

Economic Vitality Incentive Program Certification of Accountability and Transparency

Issued under authority of Public Act 63 of 2011. Filing is mandatory to qualify for payments.

Each city/village/township applying for Accountability and Transparency payments must:

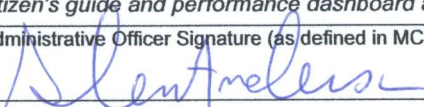
1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, a citizen's guide and a performance dashboard of the local unit's finances, including recognition of unfunded liabilities.
2. Submit to Treasury a citizen's guide and a performance dashboard.

This certification, along with a citizen's guide and a performance dashboard, **must be received by October 1, 2011** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION

| | |
|------------------------------------|--|
| Local Unit Name CITY OF HANCOCK | |
| Local Unit Code 312010 | Local Unit County HOUGHTON |
| Contact Name GLENN ANDERSON | Contact Telephone Number (906) 482-1121 |

PART 2: CERTIFICATION

| | |
|--|-----------------|
| <i>In accordance with Public Act 63 of 2011, the undersigned hereby certifies to Treasury that by October 1, 2011, the above mentioned local unit has produced and made readily available to the public a citizen's guide, and a performance dashboard of the local unit's finances, including recognition of unfunded liabilities. The citizen's guide and performance dashboard are attached to this signed certification.</i> | |
| Chief Administrative Officer Signature (as defined in MCL 141.422b)  GLENN ANDERSON | |
| Title CITY MANAGER | Date 9-22-11 |

Completed and signed forms (including required attachments) should be e-mailed to: TreasORTA@michigan.gov

If you are unable to submit via e-mail, mail the completed form and required attachments to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

| Treasury Use Only | | |
|---------------------|--------------------------|------------|
| EVIP Eligible | Certification Received | EVIP Notes |
| Y N | Dashboard Received | |
| Final Certification | Citizen's Guide Received | |



Begin Here...

Local Unit: **HANCOCK CITY** County: **HOUGHTON**

Fiscal Stability

| | Prior | Current | Progress |
|--|------------|------------|----------|
| ? Annual general fund expenditures per capita | \$570.00 | \$436.00 | → |
| ? Fund balance as a percent of annual general fund expenditures | 3.00% | 4.00% | ↑ |
| ? Unfunded other post employment benefits (OPEB) liability as a percent of annual general fund revenue | 20.00% | 14.00% | → |
| ? Debt burden per capita | \$1,803.00 | \$1,712.00 | → |
| ? Percentage of road funding provided by the general fund | 19.00% | 7.00% | → |
| ? Ratio of pensioners to employees | 0.13 | 0.17 | ↑ |
| ? Number of services delivered via cooperative venture | 14 | 14 | ↔ |

? Government unit specific:

KEY: Arrows represent the change from prior to current year; The color of the arrow represents if the change was positive (GREEN) or negative (RED). A double arrow represents no change (NEUTRAL)

Economic Strength

| | Prior | Current | Progress |
|---|-------|---------|----------|
| ? Percent of community with access to high speed broadband | 100% | 100% | ↔ |
| ? Percent of community age 25+ with a Bachelor Degree or higher | 27% | 27% | ↔ |
| ? Average age of critical infrastructure (years) | 60 | 45 | → |
| ? Government unit specific: | | | |

Public Safety

| | Prior | Current | Progress |
|-----------------------------------|-------|---------|----------|
| ? Violent crimes per thousand | 0 | 0 | ↑ |
| ? Property crimes per thousand | 0 | 0 | → |
| ? Traffic injuries and fatalities | 15 | 16 | ↑ |
| ? Government unit specific: | | | |

Quality of Life

| | Prior | Current | Progress |
|--|---------|---------|----------|
| ? Miles of sidewalks and non motorized trails per mile of local roads | 8 | 8 | ↔ |
| ? Percent of general fund budget committed to arts, culture and recreation | 3.00% | 5.00% | → |
| ? Acres of park per thousand residents | 20 | 20 | ↔ |
| ? Percent of community with curbside recycling | 100.00% | 100.00% | ↔ |
| ? Government unit specific: | | | |



399 Quincy Street, Hancock, MI 49930 phone: (906)482-2720 fax:
(906)482-7910

DOLLARS AND SENSE

How The City of Hancock Spends Your Money

2011 Citizens Guide to
The City of Hancock's Financial Health

Presented by:
Glenn Anderson, City Manager
September 1, 2011

-The City of Hancock is an Equal Opportunity Provider & Employer-



399 Quincy Street, Hancock, MI 49930 phone: (906)482-2720 fax:
(906)482-7910

September 1, 2011

Dear Citizens:

I am pleased to provide you with our 2011 Citizen's Guide to the City's financial health.

