

Oregon School Boards Association
2017-18 Treasurer's Report



OSBA 2018 Annual Convention
Membership Meeting
Saturday, November 10, 2018

MEMORANDUM



TO: OSBA Membership
FROM: Maureen Wolf, OSBA Secretary-Treasurer
SUBJ: OSBA Treasurer's Report for 2017-18
DATE: November 10, 2018

Good afternoon. I'm Maureen Wolf, Tigard-Tualatin School Board member, and your OSBA Secretary-Treasurer. If you have had the pleasure of sitting through a treasurer's report before you know they are scintillating, but before we dig too deeply into the fiscal world there is one number I would like to celebrate with you: 20.

Why 20? Because the last time OSBA raised the rates it charges members was in fiscal 1998-99, 20 years ago. That is unheard of, and it's a testament to the stewardship and investment decisions this organization has made on your behalf over two decades.

Now the rest of the numbers. In your app you have been provided with the Treasurer's Report for the 2017-18 fiscal year, including the 2018-19 budget, as required by our constitution.

The OSBA auditing firm of Jones & Roth has completed the 2017-18 fiscal year audit and is in the process of compiling the financial statements. They will be reporting final audit results to the OSBA Board of Directors in February 2019. The audit will be available online at www.osba.org under the "About OSBA" tab following that February meeting.

Our investment portfolio provides a significant portion of OSBA's operating revenues. As much as half of our revenue has come from investment earnings in previous years. The current investment policy allows OSBA to invest more aggressively to obtain the earnings needed to continue to support services to districts statewide. This policy also maintains the priority of preserving principle to ensure sustainability of our investment assets. And, as I mentioned earlier, it helps keep member rates constant, allowing you to put more resources where they matter most -- in the classroom.

Based on the draft audit figures for the fiscal year ending June 30, 2018, operating revenues increased by just over \$1.2 million to approximately \$10.5 million compared to 2016-17. Expenditures during the same period increased by \$181,000 to just under \$7.3 million. Realized investment income increased by just over \$900,000 from the previous fiscal year and comprised a significant portion of the overall revenue increase while an increase in convention and contracted service revenue is responsible for the rest of the revenue increase. Expenditure increases were mostly attributed to salaries and benefits due to new positions and rollup costs.

OSBA continues to remain on firm financial ground. As of June 30, 2018, the unrestricted fund balance was approximately \$22 million; the restricted fund balance was just under

\$15.8 million; and a permanent fund balance was \$50 million. During 2017-18 the unrestricted fund balance increased by just over \$3.2 million. The increase came from the earnings and realized gains in our investment portfolio.

The income generated by investments, contracted services, the Property and Casualty Coverage for Education (PACE) insurance pool, and other revenue sources paid for a staff of nearly 50 full-time, part-time, and contract employees who provided a variety of services to OSBA's member districts throughout the state.

This is the tenth year the Finance Committee, previously established by the OSBA Board, has provided additional financial oversight. Their duties included reviewing and recommending the investment policy as well as monitoring and investing OSBA's assets. Committee members this year were OSBA Vice President Kevin Cassidy, Yamhill-Carlton board member Jami Eglund, PACE Trustee and OSBA board member Craig Prewitt, Greater Albany business official Russ Allen, Special Districts Association of Oregon Chief Financial Officer Mike Doherty, High Desert ESD board member John Lang, and me.

To summarize, OSBA continues to maintain a solid financial position. The budget for 2018-19 does see an increase in asset usage as OSBA endeavors to bring about revenue reform and cost containment for its members. OSBA is also investing \$1.5 million over three years in software tools from Forecast5 Analytics, to ensure they are affordable for all Oregon districts. Our goals continue to include maximizing our services to members while remaining fiscally responsible and keeping your dues constant -- now 20 years and counting.

