

Portland Public Schools

Preliminary Financial Report

Fiscal Year 2022-23

For the Period Ended December 31, 2022





DATE: March 7, 2023
TO: Portland Public Schools Board of Education
FROM: Nolberto Delgadillo, Chief Financial Officer
SUBJECT: Preliminary Financial Update for the Period Ended December 31, 2022

This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended December 31, 2022**.

Included in this report:

- **Financial Schedules**
 - General Funds
 - Special Revenue Funds
 - Debt Service Funds
 - Capital Project Funds
 - Internal Service Funds
- **Local Option Cap Analysis for Fiscal Year 2022**
- **Cash Management and Investment Update**
- **Real Estate Report**

This report provides an overview of financial operations of District funds for the six months ended December 31, 2022. 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 at this point in time.

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, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	382,496,158	443,112,017	399,943,061	90.3%	443,112,017	-
Intermediate Sources	2,502,477	12,101,081	3,498	0.0%	8,400,000	(3,701,081)
State Sources	144,481,259	247,406,611	140,506,987	56.8%	247,406,611	-
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	400,880,316	1,450,000	16,994	1.2%	1,450,000	-
Total Operating Revenue	930,360,210	704,084,709	540,470,540	76.8%	700,383,628	(3,701,081)
Beginning Fund Balance	88,691,190	99,977,521	98,804,092	98.8%	98,804,092	(1,173,429)
Operating Expenditures						
Instruction	150,340,149	406,337,371	153,623,642	37.8%	397,258,178	(9,079,193)
Support Services	135,783,216	341,772,204	141,162,111	41.3%	335,636,917	(6,135,287)
Enterprise and Community Services	844,308	3,099,835	1,118,177	36.1%	3,170,717	70,882
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	401,966,992	2,084,880	616,407	29.6%	2,084,880	-
Total Operating Expenditures	688,934,665	753,294,290	296,520,337	39.4%	738,150,692	(15,143,598)
Contingencies		50,767,940			-	(50,767,940)
OPERATING SURPLUS / (DEFICIT)	241,425,546	(49,209,581)	243,950,204		(37,767,064)	11,442,517
Ending Fund Balance	330,116,736	-	342,754,296		61,037,028	61,037,028
EFB as % of Total Operating Revenues		0.0%			8.7%	

General Funds | By Object

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	382,496,158	443,112,017	399,943,061	90.3%	443,112,017	-
Intermediate Sources	2,502,477	12,101,081	3,498	0.0%	8,400,000	(3,701,081)
State Sources	144,481,259	247,406,611	140,506,987	56.8%	247,406,611	-
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	400,880,316	1,450,000	16,994	1.2%	1,450,000	-
Total Operating Revenue	930,360,210	704,084,709	540,470,540	76.8%	700,383,628	(3,701,081)
Beginning Fund Balance	88,691,190	99,977,521	98,804,092	98.8%	98,804,092	(1,173,429)
Operating Expenditures						
Salaries	161,677,929	418,754,839	169,852,977	40.6%	413,747,033	(5,007,806)
Associated Payroll Costs	78,300,446	207,093,543	77,072,043	37.2%	198,635,229	(8,458,314)
Purchased Services	33,901,697	100,527,743	35,546,001	35.4%	97,606,615	(2,921,128)
Supplies and Materials	6,580,124	12,221,445	6,471,633	53.0%	13,696,081	1,474,636
Capital Outlay	1,098,859	4,002,685	1,029,330	25.7%	3,982,477	(20,208)
Other Objects	406,241,252	9,392,117	5,931,946	63.2%	9,181,340	(210,777)
Transfers	1,134,357	1,301,917	616,407	47.3%	1,301,917	-
Total Operating Expenditures	688,934,665	753,294,290	296,520,337	39.4%	738,150,692	(15,143,598)
Contingencies		50,767,940				(50,767,940)
OPERATING SURPLUS / (DEFICIT)	241,425,546	(49,209,581)	243,950,204		(37,767,064)	11,442,517
Ending Fund Balance	330,116,736	-	342,754,296		61,037,028	61,037,028
EFB as % of Total Operating Revenues		0.0%			8.7%	