Beginning October 1, 2011, for the first time, the State of Michigan enacted new requirements for the City of Hancock to be eligible to continue to receive state revenue sharing payments for the General Fund. This new initiative is known as the Economic Vitality Incentive Program.

This Citizen's Guide will supplement our annual audit done each year by an Independent Certified Accounting firm, and uses recently audited financial statements for different fiscal years to present the information included in this guide.

Each fiscal year's full audit is available on the city's website, www.cityofhancock.com, and the State of Michigan Department of Treasury website as well, www.michigan.gov/treasury.

In addition, a summary of the current fiscal year budget is on the city website, and a complete copy of the current fiscal year city budget is always available at City Hall. You can also request a copy of the full audit and a copy will be provided to you.

If you have any questions on this Citizen's Guide, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Glenn Anderson".

Glenn Anderson, City Manager

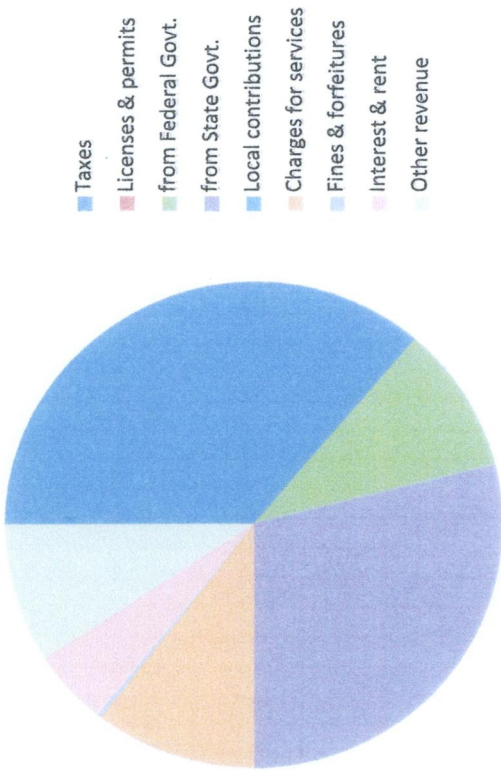
482-1121

manager@cityofhancock.net

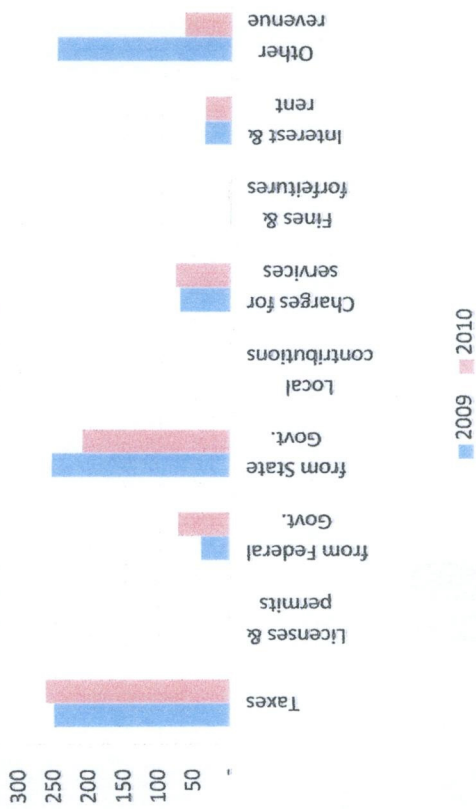
-The City of Hancock is an Equal Opportunity Provider & Employer-

ITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

. Where our money comes from (all governmental funds)



