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ERIE COUNTY LEGISLATURE

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## County of Erie

NANCY A. NAPLES  
COMPTROLLER

December 18, 1998

Mr. Paul Candino  
Chief Executive Officer  
ECMC Healthcare Network  
462 Grider Street  
Buffalo, New York 14215

Dear Mr. Candino:

We have completed a review of the Erie County Medical Center Healthcare Network's (ECMC) cash management practices with particular attention to vendor check disbursements for the period April 1, 1998 through June 30, 1998.

During the three-month period ended June 30, 1998, ECMC processed for payment approximately 10,700 invoices, paid by 2,950 checks totaling \$18.5 million. Our review included all checks greater than \$15,000. This sample covered approximately \$13.6 million, 73.5% of the dollar value of all checks written.

ECMC does not maintain a daily available cash balance. As vendor checks are released, ECMC must borrow from the County's General Fund to cover the checks. In order for the County to have an available cash balance that is sufficient to fund General Fund operating expenses and ECMC operating expenses, the County must issue short term notes in the form of Revenue Anticipation Notes (RANs). The timing and frequency of ECMC's borrowing from the General Fund affects the County's investment opportunities and borrowing costs. The County forfeits the opportunity to earn interest on the investment of its available cash balances when cash has to be advanced to ECMC. The County also incurs additional interest expense whenever it has to increase the size of its short term borrowing to fund additional ECMC expenses.

The objective of our review was to determine whether ECMC's current cash management practices cause ECMC to needlessly borrow from the General Fund thereby causing the County to forfeit investment opportunities and to incur additional borrowing costs. ECMC currently does not have an established policy covering a standard payment cycle time. Therefore, the criteria used for determining whether invoices were paid early or late was based on the timing of payments in comparison to the invoice due date. Our review included the following:

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- A measurement of the time from the invoice Due Date to the Check Release Date. The due date was identified as (1) the due date as indicated on the invoice, (2) per contractual agreement, or (3) 30 days from the invoice date.
- A measurement of the total "Payment Cycle Time." The payment cycle time was estimated as the time from the Invoice Date to the Check Release Date.
- A review of ECMC's cash disbursement strategy and its impact on ECMC's borrowing from the County's General Fund.

The detail findings are summarized in the attached appendices.

It was observed that ECMC's cash disbursements are not sufficiently managed and controlled. The average payment cycle time for all invoices reviewed was approximately 49 days. Invoices which were paid early had an average payment cycle time of 32 days and invoices paid late had an average payment cycle time of 68 days. Additionally, it was determined that the amount of General Fund cash advances to ECMC could be reduced if ECMC implemented a cash management strategy that coordinated the timing of check disbursements with cash receipts.

Currently ECMC releases vendor checks without monitoring the impact to the General Fund. The lack of a cash management strategy causes the amount of the General Fund cash advances to ECMC to be higher than it has to be during certain days of the month. This forces the County to size the County's short-term borrowing program higher than it has to be, causing greater interest expense and also results in less investment opportunities for the General Fund.

The increase in the County short-term borrowing costs for 1998 was approximately \$91,000 (Appendix B). In addition, the loss of investment opportunities based on current rates of return, amounted to approximately \$230,000 (Appendix C).

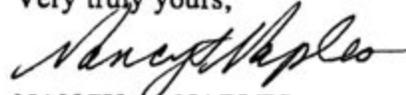
A coordinated cash management strategy would benefit both ECMC and the County's General Fund. To reduce the intra-month additional General Fund cash advance and to better measure and monitor the payment cycle time, we recommend the following:

- Establish a payment cycle within industry standards without jeopardizing vendor delivery or available discounts.
- Establish a policy of coordinating the release of vendor checks with intra-month cash receipts.
- Process invoices for payment with a specified "check date" instead of "cycle number." The "check date" should correspond to the established policy.
- All invoices should be date stamped upon receipt. The date each invoice is received should be entered in the "Power Center" system to facilitate determination of the payment cycle time.

Mr. Paul Candino  
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We urge you to consider the recommendations contained herein. If you have any questions or if you would like to further discuss the items above, please feel free to contact either me or John Rizzo, Deputy Comptroller - Audit & Control.

