

**Lawrence-Douglas County Health Board
November 10, 2008
5:30 p.m.**

Agenda:

- 1. Call to order.**
- 2. Consent Agenda.**
 - a. Approval of minutes of October 20, 2008
 - b. Approval of October 2008 monthly financial report
 - c. Acceptance of October 2008 monthly activity reports
- 3. Unfinished Business.**
- 4. Director's Report.**
 - a. Website Wins National Award – Lisa Horn
 - b. Performance Scorecard Draft
 - c. Audit Report
 - d. Additional Performance Goals
 - e. Nancy Jorn's Retirement November 15th
- 5. New Business.**
 - a. Longevity Bonus Policy
- 6. Other New Business.**
- 7. Adjournment.**

The meeting will be held in room C on the second floor of the Community Health Facility. If you are unable to attend the meeting, please notify either Dan Partridge or Colleen Hill at 843-3060.

Healthy People Build Strong Communities.

**Lawrence-Douglas County Health Department
October 2008 Notes for Financial Reports**

Revenue & Expense Budget vs. Actual Report

Revenues

- *Program Fees are still much lower than budgeted. For October, immunization revenue is down \$5,303, family planning revenue is down \$2,210 and environmental health revenue is down \$2,850 as compared to last year for the same time period. On a positive note, we received \$2,880 for food service inspections for July-Sept.*
- Interest earned was lower than budgeted. This is due to both the decrease in interest rates and the interest is now being allocated among our four bank accounts.
- *Grant income for the month is a little lower than budgeted. We budgeted for our Public Health Continuing Education grant award to arrive in October as in past years, but it arrived in August and has been previously reported.*

Expenses

- Our payroll expense is down for the month. This is related to some positions being filled at a lower pay rate than budgeted for (CCL Coordinator, CCL surveyor, Accountant, etc.).
- *Overall, most of our contractual expenditures are lower than budgeted. A few are higher than budgeted, such as miscellaneous. We have \$1,000 expense in October for cash for the flu change bags for outside flu clinics. This will be redeposited in November and will be a “wash” of expense and income.*
- *Commodities are much lower than budgeted. We have been trying to order on more of an “as needed” basis and have moved away from ordering large quantities as part of a “year end” order.*
- Other expenses are lower than budgeted. This is primarily due to the fact that CHIP expenses were budgeted to offset the grant funding and CHIP funds have been lower than budgeted for, so the expenses have been less as well.

Balance Sheet

- There are four balance sheets. One to represent each of the funds as they are now separated: LDCHD (General/Operating fund), Board Designated Fund, Funded Depreciation and the Kay Kent Public Health Service Award Fund.
- These funds are all growing slower as interest rates are declining.

On the Board Designated Fund balance sheet, for other assets, we invested \$100,000 in a certificate of deposit. It is a one year CD with a 4.0 APY.

