

Portage Public Schools
THE FUTURE LEARNS HERE

Portage, Michigan

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended June 30, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

Portage Public Schools
8111 S. Westnedge Avenue
Portage, Michigan 49002

For the Fiscal Year Ended
June 30, 2011

Marsha Wells
Superintendent of Schools

BOARD OF EDUCATION

Kevin Hollenbeck
President

Melanie Kurdys
Vice President

Randy Van Antwerp
Secretary

Geoff Howe
Trustee

Rusty Rathburn
Trustee

Robert "Bo" Snyder
Trustee

Joanne Willson
Trustee

Prepared by:
Karla Colestock, Business Manager

VISION

Portage Public Schools will empower every student to contribute intelligently and ethically in an information rich, global society.

GLOBAL ENDS POLICY

All enrolled students will have an empowering set of knowledge bases that will enable them to succeed at the next stage of their lives in an increasingly complex and global world and at a level such that the results justify the costs.

PRIORITIES

Of the different student needs served, there is a priority of focus in the order in which they appear below.

1. Curricular academics.
2. Activities that are held outside of the school day and are a part of the curriculum (co-curricular).
3. Activities held outside the school day and are not a part of the curriculum (extra-curricular).

ACADEMIC

Students will have a strong academic base, which is our first priority.

- They will have skills and knowledge in numeracy, literacy, science and technology to their utmost potential.
- They will have a well-rounded introduction to multiple disciplines including but not limited to the arts, humanities, and world languages.
- They will be skilled learners, able to identify what they need to know and how to learn it.
- They will be complex, analytical, creative thinkers able to make reasonable decisions.

SELF-AWARE

Students will be self-aware and have a positive self-image.

- They will feel confident in their ability to succeed.
- They will understand their strengths, their learning styles and their creative potential.
- They will recognize areas of study that match their unique set of abilities, talents, and interests.

LIFE SKILLS

Students will practice positive life and social skills.

- They will be good communicators.
- They will be able to participate in and add to a group.
- They will be physically active appropriate to their ability.
- They will be able to make positive choices for a healthy life style.

CITIZENRY

Students will be good citizens of the community and the world.

- They will be good citizens in the community in which they live.
- They will make positive contributions to their community.
- They will be good stewards of the environment.
- They will practice honesty, integrity, and ethical behavior.
- They will understand, appreciate and demonstrate respect for diverse cultures.
- They will be able to communicate with people in other parts of the world.

**PORTAGE PUBLIC SCHOOLS
Comprehensive Annual Financial Report**

Year Ended June 30, 2011

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FEDERAL PROGRAM AWARD INFORMATION

Issued under
separate cover

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Portage Public Schools
THE FUTURE LEARNS HERE

INTRODUCTORY SECTION

November 14, 2011

Dear Citizens and Board Members:

The Comprehensive Annual Financial Report of Portage Public Schools (the “School District”) for the fiscal year ended June 30, 2011 is hereby submitted. This report was prepared by the Business Office with assistance from members of the School District’s Executive Administrative Team and contains all activities under the control of the Board of Education. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This is measured by the School District-wide financial activity and the activity of its various funds with all disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities.

Management’s Discussion and Analysis

Generally Accepted Accounting Principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management’s discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

Reporting Entity and Services

Portage Public Schools is an independent reporting entity fully meeting the criteria established by the Governmental Accounting Standards Board. All funds of the School District are included in this report. The School District does not have component units.

The financial section reports separately the district-wide activities, the governmental fund types, and the fiduciary fund type administered by the Board.

Profile of Portage Public Schools

The Community

The School District, located in southern Kalamazoo County, encompasses more than 42 square miles and lies at the mid-point between Chicago and Detroit, at the junction of I-94 and U.S. 131. It is composed of nearly all of the City of Portage and smaller portions of the City of Kalamazoo, Pavilion and Texas Townships. The School District lies entirely in the County of Kalamazoo.

Portage is in close proximity to Kalamazoo, and as well as its local diversified industry, provides its residents with consistent employment and a higher than average earning potential. Residents may take advantage of many recreational and cultural opportunities. In close proximity are fine museums, restaurants, and entertainment. The Kalamazoo area is a “college town” with Western Michigan University, Kalamazoo College, and Kalamazoo Valley Community College positively impacting the quality of life in the community. Michigan State University and the University of Michigan are also within approximately an hour and one half drive. More than 40 lakes and several riding stables, golf courses, tennis clubs, and ski areas serve the immediate area.

Portage is the lead manufacturing site for the Pfizer Corporation. Pfizer employs over 3,200 people in Kalamazoo County. Portage also is the world-wide headquarters for the Stryker Corporation, which employs approximately 2,100 people in Kalamazoo County. Portage also is recognized as the retail center of southwest Michigan with Crossroads and Southland Malls providing a significant retail presence in the community.

The Educational Program

The Portage Public School District includes eight elementary schools (K-5), three middle schools (6-8), two high schools (9-12), an alternative community middle and high school program that operates in the District's Community Education Center, a preschool and childcare program that is housed in both the Community Education Center and several of our elementary buildings, a gifted and talented program for third through fifth grade students is located in the Central Administration Building, a maintenance and transportation facility, and a District Administration building. Each high school site includes a gymnasium, a separate multi-purpose activity building, a performance center and auditorium, specialized facilities for all curriculum areas, a cafeteria and a comprehensive library/media center. Each middle school contains a swimming pool, a gymnasium, a complete library/media center, a performance center, specialized facilities for each curriculum area, and a cafeteria. Elementary schools also have cafeterias, playgrounds, multipurpose rooms, and library/media centers. The School District also owns one undeveloped piece of property which contains approximately 20 acres.

The Portage Public School District offers a comprehensive educational program for students of all ages. This includes both an assortment of early intervention preschool programs, summer school options, on-line learning and a wide variety of community education programs. A solid academic curriculum primarily consisting of language arts, world languages, mathematics, science, social studies, music, visual arts and physical education is offered at all grade levels. Additionally, a plethora of electives are offered in grades 6-12. Specific programs for gifted and talented students are provided from third grade through high school. Spanish and Chinese foreign language programs are offered to elementary students. Both of the School District's comprehensive high schools offer the International Baccalaureate program, as well as a variety of honors courses in all core areas. Students who attend the School District's high schools are able to participate in an extensive grouping of county-wide academic programs. Included in these offerings are Education for the Arts (EFA) classes, Education for Employment (EFE) classes, and dual enrollment opportunities at Western Michigan University, Kalamazoo College, and Kalamazoo Valley Community College. Technical education programs begin at the middle school and continue through high school. The middle schools and high schools also offer a broad range of extra and co-curricular experiences, including extensive athletic and club-based programs. The School District offers a full continuum of services to meet the needs of students with disabilities.

Technology integration is an important component of our academic program structure. Wired and wireless connections to a robust Intranet system are safely linked through fiber optic cable to the Internet. Technology integration projects are a required part of the curriculum in elementary, middle school and high school coursework. Distance learning experiences and the up-to-date software and hardware are all part of technology support in each building. Parents and students are able to monitor academic progress in grades four through twelve through a creative Parent Internet Viewer (PIV). Student grades are available for viewing within twenty seconds of the teacher's entry. Parents also have the option for pre-programmed messages related to their student's academic achievement status. A new data center has been designed and is now fully operational. Features of the new data center include: redundant generator systems and uninterruptable power supplies as well as a data center grade fire suppression system and redundant cooling units.

As a result of the challenging pre-kindergarten through grade 12 education, which is based on well-defined benchmarks and related assessments, “Portage Public Schools will empower every student to contribute intelligently and ethically in an information rich, global society”. Portage Public School parents actively support the District and their children through participation in PTO groups, booster clubs, site-based school development teams, specific volunteer groups or District-level committees.

The School District’s community enrichment programs and services start with daycare for preschool children and after school care for school age children and continue to senior citizen participation with over 6,000 processed registrations each year. Business partnerships, job placement, enrichment classes, and assistance to non-English speaking members of our community are important components of the School District’s program offerings as well. The School District’s Community Education Center provides adult education and recreation experiences throughout the year. Some of the programs and services offered through the Community Education Center include the following: English as a Second Language (ESL), leisure/hobby programs, informational seminars/classes, School District facility use, youth day camps, sport programs, technical/vocational training, on line coursework, swimming (instructional and recreational), and business training workshops.

Accomplishments

The School District is utilizing a continuous school improvement planning process. All elementaries and middle schools follow the Michigan Department of Education’s School Improvement framework. At the high school level, they coordinate this planning with both Michigan Department of Education and the North Central Association. Annually, the Board of Education works with the administrative staff to develop District goals. These goals are used to help guide building level and administrative goals as well.

The School District’s organizational goals for professional development include: State mandates, District goals, curriculum and instruction initiatives, school improvement, Response to Intervention, MiBLSi, and individual professional growth. Specifically, our organization focuses on job embedded professional development that supports these areas. In addition to the support given in these areas, all teachers are assigned a mentor teacher to assist them in their orientation into the profession. Further, instructional coaches are provided as needed within the first four years of teaching.

Professional growth is not limited to “one time” conferences and trainings. Teachers are supported to collaborate to plan alternative assessments and instructional strategies for at-risk learners. Lastly, teachers, secretaries, counselors, administrators, assistants, Board of Education members, and parents have opportunities for professional growth.

The School District has an extensive and inclusive system for curriculum review and revision. First, Portage Public Schools has a Curriculum Instruction Council (CIC) with 56 members. These members include K-12 teachers, instructional specialists, parents, and administrators. This committee is charged with reviewing all proposals and initiatives concerning District PreK-12 curriculum, instruction, instructional technology, and assessment. Recommendations from the CIC regarding proposals and initiatives proceed to the District Curriculum Office, Superintendent, and Board of Education for approval and implementation. The purpose of the CIC is to design, implement, and communicate a district-wide system that will facilitate on-going research into and development of standards, competencies, assessments, vertical/horizontal coordination, and professional development of curriculum and instruction. (Adopted 1993). In addition to this process, teacher leaders serve to coordinate and facilitate curricular change. These teacher leaders represent each grade level and department in the District. As a part of this process, a Board Curriculum and Accreditation Committee was formed in 1995 to facilitate communication about curriculum and instruction with the full Board and the community. In 2008, the Board Curriculum and Accreditation Committee was expanded to the full Board and conducts its business during public work sessions.

In 2003, a K-12 cyclical process for curriculum review was adopted by the Board of Education. This process involves an 18-24 month review and revision process that results in a recommendation to the Curriculum Instruction Council. The process involves a K-12 approach to curriculum review and revision and includes K-12 teachers, administrators, parents, community members, university personnel, instructional specialists, and students. As a part of this process, participants complete research, curriculum revision, assessment development, and recommendations for instructional supports. Over the past 10 years, core curriculums with accompanying internal assessments have been developed for all core areas (i.e. Math, Science, Language Arts, Social Studies, and Foreign Language). In addition, curriculum has been written for all elective courses K-8. As a part of this development, K-12 Physical Education, Fine Arts, Business, Media, Applied Sciences and Human Growth and Development curricula have been written. All written curricula have been fully implemented.

The District's Points of Pride include the following:

- ◆ Portage Northern and Portage Central have been named to the America's Best High Schools list by the Washington Post.
- ◆ Northern and Central High Schools had four students selected as National Merit Finalists.
- ◆ Portage Northern's Media Center was selected in the fall of 2010 as the top school library in Michigan, and among the top 35 nationwide by the American Association of School Libraries.
- ◆ Central Middle School won national recognition for the third year in a row for its Character Counts Program by the National Forum for Education.
- ◆ The District debuted, "The Portage Connection," an alumni electronic magazine. The publication is one of the first public high school alumni magazines in the State and one of few of its kind nationwide. As of June 2011, the first two issues have been viewed more than 60,000 times.
- ◆ Our faculty achievements continue with several staff being recognized as either outstanding educators or coaches in various fields or for their service in a particular field of education.

The School District is redesigning its teacher evaluation system to align with recent changes in legislation related to best instructional practices. The system includes specific statements of expectations for Effective teacher's performance and encourages lessons that follow State curriculum standards.

As a result of the voters passing two bond proposals in November, 2007, two new elementary schools have been built on the District's 12th Street and Lake Center sites and opened in September, 2009 and 2010, respectively. Portage Central High School's new building has been constructed and opened in the fall of 2011. Portage Northern High School has completed significant renovations in their media center and all academic wings, and a new Commons area has been constructed. A new softball field at Portage Northern High School and new tennis courts at both high schools have been constructed. A new transportation and maintenance facility has been built, and Waylee Elementary has been converted into our Technology and Training Center. Technology systems are being improved at all sites, including equipment that will help our buildings become the classrooms of tomorrow.

With our Building and Site Sinking Funds, new tennis courts have been built at West Middle School. Amberly Elementary has renovated its front entrance and office area to improve logistics and safety for our students and staff.

District Planning Process

The School District adopted a planning process called Strategic Management in 2000. This process is well suited to educational environments, which have become increasingly unpredictable. Strategic Management is particularly powerful as a catalyst for innovation within the School District. Utilizing the Strategic Management process in the past several years, specific strategic issues have been identified as opportunities to move closer to our vision and are the focus of detailed strategy formulation. That process protected and expanded the caliber of the education provided for students and positioned the District for where it is today. It has positioned the District to pursue its next tier of District Goals that aim toward achieving even higher levels of performance through the use of quality system processes. The target is to perform as a district of distinction at a national level.

Economic Outlook

As the School District completes its sixteenth year under Proposal A, approved by Michigan voters in 1994, it has become apparent, especially in the last few years, that School District revenues will not keep pace with inflation, nor with School District expenditures as we know them. On the revenue side, Proposal A substantially shifted funding responsibility from the local level to the State level and from property tax as the major revenue source. On the expenditure side, Proposal A shifted the funding responsibility for public school retirement to local school Districts. Now the School District is dependent upon the State legislature for not only the majority of its funds, but also its funding level. In addition, significant increases to costs, especially health insurance and retirement, result in additional budget pressures.

In May 2011, the 1.50 county wide enhancement millage was renewed for three more years, beginning with the 2011/12 school year, by a majority of voters in the county. This successful millage represents the first enhancement millage approved in the State of Michigan for operational purposes since Proposal A was enacted. This relatively short term millage is intended to continue to provide local support for schools until the State of Michigan responds to school funding issues across the State.

Historically the School District has done an excellent job of maintaining our fund balance in a narrow range of between seven and ten percent of the following year's expenditure budget. While the School District is financially stable at the present time, the future requires that the School District prioritize expenditures and develop long-term strategies to ensure that it is able to maintain a balanced budget in the future.

Financial Information

Internal Accounting Controls

Management is responsible for establishing and maintaining internal controls. This is designed to ensure that the assets of the School District are protected from loss, theft, or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The School District maintains budgetary controls to ensure that budgets are in compliance with legal provisions of the State of Michigan Uniform Budgeting and Accounting Act and with the annual appropriation budget adopted by the Board of Education. Formal budgetary integration is employed as a management control device throughout the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Under the guidelines of the State of Michigan's School

Accounting Manual (Bulletin 1022), detailed line-item budget information is provided and appropriate administrators are delegated the responsibility for monitoring and controlling their respective budget allocations. The controls are integrated into the School District's computerized accounting system, which prohibits expenditures exceeding appropriations. An encumbrance system is utilized to measure the uncommitted budget amount available at any given point in time during the year. The budget is amended during the year to appropriately address variances that occur in enrollment, revenue, and expenditures.

Management believes that the existing system of budgetary and accounting controls provides a reasonable level of assurance that errors or irregularities that could be material to the financial statements are prevented or that they would be detected within a timely manner. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

Financial Condition at June 30, 2011

Please refer to the Management's Discussion and Analysis section for a summary of the financial condition of the School District at June 30, 2011.

Capital Projects Funding

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition, construction, or major renovation of facilities. These funds are financed by bond issues and our Building & Site Sinking Fund millage.

Federal Funding

As a recipient of federal, State, and county financial assistance, the School District is responsible for ensuring that an adequate internal and administrative control structure is in place to document compliance with applicable laws and regulations related to those programs. Tests are made by the School District's auditors to determine the adequacy of the internal and administrative control structure.

Independent Audit

The State of Michigan statutes require an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson was appointed by the Portage Public Schools Board of Education to perform this service for the 2010-11 fiscal year. In addition, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, requires governmental recipients of federal assistance to have organization-wide financial and compliance audits on an annual basis. Both of these requirements have been met, and the auditor's report on the financial statements is included herein.

Other Information

Enrollment

In general the School District's enrollment has decreased over the last few years. The District has experienced pockets of growth through new home construction that has impacted certain facilities that have these areas in their attendance boundaries. At the same time, other buildings have experienced decreased enrollment and thus have some capacity for additional students. A redistricting study was completed and implemented in the 2009-10 school year. A five-year projection of enrollment is done annually using data from the county, city, and the School District. Such information as live births, building permits, cohort survival ratios, and workforce/economic statistics are used in the enrollment projections. Historically, this method has proven to be accurate, within a reasonable variance, for our planning purposes. The official enrollment for 2010-11 was 8,648 students. Enrollment projections indicate the possibility of some enrollment stabilization over the next five years. Factors influencing

student enrollment during this time period continue to include impacts from the Kalamazoo “Promise” (a program which offers to cover college tuition costs for Kalamazoo Public School graduates), demographic changes such as smaller student populations in lower grade levels versus our graduating senior classes, and continued employment reduction issues due to strains from the local economy. We are hopeful that these will be offset by students who are attracted to the District for our new facilities and the wonderful education programs we have to offer.

Certificate of Excellence

This report has been prepared following the guidelines recommended by the Association of School Business Officials (ASBO). The ASBO awarded a Certificate of Excellence in Financial Reporting to the Portage Public School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the seventh consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Excellence, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Excellence Program’s requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

Certificate of Achievement

This report has also been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Portage Public Schools for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the sixth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report was accomplished through the commitment and dedication of the entire Business Office staff. We would also like to express our appreciation to other departmental individuals who assisted in the preparation of this report.

This School District is highly committed to a program of excellence. A highly dedicated Board of Education has adopted sound policies that facilitate the continued growth and improvement of the total school program. In addition, there is a wide, all-encompassing array of support provided by parents, students, employees, citizens, civic organizations, and hundreds of volunteers that enable the School District to achieve high goals.

Sincerely,

A handwritten signature in black ink that reads "Karla Colestock". The signature is written in a cursive style with a large, sweeping initial 'K'.

Karla Colestock, CPA
Business Manager

A handwritten signature in black ink that reads "Richard Perry". The signature is written in a cursive style with a large, sweeping initial 'R'.

