

Oregon School Boards Association 2015-2016 Treasurer's Report



Oregon School Boards Association 2016 Annual Convention Membership Meeting

Saturday, November 12, 2016



TO: OSBA Membership
FROM: Don Cruise, OSBA Secretary-Treasurer
SUBJ: OSBA Treasurer's Report
DATE: November 12, 2016

By way of introduction I'm Don Cruise, Philomath School Board member and your OSBA secretary-treasurer for the past year. In your app or on your table each member was provided the treasurer's report as required by our constitution for the 2015-16 fiscal year, including the 2016-17 adopted budget.

The OSBA auditing firm of Jones & Roth has completed the audit of the 2015-2016 fiscal year and is in the process of compiling the financial statements. They will be reporting the final audit results to the OSBA Board of Directors in January 2017. The audit will be available online at www.osba.org under 'About OSBA' following the January 2017 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, 2016, operating revenues decreased by \$698,756 to \$7,087,944 compared to 2014-2015, while expenditures increased by \$570,267 to \$6,887,337. Realized investment income, decreased by \$832,098 from the previous fiscal year and was the driver of the revenue decrease as all other revenue sources actually 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) and expenses related to "The Oregon Rising" campaign.

The financial condition of OSBA remains strong with an unreserved fund balance on June 30, 2016, of \$17,298,173; a partially restricted balance of \$15,762,867; and a restricted balance of \$50 million. OSBA ended the 2015-16 fiscal year increasing our unrestricted reserves by \$3,285,277. The increase came from the unrealized real market increase in our investment portfolio of \$3,084,671. In 2014-15 OSBA suffered an unrealized loss in our investment portfolio of \$4,444,527.

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 eighth 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 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 Doug Nelson (ex-officio); Vice President LeeAnn Larsen; 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 2016-17 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
2015-16 Actual Revenue Report

2013-14 AUDITED	2014-15 AUDITED		2015-16 Actual	2015-16 ADOPTED BUDGET	2016-17 PROPOSED BUDGET
		REVENUES			
703,512	702,166	Dues	710,892	705,000	710,000
3,678,857	4,550,452	Interest/Investment Earnings	3,718,354	3,887,955	3,923,874
4,434,418	(4,444,527)	Unrealized Gains or (Losses)	3,084,671	0	0
		Insurance			
342,312	459,671	Property - PACE	540,652	540,652	558,340
342,312	459,671	TOTAL INSURANCE	540,652	540,652	558,340
		Convention/Conferences			
202,433	198,355	Convention Registration	211,853	196,820	200,000
27,000	42,000	Convention Exhibitors	27,360	42,000	53,000
34,600	11,500	Convention Sponsors	13,000	10,000	0
40,285	41,525	Summer Conference	49,590	45,000	45,000
3,000	2,900	Summer Conference Exhibitors	2,000	3,000	3,000
16,365	13,235	Labor & Employment	14,090	15,000	15,000
13,321	14,889	School Law Conference	6,227	12,000	12,000
27,785	0	Bonds & Ballots	38,180	26,200	0
0	0	Policy Workshops	0	0	0
39,428	440	Conference for Policy/Trainers	0	0	0
1,745	6,853	Day/Online Conferences	1,485	1,000	2,000
405,962	331,697	TOTAL CONVENTION/CONFERENCES	363,785	351,020	330,000
		Sales of Publications/Subscriptions			
12,915	10,290	School Law Reporter	11,205	13,000	23,000
151,786	163,866	Policy Subscriptions	184,942	170,000	170,000
19,370	26,500	Policy Plus	39,470	25,000	42,120
7,200	4,200	Web Hosting	9,000	4,200	4,200
71	0	Mailing List	0	0	0
5,567	5,605	PR in Action	5,605	7,000	7,000
10,112	11,725	Handbooks/Calendars	11,375	8,000	8,000
21,325	19,927	SPOT	22,757	25,000	25,000
70,000	92,500	Boardbook	87,500	75,000	90,000
6,550	1,929	Printed Publications	0	0	0
304,896	336,543	TOTAL SALES OF PUBLICATIONS	371,854	327,200	369,320
		Contract Services			
6,570	5,500	Contract Analysis	8,000	5,000	6,000
18,996	13,221	Executive Search	11,840	9,000	7,500
237,194	0	Human Resource Development	136,757	100,000	150,000
150,000	135,000	PERS - Tax Pension Refunding	0	0	0
677,665	965,735	Legal Services	936,582	931,940	1,012,026
0	0	Policy Analysis	420	0	0
96,565	98,946	Policy Revisions/Audits	97,507	95,000	90,000
70,000	5,002	Lighthouse	12,691	0	5,000
20,000	2,954	Misc. Contract Services	2,721	0	0
8,848	0	Contract Printing	0	0	0
40,541	31,332	Board Development	35,049	35,500	30,000
0	0	Communications Serv/Focus Grps.	0	0	0
1,326,379	1,257,689	TOTAL CONTRACT SERVICES	1,241,567	1,176,440	1,300,526
85,011	95,542	Rental Income	67,058	59,200	80,000
62,313	60,000	Sponsorships	80,000	60,000	60,000
25,422	12,145	Miscellaneous	14,650	14,000	14,000
17,137	516	Sale of Auto	10,151	12,000	12,000
(21,773)	(19,722)	Change in FMV-LGC/Sale of Assets	(31,020)	(25,000)	(25,000)
11,364,446	3,342,172	TOTAL REVENUES	10,172,615	7,108,467	7,333,060