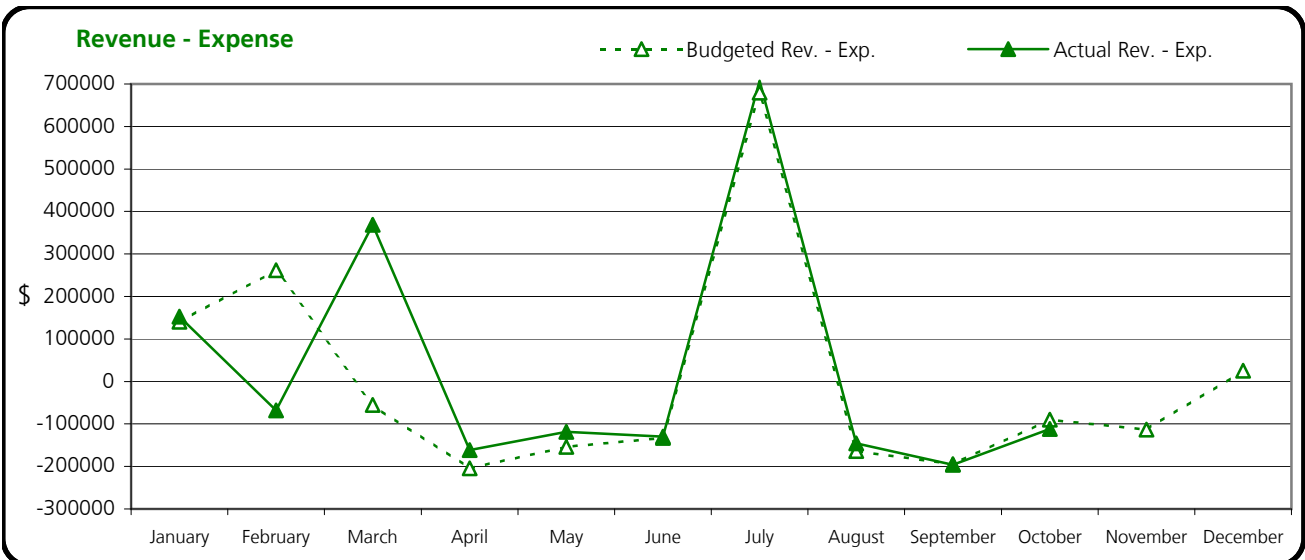
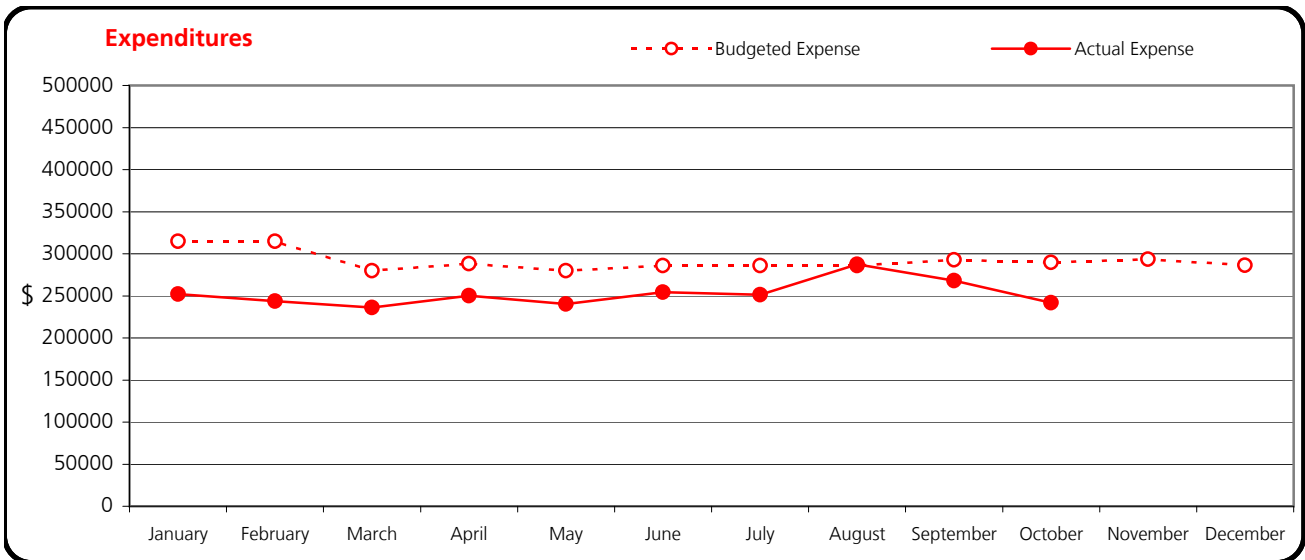
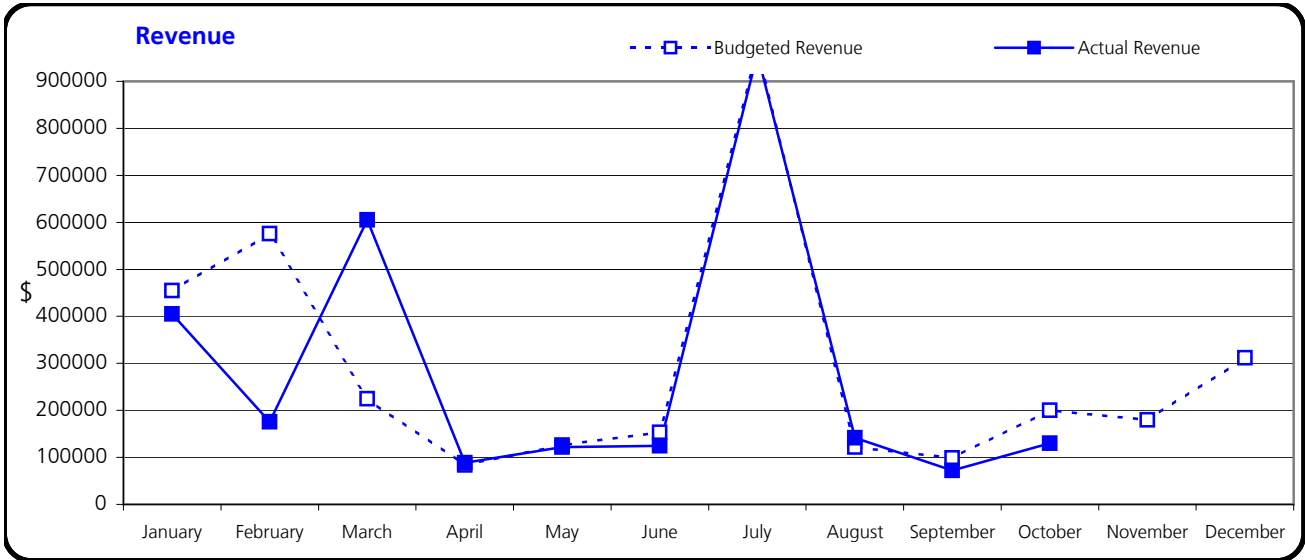
I have included a listing of the funded depreciation purchases to date that represent the \$28,428 fixed assets represented on the funded depreciation balance sheet.

