

Portland Public Schools

Preliminary Financial Report

Fiscal Year 2020-21

For the Period Ended September 30, 2020





DATE: November 17, 2020
TO: Portland Public Schools Board of Education
FROM: Claire Hertz, Deputy Superintendent of Business & Operations
SUBJECT: Preliminary Financial Update for the Period Ended September 30, 2020

This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended September 30, 2020**.

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**
- **Real Estate Report**

This report provides an overview of financial operations of District funds for the three months ended September 30 2020. Amounts reported are from the financial records of the District and are unaudited.

At this time, the General Fund has an updated expenditure forecast to align with the current known factors, revenues and expenditures for the other funds have the forecast equal to the fiscal 2020-21 Amended Budget. We will adjust the forecast, as necessary, throughout the year.

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 September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	2,952,746	396,467,030	2,028,234	0.5%	396,467,030	-
Intermediate Sources	7,483	14,026,945	-	0.0%	14,026,945	-
State Sources	83,332,631	272,479,015	85,854,438	31.5%	272,479,015	-
Federal Sources	20,148	-	-	0.0%	-	-
Other Sources	-	50,000	9,561	19.1%	50,000	-
Total Operating Revenue	86,313,007	683,022,990	87,892,233	12.9%	683,022,990	-
Beginning Fund Balance	39,886,901	64,474,010	64,473,866	100.0%	64,474,010	-
Operating Expenditures						
Instruction	36,930,420	386,097,000	38,272,575	9.9%	375,072,132	(11,024,868)
Support Services	47,100,760	317,405,999	48,743,135	15.4%	314,476,344	(2,929,655)
Enterprise and Community Services	97,238	1,814,000	71,955	4.0%	1,814,000	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	1,234,000	-	0.0%	1,234,000	-
Total Operating Expenditures	84,128,418	706,550,999	87,087,664	12.3%	692,596,476	(13,954,523)
Contingencies		40,946,000				(40,946,000)
OPERATING SURPLUS / (DEFICIT)	2,184,589	(23,528,009)	804,568		(9,573,486)	13,954,523
Ending Fund Balance	42,071,490	-	65,278,435		54,900,523	54,900,523
EFB as % of Total Operating Revenues					8.0%	

General Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	2,952,746	396,467,030	2,028,234	0.5%	396,467,030	-
Intermediate Sources	7,483	14,026,945	-	0.0%	14,026,945	-
State Sources	83,332,631	272,479,015	85,854,438	31.5%	272,479,015	-
Federal Sources	20,148	-	-	0.0%	-	-
Other Sources	-	50,000	9,561	19.1%	50,000	-
Total Operating Revenue	86,313,007	683,022,990	87,892,233	12.9%	683,022,990	-
Beginning Fund Balance	39,886,901	64,474,010	64,473,866	100.0%	64,474,010	-
Operating Expenditures						
Salaries	47,272,060	383,551,386	45,483,963	11.9%	379,271,088	(4,280,298)
Associated Payroll Costs	21,444,153	187,883,771	23,859,249	12.7%	185,718,872	(2,164,899)
Purchased Services	8,646,786	95,655,461	8,055,855	8.4%	95,655,461	-
Supplies and Materials	3,266,849	30,026,255	5,791,590	19.3%	22,516,929	(7,509,326)
Capital Outlay	330,074	1,996,420	504,504	25.3%	1,996,420	-
Other Objects	3,168,496	6,203,706	3,392,505	54.7%	6,203,706	-
Transfers	-	1,234,000	-	0.0%	1,234,000	-
Total Operating Expenditures	84,128,418	706,550,999	87,087,664	12.3%	692,596,476	(13,954,523)
Contingencies		40,946,000				(40,946,000)
OPERATING SURPLUS / (DEFICIT)	2,184,589	(23,528,009)	804,568		(9,573,486)	13,954,523
Ending Fund Balance	42,071,490	-	65,278,435		54,900,523	54,900,523
EFB as % of Total Operating Revenues					8.0%	

