

**RUSH TOWNSHIP
(SHIAWASSEE COUNTY)**

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, es amended end P.A. 71 of 1919, es 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 RUSH TOWNSHIP	County SHIAWASSEE
Fiscal Year End MARCH 31, 2007	Opinion Date SEPTEMBER 28, 2007	Date Audit Report Submitted to State 10-1-07	

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.)
- 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.
 - 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.
 - The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - The local unit has adopted a budget for all required funds.
 - A public hearing on the budget was held in accordance with State statute.
 - 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.
 - The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - The local unit only holds deposits/investments that comply with statutory requirements.
 - 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).
 - 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.
 - The local unit is free of repeated comments from previous years.
 - The audit opinion is UNQUALIFIED.
 - The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - The board or council approves all invoices prior to payment as required by charter or statute.
 - 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.

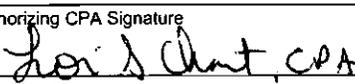
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DEMIS AND WENZLICK, P.C.		Telephone Number (989) 723-8227	
Street Address 217 N WASHINGTON ST., SUITE 201		City OWOSSO	State Zip MI 48867
Authorizing CPA Signature 	Printed Name LORI S. CHANT	License Number 1101020651	

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DEMIS and WENZLICK, P.C.

Certified Public Accountants

217 N. Washington Street
Pabst Building, Suite 201
Owosso, MI 48867

989-723-8227 • FAX 989-725-5143
E-MAIL office@dw-cpa.com

James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vicky Clayton
Carol Demis
Jeanette Gaitskill
Kathy Kimmerer
Erica Marks
Janis K. Mead
Tammy Pappas
David Pullen
Vicki E. Schuler
Joyce M. Simmons
Barbara Wenzlick

INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Rush Township
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of Rush Township, Shiawassee County, Michigan, as of and for the year ended March 31, 2007. These general-purpose financial statements are the responsibility of Rush Township management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with audit 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Rush Township, Shiawassee County, Michigan, as of March 31, 2007 and the results of its operations for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Rush Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of September 28, 2007.

Dennis and Leung, P.C.

Certified Public Accountants

Owosso, Michigan
September 28, 2007

RUSH TOWNSHIP
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 2007

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>
ASSETS:					
Cash & Cash Equivalents	\$ 88,634	\$114,032	\$ 92,961	\$ 9,797	\$
Assessment Receivable – Current			9,294		
Operations & Maintenance Receivable			2,728		
Interest Receivable			1,559		
Due from Other Funds	9,797				
Due from Other Gov't Units	2,792	4,074			
Prepaid Insurance	5,349				
Receivable	3,425				
Assessments Receivable- Long-Term			114,306		
Fixed Assets					60,413
Sewer System Assets (Net of Accum. Deprec)			447,445		
TOTAL ASSETS	<u>\$109,997</u>	<u>\$118,106</u>	<u>\$668,293</u>	<u>\$ 9,797</u>	<u>\$60,413</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED BALANCE SHEET (CONTINUED)
 ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 2007

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>
LIABILITIES:					
Accounts Payable	\$ 1,688	\$	\$ 123	\$	\$
Accrued Interest Payable			5,909		
Due to Other Funds				9,797	
Due to Other Gov't Units					
Current Maturity on Long-Term Debt			10,000		
Revenue Bonds Payable			205,000		
TOTAL LIABILITIES	<u>\$ 1,688</u>	<u>\$ 0</u>	<u>\$221,032</u>	<u>\$ 9,797</u>	<u>\$ 0</u>
FUND EQUITY:					
Contributed Capital	\$	\$	\$534,199	\$	\$
Accumulated Amortization			(78,353)		
Investment in General Fixed Assets					60,413
Retained Earnings- Unreserved			(8,585)		
Fund Balance	108,309	118,106			
TOTAL FUND EQUITY	<u>\$108,309</u>	<u>\$118,106</u>	<u>\$447,261</u>	<u>\$ 0</u>	<u>\$60,413</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$109,997</u>	<u>\$118,106</u>	<u>\$668,293</u>	<u>\$ 9,797</u>	<u>\$60,413</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2007