Previous to 2008, I had always brought the entire listing of Vendor Payments along with the bills to the Board meeting. I have included a vendor payment listing for October.

Lawrence-Douglas County Health Department (LDCHD)
Revenue & Expense Budget vs. Actual
October 2008

	<u>Oct 08</u>	<u>Budget</u>	<u>Jan - Oct 08</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
5000 - Revenue					
50010 - City					
500100 - City Operating	0	0	503,154	503,154	503,154
500101 - City Health Insurance	0	0	149,146	149,146	149,146
Total 50010 - City	<u>0</u>	<u>0</u>	<u>652,300</u>	<u>652,300</u>	<u>652,300</u>
50020 - County					
500200 - County Operating	0	0	744,281	744,281	744,281
500201 - County Health Insurance	19,331	18,643	185,759	186,432	223,718
500202 - County Mill Levy Aging	0	0	10,000	10,000	10,000
Total 50020 - County	<u>19,331</u>	<u>18,643</u>	<u>940,040</u>	<u>940,713</u>	<u>977,999</u>
51000 - Operating Revenue					
511000 - Contract Services	3,785	833	16,173	8,333	10,000
512000 - Fees					
Total 512000 - Fees	<u>23,190</u>	<u>63,057</u>	<u>261,314</u>	<u>381,779</u>	<u>507,893</u>
519000 - Interest	441	5,417	10,159	54,167	65,000
Total 51000 - Operating Revenue	<u>27,416</u>	<u>69,307</u>	<u>287,646</u>	<u>444,279</u>	<u>582,893</u>
517000 - Grant Income					
5170001 - Federal	0	0	5,000	7,500	7,500
5170002 - State	82,772	93,689	776,659	712,265	831,965
5170003 - Local/Private	0	6,150	22,608	13,100	13,100
Total 517000 - Grant Income	<u>82,772</u>	<u>99,839</u>	<u>804,267</u>	<u>732,865</u>	<u>852,565</u>
57000 - Other Revenue					
570001 - Other	464	167	5,005	1,667	2,000
570002 - CHIP Grant	0	0	133,336	106,101	212,201
Total 57000 - Other Revenue	<u>464</u>	<u>167</u>	<u>138,341</u>	<u>107,768</u>	<u>214,201</u>
Total 5000 - Revenue	<u>129,983</u>	<u>187,956</u>	<u>2,822,594</u>	<u>2,877,925</u>	<u>3,279,958</u>
Total Income	<u>129,983</u>	<u>187,956</u>	<u>2,822,594</u>	<u>2,877,925</u>	<u>3,279,958</u>
Expense					
6000 - Payroll Expenses					
60010 - Gross Salaries & Wages	156,672	166,454	1,553,455	1,658,132	1,991,040
60020 - Payroll Related Expenses					
Total 60020 - Payroll Related Expenses	<u>52,638</u>	<u>54,209</u>	<u>505,898</u>	<u>541,242</u>	<u>649,659</u>
Total 6000 - Payroll Expenses	<u>209,310</u>	<u>220,663</u>	<u>2,059,353</u>	<u>2,199,374</u>	<u>2,640,699</u>
6300 - Contractual Service Expenditure					
Total 6300 - Contractual Service Expenditure	<u>16,444</u>	<u>19,634</u>	<u>174,995</u>	<u>197,873</u>	<u>237,139</u>
6400 - Commodities					
Total 6400 - Commodities	<u>8,900</u>	<u>36,180</u>	<u>184,440</u>	<u>314,227</u>	<u>379,604</u>
6500 - Other Expenses					
Total 6500 - Other Expenses	<u>7,216</u>	<u>16,975</u>	<u>106,685</u>	<u>169,743</u>	<u>203,692</u>
Total Expense	<u>241,870</u>	<u>293,452</u>	<u>2,525,473</u>	<u>2,881,217</u>	<u>3,461,134</u>
Net Income	<u>(111,887)</u>	<u>(105,496)</u>	<u>297,121</u>	<u>(3,292)</u>	<u>(181,176)</u>

2008 YTD Financial Performance



Lawrence-Douglas County Health Department (LDCHD)

Balance Sheet

As of October 31, 2008

	<u>Oct 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 - Current Assets	
10010 - Cash	
100100 - Cash - Unrestricted Operating	610,383
Total 10010 - Cash	<u>610,383</u>
Total 1000 - Current Assets	610,383
1011 - Petty cash / change fund	710
Total Checking/Savings	<u>611,093</u>
Other Current Assets	
1400 - Prepaid Insurance	9,162
Total Other Current Assets	<u>9,162</u>
Total Current Assets	620,255
Fixed Assets	
1600 - Fixed Assets	
16010 - Furniture, Fixtures, & Equip.	457,291
16011 - Less - Accumulated Depreciation	<u>(294,865)</u>
Total 1600 - Fixed Assets	<u>162,426</u>
Total Fixed Assets	<u>162,426</u>
TOTAL ASSETS	<u><u>782,681</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
2100 - Current Liabilities	
21010 - Payroll Liabilities	27,989
21020 - Payroll Taxes Payable	5
21030 - Accrued Vacation Payable	<u>113,480</u>
Total 2100 - Current Liabilities	<u>141,474</u>
Total Liabilities	141,474
Equity	
3001 - Operating Fund Balance	725,205
3500 - Contributed Capital	27,889
Net Income	<u>(111,887)</u>
Total Equity	<u>641,207</u>
TOTAL LIABILITIES & EQUITY	<u><u>782,681</u></u>