General Funds | By Function

For the Period Ending September 30, 2020



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	2,952,746	2,028,234	(924,512)	-31.3%	
Intermediate Sources	7,483	-	(7,483)	-100.0%	
State Sources	83,332,631	85,854,438	2,521,807	3.0%	Increase in State School Fund Revenues
Federal Sources	20,148	-	(20,148)	-100.0%	
Other Sources	-	9,561	9,561	0.0%	Sale of Fixed Asset
Total Operating Revenue	86,313,007	87,892,233	1,579,226	1.8%	
Beginning Fund Balance	39,886,901	64,473,866	24,586,965	61.6%	
Operating Expenditures					
Instruction	36,930,420	38,272,575	1,342,155	3.6%	Increases related to Health Insurance, PERS UAL and COVID related Comprehensive Distance Learning technology and software
Support Services	47,100,760	48,743,135	1,642,374	3.5%	Increases related to Health Insurance, PERS UAL and COVID related Comprehensive Distance Learning technology and software
Enterprise and Community Services	97,238	71,955	(25,283)	-26.0%	501 Deli is currently closed
Facilities Acquisition and Construction	-	-	-	0.0%	
Other Uses	-	-	-	0.0%	
Total Operating Expenditures	84,128,418	87,087,664	2,959,246	3.5%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	2,184,589	804,568	(1,380,020)	-63.2%	
Ending Fund Balance	42,071,490	65,278,435	23,206,945	55.2%	

General Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	2,952,746	2,028,234	(924,512)	-31.3%	
Intermediate Sources	7,483	-	(7,483)	-100.0%	
State Sources	83,332,631	85,854,438	2,521,807	3.0%	Increase in State School Fund Revenues
Federal Sources	20,148	-	(20,148)	-100.0%	
Other Sources	-	9,561	9,561	0.0%	Sale of Fixed Asset
Total Operating Revenue	86,313,007	87,892,233	1,579,226	1.8%	
Beginning Fund Balance	39,886,901	64,473,866	24,586,965	61.6%	
Operating Expenditures					
Salaries	47,272,060	45,483,963	(1,788,097)	-3.8%	Substitute Pay, Extended Hours and Overtime are down, year over year
Associated Payroll Costs	21,444,153	23,859,249	2,415,096	11.3%	Expected increase due to increase in Health Insurance and PERS UAL
Purchased Services	8,646,786	8,055,855	(590,931)	-6.8%	COVID related reductions (travel restrictions, TriMet reduction, virtual versus in-person local meetings)
Supplies and Materials	3,266,849	5,791,590	2,524,740	77.3%	COVID related increases (Comprehensive Distance Learning supports, including technology and software platforms)
Capital Outlay	330,074	504,504	174,430	52.8%	COVID related increases (Comprehensive Distance Learning supports, including technology and software platforms)
Other Objects	3,168,496	3,392,505	224,009	7.1%	Increase in Property Insurance
Transfers	-	-	-	-	
Total Operating Expenditures	84,128,418	87,087,664	2,959,246	3.5%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	2,184,589	804,568	(1,380,020)	-63.2%	
Ending Fund Balance	42,071,490	65,278,435	23,206,945	55.2%	

Special Revenue Funds | By Function

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	4,004,619	23,114,686	3,826,599	16.6%	23,114,686	-
Intermediate Sources	-	143,843	-	0.0%	143,843	-
State Sources	55,454	46,228,374	-	0.0%	46,228,374	-
Federal Sources	522,520	77,439,830	824,525	1.1%	77,439,830	-
Other Sources	-	133,507	-	0.0%	133,507	-
Total Operating Revenue	4,582,593	147,060,240	4,651,124	3.2%	147,060,240	-
Beginning Fund Balance	37,427,899	36,734,760	35,789,940	97.4%	36,734,760	-
Operating Expenditures						
Instruction	5,025,694	72,711,000	4,578,884	6.3%	72,711,000	-
Support Services	4,890,929	58,568,000	6,123,352	10.5%	58,568,000	-
Enterprise and Community Services	2,676,800	23,861,000	2,558,264	10.7%	23,861,000	-
Facilities Acquisition and Construction	-	14,000	11,705	83.6%	14,000	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	12,593,423	155,154,000	13,272,206	8.6%	155,154,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(8,010,830)	(8,093,760)	(8,621,082)		(8,093,760)	-
Ending Fund Balance	29,417,070	28,641,000	27,168,858		28,641,000	-

