

CITY OF PORTAGE, MICHIGAN POPULAR ANNUAL FINANCIAL REPORT

2022-2023

Fiscal Year Ending June 30, 2023

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, 2023. 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 at portagemi.gov/638. A printed copy of both reports can be obtained by calling the Portage Finance Department at (269) 329-4534.



The new Charles & Lynn Zhang Portage Community Senior Center



A Department of Technology Services employee inspects a city servers



Members of the Portage Emergency Communications Center team conduct a table-top exercise



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, 2022.

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, 2022. 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, 2022

Christopher P. Morrell
Executive Director



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, 2022

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)	School Enrollment ²	Unemployment Rate ³
2019	49,029	\$1,970,417	\$40,189	\$60,260	38	8,846	3.9%
2020	48,421	\$1,990,121	\$41,100	\$62,997	38	8,913	11.9%
2021	49,975	\$2,200,099	\$44,024	\$62,941	38	8,644	5.5%
2022	49,411	\$2,272,610	\$45,994	\$65,571	37	8,673	4.6%
2023	48,767	\$1,900,840	\$38,978	\$68,755	37	8,704	4.4%

Notes:

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

(2) Portage Public Schools

(3) Bureau of Labor Statistics

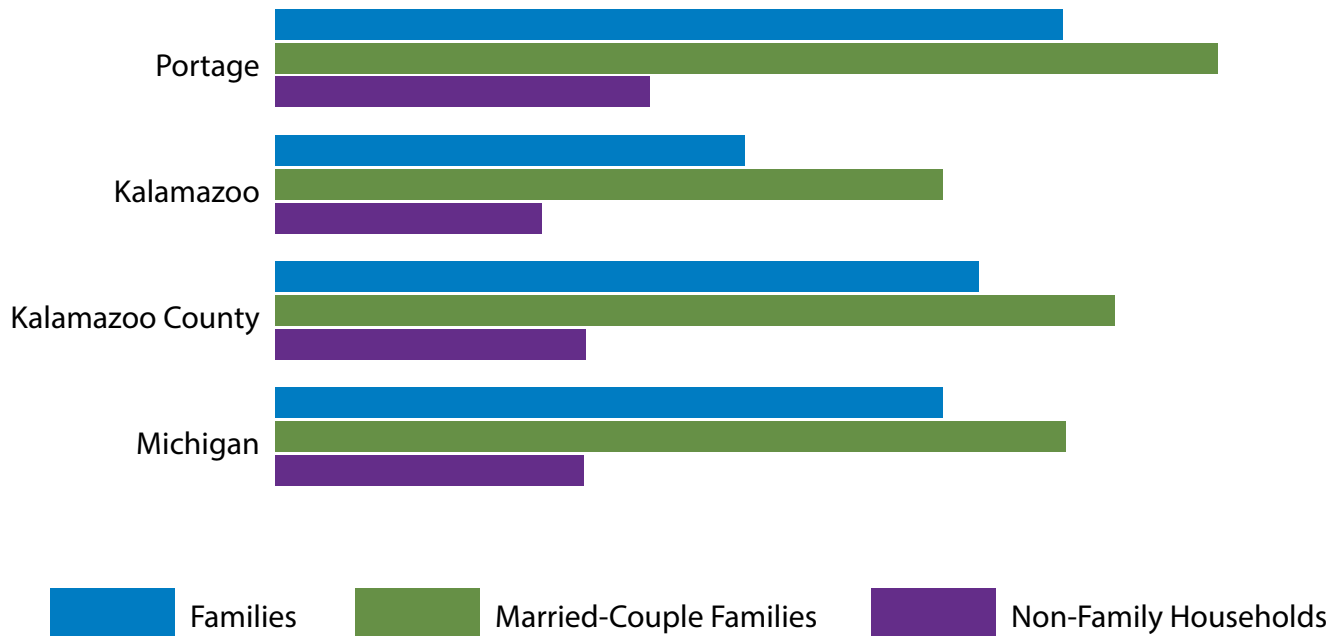
Source: Finance Director

