COHUNA DISTRICT HOSPITAL

INCORPORATING

THE COHUNA COMMUNITY NURSING HOME

Annual Report of Operations and Financial Statements 2017/2018

Our Vision.....we are recognised for Excellence in rural Healthcare

Our Mission.....to deliver the best of available health and wellbeing services to our community

Our Values.....

Respect

Integrity

Teamwork

Ethical Behaviour

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PO Box 317
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Cohuna Community Nursing Home
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PO Box 317
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Email: info@cdh.vic.gov.au
Website: www.cdh.vic.gov.au
Phone: 03 5456 5300
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Abbreviations in this report refer to;
Australian Accounting Standards (AASB),
Independent broad-based anti-corruption commission (IBAC),
Financial Management Act 1994 (the Act),
Financial Reporting Direction (FRD),
Department of Treasury & Finance (DTF),
Victorian Auditor-General's Office (VAGO),
Health Purchasing Victoria (HPV),
Department of Health & Human Services (DHHS),
Cohuna District Hospital (CDH),
Minister of Parliament (MP),
Australian Council of Healthcare Standards (ACHS),
Full Time Equivalent (FTE),
Year to Date (YTD),
Business as Usual (BAU),
National Safety Quality Health Standards (NSQHS).

Legislation
Freedom of Information Act 1982
Protected Disclosure Act 2012
Carers Recognition Act 2012
Victorian Industry Participation Policy Act 2003
Building Act 1993
Financial Management Act 1994
Safe Patient Care Act 2015

Reports & Publications

The following reports and publications outlining the functions and activities of the health service are available at Reception and on the website www.cdh.vic.gov.au

- By-Laws (under Review)
- Annual Report of Operations and Financial Statements
- Quality Account Calendar
- Safer Care Victoria Maternity Service Summary 2017
- Strategic Plan 2016 – 2020
- Service Plan 2017

General Information

Year in Review

On behalf of the Board of Cohuna District Hospital and Cohuna Community Nursing Home Inc. it is our pleasure to present the 66th Annual Report for the year ended June 30th 2018.

On July 1st 2017, we welcomed new board members Nicole Bourke, Ross Dallimore, Adam Dowell, Rick Henery, Sam Manduskar and Alison Patrick. We would like to thank retiring board members Graeme Smith, Geoff Hall, Ron Stanton, George Payne and Lorraine Learmonth for the many years of dedicated service to Cohuna District Hospital.

The Board continues to embrace continuous learning to enhance strong outcomes in governance and leadership, and concentrate on strategic partnerships to ensure we focus on health and wellbeing in our community.

In 2017, the Board of Cohuna District Hospital undertook a review of the services provided to our community as a result of the findings in the Loddon Gannawarra Needs Analysis and the data obtained from Aspex Consulting. One of our biggest challenges is to respond to the changing needs of the community. The Loddon Gannawarra Needs Analysis identified diabetes, heart health, mental health and oral health. We also identified the increasing demand for Urgent Care, Primary Health Services, Community Services and the increasing demand for Residential Aged Care.

The Board identified the need to review our infrastructure and in consultation with the Department of Health and Human Services, developed a Service Plan. The Service Plan highlighted additional services required, in conjunction with existing ones, including low level surgery and low risk birthing. The Executive and Board presented the Service Plan to numerous community groups discussing inpatients, maternity, surgical services, residential aged care and consulting rooms for allied health and medical specialists.

The Department of Health and Human Service agreed to undertake Master Planning which will identify a preferred strategy to allow Cohuna District Hospital to deliver health services in the most efficient manner.

In December 2017 the Board requested a review from Safer Care Victoria to assist in planning the maternity services to the local women. Safer Care Victoria identified the passion and commitment of everyone involved in the maternity service and worked with the Board, Executive, doctors and midwives by providing a number of recommendations and milestones to achieve. They provided additional professional development and support to ensure that the highest level of training was undertaken.

