

FINANCIAL REPORT

FIRST QUARTER

Fiscal Year 2019-20

October 29, 2019



Date: October 29, 2019
To: Portland Public Schools Board of Education
From: Cynthia Le, Chief Financial Officer
Subject: Financial Update for the Quarter Ended September 30, 2019

This report provides an overview of financial operations of district funds for the three months ended September 30, 2019. Dollar amounts reported are from the financial records of the district and are unaudited.

The expenditures and revenues are projected to be as budgeted at this time. As the year progresses the picture will become clearer and we will adjust the projected numbers in the subsequent financial reports. The following schedules focus on variances between balances of the current year-to-date compared to the prior year-to-date.

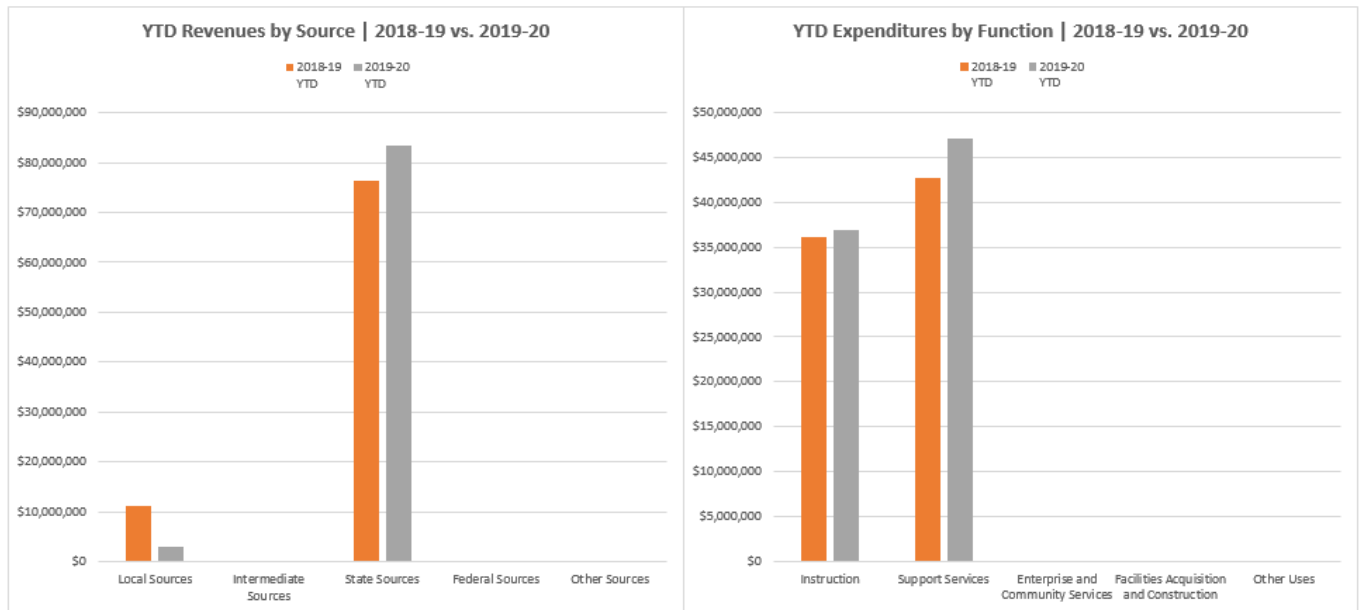
This report includes the following updates:

- Income Statements:
 - 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
 - Real Estate Report

General Fund:

This fund includes all activities of the District that are supported by the State School Fund including property taxes. This fund is considered a Major Governmental Fund and is unrestricted.

General Fund By Function					
For the Period Ending September 30, 2019					
	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 38,281,628	\$ 39,886,901	\$ 39,886,901	\$ 34,112,000	\$ 5,774,901
REVENUES					
Local Sources	\$ 11,176,599	\$ 2,952,746	\$ 382,890,000	\$ 382,890,000	\$ -
Intermediate Sources	\$ -	\$ 7,483	\$ 13,357,000	\$ 13,357,000	\$ -
State Sources	\$ 76,240,655	\$ 83,332,631	\$ 259,360,000	\$ 259,360,000	\$ -
Federal Sources	\$ -	\$ 20,148	\$ -	\$ -	\$ -
Other Sources	\$ 22,104	\$ -	\$ 2,050,000	\$ 2,050,000	\$ -
TOTAL REVENUE	\$ 87,439,358	\$ 86,313,007	\$ 657,657,000	\$ 657,657,000	\$ -
EXPENDITURES					
Instruction	\$ 36,156,899	\$ 36,930,420	\$ 371,970,000	\$ 371,970,000	\$ -
Support Services	\$ 42,630,038	\$ 47,100,760	\$ 289,512,000	\$ 289,512,000	\$ -
Enterprise and Community Services	\$ 70,002	\$ 97,238	\$ 1,901,000	\$ 1,901,000	\$ -
Facilities Acquisition and Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses	\$ 33,859	\$ -	\$ 1,704,000	\$ 1,704,000	\$ -
Contingencies	\$ -	\$ -	\$ 26,682,000	\$ 26,682,000	\$ -
TOTAL EXPENDITURES	\$ 78,890,798	\$ 84,128,418	\$ 691,769,000	\$ 691,769,000	\$ -
SURPLUS / (DEFICIT)	\$ 8,548,560	\$ 2,184,589	\$ (34,112,000)	\$ (34,112,000)	\$ -
Ending Fund Balance		\$ 5,774,901	\$ -	\$ 5,774,901	

