

Portland Public Schools

Preliminary Financial Report

Fiscal Year 2023-24

For the Period Ended December 31, 2023





DATE: March 6, 2024

TO: Portland Public Schools Board of Education

FROM: Myong Leigh, Interim Deputy Superintendent of Business and Operations

SUBJECT: Preliminary Financial Update for the Period Ended December 31, 2023

This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended December 31, 2023**.

Included in this report:

- **Financial Schedules**
 - General Funds
 - Special Revenue Funds
 - Debt Service Funds
 - Capital Project Funds
 - Internal Service Funds
- **Cash Management and Investment Update**

This report provides an overview of financial operations of District funds for the three months ended December 31, 2023. Amounts reported are from the financial records of the District and are unaudited.

As you review the Second Quarter Financial Schedules, please keep in mind that the "Annual Forecast" column for each fund includes our current estimate of final revenues and expenditures, utilizing the best information available. December 31, 2023, financial statements include the financial impacts of the PAT settlement as well as portions of classified agreements. The March 31, 2024, financial statements will fully reflect the results of negotiations.

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, 2023



	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	399,943,061	457,284,797	423,213,480	92.5%	460,183,215	2,898,418
Intermediate Sources	3,498	10,891,642	132,261	1.2%	10,892,271	629
State Sources	140,506,987	273,436,925	150,725,359	55.1%	276,796,649	3,359,724
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	16,994	1,800,000	38,739	2.2%	1,800,000	-
Total Operating Revenue	540,470,540	743,428,364	574,109,839	77.2%	749,687,135	6,258,771
Beginning Fund Balance	98,804,092	105,496,818	105,496,818	100.0%	105,496,818	-
Operating Expenditures						
Instruction	153,623,642	424,664,403	164,764,537	38.8%	424,920,583	256,180
Support Services	141,162,111	371,424,107	156,264,978	42.1%	371,425,474	1,367
Enterprise and Community Services	1,118,177	4,194,476	1,453,360	34.6%	4,194,272	(204)
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	616,407	1,802,790	1,000,000	55.5%	1,802,790	-
Total Operating Expenditures	296,520,337	802,085,776	323,482,875	40.3%	802,343,119	257,343
Contingencies		46,839,406				(46,839,406)
OPERATING SURPLUS / (DEFICIT)	243,950,204	(58,657,412)	250,626,964		(52,655,984)	6,001,428
Ending Fund Balance	342,754,296	-	356,123,782		52,840,834	52,840,834
EFB as % of Total Operating Revenues		0.0%			7.0%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

General Funds | By Object

For the Period Ending December 31, 2023



	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	399,943,061	457,284,797	423,213,480	92.5%	460,183,215	2,898,418
Intermediate Sources	3,498	10,891,642	132,261	1.2%	10,892,271	629
State Sources	140,506,987	273,436,925	150,725,359	55.1%	276,796,649	3,359,724
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	16,994	1,800,000	38,739	2.2%	1,800,000	-
Total Operating Revenue	540,470,540	743,428,364	574,109,839	77.2%	749,687,135	6,258,771
Beginning Fund Balance	98,804,092	105,496,818	105,496,818	100.0%	105,496,818	(0)
Operating Expenditures						
Salaries	169,852,977	446,957,195	178,971,607	40.0%	447,001,119	43,924
Associated Payroll Costs	77,072,043	215,761,190	85,815,340	39.8%	215,766,000	4,810
Purchased Services	35,546,001	110,549,803	41,596,050	37.6%	110,549,000	(803)
Supplies and Materials	6,471,633	14,235,581	7,374,336	51.8%	14,445,000	209,419
Capital Outlay	1,029,330	3,174,000	833,380	26.3%	3,174,000	-
Other Objects	5,931,946	10,333,007	7,892,163	76.4%	10,333,000	(7)
Transfers	616,407	1,075,000	1,000,000	93.0%	1,075,000	-
Total Operating Expenditures	296,520,337	802,085,776	323,482,875	40.3%	802,343,119	257,343
Contingencies		46,839,406				(46,839,406)
OPERATING SURPLUS / (DEFICIT)	243,950,204	(58,657,412)	250,626,964		(52,655,984)	6,001,428
Ending Fund Balance	342,754,296	-	356,123,782		52,840,834	52,840,834
EFB as % of Total Operating Revenues		0.0%			7.0%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