3. Revenue sources per capita - compared to the prior year



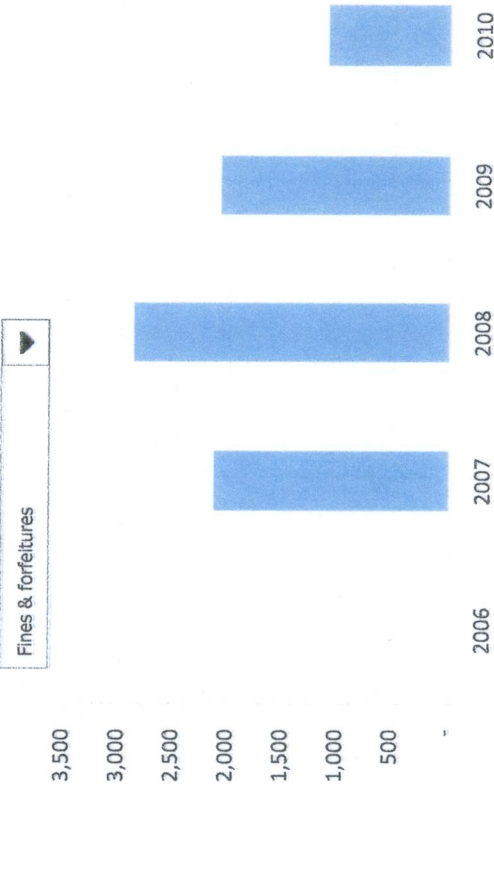
Commentary:

REVENUES

2. Compared to the prior year

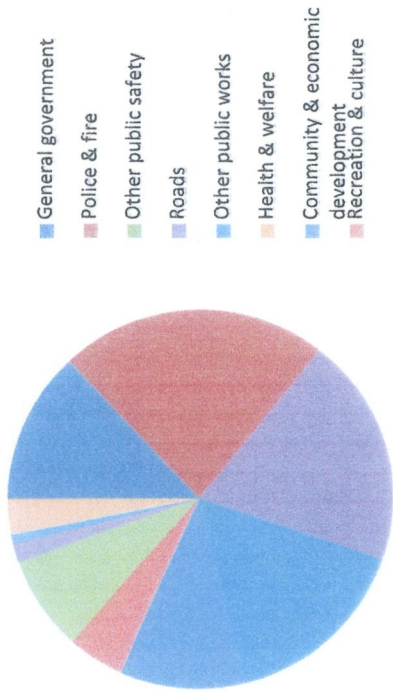
| | 2009 | 2010 | % change |
|---------------------------------------|---------------------|---------------------|-------------|
| Taxes | \$ 1,166,126 | \$ 1,220,364 | 5% |
| Licenses & permits from Federal Govt. | 187,155 | 341,045 | n/a |
| from State Govt. | 1,181,285 | 979,625 | -17% |
| Local contributions | - | - | n/a |
| Charges for services | 334,382 | 363,918 | 9% |
| Fines & forfeitures | 2,088 | 1,112 | (0) |
| Interest & rent | 173,623 | 172,206 | (0) |
| Other revenue | 1,156,903 | 312,121 | -73% |
| Total | \$ 4,201,562 | \$ 3,390,391 | -19% |