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
REVENUES:		
Taxes	\$ 48,144	\$ 63,279
Intergovernmental	103,760	
Miscellaneous	<u>6,595</u>	<u>2,430</u>
TOTAL REVENUES	\$158,499	\$ 65,709
EXPENDITURES:		
Township Board	\$ 5,388	\$
Supervisor	6,000	
Elections	2,124	
Clerk	6,088	
Board of Review	718	
Treasurer	8,861	
Township Hall	2,888	
Assessor	11,603	
Attorney and Accountant	4,700	
Planning	475	
Fire and Ambulance	51,475	
Cemetery	8,145	
Street Lights	4,438	
Roads	82,641	
Insurance and Bonds	5,453	
Payroll Taxes	2,188	
Drains at Large	<u>1,352</u>	
TOTAL EXPENDITURESE	<u>\$204,537</u>	<u>\$ 0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (46,038)	\$ 65,709
OTHER FINANCING SOURCECS (USES):		
Transfer In	\$ 51,475	\$
Transfer Out		<u>(51,475)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 51,475</u>	<u>\$(51,475)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 5,437	\$ 14,234
Fund Balance at April 1, 2006	<u>102,872</u>	<u>103,872</u>
FUND BALANCE AT MARCH 31, 2007	<u>\$108,309</u>	<u>\$118,106</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES.
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 YEAR ENDED MARCH 31, 2007

	<u>GENERAL FUND</u>			<u>SPECIAL REVENUE FUND TYPES</u>		
REVENUES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>
Property Taxes	\$ 37,000	\$ 48,144	\$ (11,144)	\$ 51,600	\$ 63,279	\$ (11,679)
State Shared Revenues	104,300	103,760	540	0	0	0
Miscellaneous	<u>14,100</u>	<u>6,595</u>	<u>7,505</u>	<u>0</u>	<u>2,430</u>	<u>(2,430)</u>
TOTAL REVENUES	\$ 155,400	\$ 158,499	\$ (3,099)	\$ 51,600	\$ 65,709	\$ (14,109)
EXPENDITURES:						
Township Board Supervisor	\$ 7,423	\$ 5,388	\$ 2,035	\$	\$	\$
Elections	5,600	6,000	(400)			
Clerk	2,500	2,124	376			
Board of Review	6,434	6,088	346			
Treasurer	700	718	(18)			
Township Hall	9,170	8,861	309			
Assessor	3,000	2,888	112			
Planning Comm.	10,650	11,603	(953)			
Cemetery	500	475	25			
Attorney & Accountant	8,620	8,145	475			
Fire & Ambulance	4,800	4,700	100			
Street Lights	51,600	51,475	125			
Roads	4,409	4,438	(29)			
Insurance & Bonds	99,841	82,641	17,200			
Payroll Taxes	5,601	5,453	148			
Drains At Large	4,400	2,188	2,212			
TOTAL EXPENDITURES	\$ 226,600	\$ 204,537	\$ 22,063	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ (71,200)	\$ (46,038)	\$ (25,162)	\$ 51,600	\$ 65,709	\$ (14,109)
OTHER FINANCING SOURCES (USES):						
Transfer In	\$ 51,600	\$ 51,475	\$ 125	\$ 0	\$ 0	\$ 0
Transfer (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(51,600)</u>	<u>(51,475)</u>	<u>(125)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (19,600)	\$ 5,437	\$ (25,037)	\$ 0	\$ 14,234	\$ (14,234)
Fund Balance, April 1, 2006		<u>102,872</u>			<u>103,872</u>	
Fund Balance, March 31, 2007		\$ 108,309			\$ 118,106	

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED MARCH 31, 2007

	<u>Enterprise</u>
REVENUES:	
Sewer Revenues	\$ 14,608
Penalties	1,013
Interest on Sewer Assessments	13,243
Investment Interest	<u>558</u>
TOTAL REVENUES	\$ 29,422
 EXPENDITURES:	
Operation	\$ 2,236
Maintenance & Miscellaneous	12,143
Agent Fees	350
Interest	14,143
Depreciation	<u>6,991</u>
	<u>\$ 35,863</u>
 NET INCOME (LOSS)	 \$ (6,441)
Current Year Amortization of Contribution in Aid of Construction – Assessment	\$ 4,269
Contribution in Aid of Construction – State	2,854
Retained Earnings, April 1, 2006	(9,267)
 RETAINED EARNINGS, MARCH 31, 2007	 <u>\$ (8,585)</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED MARCH 31, 2007

