

Economic Vitality Incentive Program/County Incentive Program Certification of Accountability and Transparency

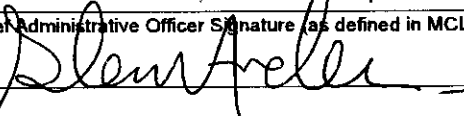
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county 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, a Performance Dashboard, a Debt Service Report and a Projected Budget Report as required by 2013 Public Act 59. The Citizen's Guide, Performance Dashboard, Debt Service Report and Projected Budget Report shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury a Citizen's Guide, a Performance Dashboard, a Debt Service Report and a Projected Budget Report.

City/Village/township: This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report and a Projected Budget Report, **must be received by October 1, 2013** to receive the October and December payments or on or before November 30, 2013 to receive the December payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report and a Projected Budget Report, **must be received by October 1, 2013** (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 County Name HOUGHTON	
Local Unit Code 31-2010		Contact E-Mail Address manager@cityofhancock.net	
Contact Name GLENN ANDERSON	Contact Title CITY MANAGER	Contact Telephone Number (906)482-1121	Extension
Website Address, if reports are available online www.cityofhancock.com			
PART 2: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced a Citizen's Guide, a Performance Dashboard, a Debt Service Report and a Projected Budget Report and has made them available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site. The Citizen's Guide, Performance Dashboard, Debt Service Report and Projected Budget Report are attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) GLENN ANDERSON	
Title CITY MANAGER		Date 9-26-13	

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

If you are unable to submit via e-mail, fax to (517) 335-3298 or 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/CIP Y N	Certification Received	EVIP/CIP Notes
Final Certification	Citizen's Guide Received	
	Performance Dashboard Received	
	Debt Service Report Received	
	Projected Budget Report Received	



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

2013 Citizens Guide to
The City of Hancock's Financial Health

Presented by:
Glenn Anderson, City Manager
906.482.1121
manager@cityofhancock.net
September 25, 2013

-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 26, 2013

Dear Citizens:

I am pleased to provide you with our 2012 Citizen's Guide to the City's Financial Health.

On October 1, 2011 the State of Michigan enacted new requirements for the City of Hancock to eligible to continue to receive State Shared Revenue Payments for the General Fund. This new initiative is now 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 statement for different fiscal years to present the information included in this guide.

Each fiscal years' full audit is available on the City's website, www.cityofhancock.com, and the State of Michigan Department of Treasury website as well at 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 provided to your.

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

Sincerely,

CITY OF HANCOCK
Glenn Anderson, City Manager
906.482.1121
manager@cityofhancock.net

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CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Bourne

Data Input Page

Data Input

Per capita information

2008 2009 2010 2011 2012

Stmt. Of Rev & Exp - All governmental funds

	2008	2009	2010	2011	2012	2011	2012
Revenues							
Taxes	1,109,189	1,166,126	1,220,364	1,232,244	1,261,211	266	272
Licenses & Permits						-	-
Federal Government	451,034	187,155	341,045	488,367	115,554	105	25
State Government	1,130,206	1,181,285	979,625	1,066,171	1,027,943	230	222
Local Contributions						-	-
Charges for Services	340,782	334,382	363,918	364,282	360,662	79	78
Fines & Forfeitures	2,879	2,088	1,112	1,711	3,127	0	1
Interest & Rents	161,015	173,623	172,206	134,079	151,945	33	33
Other Revenues	832,916	1,156,993	312,121	160,708	70,199	35	15
Total Revenues	4,028,021	4,201,562	3,390,391	3,467,562	2,990,641	748	645
Expenditures							
General Government	417,620	391,262	407,295	1,127,731	1,051,145	243	229
Police & Fire	653,289	678,744	709,070	71,702	85,412	15	18
Other Public Safety						-	-
Roads	1,107,792	858,071	625,670	696,574	798,149	150	172
Other Public Works	482,579	552,585	501,150	530,530	495,618	114	107
Health & Welfare						-	-
Community/Econ. Development	172,814	297,089	326,985	359,664	137,537	78	30
Recreation & Culture	128,341	139,916	147,594	122,999	160,524	27	35
Capital Outlay	620,947	619,261	257,910	252,246	37,163	54	8
Debt Service	49,590	50,358	50,061	79,434	79,093	17	17
Other Expenditures	689,159	386,455	123,214	117,106	70,814	25	15
Total Expenditures	4,322,131	3,968,721	3,148,949	3,358,006	2,925,415	724	631
Surplus (Shortfall)	(294,110)	232,841	241,442	109,556	65,226	24	14

CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

Data Input

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Data Input Page							
<u>Financial Position - All governmental funds</u>							
Nonspendable					49,331	-	11
Restricted	169,699	231,579	253,388	406,785	400,922	88	87
Committed	265,796	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(130,551)	127,759	204,510	9,866	50,875	2	11
Total Fund Balance	305,944	359,338	457,898	416,651	501,128	90	108

Liabilities not counted on a modified-accrual basis

Pensions

Date of actuarial valuation:

	<u>12/31/2011</u>	<u>12/31/2012</u>
Assets	1,821,701	1,992,065
Actuarial Liability	2,384,979	2,550,428
Unfunded (Overfunded)	563,278	558,363
Percent funded	#DIV/0!	76%

OPEB

Date of actuarial valuation:

	<u>12/31/2011</u>	<u>12/31/2012</u>
Assets	-	-
Actuarial Liability	-	-
Unfunded	-	-
Percent funded	#DIV/0!	#DIV/0!

Sum of All Pension & OPEB Plans

Assets	-	-	1,821,701	1,992,065
Actuarial Liability	-	-	2,384,979	2,550,428
Unfunded	-	-	563,278	558,363
Percent funded	#DIV/0!	#DIV/0!	76%	78%

CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

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Data Input

Per capita information

	<u>2011</u>	<u>2012</u>
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Debt:

- Bonds & Contracts Payable
- Capital Leases
- Other Contractual Debt
- Structured Debt
- Employee Compensated Absences
- Landfill Closure & Postclosure Care
- Uninsured Losses
- Other Claims & Contingencies

Total Long Term Debt (Excl. Pension &)

	2009	2010	2011	2012
Bonds & Contracts Payable	-	-	-	-
Capital Leases	-	-	-	-
Other Contractual Debt	-	-	-	-
Employee Compensated Absences	-	-	-	-
Landfill Closure & Postclosure Care	-	-	-	-
Uninsured Losses	-	-	-	-
Other Claims & Contingencies	-	-	-	-
Total Long Term Debt (Excl. Pension &)	4,158	4,634	4,635	4,634

Population information

Contact information

Contact Name:

Contact Phone Number:

Glenn Anderson , City Manager
(906)482-1121

CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

1. Where our money comes from (all governmental funds)



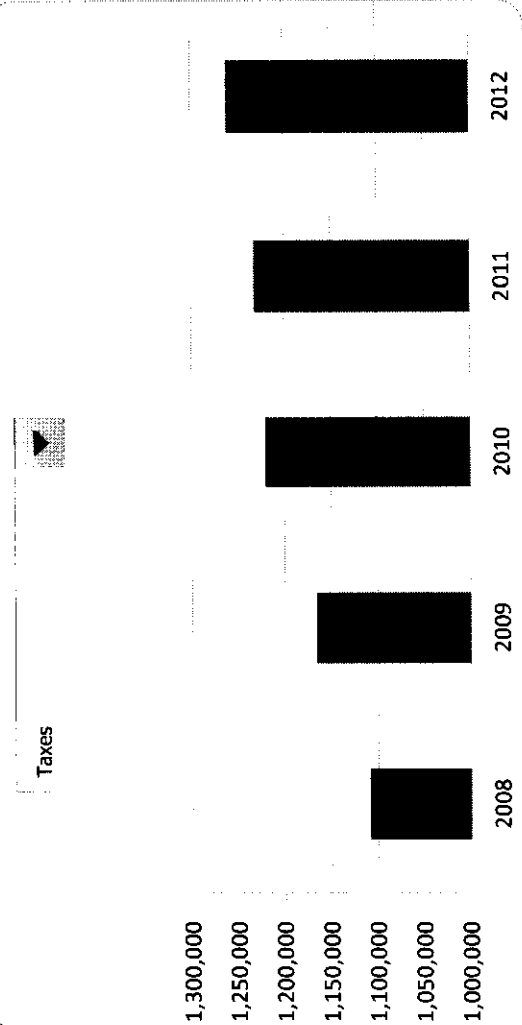
3. Revenue sources per capita - compared to the prior year