2017-2018 has also highlighted the plight of rural communities in obtaining GP's. This has created an opportunity to work with other health agencies within our region to work in partnership, identifying the need to take a regional approach to health, sharing resources and GP's if necessary. The workforce issue of doctors, nurses and other health professionals must be undertaken with collaboration with our neighbouring towns and larger health services, in order to provide vital health services in our region.

During the year we received capital grants to improve the bathrooms in the Nursing Home and upgrade the fire systems as well as grants for training and wellbeing of the staff. The Department of Health and Human Services have fully supported Cohuna District Hospital with additional funding to provide resources to maintain our maternity service,

The Board would like to acknowledge the assistance provided by Echuca Regional Health during the last two years, by contracting the Chief Executive Officer and Director of Medical Services to our regional health service. The knowledge and experience has left Cohuna District Hospital in a strong financial and clinical position, and the ability to move forward with the appointment of a full time Chief Executive Officer.

We are extremely grateful for the support of the community, local organisations and individuals for their generous donation of time and money who support our vision on healthcare.
The Board would like to express their appreciation to the dedicated staff, Visiting Medical Officers and specialists, for the commitment shown in what has been a busy and challenging year.

By working together we will achieve our mission of delivering the best of available health and wellbeing services to our community.

Jean Sutherland

Jean Sutherland
Board Chair
30th June 2018

Financial Management Compliance Attestation

I, Jean Sutherland, on behalf of the Responsible Body, certify that the Cohuna District Hospital incorporating the Cohuna Community Nursing Home, has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions except for the following Material Compliance Deficiencies: Direction 4.2.3 Cohuna District Hospital (CDH) Asset Management requires enhancement and formalisation to achieve compliance with the Australian Management Accountability Framework (AMAF). Cohuna District Hospital has performed an assessment against the AMAF, this has identified a number of gaps which CDH is actioning, including the development of an Asset Management Strategy and Framework.

Jean Sutherland

Jean Sutherland,
Board President

Service Profile

The Cohuna District Hospital (CDH) was established as a public hospital in 1952. The Health Service provides care for visitors and residents of Cohuna and the surrounding catchment area. In 1983, a community appeal raised funds for a nursing home, which was built adjacent to the hospital and opened in 1985.

Acute - Sixteen bed hospital provides medical, obstetric, surgical and transitional care. Three dialysis chairs and an Urgent Care Centre ensure accessible high quality health care for our patients.

Residential Aged Care – a sixteen bed residential aged care home providing twenty four hour nursing care in a home like environment.

Community Services – District Nursing, Domiciliary Care, Social Support Group and home based Transitional care.

One of the biggest challenges is to better respond to changing community needs. We see increasing demand for urgent Care and Primary Health services, more demand for community services and changing demand for Aged Care. Our role is to make sure that the Cohuna community and surrounding catchment areas can continue to access acute care, aged care and core community and primary based health care.

Our Service Plan and Strategic Plan provide future direction of the health services at CDH and reflect the current and future needs of our community, to ensure high quality for our patients, aged residents and clients. Our future services must be innovative and remain flexible as the health needs and the communities expectations are changing. We will collaborate with surrounding health organisations to compliment the range of services that are provided to our local community.

The forecast for population in the Gannawarra shire is to remain stable to 2021 with 11,479 persons. It is expected the catchment will decline marginally, consistent with the broader decline of smaller townships in the shire. It is expected there will be an increase in 70-79 and 85+ age groups, which are forecast to increase by in excess of 30%. Our community has high levels of disadvantage, dependence, living alone and disability as measured by population health data.

This 66th Annual Report of Operations details the activities and achievements of Cohuna District Hospital for the year ended 30 June 2018. The Report is required under the provisions of the Financial Management Act 1994. Additional requirements are contained in Standing Directions of the Minister for Finance and Financial Reporting Directions issued by the Department of Treasury and Finance.

Minister for Health in the State of Victoria
Cohuna District Hospital and Community Nursing Home were established under the Health Services Act 1988.

