

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

GO2

Annual Financial Statements for the Year Ended 30 June 2016

56

TRIM 234-11

EXECUTIVE SUMMARY

- Council officers have prepared the Annual Financial Statements for the year ended 30 June 2016.
- The statements have been reviewed by Council's auditors (Warton Thompson & Co) and were presented to the Audit Committee on 28 September 2016 and Council's Community Forum on 10 October 2016.
- The statements are now presented to Council for endorsement and the signing of the "Statement by Councillors and Management" (as attached).
- It is recommended that the 2015/16 Annual Financial Statements be endorsed and an opinion be formed in the prescribed format on the General Purpose Financial Reports and the audited financial reports, together with the Auditor's reports, be presented to the public at the 21 November 2016 Council meeting.

REPORT

The Local Government Act 1993 requires Council to prepare financial reports for each year and refer them for audit as soon as practicable after the end of that year.

A Council's financial reports must include:

- a general purpose financial report;
- any other matter prescribed by the regulations; and
- a statement in the approved form by the Council as to its opinion on the general purpose financial report.

The Annual Financial Statements are required to be prepared in accordance with the Local Government Act 1993, the Local Government Code of Accounting Practice and Financial Reporting, and the Australian Accounting Standards, including the Australian equivalents to International Financial Reporting Standards (AIFRS).

The legislative requirements under the Local Government Act 1993, relevant to the approval and audit process of annual financial statements are as follows:

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

Section 413(1) - A council must prepare financial reports for each year, and must refer them for audit as soon as practicable.

Section 413(2) - A council's financial reports must include:

- (a) a general purpose financial report, and
- (b) any other matter prescribed by the regulations, and
- (c) a statement in the approved form by the council as to its opinion on the general purpose financial report.

Section 415(1) - Council's auditor must audit financial reports as soon as practicable after receipt.

Section 416(1) - Council's financial reports must be completed and audited within 4 months after year end.

Section 417(1) - A council's auditor must prepare 2 reports:

- a report on the general purpose financial report,
- a report on the conduct of the audit.

Section 417(2) - The report on the council's financial reports must include the following:

- (a) a statement as to whether, in the opinion of the auditor, the council's accounting records have been kept in accordance with the requirements of this Division,
- (b) a statement as to whether, in the opinion of the auditor, the council's financial reports:
 - (i) have been prepared in accordance with the requirements of this Division, and
 - (ii) are consistent with the council's accounting records, and
 - (iii) present fairly the council's financial position and the results of its operations,
- (c) a statement as to whether, in the opinion of the auditor, any information relevant to the conduct of the audit has been unobtainable by the auditor,
- (d) a statement setting out particulars of any material deficiency in the accounting records or financial reports that has come to light in the course of the audit.

Section 417(3) - The report on the conduct of the audit may contain such statements, comments and recommendations as to the conduct of the audit of the council's financial reports as the auditor considers appropriate to include in the report.

Section 417(4) - As soon as practicable after completing the audit, the auditor must send a copy of the auditor's reports to the Director-General and to the council.

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

Section 417(5) - As soon as practicable after receiving the auditor's reports, the council must send a copy of the auditor's report on the council's financial reports, together with a copy of the council's audited financial reports, to the Director-General and to the Australian Bureau of Statistics.

Council's Auditors, Warton Thompson & Co, have completed their audit of the financial reports and those financial reports are now formally presented.

Section 413 of the Local Government Act 1993 requires the Council to form an opinion as to whether Council's annual financial reports have been drawn up in accordance with the Local Government Act and associated Codes and Australian Accounting Standards as prescribed by the Regulations. Statements to this effect have been prepared and are presented to Council for signature. Subsequent to these opinions being signed, Council's Auditors will present their audit reports to Council.

Section 418 of the Local Government Act 1993 (as amended) requires that Council, as soon as practical after receiving a copy of the Auditor's reports, fix a date for a meeting at which it proposes to present its audited financial reports, together with the Auditor's reports to the public. The Council must also give public notice of the date so fixed.

It is proposed that the 21 November 2016 Council meeting be set as the date to present the audited financial statements to the public.

Section 420 of the Local Government Act 1993 provides that any person may make submissions to the Council with respect to the financial reports or the Auditor's reports and those submissions must be made in writing and lodged with the Council within seven (7) days of the public meeting.

CONSULTATION

All members of the Executive and Senior Management have had input into the production of the General Purpose Financial Report, in conjunction with Council's Auditors.

The Audit Manager and staff of Warton Thompson & Co have been consulted throughout the preparation of the annual financial reports.

FINANCIAL IMPLICATIONS

Council is now presented with a set of annual financial reports that have been prepared in accordance with the Local Government Act 1993, Australian Accounting Standards and other professional pronouncements and the Code of Accounting Practice and Financial Reporting. The annual financial reports show Council to be in a sound and stable financial position.