2. Compared to the prior year

	2011	2012	% change
Taxes	\$ 1,232,244	\$ 1,261,211	2.35%
Licenses & Permits	-	-	N/A
Federal Government	488,367	115,554	-76.34%
State Government	1,066,171	1,027,943	-3.59%
Local Contributions	-	-	N/A
Charges for Services	364,282	360,662	-0.99%
Fines & Forfeitures	1,711	3,127	82.76%
Interest & Rents	154,079	151,945	-1.39%
Other Revenues	160,708	70,199	-56.32%
Total Revenues	\$ 3,467,562	\$ 2,990,641	-13.75%

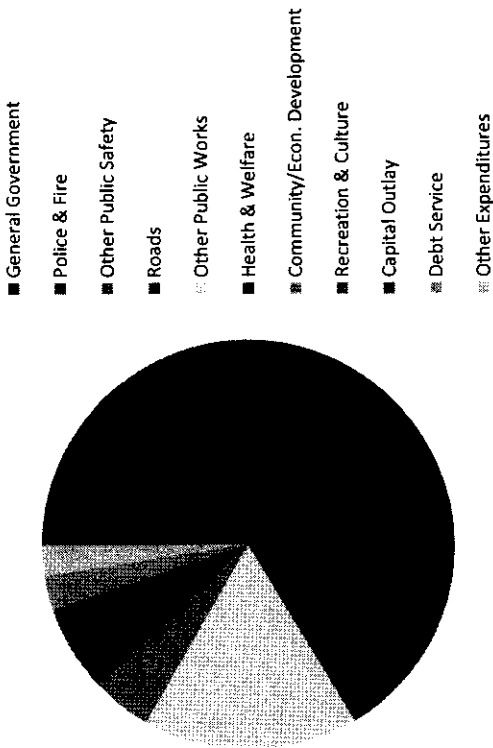
4. Historical trends of individual sources



EXPENDITURES

CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

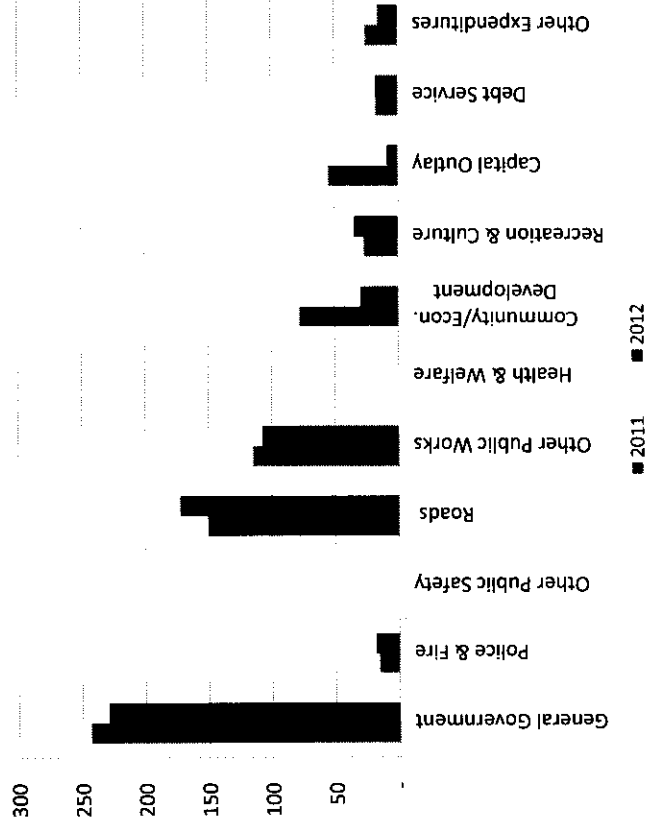
1. Where we spend our money (all governmental funds)



