agency capacity for others and are not available to support general Township programs. The fiduciary funds are excluded from the government-wide financial statements. Fiduciary funds use the accrual basis of accounting. The Township's fiduciary funds are both agency funds, the Current Tax Collection Fund and the Trust and Agency Fund.
- 5) Notes to the financial statements provide information to the reader that is considered critical to the readers understanding of the financial statements and the Township's financial position and activities. The disclosures provide information that generally cannot be determined by a reading of the other sections of the financial statements.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Budgets - The Township prepares and adopts budgets on a cash basis. Unexpended appropriations lapse at the end of the fiscal year. The Township's general fund expenditure budget is adopted at the activity level. The Township also adopts special revenue fund budgets, which adopt expenditures at the account level. The Township Supervisor is responsible for the preparation and monitoring of the budget. The Township Board is responsible for the approval of the original budgets and any subsequent amendments.

D) Accounts Receivable - Property taxes and other accounts receivable are shown net of any allowance for amounts that the Township believes will be uncollectible. Amounts due from other governments represent accounts receivable from federal, state and local governments.

E) Capital Assets - Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Township has elected not to retroactively record the value of infrastructure assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

- Water system 40 years
- Buildings and Improvements 30 to 50 years
- Fire vehicles 10 to 20 years
- Equipment 10 years

Capital assets are recorded as an asset and depreciated for the government-wide financial statements and proprietary fund statements but are not recorded in the governmental fund financial statements. The acquisition of capital assets are reported as an expenditure in the governmental fund financial statements when acquired.

F) Deferred Revenues - Deferred revenues have met the asset recognition criteria but have not met the revenue recognition criteria. Deferred revenues include accounts receivable not received within the availability period of 60 days.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) Noncurrent Liabilities - Noncurrent liabilities are reported in the government-wide financial statements but are not reported in the governmental funds financial statements. Proceeds from noncurrent liabilities and payments on those liabilities are recorded as other financing sources and debt service expenditures, respectively, in the governmental funds financial statements.

H) Net Asset Classifications - In the Government-wide financial statements, equity is classified as net assets and displayed in two components:

1. Invested in capital assets, net of related debt - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Unrestricted net assets - all other net assets.

I) Property Taxes - The Township's annual property tax on real and personal property within the Township is levied on December 1, and is based on taxable valuation of property as of the preceding December 31. In addition to collecting their own taxes, the Township also acts as collection agent for all over-lapping governments in the Township. The Township's portion of the tax is collected between December 1 and February 28. Delinquent real property taxes are subsequently turned over to the County which maintains a tax revolving fund with permits the County to pay the Township 100% of the delinquent real taxes when approximately two or three months after the delinquency date of February 28.

The Township generally recognizes property taxes as revenue in the year the taxes are levied. Property taxes not meeting the availability criteria are recorded as deferred revenue in the governmental fund financial statements.

J) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 2 - CASH DEPOSITS

Michigan compiled laws authorize and limit deposits and investments to federally insured financial institutions with offices in the State of Michigan, direct obligations of the United States, certain obligations of the State of Michigan or its' political subdivisions, specific investment grade short-term commercial paper, bankers acceptances of United States banks and mutual funds investing in authorized investment types.

Cash deposits are recorded at cost. At March 31, 2007, the carrying amount of the Township's cash deposits was \$226,808 and the bank balance was \$228,817, which was fully covered by federal deposit insurance.

NOTE 3 - CAPITAL ASSETS

The following summarizes capital asset activity for the year ended March 31, 2007:

