

Oregon School Boards Association  
2016-2017 Treasurer's Report



Oregon School Boards Association  
2017 Annual Convention  
Membership Meeting

Saturday, November 11, 2017





To: OSBA Membership  
From: Don Cruise OSBA Secretary-Treasurer  
Subj: OSBA Treasurer's Report 2016-17  
Date: November 11, 2017

By way of introduction I'm Don Cruise, Philomath School Board member and your OSBA secretary-treasurer for the past two years. In your app or on your table each member was provided the treasurer's report as required by our constitution for the 2016-17 fiscal year, including the 2017-18 adopted budget.

The OSBA auditing firm of Jones & Roth has completed the audit of the 2016-2017 fiscal year and are in the process of compiling the financial statements. They will be reporting the final audit results to the OSBA Board of Directors in January 2018. The audit will be available online at [www.osba.org](http://www.osba.org) under 'About OSBA' following the January 2018 Board meeting.

Our investments provide a significant portion 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 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, 2017, operating revenues increased by \$2,140,290 to \$9,276,227 compared to 2015-2016, while expenditures increased by \$246,218 to \$7,085,877. Realized investment income, increased by \$1,190,359 from the previous fiscal year and was the driver of the revenue increase as all other revenue sources grew slightly or remained stable. The increase in expenses from the prior year is primarily due to salaries & benefits (new positions and increases to our benefit rates).

The financial condition of OSBA remains strong with an unreserved fund balance on June 30, 2017, of \$18,922,861; a partially restricted balance of \$15,762,867; and a restricted balance of \$50 million. OSBA ended the 2016-17 fiscal year increasing our unrestricted reserves by \$1,530,018. The increase came from the realized gains in our investment portfolio.

The income generated by investments, contract services, Property and Casualty Coverage for Education (PACE) insurance pool and other revenue sources paid for a staff of 40 full-time, three part-time, and contract employees who provided services to OSBA members throughout the state.

This is the ninth year the Finance Committee, previously established by the OSBA Board, provided additional financial oversight. Their duties included reviewing and

#### OFFICERS

President  
**Betty Reynolds**  
*West Linn-Wilsonville SD*  
President-elect  
**LeeAnn Larsen**  
*Beaverton SD*  
Vice President  
**Tass Morrison**  
*North Santiam SD*  
Secretary-Treasurer  
**Don Cruise**  
*Philomath SD*  
Past President  
**Doug Nelson**  
*High Desert ESD*

#### DIRECTORS

**Paul Anthony**  
*Portland PS*  
**Kevin Cassidy**  
*Baker SD*  
**Sherry Duerst-Higgins**  
*Lane ESD/South Lane SD*  
**Susan FitzGerald**  
*Yamhill-Carlton SD*  
**Cheri Helt**  
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**Kris Howatt**  
*Gresham-Barlow SD*  
**Kaye Jones**  
*Jefferson SD*  
**Greg Kintz**  
*Vernonia SD*  
**Hank Perry**  
*Douglas ESD*  
**Craig Prewitt**  
*Phoenix-Talent SD*  
**Scott Rogers**  
*Athena-Weston SD*  
**Lori Theros**  
*Klamath Falls City Schools*  
**Maureen Wolf**  
*Tigard-Tualatin SD*  
**Michelle Vo**  
*Corbett SD*

#### EX-OFFICIO DIRECTORS

COSA/OASE  
**Craig Hawkins**  
OAESD  
**Bob Moore**  
State Board of Education  
**Charles Martinez, Jr.**

#### EXECUTIVE DIRECTOR

**Jim Green**

#### DEPUTY EXECUTIVE DIRECTOR

**Mary Paulson**

recommending the investment policy, as well as monitoring and investing OSBA's assets. The committee is comprised of the OSBA vice president, secretary-treasurer, one OSBA Board member from the PACE Board, one district business official, one at-large board member and two ex-officio members. The committee members this year were OSBA President Betty Reynolds (ex-officio); Vice President Tass Morrison; PACE Board Member Craig Prewitt; Albany Public Schools Business Official Russ Allen; Bend-LaPine School District Board Member Nori Juba (at-large board member); Special Districts Association of Oregon Chief Financial Officer Mike Doherty (ex-officio) and myself.

In summary, OSBA remains in a financially strong position. The budget for 2017-18 is conservatively planned to maintain services to our membership without any increases in membership dues or charges for services. You can be assured that OSBA will continue to provide you with the services that you have come to rely on.

