



MINUTES

CERTIFICATION OF CONFIRMATION OF COMMITTEE MEETING MINUTES

5 APRIL 2012

I, Cr David Färdig, hereby certify that the following minutes [pages 1 to 22] of the Meeting of **AUDIT COMMITTEE** held on held on 5 April 2012 were confirmed at a meeting of the Committee held on 5 July 2012.

A handwritten signature in blue ink, appearing to read "D. Färdig", is written over a horizontal line.

Signature

Cr David Färdig

Person presiding at the Committee Meeting held on 5 July 2012

AUDIT COMMITTEE

MINUTES

5 April 2012

(REF: COMMITTEES-13894)

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 5 April 2012**. The meeting commenced at **6.32pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6.32pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

| | | |
|--|-------------|--------------------|
| Cr Janet Powell (Chairman) | EMRC Member | City of Belmont |
| Cr Gerry Pule | EMRC Member | Town of Bassendean |
| Cr Alan Radford (Deputising for Cr Pittaway) | EMRC Member | City of Bayswater |
| Cr Frank Lindsey | EMRC Member | Shire of Kalamunda |
| Cr Alan Pilgrim | EMRC Member | Shire of Mundaring |
| Cr Charlie Zannino (Deputising for Cr Färdig) | EMRC Member | City of Swan |

Apologies

| | | |
|--|-------------|-------------------|
| Cr Graham Pittaway OAM | EMRC Member | City of Bayswater |
| Cr David Färdig (Deputy Chairman) | EMRC Member | City of Swan |

EMRC Officers

| | |
|---------------------|--|
| Mr Peter Schneider | Chief Executive Officer |
| Mr Hua Jer Liew | Director Corporate Services |
| Ms Mary-Ann Winnett | Personal Assistant to Director Corporate Services (Minutes) |

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil

5 APPLICATION FOR LEAVE OF ABSENCE

Nil

6 PRESENTATIONS

Nil



7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

7.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 8 MARCH 2012

That the Minutes of the Audit Committee meeting held 8 March 2012, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 8 MARCH 2012, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

8 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

9 QUESTIONS WITHOUT NOTICE

Nil

10 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

11 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



12 REPORTS OF OFFICERS/AUDITORS

12.1 HALF YEAR BUDGET REVIEW 2011/2012

REFERENCE: COMMITTEES-13896

PURPOSE OF REPORT

The purpose of this report is to provide Council, via the Audit Committee, with an overview of the Eastern Metropolitan Regional Council's (EMRC's) 2011/2012 budget review for adoption and subsequent submission to the Department of Local Government.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of the Local Government (Financial Management) Regulations 1996 (Clause 33A) that a Local Government, between 1 January and 31 March in each year, is to carry out a review of its annual budget for that year.
- Council receives monthly financial reports inclusive of end of year forecasts. Forecasts have been constantly monitored and reviewed based on current information and circumstances available to provide a more accurate forecast of the year end result.

Recommendation(s)

That the review of the 2011/2012 budget be adopted by an absolute majority and be submitted to the Department of Local Government within 30 days in accordance with the provisions of Local Government (Financial Management) Regulation 33A.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

BACKGROUND

It is a requirement of the Local Government (Financial Management) Regulations 1996 (Clause 33A) that a Local Government, between 1 January and 31 March in each year, is to carry out a review of its annual budget for that year.

Clause 33A also states that within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the Council who is to consider the review submitted to it and is to determine, by absolute majority, whether or not to adopt the review, any parts of the review or any recommendation made to the review.

The EMRC's budget is presented in a format that separates operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

Submitted to each meeting of Council is a financial report and summaries which provide an overview of year to date budget performance for operating activities and capital works. Variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Income Statement are reported on in the body of the report. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed regularly in order to provide an accurate forecast of the end of year result.



Item 12.1 continued

REPORT

It is a requirement of the Local Government (Financial Management) Regulations 1996 (Clause 33A) that a Local Government, between 1 January and 31 March in each year, is to carry out a review of its annual budget for that year.

The EMRC currently undertakes forecast reviews on a quarterly basis and this is incorporated within the financial report submitted to Council at its next ordinary meeting.

Format of Budget Review

The format of the review undertaken is based on a review by officers of all EMRC accounts (operating income, operating expenditure and capital expenditure accounts) within their area of responsibility.

A review of the tonnages budgeted to be received at the Red Hill Waste Management Facility is also undertaken. Tonnage budgets are reviewed to provide a forecast of volumes expected to be received by 30 June 2012. These forecasts, when calculated against the appropriate disposal rates, provide financial forecasts relating to the following:

- Income from normal operations (including landfill levy);
- Secondary Waste Income;
- Landfill Levy Expenditure;
- Waste Education Levy Income; and
- Cell Depreciation/Usage.

All forecasts, which are an actual review of the budgets set against each account, are inputted into the financial management system in order to provide a more accurate forecast of the end of year result.

The year to date monthly budget allocations are also reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. Significant effort is undertaken to ensure that the year to date budget allocations best reflect the timing applicable either to expenditure expected to be incurred or income to be received. This process commences immediately following adoption of the budget and is constantly being monitored and reviewed based on current information and circumstances available. This process provides a better comparison between the year to date actual and year to date budget figures.

Adjustments resulting from Budget Review

EMRC Officers undertook the latest review based on the actual financial data provided for the period ended 31 January 2012. The financial report relating to the period ended 29 February 2012 will be submitted to Council at its meeting to be held on 19 April 2012. Variances reported in that report will be based on the budget review as specified within the body of this report. This is undertaken as part of the EMRC's ongoing budget and forecast review process and in accordance with Council's adopted criteria.

In accordance with the process followed in previous years, the original budget is not updated with the revised forecasts, as relevant regulations require the end of year results to be compared to the original adopted annual budget, rather than the reviewed budget. The original budget is not updated due to the current inability of the financial system to retain the "budget spreads" that have been manually adjusted since adoption of the budget.

Each nature and type code within the financial system is allocated a default spread depending on the general nature of the expenditure or income. For example, salaries budgets are spread in accordance with the timing of the actual fortnightly payroll, telephone expenses are spread evenly throughout the year to reflect the nature of the billing, whilst vehicle registration costs are spread to July and December.



Item 12.1 continued

Whilst it is accepted that many costs are incurred generally within a specific pattern as outlined in the above examples, many are not. These may include costs incurred relating to operating and capital projects, for which the EMRC have many, and depend solely on the timing of when the project is undertaken.