General Funds | By Function

For the Period Ending December 31, 2023



	Prior YTD	Current Year Amended Budget (1)	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues						
Local Sources	399,943,061	457,284,797	423,213,480	23,270,419	5.8%	Property tax collections and increased interest on investments
Intermediate Sources	3,498	10,891,642	132,261	128,763	3681.1%	
State Sources	140,506,987	273,436,925	150,725,359	10,218,372	7.3%	State School Fund
Federal Sources	-	15,000	-	-	0.0%	
Other Sources	16,994	1,800,000	38,739	21,745	128.0%	Sale of Fixed Assets
Total Operating Revenue	540,470,540	743,428,364	574,109,839	33,639,299	6.2%	
Beginning Fund Balance	98,804,092	105,496,818	105,496,818	6,692,725	6.8%	
Operating Expenditures						
Instruction	153,623,642	424,664,403	164,764,537	11,140,895	7.3%	Negotiated collective bargaining agreements and increases in Alternative Ed (Community-Based Organizations (CBOs))
Support Services	141,162,111	371,424,107	156,264,978	15,102,867	10.7%	Negotiated collective bargaining agreements and increase in Liability Claims, Property/Fire Loss, Utilities
Enterprise and Community Services	1,118,177	4,194,476	1,453,360	335,184	30.0%	Increase in Community Services
Facilities Acquisition and Construction	-	-	-	-	0.0%	
Other Uses	616,407	1,802,790	1,000,000	383,593	62.2%	Increased transfer to Capital
Total Operating Expenditures	296,520,337	802,085,776	323,482,875	26,962,538	9.1%	
Contingencies		46,839,406				
OPERATING SURPLUS / (DEFICIT)	243,950,204	(58,657,412)	250,626,964	6,676,761	2.7%	
Ending Fund Balance	342,754,296	-	356,123,782	13,369,486	3.9%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

General Funds | By Object

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Budget	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Local Sources	399,943,061	467,024,797	423,213,480	23,270,419	5.8%	Property tax collections and Interest on Investments
Intermediate Sources	3,498	10,018,642	132,261	128,763	3681.1%	
State Sources	140,506,987	259,930,925	150,725,359	10,218,372	7.3%	State School Fund
Federal Sources	-	15,000	-	-	0.0%	
Other Sources	16,994	1,800,000	38,739	21,745	128.0%	Sale of Fixed Assets

Total Operating Revenue

Beginning Fund Balance

Operating Expenditures

Salaries	169,852,977	430,056,628	178,971,607	9,118,630	5.4%	Negotiated collective bargaining agreements driving salary increases
Associated Payroll Costs	77,072,043	220,861,190	85,815,340	8,743,297	11.3%	Increase to PFMLA, PERS and Health along with negotiated collective bargaining agreements
Purchased Services	35,546,001	110,751,803	41,596,050	6,050,048	17.0%	Increases in Alternative Ed (Community-Based Organizations (CBOs))
Supplies and Materials	6,471,633	14,534,581	7,374,336	902,703	13.9%	Increase in Computer Software and general supplies
Capital Outlay	1,029,330	3,091,908	833,380	(195,950)	-19.0%	Decrease in purchases including vehicles and Capital Bus Improvements
Other Objects	5,931,946	10,339,307	7,892,163	1,960,217	33.0%	Property Insurance Premiums and Deductible Insurance Loss
Transfers	616,407	1,075,000	1,000,000	383,593	62.2%	Increased transfer to Capital Projects Fund

Total Operating Expenditures

Contingencies

OPERATING SURPLUS / (DEFICIT)

Ending Fund Balance

	Prior YTD	Current Year Budget	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Total Operating Revenue	540,470,540	738,789,364	574,109,839	33,639,299	6.2%	
Beginning Fund Balance	98,804,092	94,984,459	105,496,818	6,692,725	6.8%	
Total Operating Expenditures	296,520,337	790,710,417	323,482,875	26,962,538	9.1%	
Contingencies		43,063,406				
OPERATING SURPLUS / (DEFICIT)	243,950,204	(51,921,053)	250,626,964	6,676,761	2.7%	
Ending Fund Balance	342,754,296	-	356,123,782	13,369,486	3.9%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

