

Portland Public Schools

Financial Report

Fiscal Year 2019-20

For the Quarter Ended December 31, 2019





PORTLAND PUBLIC SCHOOLS

OFFICE OF FINANCE

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-3115

Date: February 25, 2020
To: Portland Public Schools Board of Education
From: Cynthia Le, Chief Financial Officer
Subject: Financial Update for the Quarter Ended December 31, 2019

This report provides an overview of financial operations of district funds as of December 31, 2019.

Included in this report are the following updates:

- Financial Schedules
 - General Fund
 - Special Revenue Fund
 - Debt Service Fund
 - Capital Projects Fund
 - Internal Service Fund
- Enrollment
- Cash Management and Investment
- Real Estate
- Appendix:
 - Local Option Cap Analysis
 - General Fund Year-to-Date Comparison Current Year with Prior Year
 - General Fund YTD current and prior years analysis

Fund 100 GENERAL FUND

The General Fund includes all activities of the District that are supported by the State School Fund, including Property Taxes. The General Fund is considered a Major Governmental Fund and is unrestricted.

Fund 200 SPECIAL REVENUE FUND

The Special Revenue Fund includes Federal and State grants, as well as Student Body Funds. The Special Revenue Fund is a restricted fund.

Fund 300 DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of financial resources to pay long-term debt principal, interest and related costs. The Debt Service Fund is a restricted fund.

Fund 400 CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources used to acquire technology or for major renovation or construction of capital facilities. The Capital Projects Fund is a restricted fund.

Fund 600 INTERNAL SERVICE FUND

The Internal Service Fund accounts for all workers' compensation activities, as well as risk management. The Internal Service Fund is a restricted fund.

General Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	333,876,808	382,889,874	347,364,500	90.7%	385,400,000	2,510,126
Intermediate Sources	2,834,508	13,357,000	2,843,943	21.3%	13,752,000	395,000
State Sources	132,111,370	259,360,126	145,813,352	56.2%	270,424,000	11,063,874
Federal Sources	-	-	20,148	0.0%	22,000	22,000
Other Sources	44,074	2,050,000	8,055	0.4%	42,000	(2,008,000)
Total Operating Revenue	468,866,760	657,657,000	496,049,997	75.4%	669,640,000	11,983,000
Beginning Fund Balance	38,281,628	34,112,000	39,886,901	116.9%	39,886,901	5,774,901
Operating Expenditures						
Instruction	141,810,789	371,970,000	147,123,720	39.6%	373,105,000	1,135,000
Support Services	111,586,670	289,512,000	126,173,660	43.6%	289,600,000	88,000
Enterprise and Community Services	459,565	1,901,000	371,860	19.6%	1,540,000	(361,000)
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	38,145	1,704,000	1,104,075	64.8%	1,104,075	(599,925)
Total Operating Expenditures	253,895,170	665,087,000	274,773,316	41.3%	665,349,075	262,075
Contingencies		26,682,000				(26,682,000)
OPERATING SURPLUS / (DEFICIT)	214,971,590	(7,430,000)	221,276,681		4,290,925	11,720,925
Ending Fund Balance	253,253,218	-	261,163,583		44,177,826	44,177,826
EFB as % of Total Operating Revenues		0.00%			6.60%	