Very truly yours,



NANCY A. NAPLES  
County Comptroller

jr

Att.

c: Hon. Erie County Legislature

Hon. Dennis T. Gorski, County Executive

Mr. Kenneth C. Kruly, Director, Budget, Management & Finance

Mr. Mark R. Zygaj, Chief Financial Officer, ECMC

**ECMC Check Disbursements Analysis**  
**4/1/98 - 6/30/98**  
**Checks > \$15,000**

Table A is a summary of our review of the ECMC vendor disbursements. All checks greater than \$15,000 were reviewed. There was a total of 238 checks covering the payment for 3,424 invoices. This summary is further broken down as follows: Tables B and C represent two major suppliers - Buffalo Hospital Supply and McKesson Drug Co; Table D illustrates disbursements for the Erie County Home; Table E illustrates disbursements of ECMC (excluding the Home and the two major suppliers).

**TABLE A - Summary of ECMC Vendor Disbursements**

<b>TOTAL</b>	<b>#</b>	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>Average Cycle Time (4)</b>
Invoices Paid Early - prior to due date (1)		1,633		5,542,401.92	32 days
Average Days Early	8				
Interest Cost (2)			(7,362.42)		
Invoices Paid late -after due date (1)		1,637		7,848,041.40	68 days
Average Days Late	35				
Interest Cost Savings (2)			40,048.16		
Invoices paid on due date (1)		130		224,064.21	32 days
Credits (3)		24		(18,105.59)	
Total		3,424	\$32,685.74	\$13,596,401.94	49 days

- (1) Due date = date per invoice; or date per contractual agreement; or net/30 from invoice date.
- (2) ECMC does not maintain a cash balance, but rather a constantly moving "Due To" Erie County. This analysis assumes every disbursement results in an increase to the "Due To" and the incurring of interest cost. The amount calculated as interest cost savings represents the impact of the delay in increasing the "Due To" based on the number of days the invoice is paid after the required due date.
- (3) Vendor credit memos received.
- (4) Average Cycle Time = the time from the invoice date to check release date. The check release date was identified as the check date or check held release date.

**TABLE B - Disbursements to Buffalo Hospital Supply**

<b>Buffalo Hospital Supply (BHS)</b>	<b>#</b>	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>Average Cycle Time (4)</b>
Invoices Paid Early - prior to due date (1)		1,015		633,968.32	25 days
Average Days Early	6				
Interest Cost (2)			(566.34)		
Invoices Paid late -after due date (1)		653		491,354.80	58 days
Average Days Late	27				
Interest Cost Savings (2)			1,821.21		
Invoices paid on due date (1)		108		63,084.26	32 days
Credits (3)		5		(665.24)	
<b>Total</b>		<b>1,781</b>	<b>\$1,254.87</b>	<b>\$1,187,742.14</b>	<b>37 days</b>

**TABLE C - Disbursements to McKesson Drug Co.**

<b>McKesson Drug Co.</b>	<b>#</b>	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>Average Cycle Time (4)</b>
Invoices Paid Early - prior to due date (5)		428		657,999.43	49 days
Average Days Early	12				
Interest Cost (2)			(1,191.87)		
Invoices Paid late -after due date (5)		45		65,965.76	79 days
Average Days Late	18				
Interest Cost Savings (2)			168.64		
Invoices paid on due date (5)		9		10,766.14	61 days
Credits (3)		2		(24.91)	
<b>Total</b>		<b>484</b>	<b>(\$1,023.23)</b>	<b>\$734,706.42</b>	<b>52 days</b>

- (1) Due date = date per invoice; or date per contractual agreement; or net/30 from invoice date.
- (2) ECMC does not maintain a cash balance, but rather a constantly moving "Due To" Erie County. This analysis assumes every disbursement results in an increase to the "Due To" and the incurring of interest cost. The amount calculated as interest cost savings represents the impact of the delay in increasing the "Due To" based on the number of days the invoice is paid after the required due date.
- (3) Vendor credit memos received.
- (4) Average Cycle Time = the time from the invoice date to check release date. The check release date was identified as the check date or check held release date.
- (5) Due date for all McKesson invoices are net/60 from invoice date.

