

Citizen's Guide to Local Finances



City of Three Rivers, Michigan



To the Citizens of the City of Three Rivers:

We are pleased to present to you the City of Three Rivers' first Citizen's Guide to the City's financial health.

Governor Snyder signed into law the Economic Vitality Program (EVIP) which set specific requirements for local governments to meet to receive future statutory revenue sharing funds. One of the key requirements of the EVIP is that cities make readily available to the public by October 1, 2012 "a citizen's guide and a performance dashboard of their local finances, including recognition of their unfunded liabilities."

Although the Citizen's Guide was promoted by the Governor's office, it's an ideal tool to help our citizens better understand the City's scope of activities, financial obligations and fiscal health in a concise and user friendly manner. The information in this report is mostly derived from the City's Comprehensive Annual Financial Reports (CAFR), the City's budget, as well as internal and external data sources.

We hope that this Citizen's Guide to Local Finances together with the City's performance dashboard enhances the City's transparency and public accountability. We welcome any questions, comments or suggestions regarding the information included in this report.

Thank you.

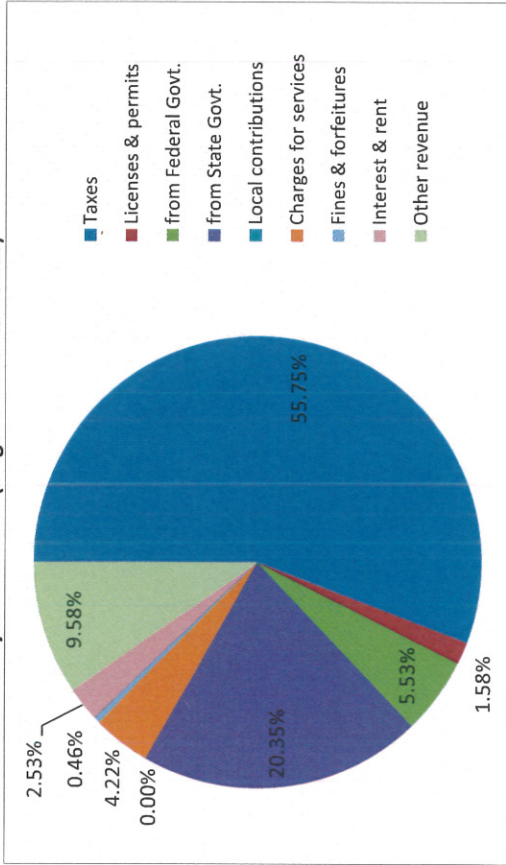
Joseph A. Bippus
City Manager

Catherine Lawson
Finance Director/Treasurer

CITIZENS' GUIDE TO LOCAL UNIT FINANCES - City of Three Rivers

REVENUES

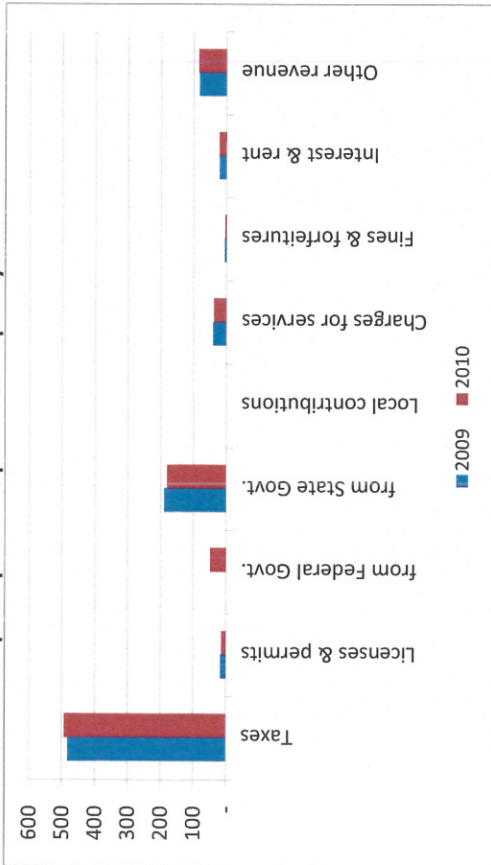
1. Where our money comes from (all governmental funds)



