

Portland Public Schools
Preliminary Financial Report
Fiscal Year 2020-21
For the Period Ended March 31, 2021





DATE: May 25, 2021
TO: Portland Public Schools Board of Education
FROM: Nolberto Delgadillo, Chief Financial Officer
SUBJECT: Preliminary Financial Update for the Period Ended March 31, 2021

This Preliminary Financial Update is an overview of Portland Public School's financial operations for the **Period Ended March 31, 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 nine months ended March 31, 2021. Amounts reported are from the financial records of the District and are unaudited.

As you review the Third Quarter Financial Schedules, please keep in mind that the "Annual Forecast" column for each fund includes our current estimate of final revenues and expenditures, utilizing the best information available at this point in time.

Items of Note, by Fund

General Funds: Property and Local Option Taxes are higher, year over year, due to increases in assessed property values. The District's property tax collection rate continues to be strong, even through the pandemic. State School Fund (SSF) resources have increased since the second quarter, primarily due to the state including \$20.0M of reserves in the SSF grant. Civic Use of Building (CUB), day care, building leases and athletic fees continue to see decreased revenue at the end of the third quarter due to COVID related building closures. Interest revenue is also less than expected, due to market volatility and down-turns.

On the spending side, we are seeing reduced expenditures in salaries (subs, extended hours, OT) as well as transportation, travel, consumables, professional services and deductible insurance claims.

Special Revenue Funds: Throughout the pandemic, PPS has been providing free meals to students and families through the Summer Meals Program, which is extended to the end of the school year. This translates to a reduction in revenue, as Nutrition Services is not collecting meal payments from families and is not being reimbursed for reduced priced meals.

The District has been awarded reimbursement grants through the Elementary and Secondary School Emergency Relief (ESSER) Fund. These reimbursement grants have differing expiration dates, from June 30, 2022 to September 30, 2024. Revenue from the allocations will be recognized as PPS applies for reimbursement against the awards.

Debt Service Funds: Variance amounts at "Other Sources" revenues and "Other Uses" expenditures are related to the December issuance of Advance Refunding Bonds Series 2020C. The proceeds from the refunding are currently in an irrevocable escrow fund for redemption of eligible Series 2013B Bonds when they reach maturity. The sale of Advance Refunding Bonds is expected to save the District roughly \$5.4 million (present value) over the life of the new bonds.

Capital Project Funds: The largest changes in the capital fund are due to Construction Excise Tax (CET) and interest revenue both being lower than projected as of the third quarter. Also, the bond sale for the current year has been completed and we will not recognize another sale this 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 March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	367,315,282	396,467,030	378,893,472	95.6%	399,989,027	3,521,997
Intermediate Sources	8,297,125	14,026,945	8,089,324	57.7%	13,357,960	(668,985)
State Sources	211,247,381	272,479,015	216,276,775	79.4%	269,265,968	(3,213,047)
Federal Sources	48,726	-	1,244	0.0%	20,000	20,000
Other Sources	16,748	50,000	44,855	89.7%	50,000	-
Total Operating Revenue	586,925,263	683,022,990	603,305,669	88.3%	682,682,955	(340,035)
Beginning Fund Balance	39,886,901	64,474,010	64,473,866	100.0%	64,473,866	(144)
Operating Expenditures						
Instruction	257,297,012	386,097,000	251,349,238	65.1%	365,937,687	(20,159,313)
Support Services	205,945,133	317,405,999	198,754,396	62.6%	290,699,304	(26,706,695)
Enterprise and Community Services	936,892	1,814,000	2,434,335	134.2%	4,440,695	2,626,695
Facilities Acquisition and Construction	-	-	17,919	0.0%	-	-
Other Uses	1,104,075	1,234,000	1,133,096	91.8%	1,234,000	-
Total Operating Expenditures	465,283,112	706,550,999	453,688,983	64.2%	662,311,685	(44,239,314)
Contingencies		40,946,000				(40,946,000)
OPERATING SURPLUS / (DEFICIT)	121,642,151	(23,528,009)	149,616,686		20,371,269	43,899,278
Ending Fund Balance	161,529,053	-	214,090,553		84,845,136	84,845,135
EFB as % of Total Operating Revenues		0.0%			12.4%	

General Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
	Operating Revenues					
Local Sources	367,315,282	396,467,030	378,893,472	95.6%	399,989,027	3,521,997
Intermediate Sources	8,297,125	14,026,945	8,089,324	57.7%	13,357,960	(668,985)
State Sources	211,247,381	272,479,015	216,276,775	79.4%	269,265,968	(3,213,047)
Federal Sources	48,726	-	1,244	0.0%	20,000	20,000
Other Sources	16,748	50,000	44,855	89.7%	50,000	-
Total Operating Revenue	586,925,263	683,022,990	603,305,669	88.3%	682,682,955	(340,035)
Beginning Fund Balance	39,886,901	64,474,010	64,473,866	100.0%	64,473,866	(144)
Operating Expenditures						
Salaries	263,181,879	383,551,386	255,380,856	66.6%	366,118,619	(17,432,767)
Associated Payroll Costs	125,253,154	187,883,771	133,022,717	70.8%	189,934,838	2,051,067
Purchased Services	59,683,670	95,655,461	46,112,887	48.2%	76,316,518	(19,338,943)
Supplies and Materials	10,283,422	30,026,255	12,491,186	41.6%	22,012,685	(8,013,570)
Capital Outlay	1,548,518	1,996,420	693,640	34.7%	1,141,624	(854,796)
Other Objects	4,228,393	6,203,706	4,854,601	78.3%	5,553,401	(650,305)
Transfers	1,104,075	1,234,000	1,133,096	91.8%	1,234,000	0
Total Operating Expenditures	465,283,112	706,550,999	453,688,983	64.2%	662,311,685	(44,239,314)
Contingencies		40,946,000				(40,946,000)
OPERATING SURPLUS / (DEFICIT)	121,642,151	(23,528,009)	149,616,686		20,371,269	43,899,278
Ending Fund Balance	161,529,053	-	214,090,553		84,845,136	84,845,135
EFB as % of Total Operating Revenues		0.0%			12.4%	

General Funds | By Function

For the Period Ending March 31, 2021



Operating Revenues

	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Local Sources	367,315,282	378,893,472	11,578,189	3.2%	Increase in Property, Local Option and Gap taxes
Intermediate Sources	8,297,125	8,089,324	(207,801)	-2.5%	
State Sources	211,247,381	216,276,775	5,029,394	2.4%	Increase in State School Fund Revenues
Federal Sources	48,726	1,244	(47,482)	-97.4%	
Other Sources	16,748	44,855	28,107	167.8%	Sale of Fixed Asset

Total Operating Revenue

	586,925,263	603,305,669	16,380,406	2.8%	
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Beginning Fund Balance

	39,886,901	64,473,866	24,586,965	61.6%	
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Operating Expenditures

Instruction	257,297,012	251,349,238	(5,947,774)	-2.3%	Substitute Pay, Extended Hours and Overtime are down, year over year
Support Services	205,945,133	198,754,396	(7,190,737)	-3.5%	Decreases in Travel/Training, Transportation, Printing and Binding
Enterprise and Community Services	936,892	2,434,335	1,497,443	159.8%	Additional investments with culturally specific organizations to provide services that improve academic success for students of color.
Facilities Acquisition and Construction	-	17,919	17,919	0.0%	
Other Uses	1,104,075	1,133,096	29,021	2.6%	

Total Operating Expenditures

	465,283,112	453,688,983	(11,594,129)	-2.5%	
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Contingencies

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OPERATING SURPLUS / (DEFICIT)

	121,642,151	149,616,686	27,974,535	23.0%	
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Ending Fund Balance