**TABLE D - Disbursements of the Erie County Home**

<b>EC HOME</b>	<b>#</b>	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>Average Cycle Time (4)</b>
Invoices Paid Early - prior to due date (1)		39		620,403.58	38 days
Average Days Early	5				
Interest Cost (2)			(626.51)		
Invoices Paid late -after due date (1)		93		1,427,168.91	61 days
Average Days Late	29				
Interest Cost Savings (2)			9,226.73		
Invoices paid on due date (1)		3		7,148.90	41 days
Credits (3)		2		(987.32)	
<b>Total</b>		<b>137</b>	<b>\$8,600.22</b>	<b>\$2,053,734.07</b>	<b>54 days</b>

**TABLE E - Disbursements of the ECMC (excluding EC Home, BHS, McKesson)**

<b>ECMC (excluding: EC Home, BHS, McKesson)</b>	<b>#</b>	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>Average Cycle Time (4)</b>
Invoices Paid Early - prior to due date (1)		151		3,630,030.59	30 days
Average Days Early	10				
Interest Cost (2)			(4,977.70)		
Invoices Paid late -after due date (1)		846		5,863,551.93	76 days
Average Days Late	43				
Interest Cost Savings (2)			28,831.58		
Invoices paid on due date (1)		10		143,064.91	11 days
Credits (3)		15		(16,428.12)	
<b>Total</b>		<b>1,022</b>	<b>\$23,853.88</b>	<b>\$9,620,219.31</b>	<b>69 days</b>

- (1) Due date = date per invoice; or date per contractual agreement; or net/30 from invoice date.
- (2) ECMC does not maintain a cash balance, but rather a constantly moving "Due To" Erie County. This analysis assumes every disbursement results in an increase to the "Due To" and the incurring of interest cost. The amount calculated as interest cost savings represents the impact of the delay in increasing the "Due To" based on the number of days the invoice is paid after the required due date.
- (3) Vendor credit memos received.
- (4) Average Cycle Time = the time from the invoice date to check release date. The check release date was identified as the check date or check held release date.

**RAN IMPACT**

The County must always maintain an available cash balance sufficient to fund General Fund and ECMC operations. In order to achieve this objective the County issues short term notes to borrow funds for operating purposes. The amount and frequency of ECMC's requests for cash advances affects the size of the General Fund borrowings. The more ECMC borrows from the General Fund, the more the County must issue in short-term notes to sustain countywide operations.

The County's note sale occurs once a year and is sized based on the cumulative cash deficit before the collection of real property taxes. If the amount of General Fund advances to ECMC increases at that time, the size of the note issuance is increased.

The following example illustrates savings which could be realized by managing the timing of the release of vendor checks to the end of the month:

Advance to ECMC at the time of sizing of the County's note sale (Current ECMC cash management practice)	\$48,550,442
Advance to ECMC at the time of sizing of the County's note sale (ADJUSTED to reflect vendor disbursements held to the end of the month)	\$46,263,635
	<hr/>
Difference	\$ 2,286,807
Cost Savings based on current borrowing rate of 4%	\$ 91,472 =====

By timing the release of vendor disbursements to the end of the month, the General Fund advance to ECMC would be \$2,286,807 lower and the amount that must be borrowed would be \$2,286,807 less. The decrease in cash advance would save the County \$91,472 in borrowing costs, as illustrated above.

ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)

The following schedule quantifies the additional interest earnings that could be realized by the County if vendor checks were held and released at month end. By releasing vendor checks at month end the amount of intra-month advance to ECMC would be lower allowing the County the opportunity to have more intra-month investments.