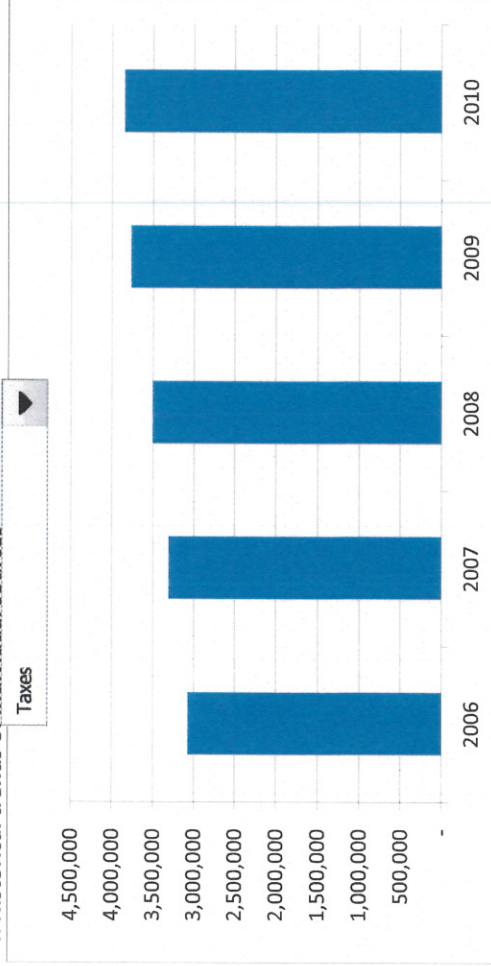
2. Compared to the prior year

	2009	2010	% change
Taxes	\$ 3,765,451	\$ 3,848,193	2%
Licenses & permits from Federal Govt.	130,515	108,732	-17%
from State Govt.	1,422	381,481	26727%
Local contributions	1,481,972	1,404,797	-5%
Charges for services	315,450	291,293	-8%
Fines & forfeitures	39,333	32,028	(0)
Interest & rent	176,437	174,439	(0)
Other revenue	651,144	661,555	2%
Total	\$ 6,561,724	\$ 6,902,518	5%

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



4. Historical trends of individual sources

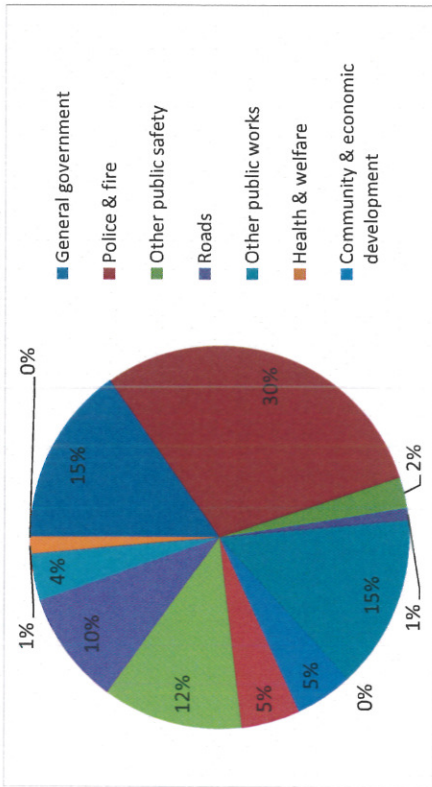


Commentary: The City of Three Rivers receives most of its income from local property taxes. Revenues from the state in the form of general revenues sharing and gas tax receipts are the second largest source of income.