OREGON SCHOOL BOARDS ASSOCIATION
2018-19 Budget Revenue Report

2015-16 AUDITED	2016-17 AUDITED		2017-18 Estimated Actual	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
		REVENUES			
0	0	Use of Unrestricted Funds	0	0	2,040,000
710,892	722,560	Dues	736,070	715,000	670,800
3,815,858	5,766,562	Interest/Investment Earnings	6,671,000	4,013,600	4,423,034
3,084,671	(652,332)	Unrealized Gains or (Losses)	(3,417,176)	0	0
		Insurance			
540,652	556,744	Property - PACE	697,900	657,900	696,686
540,652	556,744	TOTAL INSURANCE	697,900	657,900	696,686
		Convention/Conferences			
211,853	211,810	Convention Registration	199,764	215,000	200,000
27,360	12,060	Convention Exhibitors	27,000	40,000	25,000
13,000	18,500	Convention Sponsors	15,000	0	15,000
49,590	41,915	Summer Conference	68,195	50,000	70,000
2,000	0	Summer Conference Exhibitors	1,000	2,000	3,000
14,090	15,899	Labor & Employment	0	27,000	5,000
6,227	8,047	School Law Conference	7,000	0	7,000
38,180	0	Bonds & Ballots	45,000	38,500	0
0	0	Policy Workshops	0	0	0
0	0	Conference for Policy/Trainers	0	0	0
1,485	630	Day/Online Conferences	97,570	2,000	2,000
363,785	308,861	TOTAL CONVENTION/CONFERENCES	460,529	374,500	327,000
		Sales of Publications/Subscriptions			
11,205	10,545	School Law Reporter	10,000	12,000	10,000
184,942	189,148	Policy Subscriptions	200,000	185,000	195,760
39,470	54,030	Policy Plus	60,000	48,700	62,040
9,000	6,600	Web Hosting	4,200	4,200	3,000
0	374	Mailing List	0	600	0
5,605	5,310	PR in Action	8,400	7,000	11,000
11,375	14,175	Handbooks/Calendars	8,840	8,000	8,000
22,757	25,317	SPOT	24,000	25,000	25,000
87,500	95,000	Boardbook	90,000	92,500	107,500
0	0	Printed Publications	0	1,500	0
371,854	400,499	TOTAL SALES OF PUBLICATIONS	405,440	384,500	422,300
		Contract Services			
8,000	5,500	Contract Analysis	3,000	7,500	2,000
11,840	25,063	Executive Search	40,500	40,500	56,000
136,757	105,138	Labor Services	80,000	165,000	125,000
0	0	Risk Management SDAO	0	160,000	150,000
936,582	1,022,522	Legal Services	1,100,000	1,057,709	1,276,253
420	6,749	Policy Analysis	8,840	0	0
97,507	132,378	Policy Revisions/Audits	102,000	95,000	95,000
12,691	6,664	Lighthouse	0	1,000	0
2,721	0	Misc. Contract Services	45,000	15,000	40,000
35,049	57,018	Board Development	86,000	35,000	55,000
0	0	Communications Serv/Focus Grps.	0	0	8,000
1,241,567	1,361,032	TOTAL CONTRACT SERVICES	1,465,340	1,576,709	1,807,253
67,058	62,336	Rental Income	57,000	72,000	60,000
80,000	80,000	Sponsorships	50,000	60,000	60,000
19,323	33,074	Miscellaneous	15,983	62,000	62,000
0	25,029	Sale of Auto	0	0	0
(75,053)	(32,566)	Change in FMV-LGC/Sale of Assets	(25,000)	(25,000)	(25,000)
10,220,607	8,631,799	TOTAL REVENUES	7,117,086	7,891,209	10,544,073