	DAILY BALANCE (1)	DAILY BALANCE (2)	VENDOR CHECKS	ADDITIONAL INTEREST EARNINGS (3) Per Day
1/1/98	(40,326,410)	(40,326,410)		
1/2/98	(38,572,974)	(37,985,416)	587,558	85.69
1/3/98	(38,572,974)	(37,985,416)	587,558	85.69
1/4/98	(38,572,974)	(37,985,416)	587,558	85.69
1/5/98	(38,870,248)	(38,004,527)	865,721	126.25
1/6/98	(39,935,228)	(37,940,161)	1,995,067	290.95
1/7/98	(36,723,835)	(34,706,968)	2,016,867	294.13
1/8/98	(37,150,364)	(34,504,449)	2,645,915	385.86
1/9/98	(41,045,553)	(38,124,501)	2,921,052	425.99
1/10/98	(41,045,553)	(38,124,501)	2,921,052	425.99
1/11/98	(41,045,553)	(38,124,501)	2,921,052	425.99
1/12/98	(40,921,764)	(37,657,645)	3,264,119	476.02
1/13/98	(40,738,961)	(37,474,842)	3,264,119	476.02
1/14/98	(40,881,115)	(37,474,842)	3,406,273	496.75
1/15/98	(41,089,440)	(37,683,167)	3,406,273	496.75
1/16/98	(42,246,325)	(37,606,841)	4,639,484	676.59
1/17/98	(42,246,325)	(37,606,841)	4,639,484	676.59
1/18/98	(42,246,325)	(37,606,841)	4,639,484	676.59
1/19/98	(42,246,325)	(37,606,841)	4,639,484	676.59
1/20/98	(42,329,404)	(37,598,077)	4,731,328	689.99
1/21/98	(38,209,468)	(33,457,848)	4,751,620	692.94
1/22/98	(37,429,080)	(32,677,459)	4,751,620	692.94
1/23/98	(42,300,812)	(37,052,213)	5,248,599	765.42
1/24/98	(42,300,812)	(37,052,213)	5,248,599	765.42
1/25/98	(42,300,812)	(37,052,213)	5,248,599	765.42
1/26/98	(42,617,663)	(36,825,654)	5,792,009	844.67
1/27/98	(42,429,623)	(36,611,726)	5,817,897	848.44
1/28/98	(40,683,360)	(34,788,985)	5,894,375	859.60
1/29/98	(40,437,466)	(34,543,091)	5,894,375	859.60
1/30/98	(39,455,273)	(33,071,640)	6,383,633	930.95

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)

	DAILY BALANCE (1)	DAILY BALANCE (2)	VENDOR CHECKS	ADDITIONAL INTEREST EARNINGS (3) Per Day
1/31/98	(39,456,235)	(39,456,235)	(0)	(0.00)
2/1/98	(44,516,440)	(44,516,440)	(0)	(0.00)
2/2/98	(44,652,033)	(44,632,794)	19,239	2.81
2/3/98	(44,886,399)	(44,479,252)	407,147	59.38
2/4/98	(43,776,169)	(41,905,190)	1,870,980	272.85
2/5/98	(43,977,373)	(41,748,528)	2,228,845	325.04
2/6/98	(48,550,442)	(46,263,635)	2,286,808	333.49
2/7/98	(48,550,442)	(46,263,635)	2,286,808	333.49
2/8/98	(48,550,442)	(46,263,635)	2,286,808	333.49
2/9/98	(46,696,570)	(44,409,763)	2,286,808	333.49
2/10/98	(46,862,405)	(44,109,984)	2,752,422	401.39
2/11/98	(45,494,666)	(42,323,065)	3,171,601	462.53
2/12/98	(45,407,824)	(42,201,901)	3,205,923	467.53
2/13/98	(45,265,056)	(42,032,134)	3,232,922	471.47
2/14/98	(45,265,056)	(42,032,134)	3,232,922	471.47
2/15/98	(45,668,822)	(42,435,900)	3,232,922	471.47
2/16/98	(45,668,822)	(42,435,900)	3,232,922	471.47
2/17/98	(45,029,665)	(41,670,914)	3,358,751	489.82
2/18/98	(42,247,930)	(38,889,179)	3,358,751	489.82
2/19/98	(42,125,894)	(38,767,143)	3,358,751	489.82
2/20/98	(48,946,498)	(42,959,830)	5,986,668	873.06
2/21/98	(49,235,722)	(42,959,830)	6,275,891	915.23
2/22/98	(49,235,722)	(42,959,830)	6,275,891	915.23
2/23/98	(49,068,954)	(42,793,063)	6,275,891	915.23
2/24/98	(48,611,921)	(42,336,030)	6,275,891	915.23
2/25/98	(46,695,470)	(40,419,578)	6,275,891	915.23
2/26/98	(46,167,517)	(39,891,626)	6,275,891	915.23
2/27/98	(45,920,416)	(39,644,525)	6,275,891	915.23
2/28/98	(45,921,772)	(45,921,772)	(0)	(0.00)
3/1/98	(47,083,240)	(47,083,240)	(0)	(0.00)
3/2/98	(45,546,025)	(45,417,364)	128,661	18.76
3/3/98	(45,392,278)	(45,263,617)	128,661	18.76
3/4/98	(42,902,178)	(42,773,517)	128,661	18.76
3/5/98	(42,836,628)	(42,489,175)	347,453	50.67