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EXPENDITURES

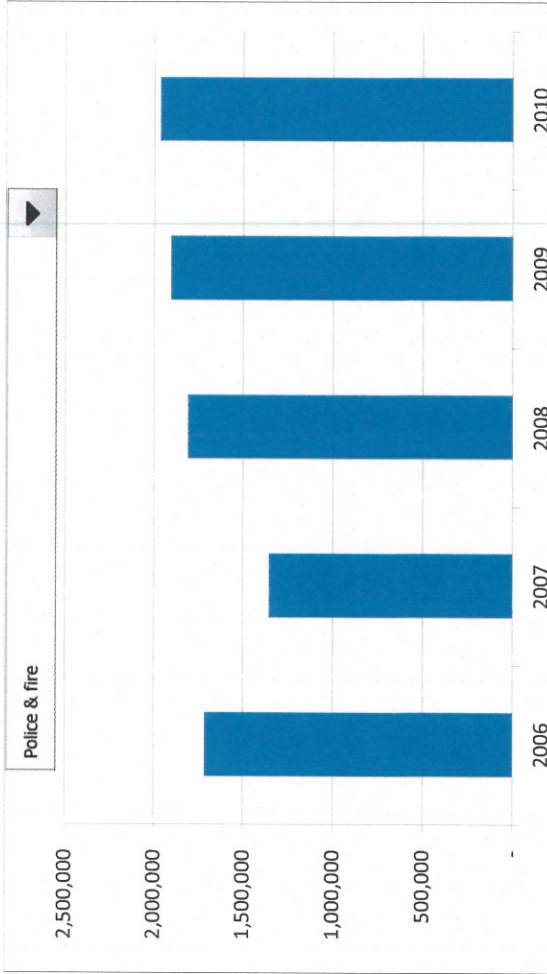
1. Where we spend our money (all governmental funds)



2. Compared to the prior year

	2009	2010	% change
General government	\$ 948,746	\$ 1,009,927	6%
Police & fire	1,904,721	1,965,705	3%
Other public safety	106,177	174,063	64%
Roads	76,557	68,521	-10%
Other public works	1,582,866	970,998	-39%
Health & welfare	-	-	n/a
Community & economic dev	32,812	328,364	901%
Recreation & culture	220,582	331,094	50%
Capital outlay	235,184	787,694	235%
Debt service	602,302	640,910	6%
Unallocated fringes & insurance	338,488	262,226	-23%
Net Interfund transfers	259,728	93,895	-64%
total expenditures	\$ 6,308,163	\$ 6,633,397	5%

4. Historical trends of individual departments:

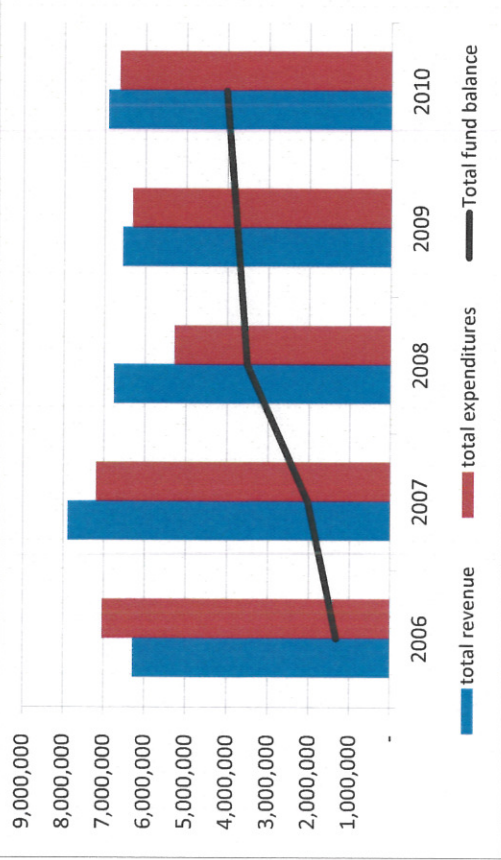


Commentary: The charts above summarize how the City spends its money. By far, the largest share of the expenditures goes to police and fire. Roads and other public works expenditures are the City's second largest category of expenditures.