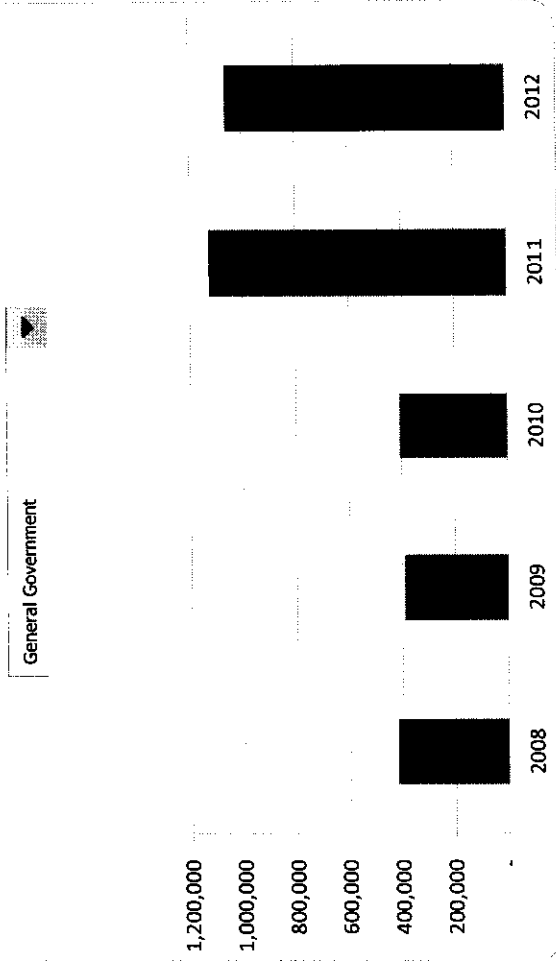
2. Compared to the prior year

	2011	2012	% change
General Government	\$ 1,127,731	\$ 1,061,145	-5.90%
Police & Fire	71,722	85,412	19.09%
Other Public Safety	-	-	N/A
Roads	696,574	798,149	14.58%
Other Public Works	530,530	495,618	-6.58%
Health & Welfare	-	-	N/A
Community/Econ. Development	359,664	137,537	-61.76%
Recreation & Culture	122,999	160,524	30.51%
Capital Outlay	252,246	37,163	-85.27%
Debt Service	79,434	79,053	-0.48%
Other Expenditures	117,106	70,814	-39.53%
Total Expenditures	\$ 3,358,006	\$ 2,925,415	-12.88%