LDCHD Board Designated Fund
Balance Sheet
As of October 31, 2008

	<u>Oct 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
10010 - Board Designated Fund	675,883
Total Checking/Savings	<u>675,883</u>
Total Current Assets	675,883
Other Assets	
18000 - Certificate of Deposit	100,000
Total Other Assets	<u>100,000</u>
TOTAL ASSETS	<u><u>775,883</u></u>
LIABILITIES & EQUITY	
Equity	
Net Income	775,883
Total Equity	<u>775,883</u>
TOTAL LIABILITIES & EQUITY	<u><u>775,883</u></u>

LDCHD Funded Depreciation
Balance Sheet
As of October 31, 2008

	<u>Oct 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
10010 - Funded Depreciation	100,790
Total Checking/Savings	<u>100,790</u>
Total Current Assets	100,790
Fixed Assets	
15000 - Furniture and Equipment	28,428
Total Fixed Assets	<u>28,428</u>
TOTAL ASSETS	<u><u>129,218</u></u>
LIABILITIES & EQUITY	
Equity	
Net Income	129,218
Total Equity	<u>129,218</u>
TOTAL LIABILITIES & EQUITY	<u><u>129,218</u></u>

**2008 Funded
Depreciation Purchases**

**For the period ending
October 31, 2008**

Month	Purchased	Price
May	switch	1,293
June	network management card	1,471
June	updates for firewall/security	2,484
July	6 computers	6,894
July	network access storage unit	4,124
August	tablet PC's, portable printers Food Service	5,197
August	6 computers	6,965
	Total Year to Date	28,428

LDCHD Kay Kent Public Health Service Award
Balance Sheet
As of October 31, 2008

	<u>Oct 31, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
10010 - K Kent Public Health Serv Award	16,684
Total Checking/Savings	<u>16,684</u>
Total Current Assets	<u>16,684</u>
TOTAL ASSETS	<u><u>16,684</u></u>
LIABILITIES & EQUITY	
Equity	
Net Income	16,684
Total Equity	<u>16,684</u>
TOTAL LIABILITIES & EQUITY	<u><u>16,684</u></u>

October 2008 Activity Reports – Summary

- Monthly service encounters for clinic services are generally within historical ranges.
- Number of immunizations remains down about 2% compared with a year ago. The number of flu shots for October is up slightly over the number administered last October.
- Increase in HIV Testing and Counseling visits compared to 2007 is due to a change in KDHE program requirements. For October there was a significant drop in the post-test return visit rate to 50% from the usual rate of about 80%.
- Number of family planning visits continues to be down overall for the year; currently 5% fewer visits than a year ago. The number of visits for sexually transmitted diseases remains constant.
- Client visits for Maternal and Child Health programs have increased 4% compared to last year. The caseload has been reduced over the last two months in anticipation of staff reduction effective November 2008.
- Project LIVELY caseload is up nearly 6% compared with a year ago.
- Number of Child Care Licensing inspections is up 12% for the year. This reflects efforts by the program to complete required visits to child care facilities and investigating complaints.
- Inspections of food establishments began May 1, 2008. During October there were 84 inspections.
- The decline in sewage disposal system inspections is due to the decrease in new home construction in incorporated areas of the county. Sewage system permits are down 30% for the year, sewage system inspections are down 50%, and well inspections are down 54%.

PROGRAM ACTIVITY REPORT

October 31, 2008

	October		Year-To-Date	
	2007	2008	2007	2008
Total Immunizations	2147	2117	6777	6615
Flu*	1611	1686	1936	1929
Total TBn's	122	96	1003	978
Chest X-rays	3	3	31	20
TB Meds/Consultation	35	30	259	151
Sexually Transmitted Diseases	180	182	1628	1631
(Number STD visits)				
Chlamydia	23		134	106
Gonorrhea Cases	6		26	22
Syphilis Cases	0		0	1
HIV Precounseling Visits	82	113	678	969
Screening Tests	80	112	662	956
Postcounseling Visits	46	56	452	624
Other Communicable Diseases	21	12	234	73
Family Planning Total Visits	462	400	4025	3834
Pregnancy & Parenting Services				
Visits/Classes	216	198	1807	1839
Referrals Received	22	17	209	214
Caseload	122	103	122	103
Teen Independence Project				
Visits/Classes	42	44	367	339
Referrals Received	9	4	76	82
Caseload	36	32	36	32
Family Health Referral/Parenting Plus				
Visits	59	76	618	695
Referrals Received	3	2	21	27
Caseload	66	74	66	74
Well Child Clinic (total attendance)	11	7	101	91
Well Child Exams*	8	7	85	75
Title XIX Exams*	3	0	16	15
Rechecks/Other*	0	0	0	1
WIC Clinic Attendance	362	332	3274	3353
Caseload	1448		1448	0
Blood Pressure Screening	24	6	350	372
LIVELY Visits	118	115	1288	1232
Referrals Received	23	23	237	231
Caseload	125	132	125	132
Child Care Home Visits	47	47	377	424
Child Care Home Complaints	8	7	67	64
Community Education Hours	19	22	184	189
Community Education Attendance	545	393	3678	3491
Other	5	0	11	10