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

Key points to note in the 2015/16 financial statements are as follows:

Operational Performance

Council has recorded a favourable result for the 2015/16 financial year, achieving a Net Operating Surplus from Continuing Operations of \$13.88m, compared to the prior year's surplus of \$7.47m. The result is primarily attributable to the \$11.47m of contributed assets recognised during the year.

Council managed to increase its internally restricted cash by \$1.1m and externally restricted cash by \$2.3m. Unrestricted cash increased by \$1.1m.

For further information on Council's performance, Note 13 provides results on various key performance indicators.

Material variations from the 2015/16 Adopted Budget for both income and expenditure items are detailed in Note 16 of the financial statements.

Infrastructure Revaluations

The Office of Local Government (OLG) requires Councils to undertake the revaluation of asset at least every five years. When an asset is revalued its entire class is to be revalued. The OLG has prescribed a timetable for Councils to follow when revaluing each class of assets. Accordingly, Council revalued its Community Land and Open Space/Recreational Assets as at 30 June 2016. This revaluation resulted in a net increase in the value of Community Land of \$22.6m and Open Space/Recreational Assets of \$20.4m.

Impairment of Assets

A major storm event on 5 June 2016 caused widespread damage across a number of areas within the Shire. Three of Council's bridge assets (Broughton Pass, Blaxland's Crossing and Rockford Bridge) were damaged, resulting in impairment losses of \$229,076 being recorded against the written down value of these assets. Hume Oval Tennis Courts were also totally damaged and required an impairment loss of \$176,103 to be booked against the Revaluation Reserve for that class of asset.

Contributed Infrastructure Assets

Council recognised \$11.47m of contributed assets during the year, comprising various infrastructure assets dedicated to Council following recent land developments. The value of these dedicated assets adds to the value of Council's net assets in Note 9 and also inflates Council's contribution income in Note 3f. This has the effect of improving the 2015/16 operating result, but increases future years depreciation expenses.

Employee Leave Entitlements

The provision for employee leave entitlements increased over the last year by \$898K from \$5.61m to \$6.51m. This increase is primarily attributable to the effect falling interest rates have had on the net present value calculation of future long service leave liabilities.

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

ATTACHMENTS

1. 2015/16 Annual Financial Statements (provided under separate cover)
2. Statement by Councillors and Management on the General Purpose Financial Report

RECOMMENDATION

1. That the Annual Financial Statements for the year ended 30 June 2016 be endorsed and an opinion be formed in the prescribed format (as attached) on the General Purpose Financial Reports.
2. That the audited financial reports, together with the Auditor's reports, be presented to the public at the 21 November 2016 Council meeting.

GO2 – Annual Financial Statements for the Year Ended 30 June 2016

ATTACHMENT 2 – 234 – 17 OCTOBER 2016

Wollondilly Shire Council

General Purpose Financial Statements
for the year ended 30 June 2016

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these financial statements:

- present fairly the Council's operating result and financial position for the year, and
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 24 October 2016.

Mayor

Councillor

L Johnson
General manager

A Christie
Responsible accounting officer

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

GO3

Investment of Funds as at 31 July 2016 and 31 August 2016

112

TRIM 1022

EXECUTIVE SUMMARY

- This report provides details of Council's invested funds as at 31 July 2016 and 31 August 2016.
- It is recommended that the information and certification in relation to the investment of Council funds as at 31 July 2016 and 31 August 2016 be noted.

REPORT

At its last meeting, the Reserve Bank left the cash rate at 1.50%. In relation to the domestic market, the Board of the Reserve Bank commented that:

"In Australia, recent data suggest that overall growth is continuing, despite a very large decline in business investment, helped by growth in other areas of domestic demand and exports. Labour market indicators continue to be somewhat mixed, but suggest continued expansion in employment in the near term.

Inflation remains quite low. Given very subdued growth in labour costs and very low cost pressures elsewhere in the world, this is expected to remain the case for some time.

Low interest rates have been supporting domestic demand and the lower exchange rate since 2013 is helping the traded sector. Financial institutions are in a position to lend for worthwhile purposes. These factors are all assisting the economy to make the necessary economic adjustments, though an appreciating exchange rate could complicate this.

Supervisory measures have strengthened lending standards in the housing market. Separately, a number of lenders are also taking a more cautious attitude to lending in certain segments. The best available information suggests that dwelling prices overall have risen moderately over the past year and growth in lending for housing purposes has slowed. Considerable supply of apartments is scheduled to come on stream over the next couple of years, particularly in the eastern capital cities.