Special Revenue Funds | By Function

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	8,680,157	13,710,135	8,405,313	61.3%	13,710,135	-
Intermediate Sources	-	6,162,080	55,728	0.9%	6,162,080	-
State Sources	46,075,625	72,733,833	8,265,152	11.4%	72,733,833	-
Federal Sources	7,019,098	108,106,142	29,145,742	27.0%	108,106,142	-
Other Sources	-	975,000	-	0.0%	975,000	-
Total Operating Revenue	61,774,880	201,687,190	45,871,936	22.7%	201,687,190	-
Beginning Fund Balance	35,068,864	54,532,901	36,665,214	67.2%	36,665,214	(17,867,687)
Operating Expenditures						
Instruction	35,445,431	113,318,577	32,319,699	28.5%	104,253,091	(9,065,486)
Support Services	31,721,295	87,223,223	36,137,487	41.4%	89,569,953	2,346,730
Enterprise and Community Services	16,592,778	33,245,821	9,827,945	29.6%	31,583,530	(1,662,291)
Facilities Acquisition and Construction	4,995	605,748	46,317	7.6%	508,915	(96,833)
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	83,764,499	234,393,369	78,331,447	33.4%	225,915,489	(8,477,880)
Contingencies		1,200,000				(1,200,000)
OPERATING SURPLUS / (DEFICIT)	(21,989,619)	(32,706,179)	(32,459,511)		(24,228,299)	8,477,880
Ending Fund Balance	13,079,245	20,626,722	4,205,703		12,436,916	(8,189,806)
EFB as % of Total Operating Revenues		10.2%			6.2%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

Special Revenue Funds | By Object

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	8,680,157	13,710,135	8,405,313	61.3%	13,710,135	-
Intermediate Sources	-	6,162,080	55,728	0.9%	6,162,080	-
State Sources	46,075,625	72,733,833	8,265,152	11.4%	72,733,833	-
Federal Sources	7,019,098	108,106,142	29,145,742	27.0%	108,106,142	-
Other Sources	-	975,000	-	0.0%	975,000	-
Total Operating Revenue	61,774,880	201,687,190	45,871,936	22.7%	201,687,190	-
Beginning Fund Balance	35,068,864	54,532,901	36,665,214	67.2%	36,665,214	(17,867,687)
Operating Expenditures						
Salaries	38,795,085	89,442,816	37,792,352	42.3%	92,291,673	2,848,857
Associated Payroll Costs	17,490,169	47,757,967	17,978,713	37.6%	47,218,021	(539,946)
Purchased Services	14,816,927	44,823,220	12,309,042	27.5%	40,516,291	(4,306,929)
Supplies and Materials	9,180,955	43,825,964	7,147,145	16.3%	37,893,255	(5,932,709)
Capital Outlay	498,569	1,865,315	478,478	25.7%	1,575,536	(289,779)
Other Objects	2,982,794	6,678,087	2,625,716	39.3%	6,420,713	(257,374)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	83,764,499	234,393,369	78,331,447	33.4%	225,915,489	(8,477,880)
Contingencies		1,200,000				(1,200,000)
OPERATING SURPLUS / (DEFICIT)	(21,989,619)	(32,706,179)	(32,459,511)		(24,228,299)	8,477,880
Ending Fund Balance	13,079,245	20,626,722	4,205,703		12,436,916	(8,189,806)
EFB as % of Total Operating Revenues		10.2%			6.2%	

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Debt Service Funds | By Function

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	167,746,800	247,083,830	183,160,208	74.1%	245,422,732	(1,661,098)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	1,234,727	619,000	618,751	100.0%	618,751	(249)
Total Operating Revenue	168,981,526	247,702,830	183,778,960	74.2%	246,041,483	(1,661,347)
Beginning Fund Balance	13,705,136	10,000,000	18,303,405	183.0%	18,303,405	8,303,405

Operating Expenditures

Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	31,468,114	252,016,465	40,284,321	16.0%	180,397,939	(71,618,526)
Total Operating Expenditures	31,468,114	252,016,465	40,284,321	16.0%	180,397,939	(71,618,526)
Contingencies	-	-	-	-	-	-

OPERATING SURPLUS / (DEFICIT)

	137,513,412	(4,313,635)	143,494,638		65,643,544	69,957,179
Ending Fund Balance	151,218,549	5,686,365	161,798,043		83,946,949	78,260,584
EFB as % of Total Operating Revenues		2.3%			34.1%	

The Current Year Budget in the Debt Service Fund has not been amended.