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	\$ (6,441)
ADJUSTMENTS FROM OPERATING ACTIVITIES:	
Depreciation	\$ 6,991
(Increase) Decrease in Accrued Interest Receivable	200
(Increase) Decrease in Sewer Receivables	10,260
(Decrease) Increase in Accrued Interest Payable	(288)
(Decrease) Increase in Accounts Payable	<u>32</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 10,754
CASH FLOW FROM FINANCING ACTIVITIES:	
Principal Payments	\$ 10,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 754
Cash and Cash Equivalents, April 1, 2006	<u>92,207</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2007	<u>\$ 92,961</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Township considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-07</u>
<u>CURRENT TAX COLLECTION FUND</u>				
ASSETS:				
Cash	\$ 9,420	\$975,719	\$975,342	\$ 9,797
	<u>\$ 9,420</u>	<u>\$975,719</u>	<u>\$975,342</u>	<u>\$ 9,797</u>
LIABILITIES:				
Due to Other Funds	\$ 9,420	\$116,753	\$116,376	\$ 9,797
Due to Other Taxing Entities		<u>858,966</u>	<u>858,966</u>	
	<u>\$ 9,420</u>	<u>\$975,719</u>	<u>\$975,342</u>	<u>\$ 9,797</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 SCHEDULE OF BONDED DEBT – 1996
 SHIAWASSEE COUNTY SEWAGE DISPOSAL
 GENERAL OBLIGATION BOND ISSUE
 MARCH 31, 2007

Purpose of Issue:	Acquisition of Sanitary Sewage System
Method of Payment:	Revenue from Debt of Taxpayers
Date of Issue:	April 1, 1996
Interest Rate:	Varies
	<u>TOTAL</u>
Amount Authorized and Sold	\$270,000
Bonds Outstanding March 31, 2006	\$235,000

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>
05-01-07	\$ 10,000	\$ 7,044
11-01-07		6,700
05-01-08	10,000	6,700
11-01-08		6,356
05-01-09	10,000	6,356
11-01-09		6,013
05-01-10	10,000	6,013
11-01-10		5,688
05-01-11	10,000	5,688
01-01-11		5,363
2012-2016	70,000	42,900
2017-2021	95,000	16,088

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rush Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. 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 various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

Tax Collection Funds – Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agency for individuals, private organization, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives range from 5 to 75 years.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CASH AND INVESTMENTS

Cash includes amount in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2007, are recorded as prepaid items.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY

The proprietary fund's contributed capital represents capital contribution from customers for the construction of a community sewage disposal system. This system is to meet Michigan Department of Public Health Standards.

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide post-retirement health care benefits.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain tax payer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE B – REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, Rush Township includes all funds, account groups, agencies, board, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

RUSH TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2007

NOTE C – INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$9,797	Tax Fund	\$9,797

NOTE D – PROPERTY TAXES RECEIVABLES

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place in May, 2007. These taxes have been recorded as revenue for the current year.

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

NOTE E – CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

RUSH TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2007

NOTE E – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

DEPOSITS

As of March 31, 2007, the carrying amounts and the bank balances for each type of bank accounts are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$ 25,923	\$ 25,923
Savings	166,472	166,472
Certificates of Deposit	<u>113,029</u>	<u>113,029</u>
	<u>\$305,424</u>	<u>\$305,424</u>

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2007, the Township accounts were insured by the FDIC for \$225,923 and the amount of \$79,501 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increases significantly. As a result, the amount of the uninsured and uncollateralized cash equivalents were substantially higher at these peak periods than at year end.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2007

NOTE F – FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>Description</u>	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3-31-07</u>
Land & Buildings	\$47,892	\$	\$	\$47,892
Equipment & Improvements	<u>12,521</u>	<u> </u>	<u> </u>	<u>12,521</u>
	<u>\$60,413</u>	<u> </u>	<u> </u>	<u>\$60,413</u>

A summary of proprietary fund type property, plant and equipment at March 31, 2007, follows:

Sewer System	\$524,349
Less: Accumulated Depreciation	<u>76,904</u>
NET	<u>\$447,445</u>

Depreciation expense for the year ended March 31, 2007 was \$6,991 for Sewer Fund.