**OREGON SCHOOL BOARDS ASSOCIATION
2015-16 Actual Expenditure Report**

2013-14 AUDITED	2014-15 AUDITED		2015-16 Actual	2015-16 ADOPTED BUDGET	2016-17 PROPOSED BUDGET
EXPENDITURES					
Personnel					
2,582,542	2,823,946	Salaries	3,081,665	3,249,659	3,368,714
244,719	225,848	Payroll Assessments	246,346	274,076	284,117
1,095,342	1,198,993	Benefits	1,304,379	1,485,024	1,502,328
255,548	262,110	Contract Services	301,891	266,000	264,500
<u>4,178,151</u>	<u>4,510,897</u>	TOTAL PERSONNEL COSTS	<u>4,934,281</u>	<u>5,274,759</u>	<u>5,419,659</u>
Legislative					
20,824	6,968	Legislative Committee	24,971	22,000	8,000
637	1,755	Legislative Highlights/Report	765	700	1,500
<u>21,461</u>	<u>8,722</u>	TOTAL LEGISLATIVE	<u>25,736</u>	<u>22,700</u>	<u>9,500</u>
Travel					
53,316	63,220	Board/Committee (In)	71,576	55,000	50,000
39,742	46,990	Board/Committee (Out)	45,256	40,000	50,000
16,085	30,337	Billable	30,743	36,500	23,000
69,438	47,657	Non-billable	59,381	64,750	56,500
0	0	Regional Meetings	5,025	10,000	15,000
31,813	20,669	Auto Expenses	22,731	33,400	23,500
5,441	1,123	Lighthouse Data Fees	0	3,500	3,500
<u>215,835</u>	<u>209,995</u>	TOTAL TRAVEL	<u>234,712</u>	<u>243,150</u>	<u>221,500</u>
58,487	104,513	Professional Development	109,344	119,300	117,300
892	0	NSBA Work-alike	0	0	0
Publications					
3,425	3,095	PR in Action	3,129	3,600	3,600
0	250	Executive Search	0	1,500	0
39,000	43,500	Boardbook	54,000	45,000	54,000
2,146	947	Printed Publications	0	1,600	0
<u>44,571</u>	<u>47,791</u>	TOTAL PUBLICATIONS	<u>57,129</u>	<u>51,700</u>	<u>57,600</u>
Convention/Conferences Expenses					
182,408	193,863	Convention	208,969	202,500	216,000
40,788	38,090	Summer Conference	50,436	37,500	52,000
5,222	5,802	Labor & Employment	5,177	5,000	4,750
914	3,983	School Law Conference	4,113	5,000	4,000
21,538	0	Bonds & Ballots	31,099	23,900	0
0	14,617	Leadership Oregon	1,538	0	15,000
38,126	0	Conference for Policy/Trainers	0	0	0
0	4,356	Day/Online Conferences	2,766	1,000	1,300
<u>288,996</u>	<u>260,709</u>	TOTAL CONVENTION/CONFERENCES	<u>304,098</u>	<u>274,900</u>	<u>293,050</u>
Office Expense					
16,475	17,284	Audit	18,300	18,000	18,000
80,541	85,540	Insurance	98,978	87,000	102,000
10,543	8,856	Telephone	9,043	10,000	9,000
0	0	Contract Printing	0	0	25,000
13,837	20,822	Postage	18,689	19,000	23,000
46,162	49,653	Supplies/Other Office Expense	32,531	35,000	25,000
2,679	9,638	Non-consumable Supplies	12,865	12,200	8,700

