

CITY OF PORTAGE, MICHIGAN

POPULAR ANNUAL FINANCIAL REPORT

2021-2022

CITY OF PORTAGE
7900 SOUTH WESTNEDGE AVENUE
PORTAGE, MICHIGAN 49002
 portagemi.gov | (269) 329-4534



CITY OF PORTAGE

POPULAR ANNUAL

FINANCIAL REPORT

The information in this Popular Annual Financial Report (PAFR) has been drawn from selected segments of the City of Portage Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. Complete financial statements of the City of Portage with additional demographic and economic information are published in the ACFR. Detailed information where the totals are represented by function can be found in the ACFR.

The PAFR and the ACFR are both available on the City of Portage website - portage.mi.gov/638. A printed copy of both reports can be obtained by calling the Portage Finance Department at (269) 329-4534.



A Park Ranger sets up holiday decorations at the Ice Rink at Millennium Park



A Department of Public Safety Records Clerk processes a Freedom of Information Act request



A Portage Firefighter watches as a young Portager takes a tour of a fire engine



A Ramona Beach Lifeguard scans the water for swimmers

FINANCIAL AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Portage for its annual budget for the fiscal year beginning July 1, 2021.

The GFOA has also awarded the Certificate of Achievement for Excellence in Financial Reporting to City of Portage for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, and as a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Portage
Michigan**

For the Fiscal Year Beginning

July 01, 2021



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Portage
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

COMMUNITY PROFILE

DEMOGRAPHIC AND ECONOMIC STATISTICS

FY Ended June 30	Population	Personal Income (Thousands of Dollars) (est)	Per Capita Personal Income (est)	Median Household Income ¹	Median Age (est)	Education Level in Years of Schooling (est)	School Enrollment ²	Unemployment Rate ³
2018	48,816	\$1,950,908	\$39,965	\$57,523	37	14	8,717	3.6%
2019	49,029	\$1,970,417	\$40,189	\$60,260	38	14	8,846	3.9%
2020	48,421	\$1,990,121	\$41,100	\$62,997	38	14	8,913	11.9%
2021	49,975	\$2,200,099	\$44,024	\$62,941	38	14	8,644	5.5%
2022	49,411	\$2,272,610	\$45,994	\$65,571	37	14	8,673	4.6%

Notes:

(1) Estimated using US Census Bureau, City-Data.com

(2) Portage Public Schools

(3) Bureau of Labor Statistics

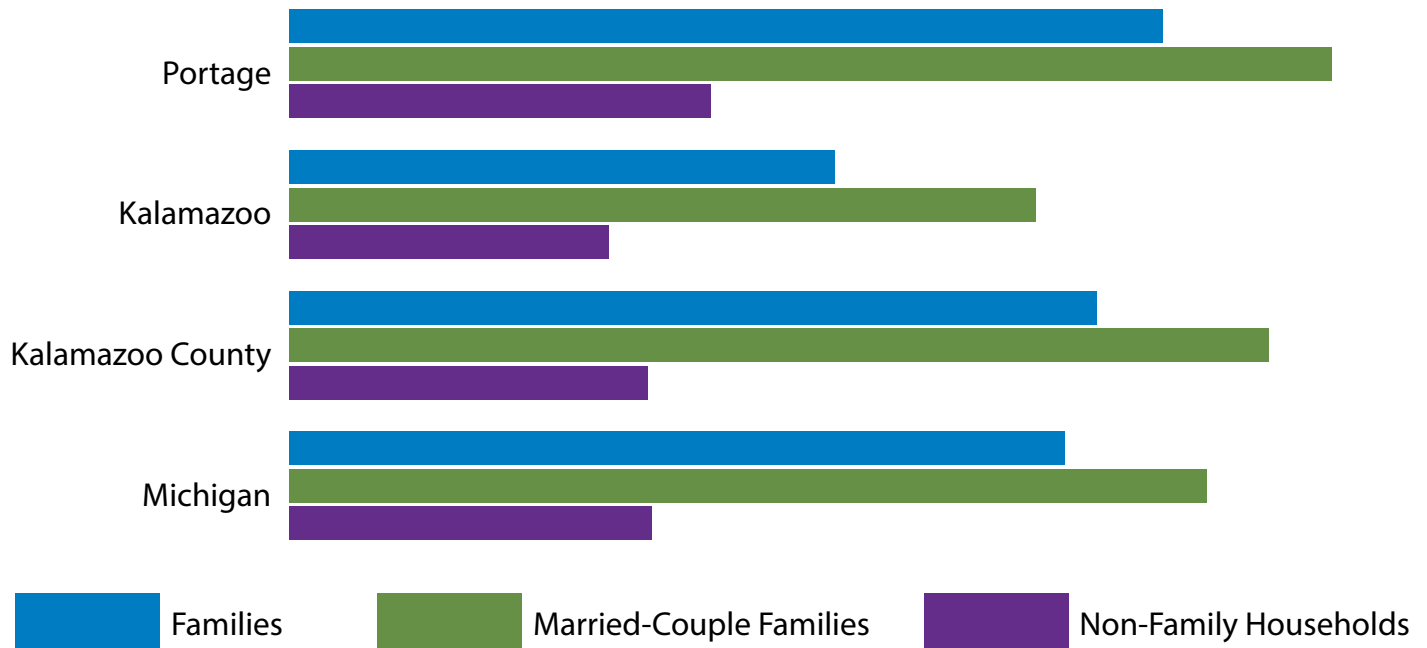
Source: Finance Director

PRINCIPAL EMPLOYERS - 2022

Employer	Employees	Rank	Percentage of Total City Employment
Stryker Instruments	3,670	1	13.03%
Pfizer , Inc. (fka Pharmacia & Upjohn, Inc)	3,332	2	11.83%
Summit Polymers / Mueller Plastics	1,797	3	6.38%
Portage Public Schools	1,400	4	4.97%
Mann + Hummel	695	5	2.47%
Meijer, Inc.	581	6	2.06%
FedEx	400	7	1.42%
Erbsloeh Aluminum Solutions / Bowers Manufacturing	346	8	1.23%
Kenco Logistic Services	279	9	0.99%
Wal-Mart	271	10	0.96%
Total employees	12,771		45.36%

Source: Southwest Michigan First

MEDIAN INCOME BY TYPES OF FAMILIES



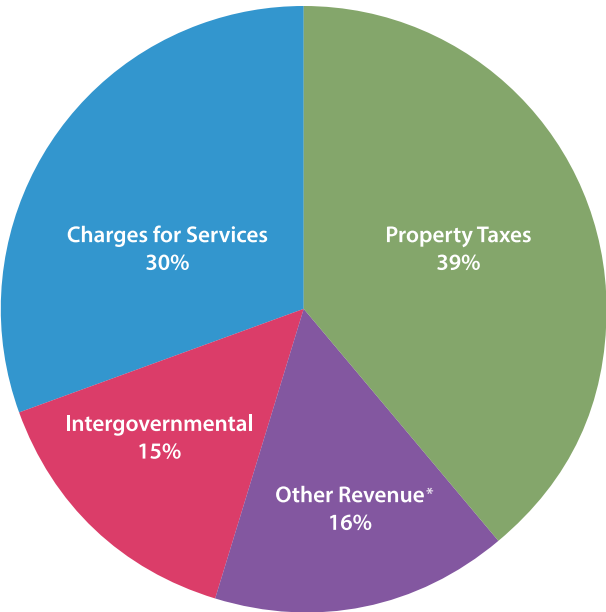
Median Income by Types of Families	Portage	Kalamazoo	Kalamazoo County	Michigan
Families	\$90,697	\$56,627	\$83,847	\$80,523
Married-Couple Families	\$108,208	\$77,476	\$101,661	\$95,246
Non-Family Households	\$43,768	\$33,191	\$37,224	\$37,666

Source: <https://data.census.gov/>

The City of Portage operates on a balanced budget. Revenues are received from several sources, primarily property taxes, charges for services and intergovernmental funding. Those revenues are distributed primarily to the city's General Fund and Capital Improvement Program Fund, as well as other various funds.