3. Spending per capita - compared to the prior year

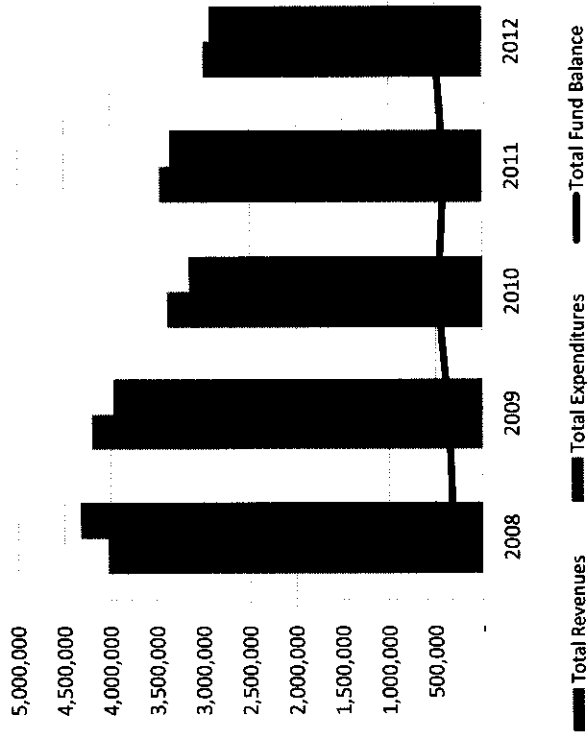


4. Historical trends of individual departments:

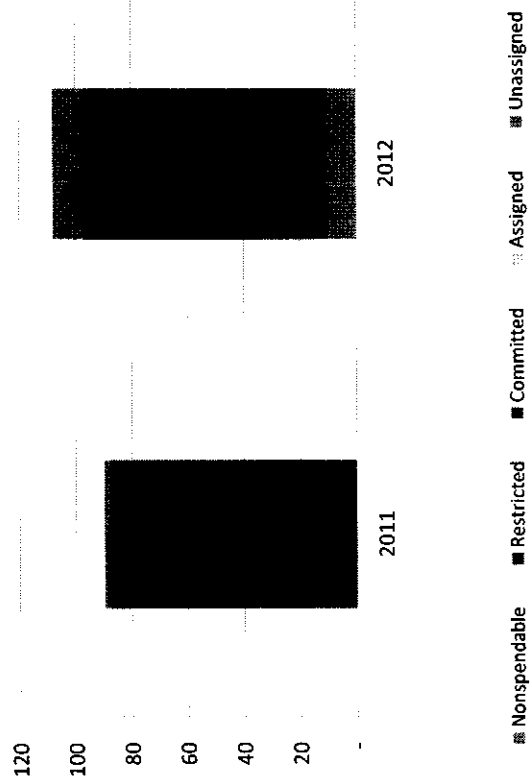


CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

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



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

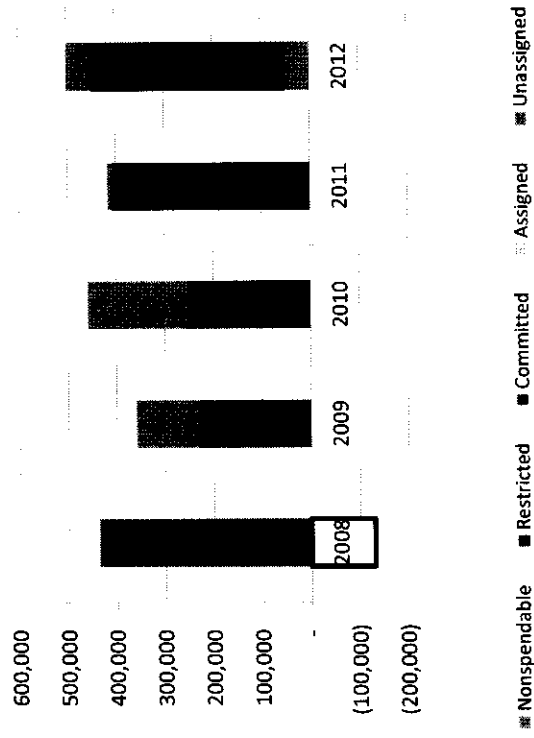


FINANCIAL POSITION

2. Compared to the prior year

	2011	2012	% change
Revenue	3,467,562	2,990,641	-13.75%
Expenditures	3,358,006	2,925,415	-12.88%
Surplus (shortfall)	109,556	65,226	-40.46%
Fund balance, by component:			
Nonspendable	-	49,331	N/A
Restricted	406,785	400,922	-1.44%
Committed	-	-	N/A
Assigned	-	-	N/A
Unassigned	9,866	50,875	415.66%
total fund balance	416,651	501,128	20.28%

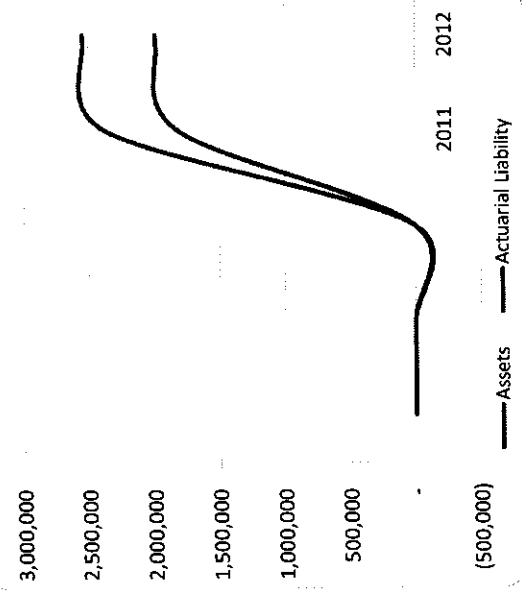
4. Historical trends of individual components