**OREGON SCHOOL BOARDS ASSOCIATION
2015-16 Actual Expenditure Report**

2013-14 AUDITED	2014-15 AUDITED		2015-16 Actual	2015-16 ADOPTED BUDGET	2016-17 ADOPTED BUDGET
		EXPENDITURES (Continued)			
51,541	46,986	Xerox/Impressions	37,741	44,000	34,000
26,081	11,850	Computer Hardware	27,496	40,000	15,400
7,817	5,245	Computer Software	15,531	25,150	22,160
27,304	19,475	Computer Maintenance/License	17,281	20,495	29,995
35,585	51,258	Computer Subscription Svcs	107,646	85,818	93,672
9,866	27,164	Computer Sub Contracts	9,525	0	0
4,460	6,213	Tech Connections	6,358	4,600	8,000
2,342	4,415	Equipment Purchase	512	1,200	1,200
1,147	1,016	Equipment Maintenance	3,119	1,000	1,000
17,727	94,554	Staff Recruiting	25,535	5,000	10,000
<u>354,107</u>	<u>459,968</u>	TOTAL OFFICE EXPENSE	<u>441,150</u>	<u>408,463</u>	<u>426,127</u>
		Dues, Subscriptions, Publications			
71,426	71,241	NSBA	83,451	79,000	86,000
13,571	19,923	Dues	15,296	21,619	19,229
36,605	34,877	Subscriptions, Publications	67,417	44,731	33,950
<u>121,602</u>	<u>126,041</u>	TOTAL DUES, SUBS., PUBLICATIONS	<u>166,164</u>	<u>145,350</u>	<u>139,179</u>
		Building			
119,198	103,898	Operations	130,615	110,000	116,000
12,000	12,000	Reserve	12,000	12,000	12,000
<u>131,198</u>	<u>115,898</u>	TOTAL BUILDING	<u>142,615</u>	<u>122,000</u>	<u>128,000</u>
<u>204,333</u>	<u>226,117</u>	Legal Fees	<u>118,626</u>	<u>50,000</u>	<u>50,000</u>
<u>41,860</u>	<u>33,106</u>	Depreciation Expense	<u>98,144</u>	<u>45,000</u>	<u>45,000</u>
<u>0</u>	<u>0</u>	Bank Fees & Misc Expense	<u>33,223</u>	<u>20,000</u>	<u>20,000</u>
<u>0</u>	<u>17,723</u>	PACE Expense	<u>0</u>	<u>18,000</u>	<u>0</u>
<u>0</u>	<u>0</u>	Contingency	<u>0</u>	<u>126,145</u>	<u>126,145</u>
<u>50,266</u>	<u>155,944</u>	Special Projects	<u>177,457</u>	<u>160,000</u>	<u>200,000</u>
<u>26,217</u>	<u>12,895</u>	Board of Directors' Projects	<u>16,608</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	Promise Scholarship	<u>0</u>	<u>0</u>	<u>50,000</u>
<u>36,000</u>	<u>26,750</u>	Continuing Partnerships	<u>28,050</u>	<u>27,000</u>	<u>30,000</u>
<u>5,773,976</u>	<u>6,317,070</u>	TOTAL EXPENDITURES	<u>6,887,337</u>	<u>7,108,467</u>	<u>7,333,060</u>
		Excess of Revenue Over/(Under)			
<u>5,590,470</u>	<u>(2,974,898)</u>	Expenditures	<u>3,285,278</u>	<u>(0)</u>	<u>0</u>
<u>79,329,144</u>	<u>84,919,614</u>	Beginning Fund Balance	<u>81,944,716</u>	<u>79,329,368</u>	<u>85,229,993</u>
<u>84,919,614</u>	<u>81,944,716</u>	Ending Fund Balance	<u>85,229,993</u>	<u>79,329,368</u>	<u>85,229,994</u>

OREGON SCHOOL BOARDS ASSOCIATION
BALANCE SHEET

FOR THE 12 PERIODS ENDED JUNE 30, 2016 and 2015

	Current Year	Prior Year
	Actual	Actual
ASSETS		
Current Assets		
Cash	1,203,418.32	1,097,435.85
Investments	80,767,365.28	78,455,824.39
Total Cash	81,970,783.60	79,553,260.24
Accounts Receivable	82,394.26	132,210.67
Interest Receivable	556,411.59	558,746.38
Prepaid Expense	32,006.38	46,871.28
Total Current Assets	82,641,595.83	80,291,088.57
Fixed Assets		
Equipment & Furniture	109,421.44	133,795.14
Land & Building	2,070,128.55	2,276,317.21
Autos	226,411.00	209,769.00
Work in Progress	1,018,080.76	123,218.63
Less Accumulated Depreciation	(173,272.28)	(392,190.12)
Total Fixed Assets	3,250,769.47	2,350,909.86
TOTAL ASSETS	85,892,365.30	82,641,998.43
LIABILITIES & FUND EQUITY		
LIABILITIES		
Accounts Payable	324,269.00	197,017.88
Accrued Payroll Payable	3,370.58	53,489.90
Accrued Payroll Taxes		.07
Accrued Vacation	148,753.05	165,983.54
Prepaid Dues	109,186.25	185,848.00
Prepaid Subscriptions	27,430.00	39,855.00
Prepaid Conferences	14,210.00	19,555.00
Cobra Payments		(1,189.98)
Funds Due to Others	35,151.44	36,721.48
TOTAL LIABILITIES	662,370.32	697,280.89
FUND EQUITY		
Investment in Fixed Assets	2,177,953.86	2,177,953.86
Unreserved Funds	14,003,896.18	16,978,793.59
Equity - EBIT	15,762,867.50	15,762,867.50
Reserve EBIT	50,000,000.00	50,000,000.00
Current Period Net Income	3,285,277.44	(2,974,897.41)
TOTAL FUND EQUITY	85,229,994.98	81,944,717.54
TOTAL LIABILITIES & FUND EQUITY	85,892,365.30	82,641,998.43