**OREGON SCHOOL BOARDS ASSOCIATION**  
**2016-17 Actual Revenue Report**

2014-15 AUDITED	2015-16 AUDITED		2016-17 Actual	2016-17 ADOPTED BUDGET	2017-18 ADOPTED BUDGET
		<b>REVENUES</b>			
702,166	710,892	<b>Dues</b>	722,560	710,000	715,000
4,550,452	3,815,858	<b>Interest/Investment Earnings</b>	5,766,562	3,923,874	4,013,600
(4,444,527)	3,084,671	<b>Unrealized Gains or (Losses)</b>	(652,332)	0	0
		<b>Insurance</b>			
459,671	540,652	Property - PACE	556,744	558,340	599,200
459,671	540,652	<b>TOTAL INSURANCE</b>	556,744	558,340	599,200
		<b>Convention/Conferences</b>			
198,355	211,853	Convention Registration	211,810	200,000	215,000
42,000	27,360	Convention Exhibitors	12,060	53,000	40,000
11,500	13,000	Convention Sponsors	18,500	0	0
41,525	49,590	Summer Conference	41,915	45,000	50,000
2,900	2,000	Summer Conference Exhibitors	0	3,000	2,000
13,235	14,090	Labor & Employment	15,899	15,000	27,000
14,889	6,227	School Law Conference	0	12,000	0
0	38,180	Bonds & Ballots	0	0	38,500
0	0	Policy Workshops	0	0	0
440	0	Conference for Policy/Trainers	0	0	0
6,853	1,485	Day/Online Conferences	630	2,000	2,000
331,697	363,785	<b>TOTAL CONVENTION/CONFERENCES</b>	300,814	330,000	374,500
		<b>Sales of Publications/Subscriptions</b>			
10,290	11,205	School Law Reporter	10,545	23,000	12,000
163,866	184,942	Policy Subscriptions	189,148	170,000	185,000
26,500	39,470	Policy Plus	54,030	42,120	48,700
4,200	9,000	Web Hosting	6,600	4,200	4,200
0	0	Mailing List	374	0	600
5,605	5,605	PR in Action	5,310	7,000	7,000
11,725	11,375	Handbooks/Calendars	14,175	8,000	8,000
19,927	22,757	SPOT	25,317	25,000	25,000
92,500	87,500	Boardbook	95,000	90,000	92,500
1,929	0	Printed Publications	0	0	1,500
336,543	371,854	<b>TOTAL SALES OF PUBLICATIONS</b>	400,499	369,320	384,500
		<b>Contract Services</b>			
5,500	8,000	Contract Analysis	5,500	6,000	7,500
13,221	11,840	Executive Search	25,063	7,500	40,500
0	136,757	Human Resource Development	105,138	150,000	165,000
135,000	0	PERS - Tax Pension Refunding	0	0	0
965,735	936,582	Legal Services	1,022,522	1,012,026	1,043,709
0	420	Policy Analysis	6,749	0	0
98,946	97,507	Policy Revisions/Audits	132,378	90,000	95,000
5,002	12,691	Lighthouse	6,664	5,000	1,000
2,954	2,721	Misc. Contract Services	0	0	15,000
0	0	Contract Printing	0	0	0
31,332	35,049	Board Development	57,018	30,000	35,000
0	0	Communications Serv/Focus Grps.	0	0	0
1,257,689	1,241,567	<b>TOTAL CONTRACT SERVICES</b>	1,361,032	1,300,526	1,402,709
95,542	67,058	<b>Rental Income</b>	62,336	80,000	72,000
60,000	80,000	<b>Sponsorships</b>	80,000	60,000	60,000
12,145	19,323	<b>Miscellaneous</b>	33,074	14,000	18,000
516	0	<b>Sale of Auto</b>	25,029	12,000	0
(19,722)	(75,053)	<b>Change in FMV-LGC/Sale of Assets</b>	(32,566)	(25,000)	(25,000)
3,342,172	10,220,607	<b>TOTAL REVENUES</b>	8,623,752	7,333,060	7,614,509