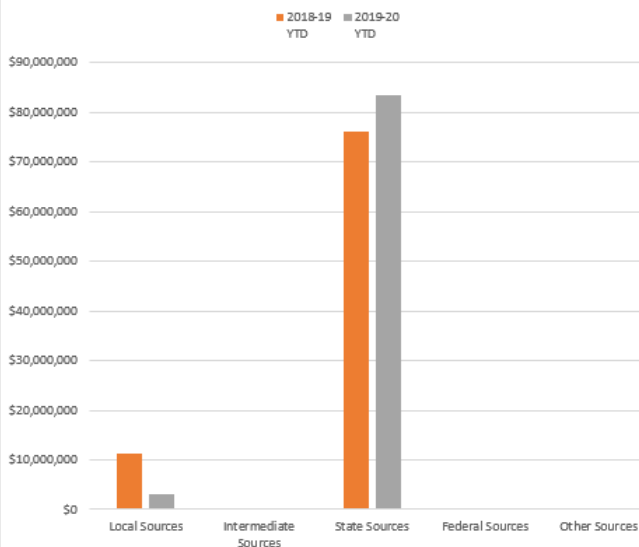


General Fund | By Object

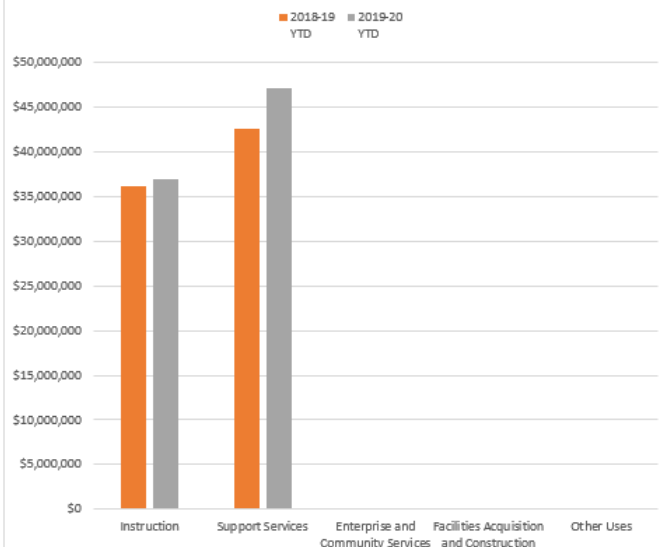
For the Period Ending September 30, 2019

	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 38,281,628	\$ 39,886,901	\$ 39,886,901	\$ 34,112,000	\$ 5,774,901
REVENUES					
Local Sources	\$ 11,176,599	\$ 2,952,746	\$ 382,890,000	\$ 382,890,000	\$ -
Intermediate Sources	\$ -	\$ 7,483	\$ 13,357,000	\$ 13,357,000	\$ -
State Sources	\$ 76,240,655	\$ 83,332,631	\$ 259,360,000	\$ 259,360,000	\$ -
Federal Sources	\$ -	\$ 20,148	\$ -	\$ -	\$ -
Other Sources	\$ 22,104	\$ -	\$ 2,050,000	\$ 2,050,000	\$ -
TOTAL REVENUE	\$ 87,439,358	\$ 86,313,007	\$ 657,657,000	\$ 657,657,000	\$ -
EXPENDITURES					
Salaries	\$ 44,250,527	\$ 47,272,060	\$ 367,307,717	\$ 367,307,717	\$ -
Associated Payroll Costs	\$ 20,891,193	\$ 21,444,153	\$ 185,057,525	\$ 185,057,525	\$ -
Purchased Services	\$ 8,329,342	\$ 8,646,786	\$ 85,888,939	\$ 85,888,939	\$ -
Supplies and Materials	\$ 2,490,141	\$ 3,266,849	\$ 17,296,286	\$ 17,296,286	\$ -
Capital Outlay	\$ 502,409	\$ 330,074	\$ 1,676,802	\$ 1,676,802	\$ -
Other Objects	\$ 2,393,328	\$ 3,168,496	\$ 6,155,731	\$ 6,155,731	\$ -
Transfers	\$ 33,859	\$ -	\$ 1,704,000	\$ 1,704,000	\$ -
Other Uses of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 26,682,000	\$ 26,682,000	\$ -
Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 78,890,798	\$ 84,128,418	\$ 691,769,000	\$ 691,769,000	\$ -
SURPLUS / (DEFICIT)	\$ 8,548,560	\$ 2,184,589	\$ (34,112,000)	\$ (34,112,000)	\$ -
Ending Fund Balance		\$ 5,774,901	\$ -	\$ 5,774,901	

YTD Revenues by Source | 2018-19 vs. 2019-20



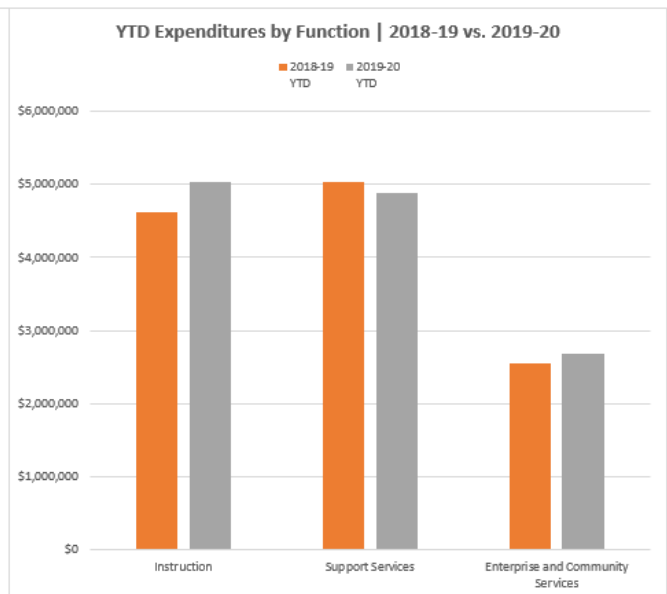
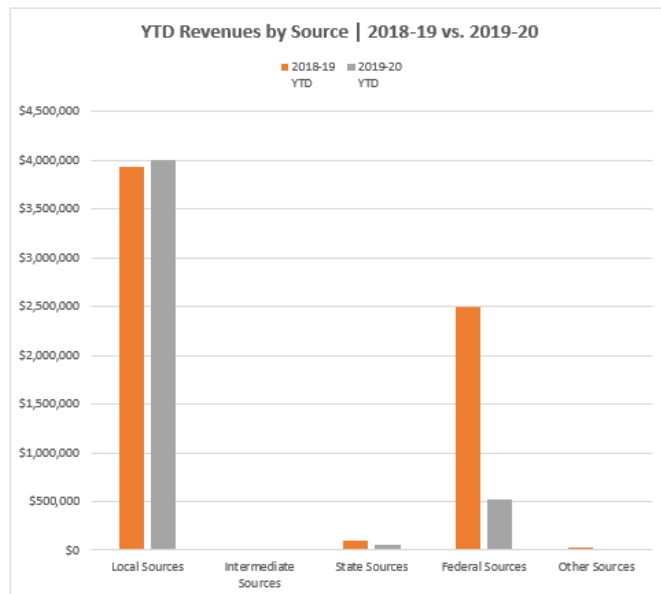
YTD Expenditures by Object | 2018-19 vs. 2019-20



Special Revenue Fund

This fund includes the federal and state grants, as well as the Student Body Fund, and is restricted.