NOTE G – CONTRIBUTED CAPITAL

The changes in the Township's contributed capital accounts for the proprietary funds were as follows:

	<u>Enterprises</u>
	<u>Henderson Sewage</u> <u>Disposal System</u>
Beginning Balance – Contributed Capital Assessment	\$277,459
Contributed Capital – State	185,510
Less: Current Year Amortization – Assessment	4,269
Current Year Amortization – State	<u>2,854</u>
Ending Balance – Contributed Capital	<u>\$455,846</u>

NOTE H – INTERFUND OPERATING TRANSFERS

	<u>Transfer To</u>	<u>Transfer From</u>
General Fund	\$51,475	\$
Fire & Ambulance Fund	<u> </u>	<u>51,475</u>
	<u>\$51,475</u>	<u>\$51,475</u>

RUSH TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2007

NOTE I – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2007, the Township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>Total</u> <u>Appropriation</u>	<u>Amount of</u> <u>Expenditure</u>	<u>Budget</u> <u>Variance</u>
<u>General Fund</u>			
Supervisor	\$ 5,600	\$ 6,000	\$ 400
Board of Review	700	718	18
Assessor	10,650	11,603	953
Street Lights	4,409	4,438	29
Sewer	33,730	35,863	2,133

NOTE J – SEWER FUND

On April 1, 1996, the Township of Rush entered into a contract with Shiawassee County whereby the county agreed to finance the cost of acquisition of sanitary sewage system for the township. Pursuant to this agreement, Shiawassee County issued \$270,000 of its bonds. As of March 31, 2007, \$215,000 of these bonds were outstanding. The bonds are payable primarily from monies derived from payments to be made by the township to the county in accordance with the terms of the contract.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

Annual debt service requirements to maturity (principal only) are as follows:

<u>Fiscal Year</u> <u>Ending 3-31-06</u>	<u>Principal Amount</u>
2007	\$ 10,000
2008	10,000
2009	10,000
2010	10,000
2011	10,000
2012-2016	70,000
2017-2021	<u>95,000</u>
	<u>\$215,000</u>

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RUSH TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2007 AND MARCH 31, 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Cash & Cash Equivalents	\$ 88,634	\$ 87,957
Due from Other Funds	9,797	9,420
Due from Other Gov't Units	2,792	2,256
Receivables	3,425	0
Prepaid Insurance	<u>5,349</u>	<u>4,966</u>
	<u>\$109,997</u>	<u>\$104,599</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 580	\$ 617
Payroll Tax Payable	<u>1,108</u>	<u>1,110</u>
	\$ 1,688	\$ 1,727
Fund Balance	<u>108,309</u>	<u>102,872</u>
	<u>\$109,997</u>	<u>\$104,599</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>		<u>2006</u>	
	<u>Amended Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
REVENUES:				
Taxes:				
Current Property Taxes	\$	\$ 35,507	\$	\$ 33,501
Penalties		177		228
Collection Fees		<u>12,460</u>		<u>12,016</u>
TOTAL TAXES	\$ 37,000	\$ 48,144	\$(11,144)	\$ 45,745
Intergovernmental:				
State of Michigan:				
Metro Act	\$	\$ 3,938	\$	\$ 3,794
Shared Revenues		<u>99,822</u>		<u>100,880</u>
TOTAL INTERGOV'T	\$104,300	\$103,760	\$ 540	\$104,674
Miscellaneous:				
Cable Fees	\$ 3,500	\$ 3,425	\$ 75	\$ 3,057
Internments	2,500	2,400	100	2,700
Cemetery Lot Sales	2,500		2,500	650
Interest Income	350	504	(154)	274
Miscellaneous	<u>5,250</u>	<u>266</u>	<u>4,984</u>	<u>6,681</u>
TOTAL MISCELLANEOUS	\$ 14,100	\$ 6,595	\$ 7,505	\$ 6,681
TOTAL REVENUES	\$155,400	\$158,499	\$ (3,099)	\$157,100
EXPENDITURES:				
General Government:				
Township Board:				
Salaries-Trustees	\$	\$ 1,320	\$	\$ 1,440
Dues		729		722
Seminars		30		62
Office Wages		2,540		2,636
Printing Supplies & Misc.		<u>769</u>		<u>343</u>
	\$ 7,423	\$ 5,388	\$ 2,035	\$ 5,203
Supervisor:				
Salaries	<u>\$</u>	<u>\$ 6,000</u>	<u>\$</u>	<u>\$ 6,000</u>
	\$ 5,600	\$ 6,000	\$ (400)	\$ 6,000