Debt Service Funds | By Object

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	167,746,800	247,083,830	183,160,208	74.1%	245,422,732	(1,661,098)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	1,234,727	619,000	618,751	100.0%	618,751	(249)
Total Operating Revenue	168,981,526	247,702,830	183,778,960	74.2%	246,041,483	(1,661,347)
Beginning Fund Balance	13,705,136	10,000,000	18,303,405	183.0%	18,303,405	8,303,405

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	31,468,114	252,016,465	40,284,321	16.0%	180,397,939	(71,618,526)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	31,468,114	252,016,465	40,284,321	16.0%	180,397,939	(71,618,526)
Contingencies	-	-	-	-	-	-

OPERATING SURPLUS / (DEFICIT)

	137,513,412	(4,313,635)	143,494,638		65,643,544	69,957,179
Ending Fund Balance	151,218,549	5,686,365	161,798,043		83,946,949	78,260,584
EFB as % of Total Operating Revenues		2.3%			34.1%	

The Current Year Budget in the Debt Service Fund has not been amended.

Capital Projects Funds | By Function

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	8,087,126	16,839,267	23,540,635	139.8%	37,424,328	20,585,061
Intermediate Sources	147,063	-	136,835	0.0%	260,465	260,465
State Sources	120,636,286	122,600,000	-	0.0%	122,600,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	1,000,000	1,000,000	100.0%	1,000,000	-
Total Operating Revenue	128,870,475	140,439,267	24,677,469	17.6%	161,284,793	20,845,526
Beginning Fund Balance	521,838,656	730,749,273	730,550,504	100.0%	730,550,504	(198,769)

Operating Expenditures

Instruction	-	-	-	0.0%	-	-
Support Services	771,133	2,384,891	1,247,158	52.3%	2,508,602	123,711
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	122,092,231	868,184,711	148,061,118	17.1%	781,366,240	(86,818,471)
Other Uses	618,319	619,000	618,751	100.0%	618,751	(249)
Total Operating Expenditures	123,481,683	871,188,602	149,927,027	17.2%	784,493,594	(86,695,008)
Contingencies	-	-	-	-	-	-

OPERATING SURPLUS / (DEFICIT)

	5,388,792	(730,749,335)	(125,249,558)		(623,208,801)	107,540,534
Ending Fund Balance	527,227,448	-	605,300,946		107,341,703	107,341,765
EFB as % of Total Operating Revenues		0.0%			66.6%	

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Capital Projects Funds | By Object

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	8,087,126	16,839,267	23,540,635	139.8%	37,424,328	20,585,061
Intermediate Sources	147,063	-	136,835	0.0%	260,465	260,465
State Sources	120,636,286	122,600,000	-	0.0%	122,600,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	1,000,000	1,000,000	100.0%	1,000,000	-
Total Operating Revenue	128,870,475	140,439,267	24,677,469	17.6%	161,284,793	20,845,526
Beginning Fund Balance	521,838,656	730,749,273	730,550,504	100.0%	730,550,504	(198,769)

Operating Expenditures

Salaries	2,193,051	5,435,629	2,216,150	40.8%	4,982,710	(452,919)
Associated Payroll Costs	874,508	2,488,887	884,905	35.6%	2,239,998	(248,889)
Purchased Services	13,560,507	121,966,098	12,706,702	10.4%	109,769,488	(12,196,610)
Supplies and Materials	19,127,708	46,828,731	8,421,873	18.0%	44,487,294	(2,341,437)
Capital Outlay	84,285,270	688,075,015	122,231,225	17.8%	617,197,634	(70,877,382)
Other Objects	2,822,318	5,775,242	2,847,420	49.3%	5,197,718	(577,524)
Transfers	618,319	619,000	618,751	100.0%	618,751	(249)
Total Operating Expenditures	123,481,683	871,188,602	149,927,027	17.2%	784,493,593	(86,695,009)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	5,388,792	(730,749,335)	(125,249,558)		(623,208,801)	107,540,534
Ending Fund Balance	527,227,448	-	605,300,946		107,341,703	107,341,765
EFB as % of Total Operating Revenues		0.0%			66.6%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