Special Revenue Fund By Function					
For the Period Ending September 30, 2019					
	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 36,206,779	\$ 37,427,899	\$ 37,427,899	\$ 34,896,034	\$ 2,531,865
REVENUES					
Local Sources	\$ 3,939,454	\$ 4,004,619	\$ 24,875,744	\$ 24,875,744	\$ -
Intermediate Sources	\$ -	\$ -	\$ 146,005	\$ 146,005	\$ -
State Sources	\$ 102,424	\$ 55,454	\$ 23,989,184	\$ 23,989,184	\$ -
Federal Sources	\$ 2,489,459	\$ 522,520	\$ 53,501,033	\$ 53,501,033	\$ -
Other Sources	\$ 33,859	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 6,565,196	\$ 4,582,593	\$ 102,511,966	\$ 102,511,966	\$ -
EXPENDITURES					
Instruction	\$ 4,614,594	\$ 5,025,694	\$ 52,519,000	\$ 52,519,000	\$ -
Support Services	\$ 5,032,525	\$ 4,890,929	\$ 30,839,000	\$ 30,839,000	\$ -
Enterprise and Community Services	\$ 2,545,904	\$ 2,676,799	\$ 22,385,000	\$ 22,385,000	\$ -
Facilities Acquisition and Construction	\$ -	\$ -	\$ 59,000	\$ 59,000	\$ -
Other Uses	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 12,193,024	\$ 12,593,422	\$ 107,802,000	\$ 107,802,000	\$ -
SURPLUS / (DEFICIT)	\$ (5,627,828)	\$ (8,010,829)	\$ (5,290,034)	\$ (5,290,034)	\$ -
Ending Fund Balance			\$ 32,137,865	\$ 29,606,000	\$ 2,531,865

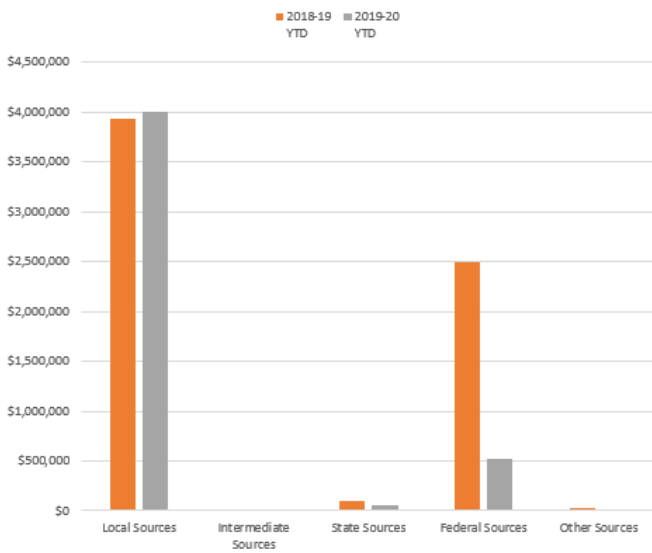


Special Revenue Fund | By Object

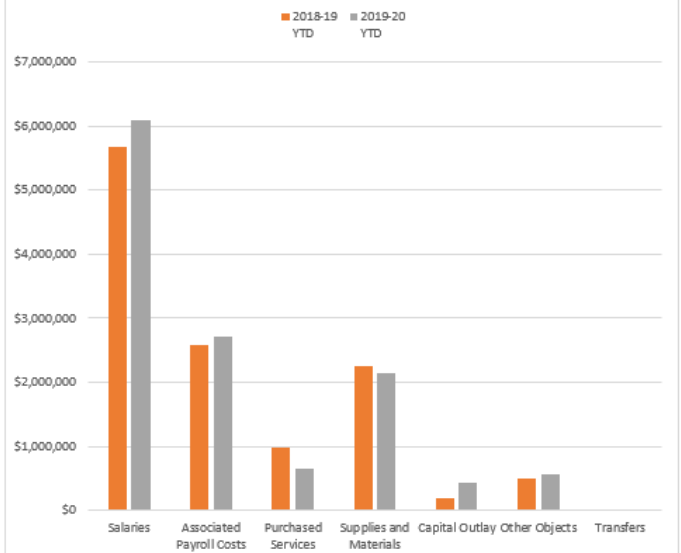
For the Period Ending September 30, 2019

	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 36,206,779	\$ 37,427,899	\$ 37,427,899	\$ 34,896,034	\$ 2,531,865
REVENUES					
Local Sources	\$ 3,939,454	\$ 4,004,619	\$ 24,875,744	\$ 24,875,744	\$ -
Intermediate Sources	\$ -	\$ -	\$ 146,005	\$ 146,005	\$ -
State Sources	\$ 102,424	\$ 55,454	\$ 23,989,184	\$ 23,989,184	\$ -
Federal Sources	\$ 2,489,459	\$ 522,520	\$ 53,501,033	\$ 53,501,033	\$ -
Other Sources	\$ 33,859	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 6,565,196	\$ 4,582,593	\$ 102,511,966	\$ 102,511,966	\$ -
EXPENDITURES					
Salaries	\$ 5,670,981	\$ 6,092,883	\$ 43,243,984	\$ 43,243,984	\$ -
Associated Payroll Costs	\$ 2,592,076	\$ 2,704,431	\$ 25,117,964	\$ 25,117,964	\$ -
Purchased Services	\$ 973,015	\$ 644,267	\$ 9,439,216	\$ 9,439,216	\$ -
Supplies and Materials	\$ 2,254,486	\$ 2,133,186	\$ 22,782,730	\$ 22,782,730	\$ -
Capital Outlay	\$ 202,765	\$ 437,209	\$ 452,242	\$ 452,242	\$ -
Other Objects	\$ 499,702	\$ 570,946	\$ 4,629,064	\$ 4,629,064	\$ -
Transfers	\$ -	\$ 10,500	\$ 2,136,700	\$ 2,136,700	\$ -
Other Uses of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 12,193,024	\$ 12,593,422	\$ 107,801,900	\$ 107,801,900	\$ -
SURPLUS / (DEFICIT)	\$ (5,627,829)	\$ (8,010,829)	\$ (5,289,934)	\$ (5,289,934)	\$ -
Ending Fund Balance		\$ 32,137,965	\$ 29,606,100	\$ 2,531,865	