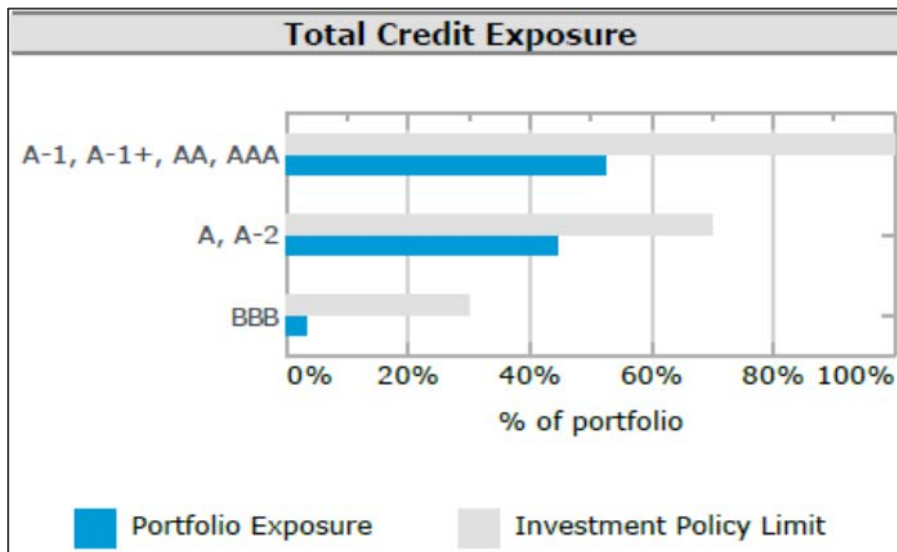
Taking account of the available information, and having eased monetary policy at its May and August meetings, the Board judged that holding the stance of policy unchanged at this meeting would be consistent with sustainable growth in the economy and achieving the inflation target over time."

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

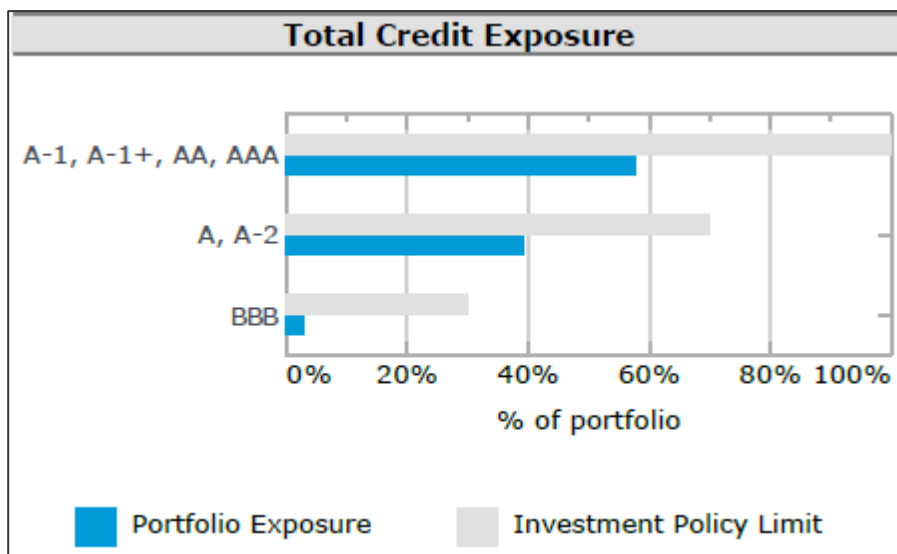
Council will continue to monitor and review its investment portfolio while liaising with our investment advisors, to ensure that returns are maximised and risk exposure is minimised.

As shown in the following charts, the credit rating on Council's portfolio as at 31 July 2016 and 31 August 2016 is within Council's investment policy limits.

JULY 2016



AUGUST 2016



The percentage of Council's investment portfolio invested with each institution as at 31 July 2016 and 31 August 2016 also complies with the limits specified in Council's investment policy, as detailed in the following tables.

Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

JULY 2016

% used vs Investment Policy Limit	
	% used vs Investment Policy Limit
Bendigo and Adelaide Bank (A-2, A-)	86% ✓
Members Equity Bank (A-2, BBB+)	80% ✓
National Australia Bank (A-1+, AA-)	56% ✓
Bank of Queensland (A-2, A-)	37% ✓
Commonwealth Bank of Australia (A-1+, AA-)	21% ✓
Westpac Group (A-1+, AA-)	17% ✓
Suncorp Bank (A-1, A+)	12% ✓
Macquarie Group (A-1, A)	12% ✓
Credit Union Australia (A-2, BBB+)	11% ✓
AMP Bank (A-1, A+)	8% ✓
Emerald Reverse Mortgage (B Tranche) (AA)	6% ✓
ANZ Group (A-1+, AA-)	6% ✓
Emerald Reverse Mortgage (A Tranche) (AAA)	3% ✓