General Funds | By Function

For the Period Ending December 31, 2022



Operating Revenues

	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Local Sources	382,496,158	399,943,061	17,446,903	4.6%	Increase in Property Tax Revenue and Investment Income
Intermediate Sources	2,502,477	3,498	(2,498,980)	-99.9%	Timing difference @ receipt of MESD Transit Dollars
State Sources	144,481,259	140,506,987	(3,974,272)	-2.8%	Decrease in State School Fund payments
Federal Sources	-	-	-	0.0%	
Other Sources	400,880,316	16,994	(400,863,322)	-100.0%	PERS Bonds issuance in FY2022
Total Operating Revenue	930,360,210	540,470,540	(389,889,670)	-41.9%	
Beginning Fund Balance	88,691,190	98,804,092	10,112,902	11.4%	
Operating Expenditures					
Instruction	150,340,149	153,623,642	3,283,493	2.2%	Increases in Instructional Substitutes, High School Programs and Charter Schools
Support Services	135,783,216	141,162,111	5,378,895	4.0%	Increases in Custodial, Utilities, RESJ Work and ERP Pre-Implementation
Enterprise and Community Services	844,308	1,118,177	273,868	32.4%	
Facilities Acquisition and Construction	-	-	-	0.0%	
Other Uses	401,966,992	616,407	(401,350,585)	-99.8%	PERS Bonds issuance in FY2022
Total Operating Expenditures	688,934,665	296,520,337	(392,414,328)	-57.0%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	241,425,546	243,950,204	2,524,658	1.0%	
Ending Fund Balance	330,116,736	342,754,296	12,637,560	3.8%	

General Funds | By Object

For the Period Ending December 31, 2022



Operating Revenues

	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Local Sources	382,496,158	399,943,061	17,446,903	4.6%	Increase in Property Tax Revenue and Investment Income
Intermediate Sources	2,502,477	3,498	(2,498,980)	-99.9%	Timing difference @ receipt of MESD Transit Dollars
State Sources	144,481,259	140,506,987	(3,974,272)	-2.8%	Decrease in State School Fund payments
Federal Sources	-	-	-	0.0%	
Other Sources	400,880,316	16,994	(400,863,322)	-100.0%	PERS Bonds issuance in FY2022
Total Operating Revenue	930,360,210	540,470,540	(389,889,670)	-41.9%	
Beginning Fund Balance	88,691,190	98,804,092	10,112,902	11.4%	

Operating Expenditures

Salaries	161,677,929	169,852,977	8,175,048	5.1%	Increases due to COLA, plus higher expenses @ Instructional Substitutes and High School Programs
Associated Payroll Costs	78,300,446	77,072,043	(1,228,403)	-1.6%	Decrease mainly due to reduced retiree health insurance
Purchased Services	33,901,697	35,546,001	1,644,304	4.9%	Increases in RESJ, MPG and Charter Schools; also higher Utilities and spending @ pre-implementation of ERP
Supplies and Materials	6,580,124	6,471,633	(108,491)	-1.6%	
Capital Outlay	1,098,859	1,029,330	(69,530)	-6.3%	
Other Objects	406,241,252	5,931,946	(400,309,307)	-98.5%	PERS Bonds issuance in FY2022
Transfers	1,134,357	616,407	(517,950)	-45.7%	Timing difference of when transfers posted
Total Operating Expenditures	688,934,665	296,520,337	(392,414,328)	-57.0%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	241,425,546	243,950,204	2,524,658	1.0%	
Ending Fund Balance	330,116,736	342,754,296	12,637,560	3.8%	