Special Revenue Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	4,004,619	23,114,686	3,826,599	16.6%	23,114,686	-
Intermediate Sources	-	143,843	-	0.0%	143,843	-
State Sources	55,454	46,228,374	-	0.0%	46,228,374	-
Federal Sources	522,520	77,439,830	824,525	1.1%	77,439,830	-
Other Sources	-	133,507	-	0.0%	133,507	-
Total Operating Revenue	4,582,593	147,060,240	4,651,124	3.2%	147,060,240	-
Beginning Fund Balance	37,427,899	36,734,760	35,789,940	97.4%	36,734,760	-
Operating Expenditures						
Salaries	6,092,883	59,170,319	6,603,380	11.2%	59,170,319	-
Associated Payroll Costs	2,704,431	28,908,305	3,439,295	11.9%	28,908,305	-
Purchased Services	644,267	26,510,205	594,962	2.2%	26,510,205	-
Supplies and Materials	2,133,186	34,379,551	2,020,365	5.9%	34,379,551	-
Capital Outlay	437,209	565,532	74,977	13.3%	565,532	-
Other Objects	570,946	5,620,088	539,226	9.6%	5,620,088	-
Transfers	10,500	-	-	0.0%	-	-
Total Operating Expenditures	12,593,423	155,154,000	13,272,206	8.6%	155,154,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(8,010,830)	(8,093,760)	(8,621,082)		(8,093,760)	-
Ending Fund Balance	29,417,070	28,641,000	27,168,858		28,641,000	-

Debt Service Funds | By Function

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	5,714,286	185,616,999	7,358,658	4.0%	185,616,999	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	54,000	-	0.0%	54,000	-
Other Sources	-	1,751,000	200,000	11.4%	1,751,000	-
Total Operating Revenue	5,714,286	187,421,999	7,558,658	4.0%	187,421,999	-
Beginning Fund Balance	10,782,751	14,250,001	13,823,216	97.0%	14,250,001	-
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	200,000	191,444,000	200,000	0.1%	191,444,000	-
Total Operating Expenditures	200,000	191,444,000	200,000	0.1%	191,444,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	5,514,286	(4,022,001)	7,358,658		(4,022,001)	-
Ending Fund Balance	16,297,037	10,228,000	21,181,874		10,228,000	-

Debt Service Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	5,714,286	185,616,999	7,358,658	4.0%	185,616,999	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	54,000	-	0.0%	54,000	-
Other Sources	-	1,751,000	200,000	11.4%	1,751,000	-
Total Operating Revenue	5,714,286	187,421,999	7,558,658	4.0%	187,421,999	-
Beginning Fund Balance	10,782,751	14,250,001	13,823,216	97.0%	14,250,001	-
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	200,000	191,444,000	200,000	0.1%	191,444,000	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	200,000	191,444,000	200,000	0.1%	191,444,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	5,514,286	(4,022,001)	7,358,658		(4,022,001)	-
Ending Fund Balance	16,297,037	10,228,000	21,181,874		10,228,000	-

