

# Oregon School Boards Association 2014-2015 Treasurer's Report



# Oregon School Boards Association 2015 Annual Convention Membership Meeting

Saturday, November 14, 2015



**TO: OSBA Membership**  
**FROM: Sam Lee, OSBA Secretary-Treasurer**  
**SUBJ: OSBA Treasurer's Report**  
**DATE: November 14, 2015**

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By way of introduction I'm Sam Lee, former Winston-Dillard board member and your secretary/treasurer for the past year. In your packet each member was provided the treasurer's report as required by our constitution for the 2014-15 fiscal year including the 2015-16 adopted budget.

The OSBA auditing firm of Jones & Roth has completed the audit of the 2014-2015 fiscal year and is in the process of compiling the financial statements. They will be reporting the final audit results to the board of directors in January of 2016. The audit will be available online at [www.osba.org](http://www.osba.org) under 'About OSBA' following the January 2016 board meeting.

Our investments provide a large amount of OSBA's operating revenues; even as much as half of our revenue came from investment earnings in previous years. The current investment policy allows the association to invest more aggressively to obtain the earnings needed from our investments in order to continue to support services to districts statewide. The current investment policy maintains the priority of preserving principal while generating revenue to maintain services to our member districts.

Based on the draft audit figures, during the fiscal year ending June 30, 2015 operating revenues increased by \$856,896 to \$7,786,699 compared to 2013-2014, while expenditures increased by \$545,447 to \$6,319,422. Realized investment income, increased by \$871,595 from the previous fiscal year and was the driver of this revenue increase as all other revenue sources actually remained stable. The increase in expenses from the prior year is primarily due to legal expenses (in defending the school districts involved in the PERS litigation), salaries & benefits (new positions and increases to our benefit rates) and expenses related to "The Promise" campaign.

The financial condition of OSBA remains strong with an unreserved fund balance on June 30, 2015 of \$14,001,544 a partially restricted balance of \$16 million and a restricted balance of \$50 million. OSBA ended the 2014-15 year reducing its unrestricted reserves by \$2,977,249. The reduction came from the unrealized real market decrease in our investment portfolio of (\$4,444,527). In 2013-14 OSBA enjoyed an unrealized gain in our investment portfolio of \$4,434,418.

The income generated by investments, contract services, Property and Casualty Coverage for Education Trust (PACE) and other revenue sources paid for a staff of 38 full-time, 3 part-time, and contract employees who provided services to OSBA members throughout the state.

This was the seventh year the Finance Committee, previously established by the OSBA board, provided additional financial oversight. Their duties included reviewing and recommending the investment policy, as well as monitoring and investing OSBA's assets. The committee comprised of the OSBA president-elect, vice president, secretary-treasurer, one OSBA board member from the PACE board, one district business official and three at-large board members. The committee members this year were OSBA President Dave Krumbein; President-elect Doug Nelson; Vice President Betty Reynolds; PACE board member Craig Prewitt; Albany Public Schools business official Russ Allen; Bend-LaPine School District board member Nori Juba; Grants Pass District

board member Cliff Kuhlman; Special Districts Association chief financial officer Mike Doherty and myself, Sam Lee.

In summary, OSBA remains in a financially strong position. The budget for 2015-16 is conservatively planned to maintain services to our membership without any increases in membership dues or charges for services. You can be assured that the OSBA will continue to provide you with the services that you have come to rely on.