	<u>Balance April 1, 2006</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance March 31, 2007</u>
<u>Governmental Activities</u>				
Nondepreciated Capital Assets:				
Land	\$ 8,500	\$ -	\$ -	\$ 8,500
Depreciated Capital Assets:				
General government:				
Buildings and improvements	338,000	-	-	338,000
Equipment and furnishings	3,500	12,900	-	16,400
Fire activity:				
Buildings and improvements	47,226	-	-	47,226
Vehicles	292,196	-	-	292,196
Equipment	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
TOTAL COST	<u>707,422</u>	<u>12,900</u>	<u>-</u>	<u>720,322</u>
Accumulated Depreciation:				
Buildings and improvements	152,207	7,026	-	159,233
Vehicles	95,780	12,875	-	108,655
Equipment	<u>17,200</u>	<u>3,305</u>	<u>-</u>	<u>20,505</u>
TOTAL ACCUMULATED	<u>265,187</u>	<u>23,206</u>	<u>-</u>	<u>288,393</u>
NET CAPITAL ASSETS	<u>\$ 442,235</u>	(\$ <u>10,306</u>)	<u>\$ -</u>	<u>\$ 431,929</u>

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 3 - CAPITAL ASSETS (Continued)

Business-type Activities

Nondepreciable Capital Assets:

Land	\$ 11,900	\$ -	\$ -	\$ 11,900
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Depreciated Capital Assets:

Water system	1,144,177	<u>4,013</u>	<u>-</u>	<u>1,148,190</u>
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TOTAL COST	1,156,077	<u>4,013</u>	<u>-</u>	<u>1,160,190</u>
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Accumulated Depreciation:

Water system	<u>396,439</u>	<u>28,772</u>	<u>-</u>	<u>425,211</u>
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NET CAPITAL ASSETS	\$ <u>759,638</u>	(\$ <u>24,759</u>)	\$ <u>-</u>	\$ <u>734,879</u>
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Depreciation expense was charged to the following functions in the Township's Statement of Activities in the government-wide financial statements:

General government		\$ 8,307
Public safety		<u>14,899</u>
		\$ <u>23,206</u>

NOTE 4- DEFERRED REVENUES

As of March 31, 2007, the Township's deferred revenues consisted of the following for the governmental funds financial statements:

Taxes receivable		\$ 6,441
State revenue sharing receivable		<u>3,063</u>
		\$ <u>9,504</u>

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE 5 - LONG-TERM DEBT

The Township had no outstanding long-term debt as of March 31, 2007.

NOTE 6 - RISK MANAGEMENT

The Township is exposed to various risk of loss related to torts, theft, accident, errors, omissions, injury and disaster. The Township's principal resource used to manage these risks is through the purchase of commercial property and liability insurance policies.

NOTE 7 - PENSION PLAN

The Township maintains a defined contribution pension plan covering all full-time employees of the Township age eighteen and older. Principle provisions of the Plan require the Township to contribute 12.0% of annual compensation to the Plan and provides for immediate 100% vesting and a normal retirement date at age 65.

Total Township contributions to the Plan for the year ended March 31, 2007 were \$4,828.

NOTE 8 - EXCESS EXPENDITURES

Expenditures in excess of budgeted amounts are in violation of Michigan law. Excess expenditures were incurred in the following budget lines:

<u>Fund</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Expenditures</u>
Fire	Fire protection	23,185	25,834	2,649
Road	Maintenance	6,000	6,247	247

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF MATHIAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Cash Basis Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 21,744	\$ 21,744	\$ 26,399	\$ 4,655
State sources	40,020	40,020	38,960	(1,060)
Charges for services	8,500	8,500	12,535	4,035
Interest and rentals	1,000	1,000	1,541	541
Other	<u>-</u>	<u>-</u>	<u>424</u>	<u>424</u>
	<u>71,264</u>	<u>71,264</u>	<u>79,859</u>	<u>8,595</u>
Expenditures:				
Legislative	17,100	30,000	21,515	8,485
General government	36,741	37,941	30,571	7,370
Public safety	14,600	14,750	13,015	1,735
Public works	9,000	9,000	4,013	4,987
Other	<u>21,700</u>	<u>21,700</u>	<u>20,092</u>	<u>1,608</u>
	<u>99,141</u>	<u>113,391</u>	<u>89,206</u>	<u>24,185</u>
Change in Fund Balance	(27,877)	(42,127)	(9,347)	32,780
Fund Balance, beginning of year	<u>72,969</u>	<u>72,969</u>	<u>72,969</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 45,092</u>	<u>\$ 30,842</u>	<u>\$ 63,622</u>	<u>\$ 32,780</u>