*Number included in above total

2008 Environmental Health Monthly Activity Report

	October		Year-to-Date	
	2007	2008	2007	2008
1. Total environmental or sanitation complaints received:	23	16	169	205
2. (2007) Total inspections regarding complaints:	19	N/A	88	N/A
(2008) Complaint inspections not included below:	N/A	3	N/A	85
3. Animal bite reports received:	0	0	6	0
4. Inspections regarding animal bites:	0	0	0	0
5. Inspections of CMB food establishments:	0	0	26	5
2008 Inspections of KDHE food establishments: <i>[Contract effective 05/01/2008]</i>	N/A	84	N/A	562
6. Inspections of schools (including complaints):	4	13	4	33
7. Inspections of care facilities (including complaints):	5	1	14	17
8. Inspections of swimming pools (including complaints):	6	8	509	396
9. Septage:				
a. Septage hauler permits issued:	0	0	4	2
b. Septage equipment/site inspections:	0	0	7	2
10. Domestic wells:				
Samples screened:	10	2	46	31
Permits:				
a. Well construction permits issued:	1	0	12	8
Inspections:				
a. Consultation for new well construction:	2	3	24	19
b. Consultation for subdivision well construction:	0	0	0	3
c. Construction inspections (including complaints):	4	4	104	26
d. Courtesy inspections:	10	3	40	26
e. Real estate transaction inspections:	0	0	1	3
f. Total well inspections:	16	10	169	77
11. Sewage disposal systems:				
Permits:				
a. New conventional permits issued:	9	2	55	36
b. Modified conventional (pumped) permits issued:	0	0	3	0
c. Repair permits issued:	0	0	15	14
d. Lagoon permits issued:	0	0	0	0
e. Alternative (enhanced treatment) permits issued:	0	0	1	1
f. Total sewage disposal system permits issued:	9	2	74	52
Inspections:				
a. Consultation for new sewage disposal system:	10	4	93	48
b. Consultation for sewage disposal system repair:	2	3	38	44
c. Consultation for subdivision sewage disposal system:	0	3	0	3
d. Construction inspections (including complaints):	114	20	627	286
e. Room addition inspections:	8	2	43	15
f. Real estate transaction inspections:	0	0	3	10
g. Total sewage disposal system inspections:	134	32	804	405
Installer Licenses:				
a. Septic system installer licenses issued:	0	0	6	4
b. Lagoon installer licenses issued:	0	0	1	2
12. Total environmental health inspections:	184	151	1,621	1,582
13. Public Education				
a. Public education hours	0	0	5	12
b. Public education attendance	0	0	85	215



PUBLIC HEALTH CONNECTIONS

November – 2008 Volume 8, Issue 11
Office of Local and Rural Health



Roderick L. Bremby, Secretary

Kathleen Sebelius, Governor

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2008 BRONZE AWARD FOR EXCELLENCE IN PUBLIC HEALTH COMMUNICATION

*submitted by Lisa Horn, Communications Coordinator
Lawrence-Douglas County Health Department*



The Lawrence-Douglas County Health Department's Web site recently won a national award. In October, the National Public Health Information Coalition presented the Health Department with its 2008 Bronze Award for Excellence in Public Health Communication for out-sourced Web sites. Log on today to see what's new by clicking on the health department's logo.

CHEYENNE COUNTY REOPENS HEALTH DEPARTMENT DOORS

*submitted by Mila Bandel, Administrator
Cheyenne County Health Department*



Mila Bandel is the new county health nurse for Cheyenne County. She began working at the County Health Department on Sept. 5 after the doors of the department had been closed approximately five months. Bandel enjoys working with community members helping them meet their health and safety needs and concerns.

Bandel is originally from Fort Scott, KS where she attended Fort Scott Community College for two years, transferred to Kansas State University in Manhattan, then obtained a Bachelor of Science degree in Human Ecology. She started her career with K-State Research & Extension as the Family & Consumer Science Agent (FACS) in Tribune, and Bandel then transferred to St. Francis as the Cheyenne County FACS agent. After nine years in Extension she decided to pursue a nursing degree and attended Colby Community Colleges' nursing program. She worked at the Cheyenne County Hospital until her recent appointment to the county health department. Bandel states that she is enjoying the variety of service public health offers and the programming opportunities available to community members.