**OREGON SCHOOL BOARDS ASSOCIATION**  
**2014-15 Year-End Revenue Report**

2012-13 AUDITED	2013-14 AUDITED		2014-15 Actual	2014-15 ADOPTED BUDGET	2015-16 ADOPTED BUDGET
		<b>REVENUES</b>			
703,221	703,512	<b>Dues</b>	702,166	710,000	705,000
2,541,604	3,678,857	<b>Interest/Investment Earnings</b>	4,550,452	3,250,291	3,887,955
337,248	4,434,418	<b>Unrealized Gains or (Losses)</b>	(4,444,527)	0	0
		<b>Insurance</b>			
64,808	0	Regence BCBSO	0	0	0
326,012	342,312	Property - PACE	459,671	459,671	540,652
390,820	342,312	<b>TOTAL INSURANCE</b>	459,671	459,671	540,652
		<b>Convention/Conferences</b>			
244,553	202,433	Convention Registration	198,355	194,645	196,820
0	27,000	Convention Exhibitors	42,000	25,000	42,000
0	34,600	Convention Sponsors	11,500	30,000	10,000
28,898	40,285	Summer Conference	41,525	28,175	45,000
0	3,000	Summer Conference Exhibitors	2,900	6,000	3,000
12,670	16,365	Labor & Employment	13,235	10,000	15,000
12,022	13,321	School Law Conference	14,889	7,500	12,000
0	27,785	Bonds & Ballots	0	0	26,200
0	0	Policy Workshops	0	500	0
0	39,428	Conference for Policy/Trainers	440	0	0
1,630	1,745	Day/Online Conferences	6,853	4,000	1,000
299,773	405,962	<b>TOTAL CONVENTION/CONFERENCES</b>	331,697	305,820	351,020
		<b>Sales of Publications/Subscriptions</b>			
14,400	12,915	School Law Reporter	10,290	15,000	13,000
138,066	151,786	Policy Subscriptions	163,866	150,000	170,000
0	19,370	Policy Plus	26,500	21,000	25,000
7,000	7,200	Web Hosting	4,200	6,600	4,200
98	71	Mailing List	0	100	0
7,140	5,567	PR in Action	5,605	7,000	7,000
8,757	10,112	Handbooks/Calendars	11,725	8,000	8,000
25,138	21,325	SPOT	19,927	25,000	25,000
60,000	70,000	Boardbook	92,500	72,500	75,000
7,651	6,550	Printed Publications	1,929	7,500	0
268,250	304,896	<b>TOTAL SALES OF PUBLICATIONS</b>	336,543	312,700	327,200
		<b>Contract Services</b>			
7,500	6,570	Contract Analysis	5,500	5,000	5,000
83,837	18,996	Executive Search	13,221	10,000	9,000
230,554	237,194	Human Resource Development	0	225,000	100,000
0	150,000	PERS - Tax Pension Refunding	135,000	0	0
590,153	677,665	Legal Services	965,735	845,929	931,940
2,200	0	Policy Analysis	0	0	0
109,732	96,565	Policy Revisions/Audits	98,946	100,000	95,000
70,766	70,000	Lighthouse	5,002	10,000	0
20,000	20,000	Misc. Contract Services	2,954	0	0
4,863	8,848	Contract Printing	0	4,000	0
21,459	40,541	Board Development	31,332	31,500	35,500
500	0	Communications Serv/Focus Grps.	0	0	0
3,600	0	TANS	0	0	0
3,323	0	FlexFund	0	0	0
1,148,487	1,326,379	<b>TOTAL CONTRACT SERVICES</b>	1,257,689	1,231,429	1,176,440
87,543	85,011	<b>Rental Income</b>	95,542	84,500	59,200
57,437	62,313	<b>Sponsorships</b>	60,000	65,000	60,000
10,340	25,422	<b>Miscellaneous</b>	12,145	10,000	14,000
0	17,137	<b>Sale of Auto</b>	516	14,000	12,000
(36,223)	(21,773)	<b>Change in FMV-LGC/Sale of Assets</b>	(19,722)	0	(25,000)
5,808,500	11,364,446	<b>TOTAL REVENUES</b>	3,342,172	6,443,411	7,108,467