Internal Service Funds | By Function

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	1,566,509	3,834,195	2,200,420	57.4%	3,834,195	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	262,156	-	297,455	0.0%	594,909	594,909
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	1,828,665	3,834,195	2,497,874	65.1%	4,429,104	594,909
Beginning Fund Balance	3,303,139	5,163,413	4,148,353	80.3%	4,148,353	(1,015,060)
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	1,287,270	3,646,608	1,369,798	37.6%	3,646,608	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	1,287,270	3,646,608	1,369,798	37.6%	3,646,608	-
Contingencies		5,351,000				(5,351,000)
OPERATING SURPLUS / (DEFICIT)	541,395	187,587	1,128,076		782,496	594,909
Ending Fund Balance	3,844,534	-	5,276,429		4,930,849	4,930,849
EFB as % of Total Operating Revenues		0.0%			111.3%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

Internal Service Funds | By Object

For the Period Ending December 31, 2023



Operating Revenues

	Prior YTD	Current Year Amended Budget (1)	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	1,566,509	3,834,195	2,200,420	57.4%	3,834,195	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	262,156	-	297,455	0.0%	594,909	594,909
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	1,828,665	3,834,195	2,497,874	65.1%	4,429,104	594,909
Beginning Fund Balance	3,303,139	5,163,413	4,148,353	80.3%	4,148,353	(1,015,060)

Operating Expenditures

Salaries	108,788	246,851	128,783	52.2%	278,790	31,939
Associated Payroll Costs	42,340	110,927	49,629	44.7%	103,255	(7,672)
Purchased Services	92,761	437,643	127,859	29.2%	416,901	(20,742)
Supplies and Materials	25,663	70,500	30,618	43.4%	66,975	(3,525)
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	1,017,718	2,780,687	1,032,909	37.1%	2,780,687	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	1,287,270	3,646,608	1,369,798	37.6%	3,646,608	0
Contingencies		5,351,000				(5,351,000)

OPERATING SURPLUS / (DEFICIT)

	541,395	187,587	1,128,076		782,496	594,909
Ending Fund Balance	3,844,534	-	5,276,429		4,930,849	4,930,849
EFB as % of Total Operating Revenues		0.0%			111.3%	

(1) Current year budget updated to reflect budget amendment discussed with Board on 12/12/23 and approved by the Board on 1/09/2024

Cash Management and Investment Update

The PPS investment portfolio as of December 31, 2023, 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 45% Treasury and government agency securities, which is higher than September 2023 (42%). The cash and cash equivalent portion of the portfolio decreased to 31% of the total portfolio from September 2023 of 33% (Vs 31% December prior FY).

Market rates have shifted downward from December with 90-day Treasury securities decreasing by 0.15%, and 1-year and 2-year Treasury securities decreasing by 0.67% and 0.80% respectively. The recent declining rate environment reflects the Federal Reserve signaling their rate increases (over inflation concerns) may be over and a possible decrease in rates in 2024. The yield curve remains inverted in maturities greater than 1 year (interest rates are less in longer maturities than shorter maturities) due to market concerns of lower rates in the future and potential recession. Rates are higher than the prior year with 90 day T-Bill higher by 0.98% and 1-year Treasury securities higher by 0.06%.

US Treasury Rates			
	12/31/2022	9/30/2023	12/31/2023
90 Day T-Bill	4.42%	5.55%	5.40%
1 Year T-Bill	4.73%	5.46%	4.79%
2 Year Note	4.41%	5.03%	4.23%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since September 2023 (\$580 million) were primarily investments of county tax receipts and some maturing securities of capital funds not spent during the quarter. No securities were sold prior to maturity during the quarter.