	161,529,053	214,090,553	52,561,500	32.5%	
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General Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current YTD	Variance Amount	Variance Percentage	Primary Change Drivers
Operating Revenues					
Local Sources	367,315,282	378,893,472	11,578,189	3.2%	Increase in Property, Local Option and Gap taxes
Intermediate Sources	8,297,125	8,089,324	(207,801)	-2.5%	
State Sources	211,247,381	216,276,775	5,029,394	2.4%	Increase in State School Fund Revenues
Federal Sources	48,726	1,244	(47,482)	-97.4%	
Other Sources	16,748	44,855	28,107	167.8%	Sale of Fixed Asset
Total Operating Revenue	586,925,263	603,305,669	16,380,406	2.8%	
Beginning Fund Balance	39,886,901	64,473,866	24,586,965	61.6%	
Operating Expenditures					
Salaries	263,181,879	255,380,856	(7,801,023)	-3.0%	Substitute Pay, Extended Hours and Overtime are down, year over year
Associated Payroll Costs	125,253,154	133,022,717	7,769,563	6.2%	Expected increase due to increase in Health Insurance and PERS UAL
Purchased Services	59,683,670	46,112,887	(13,570,783)	-22.7%	COVID related reductions (travel restrictions, TriMet reduction, virtual versus in-person local meetings)
Supplies and Materials	10,283,422	12,491,186	2,207,764	21.5%	COVID related increases (Comprehensive Distance Learning supports, including technology, Personal Protection Equipment, and software platforms)
Capital Outlay	1,548,518	693,640	(854,878)	-55.2%	COVID related expenditures supported by other funding sources
Other Objects	4,228,393	4,854,601	626,208	14.8%	Increase in Property Insurance
Transfers	1,104,075	1,133,096	29,021		
Total Operating Expenditures	465,283,112	453,688,983	(11,594,129)	-2.5%	
Contingencies					
OPERATING SURPLUS / (DEFICIT)	121,642,151	149,616,686	27,974,535	23.0%	
Ending Fund Balance	161,529,053	214,090,553	52,561,500	32.5%	

Special Revenue Funds | By Function

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	9,863,021	23,114,686	6,919,113	29.9%	14,427,093	(8,687,593)
Intermediate Sources	43,270	143,843	-	0.0%	-	(143,843)
State Sources	11,894,203	46,228,374	15,915,293	34.4%	52,429,159	6,200,785
Federal Sources	26,447,046	77,439,830	26,770,328	34.6%	73,944,212	(3,495,618)
Other Sources	-	133,507	-	0.0%	-	(133,507)
Total Operating Revenue	48,247,540	147,060,240	49,604,733	33.7%	140,800,464	(6,259,776)
Beginning Fund Balance	37,427,899	36,734,760	35,789,940	97.4%	35,789,940	(944,820)
Operating Expenditures						
Instruction	29,407,590	72,711,000	29,299,428	40.3%	57,422,958	(15,288,042)
Support Services	22,306,764	58,568,000	32,331,165	55.2%	62,500,469	3,932,469
Enterprise and Community Services	14,937,563	23,861,000	11,271,943	47.2%	19,043,522	(4,817,478)
Facilities Acquisition and Construction	51,609	14,000	11,955	85.4%	18,597	4,597
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	66,703,526	155,154,000	72,914,492	47.0%	138,985,546	(16,168,454)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(18,455,986)	(8,093,760)	(23,309,758)		1,814,918	9,908,678
Ending Fund Balance	18,971,913	28,641,000	12,480,182		37,604,858	8,963,858

