

**CHARTER TOWNSHIP OF MARQUETTE,
MICHIGAN**

**FINANCIAL STATEMENTS
For the Year Ended December 31, 2009**

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of the
Charter Township of Marquette, Michigan
161 Township Road 492
Marquette, Michigan 49855

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Marquette, Michigan as of and for the year ended December 31, 2009, which collectively comprise the Charter Township of Marquette, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Marquette, Michigan'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting Principles used and the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Marquette, Michigan as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2010 on our consideration of the Charter Township of Marquette, Michigan's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Board of Trustees of the
Charter Township of Marquette, Michigan

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Marquette, Michigan's financial statements as a whole. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

May 31, 2010

Charter Township of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Charter Township of Marquette, Michigan's financial performance provides an overview of the Charter Township of Marquette, Michigan's financial activities for the year ended December 31, 2009. Please read it in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Net assets for the Charter Township of Marquette as a whole increased by \$738,767 as a result of this year's operations. Net assets of our business-type activities increased by \$271,247, or 3 percent, and net assets of our governmental activities increased by \$467,520 or 30 percent.
- During the year, the Charter Township of Marquette had expenses for governmental activities that were \$1,454,518 which is \$467,520 less than the \$1,922,038 generated in program revenue sources.
- During the year, the Charter Township of Marquette had expenses for business-type activities that were \$1,656,552 which is \$271,247 less than the \$1,927,799 generated in program revenue sources.
- The General Fund reported a net fund balance of \$218,045, which is a decrease of \$171,658 as a result of this year's operation.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Charter Township of Marquette, Michigan as a whole and present a longer-term view of the Charter Township of Marquette, Michigan's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for the future spending. Fund financial statements also report the Charter Township of Marquette, Michigan's operations in more detail than the government-wide financial.

Reporting the Charter Township of Marquette as a Whole

Our analysis of the Charter Township of Marquette, Michigan as a whole begins on page 6. One of the most important questions asked about the Charter Township of Marquette, Michigan's finances is "Is the Charter Township of Marquette, Michigan as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Charter Township of Marquette, Michigan as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Charter Township of Marquette, Michigan's *net assets* and changes in them. You can think of the net assets - the difference between assets and liabilities - as one way to measure the financial health, or *financial position*. Over time, *increases or decreases* in the net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the patron base and the condition of the capital assets, to assess the *overall financial health* of the Charter Township of Marquette, Michigan.

Charter Township of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

In the Statement of Net Assets and the Statement of Activities, we divide the Charter Township of Marquette, Michigan into two kinds of activities:

- **Governmental Activities** – Most of the Charter Township of Marquette, Michigan's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- **Business-Type Activities** – The Charter Township of Marquette, Michigan charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Charter Township of Marquette's Water System, Sewer System and Solid Waste Disposal activities are reported here.

Table I provides a summary of the Charter Township of Marquette's net assets as of December 31, 2009 and 2008.

Table 1
Statement of Net Assets

	2009			2008		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$2,292,063	\$2,584,921	\$4,876,984	\$2,391,503	\$3,564,272	\$5,955,775
Capital Assets, Net	2,384,731	10,247,329	12,632,060	2,128,948	9,511,465	11,640,413
Total Assets	4,676,794	12,832,250	17,509,044	4,520,451	13,075,737	17,596,188
Current liabilities	2,026,610	802,319	2,829,036	1,999,618	940,244	2,939,862
Non-Current Liabilities	633,300	3,970,000	4,603,193	971,469	4,346,809	5,318,278
Total Liabilities	2,659,910	4,772,319	7,432,229	2,971,087	5,287,053	8,258,140
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	1,459,800	5,900,519	7,360,319	912,846	4,779,887	5,692,733
Restricted	-	-	-	-	-	-
Unrestricted	557,084	2,159,412	2,716,496	636,518	3,008,797	3,645,315
Total Net Assets	\$2,016,884	\$8,059,931	\$10,076,815	\$1,549,364	\$7,788,684	\$9,338,048

Net assets of the Charter Township of Marquette, Michigan's governmental activities stood at \$2,016,884. *Unrestricted* net assets—the part of net assets that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$557,084.

The \$557,084 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The net assets of our business-type activities stood at \$8,059,931. The Charter Township of Marquette can generally only use these net assets to finance continuing operations of the Water System, Sewer System and Solid Waste Disposal operations.

Charter Township of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The results of this year's operations for the Charter Township of Marquette as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net assets for fiscal year 2009 and 2008.

**Table 2
Statement of Activities**

	2009			2008		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:						
Program Revenues:						
Charges for services	\$52,959	\$1,776,771	\$1,829,730	\$75,461	\$2,001,438	\$2,076,899
Operating Grants and Contributions	4,755	-	4,755	4,891	-	4,891
Licenses and Permits	16,380	-	16,380	5,933	-	5,933
General Revenues:						
Property taxes	1,533,038	-	1,533,038	1,462,319	-	1,462,319
State Sources	205,223	-	205,223	234,313	-	234,313
Interest and Investment Earnings	31,048	76,588	107,636	72,477	102,322	174,799
Miscellaneous	30,635	122,440	153,075	31,218	365,916	397,134
Total Revenues	1,874,038	1,975,799	3,849,837	1,886,612	2,469,676	4,356,288
Program Expenses:						
Legislative	418,123	-	418,123	134,923	-	134,923
General Services and administration	519,351	-	519,351	558,672	-	558,672
Public Safety	466,718	-	466,718	422,864	-	422,864
Public Works	14,095	-	14,095	13,649	-	13,649
Community and Economic Development	90,798	-	90,798	240,700	-	240,700
Health and Welfare	-	-	-	-	-	-
Recreation and Culture	172,446	-	172,446	164,904	-	164,904
Other Expense	13,028	-	13,028	12,889	-	12,889
Capital Outlay	(273,451)	-	(273,451)	110,192	-	110,192
Debt Service	33,410	-	33,410	37,502	-	37,502
Water system	-	797,646	797,646	-	802,620	802,620
Solid waste disposal	-	287,899	287,899	-	309,270	309,270
Wastewater Treatment	-	571,007	571,007	-	570,146	570,146
Storm water	-	-	-	-	-	-
Metro	-	-	-	-	-	-
Total Expenses	1,454,518	1,656,552	3,111,070	1,696,295	1,682,036	3,378,331
Transfers	48,000	(48,000)	-	37,832	(37,832)	-
Increase (decrease) in net assets	467,520	271,247	738,767	228,149	749,808	977,957
Net assets, beginning,	1,549,364	7,788,684	9,338,048	1,321,215	7,038,876	8,360,091
Net Assets, Ending	\$2,016,884	\$8,059,931	\$10,076,815	\$1,549,364	\$7,788,684	\$9,338,048

The Charter Township of Marquette's total revenues were \$3,849,837. The total cost of all programs and services was \$3,111,070, leaving an increase in net assets of \$738,767. Our analysis below separately considers the operations of governmental and business-type activities:

Charter Township of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Governmental Activities

The Governmental Activities experienced an increase in net assets for the year of \$467,520. Key reasons for the change in net assets are as follows:

- Net decrease in governmental fund balances of \$83,955
- Capital Outlay reclassified to Capital Assets of \$373,588
- Depreciation charged to expenses of \$117,805
- Net book value gain (loss) on disposal of capital asset charged to revenue of \$-0-
- Principal payments reclassified from expenses to liability \$291,171
- Recording change in accrued interest of \$6,162
- Change in compensated absences of \$1,643
- Reclassifying loan proceeds from revenue to liability of \$-0-
-

Business-type Activities

The Business-Type Activities experienced an increase in net assets for the year of \$271,247. Key reasons for the change in net assets are as follows:

- Higher than budgeted revenue from Water and Wastewater sales, interest income and the Grandview Water project special assessment.

THE CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN'S FUNDS

Our analysis of the Charter Township of Marquette, Michigan's major funds begins on page 12. The fund financial statements provide detail information about the most significant funds, not the Charter Township of Marquette, Michigan as a whole. The Board creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages. The Charter Township of Marquette, Michigan's major funds includes the General Fund, Fire Fund, Township Improvement fund, Water Fund, Sewer Fund, and Solid Waste Fund.

The Governmental Funds had a net decrease for the year of \$83,955.

Revenues

Highlighting the increase was a 4.8% increase in Tax Revenue and a 176% increase in Licenses and Permits, due to the collection of Business Licenses.

Decreases were in State Revenue Sharing (12.4%), due to declining payments from the State of Michigan; Charges for Services (44.4%), based on a 2008 Auditor adjustment for the Charter CATV Franchise Fee payments; Interest (57%), also based on a 2008 Auditor adjustment for the FMV Interest.

Expenditures

Major increases were in the General Fund Professional Services (241%) for Architectural and Contracted Services; and the Fire Department Fire Marshall Department (29.7%), due to the addition of a full-time employee.

Decreases were in the General Fund General Services Administration (51.3%), due to Tax Tribunal Charges in 2008; Township Improvements, as no road/street projects were done in 2009. Also, no Capital Expenditures were purchased in the Governmental Funds in 2009.

Charter Township of Marquette, Michigan

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Township revised the budget; actual charges to expenditures were \$48,333 less than the budget, conversely, revenues were \$14,370 more than the budget projection.

Budget Amendments made in 2009 reflected:

- Revenues – Decreased State of Michigan Revenue Sharing, offset by an increase in the transfer from the Township.
- Expenditures – The major increase was in Professional Services for Architectural fees, offset by a decrease in the Planning Department, as the proposed planning position was not filled.

