



BUDGET & FINANCE COMMITTEE

Friday, August 26, 2016 @ 7:30 A.M.
10701 N. College Ave, Suite A, Indianapolis, IN 46280
Agenda

1. Audit Services by CPA Firm

Mr. Hansen will present proposals from CPA firms for a limited review of the financial statements and internal controls.

2. Financial Statements and Investments – July 2016

3. Other Business

The next meeting will be Friday, September 23, 2016 at 7:30am.

**Clay Township Regional Waste District
Budget & Finance Committee – Analysis of July 2016
August 26, 2016 Meeting**

Income Statements

July: Total Sales of \$597,000 were \$48,000 or 9% over budget. Residential was 2% higher and Commercial was 24% higher than budget. Other Income was slightly over budget.

Operating Expenses of \$406,000 were \$34,000 or 8% under budget. Spending was below budget by \$14,000 in Wages & Benefits, \$15,000 in Administration and \$10,000 in Treatment. Spending was over budget in Collection by \$5,000. The major variances are as follows:

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>(unfavorable)</u>	<u>Explanation</u>
Gross Wages	113,000	120,000	7,000	budget allocation
Billing Service Contr.	9,000	16,000	7,000	not invoiced for annual meter reads
Office Services	10,000	3,000	(7,000)	invoice for annual locates
Sewage Trtmt-Carmel	92,000	105,000	13,000	lower flows to Carmel than budgeted
Lift Station R&M	25,000	14,000	(11,000)	\$8,000 – LS 17 panel a/c unit
Oper Supplies-Collect.	8,000	1,000	(7,000)	lift station odor control chemicals
Total Operating Exp.	406,000	440,000	34,000	8% under budget
Net Income (loss)	175,000	96,000	79,000	83% over budget

July YTD: Total Sales of \$3,904,000 were \$238,000 or 7% over budget due to higher Commercial and Residential Sales. Other Income was \$11,000 over budget due to higher cash balances.

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

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>(unfavorable)</u>	<u>Explanation</u>
Engineering	9,000	35,000	26,000	primarily charged to capital projects
Sewage Trtmt-Carmel	623,000	651,000	28,000	lower volume to Carmel
Lift Station R&M	68,000	96,000	28,000	lower spending
Line Repair	1,000	30,000	29,000	minimal spending
Special R&M (I&I)	- 0 -	50,000	50,000	no spending
Oper Supplies-Collect.	38,000	4,000	(34,000)	odor control chemicals at LS 2, 17, 23
Manhole R&M	5,000	44,000	39,000	minimal spending
Total Operating Exp.	2,642,000	2,907,000	265,000	9% under budget
Net Income (loss)	1,059,000	573,000	486,000	85% over budget

Cash Generated

Cash Generated for July showed a net increase in all funds of \$78,000. This increase was primarily due to low capital spending. Capital spending was \$103,000 or 1% of the 2016 Budget. The Total Cash balance is \$12,104,000 or \$809,000 lower than the July 2015 balance. YTD Cash has decreased \$600,000.

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 July. The District invested \$2,000,000 in July 2015 in a 5-year certificate of deposit earning 2.05%.