**OREGON SCHOOL BOARDS ASSOCIATION  
2016-17 Actual Expenditure Report**

2014-15 AUDITED	2015-16 AUDITED		2016-17 Actual	2016-17 ADOPTED BUDGET	2017-18 ADOPTED BUDGET
<b>EXPENDITURES</b>					
<b>Personnel</b>					
2,823,946	3,081,665	Salaries	3,311,004	3,368,714	3,518,959
225,848	246,346	Payroll Assessments	259,790	284,117	296,790
1,198,993	1,304,379	Benefits	1,387,520	1,502,328	1,580,547
262,110	301,891	Contract Services	352,815	264,500	284,362
<u>4,510,897</u>	<u>4,934,281</u>	<b>TOTAL PERSONNEL COSTS</b>	<u>5,311,129</u>	<u>5,419,659</u>	<u>5,680,658</u>
<b>Legislative</b>					
6,968	24,971	Legislative Committee	3,038	8,000	25,000
1,755	765	Legislative Highlights/Report	0	1,500	1,500
<u>8,722</u>	<u>25,736</u>	<b>TOTAL LEGISLATIVE</b>	<u>3,038</u>	<u>9,500</u>	<u>26,500</u>
<b>Travel</b>					
63,220	71,576	Board/Committee (In)	68,463	50,000	50,000
46,990	45,256	Board/Committee (Out)	55,005	50,000	50,000
30,337	30,743	Billable	18,340	23,000	18,500
47,657	59,381	Non-billable	68,254	56,500	58,000
0	5,025	Regional Meetings	6,564	15,000	16,000
20,669	22,731	Auto Expenses	30,095	23,500	31,000
1,123	0	Lighthouse Data Fees	7,372	3,500	2,500
<u>209,995</u>	<u>234,712</u>	<b>TOTAL TRAVEL</b>	<u>254,093</u>	<u>221,500</u>	<u>226,000</u>
<u>104,513</u>	<u>109,344</u>	<b>Professional Development</b>	<u>72,351</u>	<u>117,300</u>	<u>126,300</u>
<u>0</u>	<u>0</u>	<b>NSBA Work-alike</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Publications</b>					
3,095	3,129	PR in Action	3,058	3,600	3,600
250	0	Executive Search	2,820	0	19,500
43,500	54,000	Boardbook	57,000	54,000	55,500
947	0	Printed Publications FaceBook	0	0	3,400
<u>47,791</u>	<u>57,129</u>	<b>TOTAL PUBLICATIONS</b>	<u>62,878</u>	<u>57,600</u>	<u>82,000</u>
<b>Convention/Conferences Expenses</b>					
193,863	208,969	Convention	229,875	216,000	245,000
38,090	50,436	Summer Conference	41,013	52,000	44,500
5,802	5,177	Labor & Employment	4,158	4,750	5,000
3,983	4,113	School Law Conference	(5,285)	4,000	4,000
0	31,099	Bonds & Ballots	0	0	32,600
14,617	1,538	Leadership Oregon	19,503	15,000	1,500
0	0	Conference for Policy/Trainers	0	0	0
4,356	2,766	Day/Online Conferences	3,230	1,300	1,500
<u>260,709</u>	<u>304,098</u>	<b>TOTAL CONVENTION/CONFERENCES</b>	<u>292,494</u>	<u>293,050</u>	<u>334,100</u>
<b>Office Expense</b>					
17,284	18,300	Audit	18,050	18,000	19,000
85,540	98,978	Insurance	98,058	102,000	90,000
8,856	9,043	Telephone	7,974	9,000	8,000
0	0	Contract Printing	8,126	25,000	25,000
20,822	18,689	Postage	13,352	23,000	15,000
49,653	32,531	Supplies/Other Office Expense	32,222	25,000	31,000
9,638	12,865	Non-consumable Supplies	8,824	8,700	7,500