Special Revenue Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	9,863,021	23,114,686	6,919,113	29.9%	14,427,093	(8,687,593)
Intermediate Sources	43,270	143,843	-	0.0%	-	(143,843)
State Sources	11,894,203	46,228,374	15,915,293	34.4%	52,429,159	6,200,785
Federal Sources	26,447,046	77,439,830	26,770,328	34.6%	73,944,212	(3,495,618)
Other Sources	-	133,507	-	0.0%	-	(133,507)
Total Operating Revenue	48,247,540	147,060,240	49,604,733	33.7%	140,800,464	(6,259,776)
Beginning Fund Balance	37,427,899	36,734,760	35,789,940	97.4%	35,789,940	(944,820)
Operating Expenditures						
Salaries	31,804,085	59,170,319	33,986,377	57.4%	51,841,224	(7,329,095)
Associated Payroll Costs	15,745,384	28,908,305	18,478,176	63.9%	28,968,106	59,801
Purchased Services	5,124,203	26,510,205	4,430,862	16.7%	14,923,761	(11,586,444)
Supplies and Materials	10,632,134	34,379,551	11,431,138	33.2%	36,900,181	2,520,630
Capital Outlay	585,766	565,532	1,484,972	262.6%	781,704	216,172
Other Objects	2,811,954	5,620,088	3,102,967	55.2%	5,570,571	(49,517)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	66,703,526	155,154,000	72,914,492	47.0%	138,985,547	(16,168,453)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(18,455,986)	(8,093,760)	(23,309,758)		1,814,917	9,908,677
Ending Fund Balance	18,971,913	28,641,000	12,480,182		37,604,858	8,963,858

Debt Service Funds | By Function

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	158,559,458	185,616,999	165,708,152	89.3%	187,195,946	1,578,947
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	40,525	54,000	29,583	54.8%	53,485	(515)
Other Sources	1,724,075	1,751,000	57,345,775	3275.0%	57,345,775	55,594,775
Total Operating Revenue	160,324,058	187,421,999	223,083,510	119.0%	244,595,206	57,173,207
Beginning Fund Balance	10,782,751	14,250,001	13,823,216	97.0%	13,823,216	(426,785)
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	-	-	-	0.0%	-	-
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	19,613,217	191,444,000	86,702,191	45.3%	246,805,650	55,361,650
Total Operating Expenditures	19,613,217	191,444,000	86,702,191	45.3%	246,805,650	55,361,650
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	140,710,841	(4,022,001)	136,381,319		(2,210,444)	1,811,557
Ending Fund Balance	151,493,591	10,228,000	150,204,536		11,612,773	1,384,773

Debt Service Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	158,559,458	185,616,999	165,708,152	89.3%	187,195,946	1,578,947
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	-	-	-	0.0%	-	-
Federal Sources	40,525	54,000	29,583	54.8%	53,485	(515)
Other Sources	1,724,075	1,751,000	57,345,775	3275.0%	57,345,775	55,594,775
Total Operating Revenue	160,324,058	187,421,999	223,083,510	119.0%	244,595,206	57,173,207
Beginning Fund Balance	10,782,751	14,250,001	13,823,216	97.0%	13,823,216	(426,785)
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	19,613,217	191,444,000	86,702,191	45.3%	246,805,650	55,361,650
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	19,613,217	191,444,000	86,702,191	45.3%	246,805,650	55,361,650
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	140,710,841	(4,022,001)	136,381,319		(2,210,444)	1,811,557
Ending Fund Balance	151,493,591	10,228,000	150,204,536		11,612,773	1,384,773

