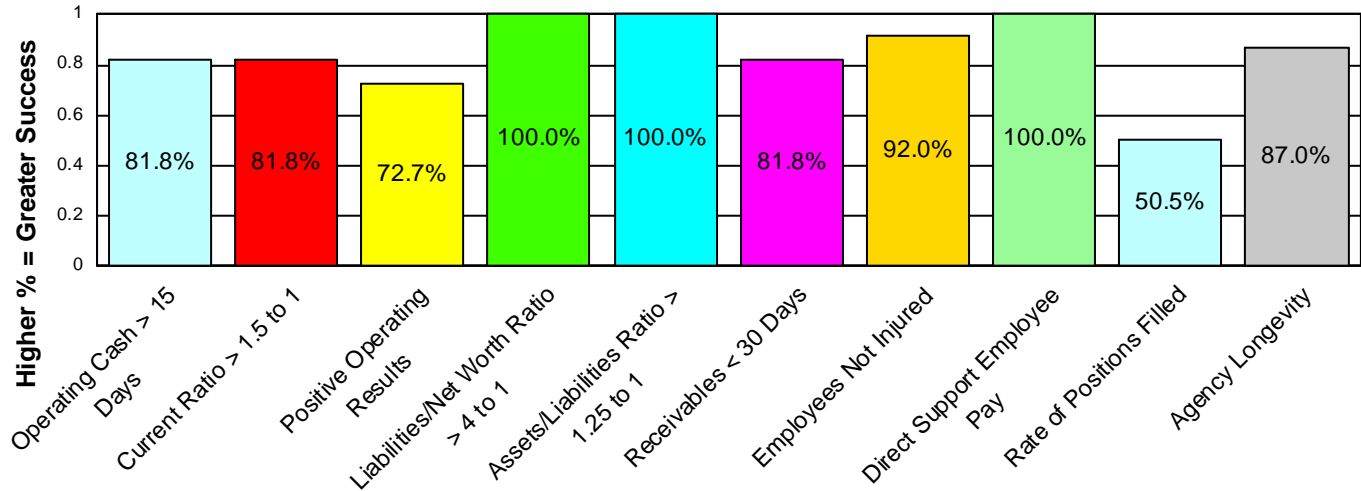


## Domain #7 AGENCY STRENGTH

### Summary Performance of All Indicators in Domain 7



Domain Seven, **Area Strength**, measures the financial strength of the twelve area agencies, and the history of operations and employee stability of the provider agency system. Information for this domain comes from the June 30, 2005 Audit Reports of the area agencies and the Community Services Provider Survey.

Financial strength of the area agencies is measured by three criteria:

1. *Liquidity*, which is the term used for an organization's cash at any given time available to meet its immediate bills, is measured by Operating Days Cash, Current Ratio, and receivable Days.
2. *Net Surplus*, which is the difference (positive or negative) between the Revenues of an organization and its Expenses, measured by positive operating results; and
3. *Balance Sheet Strength*, which is the difference between what is owned (Assets) and what is owed (Liabilities) measured by the ratios of Liabilities divided by Net Worth and Assets divided by Liabilities.
- 4.

Regarding liquidity, the three measurement indicators (Operating Days Cash, Current Ratio, and Receivables Days) show very positive results for this year. Nine of eleven area agencies meet the minimum standard for Operating Days Cash; nine meet the standard for the Current Ratio. Only two out of the eleven are below the standard for receivable days. Operating Days Cash has increased for the system as a whole, and it is above target for the current ratio (from below last year), however, it continues below target for Receivable Days.

Regarding Net Surplus, three of the eleven area agencies fell below the minimum standard. However, collectively, the earnings ratio for the system is significantly above what it was a year ago. This reflects aggressive action taken by the area agencies in light of prior year performance, and threatened budget reductions for the coming year.

Regarding Balance Sheet Strength, the two measurement indicators show that all of the eleven agencies exceed that standard that is considered satisfactory. The system, as a whole, has maintained its' strong Balance Sheet Strength for the last five reporting periods.