**OREGON SCHOOL BOARDS ASSOCIATION  
2016-17 Actual Expenditure Report**

2014-15 AUDITED	2015-16 AUDITED		2016-17 Actual	2016-17 ADOPTED BUDGET	2017-18 ADOPTED BUDGET
		<b>EXPENDITURES (Continued)</b>			
46,986	37,741	Xerox/Impressions	31,311	34,000	34,000
11,850	27,496	Computer Hardware	24,743	15,400	20,000
5,245	15,531	Computer Software	7,016	22,160	97,400
19,475	17,281	Computer Maintenance/License	45,491	29,995	17,300
51,258	107,646	Computer Subscription Svcs	57,585	93,672	26,336
27,164	9,525	Computer Sub Contracts	0	0	0
6,213	6,358	Tech Connections	12,299	8,000	8,400
4,415	512	Equipment Purchase	4,170	1,200	1,200
1,016	3,119	Equipment Maintenance	1,260	1,000	1,000
94,554	25,535	Staff Recruiting	69,842	10,000	10,000
<u>459,968</u>	<u>441,150</u>	<b>TOTAL OFFICE EXPENSE</b>	<u>440,323</u>	<u>426,127</u>	<u>411,136</u>
		<b>Dues, Subscriptions, Publications</b>			
71,241	83,451	NSBA	87,879	86,000	89,000
19,923	15,296	Dues	19,163	19,229	18,320
34,877	67,417	Subscriptions, Publications	34,142	33,950	41,350
<u>126,041</u>	<u>166,164</u>	<b>TOTAL DUES, SUBS., PUBLICATIONS</b>	<u>141,184</u>	<u>139,179</u>	<u>148,670</u>
		<b>Building</b>			
103,898	130,615	Operations	121,013	116,000	116,000
12,000	12,000	Reserve	12,000	12,000	12,000
<u>115,898</u>	<u>142,615</u>	<b>TOTAL BUILDING</b>	<u>133,013</u>	<u>128,000</u>	<u>128,000</u>
<u>226,117</u>	<u>118,626</u>	<b>Legal Fees</b>	<u>98,854</u>	<u>50,000</u>	<u>50,000</u>
<u>33,106</u>	<u>50,446</u>	<b>Depreciation Expense</b>	<u>83,847</u>	<u>45,000</u>	<u>80,000</u>
<u>0</u>	<u>33,223</u>	<b>Bank Fees &amp; Misc Expense</b>	<u>22,238</u>	<u>20,000</u>	<u>20,000</u>
<u>17,723</u>	<u>0</u>	<b>PACE Expense</b>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<b>Contingency</b>	<u>0</u>	<u>126,145</u>	<u>126,145</u>
<u>155,944</u>	<u>177,457</u>	<b>Special Projects</b>	<u>109,832</u>	<u>200,000</u>	<u>100,000</u>
<u>12,895</u>	<u>16,608</u>	<b>Board of Directors' Projects</b>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<b>Promise Scholarship</b>	<u>30,551</u>	<u>50,000</u>	<u>45,000</u>
<u>26,750</u>	<u>28,050</u>	<b>Continuing Partnerships</b>	<u>30,050</u>	<u>30,000</u>	<u>30,000</u>
<u>6,317,070</u>	<u>6,839,639</u>	<b>TOTAL EXPENDITURES</b>	<u>7,085,875</u>	<u>7,333,060</u>	<u>7,614,509</u>
		<b>Excess of Revenue Over/(Under)</b>			
<u>(2,974,899)</u>	<u>3,380,968</u>	<b>Expenditures</b>	<u>1,537,877</u>	<u>0</u>	<u>0</u>
<u>84,919,614</u>	<u>81,944,715</u>	<b>Beginning Fund Balance</b>	<u>85,325,683</u>	<u>79,329,368</u>	<u>86,863,561</u>
<u>81,944,715</u>	<u>85,325,683</u>	<b>Ending Fund Balance</b>	<u>86,863,561</u>	<u>79,329,368</u>	<u>86,863,561</u>

OREGON SCHOOL BOARDS ASSOCIATION  
BALANCE SHEET

FOR THE 12 PERIODS ENDED JUNE 30, 2017 and 2016

	Current Year	Prior Year
	Actual	Actual
<b>ASSETS</b>		
Current Assets		
Cash	1,156,860.88	1,203,418.32
Investments	81,944,829.22	80,767,365.28
Total Cash	83,101,690.10	81,970,783.60
Accounts Receivable	57,806.51	82,394.26
Interest Receivable	629,694.54	653,917.10
Prepaid Expense	43,276.81	32,006.38
Total Current Assets	83,832,467.96	82,739,101.34
Fixed Assets		
Equipment & Furniture	307,959.94	109,421.44
Land & Building	2,798,491.52	2,068,293.58
Autos	209,163.00	226,411.00
Work in Progress	273,250.00	1,018,080.76
Less Accumulated Depreciation	(167,193.73)	(173,272.28)
Total Fixed Assets	3,421,670.73	3,248,934.50
<b>TOTAL ASSETS</b>	<b>87,254,138.69</b>	<b>85,988,035.84</b>
<b>LIABILITIES &amp; FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable	166,711.62	324,269.00
Accrued Payroll Payable	3,245.92	3,370.58
Accrued Payroll Taxes	(1,635.17)	
Accrued Vacation	122,051.56	148,753.05
Prepaid Dues		109,186.25
Prepaid Subscriptions	43,410.00	27,430.00
Prepaid Conferences	21,895.00	14,210.00
Funds Due to Others	34,776.44	35,151.44
TOTAL LIABILITIES	390,455.37	662,370.32
<b>FUND EQUITY</b>		
Investment in Fixed Assets	2,177,953.86	2,177,953.86
Unreserved Funds	17,384,844.16	14,003,896.18
Equity - EBIT	15,762,867.50	15,762,867.50
Reserve EBIT	50,000,000.00	50,000,000.00
Current Period Net Income	1,538,017.80	3,380,947.98
TOTAL FUND EQUITY	86,863,683.32	85,325,665.52
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>87,254,138.69</b>	<b>85,988,035.84</b>