As outlined earlier in the report significant time and effort is allocated throughout the year following adoption of the annual budget to ensure that the year to date monthly budget allocations reflect the actual timing of expenditure to be incurred and income to be received.

Outlined below is a summary of the forecast changes to budget provisions resulting from the half year budget review:

| | |
|--|---------------|
| · (Increase) / Decrease in Operating Income/Other Revenues: | (\$4,124,522) |
| · Increase / (Decrease) in Operating Expenditure/Other Expenses: | \$1,587,598 |
| · (Increase) / Decrease in Change in net assets from operations: | (\$2,536,924) |
| · Increase / (Decrease) in Capital Expenditure: | \$113,902 |
| · Increase / (Decrease) in expenditure: | (\$2,423,022) |

Provided below is a summary of changes to original budget provisions to reflect the forecast budget as at 30 June 2012. Comments are provided for significant variances using Council's adopted criteria of 10% or \$10,000, which ever is the greater, as a guide:

Operating Income/Other Revenues

User Charges

| | | | |
|--------------------------------|-------------------------------|------------------------|-------|
| · Current Budget: \$28,754,116 | Forecast Budget: \$30,830,920 | Variance: \$2,076,804; | 7.22% |
|--------------------------------|-------------------------------|------------------------|-------|

Special Charges

| | | | |
|-----------------------------|----------------------------|---------------------|-------|
| · Current Budget: \$390,849 | Forecast Budget: \$404,202 | Variance: \$13,353; | 3.42% |
|-----------------------------|----------------------------|---------------------|-------|

Contributions

| | | | |
|-----------------------------|----------------------------|-----------------------|---------|
| · Current Budget: \$527,121 | Forecast Budget: \$509,210 | Variance: (\$17,911); | (3.40%) |
|-----------------------------|----------------------------|-----------------------|---------|

Operating Grants

| | | | |
|-----------------------------|------------------------------|----------------------|--------|
| · Current Budget: \$698,695 | Forecast Budget: \$1,265,345 | Variance: \$566,650; | 81.10% |
|-----------------------------|------------------------------|----------------------|--------|

Significant variances to Operating Grants are attributable to the successful securing of two (2) grants that were previously unbudgeted:

- \$142,000 from the Australian Packaging Covenant which will be utilised to undertake a cardboard recycling project.
- \$388,000 from the Regional Funding Program which will be utilised to undertake projects that are supported by the Member Council's and meet the State Waste Strategy's objectives. This income is directly offset by corresponding higher expenditure in the Contract Expenses expenditure.

Interest Municipal Cash & Investments

| | | | |
|-----------------------------|----------------------------|----------------------|--------|
| · Current Budget: \$391,786 | Forecast Budget: \$578,200 | Variance: \$186,414; | 47.58% |
|-----------------------------|----------------------------|----------------------|--------|

The year end forecast for Interest on Municipal Funds is above the annual budget provision by \$186,414 or 47.58%. This represents the expected additional interest earnings resulting from lower than year to date operating and capital expenditure and greater than year to date operating income.



Item 12.1 continued

Reimbursements

- Current Budget: \$676,194 Forecast Budget: \$1,020,740 Variance: \$344,546; 50.95%

Significant variances to Reimbursements are attributable to:

- Forecast reimbursement of workers compensation payments of approximately \$60,000 were not budgeted for.
- Net reimbursement income directly relating to the operations at the Mathieson and Coppin Roads Transfer Stations has been forecast to be \$721,576 compared to a budget provision of \$479,449. The higher reimbursement income is offset by corresponding higher expenditure in the Contract Labour and wages expenditure.

Other Income

- Current Budget: \$1,248,565 Forecast Budget: \$1,194,894 Variance: (\$53,671); (4.30%)

Secondary Waste Charge (Other Revenues)

- Current Budget: \$5,086,092 Forecast Budget: \$5,386,416 Variance: \$300,324; 5.90%

Interest Restricted Cash Investments (Other Revenues)

- Current Budget: \$1,911,190 Forecast Budget: \$1,918,022 Variance: \$6,832; 0.36%

Reimbursements (Other Revenues)

- Current Budget: \$1,550 Forecast Budget: \$1,550 Variance: \$0; 0.00%

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$912,773 Forecast Budget: \$1,613,954 Variance: \$701,181; 76.82%

The increase in forecast Proceeds from Sale of Assets relates predominantly to the unbudgeted proceeds from the sale of land (\$760,000) at Ascot Place associated with the Great Eastern Highway extension. The balance of the variance relates to the timing on the disposal by auction of fleet vehicles due for change over. This amount is generally offset by a corresponding reduction in the Proceeds from Sale of Assets account.

Operating Expenditure

Salary Expenses

- Current Budget: \$7,731,805 Forecast Budget: \$7,361,578 Variance: \$370,227; 4.79%

Contract Expenses

- Current Budget: \$5,219,223 Forecast Budget: \$6,205,563 Variance: (\$986,340); (18.90%)

Significant variances to Contract Expenses are attributable to:

- \$388,000 from the Regional Funding Program which will be utilised to undertake projects that are supported by the Member Council's and meet the State Waste Strategy's objectives. This expenditure is directly offset by corresponding higher income in Operating Grants.
- \$364,000 for additional contractor and plant hire expenses for the rehabilitation of the Class III cells. As a result of an increase in tonnages received, the total area exposed for stabilisation, drainage and rehabilitation works has increased from what was originally budgeted and has been required to be bought forward. If these works are not undertaken on the exposed areas the entire upper contours of the Class III cell may be at risk of erosion during the wet months. This is offset by income from increased waste tonnages.



Item 12.1 continued

- o External plant hire relating to the maintaining and compacting of waste at the Class III cells has been forecast to increase by approximately \$176,000. This is predominantly due to the increase in tonnages received together with EMRC plant not being available due to unforeseen major repairs.