Capital Projects Funds | By Function

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	2,998,251	12,766,351	305,616	2.4%	12,766,351	-
Intermediate Sources	3,000	-	40,000	0.0%	-	-
State Sources	-	3,500,000	278,533	8.0%	3,500,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	1,000,000,000	-	0.0%	1,000,000,000	-
Total Operating Revenue	3,001,251	1,016,266,351	624,149	0.1%	1,016,266,351	-
Beginning Fund Balance	330,978,231	577,818,649	663,007,183	114.7%	577,818,649	-
Operating Expenditures						
Instruction	-	29,644,000	-	0.0%	29,644,000	-
Support Services	375,044	59,952,000	273,505	0.5%	59,952,000	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	37,537,184	1,331,591,000	49,840,377	3.7%	1,331,591,000	-
Other Uses	-	617,000	200,000	32.4%	617,000	-
Total Operating Expenditures	37,912,228	1,421,804,000	50,313,882	3.5%	1,421,804,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(34,910,977)	(405,537,649)	(49,689,734)		(405,537,649)	-
Ending Fund Balance	296,067,254	172,281,000	613,317,449		172,281,000	-

Capital Projects Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	2,998,251	12,766,351	305,616	2.4%	12,766,351	-
Intermediate Sources	3,000	-	40,000	0.0%	-	-
State Sources	-	3,500,000	278,533	8.0%	3,500,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	1,000,000,000	-	0.0%	1,000,000,000	-
Total Operating Revenue	3,001,251	1,016,266,351	624,149	0.1%	1,016,266,351	-
Beginning Fund Balance	330,978,231	577,818,649	663,007,183	114.7%	577,818,649	-
Operating Expenditures						
Salaries	615,457	3,734,822	575,914	15.4%	3,734,822	-
Associated Payroll Costs	238,543	1,665,686	247,753	14.9%	1,665,686	-
Purchased Services	4,402,074	171,978,578	4,117,966	2.4%	171,978,578	-
Supplies and Materials	513,272	588,770	337,172	57.3%	588,770	-
Capital Outlay	31,228,481	1,227,822,511	44,300,137	3.6%	1,227,822,511	-
Other Objects	914,402	15,396,633	534,939	3.5%	15,396,633	-
Transfers	-	617,000	200,000	32.4%	617,000	-
Total Operating Expenditures	37,912,228	1,421,804,000	50,313,882	3.5%	1,421,804,000	-
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(34,910,977)	(405,537,649)	(49,689,734)		(405,537,649)	-
Ending Fund Balance	296,067,254	172,281,000	613,317,449		172,281,000	-

Internal Service Funds | By Function

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	599,733	2,154,634	288,120	13.4%	2,154,634	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	52,112	191,585	-	0.0%	191,585	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	651,845	2,346,219	288,120	12.3%	2,346,219	-
Beginning Fund Balance	8,116,709	6,185,781	5,857,722	94.7%	6,185,781	-
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	711,657	3,763,000	398,252	10.6%	3,763,000	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	711,657	3,763,000	398,252	10.6%	3,763,000	-
Contingencies		4,769,000				(4,769,000)
OPERATING SURPLUS / (DEFICIT)	(59,812)	(1,416,781)	(110,132)		(1,416,781)	-
Ending Fund Balance	8,056,897	-	5,747,590		4,769,000	4,769,000

Internal Service Funds | By Object

For the Period Ending September 30, 2020



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
	Operating Revenues					
Local Sources	599,733	2,154,634	288,120	13.4%	2,154,634	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	52,112	191,585	-	0.0%	191,585	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	651,845	2,346,219	288,120	12.3%	2,346,219	-
Beginning Fund Balance	8,116,709	6,185,781	5,857,722	94.7%	6,185,781	-
Operating Expenditures						
Salaries	42,173	296,542	38,986	13.1%	296,542	-
Associated Payroll Costs	17,346	114,143	16,835	14.7%	114,143	-
Purchased Services	64,731	442,876	34,643	7.8%	442,876	-
Supplies and Materials	15,840	71,479	24,401	34.1%	71,479	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	571,567	2,837,960	283,388	10.0%	2,837,960	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	711,657	3,763,000	398,252	10.6%	3,763,000	-
Contingencies		4,769,000				(4,769,000)
OPERATING SURPLUS / (DEFICIT)	(59,812)	(1,416,781)	(110,132)		(1,416,781)	-
Ending Fund Balance	8,056,897	-	5,747,590		4,769,000	4,769,000

Cash Management and Investment Update

The PPS investment portfolio as of September 30, 2020 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 40% Treasury and government agency securities which is less than June 2020 (50%). The cash and cash equivalent portion of the portfolio increased to 36% of the total portfolio from June 2020 (versus 36% at September 2019).