The responsible Ministers during the reporting period were;
Minister for Health: The Hon. Jill Hennessy MP
Minister for Housing, Disability and Ageing: The Hon. Martin Foley MP
Minister for Mental Health: The Hon. Martin Foley MP

Accreditation Status:
Accredited with the Australian Council on Healthcare Standards (ACHS) until December 2019
Accredited with the Australian Aged Care Quality Agency until October 2018

Memberships:
The Victorian Healthcare Association
The Victorian Hospitals' Industrial Association
Leading Age Services Australia

Auditors:

AFS & Associates, Bendigo	Internal Auditors
Crowe Horwath (Aust) Pty Ltd	External Auditors as appointed by Victorian Auditor General's Office

Accountants:
Accounting & Audit Solutions (AASB), Bendigo

Banks:
ANZ Bank
Bendigo Bank
National Australia Bank
Westpac Bank

Honorary Solicitor:
Embleton & Associates, Cohuna

Visiting Medical Officers
Dr P Barker
Dr A Sheaar
Dr N Rana
Dr M Belot
Dr C Bottcher
Dr M Younan

Visiting Surgeons
Mr P Moore
Mr M Atalla

Supporting Specialists
Dr Lindsay Sherriff
Dr Stewart Gough
Dr Mirasbek Bekbultov
Dr Paramapathan Shobanan
Dr Sarah Van der Wal

Pathology
Australian Clinical Labs

Radiology
Bendigo Radiology

Board of Management

The volunteer members of the Board of Management are appointed by the Governor-in-Council and are responsible for setting the strategic direction of Cohuna District Hospital and Cohuna Community Nursing Home within the framework of government policy.

There is a diverse mix of skills and experience within the Board of Management which is under continual review. Cohuna District Hospital Board of Management has the following sub-committees; Clinical Governance, Audit & Risk and Finance & Physical Resources. All members of the Board are required to lodge a declaration of pecuniary interest.

Member Name	Date appointed to Board and current term	Meetings attended
Jean Sutherland CPA Member	Appointed 1st July 2015 Current term 01/07/2016 – 30/6/2019	12/12
Mandy Hutchinson	Resigned July 2017	
Deanne van der Drift Accountant	Appointed 1st July 2015 Current term 01/07/2016 – 30/06/2019	11/12
Lois Drummond Retired Education Dept.	Appointed 1st October 2008 Current term 01/07/2015 – 30/06/2018	10/12
Rick Henery, CPA Accountant Director/Partner	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2018	10/12
Alison Patrick Registered Nurse & Midwife	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2020	10/12
Adam Dowell Community Pharmacist	Appointed 01/07/2017 Current Term 01/07/2017 – 30/06/2020	10/12
Nicole Bourke Registered Chiropractor	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2020	9/12
Ross Dallimore, FAICD Fellow of AICD	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2020	11/12
Sameer Manduskar, FCPA Public Accountant	Appointed 01/07/2017 Current term 01/07/2017 – 30/06/2019	11/12

Audit & Risk Committee

Member Name	
Sameer Manduskar (Chair)	Board member
Sue Woods	Community member
Ross Dallimore	Board member
Deanne van der Drift	Finance Chair
Jean Sutherland	Board Chair
Adrian Downing	AFS & Associates
Dannielle Mackenzie	Crowe Horwath (Aust) Pty Ltd
Janine Dickson	Community member

Executive Management

Chief Executive Officer - Michael Delahunty
The Chief Executive Officer (CEO) is responsible to the Board of Management for the efficient and effective management of Cohuna District Hospital and Cohuna Community Nursing Home. Key responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency, quality improvement and minimisation of risk.

General Manager - Kathy Day
The General Manager (Site Manager) is responsible to the Chief Executive Officer for the efficient and effective management of the non-clinical day-to-day operations of the Cohuna District Hospital and Cohuna Community Nursing Home. Key responsibilities include Support Services, Engineering and Maintenance, Finance, Administration, Occupational Health & Safety, Quality and Risk, Emergency Management and Contracts.

