

## MEMORANDUM

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**TO:** OSBA Membership  
**FROM:** Maureen Wolf, OSBA Secretary-Treasurer  
**SUBJ:** OSBA Treasurer's Report for 2018-19  
**DATE:** November 16, 2019

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Good afternoon. I'm Maureen Wolf, Tigard-Tualatin School Board chair, and your OSBA Secretary-Treasurer. Welcome to the annual Treasurer's Report portion of our program – I know each of you waits with bated breath for this scintillating moment.

What a year this has been for all of us! The passage of the Student Success Act along with increases in the State School Fund have opened the door to numerous opportunities for lifting student achievement and better serving our diverse populations. Our annual \$500,000 investment in Forecast5 software continues to provide us access to data to help direct our decision-making and make the most of what we have been given. OSBA events such as this give us the opportunity to network and educate ourselves on how to better serve our students.

Yet none of this just comes about on its own. It takes the hard work and commitment of numerous organizations such as OSBA, which backs these efforts through strategic investments and the dedication of staff. This is your money and your organization working for you.

In the convention app you have been provided with the Treasurer's Report for the 2018-19 fiscal year, which includes the current 2019-20 budget as required by our constitution.

The OSBA auditing firm of Jones & Roth is in the process of completing the 2018-19 fiscal year audit and compiling the financial statements. They will be reporting final audit results to the OSBA Board of Directors in January 2020. The audit will be available online at [www.osba.org](http://www.osba.org) under the "About OSBA" tab following that January meeting.

OSBA is unique in that it holds a significant investment portfolio. Our investment portfolio provides approximately half of OSBA's annual operating revenues. 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. It is the strength and growth of these investments that has allowed OSBA to support efforts such as our campaign to pass the Student Success Act and subsidizing district access to Forecast5 software analytics.

Based on the trial balance figures for the fiscal year ending June 30, 2019, operating revenues decreased roughly \$1.5 million to \$8.8 million compared to 2017-18. Realized investment income decreased by just over \$1.9 million from the previous fiscal year and

led to the overall revenue decrease while an increase in contracted service revenue helped to offset the reduction.

Expenditures during the same period increased by \$2.7 million to just over \$10 million. OSBA's investments in legislative advocacy and Forecast5 account for \$1.35 million of the increased expenditures while another \$785,000 is attributed to increased salary and benefit costs. 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, 2019, the unrestricted fund balance was approximately \$11.7 million; the restricted fund balance was just under \$15.8 million; and a permanent fund balance was \$50 million. Cash on hand was \$4.3 million. During 2018-19 the total cash and investments on hand decreased \$1 million, again reflecting the investments in legislative advocacy and Forecast5.

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 provide a variety of services to OSBA's member districts throughout the state.

This is the eleventh 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 President Tass Morrison, OSBA Vice President Scott Rogers, 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.

In conclusion, OSBA's financial position continues to remain strong. The budget for 2019-20 does see a projected increase in asset usage as OSBA endeavors to help guide its members through the implementation of the Student Success Act and broaden the use by districts of Forecast5. OSBA is in the second year of its three-year commitment to supporting districts with Forecast5, to help ensure the software remains affordable for all Oregon districts. Our goals continue to include maximizing our services to members while remaining fiscally responsible and keeping your dues constant. While so many things are changing around us, it's worth remembering something that has not risen in more than 20 years: OSBA member dues. We are intent on using your money wisely.