PRINCIPAL EMPLOYERS - 2023

Employer	Employees	Rank	Percentage of Total City Employment
Stryker Instruments	3,600	1	12.63%
Pfizer , Inc. (fka Pharmacia & Upjohn, Inc)	2,500	2	8.77%
Summit Polymers / Mueller Plastics	1,800	3	6.32%
Portage Public Schools	1,400	4	4.91%
Mann + Hummel	680	5	2.39%
Meijer, Inc.	580	6	2.04%
Erbsloeh Aluminum Solutions / Bowers Manufacturing	405	7	1.42%
FedEx	401	8	1.41%
Wal-Mart	281	9	0.99%
FEMA	240	10	0.84%
Total employees	11,887		35.63%

Source: Southwest Michigan First

MEDIAN INCOME BY TYPES OF FAMILIES



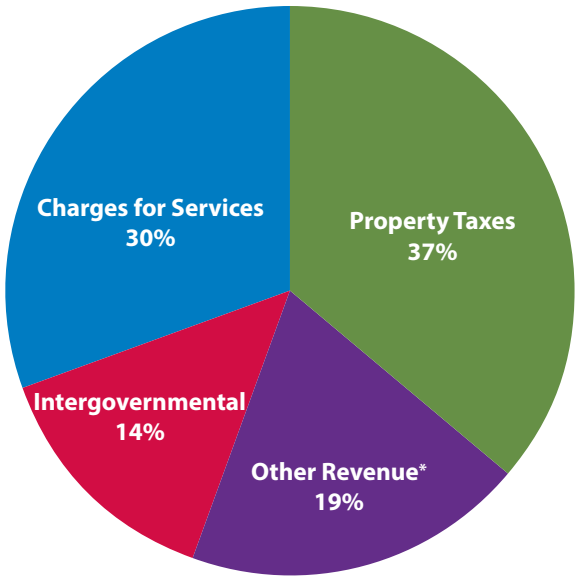
Median Income by Types of Families	Portage	Kalamazoo	Kalamazoo County	Michigan
Families	\$102,922	\$61,336	\$91,978	\$87,221
Married-Couple Families	\$123,213	\$87,341	\$109,752	\$103,399
Non-Family Households	\$48,960	\$34,814	\$40,548	\$40,380

Source: <https://data.census.gov/table?q=median%20income%20by%20types%20of%20families&g=160XX00US2665560>

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 2022-2023



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

WHERE YOUR PROPERTY TAXES WENT

In Fiscal Year 2022-2023, the City Treasurer distributed property taxes to the schools, county, library and city as shown below.

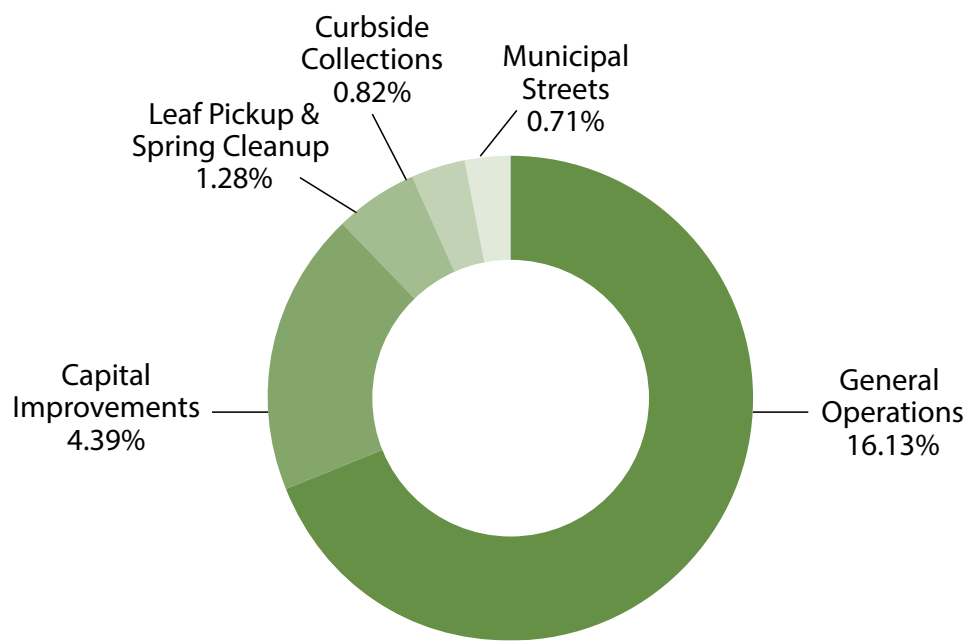
Taxing Unit	Percentage of Tax Levy
City of Portage	23.33%
Kalamazoo County	20.12%
Kalamazoo Regional Educational Service Agency	15.32%
Community College	6.10%
Library	4.37%
Local Schools	30.76%



