

Portland Public Schools

Preliminary Financial Report

Fiscal Year 2023-24

For the Period Ended September 30, 2023





DATE: January 23, 2024
TO: Portland Public Schools Board of Education
FROM: Myong Leigh, Interim Deputy Superintendent of Business and Operations
SUBJECT: Preliminary Financial Update for the Period Ended September 30, 2023

This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended September 30, 2023**.

Included in this report:

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

This report provides an overview of financial operations of District funds for the three months ended September 30, 2023. Amounts reported are from the financial records of the District and are unaudited.

The financial updates within this report reflect the following:

- The beginning fund balance for General Funds is updated to reflect the unaudited actuals for 2022-23.
- Annual forecast figures in this report reflect estimates as of September 30, 2023. The fiscal impact of collective bargaining agreements with PAT are not included in this report, as these agreements settled after September 30, 2023.
- Updated forecast estimates for revenues (e.g., updated district estimates from ODE) and expenditures (e.g., fiscal impact of collective bargaining agreements) are expected to be included in subsequent quarterly reports.

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, 2023



	Prior YTD	Current Year			Annual Forecast	Variance Over / (Under)
		Budget	Current YTD	% of Budget		
Operating Revenues						
Local Sources	3,377,641	467,024,797	4,196,236	0.9%	465,994,419	(1,030,378)
Intermediate Sources	887	10,018,642	769	0.0%	10,018,163	(479)
State Sources	80,219,788	259,930,925	86,139,853	33.1%	265,009,167	5,078,242
Federal Sources	-	15,000	-	0.0%	11,922	(3,078)
Other Sources	16,994	1,800,000	8,280	0.5%	1,362,100	(437,900)
Total Operating Revenue	83,615,310	738,789,364	90,345,138	12.2%	742,395,771	3,606,407
Beginning Fund Balance	98,804,092	94,984,459	105,496,818	111.1%	105,496,818	10,512,359
Operating Expenditures						
Instruction	39,453,870	416,837,403	41,407,481	9.9%	415,031,883	(1,805,520)
Support Services	55,953,490	367,875,748	59,001,162	16.0%	363,197,025	(4,678,723)
Enterprise and Community Services	102,301	4,194,476	164,854	3.9%	4,142,511	(51,965)
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	1,802,790	-	0.0%	1,075,000	(727,790)
Total Operating Expenditures	95,509,662	790,710,417	100,573,496	12.7%	783,446,419	(7,263,998)
Contingencies		43,063,406				(43,063,406)
OPERATING SURPLUS / (DEFICIT)	(11,894,351)	(51,921,053)	(10,228,358)		(41,050,648)	10,870,405
Ending Fund Balance	86,909,741	-	95,268,459		64,446,170	64,446,170
EFB as % of Total Operating Revenues		0.0%			8.7%	

General Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current Year			Annual Forecast	Variance Over / (Under)
		Budget	Current YTD	% of Budget		
Operating Revenues						
Local Sources	3,377,641	467,024,797	4,196,236	0.9%	465,994,419	(1,030,378)
Intermediate Sources	887	10,018,642	769	0.0%	10,018,163	(479)
State Sources	80,219,788	259,930,925	86,139,853	33.1%	265,009,167	5,078,242
Federal Sources	-	15,000	-	0.0%	11,922	(3,078)
Other Sources	16,994	1,800,000	8,280	0.5%	1,362,100	(437,900)
Total Operating Revenue	83,615,310	738,789,364	90,345,138	12.2%	742,395,771	3,606,407
Beginning Fund Balance	98,804,092	94,984,459	105,496,818	111.1%	105,496,818	10,512,359
Operating Expenditures						
Salaries	52,679,840	430,227,078	53,776,827	12.5%	428,090,278	(2,136,800)
Associated Payroll Costs	23,927,814	220,903,164	26,752,323	12.1%	219,058,134	(1,845,030)
Purchased Services	10,414,650	110,536,876	9,988,163	9.0%	108,503,033	(2,033,843)
Supplies and Materials	2,864,504	14,457,984	3,105,079	21.5%	14,191,251	(266,733)
Capital Outlay	282,316	3,174,408	617,395	19.4%	2,968,688	(205,720)
Other Objects	5,340,538	10,335,907	6,333,710	61.3%	9,560,034	(775,873)
Transfers	-	1,075,000	-	0.0%	1,075,000	-
Total Operating Expenditures	95,509,662	790,710,417	100,573,496	12.7%	783,446,418	(7,263,999)
Contingencies		43,063,406				(43,063,406)
OPERATING SURPLUS / (DEFICIT)	(11,894,351)	(51,921,053)	(10,228,358)		(41,050,647)	10,870,406
Ending Fund Balance	86,909,741	-	95,268,459		64,446,171	64,446,171
EFB as % of Total Operating Revenues		0.0%			8.7%	

General Funds | By Function

For the Period Ending September 30, 2023



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	3,377,641	4,196,236	818,595	24.2%	Interest on Investments
Intermediate Sources	887	769	(118)	-13.3%	
State Sources	80,219,788	86,139,853	5,920,065	7.4%	SSF
Federal Sources	-	-	-	0.0%	
Other Sources	16,994	8,280	(8,714)	-51.3%	Sale of Fixed Assets
Total Operating Revenue	83,615,310	90,345,138	6,729,828	8.0%	
Beginning Fund Balance	98,804,092	105,496,818	6,692,725	6.8%	
Operating Expenditures					
Instruction	39,453,870	41,407,481	1,953,611	5.0%	Main increases in Alternative Ed (Community-Based Programs)
Support Services	55,953,490	59,001,162	3,047,672	5.4%	Increase in Liability Claims, Property/Fire Loss, Utilities
Enterprise and Community Services	102,301	164,854	62,553	61.1%	Increase in Community Services
Facilities Acquisition and Construction	-	-	-	0.0%	
Other Uses	-	-	-	0.0%	
Total Operating Expenditures	95,509,662	100,573,496	5,063,835	5.3%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	(11,894,351)	(10,228,358)	1,665,993	-14.0%	
Ending Fund Balance	86,909,741	95,268,459	8,358,718	9.6%	
EFB as % of Total Operating Revenues					

General Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	3,377,641	4,196,236	818,595	24.2%	Interest on Investments
Intermediate Sources	887	769	(118)	-13.3%	
State Sources	80,219,788	86,139,853	5,920,065	7.4%	SSF
Federal Sources	-	-	-	0.0%	
Other Sources	16,994	8,280	(8,714)	-51.3%	Sale of Fixed Assets
Total Operating Revenue	83,615,310	90,345,138	6,729,828	8.0%	
Beginning Fund Balance	98,804,092	105,496,818	6,692,725	6.8%	
Operating Expenditures					
Salaries	52,679,840	53,776,827	1,096,987	2.1%	
Associated Payroll Costs	23,927,814	26,752,323	2,824,509	11.8%	Increase to PFMLA, PERS and Health are the main drivers
Purchased Services	10,414,650	9,988,163	(426,487)	-4.1%	General reduction in contracts, notably Reimbursable Tri-Met
Supplies and Materials	2,864,504	3,105,079	240,576	8.4%	Drop in Computer Equipment, but increase in Computer Software
Capital Outlay	282,316	617,395	335,079	118.7%	Vehicles and Buses/Capital Bus Improvements
Other Objects	5,340,538	6,333,710	993,172	18.6%	Property Insurance Premiums and Deductible Insurance Loss
Transfers	-	-	-	0.0%	
Total Operating Expenditures	95,509,662	100,573,496	5,063,835	5.3%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	(11,894,351)	(10,228,358)	1,665,993	-14.0%	
Ending Fund Balance	86,909,741	95,268,459	8,358,718	9.6%	
EFB as % of Total Operating Revenues					

Special Revenue Funds | By Function

For the Period Ending September 30, 2023



Operating Revenues

	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Local Sources	4,265,201	13,710,135	4,788,332	34.9%	13,710,135	-
Intermediate Sources	-	6,162,080	-	0.0%	6,162,080	-
State Sources	(245)	63,990,833	409,154	0.6%	70,635,711	6,644,878
Federal Sources	334,374	108,106,142	1,420,527	1.3%	108,106,142	-
Other Sources	-	975,000	-	0.0%	975,000	-

Total Operating Revenue

Beginning Fund Balance

Operating Expenditures

Total Operating Revenue	4,599,330	192,944,190	6,618,012	3.4%	199,589,068	6,644,878
Beginning Fund Balance	35,068,864	54,532,901	36,581,425	67.1%	36,581,425	(17,951,476)
Operating Expenditures						
Instruction	11,640,255	108,068,577	10,599,298	9.8%	98,132,134	(9,936,443)
Support Services	11,332,221	85,231,223	15,532,259	18.2%	89,569,953	4,338,730
Enterprise and Community Services	8,947,452	32,944,821	2,772,754	8.4%	28,621,849	(4,322,972)
Facilities Acquisition and Construction	-	605,748	45,428	7.5%	508,915	(96,833)
Other Uses	-	-	-	0.0%	-	-

Total Operating Expenditures

Contingencies

OPERATING SURPLUS / (DEFICIT)

Ending Fund Balance

EFB as % of Total Operating Revenues

Total Operating Expenditures	31,919,928	226,850,369	28,949,739	12.8%	216,832,851	(10,017,518)
Contingencies	-	-	-	-	-	-
OPERATING SURPLUS / (DEFICIT)	(27,320,597)	(33,906,179)	(22,331,726)		(17,243,784)	16,662,396
Ending Fund Balance	7,748,267	20,626,722	14,249,699		19,337,642	(1,289,080)
EFB as % of Total Operating Revenues		10.7%			9.7%	

Special Revenue Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
	Operating Revenues					
Local Sources	4,265,201	13,710,135	4,788,332	34.9%	13,710,135	-
Intermediate Sources	-	6,162,080	-	0.0%	6,162,080	-
State Sources	(245)	63,990,833	409,154	0.6%	70,635,711	6,644,878
Federal Sources	334,374	108,106,142	1,420,527	1.3%	108,106,142	-
Other Sources	-	975,000	-	0.0%	975,000	-
Total Operating Revenue	4,599,330	192,944,190	6,618,012	3.4%	199,589,068	6,644,878
Beginning Fund Balance	35,068,864	54,532,901	36,581,425	67.1%	36,581,425	(17,951,476)
Operating Expenditures						
Salaries	13,345,010	84,413,816	13,963,118	16.5%	87,262,673	2,848,857
Associated Payroll Costs	5,469,101	45,243,967	6,016,725	13.3%	45,888,502	644,535
Purchased Services	8,112,820	44,823,220	5,469,612	12.2%	42,329,422	(2,493,798)
Supplies and Materials	3,559,732	43,825,964	2,243,855	5.1%	37,893,255	(5,932,709)
Capital Outlay	177,293	1,865,315	108,571	5.8%	1,575,536	(289,779)
Other Objects	1,255,972	6,678,087	1,147,857	17.2%	6,883,463	205,376
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	31,919,928	226,850,369	28,949,739	12.8%	221,832,851	(5,017,518)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(27,320,597)	(33,906,179)	(22,331,726)		(22,243,784)	11,662,396
Ending Fund Balance	7,748,267	20,626,722	14,249,699		14,337,642	(6,289,080)
EFB as % of Total Operating Revenues		10.7%			7.2%	

Debt Service Funds | By Function

For the Period Ending September 30, 2023



	Prior YTD	Current Year		% of Budget	Annual Forecast	Variance Over / (Under)
		Budget	Current YTD			
Operating Revenues						
Local Sources	10,896,249	247,083,830	13,457,793	5.4%	290,734,391	43,650,561
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	619,000	618,751	100.0%	2,087,253	1,468,253
Total Operating Revenue	10,896,249	247,702,830	14,076,544	5.7%	292,821,644	45,118,814
Beginning Fund Balance	13,705,136	10,000,000	18,303,405	183.0%	18,303,405	8,303,405
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	200,000	252,016,465	-	0.0%	-	(252,016,465)
Total Operating Expenditures	200,000	252,016,465	-	0.0%	-	(252,016,465)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	10,696,249	(4,313,635)	14,076,544		292,821,644	297,135,279
Ending Fund Balance	24,401,385	5,686,365	32,379,949		311,125,049	305,438,684
EFB as % of Total Operating Revenues		2.3%			106.3%	

Debt Service Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	10,896,249	247,083,830	13,457,793	5.4%	290,734,391	43,650,561
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	619,000	618,751	100.0%	2,087,253	1,468,253
Total Operating Revenue	10,896,249	247,702,830	14,076,544	5.7%	292,821,644	45,118,814
Beginning Fund Balance	13,705,136	10,000,000	18,303,405	183.0%	18,303,405	8,303,405
Operating Expenditures						
Salaries	-	-	-	0.0%	-	-
Associated Payroll Costs	-	-	-	0.0%	-	-
Purchased Services	-	-	-	0.0%	-	-
Supplies and Materials	-	-	-	0.0%	-	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	200,000	252,016,465	-	0.0%	-	(252,016,465)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	200,000	252,016,465	-	0.0%	-	(252,016,465)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	10,696,249	(4,313,635)	14,076,544		292,821,644	297,135,279
Ending Fund Balance	24,401,385	5,686,365	32,379,949		311,125,049	305,438,684
EFB as % of Total Operating Revenues		2.3%			106.3%	

Capital Projects Funds | By Function

For the Period Ending September 30, 2023



	Prior YTD	Current Year			Variance Over /	
		Budget	Current YTD	% of Budget	Annual Forecast	(Under)
Operating Revenues						
Local Sources	4,204,353	17,939,267	13,975,843	77.9%	4,500,000	(13,439,267)
Intermediate Sources	131,235	-	-	0.0%	1,260,000	1,260,000
State Sources	-	2,900,000	-	0.0%	50,000	(2,850,000)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	413,910,062	-	0.0%	15,000,000	(398,910,062)
Total Operating Revenue	4,335,588	434,749,329	13,975,843	3.2%	20,810,000	(413,939,329)
Beginning Fund Balance	521,838,656	399,356,273	850,449,585	213.0%	850,449,585	451,093,312
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	373,484	2,384,891	1,090,619	45.7%	2,384,891	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	42,869,762	831,101,711	76,351,775	9.2%	831,101,711	-
Other Uses	-	619,000	618,751	100.0%	618,751	(249)
Total Operating Expenditures	43,243,246	834,105,602	78,061,145	9.4%	834,105,353	(249)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(38,907,658)	(399,356,273)	(64,085,302)		(813,295,353)	(413,939,080)
Ending Fund Balance	482,930,998	-	786,364,284		37,154,232	37,154,232

Capital Projects Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current Year			Annual Forecast	Variance Over /
		Budget	Current YTD	% of Budget		(Under)
Operating Revenues						
Local Sources	4,204,353	17,939,267	13,975,843	77.9%	4,500,000	(13,439,267)
Intermediate Sources	131,235	-	-	0.0%	1,260,000	1,260,000
State Sources	-	2,900,000	-	0.0%	50,000	(2,850,000)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	413,910,062	-	0.0%	15,000,000	(398,910,062)
Total Operating Revenue	4,335,588	434,749,329	13,975,843	3.2%	20,810,000	(413,939,329)
Beginning Fund Balance	521,838,656	399,356,273	850,449,585	213.0%	850,449,585	451,093,312
Operating Expenditures						
Salaries	998,793	5,435,629	966,559	17.8%	5,435,629	-
Associated Payroll Costs	408,577	2,488,887	401,620	16.1%	2,488,887	-
Purchased Services	6,246,361	121,966,098	4,508,846	3.7%	121,966,098	-
Supplies and Materials	4,821,259	46,828,731	5,035,066	10.8%	46,828,731	-
Capital Outlay	30,168,290	650,992,015	64,089,544	9.8%	650,992,015	-
Other Objects	599,966	5,775,242	2,440,758	42.3%	5,775,242	-
Transfers	-	619,000	618,751	100.0%	618,751	(249)
Total Operating Expenditures	43,243,246	834,105,602	78,061,145	9.4%	834,105,353	(249)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(38,907,658)	(399,356,273)	(64,085,302)		(813,295,353)	(413,939,080)
Ending Fund Balance	482,930,998	-	786,364,284		37,154,232	37,154,232

Internal Service Funds | By Function

For the Period Ending September 30, 2023



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	485,145	3,834,195	1,042,230	27.2%	3,834,195	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	253,512	-	206,169	0.0%	206,169	206,169
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	738,657	3,834,195	1,248,399	32.6%	4,040,364	206,169
Beginning Fund Balance	3,303,139	5,163,413	4,148,353	80.3%	4,148,353	(1,015,060)
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	572,973	3,646,608	558,642	15.3%	3,646,608	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	572,973	3,646,608	558,642	15.3%	3,646,608	-
Contingencies		5,351,000				(5,351,000)
OPERATING SURPLUS / (DEFICIT)	165,684	187,587	689,757		393,756	206,169
Ending Fund Balance	3,468,823	-	4,838,110		4,542,109	4,542,109
EFB as % of Total Operating Revenues		0.0%			112.4%	

Internal Service Funds | By Object

For the Period Ending September 30, 2023



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
	Operating Revenues					
Local Sources	485,145	3,834,195	1,042,230	27.2%	3,834,195	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	253,512	-	206,169	0.0%	206,169	206,169
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	738,657	3,834,195	1,248,399	32.6%	4,040,364	206,169
Beginning Fund Balance	3,303,139	5,163,413	4,148,353	80.3%	4,148,353	(1,015,060)
Operating Expenditures						
Salaries	49,449	246,851	50,918	20.6%	246,851	-
Associated Payroll Costs	19,657	110,927	21,328	19.2%	110,927	-
Purchased Services	40,265	437,643	45,727	10.4%	437,643	-
Supplies and Materials	25,517	70,500	27,474	39.0%	70,500	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	438,085	2,780,687	413,194	14.9%	2,780,687	-
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	572,973	3,646,608	558,642	15.3%	3,646,608	-
Contingencies		5,351,000				(5,351,000)
OPERATING SURPLUS / (DEFICIT)	165,684	187,587	689,757		393,756	206,169
Ending Fund Balance	3,468,823	-	4,838,110		4,542,109	4,542,109
EFB as % of Total Operating Revenues		0.0%			112.4%	

Cash Management and Investment Update

The PPS investment portfolio as of Sept 30, 2023 continues to reflect the high-grade characteristics of the portfolio within the tolerances authorized in the Board approved policy and Oregon Revised Statutes except the percentage of security holdings of Apple Corp has grown to slightly over 5% (5.05%) as a result of the portfolio shrinking. No further purchases of Apple Corp. securities will be made in compliance with the Policy until the portfolio percentage is below 5%. Apple Corp has the same credit ratings as the US Government Treasury securities (AA+/Aaa). The Portfolio consists of 42% Treasury and government agency securities, which is higher than June 2023 (39%). The cash and cash equivalent portion of the portfolio decreased to 33% of the total portfolio from June 2023 of 35% (Vs 37% Sept prior FY).

Market rates have shifted slightly upward from June with 90-day Treasury securities increasing by 0.12%, and 1-year and 2-year Treasury securities increasing by 0.06% and 0.16% respectively. The generally rising rate environment reflects Federal Reserve aggressive rate increases over inflation concerns. The yield curve remains inverted in maturities greater than 1 year (interest rates are less in longer maturities than shorter maturities) due to market concerns of a potential recession. Similarly, rates have shifted upward from prior year with 90 day T-Bill increasing by 2.22% and 1-year Treasury securities increasing by 1.41%.

US Treasury Rates			
	9/30/2022	6/30/2023	9/30/2023
90 Day T-Bill	3.33%	5.43%	5.55%
1 Year T-Bill	4.05%	5.40%	5.46%
2 Year Note	4.22%	4.87%	5.03%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since June 2023 (\$76 million) were primarily reinvestments of maturing securities of operating and capital funds not spent during the quarter. No securities were sold prior to maturity during the quarter.

The total portfolio of Cash and Investments (\$975 million) decreased by \$122 million since June 2023 from operating and capital spending in the quarter. The LGIP and US Bank PERS balance of \$31 million increased by \$30 million from June due to monthly intercept payments from the state.

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



Portland Public Schools
Total Cash and Investments
September 30, 2023
(\$ in thousands)

Investments	Cost Value	Par Value	Market Value	Book Value	% of Portfolio	Maximum % Allowed per Policy*	Average Days Term	Yield to Maturity
Corporate Notes	\$ 237,659	\$ 244,272	\$ 241,046	\$ 241,501	24.8%	35%	116	5.25%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 13,556	\$ 13,975	\$ 13,763	\$ 13,792	1.4%	50%	117	5.01%
Federal Farm Credit Banks	48,197	48,000	47,517	48,152	4.9%	50%	474	4.50%
Federal Home Loan Banks	131,153	132,000	130,661	131,358	13.5%	50%	259	4.83%
Tennessee Valley Authority (TVA)	8,763	9,395	8,713	8,892	0.9%	50%	593	4.23%
Sub Total Federal Agencies	<u>\$ 201,669</u>	<u>\$ 203,370</u>	<u>\$ 200,654</u>	<u>\$ 202,194</u>	<u>20.7%</u>	<u>100%</u>	<u>315</u>	<u>4.73%</u>
US Treasury Securities	\$ 199,882	\$ 206,000	\$ 202,573	\$ 203,786	20.9%	100%	272	4.58%
Municipal Bonds	\$ 6,449	\$ 6,320	\$ 6,275	\$ 6,329	0.6%	30%	62	0.26%
Sub Total Investments	<u>\$ 645,659</u>	<u>\$ 659,962</u>	<u>\$ 650,548</u>	<u>\$ 653,810</u>				
Cash and Equivalents								
Cash and Cash Equivalents	289,310	289,310	289,310	289,310	29.7%	100%	1	4.75%
LGIP & US Bank PERS (Restricted)**	31,629	31,629	31,629	31,629	3.2%	N/A	1	4.93%
Sub Total Cash and Equivalents	<u>\$ 320,939</u>	<u>\$ 320,939</u>	<u>\$ 320,939</u>	<u>\$ 320,939</u>				
Total Cash and Investments	<u><u>\$ 966,598</u></u>	<u><u>\$ 980,901</u></u>	<u><u>\$ 971,487</u></u>	<u><u>\$ 974,750</u></u>	100%		152	4.81%

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

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

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

Definitions:

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

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

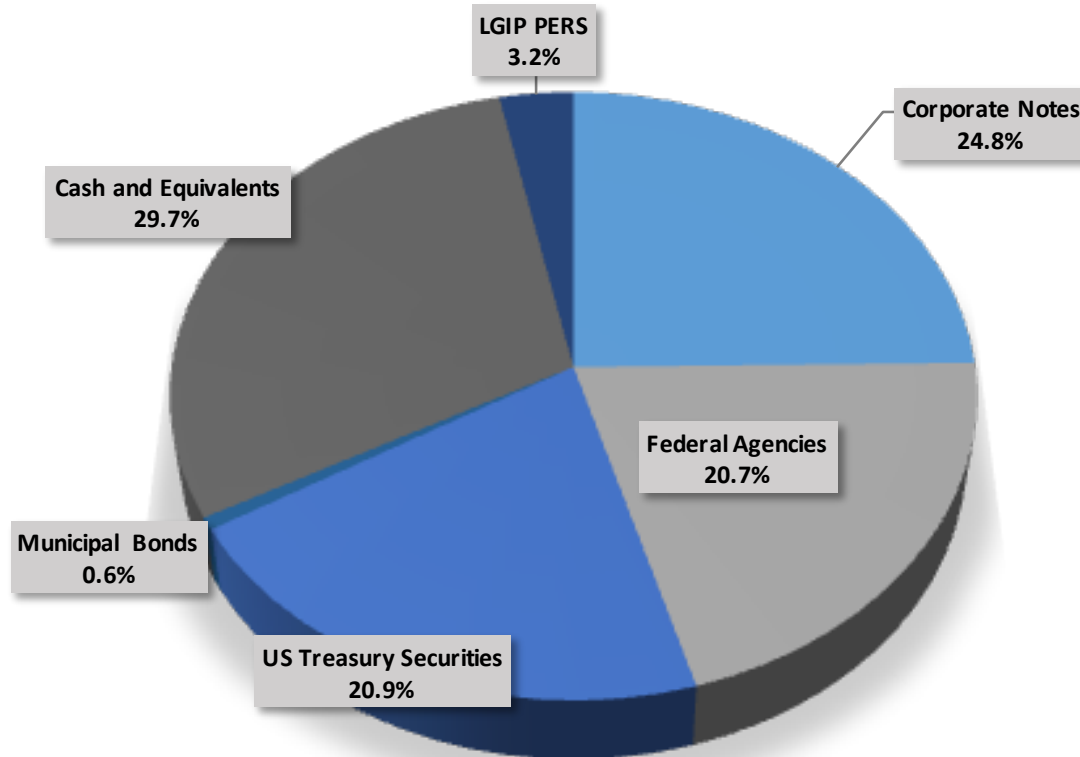
Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

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

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



**Portland Public Schools
Total Cash and Investments
September 30, 2023**



Real Estate Update

The Real Estate Report provides the BOE an overview of the existing contracts that provide dedicated PPS facilities (both in schools and in administrative buildings) to non-PPS entities during school hours. These contracts range from Real Property Leases and Licenses that provide dedicated space (often in exchange for rent) to Intergovernmental Agreements that provide dedicated space for non-PPS staff who provide services to our PPS students.

Most of these contracts are multi-year agreements and will not change substantially from quarter to quarter. Any changes that do occur are shown in red. Such changes include the extension or expiration of existing contracts and the addition of new contracts.

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

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

10/01/2023 - (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	\$ 20,683	Land Lease	Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land. Rent escalation 3% annually on July 1. Fair Market rent adjustment July 1, 2026. Rent increase.
EDWARDS	Trillium Family Services	Clinic/School	20,500	2011	2026	N	\$ 14,781	Master Lease	Rent increases to \$15,224.40 September 2024. Rent increase.
FOSTER	NAYA	Affordable Housing	3.57 acres	2013	2078	N	\$ 1	Land Lease	
HUMBOLDT	KairosPDX	PPS Charter School	43,141	2016	2030	N	\$ 1	Master Lease	
LANE	Multnomah County	Office	1.24 acres	1994	2034	N	\$ 1	Land Lease	
SKYLINE	City of Portland	COP Antenna	NA	1997	2027	N	\$ 896	Telecommunication Lease	180 day termination notice by PPS. Rent increases to \$923 in May 2024.

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

Building	Tenant	Tenant Type	Square Feet or Number of Rooms	Initial License Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
APPLEGATE	NAYA	Early Head Start	1,358	2021	2024	Y	\$ 1	License and IGA	
BENSON@MARSHALL	OHSU	Health Clinic	1,200	2016	2024	Y	\$ 1	License and IGA	
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2015	2024	Y	\$ 1	License and IGA	
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2025	Y	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2018	2024	Y	\$ 900	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2024	Y	\$ 1	License and IGA	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2017	2025	Y	\$ 1	License and IGA	
GREEN THUMB	Portland State University	Garden Program	1 Green House	2010	2024	N	\$ 457	License	
IDA B. WELLS	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2024	Y	\$ 708	License	
HOLLADAY ANNEX	CAIRO	Preschool	1,400	2023	2024	Y	\$ 1	License	
IRVINGTON	Irvington Extended Care	Preschool	2,180	2015	2024	Y	\$ 2,010	License	
JEFFERSON HS	Andersen Construction	Construction Lay Down	7,200	2023	2024	Y	\$ 1,300	License	Construction lay down for the renovation of Mult. Co. Library
JEFFERSON HS	Multnomah County	Health Clinic	800	2017	2025	Y	\$ 1	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2008	2027	N	\$ 2,750	License	Rent increases to \$2,833 October 2024. Rent increase.
MCDANIELS	Multnomah County	Health Clinic	1,668	2017	2025	Y	\$ 1	License and IGA	
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2008	2024	Y	\$ 1	License and IGA	
PENNISULA	Albina Early Head Start	Early Head Start	1,804	2017	2024	Y	\$ 1	License and IGA	Request to terminate lease Nov. 1, 2023 due to shortage of staff and funding.
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2025	Y	\$ 1	License and IGA	
VESTAL	CAIRO	Preschool	1,400	2022	2024	Y	\$ 1	License	

COLLABORATION AGREEMENT (PPS REAL ESTATE MANAGER)									
Building	Tenant	Tenant Type	Square Feet	Commencement	Expiration	Termination	Rent	Contract Type	Comments
IDA B. WELLS	Portland Parks & Recreation	Locker Room	NA	1956	2023	N	\$ -	Collaboration Agreement	120 day termination notice by either party. PP&R owns and maintains pool.
IGA (VARIOUS - SEE COMMENTS)									
Building	Tenant	Tenant Type	Number of	Commencement	Expiration	Termination	Rent	Contract Type	Comments
BEACH	MECP - Multnomah Early Childhood Program, administered by David Douglas School District (DOSD)	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director)
BRIDLEMILE	MECP - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director) Moved to Creston
CRESTON	MECP - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director) Moved from Bridlemile
JACKSON	MECP - DDS	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 - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director)
WHITMAN	MECP - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director)
WOODLAWN	MECP - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director) New Site
WOODMERE	MECP - DDS	Preschool	1 classroom	Unknown		N	\$ -	IGA	(LISA GROTTING, Program Director)

SERVICES CONTRACT (VARIOUS - SEE COMMENTS)									
Building	Tenant	Tenant Type	Number of	Commencement	Expiration	Termination	Rent	Contract Type	Comments
BENSON@MARSHALL	Albina Early Head Start	Teen Parent Services		Unknown			\$ -	Contract	Currently inactivate at the new Benson@Marshall campus. (CHERYL JAMES, Teen Parent Program)
CRESTON	Columbia Regional Programs	Grades K-5	4 classrooms	Unknown			\$ -	Contract	Deaf and hard of hearing students; PPS holds contract for multiple counties. (LISA MCCONACHIE)
FRANKLIN	Albina Early Head Start	Teen Parent Services	3 classrooms	Unknown			\$ -	Contract	Infant, Crawler and Toddler rooms. (CHERYL JAMES, Teen Parent Program)
GRANT	Albina Early Head Start	Teen Parent Services	3 classrooms	Unknown			\$ -	Contract	Infant, Crawler and Toddler rooms. (CHERYL JAMES, Teen Parent Program)
JEFFERSON HS	SEI	Student Support	3 classrooms	Unknown			\$ -	Contract	(Director of Equity and Partnerships)
MCDANIELS	Albina Early Head Start	Teen Parent Services	3 classrooms	Unknown			\$ -	Contract	Infant, Crawler and Toddler rooms. (CHERYL JAMES, Teen Parent Program)
MT. TABOR	Columbia Regional Program	Grades 6-8	1 classroom	Unknown			\$ -	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	3 classrooms	Unknown			\$ -	Contract	Infant, Crawler and Toddler rooms. (CHERYL JAMES, Teen Parent Program)
WILCOX	Columbia Regional Program	Office	19,102	Unknown			\$ -	Contract	PPS holds contract for multiple counties. (LISA MCCONACHIE, Senior Director)
WILCOX	Columbia Regional Program	Preschool	2 classrooms	Unknown			\$ -	Contract	Deaf and hard of hearing students; PPS holds contract for multiple counties. (LISA MCCONACHIE, Senior Director)
TOTAL MONTHLY							\$ 44,501		
TOTAL ANNUAL							\$ 534,017		
MISCELLANEOUS (PPS REAL ESTATE MANAGER)									
Building	Tenant/Owner	Type	Square Feet	Commencement	Expiration	Termination	Rent	Contract Type	Comments
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	2025	Y	\$ -	Site Agreement	Benson, Lane, Lincoln, McDaniel, Roosevelt Extension of term.
MULTIPLE SITES	City of Portland - BES	Rain Gauges	NA	2009	2028	Y	\$ -	IGA	30 day termination notice. Extension of term.
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.									