
Popular Annual Financial Report for the Fiscal Year Ended June 30, 2019

City of Clio, Genesee County, Michigan





505 West Vienna Street • Clio, Michigan 48420

(810) 686-5850, Hearing or Speech Impaired Services Available by Dialing 711.

Dear Reader:

I am pleased to present the *City of Clio, Michigan Popular Annual Financial Report for the Fiscal Year Ended June 30, 2019 (PAFR)*; a summary of the financial operations of the City's major governmental funds and major enterprise funds. This *PAFR* is designed to be readily accessible and easily understood by the general public and other interested parties without a background in public finance. It does not comply with generally accepted accounting principles, but the financial information presented here is derived from the *City of Clio, Michigan Comprehensive Annual Financial Report with Supplemental Information, Fiscal Year Ended June 30, 2019 (CAFR)*. The *CAFR* was prepared in accordance with generally accepted accounting practices and audited by Plante & Moran, PLLC.

It is my sincere hope that you find this *Financial Summary* to be informative, however, readers desiring more detailed information of the City finances should read the *CAFR* which is available for review at the Clio City Hall during normal office hours and online at www.clio.govoffice.com.

Sincerely,

Eric Wiederhold
City Administrator

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At a glance...



“All legislative or policy forming powers of the city shall be vested in, exercised, and determined by a commission of seven (7) members, including a mayor, who shall be designated and known as Commissioners.”

- *Charter of the City of Clio*

The City of Clio was incorporated in 1928 as the successor to the Village of Clio which was incorporated in 1873. The City encompasses an area approximately one-square mile in northern Genesee County.

The City operates as a Council-Manager (Administrator) form of government with a seven-member Commission elected at-large to staggered terms of four years. The Commission is the legislative body of the City responsible for the adoption of an annual budget, ordinances, and policies.

An Administrator is appointed by the Commission to an indefinite term as the City's chief administrative officer responsible for the daily operations of the City and its several departments.



Population:
2,524



Households:
1,348



Median
Household
Income:
\$35,438



Unemployment
Rate: 9.40%



Poverty Rate:
25.30%

Sources: U.S. Census Bureau American 2018: American Community Survey

General Fund

The City of Clio’s General Fund is its principal operating fund accounting for revenues not otherwise designated for a specific purpose. General Fund revenues were \$1,212,542 over the past fiscal year; an increase of \$30,263 or 2.56 percent.

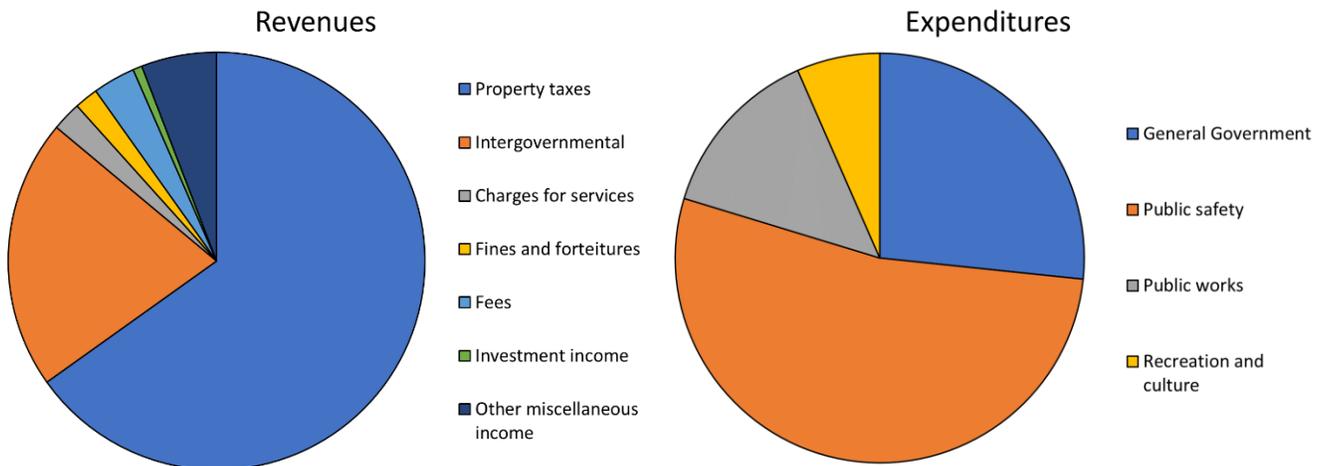
The City’s General Fund expenditures include general government, public safety, public works, and recreational and cultural. General Fund expenditures during the past fiscal year declined \$27,342 or 2.63 percent.

The City made General Fund transfers of \$33,119 to its Major Street Fund; \$123,454 to its Local Street Fund; and \$31,983 to its Capital Improvement Fund.