WHERE THE MONEY CAME FROM

Sources of Funding - All Funds
Fiscal Year 2021-2022

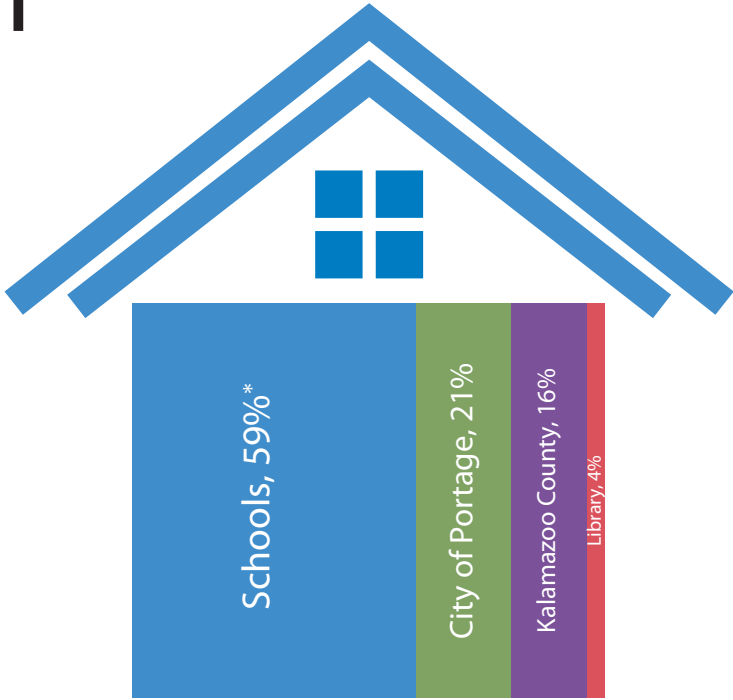


* Other Revenue = Interfund Transfers, Other Financing Sources, Licenses & Permits, Interest & Rents, Special Assessments.

WHERE YOUR PROPERTY TAXES WENT

In Fiscal Year 2021-2022, the City Treasurer distributed property taxes to the schools, county, library and city as shown below.

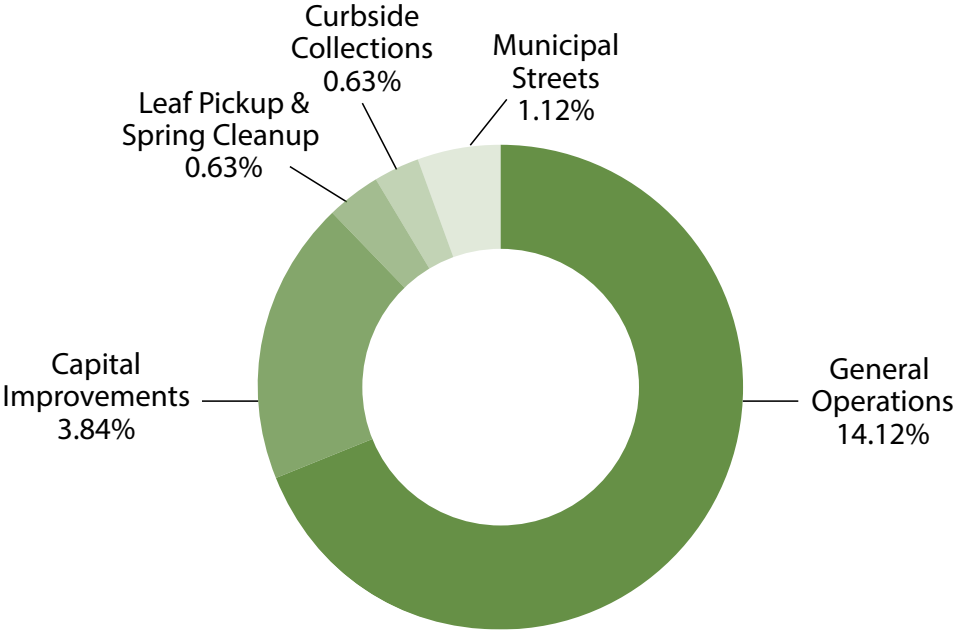
Taxing Unit	Percentage of Tax Levy
City of Portage	20.43%
Kalamazoo County	17.28%
Kalamazoo Regional Educational Service Agency	13.56%
Community College	5.36%
Library	3.77%
Local Schools	39.60%



* State Education Tax, Public Schools, Kalamazoo Regional Educational Service Agency, Community College.

