



BUDGET & FINANCE COMMITTEE

Friday, June 24, 2016 @ 7:30 A.M.
10701 N. College Ave, Suite A, Indianapolis, IN 46280
Agenda

1. Internal Control Policy

Each political subdivision in Indiana is required to adopt an Internal Control Policy. A draft of the Internal Control Policy will be presented at the meeting for discussion and review.

2. Financial Statements and Investments

3. Other Business

The next meeting will be Friday, July 22, 2016 at 7:30am.

**Clay Township Regional Waste District
Budget & Finance Committee – Analysis of May 2016
June 24, 2016 Meeting**

Income Statements

May: Total Sales of \$545,000 were \$13,000 or 2% over budget. Residential was 3% higher and Commercial was 1% higher than budget. Other Income was slightly over budget.

Operating Expenses of \$390,000 were \$8,000 or 2% under budget. Spending was below budget by \$9,000 in Administration and \$13,000 in Collection. Spending was over budget in Wages & Benefits by \$6,000 and Treatment by \$8,000. The major variances are as follows:

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance (unfavorable)</u>	<u>Explanation</u>
Gross Wages	116,000	102,000	(4,000)	overtime, summer hires
Consulting	- 0 -	5,000	5,000	no spending, previous contract expired
Engineering	- 0 -	5,000	5,000	no spending other than capital
Billing Service	18,000	12,000	(6,000)	annual meter reads, budget period
Sewage Trtmt-Carmel	90,000	83,000	(7,000)	higher flows to Carmel than budgeted
Lift Station R&M	4,000	14,000	10,000	lower spending, budget allocation
Special R&M (I&I)	- 0 -	7,000	7,000	no spending, budget allocation
Utilities – Lift Stations	18,000	13,000	(5,000)	ls 2 dual meter, \$4m over previous mth
Oper Supplies-Collect.	13,000	1,000	(12,000)	lift station odor control chemicals
Manhole R&M	- 0 -	6,000	6,000	no spending, budget allocation
Total Operating Exp.	390,000	398,000	8,000	2% under budget
Net Income (loss)	139,000	120,000	19,000	16% over budget

May YTD: Total Sales of \$2,649,000 were \$163,000 or 7% over budget due to higher Commercial and Residential Sales. Other Income was \$7,000 over budget due to higher Interest.

Year-to-date May Operating Expenses and major variances are as follows:

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance (unfavorable)</u>	<u>Explanation</u>
Gross Wages	555,000	539,000	(16,000)	Collection Supt, summer hires
Sewage Trtmt-Carmel	432,000	452,000	20,000	storm diversion to Mich Rd plant
Utilities – Plant	83,000	101,000	18,000	lower spending due to mild winter
Lift Station R&M	33,000	68,000	35,000	lower spending
Line Repair	- 0 -	22,000	22,000	no spending
Special R&M (I&I)	- 0 -	36,000	36,000	no spending
Oper Supplies-Collect.	23,000	3,000	(20,000)	odor control chemicals at LS 2, 17, 23
Manhole R&M	- 0 -	31,000	31,000	no spending
Total Operating Exp.	1,841,000	2,054,000	213,000	10% under budget
Net Income (loss)	731,000	368,000	363,000	98% over budget

Cash Generated

Cash Generated for May showed a net decrease in all funds of \$246,000. This decrease was primarily due to capital spending. Capital spending was \$648,000 or 6% of the 2016 Budget. The Total Cash balance is \$12,402,000 or \$586,000 higher than the May 2015 balance. YTD Cash has decreased \$302,000.

Individual fund balances and changes are listed on the Cash Generated Statements included with the monthly financial statements.

Investments

There were no investment changes in May.