Special Revenue Funds | By Function

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	6,428,232	18,271,222	8,680,157	47.5%	18,271,222	-
Intermediate Sources	49,704	129,512	-	0.0%	129,512	-
State Sources	32,964,818	102,985,009	46,075,625	44.7%	102,985,009	-
Federal Sources	46,558,630	145,566,394	7,019,098	4.8%	145,566,394	-
Other Sources	-	975,000	-	0.0%	975,000	-
Total Operating Revenue	86,001,384	267,927,137	61,774,880	23.1%	267,927,137	-
Beginning Fund Balance	28,222,061	43,351,220	35,068,864	80.9%	35,068,864	(8,282,356)
Operating Expenditures						
Instruction	32,690,788	130,278,254	35,445,431	27.2%	130,278,254	-
Support Services	29,220,200	116,321,764	31,721,295	27.3%	116,321,764	-
Enterprise and Community Services	11,573,168	32,948,405	16,592,778	50.4%	32,948,405	-
Facilities Acquisition and Construction	-	88,711	4,995	5.6%	88,711	-
Other Uses	-	198,898	-	0.0%	198,898	-
Total Operating Expenditures	73,484,156	279,836,032	83,764,499	29.9%	279,836,032	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	12,517,227	(11,908,895)	(21,989,619)		(11,908,895)	-
Ending Fund Balance	40,739,289	31,442,325	13,079,245		23,159,969	(8,282,356)

Special Revenue Funds | By Object

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	6,428,232	18,271,222	8,680,157	47.5%	18,271,222	-
Intermediate Sources	49,704	129,512	-	0.0%	129,512	-
State Sources	32,964,818	102,985,009	46,075,625	44.7%	102,985,009	-
Federal Sources	46,558,630	145,566,394	7,019,098	4.8%	145,566,394	-
Other Sources	-	975,000	-	0.0%	975,000	-
Total Operating Revenue	86,001,384	267,927,137	61,774,880	23.1%	267,927,137	-
Beginning Fund Balance	28,222,061	43,351,220	35,068,864	80.9%	35,068,864	(8,282,356)
Operating Expenditures						
Salaries	32,240,855	100,678,500	38,795,085	38.5%	100,678,500	-
Associated Payroll Costs	15,461,033	48,881,688	17,490,169	35.8%	48,881,688	-
Purchased Services	14,289,382	67,790,572	14,816,927	21.9%	67,790,572	-
Supplies and Materials	7,856,670	50,928,705	9,180,955	18.0%	50,928,705	-
Capital Outlay	401,074	1,888,832	498,569	26.4%	1,888,832	-
Other Objects	3,235,142	9,667,735	2,982,794	30.9%	9,667,735	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	73,484,156	279,836,032	83,764,499	29.9%	279,836,032	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	12,517,227	(11,908,895)	(21,989,619)		(11,908,895)	-
Ending Fund Balance	40,739,289	31,442,325	13,079,245		23,159,969	(8,282,356)

Debt Service Funds | By Function

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	163,352,218	228,104,505	167,746,800	73.5%	228,104,505	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	18,220	6,000	0	0.0%	6,510	510
Other Sources	1,751,945	1,237,539	1,234,727	99.8%	1,234,727	(2,812)
Total Operating Revenue	165,122,384	229,348,044	168,981,526	73.7%	229,345,742	(2,302)
Beginning Fund Balance	11,672,090	13,060,817	13,705,136	104.9%	13,705,136	644,319
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	39,313,070	227,315,643	31,468,114	13.8%	226,738,607	(577,036)
Total Operating Expenditures	39,313,070	227,315,643	31,468,114	13.8%	226,738,607	(577,036)
Contingencies	-	-	-		-	-
OPERATING SURPLUS / (DEFICIT)	125,809,314	2,032,401	137,513,412		2,607,135	574,734
Ending Fund Balance	137,481,404	15,093,218	151,218,549		16,312,271	1,219,053