The primary variances between the amended budget and actual are as follows:

- Revenues – Increases were for the Fly Ash Disposal, Property Taxes, Licenses and Permits; offset by decreases in Interest and Zoning Permits/Fees.
- Expenditures – Budgeted capital items were not purchased and attorney fees were less than projected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2009 and 2008, the Charter Township of Marquette had \$12,632,060 and \$11,640,413 invested in a variety of capital assets including land and improvements, buildings and improvements, and other equipment. (See table 3 below).

Table 3
Capital Assets

	2009	2008
Construction in progress	\$ 1,110,764	\$ 415,436
Land	1,760,758	1,760,758
Land improvements	587,498	587,498
Investment in Waste Water Treatment Facility	298,684	292,819
Buildings and improvements	377,381	400,854
Vehicles	223,310	278,479
Furniture and equipment	91,691	108,847
Infrastructure	8,118,145	7,723,596
Investment in MCSWF	63,829	72,126
TOTAL	\$ 12,632,060	\$ 11,640,413

There were additions of \$1,415,792 during the current fiscal year for \$723,489 in construction in progress relating to the water and wastewater infrastructure and Township facility engineering, \$5,865 relating to the Waste Water Treatment Facility, \$40,850 relating to new vehicles, \$13,786 in equipment, and \$631,802 relating to the water and wastewater infrastructure. There were disposals of \$28,161 during the current fiscal year for \$28,161 relating to construction in progress being put into service. There was depreciation expense in the amount of \$395,984 for the current fiscal year. Further details on capital assets can be found in the Footnotes to the Financial Statements.

Charter Township of Marquette, Michigan

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Debt

At the end of fiscal year 2009 and 2008, the Charter Township of Marquette, Michigan had \$5,271,741 and \$5,947,680 in bonds outstanding as depicted in Table 4 below.

Table 4
Long-Term Debt

	2009	2008
Fire Truck Installment Note	\$-	\$ 35,224
Wild Land Pumper Installment Note	17,955	35,124
Badger Creek Drain Bond	-	56,805
2004 Land Purchase Note	352,800	392,000
Corner Stone Property Note	289,776	307,337
Fair Avenue Project Note	125,991	245,901
Brookton Property Note	138,409	143,711
1998A Sewer Bond	230,810	384,161
Water Land Purchase Note	176,000	192,000
Drinking Water Bond	3,760,000	3,955,000
2008 Grandview Water Bond	180,000	190,000
Landfill Bond	-	10,417
TOTAL	\$ 5,271,741	\$ 5,947,680

There were new additions to debt for this year in the amount of \$-0-. Principal payments for the year were \$675,939. Further details on long-term debt can be found in the Footnotes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

In preparing the Charter Township of Marquette, Michigan’s budget for the year ending December 31, 2010, the Charter Township of Marquette, Michigan considered the following issues:

- We reviewed the fiscal year 2008 and 2009 budget vs. actual and budgeted roughly the same amounts, except for some minor variances.

CONTACTING THE CHARTER TOWNSHIP OF MARQUETTE’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the Charter Township of Marquette, Michigan’s finances and to show the accountability for the money it receives. If you have questions about this report or need additional information, contact the Charter Township of Marquette, 161 Township Road 492, Marquette, Michigan 49855

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Primary Government		Total	Component Units
	Governmental Activities	Business Type Activities		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 946,739	\$ 1,977,471	\$ 2,924,210	\$ 15,890
Cash and cash equivalents - restricted	-	-	-	-
Receivables (net)	1,598,057	268,500	1,866,557	-
Due from other funds	(272,857)	282,434	9,577	-
Deferred refunding bonds	-	39,065	39,065	-
Prepaid	20,124	17,451	37,575	-
TOTAL CURRENT ASSETS	2,292,063	2,584,921	4,876,984	15,890
Non-current assets:				
Capital assets, net of accumulated depreciation	2,384,731	10,247,329	12,632,060	-
Total Capital Assets	2,384,731	10,247,329	12,632,060	-
TOTAL NON-CURRENT ASSETS	2,384,731	10,247,329	12,632,060	-
TOTAL ASSETS	4,676,794	12,832,250	17,509,044	15,890
LIABILITIES				
Current Liabilities:				
Accounts payable	35,153	112,700	147,853	-
Accrued liabilities	7,268	7,158	14,426	-
Accrued interest payable	7,654	37,288	44,942	-
Deferred revenue	1,636,576	155,162	1,791,738	-
Current portion of bonds payable	339,959	376,810	716,769	-
Current portion of compensated absences	-	34,946	34,946	-
Security deposits	-	78,255	78,255	-
TOTAL CURRENT LIABILITIES	2,026,610	802,319	2,828,929	-
Non-current Liabilities:				
Compensated absences	48,328	-	48,328	-
Bonds payable	584,972	3,970,000	4,554,972	-
TOTAL NON-CURRENT LIABILITIES	633,300	3,970,000	4,603,300	-
TOTAL LIABILITIES	2,659,910	4,772,319	7,432,229	-
NET ASSETS				
Invested in capital assets net of related debt	1,459,800	5,900,519	7,360,319	-
Restricted for:				
Debt Service	-	-	-	-
Unrestricted	557,084	2,159,412	2,716,496	15,890
TOTAL NET ASSETS	\$ 2,016,884	\$ 8,059,931	\$ 10,076,815	\$ 15,890

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business Type Activities	Total	
Primary Government:								
Governmental Activities:								
Legislative	\$ 418,123	\$ -	\$ -	\$ -	\$ (418,123)	\$ -	\$ (418,123)	\$ -
General services and administration	519,351	34,776	-	-	(484,575)	-	(484,575)	-
Public safety	466,718	18,183	4,755	-	(443,780)	-	(443,780)	-
Public works	14,095	-	-	-	(14,095)	-	(14,095)	-
Community and economic development	90,798	-	-	-	(90,798)	-	(90,798)	-
Recreation and culture	172,446	-	-	-	(172,446)	-	(172,446)	-
Other	13,028	16,380	-	-	3,352	-	3,352	-
Capital outlay	(273,451)	-	-	-	273,451	-	273,451	-
Debt Service	33,410	-	-	-	(33,410)	-	(33,410)	-
Total Governmental Activities	1,454,518	69,339	4,755	-	(1,380,424)	-	(1,380,424)	-
Business Type Activities:								
Water	797,646	934,525	-	-	-	136,879	136,879	-
Solid Waste	287,899	200,970	-	-	-	(86,929)	(86,929)	-
Wastewater Treatment	571,007	641,276	-	-	-	70,269	70,269	-
Storm Water	-	-	-	-	-	-	-	-
Metro	-	-	-	-	-	-	-	-
Total Business Type Activities	1,656,552	1,776,771	-	-	-	120,219	120,219	-
TOTAL PRIMARY GOVERNMENT	\$ 3,111,070	\$ 1,846,110	\$ 4,755	\$ -	(1,380,424)	120,219	(1,260,205)	-
Component Units:								
DDA Debt	-	-	-	-	-	-	-	-
DDA	37	-	-	-	-	-	-	(37)
Total Component Units	\$ 37	\$ -	\$ -	\$ -	-	-	-	(37)
General Revenues:								
Taxes					1,533,038	-	1,533,038	-
Unrestricted State sources					205,223	-	205,223	-
Interest and investment earnings					31,048	76,588	107,636	13
Miscellaneous					30,635	122,440	153,075	44
Transfers					48,000	(48,000)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,847,944	151,028	1,998,972	57
CHANGE IN NET ASSETS					467,520	271,247	738,767	20
Net assets, beginning of year					1,549,364	7,788,684	9,338,048	15,870
NET ASSETS, END OF YEAR					\$ 2,016,884	\$ 8,059,931	\$ 10,076,815	\$ 15,890

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2009

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Township Improvement Fund</u>	<u>Non-Major Liquor Law Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 415,599	\$ 389,007	\$ 137,272	\$ 4,861	\$ 946,739
Receivables	101,296	-	12,914	-	114,210
Taxes receivable	1,075,487	408,360	-	-	1,483,847
Due from other funds	9,577	-	-	-	9,577
Prepaid expense	12,188	7,936	-	-	20,124
TOTAL ASSETS	<u>\$ 1,614,147</u>	<u>\$ 805,303</u>	<u>\$ 150,186</u>	<u>\$ 4,861</u>	<u>\$ 2,574,497</u>
 LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 32,356	\$ 2,797	\$ -	\$ -	\$ 35,153
Due to other funds	177,884	-	104,550	-	282,434
Accrued payroll and related	4,973	2,295	-	-	7,268
Deferred revenue	1,180,889	455,687	-	-	1,636,576
TOTAL LIABILITIES	<u>1,396,102</u>	<u>460,779</u>	<u>104,550</u>	<u>-</u>	<u>1,961,431</u>
 FUND BALANCE:					
Unrestricted	<u>218,045</u>	<u>344,524</u>	<u>45,636</u>	<u>4,861</u>	<u>613,066</u>
TOTAL FUND BALANCE	<u>218,045</u>	<u>344,524</u>	<u>45,636</u>	<u>4,861</u>	<u>613,066</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,614,147</u>	<u>\$ 805,303</u>	<u>\$ 150,186</u>	<u>\$ 4,861</u>	<u>\$ 2,574,497</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