YTD Revenues by Source | 2018-19 vs. 2019-20



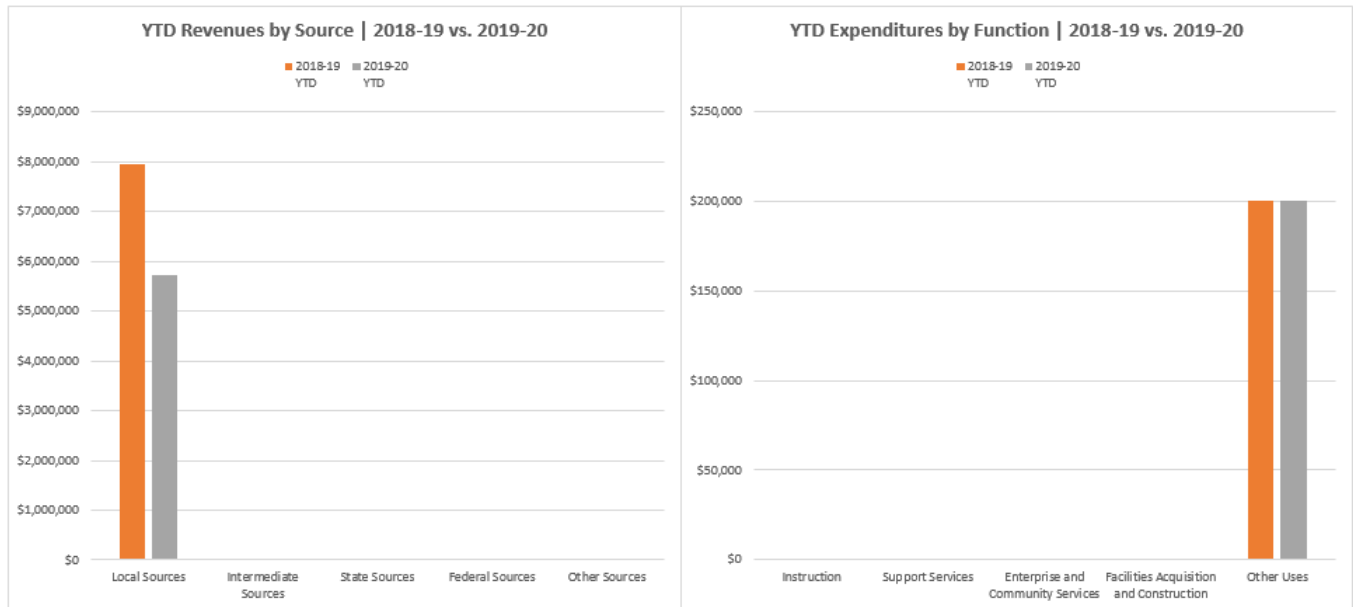
YTD Expenditures by Object | 2018-19 vs. 2019-20



Debt Service Fund

This fund accounts for tax revenues and debt service payments related to bond measures approved by voters. This fund is considered a Major Governmental Fund and is restricted.

Debt Service Fund By Function					
For the Period Ending September 30, 2019					
	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 6,135,976	\$ 10,782,751	\$ 10,782,751	\$ 10,690,970	\$ 91,781
REVENUES					
Local Sources	\$ 7,946,260	\$ 5,714,286	\$ 176,362,929	\$ 176,362,929	\$ -
Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	\$ -	\$ -	\$ 103,505	\$ 103,505	\$ -
Other Sources	\$ -	\$ -	\$ 1,724,379	\$ 1,724,379	\$ -
TOTAL REVENUE	\$ 7,946,260	\$ 5,714,286	\$ 178,190,813	\$ 178,190,813	\$ -
EXPENDITURES					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses	\$ 200,000	\$ 200,000	\$ 177,734,076	\$ 177,734,076	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 200,000	\$ 200,000	\$ 177,734,076	\$ 177,734,076	\$ -
SURPLUS / (DEFICIT)	\$ 7,746,260	\$ 5,514,286	\$ 456,737	\$ 456,737	\$ -
Ending Fund Balance			\$ 11,239,488	\$ 11,147,707	\$ 91,781

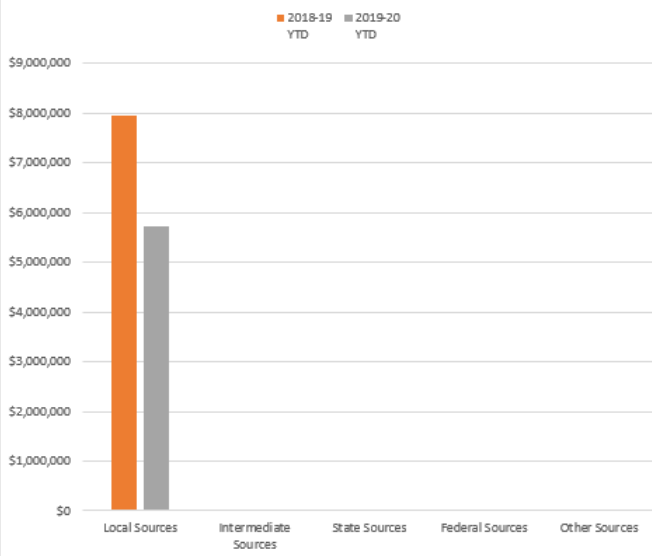


Debt Service Fund | By Object

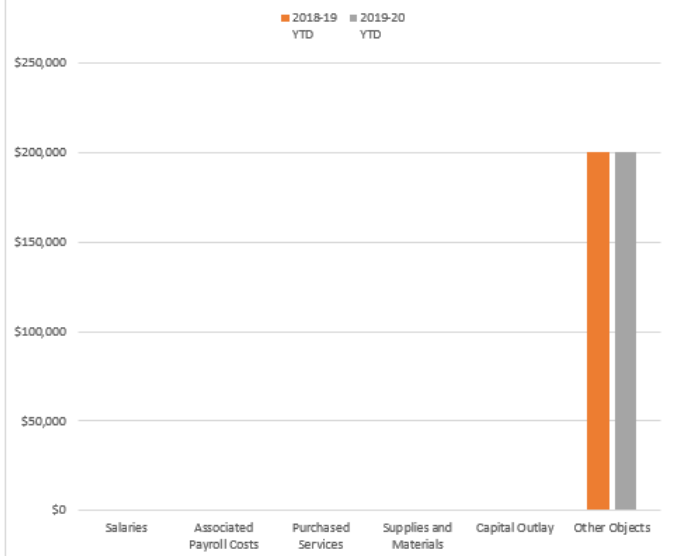
For the Period Ending September 30, 2019