Richard H. Perry, Ed.D.
Interim Superintendent of Schools

Portage Public Schools District Officials

2010-11 Board of Education



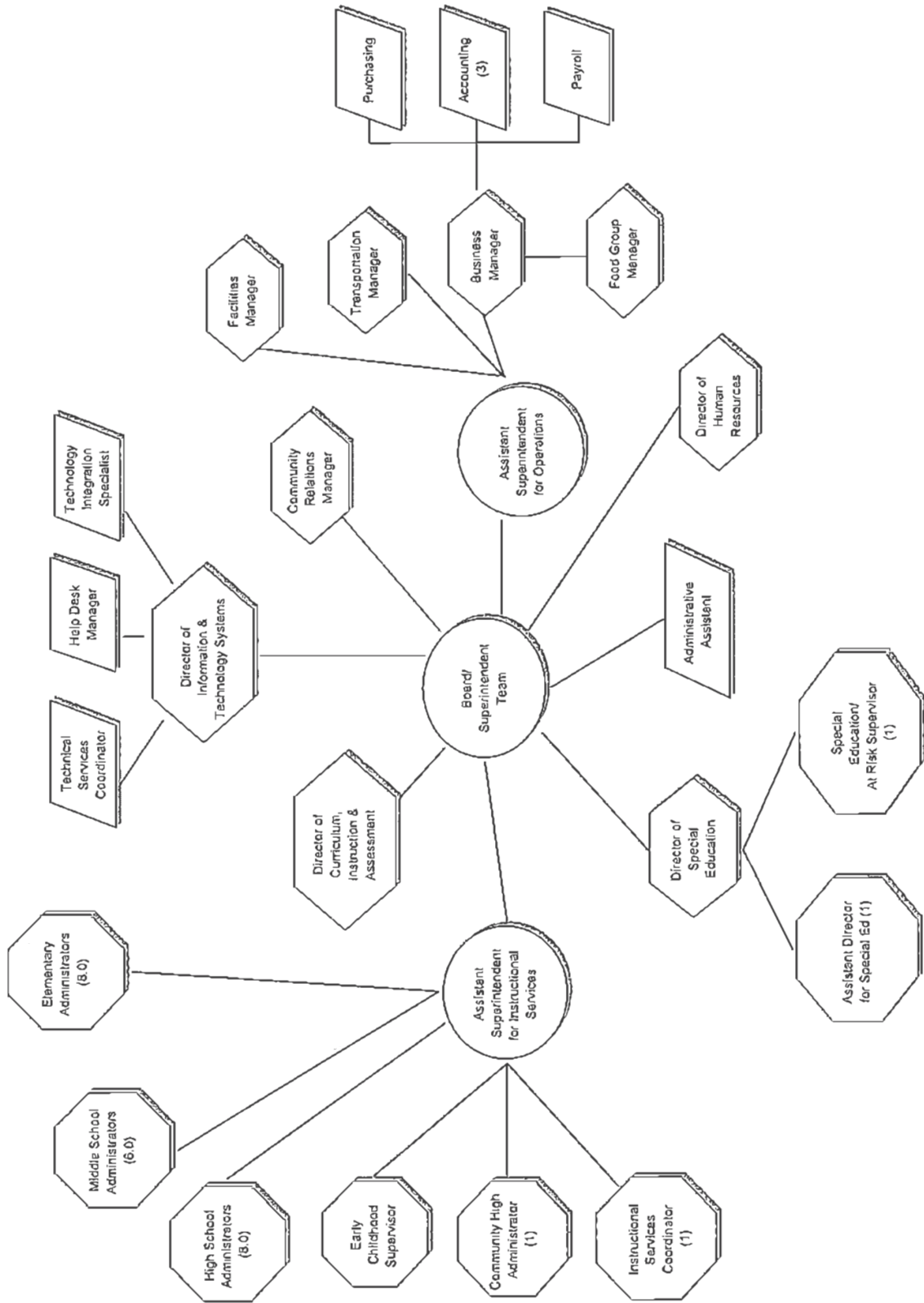
Top Row (Left to right): **Kevin Hollenbeck, Ph.D** (Board President, Appointed 2010, Term Expires 2011); **Melanie Kurdys** (Board Vice-President, Elected 2007, Term Expires 2011); **Randy Van Antwerp** (Board Secretary, Elected 2009, Term Expires 2013).

Bottom Row (Left to right): **Geoff Howe** (Trustee, Elected 2010, Term Expires 2014); **Rusty Rathburn** (Trustee, Elected 2008, Term Expires 2012); **Robert "Bo" Snyder** (Trustee, Appointed 2009, Term Expires 2012); **Joanne Willson** (Trustee, Elected 2010, Term Expires 2014).

Central Administration

Marsha Wells, Superintendent
Sarah Baker, Instructional Services Coordinator
Denise Bresson, Director of Curriculum, Instruction, and Assessment
Karla Colestock, Business Manager
Thomas Noverr, Assistant Superintendent for Operations
Ric Perry, Ed.D., Assistant Superintendent for Instructional Services
Gail Van Daff, Director of Special Education Services
Thomas Vance, Community Relations Manager
Daniel Vomastek, Director of Information and Technology Systems
Marty Witt, Coordinator of Curriculum, Instruction, and Assessment
Thomas Zahrt, Director of Human Resources

PORTAGE PUBLIC SCHOOLS ADMINISTRATIVE ORGANIZATION



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PORTAGE PUBLIC SCHOOLS

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portage Public Schools
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

Portage Public Schools
THE FUTURE LEARNS HERE

FINANCIAL SECTION

Portage Public Schools
THE FUTURE LEARNS HERE

INDEPENDENT AUDITORS' REPORT

November 14, 2011

Board of Education
Portage Public Schools
Portage, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Portage Public Schools** (the "School District"), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Portage Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Portage Public Schools as of June 30, 2011, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14 2011, on our consideration of Portage Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Portage Public Schools' basic financial statements. The introductory section, supplementary information on pages 52-63, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, reading "Lehmann Lobson".

Management's Discussion and Analysis

Portage Public Schools
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Management's Discussion and Analysis

This section of the Portage Public School's comprehensive annual financial report presents our discussion and analysis of the School District's financial performance for the fiscal years ended June 30, 2011 and 2010. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$35,311,687 (*net assets*). Of this amount, \$6,140,019 (*unrestricted net assets*) may be used to meet the District's ongoing obligations for district programs.
- The School District's total net assets increased by \$3,776,474.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$20,706,541, a net decrease of \$29,348,112 in comparison with the prior year.
- At the end of the current fiscal year, total fund balance of the general fund was \$7,858,258, or 10.3% of total general fund expenditures.
- Investments in capital assets increased by \$26,522,491 (net of depreciation expense) as the School District continued projects financed primarily by the 2008 Bond Construction Funds and the Building & Site Sinking Fund.

Using this Annual Report

This annual report consists of a series of basic financial statements and notes to those basic financial statements. These statements are organized so the reader can understand Portage Public Schools financially as a whole. The ***Government-wide Financial Statements*** provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds for the year ended June 30, 2011, the General Fund and the 2008 Bond Construction #1 Capital Projects Fund, with all other funds presented in one column as nonmajor governmental funds. The fund financial statement section also includes the General Fund budget and actual comparison statement. The remaining statement, the ***Statement of Fiduciary Assets and Liabilities***, presents financial information about activities for which the School District acts solely as an agent for the benefit of student groups. The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by supplementary information that further explains and supports the basic financial statements. The following figure shows how the various parts of this comprehensive annual financial report are arranged and related to one another:

Management's Discussion and Analysis (MD & A)
(Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

Supplementary Information

Statistical Section

Reporting the School District as a Whole - Government-wide Financial Statements

The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's basic financial statements, report information about the School District as a whole using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The Statement of Net Assets includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These two statements report the School District's net assets and how they have changed. Net assets – the difference between assets and liabilities, as reported in the Statement of Net Assets – is one way to measure the School District's financial health, or position. Over time, increases or decreases in the School District's net assets – as reported in the Statement of Activities – are indicators of whether its financial position is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as changes in the School District's property tax base, the quality of the education provided, and the condition of the school buildings and other facilities to assess the overall health of the School District.

The Statement of Net Assets and Statement of Activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, supporting services, community service, athletics, food service, and bookstore. Property taxes, unrestricted school aid (foundation grant allowance revenue), and State and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes other funds to help it control and manage money for particular purposes (the Food Service and Bookstore Special Revenue Funds are examples) or to show that it's meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included in the basic financial statements.

The School District as Trustee – Reporting the School District’s Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District’s fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School District’s other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Analysis of the School District as a Whole

TABLE 1

**Condensed Statement of Net Assets
June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 38,549,199	\$ 69,263,288
Capital assets, net	149,242,576	122,720,085
Total assets	<u>187,791,775</u>	<u>191,983,373</u>
Current liabilities	17,919,492	19,261,382
Long-term liabilities outstanding	134,560,596	141,186,778
Total liabilities	<u>152,480,088</u>	<u>160,448,160</u>
Net assets:		
Invested in capital assets, net of related debt	26,906,541	23,522,922
Restricted	2,265,127	3,444,211
Unrestricted	<u>6,140,019</u>	<u>4,568,080</u>
Total net assets	<u>\$ 35,311,687</u>	<u>\$ 31,535,213</u>

The above analysis focuses on the net assets (see Table 1). The change in net assets of the School District’s governmental activities is discussed below (see Table 2). The School District’s net assets were \$35,311,687 and \$31,535,213 at June 30, 2011 and 2010, respectively. The amount invested in capital assets-net of related debt, totaling \$26,905,541, compares the original cost, less accumulated depreciation, of the School District’s capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from enabling legislation that limit the School District’s ability to use those net assets for day-to-day operations. This includes \$296,052 for food service and \$1,969,075 for the Building and Site Sinking Fund. The remaining amount of net assets, \$6,140,019, is unrestricted.

Unrestricted net assets of governmental activities represent the accumulated results of all past years’ operations. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as provide for future uncertainties. The operating results of the General and Food Service Funds will have a significant impact on the change in unrestricted net assets.

The School District is able to report positive balances in all three categories of net assets. The investment in capital assets, net of related debt, increased \$3,383,619 as a result of funds available for investment into buildings and equipment. In addition, the overall debt of the School District decreased. Please refer to the Capital Assets and Long-Term Debt sections for a discussion of the activity for the year. The decrease in the restricted net assets of \$1,179,084 is a result of decreased funds restricted for debt service and a decrease in funds restricted for sinking fund projects. The increase in unrestricted net assets of \$1,571,939 is primarily the result of excess revenues for the general fund, a decrease in our compensated absences liability, and a decrease in our accrued interest on bonds payable.

The results of this year's operations for the School District as a whole are reported in the Condensed Statement of Activities (Table 2), which shows the changes in net assets for fiscal years ended June 30, 2011 and 2010.

TABLE 2

**Condensed Statement of Activities
Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Revenues		
Program revenues		
Charges for services	\$ 4,920,515	\$ 4,711,660
Operating grants and contributions	7,412,451	5,755,507
Capital grants and contributions	54,504	81,751
General revenue		
Property taxes	30,278,637	31,612,701
Unrestricted school aid	48,709,682	48,350,859
Unrestricted grants and contributions	20,289	31,217
Unrestricted investment earnings	61,879	496,043
Total revenues	<u>91,457,957</u>	<u>91,039,738</u>
Functions/Program Expenses		
Instruction	45,257,027	48,575,075
Supporting services	29,226,480	28,075,306
Community services	2,010,125	1,919,921
Athletics	1,517,639	1,525,475
Bookstore	10,912	16,309
Food services	2,499,422	2,423,358
Interest on long-term debt	5,643,941	5,819,385
Depreciation (unallocated)	1,515,937	976,547
Total expenses	<u>87,681,483</u>	<u>89,331,376</u>
Increase in net assets	3,776,474	1,708,362
Net assets, beginning of year	<u>31,535,213</u>	<u>29,826,851</u>
Net assets, end of year	<u>\$ 35,311,687</u>	<u>\$ 31,535,213</u>

As reported in the Condensed Statement of Activities, the cost of all of our governmental activities this year was \$87,681,483. Certain activities were partially funded from charges for services from those who benefited from the programs of \$4,920,515, or by other governments and organizations that subsidized certain programs with grants and contributions of \$7,412,451, and by organizations that made capital contributions of \$54,504. We paid for the remaining "public benefit" portion of our governmental activities with \$30,278,637 in taxes, \$48,709,682 in unrestricted school aid, grants and contributions not restricted to specific programs of \$20,289, unrestricted investment earnings of \$180,325, and a decrease in fair market value of securities of \$118,446.

The increase in charges for services of \$208,855 is due to higher childcare and community enrichment fees collected due to an expansion in our programs, as well as a slight decline in our lunch revenues as more students qualified for meal benefits, which are reimbursed through federal funds. Operating grants and contributions increased \$1,656,944 as a result of the continuation of the ARRA federal stimulus grants for Budget Stabilization, Title 1, and Special Education IDEA programs, as well as adding the Education Jobs Funds, which were given to offset the reduction in the unrestricted state aid. The increase

in unrestricted school aid of \$358,823 is due to a decrease \$16 per pupil adjustment enacted by the legislature during the year, offset by an additional 55 student FTE's more than we budgeted. Unrestricted investment earnings decreased \$434,164. This is due to the decreasing level of investments available to generate earnings in a poor interest rate environment as the bond proceeds are spent on the construction projects. Fluctuations in our functions/program expenses from the prior year were the result of less staff employed as the result of an early retirement incentive offered in 2010 to offset the cuts in our State revenue sources. These reductions were offset by an increase in our depreciation expense as a result of the infrastructure placed into service.

The School District experienced an increase in net assets of \$3,776,474. Key reasons for the change in net assets included capitalizable expenditures from the General Fund, Building and Site Sinking Fund, and the 2008 Bond Construction Funds, the repayment of bond principal, and the decrease in compensated absences liability and the severance pay plan liability. The increase in net assets differs from the change in fund balance, and a reconciliation is included in the basic financial statements.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted State aid and federal ARRA stimulus funds passed through the State constitute the vast majority of School District operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide and may give more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$20,706,541 which is a decrease of \$29,348,112 from last year. The primary reason for the decrease was the expenditure of \$30.6 million of bond and sinking fund proceeds in the District's capital projects funds. This planned use of fund balance was partially offset by an excess of revenues over expenditures in the General Fund of \$1,221,476.

In the General Fund, our principal operating fund, the fund balance increased \$1,221,476 to \$7,858,258. The School District budgeted an increase of \$1,188,194. The General Fund fund balance is available to fund costs related to allowable school operating purposes.

The Food Service Fund had a net decrease of \$100,004 to \$296,052. This is a result of the fund purchasing over \$100,000 of new equipment, both for the new kitchen facility at Portage Central High School, as well as replacing other equipment throughout the School District.

Combined, the Debt Service Funds showed a decrease in fund balance of \$1,009,003. The School District levied 4.54 mills on all property, and this rate was unchanged from the prior year. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt Service Fund fund balances are restricted since they can only be used to pay debt service obligations.

The Building and Site Sinking Fund fund balance decreased by \$504,863 to \$1,969,075. This fund levied .5 mills on all property to make improvements to the School District's facilities and property, and this rate was unchanged from the prior year.

The 2008 Bond Construction Funds indicate fund balance of \$10,014,521. This amount represents the remaining resources obtained as a result of the District passing two bond proposals in November 2007. The district issued \$112,275,000 in general obligation bonds and received \$120,384,940 in bond proceeds in February 2008. Our funds earned \$26,710 in interest earnings and spent \$28,982,428 during the year ended June 30, 2011.

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

As a matter of practice, the School District amends its budget during the school year as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's General Fund original and final budget amounts compared with amounts actually paid and received is provided as part of the basic financial statements.

Changes to the General Fund original budget were as follows:

General Fund Revenues and Other Financing Sources

The General Fund Budget for revenues and other financing sources was increased by 5.1% for the year ended June 30, 2011.

Total Revenues and Other Financing Sources Final Budget	\$ 78,016,525
Total Revenues and Other Financing Sources Original Budget	<u>74,202,400</u>
Increase in Budgeted Revenues and Other Financing Sources	<u>\$ 3,814,125</u>

The School District's actual General Fund revenues and other financing sources were less than the final budget by \$477,014 a variance of .61%. Some of the significant revised budget adjustments for revenue for the year include:

- Property tax and enhancement millage revenues decreased \$19,000 from the beginning 2010 valuation through the settlement process.
- State aid foundation grant allowance budget had a net increase of \$318,000 due to increased enrollment in the September membership count over what was budgeted in June, 2010 by 55 memberships. A negative per pupil adjustment of \$16 per pupil was also enacted by the legislature during the year which was not previously budgeted for. This was offset in the state aid categoricals.
- Federal ARRA Stimulus funds increased \$30,000 from the original budget established to supplant the State foundation grant revenues. Education Jobs Funds of \$1,909,000 were also granted. Other federal grant awards increased \$318,000.
- Special Education funding through K/RESA increased \$263,000.
- Childcare and community enrichment class fees increased \$365,000 due to enrollments at additional satellite locations opened in our elementary buildings for childcare and increased enrollments in our community enrichment programs.

General Fund Expenditures and Other Financing Uses

The School District's budget for expenditures and other financing uses decreased by 2.7% for the year ended June 30, 2011.

Total Expenditures and Other Financing Uses Final Budget	\$ 76,828,331
Total Expenditures and Other Financing Uses Original Budget	<u>74,813,750</u>

Increase in Expenditure Budget **\$ 2,014,581**

The School District's actual General Fund expenditures and other financing uses were less than the revised budget by \$510,296, a variance of .66%.

Some of the significant revised budget adjustments for expenditures for the year include:

- Increase in salary and all fringe benefits for all employee groups of \$887,000 based on actual staffing and negotiated contracts. This included an increase in the retirement rate over what was adopted of 1.25 basis points to 20.66%. The increase was offset by increased usage of contracted employees for various groups during the year of \$502,000, saving mostly on fringe benefit costs.
- Increased grant allocations for professional development experiences, purchased services, and supply allocations of \$203,000.
- Increase in estimated capital outlay expenditures of \$277,000 for federal grant programs, athletics, maintenance and operations, and completion of the Technology and Training Center.

Although the School District's final budget for the General Fund anticipated that revenues would exceed expenditures by \$1,188,194, the actual results for the year show revenues in excess of expenditures by \$1,221,476.

Some of the significant variations between budgeted and actual results for revenues and expenditures are described below:

- Actual revenues and other financing sources were \$477,000 less than expected. This is due to less federal grant revenues received of \$300,000 as a result of timing on grant spending. Local revenues were less than projected by \$299,000. This consisted primarily of lower property tax collections due to late taxable valuation adjustments and lower than expected personal property tax collections received at year end. Childcare fees collected were lower than anticipated. State revenues were higher than anticipated due to the late taxable valuation adjustment made up by state aid funds.
- Actual expenditures and other financing uses were \$510,000 less than budget. This savings consisted of unspent grant funds of \$300,000 as well as savings of \$210,000 in utilities, contracted substitutes, supplies, professional development, and capital outlay funds not being spent.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2011 and 2010, the School District's investment in capital assets for its governmental activities was \$149,242,576 and \$122,720,085 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, furniture and equipment, transportation and maintenance vehicles, assets not yet placed in service, and construction in progress.