AUGUST 2016

% used vs Investment Policy Limit	
	% used vs Investment Policy Limit
Bendigo and Adelaide Bank (A-2, A-)	78% ✓
National Australia Bank (A-1+, AA-)	63% ✓
Members Equity Bank (A-2, BBB+)	63% ✓
Bank of Queensland (A-2, A-)	39% ✓
Westpac Group (A-1+, AA-)	26% ✓
Commonwealth Bank of Australia (A-1+, AA-)	19% ✓
Suncorp Bank (A-1, A+)	11% ✓
Macquarie Group (A-1, A)	11% ✓
Credit Union Australia (A-2, BBB+)	10% ✓
AMP Bank (A-1, A+)	7% ✓
Emerald Reverse Mortgage (B Tranche) (AA)	6% ✓
ANZ Group (A-1+, AA-)	6% ✓
Emerald Reverse Mortgage (A Tranche) (AAA)	3% ✓

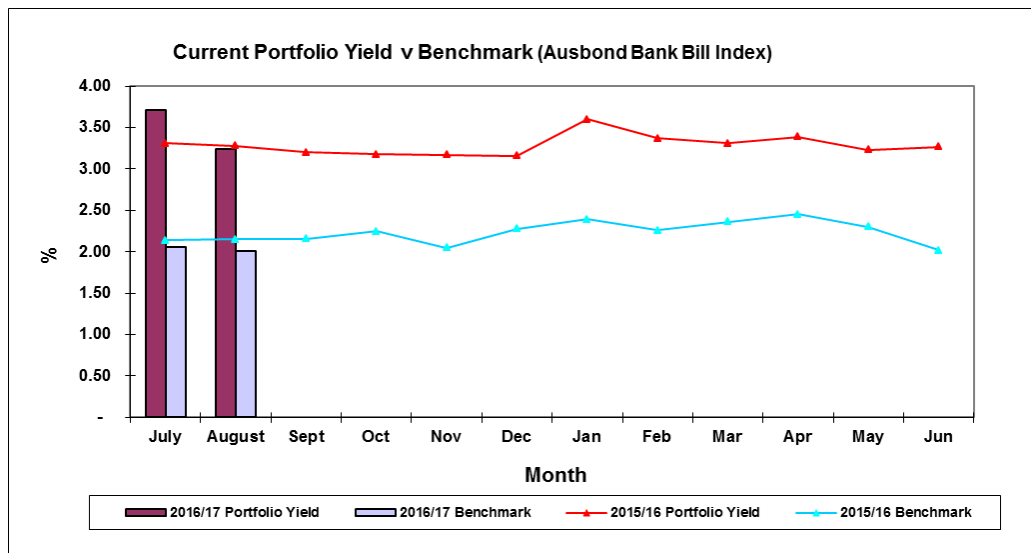
Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

The vast majority of Council’s investment portfolio (96%) is invested in deposits / securities with Australian Authorised Deposit taking Institutions (ADI’s). Council has been taking advantage of term deposit “specials” from various institutions without overexposing the portfolio to any one institution.

The marked to market valuations on some of the direct investment products in Council’s portfolio remain at less than the face value of the investment. The marked to market value of these investments is expected to be equal to or greater than the face value by the time they reach their maturity date. Early exit from these products would realise losses.

The following chart compares Council’s portfolio yield with the benchmark AusBond Bank Bill Index rate in each month for 2015/16 and 2016/17.



As shown in the chart above, Council’s portfolio yield has continually exceeded the benchmark AusBond 3 month Bank Bill Index due to the prudent investment of Council’s portfolio. For July 2016, Council’s portfolio yielded 3.25% and returned 3.71% for the month compared to the benchmark’s 2.06% pa return. For August 2016, Council’s portfolio yielded 3.13% and returned 4.15% for the month compared to the benchmark’s 2.01% pa return.

The following charts summarises Council's portfolio performance for the previous 12 months.

Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016**JULY 2016**

Historical Performance Summary			
	Portfolio	AusBond BB Index	Outperformance
Jul 2016	3.71%	2.06%	1.65%
Last 3 Months	3.11%	2.13%	0.98%
Last 6 Months	3.19%	2.25%	0.94%
Financial Year to Date	3.71%	2.06%	1.65%
Last 12 months	2.73%	2.23%	0.49%

AUGUST 2016

Historical Performance Summary			
	Portfolio	AusBond BB Index	Outperformance
Aug 2016	4.15%	2.01%	2.15%
Last 3 Months	3.03%	2.04%	0.99%
Last 6 Months	3.35%	2.20%	1.14%
Financial Year to Date	3.28%	2.03%	1.25%
Last 12 months	2.89%	2.22%	0.67%

Under Reg 212 of the Local Government (General) Regulation 2005, Council's Responsible Accounting Officer must provide Council each month with a written report setting out details of all money that Council has invested under section 625 of the Act. Due to there not being a regular Council meeting held in September due to the Local Government Elections, this Investment Report provides details of Council's investments for two consecutive months.