Performance Scorecard

					2009				
Index		Data Source	Target (Goal)	2007	2008	1Q	2Q	3Q	4Q
A. WIC									
	1	% of WIC infants with a Low Birth Weight (LBW)	KWIC	≤ 5%	6.03%				
	2	% of children with a low hemoglobin level.	KWIC	≤ 10%	12.20%				
	3	% of WIC children 2-5 YO with a BMI at or above the 95th percentile for their age.	KWIC	≤ 10%	11.70%				
	4	% of WIC Infants who breastfed for 6 months	KWIC	≥ 70%					
B. Project LIVELY									
	1	% of clients whose ADL score has been maintained or improved after one year.		TBD					
	2	% of clients whose IADL score has been maintained or improved after one year.		TBD					
C. Clinic Services									
	1	Family Planning/STD Clinic							
		% of family planning clients age 15-24 testing positive for Chlamydia.	KDHE	≤ 5%	5%				
	2	Immunization Clinic							
		% of 2-year old clients completing the primary immunization series.	CO-CASA	≥ 90%	85%				
	3	Communicable Disease							
		% of communicable disease case investigations initiated within 24 hours.		100%	89%				
D. Child Care Licensing									
	1	Rate of enforcement action taken in Douglas County	CLARIS	TBD					
	3	% of complaint investigations initiated within 5 business days.	Access	≥ 100%					
	4	Rate of reportable accidents (# per 1,000 child care days)	Access	TBD					
E. Environmental Health									
	1	Sanitary Code							
	i	Septic System failure rate	FoxPro	≤ 1%					
	ii	% of well samples testing positive for fecal coliform bacteria	FoxPro	≤ 5%					
	2	Pool Inspections							
		% of facilities closed		≤ 10%					
	3	Food Service Inspections							
	i	% of inspections documenting 5 or more critical violations	Access	≤ 3%					
	iii	Average number of days between inspections.	Access	≤ 183					
	4	Other							
		% of complaint investigations initiated by the next business day.		≥ 90%					
F. Emergency Preparedness									
	1	% of staff with some formal Incident Command System (ICS) training.		100%	96%				
	2	% of command staff completing the required ICS training.		100%					
G. Maternal and Child Health (MCH)									
	1	Douglas County teen pregnancy rate (# per 1,000 10-19 year olds)	KS Vital Statistics						
	2	% of enrolled teen mothers with no repeat pregnancy during program enrollment	TPCM Outcome Log	≥ 85%	88.6%				
	3	Premature Birth Rate (% of MCH infants born at < 37 weeks gestation)	Perinatal Outcome Report	≤ 7.6%	3.7%				
	4 i	Low Birth Weight (% of MCH infants born at < 2700 grams)	Perinatal Outcome Report	≤ 5%	4.9%				
	ii	Low Birth Weight (% of Douglas County infants born at < 2700 grams)	KS Vital Statistics	≤ 5%					
H. Administration									
	1	% of Strategic Plan objectives completed by the planned timeframe		90%	53%				
	2	% of programs with total expenditures at or below the YTD budgeted amount.		100%					
	3	% of agency performance measures headed in the right direction		≥ 90%					

Child Care Licensing Performance Measures

November 10, 2008

	Quantity	Quality
Input/ Effort	# of surveys completed # of new facilities licensed # of child care slots available # of orientation meetings Total # of licensed facilities	% of renewals process prior to renewal date % of substantiated complaints % of staff meeting training requirements % of complaint investigations initiated within 5 days. % of new applications completed within 5 days.
Output/ Effect	# of complaints received # of KDHE compliance visits completed # of new providers attending orientation	Rate of reportable accidents per 1,000 childcare days Rate of enforcement activities (suspension and fines) per 100 facilities

**Performance and Outcome Measures
Data Description Form**

Program	Maternal Child Health
Health Assessment Indicator	Low Birth Weight
Health Dept. Goal	≤5%
HP 2010 Goal	≤5%
Data Source	Maternal and Infant Services Perinatal Outcome Data Report
Demographic Group	Douglas County
Age Group	Newborn
Sex	Both
Race	All
Numerator	Number of Low Birth Weight Infants born to MCH clients.
Denominator	Total number of Infants born to MCH clients.
Periodicity of Collection	Collected monthly
Periodicity of Calculation	Quarterly
Baseline	2007 4.9%
Reference Data Source	Kansas Annual Summary of Vital Statistics
County Level Data	2006 7.1%
State Level Data	2006 7.2%
National Level Data	
Essential Service(s)	<ol style="list-style-type: none"> 1. Monitor health status to identify community health problems; 3. Inform, educate, and empower people about health issues; 4. Mobilize community partnerships to identify and solve health problems; 5. Develop policies and plans that support individual and community health efforts; 9. Evaluate effectiveness, accessibility, and quality of personal and population-based health services
Core Competency(s)	Assessment, policy development, assurance

Approved:

Revised:

2007 Audit Report Notes

We have received our letters of findings from the accounting firm of Lowenthal Singleton Webb & Wilson for our 2007 audit. Upon receiving the letters, we met with Brian Nyp, CPA, and lead auditor for our portion of the audit, to review his findings and discuss how we might address each finding. *Some of these corrective actions will require board approval to revise policies and we will ask you to consider these actions and changes at the December Health Board meeting.*

The audit produced the following findings:

Significant Deficiencies

- Capital Asset Accounting – A written policy and procedure is required that:
 - Assigns a custodian to each capital asset item who maintains an annual inventory.
 - Designates a third party to verify the annual physical inventory.