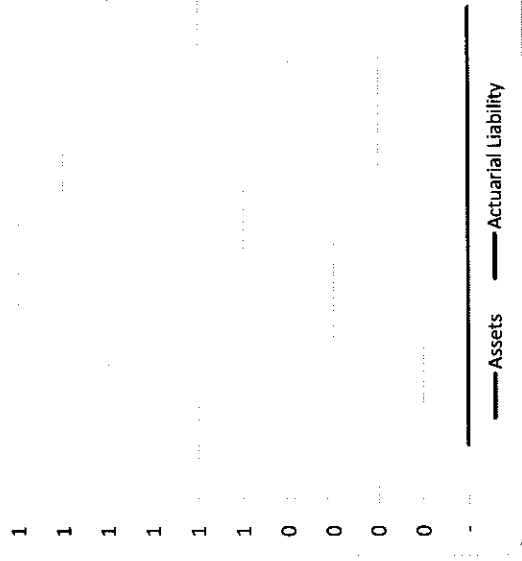
CITIZENS' GUIDE TO LOCAL UNIT FINANCES - Hancock - Houghton

OTHER LONG TERM OBLIGATIONS

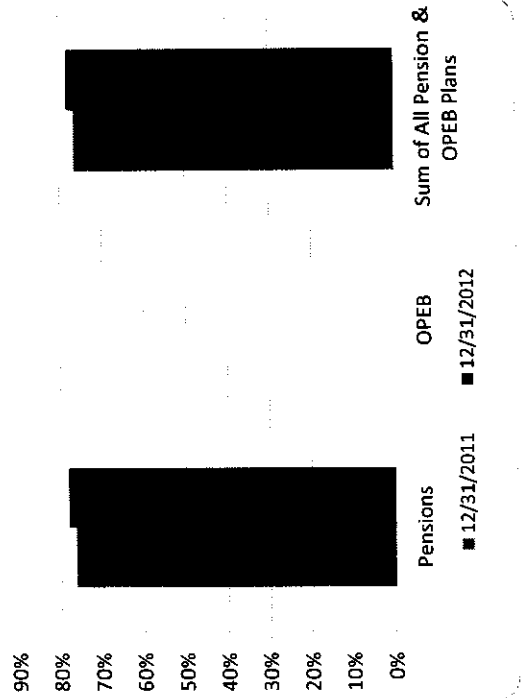
1. Pension funding status



2. Retiree Health care funding status



3. Percent funded - compared to the prior year



4. Long Term Debt obligations:

	2008	2009	2010	2011	2012
Other Claims & Contingencies	1	1	1	1	1
Uninsured Losses	1	1	1	1	1
Landfill Closure & Postclosure Care	1	1	1	1	1
Employee Compensated Absences	0	0	0	0	0
Structured Debt	0	0	0	0	0
Total	3	3	3	3	3

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

	2011	2012
Other Claims & Contingencies	1	1
Uninsured Losses	1	1
Landfill Closure & Postclosure Care	1	1
Employee Compensated Absences	0	0
Structured Debt	0	0
Total	3	3

Commentary: We do not have any unfunded pensions or unfunded OPEB.

We do not have any debt.

**CITY OF HANCOCK
GENERAL FUND
ASSUMPTIONS FOR 2014/15 BUDGET**

Revenue:

The city expects a two percent increase in taxes due to inflation and new construction and an additional \$200,000 in property taxed due to Portage Health, currently a non-profit, being sold to LifePoint, a for profit company.. All other revenue sources are expected to be the same.

Expenses:

There will be a slight increase in public works cost due to hiring a new DPW Director position. We expect a small increase in the fire department for new equipment. The increase in the parks department and city hall will be due to increased utility and maintenance costs. The city is expecting our contract with Waste Management for garbage pick-up to increase by two percent. Our debt payments are about the same as the prior year. All other expenses are expected to remain the same. Fuel costs remain uncertain. Garbage rates were increased in 2012.