**OREGON SCHOOL BOARDS ASSOCIATION**  
**2019 Treasurer's Report Financials**  
**Actual, Estimated, and Budgeted Revenues**

2016-17 ACTUAL REVENUES	2017-18 ACTUAL REVENUES	DESCRIPTION	2018-19 ESTIMATED REVENUES	2018-19 ADOPTED BUDGET	2019-20 ADOPTED BUDGET
722,560	734,209	<b>DUES</b>	677,715	670,800	675,000
-	-	<b>LEGISLATIVE ADVOCACY</b>	-	1,500,000	-
-	-	<b>BOARD MEMBERS OF COLOR CAUCUS</b>	-	40,000	-
-	-	<b>FORECAST 5 ANALYTICS</b>	-	500,000	-
11,749	16,418	Interest - Pool & Bank	27,545	11,000	15,000
1,929,923	1,811,394	Endowment Earnings - Bond Interest	1,800,614	4,412,034	1,800,000
-	172,320	Endowment Earnings - Bond 2 Interest	290,044	-	170,000
(39,396)	(47,157)	Interest Purchased - Bonds	(38,867)	-	-
(326,314)	(293,678)	Bond Amortization or Accretion	(255,851)	-	-
-	-	Bond 2 Amortization or Accretion	(27,429)	-	-
(188)	2,959	Realized Gain or Loss - Bonds	41,710	-	-
849,309	864,810	Endowment Earnings - Prime Income	824,330	-	770,000
460,938	403,888	Endowment Earnings Dividend Growth	378,001	-	365,000
1,510,121	1,969,392	Realized Gain or Loss - Prime Income	427,501	-	1,203,275
<u>1,370,422</u>	<u>1,617,857</u>	Realized Gain or Loss - Dividend Growth	<u>1,253,687</u>	<u>-</u>	<u>1,203,275</u>
5,754,814	6,501,785	<b>TOTAL INVESTMENTS</b>	4,721,285	4,412,034	5,511,550
-	-	<b>LGC REIMBURSEMENT</b>	-	-	55,000
556,743	657,900	<b>INSURANCE - PACE</b>	696,686	696,686	685,000
(652,333)	(3,417,176)	<b>UNREALIZED GAIN (LOSS)</b>	2,605,546	-	-
10,545	(165)	Publication - School Law Reporter	-	10,000	10,000
189,148	195,998	Publication - Policy Subscription	235,147	195,760	195,000
54,030	56,650	Policy Plus	62,720	62,040	57,500
6,600	3,600	Publication - Policy Web Hosting	4,474	3,000	3,000
374	54	Mailing Lists	-	-	-
14,175	13,575	Publication - Handbooks and Calendar	10,000	8,000	12,500
5,310	5,015	Publication - PR In Action	7,965	11,000	5,000
25,317	24,200	Publication - SPOT Subscription	35,538	25,000	25,000
<u>95,000</u>	<u>107,500</u>	Publication - BoardBook	<u>120,000</u>	<u>107,500</u>	<u>107,500</u>
400,499	406,427	<b>TOTAL PUBLICATIONS</b>	475,844	422,300	415,500
25,029	-	<b>SALE OF AUTO</b>	-	-	15,000
5,500	5,500	Contract Analysis	850	2,000	5,000
25,063	65,494	Superintendent Search	65,416	56,000	100,000
105,138	108,761	Labor Services	82,291	125,000	135,000