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>	Actual (Over) Under Budget	<u>2006</u>
	Amended Budget	Actual	Actual
EXPENDITURES:			
Elections:			
Wages	\$	\$ 1,145	\$
Supplies & Wages		<u>979</u>	<u>49</u>
	\$ 2,500	\$ 2,124	\$ 49
General Government:			
Clerk:			
Salaries	\$	\$ 6,088	\$ 6,124
Office Supplies			<u>97</u>
	\$ 6,434	\$ 6,088	\$ 6,221
Board of Review:			
Salaries	\$	\$ 675	\$ 675
Publications & Supplies		<u>43</u>	<u>36</u>
	\$ 700	\$ 718	\$ (18)
Treasurer:			
Salaries	\$	\$ 7,500	\$ 7,544
Office Supplies		<u>1,361</u>	<u>1,003</u>
	\$ 9,170	\$ 8,861	\$ 309
Township Hall:			
Utilities	\$	\$ 2,533	\$ 2,332
Repairs & Maint.		<u>355</u>	<u>84</u>
	\$ 3,000	\$ 2,888	\$ 112
Assessor:			
Professional Services	\$	\$ 10,600	\$ 10,605
Supplies		<u>1,003</u>	<u>315</u>
	\$ 10,650	\$ 11,603	\$ (953)
Planning:			
Salaries	\$	\$ 475	\$ 425
	\$ 500	\$ 475	\$ 25

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>	Actual (Over) Under Budget	<u>2006</u>
	Amended Budget	Actual	Actual
EXPENDITURES:			
Cemetery:			
Wages	\$	\$ 4,920	\$ 4,404
Supplies & Misc.		<u>3,225</u>	<u>3,210</u>
	\$ 8,620	\$ 8,145	\$ 7,614
General Government:			
Attorney & Accountant	\$ 4,800	\$ 4,700	\$ 4,200
Fire & Ambulance	51,600	51,475	49,469
Street Lights	4,409	4,438	(29)
Roads	99,841	82,641	17,200
Insurance & Bonds	5,601	5,453	148
Payroll Taxes	4,400	2,188	2,212
Drains at Large	1,352	1,352	0
MAGNET	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$226,600</u>	<u>\$204,537</u>	<u>\$223,215</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (71,200)	\$ (46,038)	\$(25,162)
OTHER FINANCING SOURCES (USES):			
Transfer In	\$ 51,600	\$ 51,475	\$ 49,469
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	<u>\$ (19,600)</u>	\$ 5,437	<u>\$(25,037)</u>
Fund Balance, April 1, 2006		<u>102,872</u>	<u>119,518</u>
FUND BALANCE, MARCH 31, 2007		<u>\$108,309</u>	<u>\$102,872</u>

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUND

FIRE AND AMBULANCE FUND

Fire and Ambulance Fund is used to account for fees received and monies disbursed for Township fire protection and ambulance service.

RUSH TOWNSHIP
 FIRE AND AMBULANCE FUND
 BALANCE SHEET
 MARCH 31, 2007 AND MARCH 31, 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Cash & Cash Equivalents	\$114,032	\$100,648
Due from Other Governmental Units	<u>4,074</u>	<u>3,224</u>
	<u>\$118,106</u>	<u>\$103,872</u>
 FUND BALANCE	 <u>\$118,106</u>	 <u>\$103,872</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 FIRE AND AMBULANCE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>Amended Budget</u>	<u>2007 Actual</u>	Actual (Over) Under Budget	<u>2006 Actual</u>
REVENUES:				
Property Taxes	\$	\$ 63,279	\$	\$ 59,920
Interest Earned		<u>2,430</u>		<u>1,373</u>
TOTAL REVENUES	\$ 51,600	\$ 65,709	\$(14,109)	\$ 61,293
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 51,600	\$ 65,709	\$(14,109)	\$ 61,293
OTHER FINANCING SOURCES (USES):				
Transfer Out	<u>(51,600)</u>	<u>(51,475)</u>	<u>(125)</u>	<u>(49,469)</u>
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$</u>	\$ 14,234	<u>\$(14,234)</u>	\$ 11,824
Fund Balance, April 1, 2006		<u>103,872</u>		<u>92,048</u>
FUND BALANCE, MARCH 31, 2007		<u>\$118,106</u>		<u>\$103,872</u>