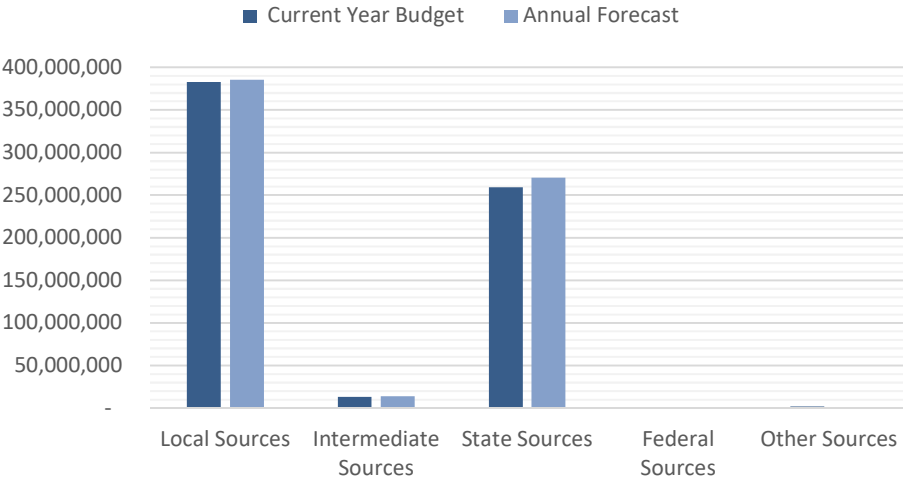
General Funds | By Object

For the Period Ending December 31, 2019

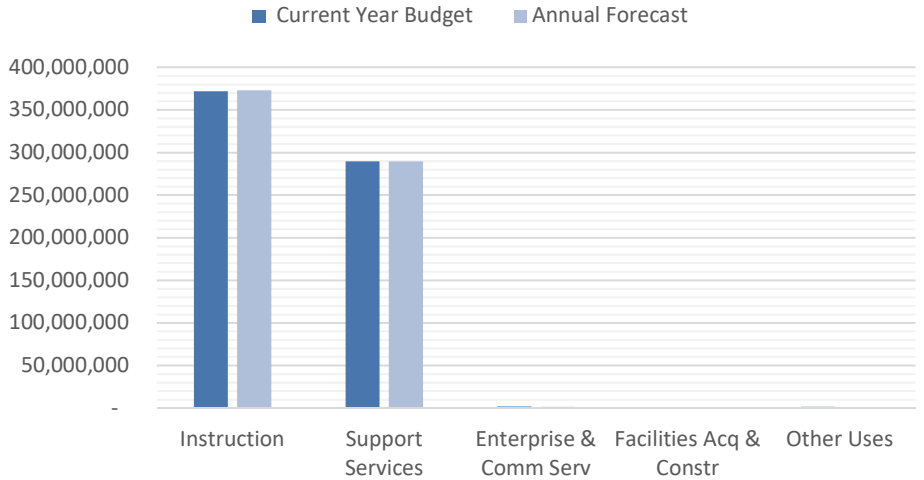


	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	333,876,808	382,889,874	347,364,500	90.7%	385,400,000	2,510,126
Intermediate Sources	2,834,508	13,357,000	2,843,943	21.3%	13,752,000	395,000
State Sources	132,111,370	259,360,126	145,813,352	56.2%	270,424,000	11,063,874
Federal Sources	-	-	20,148	0.0%	22,000	22,000
Other Sources	44,074	2,050,000	8,055	0.4%	42,000	(2,008,000)
Total Operating Revenue	468,866,760	657,657,000	496,049,997	75.4%	669,640,000	11,983,000
Beginning Fund Balance	38,281,628	34,112,000	39,886,901	116.9%	39,886,901	5,774,901
Operating Expenditures						
Salaries	144,809,122	366,340,806	155,146,765	42.4%	371,477,000	5,136,194
Associated Payroll Costs	67,315,098	184,717,547	72,459,553	39.2%	176,988,000	(7,729,547)
Purchased Services	31,008,485	86,898,784	34,403,284	39.6%	92,186,000	5,287,216
Supplies and Materials	6,833,702	17,840,177	7,044,827	39.5%	16,476,000	(1,364,177)
Capital Outlay	764,512	1,500,090	868,581	57.9%	2,071,000	570,910
Other Objects	3,126,106	6,085,596	3,746,231	61.6%	5,047,000	(1,038,596)
Transfers	38,145	1,704,000	1,104,075	64.8%	1,104,075	(599,925)
Total Operating Expenditures	253,895,170	665,087,000	274,773,316	41.3%	665,349,075	262,075
Contingencies		26,682,000				(26,682,000)
OPERATING SURPLUS / (DEFICIT)	214,971,590	(7,430,000)	221,276,681		4,290,925	11,720,925
Ending Fund Balance	253,253,218	-	261,163,583		44,177,826	44,177,826
EFB as % of Total Operating Revenues		0.00%			6.60%	

Revenues by Source | Forecast vs. Budget



Expenditures by Function | Forecast vs. Budget



General Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	333,876,808	347,364,500	13,487,691	4.0%	Increased property tax assessed value and collection rates
Intermediate Sources	2,834,508	2,843,943	9,435	0.3%	
State Sources	132,111,370	145,813,352	13,701,982	10.4%	Increased state formula revenue and increased transportation reimbursement
Federal Sources	-	20,148	20,148	0.0%	
Other Sources	44,074	8,055	(36,019)	-81.7%	
Total Operating Revenue	468,866,760	496,049,997	27,183,238	5.8%	
Beginning Fund Balance	38,281,628	39,886,901	1,605,273	4.2%	
Operating Expenditures					
Instruction	141,810,789	147,123,720	5,312,932	3.7%	
Support Services	111,586,670	126,173,660	14,586,990	13.1%	Increased SPED, social work, transportation, deferred maintenance projects, IT staffing & equipment
Enterprise and Community Services	459,565	371,860	(87,705)	-19.1%	
Facilities Acquisition and Construction	-	-	-	0.0%	
Other Uses	38,145	1,104,075	1,065,930	2794.4%	Transfers to other funds done earlier this year
Total Operating Expenditures	253,895,170	274,773,316	20,878,146	8.2%	
Contingencies	-	-	-		
OPERATING SURPLUS / (DEFICIT)	214,971,590	221,276,681	6,305,091	2.9%	
Ending Fund Balance	253,253,218	261,163,583	7,910,364	3.1%	

Special Revenue Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	6,533,061	24,876,781	6,829,737	27.5%	23,643,104	(1,233,677)
Intermediate Sources	58,027	146,000	34,172	23.4%	133,912	(12,088)
State Sources	4,426,275	23,988,760	5,191,220	21.6%	23,834,885	(153,875)
Federal Sources	11,139,401	53,500,425	14,160,756	26.5%	54,512,818	1,012,393
Other Sources	56,274	-	-	0.0%	-	-
Total Operating Revenue	22,213,038	102,511,966	26,215,885	25.6%	102,124,719	(387,247)
Beginning Fund Balance	36,206,779	34,896,034	37,427,899	107.3%	37,427,899	2,531,865
Operating Expenditures						
Instruction	15,230,404	52,519,000	17,756,533	33.8%	51,082,174	(1,436,826)
Support Services	13,107,162	30,839,000	13,573,398	44.0%	31,046,362	207,362
Enterprise and Community Services	8,588,232	22,385,000	8,891,974	39.7%	22,216,493	(168,507)
Facilities Acquisition and Construction	5,525	59,000	26,609	45.1%	51,109	(7,891)
Other Uses	32,135	2,000,000	-	0.0%	-	(2,000,000)
Total Operating Expenditures	36,963,458	107,802,000	40,248,514	37.3%	104,396,138	(3,405,862)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(14,750,420)	(5,290,034)	(14,032,629)		(2,271,419)	3,018,615
Ending Fund Balance	21,456,359	29,606,000	23,395,270		35,156,480	5,550,480