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)

	DAILY BALANCE (1)	DAILY BALANCE (2)	VENDOR CHECKS	ADDITIONAL INTEREST EARNINGS (3) Per Day
3/6/98	(49,606,161)	(45,982,337)	3,623,824	528.47
3/7/98	(49,606,161)	(45,982,337)	3,623,824	528.47
3/8/98	(49,606,161)	(45,982,337)	3,623,824	528.47
3/9/98	(49,356,749)	(45,732,925)	3,623,824	528.47
3/10/98	(48,969,838)	(45,332,037)	3,637,801	530.51
3/11/98	(47,888,346)	(44,249,100)	3,639,245	530.72
3/12/98	(47,631,357)	(43,992,111)	3,639,245	530.72
3/13/98	(47,496,130)	(43,856,884)	3,639,245	530.72
3/14/98	(47,496,130)	(43,856,884)	3,639,245	530.72
3/15/98	(47,722,385)	(44,083,139)	3,639,245	530.72
3/16/98	(47,885,328)	(44,246,082)	3,639,245	530.72
3/17/98	(47,712,731)	(44,073,266)	3,639,465	530.76
3/18/98	(47,000,053)	(41,356,381)	5,643,672	823.04
3/19/98	(46,174,191)	(40,530,519)	5,643,672	823.04
3/20/98	(49,688,707)	(44,050,820)	5,637,887	822.19
3/21/98	(49,688,707)	(44,050,820)	5,637,887	822.19
3/22/98	(49,688,707)	(44,050,820)	5,637,887	822.19
3/23/98	(49,380,349)	(43,742,461)	5,637,887	822.19
3/24/98	(49,078,846)	(43,440,959)	5,637,887	822.19
3/25/98	(47,696,260)	(41,904,588)	5,791,672	844.62
3/26/98	(47,536,717)	(41,745,046)	5,791,672	844.62
3/27/98	(46,982,282)	(41,190,610)	5,791,672	844.62
3/28/98	(46,982,282)	(41,190,610)	5,791,672	844.62
3/29/98	(46,982,282)	(41,190,610)	5,791,672	844.62
3/30/98	(47,028,506)	(41,236,835)	5,791,672	844.62
3/31/98	(46,782,743)	(46,782,743)	(0)	(0.00)
4/1/98	(45,308,208)	(43,486,731)	1,821,478	265.63
4/2/98	(46,829,655)	(42,387,073)	4,442,582	647.88
4/3/98	(51,134,611)	(46,692,029)	4,442,582	647.88
4/4/98	(51,134,611)	(46,692,029)	4,442,582	647.88
4/5/98	(51,134,611)	(46,692,029)	4,442,582	647.88
4/6/98	(50,935,742)	(46,493,161)	4,442,582	647.88
4/7/98	(50,590,373)	(46,147,791)	4,442,582	647.88
4/8/98	(49,321,524)	(44,783,749)	4,537,775	661.76