Capital Assets June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Land	\$ 1,436,282	\$ 1,436,282
Land improvements	8,037,864	6,905,490
Buildings and improvements	100,943,202	90,106,672
Equipment	23,312,883	17,876,114
Vehicles	4,925,075	4,835,433
Assets not yet placed in service	181,740	189,885
Construction in progress	<u>53,151,590</u>	<u>44,070,710</u>
Total capital assets	191,988,636	165,420,586
Less accumulated depreciation	<u>42,746,060</u>	<u>42,700,501</u>
Net Capital Assets	<u>\$ 149,242,576</u>	<u>\$ 122,720,085</u>

The amount represents a net increase in net capital assets of \$26,522,491, or 21.6% (cost of new additions, less net book value of deletions, less depreciation expense for the year) over the prior year and includes the following capital asset events during 2010-11:

- New busses costing \$440,228 were purchased.
- Computers and other equipment were purchased totaling \$5,879,525.
- Building renovations, roofing, door replacements, and other projects were completed in several buildings at a cost of \$14,160,753.
- Land improvements costing \$1,215,874. This includes new tennis courts at West Middle School and site work associated with the construction projects at the buildings.
- 2008 Bond Construction projects continued at various sites at a cost of \$18,115,102. This includes the new Central High School, renovations at Northern High School, and the four additional classrooms at 12th Street Elementary.

Depreciation expense for the year is \$3,309,215. Major capital projects are planned for the 2011-12 fiscal year funded primarily out of the 2008 Bond Construction Funds. We present more detailed information on our capital assets in Note IIC in the basic financial statements.

Long-Term Debt

At June 30, 2011 and 2010, the School District's outstanding debt can be summarized as follows:

Long-Term Debt June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
General long-term obligation bonds	\$ 125,420,000	\$ 130,750,000
Installment purchase contracts	284,633	457,756
Compensated absences	370,040	429,376
Severance benefits payable	1,840,000	2,590,000
Deferred loss on debt refunding	(301,371)	(339,844)
Unamortized bond premium	6,947,294	7,299,490
Total	<u>\$ 134,560,596</u>	<u>\$ 141,186,778</u>

During the 2010-11 fiscal year, the School District's total debt decreased by \$6,626,182 (4.7%). Other long-term obligations include employee compensated absences for vacation pay and teachers' sick pay. In 2010, a severance pay plan was implemented for our teachers. The total obligation of \$2,590,000 was been recognized on the government-wide financial statements, and payments are occurring over a three-year period beginning with the year ended June 30, 2011.

The School District's General Obligation Bond rating continues to be "AA-" from Standard and Poor's Rating Services and "Aa2" from Moody's Investor Services, which is an improvement based on a change in their grading scale in April 2010. The State limits the amount of general obligation debt that schools can issue to 15% of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," that is, debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$125,420,000 is significantly less than the State's statutorily imposed limit of \$356,786,864. Additional detailed information regarding long-term debt can be found in Note IIIF in the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The Board of Education and Administration consider many factors when setting the School District's 2011-12 fiscal year budget. Two of the major factors affecting the budget are the student enrollment and the State funding of the foundation grant allowance.

Each year, the School District has enrollment projections prepared. Due to the continued uncertainty of the net number of jobs that would be impacted by the local economy and student demographics, the School District budgeted to maintain the same level of students for 2011-12.

As stated earlier in this report, the State foundation grant revenue is determined by multiplying the blended student count by the foundation grant allowance per pupil. As the State aid bill was finalized by the time the Board of Education adopted the budget in June, 2011, the School District's Board of Education adopted a budget with a 10/90% blend of the actual February, 2011 and estimated September, 2011 student counts. We used a \$6,846 rebased foundation grant (a \$470 per pupil cut from the \$7,316 level), which is a decrease from the foundation grant amount used for the 2010-11 fiscal year. This decrease is offset by two one-time \$100 per pupil categoricals for 1) implementing best practices, and 2) a revenue offset against the increase in the retirement rate for the 2011-12 year. On June 22, 2011, the State Aid Bill was signed by the governor. The Federal ARRA stabilization funds and Education Jobs funds have now expired. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. Once the final student count and related per pupil funding is validated, state law requires the School District to amend the budget if actual School District resources are not sufficient

to fund original appropriations. Since the School District's revenue is heavily dependent upon State funding and the health of the State's School Aid Fund, the actual funding received depends on the State's ability to collect revenues to fund its appropriations to school districts.

Based on early enrollment data at the start of the 2011-12 school year, we anticipate that the fall student count will be higher than the estimates used in creating the budget.

In 2010-11, the School District settled labor contracts with the teachers, secretaries, bus drivers, food service, and teamster unions. With the exception of the Portage Education Association and Food Service contracts, all remaining 2011-12 labor contracts have been settled, and these associations and our non-union groups have made total compensation concessions for this year.

Budget reductions were made in various areas in fiscal years 2009 through 2012 in anticipation of financial constraints from the local and State economy. In May, 2011, a 1.5 county wide enhancement millage was renewed by the voters in Kalamazoo County. This millage is for three years and continues with the 2011-12 school year. It is intended to provide approximately \$2,900,000 of local support for the School District. As enrollment numbers and state funding are finalized, the School District will amend its budget to respond to these constraints.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office at Portage Public Schools, 8111 S. Westnedge Avenue, Portage, Michigan 49002.

Basic Financial Statements

Portage Public Schools
THE FUTURE LEARNS HERE

Government-wide Financial Statements

Portage Public Schools
THE FUTURE LEARNS HERE

PORTAGE PUBLIC SCHOOLS
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 11,201,947
Investments	15,816,092
Receivables	10,222,685
Inventories and prepaid items	307,224
Deferred charges	1,001,251
Capital assets not being depreciated	54,769,612
Capital assets being depreciated, net	<u>94,472,964</u>
 Total assets	 <u>187,791,775</u>
Liabilities	
Accounts payable and accrued liabilities	17,410,017
Unearned revenue	509,475
Long-term debt:	
Due within one year	7,278,630
Due in more than one year	<u>127,281,966</u>
 Total liabilities	 <u>152,480,088</u>
Net assets	
Invested in capital assets, net of related debt	26,906,541
Restricted for:	
Food service	296,052
Building and Site Sinking Fund	1,969,075
Unrestricted	<u>6,140,019</u>
 Total net assets	 <u><u>\$ 35,311,687</u></u>

The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Statement of Activities
For the Year Ended June 30, 2011

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities</u>
					<u>Net (Expense) Revenue and Changes in Net Assets</u>
Governmental activities:					
Instruction	\$ 45,257,027	\$ 540,549	\$ 5,230,381	\$ 11,603	\$ (39,474,494)
Supporting services	29,226,480	183,279	906,817	20,218	(28,116,166)
Community service	2,010,125	2,495,981	-	-	485,856
Athletics	1,517,639	279,142	-	22,683	(1,215,814)
Bookstore	10,912	10,912	-	-	-
Food service	2,499,422	1,410,652	1,258,883	-	170,113
Interest on long-term debt	5,643,941	-	16,370	-	(5,627,571)
Unallocated depreciation	1,515,937	-	-	-	(1,515,937)
Total	\$ 87,681,483	\$ 4,920,515	\$ 7,412,451	\$ 54,504	(75,294,013)
General revenues:					
					18,896,390
					11,382,247
					48,709,682
					20,289
					61,879
					<u>79,070,487</u>
					3,776,474
					<u>31,535,213</u>
					<u>\$ 35,311,687</u>

The accompanying notes are an integral part of these basic financial statements.

Fund Financial Statements

PORTAGE PUBLIC SCHOOLS

**Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Bond Construction 2008 #1</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 8,065,315	\$ 126,063	\$ 3,010,569	\$ 11,201,947
Investments	-	15,041,618	774,474	15,816,092
Accounts receivable	94,324	322,871	10,137	427,332
Taxes receivable	33,357	-	47,114	80,471
Due from other governments	9,695,880	-	19,002	9,714,882
Due from other funds	9,090	278,056	119,954	407,100
Inventory	21,858	-	36,674	58,532
Prepays	115,359	-	133,333	248,692
	<u>\$ 18,035,183</u>	<u>\$ 15,768,608</u>	<u>\$ 4,151,257</u>	<u>\$ 37,955,048</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 290,329	\$ 6,540,399	\$ 399,986	\$ 7,230,714
Salaries and withholdings payable	6,686,171	-	2,128	6,688,299
Accrued liabilities	1,959,403	-	603	1,960,006
Due to other governments	333,431	-	51,970	385,401
Due to other funds	398,010	-	9,090	407,100
Deferred revenue	509,581	-	67,406	576,987
	<u>10,176,925</u>	<u>6,540,399</u>	<u>531,183</u>	<u>17,248,507</u>
Total liabilities				
	<u>10,176,925</u>	<u>6,540,399</u>	<u>531,183</u>	<u>17,248,507</u>
Fund balances (Note III. G.)				
Nonspendable	137,217	-	170,007	307,224
Restricted	-	9,228,209	3,450,067	12,678,276
Assigned	536,042	-	-	536,042
Unassigned	7,184,999	-	-	7,184,999
	<u>7,858,258</u>	<u>9,228,209</u>	<u>3,620,074</u>	<u>20,706,541</u>
Total fund balances				
	<u>7,858,258</u>	<u>9,228,209</u>	<u>3,620,074</u>	<u>20,706,541</u>
TOTAL LIABILITIES AND FUND BALANCES				
	<u>\$ 18,035,183</u>	<u>\$ 15,768,608</u>	<u>\$ 4,151,257</u>	<u>\$ 37,955,048</u>

The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
June 30, 2011

Fund balances - total governmental funds	\$ 20,706,541
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	54,769,612
Capital assets being depreciated	137,219,024
Accumulated depreciation	(42,746,060)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Deferred property taxes receivable	67,512
------------------------------------	--------

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(125,704,633)
Accrued interest on bonds and notes payable	(967,557)
Compensated absences and severance benefits payable	(2,210,040)
Unamortized bond premiums	(6,947,294)
Deferred bond charges	1,001,251
Deferred loss on bond refunding	301,371
Estimated claims liability	(178,040)

Net assets of governmental activities	<u>\$ 35,311,687</u>
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The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Bond Construction 2008 #1	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 22,631,874	\$ 26,279	\$ 12,832,088	\$ 35,490,241
State sources	49,622,689	-	153,866	49,776,555
Federal sources	5,046,732	-	1,105,015	6,151,747
Total revenues	<u>77,301,295</u>	<u>26,279</u>	<u>14,090,969</u>	<u>91,418,543</u>
Expenditures				
Current:				
Instruction	45,283,877	-	-	45,283,877
Supporting services	27,161,735	-	-	27,161,735
Athletics	1,394,155	-	-	1,394,155
Community service	2,287,725	-	-	2,287,725
Bookstore	-	-	10,912	10,912
Food service	-	-	2,598,741	2,598,741
Debt service:				
Principal	173,123	-	5,330,000	5,503,123
Interest	17,420	-	5,914,710	5,932,130
Other	-	-	37,367	37,367
Capital outlay	-	27,016,034	3,606,913	30,622,947
Total expenditures	<u>76,318,035</u>	<u>27,016,034</u>	<u>17,498,643</u>	<u>120,832,712</u>
Revenues over (under) expenditures	<u>983,260</u>	<u>(26,989,755)</u>	<u>(3,407,674)</u>	<u>(29,414,169)</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	57,216	-	8,841	66,057
Transfers in	181,000	-	-	181,000
Transfers out	-	-	(181,000)	(181,000)
Total other financing sources (uses)	<u>238,216</u>	<u>-</u>	<u>(172,159)</u>	<u>66,057</u>
Net change in fund balances	1,221,476	(26,989,755)	(3,579,833)	(29,348,112)
Fund balances, beginning of year, as restated	<u>6,636,782</u>	<u>36,217,964</u>	<u>7,199,907</u>	<u>50,054,653</u>
Fund balances, end of year	<u><u>\$ 7,858,258</u></u>	<u><u>\$ 9,228,209</u></u>	<u><u>\$ 3,620,074</u></u>	<u><u>\$ 20,706,541</u></u>

The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ (29,348,112)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased/constructed	30,742,529
Donated capital assets	34,731
Depreciation expense	(3,309,215)

Governmental funds report proceeds from the sale of capital assets as an other financing source. However, in the statement of activities, the difference between the sales proceeds and the net book value of the capital assets sold are reported as a gain or loss on disposal.

Proceeds from the sale of capital assets	(66,057)
Loss on disposal of capital assets	(879,497)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Change in deferred property taxes receivable	4,683
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Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments on long-term liabilities	5,503,123
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in accrued interest payable on bonds and notes	35,864
Change in compensated absences/severance benefits payable	809,336
Amortization of bond premiums	352,196
Amortization of deferred loss on bond refunding	(38,473)
Amortization of deferred charges	(58,570)
Change in estimated claims liability	(6,064)

Change in net assets of governmental activities	\$ 3,776,474
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The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2011

	<u>Budget</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Final Budget</u>
Revenues				
Local sources	\$ 21,924,966	\$ 22,931,196	\$ 22,631,874	\$ (299,322)
State sources	48,956,148	49,507,511	49,622,689	115,178
Federal sources	3,090,286	5,346,818	5,046,732	(300,086)
Total revenues	<u>73,971,400</u>	<u>77,785,525</u>	<u>77,301,295</u>	<u>(484,230)</u>
Expenditures				
Instruction				
Basic program	37,942,852	38,543,236	38,305,477	(237,759)
Added needs	6,691,403	6,833,601	6,867,359	33,758
Adult and continuing education	95,715	96,276	111,041	14,765
Total instruction	<u>44,729,970</u>	<u>45,473,113</u>	<u>45,283,877</u>	<u>(189,236)</u>
Supporting services				
Pupil	4,848,443	4,727,619	4,670,712	(56,907)
Instructional staff	4,570,013	4,580,714	4,313,263	(267,451)
General administration	532,792	687,767	694,132	6,365
School administration	4,314,657	4,335,555	4,150,416	(185,139)
Business	924,437	977,008	977,759	751
Operations and maintenance	7,087,340	7,241,683	7,236,316	(5,367)
Transportation	2,721,129	2,858,472	2,825,394	(33,078)
Central support	1,918,731	1,944,697	2,293,743	349,046
Total supporting services	<u>26,917,542</u>	<u>27,353,515</u>	<u>27,161,735</u>	<u>(191,780)</u>
Athletics	<u>1,185,569</u>	<u>1,556,935</u>	<u>1,394,155</u>	<u>(162,780)</u>
Community service	<u>1,789,910</u>	<u>2,254,225</u>	<u>2,287,725</u>	<u>33,500</u>
Debt service				
Principal	173,123	173,123	173,123	-
Interest	17,636	17,420	17,420	-
Total debt service	<u>190,759</u>	<u>190,543</u>	<u>190,543</u>	<u>-</u>
Total expenditures	<u>74,813,750</u>	<u>76,828,331</u>	<u>76,318,035</u>	<u>(510,296)</u>
Revenues over (under) expenditures	<u>(842,350)</u>	<u>957,194</u>	<u>983,260</u>	<u>26,066</u>

continued...

PORTAGE PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund (Concluded)
For the Year Ended June 30, 2011

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Proceeds from the sale of capital assets	\$ 50,000	\$ 50,000	\$ 57,216	\$ 7,216
Transfers in	181,000	181,000	181,000	-
Total other financing sources	<u>231,000</u>	<u>231,000</u>	<u>238,216</u>	<u>7,216</u>
Net change in fund balance	(611,350)	1,188,194	1,221,476	33,282
Fund balance, beginning of year, as restated	<u>6,636,782</u>	<u>6,636,782</u>	<u>6,636,782</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,025,432</u></u>	<u><u>\$ 7,824,976</u></u>	<u><u>\$ 7,858,258</u></u>	<u><u>\$ 33,282</u></u>

The accompanying notes are an integral part of these basic financial statements.

PORTAGE PUBLIC SCHOOLS
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2011

Assets

Cash and cash equivalents	\$ 610,471
Investments	<u>300,825</u>
Total assets	<u><u>\$ 911,296</u></u>

Liabilities

Due to student groups	<u><u>\$ 911,296</u></u>
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The accompanying notes are an integral part of these basic financial statements.

Notes to the Basic Financial Statements

PORTAGE PUBLIC SCHOOLS

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Notes to the Basic Financial Statements

June 30, 2011

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PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Portage Public Schools (the “School District” or the “government”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School District are described below.

A. Reporting entity

The School District has followed the guidelines of the Governmental Accounting Standards Board’s Statement No. 14 and has determined that no entities should be consolidated into its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. The criteria for including a component unit include significant operational or financial relationships with the School District.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School District had no business-type activities during the year ended June 30, 2011.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted school aid, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements, although the agency fund does not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for expenditure-driven grants which must be collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted school aid, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The School District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *Capital Projects Bond Construction 2008 #1 Fund* is used to account for capital outlay expenditures from the 2008 Building and Site Bonds.

Additionally, the School District reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The School District's special revenue funds include bookstore and food service operations.

Debt Service Funds are used to account for the accumulation of resources restricted or committed for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, major remodeling and improvements. These funds consist of the Bond Construction 2008 #2 Fund and the Building and Site Sinking Fund.

The *Agency Fund* accounts for assets held for student groups and organizations and is custodial in nature.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

D. Assets, liabilities, and fund balance

1. Deposits and investments

The School District's cash and cash equivalents are considered to be cash on hand and demand deposits which include savings and checking accounts.

Investments are reported at fair value based on quoted market prices and include certificates of deposit, U.S. treasuries, and municipal bonds.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans).

Receivables generally consist of amounts due from the State of Michigan for July and August State aid payments and amounts due from grantors for expenditures incurred under reimbursement-based grants (for which allowable expenditures were incurred as of year-end, but the funds had either not yet been requested or not yet been received). Management has estimated that any uncollectible receivables will be immaterial and, as such, no allowance for doubtful accounts has been recorded.

3. Property taxes and receivables

Property taxes are assessed as of December 31, and attach as an enforceable lien on property on July 1 and December 1 of the following year. These taxes are due on September 14 and February 14, respectively, with the final collection date of February 28 before they are added to the delinquent tax rolls.