There was also a note indicating the need to have a detailed inventory listing. We do have this list and provided it to Mr. Nyp who noted that while he was here.

- Accounts Receivable and Revenue Accounting – In late 2007, we completed the rebuild of our company in QuickBooks, the accounting system we use. During this rebuild, we also maintained our previous company and booked entries to both for the entire year. During this transition Accounts Receivable (AR) was booked inconsistently. Because we do not deny service based on the inability to pay, we have a large amount of doubtful accounts. This distorts our true asset balance and affects how we booked AR. In mid-2008, we began reporting on a cash basis and our financials do not include AR or deferred revenue balances, which would be included on an accrual basis of accounting. These issues led to several journal entry adjustments to reconcile the AR and revenue accounts for 2007.
- Better segregation of duties between the deposit of funds and recording of revenue – We do have a segregation of duties that is documented. Mr. Nyp indicated he would reconsider this finding.
- Formal written policy on collection for outstanding balances – We have an internal written procedure for billing clients and a formal write-off policy as established by the Board. This documentation will be sent to Mr. Nyp.

Recommendations

- We be in compliance with the Fair Labor Standards Act (FLSA) in regards to exempt and non-exempt personnel – We did make this change in March 2008, and do not believe it will be an issue for the 2008 audit.
- We retain a written record on client eligibility information (proof of income) for WIC – We explained to Mr. Nyp that we are following the guidelines from the Kansas WIC Policy & Procedure Manual provided to us by KDHE that does not require that we physically keep a copy of the proofs. Also, annual KDHE audits have never made a similar finding. Mr. Nyp has forwarded us a copy of the federal regulation A-133 that the auditors interpret and use for their findings. The accounting firm interprets the regulation to require physical copies of the documentation.

From: A-133 Compliance Supplement 4-10.557-9 March 2008 WIC USDA

c. *Income* - An applicant must meet an income standard established by the State agency or be determined to be automatically (adjunctively) income-eligible based on documentation of his/her eligibility, or certain family members' eligibility, for the following Federal programs: (1) Temporary Assistance for Needy Families (formerly Aid To Families With Dependent Children); (2) Medicaid; or (3) Food Stamps. State agencies may also determine an individual automatically income-eligible, based on documentation of his/her eligibility for certain State-administered programs. With limited exceptions, applicants who are not adjunctively or automatically income eligible for WIC must provide documentation of family income at their initial or subsequent certification (42 USC 1786(d)(3)(D); 7 CFR sections 246.2 (definition of "family"), 246.7(c), and 246.7(d)).

A-133 Compliance Supplement 4-10.557-9 March 2008 WIC USDA *Income Guidelines* - The income standard established by the State agency may be up to 185 percent of the poverty income guidelines issued annually by HHS or State or local income guidelines used for free and reduced-price health care. However, in using health care guidelines, the income guidelines for WIC must be between 100 and 185 percent of the poverty income guidelines. Local agency income guidelines may vary as long as they are based on the guidelines used for free and reduced-price health care (7 CFR section 246.7(d)(1)). Effective March 27, 2007, income determinations based on State or local health care guidelines are subject to the definition of "family" in 7 CFR section 246.2, the definition of "income" in 7 CFR section 246.7(d)(2)(ii), and the exclusions from income in 7 CFR section 246.7(d)(2)(iv) (7 CFR sections 246.2 and 246.7(d)(2)). The WIC income eligibility guidelines are issued each year in the *Federal Register* and are available on FNS's WIC web site (<http://www.fns.usda.gov/wic>).

Income Eligibility Determination - Except for applicants determined to be automatically income-eligible, income is based on gross income and other cash readily available to the family or economic unit. Certain Federal payments and benefits, listed at 7 CFR section 246.7(d)(2)(iv)), are excluded from the computation of income. In addition, the State agency may exclude housing allowances received by military services personnel residing off military installations or in privatized housing, whether on or off-base (7 CFR section 246.7(d)(2)(iv)(A)(1)). The State agency also may exclude any cost-of-living allowance provided to military personnel who are on duty outside the contiguous States of the United States (7 CFR section 246.7(d)(2)(iv)(A)(2)).

At a minimum, in-stream (away from home base) migrant farm workers and their families with expired Verification of Certification cards shall meet the State agency's income standard provided that the income of the family is determined at least once every 12 months (7 CFR section 246.7(d)(2)(ix)).