TOWNSHIP OF MATHIAS

FIRE FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2007

	<u>Original Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 26,650	\$ 29,526	\$ 2,876
Charges for services	-	1,500	1,500
Interest and rentals	<u>-</u>	<u>449</u>	<u>449</u>
	<u>26,650</u>	<u>31,475</u>	<u>4,825</u>
Expenditures:			
Fire protection	<u>23,185</u>	<u>25,834</u>	(<u>2,649</u>)
Change in Fund Balance	3,465	5,641	2,176
Fund Balance, beginning of year	<u>76,350</u>	<u>76,350</u>	<u>-</u>
Fund Balance, end of year	\$ <u>79,815</u>	\$ <u>81,991</u>	\$ <u>2,176</u>

TOWNSHIP OF MATHIAS

**COMMUNITY CENTER FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS**

For the year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Interest and rentals	\$ 21,504	\$ 20,944	(\$ 560)
Other	<u>700</u>	<u>-</u>	(<u>700</u>)
	<u>22,204</u>	<u>20,944</u>	(<u>1,260</u>)
Expenditures:			
Community Center	<u>39,254</u>	<u>17,242</u>	<u>22,012</u>
	<u>39,254</u>	<u>17,242</u>	<u>22,012</u>
Change in Fund Balance	(17,050)	3,702	20,752
Fund Balance, beginning of year	<u>20,405</u>	<u>20,405</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>3,355</u></u>	\$ <u><u>24,107</u></u>	\$ <u><u>20,752</u></u>

TOWNSHIP OF MATHIAS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2007

BUDGETARY INFORMATION

The Township prepares annual budgets on a cash basis. A reconciliation of differences in revenues and expenditures between the modified accrual basis of accounting used in the preparation of the governmental funds financial statements and the cash basis of accounting used for budgetary reporting is as follows:

	<u>General Fund Revenues</u>	<u>Fire Fund Revenues</u>
Amounts reported on modified accrual basis	\$ 75,595	\$ 53,500
Current (increase) decrease in receivables	3,829	(457)
Current increase (decrease) in deferred revenues	<u>435</u>	(<u>21,568</u>)
Cash basis amounts	\$ <u><u>79,859</u></u>	\$ <u><u>31,475</u></u>

EXCESS EXPENDITURES

Expenditures in excess of budgeted amounts are a violation of Michigan law. Excess expenditures were incurred by the Township in the following budget lines of major funds:

<u>Fund</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Expenditure</u>
Fire	Fire protection	23,185	25,834	2,649

OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF MATHIAS

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

March 31, 2007

	<u>Housing Rehabilitation Fund</u>	<u>Rural Health Fund</u>	<u>Road Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 4,509	\$ 500	\$ 12,842	\$ 17,851
Accounts receivable	-	<u>135</u>	-	<u>135</u>
TOTAL ASSETS	\$ <u>4,509</u>	\$ <u>635</u>	\$ <u>12,842</u>	\$ <u>17,986</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ <u>135</u>	\$ -	\$ <u>135</u>
<u>FUND BALANCES</u>				
Unreserved	<u>4,509</u>	<u>500</u>	<u>12,842</u>	<u>17,851</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>4,509</u>	\$ <u>635</u>	\$ <u>12,842</u>	\$ <u>17,986</u>

TOWNSHIP OF MATHIAS

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended March 31, 2007

	<u>Housing Rehabilitation Fund</u>	<u>Rural Health Fund</u>	<u>Road Fund</u>	<u>Total</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 2,296	\$ 2,296
State sources	-	-	1,581	1,581
Charges for services	-	2,614	-	2,614
Interest and rentals	<u>167</u>	-	<u>101</u>	<u>268</u>
	<u>167</u>	<u>2,614</u>	<u>3,978</u>	<u>6,759</u>
Expenditures:				
Public works	-	-	6,247	6,247
Health and welfare	-	<u>2,614</u>	-	<u>2,614</u>
	-	<u>2,614</u>	<u>6,247</u>	<u>8,861</u>
Change in Fund Balances	167	-	(2,269)	(2,102)
Fund Balances, beginning of year	<u>4,342</u>	<u>500</u>	<u>15,111</u>	<u>19,953</u>
Fund Balances, end of year	<u>\$ 4,509</u>	<u>\$ 500</u>	<u>\$ 12,842</u>	<u>\$ 17,851</u>

