

Oregon Physical Therapist Licensing Board
Fiscal Year-End Report
July 2008 through June 2009

	<u>Jul 08-Jun 09</u>	<u>Budget</u>	<u>Variance</u>
Ordinary Income/Expense			
Income			
4000 · Income	490,268.94	450,000.00	40,268.94
Total Income	<u>490,418.94</u>	<u>450,000.00</u>	<u>40,418.94</u>
Gross Profit	490,418.94	450,000.00	40,418.94
Expense			
5100 · Payroll Costs	314,864.56	289,880.00	24,984.56
5600 · Travel Costs	11,019.99	9,000.00	2,019.99
6100 · General Office Expenses	25,940.89	23,640.00	2,300.89
6190 · Dues and Subscriptions	527.00	2,500.00	-1,973.00
6200 · Postage	9,389.03	9,300.00	89.03
6400 · Contracted Services	69,549.88	64,240.00	5,309.88
6500 · Rent and Occupancy	17,636.40	16,020.00	1,616.40
6600 · Background Checks	20,013.50	12,000.00	8,013.50
6650 · Investigation Expenses	0.00	600.00	-600.00
6800 · Computers & Accessories	475.62	4,200.00	-3,724.38
Total Expense	<u>\$ 469,416.87</u>	<u>\$ 431,380.00</u>	<u>\$ 38,036.87</u>
Net Ordinary Income	<u>\$ 21,002.07</u>	<u>\$ 18,620.00</u>	<u>\$ 2,382.07</u>
Net Income	<u><u>\$ 21,002.07</u></u>	<u><u>\$ 18,620.00</u></u>	<u><u>\$ 2,382.07</u></u>

**July 17, 2009 Board Meeting
 Financial Report Narrative
 Reporting Period Fiscal Year 07/01/08 – 06/30/09**

Total Income is over budget by \$40,419

The Board’s accounting system is on an accrual basis. When accounting on an accrual basis, instead of accounting for the actual receipt or disbursement of large income and expense items as they occur, you spread that income or expense equitably over the entire accounting period, in this case 12 months, 7/1/08-6/30/09.

The Board’s projected income for the fiscal year ’08-’09 was budgeted at \$450,000. This was accrued at \$37,500/month. Actual income booked for fiscal year ’08-’09 was \$490,269; this created a positive income variance of \$40,269. With no significant increase in the existing fee structure the major portion of this variance was income booked from an unpredicted increase in first time examination applicants from out of the state and an overly conservative estimate of the number of renewal license fees.

Total Expense is over budget by \$38,037

5100 Payroll Costs are **\$24,985** over budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Salaries	\$23,179	
PEBB Medical Premiums	\$1,772	
Payroll Taxes	\$1,654	
PERS Employer Admin	\$1,357	
PERS ER Paid EE Contrib	\$ 991	
PERS Bond Debt Obligation	\$329	
Board Stipends		(\$3,000)
Employee Training		(\$1,297)

Narrative: Salaries are over budget because originally no increase was budgeted for the Director’s salary which had reached the classification ceiling. Through the Governors management compensation plan changes, DAS implement a rate classification change raising the ceiling which allowed for un-projected salary increases for both the Director and the Clinical Advisor, also there was a vacation liability accrual adjustment of \$4,317 booked to meet with generally accepted accounting principle guidelines; PEBB medical premiums are over budget because a staff member who previously opted out of the Board medical plan had a life change and chose to elect the Board benefits again; payroll taxes, PERS matching contributions and PERS Bond Debt Obligation Bonds are all products of total salaries so logically are over budget because salaries are over; Board stipends are under budget due to reductions in the Stipend reimbursement from \$100 to \$30; employee training is under budget because the Board investigator did not attend the CLEAR conference this year as originally planned.

5600 Travel Cost is **\$2,020** over budget.

Travel costs are over budget because the Board elected to fund two Board members and a Staff member to attend the 2008 annual FSBPT conference held in MN. The extra dollars spent were actually saved from the previous year budget which came in under plan by \$3,149.

6100 General Office Expenses are **\$2,300** over budget.

Expense Classification	Over Budget	Under Budget
Bank charges/Fees		\$6,738
Dues		2,000
Liability Insurance		(\$1,850)
Parking Validation Stickers		(\$1,500)
Printing/Copying		(\$1357)
Office Supplies		(\$662)
Other		(\$507)
Fax/Conf Room Phone		(\$240)
Board Meeting Expenses		(\$230)
Telecommunications		(\$60)
Copier		(\$32)

With a drop in interest rates the Board also saw a drop in the interest credits earned on reserves. This credit was used to offset the cost of lockbox services provided by the Board's banking institution. Because of the drop in the earnings rate the lockbox expense budget was over by nearly \$7,000; the annual \$2,000 membership fee paid in October of 2008 to the FSBPT was charged to general office supplies, expense class 6160 instead of being charged to dues 6190; risk charges for '08-'09 were actually paid fiscal yearend '08 instead of fiscal year '08-'09; the Board had built up a reserve for parking reimbursement not needed for fiscal year '08-'09; and the Board published one less Newsletter than planned for the fiscal period.

6190 Dues and Subscriptions are **(\$1,973)** under budget.

Dues are under budget due to an error in posting the expense. The annual \$2,000 membership fee paid in October of 2008 to the FSBPT was charged to general office supplies, expense class 6160 instead of being charged to dues 6190.

6200 Postage is **\$89** over budget.

6400 Contracted Services are **\$5,310** over budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Attorney General Fees	\$8,337	
Other Services	\$1,448	
Computer Support	\$95	
Payroll Service Charges	\$24	
Investigators Fee		(\$2,945)
Emp Hearing Officer Panel		(\$1,049)
CPA Accounting Fees		(\$600)

Narrative: Attorney General Fees are over budget due primarily to preparation costs for several contested case hearings; of which, all have but two settled with a negotiated Stipulation and Final Order. The two cases that went to hearing were both found in favor of the Board and a final order was issued for the one case which is now being elevated to the Court of Appeals; the Board just received the favorable outcome on the second case and the Board has yet to vote to issue the final order based on the hearing outcome; other services are over budget because the Board had to contact additional support to help with the Board first audit of continuing education; investigator fees are under budget because in January 2009 the Board changed the terms of its contract investigator putting on an on-call basis as opposed to guaranteed hours; and as mention above the hearing officer panel was under budget because of costs avoided by the settlement of several of the contested cases prior to going to hearing.

6500 Rent and Occupancy is **\$1,616** over budget because the 12th month of the previous fiscal period was paid and charged during this fiscal year resulting in 13 months rent for this fiscal period.

6600 Background Checks are **\$8,014** over budget.

Background checks are over budget due to an unpredicted increase in first time examination and endorsement applicants from out of state. This is offset by an unpredicted increase in the application income.

6650 Investigation Expenses are **(\$600)** under budget.

6800 Computer & Accessories are **(\$3,724)** under budget.

Computer and accessories are under budget as a matter of choice, with expenses for the fiscal year already exceeding budget, a conscience choice was made to put off the purchase of a new replacement computer system that is already 3 years passed the DAS recommended replacement schedule.

Note: Only significant variances greater than \$1,000, are addressed by this document.