The delinquent real property taxes of the School District are purchased by Kalamazoo County. These taxes have been recorded as revenue for the current year. Uncollected personal property taxes are carried as assets of the General, Capital Projects, and Debt Service Funds. Property taxes that are not collected within sixty days of the end of the fiscal year are classified as deferred revenues. Uncollected delinquent personal property taxes are written off after three years.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

4. *Inventory and prepaid items*

General Fund inventories are stated at cost and consist primarily of textbooks, maintenance supplies, teaching supplies and natural gas. The cost is recorded as an expenditure when consumed rather than when purchased. Inventories of the Special Revenue Funds consist primarily of government food commodities, which are donated and recorded at fair value. Donated government commodities are recorded as revenue when they are received.

Certain prepayments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items when purchased in both district-wide and fund financial statements. Reported inventories and prepaid items are equally offset by nonspendable fund balance which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

5. *Capital assets*

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,000 or computer equipment with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives (land is not depreciated):

<u>Assets</u>	<u>Years</u>
Buildings	50
Vehicles	5-10
Equipment	5-20

6. *Compensated absences*

Vacation and Sick Pay – Vacation days are earned by most year-round employees at rates specified under contractual provisions. Retiring/terminated employees are paid for unused accumulated vacation days. The School District’s sick pay policy allows for accumulation of up to a certain number of days depending on the employee group involved. Upon termination of employment, all accumulated sick days are forfeited, except for teachers who receive an incentive if they have more than 50 days accumulated in their sick leave bank when they retire. It is the School District’s policy to recognize the cost of sick leave at the time payments are made.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation days for year-round employees and accumulated sick days for teachers who are at least 55 years old and have ten or more years of service. The liability has been calculated for employees who currently are eligible to receive termination payments. The amount reported is salary related and includes no fringe benefits.

7. *Deferred revenue*

Childcare and community enrichment fees received, which relate to future periods, are recorded as deferred revenue. Property taxes are deferred as described above. Receipts in excess of cost on grants are recorded as deferred revenue until spent or refunded to the grantor.

8. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

9. *Fund balance*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify, or rescind a fund balance commitment. The District reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the General Fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Special Revenue funds. All annual appropriations lapse at fiscal year end.

The General and Special Revenue funds are under formal budgetary control. Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles (GAAP), and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget as originally adopted or as amended by the Board of Education. The budgets for the General and Special Revenue funds are adopted on a functional basis. State law requires the School District to have its budget in place by July 1. Districts are permitted to amend their budgets during the year. There were no significant amendments.

B. Bonded construction costs

The 2008 Bond Construction Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the Michigan Revised School Code.

C. Sinking fund

The Building and Site Sinking Fund records capital project activities funded with a sinking fund millage. For this fund, the School District has complied with the applicable provisions of §1212(1) of the Michigan Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and Sinking Funds in Michigan.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

D. Excess of expenditures over appropriations

Budget to actual comparisons for the General Fund are presented in the fund financial statements at a level of detail greater than the legal level of budgetary control. Budgets are approved at the broad functional level. During the year ended June 30, 2011, the District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General Fund:			
Instruction – added needs	\$ 6,833,601	\$ 6,867,359	\$ 33,758
Instruction – adult and continuing education	96,276	111,041	14,765
Supporting services – general administration	687,767	694,132	6,365
Supporting services – business	977,008	977,759	751
Supporting services – central support	1,944,697	2,293,743	349,046
Community service	2,254,225	2,287,725	33,500
Food Service Fund:			
Food service	2,512,427	2,598,741	86,314

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

A reconciliation of cash and investments as shown on the Statement of Net Assets and Statement of Fiduciary Net Assets and Liabilities is as follows:

Statement of Net Assets

Cash and cash equivalents	\$ 11,201,947
Investments	15,816,092

Statement of Fiduciary Assets and Liabilities

Agency Fund:	
Cash and cash equivalents	610,471
Investments	300,825

\$ 27,929,335

Cash on hand	\$ 2,020
Bank deposits (checking accounts, savings accounts and CDs due within one year)	12,111,223
Investments	15,816,092

\$ 27,929,335

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

Statutory Authority

Michigan law authorizes the School District to deposit and invest in:

- (a) Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills, or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than 5 years after the purchase dates.
- (b) Certificates of deposit insured by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.
- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.
- (e) Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.
- (f) Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

The School District's investment policy allows for all of these types of investments.

Deposit and investment risk

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned. State law does not require and the School District does not have a policy for deposit custodial credit risk. As of year-end, \$10,449,284 of the School District's bank balance of \$12,767,650 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The School District utilizes an investment advisor to assist it in diversifying its investment portfolio by maintaining concentration limits for both types of investments and specific institutions.

Custodial Credit Risk – Investments. Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the School District's investment policy, all investments are held in the name of the School District and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk. The School District's investments as of June 30, 2011 consisted of money market treasury funds.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings with purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The School District's investment policy does not have specific limits in excess of state law on investment credit risk. The School District's investments of money market treasury funds are unrated.

Interest rate risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above. The School District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The School District's investments of money market treasury funds have no maturity dates.

Concentration of credit risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above.

B. Receivables

Receivables as of year end for the School District's individual major funds and nonmajor funds in the aggregate, are as follows:

	General	Bond	Nonmajor	
	Fund	Construction	Funds	Total
		2008 #1		
Receivables:				
Accounts	\$ 94,324	\$ 322,871	\$ 10,137	\$ 427,332
Taxes	33,357	-	47,114	80,471
Intergovernmental:				
Federal	347,941	-	-	347,941
State	9,183,624	-	19,002	9,202,626
ISD (K/RESA)	158,636	-	-	158,636
Other	<u>5,679</u>	<u>-</u>	<u>-</u>	<u>5,679</u>
Total receivables	<u>\$ 9,823,561</u>	<u>\$ 322,871</u>	<u>\$ 76,253</u>	<u>\$ 10,222,685</u>

Of the amounts reported above, \$67,512 is not expected to be collected within one year.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

C. Capital assets

Capital assets activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,436,282	\$ -	\$ -	\$ 1,436,282
Assets not yet placed in service	189,885	-	(8,145)	181,740
Construction in progress	44,070,710	18,115,102	(9,034,222)	53,151,590
Total capital assets not being depreciated	45,696,877	18,115,102	(9,042,367)	54,769,612
Capital assets being depreciated:				
Land improvements	6,905,490	1,215,874	(83,500)	8,037,864
Buildings and improvements	90,106,672	14,160,753	(3,324,223)	100,943,202
Equipment	17,876,114	5,879,525	(442,756)	23,312,883
Vehicles	4,835,433	440,228	(350,586)	4,925,075
Total capital assets being depreciated	119,723,709	21,696,380	(4,201,065)	137,219,024
Less accumulated depreciation for:				
Land improvements	1,397,679	210,960	(29,553)	1,579,086
Buildings and improvements	26,632,723	1,498,873	(2,499,273)	25,632,323
Equipment	11,673,301	1,332,857	(384,244)	12,621,914
Vehicles	2,996,798	266,525	(350,586)	2,912,737
Total accumulated depreciation	42,700,501	3,309,215	(3,263,656)	42,746,060
Total capital assets being depreciated, net	77,023,208	18,387,165	(937,409)	94,472,964
Governmental activities capital assets, net	\$ 122,720,085	\$36,502,267	\$ (9,979,776)	\$ 149,242,576

For the year ended June 30, 2011, depreciation expense was charged to the functions/programs of the School District as follows:

Governmental activities:

Instruction	\$ 750,431
Supporting services	842,874
Community service	16,266
Athletics	161,257
Food service	22,450
Unallocated depreciation	1,515,937

Total governmental activities **\$ 3,309,215**

The School District has active construction projects at year end. At June 30, 2011, the School District has commitments with contractors of approximately \$4,136,000.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

D. Payables

Accounts payable and accrued liabilities as of year-end for the School District's individual major funds and nonmajor funds in the aggregate, are as follows:

	<u>General Fund</u>	<u>Bond Construction 2008 #1</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Financial Statements				
Trade accounts payable	\$ 290,329	\$ 2,252,835	\$ 399,986	\$ 2,943,150
Retainage payable	-	4,287,564	-	4,287,564
Salaries and withholdings payable	6,686,171	-	2,128	6,688,299
Accrued liabilities	1,959,403	-	603	1,960,006
Due to other governments	<u>333,431</u>	<u>-</u>	<u>51,970</u>	<u>385,401</u>
	<u>\$ 9,269,334</u>	<u>\$ 6,540,399</u>	<u>\$ 454,687</u>	16,264,420

Government-wide Financial Statements

Accrued interest payable	967,557
Estimated claims liability	<u>178,040</u>
Total accounts payable and accrued liabilities	<u>\$ 17,410,017</u>

E. Interfund receivables, payables, and transfers

At June 30, 2011, interfund receivables and payables consisted of the following:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 9,090	\$ 398,010
Bond Construction 2008 #1	278,056	-
Nonmajor governmental funds	<u>119,954</u>	<u>9,090</u>
	<u>\$ 407,100</u>	<u>\$ 407,100</u>

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

For the year ended June 30, 2011, interfund transfers consisted of the following:

	<u>Transfers out</u>	<u>Transfers in</u>
General Fund	\$ -	\$ 181,000
Nonmajor governmental funds	181,000	-
	\$ 181,000	\$ 181,000

The School District reports interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the balance sheet for the governmental funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the year ended June 30, 2011, the School District transferred funds to recover indirect costs.

F. Long-term debt

Long-term debt and other obligations of the School District at June 30, 2011 are summarized as follows:

	Long-Term Debt Outstanding at July 1, 2010	Additions	Retirements	Long-Term Debt Outstanding at June 30, 2011	Amount Due Within One Year
2009 Refunding Bonds, \$17,530,000, due in annual installments of \$700,000 to \$2,770,000 through May 1, 2019, with interest at 3.15%. Purpose of issue: Refunding of 1999 refunding bond issue	\$ 14,940,000	\$ -	\$ 2,680,000	\$ 12,260,000	\$ 2,720,000
2008 General Obligation Building and Site Bonds, \$112,275,000, due in annual installments of \$900,000 to \$6,300,000 through May 1, 2031, with interest at 3.25% to 5.25%. Purpose of issue: Construction of new buildings, renovations, and reequipping at all buildings	109,930,000	-	1,550,000	108,380,000	1,550,000

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

	Long-Term Debt Outstanding at July 1, 2010	Additions	Retirements	Long-Term Debt Outstanding at June 30, 2011	Amount Due Within One Year
2002 General Obligation Building and Site Bonds, \$11,885,000, due in annual installments of \$450,000 to \$1,870,000 through May 1, 2014, with interest at 2% to 5%. Purpose of issue: Construction, renovation, and reequipping at all buildings	\$ 5,880,000	\$ -	\$ 1,100,000	\$ 4,780,000	\$ 1,325,000
Various vehicle installment purchase contracts, due in annual installments of \$11,068 to \$70,526, with interest at 4.13% to 5.60%	457,756	-	173,123	284,633	162,054
Total installment debt	131,207,756	-	5,503,123	125,704,633	5,757,054
Compensated absences	429,376	222,976	282,312	370,040	207,853
Severance benefits payable	2,590,000	272,550	1,022,550	1,840,000	1,000,000
Deferred loss on debt refunding	(339,844)	-	(38,473)	(301,371)	(38,473)
Unamortized bond premiums	7,299,490	-	352,196	6,947,294	352,196
Total long-term debt	\$ 141,186,778	\$ 495,526	\$ 7,121,708	\$ 134,560,596	\$ 7,278,630

Future principal and interest payment requirements on outstanding debt are as follows:

Year Ended June 30	Principal	Interest	Total
2012	\$ 5,757,054	\$ 5,749,778	\$ 11,506,832
2013	5,980,549	5,555,907	11,536,456
2014	6,217,030	5,351,603	11,568,633
2015	5,950,000	5,119,405	11,069,405
2016	6,010,000	4,834,855	10,844,855
2017-2021	32,790,000	19,642,208	52,432,208
2022-2026	31,500,000	11,820,375	43,320,375
2027-2031	31,500,000	4,669,875	36,169,875
	\$ 125,704,633	\$ 62,744,006	\$ 188,448,639

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

Severance benefits payable from an incentive offering will be paid in three annual installments through July, 2012. Installment purchase contracts, compensated absences and the severance benefits are generally liquidated by the General Fund.

G. Fund balance – governmental funds

The School District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the current year. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. While the classifications of fund balance in the District's various governmental funds were revised, the implementation of this standard had no effect on total fund balance. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Bond Construction 2008 #1	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	\$ 21,858	\$ -	\$ 36,674	\$ 58,532
Prepays	115,359	-	133,333	248,692
	137,217	-	170,007	307,224
Restricted for:				
Food service	-	-	126,045	126,045
Debt service	-	-	568,635	568,635
Capital projects	-	9,228,209	2,755,387	11,983,596
	-	9,228,209	3,450,067	12,678,276
Assigned for:				
Subsequent year's budget deficit	278,639	-	-	278,639
Site-based building expenditures	143,912	-	-	143,912
Site ownership of athletics revenue	113,491	-	-	113,491
	536,042	-	-	536,042
Unassigned	7,184,999	-	-	7,184,999
Total fund balances	\$ 7,858,258	\$ 9,228,209	\$ 3,620,074	\$ 20,706,541

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

H. Net assets invested in capital assets, net of related debt

The composition of net assets invested in capital assets, net of related debt as of June 30, 2011, was as follows:

Capital assets:		
Capital assets not being depreciated	\$	54,769,612
Capital assets being depreciated		137,219,024
Accumulated depreciation		<u>(42,746,060)</u>
		<u>149,242,576</u>
Related debt:		
Total bonds and notes payable		125,704,633
Unamortized bond premium		6,947,294
Deferred loss on bond refunding		(301,371)
Unexpended bond proceeds		<u>(10,014,521)</u>
		<u>122,336,035</u>
Invested in capital assets, net of related debt	\$	<u><u>26,906,541</u></u>

IV. OTHER INFORMATION

A. Risk management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District is a participant in a public entity risk pool through SET-SEG. This program provides substantially all the insurance needs of the School District, including property, general liability, automobile, and umbrella premium. Payments made for the year ended June 30, 2011, were approximately \$234,000. The contributions made by the School District fund the program at rates predicated on expected losses, excess insurance premium contribution, and administration costs, including appropriate state assessment. The possibility of additional claims exists, but the amount of liability to the School District would be immaterial by the time the aggregate stop-loss coverages are triggered.

The School District is self-insured for workers' compensation on a pay-as-you-go basis for claims up to \$300,000, with reinsurance coverage provided once claims exceed \$495,000 in the aggregate. The self-insurance program is administered by a third party administrator. All workers' compensation benefits are paid out of the General and Food Service Funds. Changes in the estimated liability are as follows:

	<u>2011</u>	<u>2010</u>
Estimated liability, beginning of year	\$ 188,067	\$ 66,012
Estimated claims incurred	130,056	217,052
Claim payments	<u>(134,893)</u>	<u>(94,997)</u>
Estimated liability, end of year	<u>\$ 183,230</u>	<u>\$ 188,067</u>

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

The School District is self-insured for dental and vision coverage on a pay-as-you-go basis. The self-insurance program is administered by a third party administrator. Dental and vision benefits are paid out of the fund to which each employee's wages are charged. Changes in the estimated liability are as follows:

	<u>2011</u>	<u>2010</u>
Estimated liability, beginning of year	\$ 7,616	\$ 15,491
Estimated claims incurred	149,526	142,452
Claim payments	<u>(141,375)</u>	<u>(150,327)</u>
Estimated liability, end of year	<u>\$ 15,767</u>	<u>\$ 7,616</u>

Of the above estimated claim liabilities, the School District records \$20,957 in accounts payable in the General Fund, as it represents a current liability. The balance of \$178,040 is accrued on the government-wide Statement of Net Assets. The School District pays unemployment claims on a reimbursement basis. The School District continues to carry commercial insurance for all other risks of loss, including employee life, health, and accident insurance. In the last three years settled amounts have not exceeded the insurance coverage held by the School District.

B. Defined benefit pension plan

Plan Description

The District contributes to the Michigan Public School Employees Retirement System ("MPSERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Michigan Department of Management and Budget, Office of Retirement Systems. MPSERS provides survivor and disability benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by state statute.

The Office of Retirement Systems issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report can be obtained by writing to Michigan Public School Employees Retirement System, 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan, 48909 or by calling (517) 322-5103.

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

Funding Policy

Member contribution rates vary based on date of hire and certain voluntary elections. Member Investment Plan (“MIP”) members enrolled in MIP prior to January 1, 1990 contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990 through June 30, 2008 contribute at the following graduated permanently fixed contribution rates: 3 percent of the first \$5,000; 3.6 percent of \$5,001 through \$15,000; 4.3 percent of all wages over \$15,000. Members first hired July 1, 2008 through June 30, 2010 contribute at the following graduated permanently fixed contribution rates: 3 percent of the first \$5,000; 3.6 percent of \$5,001 through \$15,000; 6.4 percent of all wages over \$15,000. Basic Plan members make no contributions. Members first enrolled on or after July 1, 2010 are enrolled in the Pension Plus Plan which contains a defined contribution component. Member contributions are matched at a rate of 50 percent by the employer, up to a maximum of one percent. The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefits on a cash disbursement basis.

The rates for the year ended June 30, 2011 as a percentage of payroll ranged from 16.94 to 20.66 percent for MIP members and 15.44 to 19.16 percent for Pension Plus members. The contribution requirements of plan members and the School District are established by Michigan State statute and may be amended only by action of the State Legislature. The School District’s contributions to MPSERS under all retirement plans for the years ended June 30, 2011, 2010, and 2009 were \$8,557,471, \$7,536,020, and \$7,545,306, respectively, equal to the required contributions for each year. The School District is not responsible for the payment of retirement benefits, which is the responsibility of the State of Michigan.

Other Postemployment Benefits

Retirees have the option of health coverage which is funded on a cash disbursement basis by the employers through the monthly required contribution. The State of Michigan has contracted to provide the comprehensive group medical, hearing, dental and vision coverages for retirees and beneficiaries. All health care benefits are on a self-funded basis. A significant portion of the premium is paid by MPSERS with the balance deducted from the monthly pension.

Pension recipients are eligible for the fully paid subsidy of the Master Health Plan coverage and 90% paid Dental Plan, Vision Plan and Hearing Plan coverage with the following exceptions:

1. Retirees not yet eligible for Medicare coverage pay an amount equal to the Medicare Part B premiums.
2. Retirees with less than 30 years of service, who terminate employment after October 31, 1980 with the vested deferred benefits, are eligible for partially paid health benefit coverage (no payment if less than 21 years of service).

PORTAGE PUBLIC SCHOOLS

Notes to the Basic Financial Statements

C. Early retirement incentive plan

Certain teachers, secretaries, and administrators of the School District have elected to participate in an early retirement incentive program established by the School District for those meeting various eligibility requirements. The expenditures for this plan were \$93,878 for the year ended June 30, 2011. There was no outstanding long-term liability under this plan at year-end.