HOW THE CITY OF PORTAGE USED YOUR PROPERTY TAXES

In Fiscal Year 2021-2022, **only 20.43 percent of Portage resident property taxes were distributed to the City of Portage.** The remaining funds were distributed to other taxing jurisdictions. The city portion of your property taxes were used in this way:



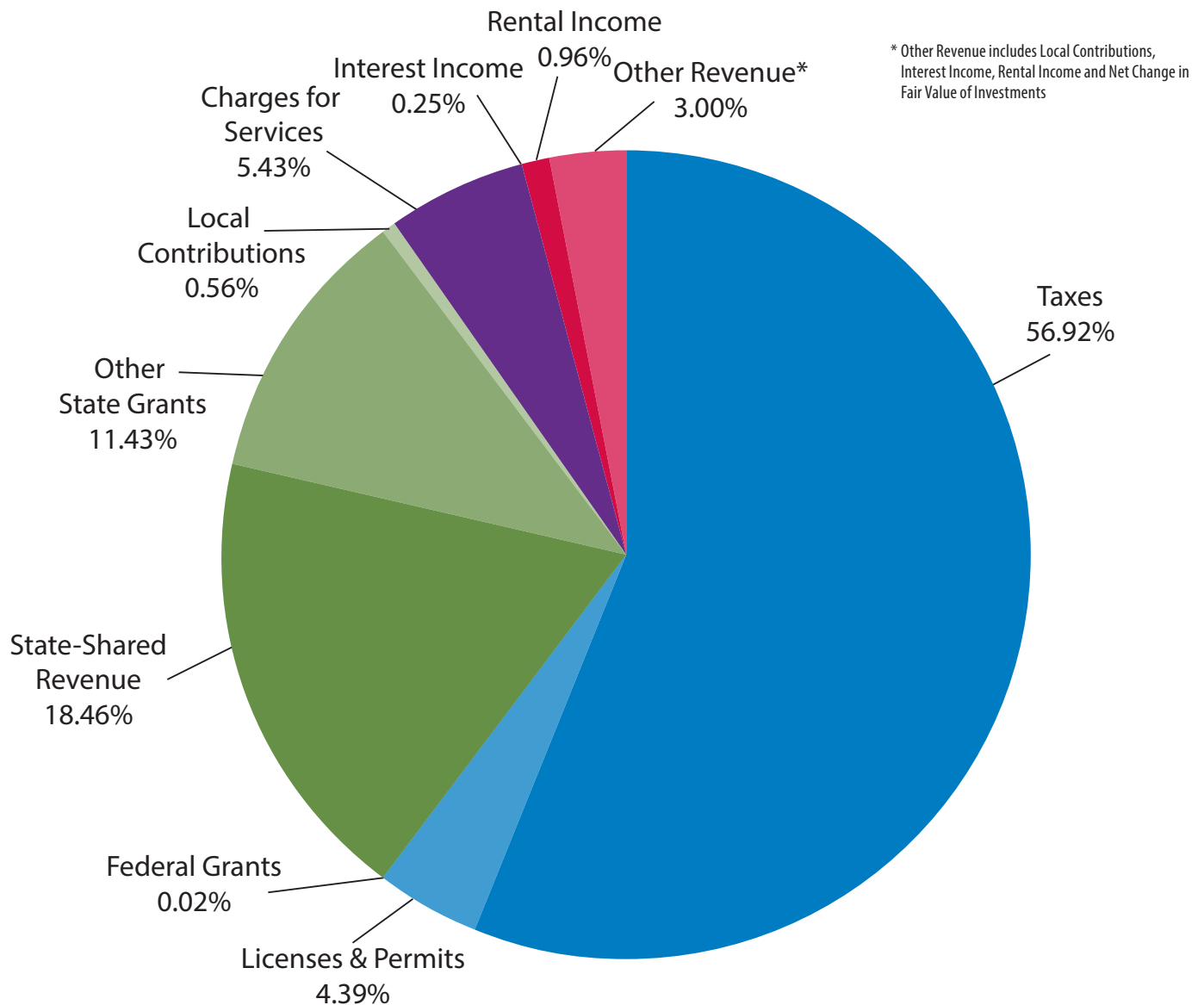
COST OF CITY SERVICES TO THE TYPICAL RESIDENCE

In Fiscal Year 2021-2022, the total cost of city services for the typical residence in Portage, including property taxes and utilities, was \$1,668.268 shown below. The cost in Fiscal Year 2022-2023 will increase by \$67.26.