Capital Projects Funds | By Function

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	8,866,059	12,766,351	4,381,236	34.3%	7,965,000	(4,801,351)
Intermediate Sources	223,719	-	75,000	0.0%	75,000	75,000
State Sources	10,101,058	3,500,000	833,230	23.8%	1,030,000	(2,470,000)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	10,383,617	1,000,000,000	395,038,945	39.5%	395,038,945	(604,961,055)
Total Operating Revenue	29,574,453	1,016,266,351	400,328,412	39.4%	404,108,945	(612,157,406)
Beginning Fund Balance	330,978,231	577,818,649	663,007,183	114.7%	663,007,183	85,188,534
Operating Expenditures						
Instruction	-	29,644,000	-	0.0%	-	(29,644,000)
Support Services	1,870,694	59,952,000	5,664,162	9.4%	8,883,909	(51,068,091)
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	121,623,759	1,331,591,000	198,297,093	14.9%	287,246,387	(1,044,344,613)
Other Uses	620,000	617,000	616,558	99.9%	616,558	(442)
Total Operating Expenditures	124,114,453	1,421,804,000	204,577,813	14.4%	296,746,853	(1,125,057,147)
Contingencies	-	-	-	-	-	-
OPERATING SURPLUS / (DEFICIT)	(94,540,000)	(405,537,649)	195,750,598		107,362,092	512,899,741
Ending Fund Balance	236,438,231	172,281,000	858,757,781		770,369,275	598,088,275

Capital Projects Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current Year		% of	Annual Forecast	Variance Over
		Budget	Current YTD	Budget		/ (Under)
Operating Revenues						
Local Sources	8,866,059	12,766,351	4,381,236	34.3%	7,965,000	(4,801,351)
Intermediate Sources	223,719	-	75,000	0.0%	75,000	75,000
State Sources	10,101,058	3,500,000	833,230	23.8%	1,030,000	(2,470,000)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	10,383,617	1,000,000,000	395,038,945	39.5%	395,038,945	(604,961,055)
Total Operating Revenue	29,574,453	1,016,266,351	400,328,412	39.4%	404,108,945	(612,157,406)
Beginning Fund Balance	330,978,231	577,818,649	663,007,183	114.7%	663,007,183	85,188,534
Operating Expenditures						
Salaries	1,913,175	3,734,822	2,086,489	55.9%	3,086,982	(647,840)
Associated Payroll Costs	729,933	1,665,686	851,853	51.1%	1,234,793	(430,893)
Purchased Services	22,112,661	171,978,578	18,910,284	11.0%	26,751,229	(145,227,349)
Supplies and Materials	1,059,245	588,770	4,798,353	815.0%	8,500,000	7,911,230
Capital Outlay	94,278,285	1,227,822,511	168,029,150	13.7%	246,057,292	(981,765,219)
Other Objects	3,401,154	15,396,633	9,285,126	60.3%	10,500,000	(4,896,633)
Transfers	620,000	617,000	616,558	99.9%	616,558	(442)
Total Operating Expenditures	124,114,453	1,421,804,000	204,577,813	14.4%	296,746,853	(1,125,057,147)
Contingencies		-				-
OPERATING SURPLUS / (DEFICIT)	(94,540,000)	(405,537,649)	195,750,598		107,362,092	512,899,741
Ending Fund Balance	236,438,231	172,281,000	858,757,781		770,369,275	598,088,275

Internal Service Funds | By Function

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	725,358	2,154,634	1,422,373	66.0%	1,627,637	(526,997)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	202,657	191,585	129,173	67.4%	129,173	(62,412)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	928,014	2,346,219	1,551,545	66.1%	1,756,810	(589,409)
Beginning Fund Balance	8,116,709	6,185,781	5,857,722	94.7%	5,857,722	(328,059)
Operating Expenditures						
Instruction	-	-	-	0.0%	-	-
Support Services	2,080,800	3,763,000	1,231,869	32.7%	1,773,285	(1,989,715)
Enterprise and Community Services	-	-	-	0.0%	-	-
Facilities Acquisition and Construction	-	-	-	0.0%	-	-
Other Uses	-	-	-	0.0%	-	-
Total Operating Expenditures	2,080,800	3,763,000	1,231,869	32.7%	1,773,285	(1,989,715)
Contingencies		4,769,000				(4,769,000)
OPERATING SURPLUS / (DEFICIT)	(1,152,786)	(1,416,781)	319,676		(16,475)	1,400,306
Ending Fund Balance	6,963,924	-	6,177,399		5,841,247	5,841,247