Market rates in general have remained about the same from June with 1 year Treasury securities decreasing by .04% and 2 year Treasury securities decreasing by .03% and remain near -0- % reflecting concerns regarding the international virus crisis, Federal Reserve rate cuts and overall health of the international economies. Rates have also decreased significantly from prior year with 1 year and 2 year Treasury securities decreasing by 1.63% and 1.50% respectively.

US Treasury Rates			
	9/30/2019	6/30/2020	9/30/2020
90 Day T-Bill	1.88%	0.16%	0.10%
1 Year T-Bill	1.75%	0.16%	0.12%
2 Year Note	1.63%	0.16%	0.13%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since June 2020 (\$171.8 million) were primarily reinvestments of maturing securities for the new Capital Bond Fund. We also continue to maximize the use of the LGIP account as that continues to provide the highest rate of return on alternative short-term investments (1.00% rate at September 30, 2020) and have increased our use of bank money market accounts as they too are providing better returns than alternative short-term securities. No securities were sold prior to maturity June to September 2020. A \$5.1 million security was called prior to maturity by the issuer.

The total portfolio of Cash and Investments decreased by \$114 million since June due primarily to meet operating and capital spending needs. The LGIP PERS balance of \$19.9 million increased by \$19.3 million from June.

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.



Preliminary & Unaudited

Portland Public Schools
Total Cash and Investments
September 30, 2020
(\$ 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	\$ 183,387	\$ 181,921	\$ 183,269	\$ 182,850	23.7%	35%	183	1.30%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 31,014	\$ 31,000	\$ 31,169	\$ 31,008	4.0%	50%	176	0.93%
Federal Farm Credit Banks	16,373	16,317	16,536	16,329	2.1%	50%	308	1.66%
Federal Home Loan Banks	40,507	40,400	40,587	40,417	5.2%	50%	152	0.74%
Federal National Mortgage Association (FannieMae)	10,927	10,850	10,904	10,904	1.4%	50%	149	0.14%
Resolution Funding Corporation (RFC)	99,083	100,560	100,547	100,484	13.0%	50%	26	0.67%
Tennessee Valley Authority (TVA)	1,446	1,518	1,500	1,470	0.2%	50%	715	1.68%
Sub Total Federal Agencies	\$ 199,350	\$ 200,645	\$ 201,243	\$ 200,612	26.0%	100%	109	0.78%
US Treasury Securities	\$ 104,589	\$ 106,400	\$ 106,618	\$ 106,042	13.8%	100%	166	1.18%
Municipal Bonds	\$ 7,564	\$ 7,215	\$ 7,477	\$ 7,436	1.0%	30%	274	0.90%
Sub Total Investments	\$ 494,890	\$ 496,181	\$ 498,607	\$ 496,940				
Cash and Equivalents								
Cash and Cash Equivalents	253,318	253,318	253,318	253,318	32.9%	100%	1	0.47%
LGIP PERS (Restricted)**	19,947	19,947	19,947	19,947	2.6%	N/A	1	1.00%
Sub Total Cash and Equivalents	\$ 273,265	\$ 273,265	\$ 273,265	\$ 273,265				
Total Cash and Investments	<u>\$ 768,155</u>	<u>\$ 769,446</u>	<u>\$ 771,872</u>	<u>\$ 770,204</u>	100%		98	0.86%

*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.