	Property Taxes	Utilities	Total
Fiscal Year 2021-22	\$928.40	\$739.86	\$1,668.26
Fiscal Year 2022-23	\$956.98	\$778.55	\$1,735.53

GENERAL FUND REVENUES BY SOURCE

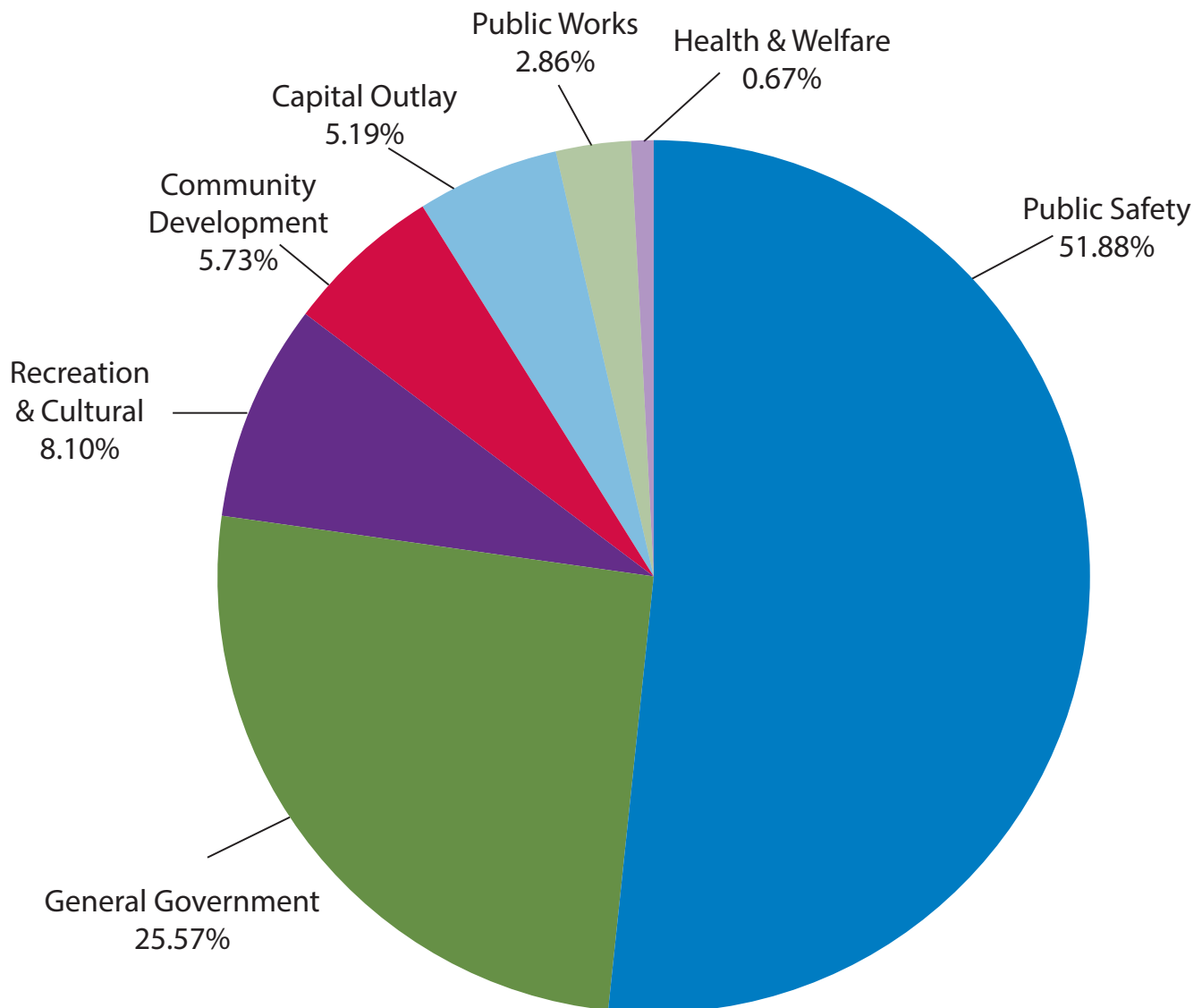
Fiscal Year 2021-2022



General Fund Revenues	Amount	Percentage
Taxes	\$17,314,792	56.92%
Licenses and Permits	\$1,336,089	4.39%
Federal Grants	\$4,810	0.02%
State-Share Revenue	\$5,615,724	18.46%
Other State Grants	\$3,477,584	11.43%
Local Contributions	\$169,573	0.56%
Charges for Services	\$1,652,184	5.43%
Interest Income	\$75,813	0.25%
Rental Income	\$292,189	0.96%
Net Change in Fair Value of Investments	-\$434,413	-1.43%
Other Revenue	\$912,645	3.00%
Total Revenues	\$30,416,990	100.00%

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION

Fiscal Year 2021-2022

