

Oregon School Boards Association 2013-2014 Treasurer's Report



Oregon School Boards Association 2014 Annual Convention Membership Meeting

Saturday, November 15, 2014

MEMORANDUM



TO: OSBA Membership
FROM: Sam Lee, OSBA Secretary-Treasurer
SUBJ: OSBA Financial Report
DATE: November 15, 2014

By way of introduction I'm Sam Lee, Winston-Dillard board member and your secretary/treasurer for the past year. Please find attached the treasurers report as required by our constitution for the 2013-14 fiscal year including the 2014-15 adopted budget.

The OSBA auditing firm Pauly-Rogers has completed the audit of the 2013-2014 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. The audit will be available online at www.osba.org under 'About OSBA' following the January 2015 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 improving earnings.

Based on the draft audit figures, during the fiscal year ending June 30, 2014, revenues increased by \$5,555,700 to \$11,364,200 compared to 2013-2014, while expenditures increased by \$462,000 to \$5,774,000. Investment income, up \$5,234,400 from the previous fiscal year, was the driver of this revenue increase, as all other revenue sources actually remained stable. The investment income increase has two components first, realized income (actual cash into the bank \$1,137,300) second, unrealized income (paper profits from the real market growth of our investments \$4,434,400). The increase in expenses from the prior year is primarily due to legal expenses (in defending the school districts involved in the PERS litigation) and 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, 2014 of \$16,978,800 a partially restricted balance of \$16 million and a restricted balance of \$50 million. OSBA ended the 2013-14 year growing its unrestricted reserves by \$5,882,800. The biggest portion of the growth came from the real market growth in our investments (\$4,434,400).

The income generated by investments, contract services, Property and Casualty Coverage for Education Trust (PACE) and other revenue sources paid for a staff of 37 full-time, 3 part-time, and contract employees who provided services to OSBA members throughout the state.

This was the sixth 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-elect Dave Krumbein; vice-president Bobbie Regan; Past President and PACE board member Terry Lenchitsky; Albany Public Schools business official Russ Allen; Bend-LaPine School District board member Nori Juba; Grants Pass District board member Cliff Kuhlman; Creswell District board member Tim Rogers; Special Districts Association chief financial officer Mike Doherty and myself, Sam Lee.

In summary, OSBA remains in a financially strong position. The budget for 2014-15 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
2013-14 Year-End Report

2011-12 AUDITED	2012-13 AUDITED		2013-14 ACTUAL	2013-14 ADOPTED BUDGET	2014-15 ADOPTED BUDGET
REVENUES					
661,710	703,221	Dues	703,512	710,000	710,000
1,650,835	2,541,604	Interest/Investment Earnings	3,678,857	2,409,000	3,250,291
4,658	337,248	Unrealized Gains or (Losses)	4,434,418	0	0
Insurance					
0	64,808	Regence BCBSO	0	0	0
326,012	326,012	Property - PACE	342,312	342,313	459,671
326,012	390,820	TOTAL INSURANCE	342,312	342,313	459,671
Convention/Conferences					
203,424	244,553	Convention Registration	202,433	247,000	194,645
0	0	Convention Exhibitors	27,000	0	25,000
0	0	Convention Sponsors	34,600	0	30,000
36,751	28,898	Summer Conference	40,285	42,000	28,175
0	0	Summer Conference Exhibitors	3,000	0	6,000
16,635	12,670	Labor & Employment	16,365	14,000	10,000
13,557	12,022	School Law Conference	13,321	7,500	7,500
(1,150)	0	Bonds & Ballots	27,785	13,125	0
4,550	0	McGrath Training	0	5,000	0
0	0	Leadership Oregon	0	0	0
0	0	Policy Workshops	0	500	500
0	0	Conference for Policy/Trainers	39,428	0	0
675	1,630	Day/Online Conferences	1,745	16,000	4,000
274,442	299,773	TOTAL CONVENTION/CONFERENCES	405,962	345,125	305,820
Sales of Publications/Subscriptions					
14,700	14,400	School Law Reporter	12,915	15,000	15,000
111,812	138,066	Policy Subscriptions	151,786	141,235	150,000
0	0	Policy Plus	19,370	19,320	21,000
10,200	7,000	Web Hosting	7,200	4,800	6,600
50	98	Mailing List	71	100	100
7,910	7,140	PR in Action	5,567	7,200	7,000
10,344	8,757	Handbooks/Calendars	10,112	6,000	8,000
21,963	25,138	SPOT	21,325	25,000	25,000
60,000	60,000	Boardbook	70,000	55,000	72,500
10,061	7,651	Printed Publications	6,550	8,000	7,500
247,040	268,250	TOTAL SALES OF PUBLICATIONS	304,896	281,655	312,700
Contract Services					
4,500	7,500	Contract Analysis	6,570	6,000	5,000
75,035	83,837	Executive Search	18,996	60,000	10,000
227,192	230,554	Human Resource Development	237,194	225,000	225,000
0	0	PERS - Tax Pension Refunding	150,000	0	0
670,286	590,153	Legal Services	677,665	625,000	845,929
0	2,200	Policy Analysis	0	1,800	0
119,194	109,732	Policy Revisions/Audits	96,565	60,000	100,000
56,200	70,766	Lighthouse	70,000	90,000	10,000
15,995	20,000	Misc. Contract Services	20,000	1,000	0
5,959	4,863	Contract Printing	8,848	5,000	4,000
36,570	21,459	Board Development	40,541	30,000	31,500
240	500	Communications Serv/Focus Grps.	0	3,350	0
3,000	3,600	TANS	0	2,000	0
42,482	3,323	FlexFund	0	30,000	0
1,256,652	1,148,487	TOTAL CONTRACT SERVICES	1,326,379	1,139,150	1,231,429
90,143	87,543	Rental Income	85,011	74,000	84,500
55,356	57,437	Sponsorships	62,313	80,000	65,000
9,451	10,340	Miscellaneous	25,199	10,000	10,000
4,200	0	Sale of Auto	17,137	23,000	14,000
0	0	Change in FMV of Investments	0	0	0
(22,235)	(36,223)	Change in FMV-LGC/Sale of Assets	(21,773)	0	0
4,558,263	5,808,500	TOTAL REVENUES	11,364,223	5,414,243	6,443,411

