Business Manager Report
March 24, 2005

1 Bank Account Balances-

	February 28, 2005
General Fund Cash Accounts	
PNC, PSDLAF, PSDMAX, PLGIT	
Investments, PSDLAF	$ 837,907.44
ECTS Capital Reserve Fund, PSDLAF	$ 121,097.93
ECTS Foundation-PNC, PSDLAF	$ 209,053.25
Food Service Fund- PNC	$ 8,095.77
Student Activities Fund-PNC	$ 13,947.47
Total All Funds- bank balances	$ 1,190,101.86

2 General Fund-
Revenue and Expenditure Summary

February 28, 2005

ECTS-High School	Annual Budget	Actual	%
Fund Balance July 1, 2004	$ 188,889	$ 299,906	
		Year-to-Date	
Revenue	$ 4,056,226	$ 2,476,544	61.06%
Expenditure	$ 4,245,115	$ 2,439,748	57.47%
Change	$ (188,889)	$ 36,795	
Fund Balance	$ -	$ 336,701	

RCTC	Annual Budget	Actual	%
Fund Balance July 1, 2003	$ 115,900	$ 122,856	
		Year-to-Date	
Revenue	$ 403,167	$ 197,882	49.08%
Expenditure	$ 403,167	$ 162,284	40.25%
Change	$ -	$ 35,598	
Fund Balance	$ 115,900	$ 158,454	

3 Food Service Fund-
Income and Expense Summary

February 28, 2005

	Annual Budget	Actual	%
Retained Earnings- July 1, 2004	$ 24,893	$ 24,893	
		Year-to-Date	
Revenue	$ 113,986	$ 61,176	53.67%
Expense	$ 111,806	$ 58,641	52.45%
Gain/ (loss)	$ 2,180	$ 2,535	
Retained earnings	$ 27,073	$ 27,429	

4 **ECTS Capital Reserve Fund-**

February 28, 2005

	Annual Budget	Actual	%
Fund Balance-July 1, 2004			
High School designated	$ 236,441	$ 236,441	
		Year-to-Date	
Plus: Transfers from General Fund		$ 11,729	
Sale of assets-surplus	$ -	$ -	
Interest-PSDLAF	$ 2,000	$ 1,915	95.75%
	$ 2,000	$ 13,644	
Less: Expenditures			
Lease, equipment	$ 176,898	$ 132,092	74.67%
Fund Balance	$ 61,543	$ 117,993	

5 **ECTS Foundation-**

	February 28, 2005
Fund Balance - July 1, 2004	$ 236,441
Contributions and revenues-YTD	$ 1,987
Expenditures-YTD	$ 3,841
Fund Balance - YTD	$ 234,587

6 **NOREBT-ECTS**

	mo/EE $630 Medical/ Rx	mo/EE $65 Dental	mo/EE $6 Vision	Mini-pool	mo/EE $701 Total
Account Balance July 1, 2004	$ 338,925	$ (2,243)	$ 3,198	$ 201,387	$ 541,267
Plus: YTD Contributions	$ 236,573	$ 25,426	$ 2,270	$ 31,331	$ 295,601
Less: YTD gross claims	$ 222,585	$ 24,532	$ 2,504		$ 249,620
Less: Admin expenses/stop-loss ins	$ 20,590	$ 1,186	$ 295	$ 31,331	$ 53,403
Less: Total YTD claims/exps.	$ 243,175	$ 25,719	$ 2,799	$ 31,331	$ 303,023
Total YTD claims and expenses					
YTD contribution less expense	$ (6,601)	$ (292)	$ (529)	$ 0	$ (7,422)
Account balance -1/31/05 YTD 7	$ 332,324	$ (2,535)	$ 2,669	$ 201,387	$ 533,845
Months of claims in reserve	10.5	(1)	$ 7.5		15.0
avg monthly claims	$ 31,798	$ 3,505	$ 324		$ 35,660
NOREBT- prepaid claims/expenses					
ECTS account balances	$ 332,457				
ECTS mini-pool share	$ 201,387				
Reserved Fund Balance-prepaid medical	$ 533,845				

7 Other information

a Auditor General staff completed their audit with an exit conference on March 11, 2005
The draft report includes a findng regarding internal controls for the use of procurement cards;
sales tax, control of cards, documentation/receipts

b NOREBT approved the contribution rates for 2005-06:

	2005-06		2004-05	
Medical and Rx- + 11.4%	$772/mo	$9,264/yr	$693/mo	$8,316/yr
Dental- +8.8%	$74/mo	$898/yr	$68/mo	$816/yr
Vision - + 0.0%	$6/mo	$72/yr	$6/mo	$72/yr
Total per covered employee- +11.1%	$852/mo	$10,224/yr	$767/mo	$9,204/yr

c 2005-06 ECTS Budget has been approved by 5 districts (as of 3/23)
(North East, Fort LeBoeuf, Union City, Fairview, General McLane)

d Completed paperwork with PNC Bank for web based direct deposit, bill payments, ACH transfers
PNC Bank - Pinnacle Express.

e Budget transfers will be competed in April to finish the current school year to reflect planned expenditures

f Working with Kathy Palloto, Food Service Manager, as she transitions into her administrative role:
PASBO membership, training opportunities, record keeping, etc.

March 11, 2005

Management Comments
Finding and Recommendations-Internal Controls Governing Procurement Cards

The procurement card program was instituted for the 2004-2005 school year and has been in use for the past 8 months. The program was developed and implemented to improve the efficiency of purchasing and payment activities and to reduce processing expenses of producing requisitions, purchase orders and checks as well as to improve vendor relationships. The program has been very successful thus far and is expected to continue and improve. The first year of implementation was expected to be a learning experience with modifications to policies and practices to be made as the system matures.

ECTS administration recognizes that the internal controls that are established for use of the cards need to be consistently and diligently adhered to. Card usage has been closely monitored for appropriateness of goods and services being purchased and for proper documentation of purchases and budgetary accounting.

Auditor recommendations are reasonable and will be addressed;

1. The Operating Committee has adopted Board Policy No. 625 – Procurement cards

2. ECTS personnel are required to follow the usage agreement. Follow-up staff training will be provided at least annually.

    a. Gasoline and food purchases will be fully documented
    b. Reinforce that purchases are exempt from Pa sales tax
    c. Only cardholders are permitted to purchase goods and services with their card; no other employee can purchase with someone else's card
    d. Cardholder is responsible for the proper budgetary accounting of purchases.

3. Receipts or substantive documentation is required for all card purchases, or reimbursement will be collected.

4. Cardholders will be required to use only vendors that will cancel reservations, etc. at no charge.

5. Cardholders are required, by agreement, to safeguard their procurement cards.