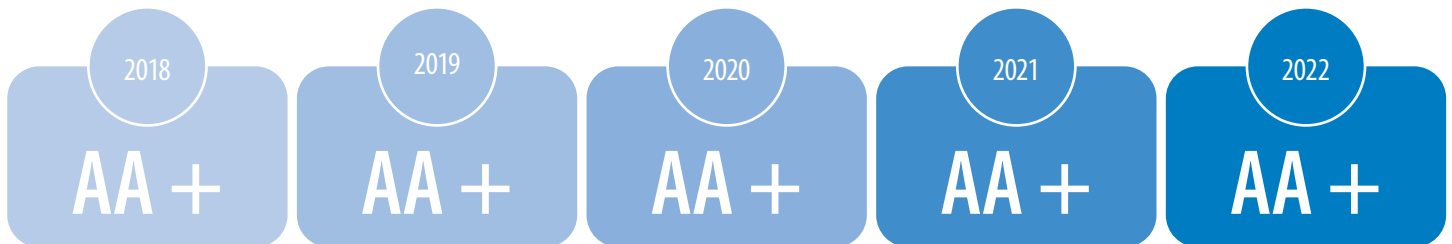


General Fund Expenditures	Amount	Percentage
Public Safety	\$14,035,464	51.88%
General Government	\$6,917,229	25.57%
Recreation and Cultural	\$2,191,839	8.10%
Community Development	\$1,549,125	5.73%
Capital Outlay	\$1,404,422	5.19%
Public Works	\$774,476	2.86%
Health and Welfare	\$181,550	0.67%
Total	\$27,054,105	100.00%

FISCAL STABILITY

The City of Portage is a regional leader in economic strength. The spending priorities have always included a strong focus on road improvements, along with parks and public facilities like the new Fire Station No. 2 and ongoing construction of the new Charles & Lynn Zhang Portage Community Senior Center. “AA+” rating allows the city to create a strong demand from investors and deliver low borrowing costs for the city and its taxpayers.