Clay Township Regional Waste District

Income Statement

July 2016

	Actual MTD thru 7/31/2016	Budget MTD thru 7/31/2016	Variance	Actual YTD thru 7/31/2016	Budget YTD thru 7/31/2016	Variance	Total Annual Budget	Variance
Sales								
Residential	355,333	349,900	5,433	2,418,549	2,353,800	64,749	4,102,000	(1,683,451)
Commercial	226,720	183,200	43,520	1,292,080	1,133,900	158,180	2,000,000	(707,920)
Other Revenue	15,144	16,530	(1,386)	98,835	83,550	15,285	148,000	(49,165)
Total Sales	597,196	549,630	47,566	3,809,464	3,571,250	238,214	6,250,000	(2,440,536)
Other Income	13,616	11,500	2,116	94,780	83,644	11,136	138,000	(43,220)
Total Revenue	610,812	561,130	49,682	3,904,244	3,654,894	249,350	6,388,000	(2,483,756)
Operating Expenses								
Wages & Benefits	151,888	165,900	14,012	1,112,486	1,099,701	(12,785)	1,888,900	776,414
Administration	46,188	60,792	14,604	296,742	397,020	100,278	685,300	388,558
Treatment	145,071	154,850	9,779	973,376	1,012,250	38,874	1,707,000	733,624
Collection System	63,436	58,750	(4,686)	258,901	397,750	138,849	673,000	414,099
Total Operating Expenses	406,583	440,292	33,709	2,641,505	2,906,721	265,216	4,954,200	2,312,695
Depreciation	297,287	295,000	(2,287)	2,081,018	2,065,000	(16,018)	3,540,000	1,458,982
Amortization	(268,226)	(270,000)	(1,774)	(1,877,582)	(1,890,000)	(12,418)	(3,240,000)	(1,362,418)
Total Expenses	435,644	465,292	29,648	2,844,941	3,081,721	236,780	5,254,200	2,409,259
NET SURPLUS/(DEFICIT)	175,168	95,838	79,330	1,059,303	573,173	486,130	1,133,800	(74,497)

Clay Township Regional Waste District

Income Statement

July 2016

		Actual MTD thru 7/31/2016	Budget MTD thru 7/31/2016	Variance	Actual YTD thru 7/31/2016	Budget YTD thru 7/31/2016	Variance	Total Annual Budget	Variance
Sales									
Residential									
4001-1	Sales - Residential	355,333	349,900	5,433	2,418,549	2,353,800	64,749	4,102,000	(1,683,451)
Residential		355,333	349,900	5,433	2,418,549	2,353,800	64,749	4,102,000	(1,683,451)
Commercial									
4003-1	Sales - Commercial	226,720	183,200	43,520	1,292,080	1,133,900	158,180	2,000,000	(707,920)
Commercial		226,720	183,200	43,520	1,292,080	1,133,900	158,180	2,000,000	(707,920)
Other Revenue									
4005-1	Late Charges	6,983	5,880	1,103	45,190	39,120	6,070	68,000	(22,810)
4007-1	Applications Fees	6,693	7,650	(957)	43,593	29,430	14,163	55,000	(11,407)
4009-1	Plan Reviews, Inspections, Misc. Revenue	1,468	3,000	(1,533)	10,053	15,000	(4,948)	25,000	(14,948)
Other Revenue		15,144	16,530	(1,386)	98,835	83,550	15,285	148,000	(49,165)
Total Sales		597,196	549,630	47,566	3,809,464	3,571,250	238,214	6,250,000	(2,440,536)
Other Income									
4501-1	Interest - Investments	3,483	3,400	83	23,926	23,700	226	41,000	(17,074)
4503-1	Interest - Banking	9,025	7,600	1,425	66,561	56,300	10,261	91,000	(24,439)
4507-1	Bank Fees	(20)	(80)	60	(155)	(560)	405	(1,000)	845
4601-1	Interest - by project	437	580	(143)	3,295	4,204	(909)	7,000	(3,705)
4701-1	Customer Fees & Reimbursements	0	0	0	400	0	400	0	400
4901-1	Misc Income/Expense	691	0	691	753	0	753	0	753
Other Income		13,616	11,500	2,116	94,780	83,644	11,136	138,000	(43,220)
Total Revenue		610,812	561,130	49,682	3,904,244	3,654,894	249,350	6,388,000	(2,483,756)
Operating Expenses									
Wages & Benefits									
5001-1	Gross Wages	112,717	120,000	7,283	785,785	773,500	(12,285)	1,339,000	553,215
5003-1	Other Employee Exp	1,377	850	(527)	7,302	5,750	(1,552)	10,000	2,698
5005-1	Retirement Plan - Hoosier START	10,691	12,000	1,309	77,000	77,350	350	133,900	56,900
5007-1	Employee Insurance	19,070	24,350	5,280	186,384	187,100	716	309,000	122,616