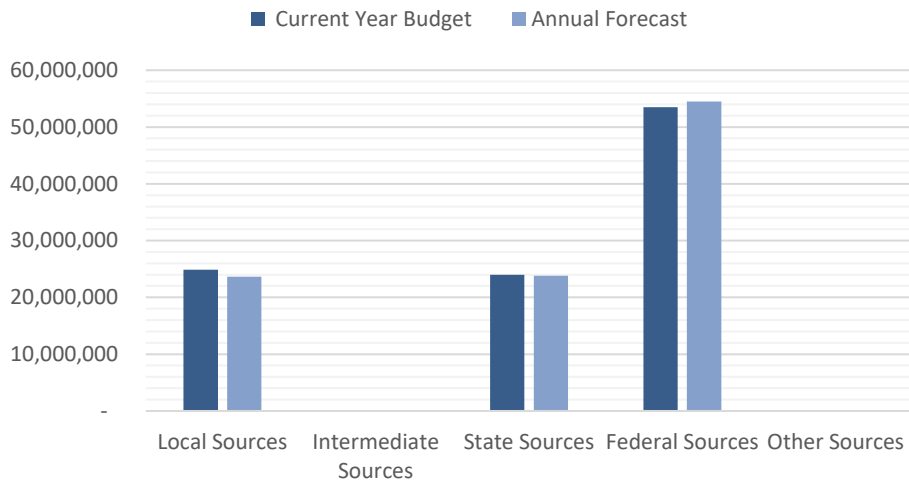
Special Revenue Funds | By Object

For the Period Ending December 31, 2019

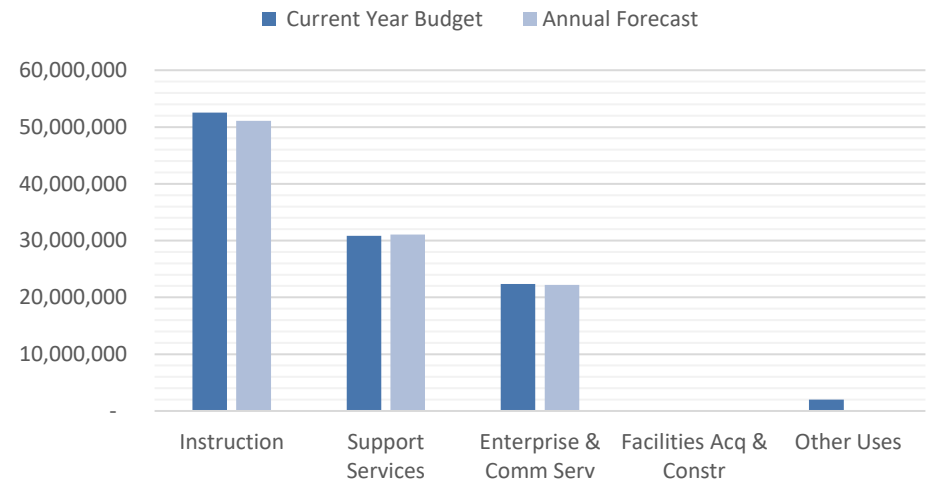


	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	6,533,061	24,876,781	6,829,737	27.5%	23,643,104	(1,233,677)
Intermediate Sources	58,027	146,000	34,172	23.4%	133,912	(12,088)
State Sources	4,426,275	23,988,760	5,191,220	21.6%	23,834,885	(153,875)
Federal Sources	11,139,401	53,500,425	14,160,756	26.5%	54,512,818	1,012,393
Other Sources	56,274	-	-	0.0%	-	-
Total Operating Revenue	22,213,038	102,511,966	26,215,885	25.6%	102,124,719	(387,247)
Beginning Fund Balance	36,206,779	34,896,034	37,427,899	107.3%	37,427,899	2,531,865
Operating Expenditures						
Salaries	17,753,258	43,243,984	19,152,015	44.3%	45,508,154	2,264,170
Associated Payroll Costs	8,524,916	25,117,964	9,208,184	36.7%	23,198,299	(1,919,665)
Purchased Services	2,775,607	9,439,216	2,882,536	30.5%	7,283,178	(2,156,038)
Supplies and Materials	5,863,048	22,782,696	6,755,367	29.7%	23,377,896	595,200
Capital Outlay	439,536	452,242	550,882	121.8%	870,658	418,416
Other Objects	1,574,958	4,629,098	1,699,530	36.7%	4,157,953	(471,145)
Transfers	32,135	2,136,800	-	0.0%	-	(2,136,800)
Total Operating Expenditures	36,963,458	107,802,000	40,248,514	37.3%	104,396,138	(3,405,862)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(14,750,420)	(5,290,034)	(14,032,629)		(2,271,419)	3,018,615
Ending Fund Balance	21,456,359	29,606,000	23,395,270		35,156,480	5,550,480

Revenues by Source | Forecast vs. Budget



Expenditures by Function | Forecast vs. Budget



Debt Service Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	134,592,606	176,363,146	137,187,669	77.8%	179,075,000	2,711,854
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	103,505	40,525	39.2%	75,500	(28,005)
Other Sources	-	1,724,379	1,724,075	100.0%	1,752,384	28,005
Total Operating Revenue	134,592,606	178,191,030	138,952,269	78.0%	180,902,884	2,711,854
Beginning Fund Balance	6,135,976	10,690,970	10,782,751	100.9%	10,782,751	91,781
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	20,762,216	177,734,000	19,613,217	11.0%	177,734,107	107
Total Operating Expenditures	20,762,216	177,734,000	19,613,217	11.0%	177,734,107	107
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	113,830,390	457,030	119,339,052		3,168,777	2,711,747
Ending Fund Balance	119,966,366	11,148,000	130,121,802		13,951,528	2,803,528