1,022,522	899,808	Legal Services	1,276,253	1,276,253	1,316,500
6,749	7,800	Policy Analysis	46	-	7,000
132,378	120,416	Policy Revisions	105,898	95,000	110,000
57,018	114,744	Board Development	78,387	55,000	100,000
6,664	-	Lighthouse	-	-	-
-	17,625	Communications Contracts	10,551	8,000	8,000
-	-	Misc Contract Services - Board Dev	-	40,000	-
-	106,485	Contract Services	122,817	150,000	160,000
496	-	Misc Contract Services - Print Room	-	-	-
<u>1,361,528</u>	<u>1,446,633</u>	<b>TOTAL CONTRACTED SERVICES</b>	<u>1,742,509</u>	<u>1,807,253</u>	<u>1,941,500</u>
208,495	199,010	Convention Registration	205,478	200,000	200,000
3,315	704	Convention Miscellaneous	4,084	-	-
12,060	26,760	Convention Exhibitors	27,980	25,000	25,000
18,500	15,000	Convention Sponsor	15,000	15,000	15,000
41,915	68,380	Summer Conference	54,782	70,000	70,000
-	2,000	Summer Conference - Partnership	1,000	3,000	3,000
15,899	(270)	Labor and Employment	45,377	5,000	5,000
-	7,460	School Law Conference - Legislative	-	-	-
-	-	School Law Conference - Legal	12,657	7,000	7,000
-	29,350	Bonds, Ballots, and Buildings	-	-	25,000
-	14,500	Bonds, Ballots, and Buildings - Sponsors	-	-	10,000
-	11,585	Bonds, Ballots, and Buildings - Exhibitors	-	-	10,000
1,615	-	Legislative Conference	-	-	-
-	-	One Day/Online Workshops - Labor	-	1,000	1,000
-	98,750	One Day/Online Workshops - Legislative	-	-	-
630	969	One Day/Online Workshops	-	1,000	1,000
142	-	Leadership Oregon	-	-	-
<u>302,571</u>	<u>474,198</u>	<b>TOTAL CONFERENCES</b>	<u>366,358</u>	<u>327,000</u>	<u>372,000</u>
62,336	52,629	<b>RENTAL INCOME</b>	39,968	60,000	60,000
33	98	Staff Reimbursement - Executive	26	-	-
2,104	-	Miscellaneous	290	1,000	1,000
115	431	Staff Reimbursement - Labor	45	-	-
-	-	Miscellaneous - Grant Revenue	-	500	-
1,364	42	Staff Reimbursement - Communications	103	-	-
20	-	Staff Reimbursement - Legislative	45	-	-
205	335	Staff Reimbursement - Board Development	53	-	-
72	541	Staff Reimbursement - Policy	9	-	-
983	512	Board Reimbursement	1,052	-	-
97	-	Miscellaneous - Litigation	-	-	-
-	594	Staff Reimbursement - Litigation	22	-	-
25,873	9,259	Miscellaneous - Administration	11,896	60,500	20,000
98	418	Staff Reimbursement - OSS	23,831	-	-
<u>30,964</u>	<u>12,229</u>	<b>TOTAL MISCELLANEOUS</b>	<u>37,372</u>	<u>62,000</u>	<u>21,000</u>
80,000	50,000	<b>SPONSORSHIPS</b>	50,375	60,000	60,000
(32,566)	(32,937)	<b>CHANGE IN FMV - LGCT</b>	-	(25,000)	(25,000)
<u>8,623,895</u>	<u>6,902,316</u>	<b>TOTAL REVENUES</b>	<u>11,413,658</u>	<u>10,544,073</u>	<u>9,801,550</u>

**OREGON SCHOOL BOARDS ASSOCIATION**  
**2019 Treasurer's Report Financials**  
**Actual, Estimated, and Budgeted Expenditures**