4. Historical trends of individual sources

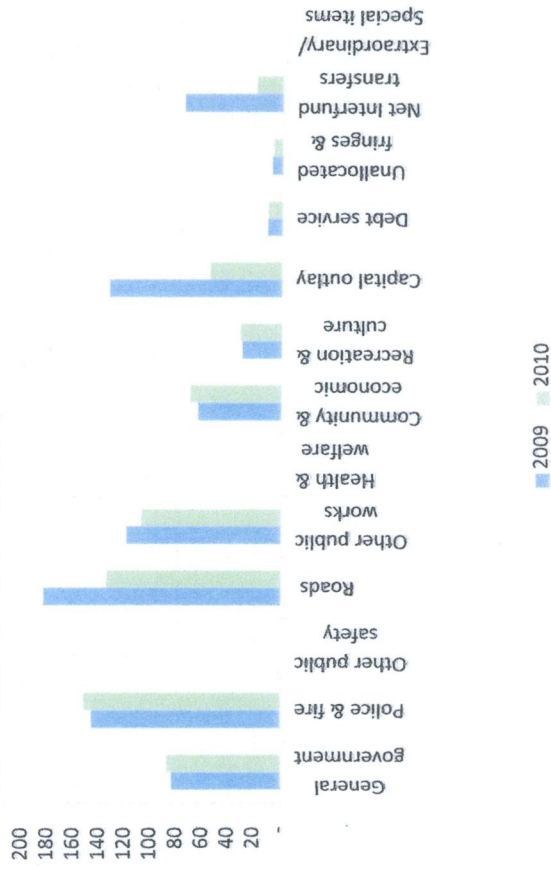


CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

1. Where we spend our money (all governmental funds)



3. Spending per capita - compared to the prior year

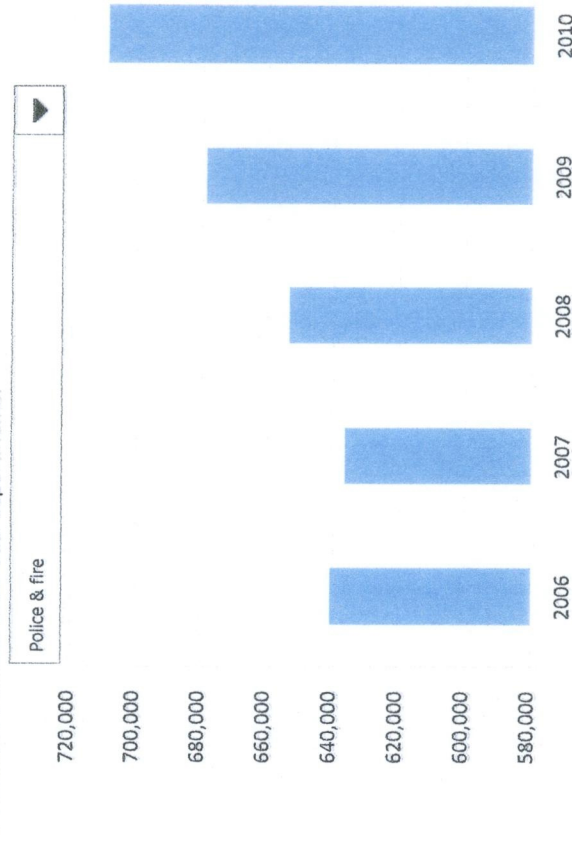


Commentary:

2. Compared to the prior year

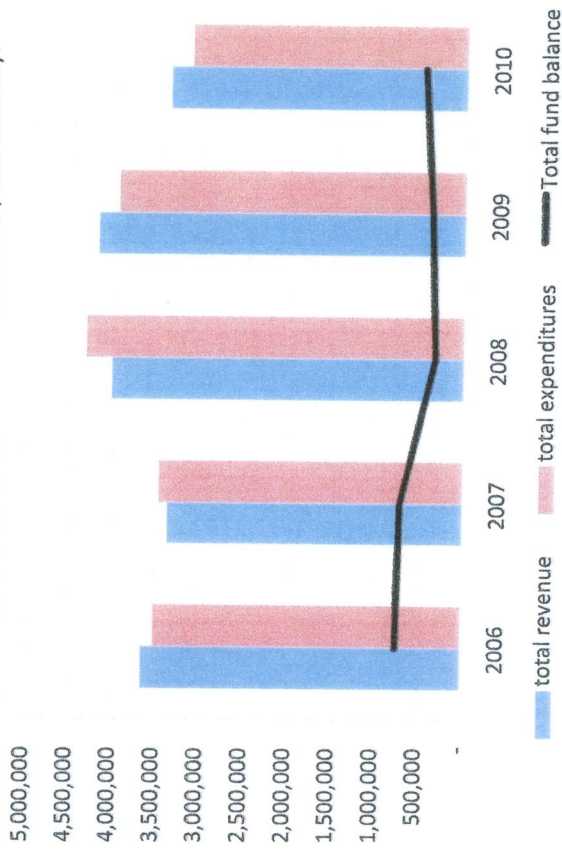
| | 2009 | 2010 | % change |
|---------------------------------|--------------|--------------|----------|
| General government | \$ 391,262 | \$ 407,295 | 4% |
| Police & fire | 678,744 | 709,070 | 4% |
| Other public safety | - | - | n/a |
| Roads | 853,071 | 625,670 | -27% |
| Other public works | 552,585 | 501,150 | -9% |
| Health & welfare | - | - | n/a |
| Community & economic developr | 297,069 | 326,985 | 10% |
| Recreation & culture | 139,916 | 147,594 | 5% |
| Capital outlay | 619,261 | 257,910 | -58% |
| Debt service | 50,358 | 50,061 | -1% |
| Unallocated fringes & insurance | 36,088 | 31,122 | -14% |
| Net interfund transfers | 350,367 | 92,092 | -74% |
| Net total expenditures | \$ 3,968,721 | \$ 3,148,949 | -21% |