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

**ECMC Check Disbursements**  
(Impact of Cash Disbursements at Month end)

	DAILY BALANCE (1)	DAILY BALANCE (2)	VENDOR CHECKS	ADDITIONAL INTEREST EARNINGS (3) Per Day
4/9/98	(49,055,743)	(44,517,968)	4,537,775	661.76
4/10/98	(48,100,259)	(43,562,484)	4,537,775	661.76
4/11/98	(48,100,259)	(43,562,484)	4,537,775	661.76
4/12/98	(48,100,259)	(43,562,484)	4,537,775	661.76
4/13/98	(49,142,799)	(43,697,796)	5,445,003	794.06
4/14/98	(49,093,524)	(43,648,520)	5,445,003	794.06
4/15/98	(46,407,342)	(40,962,338)	5,445,003	794.06
4/16/98	(48,220,974)	(40,730,096)	7,490,878	1,092.42
4/17/98	(51,889,229)	(44,398,352)	7,490,878	1,092.42
4/18/98	(51,889,229)	(44,398,352)	7,490,878	1,092.42
4/19/98	(51,889,229)	(44,398,352)	7,490,878	1,092.42
4/20/98	(51,743,503)	(44,252,625)	7,490,878	1,092.42
4/21/98	(51,597,313)	(44,075,515)	7,521,798	1,096.93
4/22/98	(50,439,691)	(42,986,943)	7,452,749	1,086.86
4/23/98	(49,497,189)	(42,044,441)	7,452,749	1,086.86
4/24/98	(49,322,529)	(41,869,102)	7,453,427	1,086.96
4/25/98	(49,322,529)	(41,869,102)	7,453,427	1,086.96
4/26/98	(49,322,529)	(41,869,102)	7,453,427	1,086.96
4/27/98	(49,233,517)	(41,778,762)	7,454,755	1,087.15
4/28/98	(49,079,750)	(41,624,995)	7,454,755	1,087.15
4/29/98	(45,599,001)	(38,129,183)	7,469,817	1,089.35
4/30/98	(45,813,565)	(45,813,565)	(0)	(0.00)
5/1/98	(49,150,666)	(47,442,305)	1,708,362	249.14
5/2/98	(49,150,666)	(47,442,305)	1,708,362	249.14
5/3/98	(49,150,666)	(47,442,305)	1,708,362	249.14
5/4/98	(51,469,573)	(47,206,743)	4,262,830	621.66
5/5/98	(51,357,165)	(47,093,691)	4,263,474	621.76
5/6/98	(50,296,196)	(45,949,256)	4,346,940	633.93
5/7/98	(50,071,397)	(45,724,457)	4,346,940	633.93
5/8/98	(49,927,549)	(45,580,609)	4,346,940	633.93
5/9/98	(49,927,549)	(45,580,609)	4,346,940	633.93
5/10/98	(49,927,549)	(45,580,609)	4,346,940	633.93
5/11/98	(50,067,493)	(45,720,554)	4,346,940	633.93
5/12/98	(49,994,450)	(45,162,631)	4,831,819	704.64

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

**ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)**

	<b>DAILY BALANCE (1)</b>	<b>DAILY BALANCE (2)</b>	<b>VENDOR CHECKS</b>	<b>ADDITIONAL INTEREST EARNINGS (3) Per Day</b>
5/13/98	(47,312,144)	(42,480,325)	4,831,819	704.64
5/14/98	(47,383,916)	(42,338,356)	5,045,561	735.81
5/15/98	(50,986,651)	(45,941,090)	5,045,561	735.81
5/16/98	(50,986,651)	(45,941,090)	5,045,561	735.81
5/17/98	(50,986,651)	(45,941,090)	5,045,561	735.81
5/18/98	(50,860,202)	(45,814,642)	5,045,561	735.81
5/19/98	(50,691,483)	(45,633,995)	5,057,488	737.55
5/20/98	(50,749,309)	(44,688,604)	6,060,705	883.85
5/21/98	(50,450,685)	(44,389,980)	6,060,705	883.85
5/22/98	(51,937,505)	(44,115,203)	7,822,302	1,140.75
5/23/98	(51,937,505)	(44,115,203)	7,822,302	1,140.75
5/24/98	(51,937,505)	(44,115,203)	7,822,302	1,140.75
5/25/98	(51,937,505)	(44,115,203)	7,822,302	1,140.75
5/26/98	(51,968,677)	(44,146,375)	7,822,302	1,140.75
5/27/98	(49,318,849)	(41,466,547)	7,852,302	1,145.13
5/28/98	(48,953,411)	(41,113,617)	7,839,794	1,143.30
5/29/98	(52,090,837)	(44,249,851)	7,840,986	1,143.48
5/30/98	(52,090,837)	(44,249,851)	7,840,986	1,143.48
5/31/98	(52,300,366)	(52,300,366)	(0)	(0.00)
6/1/98	(50,821,121)	(50,375,300)	445,822	65.02
6/2/98	(50,590,418)	(50,144,597)	445,822	65.02
6/3/98	(53,172,454)	(48,946,384)	4,226,070	616.30
6/4/98	(52,749,532)	(48,513,925)	4,235,607	617.69
6/5/98	(52,041,935)	(47,806,328)	4,235,607	617.69
6/6/98	(52,041,935)	(47,806,328)	4,235,607	617.69
6/7/98	(52,041,935)	(47,806,328)	4,235,607	617.69
6/8/98	(52,160,316)	(47,920,224)	4,240,092	618.35
6/9/98	(51,947,632)	(47,707,540)	4,240,092	618.35
6/10/98	(50,331,482)	(46,046,765)	4,284,717	624.85
6/11/98	(47,285,931)	(43,024,124)	4,261,807	621.51
6/12/98	(51,860,591)	(47,598,784)	4,261,807	621.51
6/13/98	(51,860,591)	(47,598,784)	4,261,807	621.51
6/14/98	(51,860,591)	(47,598,784)	4,261,807	621.51
6/15/98	(50,624,853)	(46,318,254)	4,306,599	628.05