Director of Medical Services - Dr Glenn Howlett
All medical staff (Visiting Medical Officers and Visiting Specialists) report professionally to the Director of Medical Services. This role is also responsible for credentialing medical staff in addition to working with other members of the Executive to provide clinical governance, planning and resource management for the health service.

Director of Clinical Services – Lynne Sinclair
The Director of Clinical Services has a professional responsibility for nursing across clinical streams and executive responsibility for acute nursing services including, Urgent Care, Renal Dialysis, General Medical, General Surgical, Maternity and Residential, District Nursing, Social Support Group and Aged Care Services. Major areas of responsibility include Clinical Leadership and Standards of Practice, Nursing credentialing and resource management, service and strategic planning, clinical risk management and quality improvement.

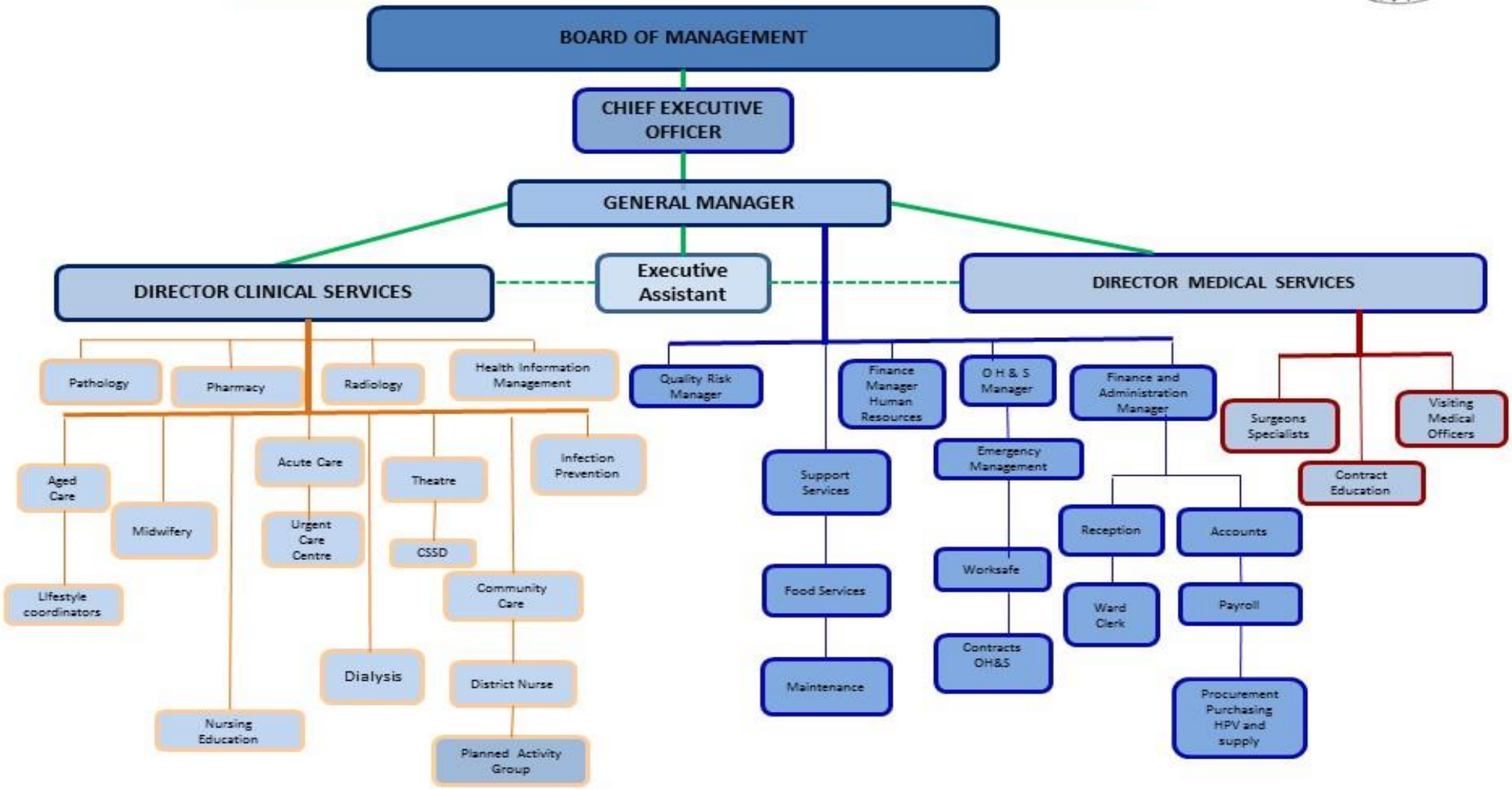
Life Governorship

The highest honour the Cohuna District Hospital board can bestow on an individual is to award a Life Governorship. In November 2017, the Board awarded a Life Governorship to Elizabeth Lake for over 40-years of service.

Years of Service Awards (awarded in November 2017)

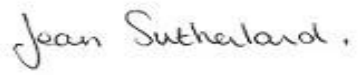
Staff member	Team	Years of Service
Margaret Donehue	Nursing	30 years
Robyn Gladman	Nursing	30 years
Heather Spence	Nursing	30 years
Lesley Roberts	Nursing	20 years
Glenda Crichton	Nursing	10 years
Sharon Pearson	Nursing	10 years
Cheryl Tierney	Nursing	10 years
Maxine Rush	Support Services	30 years
Kaye Holmes	Support Services	25 years
Jeanette Robinson	Support Services	15 years

ORGANISATIONAL STRUCTURE
COHUNA DISTRICT HOSPITAL



Responsible Bodies Declaration (SD 5.2.3)