**OREGON SCHOOL BOARDS ASSOCIATION
2018-19 Budget Expenditure Report**

2015-16 AUDITED	2016-17 AUDITED	EXPENDITURES	2017-18 Estimated Actual	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
3,081,665	3,311,004	Personnel			
246,346	259,790	Salaries	3,299,148	3,636,253	4,048,747
1,304,379	1,387,520	Payroll Assessments	261,435	320,680	322,385
301,891	352,815	Benefits	1,600,820	1,716,063	1,859,749
<u>4,934,281</u>	<u>5,311,129</u>	Contract Services	337,223	284,362	301,000
		TOTAL PERSONNEL COSTS	<u>5,498,626</u>	<u>5,957,358</u>	<u>6,531,881</u>
		Legislative			
24,971	3,038	Legislative Committee	7,050	25,000	25,000
765	0	Legislative Highlights/Report	1,000	1,500	1,500
0	0	Legislative Advocacy	0	0	1,500,000
<u>25,736</u>	<u>3,038</u>	TOTAL LEGISLATIVE	<u>8,050</u>	<u>26,500</u>	<u>1,526,500</u>
		Travel			
71,576	68,463	Board/Committee (In)	45,000	50,000	50,000
45,256	55,005	Board/Committee (Out)	60,000	50,000	50,000
30,743	18,340	Billable	12,516	18,500	27,369
59,381	68,254	Non-billable	87,104	58,000	98,200
5,025	6,564	Regional Meetings	15,000	16,000	20,000
22,731	30,095	Auto Expenses	28,648	31,000	28,600
0	7,372	Lighthouse Data Fees	0	2,500	0
<u>234,712</u>	<u>254,093</u>	TOTAL TRAVEL	<u>248,268</u>	<u>226,000</u>	<u>274,169</u>
<u>109,344</u>	<u>72,351</u>	Professional Development	<u>61,260</u>	<u>126,300</u>	<u>140,300</u>
0	0	NSBA & OSBA Sponsorships	0	0	24,000
		Publications			
3,129	3,058	PR in Action	0	3,600	3,600
0	2,820	Executive Search	9,631	19,500	13,000
54,000	57,000	Boardbook	55,500	55,500	64,500
	0	Printed Publications FaceBook	1,000	3,400	2,000
<u>57,129</u>	<u>62,878</u>	TOTAL PUBLICATIONS	<u>66,131</u>	<u>82,000</u>	<u>83,100</u>
		Convention/Conferences Expenses			
208,969	229,875	Convention	231,256	245,000	245,000
50,436	41,013	Summer Conference	61,692	44,500	62,000
5,177	4,158	Labor & Employment	0	5,000	5,000
4,113	2,762	School Law Conference	255	4,000	4,000
31,099	0	Bonds & Ballots	28,200	32,600	0
1,538	19,503	Leadership Oregon	2,000	1,500	0
0	0	Board Members of Color Caucus	0	0	40,000
2,766	3,230	Day/Online Conferences	250	1,500	1,850
<u>304,098</u>	<u>300,541</u>	TOTAL CONVENTION/CONFERENCES	<u>323,653</u>	<u>334,100</u>	<u>357,850</u>
		Office Expense			
18,300	18,050	Audit	20,000	19,000	21,000
98,978	98,058	Insurance	90,000	90,000	90,000
9,043	7,974	Telephone	8,000	8,000	8,000
0	8,126	Contract Printing	15,000	25,000	15,000
18,689	13,352	Postage	15,000	15,000	15,000
32,531	32,222	Supplies/Other Office Expense	31,000	31,000	31,000
12,865	8,824	Non-consumable Supplies	3,200	7,500	24,500