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

HOW THE CITY OF PORTAGE USED YOUR PROPERTY TAXES

In Fiscal Year 2022-2023, **only 23.33 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:



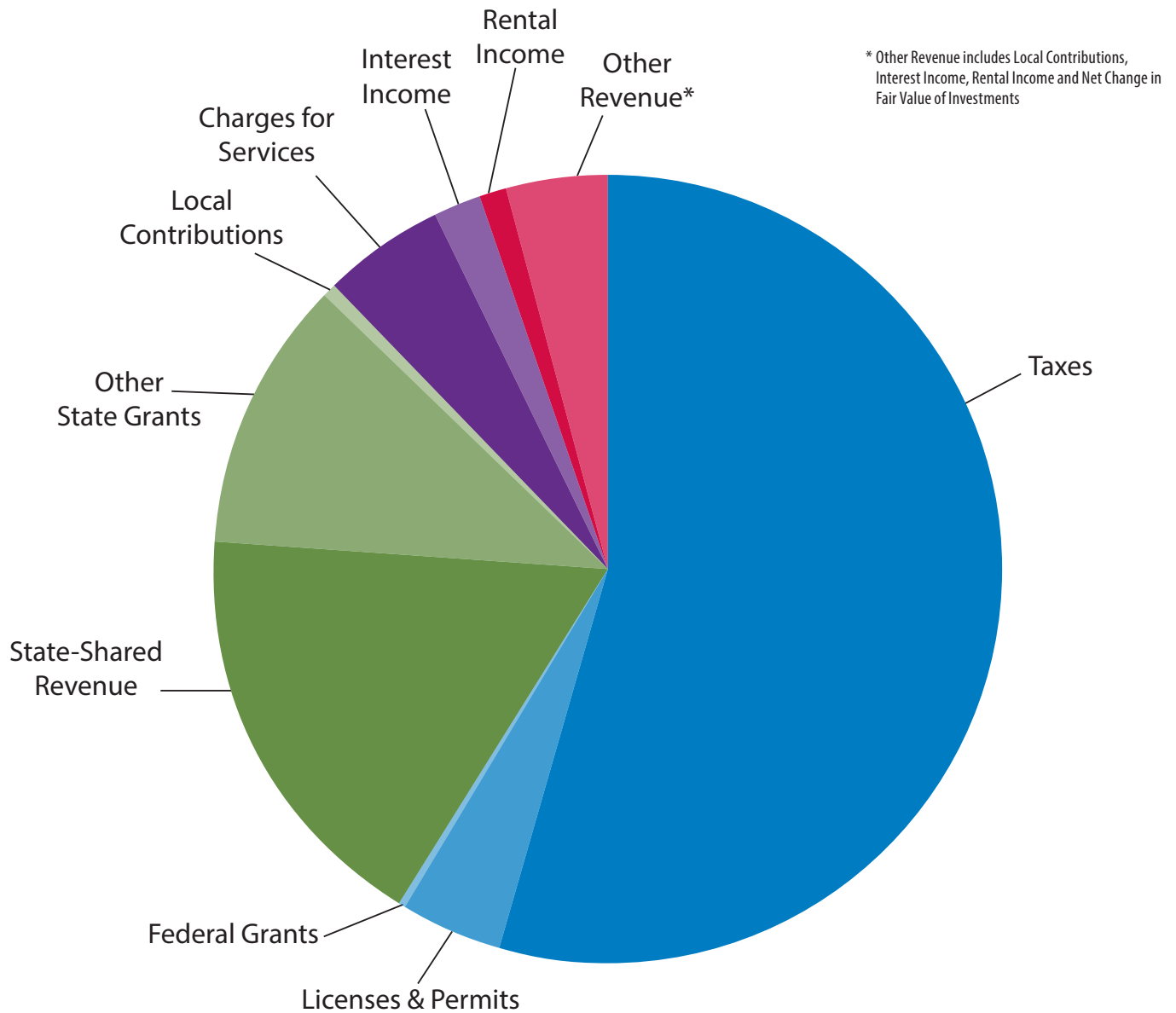
COST OF CITY SERVICES TO THE TYPICAL RESIDENCE