In FY 2005, 8.4% of direct support employees sustained an injury that resulted in medical bills and/or loss of work time. In FY 2005, 100% of direct support employees are making \$8.00 plus per hour. For the type of work, skills and qualifications, this hourly rate is still very low. The community developmental systems as well as key stakeholders need to continue their efforts to influence the rate of reimbursement for such critical services. The rate of filled positions has increased from 63.8% in FY 2003 to 85.2% in FY 2005. This is a positive sign that recruiting efforts over the past years have come to fruition.

Stable and dependable service provider agencies with experience professional staff are essential to the developmental service system. The percentage of provider agencies that have been in operation for more than 10 years is 87%. There is a tremendous amount of stability and longevity in the agency operations.

**Indicator #1: Proportion of Area Agencies that have cash on hand to meet greater than 15 days of operating expenses increases.**

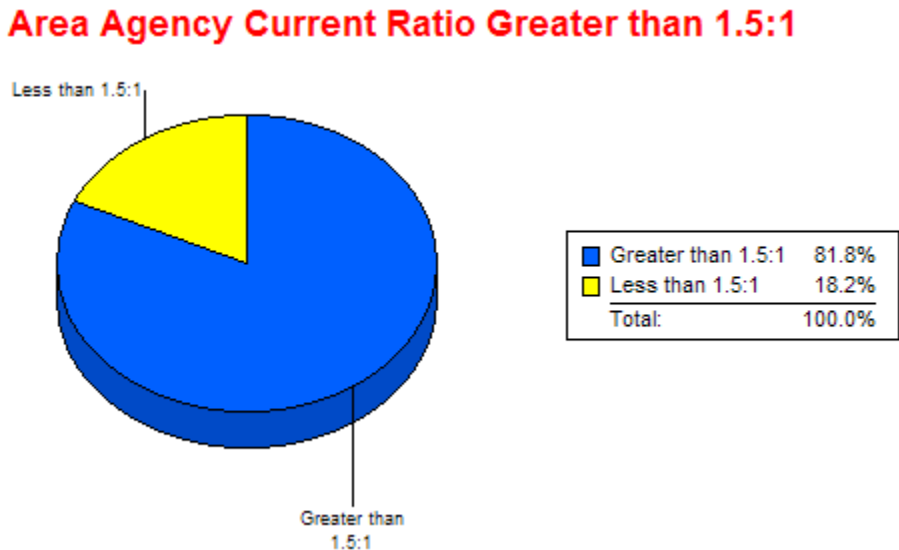


**Total All Answers**

11

**Comments:** In FY 2005, 9 out of eleven meet the minimum standard of 15 days cash on hand. Of the two who are under this is just by three days. On average, of the eleven area agencies reporting they have 32.76 days of cash on hand to meet operating expenses.

**Indicator #2: The proportion of Area Agencies operating with a current ratio of greater than 1.5:1 increases.**



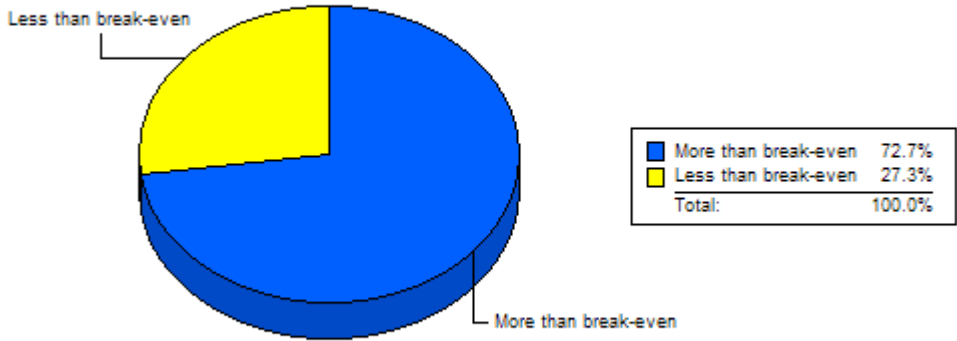
**Total All Answers**

11

**Comments:** In FY 2005, of the eleven area agencies reporting, 81.8% exceed the target for cash on hand/revenue/expenses. Area Agencies are committed to fiscal responsibility to its' board of directors and to its' constituency.