DECEMBER 31, 2009

Total Fund Balances for Governmental Funds		\$ 613,066
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		2,384,731
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Current portion of bonds payable	\$ 339,959	
Accrued interest payable	7,654	
Compensated absences	48,328	
Bonds payable	<u>584,972</u>	
		<u>(980,913)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 2,016,884</u></u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Township Improvement Fund</u>	<u>Non-Major Liquor Law Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Taxes	\$ 1,117,552	415,486	\$ -	\$ -	\$ 1,533,038
Licenses and permits	16,355	25	-	-	16,380
State sources	205,223	-	-	4,755	209,978
Charges for services	34,776	18,183	-	-	52,959
Interest and rents	12,805	10,373	7,848	22	31,048
Other	22,029	587	8,019	-	30,635
	<u>1,408,740</u>	<u>444,654</u>	<u>15,867</u>	<u>4,777</u>	<u>1,874,038</u>
TOTAL REVENUES					
EXPENDITURES:					
Current operations:					
Legislative	418,123	-	-	-	418,123
General services and administration	517,709	-	-	-	517,709
Public safety	126,525	374,918	-	-	501,443
Public works	14,095	-	-	-	14,095
Community and economic development	57,111	-	153,597	-	210,708
Recreation and culture	172,446	-	-	-	172,446
Other	13,028	-	-	-	13,028
Capital outlay	-	-	-	-	-
Debt service	158,441	-	-	-	158,441
	<u>1,477,478</u>	<u>374,918</u>	<u>153,597</u>	<u>-</u>	<u>2,005,993</u>
TOTAL EXPENDITURES					
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(68,738)</u>	<u>69,736</u>	<u>(137,730)</u>	<u>4,777</u>	<u>(131,955)</u>
OTHER FINANCING SOURCES (USES):					
Loan proceeds	-	-	-	-	-
Transfers in	72,796	-	175,716	-	248,512
Transfers (out)	(175,716)	-	(20,000)	(4,796)	(200,512)
	<u>(102,920)</u>	<u>-</u>	<u>155,716</u>	<u>(4,796)</u>	<u>48,000</u>
TOTAL OTHER FINANCING SOURCES (USES)					
CHANGE IN FUND BALANCE	<u>(171,658)</u>	<u>69,736</u>	<u>17,986</u>	<u>(19)</u>	<u>(83,955)</u>
Fund balance, beginning of year	389,703	274,788	27,650	4,880	697,021
FUND BALANCE, END OF YEAR	<u>\$ 218,045</u>	<u>\$ 344,524</u>	<u>\$ 45,636</u>	<u>\$ 4,861</u>	<u>\$ 613,066</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

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

FOR THE YEAR ENDED DECEMBER 31, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (83,955)

*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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	373,588	
Depreciation expense		(117,805)	
Gain (loss) on disposal		<u>-</u>	
			255,783

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets. 291,171

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 6,163

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (1,642)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. -

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 467,520

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Business - Type Activities Enterprise Funds					Total Enterprise Funds
	Water Fund	Solid Waste Fund	Wastewater Treatment Fund	Non-Major		
				Storm Water Fund	Metro Fund	
ASSETS:						
Current Assets:						
Cash and cash equivalents	\$ 963,482	\$ 8,805	\$ 899,658	\$ 75,037	\$ 30,489	\$ 1,977,471
Taxes receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Utility receivable	28,787	40,079	21,945	-	-	90,811
Special assessments	145,211	-	32,478	-	-	177,689
Due from other funds	-	282,434	-	-	-	282,434
Deferred refunding bonds	-	-	39,065	-	-	39,065
Prepaid expense	10,437	191	6,823	-	-	17,451
TOTAL CURRENT ASSETS	1,147,917	331,509	999,969	75,037	30,489	2,584,921
Non-current Assets:						
Capital assets, net of accumulated depreciation	6,798,894	63,829	3,384,606	-	-	10,247,329
TOTAL NON-CURRENT ASSETS	6,798,894	63,829	3,384,606	-	-	10,247,329
TOTAL ASSETS	7,946,811	395,338	4,384,575	75,037	30,489	12,832,250
LIABILITIES:						
Current Liabilities:						
Accounts payable	39,369	28,063	45,268	-	-	112,700
Due to other funds	-	-	-	-	-	-
Customer deposits	64,855	13,400	-	-	-	78,255
Accrued payroll and related liabilities	4,071	238	2,849	-	-	7,158
Compensated absences	18,934	-	16,012	-	-	34,946
Current portion of bonds payable	226,000	-	150,810	-	-	376,810
Accrued interest payable	34,950	-	2,338	-	-	37,288
Deferred revenue	155,162	-	-	-	-	155,162
TOTAL CURRENT LIABILITIES	543,341	41,701	217,277	-	-	802,319
Non-current Liabilities:						
Bond payable	3,890,000	-	80,000	-	-	3,970,000
TOTAL NON-CURRENT LIABILITIES	3,890,000	-	80,000	-	-	3,970,000
TOTAL LIABILITIES	4,433,341	41,701	297,277	-	-	4,772,319
NET ASSETS:						
Invested in capital assets net of related debt	2,682,894	63,829	3,153,796	-	-	5,900,519
Restricted - debt service	-	-	-	-	-	-
Unrestricted	830,576	289,808	933,502	75,037	30,489	2,159,412
TOTAL NET ASSETS	\$ 3,513,470	\$ 353,637	\$ 4,087,298	\$ 75,037	\$ 30,489	\$ 8,059,931

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Business - Type Activities Enterprise Funds					Total Enterprise Funds
	Water Fund	Solid Waste Fund	Wastewater Treatment Fund	Non-Major		
				Storm Water Fund	Metro Fund	
OPERATING REVENUES:						
Charges for services (net)	\$ 893,393	\$ 200,383	\$ 603,584	\$ -	\$ -	\$ 1,697,360
Permits, fees, and special assessments	41,132	587	37,692	-	-	79,411
Miscellaneous income	34,772	74,990	7,766	-	4,912	122,440
TOTAL OPERATING REVENUES	969,297	275,960	649,042	-	4,912	1,899,211
OPERATING EXPENSES:						
Personnel services	322,913	16,976	205,440	-	-	545,329
Supplies	14,398	-	6,775	-	-	21,173
Other services and charges	201,404	262,366	213,167	-	-	676,937
Depreciation	157,540	8,297	112,342	-	-	278,179
TOTAL OPERATING EXPENSES	696,255	287,639	537,724	-	-	1,521,618
OPERATING INCOME (LOSS)	273,042	(11,679)	111,318	-	4,912	377,593
NON-OPERATING REVENUES (EXPENSES):						
Investment income	33,360	5,203	34,965	2,930	130	76,588
Interest expense	(101,391)	(260)	(33,283)	-	-	(134,934)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(68,031)	4,943	1,682	2,930	130	(58,346)
INCOME (LOSS) BEFORE TRANSFERS	205,011	(6,736)	113,000	2,930	5,042	319,247
Transfers in	-	-	-	12,000	-	12,000
Transfers (out)	(23,000)	(14,000)	(23,000)	-	-	(60,000)
CHANGE IN NET ASSETS	182,011	(20,736)	90,000	14,930	5,042	271,247
Net assets, beginning of year	3,331,459	374,373	3,997,298	60,107	25,447	7,788,684
NET ASSETS, END OF YEAR	\$ 3,513,470	\$ 353,637	\$ 4,087,298	\$ 75,037	\$ 30,489	\$ 8,059,931

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Business - Type Activities					Total Enterprise Funds
	Enterprise Funds					
	Water Fund	Solid Waste Fund	Wastewater Treatment Fund	Storm Water Fund	Metro Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from charges for services	\$ 890,952	\$ 202,408	\$ 621,961	\$ -	\$ -	\$ 1,715,321
Cash received from permits, fees and special assessments	28,835	587	58,381	-	-	87,803
Other miscellaneous income	34,772	74,990	7,766	-	4,912	122,440
Cash payments to employees for services and fringe benefits	(320,339)	(16,920)	(204,166)	-	-	(541,425)
Cash payments to suppliers for goods and services	(653,985)	(263,359)	(458,938)	-	-	(1,376,282)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(19,765)</u>	<u>(2,294)</u>	<u>25,004</u>	<u>-</u>	<u>4,912</u>	<u>7,857</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Increase (decrease) in due to other funds	-	(179,934)	-	-	-	(179,934)
Transfers in (out)	(23,000)	(14,000)	(23,000)	12,000	-	(48,000)
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>(23,000)</u>	<u>(193,934)</u>	<u>(23,000)</u>	<u>12,000</u>	<u>-</u>	<u>(227,934)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Cash payments for capital assets	(135,622)	16,594	(338,657)	-	-	(457,685)
Interest payments on bonds	(101,391)	(260)	(33,283)	-	-	(134,934)
Principal payments on bonds	(221,000)	(10,417)	(153,351)	-	-	(384,768)
Loan proceeds on new debt	-	-	-	-	-	-
Deferred refunding of bonds	-	-	19,532	-	-	19,532
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(458,013)</u>	<u>5,917</u>	<u>(505,759)</u>	<u>-</u>	<u>-</u>	<u>(957,855)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest income	33,360	5,203	34,965	2,930	130	76,588
(Additions) deductions to restricted assets	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>33,360</u>	<u>5,203</u>	<u>34,965</u>	<u>2,930</u>	<u>130</u>	<u>76,588</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(467,418)</u>	<u>(185,108)</u>	<u>(468,790)</u>	<u>14,930</u>	<u>5,042</u>	<u>(1,101,344)</u>
Cash and cash equivalents, beginning of year	1,430,900	193,913	1,368,448	60,107	25,447	3,078,815
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 963,482</u>	<u>\$ 8,805</u>	<u>\$ 899,658</u>	<u>\$ 75,037</u>	<u>\$ 30,489</u>	<u>\$ 1,977,471</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 273,042	\$ (11,679)	\$ 111,318	\$ -	\$ 4,912	\$ 377,593
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	(157,540)	(8,297)	(112,342)	-	-	(278,179)
Change in assets and liabilities:						
(Increase) decrease in taxes receivable	-	-	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	-	-	-
(Increase) decrease in utility receivable	(2,441)	2,025	18,377	-	-	17,961
(Increase) decrease in special assessments	1,831	-	20,689	-	-	22,520
(Increase) decrease in prepaid expense	(1,131)	(24)	(917)	-	-	(2,072)
Increase (decrease) in accounts payable	(123,029)	16,845	(11,439)	-	-	(117,623)
Increase (decrease) in customer deposits	993	(1,220)	-	-	-	(227)
Increase (decrease) in accrued payroll and related liabilities	1,214	56	519	-	-	1,789
Increase (decrease) in compensated absences	1,360	-	755	-	-	2,115
Increase (decrease) in accrued interest payable	64	-	(1,956)	-	-	(1,892)
Increase (decrease) in deferred revenue	(14,128)	-	-	-	-	(14,128)
NET ADJUSTMENTS	<u>(292,807)</u>	<u>9,385</u>	<u>(86,314)</u>	<u>-</u>	<u>-</u>	<u>(369,736)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (19,765)</u>	<u>\$ (2,294)</u>	<u>\$ 25,004</u>	<u>\$ -</u>	<u>\$ 4,912</u>	<u>\$ 7,857</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2009