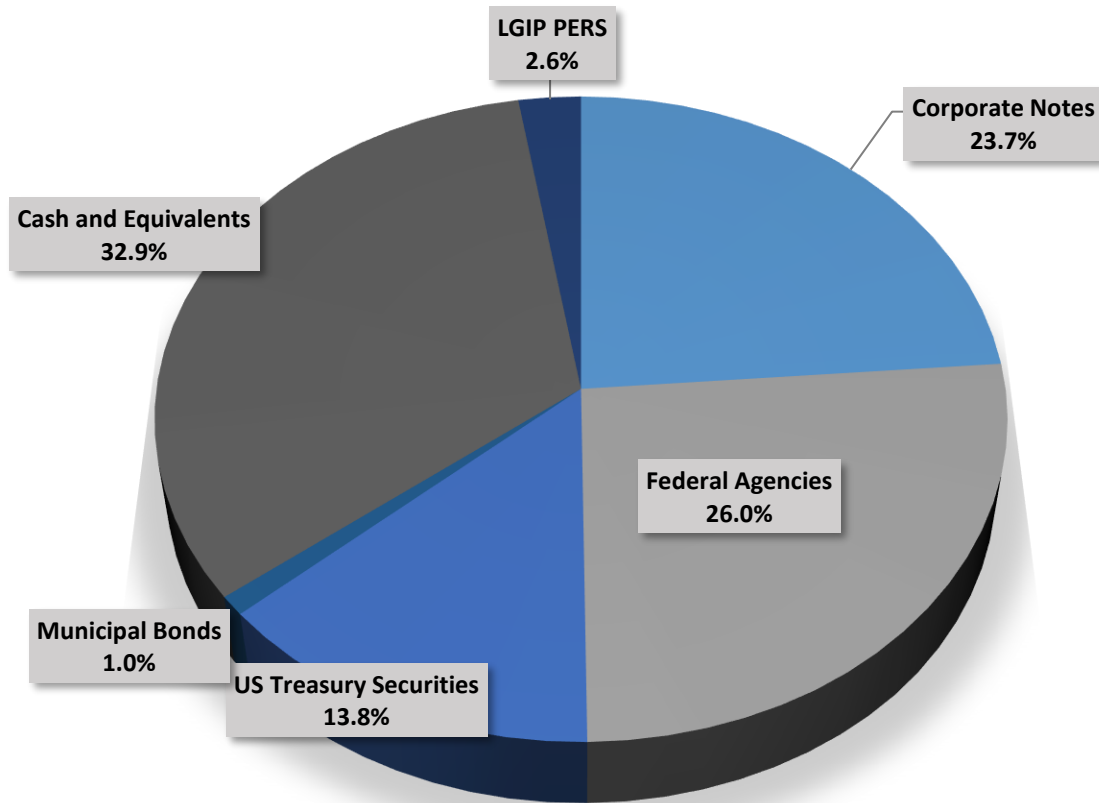
Book Value is the balance sheet account balance based on the original cost adjusted for amortization of any purchase premium or discount over its expected maturity.

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



**Portland Public Schools
Total Cash and Investments
September 30, 2020**

Preliminary



Real Estate Update

The Real Estate Report provides the Board with an overview of 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, the AT&T cell tower lease with PPS at the Green Thumb site expired, and AT&T negotiated a new lease with Portland Parks and Recreation on the portion of Green Thumb owned by Parks. Only two cell facilities now remain on PPS property, one at Grant HS and one at Meek School. Both are operated by AT&T, and both are scheduled to expire March 31, 2021.

As a result of the COVID pandemic, tenants whose premises are embedded within PPS school buildings are unable to have active use of their premises. Many of these tenants pay no rent. For the three rent paying tenants who are unable to actively access their premises, rent has been paused until full building access returns.

Tenants who have had uninterrupted access to their premises continue to pay rent. When requested, a rent concession has been offered that would defer three months of rent over the remaining lease term. Only one tenant has elected to defer their rent.

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

10/15/2020 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. Changes since last report shown in red.

LEASE (PPS REAL ESTATE MANAGER)

Building	Tenant	Tenant Type	Square Feet	Initial Lease Commencement	Current Contract Expiration*	30 Day	Current Monthly Rent	Contract Type	Comments
						Termination Notice			
BESC	Multnomah County	Office	38,250	2000	2099	N	Rent Prepaid	Lease	Pays 11.9% of monthly BESC operating costs and capital improvements.
COLLINS VIEW	Riverdale SD, Land lease only	School	6.02 acres	2001	2021	N	\$ 18,557	Land Lease	Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land.
EDWARDS	Trillium Family Services	Clinic/School	20,500	2011	2021	N	\$ 27,865	Master Lease	
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	\$ -	Telecommunication Lease	PPS lease expired. AT&T now leasing from Portland Parks and Recreation on Park's section of Green Thumb.
HUMBOLDT	KairosPDX	PPS Charter School	23,003	2016	2021	N	\$ 19,413	Lease	39,860 SF (excluding portables).
KENTON	De La Salle North	School	33,450	2006	2021	N	\$ 49,559	Master Lease	Rent during July, August & September \$12,667.
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	
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	\$ 39,074	Master Lease	Notify by 2021 if elect to void 5 year renewal option.

Portland Public Schools: Real estate contracts for dedicated space during school hours (Excludes Civic Use of Buildings Permits)
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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	2015	2020	Y	\$ -	License	Neighborhood House vacated site. NAYA will lease the space when building access returns.
BENSON	OHSU	Health Clinic	1,200	2016	2024	Y	\$ 1	License and IGA	
BENSON (RADIO TOWER)	We Make the Media	Radio Tower	NA	2015	2021	Y	\$ 563	License	One year renewal.
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2015	2020	Y	\$ 1	License	
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2025	Y	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2018	2020	Y	\$ -	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2020	Y	\$ 1	License	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2017	2025	Y	\$ 1	License and IGA	
GREEN THUMB	PBOT	Bike Storage	1 Green House	2015	2022	Y	\$ 654	License	
GREEN THUMB	Portland State University	Garden Program	1 Green House	2010	2021	N	\$ 419	License	One year renewal. One Green House relinquished. 90 day termination notice by either party.
GREEN THUMB	Portland Classical Chinese Garden	Green House	1 Hoop House	2011	2022	Y	\$ 350	License	Will terminate in 2021.
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	\$ -	License	COVID: Rent paused until building access returns.
JEFFERSON HS	Multnomah County	Health Clinic	800	2017	2025	Y	\$ 1	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2008	2022	N	\$ 2,670	License	One year renewal.
MADISON@MARSHALL	Multnomah County	Health Clinic	1,668	2017	2025	Y	\$ 1	License and IGA	
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2008	2020	Y	\$ -	License	COVID: Rent paused until building access returns.
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2025	Y	\$ 1	License and IGA	
WILSON	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2020	Y	\$ 583	License	Wilson Parking Lot Sundays

COLLABORATION AGREEMENT (PPS REAL ESTATE MANAGER)

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

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

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IGA (VARIOUS - SEE COMMENTS)

Building	Tenant	Tenant Type	Square Feet or Number of Rooms	Initial Lease Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
BEACH	MECP - Multnomah Early Childhood Program, administered by David Douglas School District	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
BRIDLEMILE	MECP - DDS	Speech Clinic	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
GROUT	MECP - DDS	Office	small	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
JACKSON	MECP - DDS	Office & Speech	Office & Speech Clinic	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 - DDS	Preschool and Speech Clinic	2 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WHITMAN	MECP - DDS	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WOODMERE	MECP - DDS	Preschool	1 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 \$ 165,856

TOTAL ANNUAL \$ 1,990,272

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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.
MULTIPLE SITES	PGE	Solar Facilities	NA	2015	2040	N	\$ 1,079.00	Solar License	Rent per quarter.
JEFFERSON HS	DEQ	DEQ Air Monitors	NA	2001		Y	\$ -	Site Agreement	
MULTIPLE SITES	DEQ	DEQ Air Monitors	NA	2020	2021	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.