Details of Council's investment portfolio as at 31 August 2016 are provided in Attachment 1.

CONSULTATION

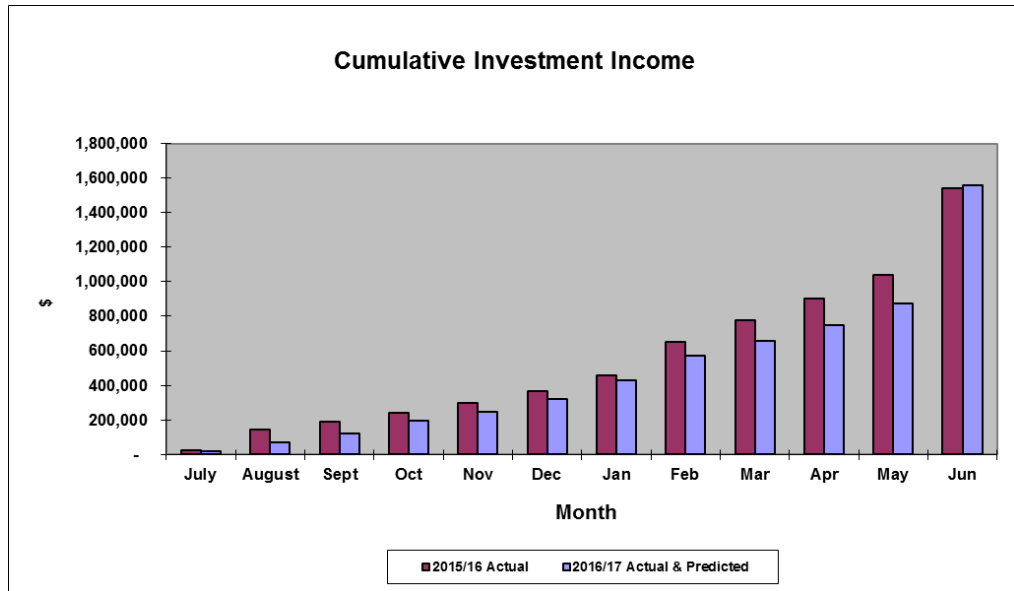
Independent advice regarding the investment of Council funds was provided by Prudential Investment Services Corp.

FINANCIAL IMPLICATIONS

Interest earned is allocated to restricted cash and income in accordance with Council's adopted budget, policy and legislative requirements.

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

The following chart compares the projected interest for 2016/17 with the prior year’s interest income.



Council’s investment income for 2016/17 is expected to be similar to the investment income received in 2015/16. However, as the RBA has decreased interest rates, the expected returns will be reviewed and revised as more information becomes available.

The prudent investment of funds is necessary to ensure Council's long term financial sustainability.

CERTIFICATION

I hereby certify that Council’s investments have been made in accordance with Sec 625 of the Local Government Act 1993, clause 212 of the Local Government (General Regulations) 2005 and Council’s Investment Policy.

Ashley Christie
 Manager Financial Services
 WOLLONDILLY SHIRE COUNCIL

ATTACHMENTS

1. Investments as at 31 July 2016.
2. Investments as at 31 August 2016.
3. Summary of Investment Holdings by Investment Type.

Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

RECOMMENDATION

That the information and certification in relation to the investment of Council funds as at 31 July 2016 and 31 August 2016 be noted.