**Indicator #3: Proportion of Area Agencies that maintain a break-even or positive operating result increases.**

**Proportion of agencies**



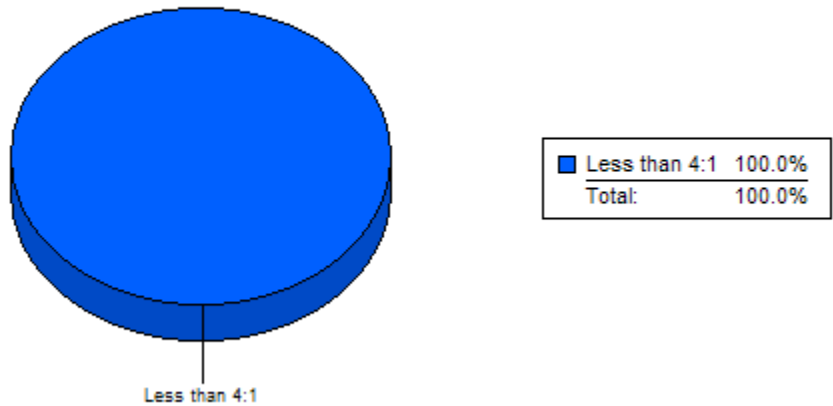
Total All Answers

11

**Comments:** In FY 2005, there has been a significant dip in the proportion of area agencies that maintain a break-even or positive operating result. In FY 2003 it was reported that 91.7% of the area agencies met this criteria. In FY 2005 only 72.7 or 9 out of the eleven.

**Indicator #4: The proportion of Area Agencies that maintain debt to worth ratio of less than 4:1 increases.**

**Proportion of agencies**



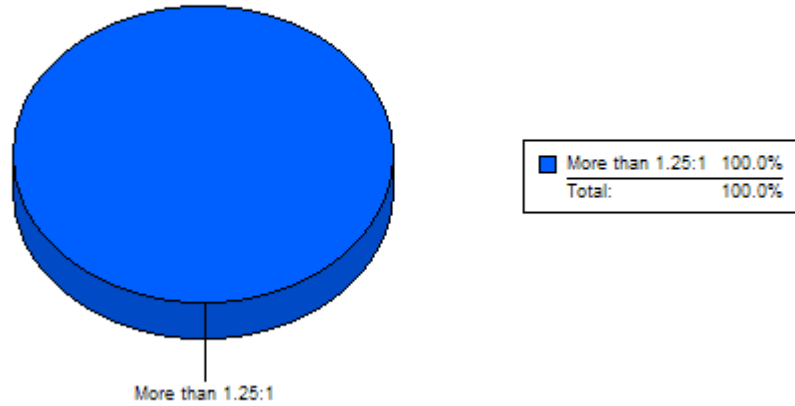
Total All Answers

11

**Comments:** In FY 2005, 100% of the area agencies have less than 4:1 debt to worth ratio.

**Indicator #5: Proportion of agencies that maintain greater than a 1.25:1 ratio of total assets to liabilities increases.**

**Proportion of agencies**



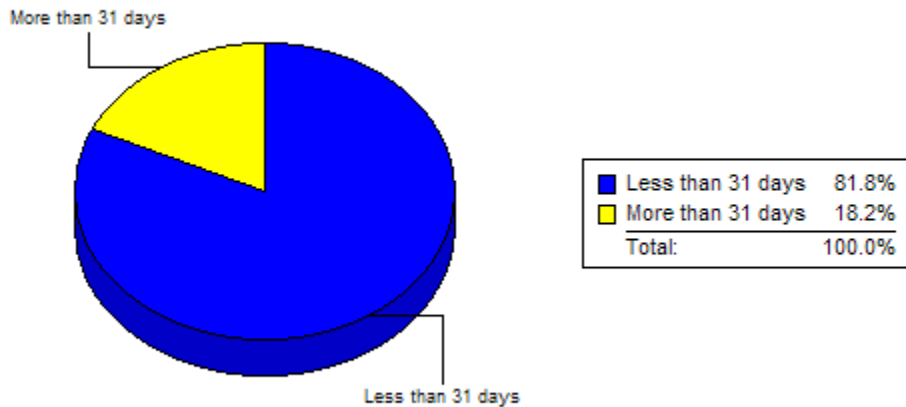
Total All Answers

11

**Comments:** In FY 2005, 100% of the area agencies have maintained a greater than a 1.25:1 ratio of total assets to liabilities.