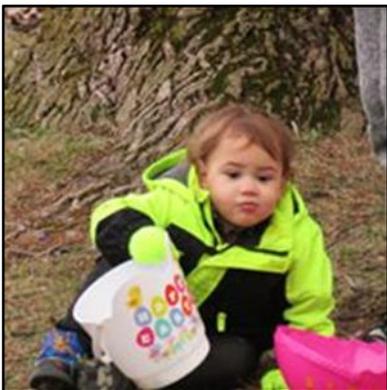
The City maintains a General Fund fund balance to account for cash flows, unexpected expenditures, and guard against economic fluctuations.

General Fund		
	FY 2019	FY 2018
Revenue		
Property taxes	\$ 789,930	\$ 770,801
Intergovernmental	253,551	246,474
Charges for services	27,524	31,151
Fines and forfeitures	22,158	25,527
Fees	39,906	41,452
Investment income	8,587	3,258
Other miscellaneous income	70,886	63,616
Total revenue	1,212,542	1,182,279
Expenditures		
General Government	270,215	285,020
Public safety	537,920	575,954
Public works	139,227	124,367
Recreation and culture	66,642	56,005
Total expenditure	1,014,004	1,041,346
Excess of Revenue Over (Under) Expenditures	198,538	140,933
Net of Other Financing Sources (Uses)	(161,313)	(140,946)
Net Change in Fund Balance	37,225	(13)
Fund Balance - Beginning of year	660,162	660,175
Fund Balance - End of year.	\$ 697,387	\$ 660,162

General Fund, FY 2019



Community Scenes



Government-wide Financial Statements

Changes in the City of Clio's net position can serve as a barometer of its financial health with increases, or decreases, indicative of improving, or deteriorating, financial conditions. These statements report the functions of the City in two broad categories:

- Governmental activities are normally financed by taxes and intergovernmental revenue that support the City's basic services to include general government, highways and streets, public safety, public works, community and economic development, recreational and cultural, and interest on long-term debt.
- Business-type activities are normally financed by fees and charges for services provided through the City's proprietary services to include its water distribution system, sanitary sewer collection system, and amphitheater.

The City's statement of net position presents information about its assets and liabilities at the end of the fiscal year with the difference reported as net position.

At the end of the fiscal year, the City's total net position was \$9,056,228 of which \$1,115,659 was unrestricted. This included a governmental activities net position of \$4,469,387 of which \$489,736 was unrestricted and a business-type activities net position of \$4,586,841 of which \$625,923 was unrestricted.

Summary Statement of Net Position, June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Other assets	\$ 1,277,219	\$ 1,642,878	\$ 830,490	\$ 1,035,923	\$ 2,107,709	\$ 2,678,801
Capital assets	3,789,473	3,665,978	3,475,313	5,268,918	7,264,786	8,934,896
Total assets	5,066,692	5,308,856	4,305,803	6,304,841	9,372,495	11,613,697
Deferred outflows of resources	61,993	133,518	29,178	62,838	91,171	196,356
Current liabilities	45,676	81,999	200,874	164,022	246,550	246,021
Long-term liabilities	754,768	798,498	251,360	1,581,008	1,006,128	2,379,506
Total liabilities	800,444	880,497	452,234	1,745,030	1,252,678	2,625,527
Deferred inflows of resources	54,731	76,092	25,754	35,808	80,485	
Net position						
Net investment in capital assets	3,531,194	3,430,549	3,458,313	3,960,918	6,989,507	7,391,467
Restricted	306,948	549,102	-	-	306,948	549,102
Unrestricted	435,368	489,736	398,707	625,923	834,075	1,115,659
Total net position	\$ 4,273,510	\$ 4,469,387	\$ 3,857,020	\$ 4,586,841	\$ 8,130,530	\$ 9,056,228

Government-wide Financial Statements (continued)

The City's statement of activities presents information about its revenues and expenditures during the fiscal year with the difference between the two resulting in a change in net position from the previous year.

The City's total net position increased \$925,698 or 11.39 percent during the fiscal year to include an increase in net position of governmental activities of \$195,877 or 107.96 percent and an increase in business-type activities of \$729,821 or 236.77 percent.