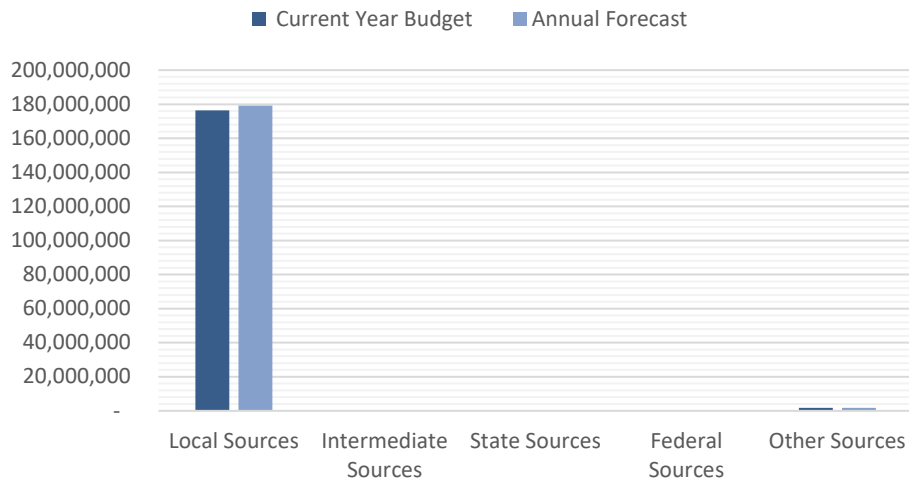
Debt Service Funds | By Object

For the Period Ending December 31, 2019

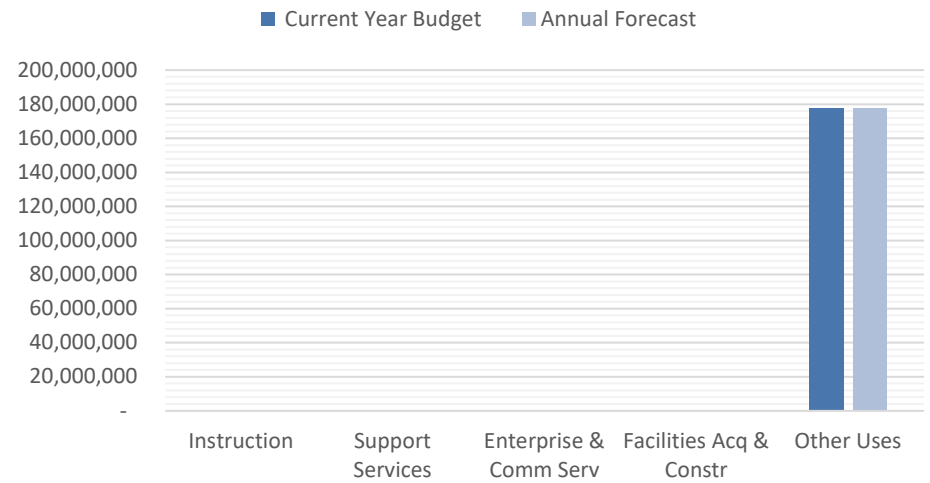


	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	134,592,606	176,363,146	137,187,669	77.8%	179,075,000	2,711,854
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	103,505	40,525	39.2%	75,500	(28,005)
Other Sources	-	1,724,379	1,724,075	100.0%	1,752,384	28,005
Total Operating Revenue	134,592,606	178,191,030	138,952,269	78.0%	180,902,884	2,711,854
Beginning Fund Balance	6,135,976	10,690,970	10,782,751	100.9%	10,782,751	91,781
Operating Expenditures						
Salaries	-	-	-	0.0%	-	-
Associated Payroll Costs	-	-	-	0.0%	-	-
Purchased Services	-	-	-	0.0%	-	-
Supplies and Materials	-	-	-	0.0%	-	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	20,762,216	177,734,000	19,613,217	11.0%	177,734,107	107
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	20,762,216	177,734,000	19,613,217	11.0%	177,734,107	107
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	113,830,390	457,030	119,339,052		3,168,777	2,711,747
Ending Fund Balance	119,966,366	11,148,000	130,121,802		13,951,528	2,803,528

Revenues by Source | Forecast vs. Budget



Expenditures by Function | Forecast vs. Budget



Capital Projects Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	13,297,716	11,749,659	5,854,347	49.8%	11,508,243	(241,416)
Intermediate Sources	5,725	181,568	219,993	121.2%	355,345	173,777
State Sources	-	11,000,000	1,353,104	12.3%	13,000,000	2,000,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	600,000	-	0.0%	-	(600,000)
Total Operating Revenue	13,303,441	23,531,227	7,427,444	31.6%	24,863,588	1,332,361
Beginning Fund Balance	472,195,986	325,789,273	330,978,231	101.6%	330,978,231	5,188,958
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	894,393	2,779,500	791,430	28.5%	1,652,269	(1,127,231)
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	76,257,147	302,988,000	79,322,705	26.2%	180,110,690	(122,877,310)
Other Uses	-	620,000	620,000	100.0%	620,000	-
Total Operating Expenditures	77,151,540	306,387,500	80,734,136	26.4%	182,382,959	(124,004,541)
Contingencies		42,933,000				(42,933,000)
OPERATING SURPLUS / (DEFICIT)	(63,848,099)	(282,856,273)	(73,306,691)		(157,519,371)	125,336,902
Ending Fund Balance	408,347,886	-	257,671,539		173,458,860	173,458,860