**OREGON SCHOOL BOARDS ASSOCIATION
2018-19 Budget Expenditure Report**

2015-16 AUDITED	2016-17 AUDITED		2017-18 Estimated Actual	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
37,741	31,311	EXPENDITURES (Continued)			
27,496	24,743	Xerox/Impressions	34,000	34,000	34,000
15,531	7,016	Computer Hardware	67,000	20,000	34,000
17,281	45,491	Computer Software	97,400	97,400	20,000
107,646	57,585	Computer Maintenance/License	45,000	17,300	16,850
9,525	0	Computer Subscription Svcs	26,000	26,336	32,938
6,358	12,299	Computer Sub Contracts	30,000	0	43,000
512	4,170	Tech Connections	8,400	8,400	10,500
3,119	1,260	Equipment Purchase	1,200	1,200	5,000
25,535	69,842	Equipment Maintenance	1,000	1,000	1,000
<u>441,150</u>	<u>440,323</u>	Staff Recruiting	10,000	10,000	10,000
		TOTAL OFFICE EXPENSE	<u>502,200</u>	<u>411,136</u>	<u>411,788</u>
		Dues, Subscriptions, Publications			
83,451	87,879	NSBA	91,500	89,000	95,000
15,296	19,163	Dues	13,578	18,320	27,700
67,417	34,142	Subscriptions, Publications	33,715	41,350	43,450
<u>166,164</u>	<u>141,184</u>	TOTAL DUES, SUBS., PUBLICATIONS	<u>138,793</u>	<u>148,670</u>	<u>166,150</u>
		Building			
130,615	121,013	Operations	110,000	116,000	115,000
12,000	12,000	Reserve	12,000	12,000	12,000
<u>142,615</u>	<u>133,013</u>	TOTAL BUILDING	<u>122,000</u>	<u>128,000</u>	<u>127,000</u>
118,626	98,854	Legal Fees	35,000	50,000	35,000
50,446	83,847	Depreciation Expense	80,000	80,000	80,000
33,223	22,238	Bank Fees & Misc Expense	21,000	20,000	24,000
0	0	Contingency	0	126,145	82,335
177,457	109,832	Special Projects	100,000	100,000	100,000
16,608	0	Board of Directors' Projects	0	0	0
0	30,551	Promise Scholarship	40,000	45,000	50,000
0	0	Forecast Five Analytics	0	0	500,000
28,050	30,050	Continuing Partnerships	30,000	30,000	30,000
<u>6,839,639</u>	<u>7,093,922</u>	TOTAL EXPENDITURES	<u>7,274,981</u>	<u>7,891,209</u>	<u>10,544,073</u>
		Excess of Revenue Over/(Under)			
3,380,968	1,537,877	Expenditures	3,209,281	0	0
<u>81,944,715</u>	<u>85,325,683</u>	Beginning Fund Balance	<u>86,863,560</u>	<u>79,329,368</u>	<u>88,032,841</u>
<u>85,325,683</u>	<u>86,863,560</u>	Ending Fund Balance	<u>90,072,841</u>	<u>79,329,368</u>	<u>88,032,841</u>

OREGON SCHOOL BOARDS ASSOCIATION
BALANCE SHEET

FOR THE 12 PERIODS ENDED JUNE 30, 2018 and 2017

	Current Year	Prior Year
	Actual	Actual
ASSETS		
Current Assets		
Cash	1,124,377.42	1,156,860.88
Investments	81,698,840.86	81,944,829.22
Total Cash	82,823,218.28	83,101,690.10
Accounts Receivable	131,483.88	57,806.51
Interest Receivable	628,382.29	629,694.54
Prepaid Expense	53,114.67	43,276.81
Total Current Assets	83,636,199.12	83,832,467.96
Fixed Assets		
Equipment & Furniture	719,522.94	307,959.94
Land & Building	2,765,249.13	2,798,491.52
Autos	247,113.00	209,163.00
Work in Progress	-	273,250.00
Less Accumulated Depreciation	(303,616.20)	(167,193.73)
Total Fixed Assets	3,428,268.87	3,421,670.73
TOTAL ASSETS	87,064,467.99	87,254,138.69
LIABILITIES & FUND EQUITY		
LIABILITIES		
Accounts Payable	417,311.91	166,711.62
Accrued Payroll Payable	4,787.77	3,245.92
Accrued Payroll Taxes	(3,265.34)	(1,635.17)
Accrued Vacation	135,626.57	122,051.56
Prepaid Dues	5,006.00	-
Prepaid Subscriptions	44,015.00	43,410.00
Prepaid Conferences	21,690.00	21,895.00
Cobra Payments	1,233.54	-
Funds Due to Others	34,991.44	34,776.44
TOTAL LIABILITIES	661,396.89	390,455.37
FUND EQUITY		
Investment in Fixed Assets	2,177,953.86	2,177,953.86
Unreserved Funds	18,922,861.96	17,384,844.16
Equity - EBIT	15,762,867.50	15,762,867.50
Reserve EBIT	50,000,000.00	50,000,000.00
Current Period Net Income	(460,612.21)	1,538,017.80
TOTAL FUND EQUITY	86,403,071.11	86,863,683.32
TOTAL LIABILITIES & FUND EQUITY	87,064,468.00	87,254,138.69