CITY OF HANCOCK
 PROJECTED BUDGET REPORT
 ECONOMIC VITALITY INCENTIVE PROGRAM
 GENERAL FUND
 25-Sep-13

<u>Revenue</u>	<u>Actual FY 10/11</u>	<u>Budget FY 11/12</u>	<u>Budget FY 12/13</u>	<u>Budget FY 13/14</u>	<u>Projected Budget FY 14/15</u>
Taxes	\$1,137,476	\$1,070,164	\$1,172,600	\$1,210,000	\$1,486,000
State Revenue	\$716,663	\$385,026	\$385,026	\$430,000	\$449,000
Charges for services	\$361,586	\$428,761	\$428,761	\$429,000	\$491,156
Fines & Penalties	\$1,711	\$1,000	\$1,000	\$1,000	\$2,900
Rentals	\$16,507	\$16,500	\$17,000	\$17,000	\$8,720
Other Revenue	<u>\$57,954</u>	<u>\$58,727</u>	<u>\$58,727</u>	<u>\$60,000</u>	<u>\$54,224</u>
Total	\$2,291,897	\$1,960,178	\$2,104,604	\$2,147,000	\$2,492,000
<u>Expenditures</u>					
General admin/city hall/cemetery	\$442,244	\$352,024	\$354,962	\$370,000	\$384,000
Public Safety	\$721,597	\$715,833	\$702,775	\$720,500	\$742,000
Public Works	\$228,402	\$175,237	\$146,771	\$161,000	\$225,500
Sanitation	\$302,128	\$304,638	\$304,638	\$310,000	\$305,000
Culture & Recreation	\$375,245	\$114,370	\$108,920	\$120,000	\$120,000
Debt Service	\$79,434	\$86,212	\$90,126	\$92,000	\$80,000
Other	<u>\$66,607</u>	<u>\$30,000</u>	<u>\$26,000</u>	<u>\$30,000</u>	<u>\$320,000</u>
Total	\$2,215,657	\$1,778,314	\$1,734,192	\$1,803,500	\$2,176,500

CITY OF HANCOCK
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2012

NOTE I - LONG-TERM DEBT (Continued)

Changes in long-term debt principal are summarized below:

	Balance 6/30/11	Additions	Retired	Balance 6/30/12	Current Maturities
GOVERNMENTAL ACTIVITIES					
1997 Building Authority Bonds	\$ 400,000	-	\$ 15,000	\$ 385,000	\$ 15,000
1998 Building Authority Bonds	799,000	-	29,000	770,000	31,000
USDA Community Facilities Loan	401,000	-	33,000	368,000	35,000
Superior National Bank - Land	123,756	-	11,244	112,512	12,162
Superior National Bank - Vehicle	47,432	-	11,170	36,262	11,617
2008A Building Authority Bonds	474,000	-	9,000	465,000	10,000
2008B Building Authority Bonds	98,000	-	2,000	96,000	2,000
	<u>2,343,188</u>	<u>-</u>	<u>110,414</u>	<u>2,232,774</u>	<u>116,779</u>
ENTERPRISE FUNDS					
2011A Water Supply System Bonds	1,225,000	-	18,000	1,207,000	18,000
2011B Water Supply System Bonds	1,620,000	2,125,000	57,000	3,688,000	58,000
2010 Sanitary Sewage Disposal Bonds	928,000	1,165,000	31,000	2,062,000	31,000
1997 Water System Bonds	-	-	-	-	-
1998 Water System Bonds	-	-	-	-	-
2008 Water Supply System Bond	3,495,000	-	90,000	3,405,000	90,000
	<u>7,268,000</u>	<u>3,290,000</u>	<u>196,000</u>	<u>10,362,000</u>	<u>197,000</u>
INTERNAL SERVICE FUND					
Installment Loans	606,307	-	78,326	527,981	80,967
TOTALS	<u>\$ 10,217,495</u>	<u>\$ -</u>	<u>\$ 384,740</u>	<u>\$ 13,122,755</u>	<u>\$ 394,746</u>

The aggregate amount of maturities on long-term debt by fund type is as follows:

GOVERNMENTAL ACTIVITIES

Year	Principal	Interest	Total
2012-13	\$ 116,779	\$ 101,351	\$ 218,130
2013-14	118,729	96,223	214,952
2014-15	129,718	90,941	220,659
2015-16	182,548	85,297	267,845
2016-17	113,000	77,412	190,412
2017-18	119,000	72,268	191,268
2018-23	584,000	229,617	813,617
2023-28	578,000	187,640	765,640
2028-33	130,000	71,373	201,373
2033-38	161,000	20,910	181,910
TOTALS	<u>\$ 2,232,774</u>	<u>\$ 1,033,032</u>	<u>\$ 3,265,806</u>