D. Deferred compensation plan

Pay for Performance Plan. The School District offers its administrators a pay for performance plan created in accordance with Section 457 of the Internal Revenue Code (IRC). Administrators participate in and vest in the plan based upon certain length of employment and evaluation criteria. Final payments are made in a lump sum distribution when the administrator retires or leaves the employment of the School District. The vested benefits of the pay for performance plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. At June 30, 2011, vested benefits of \$129,751 were held in the trust.

E. Subsequent event

On July 26, 2011, the School District signed an installment purchase agreement for the purchase of 3 school buses and one special needs lift-equipped school bus for a total of \$366,805. Payments are scheduled to occur on July 15 for the next six years. The agreement includes interest at a rate of 2.70 percent.

F. Restatement

As described in Note III. G., the School District adopted the provisions of GASB Statement No. 54 in the current year. While the classifications of fund balance in the District's various governmental funds were revised, the implementation of this standard had no effect on total fund balance. Beginning fund balance of the General Fund was increased by \$106,207, which was comprised entirely of the athletics special revenue fund (no longer separately presented). As a result, the beginning fund balance of nonmajor governmental funds was decreased by the same amount.

* * * * *

**Combining and Individual Fund
Financial Statements and Schedules**

Portage Public Schools
THE FUTURE LEARNS HERE

Portage Public Schools
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

Special Revenue Funds are used to account for revenue for restricted or committed revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Bookstore Fund – This fund was established to account for activity of the high school bookstores.

Food Service Fund – This fund is used to account for the revenue and expenditures of the school lunch program. Revenues consist of sales of food and federal and state government subsidies.

Debt Service Funds are used to account for the accumulation of resources for payment of principal and interest on long-term debt.

2002 Debt Service – This fund accounts for payments on the 2002 General Obligation Building and Site Bonds issued for construction, re-equipping, and renovations at all buildings.

2008 Debt Service – This fund accounts for payments on the 2008 General Obligation Building and Site Bonds issued for construction, re-equipping, and renovations at all buildings.

2009 Debt Service – This fund accounts for payments on the 2009 Refunding Bonds issued for refunding of the 1999 Bonds.

Capital Projects Funds are used to account for construction projects of the School District.

Bond Construction 2008 #2 – This fund accounts for expenditure of the 2008 Building and Site Bonds for voter-approved purposes.

Building and Site Sinking Fund – This fund accounts for general school improvements. Financing is provided by a property tax levy.

PORTAGE PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue	
	Bookstore	Food Service
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ -	\$ 45,715
Investments	-	-
Accounts receivable	-	10,137
Taxes receivable	-	-
Due from other governments	-	19,002
Due from other funds	-	106,012
Inventory	-	36,674
Prepays	-	133,333
TOTAL ASSETS	\$ -	\$ 350,873
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Accounts payable	\$ -	\$ 18,839
Salaries and withholdings payable	-	2,128
Accrued liabilities	-	603
Due to other governments	-	-
Due to other funds	-	-
Deferred revenue	-	33,251
Total liabilities	-	54,821
Fund balances		
Nonspendable	-	170,007
Restricted	-	126,045
Total fund balances	-	296,052
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 350,873

Debt Service			Capital Projects		Total
2002	2008	2009	Bond	Building	Nonmajor
Debt	Debt	Debt	Construction	and Site	Governmental
Service	Service	Service	2008 #2	Sinking Fund	Funds
\$ 120,888	\$ 325,736	\$ 157,154	\$ 144	\$ 2,360,932	\$ 3,010,569
-	-	-	774,474	-	774,474
-	-	-	-	-	10,137
2,533	28,680	11,280	-	4,621	47,114
-	-	-	-	-	19,002
-	-	-	13,942	-	119,954
-	-	-	-	-	36,674
-	-	-	-	-	133,333
<u>\$ 123,421</u>	<u>\$ 354,416</u>	<u>\$ 168,434</u>	<u>\$ 788,560</u>	<u>\$ 2,365,553</u>	<u>\$ 4,151,257</u>
\$ -	\$ -	\$ -	\$ 2,248	\$ 378,899	\$ 399,986
-	-	-	-	-	2,128
-	-	-	-	-	603
2,809	29,493	14,513	-	5,155	51,970
-	-	-	-	9,090	9,090
1,833	21,327	7,661	-	3,334	67,406
<u>4,642</u>	<u>50,820</u>	<u>22,174</u>	<u>2,248</u>	<u>396,478</u>	<u>531,183</u>
-	-	-	-	-	170,007
<u>118,779</u>	<u>303,596</u>	<u>146,260</u>	<u>786,312</u>	<u>1,969,075</u>	<u>3,450,067</u>
<u>118,779</u>	<u>303,596</u>	<u>146,260</u>	<u>786,312</u>	<u>1,969,075</u>	<u>3,620,074</u>
<u>\$ 123,421</u>	<u>\$ 354,416</u>	<u>\$ 168,434</u>	<u>\$ 788,560</u>	<u>\$ 2,365,553</u>	<u>\$ 4,151,257</u>

PORTAGE PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue	
	Bookstore	Food Service
Revenues		
Local sources	\$ 10,912	\$ 1,412,015
State sources	-	153,866
Federal sources	-	1,105,015
	10,912	2,670,896
Total revenues	10,912	2,670,896
Expenditures		
Current:		
Bookstore	10,912	-
Food service	-	2,598,741
Debt service:		
Principal	-	-
Interest	-	-
Other	-	-
Capital outlay	-	-
	10,912	2,598,741
Total expenditures	10,912	2,598,741
Revenues over (under) expenditures	-	72,155
Other financing sources (uses)		
Proceeds from the sale of capital assets	-	8,841
Transfers out	-	(181,000)
	-	(172,159)
Total other financing sources (uses)	-	(172,159)
Net change in fund balances	-	(100,004)
Fund balances, beginning of year, as restated	-	396,056
Fund balances, end of year	\$ -	\$ 296,052

	Debt Service		Capital Projects		Total
2002	2008	2009	Bond	Building	Nonmajor
Debt	Debt	Debt	Construction	and Site	Governmental
Service	Service	Service	2008 #2	Sinking Fund	Funds
\$ 618,273	\$ 6,469,817	\$ 3,181,366	\$ 431	\$ 1,139,274	\$ 12,832,088
-	-	-	-	-	153,866
-	-	-	-	-	1,105,015
<u>618,273</u>	<u>6,469,817</u>	<u>3,181,366</u>	<u>431</u>	<u>1,139,274</u>	<u>14,090,969</u>
-	-	-	-	-	10,912
-	-	-	-	-	2,598,741
1,100,000	1,550,000	2,680,000	-	-	5,330,000
249,825	5,194,275	470,610	-	-	5,914,710
2,578	23,243	7,928	-	3,618	37,367
-	-	-	1,966,394	1,640,519	3,606,913
<u>1,352,403</u>	<u>6,767,518</u>	<u>3,158,538</u>	<u>1,966,394</u>	<u>1,644,137</u>	<u>17,498,643</u>
<u>(734,130)</u>	<u>(297,701)</u>	<u>22,828</u>	<u>(1,965,963)</u>	<u>(504,863)</u>	<u>(3,407,674)</u>
-	-	-	-	-	8,841
-	-	-	-	-	(181,000)
-	-	-	-	-	(172,159)
<u>(734,130)</u>	<u>(297,701)</u>	<u>22,828</u>	<u>(1,965,963)</u>	<u>(504,863)</u>	<u>(3,579,833)</u>
<u>852,909</u>	<u>601,297</u>	<u>123,432</u>	<u>2,752,275</u>	<u>2,473,938</u>	<u>7,199,907</u>
<u>\$ 118,779</u>	<u>\$ 303,596</u>	<u>\$ 146,260</u>	<u>\$ 786,312</u>	<u>\$ 1,969,075</u>	<u>\$ 3,620,074</u>

PORTAGE PUBLIC SCHOOLS
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Bookstore		
	Budget	Actual	Over (Under) Budget
Revenues			
Local sources	\$ 12,000	\$ 10,912	\$ (1,088)
State sources	-	-	-
Federal sources	-	-	-
Total revenues	<u>12,000</u>	<u>10,912</u>	<u>(1,088)</u>
Expenditures			
Current:			
Bookstore	12,000	10,912	(1,088)
Food service	-	-	-
Total expenditures	<u>12,000</u>	<u>10,912</u>	<u>(1,088)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Proceeds from the sale of capital assets	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Food Service

Budget	Actual	Over (Under) Budget
\$ 1,383,800	\$ 1,412,015	\$ 28,215
150,166	153,866	3,700
<u>1,035,000</u>	<u>1,105,015</u>	<u>70,015</u>
<u>2,568,966</u>	<u>2,670,896</u>	<u>101,930</u>
-	-	-
<u>2,512,427</u>	<u>2,598,741</u>	<u>86,314</u>
<u>2,512,427</u>	<u>2,598,741</u>	<u>86,314</u>
<u>56,539</u>	<u>72,155</u>	<u>15,616</u>
-	8,841	8,841
<u>(181,000)</u>	<u>(181,000)</u>	<u>-</u>
<u>(181,000)</u>	<u>(172,159)</u>	<u>8,841</u>
(124,461)	(100,004)	24,457
<u>396,056</u>	<u>396,056</u>	<u>-</u>
<u><u>\$ 271,595</u></u>	<u><u>\$ 296,052</u></u>	<u><u>\$ 24,457</u></u>

PORTAGE PUBLIC SCHOOLS
Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Assets				
Cash and cash equivalents	\$ 22,145	\$ 1,344,473	\$ 756,147	\$ 610,471
Investments	799,000	-	498,175	300,825
Total assets	<u>\$ 821,145</u>	<u>\$ 1,344,473</u>	<u>\$ 1,254,322</u>	<u>\$ 911,296</u>
Liabilities				
Due to student groups	<u>\$ 821,145</u>	<u>\$ 1,344,473</u>	<u>\$ 1,254,322</u>	<u>\$ 911,296</u>

Portage Public Schools
THE FUTURE LEARNS HERE

PORTAGE PUBLIC SCHOOLS
Schedule of Capital Assets Used in the Operation of Governmental Activities
June 30, 2011

<u>Building/Location</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
Amberly Elementary	\$ 19,600	\$ 340,706	\$ 2,507,620
Angling Road Elementary	23,600	162,807	3,011,653
Central Elementary ¹	99,823	198,939	2,916,977
Haverhill Elementary	34,032	172,670	2,051,703
Lake Center Elementary	89,435	1,300,999	11,812,767
Moorsbridge Elementary	-	233,933	6,266,499
12th Street Elementary	41,450	1,832,378	13,035,263
Woodland Elementary	54,670	166,196	3,589,911
Central Middle School	-	13,142	4,992,393
North Middle School	-	111,071	4,075,992
West Middle School ²	198,000	544,356	7,310,936
Central High School ³	571,300	1,537,002	5,566,961
Northern High School ⁴	201,588	1,109,847	26,513,730
Community Education Center	-	163,050	1,354,964
Administration Building	-	51,314	759,839
Waylee Technology and Training Center	16,000	18,514	1,957,543
Zylman Maintenance and Transportation Facility	66,784	80,940	3,218,451
South Westnedge Avenue	20,000	-	-
Total capital assets	<u>\$ 1,436,282</u>	<u>\$ 8,037,864</u>	<u>\$ 100,943,202</u>

¹ Land includes McCamley Field

² Land includes Moorsbridge Elementary

³ Land includes Central Middle School and Administration Building

⁴ Land includes North Middle School and Community Education Center

Equipment	Vehicles	Construction in Progress	Assets not Yet Placed in Service	Total
\$ 757,942	\$ -	\$ 125,206	\$ -	\$ 3,751,074
693,846	-	79,245	-	3,971,151
643,006	-	66,880	-	3,925,625
644,606	-	62,686	-	2,965,697
1,487,944	-	-	-	14,691,145
780,197	-	55,495	-	7,336,124
1,005,393	-	-	-	15,914,484
909,842	-	138,112	-	4,858,731
1,152,217	-	158,058	-	6,315,810
1,039,569	-	2,602	-	5,229,234
1,302,167	-	2,482	-	9,357,941
2,199,441	-	37,262,756	181,740	47,319,200
4,545,565	-	13,551,393	-	45,922,123
438,386	-	1,955	-	1,958,355
3,940,968	-	419,003	-	5,171,124
1,440,317	-	1,224,817	-	4,657,191
331,477	4,925,075	900	-	8,623,627
-	-	-	-	20,000
\$ 23,312,883	\$ 4,925,075	\$ 53,151,590	\$ 181,740	\$ 191,988,636

PORTAGE PUBLIC SCHOOLS
Schedule of Bonded Indebtedness
June 30, 2011

Year Ending June 30,	2002 Debt Principal	2008 Debt Principal	2009 Debt Principal
2012	\$ 1,325,000	\$ 1,550,000	\$ 2,720,000
2013	1,585,000	1,550,000	2,750,000
2014	1,870,000	1,550,000	2,770,000
2015	-	5,250,000	700,000
2016	-	5,260,000	750,000
2017	-	5,500,000	800,000
2018	-	5,960,000	855,000
2019	-	6,160,000	915,000
2020	-	6,300,000	-
2021	-	6,300,000	-
2022	-	6,300,000	-
2023	-	6,300,000	-
2024	-	6,300,000	-
2025	-	6,300,000	-
2026	-	6,300,000	-
2027	-	6,300,000	-
2028	-	6,300,000	-
2029	-	6,300,000	-
2030	-	6,300,000	-
2031	-	6,300,000	-
	<u>\$ 4,780,000</u>	<u>\$ 108,380,000</u>	<u>\$ 12,260,000</u>
Principal payments due	May 1	May 1	May 1
Interest payments due	May 1 and November 1	May 1 and November 1	May 1 and November 1
Interest rates	2.0%-5.0%	3.25%-5.25%	3.15%
Original issue	<u>\$ 11,885,000</u>	<u>\$ 112,275,000</u>	<u>\$ 17,530,000</u>

PORTAGE PUBLIC SCHOOLS
Schedule of Deposits and Investments
June 30, 2011

General Fund

Checking and Savings Accounts:

Bank of America Checking	\$ 2,114,154
Accident Fund Insurance Company of America	14,364
Bank of America Savings	600,280
Charter One Bank Savings	1,005,181
Chemical Bank Savings	370,398
Citizen's Bank Savings	245,729
Huntington Bank Savings	252,572
Michigan Commerce Bank Savings	259,269
Mercantile Bank Savings	253,945
JPMorgan Chase Bank Savings	<u>2,947,423</u>

Total Checking and Savings Accounts \$ 8,063,315

Total General Fund \$ 8,063,315

Special Revenue Funds

Food Service Fund:

Checking and Savings Accounts:

Bank of America	23,883
Flagstar Bank	<u>21,812</u>
Total Checking and Savings Accounts	<u>45,695</u>

Total Special Revenue Funds 45,695

Debt Service Funds

Savings Accounts:

Bank of America	397,707
Chemical Bank	<u>206,071</u>

Total Debt Service Funds 603,778

Capital Projects Funds

Checking and Savings Accounts:

Bank of America	126,207
JPMorgan Chase Bank Savings	<u>2,360,932</u>
Total Checking and Savings Accounts	2,487,139

Investments:

Money Market Funds	<u>15,816,092</u>
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Total Capital Projects Funds 18,303,231

Agency Fund

Checking and Savings Accounts:

Bank of America Bank	610,471
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Investments:

Flagstar Bank Certificates of Deposit-CDARS	<u>300,825</u>
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Total Agency Fund 911,296

Total All Funds \$ 27,927,315

Portage Public Schools
THE FUTURE LEARNS HERE

STATISTICAL SECTION
(Unaudited)

Portage Public Schools
THE FUTURE LEARNS HERE

Statistical Section

This part of the Portage Public Schools comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the School District's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the School District's operations and resources to help the reader understand how the School District's financial information relates to the services the School District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Portage Public Schools
THE FUTURE LEARNS HERE

Financial Trends

PORTAGE PUBLIC SCHOOLS
Net Assets by Component (Unaudited)
Last Nine Fiscal Years*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 338,219	\$ 3,673,429	\$ 7,631,831	\$ 9,565,750
Restricted:				
Food service	-	505,050	478,031	531,246
Debt service	104,630	867,988	729,776	1,106,179
Building and Site Sinking Fund	880,421	243,231	119,233	391,446
Total restricted	<u>985,051</u>	<u>1,111,219</u>	<u>849,009</u>	<u>1,497,625</u>
Unrestricted	<u>6,492,941</u>	<u>6,509,585</u>	<u>6,273,911</u>	<u>7,172,352</u>
Total Primary Government Net Assets	<u>\$ 7,816,211</u>	<u>\$ 11,294,233</u>	<u>\$ 14,754,751</u>	<u>\$ 18,235,727</u>

*Portage Public Schools adopted GASB #34 in 2003.

Source: Portage Public Schools Audit Reports

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 11,520,540	\$ 12,475,532	\$ 19,593,035	\$ 23,522,922	\$ 26,906,541
692,947	693,395	728,679	396,056	296,052
1,855,247	625,548	843,732	574,217	-
325,678	554,202	902,809	2,473,938	1,969,075
2,180,925	1,179,750	1,746,541	3,444,211	2,265,127
7,176,544	7,775,669	7,758,596	4,568,080	6,140,019
\$ 20,878,009	\$ 21,430,951	\$ 29,098,172	\$ 31,535,213	\$ 35,311,687

PORTAGE PUBLIC SCHOOLS
Changes in Governmental Net Assets (Unaudited)
Last Nine Fiscal Years*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Governmental Activities				
Instruction	\$ 40,668,552	\$ 40,969,953	\$ 41,626,329	\$ 44,442,474
Supporting services	26,074,708	24,947,520	25,875,805	26,612,890
Community service	1,669,402	1,658,295	1,770,866	1,904,238
Athletics	1,366,536	1,464,972	1,440,323	1,425,479
Bookstore	33,410	44,239	42,578	35,810
Food service	1,855,166	2,011,293	2,196,763	2,348,868
Interest on long-term debt	1,926,207	2,312,053	2,154,940	2,104,053
Unallocated depreciation	970,826	814,932	794,824	941,422
Total governmental activities	<u>74,564,807</u>	<u>74,223,257</u>	<u>75,902,428</u>	<u>79,815,234</u>
Program Revenues				
Charges for services:				
Instruction	588,350	537,325	570,716	580,144
Supporting services	102,636	83,517	298,253	302,542
Community services	1,614,123	1,730,950	1,976,416	2,099,323
Athletics	199,065	238,133	251,420	249,098
Bookstore	33,410	44,239	42,578	35,810
Food service	1,344,389	1,484,842	1,605,025	1,701,529
Operating grants and contributions	3,347,229	3,179,395	3,701,677	4,353,808
Capital grants and contributions	-	-	-	43,970
Total program revenue	<u>7,229,202</u>	<u>7,298,401</u>	<u>8,446,085</u>	<u>9,366,224</u>
Net (expense) revenue	<u>(67,335,605)</u>	<u>(66,924,856)</u>	<u>(67,456,343)</u>	<u>(70,449,010)</u>
General Revenues				
Property taxes, levied for general operations	16,760,928	18,394,834	19,050,637	22,820,905
Property taxes, levied for debt service and capital projects funds	6,357,534	6,697,231	7,215,978	5,532,648
Unrestricted school aid	46,109,748	45,222,735	44,241,772	45,061,693
Grants and contributions not restricted to specific programs	33,997	29,689	35,492	81,114
Unrestricted investment earnings	367,620	227,189	345,963	524,186
Gain on sale of capital assets	-	7,088	-	-
Total general revenues	<u>69,629,827</u>	<u>70,578,766</u>	<u>70,889,842</u>	<u>74,020,546</u>
Change in net assets	<u>\$ 2,294,222</u>	<u>\$ 3,653,910</u>	<u>\$ 3,433,499</u>	<u>\$ 3,571,536</u>

*Portage Public Schools adopted GASB #34 in 2003.