Material Expenses

- Current Budget: \$1,257,363 Forecast Budget: \$1,295,230 Variance: (\$37,867); (3.01%)

Utility Expenses

- Current Budget: \$187,359 Forecast Budget: \$196,132 Variance: (\$8,773); (4.68%)

Fuel Expenses

- Current Budget: \$718,520 Forecast Budget: \$709,089 Variance: \$9,431; 1.31%

Finance Fees and Interest Expenses

- Current Budget: \$14,800 Forecast Budget: \$14,800 Variance: \$0; 0.00%

Insurance Expenses

- Current Budget: \$216,781 Forecast Budget: \$216,443 Variance: \$339; 0.16%

Depreciation Expenses

- Current Budget: \$4,720,972 Forecast Budget: \$4,561,923 Variance: \$159,049; 3.37%

Miscellaneous Expenses (incl. landfill levy expenditure)

- Current Budget: \$9,747,671 Forecast Budget: \$10,318,604 Variance: (\$570,933); (5.86%)

Provision Expenses

- Current Budget: \$114,384 Forecast Budget: \$120,555 Variance: (\$6,171); (5.39%)

Costs Allocated

- Current Budget: (\$218,180) Forecast Budget: (\$230,715) Variance: \$12,535; 5.75%

Salary Expenses (Other Expenses)

- Current Budget: \$292,815 Forecast Budget: \$238,363 Variance: \$54,452; 18.60%

The variance relates principally to the salary expenses for a Project Development Officer that was budgeted to be appointed during the 2011/2012 financial year. The position is currently unfilled.

Contract Expenses (Other Expenses)

- Current Budget: \$600,100 Forecast Budget: \$645,160 Variance: (\$45,060); (7.51%)

Material Expenses (Other Expenses)

- Current Budget: \$26,050 Forecast Budget: \$23,820 Variance: \$2,230; 8.56%

Utility Expenses (Other Expenses)

- Current Budget: \$3,200 Forecast Budget: \$3,200 Variance: \$0; 0.00%

Insurance Expenses (Other Expenses)

- Current Budget: \$2,261 Forecast Budget: \$2,261 Variance: \$0; 0.00%

Depreciation Expenses (Other Expenses)

- Current Budget: \$11,745 Forecast Budget: \$11,200 Variance: \$545; 4.64%



Item 12.1 continued

Miscellaneous Expenses (Other Expenses)

- Current Budget: \$87,150 Forecast Budget: \$53,175 Variance: \$33,975; 38.98%

This variance relates principally to a reduction in the forecast costs of the Resource Recovery Project Study Tour yet to be undertaken.

Carrying Amount of Assets Disposed Of (Other Expenses)

- Current Budget: \$501,566 Forecast Budget: \$1,088,268 Variance: (\$586,702); (116.97%)

This increase in the forecast budget relates principally to the write-back value (approximately \$668,000) of the land sold at Ascot Place associated with the Great Eastern Highway extension. This is partially offset by a decrease in the cost of fleet vehicles due for changeover and a corresponding reduction in the Proceeds from Sale of Assets account.

Costs Allocated (Other Expenses)

- Current Budget: \$218,180 Forecast Budget: \$206,715 Variance: \$11,465; 5.25%

Unrealised (Gain)/Loss from Change in Fair Value of Investments

Unrealised (Gain)/Loss

- Current Budget: \$0 Forecast Budget: \$0 Variance: \$0

Unrealised gains or losses represent a fair market value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

No budget provision was included in the original budget as it is not possible to budget for an unrealised gain or loss from the change in fair value of investments. These valuations are dictated by market factors and as such a budget provision cannot be ascertained.

Capital Expenditure

- Current Budget: \$8,872,357 Forecast Budget: \$8,986,259 Variance: (\$113,902); (1.28%)

Significant variances to current capital budgets are attributable to:

- A cost increase of \$139,610 in the purchase/replacement of light fleet vehicles. Vehicle replacements are dependent on timing with change over occurring at 40,000km or 3 year whichever occurs first. It has been forecast that certain vehicles will have reached the changeover criteria earlier than what has been provided for in the 5 year vehicle replacement programme and will be brought forward from the 2012/2013 financial year.
- A reduction of \$185,500 for the Resource Recovery Park at the Hazelmere site which will be carried forward into the 2012/2013 financial year.
- A reduction of \$70,000 for the purchase of land at the Red Hill Waste Management Facility. This amount relates to a revised forecast for the Deed of Call Option interest payment costs on Lots 8, 9 and 10.
- An increase of \$120,000 relating to the preliminary works on the Class III - Farm Stage 2 cell brought forward from the 2012/2013 financial year, directly related to the increased tonnages received in 2011/2012.
- A reduction of \$120,000 for the construction of siltation ponds at the Red Hill Waste Disposal Facility. The capital expenditure will be carried forward into the 2012/2013 financial year.
- A reduction of \$90,000 for the construction of roads/car parks at the Red Hill Waste Disposal Facility. The capital expenditure will be carried forward into the 2012/2013 financial year.



Item 12.1 continued

- A forecast provision of \$100,000 for the construction of a greenwaste processing area at the Red Hill Waste Disposal Facility together with an increase in the forecast by \$100,000 for the construction of a hardstand and road at the Hazelmere site.
- A revised forecast of \$514,000 compared to a budget provision of \$960,000 for the construction of a water storage dam at the Red Hill Waste Disposal facility. This has been predominantly offset by a forecast cost of \$400,000 for the Leachate Project to be undertaken at the Red Hill Waste Disposal Facility.
- An increase of \$656,000 in the forecast budget for the purchase/replacement of plant at the Red Hill Waste Disposal Facility. This is predominantly offset by a reallocation of \$359,350 in the purchase/replacement of plant at the Hazelmere site and \$176,650 in the purchase/replacement of minor plant at the Red Hill Waste Disposal Facility.
- A forecast provision of \$142,100 has been made for the purchase of minor plant and equipment for the Cardboard Recycling project. This is directly related to the grant funds to be received from the Australian Packaging Covenant.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

- 4.5 To provide responsible and accountable governance and management of the EMRC
- 4.6 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Income Statement by Nature and Type (Ref: Committees-13939)
2. Capital Expenditure Statement (Ref: Committees-13940)
3. Balance Sheet (Ref: Committees-13941)
4. Statement of Cash and Investments (Ref: Committees-13942)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That the review of the 2011/2012 budget be adopted by an absolute majority and be submitted to the Department of Local Government within 30 days in accordance with the provisions of Local Government (Financial Management) Regulation 33A.



Item 12.1 continued

The CEO provided an overview of the 2011/2012 budget review.

AUDIT COMMITTEE RECOMMENDATION(S)

MOVED CR RADFORD

SECONDED CR PULE

That the review of the 2011/2012 budget be adopted by an absolute majority and be submitted to the Department of Local Government within 30 days in accordance with the provisions of Local Government (Financial Management) Regulation 33A.

CARRIED UNANIMOUSLY



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

| Year to Date | | | February 2012 | | Full Year | | |
|------------------------------|-----------------------|--------------------|--|-----------------------|-----------------------|----------------------|-----|
| Actual | Budget | Variance | | Forecast | Budget | Variance | |
| Operating Income | | | | | | | |
| (\$19,841,666) | (\$19,221,614) | \$620,052 | (F) | (\$30,830,920) | (\$28,754,116) | \$2,076,804 | (F) |
| (\$272,157) | (\$264,391) | \$7,766 | (F) | (\$404,202) | (\$390,849) | \$13,353 | (F) |
| (\$491,053) | (\$449,774) | \$41,279 | (F) | (\$509,210) | (\$527,121) | (\$17,911) | (U) |
| (\$563,895) | (\$595,726) | (\$31,831) | (U) | (\$1,265,345) | (\$698,695) | \$566,650 | (F) |
| (\$596,065) | (\$261,184) | \$334,881 | (F) | (\$578,200) | (\$391,786) | \$186,414 | (F) |
| (\$520,034) | (\$436,841) | \$83,193 | (F) | (\$1,020,740) | (\$676,194) | \$344,546 | (F) |
| (\$968,974) | (\$806,344) | \$162,630 | (F) | (\$1,194,894) | (\$1,248,565) | (\$53,671) | (U) |
| (\$23,253,844) | (\$22,035,874) | \$1,217,970 | (F) | (\$35,803,511) | (\$32,687,326) | \$3,116,185 | (F) |
| Operating Expenditure | | | | | | | |
| \$4,685,371 | \$5,026,603 | \$341,232 | (F) | \$7,361,578 | \$7,731,805 | \$370,227 | (F) |
| \$2,564,121 | \$3,276,519 | \$712,398 | (F) | \$6,205,563 | \$5,219,223 | (\$986,340) | (U) |
| \$503,895 | \$835,111 | \$331,216 | (F) | \$1,295,230 | \$1,257,363 | (\$37,867) | (U) |
| \$131,020 | \$124,832 | (\$6,188) | (U) | \$196,132 | \$187,359 | (\$8,773) | (U) |
| \$484,880 | \$478,960 | (\$5,920) | (U) | \$709,089 | \$718,520 | \$9,431 | (F) |
| \$10,583 | \$9,864 | (\$719) | (U) | \$14,800 | \$14,800 | \$0 | (F) |
| \$158,494 | \$153,127 | (\$5,367) | (U) | \$216,443 | \$216,782 | \$339 | (F) |
| \$2,771,311 | \$3,147,080 | \$375,769 | (F) | \$4,561,923 | \$4,720,972 | \$159,049 | (F) |
| \$6,510,014 | \$6,487,242 | (\$22,772) | (U) | \$10,318,604 | \$9,747,671 | (\$570,933) | (U) |
| \$61,986 | \$57,191 | (\$4,795) | (U) | \$120,555 | \$114,384 | (\$6,171) | (U) |
| (\$154,524) | (\$146,733) | \$7,791 | (F) | (\$230,715) | (\$218,180) | \$12,535 | (F) |
| \$17,727,151 | \$19,449,796 | \$1,722,645 | (F) | \$30,769,202 | \$29,710,699 | (\$1,058,503) | (U) |
| (\$5,526,693) | (\$2,586,078) | \$2,940,615 | (F) | (\$5,034,309) | (\$2,976,627) | \$2,057,682 | (F) |
| Surplus | Surplus | | OPERATING RESULT FROM NORMAL ACTIVITIES | Surplus | Surplus | | |

Notes:

1. User Charges - include member Councils, WMRC and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominately from government agencies; and
5. Miscellaneous Expenses - includes the Landfill Levy expense of \$6,045,361 as at 29 February 2012.

Operating Income and Expenditure relates to the ordinary operations of the organisation.

Other Revenues and Expenses relates to the Resource Recovery Project, interest from cash reserves and disposal of assets.

(F) denotes Favourable variance and (U) denotes Unfavourable variance



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

| Year to Date | | | February 2012 | | Full Year | | |
|---|----------------------|--------------------|---------------|---|-----------------------|----------------------|------------------------|
| Actual | Budget | Variance | | Forecast | Budget | Variance | |
| Other Revenues | | | | | | | |
| (\$3,548,526) | (\$3,421,365) | \$127,161 | (F) | Secondary Waste Charge | (\$5,386,416) | (\$5,086,092) | \$300,324 (F) |
| (\$1,092,393) | (\$1,274,088) | (\$181,695) | (U) | Interest Restricted Cash Investments | (\$1,918,022) | (\$1,911,190) | \$6,832 (F) |
| (\$581) | (\$1,032) | (\$451) | (U) | Reimbursements | (\$1,550) | (\$1,550) | \$0 (F) |
| (\$1,483,864) | (\$833,183) | \$650,681 | (F) | Proceeds from Sale of Assets | (\$1,613,954) | (\$912,773) | \$701,181 (F) |
| (\$6,125,364) | (\$5,529,668) | \$595,696 | (F) | Total Other Revenues | (\$8,919,942) | (\$7,911,605) | \$1,008,337 (F) |
| Other Expenses | | | | | | | |
| \$163,438 | \$189,498 | \$26,060 | (F) | Salary Expenses | \$238,363 | \$292,815 | \$54,452 (F) |
| \$285,117 | \$388,970 | \$103,853 | (F) | Contract Expenses | \$645,160 | \$600,100 | (\$45,060) (U) |
| \$9,216 | \$17,078 | \$7,862 | (F) | Material Expenses | \$23,820 | \$26,050 | \$2,230 (F) |
| \$1,300 | \$2,128 | \$828 | (F) | Utility Expenses | \$3,200 | \$3,200 | \$0 (F) |
| \$1,416 | \$1,504 | \$88 | (F) | Insurance Expenses | \$2,261 | \$2,261 | \$0 (F) |
| \$6,818 | \$7,824 | \$1,006 | (F) | Depreciation Expenses | \$11,200 | \$11,745 | \$545 (F) |
| \$19,266 | \$51,360 | \$32,094 | (F) | Miscellaneous Expenses | \$53,175 | \$87,150 | \$33,975 (F) |
| \$148,061 | \$208,947 | \$60,886 | (F) | Carrying Amount of Assets Disposed Of | \$1,088,268 | \$501,566 | (\$586,702) (U) |
| \$153,924 | \$145,462 | (\$8,462) | (U) | Costs Allocated | \$206,715 | \$218,180 | \$11,465 (F) |
| \$788,556 | \$1,012,771 | \$224,215 | (F) | Total Other Expenses | \$2,272,162 | \$1,743,067 | (\$529,095) (U) |
| Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments | | | | | | | |
| (\$5,324) | \$0 | \$5,324 | (F) | Unrealised (Gain)/Loss | \$0 | \$0 | \$0 (F) |
| \$1,268 | \$0 | (\$1,268) | (U) | Realised (Gain)/Loss | \$0 | \$0 | \$0 (F) |
| (\$4,056) | \$0 | \$4,056 | (F) | Total (Gain)/Loss from change in Fair Value of Investments | \$0 | \$0 | \$0 (F) |
| (\$5,340,864) | (\$4,516,897) | \$823,967 | (F) | OPERATING RESULT FROM OTHER ACTIVITIES | (\$6,647,780) | (\$6,168,538) | \$479,242 (F) |
| Surplus | Surplus | | | | Surplus | Surplus | |
| (\$10,867,557) | (\$7,102,975) | \$3,764,582 | (F) | CHANGE IN NET ASSETS FROM OPERATIONS | (\$11,682,089) | (\$9,145,165) | \$2,536,924 (F) |
| Surplus | Surplus | | | | Surplus | Surplus | |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | | |
|--|------------------|------------------|------------|--|--|--------------------|--------------------|-----------------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Governance and Corporate Services | | | | | | | | |
| \$0 | \$0 | \$0 | (F) | \$0 | Purchase / Replace Minor Plant and Equipment - Ascot Place (24420/01) | \$1,920 | \$0 | (\$1,920) (U) |
| \$218,519 | \$221,466 | \$2,947 | (F) | \$151,000 | Purchase Vehicles - Ascot Place (24440/00) | \$326,176 | \$275,238 | (\$50,938) (U) |
| \$17,512 | \$50,960 | \$33,448 | (F) | \$0 | Purchase Furniture Fittings & Equipment - Corporate Services (24510/01) | \$86,094 | \$91,440 | \$5,346 (F) |
| \$45,784 | \$193,332 | \$147,548 | (F) | \$76,513 | Purchase Information Technology & Communication Equipment (24550/00) | \$405,000 | \$425,000 | \$20,000 (F) |
| \$17,273 | \$11,332 | (\$5,941) | (U) | \$0 | Purchase Art Works (24620/00) | \$17,273 | \$17,000 | (\$273) (U) |
| \$136,225 | \$183,000 | \$46,775 | (F) | \$0 | Capital Improvement Administration Building - Ascot Place (25240/01) | \$305,000 | \$305,000 | \$0 (F) |
| \$435,313 | \$660,090 | \$224,777 | (F) | \$227,513 | | \$1,141,463 | \$1,113,678 | (\$27,785) (U) |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | | |
|-------------------------------|----------------|------------------|------------|--|---|----------------|----------------|----------------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Environmental Services | | | | | | | | |
| \$0 | \$1,332 | \$1,332 | (F) | \$0 | Purchase Office Equipment - Environmental Services (24510/05) | \$2,000 | \$2,000 | \$0 (F) |
| \$0 | \$1,000 | \$1,000 | (F) | \$0 | Purchase Office Furniture and Fittings - Environmental Services (24610/05) | \$1,500 | \$1,500 | \$0 (F) |
| \$0 | \$2,332 | \$2,332 | (F) | \$0 | | \$3,500 | \$3,500 | \$0 (F) |
| Regional Development | | | | | | | | |
| \$0 | \$666 | \$666 | (F) | \$0 | Purchase Office Equipment - Regional Development (24510/04) | \$1,000 | \$1,000 | \$0 (F) |
| \$0 | \$1,000 | \$1,000 | (F) | \$1,261 | Purchase Office Furniture and Fittings - Regional Development (24610/04) | \$1,500 | \$1,500 | \$0 (F) |
| \$0 | \$1,666 | \$1,666 | (F) | \$1,261 | | \$2,500 | \$2,500 | \$0 (F) |
| Risk Management | | | | | | | | |
| \$5,347 | \$332 | (\$5,015) | (U) | \$0 | Purchase Office Equipment - Risk Management (24510/06) | \$5,846 | \$500 | (\$5,346) (U) |
| \$0 | \$332 | \$332 | (F) | \$450 | Purchase Office Furniture and Fittings - Risk Management (24610/06) | \$500 | \$500 | \$0 (F) |
| \$5,347 | \$664 | (\$4,683) | (U) | \$450 | | \$6,346 | \$1,000 | (\$5,346) (U) |
| Resource Recovery | | | | | | | | |
| \$0 | \$71,834 | \$71,834 | (F) | \$0 | Construct and Commission Resource Recovery Park (24399/01) | \$30,000 | \$215,500 | \$185,500 (F) |
| \$0 | \$666 | \$666 | (F) | \$0 | Purchase Office Equipment - Resource Recovery (24510/07) | \$1,000 | \$1,000 | \$0 (F) |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | |
|--------------------------|-----------------|-----------------|------------|------------|--|-----------------|------------------|----------------------|
| Actual | Budget | Variance | Forecast | | | Budget | Variance | |
| Resource Recovery | | | | | | | | |
| \$0 | \$2,666 | \$2,666 | (F) | \$0 | Purchase Other Equipment - Resource Recovery (24590/07) | \$4,000 | \$4,000 | \$0 (F) |
| \$0 | \$2,000 | \$2,000 | (F) | \$0 | Purchase Office Furniture and Fittings - Resource Recovery (24610/07) | \$3,000 | \$3,000 | \$0 (F) |
| \$0 | \$77,166 | \$77,166 | (F) | \$0 | | \$38,000 | \$223,500 | \$185,500 (F) |

Waste Management

| | | | | | | | | |
|-----------|-----------|-----------|-----|---------|--|-----------|-----------|----------------|
| \$167,888 | \$301,114 | \$133,226 | (F) | \$0 | Purchase Waste Management Land - Midland Brick (24150/02) | \$500,000 | \$570,000 | \$70,000 (F) |
| \$0 | \$0 | \$0 | (F) | \$0 | Purchase Waste Management Land - Hazelmere (24150/04) | \$10,000 | \$0 | (\$10,000) (U) |
| \$252,734 | \$334,000 | \$81,266 | (F) | \$273 | Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01) | \$328,780 | \$334,000 | \$5,220 (F) |
| \$0 | \$30,560 | \$30,560 | (F) | \$0 | Construct Waste Management Facility Buildings - Hazelmere (24250/02) | \$55,000 | \$55,000 | \$0 (F) |
| \$0 | \$26,656 | \$26,656 | (F) | \$6,966 | Construct Weighbridge Office - Hazelmere (24250/03) | \$40,000 | \$40,000 | \$0 (F) |
| \$9,800 | \$13,328 | \$3,528 | (F) | \$0 | Construct Amenities and Ablution Building - Hazelmere (24250/04) | \$20,000 | \$20,000 | \$0 (F) |
| \$15,591 | \$19,996 | \$4,405 | (F) | \$0 | Construct Storage Shed for Mattresses - Hazelmere (24250/05) | \$30,000 | \$30,000 | \$0 (F) |
| \$2,900 | \$0 | (\$2,900) | (U) | \$0 | Construct Waste Management Facility Buildings - Other - Hazelmere (24259/02) | \$3,460 | \$0 | (\$3,460) (U) |
| \$18,731 | \$21,048 | \$2,317 | (F) | \$0 | Upgrade Power - Redhill Landfill Facility (24259/03) | \$31,578 | \$31,578 | \$0 (F) |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | | | |
|-------------------------|-----------|-----------|----------|--|---|-----------|-----------|-------------|-----|
| Actual | Budget | Variance | | | Forecast | Budget | Variance | | |
| Waste Management | | | | | | | | | |
| \$0 | \$13,328 | \$13,328 | (F) | \$0 | Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (24310/11) | \$140,000 | \$20,000 | (\$120,000) | (U) |
| \$0 | \$0 | \$0 | (F) | \$0 | Leachate Project - Red Hill Landfill Facility (24320/02) | \$400,000 | \$0 | (\$400,000) | (U) |
| \$0 | \$80,000 | \$80,000 | (F) | \$0 | Construct Siltation Ponds - Red Hill Landfill Facility (24350/00) | \$0 | \$120,000 | \$120,000 | (F) |
| \$5,280 | \$33,320 | \$28,040 | (F) | \$0 | Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00) | \$5,280 | \$50,000 | \$44,720 | (F) |
| \$0 | \$93,320 | \$93,320 | (F) | \$0 | Construct Roads / Carparks - Red Hill Landfill Facility (24370/00) | \$50,000 | \$140,000 | \$90,000 | (F) |
| \$0 | \$540,000 | \$540,000 | (F) | \$0 | Construct Water Storage Dams - Red Hill Landfill Facility (24393/00) | \$514,000 | \$960,000 | \$446,000 | (F) |
| \$2,700 | \$0 | (\$2,700) | (U) | \$0 | Construct Perimeter Fencing - Hazelmere (24394/03) | \$0 | \$0 | \$0 | (F) |
| \$0 | \$0 | \$0 | (F) | \$0 | Construct Greenwaste Processing Area - Red Hill Landfill Facility (24395/00) | \$100,000 | \$0 | (\$100,000) | (U) |
| \$825 | \$24,656 | \$23,831 | (F) | \$0 | Construct Hardstand and Road - Hazelmere (24395/01) | \$137,000 | \$37,000 | (\$100,000) | (U) |
| \$0 | \$28,800 | \$28,800 | (F) | \$0 | Construct LABC Blending Area - Red Hill Landfill Facility (24395/03) | \$0 | \$43,200 | \$43,200 | (F) |
| \$0 | \$20,000 | \$20,000 | (F) | \$11,806 | Construct Monitoring Bores - Red Hill Landfill Facility (24396/00) | \$30,000 | \$30,000 | \$0 | (F) |
| \$0 | \$80,000 | \$80,000 | (F) | \$0 | Construct Perimeter Bunds - Red Hill Landfill Facility (24397/00) | \$120,000 | \$120,000 | \$0 | (F) |
| \$0 | \$16,396 | \$16,396 | (F) | \$0 | Construct Solar PV Tracking System - Red Hill Landfill Facility (24399/02) | \$0 | \$24,606 | \$24,606 | (F) |
| \$0 | \$9,664 | \$9,664 | (F) | \$0 | Hazelmere Site Development (24399/03) | \$14,500 | \$14,500 | \$0 | (F) |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | | |
|-------------------------|-------------|-----------|----------|--|---|-------------|-------------|-----------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Waste Management | | | | | | | | |
| \$1,279,567 | \$1,657,000 | \$377,433 | (F) | \$2,143,814 | Purchase / Replace Plant - Red Hill Landfill Facility (24410/00) | \$3,727,000 | \$3,071,000 | (\$656,000) (U) |
| \$72,249 | \$369,332 | \$297,083 | (F) | \$13,779 | Purchase / Replace Plant - Hazelmere (24410/01) | \$179,650 | \$539,000 | \$359,350 (F) |
| \$0 | \$23,332 | \$23,332 | (F) | \$296,120 | Purchase Bagging Plant for Mulch/Compost (24410/02) | \$35,000 | \$35,000 | \$0 (F) |
| \$56,686 | \$233,666 | \$176,980 | (F) | \$71,262 | Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00) | \$211,350 | \$388,000 | \$176,650 (F) |
| \$13,372 | \$10,000 | (\$3,372) | (U) | \$485 | Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02) | \$15,000 | \$15,000 | \$0 (F) |
| \$0 | \$0 | \$0 | (F) | \$0 | Purchase / Replace Minor Plant and Equipment-Cardboard Recycling Project (Regional Funding Program) (24420/03) | \$142,100 | \$0 | (\$142,100) (U) |
| (\$104) | \$34,954 | \$35,058 | (F) | \$78,409 | Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00) | \$221,041 | \$132,369 | (\$88,672) (U) |
| \$0 | \$366 | \$366 | (F) | \$0 | Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02) | \$550 | \$550 | \$0 (F) |
| \$0 | \$25,120 | \$25,120 | (F) | \$6,538 | Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08) | \$37,680 | \$37,680 | \$0 (F) |
| \$3,840 | \$133,732 | \$129,892 | (F) | \$4,805 | Purchase Fire Fighting System/Equipment - Hazelmere (24520/07) | \$200,600 | \$200,600 | \$0 (F) |
| \$0 | \$666 | \$666 | (F) | \$0 | Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08) | \$1,000 | \$1,000 | \$0 (F) |
| \$8,006 | \$103,332 | \$95,326 | (F) | \$19,227 | Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08) | \$155,000 | \$155,000 | \$0 (F) |



CAPITAL EXPENDITURE STATEMENT

FEBRUARY 2012

| Year to Date | | | On Order | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | | |
|-------------------------|--------------------|------------------------|--------------------|--|--------------------|--------------------|------------------------|--|
| Actual | Budget | Variance | | | Forecast | Budget | Variance | |
| Waste Management | | | | | | | | |
| \$7,500 | \$13,996 | \$6,496 (F) | \$650 | Purchase / Replace Security System - Hazelmere (24530/10) | \$21,000 | \$21,000 | \$0 (F) | |
| \$3,555 | \$86,100 | \$82,545 (F) | \$22,318 | Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00) | \$129,150 | \$129,150 | \$0 (F) | |
| \$21,249 | \$666 | (\$20,583) (U) | \$0 | Purchase / Replace Miscellaneous Plant & Equipment - Hazelmere (24590/02) | \$35,000 | \$1,000 | (\$34,000) (U) | |
| \$0 | \$3,666 | \$3,666 (F) | \$395 | Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03) | \$5,500 | \$5,500 | \$0 (F) | |
| \$0 | \$1,666 | \$1,666 (F) | \$0 | Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03) | \$2,500 | \$2,500 | \$0 (F) | |
| \$7,749 | \$26,630 | \$18,881 (F) | \$5,532 | Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08) | \$39,946 | \$39,946 | \$0 (F) | |
| \$3,693 | \$1,666 | (\$2,027) (U) | \$0 | Purchase Office Furniture and Fittings-Hazelmere (24610/10) | \$3,285 | \$2,500 | (\$785) (U) | |
| \$0 | \$1,664 | \$1,664 (F) | \$0 | Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01) | \$2,500 | \$2,500 | \$0 (F) | |
| \$0 | \$5,994 | \$5,994 (F) | \$0 | Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00) | \$0 | \$9,000 | \$9,000 (F) | |
| \$0 | \$53,332 | \$53,332 (F) | \$0 | Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01) | \$80,000 | \$80,000 | \$0 (F) | |
| \$0 | \$13,328 | \$13,328 (F) | \$6,872 | Refurbish Plant - Red Hill Landfill Facility (25410/00) | \$20,000 | \$20,000 | \$0 (F) | |
| \$1,953,811 | \$4,486,394 | \$2,532,583 (F) | \$2,689,252 | | \$7,794,450 | \$7,528,179 | (\$266,271) (U) | |
| \$2,394,470 | \$5,228,312 | \$2,833,842 (F) | \$2,918,475 | TOTAL CAPITAL EXPENDITURE | \$8,986,259 | \$8,872,357 | (\$113,902) (U) | |



STATEMENT OF FINANCIAL POSITION

FEBRUARY 2012

| Actual 2010/2011 | Actual Year to Date | | Full Year | | | |
|----------------------------|------------------------|--|---------------------|---------------------|--------------------|------------|
| | | | Forecast | Budget | Variance | |
| | | | | | | |
| | | (F) = Favourable variation (U) = Unfavourable variation | | | | |
| Current Assets | | | | | | |
| \$3,728,566 | \$2,284,745 | Cash and Cash Equivalents | \$2,960,725 | \$109,849 | \$2,850,876 | (F) |
| \$33,497,403 | \$43,446,868 | Investments | \$42,777,602 | \$42,772,179 | \$5,423 | (F) |
| \$2,598,670 | \$3,395,966 | Trade and Other Receivables | \$2,598,670 | \$2,598,670 | \$0 | (F) |
| \$46,105 | \$54,256 | Inventories | \$46,105 | \$46,105 | \$0 | (F) |
| \$105,194 | \$242,566 | Other Assets | \$105,194 | \$105,194 | \$0 | (F) |
| \$39,975,938 | \$49,424,401 | Total Current Assets | \$48,488,296 | \$45,631,997 | \$2,856,299 | (F) |
| Current Liabilities | | | | | | |
| \$4,970,223 | \$3,395,221 | Trade and Other Payables | \$4,970,223 | \$4,970,223 | \$0 | (F) |
| \$1,046,241 | \$1,046,241 | Provisions | \$1,080,824 | \$1,080,824 | \$0 | (F) |
| \$6,016,464 | \$4,441,462 | Total Current Liabilities | \$6,051,047 | \$6,051,047 | \$0 | (F) |
| \$33,959,474 | \$44,982,939 | Net Current Assets | \$42,437,249 | \$39,580,950 | \$2,856,299 | (F) |



STATEMENT OF FINANCIAL POSITION

FEBRUARY 2012

| Actual 2010/2011 | Actual Year to Date | | Full Year | | |
|--------------------------------|------------------------|--|---------------------|---------------------|--------------------------|
| | | | Forecast | Budget | Variance |
| | | (F) = Favourable variation (U) = Unfavourable variation | | | |
| Non Current Assets | | | | | |
| \$7,639,917 | \$7,639,917 | Property Plant and Equipment | \$7,482,214 | \$8,209,917 | (\$727,703) (U) |
| \$4,374,432 | \$4,311,936 | Buildings | \$5,010,127 | \$5,016,944 | (\$6,817) (U) |
| \$10,580,017 | \$9,417,367 | Structures | \$10,076,433 | \$10,402,117 | (\$325,684) (U) |
| \$6,742,728 | \$7,276,266 | Plant | \$9,203,962 | \$8,582,934 | \$621,029 (F) |
| \$397,379 | \$378,215 | Equipment | \$1,228,313 | \$1,114,062 | \$114,252 (F) |
| \$133,638 | \$145,047 | Furniture and Fittings | \$191,930 | \$180,211 | \$11,719 (F) |
| \$272,020 | \$877,459 | Work in Progress | \$272,020 | \$272,020 | \$0 (F) |
| \$30,140,129 | \$30,046,207 | Total Non Current Assets | \$33,464,999 | \$33,778,203 | (\$313,204) (U) |
| Non Current Liabilities | | | | | |
| \$1,515,597 | \$1,577,583 | Provisions | \$1,636,152 | \$1,629,981 | (\$6,171) (U) |
| \$1,515,597 | \$1,577,583 | Total Non Current Liabilities | \$1,636,152 | \$1,629,981 | (\$6,171) (U) |
| \$62,584,006 | \$73,451,563 | Net Assets | \$74,266,096 | \$71,729,172 | \$2,536,924 (F) |
| Equity | | | | | |
| \$32,133,863 | \$32,133,863 | Accumulated Surplus/Deficit | \$32,133,863 | \$32,133,864 | (\$1) (F) |
| \$30,450,144 | \$30,450,144 | Cash Backed Reserves | \$30,450,144 | \$30,450,144 | \$0 (F) |
| \$0 | \$10,867,557 | Net change in assets from operations | \$11,682,089 | \$9,145,165 | (\$2,536,924) (F) |
| \$62,584,006 | \$73,451,563 | Total Equity | \$74,266,096 | \$71,729,172 | (\$2,536,925) (F) |



CASH AND INVESTMENTS

FEBRUARY 2012

| Actual 2010/2011 | Actual Year to Date | | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | |
|--|------------------------|---|--|-------------------|-------------------|----------------------|
| | | | | Forecast | Budget | Variance |
| Municipal Cash and Investments | | | | | | |
| 3,724,916 | 2,281,495 | Cash at Bank - Municipal Fund 01001/00 | | 2,957,075 | 106,199 | 2,850,876 (F) |
| 1,250 | 1,250 | Cash on Hand - Ascot Place 01019/00 | | 1,250 | 1,250 | 0 (F) |
| 600 | 200 | Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01 | | 600 | 600 | 0 (F) |
| 1,800 | 1,800 | Cash on Hand - Red Hill / Hazelmere 01019/02 | | 1,800 | 1,800 | 0 (F) |
| 6,638,110 | 14,970,307 | Investments - Municipal Fund 02021/00 | | 1,066,043 | 4,516,305 | (3,450,262) (U) |
| 10,366,677 | 17,255,052 | Total Municipal Cash | | 4,026,769 | 4,626,155 | (599,386) (U) |
| Restricted Cash and Investments | | | | | | |
| 38,811 | 40,176 | Restricted Investments - Plant and Equipment 02022/01 | | 17,408 | 98,086 | (80,678) (U) |
| 3,023,037 | 3,129,380 | Restricted Investments - Site Rehabilitation Red Hill 02022/02 | | 3,183,622 | 3,183,622 | 0 (F) |
| 1,505,552 | 1,558,513 | Restricted Investments - Future Development 02022/03 | | 1,662,222 | 192,222 | 1,470,000 (F) |
| 306,803 | 317,596 | Restricted Investments - Environmental Monitoring Red Hill 02022/04 | | 325,892 | 325,892 | 0 (F) |
| 211,328 | 218,762 | Restricted Investments - Environmental Insurance Red Hill 02022/05 | | 198,047 | 198,047 | 0 (F) |
| 11,471 | 11,875 | Restricted Investments - Risk Management 02022/06 | | 12,185 | 12,185 | 0 (F) |
| 289,265 | 299,441 | Restricted Investments - Class IV Cells Red Hill 02022/07 | | 365,695 | 365,695 | 0 (F) |
| 23,807 | 24,644 | Restricted Investments - Regional Development 02022/08 | | 17,234 | 31,672 | (14,438) (U) |
| 23,083,322 | 23,895,336 | Restricted Investments - Secondary Waste Processing 02022/09 | | 35,853,744 | 33,744,553 | 2,109,191 (F) |
| 1,898,829 | 1,965,625 | Restricted Investments - Class III Cells 02022/10 | | 3,535,822 | 3,569,635 | (33,813) (U) |
| 57,920 | 59,957 | Restricted Investments - Building Refurbishment (Ascot Place) 02022/11 | | 61,524 | 61,524 | 0 (F) |
| (4,194,424) | (3,669,548) | Restricted Investments - Unrealised Loss/Gain on Investments 02022/20 | | (4,189,001) | (4,194,424) | 5,423 (F) |
| 603,573 | 624,805 | Restricted Investments - Long Service Leave 02022/90 | | 667,166 | 667,166 | 0 (F) |
| 26,859,292 | 28,476,561 | Total Restricted Cash | | 41,711,558 | 38,255,873 | 3,455,685 (F) |
| 37,225,969 | 45,731,613 | TOTAL CASH AND INVESTMENTS | | 45,738,327 | 42,882,028 | 2,856,299 (F) |

The Cash at Bank - Municipal Fund represents the balance on the last day of the relevant month. Any portion of the balance available for investment is transferred into the Investment - Municipal Fund account in the following period. Funds held in the Cash at Bank - Municipal Fund continue to accrue interest as per the Westpac commercial rates.



13 REPORTS OF DELEGATES

Nil

14 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

15 GENERAL BUSINESS

15.1 APPOINTMENT OF EMRC INTERNAL AUDIT SERVICE PROVIDER

The CEO advised that the successful tenderer for the provision of internal audit services for four financial years beginning 2011/2012 to 2014/2015 is Stantons International. The tender panel advised their submission represented the highest rated assessment against the qualitative criteria and demonstrated the best value for money proposal.

Stantons International has provided internal audit services to the EMRC since 2007.

Other internal audit tender candidates were Protiviti and Grant Thornton.

Stantons will be meeting with the EMRC officers to discuss the 2011/2012 audit plan in more depth.

16 FUTURE MEETINGS OF THE AUDIT COMMITTEE

Meetings of the Audit Committee are covered under the Audit Committee Terms of Reference as follows.

“2.3 Meetings

The Committee meet as required at the discretion of the Chairman of the Committee at least three (3) times per year to coincide with approval of strategic and annual plans, the annual budget and the auditor’s report on the annual financial report.

Additional meetings shall be convened at the discretion of the Chairman or at the written request of any member of the Committee or external auditor.”

Future Meetings 2012

| | | | | |
|----------|---|-------------------------|----|----------------------------|
| Thursday | 7 | June (if required) | at | EMRC Administration Office |
| Thursday | 5 | July (if required) | at | EMRC Administration Office |
| Thursday | 2 | August (if required) | at | EMRC Administration Office |
| Thursday | 6 | September (if required) | at | EMRC Administration Office |
| Thursday | 4 | October (if required) | at | EMRC Administration Office |

17 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 6.45pm.