Standard & Poor’s Bond Rating



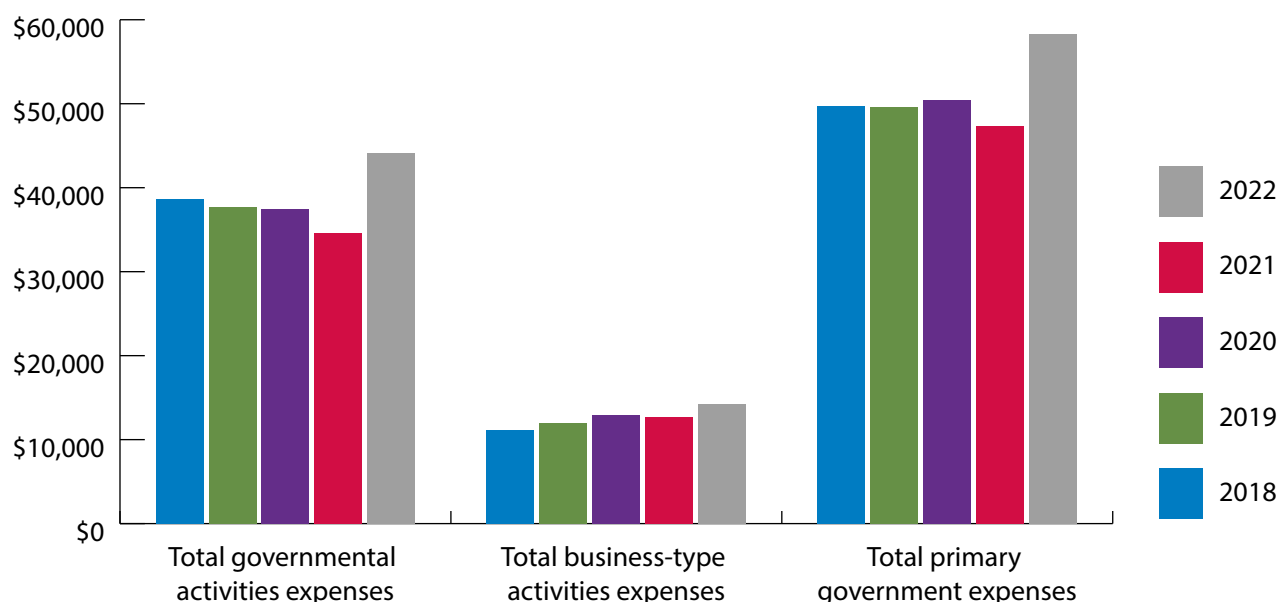
On May 12, 2021, S&P Global Ratings assigned the ‘AA+’ rating to the City of Portage for the fourth consecutive year. The ‘AA+’ rating is the second-highest that can be assigned to a municipality. S&P Global commented, “The local economy remained resilient through the COVID-19 pandemic and continues to see growth due to ongoing expansion of its top and large employers as well as residential development, with further growth expected. This boosts revenue, resulting in ongoing positive financial operations, and very strong budgetary flexibility that will keep supporting the city’s plans to fund an array of capital projects. The city’s very strong management practices further highlight its proactive nature in ensuring stability across its financial operations.”

FIVE YEARS AT A GLANCE

CHANGES IN NET POSITION - EXPENSES

Accrual Basis of Accounting
Expressed in Thousands

Expenses	2018	2019	2020	2021	2022
Governmental activities:					
General government	\$4,421	\$4,761	\$4,455	\$2,723	\$9,465
Public safety	\$16,399	\$16,459	\$16,728	\$16,578	\$16,950
Public works	\$532	\$488	\$704	\$2,273	\$2,425
Health and welfare	\$1,736	\$1,771	\$2,050	\$583	\$664
Community development	\$1,036	\$1,121	\$1,172	\$1,214	\$1,650
Recreation and cultural	\$3,248	\$3,247	\$2,683	\$2,531	\$3,320
Highways and streets	\$10,075	\$8,611	\$8,537	\$7,449	\$9,050
Interest	\$1,137	\$1,175	\$1,152	\$1,236	\$600
Total governmental activities expenses	\$38,584	\$37,633	\$37,481	\$34,587	\$44,124
Business-type activities:					
Sewer	\$7,008	\$7,795	\$8,188	\$8,306	\$9,485
Water	\$4,146	\$4,124	\$4,719	\$4,404	\$4,728
Total business-type activities expenses	\$11,154	\$11,919	\$12,907	\$12,710	\$14,213
Total primary government expenses	\$49,738	\$49,552	\$50,388	\$47,297	\$58,337