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FINANCIAL POSITION

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

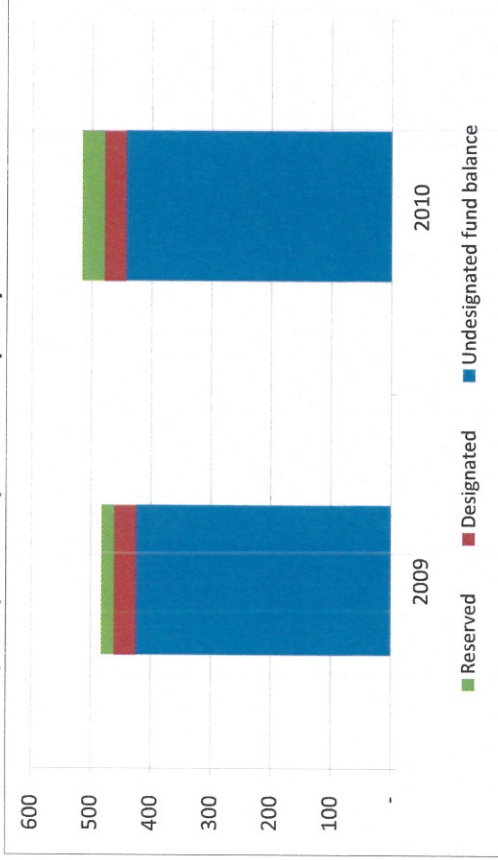


2. Compared to the prior year

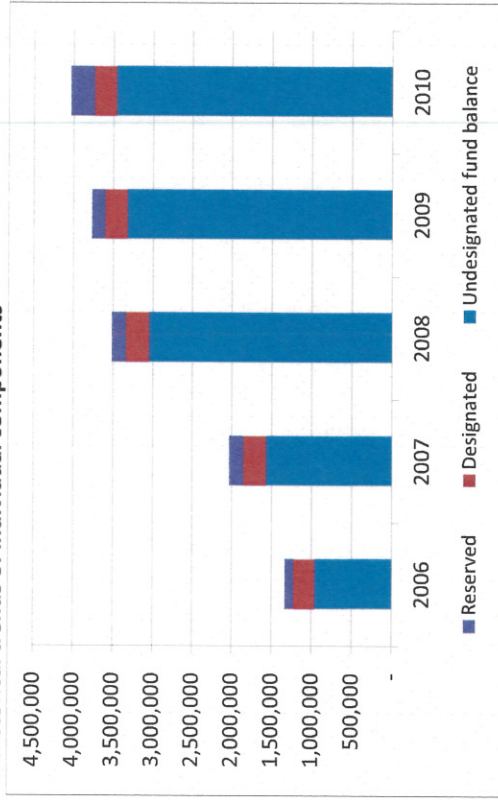
	2009	2010	% change
Revenue	6,561,724	6,902,518	5%
Expenditures	6,308,163	6,633,397	5%
Surplus (shortfall)	253,561	269,121	6%

Fund balance, by component:	2009	2010	% change
Reserved	163,995	295,399	80%
Designated	281,475	278,585	-1%
Undesignated	3,316,734	3,457,342	4%
total fund balance	3,762,204	4,031,326	7%

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



4. Historical trends of individual components

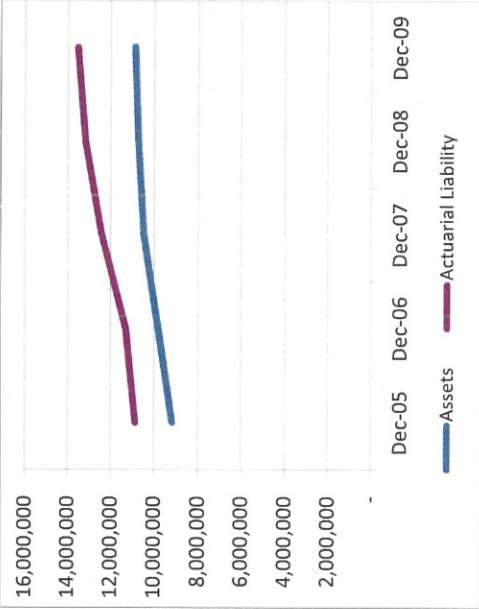


Commentary: The City's financial position improved in 2010.