	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 6,135,976	\$ 10,782,751	\$ 10,782,751	\$ 10,690,970	\$ 91,781
REVENUES					
Local Sources	\$ 7,946,260	\$ 5,714,286	\$ 176,362,929	\$ 176,362,929	\$ -
Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	\$ -	\$ -	\$ 103,505	\$ 103,505	\$ -
Other Sources	\$ -	\$ -	\$ 1,724,379	\$ 1,724,379	\$ -
TOTAL REVENUE	\$ 7,946,260	\$ 5,714,286	\$ 178,190,813	\$ 178,190,813	\$ -
EXPENDITURES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Associated Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and Materials	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Other Objects	\$ 200,000	\$ 200,000	\$ 177,734,076	\$ 177,734,076	\$ -
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 200,000	\$ 200,000	\$ 177,734,076	\$ 177,734,076	\$ -
SURPLUS / (DEFICIT)	\$ 7,746,260	\$ 5,514,286	\$ 456,737	\$ 456,737	\$ -
ENDING FUND BALANCE			\$ 11,239,488	\$ 11,147,707	\$ 91,781

YTD Revenues by Source | 2018-19 vs. 2019-20



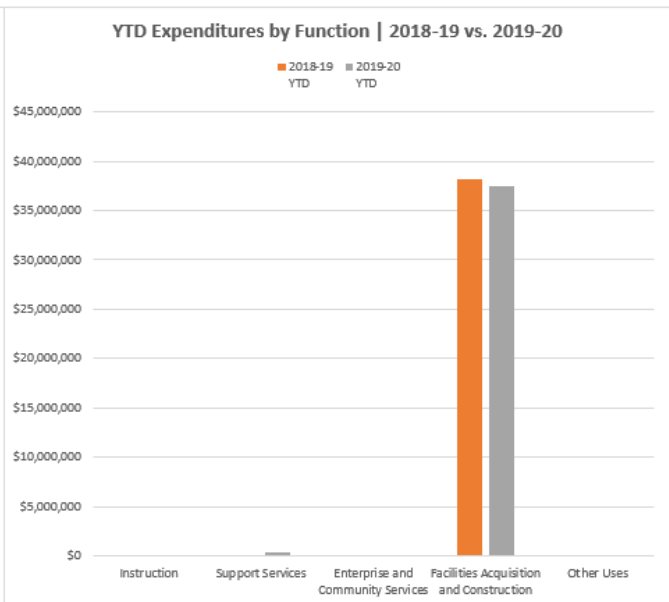
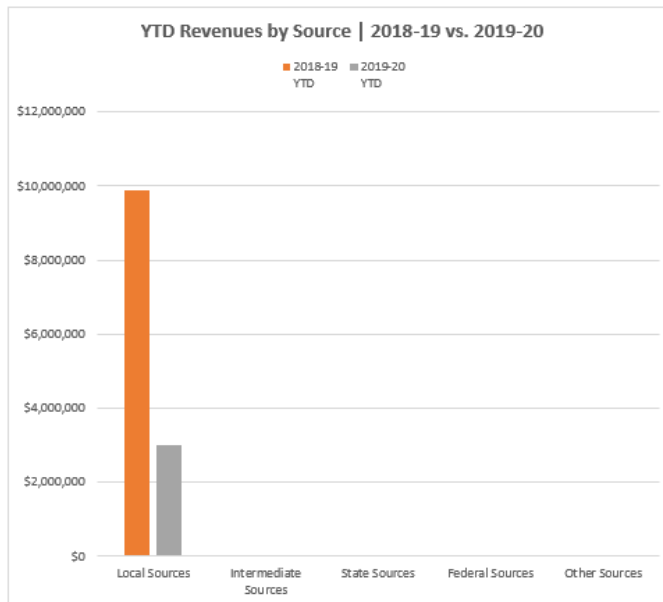
YTD Expenditures by Object | 2018-19 vs. 2019-20



Capital Projects Fund

This fund accounts for capital projects, including the 2012 and 2017 bond measures approved by voters. This fund is considered restricted.

Capital Projects Fund By Function					
For the Period Ending September 30, 2019					
	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 472,195,986	\$ 330,978,231	\$ 330,978,231	\$ 325,789,426	\$ 5,188,805
REVENUES					
Local Sources	\$ 9,870,734	\$ 2,998,251	\$ 11,749,006	\$ 11,749,006	\$ -
Intermediate Sources	\$ 2,500	\$ 3,000	\$ 181,568	\$ 181,568	\$ -
State Sources	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000	\$ -
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ -
TOTAL REVENUE	\$ 9,873,234	\$ 3,001,251	\$ 23,530,574	\$ 23,530,574	\$ -
EXPENDITURES					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services	\$ 153,029	\$ 374,992	\$ 2,779,000	\$ 2,779,000	\$ -
Enterprise and Community Services	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction	\$ 38,188,235	\$ 37,536,294	\$ 302,988,000	\$ 302,988,000	\$ -
Other Uses	\$ -	\$ -	\$ 620,000	\$ 620,000	\$ -
Contingencies	\$ -	\$ -	\$ 42,933,000	\$ 42,933,000	\$ -
Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 38,341,263	\$ 37,911,285	\$ 349,320,000	\$ 349,320,000	\$ -
SURPLUS / (DEFICIT)	\$ (28,468,030)	\$ (34,910,034)	\$ (325,789,426)	\$ (325,789,426)	\$ -
Ending Fund Balance			\$ 5,188,805	\$ -	\$ 5,188,805