4. Historical trends of individual departments:

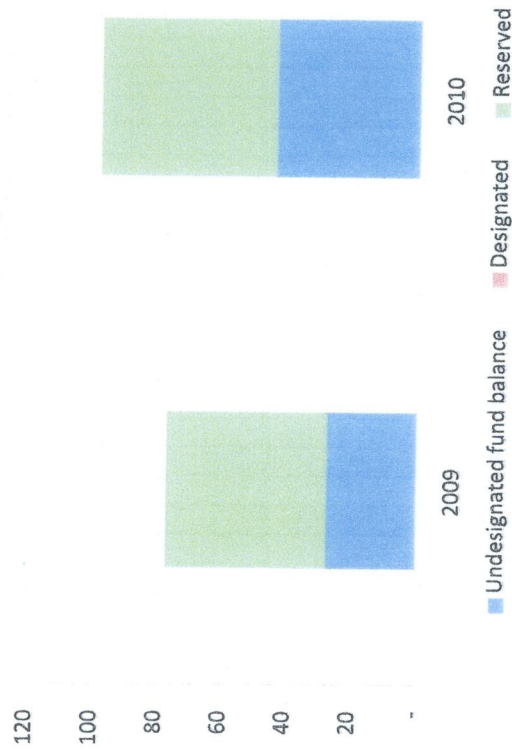


CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

1. How have we managed our governmental fund resources (fund balance)?



3. Fund balance per capita - compared to the prior year



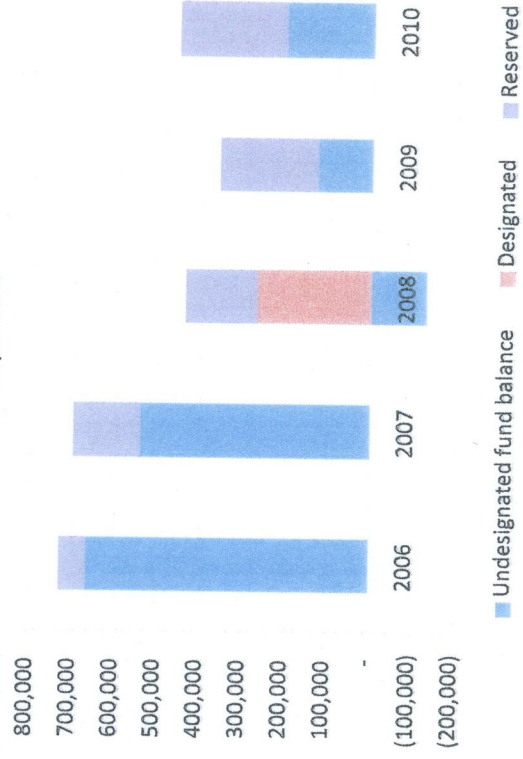
Commentary:

2. Compared to the prior year

| | 2009 | 2010 | % change |
|-----------------------------|-----------|-----------|----------|
| Revenue | 4,201,562 | 3,390,391 | -19% |
| Expenditures | 3,968,721 | 3,148,949 | -21% |
| Surplus (shortfall) | 232,841 | 241,442 | 4% |
| Fund balance, by component: | | | |
| Reserved | 231,579 | 253,388 | 9% |
| Designated | - | - | #DIV/0! |
| Undesignated | 127,759 | 204,510 | 60% |
| total fund balance | 359,338 | 457,898 | 27% |