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 631,467
TOTAL ASSETS	<u><u>\$ 631,467</u></u>
 LIABILITIES:	
Accounts payable	\$ 3,483
Due to others	618,407
Due to other funds	<u>9,577</u>
TOTAL LIABILITIES	<u><u>\$ 631,467</u></u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	<u>DDA Debt Fund</u>	<u>DDA Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 15,890	\$ 15,890
TOTAL CURRENT ASSETS	<u>-</u>	<u>15,890</u>	<u>15,890</u>
TOTAL ASSETS	<u>-</u>	<u>15,890</u>	<u>15,890</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Invested in capital assets net of related debt	-	-	-
Unrestricted	-	15,890	15,890
TOTAL NET ASSETS	<u>\$ -</u>	<u>\$ 15,890</u>	<u>\$ 15,890</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	DDA Debt Fund	DDA Fund	Total
DDA Debt Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DDA Fund	37	-	-	-	-	(37)	(37)
TOTAL COMPONENT UNITS	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	(37)	(37)
General Revenues:							
Property taxes					-	-	-
Interest and investment earnings					-	13	13
Miscellaneous					-	44	44
TOTAL GENERAL REVENUES AND EXTRAORDINARY ITEMS					-	57	57
CHANGE IN NET ASSETS					-	20	20
Net assets, beginning of year					-	15,870	15,870
NET ASSETS, END OF YEAR					<u>\$ -</u>	<u>\$ 15,890</u>	<u>\$ 15,890</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Charter Township of Marquette, Michigan conform to accounting Principals generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Marquette, Michigan.

(1) REPORTING ENTITY

The Charter Township of Marquette, Michigan is governed by an elected seven member board. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

Discretely Presented Component Units – Charter Township of Marquette, Michigan Downtown Development Authority

The Downtown Development Authority was created to promote economic growth within the township. The Authority's governing body, which consists of five individuals, is selected by the Charter Township of Marquette, Michigan. In addition, the Authority's Budget is subject to approval by the Charter Township of Marquette, Michigan.

Jointly Governed Organization – Marquette Township Solid Waste Management Authority

In June 1988, The Charter Township of Marquette, Michigan joined with 19 other municipalities to create the Marquette Township Solid Waste Management Authority ("Authority"). Please read Footnotes for more information.

Jointly Governed Organization – Marquette Area Wastewater Treatment Facility

On April 7, 1977, and May 31, 1983 the Charter Township of Chocolay, The City of Marquette, and Township of Marquette entered into contracts to construct and operate a secondary wastewater treatment facility to be known as the "Marquette Area Wastewater Treatment Facility". Under those agreements the Township of Chocolay would own 14.7% of the facility, the Township of Marquette would own 5.5% and the City of Marquette would own 79.8%. Please read Footnotes for more information.

(2) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(3) MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or 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.

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 thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, state-shared revenue, grant revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under the accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Charter Township of Marquette, Michigan property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Charter Township of Marquette, Michigan as of the preceding December 31st.

Although the Charter Township of Marquette, Michigan 2009 ad valorem tax is levied and collectible on December 1, 2009, it is the Charter Township of Marquette, Michigan's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

The 2009 taxable valuation of the Charter Township of Marquette, Michigan totaled \$176,196,915, on which ad valorem taxes levied consisted of 4.9312 mills for the operating purposes, .9111 mills for library purposes, and 2.50 mills for Fire Department purposes. These amounts are recognized in the respective General Fund, General Fund, and Fire Fund financial statements as taxes receivable or as tax revenue.

The Charter Township of Marquette, Michigan reports the following major governmental funds:

- The **General Fund** is the Charter Township of Marquette, Michigan's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Fire Fund** is used to account for revenues and expenditures for the property taxes levied for and related payments of debt for the Fire Department Vehicles.
- The **Township Improvement Fund** accounts for the activities related to development and improvement of the Township's general capital assets

The Charter Township of Marquette, Michigan reports the following major proprietary funds:

- The **Water Fund** is used to account for revenues and expenses for the operation of a water system.
- The **Wastewater Treatment Fund** is used to account for revenues and expenses for the operation of a sewer system.
- The **Solid Waste Fund** is used to account for revenues and expenses for the operation of refuse collection.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating 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 our propriety funds relates to charges to customers for sales and services. The water and wastewater treatment fund also recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expense.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(4) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to the General Fund.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on December 1st of the following year, at which time penalties and interest are assessed.

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Charter Township of Marquette, Michigan as assets with an initial, individual cost of more than \$5,000 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 their estimated market value on the date of donation. Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Building Improvements	25-40 years
Water and Sewage System	50 years
Infrastructure	5 to 50 years
Equipment	3-10 years

Compensated Absences (Vacation and Sick Leave) – The Charter Township of Marquette, Michigan does not provide any compensated absences for their employees.

Long-Term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs are reported as debt service expenditures.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Estimates – The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles require the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues and expenditures. Actual results may differ from estimated amounts.

Subsequent Events – Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying independent auditor’s report, which is the date the financial statements were available to be issued.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level:

- a. The Manager submits to the Township Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to December 31 of each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.
- d. The general statute governing Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board’s intent regarding the administration of each year’s budget are set out in the Annual General Appropriations Act. The Township of Marquette, Michigan Board of Trustees, through policy action, specifically directs the manager not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.
- e. The Manager is authorized by means of Township policy to make certain transfers:

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued):

1. The Manager receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or group(s) and amount to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Trustees.
2. The following considerations must be reviewed in determination of transfer approvals:
 - a) Are the transfers consistent with the intent of the Board of Trustees in adopting the annual budget?
 - b) Will the transfer maintain the financial integrity of the Township?
 - c) Will the transfer provide a reasonable solution to the departmental operating problem?

Considering the above, the Manager will then decide whether or not the transfer should be made.

Supplemental appropriations are submitted to and reviewed by the Manager and submitted to the Township Board of Trustees for their review and approval. If approved, they are implemented by the Manager through a budget revision.

- f. The Township of Marquette, Michigan adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary controls exist at the most detailed level adopted by the Board of Trustees, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control, resides at the line item detail level.
- g. Budgets for the General Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board of Trustees.

NOTE C – DEPOSITS AND INVESTMENTS:

Cash Equivalents

As of December 31, 2009, the Charter Township of Marquette, Michigan's cash and cash equivalents and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business Type Activities	Fiduciary Funds	Component Unit	Total Primary Government
Cash and equivalents	\$946,739	\$1,977,471	\$631,467	\$15,890	\$3,571,567
Investments	-	-	-	-	-
	<u>\$946,739</u>	<u>\$1,977,471</u>	<u>\$631,467</u>	<u>\$15,890</u>	<u>\$3,571,567</u>

NOTE C – DEPOSITS AND INVESTMENTS (Continued):

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Charter Township of Marquette, Michigan's deposits may not be returned to it. State law does not require and the Charter Township of Marquette, Michigan does not have a deposit policy for custodial credit risk. The carrying amounts of the Charter Township of Marquette, Michigan's deposits with financial institutions were \$3,571,567 and the bank balance was \$3,637,871. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 1,984,846
Amount collateralized with the financial institution	144,071
Amount uncollateralized and uninsured	1,508,954
	<hr/>
	\$ 3,637,871
	<hr/>

Investments

As of December 31, 2009, the Charter Township of Marquette, Michigan did not have any investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Charter Township of Marquette, Michigan's investments. The Charter Township of Marquette, Michigan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Michigan statutes (Act 196, PA 1997) authorize the Charter Township of Marquette, Michigan to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC and authorized to operate in this state, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures within 270 days from date of purchase, bankers' acceptances of the United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

The Charter Township of Marquette, Michigan has no investment policy that would further limit its investment choices. Ratings are not required for the Charter Township of Marquette Michigan's investment in U.S. Government Agencies or equity-type funds. The Charter Township of Marquette, Michigan's investments are in accordance with statutory authority.