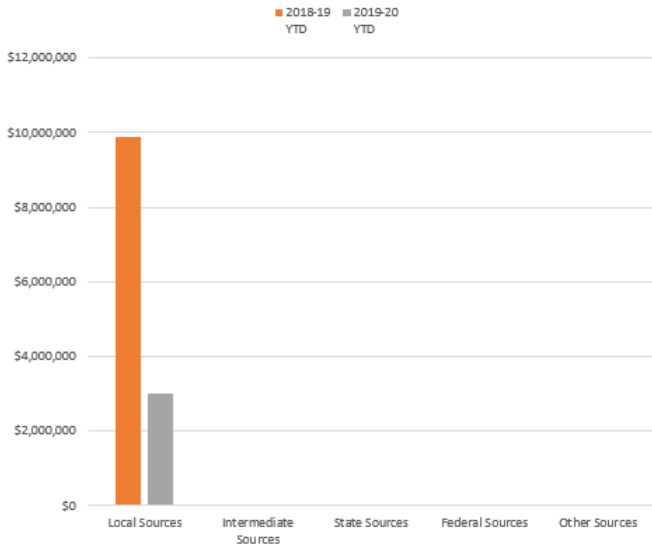


Capital Projects Fund | By Object

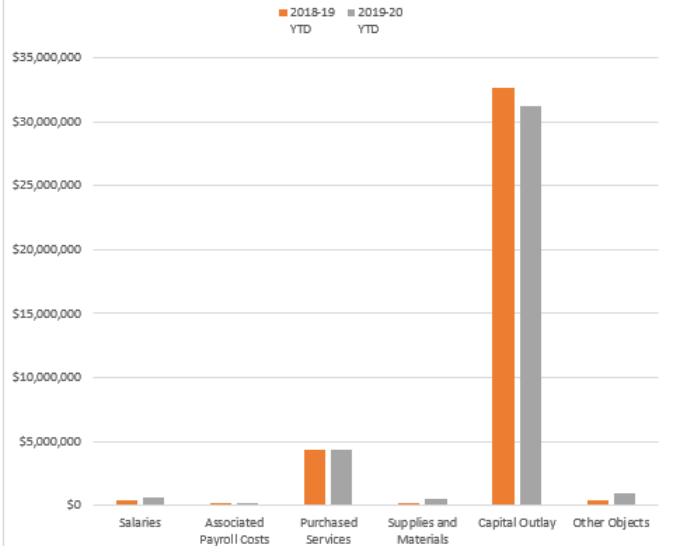
For the Period Ending September 30, 2019

	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 472,195,986	\$ 330,978,231	\$ 330,978,231	\$ 325,789,426	\$ 5,188,805
REVENUES					
Local Sources	\$ 9,870,734	\$ 2,998,251	\$ 11,749,006	\$ 11,749,006	\$ -
Intermediate Sources	\$ 2,500	\$ 3,000	\$ 181,568	\$ 181,568	\$ -
State Sources	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000	\$ -
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ -
TOTAL REVENUE	\$ 9,873,234	\$ 3,001,251	\$ 23,530,574	\$ 23,530,574	\$ -
EXPENDITURES					
Salaries	\$ 465,958	\$ 615,457	\$ 2,654,679	\$ 2,654,679	\$ -
Associated Payroll Costs	\$ 177,481	\$ 238,543	\$ 1,238,610	\$ 1,238,610	\$ -
Purchased Services	\$ 4,396,451	\$ 4,401,145	\$ 40,913,383	\$ 40,913,383	\$ -
Supplies and Materials	\$ 174,777	\$ 513,257	\$ 581,951	\$ 581,951	\$ -
Capital Outlay	\$ 32,691,689	\$ 31,228,481	\$ 249,899,444	\$ 249,899,444	\$ -
Other Objects	\$ 434,906	\$ 914,402	\$ 10,478,933	\$ 10,478,933	\$ -
Transfers	\$ -	\$ -	\$ 620,000	\$ 620,000	\$ -
Contingencies	\$ -	\$ -	\$ 42,933,000	\$ 42,933,000	\$ -
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 38,341,263	\$ 37,911,285	\$ 349,320,000	\$ 349,320,000	\$ -
SURPLUS / (DEFICIT)	\$ (28,468,030)	\$ (34,910,034)	\$ (325,789,426)	\$ (325,789,426)	\$ -
ENDING FUND BALANCE		\$ 5,188,805	\$ 5,188,805	\$ -	\$ 5,188,805

YTD Revenues by Source | 2018-19 vs. 2019-20



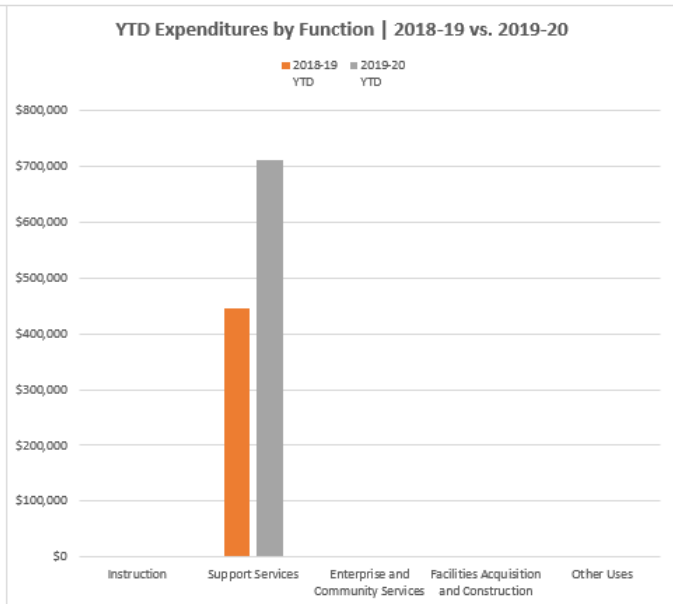
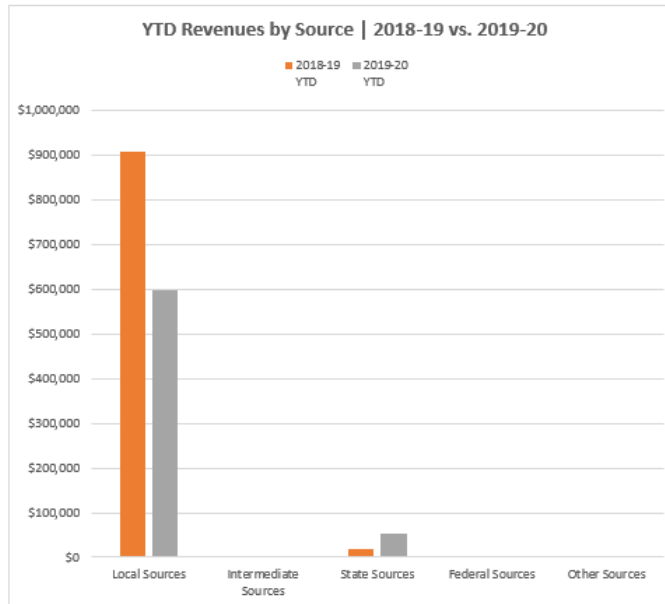
YTD Expenditures by Object | 2018-19 vs. 2019-20



Internal Service Fund

This is the insurance reserve fund for workers' compensation insurance and risk management. This fund is considered as restricted.