Clay Township Regional Waste District

Income Statement

May 2016

	Actual MTD thru 5/31/2016	Budget MTD thru 5/31/2016	Variance	Actual YTD thru 5/31/2016	Budget YTD thru 5/31/2016	Variance	Total Annual Budget	Variance
Sales								
Residential	345,462	336,500	8,962	1,716,106	1,666,500	49,606	4,102,000	(2,385,894)
Commercial	184,984	182,500	2,484	863,592	767,700	95,892	2,000,000	(1,136,408)
Other Revenue	14,088	12,730	1,358	69,477	52,300	17,177	148,000	(78,523)
Total Sales	544,533	531,730	12,803	2,649,174	2,486,500	162,674	6,250,000	(3,600,826)
Other Income	13,794	11,510	2,284	67,964	60,639	7,325	138,000	(70,036)
Total Revenue	558,327	543,240	15,087	2,717,139	2,547,139	170,000	6,388,000	(3,670,861)
Operating Expenses								
Wages & Benefits	162,759	156,520	(6,239)	798,079	774,936	(23,143)	1,888,900	1,090,821
Administration	46,394	55,717	9,323	214,121	281,201	67,080	685,300	471,179
Treatment	138,685	130,850	(7,835)	676,908	715,550	38,642	1,707,000	1,030,092
Collection System	42,366	55,250	12,884	151,863	282,250	130,387	673,000	521,137
Total Operating Expenses	390,204	398,337	8,133	1,840,972	2,053,937	212,965	4,954,200	3,113,228
Depreciation	297,288	295,000	(2,288)	1,486,440	1,475,000	(11,440)	3,540,000	2,053,560
Amortization	(268,226)	(270,000)	(1,774)	(1,341,130)	(1,350,000)	(8,870)	(3,240,000)	(1,898,870)
Total Expenses	419,266	423,337	4,071	1,986,283	2,178,937	192,654	5,254,200	3,267,917
NET SURPLUS/(DEFICIT)	139,062	119,903	19,159	730,856	368,202	362,654	1,133,800	(402,944)

Clay Township Regional Waste District

Income Statement

May 2016

		Actual MTD thru 5/31/2016	Budget MTD thru 5/31/2016	Variance	Actual YTD thru 5/31/2016	Budget YTD thru 5/31/2016	Variance	Total Annual Budget	Variance
Sales									
Residential									
4001-1	Sales - Residential	345,462	336,500	8,962	1,716,106	1,666,500	49,606	4,102,000	(2,385,894)
Residential		345,462	336,500	8,962	1,716,106	1,666,500	49,606	4,102,000	(2,385,894)
Commercial									
4003-1	Sales - Commercial	184,984	182,500	2,484	863,592	767,700	95,892	2,000,000	(1,136,408)
Commercial		184,984	182,500	2,484	863,592	767,700	95,892	2,000,000	(1,136,408)
Other Revenue									
4005-1	Late Charges	5,498	5,880	(383)	31,972	27,360	4,612	68,000	(36,028)
4007-1	Applications Fees	7,650	4,850	2,800	30,600	14,940	15,660	55,000	(24,400)
4009-1	Plan Reviews, Inspections, Misc. Revenue	940	2,000	(1,060)	6,905	10,000	(3,095)	25,000	(18,095)
Other Revenue		14,088	12,730	1,358	69,477	52,300	17,177	148,000	(78,523)
Total Sales		544,533	531,730	12,803	2,649,174	2,486,500	162,674	6,250,000	(3,600,826)
Other Income									
4501-1	Interest - Investments	3,483	3,400	83	17,074	16,900	174	41,000	(23,926)
4503-1	Interest - Banking	9,873	7,600	2,273	48,235	41,100	7,135	91,000	(42,765)
4507-1	Bank Fees	(20)	(80)	60	(115)	(400)	285	(1,000)	885
4601-1	Interest - by project	449	590	(141)	2,415	3,039	(624)	7,000	(4,585)
4701-1	Customer Fees & Reimbursements	0	0	0	300	0	300	0	300
4901-1	Misc Income/Expense	9	0	9	55	0	55	0	55
Other Income		13,794	11,510	2,284	67,964	60,639	7,325	138,000	(70,036)
Total Revenue		558,327	543,240	15,087	2,717,139	2,547,139	170,000	6,388,000	(3,670,861)
Operating Expenses									
Wages & Benefits									
5001-1	Gross Wages	115,667	112,000	(3,667)	555,064	539,500	(15,564)	1,339,000	783,936
5003-1	Other Employee Exp	1,181	850	(331)	4,951	4,050	(901)	10,000	5,049
5005-1	Retirement Plan - Hoosier START	11,332	11,200	(132)	55,159	53,950	(1,209)	133,900	78,741
5007-1	Employee Insurance	26,340	24,350	(1,990)	143,352	138,400	(4,952)	309,000	165,648