Concentration of Credit Risk

The Charter Township of Marquette, Michigan places no limit on the amount the Charter Township of Marquette, Michigan may invest in any one issuer. There were no investments subject to concentration of credit risk disclosure.

NOTE D – RECEIVABLES:

Receivables as of year-end for the government's individual major and non-major funds, and the internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

NOTE D – RECEIVABLES (Continued):

	General Fund	Fire Fund	Township Improvement Fund	Water Fund	Solid Waste Fund	Waste Water Fund	Total
Accounts Receivable	\$ 101,296	\$ -	\$ 12,914	\$ -	\$ -	\$ -	\$ 114,210
Taxes Receivable	1,075,487	408,360	-	-	-	-	1,483,847
Utility Billings	-	-	-	28,787	40,079	21,945	90,811
Special Assessments	-	-	-	145,211	-	32,478	177,689
Totals	\$ 1,176,783	\$ 408,360	\$ 12,914	\$ 173,998	\$ 40,079	\$ 54,423	\$ 1,866,557

NOTE E – CAPITAL ASSETS:

Capital asset activity of the primary government for the current year was as follows:

	Balance at January 1, 2009	Additions	Disposals	Balance at December 31, 2009
Construction in progress	\$ -	\$ 373,588	\$ -	\$ 373,588
Land	1,520,758	-	-	1,520,758
Land Improvements	27,205	-	-	27,205
Total Capital Assets, not being depreciated	1,547,963	373,588	-	1,921,551
Buildings and improvements	502,713	-	-	502,713
Vehicles	1,183,392	-	-	1,183,392
Furniture and equipment	147,685	-	-	147,685
Infrastructure	-	-	-	-
Total Capital Assets, being depreciated	1,833,790	-	-	1,833,790
Less Accumulated Depreciation:				
Buildings and improvements	241,989	14,549	-	256,538
Vehicles	963,366	80,788	-	1,044,154
Furniture and equipment	47,450	22,468	-	69,918
Infrastructure	-	-	-	-
Total Accumulated Depreciation	1,252,805	117,805	-	1,370,610
Governmental Activities Capital Assets, Net	2,128,948	255,783	-	2,384,731
Construction in progress	415,436	349,901	28,161	737,176
Land	240,000	-	-	240,000
Land improvements	560,293	-	-	560,293
Investment in Waste Water Treatment Facility	292,819	5,865	-	298,684
Total Capital Assets, not being depreciated	1,508,548	355,766	28,161	1,836,153
Buildings and improvements	353,961	-	-	353,961
Vehicles	161,112	40,850	-	201,962
Furniture and equipment	46,900	13,786	-	60,686
Infrastructure	9,709,674	631,802	-	10,341,476
Investment in MCSWF	190,835	-	-	190,835
Total Capital Assets, being depreciated	10,462,482	686,438	-	11,148,920
Less Accumulated Depreciation:				
Buildings and improvements	213,831	8,924	-	222,755
Vehicles	102,659	15,231	-	117,890
Furniture and equipment	38,288	8,474	-	46,762
Infrastructure	1,986,078	237,253	-	2,223,331
Investment in MCSWF	118,709	8,297	-	127,006
Total Accumulated Depreciation	2,459,565	278,179	-	2,737,744
Business Activities Capital Asset Total	\$ 9,511,465	\$ 764,025	\$ 28,161	\$ 10,247,329

NOTE E – CAPITAL ASSETS (Continued):

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
Public Safety	\$ 17,668
Capital Outlay	100,137
Total Governmental Activities	<u>\$ 117,805</u>

Business-Type Activities:	
Water Fund	\$ 157,540
Solid Waste Fund	8,297
Wastewater Treatment Fund	112,342
Storm Water Fund	-
Metro Fund	-
Total Business-Type Activities	<u>\$ 278,179</u>

NOTE F – DUE INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

Charter Township of Marquette, Michigan reports Interfund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single column or row. The total of all balances agrees with the sum of Interfund balances presented in the statements of net assets/balance sheet for governmental funds. Interfund transactions resulting in Interfund receivables and payables are as follows:

DUE TO OTHER FUNDS	DUE FROM OTHER FUNDS		
	General Fund	Solid Waste Fund	Total Due To Other Funds
General Fund	\$ -	\$ 177,884	\$ 177,884
Township Improvement Fund	-	104,550	104,550
Trust and Agency Fund	2,998	-	2,998
Tax Collection Fund	6,579	-	6,579
Total Due From Other Funds	<u>\$ 9,577</u>	<u>\$ 282,434</u>	<u>\$ 292,011</u>

All balances resulted from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfer In From Other Funds	Transfer Out To Other Funds							Total
	General Fund	Fire Fund	Township Improvement Fund	Liquor Fund	Water Fund	Solid Waste Fund	Waste Water Fund	
General Fund	\$ -	\$ -	\$ 20,000	\$ 4,796	\$ 23,000	\$ 14,000	\$ 11,000	\$ 72,796
Fire Fund	-	-	-	-	-	-	-	-
Township Improvement Fund	175,716	-	-	-	-	-	-	175,716
Storm water Fund	-	-	-	-	-	-	12,000	12,000
Total	<u>\$ 175,716</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 4,796</u>	<u>\$ 23,000</u>	<u>\$ 14,000</u>	<u>\$ 23,000</u>	<u>\$ 260,512</u>

NOTE F – DUE INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE G – LONG-TERM DEBT:

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Township contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time of debt service payments are due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Individual bond and contractual obligation activity can be summarized as follows:

**Wildland Pumper Installment Note
December 31, 2009**

	Principal	Interest	Total
2010	\$ 17,955	\$ 934	\$ 18,889
TOTALS	\$ 17,955	\$ 934	\$ 18,889

The Note was originally issued for \$67,000 on January 20, 2006. Note Payments are due annually, on January 20 (principal plus interest), with an interest rate of 5.150%.

**2004 Land Purchase Note
December 31, 2009**

	December 1		
	Principal	Interest	Total
2010	\$ 39,200	\$ 14,129	\$ 53,329
2011	39,200	12,559	51,759
2012	39,200	11,019	50,219
2013	39,200	9,419	48,619
2014	39,200	7,850	47,050
2015	39,200	6,280	45,480
2016	39,200	4,723	43,923
2017	39,200	3,140	42,340
2018	39,200	1,570	40,770
TOTALS	\$ 352,800	\$ 70,689	\$ 423,489

The Note was originally issued for \$588,000 on November 19, 2003. Note Payments are due annually, on November 11 (principal and interest), with an interest rate of 3.950%.

NOTE G – LONG-TERM DEBT (Continued):

**Corner Stone Property Note
December 31, 2009**

	Principal	Interest	Total
2010	\$ 18,404	\$ 14,103	\$ 32,507
2011	19,300	13,207	32,507
2012	20,205	12,302	32,507
2013	21,222	11,285	32,507
2014	22,255	10,252	32,507
2015	23,338	9,169	32,507
2016	24,452	8,055	32,507
2017	25,664	6,843	32,507
2018	26,913	5,594	32,507
2019	28,223	4,284	32,507
2020	29,588	2,919	32,507
2021	30,212	2,295	32,507
TOTALS	\$ 289,776	\$ 100,308	\$ 390,084

The Note was originally issued for \$349,000 on June 21, 2007. Note Payments are due annually, on November 30 (principal plus interest), with an interest rate of 4.800%.

**Fair Avenue Project Note
December 31, 2009**

	Principal	Interest	Total
2010	\$ 125,991	\$ 6,332	\$ 132,323
TOTALS	\$ 125,991	\$ 6,332	\$ 132,323

The Note was originally issued for \$360,483 on August 20, 2007. Note Payments are due annually, on August 20 (principal plus interest), with an interest rate of 4.960%.

**Brookton Property Note
December 31, 2009**

	Principal	Interest	Total
2010	\$ 138,409	\$ 6,611	\$ 145,020
TOTALS	\$ 138,409	\$ 6,611	\$ 145,020

The Note was originally issued for \$149,852 on January 1, 2008. Note Payments are due annually, on November 15 (principal plus interest), with an interest rate of 4.600%.

**1998A Sewer Bond
December 31, 2009**

	Principal	Interest	Total
2010	\$ 150,810	\$ 5,904	\$ 156,714
2011	80,000	1,801	81,801
TOTALS	\$ 230,810	\$ 7,705	\$ 238,515

The Bond was originally issued for \$1,953,921 on October 8, 1998. Bond Payments are due semi-annually on May 1 (principal and interest) and November 1 (interest only).

NOTE G – LONG-TERM DEBT (Continued):

**Water Land Purchase Note
December 31, 2009**

	March 25		Total
	Principal	Interest	
2010	\$ 16,000	\$ 8,476	\$ 24,476
2011	16,000	7,706	23,706
2012	16,000	6,954	22,954
2013	16,000	6,164	22,164
2014	16,000	5,394	21,394
2015	16,000	4,623	20,623
2016	16,000	3,863	19,863
2017	16,000	3,082	19,082
2018	16,000	2,312	18,312
2019	16,000	1,541	17,541
2020	16,000	773	16,773
TOTALS	<u>\$176,000</u>	<u>\$ 50,888</u>	<u>\$226,888</u>

The Note was originally issued for \$240,000 on March 25, 2005. Note payments are due annually, on March 25 (principal and interest), with an interest rate of 4.750%.