Internal Service Funds | By Object

For the Period Ending March 31, 2021



	Prior YTD	Current Year Budget	Current YTD	% of Budget	Annual Forecast	Variance Over / (Under)
Operating Revenues						
Local Sources	725,358	2,154,634	1,422,373	66.0%	1,627,637	(526,997)
Intermediate Sources	-	-	-	0.0%	-	-
State Sources	202,657	191,585	129,173	67.4%	129,173	(62,412)
Federal Sources	-	-	-	0.0%	-	-
Other Sources	-	-	-	0.0%	-	-
Total Operating Revenue	928,014	2,346,219	1,551,545	66.1%	1,756,810	(589,409)
Beginning Fund Balance	8,116,709	6,185,781	5,857,722	94.7%	5,857,722	(328,059)
Operating Expenditures						
Salaries	167,951	296,542	145,095	48.9%	207,142	(89,400)
Associated Payroll Costs	61,317	114,143	58,898	51.6%	83,473	(30,670)
Purchased Services	190,215	442,876	167,832	37.9%	240,312	(202,564)
Supplies and Materials	17,627	71,479	25,433	35.6%	25,433	(46,046)
Capital Outlay	-	-	-	0.0%	-	-
Other Objects	1,643,689	2,837,960	834,612	29.4%	1,216,925	(1,621,035)
Transfers	-	-	-	0.0%	-	-
Total Operating Expenditures	2,080,800	3,763,000	1,231,869	32.7%	1,773,285	(1,989,715)
Contingencies		4,769,000				(4,769,000)
OPERATING SURPLUS / (DEFICIT)	(1,152,786)	(1,416,781)	319,676		(16,475)	1,400,306
Ending Fund Balance	6,963,924	-	6,177,399		5,841,247	5,841,247

Cash Management and Investment Update

The PPS investment portfolio as of March 31, 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 36% Treasury and government agency securities, which is more than December 2020 (33%). The cash and cash equivalent portion of the portfolio decreased to 32% of the total portfolio from December 2020 of 41% (Vs 43% March prior FY). The decrease in cash and equivalents and increase in other investments as a percentage is due mostly to the large proceeds from Bond Series 2020B received on 12/30/20 being reinvested during this quarter.

Market rates in general have remained about the same from December with 1-year Treasury securities decreasing by 0.03% and the 2-year Treasury securities increasing by 0.03% 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 0.10% and 0.07% respectively.

US Treasury Rates			
	3/31/2020	12/31/2020	3/31/2021
90 Day T-Bill	0.11%	0.09%	0.03%
1 Year T-Bill	0.17%	0.10%	0.07%
2 Year Note	0.23%	0.13%	0.16%
Source: Federal Reserve H15 Constant Maturity Treasury Securities			

Securities purchased since December (\$401 million) were primarily investments of Bond Series 2020B proceeds. 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 (0.60% rate at March 31, 2021). No securities were sold prior to maturity during the quarter.

The total portfolio of Cash and Investments (\$1,328 million) decreased by \$110 million since December 2020 for operating costs. The LGIP PERS balance of \$41.1 million increased by \$14.9 million from December.