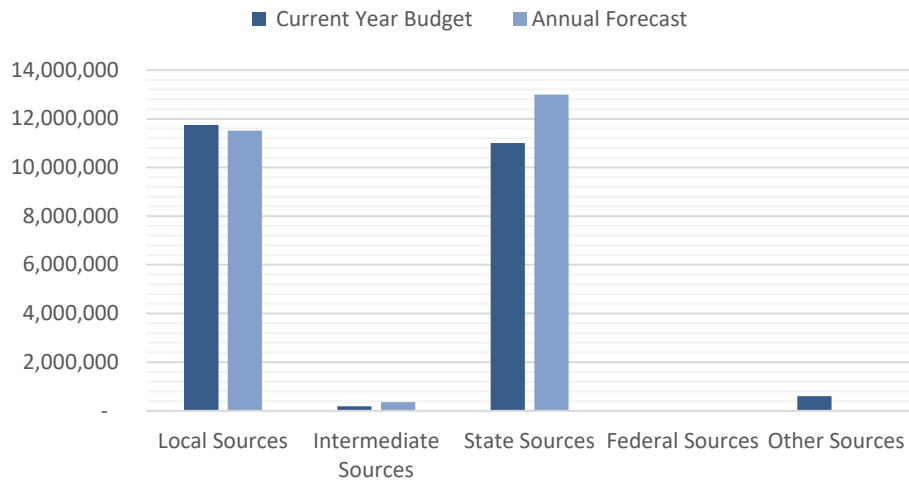
Capital Projects Funds | By Object

For the Period Ending December 31, 2019

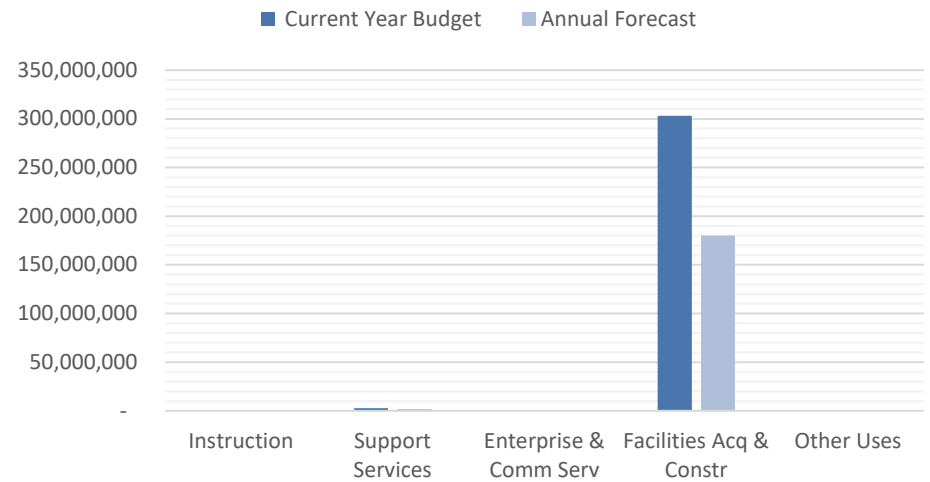


	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	13,297,716	11,749,659	5,854,347	49.8%	11,508,243	(241,416)
Intermediate Sources	5,725	181,568	219,993	121.2%	355,345	173,777
State Sources	-	11,000,000	1,353,104	12.3%	13,000,000	2,000,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	600,000	-	0.0%	-	(600,000)
Total Operating Revenue	13,303,441	23,531,227	7,427,444	31.6%	24,863,588	1,332,361
Beginning Fund Balance	472,195,986	325,789,273	330,978,231	101.6%	330,978,231	5,188,958
Operating Expenditures						
Salaries	981,620	2,654,679	1,271,390	47.9%	2,710,880	56,201
Associated Payroll Costs	369,616	1,238,644	491,261	39.7%	1,015,480	(223,164)
Purchased Services	13,054,519	40,913,383	11,998,264	29.3%	35,912,240	(5,001,143)
Supplies and Materials	1,041,185	582,009	793,888	136.4%	2,193,611	1,611,602
Capital Outlay	61,019,620	249,899,852	62,498,671	25.0%	134,548,216	(115,351,636)
Other Objects	684,979	10,478,933	3,060,661	29.2%	5,382,532	(5,096,401)
Transfers	-	620,000	620,000	100.0%	620,000	-
Total Operating Expenditures	77,151,540	306,387,500	80,734,136	26.4%	182,382,959	(306,387,500)
Contingencies		42,933,000				(42,933,000)
OPERATING SURPLUS / (DEFICIT)	(63,848,099)	(282,856,273)	(73,306,691)		(157,519,372)	125,336,901
Ending Fund Balance	408,347,886	-	257,671,539		173,458,859	173,458,859

Revenues by Source | Forecast vs. Budget



Expenditures by Function | Forecast vs. Budget



Internal Service Funds | By Function

For the Period Ending December 31, 2019



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	1,861,312	3,796,500	670,502	17.7%	769,134	(3,027,366)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	96,282	177,000	96,368	54.4%	240,052	63,052
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	1,957,594	3,973,500	766,871	19.3%	1,009,186	(2,964,314)
Beginning Fund Balance	5,936,749	8,105,000	8,116,709	100.1%	8,116,709	11,709
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	1,017,503	3,754,500	1,257,626	33.5%	2,940,208	(814,292)
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	1,017,503	3,754,500	1,257,626	33.5%	2,940,208	(814,292)
Contingencies		8,324,000				(8,324,000)
OPERATING SURPLUS / (DEFICIT)	940,092	219,000	(490,756)		(1,931,022)	(2,150,022)
Ending Fund Balance	6,876,841	-	7,625,954		6,185,687	6,185,687

Internal Service Funds | By Object

For the Period Ending December 31, 2019



RESOURCES

Operating Revenues

	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	1,861,312	3,796,500	670,502	17.7%	769,134	(3,027,366)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	96,282	177,000	96,368	54.4%	240,052	63,052
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-

Total Operating Revenue

Beginning Fund Balance

Operating Expenditures

Total Operating Revenue	1,957,594	3,973,500	766,871	19.3%	1,009,186	(2,964,314)
Beginning Fund Balance	5,936,749	8,105,000	8,116,709	100.1%	8,116,709	11,709
Operating Expenditures						
Salaries	112,830	284,326	95,550	33.6%	204,167	(80,159)
Associated Payroll Costs	39,284	118,414	37,848	32.0%	78,519	(39,895)
Purchased Services	97,729	442,892	123,729	27.9%	271,054	(171,839)
Supplies and Materials	-	70,916	17,362	24.5%	17,362	(53,554)
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	767,659	2,837,952	983,136	34.6%	2,369,107	(468,845)
Transfers	-	-	-	0.0%	-	-

Total Operating Expenditures

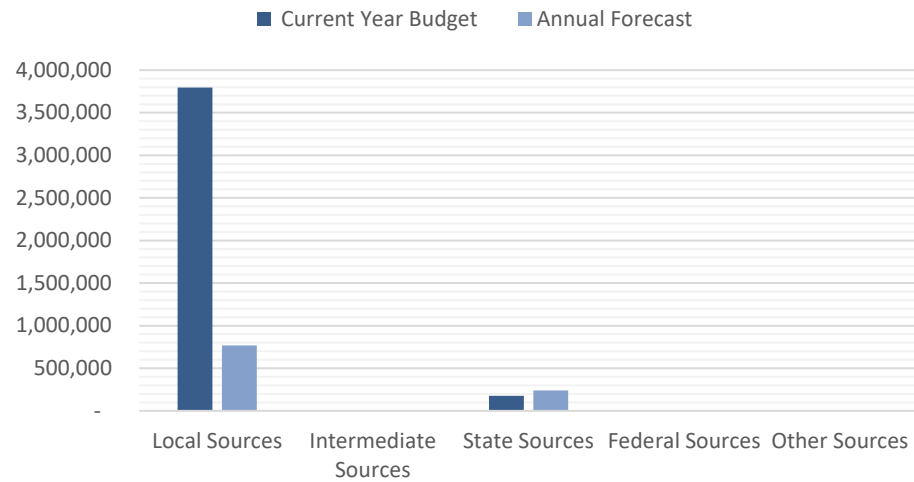
Contingencies

OPERATING SURPLUS / (DEFICIT)