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

ATTACHMENT 1 – 1022 – 17 OCTOBER 2016

INVESTMENTS AS AT 31 July 2016							
Reporting Period:		1-Jul-16	to	31-Jul-16			
Investment Institution	Rating	Face Value 31-Jul-15	Value at 31-Jul-16	% Holding	Interest/ Capital Growth %p.a.	received	Maturity
CASH INVESTMENTS							
National Australia Bank							
<i>General Account Balance (for information only. Not included in Total Cash Plus Investments)</i>							
			166,052				
11AM At call	A-1+	2,045,000	2,045,000	4.39%	1.80	4,291	At Call
Term Deposits							
Bank of Queensland (Matured)	A-2					238	04-Jul-16
National Australia Bank (Matured)	A-1+					407	06-Jul-16
Bendigo & Adelaide Bank (Matured)	A-2					953	13-Jul-16
ME Bank (Matured)	A-2					2,187	27-Jul-16
Bank of Queensland	A-2	1,000,000	1,025,089	2.20%	2.75	2,336	03-Aug-16
National Australia Bank	A-1+	1,000,000	1,014,795	2.18%	3.00	2,548	03-Aug-16
ME Bank	A-2	1,000,000	1,020,044	2.19%	3.10	2,633	10-Aug-16
Bank of Queensland	A-2	500,000	506,710	1.09%	3.10	1,316	25-Aug-16
Bank of Queensland	A-2	1,000,000	1,012,995	2.17%	3.10	2,633	01-Sep-16
National Australia Bank	A-1+	1,000,000	1,024,908	2.20%	2.85	2,421	14-Sep-16
National Australia Bank	A-1+	1,000,000	1,016,796	2.18%	3.05	2,590	12-Oct-16
Commonwealth Bank of Australia	A-1+	1,000,000	1,020,470	2.19%	2.93	2,488	19-Oct-16
Bank of Queensland	A-1+	1,000,000	1,015,041	2.18%	3.05	2,590	02-Nov-16
Bendigo & Adelaide Bank	A-2	500,000	510,307	1.10%	2.85	1,210	09-Nov-16
National Australia Bank	A-1+	1,000,000	1,017,411	2.18%	3.07	2,607	07-Dec-16
National Australia Bank	A-1+	1,000,000	1,009,282	2.17%	3.08	2,616	14-Dec-16
National Australia Bank	A-1+	1,000,000	1,012,280	2.17%	3.07	2,607	10-Jan-17
Suncorp Bank	A-1	1,000,000	1,003,927	2.16%	3.05	2,590	18-Jan-17
National Australia Bank	A-1+	1,000,000	1,008,153	2.16%	3.10	2,633	25-Jan-17
ME Bank	A-2	2,000,000	2,030,082	4.36%	3.05	5,181	01-Feb-17
ME Bank	A-2	1,000,000	1,014,014	2.18%	3.10	2,633	16-Feb-17
ME Bank	A-2	1,000,000	1,013,164	2.17%	3.12	2,650	28-Feb-17
ME Bank	A-2	1,000,000	1,013,078	2.17%	3.12	2,650	01-Mar-17
National Australia Bank	A-1+	750,000	752,384	1.62%	2.90	1,847	19-Apr-17
Bendigo & Adelaide Bank	A-2	2,000,000	2,012,123	4.32%	3.12	5,011	17-May-17
Bendigo & Adelaide Bank	A-2	1,000,000	1,004,930	2.16%	2.95	2,505	31-May-17
National Australia Bank	A-1+	1,000,000	1,002,030	2.15%	2.85	2,030	05-Jul-17
Bendigo & Adelaide Bank	A-2	1,000,000	1,027,075	2.20%	2.95	2,505	29-Aug-17
Bendigo & Adelaide Bank	A-2	1,000,000	1,028,495	2.21%	3.05	2,590	27-Aug-18
TOTAL CASH PLUS INVESTMENTS		27,795,000	28,160,582	60.45%		73,499	
Investment Institution	Rating	Face Value 31-Jul-15	Current Value 31-Jul-16	Percentage Holding	Interest %p.a.	Received / Accrued	Maturity
INVESTMENT SECURITIES							
Corporate Bond							
National Australia Bank	AA-	1,000,000	1,047,862	2.25%	6.00	5,110	15-Feb-17
Zero Coupon Bond							
Commonwealth Bank of Australia	AA-	2,000,000	1,930,340	4.14%	7.17		22-Jan-18
Floating Rate Notes							
Members Equity Bank Pty Ltd	BBB+	500,000	503,677	1.08%	3.24	1,374	28-Nov-16
Westpac Banking Corporation	AA-	500,000	507,265	1.09%	3.64	1,544	20-Feb-17
Macquarie Bank	A	1,000,000	1,007,301	2.16%	4.92	4,183	09-Mar-17
CUA Snr FRN	BBB+	500,000	501,940	1.08%	3.55	1,510	01-Apr-19
Westpac Banking Corporation	AA-	1,000,000	1,011,881	2.17%	3.00	2,544	10-May-19
AMP Snr FRN	A+	750,000	753,229	1.62%	3.12	1,988	11-Jun-19
Members Equity Bank Pty Ltd	BBB+	1,000,000	1,001,474	2.15%	3.40	1,304	18-Jul-19
Bendigo Bank Senior FRN	A-	1,000,000	994,866	2.14%	2.93	2,484	17-Sep-19
ANZ Snr FRN	AA-	1,000,000	1,004,286	2.16%	2.87	2,433	11-Nov-19
Westpac Banking Corporation	AA-	1,000,000	999,176	2.14%	2.80	2,591	22-Jan-20
Macquarie Bank	A	1,000,000	1,001,733	2.15%	3.10	2,629	03-Mar-20
CBA Snr FRN	AA-	1,000,000	998,283	2.14%	2.85	2,579	17-Jul-20
Bendigo Bank Senior FRN	A-	1,000,000	999,216	2.15%	3.09	2,627	18-Aug-20
Suncorp Senior FRN	A+	1,000,000	1,003,994	2.16%	3.18	2,879	20-Oct-20
CBA Snr FRN	AA-	500,000	502,555	1.08%	3.10	1,395	18-Jan-21
Bendigo Bank Senior FRN	A-	500,000	502,361	1.08%	3.74	1,529	20-Apr-21
Westpac Banking Corporation	AA-	1,000,000	1,007,466	2.16%	3.17	2,688	03-Jun-21
Mortgage Backed Securities							
Emerald Reverse Mortgage Series 2007-1 Class B	AA	1,000,000	600,741	1.29%	2.83	2,289	21-Jul-27
Emerald Reverse Mortgage Series 2006-1 Class A	AAA	683,599	543,249	1.17%	2.45	1,420	22-Aug-22
		18,933,599	18,422,895	39.55%	3.71	47,098	
TOTAL CASH & INVESTMENT SECURITIES		\$46,728,599	\$46,583,478	100.00%	2.06	\$120,598	

Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

ATTACHMENT 2 – 1022 – 17 OCTOBER 2016

INVESTMENTS AS AT 31 August 2016							
Reporting Period:		1-Aug-16		to		31-Aug-16	
Investment Institution	Rating	Face Value 31-Aug-16	Value at 31-Aug-16	% Holding	Interest/ Capital Growth		Maturity
CASH & CASH PLUS FUNDS							
National Australia Bank							
General Account Balance (for information only. Not included in Total Cash Plus Investments)		805,683					
11AM At call	A-1+	3,915,000	3,915,000	7.61%	1.55	5,158	At Call
Term Deposits							
Bank of Queensland (Matured)	A-2					151	03-Aug-16
National Australia Bank (Matured)	A-1+					164	03-Aug-16
ME Bank (Matured)	A-2					765	10-Aug-16
Bank of Queensland (Matured)	A-2					1,019	25-Aug-16
Bank of Queensland	A-2	1,000,000	1,015,627	1.97%	3.10	2,633	01-Sep-16
National Australia Bank	A-1+	1,000,000	1,027,329	2.00%	2.85	2,421	14-Sep-16
National Australia Bank	A-1+	1,000,000	1,019,386	1.98%	3.05	2,590	12-Oct-16
Commonwealth Bank of Australia	A-1+	1,000,000	1,022,958	1.99%	2.93	2,489	19-Oct-16
Bank of Queensland	A-1+	1,000,000	1,017,632	1.98%	3.05	2,590	02-Nov-16
Bendigo & Adelaide Bank	A-2	500,000	511,517	0.99%	2.85	1,210	09-Nov-16
National Australia Bank	A-1+	1,000,000	1,020,018	1.98%	3.07	2,607	07-Dec-16
National Australia Bank	A-1+	1,000,000	1,011,898	1.97%	3.08	2,616	14-Dec-16
National Australia Bank	A-1+	1,000,000	1,014,887	1.97%	3.07	2,607	10-Jan-17
Suncorp Bank	A-1	1,000,000	1,006,518	1.96%	3.05	2,590	18-Jan-17
National Australia Bank	A-1+	1,000,000	1,010,786	1.96%	3.10	2,633	25-Jan-17
ME Bank	A-2	2,000,000	2,035,263	3.96%	3.05	5,181	01-Feb-17
ME Bank	A-2	1,000,000	1,016,647	1.98%	3.10	2,633	16-Feb-17
ME Bank	A-2	1,000,000	1,015,814	1.97%	3.12	2,650	28-Feb-17
ME Bank	A-2	1,000,000	1,015,728	1.97%	3.12	2,650	01-Mar-17
National Australia Bank	A-1+	750,000	754,231	1.47%	2.90	1,847	19-Apr-17
Bendigo & Adelaide Bank	A-2	2,000,000	2,017,134	3.92%	3.12	5,011	17-May-17
Bank of Queensland	A-1+	1,000,000	1,000,997	1.95%	2.80	997	24-May-17
Bendigo & Adelaide Bank	A-2	1,000,000	1,007,436	1.96%	2.95	2,505	31-May-17
National Australia Bank	A-1+	1,000,000	1,002,225	1.95%	2.85	2,225	05-Jun-16
Bank of Queensland	A-1+	1,000,000	1,000,148	1.94%	2.70	148	14-Jun-17
National Australia Bank	A-1+	1,000,000	1,004,451	1.95%	2.85	2,421	05-Jul-17
National Australia Bank	A-1+	1,000,000	1,002,225	1.95%	2.80	2,225	02-Aug-17
Bendigo & Adelaide Bank	A-2	1,000,000	1,029,581	2.00%	2.95	2,505	29-Aug-17
Westpac Group	AA-	500,000	500,288	0.97%	3.00	288	27-Sep-17
Westpac Group	AA-	1,000,000	1,000,764	1.95%	3.10	764	23-Aug-18
Bendigo & Adelaide Bank	A-2	1,000,000	1,000,501	1.94%	3.05	2,590	27-Aug-18
Westpac Group	AA-	1,000,000	1,002,016	1.95%	3.20	2,016	09-Aug-19
TOTAL CASH PLUS INVESTMENTS		32,665,000	32,999,005	64.14%		67,743	