In Fiscal Year 2022-2023, 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 2023-2024 will increase by \$169.24.

	Property Taxes	Utilities	Total
Fiscal Year 2022-23	\$956.98	\$778.55	\$1,735.53
Fiscal Year 2023-24	\$1071.08	\$833.69	\$1,904.77

GENERAL FUND REVENUES BY SOURCE

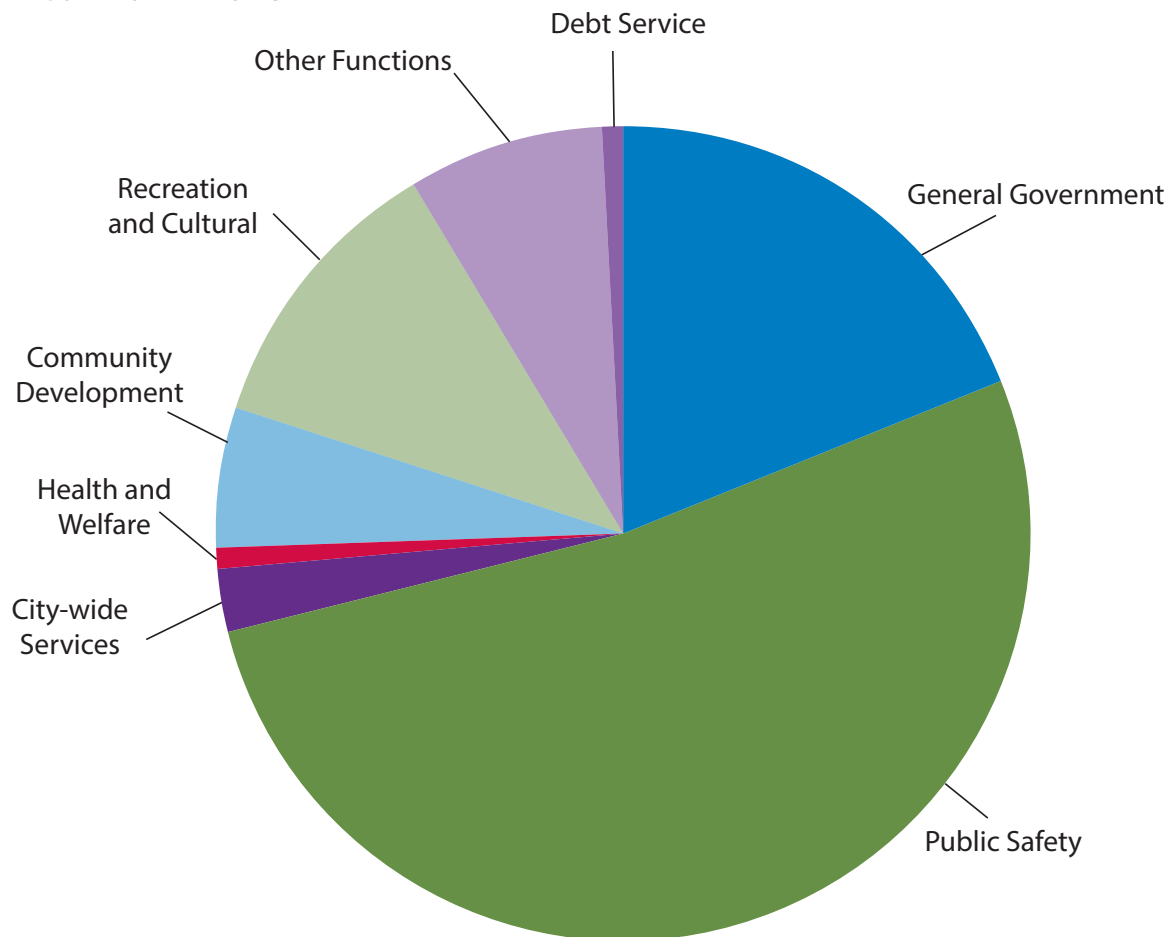
Fiscal Year 2022-2023



General Fund Revenues	Amount	Percentage
Taxes	\$18,025,914	54.62%
Licenses and Permits	\$1,391,529	4.22%
Federal Grants	\$24,236	0.07%
State-Share Revenue	\$5,755,710	17.44%
Other State Grants	\$3,611,705	10.94%
Local Contributions	\$174,054	0.53%
Charges for Services	\$1,689,085	5.12%
Interest Income	\$640,226	1.94%
Rental Income	\$335,695	1.02%
Net Change in Fair Value of Investments	\$(80,537)	-0.24%
Other Revenue	\$1,434,777	4.35%
Total Revenues	\$33,002,394	100%

GENERAL FUND EXPENDITURES BY DEPARTMENT OR FUNCTION

Fiscal Year 2022-2023

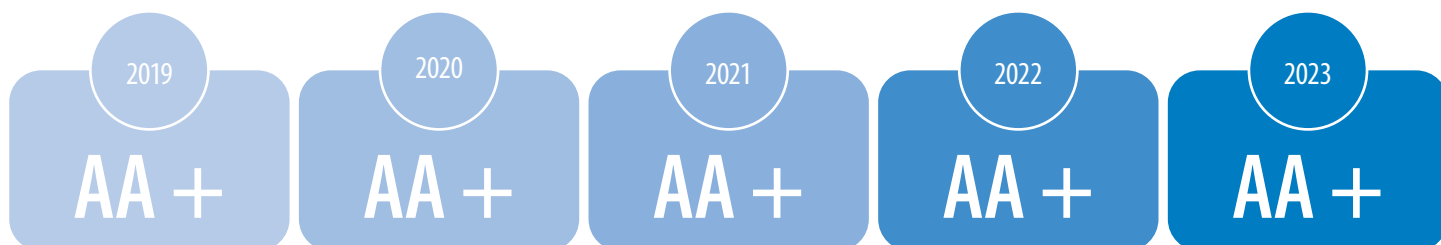


General Fund Expenditures	Amount	Percentage
General Government	\$5,207,344	18.91%
Public Safety	\$14,408,209	52.33%
City-wide Services	\$721,369	2.62%
Health and Welfare	\$177,879	0.65%
Community Development	\$1,578,024	5.73%
Recreation and Cultural	\$3,072,215	11.16%
Other Functions	\$2,156,220	7.83%
Debt Service	\$212,546	0.77%
Total	\$27,533,806	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



S&P Global raised the city’s general obligation bonding to AA+ in May 2017. In May 2023, the city achieved an AA+ rating for the sixth consecutive year. This solid rating has the effect of reducing borrowing costs and is another positive indicator of the financial viability of the city.

S & P Global commented, “Portage’s AA+ rating reflects our view of its well-embedded fiscal planning and policies, which guide its consistently positive operations and growing reserves. The ongoing and projected population growth and strength of its well-balanced economy, characterized by a good mix of manufacturing, wholesale and retail trade, and service activity in southwestern Michigan’s Kalamazoo County, are also credit strengths. Property tax revenues account for over 50% of revenues and are expected to continue to increase, and combined with strong fiscal management will likely drive ongoing positive financial operations.”