Debt Service Funds | By Object

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	163,352,218	228,104,505	167,746,800	73.5%	228,104,505	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	18,220	6,000	0	0.0%	6,510	510
Other Sources	1,751,945	1,237,539	1,234,727	99.8%	1,234,727	(2,812)
Total Operating Revenue	165,122,384	229,348,044	168,981,526	73.7%	229,345,742	(2,302)
Beginning Fund Balance	11,672,090	13,060,817	13,705,136	104.9%	13,705,136	644,319
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	39,313,070	227,315,643	31,468,114	13.8%	226,738,607	(577,036)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	39,313,070	227,315,643	31,468,114	13.8%	226,738,607	(577,036)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	125,809,314	2,032,401	137,513,412		2,607,135	574,734
Ending Fund Balance	137,481,404	15,093,218	151,218,549		16,312,271	1,219,053

Capital Projects Funds | By Function

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	3,215,984	7,440,738	8,087,126	108.7%	12,580,000	5,139,262
Intermediate Sources	492,022	-	147,063	0.0%	500,000	500,000
State Sources	757,442	6,941,000	120,636,286	1738.0%	122,500,000	115,559,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	610,000	-	0.0%	610,000	-
Total Operating Revenue	4,465,448	14,991,738	128,870,475	859.6%	136,190,000	121,198,262
Beginning Fund Balance	771,590,215	501,871,917	521,838,656	104.0%	521,838,656	19,966,739
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	830,780	2,281,519	771,133	33.8%	2,281,519	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	124,806,468	513,961,514	122,092,231	23.8%	260,923,685	(253,037,829)
Other Uses	617,588	620,622	618,319	99.6%	618,319	(2,303)
Total Operating Expenditures	126,254,837	516,863,655	123,481,683	23.9%	263,823,523	(253,040,132)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(121,789,389)	(501,871,917)	5,388,792		(127,633,523)	374,238,394
Ending Fund Balance	649,800,826	-	527,227,448		394,205,132	394,205,132

Capital Projects Funds | By Object

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	3,215,984	7,440,738	8,087,126	108.7%	12,580,000	5,139,262
Intermediate Sources	492,022	-	147,063	0.0%	500,000	500,000
State Sources	757,442	6,941,000	120,636,286	1738.0%	122,500,000	115,559,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	610,000	-	0.0%	610,000	-
Total Operating Revenue	4,465,448	14,991,738	128,870,475	859.6%	136,190,000	121,198,262
Beginning Fund Balance	771,590,215	501,871,917	521,838,656	104.0%	521,838,656	19,966,739
Operating Expenditures						
Salaries	2,144,165	5,013,141	2,193,051	43.7%	5,013,141	-
Associated Payroll Costs	788,294	2,192,063	874,508	39.9%	2,192,063	-
Purchased Services	9,630,563	58,581,824	13,560,507	23.1%	25,000,000	(33,581,824)
Supplies and Materials	36,771,055	57,417,121	19,127,708	33.3%	50,000,000	(7,417,121)
Capital Outlay	74,770,581	388,405,109	84,285,270	21.7%	175,000,000	(213,405,109)
Other Objects	1,532,591	4,633,775	2,822,318	60.9%	6,000,000	1,366,225
Transfers	617,588	620,622	618,319	99.6%	618,319	(2,303)
Total Operating Expenditures	126,254,837	516,863,655	123,481,683	23.9%	263,823,523	(253,040,132)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(121,789,389)	(501,871,917)	5,388,792		(127,633,523)	374,238,394
Ending Fund Balance	649,800,826	-	527,227,448		394,205,132	394,205,132

Internal Service Funds | By Function

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	408,503	3,580,197	1,566,509	43.8%	3,575,325	(4,872)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	130,911	-	262,156	0.0%	300,000	300,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	539,414	3,580,197	1,828,665	51.1%	3,875,325	295,128
Beginning Fund Balance	6,549,022	5,065,560	3,303,139	65.2%	3,303,139	(1,762,421)
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	1,563,567	3,389,757	1,287,270	38.0%	3,389,757	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	1,563,567	3,389,757	1,287,270	38.0%	3,389,757	-
Contingencies		5,256,000				(5,256,000)
OPERATING SURPLUS / (DEFICIT)	(1,024,153)	190,440	541,395		485,568	295,128
Ending Fund Balance	5,524,869	-	3,844,534		3,788,707	3,788,707