The total portfolio of Cash and Investments (\$1,312 million) increased by \$338 million since September 2023 from receipt of county property taxes less operating and capital spending in the quarter. The LGIP and US Bank PERS balance of \$48 million increased by \$16 million from September due to monthly intercept payments from the state.

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.



Portland Public Schools
Total Cash and Investments
December 31, 2023
(\$ 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	\$ 311,332	\$ 318,722	\$ 314,999	\$ 315,160	24.0%	35%	96	5.34%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 43,556	\$ 43,975	\$ 44,070	\$ 43,936	3.3%	50%	216	5.31%
Federal Farm Credit Banks	48,197	48,000	48,021	48,124	3.7%	50%	382	4.50%
Federal Home Loan Banks	126,119	127,000	126,253	126,554	9.6%	50%	197	4.82%
Federal National Mortgage Association (FannieMae)	19,735	20,000	19,821	19,828	1.5%	50%	59	5.31%
Tennessee Valley Authority (TVA)	8,763	9,395	8,913	8,970	0.7%	50%	501	4.23%
Sub Total Federal Agencies	\$ 246,370	\$ 248,370	\$ 247,077	\$ 247,413	18.9%	100%	236	4.86%
US Treasury Securities	\$ 341,179	\$ 350,000	\$ 343,631	\$ 343,344	26.2%	100%	315	4.95%
Municipal Bonds	\$ -	\$ -	\$ -	\$ -	0.0%	30%		
Sub Total Investments	\$ 898,881	\$ 917,092	\$ 905,707	\$ 905,917				
Cash and Equivalents								
Cash and Cash Equivalents	358,846	358,846	358,846	358,846	27.3%	100%	1	4.79%
LGIP & US Bank PERS (Restricted)**	47,679	47,679	47,679	47,679	3.6%	N/A	1	5.07%
Sub Total Cash and Equivalents	\$ 406,525	\$ 406,525	\$ 406,525	\$ 406,525				
Total Cash and Investments	<u>\$ 1,305,406</u>	<u>\$ 1,323,617</u>	<u>\$ 1,312,232</u>	<u>\$ 1,312,442</u>	100%		150	4.99%

*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 and US Bank Account is used to pay pension debt obligations only by a Trustee Bank not available for operating or capital needs

Memo: Fossil Fuel based investments were none as of this reporting date

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.

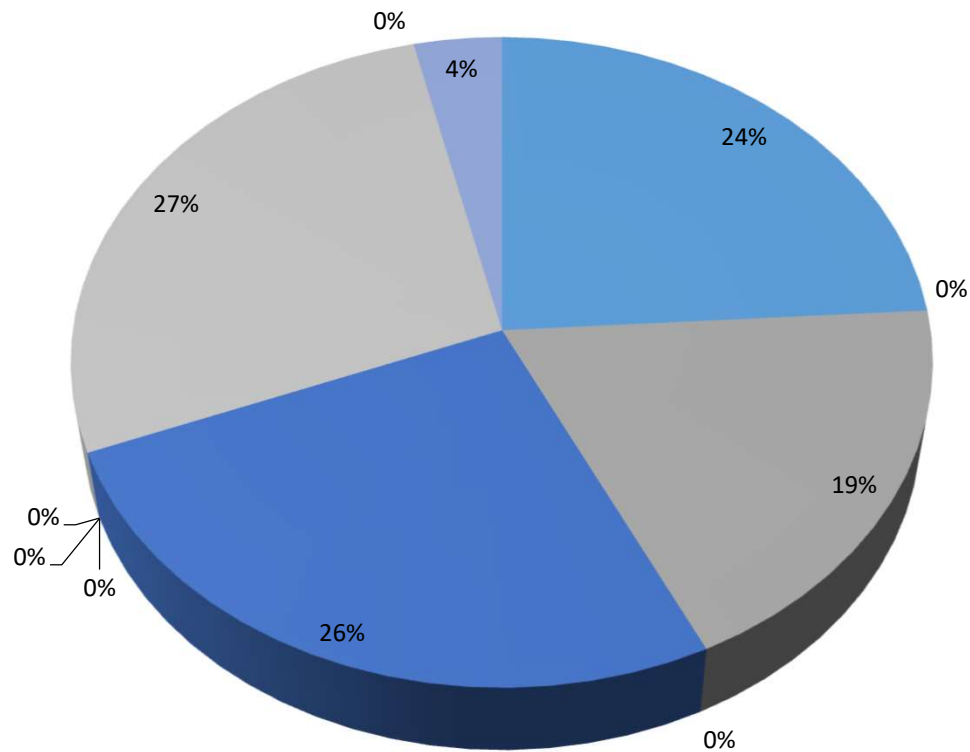
Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

