

Oregon Physical Therapist Licensing Board
Year-End Financial Report
Reporting Period July 2015 - June 2016

	<u>Jul '15- Jun '16</u>	<u>Budget</u>	<u>Variance</u>
Income/Expense			
Income			
4000 · Income	982,163.00	881,570.00	100,593.00
Total Income	<u>982,163.00</u>	<u>881,570.00</u>	<u>100,593.00</u>
Gross Profit	982,163.00	881,570.00	100,593.00
Expense			
5100 · Payroll Costs	372,408.00	371,123.00	1,285.00
5600 · Travel Costs	6,768.00	10,800.00	-4,032.00
6100 · General Office Expenses	15,478.00	17,400.00	-1,922.00
6190 · Dues and Subscriptions	3,678.00	3,000.00	678.00
6200 · Postage	6,374.00	5,400.00	974.00
6300 - Publications	0.00	240.00	-240.00
6400 · Contracted Services	86,486.00	71,400.00	15,086.00
6500 · Rent and Occupancy	16,032.00	18,000.00	-1,968.00
6600 · Background Checks	8,460.00	5,400.00	3,060.00
6650 · Investigative Expenses	95.00	300.00	-205.00
6800 · Computers & Accessories	679.00	3,000.00	-2,321.00
Total Expense	<u>516,458.00</u>	<u>506,063.00</u>	<u>10,395.00</u>
Net Income/Loss	<u><u>465,705.00</u></u>	<u><u>375,507.00</u></u>	<u><u>90,198.00</u></u>

**Oregon Physical Therapist Licensing Board
Year-End Financial Report Narrative
Reporting Period July 2015 – June 2016**

Total Income is over budget by \$100,593

The Board’s projected income for the fiscal year 2015 – 2016 was budgeted at \$881,570. Actual income booked totaled \$982,163; this created a positive income variance of \$100,593. The income variance is a result of several factors:

Income Classification	Over Budget	Under Budget
Physical Therapist	\$53,032	
Physical Therapists Assistants	\$46,443	
Other	\$1,118	

Narrative:

- Physical Therapists and Physical Therapist Assistant Fees – initial total income projections for the 2015-2017 budget indicated revenues would exceed expenses by approximately \$141,000. Based on this projection and the Board’s current reserve balance; the Board decided it wanted a break even budget. To achieve a break even number the Board elected to lower PT and PTA renewals fees by 15% which in turn would lower the projected renewal income by approximately \$140,000. What the Board did not account for was a larger than anticipated increase in initial applications up 11% over the prior year. This is an unusual growth in numbers and can be attributed to the Board’s 2014 change in policy that allows a physical therapist student to take the national examination prior to graduation. This is a policy approved by the Federation but not offered in many states. The result; Oregon gets a large number of out of state PT/PTA applicants who want to test prior to graduation. They complete the application process, pay the fees but never intend to practice in the State of Oregon.
- Other Fees – are over budget due to a greater than anticipated number of requests for licensure verifications. This is a fee, for a letter, charged to an Oregon licensee who is seeking licensure in another jurisdiction. The Board does offer, at no cost, online primary source verification however, most states require a written letter with the Oregon Board signature and raised seal affixed.

Total Expenses are over budget by \$10,395

5100 Payroll Costs are \$1,285 over budget as a result of several factors:

Payroll Expense Classification	Over Budget	Under Budget
Salaries	\$9,508	
Payroll Taxes	\$742	
PERS Employer Admin		(\$4,655)
Board Stipends		(\$1,350)
PERS Bond Debt Obligation		(\$1,101)
PERS ER Paid EE Contrib		(\$907)
PEBB Medical Premiums		(\$552)
Employee Training		(\$380)
Other		(\$20)

Narrative:

- Salaries - are over budget due primarily to the hiring of an on-call hourly. The original dollars were allocated to Contract Employees. Additionally the annual accounting adjustment to the vacation liability accrual was \$5,000. This is for vacation hours earned but not taken.
- PERS Employer Admin fees - are directly related to salaries. PERS Admin fees are under budget because PERS provided 13.28% as the budget factor for 15-17 when the actual percentage is only 12%.
- Board Stipends – are under budget. The original budget allocated stipends for 8 meetings this past 12 months, the Board only held 5 meetings.
- PERS Bond Debt Obligation – is directly related to salaries. The Bond Debt is over budget as a result of salaries being over budget.
- PERS ER Paid EE Contribution – is directly related to eligible salaries. The employer paid employee contributions are under budget because the total eligible salaries (not total salaries) projected are under budget.
- **5600 Travel Costs** are **(\$4,032)** under budget due to the estimated funding for three Board out of state training trips which did not occur.

6100 General Office Expenses are **(\$1,922)** under budget as a result of several factors:

General Expense Classification	Over Budget	Under Budget
Parking Validation	\$1,416	
Telecommunications	\$1,162	
Office Supplies	\$21	
Printing/Copying		(\$2,309)
Bank Charges/Fees		(\$1,138)
Liability Insurance		(\$618)
Board Meeting Expenses		(\$334)
Copier		(\$122)

Narrative:

- Parking Validation – is over budget due to the accrual method of allocating the expense evenly over the full term of the biennium. For fiscal Y/E 2017 parking validation will be under accrued by this amount.
- Telecommunications – is over budget due to the unplanned implementation of the new Board ipads adding 11 monthly wireless accounts fees totally approximately \$175/month.
- Printing and copying fees - are under budget primarily due to publishing only one Newsletter during the year. The budget plan allocated funds for two publications.
- Bank Charges/Fees – are under budget due to timing. The January through June invoice was paid in July. Accruals for outstanding expenses are only accrued at the end of a biennium..

6190 Dues and Subscriptions are **\$678** over budget.

6200 Postage Charges are **\$974** over budget.

6300 Publications are **(\$240)** under budget.

6400 Contracted Services are **\$15,086** over budget as a result of several factors:

Contracted Services Expense Classification	Over Budget	Under Budget
Merchant Account Fees	\$12,963	
Other Services	\$11,719	
Audit Charges	\$3,353	
Payroll Service Charges	\$106	
Attorney General Fees		(\$6,854)
Emp Hearing Officer Panel		(\$2,825)
Investigators Fee		(\$1,500)
Computer Support		(\$792)
Accountant/CPA		(\$600)
DAS Misc		(\$484)

Narrative:

- Merchant Account Fees – are over budget. The fees are based solely on volume, both number of items processed and dollar value of transaction. Switching to a two year renewal cycle on an even numbered year doubled the dollar volume for the 2016 renewals thus twice the merchant fee. For fiscal Y/E 2017 merchant account fees will be under by this amount.
- Other Services – are over budget due to payment of the first installment for the development of the Board’s new jurisprudence assessment module scheduled for implementation in January of 2017.
- Audit Charges – are over budget due to the accrual method of allocating the expense evenly over the full term of the biennium. For fiscal Y/E 2017 audit charges will be under by this amount.
- Attorney General Fees – are under budget due to timing. This is a quarterly bill and the June invoice was paid in July. Accruals for outstanding expenses are only accrued at the end of a biennium.
- Hearing Officer Panel Fees - are under budget. Projections are based on long term historical usage. There was no substantial hearing activity for the 2015-2016 fiscal year.
- Investigator Fees – are based on historical and projected usage. Up to now the current case load has been manageable and there has been no need to contract with outside investigative services.

6500 Rent and Occupancy Charges are **(\$1,968)** under budget due to timing. The June invoice was paid in July. Accruals for outstanding expenses are only accrued at the end of a biennium.

6600 Background Check Fees are **\$3,060** over budget due to an unanticipated increase in initial application volumes.

6650 Investigation Expenses are **(\$205)** under over budget.

6800 Computer & Accessories are **(\$2,321)** under budget due to timing. The purchase of the proposed new software and hardware will occur in 2017.

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