**Indicator #6: The proportion of Area Agencies with accounts receivables averaging less than 30 days old increases.**

**Proportion of agencies**



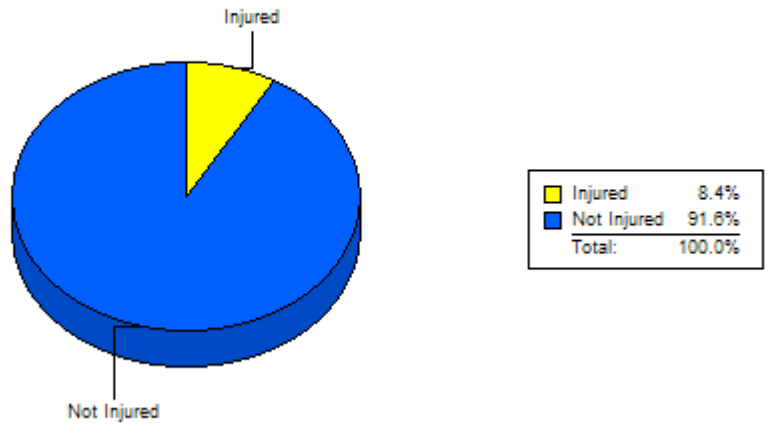
Total All Answers

11

**Comments:** In FY 2005, 81.8% of the area agencies have accounts in receivable less than 30 days. This is a significant improvement over all previous fiscal years and shows that the area agencies are operating efficiently.

**Indicator #7: The success in minimizing the rate of injuries to direct support employees resulting in medical bills and/or loss of work time increases.**

**Success in minimizing rate of direct support employee injuries**

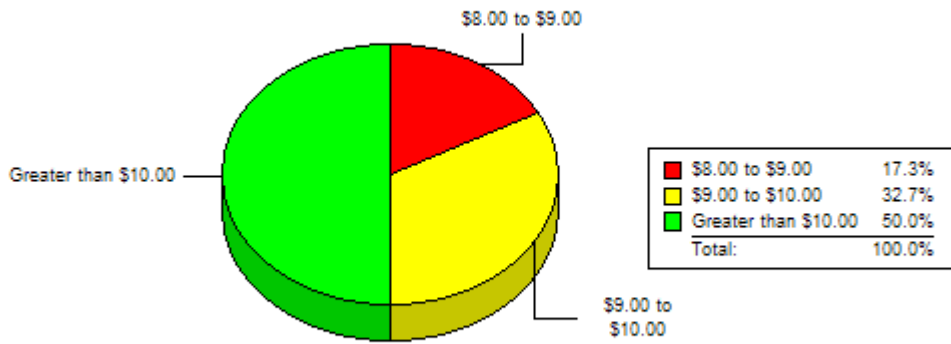


**Total All Answers**  
164

**Comments:** There continues to be a positive reporting of the personal safety and well being of direct support employees. In FY 2005, 91.6% of the work force did not experience any work related injuries.