**Drinking Water Program Bond
December 31, 2009**

	Principal	Interest	Total
2010	\$200,000	\$79,900	\$279,900
2011	205,000	75,650	280,650
2012	210,000	71,294	281,294
2013	215,000	66,831	281,831
2014	220,000	62,263	282,263
2015	220,000	57,588	277,588
2016	225,000	52,913	277,913
2017	230,000	48,131	278,131
2018	235,000	43,244	278,244
2019	240,000	38,250	278,250
2020	245,000	33,150	278,150
2021	250,000	27,944	277,944
2022	255,000	22,631	277,631
2023	265,000	17,213	282,213
2024	270,000	11,581	281,581
2025	275,000	5,844	280,844
TOTALS	<u>\$3,760,000</u>	<u>\$714,427</u>	<u>\$4,474,427</u>

The Bond was originally issued for \$4,520,000 on June 23, 2005. Bond payments are due semi-annually, on April 1 (interest) and on October 1, (principal plus interest) with an interest rate of 2.125%.

NOTE G – LONG-TERM DEBT (Continued):

**2008 Grandview Water Bond
December 31, 2009**

	Principal	Interest	Total
2010	\$ 10,000	\$ 7,613	\$ 17,613
2011	10,000	7,178	17,178
2012	10,000	6,743	16,743
2013	10,000	6,308	16,308
2014	15,000	5,764	20,764
2015	10,000	5,220	15,220
2016	10,000	4,785	14,785
2017	10,000	4,350	14,350
2018	10,000	3,915	13,915
2019	10,000	3,480	13,480
2020	15,000	2,936	17,936
2021	10,000	2,393	12,393
2022	10,000	1,958	11,958
2023	10,000	1,523	11,523
2024	10,000	1,088	11,088
2025	10,000	653	10,653
2026	10,000	218	10,218
TOTALS	\$180,000	\$66,125	\$ 246,125

The Bond was originally issued for \$200,000 on April 17, 2007. Bond Payments are due semi-annually on May 1 (principal and interest) and November 1 (interest only), with an interest rate of 4.349%.

Annual maturities on long-term debt are as follows:

	Governmental			Business		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 339,959	\$ 42,109	\$ 382,068	\$ 376,810	\$ 101,893	\$ 478,703
2011	58,500	25,766	84,266	311,000	92,335	403,335
2012	59,405	23,321	82,726	236,000	84,991	320,991
2013	60,422	20,704	81,126	241,000	79,303	320,303
2014	61,455	18,102	79,557	251,000	73,421	324,421
2015	62,538	15,448	77,986	246,000	67,431	313,431
2016	63,652	12,778	76,430	251,000	61,561	312,561
2017	64,864	9,983	74,847	256,000	55,563	311,563
2018	66,113	7,164	73,277	261,000	49,471	310,471
2019	28,223	4,284	32,507	266,000	43,271	309,271
2020	29,588	2,919	32,507	276,000	36,859	312,859
2021	30,212	2,295	32,507	260,000	30,337	290,337
2022	-	-	-	265,000	24,589	289,589
2023	-	-	-	275,000	18,736	293,736
2024	-	-	-	280,000	12,669	292,669
2025	-	-	-	285,000	6,497	291,497
2026	-	-	-	10,000	218	10,218
Totals	\$ 924,931	\$ 184,873	\$ 1,109,804	\$ 4,346,810	\$ 839,145	\$ 5,185,955

NOTE G – LONG-TERM DEBT (Continued):

	January 1, 2009	Additions	Reductions	December 31, 2009	Due Within One Year
Governmental Activities:					
Fire Truck Installment Note	\$ 35,224	\$ -	\$ 35,224	\$ -	\$ -
Wild Land Pumper Installment Loan	35,124	-	17,169	17,955	17,955
Badger Creek Drain Bond	56,805	-	56,805	-	-
2004 Land Purchase Note	392,000	-	39,200	352,800	39,200
Corner Stone Property Note	307,337	-	17,561	289,776	18,404
Fair Avenue Project Note	245,901	-	119,910	125,991	125,991
Brookton Property Note	143,711	-	5,302	138,409	138,409
Total Governmental Activities	<u>1,216,102</u>	<u>-</u>	<u>291,171</u>	<u>924,931</u>	<u>339,959</u>
Business-Type Activities:					
1988A Sewer Bond	384,161	-	153,351	230,810	150,810
Water Note Land Purchase	192,000	-	16,000	176,000	16,000
Drinking Water Bond	3,955,000	-	195,000	3,760,000	200,000
2008 Grandview Water Bond	190,000	-	10,000	180,000	10,000
Landfill Bond	10,417	-	10,417	-	-
Total Business-Type Activities	<u>4,731,578</u>	<u>-</u>	<u>384,768</u>	<u>4,346,810</u>	<u>376,810</u>
TOTAL PRIMARY GOVERNMENT LONG-TERM DEBT	<u>\$ 5,947,680</u>	<u>\$ -</u>	<u>\$ 675,939</u>	<u>\$ 5,271,741</u>	<u>\$ 716,769</u>

NOTE H – RISK MANAGEMENT:

The Local Government Unit is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Local Governmental Unit has purchased commercial insurance for claims and participates in the Michigan Townships Participating Plan. The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE I – JOINT VENTURE:

In June 1988, The Charter Township of Marquette, Michigan joined with 19 other municipalities to create the Marquette Township Solid Waste Management Authority ("Authority"). The Authority was created pursuant to Act 233 of 1955 to plan for, acquire, construct, finance, operate, maintain, repair, and dispose of, whether by sale, lease, or otherwise, an Act 641 landfill, including all improvements, appurtenances, easements, accessory facilities and structures, equipment, and other property part of or incidental to the landfill sufficient to satisfy the requirements of, and function as a solid waste disposal area under Act 641 and to establish and administer procedures providing for the separation, recycling, recovery, conversion of solid waste to energy and for the disposition of such energy output and disposal at the site of Non-toxic Type II and Type III Solid Waste, to fund all of the above activities, to charge and collect fees in connection with the operation of the landfill and to provide for the reimbursement with receipt of bond proceeds to the City of Marquette and Sands Township of their respective costs and expenses incurred in connection with the establishment and administration of the Solid Waste Authority and the System Facility.

NOTE I – JOINT VENTURE (Continued):

The Authority is governed by a Board of Trustees consisting of one (1) member (who is the Chairperson of the board of Trustees) designated by the Sands Township Supervisor on behalf of the Sands Township, two (2) members designated by the Marquette City Commission; three (3) members designated by the Marquette Township Board of Trustees, and one resident of the City of Marquette appointed by the other 6 Authority Board members. All decisions of the Board are made by majority vote, consisting of at least four of its members.

The Township's share of assets, liabilities and fund equity is approximately 1 percent. Summary financial information as of and for the fiscal year ended June 30, 2009, is as follows:

Total Assets	\$ 13,096,550
Total Liabilities	1,834,639
Total Equity	11,261,911
Total Operating Revenues	2,128,351
Total Operating Expenses	2,772,100
Net Income (loss)	(257,010)

The City of Marquette has pledged its full faith and credit for the Marquette Township Solid Waste Management Authority Bonds, Series 1988. These bonds are payable from the net revenues of the Authority, as well as by each member of the Authority to the extent of their pro rata share of the principal and interest requirements on the bonds.

NOTE J – INVESTMENT IN WASTEWATER TREATMENT FACILITY:

On April 7, 1977, and May 31, 1983 the Charter Township of Chocolay, The City of Marquette, and Township of Marquette entered into contracts to construct and operate a secondary wastewater treatment facility to be known as the "Marquette Area Wastewater Treatment Facility". Under those agreements the Township of Chocolay would own 14.7% of the facility, the Township of Marquette would own 5.5% and the City of Marquette would own 79.8%.

On July 1, 1993, there was an amendment to the Marquette Township Wastewater Disposal system contract to change the ownership of the three partners involved. The Charter Township of Marquette paid to the City of Marquette and the Charter Township of Chocolay each the sum of \$54,743, representing an allocation of an additional 4.5% of the capacity of the Marquette Area Wastewater Treatment Facility to Marquette Township. During fiscal 1998, the Township of Marquette issued refunding bonds – unlimited tax series 1998, to partially refund the original bond issue. The new ownership percentages for the City of Marquette, Charter Township of Chocolay, and Charter Township of Marquette are 77.55%, 12.45%, and 10.00%, respectively.

On June 26, 2007, there was an amendment to the Marquette Township Wastewater Disposal System Contract to change ownership of the three partners involved. The new ownership percentages for the city of Marquette, the Charter Township of Chocolay, and the Charter Township of Marquette are 85%, 5%, and 10%, respectively.

NOTE J – INVESTMENT IN WASTEWATER TREATMENT FACILITY (Continued):

The construction of the Facility was partially financed through \$2.5 million general obligation bonds which were partially refunded during fiscal 1998 and issued by Marquette Township for which the full faith and credit of the two Townships and the City of Marquette have been pledged. Repayment of the Township of Marquette bonds and the interest thereon is the contractual responsibility of the owners of the project based on their share of the ownership. The total investment in the Facility at December 31, 2008 by the Township is \$279,167 including local contributions and its proportionate share of the net equity of the Facility. The Township utilizes the equity method of accounting for the activity in its investment in the Facility. Under the equity method the investment is adjusted for any additional capital investments made and its proportionate share of the Facility's results of operations.