Clay Township Regional Waste District

Income Statement

May 2016

		Actual MTD thru 5/31/2016	Budget MTD thru 5/31/2016	Variance	Actual YTD thru 5/31/2016	Budget YTD thru 5/31/2016	Variance	Total Annual Budget	Variance
5009-1	Taxes (Employer FICA)	8,239	8,120	(119)	39,553	39,036	(517)	97,000	57,447
Wages & Benefits		162,759	156,520	(6,239)	798,079	774,936	(23,143)	1,888,900	1,090,821
Administration									
5101-1	Clay Township Govt Center Operations	2,433	4,500	2,067	11,904	22,500	10,596	55,000	43,096
5103-1	Professional Education	201	1,200	999	1,525	6,800	5,275	23,000	21,475
5105-1	Boardmember Fees	1,500	1,650	150	7,050	7,200	150	19,000	11,950
5107-1	Board Expense	109	150	41	356	825	469	2,000	1,644
5109-1	Consulting	0	4,500	4,500	12,639	19,500	6,861	50,000	37,361
5111-1	Computer Expenses/Consultants	7,143	6,500	(643)	35,966	34,500	(1,466)	80,000	44,034
5113-1	Insurance	8,411	8,000	(411)	38,167	39,000	833	95,000	56,833
5115-1	Accounting Fees	0	0	0	0	0	0	6,000	6,000
5117-1	Legal Fees	2,618	4,000	1,383	11,944	22,000	10,056	50,000	38,056
5119-1	Engineering Fees	36	5,000	4,964	9,163	25,000	15,837	60,000	50,837
5121-1	Special Engineering (I & I)	0	1,667	1,667	1,164	8,331	7,167	20,000	18,836
5125-1	Professional Affiliations	34	140	106	3,119	2,790	(329)	4,500	1,381
5127-1	Travel & Mileage	2,026	580	(1,446)	4,435	2,900	(1,535)	7,000	2,565
5129-1	Collection	(1,206)	0	1,206	(1,713)	0	1,713	0	1,713
5131-1	Billing Service Contracts	17,451	11,600	(5,851)	54,733	59,700	4,967	140,000	85,267
5133-1	Bad Debt Expense	0	0	0	0	25	25	100	100
5135-1	Office Expense	615	920	305	3,732	4,600	868	11,000	7,268
5137-1	Postage Expense	750	810	60	3,750	4,030	280	9,700	5,950
5139-1	Office Services	3,913	2,500	(1,413)	13,387	12,500	(887)	30,000	16,613
5141-1	Customer Outreach & Education	360	2,000	1,640	2,800	9,000	6,200	23,000	20,200
Administration		46,394	55,717	9,323	214,121	281,201	67,080	685,300	471,179
Treatment									
5201-1	Sewage Treatment - Carmel WWTP	90,466	83,000	(7,466)	432,009	452,000	19,991	1,110,000	677,991
5203-1	Sewer Sampling & Lab	3,222	3,000	(222)	14,754	15,000	246	35,000	20,246
5205-1	Biosolids Disposal	13,753	10,000	(3,753)	65,629	50,000	(15,629)	120,000	54,371
5207-1	Plant R & M	13,769	11,500	(2,269)	64,605	58,000	(6,605)	140,000	75,395
5209-1	Utilities - Plant	16,968	18,000	1,032	82,737	101,000	18,263	225,000	142,263