**OREGON SCHOOL BOARDS ASSOCIATION  
2014-15 Year-End Expenditure Report**

<b>2012-13 AUDITED</b>	<b>2013-14 AUDITED</b>		<b>2014-15 ACTUAL</b>	<b>2014-15 ADOPTED BUDGET</b>	<b>2015-16 ADOPTED BUDGET</b>
<b>EXPENDITURES</b>					
<b>Personnel</b>					
2,443,793	2,582,542	Salaries	2,823,946	2,905,458	3,249,659
1,319,452	244,719	Payroll Assessments	225,848	258,618	274,076
0	1,095,342	Benefits	1,198,993	1,323,349	1,485,024
260,037	255,548	Contract Services	262,110	305,392	266,000
<b>4,023,282</b>	<b>4,178,151</b>	<b>TOTAL PERSONNEL COSTS</b>	<b>4,510,897</b>	<b>4,792,817</b>	<b>5,274,759</b>
<b>Legislative</b>					
1,971	20,824	Legislative Committee	6,968	2,500	22,000
594	637	Legislative Highlights/Report	1,755	700	700
<b>2,565</b>	<b>21,461</b>	<b>TOTAL LEGISLATIVE</b>	<b>8,722</b>	<b>3,200</b>	<b>22,700</b>
<b>Travel</b>					
68,371	53,316	Board/Committee (In)	63,220	40,000	55,000
40,278	39,742	Board/Committee (Out)	46,990	42,000	40,000
15,475	16,085	Billable	30,337	20,500	36,500
49,612	69,438	Non-billable	47,657	69,250	64,750
0	0	Regional Meetings	0	0	10,000
35,770	31,813	Auto Expenses	20,669	33,400	33,400
6,912	5,441	Lighthouse Data Fees	1,123	3,500	3,500
<b>216,418</b>	<b>215,835</b>	<b>TOTAL TRAVEL</b>	<b>209,995</b>	<b>208,650</b>	<b>243,150</b>
<b>58,170</b>	<b>58,487</b>	<b>Professional Development</b>	<b>104,513</b>	<b>97,100</b>	<b>119,300</b>
<b>0</b>	<b>892</b>	<b>NSBA Work-alike</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Publications</b>					
3,632	3,425	PR in Action	3,095	3,600	3,600
0	0	Critical Issues	0	0	0
6,611	0	Executive Search	250	1,500	1,500
36,000	39,000	Boardbook	43,500	43,000	45,000
2,188	2,146	Printed Publications	947	4,400	1,600
<b>48,431</b>	<b>44,571</b>	<b>TOTAL PUBLICATIONS</b>	<b>47,791</b>	<b>52,500</b>	<b>51,700</b>
<b>Convention/Conferences Expenses</b>					
161,847	182,408	Convention	193,863	185,000	202,500
26,769	40,788	Summer Conference	38,090	34,175	37,500
3,096	5,222	Labor & Employment	5,802	9,000	5,000
2,431	914	School Law Conference	3,983	2,000	5,000
0	21,538	Bonds & Ballots	0	0	23,900
19,390	0	Leadership Oregon	14,617	25,000	0
0	38,126	Conference for Policy/Trainers	0	0	0
4,373	0	Day/Online Conferences	4,356	22,000	1,000
<b>217,906</b>	<b>288,996</b>	<b>TOTAL CONVENTION/CONFERENCES</b>	<b>260,709</b>	<b>277,175</b>	<b>274,900</b>
<b>Office Expense</b>					
16,000	16,475	Audit	17,284	16,200	18,000
78,125	80,541	Insurance	85,540	82,000	87,000
11,540	10,543	Telephone	8,856	11,000	10,000
0	0	Video Conferencing	0	1,000	0
18,752	13,837	Postage	20,822	13,000	19,000
63,907	46,162	Supplies/Other Office Expense	49,653	35,000	35,000
5,730	2,679	Non-consumable Supplies	9,638	10,500	12,200