Internal Service Funds | By Object

For the Period Ending December 31, 2022



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	408,503	3,580,197	1,566,509	43.8%	3,575,325	(4,872)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	130,911	-	262,156	0.0%	300,000	300,000
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	539,414	3,580,197	1,828,665	51.1%	3,875,325	295,128
Beginning Fund Balance	6,549,022	5,065,560	3,303,139	65.2%	3,303,139	(1,762,421)
Operating Expenditures						
Salaries	115,362	237,360	108,788	45.8%	237,360	-
Associated Payroll Costs	43,705	101,770	42,340	41.6%	101,770	-
Purchased Services	189,678	437,643	92,761	21.2%	437,643	-
Supplies and Materials	15,421	70,500	25,663	36.4%	70,500	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	1,199,401	2,542,484	1,017,718	40.0%	2,542,484	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	1,563,567	3,389,757	1,287,270	38.0%	3,389,757	-
Contingencies		5,256,000				(5,256,000)
OPERATING SURPLUS / (DEFICIT)	(1,024,153)	190,440	541,395		485,568	295,128
Ending Fund Balance	5,524,869	-	3,844,534		3,788,707	3,788,707

Local Option Cap Analysis

Portland Public Schools District voters approved a five-year local option property tax levy in November 2019. The local option tax rate approved by voters is \$1.99 per \$1,000 of assessed value.

A 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 increased these limits with House Bill 4117. Under the revised law, a district's state school fund payment will be reduced to the extent local option taxes exceed the lower of:

- ✓ The district's weighted student count multiplied by \$2,000 (increased 3% annually, beginning in 2019)
- ✓ 25% of the district's combined state general purpose grant, transportation grant, facility grant and high cost disability grant

Portland Public Schools Local Option Limits 3-Year History

	2020	2021	2022	
Extended ADMw	57,825	57,825	55,688	
Per Student	2,060.00	2,121.80	2,185.45	
Per Student Limit	119,119,500	122,693,085	121,703,562	Lower Limit
SSF Total Formula	508,802,420	526,430,367	537,290,313	
Not to Exceed Percent	25%	25%	25%	
SSF Revenues Limit	127,200,605	131,607,592	134,322,578	
Local Option Tax Collection	98,789,005	102,417,049	106,123,654	

Cash Management and Investment Update

The PPS investment portfolio as of December 31, 2022 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 50% Treasury and government agency securities, which is higher than September 2022 of 44%. The cash and cash equivalent portion of the portfolio decreased to 31% of the total portfolio from September 2022 of 36%. (Cash and cash equivalents at December 2021 was 29%.) The decrease in cash and equivalents during this quarter is due primarily to higher yields available in security investments versus our bank or LGIP money market accounts.

Market rates in general have shifted upward significantly from September 2022 with 90-day Treasury securities increasing by 1.09%, 1-year Treasury securities increasing by 0.68% and 2 year Treasury securities increasing by 0.19%. The rapidly rising rate environment reflects Federal Reserve aggressive rate increases over inflation concerns. The yield curve has become inverted in maturities greater than 1 year (interest rates are less in longer maturities than shorter maturities). Similarly, rates have shifted from prior year with 1-year increasing by 4.34% and 2-year Treasury securities increasing by 3.68%.

US Treasury Rates			
	12/31/2021	9/30/2022	12/31/2022
90 Day T-Bill	0.06%	3.33%	4.42%
1 Year T-Bill	0.39%	4.05%	4.73%
2 Year Note	0.73%	4.22%	4.41%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since September 2022 (\$542 million) were primarily investments of Property Tax receipts for operating needs (\$384 million) and investments of the Harriet Tubman Relocation Grant (\$118 million). No securities were sold prior to maturity during the quarter.

