

Oregon Physical Therapist Licensing Board
Year-End Financial Report
Reporting Period July 2011 - June 2012

	<u>Jul '11 - Jun '12</u>	<u>Budget</u>	<u>Variance</u>
Income/Expense			
Income			
4000 · Income	518,326.00	476,740.00	41,586.00
Total Income	<u>518,326.00</u>	<u>476,740.00</u>	<u>41,586.00</u>
Gross Profit	518,326.00	476,740.00	41,586.00
Expense			
5100 · Payroll Costs	322,559.00	337,800.00	-15,241.00
5600 · Travel Costs	9,425.00	9,300.00	125.00
6100 · General Office Expenses	12,205.00	18,300.00	-6,095.00
6190 · Dues and Subscriptions	3,075.00	3,000.00	75.00
6200 · Postage	7,664.00	8,400.00	-736.00
6400 · Contracted Services	61,062.00	73,800.00	-12,738.00
6500 · Rent and Occupancy	14,538.00	22,800.00	-8,262.00
6600 · Background Checks	4,764.00	5,400.00	-636.00
6650 · Investigation Expenses	58.00	0.00	58.00
6800 · Computers & Accessories	673.00	7,200.00	-6,527.00
Total Expense	<u>436,023.00</u>	<u>486,000.00</u>	<u>-49,977.00</u>
Net Income/Loss	<u>82,303.00</u>	<u>-9,260.00</u>	<u>91,563.00</u>

**Oregon Physical Therapist Licensing Board
Year-End Financial Report Narrative
Reporting Period July 2011 – June 2012**

Total Income is over budget by \$41,586

The Board’s projected income for the fiscal year 2010 – 2012 was budgeted at \$476,740. Actual income booked for July ’11 through June ’12 was \$518,326; this created a positive income variance of \$41,586.

The vast majority of the Board positive income variance was derived from the actual renewal and initial licensure income being greater than projected. The greater part of the initial licensure income is from a large increase in endorsement applicants coming in from out of State. The income forecast was originally based on historical data and adjusted for current environment and economic trends and tended to be conservative. Not taken into account, was the number of therapists re-entering the workforce through the reinstatement of lapsed licenses, attributed to the tough economic times with stay at home parents, semi-retired and retired therapists returning to practice. Although not identified as a line item, it might be noted that, net of the gain in income, was a loss in the area of civil penalties. Using historical data, civil penalty income was budgeted at \$13,200 for the fiscal year; actual income from civil penalties was \$5,800, less than 50% of budget. This was attributed to both the types of cases brought before the Board, and the Board’s extended use of non punitive means of remediation and resolution.

Total Expenses are under budget by (\$49,977)

5100 Payroll Costs are (\$15,241) under budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Other	\$1,731	
Salaries		(\$6,520)
Board Stipends		(\$2,850)
PERS Employer Admin		(\$2,431)
PEBB Medical Premiums		(\$1,638)
PERS Bond Debt Obligation		(\$1,351)
PERS ER Paid EE Contrib		(\$1,003)
Employee Training		(\$900)
Payroll Taxes		(\$279)

Narrative:

- Other payroll cost – are over budget by the cost of the Board to fund the annual Tri-met transit passes for employees a benefit not part of the original budget.
- Salaries - are under budget due primarily to the 2009-2011 salary freeze and reduction in pay due to planned furlough days.
- Board Stipends - are under budget due to the reduction in number of Board meetings from six to five in a calendar year and the timing of the Board meetings.
- PERS EE/ER, Bond Debt and PEBB Contributions – are all under budget due to timing of contributions. June contributions were paid in July. There were no accruals booked at fiscal

yearend June '12, because the expense will be incurred and caught up by the end of the biennium June '13.

5600 Travel Costs are \$125 over budget.

6100 General Office Expenses are (\$6,095) under budget because of a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Printing/Copying		(\$2,003)
Telecommunications		(\$1,457)
Bank Charges/Fees		(\$1,033)
Dues		(\$600)
Office Supplies		(\$445)
Board Meeting Expenses		(\$208)
Copier		(\$198)
Liability Insurance		(\$151)

Narrative:

- Printing and copying fees - are under budget due to the timing on the Newsletters. The Spring '12 Newsletter is being produced and published as a Summer publication in July '12.
- Telecommunications – are under budget because the actual monthly fixed cost per telephone set is less than anticipated and the Board has one less phone set than originally estimated. The monthly usage and long distance charges are on target.
- Bank charges – are all under budget due to timing, the Jan through Jun '12 billing has not been paid. There were no accruals booked at fiscal yearend June '12 because the expense will be incurred and caught up by the end of the biennium June '13.

6190 Dues and Subscriptions are \$75 over budget.

6200 Postage Charges are (\$736) under budget.

6400 Contracted Services are (\$12,738) under budget as a combination of several expense factors:

Expense Classification	Over Budget	Under Budget
Audit Charges	\$1,219	
Attorney General Fees	\$53	
DAS Misc	\$20	
Computer Support		(\$6,632)
Investigators Fee		(\$2,359)
Emp Hearing Officer Panel		(\$2,131)
Other Services		(\$1,878)
Accountant/CPA		(\$600)
Merchant Account Fees		(\$339)
Payroll Service Charges		(\$91)

Narrative:

- Audit Charges – this was the first year the Board elected to conduct a financial review as opposed to a financial audit. The original estimate was based on an average cost of an entity the size of the Board. Actual costs are based on hours and came in higher than anticipated.
- Computer Support – is under budget, due to the delayed timing of the migration of the State's Egov system (websites) from Team Site to Share Point. The programming expense associated with the planned development and conversion of the Board's licensee data base system from Fox Pro to the new MS Customer Relationship Management (CRM) system has been postponed until fall of 2012.
- Investigator Fees – are under budget, this expense classification was based on historical usage and so far this biennium the investigative case load has been manageable and the Board has not had to use the services of contract investigators.
- Hearing Officer Panel - is under budget because only one simple case went through the entire hearing process the other contested cases either settled by default because the respondent has not appeared for the hearing, or the case was postponed due to the respondent's health issues.
- Other Services – are under budget because time savings from the online renewal system have eliminated the need for external resources during the renewal peak processing times.

6500 Rent and Occupancy Charges are **(\$8,262)** under budget.

The original estimate included a proposed DAS reallocation of common area charges and an increase in square footage charges that would have increased the Board monthly rent expense by \$600 per month. DAS later retracted that proposed increase. Rental fees will remain the same in 2011-2013 as they were in 2009-2011.

6600 Background Checks are **(\$636)** under budget.

6650 Investigation Expenses are **\$58** over budget.

6800 Computer & Accessories are **(\$6,527)** under budget.

Computer hardware and accessories are under budget, due to the delayed timing of the migration of the State's Egov system (websites) from Team Site to Share Point. The equipment costs associated with the planned development and conversion of the Board's licensee data base system from Fox Pro to the new MS Customer Relationship Management (CRM) system was postponed until fall of 2012.

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