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



Portland Public Schools
Total Cash and Investments
March 31, 2021
(\$ 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	\$ 389,758	\$ 387,221	\$ 388,213	\$ 388,215	29.2%	35%	111	0.30%
Federal Agencies								
Federal Agricultural Mortgage Corp (FarmerMac)	\$ 38,023	\$ 38,000	\$ 38,060	\$ 38,010	2.9%	50%	368	0.23%
Federal Farm Credit Banks	143,311	143,317	143,388	143,279	10.8%	50%	217	0.28%
Federal Home Loan Banks	115,307	114,400	114,946	114,883	8.6%	50%	121	0.31%
Tennessee Valley Authority (TVA)	1,446	1,518	1,506	1,482	0.1%	50%	533	1.68%
Sub Total Federal Agencies	<u>\$ 298,087</u>	<u>\$ 297,235</u>	<u>\$ 297,900</u>	<u>\$ 297,654</u>	22.4%	100%	201	0.29%
US Treasury Securities	\$ 179,557	\$ 180,200	\$ 180,895	\$ 180,772	13.6%	100%	99	0.42%
Municipal Bonds	\$ 39,389	\$ 38,815	\$ 39,031	\$ 39,021	2.9%	30%	210	0.38%
Sub Total Investments	<u>\$ 906,791</u>	<u>\$ 903,471</u>	<u>\$ 906,039</u>	<u>\$ 905,662</u>				
Cash and Equivalents								
Cash and Cash Equivalents	381,746	381,746	381,746	381,746	28.7%	100%	1	0.22%
LGIP PERS (Restricted)**	41,085	41,085	41,085	41,085	3.1%	N/A	1	0.60%
Sub Total Cash and Equivalents	<u>\$ 422,831</u>	<u>\$ 422,831</u>	<u>\$ 422,831</u>	<u>\$ 422,831</u>				
Total Cash and Investments	<u>\$ 1,329,622</u>	<u>\$ 1,326,302</u>	<u>\$ 1,328,870</u>	<u>\$ 1,328,493</u>	100%		97	0.30%

*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.

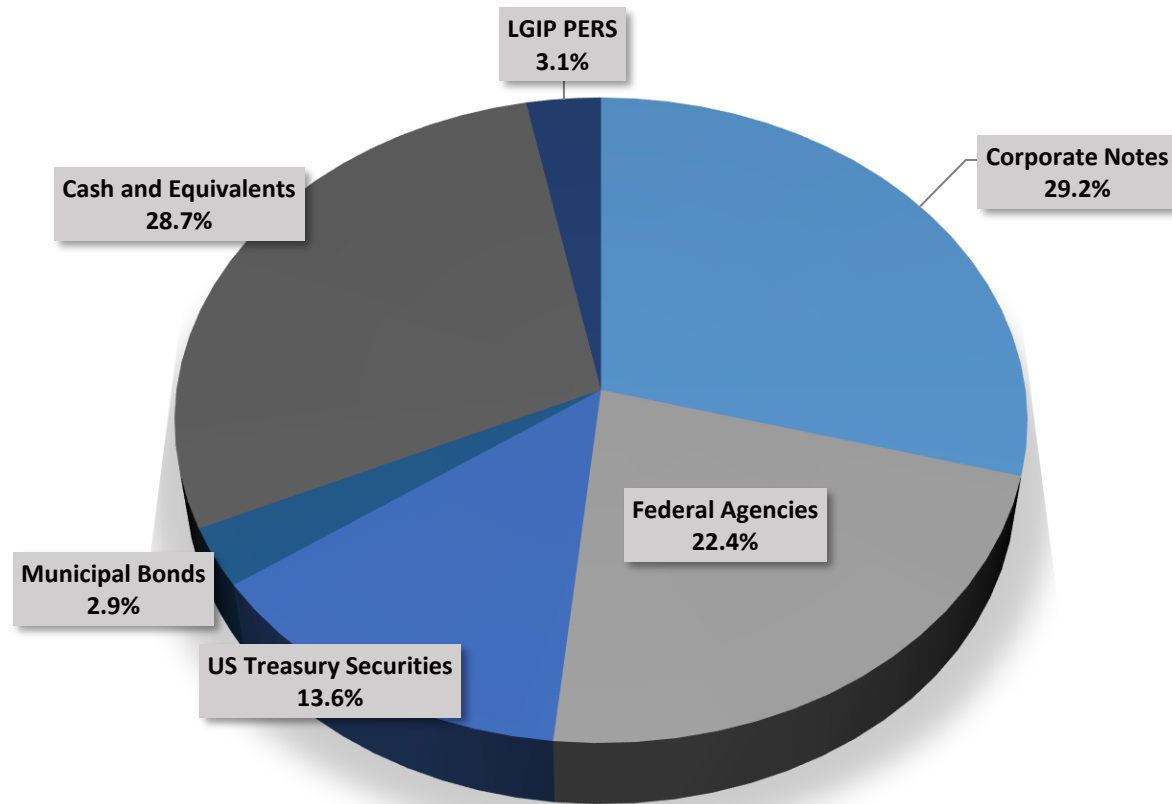
Market Value is an estimate of the price at which a bond would trade in a competitive marketplace.