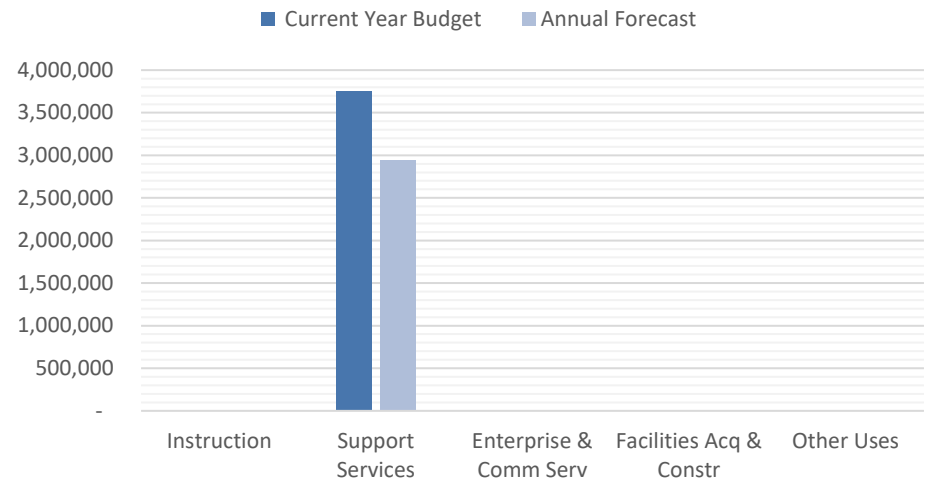
Ending Fund Balance

Total Operating Expenditures	1,017,503	3,754,500	1,257,626	33.5%	2,940,208	(814,292)
Contingencies		8,324,000				(8,324,000)
OPERATING SURPLUS / (DEFICIT)	940,092	219,000	(490,756)		(1,931,022)	(2,150,022)
Ending Fund Balance	6,876,841	-	7,625,954		6,185,687	6,185,687

Revenues by Source | Forecast vs. Budget



Expenditures by Function | Forecast vs. Budget



Estimate of Membership (Enrollment) Update

The State of Oregon funds school districts through State School Fund Grants. A key component of the State School Fund calculation is student count, weighted by certain demographics. This student count is also referred to as weighted Average Daily Membership, or ADMw.

District-wide student enrollment, year-over-year, has declined slightly.

FY2018-19 final ADMw was 57,621, just 6 students less than that shown in the FY2019-20 Adopted Budget (page 21).

FY2019-20 estimated ADMw is 57,631 at January 31, 2020. This is 131 students less than that shown in the FY2019-21 Adopted Budget (page 21).

Cash Management and Investment Update

The total available cash on hand and investments balance on December 31st, 2019, was \$732.7 million. The total portfolio of Cash and Investments increased by \$300 million during the quarter and decreased by \$142 million from prior year. The LGIP PERS balance of \$24.8 million increased by \$5.7 million during the quarter.

Securities purchased during the quarter (\$312.2 million) were primarily for General Funds (\$202.8 million) and Capital Funds debt service (\$102.9 million) from Tax Turnover Revenues. We also continue to maximize the use of the LGIP account as that continues to provide the highest rate of return on alternative short-term investments (2.25% rate at 12/31). Securities were sold prior to maturity to meet capital project cash flow needs totaling \$32.6 million in the quarter for Fund 455.

The PPS investment portfolio as of December 31, 2019 continues to reflect the high grade characteristics of the portfolio within the tolerances authorized in the Board approved policy and Oregon Revised Statutes. The Portfolio consists of 47% Treasury and government agency securities which is down from last Quarter (61%) due to purchase of higher yielding corporate investment opportunities as Tax Turnover revenues were received and higher holdings in the LGIP account. The cash and cash equivalent portion of the portfolio has decreased to 32% of the total portfolio from 36% at the end of September (Vs 20% December prior FY).

We continue to maintain adequate cash and equivalent balances to meet our ongoing obligations and monitor the balances of the various Fund's cash position. We have regular meetings with the Facilities Asset Management team regarding guidance on expected expenditures and cash balances and the need to sell additional securities.



Unaudited

**Portland Public Schools
Total Cash and Investments
December 31, 2019
(\$ in thousands)**

Investments	Cost Value	Par Value	Market Value	Book Value	% of Portfolio	Maximum % Allowed per Policy*	Average Days Term	Yield to Maturity
Corporate Notes	\$ 150,476	\$ 150,653	\$ 150,510	\$ 150,500	20.5%	35%	75	1.81%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 29,855	\$ 29,800	\$ 29,836	\$ 29,827	4.1%	50%	366	1.61%
Federal Farm Credit Banks	28,073	28,017	28,066	28,040	3.8%	50%	432	1.66%
Federal Home Loan Banks	78,378	78,600	78,325	78,332	10.7%	50%	229	1.56%
Federal Home Mortgage Corp (FreddieMac)	72,068	72,300	72,093	72,104	9.8%	50%	133	1.55%
Federal National Mortgage Association (FannieMae)	4,521	4,490	4,491	4,492	0.6%	50%	43	1.43%
Resolution Funding Corporation (RFC)	24,699	26,060	25,645	25,672	3.5%	50%	331	1.70%
Tennessee Valley Authority (TVA)	1,446	1,518	1,441	1,451	0.2%	50%	989	1.68%
Sub Total Federal Agencies	\$ 239,040	\$ 240,785	\$ 239,898	\$ 239,917	32.7%	100%	253	1.59%
US Treasury Securities	\$ 104,614	\$ 106,400	\$ 105,653	\$ 105,694	14.4%	100%	373	1.57%
Municipal Bonds	\$ 861	\$ 865	\$ 863	\$ 864	0.1%	30%	381	1.69%
Sub Total Investments	\$ 494,991	\$ 498,703	\$ 496,924	\$ 496,975				
Cash and Equivalents								
Cash and Cash Equivalents	210,936	210,936	210,936	210,936	28.8%	100%	1	1.81%
LGIP PERS (Restricted)**	24,817	24,817	24,817	24,817	3.4%	N/A	1	2.25%
Sub Total Cash and Equivalents	\$ 235,754	\$ 235,754	\$ 235,754	\$ 235,754				
Total Cash and Investments	\$ 730,745	\$ 734,457	\$ 732,678	\$ 732,729	100%		153	1.72%

*Board Policy 8.20.010-P restricts investments in single entity- Government Agencies (50%), Corporates (5%) and Banks (10%) in addition to category total

**LGIP Public Employees Retirement System account is used to pay pension debt obligations only by a Trustee Bank not available for operating or capital needs

Definitions:

Cost Value is the price paid at purchase for the Principal amount of the bond or fixed income security

Par Value is the amount of money repaid to bondholders at the maturity of the bond and the dollar value the coupon payments are based.

Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

Book Value is the balance sheet account balance based on the original cost adjusted for amortization of any purchase premium or discount over its expected maturity.

Yield to Maturity is the expected total return on a bond held to maturity based on the purchase price paid and coupon interest rate to be received until maturity

2/20/2020

Real Estate Update

The Real Estate Report includes an overview of the existing contracts that provide dedicated PPS facilities (both in schools and in administrative buildings) to non-PPS entities during school hours. These contract range from Real Property Leases and Licenses that provide dedicated space (often in exchange for rent) to Inter-governmental Agreements that provide dedicated space for non-PPS staff who provide services to our PPS students. Most of these contracts are multi-year agreements and will not change substantially from quarter to quarter. Any changes that do occur are shown in red in the Appendix B section. Such changes include the extension or expiration of existing contracts and the addition of new contracts.

The most significant change since the last report is the sale of the parcel adjacent to the old Washington High School (now Revolution Hall) to PacTrust (The school building was sold by PPS in 2013). The Board approved the transaction by Resolution No. 6016 on December 17th 2019.

Reporting Cadence

The following table formalizes the annual schedule for finance reports to the Board of Education.

	Q1 7/1 through 9/30	Q2 10/1 through 12/31	Q3 1/1through 3/31	Q4 4/1 through 6/30
Budget and Finance Updates				
Budget to Actuals	X	X	X	X
Ending Fund Balance Forecast	X	X	X	X
2019-20 Projections		X	X	
2019-20 Budget Milestones				Propose, Approve and Adopt
Cash and Investments				
Investment Report	X	X	X	X
Investment Policy				X
Local Option Compliance				
Option Cap Analysis				X
CBRC Report			X	X
Real Estate				
List of all Contracts	X	X	X	X
Summary of Changes	X	X	X	X

APPENDIX





APPENDIX A: LOCAL OPTION CAP ANALYSIS

Portland School District voters approved a five-year local option property tax levy in November 2014. The local option tax at the rate approved by voters (\$1.99 per \$1000 of assessed value).

The local option levy can trigger a reduction in state school support if collections exceed limits contained in state law (ORS 327.011). The 2018 Legislature (House Bill 4117) increased these limits. Under the new law, a district's state school fund payment will be reduced to the extent local option taxes exceed the lower of:

- 25% of the district's combined state general purpose grant, transportation grant, facility grant and high cost disability grant.
- The district's weighted student count multiplied by \$2000 increased by 3% per year since the 2018-19 fiscal year.

For 2019-20, projected collections are below the projected statutory caps. It is highly unlikely that the rate currently imposed would trigger any reduction in state school support.

+ CAP ANALYSIS			
25% Grant	\$2000 ADMw	Realized	Margin
125,920,675	115,348,000	98,163,140	17,184,860

APPENDIX B: REAL ESTATE REPORT

Portland Public Schools: Real estate contracts for dedicated space during school hours (Excludes Civic Use of Buildings Permits)

01/15/2020 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. **Changes since last report shown in red.**

LEASE (PPS REAL ESTATE MANAGER)

Building	Tenant	Tenant Type	Square Feet	Initial Lease Commencement	Current Contract Expiration*	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
BESC	Multnomah County	Office	38,250	2000	2099	N	Rent Prepaid	Lease	Pays 11.9% of monthly BESC operating costs and capital improvements.
COLLINS VIEW	Riverdale SD, Land lease only	School	6.02 acres	2001	2021	N	\$ 18,557	Land Lease	Rent increase. Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land.
EDWARDS	Trillium Family Services	Clinic/School	20,500	2011	2021	N	\$ 27,053	Master Lease	
FAUBION	Concordia	College	20,011	2017	2116	N	Rent Prepaid	Lease	Pays 23.12% of monthly Faubion operating costs and capital improvements.
FOSTER	NAYA	Affordable Housing	3.57 acres	2013	2078	N	\$ 1	Land Lease	
GRANT	AT&T	Cell Tower	NA	2006	2021	N	\$ 2,572	Telecommunication Lease	
GREEN THUMB	AT&T/Clearwater	Cell Tower	NA	1990	2020	N	\$ 871	Telecommunication Lease	Cell Tower on Portland Parks and Recreation portion of Green Thumb.
HUMBOLDT	KairosPDX	PPS Charter School	22,566	2016	2021	N	\$ 17,822	Lease	39,860 SF (excluding portables)
KENTON	De La Salle North	School	33,450	2006	2021	N	\$ 48,116	Master Lease	Rent during July, August & September \$12,667.
KING NEIGHBORHOOD FACILITY (City Owned)	SEI	Office & Community Center	6,481	2014	2020	N	\$ 4,959	Lease	SEI elected not to tender its option to extend the Lease. Has outgrown the space. Will vacate 2/2019.
LANE	Multnomah County	Office	1.24 acres	1994	2034	N	\$ 1	Land Lease	
MEEK	AT&T	Cell Tower	NA	2006	2021	N	\$ 2,572	Telecommunication Lease	
ROOSEVELT	T-Mobile USA	Cell Tower	NA	2006	2021	N	\$ 2,497	Telecommunication Lease	Carrier to relocate site during Spring Break. Schedule pushed due to Christmas Holiday.
SKYLINE	City of Portland	COP Antenna	NA	1997	2027	N	\$ 796	Telecommunication Lease	180 day termination notice by PPS.
TERWILLIGER	Sunstone Montessori	School	27,114	2012	2022	N	\$ 33,481	Master Lease	Rent adjustment. Notify by 2021 if elect to void 5 year renewal option.
WASHINGTON HS PARKING LOT	Washington HS LLC	Parking Lot	NA	2014	2020	N	Rent Prepaid	Lease	Property sold. A portion of prepaid rent refunded at closing 1.17.2020.