Source: Portage Public Schools Audit Reports

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	46,553,501	\$ 46,342,039	\$ 46,632,255	\$ 48,575,075	\$ 45,257,027
	27,926,063	27,863,162	28,762,223	28,075,306	29,226,480
	2,101,376	2,056,555	2,140,668	1,919,921	2,010,125
	1,506,012	1,552,896	1,568,345	1,525,475	1,517,639
	33,048	24,316	20,098	16,309	10,912
	2,420,686	2,499,185	2,699,174	2,423,358	2,499,422
	1,979,060	3,117,805	5,925,791	5,819,385	5,643,941
	833,760	911,640	928,252	976,547	1,515,937
	<u>83,353,506</u>	<u>84,367,598</u>	<u>88,676,806</u>	<u>89,331,376</u>	<u>87,681,483</u>
	197,849	212,307	464,907	524,157	540,549
	252,291	287,850	515,691	279,865	183,279
	2,186,748	2,317,721	2,295,606	2,205,016	2,495,981
	224,011	255,785	253,477	244,807	279,142
	33,048	24,316	20,098	16,309	10,912
	1,772,720	1,716,392	1,658,223	1,441,506	1,410,652
	4,627,582	4,574,919	4,620,417	5,755,507	7,412,451
	-	127,714	63,829	81,751	54,504
	<u>9,294,249</u>	<u>9,517,004</u>	<u>9,892,248</u>	<u>10,548,918</u>	<u>12,387,470</u>
	<u>(74,059,257)</u>	<u>(74,850,594)</u>	<u>(78,784,558)</u>	<u>(78,782,458)</u>	<u>(75,294,013)</u>
	23,903,719	24,541,929	19,798,562	19,752,061	18,896,390
	5,956,404	6,161,112	11,899,429	11,860,640	11,382,247
	45,104,656	44,860,304	50,419,824	48,350,859	48,709,682
	106,894	137,003	260,533	31,217	20,289
	731,481	(296,364)	4,108,715	496,043	61,879
	1,060,086	-	-	-	-
	<u>76,863,240</u>	<u>75,403,984</u>	<u>86,487,063</u>	<u>80,490,820</u>	<u>79,070,487</u>
\$	<u>2,803,983</u>	<u>\$ 553,390</u>	<u>\$ 7,702,505</u>	<u>\$ 1,708,362</u>	<u>\$ 3,776,474</u>

PORTAGE PUBLIC SCHOOLS
Fund Balances
All Governmental Fund Types (Unaudited)
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable:				
Inventory				
Prepays				
Assigned for:				
Site-based building expenditures				
Site ownership of athletic revenues				
Subsequent year's budget deficit				
Unassigned				
Reserved for:				
Inventory	\$ 69,626	\$ 65,114	\$ 54,815	\$ 29,867
Prepays	129,503	140,602	125,931	118,103
Unreserved:				
Designated for:				
Durant settlement-future programs	1,045,182	760,383	155,055	1,040,847
Site-based building expenditures	166,719	146,075	151,056	143,545
West Middle School HVAC System	-	-	-	-
Elementary School playground equipment	-	-	-	-
Subsequent year's budget	-	-	914,852	-
Undesignated	4,982,146	5,073,538	5,127,265	5,306,189
Total general fund	<u>\$ 6,393,176</u>	<u>\$ 6,185,712</u>	<u>\$ 6,528,974</u>	<u>\$ 6,638,551</u>
All Other Governmental Funds				
Nonspendable:				
Inventory				
Prepays				
Restricted for:				
Food service				
Debt service				
Capital projects				
Reserved for:				
Inventory	\$ 11,400	\$ 24,222	\$ 25,947	\$ 30,590
Prepays	11,511	-	-	-
Unreserved:				
Designated for:				
Special revenue funds:				
Site ownership of athletics revenue	163,094	108,255	128,937	103,469
Subsequent year's budget	-	-	21,947	-
Food service equipment purchases	-	-	-	-
Capital projects fund-capital projects	-	-	-	-
Undesignated, reported in:				
Special revenue funds	356,955	435,690	457,156	447,441
Capital projects funds	2,945,418	10,162,445	5,655,494	1,196,161
Debt service funds	1,267,321	540,378	867,988	1,133,652
Total all other governmental funds	<u>\$ 4,755,699</u>	<u>\$ 11,270,990</u>	<u>\$ 7,157,469</u>	<u>\$ 2,911,313</u>
Total all funds	<u>\$ 11,148,875</u>	<u>\$ 17,456,702</u>	<u>\$ 13,686,443</u>	<u>\$ 9,549,864</u>

Source: Portage Public Schools Audit Reports

¹Portage Public Schools adopted GASB #54 in 2011.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
					\$ 21,858
					115,359
					143,912
					113,491
					278,639
					7,184,999
\$ 320,392	\$ 38,918	\$ 29,659	\$ 299,048	\$ 33,451	
158,471	184,577	199,696	218,122	99,706	
1,069,907	-	-	-	-	
154,796	148,152	166,285	175,779	135,878	
745,759	-	-	-	-	
-	442,325	-	-	-	
-	310,043	82,277	81,891	342,315	
5,150,965	5,937,531	6,300,429	5,603,079	5,919,225	
<u>\$ 7,600,290</u>	<u>\$ 7,061,546</u>	<u>\$ 6,778,346</u>	<u>\$ 6,377,919</u>	<u>\$ 6,530,575</u>	<u>\$ 7,858,258</u>
					\$ 36,674
					133,333
					126,045
					568,635
					11,983,596
\$ 25,442	\$ 26,811	\$ 20,369	\$ 29,429	\$ 29,788	
-	-	6,248	151,475	150,180	
82,822	80,677	80,592	93,931	106,027	
-	-	-	188,374	-	
-	-	-	200,000	100,000	
-	-	-	-	-	
505,804	666,136	666,778	160,876	116,268	
308,624	1,018,625	116,105,838	90,881,425	41,444,177	
1,504,709	2,115,306	2,742,310	1,932,208	1,577,638	
<u>\$ 2,427,401</u>	<u>\$ 3,907,555</u>	<u>\$ 119,622,135</u>	<u>\$ 93,637,718</u>	<u>\$ 43,524,078</u>	<u>\$ 12,848,283</u>
<u>\$ 10,027,691</u>	<u>\$ 10,969,101</u>	<u>\$ 126,400,481</u>	<u>\$ 100,015,637</u>	<u>\$ 50,054,653</u>	<u>\$ 20,706,541</u>

PORTAGE PUBLIC SCHOOLS
Changes in Fund Balances
All Governmental Fund Types (Unaudited)
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenue				
Local revenue	\$ 27,675,919	\$ 27,461,001	\$ 29,545,576	\$ 31,597,814
State revenue	46,387,146	48,148,004	46,957,989	46,120,834
Federal revenue	1,339,718	1,178,530	1,374,361	1,714,248
Total revenue	75,402,783	76,787,535	77,877,926	79,432,896
Expenditures				
Current:				
Instruction	40,609,738	40,226,031	40,572,153	41,251,848
Supporting services	24,711,730	24,850,809	24,475,794	24,948,939
Community service	1,442,934	1,671,183	1,705,664	1,769,309
Athletics	1,269,174	1,359,543	1,364,108	1,357,237
Bookstore	31,527	33,410	44,239	42,578
Food service	1,833,498	1,855,888	2,069,951	2,295,092
Debt service:				
Principal	2,483,053	4,819,303	3,724,687	3,961,696
Interest	1,494,640	1,773,482	2,338,092	2,168,927
Bond issuance costs	-	-	-	-
Other	6,741	5,849	8,735	10,963
Capital outlay-facilities acquisition/construction	5,046,581	5,909,841	5,792,968	5,840,356
Total expenditures	78,929,616	82,505,339	82,096,391	83,646,945
Excess of revenue over (under) expenditures	(3,526,833)	(5,717,804)	(4,218,465)	(4,214,049)
Other financing sources (uses)				
Issuance of long-term debt	5,223,718	12,289,037	409,296	66,410
Premium on the issuance of long-term debt	-	23,393	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from the sale of capital assets	26,738	36,206	38,910	11,060
Transfers in	1,140,925	4,706,872	2,847,882	2,830,601
Transfers out	(1,140,925)	(4,706,872)	(2,847,882)	(2,830,601)
Total other financing sources (uses)	5,250,456	12,348,636	448,206	77,470
Net change in fund balances	1,723,623	6,630,832	(3,770,259)	(4,136,579)
Fund Balances-beginning of year	9,452,557	11,148,875	17,456,702	13,686,443
Prior period adjustment	(27,305)	(323,005)	-	-
Fund Balances, beginning of year, restated	9,425,252	10,825,870	17,456,702	13,686,443
Fund Balances-End of year	\$ 11,148,875	\$ 17,456,702	\$ 13,686,443	\$ 9,549,864
Debt service as a percentage of noncapital expenditures	5.41%	8.61%	8.02%	7.46%

Source: Portage Public Schools Audit Reports

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 34,496,207	\$ 36,019,398	\$ 36,060,039	\$ 41,519,738	\$ 36,949,574	\$ 35,490,241
46,787,647	46,999,617	46,762,996	49,208,274	48,033,134	49,776,555
2,037,954	2,074,683	2,076,938	5,659,105	5,993,969	6,151,747
83,321,808	85,093,698	84,899,973	96,387,117	90,976,677	91,418,543
43,868,227	45,616,748	45,710,135	46,013,947	45,761,039	45,283,877
27,093,544	28,920,439	27,715,218	28,081,301	26,686,177	27,161,735
1,892,476	2,089,024	2,029,033	2,117,584	1,936,181	2,287,725
1,401,534	1,379,004	1,436,123	1,445,957	1,436,046	1,394,155
35,810	33,048	24,316	20,098	16,309	10,912
2,368,429	2,411,378	2,472,933	2,687,632	2,761,762	2,598,741
2,544,317	2,790,856	3,662,462	4,682,602	5,307,340	5,503,123
2,107,826	2,101,179	1,356,633	7,246,028	6,157,337	5,932,130
-	-	1,047,229	134,776	-	-
1,764	4,097	11,483	6,193	5,754	37,367
1,955,403	459,820	4,555,005	30,611,593	50,934,219	30,622,947
83,269,330	85,805,593	90,020,570	123,047,711	141,002,164	120,832,712
52,478	(711,895)	(5,120,597)	(26,660,594)	(50,025,487)	(29,414,169)
386,987	423,154	112,437,184	18,021,000	-	-
-	-	8,109,940	-	-	-
-	-	-	(17,777,935)	-	-
38,362	1,267,496	4,853	32,685	64,503	66,057
1,182,389	1,243,597	1,306,066	1,949,503	1,987,124	181,000
(1,182,389)	(1,243,597)	(1,306,066)	(1,949,503)	(1,987,124)	(181,000)
425,349	1,690,650	120,551,977	275,750	64,503	66,057
477,827	978,755	115,431,380	(26,384,844)	(49,960,984)	(29,348,112)
9,549,864	10,027,691	10,969,101	126,400,481	100,015,637	50,054,653
-	(37,345)	-	-	-	-
9,549,864	9,990,346	10,969,101	126,400,481	100,015,637	50,054,653
\$ 10,027,691	\$ 10,969,101	\$ 126,400,481	\$ 100,015,637	\$ 50,054,653	\$ 20,706,541
5.71%	5.87%	5.97%	12.92%	12.86%	12.70%

PORTAGE PUBLIC SCHOOLS
Summary of Government-wide Revenues (Unaudited)
Last Nine Fiscal Years*

<u>Revenue</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Charges for services			
Instruction	\$ 588,350	\$ 537,325	\$ 570,716
Supporting services	102,636	83,517	298,253
Community service	1,614,123	1,730,950	1,976,416
Athletics	199,065	238,133	251,420
Bookstore	33,410	44,239	42,578
Food service	1,344,389	1,484,842	1,605,025
Total charges for services	3,881,973	4,119,006	4,744,408
Operating grants/contributions			
Instruction	2,182,435	1,766,475	2,050,007
Supporting services	476,784	685,115	838,586
Community service	26,746	2,513	-
Athletics	-	-	-
Food service	608,401	697,361	749,306
Interest on long-term debt	52,863	27,931	63,778
Total operating grants/contributions	3,347,229	3,179,395	3,701,677
Capital grants/contributions			
Instruction	-	-	-
Supporting services	-	-	-
Community service	-	-	-
Athletics	-	-	-
Total capital grants/contributions	-	-	-
General revenues			
Property taxes	23,118,462	25,092,065	26,266,615
Unrestricted school aid	46,109,748	45,222,735	44,241,772
Grants and contributions not restricted to specific programs	33,997	90,689	35,492
Unrestricted investment earnings	367,620	227,189	345,963
Gain on sale of capital assets	-	7,088	-
Total general revenues	69,629,827	70,639,766	70,889,842
Total revenues	\$ 76,859,029	\$ 77,938,167	\$ 79,335,927

*Portage Public Schools adopted GASB #34 in 2003.

Source: Portage Public Schools Audit Reports

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	580,144	\$ 197,849	\$ 212,307	\$ 464,907	\$ 524,157	\$ 540,549
	302,542	252,291	287,850	515,691	279,865	183,279
	2,099,323	2,186,748	2,317,721	2,295,606	2,205,016	2,495,981
	249,098	224,011	255,785	253,477	244,807	279,142
	35,810	33,048	24,316	20,098	16,309	10,912
	1,701,529	1,772,720	1,716,392	1,658,223	1,441,506	1,410,652
	4,968,446	4,666,667	4,814,371	5,208,002	4,711,660	4,920,515
	2,188,509	2,464,528	2,413,619	2,617,294	3,597,131	5,230,381
	1,160,687	1,088,642	1,021,836	814,229	965,872	906,817
	-	-	-	-	-	-
	65,556	5,261	5,067	5,000	5,000	-
	797,131	855,623	924,773	1,077,217	1,164,427	1,258,883
	141,925	213,528	209,624	106,677	23,077	16,370
	4,353,808	4,627,582	4,574,919	4,620,417	5,755,507	7,412,451
	-	-	2,644	1,406	1,118	11,603
	-	-	36,813	7,741	27,842	20,218
	-	-	1,191	-	-	-
	43,970	-	87,066	54,682	52,791	22,683
	43,970	-	127,714	63,829	81,751	54,504
	28,353,553	29,860,123	30,703,041	31,697,991	31,612,701	30,278,637
	45,061,693	45,104,656	44,860,304	50,419,824	48,350,859	48,709,682
	81,114	106,894	137,003	260,533	31,217	20,289
	524,186	731,481	(296,364)	4,108,715	496,043	61,879
	-	1,060,086	-	-	-	-
	74,020,546	76,863,240	75,403,984	86,487,063	80,490,820	79,070,487
\$	83,386,770	\$ 86,157,489	\$ 84,920,988	\$ 96,379,311	\$ 91,039,738	\$ 91,457,957

PORTAGE PUBLIC SCHOOLS

**Summary of Expenditures by Function-All Governmental Fund Types (Unaudited)
Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Instruction	\$ 40,609,738	\$ 40,226,031	\$ 40,572,153	\$ 41,251,848	\$ 43,868,227
Supporting services	24,718,471	24,850,809	24,475,794	24,948,939	27,093,544
Community service	1,442,934	1,671,183	1,705,664	1,769,309	1,892,476
Athletics	1,269,174	1,359,543	1,364,108	1,357,237	1,401,534
Bookstore	31,527	33,410	44,239	42,578	35,810
Food service	1,833,498	1,855,888	2,069,951	2,295,092	2,368,429
Debt service	3,977,693	6,598,634	6,071,514	6,141,586	4,653,907
Capital outlay	5,046,581	5,909,841	5,792,968	5,840,356	1,955,403
Total	<u>\$ 78,929,616</u>	<u>\$ 82,505,339</u>	<u>\$ 82,096,391</u>	<u>\$ 83,646,945</u>	<u>\$ 83,269,330</u>

Source: Portage Public Schools Audit Reports

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 45,616,748	\$ 45,710,135	\$ 46,013,947	\$ 45,761,039	\$ 45,283,877
28,920,439	27,715,218	28,081,301	26,686,177	27,161,735
2,089,024	2,029,033	2,117,584	1,936,181	2,287,725
1,379,004	1,436,123	1,445,957	1,436,046	1,394,155
33,048	24,316	20,098	16,309	10,912
2,411,378	2,472,933	2,687,632	2,761,762	2,598,741
4,896,132	6,077,807	12,069,599	11,470,431	11,472,620
459,820	4,555,005	30,611,593	50,934,219	30,622,947
<u>\$ 85,805,593</u>	<u>\$ 90,020,570</u>	<u>\$ 123,047,711</u>	<u>\$ 141,002,164</u>	<u>\$ 120,832,712</u>