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
March 31, 2021



Real Estate Update

The Real Estate Report provides the Board with 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 transaction is the termination of the cell tower facilities at Grant and Meek as of May 2021. These are the last two remaining cell facilities on PPS property.

As a result of the COVID pandemic, tenants whose premises are embedded within PPS school buildings are still not actively using their premises and are not paying rent. Tenants who have had uninterrupted access to their premises continue to be required to pay rent.

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

04/15/2021 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. Changes since last report shown in red.

LEASE (PPS REAL ESTATE MANAGER)

Building	Tenant	Tenant Type	Square Feet	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	\$ 19,496	Land Lease	Termination on June 30 with 5 year notice. PPS pays FMV of improvements exclusive of land. Annual rent escalation was increased from 2% to 3%.
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	AT&T will vacate site May 2021. This is one of the last two cell facilities on PPS properties.
HUMBOLDT	KairosPDX	PPS Charter School	23,003	2016	2022	N	\$ 19,413	Lease	
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	AT&T will vacate site May 2021. This is one of the last two cell facilities on PPS properties.
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	2021	N	\$ -	Master Lease	Will vacate site June 30.

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

04/15/2021 - (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	Initial License Commencement	Current Contract Expiration	30 Day Termination Notice	Current Monthly Rent	Contract Type	Comments
APPLEGATE	NAYA	Early Head Start	1,358	2021	2022	Y	\$ -	License	Lease negotiation in process.
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	Will vacate site in June 2021 in preparation for the Benson construction.
CLARENDON	Albina Early Head Start	Early Head Start	1,425	2015	2020	Y	\$ 1	License	Will return in August 2021.
CLEVELAND HS	Multnomah County	Health Clinic	720	2017	2025	Y	\$ 1	License and IGA	
DUNIWAY	Duniway After Care	Preschool	705	2018	2020	Y	\$ -	License	COVID: Paused until building access returns.
FAUBION	Albina Early Head Start	Early Head Start	1,395	2017	2020	Y	\$ 1	License	Will return in August 2021.
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	\$ -	License	Vacated March 2021.
GREEN THUMB	Portland State University	Garden Program	1 Green House	2010	2021	N	\$ 419	License	90 day termination notice by either party.
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	Will return in August 2021.
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	
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	Will return in August 2021.
PENNISULA	Albina Early Head Start	Early Head Start	1,804	2017	2020	Y	\$ 1	License	Will open in August 2021.
ROOSEVELT	Multnomah County	Health Clinic	1,475	2017	2025	Y	\$ 1	License and IGA	
WILSON	Hillsdale Farmer's Market	Farmer's Market	NA	2006	2022	Y	\$ 625	License	

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)

04/15/2021 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. Changes since last report shown in red.

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 - DDSD	Speech Clinic	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
JACKSON	MECP - DDSD	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 - DDSD	Preschool and Speech Clinic	2 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WHITMAN	MECP - DDSD	Preschool	1 classroom	Unknown	2020	N	\$ -	IGA	(LISA GROTTING, Program Director)
WOODMERE	MECP - DDSD	Preschool	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 \$ 126,760

TOTAL ANNUAL \$ 1,521,122

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

04/15/2021 - (CONTRACT/RELATIONSHIP OWNER) shown in parenthesis. Changes since last report shown in red.

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	\$ 1,100.30	Solar License	
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.