LICENSE - Simple lease for small amount of space and small contract value. (PPS REAL ESTATE MANAGER)

Building	Tenant	Tenant Type	Square Feet or Number of Rooms	Initial License Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
APPLEGATE	Neighborhood House Early Head Start	Early Head Start	1,358	2015	2020	Y	\$ 603	License	
BENSON	OHSU	Health Clinic	1,200	2016	2020	Y	\$ 1	License and IGA	

BENSON (RADIO TOWER)	We Make the Media	Radio Tower	NA	2015	2020	Y	\$ 563	License	
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2015	2020	Y	\$ 1	License	
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2020	Y	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2018	2020	Y	\$ 726	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2020	Y	\$ 1	License	License renewed one year.
FAUBION	Basics LLC	Food Pantry	186	2017	2022	Y	\$ 1	License	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2017	2020	Y	\$ 1	License and IGA	
GREEN THUMB	PBOT	Bike Storage	1 Green House	2015	2020	Y	\$ 635	License	
GREEN THUMB	Portland State University	Garden Program	2 Green Houses	2010	2020	N	\$ 677	License	90 day termination notice by either party.
GREEN THUMB	Portland Classical Chinese Garden	Green House	1 Hoop House	2011	2022	Y	\$ 350	License	
HUMBOLDT	DEQ	Monitoring Station	NA	2017	2022	N	\$ 200	License	90 day termination notice by either party.
IRVINGTON	Irvington Extended Care	Preschool	2,180	2015	2020	Y	\$ 1,776	License	
JEFFERSON HS	Multnomah County	Health Clinic	800	2017	2020	Y	\$ 1	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2008	2020	N	\$ 2,670	License	Rent increase. 90 day termination notice by either party.
MADISON@MARSHALL	Multnomah County	Health Clinic	1,668	2017	2020	Y	\$ 1	License and IGA	Room A-30.
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2008	2020	Y	\$ 1,138	License	
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2020	Y	\$ 1	License and IGA	
WILSON	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2020	Y	\$ 583	License	Wilson Parking Lot Sundays

COLLABORATION AGREEMENT (PPS REAL ESTATE MANAGER)

Building	Tenant	Tenant Type	Square Feet	Initial Lease Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
WILSON	Portland Parks & Recreation	Locker Room	NA	1956	2020	N	\$ -	Collaboration Agreement	120 day termination notice by either party. PP&R owns and maintains pool.

IGA (VARIOUS - SEE COMMENTS)

Building	Tenant	Tenant Type	Square Feet or Number of Rooms	Initial Lease Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
BEACH	MECP - Multnomah Early Childhood Program, administered by David Douglas School District	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
GROUT	MECP - DDSD	Office	small	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)

JACKSON	MECP - DDSD	Office & Speech	Office & Speech Clinic	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
JACKSON	MECP - DDSD	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
RICE (PP&R Owned)	Portland Parks and Recreation	Meeting Space	NA	Unknown	None	N	\$ -	Ordinance	Mutual termination clause (PPS REAL ESTATE MANAGER)
SABIN	MECP - DDSD	Preschool and Speech Clinic	2 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WHITMAN	MECP - DDSD	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WOODMERE	MECP - DDSD	Preschool and Speech Clinic	2 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)

SERVICES CONTRACT (VARIOUS - SEE COMMENTS)

Building	Tenant	Tenant Type	Square Feet or Number of Rooms	Initial Lease Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
CRESTON	Columbia Regional Programs	Grades K-5	3 classrooms				\$ -	Contract	Deaf and hard of hearing students; PPS holds contract for multiple counties. (LISA MCCONACHIE)
FRANKLIN	Albina Early Head Start	Teen Parent Services	1 classroom				\$ -	Contract	(CHERYL JAMES, Teen Parent Program)
GRANT	Albina Early Head Start	Teen Parent Services	1 classroom				\$ -	Contract	(CHERYL JAMES, Teen Parent Program)
JEFFERSON HS	SEI	Student Support	3 classrooms				\$ -	Contract	(Dani Ledezma, Director of Equity and Partnerships)
MADISON@MARSHALL	Albina Early Head Start	Teen Parent Services	2 classrooms				\$ -	Contract	(CHERYL JAMES, Teen Parent Program)
MT. TABOR	Columbia Regional Program	Grades 6-8	1 classroom				\$ -	Contract	Deaf and hard of hearing students; PPS holds contract for multiple counties. (LISA MCCONACHIE, Senior Director)
ROOSEVELT	Albina Early Head Start	Teen Parent Services	2 classrooms				\$ -	Contract	(CHERYL JAMES, Teen Parent Program)
WILCOX	Columbia Regional Program	Office	19,102				\$ -	Contract	PPS holds contract for multiple counties. (LISA MCCONACHIE, Senior Director)
WILCOX	Columbia Regional Program	Preschool	2 classrooms				\$ -	Contract	Deaf and hard of hearing students; PPS holds contract for multiple counties. (LISA MCCONACHIE, Senior Director)
TOTAL MONTHLY							\$ 169,226		
TOTAL ANNUAL							\$ 2,030,710		

MISCELLANEOUS (PPS REAL ESTATE MANAGER)									
Building	Tenant/Owner	Tenant/Owner Type	Square Feet	Initial Lease Commencement	Current Contract Expiration	30 Day Termination	Current Monthly Rent	Contract Type	Comments
GREEN THUMB	Portland Parks & Recreation	Park	NA	2001	None	NA	NA	Purchase & Sale, IGA	Property has not been formally divided. Parks pays utilities via sub-meters.
WASHINGTON HS PARKING LOT	Pac Trust	Parking Lot	NA	2014	2019	NA	NA	Option Agreement	Property sold. Will close 1.17.2020.
MULTIPLE SITES	PGE	Solar Facilities	NA	2015	2040	N	\$ 1,079.00	Solar License	Rent bill quarterly.
JEFFERSON HS	DEQ	DEQ Air Monitors	NA	2001		Y	\$ -	Site Agreement	Expired. Discussing renewal with DEQ.
MULTIPLE SITES	City of Portland - BES	Rain Gauges	NA	2009	2023	Y	\$ -	IGA	Renewed through 2023 with 30 day termination notice.
MULTIPLE SITES	Multiple Organizations	Storage Containers	NA	Unknown	Varies	Varies	\$ -		Not all containers have formal contracts.

* Some contracts provide terms and rights for contract renewal beyond the current termination date.