PORTAGE PUBLIC SCHOOLS
Summary of Governmental Revenues and Other Financing Sources
All Governmental Fund Types (Unaudited)
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Property taxes	\$ 14,185,087	\$ 13,663,933	\$ 14,801,189	\$ 15,874,318
Other local sources	2,529,133	2,599,791	2,631,059	3,312,466
Intermediate sources	2,970,269	2,958,804	3,197,519	3,102,212
State sources	46,306,443	48,056,797	46,852,696	46,016,677
Federal sources	855,695	661,336	782,294	1,069,101
Proceeds from issuance of debt	608,718	404,037	409,296	66,410
Other financing sources	-	-	99,910	95,494
Total General Fund	67,455,345	68,344,698	68,773,963	69,536,678
Special Revenue Funds				
Local	1,527,920	1,580,646	1,769,902	1,905,663
State	80,703	91,207	105,294	104,157
Federal	484,023	517,194	592,066	645,147
Incoming transfers	1,089,425	1,105,639	1,146,657	1,080,349
Proceeds from the sale of capital assets	-	-	-	2,150
Total Special Revenue Funds	3,182,071	3,294,686	3,613,919	3,737,466
Debt Service Funds				
Property taxes	3,677,449	3,733,182	3,982,140	4,234,508
Interest and other	163,242	105,781	235,030	119,865
Issuance of long-term debt	-	-	-	-
Incoming transfers	51,500	1,576,050	1,640,225	1,663,668
Total Debt Service Funds	3,892,191	5,415,013	5,857,395	6,018,041
Capital Projects Fund-Building and Site Sinking Fund				
Property taxes	2,507,347	2,545,347	2,715,091	2,887,164
Other local sources	98,558	91,791	124,748	87,575
Other financing sources	-	-	-	-
Total Capital Projects Fund	2,605,905	2,637,138	2,839,839	2,974,739
Capital Projects Funds-Construction Funds				
Issuance of long-term debt	4,615,000	11,885,000	-	-
Premium on the issuance of long-term debt	-	-	-	-
Interest earnings	43,652	205,119	88,898	74,043
Change in fair value of securities	-	-	-	-
Incoming transfers	-	2,025,183	-	-
Total Construction Funds	4,658,652	14,115,302	88,898	74,043
Total Revenues and Other Financing Sources	\$ 81,794,164	\$ 93,806,837	\$ 81,174,014	\$ 82,340,967

Source: Portage Public Schools Audit Reports

¹Reduction in property tax revenue due to levying only .5 mills in 2006, 2007, 2008, 2009, 2010, and 2011

²Increase in other financing sources due to proceeds from sale of Centre Street Property.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 16,628,194	\$ 17,611,160	\$ 18,075,701	\$ 13,295,916	\$ 13,410,851	\$ 12,834,926
3,871,522	3,827,342	3,821,484	3,377,503	2,980,532	3,577,044
6,236,225	6,266,629	6,522,259	6,620,904	6,462,475	6,219,904
46,676,102	46,879,550	46,672,950	49,039,970	47,855,718	49,622,689
1,352,371	1,339,127	1,242,209	4,750,187	5,006,956	5,046,732
386,987	423,154	162,184	-	-	-
129,736	1,362,916 ²	200,696	213,685	243,934	238,216
<u>75,281,137</u>	<u>77,709,878</u>	<u>76,697,483</u>	<u>77,298,165</u>	<u>75,960,466</u>	<u>77,539,511</u>
2,049,932	2,082,997	2,102,051	2,153,773	1,749,810	1,422,927
111,545	120,067	90,046	168,304	177,416	153,866
685,583	735,556	834,729	908,918	987,013	1,105,015
1,090,789	1,147,587	1,110,223	1,153,790	1,157,487	-
226	590	-	-	1,569	8,841
<u>3,938,075</u>	<u>4,086,797</u>	<u>4,137,049</u>	<u>4,384,785</u>	<u>4,073,295</u>	<u>2,690,649</u>
4,466,660	4,730,022	4,941,124	10,667,013	10,561,329	10,125,546
175,614	330,923	289,648	157,503	145,658	143,910
-	-	-	17,530,000	-	-
-	-	-	614,713	-	-
<u>4,642,274</u>	<u>5,060,945</u>	<u>5,230,772</u>	<u>28,969,229</u>	<u>10,706,987</u>	<u>10,269,456</u>
1,013,872 ¹	1,080,030 ¹	1,121,606 ¹	1,165,572 ¹	1,163,060 ¹	1,115,068
32,799	90,295	80,258	110,827	23,268	24,206
-	-	-	491,000	648,637	-
<u>1,046,671</u>	<u>1,170,325</u>	<u>1,201,864</u>	<u>1,767,399</u>	<u>1,834,965</u>	<u>1,139,274</u>
-	-	112,275,000	-	-	-
-	-	8,109,940	-	-	-
21,389	-	666,334	1,842,313	902,134	145,155
-	-	(1,560,426)	2,128,414	(449,543)	(118,445)
-	-	-	-	-	-
<u>21,389</u>	<u>-</u>	<u>119,490,848</u>	<u>3,970,727</u>	<u>452,591</u>	<u>26,710</u>
<u>\$ 84,929,546</u>	<u>\$ 88,027,945</u>	<u>\$ 206,758,016</u>	<u>\$ 116,390,305</u>	<u>\$ 93,028,304</u>	<u>\$ 91,665,600</u>

Portage Public Schools
THE FUTURE LEARNS HERE

Revenue Capacity

PORTAGE PUBLIC SCHOOLS

**Assessed Taxable Value and Estimated Actual Value of Taxable Property (Unaudited)
Last Ten Fiscal Years**

Tax Year	Taxable Value by Property Type						
	Real Property				Personal Property		
	Agricultural	Commercial	Industrial	Residential	Commercial	Industrial	Utility
2001	\$ 2,100,367	\$ 267,237,010	\$ 154,377,812	\$ 932,962,390	\$ 321,903,800	N/A	N/A
2002	2,079,174	308,172,980	149,222,350	988,628,149	317,094,300	N/A	N/A
2003	2,159,945	318,044,215	126,994,494	1,043,586,564	325,444,100	N/A	N/A
2004	2,117,836	334,748,951	142,936,522	1,112,844,638	335,166,669	N/A	N/A
2005	2,097,171	355,812,512	155,862,579	1,181,599,820	335,728,789	N/A	N/A
2006	1,436,794	378,597,527	166,436,576	1,267,536,089	317,196,749	N/A	N/A
2007	1,529,842	400,324,716	173,455,643	1,335,947,900	320,369,600	N/A	N/A
2008	1,597,913	413,633,993	177,106,003	1,357,887,679	73,613,400	282,153,441	27,692,385
2009	1,809,875	427,823,871	183,799,840	1,347,658,902	71,591,800	289,218,950	24,751,079
2010	1,803,617	435,344,985	139,304,570	1,306,645,780	67,559,100	270,556,300	22,498,500

Source: Kalamazoo County Equalization Department
Department of Treasury Form L-4025 from every municipality in the School District

Note: Under Michigan law, the revenue base is Taxable Value. Property is assessed at 50% of estimated market value. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

¹Until 2008 all personal property was included in non-homestead valuations. Beginning in 2008, all industrial personal property is included in the homestead tax base. While commercial personal property continues to be included in the non-homestead tax base, it is exempt from 12 mills of the 18 operating mills levied on non-homestead property only.

Less Renaissance Zone	Total Taxable Value	Taxable Valuation			Tax Rate (Mills)		Assessment Percentage	Market Value
		Homestead	Non-homestead	Total	Homestead	Non-homestead		
\$ -	\$1,678,581,379	\$ 897,718,369	\$ 780,863,010	\$ 1,678,581,379	3.7000	21.7000	50%	\$ 3,357,162,758
-	1,765,196,953	950,959,516	814,237,437	1,765,196,953	3.7000	21.7000	50%	3,530,393,906
-	1,816,229,318	982,292,577	833,936,741	1,816,229,318	3.7000	21.7000	50%	3,632,458,636
-	1,927,814,616	1,045,431,200	882,383,416	1,927,814,616	3.7000	21.7000	50%	3,855,629,232
(310,693)	2,030,790,178	1,108,777,387	922,012,791	2,030,790,178	2.7000	20.7000	50%	4,062,201,742
(2,138,466)	2,129,065,269	1,175,818,763	953,246,506	2,129,065,269	2.7000	20.7000	50%	4,262,407,470
(2,313,637)	2,229,314,064	1,236,919,473	992,394,591	2,229,314,064	2.7000	20.7000	50%	4,463,255,402
(2,316,615)	2,331,368,199	1,613,895,059	¹ 717,473,140	2,331,368,199	5.0400	23.0400	50%	4,667,369,628
(2,095,103)	2,344,559,214	1,606,756,235	¹ 737,802,979	2,344,559,214	5.0400	23.0400	50%	4,693,308,634
(1,978,523)	2,241,734,329	1,535,900,500	¹ 705,833,829	2,241,734,329	5.0400	23.0400	50%	4,487,425,704

PORTAGE PUBLIC SCHOOLS
Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments
(Per \$1,000 Assessed Value) (Unaudited)
Last Ten Fiscal Years

		Millage Rates - Direct School District Taxes					
		Operating				Total Direct Taxes	
Tax Year	Fiscal year ended June 30,	Homestead	Non-homestead ¹	Debt ²	Sinking Fund ²	Homestead	Non-homestead
2001	2002	-	18.0000	2.2000	1.5000	3.7000	21.7000
2002	2003	-	18.0000	2.2000	1.5000	3.7000	21.7000
2003	2004	-	18.0000	2.2000	1.5000	3.7000	21.7000
2004	2005	-	18.0000	2.2000	1.5000	3.7000	21.7000
2005	2006	-	18.0000	2.2000	0.5000	2.7000	20.7000
2006	2007	-	18.0000	2.2000	0.5000	2.7000	20.7000
2007	2008	-	18.0000	2.2000	0.5000	2.7000	20.7000
2008	2009	-	18.0000	4.5400	0.5000	5.0400	23.0400
2009	2010	-	18.0000	4.5400	0.5000	5.0400	23.0400
2010	2011	-	18.0000	4.5400	0.5000	5.0400	23.0400

¹ Millage limitation for school districts in the State of Michigan

² Debt and sinking fund millages apply to homestead and non-homestead property

³ Includes 1.5 Regional Enhancement Millage which is allocated on a per pupil fte basis among the School Districts in Kalamazoo County.

Source: 2001-2010 Kalamazoo County Apportionment Reports

Overlapping Taxes

State Education	Kalamazoo County	City of Portage	City of Kalamazoo	Pavilion Township	Texas Township	Kalamazoo Regional Educational Service Agency	Kalamazoo Valley Community College	Kalamazoo District Library	Portage District Library
6.0000	6.1400	10.0000	21.5667	0.8791	0.9025	3.0416	2.8151	3.9583	1.4900
6.0000	6.1362	10.3017	21.9205	0.8741	0.8938	3.0416	2.8139	3.9583	1.4900
5.0000	6.1362	10.1442	21.9205	0.8635	0.8846	3.0416	2.8139	3.9583	1.4900
6.0000	6.1362	10.1442	22.1405	0.8551	0.8741	3.0416	2.8135	3.9583	1.4900
6.0000	6.1362	10.1442	22.1405	0.8516	0.8677	4.5416 ³	2.8135	3.9583	1.4900
6.0000	6.1362	10.1442	21.9049	0.8516	0.8583	4.5416 ³	2.8135	3.9583	1.4900
6.0000	6.3362	10.4892	21.8205	0.8516	0.8583	4.5416 ³	2.8135	3.9583	1.4900
6.0000	6.3312	10.6598	21.8205	0.8516	0.8583	4.8316 ³	2.8135	3.9583	1.4900
6.0000	6.7212	10.6598	20.8205	0.8516	0.8583	4.8316 ³	2.8135	3.9583	1.5000
6.0000	6.7412	10.7312	20.8205	0.8516	1.3583	4.8566 ³	2.8135	3.9583	1.5000

PORTAGE PUBLIC SCHOOLS
Summary of Property Tax Data (Unaudited)
Last Ten Fiscal Years

Year Ended June 30	2002	2003	2004	2005
Total Tax Levy	\$ 20,369,883	\$20,037,076	\$ 21,580,385	\$ 23,060,966
Current Tax Collections:				
To March 1	19,865,461	19,610,142	21,163,053	22,594,758
To June 30	20,306,776	19,942,462	21,498,421	22,965,700
Percentages of Collections:				
Current to March 1	97.52%	97.87%	98.07%	97.98%
Current to June 30	99.69%	99.53%	99.62%	99.59%
Total Delinquent Property Taxes-Current Year	\$ 504,422	\$ 426,934	\$ 417,332	\$ 466,208
Total Delinquent Property Taxes-All Years	\$ 474,516	\$ 452,472	\$ 522,219	\$ 626,189
Total Delinquent Taxes-Current Year as a				
Percentage of Tax Levy	2.48%	2.13%	1.93%	2.02%
Total Delinquent Taxes-All Years as a				
Percentage of Tax Levy	2.33%	2.26%	2.42%	2.72%

Source: Portage Public Schools Audit Reports and accounting records

	2006	2007	2008	2009	2010	2011
	\$ 22,147,681	\$ 23,512,228	\$ 24,221,076	\$ 25,088,133	\$ 25,170,262	\$ 24,102,811
	21,772,490	22,341,701	23,628,952	24,327,784	24,360,688	23,382,345
	22,108,725	23,446,699	24,138,431	25,045,606	25,133,522	24,070,153
	98.31%	95.02%	97.56%	96.97%	96.78%	97.01%
	99.82%	99.72%	99.66%	99.83%	99.85%	99.86%
	\$ 38,955	\$ 65,529	\$ 82,645	\$ 42,527	\$ 36,740	\$ 32,658
	\$ 91,854	\$ 106,829	\$ 127,058	\$ 49,049	\$ 64,548	\$ 72,901
	0.18%	0.28%	0.34%	0.17%	0.15%	0.14%
	0.41%	0.45%	0.52%	0.20%	0.26%	0.30%

PORTAGE PUBLIC SCHOOLS
Principal Taxpayers (Unaudited)
Current Year and Nine Years Ago

Principal Taxpayers	Product/Service	2010 Taxable Value	Rank	Percentage of Total Advalorem
Pfizer Inc.	Pharmaceuticals	\$ 329,324,439	1	14.68%
Stryker Medical/Stryker Corporation	Medical Equipment	29,324,085	2	1.31%
Connecticut General Life Insurance	Retail Mall	22,887,344	3	1.02%
Consumers Energy Company	Utility	21,339,357	4	0.95%
Edward Rose Associates Inc.	Apartments	11,347,100	5	0.51%
Meijer Inc.	Retail and Grocery	8,224,122	6	0.37%
Southland Mall	Retail Mall	7,982,200	7	0.36%
Bowers Manufacturing	Aluminum Fabricating	7,192,800	8	0.32%
Mann & Hummel Automotive Inc.	Injection Molded Plastics	7,104,300	9	0.32%
State Farm Mutual Auto Insurance Co.	Insurance	6,879,800	10	0.31%
Portfolio One, LLC	Apartments	-		0.00%
Summit Polymers Inc.	Injection Molded Plastics	-		0.00%
Cablevision of Michigan Inc.	Cable Television	-		0.00%
Dayton Hudson Corp.	Retail	-		0.00%
Total		\$ 451,605,547		20.13%

Source: City of Portage Assessor

	2001		Percentage
	Taxable Value	Rank	of Total
			Advalorem
\$	338,890,500	1	20.19%
	17,029,000	3	1.01%
	-		0.00%
	24,683,400	2	1.47%
	10,766,600	5	0.64%
	-		0.00%
	6,419,300	7	0.38%
	-		0.00%
	6,632,800	6	0.40%
	-		0.00%
	13,416,800	4	0.80%
	6,207,300	8	0.37%
	6,191,400	9	0.37%
	6,031,700	10	0.36%
	<hr/>		<hr/>
\$	436,268,800		25.99%
	<hr/>		<hr/>

PORTAGE PUBLIC SCHOOLS
Summary of State Aid Payments (Unaudited)
Last Ten Fiscal Years

Year Ended June 30,	Blended Pupil Count	Foundation Grant Allowance Per Pupil	Total Foundation Grant Allowance	Less 18 mills taxes levied on Non-homestead property	Total State-Aid Foundation Grant Payments	Federal ARRA Stabilization Funds and Education Jobs Funds used to supplant State- Aid Payments
2002	8,856	\$ 6,500	\$ 57,564,000	\$ 13,150,627	\$ 44,413,373	\$ -
2003	8,978	6,640	59,613,920	13,736,224	45,877,696	-
2004	9,034	6,626	59,859,284	14,873,825	44,985,459	-
2005	8,962	6,700	60,045,400	15,873,559	44,171,841	-
2006	8,988	6,875	61,792,500	16,671,544	45,120,956	-
2007	8,814	7,085	62,447,190	17,715,620	44,731,570	-
2008	8,712	7,204	62,761,248	18,190,977	44,570,271	-
2009	8,684	7,316	63,532,144	13,316,120	46,986,861	3,229,163
2010	8,591	7,162 ¹	61,528,742	13,450,178	45,643,512	2,435,052
2011	8,542	7,146 ¹	61,041,132	12,851,507	45,282,353	2,907,272

Sources: Michigan Department of Education State Aid Status Reports
Portage Public Schools internal accounting records

The School District can levy up to 18 mills on non-homestead property for operations
Any adjustments in the taxable value result in corresponding adjustments in the
amount of unrestricted state aid received.

¹The Foundation Grant for 2010 and 2011 includes a per pupil deduction of \$154 and \$170, respectively.

Debt Capacity

PORTAGE PUBLIC SCHOOLS
Ratios of Outstanding Debt (Unaudited)
Last Ten Fiscal Years

Year Ended June 30	General Obligation Bonds	Less Pledged Debt Retirement Fund Balance	Net General Bonded Debt	Other General Obligation Debt	Total General Obligation Debt	Taxable Value
2002	\$ 34,765,950	\$ 1,267,321	\$ 33,498,629	\$ 1,292,001	\$ 34,790,630	\$ 1,678,581,379
2003	42,141,950	540,378	41,601,572	1,385,735	42,987,307	1,765,196,953
2004	38,802,238	867,989	37,934,249	1,410,056	39,344,305	1,816,229,318
2005	35,168,207	1,133,653	34,034,554	1,148,801	35,183,355	1,927,814,616
2006	32,962,623	1,504,707	31,457,916	1,197,055	32,654,971	2,048,844,271
2007	30,575,000	2,115,306	28,459,694	1,216,976	29,676,670	2,131,203,735
2008	139,570,000	2,742,310	136,827,690	998,704	137,826,394	2,231,627,701
2009	135,675,000	1,932,208	133,742,792	840,096	134,582,888	2,333,684,814
2010	130,750,000	1,577,638	129,172,362	457,756	129,630,118	2,243,712,852
2011	125,420,000	568,635	124,851,365	284,633	125,135,998	2,243,712,852

¹ U.S. Department of Commerce, Bureau of the Census for 2002-2003;
Skanska USA Building Inc. Report for 2004-2008, adjusted for City of Portage Census updates for 2007-2011.