**OREGON SCHOOL BOARDS ASSOCIATION**  
**2014-15 Year-End Expenditure Report**

2012-13 AUDITED	2013-14 AUDITED		2014-15 Actual	2014-15 ADOPTED BUDGET	2015-16 ADOPTED BUDGET
		<b>EXPENDITURES (Continued)</b>			
37,235	51,541	Xerox/Impressions	46,986	43,000	44,000
25,474	26,081	Computer Hardware	11,850	24,000	40,000
7,626	7,817	Computer Software	5,245	9,000	25,150
17,424	27,304	Computer Maintenance/License	19,475	20,700	20,495
0	35,585	Computer Subscription Svcs	51,258	22,700	85,818
0	9,866	Computer Sub Contracts	27,164	0	0
8,180	4,460	Tech Connections	6,213	4,600	4,600
0	2,342	Equipment Purchase	4,415	2,500	1,200
722	1,147	Equipment Maintenance	1,016	1,000	1,000
15,216	17,727	Staff Recruiting	94,554	5,000	5,000
<u>305,931</u>	<u>354,107</u>	<b>TOTAL OFFICE EXPENSE</b>	<u>459,968</u>	<u>301,200</u>	<u>408,463</u>
		<b>Dues, Subscriptions, Publications</b>			
76,550	71,426	NSBA	71,241	76,550	79,000
12,105	13,571	Dues	19,923	16,469	21,619
49,041	36,605	Subscriptions, Publications	34,877	37,750	44,731
<u>137,696</u>	<u>121,602</u>	<b>TOTAL DUES, SUBS., PUBLICATIONS</b>	<u>126,041</u>	<u>130,769</u>	<u>145,350</u>
		<b>Building</b>			
100,000	119,198	Operations	103,898	98,000	110,000
12,000	12,000	Reserve	12,000	12,000	12,000
<u>112,000</u>	<u>131,198</u>	<b>TOTAL BUILDING</b>	<u>115,898</u>	<u>110,000</u>	<u>122,000</u>
72,886	204,333	<b>Legal Fees</b>	<u>226,117</u>	<u>150,000</u>	<u>50,000</u>
59,647	41,860	<b>Depreciation Expense</b>	<u>35,459</u>	<u>0</u>	<u>45,000</u>
0	0	<b>Bank Fees &amp; Misc Expense</b>	<u>0</u>	<u>0</u>	<u>20,000</u>
0	0	<b>PACE Expense</b>	<u>17,723</u>	<u>0</u>	<u>18,000</u>
0	0	<b>Contingency</b>	<u>0</u>	<u>108,000</u>	<u>126,145</u>
5,711	50,266	<b>Special Projects</b>	<u>155,944</u>	<u>185,000</u>	<u>160,000</u>
25,000	26,217	<b>Board of Directors' Projects</b>	<u>12,895</u>	<u>0</u>	<u>0</u>
26,350	36,000	<b>Continuing Partnerships</b>	<u>26,750</u>	<u>27,000</u>	<u>27,000</u>
<u>5,311,993</u>	<u>5,773,976</u>	<b>TOTAL EXPENDITURES</b>	<u>6,319,423</u>	<u>6,443,411</u>	<u>7,108,467</u>
		<b>Excess of Revenue Over/(Under)</b>			
496,507	5,590,470	<b>Expenditures</b>	<u>(2,977,252)</u>	<u>0</u>	<u>(0)</u>
78,832,861	79,329,368	<b>Beginning Fund Balance</b>	<u>84,919,838</u>	<u>79,329,368</u>	<u>81,942,586</u>
<u>79,329,368</u>	<u>84,919,838</u>	<b>Ending Fund Balance</b>	<u>81,942,586</u>	<u>79,329,368</u>	<u>81,942,586</u>

OREGON SCHOOL BOARDS ASSOCIATION  
BALANCE SHEET

FOR THE 12 PERIODS ENDED JUNE 30, 2015 and 2014

	Current Year	Prior Year
	Actual	Actual
<b>ASSETS</b>		
Current Assets		
Cash	1,097,435.85	1,132,172.54
Investments	78,455,824.39	81,287,249.03
	79,553,260.24	82,419,421.57
Total Cash		
Accounts Receivable	132,210.67	236,142.49
Interest Receivable	558,746.38	667,637.81
Prepaid Expense	46,871.28	37,492.79
	80,291,088.57	83,360,694.66
Total Current Assets		
Fixed Assets		
Equipment & Furniture	133,795.14	59,610.00
Land & Building	2,276,317.21	2,296,038.53
Autos	209,769.00	199,426.00
Work in Progress	123,218.63	
Less Accumulated Depreciation	(394,542.62)	(377,120.67)
	2,348,557.36	2,177,953.86
Total Fixed Assets		
<b>TOTAL ASSETS</b>	82,639,645.93	85,538,648.52
 <b>LIABILITIES &amp; FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	197,017.88	170,214.02
Accrued Payroll Payable	53,489.90	3,413.80
Accrued Payroll Taxes	.07	.10
Accrued Vacation	165,983.54	146,145.71
Prepaid Dues	185,848.00	201,481.50
Prepaid Subscriptions	39,855.00	36,940.00
Prepaid Conferences	19,555.00	27,602.00
Cobra Payments	(1,189.98)	
Funds Due to Others	36,721.48	33,236.44
	697,280.89	619,033.57
<b>TOTAL LIABILITIES</b>		
<b>FUND EQUITY</b>		
Investment in Fixed Assets	2,177,953.86	2,177,953.86
Unreserved Funds	16,978,793.59	11,388,547.14
Equity - EBIT	15,762,867.50	15,762,867.50
Reserve EBIT	50,000,000.00	50,000,000.00
Current Period Net Income	(2,977,249.91)	5,590,246.45
	81,942,365.04	84,919,614.95
<b>TOTAL FUND EQUITY</b>		
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	82,639,645.93	85,538,648.52