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



**Portland Public Schools
Total Cash and Investments
December 31, 2023**



Real Estate Update

The Real Estate Report provides the BOE 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 contracts range from Real Property Leases and Licenses that provide dedicated space (often in exchange for rent) to Intergovernmental 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. Such changes include the extension or expiration of existing contracts and the addition of new contracts.

Since the last report, there have been no significant changes.

Portland Public Schools: Real estate contracts for dedicated space during school hours (Excludes Civic Use of Buildings Permits)									
1/01/2024 - (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	2026	N	\$ 20,683	Land Lease	Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land. Rent escalation 3% annually on July 1. Fair Market rent adjustment July 1, 2026.
EDWARDS	Trillium Family Services	Clinic/School	20,500	2011	2026	N	\$ 14,781	Master Lease	Rent increases to \$15,224.40 September 2024.
FOSTER	NAYA	Affordable Housing	3.57 acres	2013	2078	N	\$ 1	Land Lease	
HUMBOLDT	KairosPDX	PPS Charter School	43,141	2016	2030	N	\$ 1	Master Lease	
LANE	Multnomah County	Office	1.24 acres	1994	2034	N	\$ 1	Land Lease	
SKYLINE	City of Portland	COP Antenna	NA	1997	2027	N	\$ 896	Telecommunication Lease	180 day termination notice by PPS. Rent increases to \$923 in May 2024.
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	NAYA	Early Head Start	1,358	2021	2024	Y	\$ 1	License and IGA	
BENSON@MARSHALL	OHSU	Health Clinic	1,200	2016	2024	Y	\$ 1	License and IGA	
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2015	2024	Y	\$ 1	License and IGA	
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2025	Y	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2018	2024	Y	\$ 900	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2024	Y	\$ 1	License and IGA	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2017	2025	Y	\$ 1	License and IGA	
GREEN THUMB	Portland State University	Garden Program	1 Green House	2010	2024	N	\$ 457	License	
IDA B. WELLS	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2024	Y	\$ 708	License	
HOLLADAY ANNEX	CAIRO	Preschool	1,400	2023	2024	Y	\$ 1	License	
IRVINGTON	Irvington Extended Care	Preschool	2,180	2015	2024	Y	\$ 2,010	License	
JEFFERSON HS	Andersen Construction	Construction Lay Down	7,200	2023	2024	Y	\$ 1,300	License	Construction lay down for the renovation of Mult. Co. Library
JEFFERSON HS	Multnomah County	Health Clinic	800	2017	2025	Y	\$ 1	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2008	2027	N	\$ 2,750	License	Rent increases to \$2,833 October 2024.

MCDANIELS	Lines for Life	Suicide Call Center	1,000	2023	2024	Y	\$1	License and IGA	
MCDANIELS	Multnomah County	Health Clinic	1,668	2017	2025	Y	\$1	License and IGA	
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2008	2024	Y	\$1	License and IGA	
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2025	Y	\$1	License and IGA	
VESTAL	CAIRO	Preschool	1,400	2022	2024	Y	\$1	License	
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
IDA B. WELLS	Portland Parks & Recreation	Locker Room	NA	1956	2023	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 (DOSD)	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
CRESTON	MECP - DDSD	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
JACKSON	MECP - DDSD	Office & Speech	Office &Speech Clinic	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
RICE (PP&R Owned)	Portland Parks and Recreation	Meeting Space	NA	Unknown		N	\$-	Ordinance	Mutual termination clause (PPS REAL ESTATE MANAGER)
SABIN	MECP - DDSD	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
WHITMAN	MECP - DDSD	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
WOODLAWN	MECP - DDSD	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)
WOODMERE	MECP - DDSD	Preschool	1 classroom	Unknown		N	\$-	IGA	(LISA GROTTING, Program Director)