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

**ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)**

	<b>DAILY BALANCE (1)</b>	<b>DAILY BALANCE (2)</b>	<b>VENDOR CHECKS</b>	<b>ADDITIONAL INTEREST EARNINGS (3) Per Day</b>
6/16/98	(50,418,069)	(46,111,470)	4,306,599	628.05
6/17/98	(49,989,144)	(45,682,544)	4,306,599	628.05
6/18/98	(49,751,052)	(45,444,152)	4,306,899	628.09
6/19/98	(51,868,875)	(45,318,581)	6,550,295	955.25
6/20/98	(51,868,875)	(45,318,581)	6,550,295	955.25
6/21/98	(51,868,875)	(45,318,581)	6,550,295	955.25
6/22/98	(52,079,668)	(45,304,450)	6,775,218	988.05
6/23/98	(51,127,001)	(44,351,354)	6,775,646	988.12
6/24/98	(47,929,095)	(41,544,940)	6,384,156	931.02
6/25/98	(47,329,935)	(40,945,780)	6,384,156	931.02
6/26/98	(51,149,462)	(44,765,306)	6,384,156	931.02
6/27/98	(51,149,462)	(44,765,306)	6,384,156	931.02
6/28/98	(51,149,462)	(44,765,306)	6,384,156	931.02
6/29/98	(51,094,099)	(44,485,285)	6,608,814	963.79
6/30/98	(51,576,143)	(51,576,143)	(0)	(0.00)
7/1/98	(51,065,034)	(49,025,695)	2,039,340	297.40
7/2/98	(50,765,887)	(48,726,547)	2,039,340	297.40
7/3/98	(49,562,038)	(47,522,699)	2,039,340	297.40
7/4/98	(49,562,038)	(47,522,699)	2,039,340	297.40
7/5/98	(49,562,038)	(47,522,699)	2,039,340	297.40
7/6/98	(49,961,919)	(47,672,527)	2,289,392	333.87
7/7/98	(49,709,447)	(47,422,096)	2,287,351	333.57
7/8/98	(48,492,516)	(46,108,015)	2,384,501	347.74
7/9/98	(47,190,912)	(44,641,179)	2,549,732	371.84
7/10/98	(51,694,179)	(49,145,263)	2,548,916	371.72
7/11/98	(51,694,179)	(49,145,263)	2,548,916	371.72
7/12/98	(51,694,179)	(49,145,263)	2,548,916	371.72
7/13/98	(51,344,540)	(48,795,624)	2,548,916	371.72
7/14/98	(51,222,996)	(48,674,081)	2,548,916	371.72
7/15/98	(49,878,179)	(47,329,263)	2,548,916	371.72
7/16/98	(51,659,747)	(47,101,126)	4,558,621	664.80
7/17/98	(50,752,121)	(46,192,007)	4,560,113	665.02
7/18/98	(50,752,121)	(46,192,007)	4,560,113	665.02
7/19/98	(50,752,121)	(46,192,007)	4,560,113	665.02