Clay Township Regional Waste District

Income Statement

July 2016

		Actual MTD thru 7/31/2016	Budget MTD thru 7/31/2016	Variance	Actual YTD thru 7/31/2016	Budget YTD thru 7/31/2016	Variance	Total Annual Budget	Variance
5009-1	Taxes (Employer FICA)	8,033	8,700	667	56,014	56,001	(13)	97,000	40,986
Wages & Benefits		151,888	165,900	14,012	1,112,486	1,099,701	(12,785)	1,888,900	776,414
Administration									
5101-1	Clay Township Govt Center Operations	1,574	5,000	3,426	17,772	32,450	14,678	55,000	37,228
5103-1	Professional Education	349	1,700	1,351	2,289	9,700	7,411	23,000	20,711
5105-1	Boardmember Fees	1,600	1,400	(200)	10,350	10,400	50	19,000	8,650
5107-1	Board Expense	79	175	96	517	1,175	658	2,000	1,483
5109-1	Consulting	2,200	4,500	2,300	14,839	28,500	13,661	50,000	35,161
5111-1	Computer Expenses/Consultants	5,555	6,500	945	48,057	47,500	(557)	80,000	31,943
5113-1	Insurance	7,759	8,000	241	53,685	55,000	1,315	95,000	41,315
5115-1	Accounting Fees	0	0	0	0	0	0	6,000	6,000
5117-1	Legal Fees	4,587	4,000	(587)	16,549	30,000	13,451	50,000	33,451
5119-1	Engineering Fees	0	5,000	5,000	9,163	35,000	25,837	60,000	50,837
5121-1	Special Engineering (I & I)	0	1,667	1,667	1,164	11,665	10,501	20,000	18,836
5125-1	Professional Affiliations	106	100	(6)	3,224	2,990	(234)	4,500	1,276
5127-1	Travel & Mileage	151	620	469	5,030	4,100	(930)	7,000	1,970
5129-1	Collection	(94)	0	94	(5,522)	0	5,522	0	5,522
5131-1	Billing Service Contracts	9,343	15,900	6,557	73,538	85,900	12,362	140,000	66,462
5133-1	Bad Debt Expense	0	0	0	0	50	50	100	100
5135-1	Office Expense	912	920	8	5,593	6,440	847	11,000	5,407
5137-1	Postage Expense	750	810	60	5,250	5,650	400	9,700	4,450
5139-1	Office Services	9,956	2,500	(7,456)	26,032	17,500	(8,532)	30,000	3,968
5141-1	Customer Outreach & Education	1,360	2,000	640	9,212	13,000	3,788	23,000	13,788
Administration		46,188	60,792	14,604	296,742	397,020	100,278	685,300	388,558
Treatment									
5201-1	Sewage Treatment - Carmel WWTP	91,605	105,000	13,395	622,900	651,000	28,100	1,110,000	487,100
5203-1	Sewer Sampling & Lab	1,552	3,000	1,448	17,449	21,000	3,551	35,000	17,551
5205-1	Biosolids Disposal	16,339	10,000	(6,339)	93,275	70,000	(23,275)	120,000	26,725
5207-1	Plant R & M	13,386	11,500	(1,886)	94,022	81,000	(13,022)	140,000	45,978
5209-1	Utilities - Plant	17,852	20,000	2,148	117,274	139,000	21,726	225,000	107,726