Summary Statement of Activities, June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues						
Program revenues						
Charges for services	\$ 184,324	\$ 202,219	\$ 1,489,722	\$ 1,498,253	\$ 1,674,046	\$ 1,700,472
Operating grants	283,862	270,622	-	-	283,862	270,622
Capital grants	11,975	41,413	-	680,266	11,975	721,679
General revenues						
Property taxes	770,801	789,930	-	-	770,801	789,930
State-shared revenue	308,946	318,913	-	-	308,946	318,913
Unrestricted investment earnings	3,294	14,186	228	7,392	3,522	21,578
Loss on sale of capital assets	-	28,153	-	-	-	28,153
Unrestricted fees and other	63,852	77,681	-	-	63,852	77,681
Total revenue	1,627,054	1,743,117	1,489,950	2,185,911	3,117,004	3,929,028
Program Expenses						
General government	386,332	386,305	-	-	386,332	386,305
Highway and streets	257,486	293,705	-	-	257,486	293,705
Public safety	582,124	546,035	-	-	582,124	546,035
Public works	224,505	243,607	-	-	224,505	243,607
Community and economic development	12,344	12,763	-	-	12,344	12,763
Recreation and culture	58,524	58,131	-	-	58,524	58,131
Interest on long-term debt	11,550	6,694	-	-	11,550	6,694
Water	-	-	815,202	974,146	815,202	974,146
Sewer	-	-	424,578	438,321	424,578	438,321
Amphitheater	-	-	33,459	43,623	33,459	43,623
Total exepnses	1,532,865	1,547,240	1,273,239	1,456,090	2,806,104	3,003,330
Change in Net Position	94,189	195,877	216,711	729,821	310,900	925,698
Net Position - Beginning of year	4,179,321	4,273,510	3,640,309	3,857,020	7,819,630	8,130,530
Net Position - End of year	\$ 4,273,510	\$ 4,469,387	\$ 3,857,020	\$ 4,586,841	\$ 8,130,530	\$ 9,056,228

Selected Accomplishments

Completed improvements to the City's water distribution system financed, in part, with proceeds of a \$1,080,000 United States Department of Agriculture – Rural Development grant award.



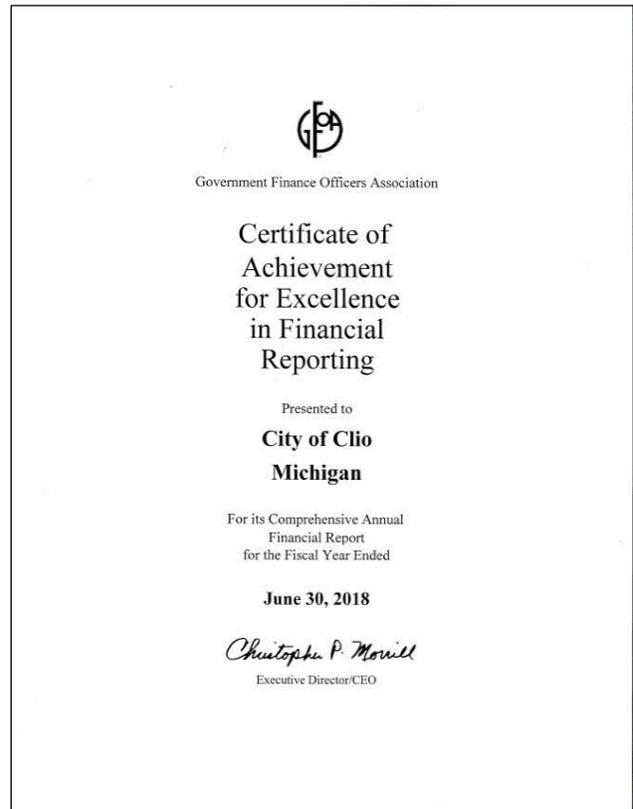
Improved the driving surface of Griffes Street and Tacoma Court with their asphalt resurfacing.

New heating and cooling systems were installed in Rogers Lodge.



Awards and Recognitions

Awarded the “Certificate of Achievement in Financial Reporting” by the Government Finance Officers Association of the United States and Canada for the sixth consecutive year.



Recognized as a “Tree City U.S.A.” by the National Arbor Day Society for the ninth consecutive year.

Glossary of Selected Terms

What is a fund?

In the private sector, companies may be set up for legal liability purposes, or tax purposes; but in the public sector, separate activities are accounted for in separate funds, in order to show accountability.

What is fund balance?

The difference between assets and liabilities is equity. In the governmental funds, this equity is called fund balance.



Officials

Elected

- Bonnie Bare, City Commission - Mayor
- David Fejedelem, City Commission
- A.J Girard, City Commission
- Duane Mosher, City Commission
- Cindy Promenchenkel, City Commission
- Doug Vance, City Commission - Mayor Pro Tem
- D.J. Williams, City Commission

Appointed

- Eric Wiederhold, City Administrator
- Linda Kingston, City Clerk
- Don Dowell, City Treasurer
- Jamie Zecman, Chief of Police
- Arnold Brown, Superintendent of Public Service
- Landmark Appraisal Company, Assessor