**OREGON SCHOOL BOARDS ASSOCIATION
2013-14 Year-End Report**

2011-12 AUDITED	2012-13 AUDITED		2013-14 ACTUAL	2013-14 ADOPTED BUDGET	2014-15 ADOPTED BUDGET
EXPENDITURES					
Personnel					
2,458,963	2,443,793	Salaries	2,582,542	2,656,301	2,905,458
1,341,364	1,319,452	Payroll Assessments	244,719	913,719	258,618
0	0	Benefits	1,095,342	778,648	1,323,349
96,194	260,037	Contract Services	255,548	141,000	305,392
<u>3,896,521</u>	<u>4,023,282</u>	TOTAL PERSONNEL COSTS	<u>4,178,151</u>	<u>4,489,668</u>	<u>4,792,817</u>
Legislative					
16,178	1,971	Legislative Committee	20,824	20,000	2,500
0	594	Legislative Highlights/Report	637	3,000	700
<u>16,178</u>	<u>2,565</u>	TOTAL LEGISLATIVE	<u>21,461</u>	<u>23,000</u>	<u>3,200</u>
Travel					
71,093	68,371	Board/Committee (In)	53,316	49,800	40,000
42,082	40,278	Board/Committee (Out)	39,742	52,000	42,000
19,173	15,475	Billable	16,085	13,500	20,500
48,167	49,612	Non-billable	57,728	49,650	69,250
0	0	Regional Meetings	11,710	10,000	0
41,032	35,770	Auto Expenses	31,813	30,000	33,400
0	0	Auto Purchase	0	0	0
17,189	6,912	Lighthouse Data Fees	5,441	6,000	3,500
<u>238,735</u>	<u>216,418</u>	TOTAL TRAVEL	<u>215,835</u>	<u>210,950</u>	<u>208,650</u>
47,439	58,170	Professional Development	58,487	67,000	97,100
0	0	NSBA Work-alike	892	24,000	0
Publications					
3,902	3,632	PR in Action	3,425	3,620	3,600
0	0	Critical Issues	0	0	0
6,004	6,611	Executive Search	0	4,500	1,500
36,000	36,000	Boardbook	39,000	33,000	43,000
312	0	Outside Printing	0	0	0
4,420	2,188	Printed Publications	2,146	4,600	4,400
<u>50,638</u>	<u>48,431</u>	TOTAL PUBLICATIONS	<u>44,571</u>	<u>45,720</u>	<u>52,500</u>
Convention/Conferences Expenses					
169,090	161,847	Convention	182,408	175,000	185,000
33,295	26,769	Summer Conference	40,788	35,000	34,175
5,077	3,096	Labor & Employment	5,222	4,000	9,000
1,664	2,431	School Law Conference	914	2,000	2,000
2,414	0	Bonds & Ballots	21,538	13,125	0
1,274	0	McGrath Training	0	5,000	0
0	19,390	Leadership Oregon	0	0	25,000
0	0	Policy Workshops	0	0	0
0	0	Conference for Policy/Trainers	38,126	0	0
1,436	4,373	Day/Online Conferences	0	15,000	22,000
		Online Speakers	0	0	0
<u>214,251</u>	<u>217,906</u>	TOTAL CONVENTION/CONFERENCES	<u>288,996</u>	<u>249,125</u>	<u>277,175</u>
Office Expense					
83,941	16,000	Audit	16,475	16,000	16,200
	78,125	Insurance	80,541	73,500	82,000
11,313	11,540	Telephone	10,543	11,500	11,000
1,369	0	Video Conferencing	0	1,000	1,000
18,932	18,752	Postage	13,837	15,000	13,000
26,923	63,907	Supplies/Other Office Expense	46,162	42,500	35,000
99,855	0	Audit Adjustments	0	0	0
3,793	5,730	Non-consumable Supplies	2,679	8,850	10,500