Clay Township Regional Waste District Income Statement

July 2016

		Actual MTD thru 7/31/2016	Budget MTD thru 7/31/2016	Variance	Actual YTD thru 7/31/2016	Budget YTD thru 7/31/2016	Variance	Total Annual Budget	Variance
5211-1	Operating Supplies - Plant	0	3,750	3,750	7,706	26,250	18,544	45,000	37,294
5213-1	Safety Materials & Training	4,337	1,600	(2,737)	10,414	12,000	1,586	20,000	9,586
5215-1	Permits	0	0	0	10,335	12,000	1,665	12,000	1,665
Treatment		145,071	154,850	9,779	973,376	1,012,250	38,874	1,707,000	733,624
Collection System									
5301-1	Lift Station R & M	25,313	14,000	(11,313)	68,273	96,000	27,727	165,000	96,727
5303-1	Line Maintenance	562	3,000	2,438	6,616	20,000	13,384	40,000	33,384
5305-1	Line Repair	0	4,000	4,000	1,200	30,000	28,800	50,000	48,800
5307-1	Equipment Repair	5,690	2,000	(3,690)	11,395	13,000	1,605	20,000	8,605
5309-1	Special R & M (I&I)	0	7,000	7,000	40	50,000	49,960	85,000	84,960
5313-1	Vehicle R & M	592	2,000	1,408	6,989	14,000	7,011	25,000	18,011
5315-1	Fuel	1,494	2,000	506	9,300	15,000	5,700	25,000	15,700
5317-1	Utilities - Lift Stations	16,508	16,000	(508)	106,096	100,500	(5,596)	160,000	53,904
5319-1	Operating Supplies - Collection System	7,666	500	(7,166)	37,729	3,500	(34,229)	6,000	(31,729)
5321-1	Manhole R&M	5,206	6,250	1,044	5,206	43,750	38,544	75,000	69,794
5322-1	Televising	0	1,000	1,000	0	5,000	5,000	10,000	10,000
5323-1	Uniforms & Shop Towels	406	1,000	594	6,059	7,000	941	12,000	5,941
Collection System		63,436	58,750	(4,686)	258,901	397,750	138,849	673,000	414,099
Total Operating Expenses		406,583	440,292	33,709	2,641,505	2,906,721	265,216	4,954,200	2,312,695
Depreciation									
5901-1	Depreciation	297,287	295,000	(2,287)	2,081,018	2,065,000	(16,018)	3,540,000	1,458,982
Depreciation		297,287	295,000	(2,287)	2,081,018	2,065,000	(16,018)	3,540,000	1,458,982
Amortization									
5911-1	Amortization of CIAC	(268,226)	(270,000)	(1,774)	(1,877,582)	(1,890,000)	(12,418)	(3,240,000)	(1,362,418)
Amortization		(268,226)	(270,000)	(1,774)	(1,877,582)	(1,890,000)	(12,418)	(3,240,000)	(1,362,418)
Total Expenses		435,644	465,292	29,648	2,844,941	3,081,721	236,780	5,254,200	2,409,259

Clay Township Regional Waste District

Income Statement

July 2016

NET SURPLUS/(DEFICIT)

175,168

95,838

79,330

1,059,303

573,173

486,130

1,133,800

(74,497)

Clay Township Regional Waste District

Summary Balance Sheet

July 31, 2016

	Actual as of 7/31/2016	Actual as of 7/31/2015	% of 2015
ASSETS			
Utility Plant	104,440,577	100,390,333	104%
Current Assets			
Cash & Investments			
Operating Fund	4,109,671	3,803,639	108%
Operating Reserve	2,192,400	2,192,400	100%
Reserve for Replacement	721,540	2,461,886	29%
Interceptor Fund	2,537,087	2,629,722	96%
Plant Expansion Fund	2,543,244	1,795,327	142%
Retainage & Other Funds	0	30,000	0%
Total Cash & Investments	12,103,942	12,912,974	94%
Accounts Receivable	593,320	526,040	113%
Liens Receivable	23,582	33,578	70%
Invoiced Receivables	226,673	103,910	218%
Notes & Interest Receivable	81,114	122,841	66%
Investment Interest Receivable	42,910	1,797	0%
Other Current Assets	248,828	242,749	103%
Current Assets	13,320,370	13,943,889	96%
TOTAL ASSETS	117,760,947	114,334,222	103%
TOTAL LIABILITIES & EQUITY			
LIABILITIES			
Current Liabilities			
Invoiced Payables	55,458	148,598	37%
Accounts Payable	389,300	567,711	69%
Accrued Paid Leave	86,836	82,183	106%
Other Current Liabilities	51,226	58,923	87%
Total Current Liabilities	582,820	857,414	68%
TOTAL LIABILITIES	582,820	857,414	68%
EQUITY			
Retained Earnings	20,983,120	18,968,896	111%
Construction in Aid	96,195,007	94,507,912	102%
TOTAL EQUITY	117,178,127	113,476,808	103%
Total	117,760,947	114,334,222	103%