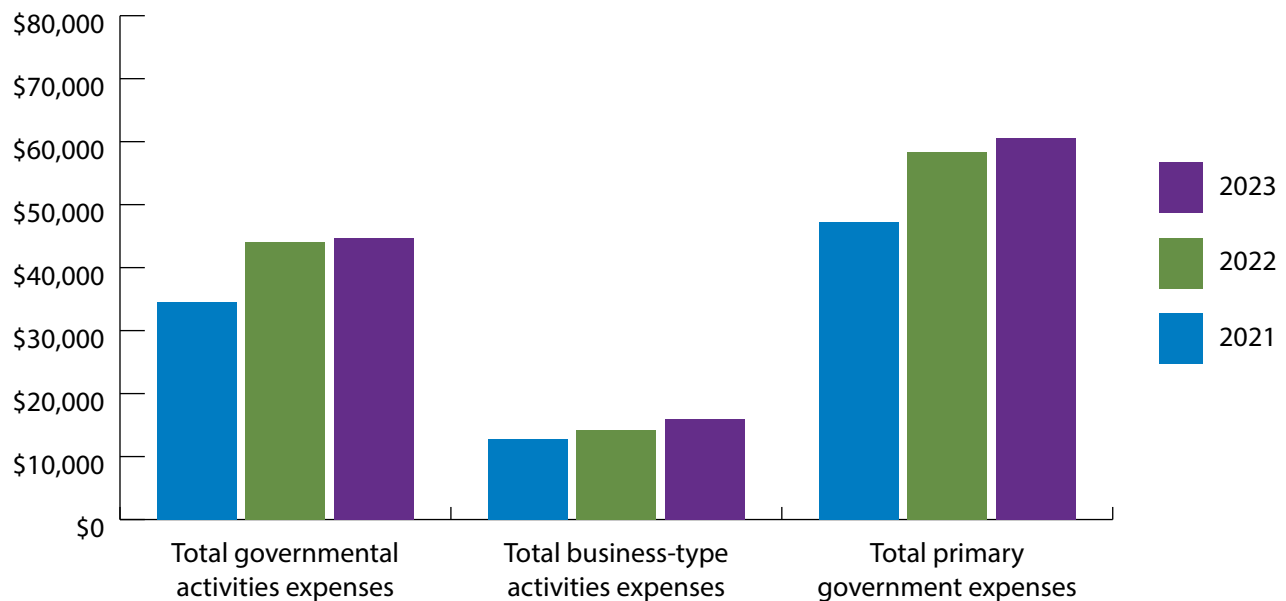
THREE YEARS AT A GLANCE

STATEMENT OF ACTIVITIES - EXPENSES

Accrual Basis of Accounting

Expressed in Thousands

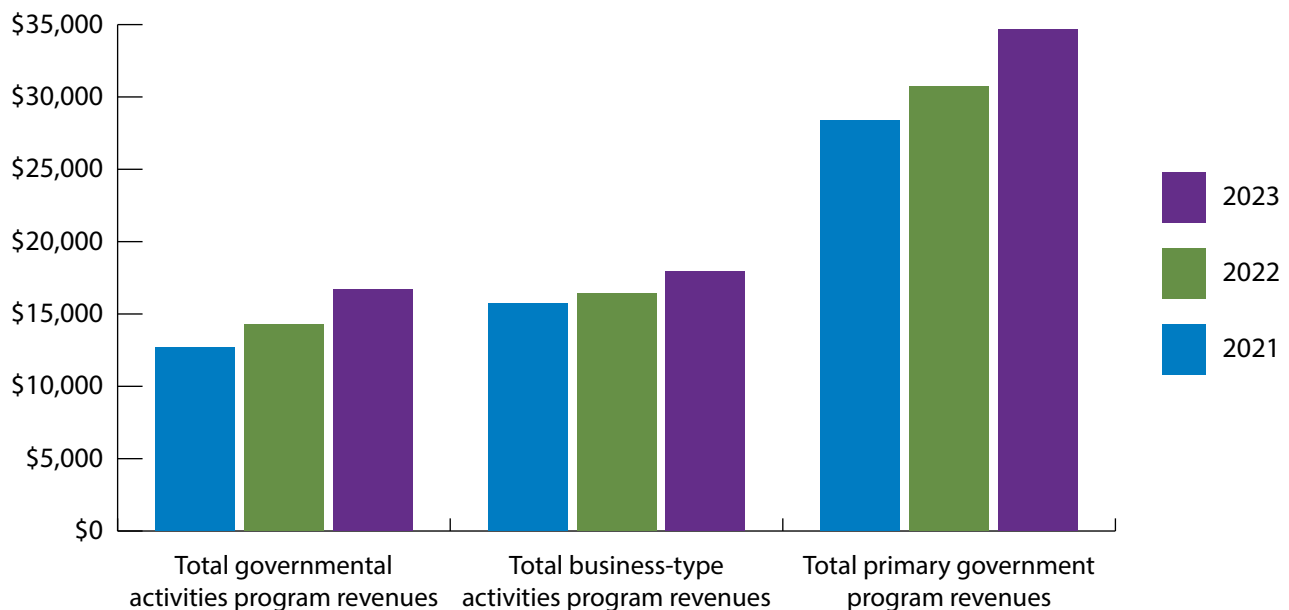
Expenses	2021	2022	2023
Governmental activities:			
General government	\$2,723	\$9,465	\$7,261
Public safety	\$16,578	\$16,950	\$16,713
Public works	\$2,273	\$2,425	\$2,522
Health and welfare	\$583	\$664	\$1,253
Community development	\$1,214	\$1,650	\$1,921
Recreation and cultural	\$2,531	\$3,320	\$4,081
Highways and streets	\$7,449	\$9,050	\$9,409
Interest	\$1,236	\$600	\$1,470
Total governmental activities expenses	\$34,587	\$44,124	\$44,630
Business-type activities:			
Sewer	\$8,306	\$9,485	\$10,710
Water	\$4,404	\$4,728	\$5,283
Total business-type activities expenses	\$12,710	\$14,213	\$15,993
Total primary government expenses	\$47,297	\$58,337	\$60,623



STATEMENT OF ACTIVITIES - REVENUES

Accrual Basis of Accounting
Expressed in Thousands

Program Revenues	2021	2022	2023
Governmental activities:			
<i>Charges for services</i>			