**Indicator #8: The percentage of direct support employees earning over \$8.00 per hour increases.**

**Pattern of hourly pay ranges**

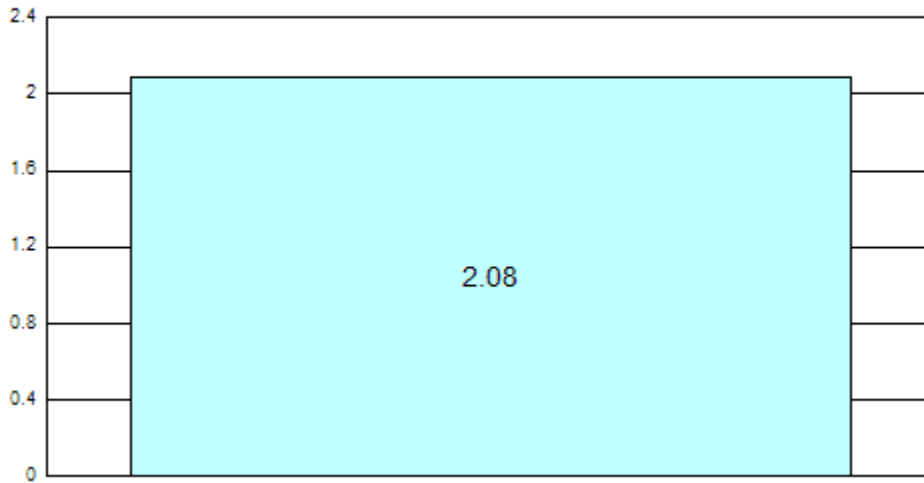


**Total All Answers**  
52

**Comments:** In FY 2005, 100% of direct support employees are making \$8.00 plus per hour. For the type of work, skills and qualifications, this hourly rate is still very low. The community developmental system as well as key stakeholders need to continue their efforts to influence the rate of reimbursement for such critical services.

**Indicator #9: The average length of employment for direct support employees increases.**

**Average years of employment**

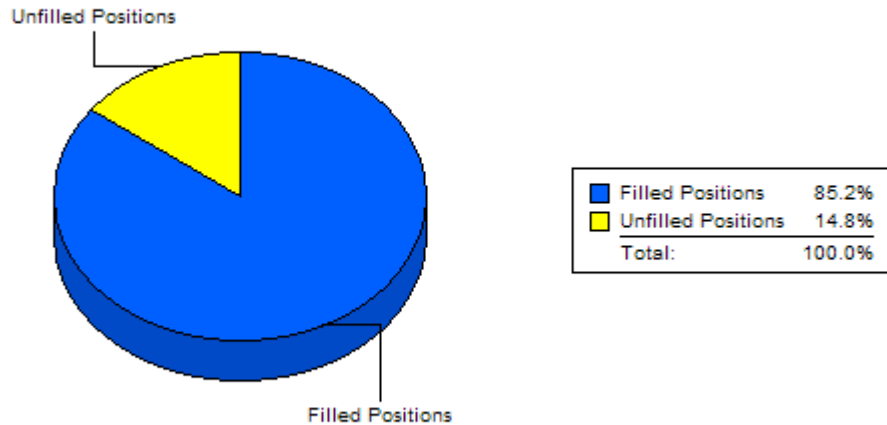


Total All Answers  
218

**Comments:** In six years, the average length of employment in direct support is two years.

**Indicator #10 - The average percentage of filled direct support employee positions increases**

**Average percentage of filled direct support positions**

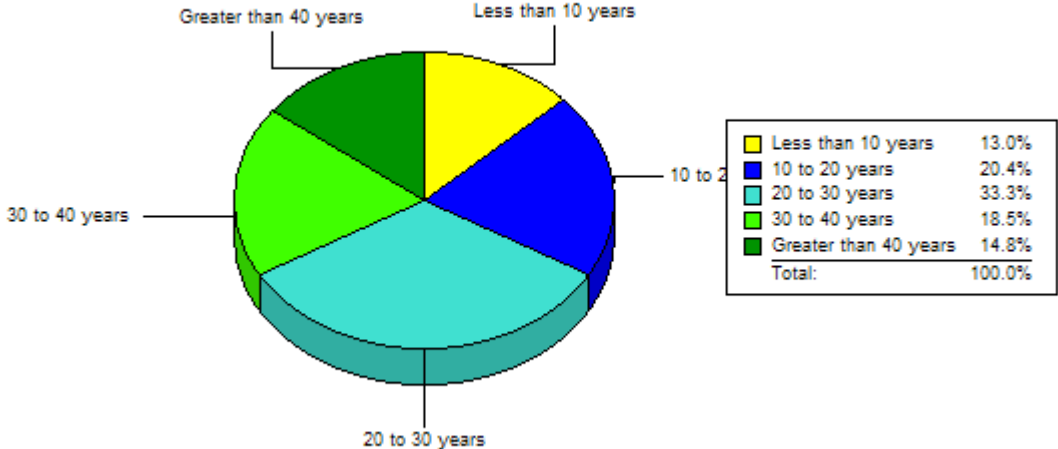


Total All Answers  
85

**Comments:**

**Indicator #11: The percentage of provider agencies that are in operation greater than 10 years increases.**

**Pattern of time agencies in operation**



**Total All Answers**

54

**Comments:** In FY 2005, 85 % of provider agenices have been in operation for greater than 10 years.