A summary of condensed financial information of the Facility, in the aggregate, for its fiscal year ended June 30, 2009 is as follows:

Assets	\$ 22,917,411
Liabilities	18,120,094
Fund Equity	4,797,317
Total Operating Revenues	1,804,746
Total Operating Expenses	2,067,537
Net income (loss)	(407,445)
Township's share of net income (loss)	20,967

NOTE K – PENSION PLANS:

Plan Description – The Township of Marquette, Michigan participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all employees of the Township of Marquette, Michigan. The System provides retirement, disability and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy – The obligation to maintain the system for these employees was established by negotiation with the Township of Marquette, Michigan's competitive bargaining units.

Annual Pension Cost – For year ended December 31, 2009, the Township of Marquette, Michigan's annual pension cost of \$75,636 for the plan was equal to the Township of Marquette, Michigan's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2008, using the entry actual age cost method. Significant actuarial assumptions used include (a) an 8.0 investment rate of return, and (b) projected salary increases of 4.5 percent per year. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payrolls on a closed basis. The remaining amortization period is 30 years.

NOTE K – PENSION PLANS (Continued):

	Three Year Trend Information from Actuarial Valuation Fiscal Year Ended December 31		
	2009	2008	2007
Annual Pension Cost (APC)	\$84,218	\$93,362	\$72,305
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	-	-	-
Actuarial Value of Assets	\$1,302,931	\$886,376	\$750,325
Actuarial Accrued Liability (AAL)	\$1,040,472	\$1,386,253	\$1,151,470
Unfunded AAL (UAAL)	\$ 262,459	\$ 499,877	\$ 401,145
Funded Ratio	80%	64%	65%
Covered Payroll	\$661,015	\$684,017	\$588,857
UAAL as a Percentage of Covered Payroll	40%	73%	68%

REQUIRED SUPPLEMENTAL
FINANCIAL INFORMATION

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES:				
Taxes	\$ 1,107,257	\$ 1,107,257	\$ 1,117,552	\$ 10,295
Licenses and permits	14,000	14,000	16,355	2,355
State sources	235,219	205,619	205,223	(396)
Charges for services	37,098	37,098	34,776	(2,322)
Interest and rent	20,896	20,896	12,805	(8,091)
Other revenues	9,500	9,500	22,029	12,529
TOTAL REVENUES	<u>1,423,970</u>	<u>1,394,370</u>	<u>1,408,740</u>	<u>14,370</u>
EXPENDITURES:				
Legislative	137,175	425,480	418,123	7,357
General services and administration	553,915	531,815	517,709	14,106
Public safety	132,255	127,255	126,525	730
Public works	14,000	15,000	14,095	905
Community and economic development	87,145	59,145	57,111	2,034
Recreation and culture	167,597	173,897	172,446	1,451
Other	21,410	14,893	13,028	1,865
Capital outlay	10,000	5,500	-	5,500
Debt Service	158,256	158,456	158,441	15
TOTAL EXPENDITURES	<u>1,281,753</u>	<u>1,511,441</u>	<u>1,477,478</u>	<u>33,963</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>142,217</u>	<u>(117,071)</u>	<u>(68,738)</u>	<u>48,333</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	53,216	73,216	72,796	(420)
Transfers (out)	(175,716)	(175,716)	(175,716)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(122,500)</u>	<u>(102,500)</u>	<u>(102,920)</u>	<u>(420)</u>
CHANGE IN FUND BALANCE	19,717	(219,571)	(171,658)	47,913
Fund balance, beginning of year	389,703	389,703	389,703	-
FUND BALANCE, END OF YEAR	<u>\$ 409,420</u>	<u>\$ 170,132</u>	<u>\$ 218,045</u>	<u>\$ 47,913</u>

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

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

FIRE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 414,575	\$ 414,575	\$ 415,486	\$ 911
License and Permits:	-	-	25	25
Charges for services	5,500	5,500	18,183	12,683
Interest	8,000	8,000	10,373	2,373
Other revenues	1,300	1,300	587	(713)
TOTAL REVENUES	429,375	429,375	444,654	15,279
EXPENDITURES:				
Legislative	-	-	-	-
General services and administration	-	-	-	-
Public safety	392,804	404,804	374,918	29,886
Public works	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	392,804	404,804	374,918	29,886
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	36,571	24,571	69,736	45,165
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	36,571	24,571	69,736	45,165
Fund balance, beginning of year	274,788	274,788	274,788	-
FUND BALANCE, END OF YEAR	\$ 311,359	\$ 299,359	\$ 344,524	\$ 45,165

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

TOWNSHIP IMPROVEMENT FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 7,245	\$ 7,245	\$ 7,848	\$ 603
Other	-	-	8,019	8,019
TOTAL REVENUES	<u>7,245</u>	<u>7,245</u>	<u>15,867</u>	<u>8,622</u>
EXPENDITURES:				
Legislative	-	-	-	-
General services and administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community and economic development	182,961	162,961	153,597	9,364
Recreation and culture	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>182,961</u>	<u>162,961</u>	<u>153,597</u>	<u>9,364</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(175,716)</u>	<u>(155,716)</u>	<u>(137,730)</u>	<u>17,986</u>
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	-	-
Transfers in	175,716	175,716	175,716	-
Transfers out	-	(20,000)	(20,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>175,716</u>	<u>155,716</u>	<u>155,716</u>	<u>-</u>
CHANGE IN FUND BALANCE	-	-	17,986	17,986
Fund balance, beginning of year	<u>27,650</u>	<u>27,650</u>	<u>27,650</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,650</u>	<u>\$ 27,650</u>	<u>\$ 45,636</u>	<u>\$ 17,986</u>

OTHER SUPPLEMENTAL INFORMATION

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2009

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 1,029,578	\$ 1,038,792	\$ 9,214
Payment in lieu of taxes	3,500	3,398	(102)
Commercial forest	5,154	4,384	(770)
Swamp tax	3,688	3,688	-
Tax collection fees	65,337	67,290	1,953
Total Taxes	<u>1,107,257</u>	<u>1,117,552</u>	<u>10,295</u>
Licenses and Permits:			
License and permits	1,500	12,640	11,140
Zoning permit fees	12,500	3,715	(8,785)
Total Licenses and Permits	<u>14,000</u>	<u>16,355</u>	<u>2,355</u>
State Sources:			
State revenue sharing	205,619	205,223	(396)
Total State Sources	<u>205,619</u>	<u>205,223</u>	<u>(396)</u>
Charges for Services:			
Charges for services	100	42	(58)
CATV franchise fees	36,998	34,734	(2,264)
Total Charges for Services	<u>37,098</u>	<u>34,776</u>	<u>(2,322)</u>
Interest and Rents:			
Interest	20,796	12,685	(8,111)
Rent	100	120	20
Total Interest	<u>20,896</u>	<u>12,805</u>	<u>(8,091)</u>
Other Revenues:			
Other revenue	9,500	22,029	12,529
Total Other Revenues	<u>9,500</u>	<u>22,029</u>	<u>12,529</u>
TOTAL REVENUES	<u>1,394,370</u>	<u>1,408,740</u>	<u>14,370</u>
EXPENDITURES:			
LEGISLATIVE:			
Board of Commissioners:			
Personnel services	16,435	16,162	273
Supplies	925	469	456
Other services and charges	408,120	401,492	6,628
TOTAL LEGISLATIVE	<u>\$ 425,480</u>	<u>\$ 418,123</u>	<u>\$ 7,357</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2009

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
GENERAL SERVICES AND ADMINISTRATION:			
Supervisor:			
Personnel services	\$ 15,110	\$ 13,807	\$ 1,303
Supplies	75	59	16
Other services and charges	200	259	(59)
Total Supervisor	<u>15,385</u>	<u>14,125</u>	<u>1,260</u>
Manager:			
Personnel services	115,129	114,799	330
Supplies	100	-	100
Other services and charges	1,025	709	316
Total Manager	<u>116,254</u>	<u>115,508</u>	<u>746</u>
Election:			
Personnel services	1,800	1,328	472
Supplies	1,000	1,063	(63)
Other services and charges	1,600	1,939	(339)
Total Election	<u>4,400</u>	<u>4,330</u>	<u>70</u>
Assessor:			
Personnel services	155,987	150,363	5,624
Supplies	250	688	(438)
Other services and charges	10,758	10,965	(207)
Total Assessor	<u>166,995</u>	<u>162,016</u>	<u>4,979</u>
Clerk:			
Personnel services	85,273	82,900	2,373
Supplies	1,000	1,091	(91)
Other services and charges	3,270	3,284	(14)
Total Clerk	<u>89,543</u>	<u>87,275</u>	<u>2,268</u>
Board of Review:			
Personnel services	1,087	954	133
Other services and charges	300	-	300
Total Board of Review	<u>1,387</u>	<u>954</u>	<u>433</u>
Treasurer:			
Personnel services	30,360	29,462	898
Supplies	550	522	28
Other services and charges	2,600	2,147	453
Total Treasurer	<u>\$ 33,510</u>	<u>\$ 32,131</u>	<u>\$ 1,379</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2009