2016-17 ACTUAL EXPENSES	2017-18 ACTUAL EXPENSES	DESCRIPTION	2018-19 ESTIMATED EXPENSES	2018-19 ADOPTED BUDGET	2019-20 ADOPTED BUDGET
3,311,002	3,411,755	Salaries	3,858,436	4,048,747	4,142,658
259,790	265,746	Payroll Taxes	300,556	322,385	316,914
<u>1,387,520</u>	<u>1,455,021</u>	Benefits	<u>1,758,907</u>	<u>1,859,749</u>	<u>2,010,843</u>
4,958,312	5,132,521	<b>TOTAL PERSONNEL COSTS</b>	5,917,899	6,230,881	6,470,415
352,815	352,395	<b>SUB CONTRACTS</b>	351,115	301,000	311,000
3,038	9,701	Legislative Committee	9,637	25,000	25,000
-	-	Legislative Reports and Policies	-	1,500	1,500
<u>3,038</u>	<u>9,701</u>	<b>TOTAL LEGISLATIVE</b>	<u>9,637</u>	<u>26,500</u>	<u>26,500</u>
69,627	76,707	Travel - Board (In)	71,876	60,000	60,000
55,005	67,123	Travel - Board (Out)	112,247	84,000	85,500
18,341	17,069	Billable Travel	19,487	27,369	19,000
<u>80,027</u>	<u>103,730</u>	Non-Billable Travel	<u>123,795</u>	<u>98,200</u>	<u>111,500</u>
223,000	264,630	<b>TOTAL TRAVEL</b>	327,405	269,569	276,000
72,352	69,786	<b>PROFESSIONAL DEVELOPMENT</b>	69,456	140,300	130,400
30,096	27,903	<b>AUTO EXPENSE</b>	31,140	28,600	32,500
3,059	1,755	PR In Action	-	3,600	3,000
2,820	14,930	Superintendent Search	36,049	13,000	30,000
-	1,250	Miscellaneous Publications	1,271	2,000	2,000
<u>57,000</u>	<u>57,000</u>	BoardBook	<u>61,500</u>	<u>64,500</u>	<u>64,500</u>
62,879	74,935	<b>TOTAL PUBLICATIONS</b>	98,820	83,100	99,500
229,875	231,245	Annual Convention	256,003	245,000	268,500
41,012	61,691	Summer Conference	67,782	62,000	60,000
4,859	-	Labor and Employment Miscellaneous	-	5,000	5,000
(5,285)	170	School Law Conference	3,668	4,000	4,000
3,230	-	Legislative Conference	-	1,000	1,000
-	28,302	Bond, Ballots and Buildings	829	-	31,000
-	45,150	One Day and Online Workshops	28,311	850	3,500
<u>19,503</u>	<u>696</u>	Leadership Oregon	<u>-</u>	<u>-</u>	<u>-</u>
293,195	367,254	<b>TOTAL CONV, CONF AND WORKSHOPS</b>	356,593	317,850	373,000
108,042	102,233	<b>DUES</b>	187,155	122,700	117,500
33,442	42,449	<b>SUBSCRIPTION AND BOOKS</b>	42,470	43,450	43,050
18,050	18,900	Audit Expense	19,500	21,000	21,000
98,058	79,001	Insurance	114,388	90,000	90,000

7,675	7,693	Telephone	8,838	8,000	8,000
8,126	10,114	Outside Printing	4,205	15,000	15,000
13,352	11,946	Postage	10,486	15,000	15,000
23,360	24,204	Supplies	34,807	31,000	46,000
8,824	7,948	Non-Consumables	6,745	24,500	27,500
4,758	5,376	Paper, Letterhead and Envelopes	4,008	-	5,000
495	-	Impressions	-	-	-
34,923	26,519	Copier	24,002	34,000	34,000
4,170	1,938	Equipment Purchase	3,115	5,000	75,000
1,260	270	Equipment Maintenance	1,154	1,000	1,000
7,016	12,480	Computer Software	25,102	20,000	20,000
24,743	42,191	Computer Hardware	41,248	34,000	34,000
45,491	59,709	Computer Maintenance and Licensing	191,157	16,850	16,850
57,585	33,575	Computer Subscription Services	19,752	32,938	60,000
-	28,448	Computer - Subcontracts	135,835	43,000	35,000
14,514	21,063	Miscellaneous Office Expense	93,956	24,000	24,000
3,517	1,042	PACE Non-Billable Expense	6,161	-	18,000
4,207	4,796	Miscellaneous Expense - Bank Charges	6,105	-	5,000
69,843	12,059	Staff Recruitment	3,148	10,000	10,000
83,846	136,422	Depreciation	217,207	80,000	125,000
<u>533,811</u>	<u>545,694</u>	<b>TOTAL ORGANIZATIONAL WIDE</b>	<u>970,919</u>	<u>505,288</u>	<u>685,350</u>
30,550	36,572	Promise Scholarship - Board Dev	47,500	50,000	45,000
109,833	106,860	Special Projects - Board of Directors	109,568	100,000	100,000
-	-	Legislative Advocacy	852,175	1,500,000	-
-	-	Board Members of Color Caucus	10,674	40,000	40,000
-	-	Forecast 5 Analytics	500,000	500,000	500,000
30,050	27,000	Continuing Partnerships	20,000	30,000	30,000
12,000	12,000	Building Reserve	12,000	12,000	12,000
121,013	108,536	Building Expense	115,257	115,000	335,000
98,854	72,449	Legal Fees	45,507	3,500	80,000
12,299	9,705	Internet	10,724	10,500	12,000
-	-	Contingency	-	82,335	82,335
<u>513,453</u>	<u>445,570</u>	<b>TOTAL OTHER</b>	<u>1,723,405</u>	<u>2,478,335</u>	<u>1,236,335</u>
<u><u>7,085,580</u></u>	<u><u>7,362,623</u></u>	<b>TOTAL EXPENDITURES</b>	<u><u>10,086,014</u></u>	<u><u>10,544,073</u></u>	<u><u>9,801,550</u></u>