**OREGON SCHOOL BOARDS ASSOCIATION
2013-14 Year-End Report**

2011-12 AUDITED	2012-13 AUDITED		2013-14 PROJECTED ACTUAL	2013-14 ADOPTED BUDGET	2014-15 PROPOSED BUDGET
		EXPENDITURES (Continued)			
41,462	37,235	Xerox/Impressions	51,541	38,000	43,000
17,937	25,474	Computer Hardware	26,081	24,000	24,000
4,249	7,626	Computer Software	7,817	8,975	9,000
0	17,424	Computer Maintenance/License	27,304	20,653	20,700
0	0	Computer Subscription Svcs	35,585	22,682	22,700
0	0	Computer Sub Contracts	9,866	42,000	0
0	8,180	Tech Connections	4,460	4,200	4,600
1,601	0	Equipment Purchase	2,342	0	2,500
6,169	722	Equipment Maintenance	1,147	1,000	1,000
3,557	15,216	Staff Recruiting	17,727	5,000	5,000
<u>321,101</u>	<u>305,931</u>	TOTAL OFFICE EXPENSE	<u>354,107</u>	<u>334,860</u>	<u>301,200</u>
		Dues, Subscriptions, Publications			
76,550	76,550	NSBA	71,426	76,550	76,550
10,291	12,105	Dues	13,571	12,625	16,469
38,357	49,041	Subscriptions, Publications	36,605	42,550	37,750
<u>125,198</u>	<u>137,696</u>	TOTAL DUES, SUBS., PUBLICATIONS	<u>121,602</u>	<u>131,725</u>	<u>130,769</u>
		Building			
86,419	100,000	Operations	119,198	98,000	98,000
12,000	12,000	Reserve	12,000	12,000	12,000
<u>98,419</u>	<u>112,000</u>	TOTAL BUILDING	<u>131,198</u>	<u>110,000</u>	<u>110,000</u>
329,050	72,886	Legal Fees	204,333	20,000	150,000
	59,647	Depreciation Expense	41,860		
0	0	Contingency	0	45,000	108,000
6,177	5,711	Special Projects	50,266	185,000	185,000
539	25,000	Board of Directors' Projects	26,217	500	0
<u>37,840</u>	<u>26,350</u>	Continuing Partnerships	36,000	27,000	27,000
<u>5,382,085</u>	<u>5,311,993</u>	TOTAL EXPENDITURES	<u>5,773,976</u>	<u>5,963,548</u>	<u>6,443,411</u>
		Excess of Revenue Over/(Under)			
(823,822)	496,507	Expenditures	5,590,247	(549,305)	0
<u>79,656,683</u>	<u>78,832,861</u>	Beginning Fund Balance	<u>79,329,368</u>	<u>79,088,924</u>	<u>84,919,615</u>
<u>78,832,861</u>	<u>79,329,368</u>	Ending Fund Balance	<u>84,919,615</u>	<u>78,539,619</u>	<u>84,919,615</u>

OREGON SCHOOL BOARDS ASSOCIATION
BALANCE SHEET

FOR THE 12 PERIODS ENDED JUNE 30, 2014 and 2013

	Current Year	Prior Year
	Actual	Actual
ASSETS		
Current Assets		
Cash	1,132,172.54	135,478.72
Cash - LGIP/RBC		1,834,878.90
Investments	81,287,249.03	75,379,352.75
Petty Cash		175.00
Total Cash	82,419,421.57	77,349,885.37
Accounts Receivable	236,142.49	163,308.28
Interest Receivable	667,637.81	579,092.45
Prepaid Expense	37,492.79	40,193.33
Total Current Assets	83,360,694.66	78,132,479.43
Fixed Assets		
Equipment & Furniture	59,610.00	59,610.00
Land & Building	2,296,038.53	1,768,934.00
Autos	199,426.00	248,945.00
Less Accumulated Depreciation	(377,120.67)	(384,779.25)
Total Fixed Assets	2,177,953.86	1,692,709.75
TOTAL ASSETS	85,538,648.52	79,825,189.18
LIABILITIES & FUND EQUITY		
LIABILITIES		
Accounts Payable	170,214.02	112,119.39
Accrued Payroll Payable	3,413.80	1,975.29
Accrued Payroll Taxes	.10	.10
Accrued Vacation	146,145.71	159,039.66
Prepaid Dues	201,481.50	175,720.00
Prepaid Subscriptions	36,940.00	14,655.00
Prepaid Conferences	27,602.00	5,490.00
Cobra Payments		(3.20)
Funds Due to Others	33,236.44	24,758.51
Refundable Advances		2,065.93
TOTAL LIABILITIES	619,033.57	495,820.68
FUND EQUITY		
Investment in Fixed Assets	2,177,953.86	1,973,983.60
Unreserved Funds	11,388,547.14	11,096,010.77
Equity - EBIT	15,762,867.50	15,762,867.50
Reserve EBIT	50,000,000.00	50,000,000.00
Current Period Net Income	5,590,246.45	496,506.63
TOTAL FUND EQUITY	84,919,614.95	79,329,368.50
TOTAL LIABILITIES & FUND EQUITY	85,538,648.52	79,825,189.18