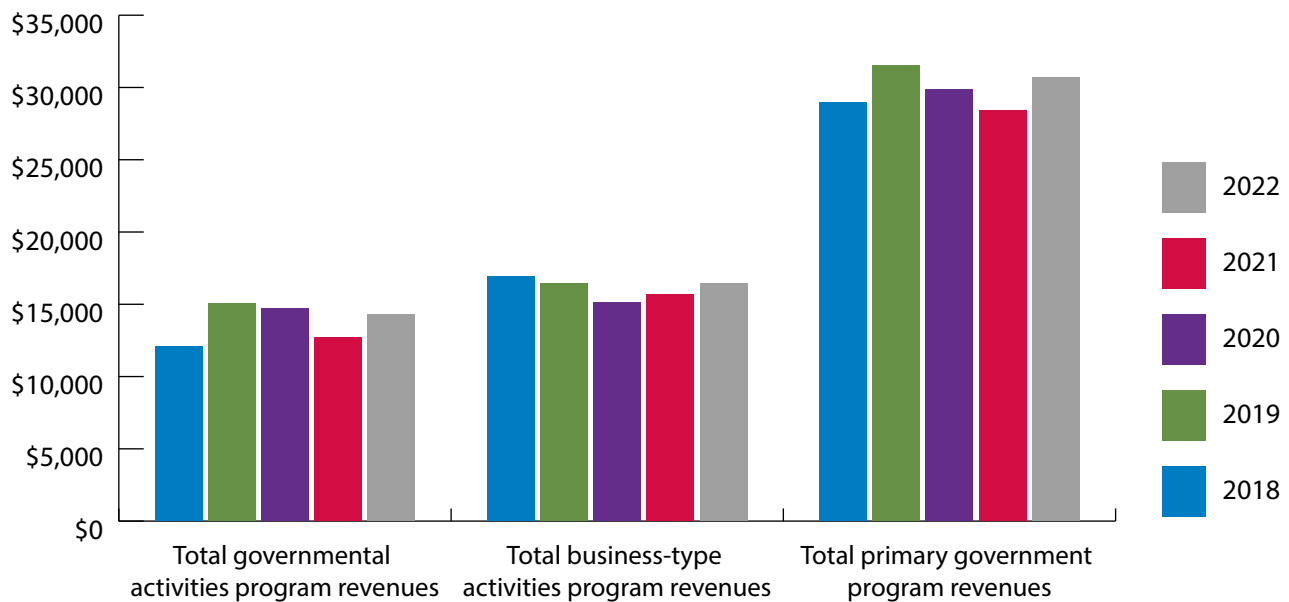


CHANGES IN NET POSITION - REVENUES

Accrual Basis of Accounting

Expressed in Thousands

Program Revenues	2018	2019	2020	2021	2022
Governmental activities:					
<i>Charges for services</i>					
General government	\$2,715	\$2,233	\$2,171	\$2,288	\$2,347
Recreation and cultural	\$276	\$207	\$257	\$205	-\$629
Public safety	\$188	\$172	\$112	\$96	\$43
Health & welfare	\$33	\$80	\$87	\$78	\$106
Community development	\$1,308	\$988	\$1,052	\$882	\$1,201
<i>Operating grants and contributions</i>					
General government	\$663	\$426	\$168	\$140	\$98
Public safety	\$121	\$156	\$75	\$1,510	\$291
Public works	\$0	\$0	\$0	\$167	\$0
Health & welfare	\$222	\$160	\$101	\$427	\$287
Community development	\$13	\$11	\$242	-\$145	\$33
Recreation and cultural	\$578	\$848	\$4,310	\$272	\$3,213
Highways & streets	\$5,822	\$6,429	\$6,053	\$6,706	\$7,231
<i>Capital grants and contributions</i>					
Public works	\$96	\$3,351	\$63	\$37	\$47
Recreation and cultural	\$23	\$21	\$20	\$32	\$24
Total governmental activities program revenues	\$12,059	\$15,082	\$14,711	\$12,695	\$14,292
Business-type activities:					
<i>Charges for services</i>					
Sewer	\$9,467	\$8,938	\$8,423	\$8,381	\$9,343
Water	\$7,453	\$6,644	\$6,724	\$7,318	\$7,070
<i>Capital grants and contributions</i>	\$0	\$852	\$0	\$0	\$0
Total business-type activities program revenues	\$16,921	\$16,434	\$15,147	\$15,699	\$16,413
Total primary government program revenues	\$28,980	\$31,516	\$29,858	\$28,394	\$30,705



City of Portage
Finance Department
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