Internal Service Fund By Function					
For the Period Ending September 30, 2019					
	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 5,936,749	\$ 8,116,709	\$ 8,116,709	\$ 8,105,402	\$ 11,307
REVENUES					
Local Sources	\$ 908,253	\$ 599,733	\$ 3,796,264	\$ 3,796,264	\$ -
Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	\$ 17,673	\$ 52,112	\$ 176,902	\$ 176,902	\$ -
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 925,926	\$ 651,845	\$ 3,973,166	\$ 3,973,166	\$ -
EXPENDITURES					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services	\$ 445,723	\$ 711,657	\$ 3,754,568	\$ 3,754,568	\$ -
Enterprise and Community Services	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 8,324,000	\$ 8,324,000	\$ -
Unappropriated Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 445,723	\$ 711,657	\$ 12,078,568	\$ 12,078,568	\$ -
SURPLUS / (DEFICIT)	\$ 480,203	\$ (59,812)	\$ (8,105,402)	\$ (8,105,402)	\$ -
Ending Fund Balance			\$ 11,307	\$ -	\$ 11,307

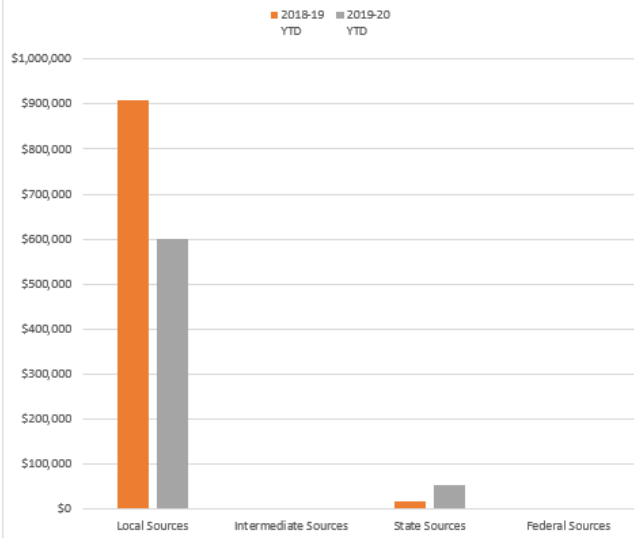


Internal Service Fund | By Object

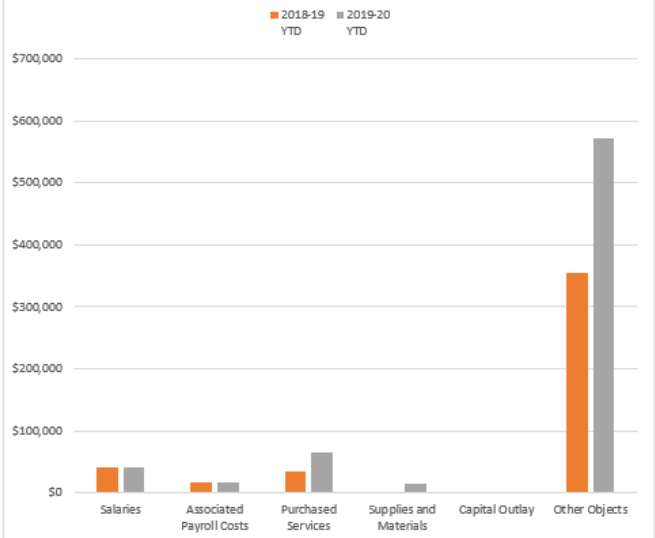
For the Period Ending September 30, 2019

	2018-19 YTD	2019-20 YTD	2019-20 Forecast	2019-20 Budget	Forecast vs. Budget Fav / (Unfav)
Beginning Fund Balance	\$ 5,936,749	\$ 8,116,709	\$ 8,116,709	\$ 8,105,402	\$ 11,307
REVENUES					
Local Sources	\$ 908,253	\$ 599,733	\$ 3,796,264	\$ 3,796,264	-
Intermediate Sources	-	-	-	-	-
State Sources	\$ 17,673	\$ 52,112	\$ 176,902	\$ 176,902	-
Federal Sources	-	-	-	-	-
Other Sources	-	-	-	-	-
TOTAL REVENUE	\$ 925,926	\$ 651,845	\$ 3,973,166	\$ 3,973,166	\$ -
EXPENDITURES					
Salaries	\$ 40,463	\$ 42,173	\$ 284,326	\$ 284,326	-
Associated Payroll Costs	\$ 16,808	\$ 17,346	\$ 118,914	\$ 118,914	-
Purchased Services	\$ 33,950	\$ 64,731	\$ 442,892	\$ 442,892	-
Supplies and Materials	-	\$ 15,840	\$ 70,484	\$ 70,484	-
Capital Outlay	-	-	-	-	-
Other Objects	\$ 354,502	\$ 571,567	\$ 2,837,952	\$ 2,837,952	-
Transfers	-	-	-	-	-
Other Uses of Funds	-	-	\$ 8,324,000	\$ 8,324,000	-
Other Expenses	-	-	-	-	-
TOTAL EXPENDITURES	\$ 445,723	\$ 711,657	\$ 12,078,568	\$ 12,078,568	\$ -
SURPLUS / (DEFICIT)	\$ 480,203	\$ (59,812)	\$ (8,105,402)	\$ (8,105,402)	\$ -
ENDING FUND BALANCE			\$ 11,307	\$ -	\$ 11,307

YTD Revenues by Source | 2018-19 vs. 2019-20



YTD Expenditures by Object | 2018-19 vs. 2019-20



Estimate of Membership Update (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, is relatively flat:

- 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 currently 57,656. This is 106 students less than that shown in the FY2019-20 Adopted Budget (page 21).

The slight ADMw decline is attributable to fewer students enrolled at Charter Schools. State School Fund revenue for the district will not be impacted; rather the pass-through to Charter Schools will be less.