Clay Township Regional Waste District

Income Statement

May 2016

		Actual MTD thru 5/31/2016	Budget MTD thru 5/31/2016	Variance	Actual YTD thru 5/31/2016	Budget YTD thru 5/31/2016	Variance	Total Annual Budget	Variance
5211-1	Operating Supplies - Plant	23	3,750	3,727	3,966	18,750	14,784	45,000	41,034
5213-1	Safety Materials & Training	484	1,600	1,116	2,873	8,800	5,927	20,000	17,127
5215-1	Permits	0	0	0	10,335	12,000	1,665	12,000	1,665
Treatment		138,685	130,850	(7,835)	676,908	715,550	38,642	1,707,000	1,030,092
Collection System									
5301-1	Lift Station R & M	4,118	14,000	9,882	33,400	68,000	34,600	165,000	131,600
5303-1	Line Maintenance	454	3,000	2,546	4,743	14,000	9,257	40,000	35,257
5305-1	Line Repair	0	4,000	4,000	0	22,000	22,000	50,000	50,000
5307-1	Equipment Repair	3,635	2,000	(1,635)	5,076	9,000	3,924	20,000	14,924
5309-1	Special R & M (I&I)	0	7,000	7,000	40	36,000	35,960	85,000	84,960
5313-1	Vehicle R & M	1,884	2,000	116	4,687	10,000	5,313	25,000	20,313
5315-1	Fuel	309	2,000	1,691	3,986	11,000	7,014	25,000	21,014
5317-1	Utilities - Lift Stations	17,676	12,500	(5,176)	72,454	70,500	(1,954)	160,000	87,546
5319-1	Operating Supplies - Collection System	12,554	500	(12,054)	22,667	2,500	(20,167)	6,000	(16,667)
5321-1	Manhole R&M	0	6,250	6,250	0	31,250	31,250	75,000	75,000
5322-1	Televising	0	1,000	1,000	0	3,000	3,000	10,000	10,000
5323-1	Uniforms & Shop Towels	1,736	1,000	(736)	4,809	5,000	191	12,000	7,191
Collection System		42,366	55,250	12,884	151,863	282,250	130,387	673,000	521,137
Total Operating Expenses		390,204	398,337	8,133	1,840,972	2,053,937	212,965	4,954,200	3,113,228
Depreciation									
5901-1	Depreciation	297,288	295,000	(2,288)	1,486,440	1,475,000	(11,440)	3,540,000	2,053,560
Depreciation		297,288	295,000	(2,288)	1,486,440	1,475,000	(11,440)	3,540,000	2,053,560
Amortization									
5911-1	Amortization of CIAC	(268,226)	(270,000)	(1,774)	(1,341,130)	(1,350,000)	(8,870)	(3,240,000)	(1,898,870)
Amortization		(268,226)	(270,000)	(1,774)	(1,341,130)	(1,350,000)	(8,870)	(3,240,000)	(1,898,870)
Total Expenses		419,266	423,337	4,071	1,986,283	2,178,937	192,654	5,254,200	3,267,917

Clay Township Regional Waste District
Income Statement
May 2016

NET SURPLUS/(DEFICIT)	<u>139,062</u>	<u>119,903</u>	<u>19,159</u>	<u>730,856</u>	<u>368,202</u>	<u>362,654</u>	<u>1,133,800</u>	<u>(402,944)</u>
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Clay Township Regional Waste District

Summary Balance Sheet

May 31, 2016

	Actual as of 5/31/2016	Actual as of 5/31/2015	% of 2015
ASSETS			
Utility Plant	104,616,230	100,611,301	104%
Current Assets			
Cash & Investments			
Operating Fund	4,206,526	3,363,125	125%
Operating Reserve	2,192,400	2,192,400	100%
Reserve for Replacement	1,156,588	2,520,970	46%
Interceptor Fund	2,444,383	2,325,589	105%
Plant Expansion Fund	2,401,878	1,383,894	174%
Retainage & Other Funds	0	30,000	0%
Total Cash & Investments	12,401,774	11,815,978	105%
Accounts Receivable	535,339	539,336	99%
Liens Receivable	35,511	38,904	91%
Invoiced Receivables	294,747	287,616	102%
Notes & Interest Receivable	82,946	144,455	57%
Investment Interest Receivable	36,058	0	
Other Current Assets	256,395	252,187	102%
Current Assets	13,642,770	13,078,475	104%
TOTAL ASSETS	118,258,999	113,689,776	104%
TOTAL LIABILITIES & EQUITY			
LIABILITIES			
Current Liabilities			
Invoiced Payables	71,178	232,852	31%
Accounts Payable	836,267	416,213	201%
Accrued Paid Leave	86,836	82,183	106%
Other Current Liabilities	101,067	81,056	125%
Total Current Liabilities	1,095,348	812,304	135%
TOTAL LIABILITIES	1,095,348	812,304	135%
EQUITY			
Retained Earnings	20,654,673	18,669,197	111%
Construction in Aid	96,508,978	94,208,275	102%
TOTAL EQUITY	117,163,651	112,877,472	104%
Total	118,258,999	113,689,776	104%