The total portfolio of Cash and Investments (\$1.063 million) increased by \$402 million since September 2022, mainly due to receipt of Harriet Tubman Relocation Grant and Property Tax turnovers. The LGIP and US Bank PERS balance of \$40 million increased by \$11 million from September 2022 due to State intercept payments to the PERS Trustees which were deposited in our PERS accounts exceeding our Debt service in December.

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 Office of School Modernization 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, 2022
(\$ 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	\$ 204,125	\$ 205,000	\$ 203,509	\$ 203,728	19.2%	35%	66	3.73%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 48,580	\$ 48,600	\$ 48,143	\$ 48,586	4.6%	50%	174	2.53%
Federal Farm Credit Banks	3,499	3,500	3,471	3,500	0.3%	50%	68	0.14%
Federal Home Loan Banks	285,195	289,750	285,691	285,877	26.9%	50%	124	4.10%
Federal National Mortgage Association (FannieMae)	13,685	13,543	13,531	13,552	1.3%	50%	19	1.14%
Sub Total Federal Agencies	<u>\$ 350,959</u>	<u>\$ 355,393</u>	<u>\$ 350,836</u>	<u>\$ 351,515</u>	<u>33.1%</u>	100%	<u>126</u>	<u>3.73%</u>
US Treasury Securities	\$ 174,184	\$ 179,000	\$ 174,640	\$ 175,072	16.5%	100%	202	3.60%
Municipal Bonds	\$ 6,449	\$ 6,320	\$ 6,134	\$ 6,371	0.6%	30%	335	0.26%
Sub Total Investments	<u>\$ 735,717</u>	<u>\$ 745,713</u>	<u>\$ 735,119</u>	<u>\$ 736,686</u>				
Cash and Equivalents								
Cash and Cash Equivalents	286,796	286,796	286,796	286,796	27.0%	100%	1	2.91%
LGIP & US Bank PERS (Restricted)**	39,605	39,605	39,605	39,605	3.7%	N/A	1	3.31%
Sub Total Cash and Equivalents	<u>\$ 326,401</u>	<u>\$ 326,401</u>	<u>\$ 326,401</u>	<u>\$ 326,401</u>				
Total Cash and Investments	<u>\$ 1,062,118</u>	<u>\$ 1,072,114</u>	<u>\$ 1,061,520</u>	<u>\$ 1,063,087</u>	100%		90	3.45%

*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

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.

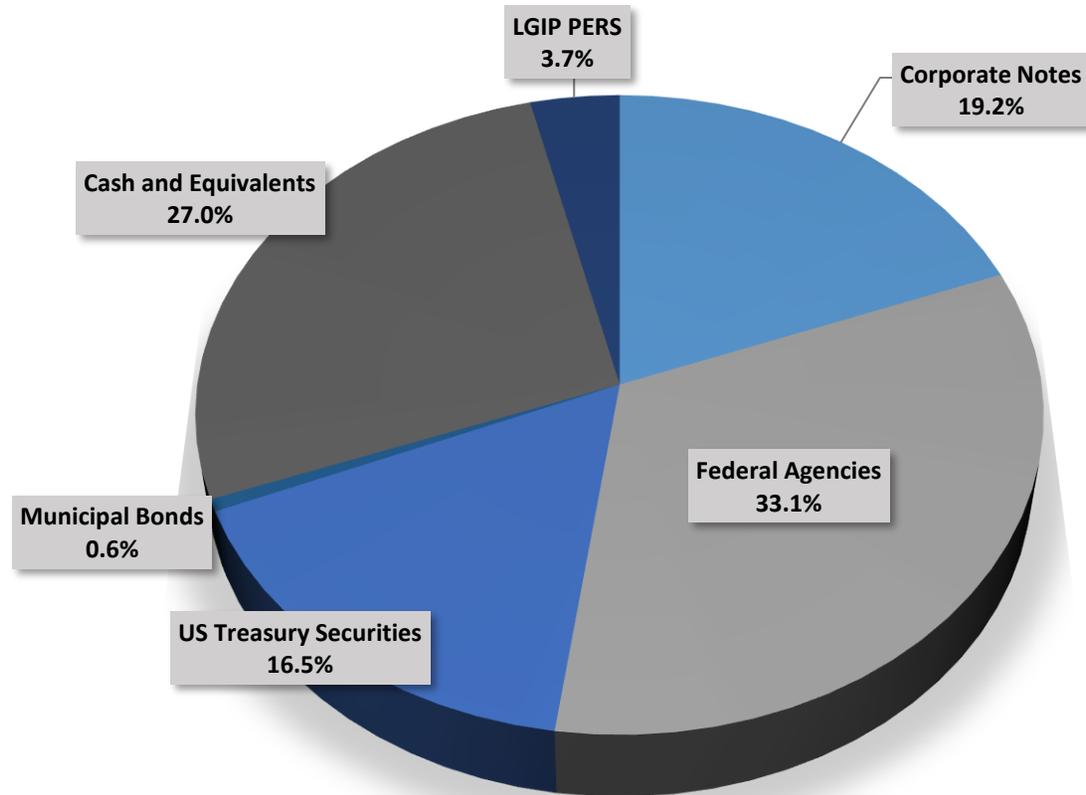
Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