An Indian State agency, or a State agency acting on behalf of an Indian local agency, may submit reliable data that proves to FNS that the majority of Indian households in a local agency service area have incomes at or below the State agency's income guidelines. In such cases, FNS may authorize the State agency to permit the use of an abbreviated income screening process whereby an applicant affirms, in writing, that his/her family income is within the State agency's prescribed guidelines (7 CFR section 246.7(d)(2)(viii)).

A-133 Compliance Supplement 4-10.557-10 March 2008 WIC USDA

State agencies may instruct local agencies to consider family income over the preceding 12 months or the family's current rate of income, whichever indicator more accurately reflects the family's income status. However, applicants in which an adult member is unemployed shall have income determined based on the period of unemployment. **A State or local agency may require verification of information which it determines necessary to confirm income eligibility** (7CFR sections 246.7(d)(2)(i) and (v)).

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Dan Partridge
Executive Director
Lawrence-Douglas County Health Department

In planning and performing our audit of the financial statements of Douglas County, Kansas, (the reporting entity) which includes Lawrence-Douglas County Health Department as a component unit, as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control.

1. Capital asset accounting. We recommend that a capital asset policy be established and approved with the following features:
 - a. when durable items above a certain dollar amount (to be set by the Center) such as cars, computers and other electronics and furniture or equipment are purchased such items should be listed on an inventory maintained in central accounting. This inventory should be detailed enough to identify each item and to track its purchase back to the vendor invoice.
 - b. the responsibility for the physical security of those items should be entrusted to a specific individual (the "custodian") who will be held accountable if the item is lost, stolen or destroyed, and
 - c. a physical inventory should be done at least annually by someone other than the custodian with a report of any exceptions going to management.
2. During the audit large and numerous adjustments were necessary for accounts receivable, revenue and deferred revenue accounting. To ensure strong financial management practices, the proper controls over

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revenues are imperative in determining budget, forecasting, reconcillations and general oversight over the various revenues collected. As part of performing governmental services, management must provide for appropriate mechanisms, automated and manual, to collect all funds for services performed to ensure that proper controls exist over all receipts. When formulating cash receipt controls and policy statements, it is imperative that such controls be adequately designed and focus especially on such risk areas as decentralized cash receipts. We recommend that a comprehensive and detailed policy be established that includes at a minimum the following features.

- a. Proper flow of revenue through the accounting records including the daily collection of receipts reconciled to the subsequent daily deposit.
- b. Reconciliation of accounts receivable, bad debt expense, revenue and deferred revenue to detail records every month, including a detailed review from an individual independent of the accounting process.
- c. Segregation of duties between the deposit of funds and the recording of revenue.
- d. Comprehensive collection and write-off policy reviewed periodically and approved by the Board.

This report is intended for the use of the Board of Directors and other members of management of Lawrence-Douglas County Health Department and the Douglas County Commission and is not intended to be and should not be used by anyone other than these specified parties.

Lowenthal, Singleton, Webb & Wilson

Professional Association

October 2, 2008

c. Douglas County Commission

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In planning and performing our audit of the financial statements of Douglas County, Kansas, (the reporting entity) which includes Lawrence-Douglas County Health Department as a component unit, as of and for the year ended December 31, 2007, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. (A separate report dated October 2, 2008, contains our report on significant deficiencies in the Organization's internal control.) This letter does not affect our report dated October 2, 2008, on the financial statements of Douglas County, Kansas (the reporting entity) which includes Lawrence-Douglas County Health Department as a component unit.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

1. The Federal Fair Labor Standards Act (FLSA) requires that covered employees be paid time and one-half hours for worked in excess of 40 in any one week. A Mississippi law firm has recently been successful in representing current and former hourly school district employees in Oklahoma and seven other southern states to obtain settlements based on the claim that the school district employers did not make these payments properly. Some of these settlements have been in the hundreds of thousands of dollars even approaching one million dollars in one case.

First, make sure that you are complying with the FLSA by paying your covered employees time and one-half hours worked in excess of 40 hours in one week. Second, check that your payroll records accurately show the hours worked and that you consider maintaining these records indefinitely, not just for the minimum of three years. And third, if you believe that you may not have properly complied with this or any other requirement of the FLSA, consult with your attorney as soon as possible.

2. We recommend that eligibility information for WIC clients be copied and retained in compliance with the Health Department's record retention policy.

This report is intended for the information of the board of directors of Lawrence-Douglas County Health Department, management and the Douglas County Commission and should not be used by anyone other than these specified parties.

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D. Longevity Bonus

Employees who have worked 5 consecutive years or more for the LDCHD in a position designated as half-time or greater are eligible for an annual longevity bonus. The bonus is included in the employee's paycheck in the anniversary month. The employee must have received an overall performance review of meeting or exceeding expectations on their most recent performance review to be eligible for a longevity bonus.

Full-time employees who are eligible for the longevity bonus receive \$210 upon completing their 5th consecutive year of service. Each additional year increases the longevity bonus by \$42; the maximum is \$840. The longevity bonus is prorated for part-time employees based on the employee's assigned full-time equivalency (FTE) value.

This longevity bonus shall be limited to those employees designated as half-time or greater hired on or before December 31, 2008.