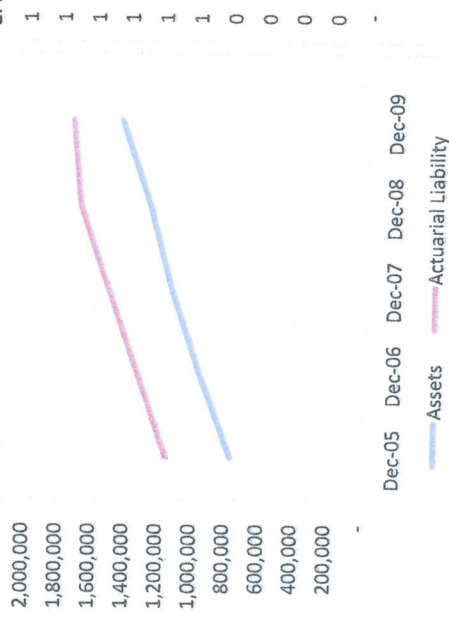
FINANCIAL POSITION

4. Historical trends of individual components

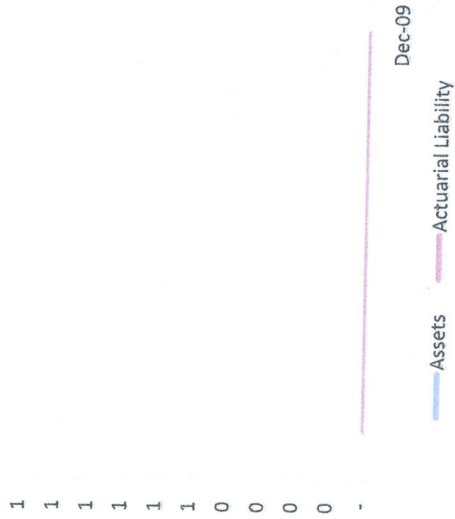


CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

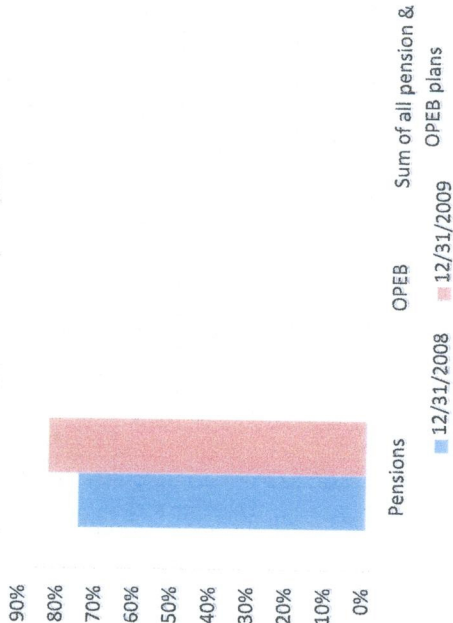
1. Pension funding status



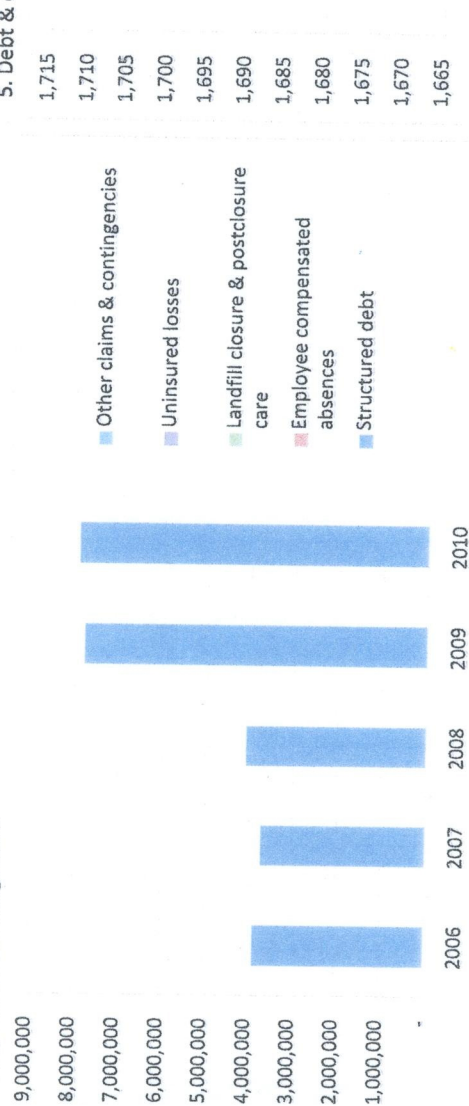
2. Retiree Health care funding status



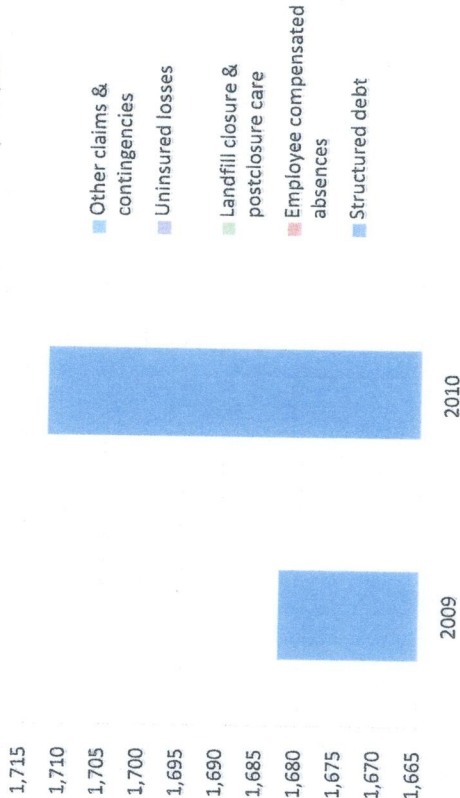
3. Percent funded - compared to the prior year



4. Long Term Debt obligations:



5. Debt & other long term obligations per capita - compared to the prior year



Commentary: