



BUDGET & FINANCE COMMITTEE

Friday, July 29, 2016 @ 7:30 A.M.
10701 N. College Ave, Suite A, Indianapolis, IN 46280
Agenda

1. Internal Control Policy

The Internal Control Policy presented at the July 11th board meeting has been returned to the committee for further discussion.

2. Revised Cash Forecast

The revised cash forecast presented at the July 11th board meeting that includes the two capital project bids will be reviewed.

3. Audit Services by CPA Firm

Mr. Hansen contacted three CPA firms to get information and cost estimates for audit services. He will present his findings at the meeting.

4. Ordinance 08-08-2016 – Late Fee

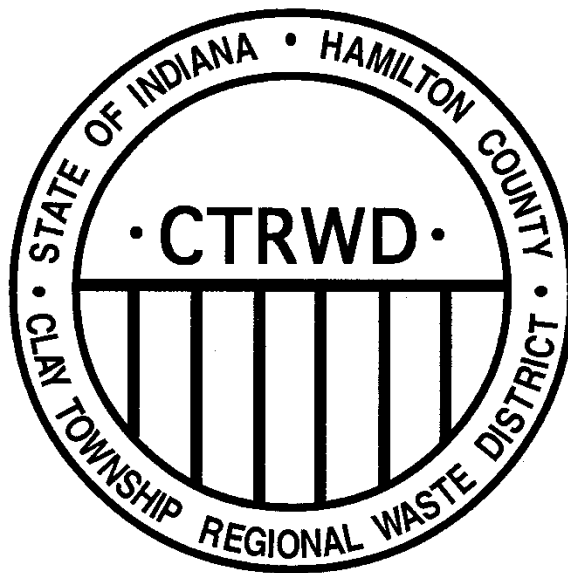
The proposed ordinance for the 10% late fee policy that is currently in effect will be discussed.

5. Financial Statements and Investments – June 2016

6. Other Business

The next meeting will be Friday, August 26, 2016 at 7:30am.

Clay District Regional Waste District



Internal Control Policy

Draft Dated: June 21, 2016

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INTERNAL CONTROL POLICY OVERVIEW

Effective July 1, 2015, Indiana enacted Ind. Code §5-11-1-27 which requires each political subdivision in Indiana, including Clay Township Regional Waste District (the “District”), to establish and maintain a system of internal controls to promote governmental accountability and transparency. The purpose of the internal control process is to provide reasonable assurance that the mission and objectives of the District will be achieved and that public funds and property are properly accounted for.

Internal controls are not separate systems of the District or an isolated activity; rather, internal controls are an integral part of each activity used to guide the District. The purpose of internal control includes the reduction of risk associated with fraud as well as the safeguarding of District resources against loss due to waste, abuse, mismanagement or errors. Internal control processes provide a check and balance system over operations, promoting operational effectiveness and overall efficiency. A system of sufficient internal control produces reliable financial and management data, ensures accuracy and timeliness in reporting, and promotes compliance with applicable laws. This Internal Control Policy is intended to meet the compliance requirements defined by the State Board of Accounts under Ind. Code §5-11-1-27(e) for the District.

Controls are put in place to detect or prevent errors and fraud. An error is an unintentional mistake that has the potential to affect the financial statements and fraud is the intentional misuse or misappropriation of District assets.

Enforcement, maintenance and ongoing evaluation of the District’s internal control policy shall be the responsibility of the Internal Control Oversight Committee (“Oversight Committee”). For the District, the Oversight Committee shall be the Budget & Finance Committee. The evaluation of internal controls includes identifying the framework used by the Oversight Committee to determine the effectiveness of internal controls.

OBJECTIVES OF INTERNAL CONTROL

The three objectives of internal controls are to ensure: (1) the effectiveness and efficiency of operations, (2) the reliability of financial reporting, and (3) compliance with applicable laws and regulations. The safeguarding of District funds and assets is a subset of each of these objectives.

Continuous monitoring and testing is needed to help identify poorly designed or ineffective internal controls. The Utility Director is responsible for communicating the objectives of internal control to the personnel of the District, the training of personnel and ensuring the District is committed to sustaining an effective internal control environment.

COMPONENTS OF INTERNAL CONTROLS

The five components of internal controls include: (1) the control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring of the controls. Each of these components is discussed further below.

CONTROL ENVIRONMENT

The control environment includes the organizational structure, the control framework, the District's policies and procedures and internal and external influences. The tone set by the Board of Trustees and the Utility Director determines the attitude toward the controls implemented for the District.

Organizational Structure

The Board of Trustees is responsible for adopting internal control policies, and the Oversight Committee has primary responsibility for enforcement, maintenance and ongoing evaluation of the policies. The Utility Director has primary responsibility for implementing the controls and certifying the training of all appropriate personnel.

Control Framework

Elements of a control framework include the following:

Segregation of duties to help ensure the reliability of the District's internal controls; i.e. one person should not have access to all stages of a process. If proper segregation is not in place, situations may arise where errors, irregularities or fraud may occur and remain undetected. Due to the small number of District employees, segregation is difficult and alternate procedures should be explored.

Integrity and competence of personnel performing the duties are key to achieving the desired controls. This includes hiring the proper people and continually training personnel. It is important to ensure that employees who perform financial tasks have the knowledge and skill to perform their duties.

Communication by the Utility Director of the controls and each employee's responsibilities are as important as ensuring that employees know how to communicate irregularities that may arise.

Proper supervision of employees is also needed to ensure proper execution of control activities. This will be the primary responsibility of the Utility Director.

District's Policies and Procedures

The District's policies set the overall direction of the District. Procedures for all areas of financial preparation, reporting, operations, transportation, maintenance, personnel and payroll are required. These policies and procedures will become the basis for the determination of compliance with internal control policies.

OVERSIGHT COMMITTEE'S RISK ASSESSMENT

The Oversight Committee shall conduct an assessment of risks relevant to the District's financial statements. This includes the identification of potential risks, the analysis of the potential impact of those risks on the ability to properly report the District's financial statements and the overall management of risks. Items to consider in risk assessment include, but are not limited to:

1. The hiring of new personnel or the assignment of new duties to existing personnel.
2. How a change in accounting information system impacts existing controls and how effectively the training of personnel on any new system is conducted.
3. Changes in regulations and laws that may affect the control environment.
4. Securing records appropriately.
5. Limiting access to computers and data files.
6. Segregation of duties relating to financial matters.
7. Timely recording of all transactions.
8. Assuring that cash is deposited timely.
9. Physically safeguarding and accounting for valuable assets.
10. Assuring financial transactions are performed only by authorized personnel.
11. Reconciliations are properly and promptly completed.
12. Occurrences of management override of established controls are limited.
13. Minimizing opportunities for fraud and unintentional error.

CONTROL ACTIVITIES

Control activities include the policies and procedures that are in place to achieve the controls desired. Documentation of the control activities is vital to the overall control environment. These activities include, but are not limited to:

1. Segregation of duties where possible.
2. Timely transaction recording.

3. Timely cash deposits.
4. Physically safeguarding valuable assets.
5. Assuring financial transactions are performed by authorized personnel only.
6. Assuring reconciliations are properly and promptly completed.
7. Documenting reported variances, actions taken in response thereto and recommended changes to internal controls.

INFORMATION AND COMMUNICATION

The Utility Director shall determine if the information systems utilized in the District are adequate and relevant for their intended purpose and shall make any recommended changes by the Oversight Committee.

The Utility Director is responsible for communicating the controls of the District to District employees and also the responsibilities of each employee in the control system.

The Utility Director is also charged with reviewing information, however generated, that may indicate a flaw in the controls that may impede the detection of errors in a timely fashion.

MONITORING

The Oversight Committee is charged with reviewing internal controls on an ongoing basis. Monitoring can include responding to the recommendation of the State Board of Accounts in changes in the controls and reviewing correspondence from outside sources such as banks and vendors for unusual items. Employees should understand the control activities and their responsibilities in those activities.

ONGOING EVALUATION OF CONTROLS

District controls shall be evaluated at least annually by the Oversight Committee and at any other time that circumstances dictate. Evaluations shall be reported to the Board along with any recommended revisions to control policies. Evaluation should also occur every time one of the following conditions exists:

- a. Change in personnel performing a control function.
- b. Change in accounting or payroll system.
- c. Change in regulations.

Written acknowledgment of the annual review of the current control policies should be maintained in the minutes of the Board of Trustees.

As controls are evaluated, a determination should be made that designates the control as either “effective” or “ineffective” at achieving the proposed control. Controls are effective when there would be no material weaknesses in internal controls involved in financial reporting. Ineffective controls would be those where at least one material weakness exists. If a control is determined to be ineffective, then the control deficiency needs to be evaluated and revised.

CONTROL DEFICIENCIES

A control deficiency exists when the design or operation of a control does not allow the Utility Director to prevent or detect misstatements on a timely basis. A design deficiency exists when a necessary control is missing or is not designed to enable the control objective to be met. An operational deficiency exists when a control is designed properly, but does not operate as designed or the person performing the control is not qualified to perform the control.

A deficiency may exist that is unavoidable (e.g. segregation of duties in a small office). For these deficiencies, compensating procedures shall be put in place by the Utility Director.

LIMITATIONS ON EFFECTIVENESS OF CONTROLS

The District should understand that potential fraud could exist and not be detected timely in at least the following circumstances: (1) when the District has poorly designed or operated internal controls, (2) when there are too many management overrides of established controls, and (3) when there is collusion between employees or between an employee and a third party.

REVIEW OF DISTRICT PROCESSES

When reviewing control processes in the District, the Utility Director should consider incorporating the “5 W’s”.

1. Who performs each activity? Who receives the outcome of the activities?
2. What activities are performed? What forms and reports are used? What computer systems and files are used?
3. When are activities performed? What is the sequence of activities? What is the timing of the activities? What is the frequency of the activities?
4. Where are activities performed?
5. Why are activities performed (i.e., what risks are controlled)

The Utility Director should also consider whether any changes to the process will increase the efficiency of the process or firm up the controls.

COMMUNICATING STAFF MEMBERS' ROLES

The Utility Director will establish a procedure to ensure that all employees who are charged with a control understand the importance of the control and their role in the control environment. Controls that are not performed with an understanding of the purpose of the control will not be effective. A review of the controls and the staff members' role in the controls should be conducted at least annually and anytime there is a change in the control, personnel, or the laws and regulations affecting the control. Documentation of these reviews should be maintained by the Utility Director.

STAFF MEMBERS' SELECTION AND TRAINING

With respect to internal control monitoring delegated to an employee, the Utility Director shall ensure professional and educational reference checks are made prior to hiring a new employee to verify the proposed employee is competent to implement the delegated internal controls. The Utility Director shall ensure that employees responsible for implementing internal controls receive routine training on the District's applicable internal control procedures and certifications of training are obtained and maintained for inspection. The Utility Director shall also ensure that each employee receives an annual employee performance evaluation.

STATEMENT REGARDING MATERIALITY AND REPORTING

In accordance with Ind. Code 5-11-1-27(j) the District establishes the following materiality thresholds for the items and categories indicated. The discovery of an irregular variance, loss or shortage (other than due to misappropriation as discussed below) shall be reported to the entity indicated when the amount shown is discovered and confirmed:

ITEM	AMOUNT	UTILITY DIRECTOR	BOARD OF TRUSTEES	STATE BOARD OF ACCOUNTS
CASH AND DEPOSITS	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X
CREDIT CARD AND PURCHASES	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X
FIXED ASSETS	\$5,000	X	X	X
PAYROLL, OTHER	\$25	X		
	\$250*	X	X	
	\$500*	X	X	X

* Asterisked amounts may be a single occurrence or a cumulative variance during a calendar month period. The Board of Trustees shall make a materiality determination in writing for annual or other noted variances not included above.

CONFIRMATION OF VARIANCE PRIOR TO REPORTING AND DOCUMENTATION

It is anticipated that some routine (non-misappropriation) variances can be resolved prior to the need for reporting to the above entities. For instance, if a trial balance of a bank statement comes up \$85 short in the first attempt, no immediate need for reporting arises prior to a confirmation that the bank statement balance cannot be resolved. Employees should first confirm their own work, and if a balance or other transaction cannot be confirmed or resolved, the employee should take the matter to their immediate supervisor for confirmation prior to reporting the variance. If the variance cannot be resolved, reporting to the Utility Director should occur immediately. A log of reported variances, actions taken in response thereto and any recommended changes to internal controls shall be maintained by the Utility Director and submitted to the Oversight Committee as part of the annual review. The Utility Director shall be responsible for reporting to the Board of Trustees, the State Board of Accounts and any law enforcement personnel if required.

KNOWN OR SUSPECTED THEFT

In accordance with the provisions of Ind. Code 5-11-1-27(l), if any public official has actual knowledge of or reasonable cause to believe that there has been a theft or misappropriation of public funds, immediate notice of such known or suspected misappropriation shall be given to the State Board of Accounts and the County Prosecutor's office. There is no minimum level of materiality for this reporting. Any District personnel with knowledge or suspicion of such theft or misappropriation should immediately notify the Utility Director or any member of the Board of Trustees to report such activity so that it may be investigated, confirmed and reported. Reports of suspected theft or misappropriation will be investigated confidentially. Any confirmed or suspected theft or misappropriation will be reported to the appropriate authorities by the Utility Director or the President of the Board of Trustees.

STATEMENT REGARDING ETHICAL CONDUCT

It is the policy of the District that each District employee, the Utility Director, the Board of Trustees and others affiliated with the District conduct themselves in the highest ethical and honest manner when handling, dispensing, or accounting for public funds and property. The funds and property of the District are generated by user and development fees and are entrusted to the District for the purpose of providing sanitary sewer service in the District. The Board of Trustees expects each individual affiliated with the District to handle District funds and property with the highest public interest in mind. Instances of intentional violation of this expectation will be dealt with through the District's disciplinary process and can result in discipline up to and including immediate dismissal from employment.

CASH AND DEPOSITS INTERNAL CONTROLS

GENERAL

The District receives cash, checks and electronic deposits on a daily basis. The purpose of this control is to assure accurate accounting and deposit for all funds received by District personnel.

PROCESS

The Customer Service staff receives and accounts for cash, checks and electronic deposits received by the District. Customers that come to the office to pay their monthly sewer bill or other fees shall be issued a receipt indicating the amount paid. Payments received by mail shall be matched against an invoice or other documents. All receipts shall be entered daily in the billing system.

Funds received shall be deposited in the District's depository by the next business day as required by Ind. Code §5-13-6-1(c). Checks received shall be scanned for deposit at the District's depository. When cash on hand exceeds \$500, such funds shall be deposited the next business day as required by Ind. Code §5-13-6-1(g). All amounts on-hand shall be deposited on the last working day of a fiscal period regardless of any dollar or time threshold. The deposit slips and electronic deposit forms shall be given daily to the Administrative Assistant – Data Entry clerk to be entered in the Cash Receipts and Accounts Receivable ledgers.

RECONCILIATION OF CASH DEPOSITS AND BANK STATEMENTS

Receipts in the billing system shall be reconciled to the Cash Receipts and Accounts Receivable ledgers monthly by the Customer Service Manager and reviewed by the Controller for confirmation. The Controller shall review and reconcile all bank statements on a monthly basis. The Utility Director shall review and approve the reconciliation between the cash balance and the bank balance for each prior month no less than quarterly.

REPORTING & MATERIALITY

It is the policy of the District that any erroneous or irregular variances, losses or shortages, discovered in the cash and deposits process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the District's Statement Regarding Materiality and Reporting.

PURCHASING INTERNAL CONTROLS

GENERAL

The District purchases materials and services in the course of providing sanitary sewer service. The purpose of this control is to assure accurate accounting and payment for all purchases made by District personnel and to limit the opportunity for personal use of District resources.

PROCESS

The Board of Trustees authorizes procedures for purchases by the District. All purchasing for the District must be conducted by managers or other authorized personnel per the Purchasing Policy and Procedure (Exhibit A).

Purchases over \$500 shall require a Purchase Order as stated in the policy.

The District is sales tax-exempt and therefore all purchases are not subject to sales tax. A tax-exempt certificate shall be presented to the vendor prior to the purchase. These forms can be obtained from the Controller. If not obtained before the purchase, the purchasing personnel can be held responsible for any sales taxes incurred.

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other pertinent records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible employee.

The Controller shall be responsible for final review of all claims submitted for payment.

Any purchase over \$2,000 that meets the requirements of a fixed asset as described in the Capital Policy & Procedure (Exhibit B) shall be recorded in the Fixed Asset System.

RECONCILIATION OF PURCHASE DISBURSEMENTS

Vendor disbursements shall be accounted for in numerical order and listed on the District's Register of Claims on a monthly basis by the Controller. The Register of Claims shall be presented at the monthly Board of Trustees meeting for approval. Invoices or other receipts shall be attached to each claim to support the disbursement. All disbursements shall be signed by the authorized board or staff members per the Check Signing Policy (Exhibit C). The Controller and any other staff member that processes claims for payment are prohibited from being an authorized check signer.

CREDIT CARD PURCHASES

The Utility Director is the officer designated by the District to administer use of all District credit cards. District credit cards may be issued to an employee for appropriate District purposes per

the Credit Card Policy (Exhibit D). The employee is responsible for all purchases made with their credit card.

Employees with District credit cards shall maintain a log of credit card usage. Supporting documents such as paid bills and receipts must be submitted monthly with the credit card log to their supervisor for review and approval. The approved credit card log will be sent to Accounting to reconcile with the credit card statement prior to payment. The reconciliation will be reviewed by the Controller.

PURCHASING LIMITS

Purchasing limits for the District shall adhere to Indiana Code and the Purchasing Policy & Procedure as follows:

- **\$0 - \$500** – Bids and purchase orders not required.
- **\$501 - \$2,500** – Contact vendors for quotes and purchase order required.
- **\$2,501 - \$50,000** – Contact at least three vendors for quotes and purchase order required.
- **\$50,001 - \$150,000** – “Invitation to Quote” letter must be sent to at least three vendors known to deal in the lines or classes of supplies or equipment being purchased. The invitations to quote must be sent at least seven (7) days before the time fixed for receiving quotes for the supplies or equipment to be purchased. If a satisfactory quote is received, the Board of Trustees must approve and may award the purchase to the lowest responsible and responsive offer.
- **\$150,000 and up** – Formal bid process following state guidelines and with final approval by the Board of Trustees.

REPORTING AND MATERIALITY

It is the policy of the District that any erroneous or irregular variances, losses or shortages, discovered in the purchasing process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the District’s Statement Regarding Materiality and Reporting.

PAYROLL INTERNAL CONTROLS

GENERAL

Payroll is one of the District's largest expenditures. The purpose of this control is to assure accurate accounting and payment for all salaries and wages to District personnel. The Utility Director may authorize the use of a third party fee-based payroll service to process the District's payroll.

PROCESS

The Controller is responsible for processing the bi-weekly payroll. Time sheets shall be maintained by all employees and submitted to their supervisor for approval on the first working day of the new pay period. Corrections to time entries will be entered by the employee's supervisor or the Controller. Supervisors shall review their staff's timesheets for accuracy and submit them for processing. Each employee's net pay will be deposited electronically into their designated bank account. Pay stubs may be accessed from the online payroll service.

The Utility Director shall perform specific verification activities at least annually and include the following:

- Reviewing for fictitious employees
- Confirming employees' County of residence
- Reviewing improper alterations of payroll amounts
- Verifying that proper tax deductions are taken
- Confirming employees' additional withholding authorizations are on file
- Spot checking time sheets and tracing to payroll records in order to verify the proper recording of employee hours.
- Verifying the accuracy of individual pay rates.
- Reviewing the adequacy of internal controls relating to the incurrence of overtime and spot checking for accuracy.
- Determining if proper payroll forms exist such as W-4s and I-9s.

Access to payroll computer applications shall be appropriately controlled by user logins and passwords. Payroll administrative rights shall be limited to the Controller, Customer Service Manager, Utility Director and the District's payroll contractor. Any change in payroll procedures must receive the approval of the Utility Director.

REPORTING

It is the policy of the District that any erroneous or irregular variances, losses or shortages, discovered in the payroll process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the District's Statement Regarding Materiality and Reporting.

PETTY CASH INTERNAL CONTROLS

GENERAL

The District maintains a small petty cash fund to provide change for cash payments made by customers. The purpose of this control is to assure accurate accounting and deposit for all funds received by District personnel.

PROCESS

The District maintains a petty cash fund in the amount of \$200. A designated Customer Service Specialist is responsible for \$100 with the remaining \$100 in the control of the Customer Service Manager. The Customer Service Specialist will notify the Customer Service Manager when cash received is approaching \$500 so a bank deposit can be prepared. The fund will be balanced on a weekly basis. The Customer Service Manager shall review the balance of this fund on a monthly basis.

REPORTING

It is the policy of the District that any erroneous or irregular variances, losses or shortages, discovered in the petty cash process shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the District's Statement Regarding Materiality and Reporting.

INFORMATION TECHNOLOGY CONTROLS

GENERAL

The District maintains both public and confidential information on the District's computer systems. The purpose of this control is to assure that only those authorized personnel with the need to access confidential or integral District applications have such access, and that unauthorized users are identified and restricted from access.

PROCEDURE

The District's information technology consulting firm (the "IT Consultant") shall be selected by the Utility Director based on the recommendation of the Plant Manager. The IT Consultant shall implement the following internal controls with respect to the District's information technology:

All users shall have unique user names and passwords. User names and passwords should not be shared. Only the Plant Manager and IT Consultant shall have a list of all user names. Passwords will only be known by the users.

- The Plant Manager shall notify the IT Consultant immediately when an individual's employment or contract is terminated so that user's access to all computer-related applications can be terminated.
- An authentication system shall be used to log-on to the network and to access specific applications.
- Users shall be required to log off or lock their account before stepping away from the computer and shall shut off individual computers before they leave for the day.
- The IT Consultant shall give users access only to the areas of the applications (including within financial software) and the network they need to access to perform their job duties.
- The Utility Director or his designee shall periodically review logs of the applications, including the financial software, to assure only authorized users are accessing for a proper purpose.
- The IT Consultant shall ensure a systematic and routine off-site data backup plan.

REPORTING

It is the policy of the District that any erroneous or irregular variances, losses or unauthorized usage discovered in the District's information technology system or databases shall be reported to the Utility Director. If determined to be appropriate, the Utility Director shall report such events to the Board of Trustees, the State Board of Accounts and other appropriate officials in accordance with the District's Statement Regarding Materiality and Reporting.

FIXED ASSETS CONTROLS

OVERVIEW

District property is for the sole use of District employees and only for a proper District purpose. All property, including vehicles, equipment, furniture, inventory, etc., that is owned by the District shall remain in the custody of, and be maintained by, the District and its employees. No District property shall be used for personal use unless specifically approved by the Utility Director. Any exceptions to this policy will be required to have the prior approval of the Utility Director.

FIXED ASSETS

Fixed Assets will be purchased and recorded per the Capital Policy & Procedure (Exhibit B). In general, an item must cost \$2,000 or more to be considered a fixed asset. All fixed assets shall be recorded in the Fixed Asset System by the Controller on an annual basis.

When practicable, fixed assets should be tagged with a unique District identifier.

The date of acquisition and the item's acquisition value shall be recorded for each item that meets the criteria set forth above. Also to be recorded are the item's life expectancy, serial number, and location.

Any time a fixed asset or other asset is no longer considered by the Utility Director to be usable property, the reason for such determination along with any sales value (if applicable), shall be recorded.

To the extent possible, the Utility Director shall ensure that access to portable fixed assets is limited to personnel who have a business need. Keys and lock combinations to secured locations shall be provided only to designated personnel who shall be responsible for access to the assets.

On an annual basis, the fixed asset list shall be reviewed and new purchases added to the Fixed Asset System. The Controller is responsible for completing this task.

REPORTING

It is the policy of the District that any erroneous or irregular variances, losses or shortages, discovered in the inventory of fixed assets shall be reported to the Utility Director. The Utility Director shall report material variances, losses, shortages or thefts to the Board of Trustees, State Board of Accounts and other appropriate officials in accordance with the District's Statement Regarding Materiality and Reporting.

Purchasing Policy and Procedure

6/20/2016

1. Purchase Orders – prior to receiving an invoice.

- A) Not required if order is under \$500 and not capital and not professional education.
- B) Required if over \$500 or is capital or is professional education.
 - a) Prepare Purchase Order Requisition Form located in “R” drive, Accounting forms.
 - b) Send Requisition Form to Accounting with any quotes received.
 - c) Accounting will prepare the Purchase Order for approval. After approval by the Utility Director, Accounting will notify the originator that the Purchase Order has been approved and scanned. The originator will send a copy of the PO to the vendor or provide them with the PO number.

2. Purchase Orders – after receiving an invoice.

- A) If an invoice has been received prior to issuing a PO, prepare a Purchase Approval Form instead of a Requisition. This form will be used to approve the purchase instead of a PO. The Purchase Approval will be sent to the Utility Director for approval by Accounting. Purchases made without a PO issued should be kept to a minimum.

3. Blanket Purchase Orders – Blanket PO’s can be issued for vendors where multiple or recurring purchases are made for the same items. These Blanket Orders should not exceed 12 months and should be reissued each calendar year.

4. Obtaining Quotes

- A) Public Works
 - a) Projects over \$150,000 must be bid using the Public Bidding Requirements
 - b) Projects between \$50,000 and \$150,000 require that quotes be invited from at least three firms that deal with the proposed work. Quotes received must be opened at a public meeting.
 - c) Projects less than \$50,000 require the same invitation for quotes as item b above.
- B) General Purchases
 - a) Purchases over \$150,000 shall adhere to the Public Bidding Requirements.
 - b) Purchases between \$50,000 and \$150,000 may be made by inviting quotes from at least three firms that deal with the items being purchased. Quotes received can be opened without a public meeting.
 - c) Purchases between \$2,500 and \$50,000 follow the same procedure as item b.
 - d) Purchases from \$500 and \$2,500 may be made after contacting vendors for quotes.
- C) Emergency Conditions – Special purchases may be made bypassing the requirements to obtain quotes when there is a threat to public health, welfare, or safety.

5. Receiving Tickets – Receiving Tickets should be prepared for all items received or picked up. A Packing List may be substituted for a Receiving Ticket. The original is sent to Accounting and copy retained at the plant.

6. Invoice Approval - Invoices will be scanned in PaperSave for approval by the appropriate manager or his designee. The approval signifies that the item has been received as ordered and the invoice may be paid.

Capital Policy & Procedure

4/8/2008

1. Capital vs. Expense Policy

- A. Assets costing less than \$2,000 will be expensed rather than capitalized.
- B. Personal computers will be expensed. Servers, server software and other computer hardware may be capitalized if the cost exceeds the capitalization minimum.
- C. Repairs must exceed 25% of the original cost and extend the asset's life in order to be capitalized rather than expensed.
- D. Assets purchased as part of a single project may be capitalized if the total cost exceeds the capitalization minimum.
- E. Assets will not be capitalized unless their useful life is five (5) years or longer.

2. Policy for purchasing Capital Assets.

- A. Purchase Orders are required for all capital purchases (see Purchase Order Policy).
- B. No capital (fixed) asset purchases may occur that have not been approved in the current year's Capital Budget or received Board approval. Emergency purchases may be authorized by the Utility Director prior to Board approval.

3. Capital Asset Recording Procedure

- A. Purchased capital assets will be recorded to the proper general ledger account in the month they are received and/or purchased. Construction projects including the treatment plant and sewer lines will generally be charged to a separate Construction-In-Process (CIP) account. These accounts will be transferred to the permanent general ledger accounts after substantial completion at the end of each year.
- B. Dedicated sewer lines will be recorded after acceptance at the board meeting. The sewer system will be valued at ten (10) times the value of the warranty bond unless more accurate cost information is available from the developer.
- C. Vehicles will be recorded at their cost. The value of any trade-in will be used in the calculation of a gain/loss for the traded vehicle, not to reduce the cost of the new vehicle.
- D. All assets will be recorded in the Fixed Asset System by the end of each year. This system also calculates the monthly depreciation. Depreciation will not commence until January of the year following the substantial completion of the project.
- E. Project spending that occurs more than one year after capitalization will be expensed.

4. Depreciation Policy and Procedure

- A. Capital assets will be depreciated on a cost basis with no salvage value using the straight-line method according to the State Board of Accounts.
- B. Assets will be depreciated using the lives approved by the Board – see Fixed Asset Lives on page 2.
- C. Monthly depreciation will be calculated using the Fixed Asset System. Depreciation will only be calculated on assets capitalized in the prior year or earlier.
- D. Depreciation will continue for the full year on all assets that are retired or disposed during the year.

5. Fixed Asset Retirement/Disposal

- A. Fixed assets that have no useful value to the District will be retired at the end of each year. Their cost and accumulated depreciation will be written off the general ledger. A gain or loss will be recognized based on the net book value less any salvage value.
- B. Assets may not be sold/scrapped until they have been declared surplus by the Board. These assets will then be disposed of in an appropriate manner. Any salvage value will be retained by the District.

Fixed Asset Lives**Furniture & Fixtures**

Computer Hardware	5 years
Computer Software	5
Office Equipment	7
Office Furniture	20
Copiers	7

Auto, Truck & Portable Equipment

Vehicles	5 years
Portable Equipment	7

Buildings

Buildings & Improvements	50 years
Pole Barn	25
HVAC Systems	25
Electrical	25
Plumbing	25

Treatment Plant

Treatment Plant	50
Treatment Plant Equipment	15
Machinery	15
SCADA	5

Lift Stations

Lift Stations	50
Lift Station Equipment	15
SCADA	5

Sewer Lines

Sewer Lines	50
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Clay Township Regional Waste District Check Signing Policy

1. Signature authority for checks is as follows:
 - A. Up to \$5,000 – Utility Director or Customer Service Manager
 - B. \$5,000.01 to \$25,000 – Utility Director or Customer Service Manager, and one Board member
 - C. \$25,000.01 or higher – Two Board members
 - D. Checks or requests for a check may be signed by both the Utility Director and Customer Service Manager without a Board member's signature if:
 - 1) The check is written payable to Clay Township Regional Waste District and will be deposited in a bank account previously approved by the Board for the purpose of obtaining a higher rate of interest or to transfer funds to the District's checking or ACH accounts, or
 - 2) The check is to pay a recurring monthly invoice, including but not limited to utility bills and credit card statements.

Credit Card Policy

1. Credit cards will be issued to District employees and spending limits established upon recommendation of the department manager and approval of the Utility Director.
2. Personal use of company credit cards is strictly prohibited.
3. Credits cards may be used for the following business related purchases:
 - A. Emergency purchases
 - B. Non-routine or one-time purchases
 - C. Internet, phone, and fax purchases
 - D. Purchases under \$500
 - E. Business travel expenses, subject to prior approval.
4. Credit card purchases are subject to the provisions of the Purchase Order policy.
5. As required by the State Board of Accounts, credit card holders will maintain a monthly log identifying the names of individuals who use the card, amounts to be charged, fund and account numbers to be charged.
6. Receipts are required for all purchases and will be submitted with the monthly log.
7. Credit card holders will sign a form acknowledging receipt of the card and agreeing to use it for authorized purchases only.

Credit Card Agreement

I, _____, have been issued a Credit Card by Clay Township Regional Waste District. I have received and read a copy of the Credit Card Policy and Purchase Order Policy. I agree to limit my use of this card to business purchases authorized by these or other applicable policies. The use and security of this card is my responsibility. I will surrender this card upon my termination of employment with Clay Township Regional Waste District or at any other time as requested by an authorized supervisor.

Employee Signature

Date

Cash Forecast

Revised 7/8/2016

	Actual 2014	Actual 2015	Budget 2016	2017	2018	2019	2020
Operating	5,821,000	4,435,000	1,871,000	(1,629,000)	(460,000)	1,062,000	2,949,000
Operating Reserve	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,192,000</u>
Net	8,013,000	6,627,000	4,063,000	563,000	1,732,000	3,254,000	5,141,000
Reserve for Replacement	<u>(267,000)</u>	<u>1,790,000</u>	<u>16,000</u>	<u>(134,000)</u>	<u>16,000</u>	<u>41,000</u>	<u>(109,000)</u>
Operating Funds	7,746,000	8,417,000	4,079,000	429,000	1,748,000	3,295,000	5,032,000
Plant Expansion	1,302,000	2,103,000	3,103,000	3,606,000	2,714,000	3,930,000	4,707,000
Interceptor	<u>1,862,000</u>	<u>2,184,000</u>	<u>2,348,000</u>	<u>(902,000)</u>	<u>(2,202,000)</u>	<u>(5,252,000)</u>	<u>(7,052,000)</u>
Subtotal	3,164,000	4,287,000	5,451,000	2,704,000	512,000	(1,322,000)	(2,345,000)
TOTAL - Revised for Late Start, Bids	10,910,000	12,704,000	9,530,000	3,133,000	2,260,000	1,973,000	2,687,000
TOTAL - 2016 Original Budget		12,704,000	4,510,000	1,560,000	1,579,000	2,776,000	3,163,000

Notes: Used 2016 Operating & Capital Budgets.

Operating fund includes a 5% rate increase each year.

Operating Reserve and Reserve for Replacement funded by transfers from Operating Fund.

Reserve for Replacement will receive transfers of \$300,000 per year from the Operating Fund.

Revised: EDU fees will be increased 5% each year.

Plant Expansion funded by EDU fees. Forecasting \$1,050,000 in receipts in 2016.

Final plant expansion for full buildout will occur from 2020 to 2023 - \$15,500,000.

Interceptor funded by Interceptor fees. Forecasting \$1,050,000 per year in receipts with 13 year buildout completed in 2028.

Interceptor capital spending will be \$15,000,000 from 2016 to full buildout in 2020.

Revised: Headworks Odor Control Upgrades

Budget \$1,200,000

Revised per bid \$2,100,000

Additional Spending \$900,000

Parallel FM - Ditch Rd to WWTP

Budget \$4,800,000

Revised per bid \$6,400,000

Additional Spending \$1,600,000

Basin 1 Wet Weather Solutions

Budget \$1,700,000

Revised estimate \$800,000

Reduced Spending \$900,000

ORDINANCE NO. 08-08-2016 A

An ordinance establishing a late fee for unpaid sewer bills.

WHEREAS, the Board of Trustees desires to establish by ordinance the late fee policy currently in effect for unpaid monthly user charges,

Now, therefore, be it ordained by the Board of Trustees of the Clay Township Regional Waste District, Indiana:

Section 1. Any current charges on the monthly user invoice that remain unpaid after the listed due date shall be assessed a late fee. The late fee assessed will be 10% of the unpaid current charges. This fee will be added to the following month's user invoice.

PASSED AND ADOPTED by the Board of Trustees of the Clay Township Regional Waste District on the ____ day of _____, 2016.

<u>BOARD OF TRUSTEES:</u>	<u>Approve</u>	<u>Oppose</u>	<u>Abstain</u>
<u>Marilyn Anderson</u> <u>President</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Joseph Clark</u> <u>Vice President</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Michael McDonald</u> <u>Secretary</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Jane Merrill</u> <u>Treasurer</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Amanda Foley</u> <u>Member</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Chuck Ford</u> <u>Member</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Eric Hand</u> <u>Member</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Carl Mills</u> <u>Member</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Steve Pittman</u> <u>Member</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ATTEST:
Andrew Williams – Utility Director

**Clay Township Regional Waste District
Budget & Finance Committee – Analysis of June 2016
July 29, 2016 Meeting**

Income Statements

June: Total Sales of \$563,000 were \$28,000 or 5% over budget. Residential was 3% higher and Commercial was 10% higher than budget. Other Income was slightly over budget.

Operating Expenses of \$394,000 were \$19,000 or 4% under budget. Spending was below budget by \$19,000 in Administration and \$13,000 in Collection. Spending was over budget in Wages & Benefits by \$4,000 and Treatment by \$9,000. The major variances are as follows:

<u>Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance (unfavorable)</u>	<u>Explanation</u>
Gross Wages	118,000	114,000	(4,000)	Collection Mgr, 2 extra summer hires
Consulting	- 0 -	4,000	4,000	no spending, previous contract expired
Engineering	- 0 -	5,000	5,000	no spending other than capital
Legal Fees	- 0 -	4,000	4,000	invoice received after closing
Sewage Trtmt-Carmel	99,000	94,000	(5,000)	higher flows to Carmel than budgeted
Plant R&M	16,000	11,000	(5,000)	\$4m – belt press pump
Lift Station R&M	10,000	14,000	4,000	lower spending, budget allocation
Special R&M (I&I)	- 0 -	7,000	7,000	no spending, budget allocation
Utilities – Lift Stations	17,000	14,000	(3,000)	ls 2 new pumps & IPL rate change
Oper Supplies-Collect.	8,000	1,000	(7,000)	lift station odor control chemicals
Manhole R&M	- 0 -	6,000	6,000	no spending, budget allocation
Total Operating Exp.	394,000	413,000	19,000	4% under budget
Net Income (loss)	153,000	109,000	44,000	40% over budget

June YTD: Total Sales of \$3,212,000 were \$191,000 or 6% over budget due to higher Commercial and Residential Sales. Other Income was \$9,000 over budget due to higher Interest.

Year-to-date June 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	673,000	654,000	(19,000)	Collection Mgr, 2 extra summer hires
Engineering	9,000	30,000	21,000	primarily charged to capital projects
Utilities – Plant	99,000	119,000	20,000	lower spending due to mild winter
Lift Station R&M	43,000	82,000	39,000	lower spending
Line Repair	1,000	26,000	25,000	minimal spending
Special R&M (I&I)	- 0 -	43,000	43,000	no spending
Oper Supplies-Collect.	30,000	3,000	(27,000)	odor control chemicals at LS 2, 17, 23
Manhole R&M	- 0 -	38,000	38,000	no spending
Total Operating Exp.	2,235,000	2,466,000	231,000	9% under budget
Net Income (loss)	884,000	477,000	407,000	85% over budget

Cash Generated

Cash Generated for June showed a net decrease in all funds of \$375,000. This decrease was primarily due to capital spending. Capital spending was \$316,000 or 3% of the 2016 Budget. The Total Cash balance is \$12,026,000 or \$728,000 lower than the June 2015 balance. YTD Cash has decreased \$678,000.

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 June. 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

June 2016

	Actual MTD thru 6/30/2016	Budget MTD thru 6/30/2016	Variance	Actual YTD thru 6/30/2016	Budget YTD thru 6/30/2016	Variance	Total Annual Budget	Variance
Sales								
Residential	347,111	337,400	9,711	2,063,217	2,003,900	59,317	4,102,000	(2,038,783)
Commercial	201,769	183,000	18,769	1,065,360	950,700	114,660	2,000,000	(934,640)
Other Revenue	14,214	14,720	(506)	83,691	67,020	16,671	148,000	(64,309)
Total Sales	563,094	535,120	27,974	3,212,268	3,021,620	190,648	6,250,000	(3,037,732)
Other Income	13,200	11,505	1,695	81,164	72,144	9,020	138,000	(56,836)
Total Revenue	576,294	546,625	29,669	3,293,432	3,093,764	199,668	6,388,000	(3,094,568)
Operating Expenses								
Wages & Benefits	162,519	158,865	(3,654)	960,598	933,801	(26,797)	1,888,900	928,302
Administration	36,433	55,027	18,594	250,554	336,228	85,674	685,300	434,746
Treatment	151,396	141,850	(9,546)	828,304	857,400	29,096	1,707,000	878,696
Collection System	43,602	56,750	13,148	195,465	339,000	143,535	673,000	477,535
Total Operating Expenses	393,949	412,492	18,543	2,234,922	2,466,429	231,507	4,954,200	2,719,278
Depreciation	297,291	295,000	(2,291)	1,783,731	1,770,000	(13,731)	3,540,000	1,756,269
Amortization	(268,226)	(270,000)	(1,774)	(1,609,356)	(1,620,000)	(10,644)	(3,240,000)	(1,630,644)
Total Expenses	423,014	437,492	14,478	2,409,297	2,616,429	207,132	5,254,200	2,844,903
NET SURPLUS/(DEFICIT)	153,280	109,133	44,147	884,136	477,335	406,801	1,133,800	(249,664)

Clay Township Regional Waste District

Income Statement

June 2016

		Actual MTD thru 6/30/2016	Budget MTD thru 6/30/2016	Variance	Actual YTD thru 6/30/2016	Budget YTD thru 6/30/2016	Variance	Total Annual Budget	Variance
Sales									
Residential									
4001-1	Sales - Residential	347,111	337,400	9,711	2,063,217	2,003,900	59,317	4,102,000	(2,038,783)
Residential		347,111	337,400	9,711	2,063,217	2,003,900	59,317	4,102,000	(2,038,783)
Commercial									
4003-1	Sales - Commercial	201,769	183,000	18,769	1,065,360	950,700	114,660	2,000,000	(934,640)
Commercial		201,769	183,000	18,769	1,065,360	950,700	114,660	2,000,000	(934,640)
Other Revenue									
4005-1	Late Charges	6,234	5,880	354	38,206	33,240	4,966	68,000	(29,794)
4007-1	Applications Fees	6,300	6,840	(540)	36,900	21,780	15,120	55,000	(18,100)
4009-1	Plan Reviews, Inspections, Misc. Revenue	1,680	2,000	(320)	8,585	12,000	(3,415)	25,000	(16,415)
Other Revenue		14,214	14,720	(506)	83,691	67,020	16,671	148,000	(64,309)
Total Sales		563,094	535,120	27,974	3,212,268	3,021,620	190,648	6,250,000	(3,037,732)
Other Income									
4501-1	Interest - Investments	3,369	3,400	(31)	20,443	20,300	143	41,000	(20,557)
4503-1	Interest - Banking	9,302	7,600	1,702	57,537	48,700	8,837	91,000	(33,463)
4507-1	Bank Fees	(20)	(80)	60	(135)	(480)	345	(1,000)	865
4601-1	Interest - by project	443	585	(142)	2,858	3,624	(766)	7,000	(4,142)
4701-1	Customer Fees & Reimbursements	100	0	100	400	0	400	0	400
4901-1	Misc Income/Expense	7	0	7	62	0	62	0	62
Other Income		13,200	11,505	1,695	81,164	72,144	9,020	138,000	(56,836)
Total Revenue		576,294	546,625	29,669	3,293,432	3,093,764	199,668	6,388,000	(3,094,568)
Operating Expenses									
Wages & Benefits									
5001-1	Gross Wages	118,004	114,000	(4,004)	673,067	653,500	(19,567)	1,339,000	665,933
5003-1	Other Employee Exp	974	850	(124)	5,925	4,900	(1,025)	10,000	4,075
5005-1	Retirement Plan - Hoosier START	11,151	11,400	249	66,310	65,350	(960)	133,900	67,590
5007-1	Employee Insurance	23,962	24,350	388	167,315	162,750	(4,565)	309,000	141,685

Clay Township Regional Waste District

Income Statement

June 2016

		Actual MTD thru 6/30/2016	Budget MTD thru 6/30/2016	Variance	Actual YTD thru 6/30/2016	Budget YTD thru 6/30/2016	Variance	Total Annual Budget	Variance
5009-1	Taxes (Employer FICA)	8,429	8,265	(164)	47,982	47,301	(681)	97,000	49,018
Wages & Benefits		162,519	158,865	(3,654)	960,598	933,801	(26,797)	1,888,900	928,302
Administration									
5101-1	Clay Township Govt Center Operations	4,294	4,950	656	16,198	27,450	11,252	55,000	38,802
5103-1	Professional Education	414	1,200	786	1,940	8,000	6,060	23,000	21,060
5105-1	Boardmember Fees	1,700	1,800	100	8,750	9,000	250	19,000	10,250
5107-1	Board Expense	82	175	93	438	1,000	562	2,000	1,562
5109-1	Consulting	0	4,500	4,500	12,639	24,000	11,361	50,000	37,361
5111-1	Computer Expenses/Consultants	6,536	6,500	(36)	42,502	41,000	(1,502)	80,000	37,498
5113-1	Insurance	7,759	8,000	241	45,926	47,000	1,074	95,000	49,074
5115-1	Accounting Fees	0	0	0	0	0	0	6,000	6,000
5117-1	Legal Fees	18	4,000	3,982	11,962	26,000	14,038	50,000	38,038
5119-1	Engineering Fees	0	5,000	5,000	9,163	30,000	20,837	60,000	50,837
5121-1	Special Engineering (I & I)	0	1,667	1,667	1,164	9,998	8,834	20,000	18,836
5125-1	Professional Affiliations	0	100	100	3,119	2,890	(229)	4,500	1,381
5127-1	Travel & Mileage	444	580	136	4,879	3,480	(1,399)	7,000	2,121
5129-1	Collection	(3,715)	0	3,715	(5,428)	0	5,428	0	5,428
5131-1	Billing Service Contracts	9,462	10,300	838	64,195	70,000	5,805	140,000	75,805
5133-1	Bad Debt Expense	0	25	25	0	50	50	100	100
5135-1	Office Expense	949	920	(29)	4,681	5,520	839	11,000	6,319
5137-1	Postage Expense	750	810	60	4,500	4,840	340	9,700	5,200
5139-1	Office Services	2,689	2,500	(189)	16,076	15,000	(1,076)	30,000	13,924
5141-1	Customer Outreach & Education	5,052	2,000	(3,052)	7,852	11,000	3,148	23,000	15,148
Administration		36,433	55,027	18,594	250,554	336,228	85,674	685,300	434,746
Treatment									
5201-1	Sewage Treatment - Carmel WWTP	99,286	94,000	(5,286)	531,295	546,000	14,705	1,110,000	578,705
5203-1	Sewer Sampling & Lab	1,142	3,000	1,858	15,897	18,000	2,103	35,000	19,103
5205-1	Biosolids Disposal	11,307	10,000	(1,307)	76,937	60,000	(16,937)	120,000	43,063
5207-1	Plant R & M	16,031	11,500	(4,531)	80,636	69,500	(11,136)	140,000	59,364
5209-1	Utilities - Plant	16,685	18,000	1,315	99,422	119,000	19,578	225,000	125,578

Clay Township Regional Waste District Income Statement

June 2016

		Actual MTD thru 6/30/2016	Budget MTD thru 6/30/2016	Variance	Actual YTD thru 6/30/2016	Budget YTD thru 6/30/2016	Variance	Total Annual Budget	Variance
5211-1	Operating Supplies - Plant	3,740	3,750	10	7,706	22,500	14,794	45,000	37,294
5213-1	Safety Materials & Training	3,204	1,600	(1,604)	6,077	10,400	4,323	20,000	13,923
5215-1	Permits	0	0	0	10,335	12,000	1,665	12,000	1,665
Treatment		151,396	141,850	(9,546)	828,304	857,400	29,096	1,707,000	878,696
Collection System									
5301-1	Lift Station R & M	9,561	14,000	4,439	42,960	82,000	39,040	165,000	122,040
5303-1	Line Maintenance	1,311	3,000	1,689	6,054	17,000	10,946	40,000	33,946
5305-1	Line Repair	1,200	4,000	2,800	1,200	26,000	24,800	50,000	48,800
5307-1	Equipment Repair	628	2,000	1,372	5,704	11,000	5,296	20,000	14,296
5309-1	Special R & M (I&I)	0	7,000	7,000	40	43,000	42,960	85,000	84,960
5313-1	Vehicle R & M	1,709	2,000	291	6,397	12,000	5,603	25,000	18,603
5315-1	Fuel	3,820	2,000	(1,820)	7,806	13,000	5,194	25,000	17,194
5317-1	Utilities - Lift Stations	17,133	14,000	(3,133)	89,587	84,500	(5,087)	160,000	70,413
5319-1	Operating Supplies - Collection System	7,396	500	(6,896)	30,063	3,000	(27,063)	6,000	(24,063)
5321-1	Manhole R&M	0	6,250	6,250	0	37,500	37,500	75,000	75,000
5322-1	Televising	0	1,000	1,000	0	4,000	4,000	10,000	10,000
5323-1	Uniforms & Shop Towels	844	1,000	156	5,653	6,000	347	12,000	6,347
Collection System		43,602	56,750	13,148	195,465	339,000	143,535	673,000	477,535
Total Operating Expenses		393,949	412,492	18,543	2,234,922	2,466,429	231,507	4,954,200	2,719,278
Depreciation									
5901-1	Depreciation	297,291	295,000	(2,291)	1,783,731	1,770,000	(13,731)	3,540,000	1,756,269
Depreciation		297,291	295,000	(2,291)	1,783,731	1,770,000	(13,731)	3,540,000	1,756,269
Amortization									
5911-1	Amortization of CIAC	(268,226)	(270,000)	(1,774)	(1,609,356)	(1,620,000)	(10,644)	(3,240,000)	(1,630,644)
Amortization		(268,226)	(270,000)	(1,774)	(1,609,356)	(1,620,000)	(10,644)	(3,240,000)	(1,630,644)
Total Expenses		423,014	437,492	14,478	2,409,297	2,616,429	207,132	5,254,200	2,844,903

Clay Township Regional Waste District

Income Statement

June 2016

NET SURPLUS/(DEFICIT)	<u>153,280</u>	<u>109,133</u>	<u>44,147</u>	<u>884,136</u>	<u>477,335</u>	<u>406,801</u>	<u>1,133,800</u>	<u>(249,664)</u>
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Clay Township Regional Waste District

Summary Balance Sheet

June 30, 2016

	Actual as of 6/30/2016	Actual as of 6/30/2015	% of 2015
ASSETS			
Utility Plant	104,635,118	100,408,969	104%
Current Assets			
Cash & Investments			
Operating Fund	4,114,645	3,614,850	114%
Operating Reserve	2,192,400	2,192,400	100%
Reserve for Replacement	838,455	2,493,679	34%
Interceptor Fund	2,413,142	2,658,056	91%
Plant Expansion Fund	2,467,694	1,765,558	140%
Retainage & Other Funds	0	30,000	0%
Total Cash & Investments	12,026,335	12,754,542	94%
Accounts Receivable	549,503	497,935	110%
Liens Receivable	24,040	34,225	70%
Invoiced Receivables	287,142	103,596	277%
Notes & Interest Receivable	81,992	141,937	58%
Investment Interest Receivable	39,427	0	0%
Other Current Assets	246,784	242,561	102%
Current Assets	13,255,223	13,774,797	96%
TOTAL ASSETS	117,890,341	114,183,766	103%
TOTAL LIABILITIES & EQUITY			
LIABILITIES			
Current Liabilities			
Invoiced Payables	59,028	178,305	33%
Accounts Payable	532,351	192,418	277%
Accrued Paid Leave	86,836	82,183	106%
Other Current Liabilities	90,107	189,396	48%
Total Current Liabilities	768,322	642,302	120%
TOTAL LIABILITIES	768,322	642,302	120%
EQUITY			
Retained Earnings	20,807,953	18,821,620	111%
Construction in Aid	96,314,066	94,719,844	102%
TOTAL EQUITY	117,122,019	113,541,464	103%
Total	117,890,341	114,183,766	103%

Clay Township Regional Waste District

Cash Generated

June 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	4,206,526	2,444,383	2,401,878	2,192,400	1,156,588	(0)	12,401,774
Receipts:							
Deposits	577,144	7,498	65,816	0	0	0	650,458
Interest	9,302	0	0	0	0	0	9,302
Transfers	0	0	0	0	0	0	0
Total Receipts	586,446	7,498	65,816	0	0	0	659,760
Disbursements:							
Checks	475,218	(0)	0	0	67,344	0	542,562
Carmel Utilities	98,345	0	0	0	0	0	98,345
Basin 1 Wet Weather Solution	104,764	0	0	0	0	0	104,764
LS 1 VFD Repl	0	0	0	0	0	0	0
LS 2 Pump Repl	0	0	0	0	250,789	0	250,789
106th St Parallel FM	0	38,325	0	0	0	0	38,325
Jackson's Grant - LS 26	0	414	0	0	0	0	414
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Total Disbursements	678,327	38,739	0	0	318,133	0	1,035,198
Net Increase/(Decrease)	(91,881)	(31,241)	65,816	0	(318,133)	0	(375,439)
Ending Balance	4,114,645	2,413,142	2,467,694	2,192,400	838,455	(0)	12,026,335

Clay Township Regional Waste District
Cash Generated
YTD June 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	3,372,858	311,940	365,882	0	0	0	4,050,680
Interest	57,537	0	0	0	0	0	57,537
Transfers	0	0	0	0	500,000	0	500,000
Total Receipts	<u>3,430,395</u>	<u>311,940</u>	<u>365,882</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>4,608,217</u>
Disbursements:							
Checks	2,303,848	11,215	1,650	0	95,620	0	2,412,333
Carmel Utilities	527,772	0	0	0	0	0	527,772
Basin 1 Wet Weather Solution	418,837	0	0	0	0	0	418,837
LS 1 VFD Repl	0	0	0	0	31,182	0	31,182
LS 2 Pump Repl	0	0	0	0	1,324,577	0	1,324,577
106th St Parallel FM	0	69,684	0	0	0	0	69,684
Jackson's Grant - LS 26	0	1,569	0	0	0	0	1,569
Thieneman-WWTP Digesters	0	0	0	0	0	0	0
Transfers	500,000	0	0	0	0	0	500,000
Total Disbursements	<u>3,750,456</u>	<u>82,468</u>	<u>1,650</u>	<u>0</u>	<u>1,451,379</u>	<u>0</u>	<u>5,285,953</u>
Net Increase/(Decrease)	(320,062)	229,472	364,232	0	(951,379)	0	(677,736)
Ending Balance	4,114,645	2,413,142	2,467,694	2,192,400	838,455	(0)	12,026,335

Clay Township Regional Waste District Cash & Investments

June 30, 2016

Bank & Purch Date	Account	Amount	Maturity Date	Rate	Fund
<u>Citizens State Bank</u>					
	Checking	\$ 173,300		0.05%	Plt Expan, Oper, Interceptor, Repl
	Money Market	\$ 4,065,100		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	\$ 1,136,700		2.00%	Oper, Interceptor, Res for Repl
	Money Market	\$ 4,649,900		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>\$ 12,026,300</u>		1.45%	Interest rate - Total
Less: Cash		<u>\$ 10,026,300</u>		1.13%	Interest rate - Cash
NET INVESTMENTS		<u><u>\$ 2,000,000</u></u>		2.05%	Interest rate - Investments