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

**ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)**

	<b>DAILY BALANCE (1)</b>	<b>DAILY BALANCE (2)</b>	<b>VENDOR CHECKS</b>	<b>ADDITIONAL INTEREST EARNINGS (3) Per Day</b>
7/20/98	(50,913,395)	(46,302,128)	4,611,267	672.48
7/21/98	(50,371,827)	(45,760,561)	4,611,267	672.48
7/22/98	(46,568,377)	(41,894,970)	4,673,407	681.54
7/23/98	(46,269,742)	(41,581,835)	4,687,907	683.65
7/24/98	(50,574,751)	(45,887,918)	4,686,833	683.50
7/25/98	(50,574,751)	(45,887,918)	4,686,833	683.50
7/26/98	(50,574,751)	(45,887,918)	4,686,833	683.50
7/27/98	(50,133,530)	(45,439,475)	4,694,055	684.55
7/28/98	(49,856,062)	(45,161,208)	4,694,855	684.67
7/29/98	(48,722,374)	(44,027,519)	4,694,855	684.67
7/30/98	(48,277,652)	(43,582,797)	4,694,855	684.67
7/31/98	(46,142,330)	(46,142,330)	(0)	(0.00)
8/1/98	(46,879,282)	(46,879,282)	0	0.00
8/2/98	(46,879,282)	(46,879,282)	0	0.00
8/3/98	(44,894,896)	(40,884,066)	4,010,830	584.91
8/4/98	(44,579,891)	(40,569,061)	4,010,830	584.91
8/5/98	(41,924,815)	(37,913,985)	4,010,830	584.91
8/6/98	(42,027,508)	(37,701,481)	4,326,027	630.88
8/7/98	(44,684,545)	(40,358,517)	4,326,028	630.88
8/8/98	(44,683,284)	(40,357,256)	4,326,028	630.88
8/9/98	(44,683,284)	(40,357,256)	4,326,028	630.88
8/10/98	(44,426,719)	(40,100,692)	4,326,028	630.88
8/11/98	(44,368,592)	(39,929,309)	4,439,283	647.40
8/12/98	(43,488,401)	(39,053,351)	4,435,050	646.78
8/13/98	(43,147,150)	(38,651,206)	4,495,943	655.66
8/14/98	(42,131,370)	(37,635,427)	4,495,943	655.66
8/15/98	(42,500,429)	(38,004,486)	4,495,943	655.66
8/16/98	(42,500,429)	(38,004,486)	4,495,943	655.66
8/17/98	(42,503,744)	(38,007,801)	4,495,943	655.66
8/18/98	(42,274,259)	(37,777,517)	4,496,742	655.77
8/19/98	(42,319,048)	(35,716,990)	6,602,058	962.80
8/20/98	(41,904,523)	(35,302,465)	6,602,058	962.80
8/21/98	(46,206,640)	(39,604,582)	6,602,058	962.80
8/22/98	(46,206,640)	(39,604,582)	6,602,058	962.80

(1) Balance of outstanding cash advance.

(2) Balance of outstanding cash advance as in # (1) adjusted to reflect vendor disbursements at end of month.

(3) Earnings opportunity with moneys invested intra-month. (vendor checks held until month end) rate used 5.25 %

ECMC Check Disbursements  
(Impact of Cash Disbursements at Month end)

	DAILY BALANCE (1)	DAILY BALANCE (2)	VENDOR CHECKS	ADDITIONAL INTEREST EARNINGS (3) Per Day
8/23/98	(46,206,640)	(39,604,582)	6,602,058	962.80
8/24/98	(45,978,081)	(39,376,023)	6,602,058	962.80
8/25/98	(45,193,729)	(38,591,671)	6,602,058	962.80
8/26/98	(43,708,388)	(37,106,330)	6,602,058	962.80
8/27/98	(43,264,736)	(36,641,869)	6,622,867	965.83
8/28/98	(43,131,644)	(36,508,777)	6,622,867	965.83
8/29/98	(43,131,644)	(36,508,777)	6,622,867	965.83
8/30/98	(43,131,644)	(36,508,777)	6,622,867	965.83
8/31/98	(42,536,956)	(42,536,956)	0	0.00

\$153,524

Total Interest Earnings	
(1/1 - 8/31/98):	<u>\$153,524</u>
Annualized :	<u>\$230,286</u>