General government	\$2,288	\$2,347	\$2,772
Recreation and cultural	\$205	-\$629	\$411
Public safety	\$96	\$43	\$36
Health & welfare	\$78	\$106	\$69
Community development	\$882	\$1,201	\$1,132
<i>Operating grants and contributions</i>			
General government	\$140	\$98	\$48
Public safety	\$1,510	\$291	\$254
Public works	\$167	\$0	\$0
Health & welfare	\$427	\$287	\$623
Community development	-\$145	\$33	\$384
Recreation and cultural	\$272	\$3,213	\$3,369
Highways & streets	\$6,706	\$7,231	\$7,536
<i>Capital grants and contributions</i>			
Public works	\$37	\$47	\$29
Recreation and cultural	\$32	\$24	\$20
Total governmental activities program revenue	\$12,695	\$14,292	\$16,683
Business-type activities:			
<i>Charges for services</i>			
Sewer	\$8,381	\$9,343	\$10,063
Water	\$7,318	\$7,070	\$7,431
<i>Operating grants and contributions</i>	\$0	\$0	\$474
<i>Capital grants and contributions</i>	\$0	\$0	\$0
Total business-type activities program revenue	\$15,699	\$16,413	\$17,968
Total primary government program revenues	\$28,394	\$30,705	\$34,651