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUND

Henderson Sewage Disposal System – To account for the provision and disbursement of monies related to the construction of a community disposal system to meet Michigan Department of Public Health Standards, including, but not limited to, administration, construction, operation, maintenance, financing and related debt service, and billing and collection.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 BALANCE SHEET
 MARCH 31, 2007 AND MARCH 31, 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 92,961	\$ 92,207
Interest Receivable	1,559	1,759
Assessments Receivable – Current	<u>9,294</u>	<u>9,685</u>
TOTAL CURRENT ASSETS	\$103,814	\$103,651
 PROPERTY AND PLANT:		
Sewer System	\$524,349	\$524,349
Accumulated Depreciation	<u>76,904</u>	<u>69,913</u>
TOTAL PROPERTY & PLANT	\$447,445	\$454,436
 OTHER ASSETS:		
Assessments Receivable – Long-Term	\$114,306	\$125,839
Operation & Maintenance Receivable	<u>2,728</u>	<u>1,064</u>
TOTAL OTHER ASSETS	<u>\$117,304</u>	<u>\$126,903</u>
	<u>\$668,293</u>	<u>\$684,990</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 BALANCE SHEET (CONTINUED)
 MARCH 31, 2007 AND MARCH 31, 2006

LIABILITIES AND FUND EQUITY

	<u>2007</u>	<u>2006</u>
CURRENT LIABILITIES:		
Current Maturities on Long-Term Debt	\$ 10,000	\$ 10,000
Accrued Interest Payable	5,909	6,197
Accounts Payable	<u>123</u>	<u>91</u>
TOTAL CURRENT LIABILITIES	\$ 16,032	\$ 16,288
 LONG-TERM LIABILITIES:		
Bond Payable, Less Current Maturities	<u>\$205,000</u>	<u>\$215,000</u>
TOTAL LONG-TERM LIABILITIES	\$205,000	\$215,000
 FUND EQUITY:		
Contribution in Aid of Construction – Assessments	\$320,149	\$320,149
Accumulated Amortization – Assessment	(46,959)	(42,690)
Contribution in Aid of Construction – State	214,050	214,050
Accumulated Amortization – State	<u>(31,394)</u>	<u>(28,540)</u>
	\$455,846	\$462,969
Retained Earnings	<u>(8,585)</u>	<u>(9,267)</u>
TOTAL FUND EQUITY	<u>\$447,261</u>	<u>\$453,702</u>
	<u>\$668,293</u>	<u>\$684,990</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>	Actual (Over) Under Budget	<u>2006</u>
	Amended Budget	Actual	Actual
REVENUES:			
Sewer Revenues	\$	\$ 14,608	\$ 6,951
Penalties		1,013	782
Interest on Sewer Debt		13,243	12,321
Investment Interest		558	569
TOTAL REVENUES	<u>\$ 33,900</u>	<u>\$ 29,422</u>	<u>\$ 20,623</u>
EXPENDITURES:			
Operation	\$	\$ 2,236	\$ 1,190
Maintenance & Misc.		12,143	13,652
Agent Fees		350	350
Interest		14,143	14,830
Depreciation		6,991	6,991
TOTAL EXPENDITURES	<u>\$ 33,730</u>	<u>\$ 35,863</u>	<u>\$ 37,013</u>
NET INCOME (LOSS)	<u>\$ 170</u>	\$ (6,441)	\$ (16,390)
Current Year Amortization of Contribution in Aid of Construction			
Assessment		4,269	4,269
State		2,854	2,854
		<u>\$ 7,123</u>	<u>\$ 7,123</u>
Retained Earnings, April 1,		<u>(9,267)</u>	<u> </u>
RETAINED EARNINGS, MARCH 31,		<u>\$ (8,585)</u>	<u>\$ (9,267)</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 HENDERSON SEWAGE DISPOSAL SYSTEM
 STATEMENT OF CASH FLOWS
 YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) Net of Amortization	\$ (6,441)	\$(16,390)
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 6,991	\$ 6,991
(Increase) Decrease in Accrued Interest Rec.	200	1,590
(Increase) Decrease in Sewer Receivables	10,260	11,839
(Decrease) Increase in Accrued Interest Payable	(288)	(289)
(Decrease) Increase in Accounts Payable	<u>32</u>	<u>(76)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 10,754	\$ 3,665
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments	<u>\$(10,000)</u>	<u>\$(10,000)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 754	\$ 6,335
Cash & Cash Equivalents, April 1, 2006	<u>92,207</u>	<u>98,542</u>
CASH & CASH EQUIVALENTS, MARCH 31, 2007	<u>\$ 92,961</u>	<u>\$ 92,207</u>

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township fund involved therein, and to other governmental agencies.