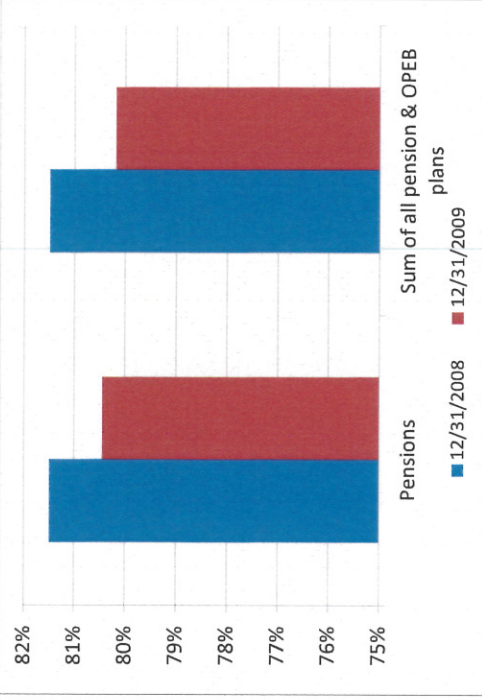
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OTHER LONG TERM OBLIGATIONS

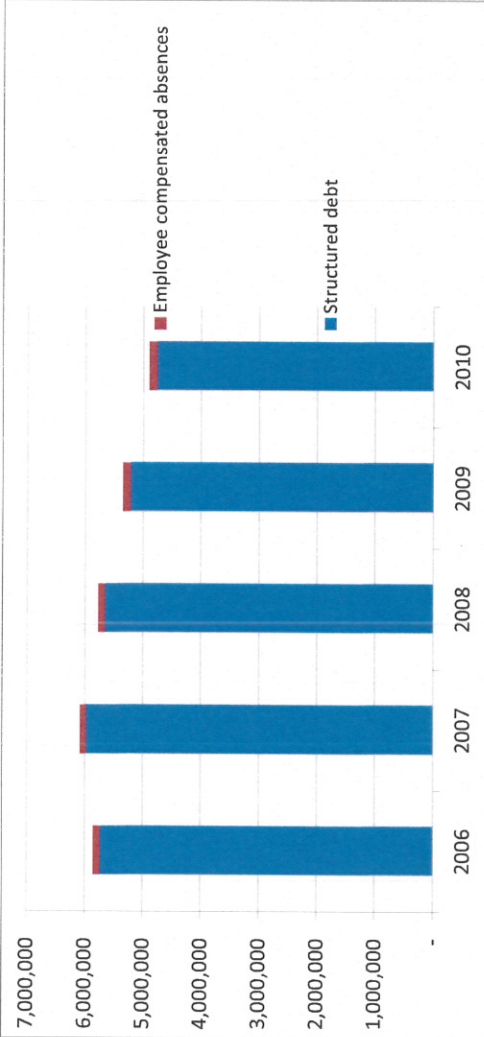
1. Pension funding status



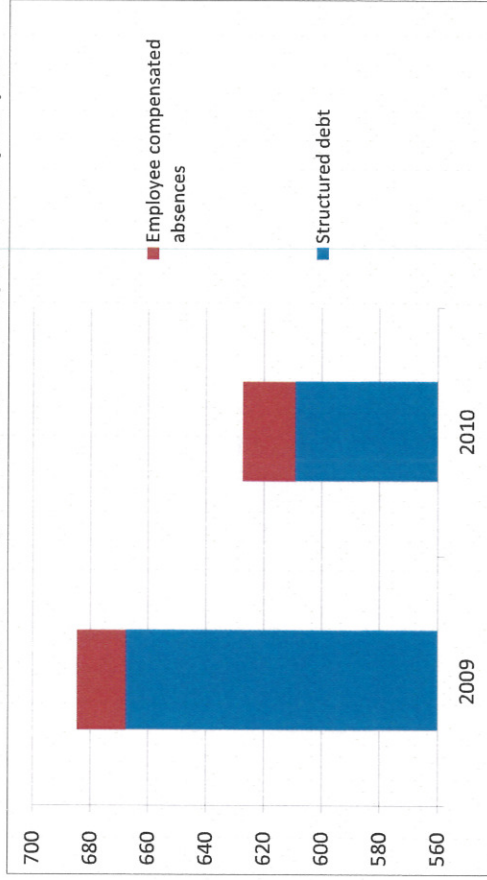
2. Percent funded - compared to the prior year



3. Long Term Debt obligations:



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



Commentary: