

# **Portland Public Schools**

**Preliminary Financial Report**

**Fiscal Year 2021-22**

**For the Period Ended September 30, 2021**





**DATE:** December 14, 2021  
**TO:** Portland Public Schools Board of Education  
**FROM:** Nolberto Delgadillo, Chief Financial Officer  
**SUBJECT:** Preliminary Financial Update for the Period Ended September 30, 2021

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This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended September 30, 2021**.

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, 2021. Amounts reported are from the financial records of the District and are unaudited. Forecast amounts will be adjusted throughout the year, as necessary.

## **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, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	2,028,234	411,826,100	2,040,631	0.5%	411,826,100	-
Intermediate Sources	-	12,761,741	-	0.0%	12,761,741	-
State Sources	85,854,438	261,464,867	82,954,950	31.7%	261,464,867	-
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	9,561	1,050,000	400,860,118	38177.2%	401,888,594	400,838,594
<b>Total Operating Revenue</b>	<b>87,892,233</b>	<b>687,117,708</b>	<b>485,855,699</b>	<b>70.7%</b>	<b>1,087,956,302</b>	<b>400,838,594</b>
<b>Beginning Fund Balance</b>	64,473,866	84,845,000	88,691,190	104.5%	88,691,190	3,846,190
<b>Operating Expenditures</b>						
Instruction	38,272,574	386,622,000	40,128,464	10.4%	386,622,000	-
Support Services	48,743,135	328,092,439	54,068,813	16.5%	328,092,439	-
Enterprise and Community Services	71,955	2,993,069	66,264	2.2%	2,993,069	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	2,359,200	401,966,992	17038.3%	403,191,835	400,832,635
<b>Total Operating Expenditures</b>	<b>87,087,664</b>	<b>720,066,708</b>	<b>496,230,533</b>	<b>68.9%</b>	<b>1,120,899,343</b>	<b>400,832,635</b>
Contingencies		51,896,000				(51,896,000)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>804,569</b>	<b>(32,949,000)</b>	<b>(10,374,834)</b>		<b>(32,943,041)</b>	<b>5,959</b>
<b>Ending Fund Balance</b>	<b>65,278,435</b>	-	<b>78,316,356</b>		<b>55,748,149</b>	<b>55,748,149</b>
<b>EFB as % of Total Operating Revenues *</b>		<b>0.0%</b>			<b>8.1%</b>	

\* Percentage Calculation excludes Bond Proceeds of \$400,838,594

## General Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	2,028,234	411,826,100	2,040,631	0.5%	411,826,100	-
Intermediate Sources	-	12,761,741	-	0.0%	12,761,741	-
State Sources	85,854,438	261,464,867	82,954,950	31.7%	261,464,867	-
Federal Sources	-	15,000	-	0.0%	15,000	-
Other Sources	9,561	1,050,000	400,860,118	38177.2%	401,888,594	400,838,594
<b>Total Operating Revenue</b>	<b>87,892,233</b>	<b>687,117,708</b>	<b>485,855,699</b>	<b>70.7%</b>	<b>1,087,956,302</b>	<b>400,838,594</b>
<b>Beginning Fund Balance</b>	64,473,866	84,845,000	88,691,190	104.5%	88,691,190	3,846,190
<b>Operating Expenditures</b>						
Salaries	45,483,963	397,435,511	50,248,375	12.6%	397,435,511	-
Associated Payroll Costs	23,859,248	193,581,333	25,703,076	13.3%	193,581,333	-
Purchased Services	8,055,854	98,470,992	9,769,373	9.9%	98,470,992	-
Supplies and Materials	5,791,590	16,906,673	3,185,648	18.8%	16,906,673	-
Capital Outlay	504,504	3,011,067	799,943	26.6%	3,011,067	-
Other Objects	3,392,505	9,525,132	405,389,761	4256.0%	410,357,767	400,832,635
Transfers	-	1,136,000	1,134,357	99.9%	1,136,000	-
<b>Total Operating Expenditures</b>	<b>87,087,664</b>	<b>720,066,708</b>	<b>496,230,533</b>	<b>68.9%</b>	<b>1,120,899,343</b>	<b>400,832,635</b>
Contingencies		51,896,000				(51,896,000)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>804,569</b>	<b>(32,949,000)</b>	<b>(10,374,834)</b>		<b>(32,943,041)</b>	<b>5,959</b>
<b>Ending Fund Balance</b>	<b>65,278,435</b>	-	<b>78,316,356</b>		<b>55,748,149</b>	<b>55,748,149</b>
<b>EFB as % of Total Operating Revenues *</b>		<b>0.0%</b>			<b>8.1%</b>	

\* Percentage Calculation excludes Bond Proceeds of \$400,838,594

General Funds | By Function

For the Period Ending September 30, 2021



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
<b>Operating Revenues</b>					
Local Sources	2,028,234	2,040,631	12,397	0.6%	
Intermediate Sources	-	-	-	0.0%	
State Sources	85,854,438	82,954,950	(2,899,488)	-3.4%	
Federal Sources	-	-	-	0.0%	
Other Sources	9,561	400,860,118	400,850,557	4192765.0%	Issuance of PERS Bonds
<b>Total Operating Revenue</b>	<b>87,892,233</b>	<b>485,855,699</b>	<b>397,963,467</b>	<b>452.8%</b>	
<b>Beginning Fund Balance</b>	<b>64,473,866</b>	<b>88,691,190</b>	<b>24,217,324</b>	<b>37.6%</b>	
<b>Operating Expenditures</b>					
Instruction	38,272,574	40,128,464	1,855,890	4.8%	Increases for High School/Athletics, Kellogg opening, Charter Schools and CBO's, offset by decreases from shifting K-5 curriculum purchases to bond funding.
Support Services	48,743,135	54,068,813	5,325,678	10.9%	Increases for Insurance Premiums, Counselors, Custodians, Transportation, Utilities, Curriculum Development, School Administration, Student Support
Enterprise and Community Services	71,955	66,264	(5,691)	-7.9%	
Facilities Acquisition and Construction	-	-	-	0.0%	
Other Uses	-	401,966,992	401,966,992	0.0%	Issuance of PERS Bonds
<b>Total Operating Expenditures</b>	<b>87,087,664</b>	<b>496,230,533</b>	<b>409,142,869</b>	<b>469.8%</b>	
Contingencies					
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>804,569</b>	<b>(10,374,834)</b>	<b>(11,179,403)</b>	<b>-1389.5%</b>	
<b>Ending Fund Balance</b>	<b>65,278,435</b>	<b>78,316,356</b>	<b>13,037,921</b>	<b>20.0%</b>	

General Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
<b>Operating Revenues</b>					
Local Sources	2,028,234	2,040,631	12,397	0.6%	
Intermediate Sources	-	-	-	0.0%	
State Sources	85,854,438	82,954,950	(2,899,488)	-3.4%	
Federal Sources	-	-	-	0.0%	
Other Sources	9,561	400,860,118	400,850,557	4192765.0%	Issuance of PERS Bonds
<b>Total Operating Revenue</b>	<b>87,892,233</b>	<b>485,855,699</b>	<b>397,963,467</b>	<b>452.8%</b>	
<b>Beginning Fund Balance</b>	<b>64,473,866</b>	<b>88,691,190</b>	<b>24,217,324</b>	<b>37.6%</b>	
<b>Operating Expenditures</b>					
Salaries	45,483,963	50,248,375	4,764,412	10.5%	Increases to High School/Elementary programs, Curriculum, Counseling, School Administration, Custodial, Transportation, Plus Steps and COLAs
Associated Payroll Costs	23,859,248	25,703,076	1,843,828	7.7%	
Purchased Services	8,055,854	9,769,373	1,713,519	21.3%	Increases to utilities, charter/MESD/private school payments
Supplies and Materials	5,791,590	3,185,648	(2,605,942)	-45.0%	Reductions to Textbook Adoption, Computer Software/Equipment Purchases. Several new curriculum software purchases funded by GO Bond in Current Year
Capital Outlay	504,504	799,943	295,439	58.6%	
Other Objects	3,392,505	405,389,761	401,997,256	11849.6%	Issuance of PERS bonds
Transfers	-	1,134,357	1,134,357	0.0%	Timing difference of when transfers posted
<b>Total Operating Expenditures</b>	<b>87,087,664</b>	<b>496,230,533</b>	<b>409,142,869</b>	<b>469.8%</b>	
Contingencies					
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>804,569</b>	<b>(10,374,834)</b>	<b>(11,179,403)</b>	<b>-1389.5%</b>	
<b>Ending Fund Balance</b>	<b>65,278,435</b>	<b>78,316,356</b>	<b>13,037,921</b>	<b>20.0%</b>	

## Special Revenue Funds | By Function

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	3,826,599	21,118,500	2,638,815	12.5%	21,118,500	-
Intermediate Sources	-	-	120,000	0.0%	120,000	120,000
State Sources	-	79,297,328	-	0.0%	79,297,328	-
Federal Sources	824,525	166,240,172	525,201	0.3%	166,240,172	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>4,651,124</b>	<b>266,656,000</b>	<b>3,284,016</b>	<b>1.2%</b>	<b>266,776,000</b>	<b>120,000</b>
<b>Beginning Fund Balance</b>	35,789,940	36,505,000	28,222,061	77.3%	28,222,061	(8,282,939)
<b>Operating Expenditures</b>						
Instruction	4,578,885	121,344,000	12,676,808	10.4%	121,344,000	-
Support Services	6,123,352	91,074,000	9,875,029	10.8%	91,074,000	-
Enterprise and Community Services	2,558,264	54,053,000	4,991,637	9.2%	54,053,000	-
Facilities Acquisition and Construction	11,705	69,000	-	0.0%	69,000	-
Other Uses	-	-	-	0.0%	-	-
<b>Total Operating Expenditures</b>	<b>13,272,206</b>	<b>266,540,000</b>	<b>27,543,474</b>	<b>10.3%</b>	<b>266,540,000</b>	<b>-</b>
Contingencies		4,903,000			4,903,000	-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(8,621,082)</b>	<b>116,000</b>	<b>(24,259,458)</b>		<b>236,000</b>	<b>120,000</b>
<b>Ending Fund Balance</b>	<b>27,168,858</b>	<b>31,718,000</b>	<b>3,962,604</b>		<b>23,555,061</b>	<b>(8,162,939)</b>



## Special Revenue Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	3,826,599	21,118,500	2,638,815	12.5%	21,118,500	-
Intermediate Sources	-	-	120,000	0.0%	120,000	120,000
State Sources	-	79,297,328	-	0.0%	79,297,328	-
Federal Sources	824,525	166,240,172	525,201	0.3%	166,240,172	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>4,651,124</b>	<b>266,656,000</b>	<b>3,284,016</b>	<b>1.2%</b>	<b>266,776,000</b>	<b>120,000</b>
<b>Beginning Fund Balance</b>	35,789,940	36,505,000	28,222,061	77.3%	28,222,061	(8,282,939)
<b>Operating Expenditures</b>						
Salaries	6,603,380	77,017,309	10,892,624	14.1%	77,017,309	-
Associated Payroll Costs	3,439,295	36,733,686	5,057,588	13.8%	36,733,686	-
Purchased Services	594,962	108,291,944	7,197,962	6.6%	108,291,944	-
Supplies and Materials	2,020,366	37,895,528	2,958,500	7.8%	37,895,528	-
Capital Outlay	74,977	957,168	385,890	40.3%	957,168	-
Other Objects	539,226	5,644,365	1,050,910	18.6%	5,644,365	-
Transfers	-	-	-	0.0%	-	-
<b>Total Operating Expenditures</b>	<b>13,272,206</b>	<b>266,540,000</b>	<b>27,543,474</b>	<b>10.3%</b>	<b>266,540,000</b>	-
Contingencies		4,903,000			4,903,000	-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(8,621,082)</b>	<b>116,000</b>	<b>(24,259,458)</b>		<b>236,000</b>	<b>120,000</b>
<b>Ending Fund Balance</b>	<b>27,168,858</b>	<b>31,718,000</b>	<b>3,962,604</b>		<b>23,555,061</b>	<b>(8,162,939)</b>

## Debt Service Funds | By Function

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	7,358,658	198,951,000	11,416,591	5.7%	216,082,023	17,131,023
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	30,000	-	0.0%	30,000	-
Other Sources	200,000	1,754,000	1,551,946	88.5%	1,754,000	-
<b>Total Operating Revenue</b>	<b>7,558,658</b>	<b>200,735,000</b>	<b>12,968,537</b>	<b>6.5%</b>	<b>217,866,023</b>	<b>17,131,023</b>
<b>Beginning Fund Balance</b>	13,823,216	10,228,000	11,672,090	114.1%	11,672,090	1,444,090
<b>Operating Expenditures</b>						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	200,000	200,309,000	200,000	0.1%	218,402,000	18,093,000
<b>Total Operating Expenditures</b>	<b>200,000</b>	<b>200,309,000</b>	<b>200,000</b>	<b>0.1%</b>	<b>218,402,000</b>	<b>18,093,000</b>
Contingencies		-				-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>7,358,658</b>	<b>426,000</b>	<b>12,768,537</b>		<b>(535,977)</b>	<b>(961,977)</b>
<b>Ending Fund Balance</b>	<b>21,181,874</b>	<b>10,654,000</b>	<b>24,440,627</b>		<b>11,136,113</b>	<b>482,113</b>

## Debt Service Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	7,358,658	198,951,000	11,416,591	5.7%	216,082,023	17,131,023
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	-	30,000	-	0.0%	30,000	-
Other Sources	200,000	1,754,000	1,551,946	88.5%	1,754,000	-
<b>Total Operating Revenue</b>	<b>7,558,658</b>	<b>200,735,000</b>	<b>12,968,537</b>	<b>6.5%</b>	<b>217,866,023</b>	<b>17,131,023</b>
<b>Beginning Fund Balance</b>	13,823,216	10,228,000	11,672,090	114.1%	11,672,090	1,444,090
<b>Operating Expenditures</b>						
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	200,309,000	200,000	0.1%	218,402,000	18,093,000
Transfers	-	-	-	0.0%	-	-
<b>Total Operating Expenditures</b>	<b>200,000</b>	<b>200,309,000</b>	<b>200,000</b>	<b>0.1%</b>	<b>218,402,000</b>	<b>18,093,000</b>
Contingencies		-				-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>7,358,658</b>	<b>426,000</b>	<b>12,768,537</b>		<b>(535,977)</b>	<b>(961,977)</b>
<b>Ending Fund Balance</b>	<b>21,181,874</b>	<b>10,654,000</b>	<b>24,440,627</b>		<b>11,136,113</b>	<b>482,113</b>

## Capital Projects Funds | By Function

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	305,616	7,425,000	1,148,871	15.5%	7,601,000	176,000
Intermediate Sources	40,000	-	478,100	0.0%	1,000,000	1,000,000
State Sources	278,533	6,544,000	-	0.0%	6,544,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>624,149</b>	<b>13,969,000</b>	<b>1,626,971</b>	<b>11.6%</b>	<b>15,145,000</b>	<b>1,176,000</b>
<b>Beginning Fund Balance</b>	663,007,183	749,789,000	771,590,215	102.9%	771,590,215	21,801,215
<b>Operating Expenditures</b>						
Instruction	-	-	-	0.0%	-	-
Support Services	273,505	2,313,000	399,764	17.3%	2,313,000	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	49,840,377	438,017,000	58,929,354	13.5%	438,017,000	-
Other Uses	200,000	618,000	417,588	67.6%	618,000	-
<b>Total Operating Expenditures</b>	<b>50,313,882</b>	<b>440,948,000</b>	<b>59,746,706</b>	<b>13.5%</b>	<b>440,948,000</b>	-
Contingencies		-				-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(49,689,733)</b>	<b>(426,979,000)</b>	<b>(58,119,735)</b>		<b>(425,803,000)</b>	<b>1,176,000</b>
<b>Ending Fund Balance</b>	<b>613,317,449</b>	<b>322,810,000</b>	<b>713,470,480</b>		<b>345,787,215</b>	<b>22,977,215</b>

## Capital Projects Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	305,616	7,425,000	1,148,871	15.5%	7,601,000	176,000
Intermediate Sources	40,000	-	478,100	0.0%	1,000,000	1,000,000
State Sources	278,533	6,544,000	-	0.0%	6,544,000	-
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>624,149</b>	<b>13,969,000</b>	<b>1,626,971</b>	<b>11.6%</b>	<b>15,145,000</b>	<b>1,176,000</b>
<b>Beginning Fund Balance</b>	663,007,183	749,789,000	771,590,215	102.9%	771,590,215	21,801,215
<b>Operating Expenditures</b>						
Salaries	575,914	3,986,507	975,123	24.5%	3,986,507	-
Associated Payroll Costs	247,753	1,708,678	368,956	21.6%	1,708,678	-
Purchased Services	4,117,966	59,427,932	4,773,989	8.0%	59,427,932	-
Supplies and Materials	337,172	806,334	21,684,227	2689.2%	35,000,000	34,193,666
Capital Outlay	44,300,137	364,200,682	30,991,782	8.5%	330,007,016	(34,193,666)
Other Objects	534,939	10,199,867	535,042	5.2%	10,199,867	-
Transfers	200,000	618,000	417,588	67.6%	618,000	-
<b>Total Operating Expenditures</b>	<b>50,313,882</b>	<b>440,948,000</b>	<b>59,746,706</b>	<b>13.5%</b>	<b>440,948,000</b>	-
Contingencies		-				-
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(49,689,733)</b>	<b>(426,979,000)</b>	<b>(58,119,735)</b>		<b>(425,803,000)</b>	<b>1,176,000</b>
<b>Ending Fund Balance</b>	<b>613,317,449</b>	<b>322,810,000</b>	<b>713,470,480</b>		<b>345,787,215</b>	<b>22,977,215</b>

## Internal Service Funds | By Function

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	288,120	2,607,000	193,197	7.4%	2,607,000	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	100,000	117,789	117.8%	117,789	17,789
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>288,120</b>	<b>2,707,000</b>	<b>310,986</b>	<b>11.5%</b>	<b>2,724,789</b>	<b>17,789</b>
<b>Beginning Fund Balance</b>	5,857,722	5,858,000	6,549,022	111.8%	6,549,022	691,022
<b>Operating Expenditures</b>						
Instruction	-	-	-	0.0%	-	-
Support Services	398,252	3,778,000	623,432	16.5%	3,778,000	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
<b>Total Operating Expenditures</b>	<b>398,252</b>	<b>3,778,000</b>	<b>623,432</b>	<b>16.5%</b>	<b>3,778,000</b>	-
Contingencies		4,787,000				(4,787,000)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(110,132)</b>	<b>(1,071,000)</b>	<b>(312,446)</b>		<b>(1,053,211)</b>	<b>17,789</b>
<b>Ending Fund Balance</b>	<b>5,747,590</b>	-	<b>6,236,576</b>		<b>5,495,811</b>	<b>5,495,811</b>

## Internal Service Funds | By Object

For the Period Ending September 30, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
<b>Operating Revenues</b>						
Local Sources	288,120	2,607,000	193,197	7.4%	2,607,000	-
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	100,000	117,789	117.8%	117,789	17,789
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
<b>Total Operating Revenue</b>	<b>288,120</b>	<b>2,707,000</b>	<b>310,986</b>	<b>11.5%</b>	<b>2,724,789</b>	<b>17,789</b>
<b>Beginning Fund Balance</b>	5,857,722	5,858,000	6,549,022	111.8%	6,549,022	691,022
<b>Operating Expenditures</b>						
Salaries	38,985	307,413	46,584	15.2%	307,413	-
Associated Payroll Costs	16,835	117,292	19,183	16.4%	117,292	-
Purchased Services	34,643	442,876	101,813	23.0%	442,876	-
Supplies and Materials	24,401	71,479	15,296	21.4%	71,479	-
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	283,388	2,838,940	440,556	15.5%	2,838,940	-
Transfers	-	-	-	0.0%	-	-
<b>Total Operating Expenditures</b>	<b>398,252</b>	<b>3,778,000</b>	<b>623,432</b>	<b>16.5%</b>	<b>3,778,000</b>	-
Contingencies		4,787,000				(4,787,000)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(110,132)</b>	<b>(1,071,000)</b>	<b>(312,446)</b>		<b>(1,053,211)</b>	<b>17,789</b>
<b>Ending Fund Balance</b>	<b>5,747,590</b>	-	<b>6,236,576</b>		<b>5,495,811</b>	<b>5,495,811</b>

## Cash Management and Investment Update

The PPS investment portfolio as of September 30, 2021 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 29% Treasury and government agency securities, which is less than June 2021 (30%). The cash and cash equivalent portion of the portfolio decreased to 31% of the total portfolio from June 2021 of 35% (versus 35% September 30, 2020).

Market rates in general have remained about the same from June 30, 2021 with 1-year Treasury securities decreasing by 0.01% and the 2-year Treasury securities increasing by 0.03% and remain near -0-% reflecting concerns regarding the international virus crisis and recovery of the US and international economies. Rates have also remained fairly static from prior year with 1-year decreasing by 0.03% and 2-year Treasury securities increasing by 0.15%.

<b>US Treasury Rates</b>			
	<b>9/30/2020</b>	<b>6/30/2021</b>	<b>9/30/2021</b>
<b>90 Day T-Bill</b>	0.10%	0.05%	0.04%
<b>1 Year T-Bill</b>	0.12%	0.07%	0.09%
<b>2 Year Note</b>	0.13%	0.25%	0.28%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since June 30, 2021 (\$127 million) were investments of Capital Fund maturities proceeds not expended during the quarter. 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 (0.55% rate at September 30, 2021). No securities were sold prior to maturity during the quarter.

The total portfolio of Cash and Investments (\$275 million) decreased by \$88 million since June 30, 2021 for operating and capital costs. The LGIP and US Bank PERS balance of \$24.9 million decreased by \$24.7 million from June 30, 2021.

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, 2021**  
**(\$ in thousands)**

Investments	Cost Value	Par Value	Market Value	Book Value	% of Portfolio	Maximum % Allowed per Policy*	Average Days Term	Yield to Maturity
<b>Corporate Notes</b>	\$ 285,564	\$ 282,161	\$ 284,346	\$ 284,417	32.5%	35%	183	0.16%
<b>Federal Agencies</b>								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 53,023	\$ 53,000	\$ 53,040	\$ 53,006	6.0%	50%	201	0.18%
Federal Farm Credit Banks	110,448	110,500	110,493	110,493	12.6%	50%	80	0.10%
Federal Home Loan Banks	70,780	70,000	70,121	70,123	8.0%	50%	119	0.11%
Tennessee Valley Authority (TVA)	1,446	1,518	1,512	1,494	0.2%	50%	350	1.68%
Sub Total Federal Agencies	<u>\$ 235,697</u>	<u>\$ 235,018</u>	<u>\$ 235,166</u>	<u>\$ 235,116</u>	26.8%	100%	121	0.13%
<b>US Treasury Securities</b>	\$ 20,477	\$ 20,000	\$ 20,106	\$ 20,105	2.3%	100%	76	0.09%
<b>Municipal Bonds</b>	<u>\$ 61,486</u>	<u>\$ 61,255</u>	<u>\$ 61,419</u>	<u>\$ 61,446</u>	7.0%	30%	295	0.18%
Sub Total Investments	<u>\$ 603,224</u>	<u>\$ 598,434</u>	<u>\$ 601,037</u>	<u>\$ 601,084</u>				
<b>Cash and Equivalents</b>								
Cash and Cash Equivalents	250,406	250,406	250,406	250,406	28.6%	100%	1	0.18%
LGIP & US Bank PERS (Restricted)**	24,900	24,900	24,900	24,900	2.8%	N/A	1	0.46%
Sub Total Cash and Equivalents	<u>\$ 275,306</u>	<u>\$ 275,306</u>	<u>\$ 275,306</u>	<u>\$ 275,306</u>				
<b>Total Cash and Investments</b>	<u><u>\$ 878,530</u></u>	<u><u>\$ 873,740</u></u>	<u><u>\$ 876,343</u></u>	<u><u>\$ 876,390</u></u>	100%		115	0.17%

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

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

Definitions:

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

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

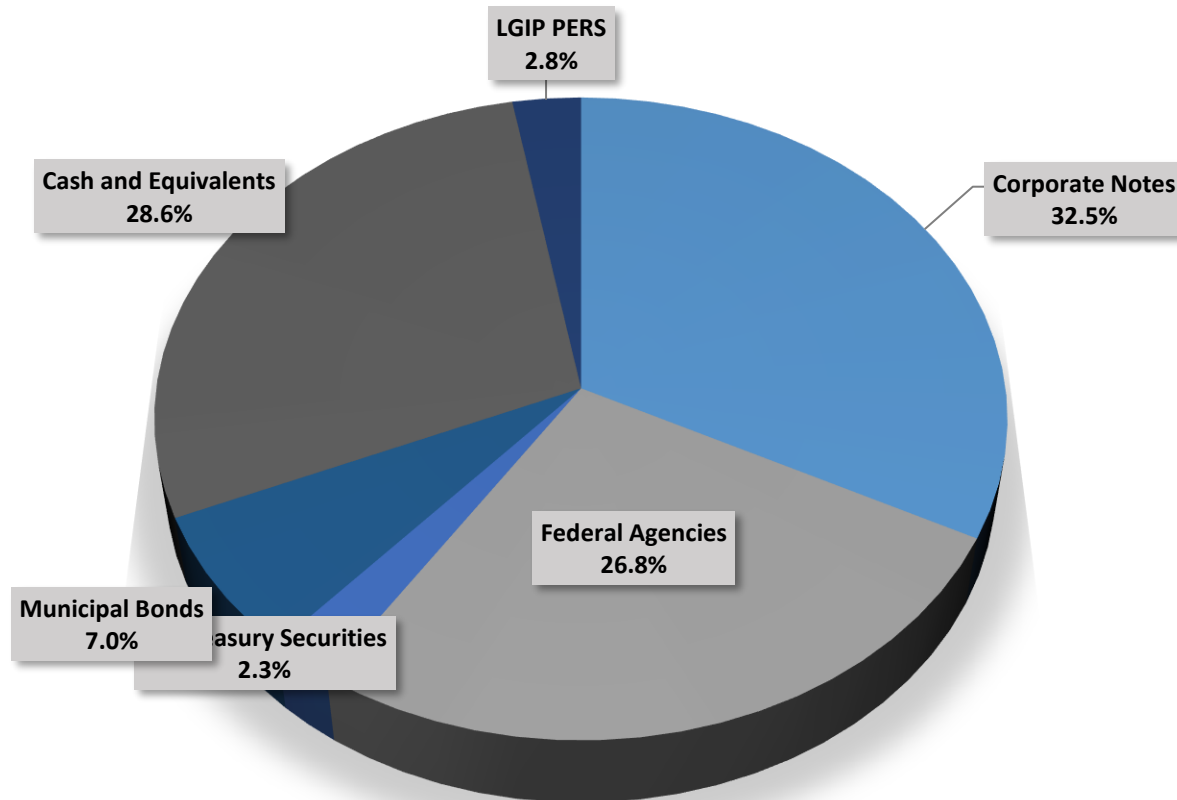
Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

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

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



**Portland Public Schools  
Total Cash and Investments  
September 30, 2021**



## Real Estate Update

The Real Estate Report gives the Board an overview of the existing contracts that provide dedicated PPS facilities (both in schools and in administrative buildings) to non-PPS entities during school hours. These contracts range from Real Property Leases and Licenses that provide dedicated space (often in exchange for rent) to Intergovernmental Agreements that provide dedicated space for non-PPS staff who provide services to our PPS students. Most of these contracts are multi-year agreements and will not change substantially from quarter to quarter. Any changes that do occur are shown in red. Such changes include the extension or expiration of existing contracts and the addition of new contracts.

Since the last report, the most significant transactions were renewals of the Kairos (Humboldt) and Trillium (Edwards) leases and the return of the tenants embedded within PPS school buildings who had paused their programs at the onset of the COVID pandemic.

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

10/01/2021 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. **Changes since last report shown in red.**

**LEASE (PPS REAL ESTATE MANAGER)**

Building	Tenant	Tenant Type	Square Feet	Current Contract Expiration*	Current Monthly Rent	Contract Type	Comments
BESC	Multnomah County	Office	38,250	2099	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	2026	\$ 19,496	Land Lease	Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land.
<b>EDWARDS</b>	<b>Trillium Family Services</b>	<b>Clinic/School</b>	<b>20,500</b>	<b>2026</b>	<b>\$ 11,610</b>	<b>Master Lease</b>	<b>5 year lease at a reduced rent as approved by BOE.</b>
FOSTER	NAYA	Affordable Housing	3.57 acres	2078	\$ 1	Land Lease	
<b>HUMBOLDT</b>	<b>KairosPDX</b>	<b>PPS Charter School</b>	<b>43,141</b>	<b>2030</b>	<b>\$ 1</b>	<b>Master Lease</b>	<b>10 year lease at a reduced rent as approved by BOE.</b>
LANE	Multnomah County	Office	1.24 acres	2034	\$ 1	Land Lease	
SKYLINE	City of Portland	COP Antenna	NA	2027	\$ 796	Telecommunication Lease	180 day termination notice by PPS.

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

10/01/2021 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. **Changes since last report shown in red.**

**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	Current Contract Expiration	Current Monthly Rent	Contract Type	Comments
APPLEGATE	NAYA	Early Head Start	1,358	2022	\$ 1	License and IGA	
BENSON@MARSHALL	OHSU	Health Clinic	1,200	2024	\$ 1	License and IGA	
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2022	\$ 1	License and IGA	
CLEVELAND HS	Multnomah County	Health Clinic	720	2025	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2022	\$ 748	License	
FAUBION	Albina Early Head Start	Early Head Start	1,395	2022	\$ 1	License and IGA	
FRANKLIN HS	Multnomah County	Health Clinic	1,418	2025	\$ 1	License and IGA	
GREEN THUMB	Portland State University	Garden Program	1 Green House	2022	\$ 431	License	90 day termination notice by either party.
HUMBOLDT	DEQ	Monitoring Station	NA	2022	\$ 200	License	90 day termination notice by either party.
IRVINGTON	Irvington Extended Care	Preschool	2,180	2022	\$ 1,950	License	
JEFFERSON HS	Multnomah County	Health Clinic	800	2025	\$ 1	License and IGA	
KING NEIGHBORHOOD FACILITY (City Owned)	NECN	Office	3,298	2022	\$ 2,670	License	
MCDANIELS	Multnomah County	Health Clinic	1,668	2025	\$ 1	License and IGA	
MARKHAM	Neighborhood House Head Start	Head Start	1,160	2022	\$ -	License and IGA	
PENNISULA	Albina Early Head Start	Early Head Start	1,804	2022	\$ -	License and IGA	
ROOSEVELT	Multnomah County	Health Clinic	1,475	2025	\$ 1	License and IGA	
IDA B. WELLS	Hillsdale Farmer's Market	Farmer's Market	NA	2022	\$ 667	License	