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Township Hall and Grounds:			
Personnel services	\$ 22,716	\$ 22,241	\$ 475
Supplies	2,500	2,337	163
Other services and charges	18,875	16,565	2,310
Total Township Hall and Grounds	<u>44,091</u>	<u>41,143</u>	<u>2,948</u>
General Services; Administration:			
Personnel services	17,750	17,583	167
Supplies	4,500	4,590	(90)
Other services and charges	38,000	38,054	(54)
Total General Services; Administration	<u>60,250</u>	<u>60,227</u>	<u>23</u>
TOTAL GENERAL SERVICES AND ADMINISTRATION	<u>531,815</u>	<u>517,709</u>	<u>14,106</u>
PUBLIC SAFETY:			
Law Enforcement:			
Other services and charges	127,255	126,525	730
TOTAL PUBLIC SAFETY	<u>127,255</u>	<u>126,525</u>	<u>730</u>
PUBLIC WORKS:			
Street Lighting:			
Other services and charges	15,000	14,095	905
TOTAL PUBLIC WORKS	<u>15,000</u>	<u>14,095</u>	<u>905</u>
COMMUNITY AND ECONOMIC DEVELOPMENT:			
Planning:			
Personnel services	5,457	4,855	602
Supplies	1,250	378	872
Other services and charges	52,100	51,623	477
Total Refuse Collection	<u>58,807</u>	<u>56,856</u>	<u>1,951</u>
Zoning Board of Appeals:			
Personnel services	128	114	14
Supplies	10	-	10
Other services and charges	200	141	59
Total Planning Commission	<u>338</u>	<u>255</u>	<u>83</u>
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	<u>\$ 59,145</u>	<u>\$ 57,111</u>	<u>\$ 2,034</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2009

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
RECREATION AND CULTURE:			
Recreational Facilities:			
Personnel services	\$ 4,500	\$ 3,424	\$ 1,076
Supplies	2,000	1,965	35
Other services and charges	6,050	5,761	289
Total Recreational Facilities	<u>12,550</u>	<u>11,150</u>	<u>1,400</u>
Library Services:			
Other services and charges	161,347	161,296	51
Total Library Services	<u>161,347</u>	<u>161,296</u>	<u>51</u>
TOTAL RECREATION AND CULTURE	<u>173,897</u>	<u>172,446</u>	<u>1,451</u>
OTHER:			
Insurance and Bonds:			
Other services and charges	10,210	9,962	248
Special Appropriations	4,683	3,066	1,617
TOTAL OTHER	<u>14,893</u>	<u>13,028</u>	<u>1,865</u>
CAPITAL OUTLAY	<u>5,500</u>	<u>-</u>	<u>5,500</u>
DEBT SERVICE	<u>158,456</u>	<u>158,441</u>	<u>15</u>
TOTAL EXPENDITURES	<u>1,511,441</u>	<u>1,477,478</u>	<u>33,963</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(117,071)</u>	<u>(68,738)</u>	<u>48,333</u>
OTHER FINANCING SOURCES (USES):			
Transfers In / (Out):			
Transfers in	73,216	72,796	(420)
Transfers out	(175,716)	(175,716)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(102,500)</u>	<u>(102,920)</u>	<u>(420)</u>
CHANGE IN FUND BALANCE	(219,571)	(171,658)	47,913
Fund balance, beginning of year	<u>389,703</u>	<u>389,703</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 170,132</u>	<u>\$ 218,045</u>	<u>\$ 47,913</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS

FIRE FUND

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 413,700	\$ 414,862	\$ 1,162
Commercial Forest	875	624	(251)
Total Taxes	<u>414,575</u>	<u>415,486</u>	<u>911</u>
Federal sources:			
Federal grant	-	-	-
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>
License and Permits:			
License and permits	-	25	25
Total License and Permits	<u>-</u>	<u>25</u>	<u>25</u>
Charges for Services:			
Services rendered	5,500	18,183	12,683
Total Charges for Services	<u>5,500</u>	<u>18,183</u>	<u>12,683</u>
Interest:			
Interest income	8,000	10,373	2,373
Total Interest	<u>8,000</u>	<u>10,373</u>	<u>2,373</u>
Other Revenue:			
Other revenue	1,300	587	(713)
Total Other Revenue	<u>1,300</u>	<u>587</u>	<u>(713)</u>
TOTAL REVENUES	<u>429,375</u>	<u>444,654</u>	<u>15,279</u>
EXPENDITURES:			
Public Safety:			
Fire Department			
Personnel services	241,870	227,206	14,664
Supplies	14,480	18,888	(4,408)
Other services and charges	92,827	73,197	19,630
Capital outlay	-	-	-
Debt service	55,627	55,627	-
Total Fire Department	<u>404,804</u>	<u>374,918</u>	<u>29,886</u>
TOTAL EXPENDITURES	<u>404,804</u>	<u>374,918</u>	<u>29,886</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>24,571</u>	<u>69,736</u>	<u>45,165</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	24,571	69,736	45,165
Fund balance, beginning of year	<u>274,788</u>	<u>274,788</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 299,359</u>	<u>\$ 344,524</u>	<u>\$ 45,165</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

MAJOR GOVERNMENTAL FUNDS

TOWNSHIP IMPROVEMENT FUND

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	Variance with Final Budget Positive (Negative)
REVENUES:			
Interest:			
Interest income	\$ 7,245	\$ 7,848	\$ 603
Total Interest	<u>7,245</u>	<u>7,848</u>	<u>603</u>
Other Revenue:			
Other revenue	-	8,019	8,019
Total Other Revenue	<u>-</u>	<u>8,019</u>	<u>8,019</u>
TOTAL REVENUES	<u>7,245</u>	<u>15,867</u>	<u>8,622</u>
EXPENDITURES:			
Community and Economic Development:			
Township Improvement:			
Other services and charges	500	-	500
Capital outlay	30,000	21,136	8,864
Debt service	132,461	132,461	-
Total Community and Economic Development	<u>162,961</u>	<u>153,597</u>	<u>9,364</u>
TOTAL EXPENDITURES	<u>162,961</u>	<u>153,597</u>	<u>9,364</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(155,716)</u>	<u>(137,730)</u>	<u>17,986</u>
OTHER FINANCING SOURCES (USES):			
Loan proceeds	-	-	-
Transfers in	175,716	175,716	-
Transfers (out)	(20,000)	(20,000)	-
TOTAL OTHER FINANCING SOURCES	<u>155,716</u>	<u>155,716</u>	<u>-</u>
CHANGES IN FUND BALANCE	-	17,986	17,986
Fund balance, beginning of year	<u>27,650</u>	<u>27,650</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,650</u>	<u>\$ 45,636</u>	<u>\$ 17,986</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

NON - MAJOR GOVERNMENTAL FUNDS

LIQUOR LAW FUND

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Final Budget</u>	<u>Actual GAAP Basis</u>	Variance with Final Budget Positive (Negative)
REVENUES:			
State sources:			
State liquor fees	\$ 4,755	\$ 4,755	\$ -
Total State Sources	<u>4,755</u>	<u>4,755</u>	<u>-</u>
Interest:			
Interest income	25	22	(3)
Total Interest	<u>25</u>	<u>22</u>	<u>(3)</u>
TOTAL REVENUES	<u>4,780</u>	<u>4,777</u>	<u>(3)</u>
EXPENDITURES:			
Public Safety:			
Other services and charges	-	-	-
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,780</u>	<u>4,777</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	(4,796)	(4,796)	-
TOTAL OTHER FINANCING SOURCES	<u>(4,796)</u>	<u>(4,796)</u>	<u>-</u>
CHANGES IN FUND BALANCE	(16)	(19)	(3)
Fund balance, beginning of year	<u>4,880</u>	<u>4,880</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,864</u>	<u>\$ 4,861</u>	<u>\$ (3)</u>

CHARTER TOWNSHIP OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	<u>Trust & Agency Fund</u>	<u>Tax Collection Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 7,702	\$ 623,765	\$ 631,467
TOTAL ASSETS	<u>\$ 7,702</u>	<u>\$ 623,765</u>	<u>\$ 631,467</u>
LIABILITIES			
Accounts Payable	\$ 3,483	\$ -	\$ 3,483
Due to others	1,221	617,186	618,407
Due to other funds	2,998	6,579	9,577
TOTAL LIABILITIES	<u>\$ 7,702</u>	<u>\$ 623,765</u>	<u>\$ 631,467</u>

COMPLIANCE SUPPLEMENTS



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

The Board of Trustees of the
Charter Township of Marquette, Michigan
161 Township Road 492
Marquette, Michigan 49855

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Marquette, Michigan, as of and for the year ended December 31, 2009, which collectively comprise the Charter Township of Marquette, Michigan's basic financial statements and have issued our report thereon dated May 31, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

The Board of Trustees of the
Charter Township of Marquette, Michigan

Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

May 31, 2010

COMMUNICATIONS SECTION



ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

MICHIGAN
ESCANABA
IRON MOUNTAIN
KINROSS
MARQUETTE

PARTNERS

JOHN W. BLEMBERG, CPA

ROBERT J. DOWNS, CPA, CVA

DANIEL E. BIANCHI, CPA

WISCONSIN
GREEN BAY
MILWAUKEE

May 31, 2010

To the Board of Trustees of the
Charter Township of Marquette, Michigan
161 County Road 492
Marquette, Michigan 49855

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Marquette, Michigan for the year ended December 31, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 20, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Charter Township of Marquette, Michigan are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Adjustment to book construction in progress in the General Fixed Asset Account Group.

To the Board of Trustees of the
Charter Township of Marquette, Michigan

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

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

This information is intended solely for the use of the Board of Trustees and management of the Charter Township of Marquette, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Anderson, Tackman & Company, PLLC
Certified Public Accountants