Investment Institution	Rating	Face Value 31-Aug-16	Value at 31-Aug-16	% Holding	Interest/ Capital Growth		Maturity
INVESTMENT SECURITIES							
Corporate Bond							
National Australia Bank	AA-	1,000,000	1,020,362	1.98%	6.00	5,079	15-Feb-17
Zero Coupon Bond							
Commonwealth Bank of Australia	AA-	2,000,000	1,936,660	3.76%	7.17	8,484	22-Jan-18
Floating Rate Notes							
Members Equity Bank Pty Ltd	BBB+	500,000	500,772	0.97%	2.98	1,363	28-Nov-16
Westpac Banking Corporation	AA-	500,000	503,547	0.98%	3.38	1,508	20-Feb-17
Macquarie Bank	A	1,000,000	1,011,394	1.97%	4.92	4,183	09-Mar-17
CUA Snr FRN	BBB+	500,000	504,444	0.98%	3.55	1,510	01-Apr-19
Westpac Banking Corporation	AA-	1,000,000	1,008,741	1.96%	2.77	2,409	10-May-19
AMP Snr FRN	A+	750,000	756,185	1.47%	3.12	1,988	11-Jun-19
Members Equity Bank Pty Ltd	BBB+	1,000,000	1,004,462	1.95%	3.40	2,888	18-Jul-19
Bendigo Bank Senior FRN	A-	1,000,000	1,002,430	1.95%	2.93	2,484	17-Sep-19
ANZ Snr FRN	AA-	1,000,000	1,002,459	1.95%	2.61	2,284	11-Nov-19
Westpac Banking Corporation	AA-	1,000,000	1,004,980	1.95%	2.80	2,374	22-Jan-20
Macquarie Bank	A	1,000,000	1,007,982	1.96%	3.10	2,629	03-Mar-20
CBA Snr FRN	AA-	1,000,000	1,004,143	1.95%	2.85	2,420	17-Jul-20
Bendigo Bank Senior FRN	A-	1,000,000	1,001,861	1.95%	2.85	2,532	18-Aug-20
Suncorp Senior FRN	A+	1,000,000	1,011,060	1.97%	3.18	2,697	20-Oct-20
CBA Snr FRN	AA-	500,000	506,371	0.98%	3.10	1,316	18-Jan-21
Bendigo Bank Senior FRN	A-	500,000	507,079	0.99%	3.39	1,437	20-Apr-21
Westpac Banking Corporation	AA-	1,000,000	1,015,824	1.97%	3.17	2,688	03-Jun-21
Mortgage Backed Securities							
Emerald Reverse Mortgage Series 2007-1 Class B	AA	1,000,000	602,831	1.17%	2.46	2,089	21-Jul-27
Emerald Reverse Mortgage Series 2006-1 Class A	AAA	679,163	536,943	1.04%	2.18	1,366	22-Aug-22
		18,929,163	18,450,531	35.86%		55,729	
TOTAL CASH & INVESTMENT SECURITIES		\$51,594,163	\$51,449,536	100.00%	4.15	\$123,472	
Benchmark (90 day UBSA Bank Bill Index)					2.01		

Governance

GO3 – Investment of Funds as at 31 July 2016 and 31 August 2016

ATTACHMENT 3 – 1022 – 17 OCTOBER 2016

Summary of Investment Holdings by Investment Type as at 31 July 2016

	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	3,000,000.00	2,978,202.31	6.78
Cash	2,045,000.00	2,045,000.00	1.80
Floating Rate Note	14,250,000.00	14,300,702.74	3.23
Mortgage Backed Security	1,683,599.36	1,143,990.29	2.45
Term Deposit	25,750,000.00	26,115,582.20	3.01
	46,728,599.36	46,583,477.54	3.25

Summary of Investment Holdings by Investment Type as at 31 August 2016

	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	3,000,000.00	2,957,021.74	6.78
Cash	3,915,000.00	3,915,000.00	1.55
Floating Rate Note	14,250,000.00	14,353,735.10	3.16
Mortgage Backed Security	1,679,162.57	1,139,773.82	2.34
Term Deposit	28,750,000.00	29,084,005.22	2.99
	51,594,162.57	51,449,535.88	3.13