CITY OF HANCOCK
 NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2012

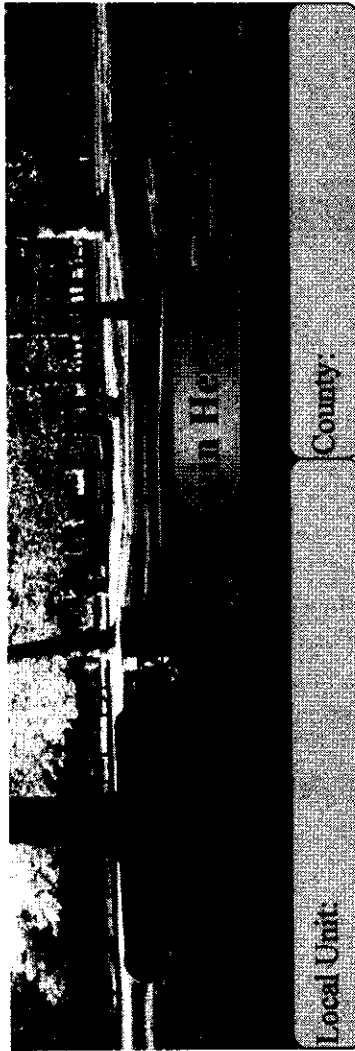
NOTE I - LONG-TERM DEBT (Continued)

INTERNAL SERVICE FUNDS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-13	\$ 80,967	\$ 20,905	\$ 101,872
2013-14	84,149	17,791	101,940
2014-15	61,365	14,552	75,917
2015-16	28,000	12,191	40,191
2016-17	29,500	11,062	40,562
2017-18	30,000	9,873	39,873
2018-19	30,500	8,663	39,163
2019-20	32,000	6,992	38,992
2020-21	65,500	6,141	71,641
2021-26	86,000	15,153	101,153
TOTALS	<u>\$ 527,981</u>	<u>\$ 123,323</u>	<u>\$ 651,304</u>

ENTERPRISE FUNDS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-13	\$ 197,000	\$ 258,120	\$ 455,120
2013-14	201,000	253,193	454,193
2014-15	208,000	248,166	456,166
2015-16	211,000	242,978	453,978
2016-17	218,000	237,702	455,702
2017-18	222,000	232,251	454,251
2018-19	229,000	483,575	712,575
2019-20	233,000	408,600	641,600
2020-21	241,000	324,024	565,024
2021-26	1,294,000	778,718	2,072,718
2026-31	1,461,000	608,617	2,069,617
2031-36	1,661,000	499,650	2,160,650
2036-41	1,523,000	380,936	1,903,936
2041-46	1,156,000	246,400	1,402,400
2046-51	1,307,000	94,247	1,401,247
TOTALS	<u>\$ 10,362,000</u>	<u>\$ 5,297,177</u>	<u>\$ 15,659,177</u>



Local Unit: _____ County: _____

	Prior	Current	Progress
Annual general fund expenditures per capita	\$436.00	\$447.00	↑
Fund balance as a percent of annual general fund expenditures	4.00%	5.00%	↑
Unfunded other post employment benefits (OPEB) liability as a percent of annual general fund revenue	27.00%	24.00%	↓
Debt burden per capita	\$1,891.00	\$2,371.40	↑
Percentage of road funding provided by the general fund	7.00%	17.00%	↑
Ratio of pensioners to employees	0.10	0.18	↑
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)

	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)	45	46	↑
Government unit specific:			

	Prior	Current	Progress
Violent crimes per thousand	0	2	↑
Property crimes per thousand	0	14	↑
Traffic injuries and fatalities	15	19	↑
Government unit specific:			

	Prior	Current	Progress
Miles of sidewalks and non motorized trails per mile of local roads	8	0	↓
Percent of general fund budget contributed to arts, culture and recreation	3.00%	1.00%	↓
Acres of park per thousand residents	20	20	↔
Percent of community with curbside recycling	100.00%	100.00%	↔
Government unit specific:			