Clay Township Regional Waste District

Cash Generated

July 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	4,114,645	2,413,142	2,467,694	2,192,400	838,455	(0)	12,026,335
Receipts:							
Deposits	569,193	131,423	75,550	0	0	0	776,165
Interest	9,025	0	0	0	0	0	9,025
Transfers	0	0	0	0	0	0	0
Total Receipts	<u>578,217</u>	<u>131,423</u>	<u>75,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>785,190</u>
Disbursements:							
Checks	316,162	7,300	0	0	7,255	0	330,717
Carmel Utilities	100,514	0	0	0	0	0	100,514
Basin 1 Wet Weather Solution	151,821	0	0	0	0	0	151,821
Plant Odor Control	14,693	0	0	0	0	0	14,693
LS 1 VFD Repl	0	0	0	0	0	0	0
LS 2 Pump Repl	0	0	0	0	109,659	0	109,659
106th St Parallel FM	0	0	0	0	0	0	0
Jackson's Grant - LS 26	0	177	0	0	0	0	177
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Total Disbursements	<u>583,190</u>	<u>7,477</u>	<u>0</u>	<u>0</u>	<u>116,914</u>	<u>0</u>	<u>707,582</u>
Net Increase/(Decrease)	(4,973)	123,945	75,550	0	(116,914)	0	77,608
Ending Balance	4,109,671	2,537,087	2,543,244	2,192,400	721,540	(0)	12,103,942

Clay Township Regional Waste District
Cash Generated
YTD July 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	3,942,051	443,363	441,432	0	0	0	4,826,846
Interest	66,561	0	0	0	0	0	66,561
Transfers	0	0	0	0	500,000	0	500,000
Total Receipts	<u>4,008,612</u>	<u>443,363</u>	<u>441,432</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>5,393,407</u>
Disbursements:							
Checks	2,573,342	18,515	1,650	0	102,875	0	2,696,382
Carmel Utilities	628,286	0	0	0	0	0	628,286
Basin 1 Wet Weather Solution	570,658	0	0	0	0	0	570,658
Plant Odor Control	61,361	0	0	0	0	0	61,361
LS 1 VFD Repl	0	0	0	0	31,182	0	31,182
LS 2 Pump Repl	0	0	0	0	1,434,237	0	1,434,237
106th St Parallel FM	0	69,684	0	0	0	0	69,684
Jackson's Grant - LS 26	0	1,747	0	0	0	0	1,747
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	500,000	0	0	0	0	0	500,000
Total Disbursements	<u>4,333,647</u>	<u>89,945</u>	<u>1,650</u>	<u>0</u>	<u>1,568,293</u>	<u>0</u>	<u>5,993,535</u>
Net Increase/(Decrease)	(325,035)	353,418	439,782	0	(1,068,293)	0	(600,128)
Ending Balance	4,109,671	2,537,087	2,543,244	2,192,400	721,540	(0)	12,103,942

Clay Township Regional Waste District Cash & Investments

July 31, 2016

Bank & Purch Date	Account	Amount	Maturity Date	Rate	Fund
<u>Citizens State Bank</u>					
	Checking	\$ 141,900		0.08%	Plt Expan, Oper, Interceptor, Repl
	Money Market	\$ 4,166,800		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	\$ 1,138,500		2.00%	Oper, Interceptor, Res for Repl
	Money Market	\$ 4,655,400		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>\$ 12,103,900</u>		1.45%	Interest rate - Total
Less: Cash		<u>\$ 10,103,900</u>		1.12%	Interest rate - Cash
NET INVESTMENTS		<u>\$ 2,000,000</u>		2.05%	Interest rate - Investments