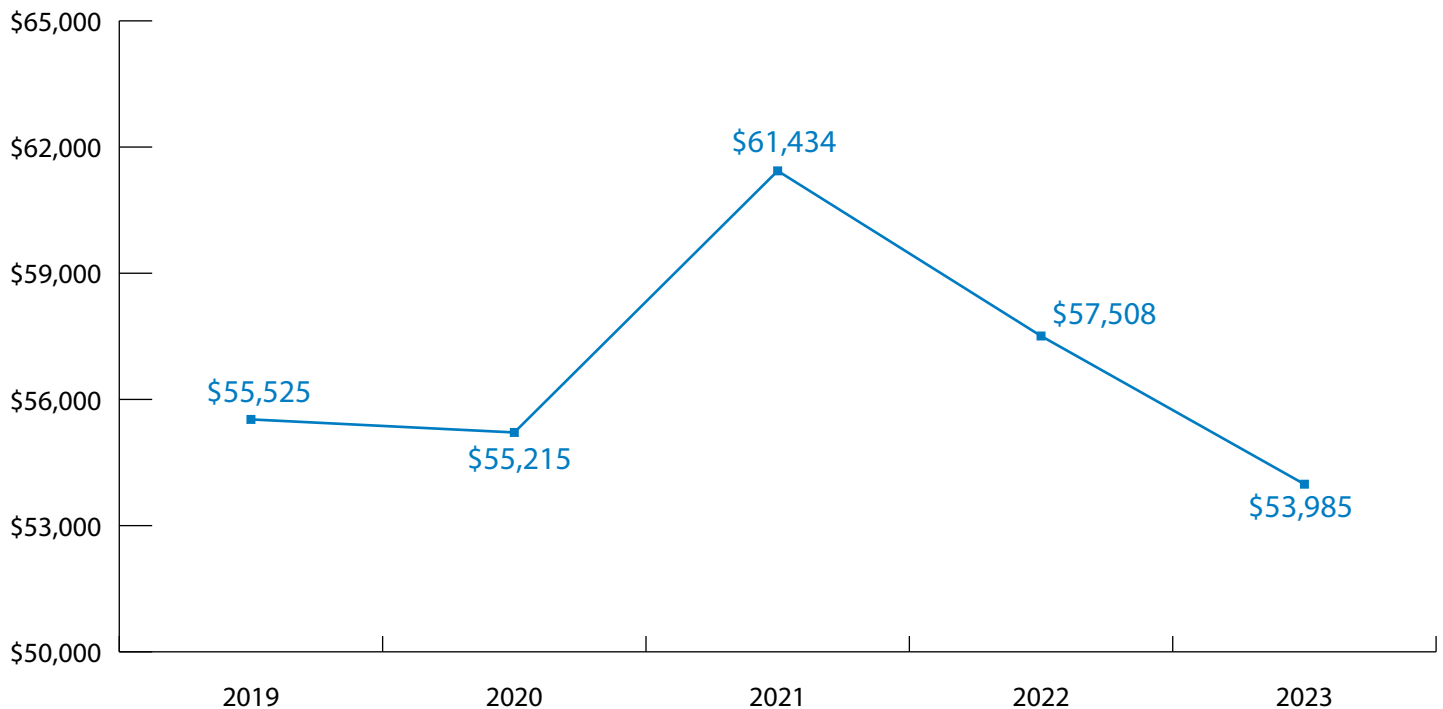


DEBT FIVE-YEAR GLANCE

TOTAL DEBT OVER FIVE YEARS

Expressed in Thousands

June 30	2019	2020	2021	2022	2023
Governmental activities:					
General Obligation bonds	\$199	\$132	\$78	\$40	\$0
Special Assessment bonds	\$1,110	\$1,025	\$0	\$0	\$0
Motor Vehicle Highway bonds	\$1,485	\$930	\$350	\$0	\$0
Capital Improvement bonds	\$25,139	\$30,044	\$42,133	\$42,428	\$42,622
Notes from direct placement	\$1,740	\$1,480	\$1,468	\$2,106	\$1,621
Redevelopment bonds	\$7,895	\$6,625	\$5,270	\$3,905	\$2,880
Total governmental activities debt	\$37,568	\$40,236	\$49,299	\$48,479	\$47,123
Business-type activities:					
Capital Improvement bonds	\$17,626	\$14,761	\$11,998	\$8,959	\$6,862
General Obligation bonds	\$331	\$218	\$137	\$70	\$0
Capital Lease	\$0	\$0	\$0	\$0	\$0
Total business-type activities debt	\$17,957	\$14,979	\$12,135	\$9,029	\$6,862
Total primary government debt	\$55,525	\$55,215	\$61,434	\$57,508	\$53,985



City of Portage
Finance Department
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