TOWNSHIP OF MATHIAS

GENERAL FUND REVENUE BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2007

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Taxes:				
Current property taxes	\$ 11,532	\$ 11,532	\$ 11,269	(\$ 263)
Delinquent taxes, penalties, and interest	-	-	2,237	2,237
Property tax administrative fees	4,910	4,910	4,290	(620)
Other taxes	5,302	5,302	8,603	3,301
State Sources:				
Revenue sharing	40,020	40,020	38,960	(1,060)
Charges for Services:				
Fire fees and contracts	6,500	6,500	5,750	(750)
Other fees	2,000	2,000	6,785	4,785
Interest and Rentals:				
Interest income	1,000	1,000	1,541	541
Other:				
Miscellaneous	-	-	424	424
	<u>\$ 71,264</u>	<u>\$ 71,264</u>	<u>\$ 79,859</u>	<u>\$ 8,595</u>

TOWNSHIP OF MATHIAS

GENERAL FUND EXPENDITURE BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2007

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Legislative:				
Township Board	\$ 17,100	\$ 30,000	\$ 21,515	\$ 8,485
General Government:				
Township Supervisor	5,429	5,429	4,890	539
Township Clerk	5,774	5,774	4,913	861
Township Treasurer	6,174	6,174	5,537	637
Cemetery	4,925	4,925	2,906	2,019
Board of review	1,200	1,200	950	250
Planning and zoning	3,000	3,000	325	2,675
Elections	1,600	2,800	2,697	103
Assessing	8,639	8,639	8,353	286
Public Safety:				
Fire protection	14,600	14,750	13,015	1,735
Public Works:				
Street lighting	4,500	4,500	4,013	487
Roads	4,500	4,500	-	4,500
Other:				
Insurance	15,000	15,000	13,881	1,119
Social security/retirement plan	<u>6,700</u>	<u>6,700</u>	<u>6,211</u>	<u>489</u>
	<u>\$ 99,141</u>	<u>\$ 113,391</u>	<u>\$ 89,206</u>	<u>\$ 24,185</u>

TOWNSHIP OF MATHIAS

RURAL HEALTH BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Charges for services	\$ <u>5,000</u>	\$ <u>3,093</u>	(\$ <u>1,907</u>)
 Expenditures:			
Other:			
Health care	<u>5,000</u>	<u>3,093</u>	<u>1,907</u>
 Change in Fund Balance	-	-	-
Fund Balance, beginning of year	<u>500</u>	<u>500</u>	<u>-</u>
 Fund Balance, end of year	\$ <u><u>500</u></u>	\$ <u><u>500</u></u>	\$ <u><u>-</u></u>

TOWNSHIP OF MATHIAS

ROAD FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 2,165	\$ 2,296	\$ 131
State sources	1,522	1,581	59
Interest and rentals	<u>-</u>	<u>101</u>	<u>101</u>
	<u>3,687</u>	<u>3,978</u>	<u>291</u>
Expenditures:			
Road maintenance	<u>6,000</u>	<u>6,247</u>	(<u>247</u>)
Change in Fund Balance	(2,313)	(2,269)	44
Fund Balance, beginning of year	<u>15,111</u>	<u>15,111</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>12,798</u></u>	\$ <u><u>12,842</u></u>	\$ <u><u>44</u></u>

TOWNSHIP OF MATHIAS

HOUSING REHABILITATION FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Revenues:			
Interest and rentals	\$ <u> -</u>	\$ <u> 167</u>	\$ <u> 167</u>
Change in Fund Balance	-	167	167
Fund Balance, beginning of year	<u> 4,342</u>	<u> 4,342</u>	<u> -</u>
Fund Balance, end of year	\$ <u> <u>4,342</u></u>	\$ <u> <u>4,509</u></u>	\$ <u> 167</u>