Cash Management and Investment Update

The total available cash on hand balance on September 30, 2019, was \$432.9 million compared to \$573 million on September 30, 2018. This includes contingencies and reserves. The 2019-20 trend shows a steady and predictable decline as available reserves will be used until property tax revenues are received beginning in November and continuing through June. .

The PPS investment portfolio as of September 30, 2019 continues to reflect the high grade characteristics of the portfolio well within the tolerances authorized in the Board approved policy and Oregon Revised Statutes. The Portfolio consists of 61% Treasury and government agency securities. The cash and cash equivalent portion of the portfolio has grown to 36% at the end of September (Vs 34% end of June and 17% September prior FY) due to the banks and LGIP being more competitive on rates than alternative investment opportunities. Market rates in general have declined from June with 1 year and 2 year Treasury securities dropping by 0.17% and 0.12% respectively reflecting continuing market concerns about the state of the economy and continuing international tariff battles.

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.

Investments	Cost Value	Par Value	Market Value	Book Value	% of Portfolio	Maximum % Allowed per Policy*	Average Days Term	Yield to Maturity
Corporate Notes	\$ 11,571	\$ 11,500	\$ 11,568	\$ 11,537	2.7%	35%	115	2.96%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 29,854	\$ 29,800	\$ 29,756	\$ 29,832	6.9%	50%	458	1.61%
Federal Farm Credit Banks	45,683	45,617	45,580	45,644	10.5%	50%	366	1.60%
Federal Home Loan Banks	41,438	40,800	40,888	40,958	9.5%	50%	399	1.59%
Federal Home Mortgage Corp (FreddieMac)	17,287	17,300	17,263	17,297	4.0%	50%	227	1.54%
Federal National Mortgage Association (FannieMae)	7,494	7,490	7,486	7,494	1.7%	50%	91	1.43%
Resolution Funding Corporation (RFC)	36,883	38,560	37,992	38,053	8.8%	50%	289	1.86%
Sub Total Federal Agencies	\$ 178,639	\$ 179,567	\$ 178,965	\$ 179,278	41.4%	100%	348	1.64%
US Treasury Securities	\$ 84,632	\$ 86,400	\$ 85,395	\$ 85,596	19.8%	100%	516	1.57%
Municipal Bonds	\$ 861	\$ 865	\$ 862	\$ 864	0.2%	30%	337	1.75%
Sub Total Investments	\$ 275,703	\$ 278,332	\$ 276,790	\$ 277,275				
Cash and Equivalents								
Cash and Cash Equivalents	136,489	136,489	136,489	136,489	31.5%	100%	1	2.02%
LGIP PERS (Restricted)**	19,163	19,163	19,163	19,163	4.4%	N/A	1	2.45%
Sub Total Cash and Equivalents	\$ 155,651	\$ 155,651	\$ 155,651	\$ 155,651				
Total Cash and Investments	\$ 431,354	\$ 433,983	\$ 432,441	\$ 432,926	100%		250	1.82%

*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

Real Estate Update

The attached Real Estate report in the appendix section provides 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. Such changes include the extension or expiration of existing contracts and the addition of new contracts.

Pacific Trust has notified staff that they will tender their option in October to purchase the PPS parking lot adjacent the old Washington High School Site. The majority of this site was sold by PPS in 2013. The option specifically prescribes how the Fair Market Value will be set. The transaction will be complete by the end of the year or the first months of 2020. This matter will be brought to the Board for approval

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) increase 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 – General Fund Year-To-Date Comparison, 2018-19 and 2019-20

General Fund Variance Analysis			
For the Period Ending September 30, 2019			
	Variance		Explanation of Variance
	Increase (Decrease)		
	From Prior Year		
	\$	%	
Revenues			
Beginning Fund Balance	\$1,605	4.19%	General fund spending for FY19 came in under budget, increasing BFB for FY20
Local Sources	(\$8,224)	-73.58%	Comcast Settlement in FY19 \$7.9M, Erates received in FY19
Intermediate Sources	\$7	0.00%	County School Funds in FY20, nothing received in Q1 FY19
State Sources	\$7,092	9.30%	SSF increases
Federal Sources	\$20	0.00%	Forest Service in FY20
Other Sources	(\$22)	-100.00%	Interfund transfer in FY19
Total Resources	\$479	-1.29%	
Expenditures			
Salaries	\$3,022	6.83%	COLA, steps, associated PR costs and FTE increases. Year-over-Year changes in
Associated Payroll Costs	\$553	2.65%	Associated payroll costs show the change expected due primarily to COLA.
Purchased Services	\$317	3.81%	Telephone, Professional Services Contract increases
Supplies and Materials	\$777	31.19%	Computer equipment, consumable supplies
Capital Outlay	(\$172)	-34.30%	Software and Buses purchased in FY19
Other Objects	\$775	32.39%	Property and Liability premiums
Transfers	(\$34)	-100.00%	Interfund transfer in FY19
Other Uses of Funds	\$0	0.00%	
Contingencies	\$0	0.00%	
Unappropriated Ending Fund Balance	\$0	0.00%	
Total Requirements	\$5,238	6.64%	

Appendix C – Real Estate Report

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

10/15/2019 - (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	\$ 17,836	Land Lease	
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	
KENTON	De La Salle North	School	33,450	2006	2021	N	\$ 48,116	Master Lease	Rent during July, August & September \$12,298.
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 by year end.
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	\$ 33,457	Master Lease	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	

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	\$ 1.00	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	\$ 1.00	License	
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2020	Y	\$ 1.00	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	\$ 1.00	License	License renewed one year.

FAUBION	Basics LLC	Food Pantry	186	2017	2022	Y	\$ 1.00	License	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2017	2020	Y	\$ 1.00	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	\$ 651	License	90 day termination notice by either party.
GREEN THUMB	Portland Classical Chinese Garden	Green House	1 Hoop House	2011	2022	N	\$ 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	\$ 1.00	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2008	2020	N	\$ 2,543	License	90 day termination notice by either party.
MADISON@MARSHALL	Multnomah County	Health Clinic	1,668	2017	2020	Y	\$ 1.00	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	\$ 1.00	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 (DOSD)	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							\$ 168,328		
TOTAL ANNUAL							\$ 2,019,934		
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 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	Option to purchase WHS Parking lot @ FMV.
MULTIPLE SITES	PGE	Solar Facilities	NA	2015	2040	N	\$ -	Solar License	
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	2019	N	\$ -	IGA	
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.									