RUSH TOWNSHIP
 CURRENT TAX COLLECTION FUND
 BALANCE SHEET
 MARCH 31, 2007 AND MARCH 31, 2006

CURRENT TAX COLLECTION FUND

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash & Cash Equivalents	<u>\$ 9,797</u>	<u>\$ 9,420</u>
	<u>\$ 9,797</u>	<u>\$ 9,420</u>
LIABILITIES:		
Due to Other Funds	<u>\$ 9,797</u>	<u>\$ 9,420</u>
	<u>\$ 9,797</u>	<u>\$ 9,420</u>
FUND BALANCE	<u><u>\$ 9,797</u></u>	<u><u>\$ 9,420</u></u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDED MARCH 31, 2007 AND MARCH 31, 2006

	<u>2007</u>		<u>2006</u>
CASH RECEIPTS:			
2006 Roll Property Tax Collections:			
Owosso Schools	\$165,927		\$157,925
Chesaning Schools	2,522		2,452
Ovid-Elsie Schools	30,888		27,235
Saginaw ISD	880		894
Shiawassee County	601,804		575,049
Clinton County Resa	11,606		11,243
Shiawassee District Library	42,367		40,888
Rush Township	<u>97,930</u>	\$953,924	<u>94,809</u> \$910,495
Other Receipts:			
Tax Collection Fees	\$ 12,460		\$ 9,556
Penalties	725		556
Dog Licenses	100		110
Overpayments	6		0
2005 Delinquents	<u>8,504</u>	<u>21,795</u>	<u>11,469</u> <u>21,691</u>
TOTAL CASH RECEIPTS		\$975,719	\$932,186
Cash Disbursements:			
Owosso Schools	\$165,927		\$157,925
Chesaning Schools	2,522		2,452
Ovid-Elsie Schools	30,888		27,235
Saginaw ISD	880		894
Shiawassee County	602,451		575,487
Clinton County Resa	11,606		11,243
Rush Township	116,376		110,825
Shiawassee District Library	44,692		43,900
Underpayments	<u>0</u>	<u>975,342</u>	<u>8</u> <u>929,969</u>
EXCESS (DECREASE) OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS		\$ 377	\$ 2,217
Cash Balances:			
Cash Balance at March 31, 2006 & March 31, 2005		<u>9,420</u>	<u>7,203</u>
CASH BALANCES AT MARCH 31, 2007 & MARCH 31, 2006		<u>\$ 9,797</u>	<u>\$ 9,420</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

RUSH TOWNSHIP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2007

GENERAL FIXED ASSETS:	
Land & Building	\$47,892
Equipment & Improvements	<u>12,521</u>
	<u>\$60,413</u>
Investment in General Fixed Assets	<u>\$60,413</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP
 FIXED ASSET FUND
 ANALYSIS OF CHANGE IN FUND BALANCE
 MARCH 31, 2007

	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3-31-07</u>
Land & Building	\$47,892	\$	\$	\$47,892
Equipment	<u>12,521</u>	<u> </u>	<u> </u>	<u>12,521</u>
	<u>\$60,413</u>	<u>\$ </u>	<u>\$ </u>	<u>\$60,413</u>

The accompanying notes are an integral part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

217 N. Washington Street
Pabst Building, Suite 201
Owosso, MI 48867

989-723-8227 • FAX 989-725-5143
E-MAIL office@dw-cpa.com

James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vicky Clayton
Carol Demis
Jeanette Gaitskill
Kathy Kimmerer
Erica Marks
Janis K. Mead
Tammy Pappas
David Pullen
Vicki E. Schuler
Joyce M. Simmons
Barbara Wenzlick

**Members of the Township Board
Rush Township
Shiawassee County, Michigan**

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Rush for the year ended March 31, 2007.

As a result of our examination of the Township's financial statements, we make the following comments:

BUDGET

The State Revenue Sharing Distribution, Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31.

Separate budgets should be adopted for the General Fund, Fire and Ambulance Fund and Sewer Fund.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be any further assistance to the township, in these matters or any future matters please do not hesitate to contact us.

Demis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
September 28, 2007