		Prior			
		Year End	Year to Date	Variance	Var %
<b>Assets</b>					
<b>Cash and Cash Equivalents</b>					
1002-00-000	Umpqua Bank	156,133.85	1,394,871.04	1,238,737.19	793.38
1002-00-010	Comerica	39,570.76	18,860.09	-20,710.67	-52.34
1002-00-020	Local Gov't Pool	928,497.81	2,875,105.12	1,946,607.31	209.65
1002-00-090	Checking - Petty Cash	175.00	175.00	0.00	0.00
<b>Total Cash and Cash Equivalents:</b>		1,124,377.42	4,289,011.25	3,164,633.83	281.46
<b>Investments in Federal Securities</b>					
1015-00-010	OSBA Fixed Income Bonds	47,354,839.65	46,144,889.80	-1,209,949.85	-2.56
1015-00-011	OSBA Fixed Income Bonds 2	5,885,573.09	4,760,695.81	-1,124,877.28	-19.11
1015-00-020	Equities - Prime Income	18,198,962.50	17,043,343.73	-1,155,618.77	-6.35
1015-00-030	Equities - Dividend Growth	10,310,507.47	9,552,780.34	-757,727.13	-7.35
1015-00-999	Investments- Change in FMV	-51,041.85	2,503,462.71	2,554,504.56	-5,004.73
<b>Total Investments in Federal Securities:</b>		81,698,840.86	80,005,172.39	-1,693,668.47	-2.07
<b>Accounts Receivable</b>					
1200-00-000	Accounts Receivable	131,483.88	196,626.56	65,142.68	49.54
1206-00-000	Interest Receivable	628,382.29	600,303.14	-28,079.15	-4.47
<b>Total Accounts Receivable:</b>		759,866.17	796,929.70	37,063.53	4.88
<b>Prepaid Expense</b>					
1300-00-000	Prepaid Expense	53,114.67	125,171.20	72,056.53	135.66
<b>Total Prepaid Expense:</b>		53,114.67	125,171.20	72,056.53	135.66
<b>Fixed Assets</b>					
1505-00-000	EDP Equipment/Capital Assets	719,522.94	719,522.94	0.00	0.00
1510-00-000	Autos	247,113.00	247,113.00	0.00	0.00
1515-00-000	Building and Land	2,765,554.79	2,729,348.49	-36,206.30	-1.31
1600-00-000	Accumulated Depreciation	-303,616.20	-520,823.62	-217,207.42	71.54
1705-00-000	WIP - Computer	0.00	105,000.00	105,000.00	0.00
<b>Total Fixed Assets:</b>		3,428,574.53	3,280,160.81	-148,413.72	-4.33
<b>Total Assets:</b>		87,064,773.65	88,496,445.35	1,431,671.70	1.64
<b>Liabilities</b>					
<b>Accounts Payable</b>					
2000-00-000	Accounts Payable	417,311.91	98,046.11	-319,265.80	-76.51
<b>Total Accounts Payable:</b>		417,311.91	98,046.11	-319,265.80	-76.51
<b>Accrued Compensated Absences</b>					
2110-00-000	Accrued Payroll Taxes FIT/FICA	-0.01	739.88	739.89	-7,398,900.00
2115-00-000	Accrued Payroll Taxes SIT/SUTA	0.00	24,087.74	24,087.74	0.00
2116-00-000	State Transit Tax	0.00	935.79	935.79	0.00
2120-00-000	Accrued Payroll Tax - Wkr Comp	-3,265.33	0.00	3,265.33	-100.00
2125-01-000	Accrued PR Deduct - Sunshine	1,058.44	516.87	-541.57	-51.17
2125-04-000	Accrued PR Deduct - Dep Life	65.00	0.00	-65.00	-100.00
2125-05-000	Accrued PR Deduct - AD&D	16.36	0.00	-16.36	-100.00
2125-06-000	Accrued PR Deduct - TSA	0.00	9,925.00	9,925.00	0.00
2125-07-000	Accrued PR Deduct - Pers	0.00	78,112.94	78,112.94	0.00
2125-09-000	Accrued PR Deduct - 125 Plan	0.00	4,296.70	4,296.70	0.00
2125-09-010	Accrued PR Deduct - Ins	3,647.97	8,337.00	4,689.03	128.54
2125-09-020	Accrued PR Deduct - HSA	0.00	100,549.98	100,549.98	0.00
2125-10-000	Accrued PR Deduct - Life	0.00	917.10	917.10	0.00