Source: Portage Public Schools Audit Reports

Percent of Net Bonded Debt to Taxable Value	Total Debt as a Percentage of Taxable Value	Estimated Population ¹	Net General Bonded Debt per Capita	Total General Obligation Debt per Capita	Debt Per Capita Income	Percent of Net Bonded Debt to Personal Income
2.00%	2.07%	51,000	\$ 657	\$ 682	\$ 1,215	4.24%
2.36%	2.44%	51,000	816	843	1,453	4.91%
2.09%	2.17%	53,464	710	736	1,275	4.13%
1.77%	1.83%	54,980	619	640	1,109	3.50%
1.54%	1.59%	54,980	572	594	1,018	3.17%
1.34%	1.39%	54,856	519	541	878	2.60%
6.13%	6.18%	55,686	2,457	2,475	4,013	11.69%
5.73%	5.77%	56,095	2,384	2,399	3,813	10.80%
5.76%	5.78%	56,121	2,302	2,310	3,776	11.00%
5.56%	5.58%	56,441	2,212	2,217	3,607	10.40%

PORTAGE PUBLIC SCHOOLS
Schedule of Direct and Overlapping Debt (Unaudited)
June 30, 2011

Direct Debt

2002 School Building and Site Bonds (UTNQ)	\$ 4,780,000
2008 School Building and Site Bonds (UTNQ)	108,380,000
2009 Refunding Bonds (UTNQ)	<u>12,260,000</u>
Total Direct Debt	<u><u>125,420,000</u></u>

Overlapping Debt

Municipality	Net Tax Supported Debt	School District Share	
		Percent ¹	Amount
City of Kalamazoo	\$ 33,815,000	2.04%	\$ 689,826
City of Portage	85,655,000	97.37%	83,402,274
Pavilion Township	525,888	13.56%	71,310
Texas Township	609,000	32.26%	196,463
Kalamazoo County	34,948,188	27.80%	9,715,596
Kalamazoo RESA	21,200,000	30.10%	6,381,200
Kalamazoo District Library	3,000,000	1.16%	<u>34,800</u>

Net Overlapping Debt 100,491,470

Total Direct and Net Overlapping Debt \$ 225,911,470

Ratios:

2010 State Equalized Valuation (SEV)	\$2,378,579,096
2010 Taxable Value (includes Renaissance Zone Taxable Value)	\$2,243,712,852
2010 True Cash Value (TCV)	\$4,487,425,704
2010 Population Estimate	56,441
Net Direct Debt	\$ 125,420,000
Net Direct and Overlapping Debt	\$ 225,911,470
Per Capita 2010 Taxable Value	\$ 39,753
Per Capita 2010 State Equalized Valuation	\$ 42,143
Per Capita 2010 True Cash Value	\$ 79,506
Per Capita Direct Debt	\$ 2,222
Per Capita Direct and Overlapping Debt	\$ 4,003
Percent Net Direct Debt of 2010 Taxable Value	5.59%
Percent Net Direct and Overlapping Debt of 2010 Taxable Value	10.07%
Percent Net Direct Debt of 2010 State Equalized Valuation	5.27%
Percent Net Direct and Overlapping Debt of 2010 State Equalized Valuation	9.50%
Percent Net Direct Debt of 2010 True Cash Value	2.79%
Percent Net Direct and Overlapping Debt of 2010 True Cash Value	5.03%

Source: Michigan Municipal Advisory Council provided overlapping debt amounts.

¹ The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the municipality's taxable value that is within the School District's boundaries and dividing it by the municipality's total taxable value.

Portage Public Schools
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PORTAGE PUBLIC SCHOOLS
Computation of Legal Debt Margin (Unaudited)
Last Ten Fiscal Years

Year Ended June 30,	2002	2003	2004	2005
Calculation of Debt Limit:				
State Equalized Valuation (SEV) ¹ - December 31	\$ 1,827,623,100	\$ 1,973,460,750	\$ 2,058,686,500	\$ 2,179,642,478
Statutory Bonding Limit - 15% ²	274,143,465	296,019,113	308,802,975	326,946,372
Calculation of Debt subject to Limit:				
General Obligations Bonds Outstanding - June 30	34,765,950	42,141,950	38,802,238	35,168,207
Less Debt not subject to Limit ² - State Qualified Bonds	(3,660,000)	(3,080,000)	(2,460,000)	(1,740,000)
Net Debt Subject to Limit	31,105,950	39,061,950	36,342,238	33,428,207
Legal Debt Margin	\$ 243,037,515	\$ 256,957,163	\$ 272,460,737	\$ 293,518,165
Net debt subject to limit as % of debt limit	11.35%	13.20%	11.77%	10.22%

Sources:

¹ Kalamazoo County Equalization Department-Annual Equalization Report
Portage Public Schools Audit Reports

² Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16, of the Michigan Constitution of 1963, and (2) deficit budget bonds authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

2006	2007	2008	2009	2010	2011
\$2,287,494,700	\$2,391,695,678	\$2,476,438,650	\$2,378,579,096	\$2,522,446,430	\$2,378,579,096
343,124,205	358,754,352	371,465,798	356,786,864	378,366,965	356,786,864
32,962,623	30,575,000	139,570,000	135,675,000	130,750,000	125,420,000
(900,000)	-	-	-	-	-
32,062,623	30,575,000	139,570,000	135,675,000	130,750,000	125,420,000
\$ 311,061,582	\$ 328,179,352	\$ 231,895,798	\$ 221,111,864	\$ 247,616,965	\$ 231,366,864
9.34%	8.52%	37.57%	38.03%	34.56%	35.15%

PORTAGE PUBLIC SCHOOLS

**Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures (Unaudited)
Last Ten Fiscal Years**

Year Ended June 30,	Principal	Interest	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
2002	\$ 2,234,000	\$ 1,430,769	\$ 3,664,769	\$ 78,929,616	4.64%
2003	4,509,000	1,727,498	6,236,498	82,505,339	7.56%
2004	3,339,712	2,281,478	5,621,190	82,096,391	6.85%
2005	3,634,031	2,118,346	5,752,377	83,646,945	6.88%
2006	2,205,584	2,064,058	4,269,642	83,269,330	5.13%
2007	2,387,623	2,062,725	4,450,348	85,805,593	5.19%
2008	3,280,000	1,326,130	4,606,130	90,020,570	5.12%
2009	4,035,000	7,211,960	11,246,960	123,047,711	9.14%
2010	4,925,000	6,131,408	11,056,408	141,002,164	7.84%
2011	5,330,000	5,914,710	11,244,710	120,832,712	9.31%

Source: Portage Public Schools Audit Reports

Demographic and Economic Information

PORTAGE PUBLIC SCHOOLS
Demographic and Economic Data (Unaudited)
Last Ten Fiscal Years

Year Ended June 30	Estimated Population ¹	Student FTE ²	Personal Income (in thousands)	Per Capita Personal Income ³	Unemployment Rate ⁴
2002	51,000	8,865	\$ 1,460,130	\$ 28,630	4.1%
2003	51,000	9,003	1,508,937	29,587	4.7%
2004	53,464	9,035	1,649,899	30,860	5.5%
2005	54,980	8,961	1,743,911	31,719	5.7%
2006	54,980	9,000	1,764,253	32,089	5.1%
2007	54,856	8,786	1,853,255	33,784	5.2%
2008	55,686	8,711	1,912,369	34,342	5.2%
2009	56,095	8,680	1,980,097	35,299	6.4%
2010	56,121	8,573	1,926,858	34,334	10.0%
2011	56,441	8,559	1,957,995	34,691	10.2%

Sources:

¹U.S. Bureau of the Census; 2004-2007 Skanska USA Building Report, adjusted for City of Portage Census updates in 2007-2011.

²DS-4061-A Fall Membership Count

³U.S. Department of Commerce, Bureau of Economic Analysis, BEAR Facts for Kalamazoo County, except for 2007-2011, which is the State estimate. Kalamazoo County has consistently been 98% of the State's per capita personal income amount.

⁴Michigan Department of Labor and Economic Growth-Annual Average Unemployment Rate for Kalamazoo County

PORTAGE PUBLIC SCHOOLS
Principal Employers
Current Year and Nine Years Ago

Employer ¹	2010/2011 Employees	Ranking	Percentage of total employment	2001/2002 Employees	Ranking	Percentage of total employment
Bronson Healthcare System	4,811	1	4%	3,000	4	2%
Western Michigan University	4,162	2	4%	4,612	2	4%
Pfizer Corporation	2,950	3	3%	6,200	1	5%
Borgess Health Alliance Inc.	2,259	4	2%	3,000	3	2%
Stryker Instruments	2,250	5	2%	900	-	1%
Kalamazoo Public Schools	2,194	6	2%	1,688	7	1%
PNC Bank (formerly National City Bank)	2,000	7	2%	3,000	6	2%
Meijer, Inc.	1,200	8	1%	3,000	5	2%
Kalamazoo Valley Community College	1,155	9	1%	875	-	1%
County of Kalamazoo	942	10	1%	1,000	9	1%
Portage Public Schools	998	-	1%	1,171	8	1%
Guardian Alarm Co., Inc.	-	-	0%	1,000	10	1%
Total Principal Employers	<u>12,998</u>			<u>15,634</u>		
Total Employment	<u>116,421</u>			<u>126,748</u>		

Sources: Kalamazoo County Chamber of Commerce, Harris Michigan Industrial and Services Directories 2011 and 2001
Michigan Department of Labor and Economic Growth, 2011 and 2001

¹Includes the major employers within the School District and Kalamazoo County

Portage Public Schools
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Operating Information

PORTAGE PUBLIC SCHOOLS
Full-time Equivalent School District Employees
Last Ten Fiscal Years (Unaudited)

Function/ program	2002	2003	2004	2005
General government				
Instructional services	559.78	566.98	568.26	564.81
Supporting services	352.86	340.48	336.49	335.78
Community service	51.40	53.50	52.50	9.50
Athletics	2.60	2.60	2.60	2.60
Food service	41.52	41.42	42.06	41.50
Total	<u>1,008.16</u>	<u>1,004.98</u>	<u>1,001.91</u>	<u>954.19</u>

Sources:

Portage Public Schools Human Resources Department
Portage Public Schools Internal Budget Documentation

Note:

The District began contracting some employee services during the year ended June 30, 2004 in order to save fringe benefit costs.

The FTE equivalents include contracted administrative positions, but do not include contracted childcare workers, playground and cafeteria supervisors, which were previously included in supporting services, community service and food service, respectively.

2006	2007	2008	2009	2010	2011
575.13	577.75	564.97	572.20	574.79	531.10
336.57	337.11	325.76	308.20	270.94	269.14
9.50	10.50	9.50	9.50	9.50	5.50
2.60	2.60	2.60	2.60	2.60	2.60
44.47	44.26	39.36	39.81	40.03	40.89
968.27	972.22	942.19	932.31	897.86	849.23

PORTAGE PUBLIC SCHOOLS
Operating Indicators
Last Ten Fiscal Years (Unaudited)

Year Ended June 30	Enrollment ¹	Governmental Funds Operating Expenditures ²	Cost per Pupil	Operating Revenues	Revenue per Pupil	Total Teaching Staff ³
2002	8,965	\$ 69,898,601	\$ 7,797	\$ 75,402,783	\$ 8,411	582
2003	9,101	71,667,774	7,875	76,787,535	8,437	583
2004	9,147	71,096,272	7,773	77,877,926	8,514	585
2005	9,048	72,952,664	8,063	79,432,896	8,779	567
2006	9,082	76,769,759	8,453	83,321,808	9,174	572
2007	8,868	80,540,686	9,082	85,093,698	9,596	569
2008	8,802	80,338,153	9,127	84,899,973	9,646	557
2009	8,766	81,822,763	9,334	96,387,117	10,996	554
2010	8,668	82,535,444	9,522	90,976,677	10,496	550
2011	8,648	80,521,605	9,311	91,418,543	10,571	504

Sources: Portage Public Schools Audit Report
Michigan Department of Education Bulletin 1014
Portage Public Schools October lunch reimbursement claims
Portage Public Schools Human Resources Department

*Information not available

¹Enrollment is September headcount

²Operating expenditures are total governmental funds expenditures less debt service, capital outlay, and other transactions for 2002; operating expenditures are total government-wide expenditures less interest on long-term debt and unallocated depreciation for 2003-2011.

³Total teaching staff includes all instruction, pupil support, and instructional support

⁴Average teacher salary and pupil-teacher ratio is for basic instructional levels only.

Percentage of Students Qualifying for Free/reduced Meals	Average Teacher Salary ⁴	Pupil- Teacher Ratio ⁴
15%	\$ 52,028	20
14%	54,820	21
15%	51,547	20
17%	52,477	20
18%	52,469	20
19%	54,957	20
20%	56,755	20
20%	58,050	20
22%	59,645	20
24%	60,480	21

PORTAGE PUBLIC SCHOOLS
Capital Asset Information (Unaudited)
Last Ten Fiscal Years

Building	As of June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary:										
Amberly (1960)										
Acreage	20	20	20	20	20	20	20	20	20	20
Square feet	75,957	75,957	75,957	75,957	75,957	75,957	75,957	75,957	75,957	75,957
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	608	587	618	593	598	610	557	560	560	549
Angling Road (1963)										
Acreage	12	12	12	12	12	12	12	12	12	12
Square feet	61,660	61,660	63,710	63,710	63,710	63,710	63,710	63,710	63,710	63,710
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	448	455	434	431	422	407	403	432	404	378
Central Elementary (1969)										
Acreage ¹	48	48	48	48	48	48	48	48	48	48
Square feet	57,700	57,700	60,175	60,175	60,175	60,175	60,175	60,175	60,175	60,175
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	442	432	398	389	414	414	426	431	446	426
Haverhill (1962)										
Acreage	11	11	11	11	11	11	11	11	11	11
Square feet	57,098	57,098	57,098	57,098	57,098	57,098	57,098	57,098	57,098	57,098
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	449	476	452	431	469	436	430	427	402	412
Lake Center (1928) (2010)										
Acreage	11	11	12	12	12	12	12	12	12	12
Square feet	57,390	57,390	57,390	57,390	57,390	57,390	57,390	57,390	75,026	75,026
Capacity	625	625	625	625	625	625	625	625	640	640
Enrollment	490	510	537	532	540	597	581	551	580	567
Moorsbridge (1994)										
Acreage ²	-	-	-	-	-	-	-	-	-	-
Square feet	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868	66,868
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	549	577	600	618	631	592	599	582	450	484
Waylee (1955)										
Acreage	3	3	3	3	3	3	3	3	3	3
Square feet	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780	52,780
Capacity	500	500	500	500	500	500	500	500	-	-
Enrollment	453	439	440	431	418	400	398	364	-	-
12th Street Elementary (2009)										
Acreage	-	-	-	-	-	-	-	-	55.9	55.9
Square feet	-	-	-	-	-	-	-	-	72,000	75,634
Capacity	-	-	-	-	-	-	-	-	640	640
Enrollment	-	-	-	-	-	-	-	-	513	572
Woodland (1968)										
Acreage	9	9	9	9	9	9	9	9	9	9
Square feet	60,400	60,400	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	484	476	472	466	485	469	455	486	413	399

¹Site acreage includes McCamley Field

²Site acreage includes Moorsbridge Elementary

³Site acreage includes Central Middle School, Administration, Maintenance & Operations, and Transportation

⁴Site acreage includes North Middle School and Community Education Center

⁵Includes 1 Multipurpose Building at each high school

⁶Enrollment for PEP included in individual buildings

Sources:

Portage Public Schools building blueprints

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September unofficial head count

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(Continued)

PORTAGE PUBLIC SCHOOLS
Capital Asset Information (Unaudited)
Last Ten Fiscal Years
(Continued)

Building	As of June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Middle:										
Central Middle (1957)										
Acreage ³	-	-	-	-	-	-	-	-	-	-
Square feet	120,656	120,656	120,656	120,656	120,656	120,656	120,656	120,656	120,656	120,656
Capacity	788	788	788	788	788	788	788	788	788	788
Enrollment	669	724	739	744	713	663	679	699	697	715
North Middle (1961)										
Acreage ⁴	-	-	-	-	-	-	-	-	-	-
Square feet	147,640	147,640	147,640	147,640	147,640	147,640	147,640	147,640	147,640	147,640
Capacity	810	810	810	810	810	810	810	810	810	810
Enrollment	599	616	611	619	581	590	581	587	635	613
West Middle (1972)										
Acreage ²	66	66	66	66	66	66	66	66	66	66
Square feet	128,159	128,159	128,159	128,159	128,159	128,159	128,159	128,159	128,159	128,159
Capacity	901	901	901	901	901	901	901	901	901	901
Enrollment	763	734	747	716	714	704	705	691	682	650
High:										
Central High (1949)										
Acreage ³	52	52	52	52	52	52	52	53	53	53
Square feet ⁵	241,260	291,260	291,260	291,260	291,260	291,260	291,260	291,260	291,260	291,260
Capacity	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446	1,446
Enrollment	1,462	1,462	1,499	1,494	1,491	1,466	1,437	1,415	1,344	1,362
Northern High (1965)										
Acreage ⁴	86	86	86	86	86	86	86	87	87	87
Square feet ⁵	210,220	295,201	295,401	295,401	296,001	296,001	296,001	296,001	296,001	336,001
Capacity	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Enrollment	1,301	1,401	1,355	1,353	1,382	1,300	1,347	1,308	1,286	1,291
Alternative School- Community Education Center (1951)										
Acreage ⁴	-	-	-	-	-	-	-	-	-	-
Square feet	52,286	52,286	52,286	52,286	52,286	52,286	52,286	52,286	52,286	52,286
Capacity	276	276	276	276	276	276	276	276	276	276
Enrollment	248	212	245	231	224	220	204	233	256	230

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PORTAGE PUBLIC SCHOOLS
Capital Asset Information (Unaudited)
Last Ten Fiscal Years
(Concluded)

Building	As of June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other:										
Administration (1922)										
Acreage ³	-	-	-	-	-	-	-	-	-	-
Square feet	49,816	49,816	49,816	49,816	49,816	49,816	49,816	49,816	49,816	49,816
Capacity	25	25	25	25	25	25	25	25	25	25
Enrollment ⁶	-	-	-	-	-	-	-	-	-	-
Zylman Maintenance & Transportation Facility (2009)										
Acreage ³	-	-	-	-	-	-	-	12.5	12.5	12.5
Square feet	-	-	-	-	-	-	-	27,544	27,544	27,544
Number of garages	-	-	-	-	-	-	-	1	1	1
Number of busses	-	-	-	-	-	-	-	60	62	62
Maintenance (1988) and Grounds (1950)										
Square feet	16,340	16,340	16,340	16,340	16,340	16,340	16,340	-	-	-
Transportation and Central Receiving (1950-1970)										
Square feet	39,047	39,047	39,047	39,047	39,047	39,047	39,047	-	-	-
Number of garages	1	1	1	1	1	1	1	-	-	-
Number of busses	59	59	60	60	60	60	60	-	-	-
Athletics:										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	2	2	2	2	2	2	2	2	2	2
Running tracks	5	7	7	7	7	7	7	7	7	6
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	13
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	11	11	11	11	11	11	11	11	11	11
Other Acreage:										
12th Street	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	-	-
South Westnedge	20	20	20	20	20	20	20	20	20	20
West Centre Street	38	38	38	38	38	-	-	-	-	-

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SM-4107 School Bus Inventory Report