Clay Township Regional Waste District

Cash Generated

May 2016

	<u>Operating</u>	<u>Interceptor</u>	<u>Plant Expansion</u>	<u>Operating Reserve</u>	<u>Reserve for Replacement</u>	<u>Retainage</u>	<u>TOTAL</u>
Beginning Balance	4,207,910	2,434,963	2,351,650	2,192,400	1,460,708	(0)	12,647,631
Receipts:							
Deposits	562,909	11,655	50,228	0	0	0	624,792
Interest	9,873	0	0	0	0	0	9,873
Transfers	0	0	0	0	0	0	0
Total Receipts	<u>572,782</u>	<u>11,655</u>	<u>50,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>634,665</u>
Disbursements:							
Checks	309,033	0	0	0	0	0	309,033
Carmel Utilities	85,801	0	0	0	0	0	85,801
Basin 1 Wet Weather Solution	179,333	0	0	0	0	0	179,333
LS 1 VFD Repl	0	0	0	0	1,650	0	1,650
LS 2 Pump Repl	0	0	0	0	302,471	0	302,471
106th St Parallel FM	0	1,080	0	0	0	0	1,080
Jackson's Grant - LS 26	0	1,155	0	0	0	0	1,155
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Total Disbursements	<u>574,167</u>	<u>2,235</u>	<u>0</u>	<u>0</u>	<u>304,121</u>	<u>0</u>	<u>880,523</u>
Net Increase/(Decrease)	(1,384)	9,420	50,228	0	(304,121)	0	(245,857)
Ending Balance	4,206,526	2,444,383	2,401,878	2,192,400	1,156,588	(0)	12,401,774

Clay Township Regional Waste District
Cash Generated
YTD May 2016

	<u>Operating</u>	<u>Interceptor</u>	<u>Plant Expansion</u>	<u>Operating Reserve</u>	<u>Reserve for Replacement</u>	<u>Retainage</u>	<u>TOTAL</u>
Beginning Balance	4,434,706	2,183,670	2,103,462	2,192,400	1,789,833	(0)	12,704,071
Receipts:							
Deposits	2,795,715	304,442	300,066	0	0	0	3,400,223
Interest	48,235	0	0	0	0	0	48,235
Transfers	0	0	0	0	500,000	0	500,000
Total Receipts	<u>2,843,949</u>	<u>304,442</u>	<u>300,066</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>3,948,457</u>
Disbursements:							
Checks	1,828,630	11,215	1,650	0	28,275	0	1,869,770
Carmel Utilities	429,427	0	0	0	0	0	429,427
Basin 1 Wet Weather Solution	314,073	0	0	0	0	0	314,073
LS 1 VFD Repl	0	0	0	0	31,182	0	31,182
LS 2 Pump Repl	0	0	0	0	1,073,789	0	1,073,789
106th St Parallel FM	0	31,359	0	0	0	0	31,359
Jackson's Grant - LS 26	0	1,155	0	0	0	0	1,155
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	500,000	0	0	0	0	0	500,000
Total Disbursements	<u>3,072,130</u>	<u>43,729</u>	<u>1,650</u>	<u>0</u>	<u>1,133,246</u>	<u>0</u>	<u>4,250,755</u>
Net Increase/(Decrease)	(228,181)	260,713	298,416	0	(633,246)	0	(302,297)
Ending Balance	4,206,526	2,444,383	2,401,878	2,192,400	1,156,588	(0)	12,401,774

Clay Township Regional Waste District Cash & Investments

May 31, 2016

Bank & Purch Date	Account	Amount	Maturity Date	Rate	Fund
<u>Citizens State Bank</u>					
	Checking	\$ 158,100		0.05%	Plt Expan, Oper, Interceptor, Repl
	Money Market	\$ 4,463,400		0.50%	Oper, Res for Repl, Plt Expan, Int.
<u>Teacher's Credit Union</u>					
	Money Market	\$ 1,300		0.05%	Operating
<u>Merchants Bank of Indiana</u>					
	Money Market	\$ 1,134,800		2.00%	Oper, Interceptor, Res for Repl
	Money Market	\$ 4,644,200		1.50%	Plt Expan, Oper, Oper Res
<hr/>					
<u>Fifth Third Bank</u>					
7/15/2015	CD - 5 years	\$ 2,000,000	7/15/2020	2.05%	Operating Reserve, Oper
TOTAL CASH & Investments		<u>\$ 12,401,800</u>		1.44%	Interest rate - Total
Less: Cash		<u>\$ 10,401,800</u>		1.10%	Interest rate - Cash
NET INVESTMENTS		<u><u>\$ 2,000,000</u></u>		2.05%	Interest rate - Investments