		Prior			
		Year End	Year to Date	Variance	Var %
<b>Accrued Compensated Absences</b>		(Continued)			
2150-00-000	Accrued Vacation	135,626.57	178,732.71	43,106.14	31.78
<b>Total Accrued Compensated Absences:</b>		137,149.00	407,151.71	270,002.71	196.87
<b>Deferred Revenue</b>					
2170-00-000	Prepaid Dues	5,006.00	0.00	-5,006.00	-100.00
2171-00-000	Prepaid BoardBook	0.00	5,000.00	5,000.00	0.00
2173-00-000	Prepaid Policy Subscriptions	34,520.00	40,795.00	6,275.00	18.18
2174-00-000	Prepaid PR in Action	3,245.00	295.00	-2,950.00	-90.91
2175-00-000	Prepaid Conference	21,690.00	32,380.00	10,690.00	49.29
2176-00-000	Prepaid SPOT/SaBa	6,250.00	0.00	-6,250.00	-100.00
<b>Total Deferred Revenue:</b>		70,711.00	78,470.00	7,759.00	10.97
<b>Due to Others</b>					
2220-00-000	Council of School Attorneys	31,941.44	38,031.44	6,090.00	19.07
2226-00-000	PACE Day	3,050.00	3,150.00	100.00	3.28
2230-00-000	Cobra Payments	1,233.54	-6,171.88	-7,405.42	-600.34
<b>Total Due to Others:</b>		36,224.98	35,009.56	-1,215.42	-3.36
<b>Total Liabilities:</b>		661,396.89	618,677.38	-42,719.51	-6.46
<b>Capital</b>					
3000-00-000	Investment in Fixed Assets	2,177,953.86	2,177,953.86	0.00	0.00
3010-00-000	Unrestricted Reserve	11,628,147.71	11,628,147.71	0.00	0.00
3300-00-000	Retained Earnings-Current Year	-460,306.55	1,474,391.21	1,934,697.76	-420.31
3300-00-000	Restricted Reserve	23,057,581.75	22,597,275.20	-460,306.55	-2.00
3302-00-000	Permanent Reserve	50,000,000.00	50,000,000.00	0.00	0.00
<b>Total Capital:</b>		86,403,376.77	87,877,767.98	1,474,391.21	1.71
<b>Total Liabilities &amp; Capital:</b>		87,064,773.66	88,496,445.36	1,431,671.70	1.64