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, 2022**



Real Estate Update

The Real Estate Report gives the Board 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.

There is no significant activity to report since the prior update.

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

01/01/2023 - (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	\$ 20,081	Land Lease	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	2026	N	\$ 14,351	Master Lease	
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	\$ 869	Telecommunication Lease	180 day termination notice by PPS.

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	2022	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	2023	Y	\$ 748	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2022	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	2023	N	\$ 444	License	90 day termination notice by either party.
IDA B. WELLS	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2024	Y	\$ 687	License	
IRVINGTON	Irvington Extended Care	Preschool	2,180	2015	2023	Y	\$ 1,950	License	
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	\$ 2,670	License	
MCDANIELS	Multnomah County	Health Clinic	1,668	2017	2025	Y	\$ 1	License and IGA	
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2008	2022	Y	\$ 1	License and IGA	
PENNISULA	Albina Early Head Start	Early Head Start	1,804	2017	2022	Y	\$ 1	License and IGA	
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2025	Y	\$ 1	License and IGA	
WHITAKER	Andersen Construction	Parking	14,000	2022	2023	Y	\$ 2,500	License	Temporary parking on small eastern section of field to support the construction of PCC's new Workforce Center. Expires June 2023.

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	2022	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		N	\$ -	IGA	(LISA GROTTING, Program Director)
BRIDLEMILE	MECP - DDSD	Classroom	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)
WOODMERE	MECP - DDSD	Preschool	1 classroom	Unknown		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
BENSON@MARSHALL	Albina Early Head Start	Teen Parent Services	2 classrooms				\$ -	Contract	(CHERYL JAMES, Teen Parent Program)
CRESTON	Columbia Regional Programs	Grades K-5	4 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)
MCDANIELS	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							\$ 44,314		
TOTAL ANNUAL							\$ 531,766		

MISCELLANEOUS (PPS REAL ESTATE MANAGER)

Building	Tenant/Owner	Tenant/Owner Type	Square Feet	Initial Lease Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
GREEN THUMB	Portland Parks & Recreation	Park	NA	2001	None	NA	NA	Purchase & Sale, IGA	Property will be formally partitioned into two properties with separate utilities.
MULTIPLE SITES	PGE	Solar Facilities	NA	2015	2040	N	\$ 1,143	Solar License	
JEFFERSON HS	DEQ	DEQ Air Monitors	NA	2001		Y	\$ -	Site Agreement	
MULTIPLE SITES	DEQ	DEQ Air Monitors	NA	2020	2023	Y	\$ -	Site Agreement	Benson, Lane, Lincoln, Madison, Roosevelt
MULTIPLE SITES	City of Portland - BES	Rain Gauges	NA	2009	2023	Y	\$ -	IGA	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.