In accordance with the Financial Management Act 1994, I am pleased to present the 66th Report of Operations for Cohuna District Hospital incorporating the Cohuna Community Nursing Home for the year ending 30 June 2018.



Jean Sutherland,
Board President

Workforce Information

Hospitals Labour Category	JUNE Current Month FTE*		JUNE YTD FTE**	
	2017	2018	2017	2018
Nursing	37.9	40.54	35.89	38.55
Administration and Clerical	10.31	11.21	10.53	10.70
Hotel Services	16.58	16.08	16.03	15.38

Employment by Gender	Full Time	Part Time	Casual	Total	%
Females	14	63	26	103	96.26
Males	1	2	1	4	3.73
Total					

The FTE figures in the tables above exclude overtime and contracted staff (e.g. Agency nurses, Fee-for-Service, Visiting Medical Officers) who are not regarded as employees for this purpose.

***June current month FTEs are calculated as follows:**
FTES are calculated for each employee per pay period as follows:

For a full time employee: $\frac{\text{Actual Paid Hours}}{\text{Employee's Base Hours}}$ = Full Time FTE

For a part time or a casual employee: $\frac{\text{Actual Paid Hours}}{\text{Employee's Standard Award Hours}}$ = Part Time & Casual FTE

June Current Month FTE for an employee = the aggregation of all individual FTEs for all pays ending during June divided by the number of pays in the month.

June Current Month FTE for an agency = the sum of all the current month FTEs for all its employees during the month.

****YTD FTE*** = the average FTE for the year, i.e. the sum of the monthly current months' FTEs divided by 12.

YTD FTE $\frac{\text{The sum of monthly current months' FTEs}}{12}$ = average FTE for the year

Financial Results

	2018	2017	2016	2015	2014
		$	$	$	$
Total Revenue	9,801,396	9,011,354	8,592,826	8,028,409	8,204,429
Total Expenses	9,822,302	(9,151,716)	(9,145,595)	(8,731,306)	(8,821,420)
Other Operating Flows included in the Net Result for the year	(7,091)	13,071	25,320	0	0
Net Result for the Year	(27,997)	(127,291)	(527,449)	(702,897)	(616,991)
*Operating Result	182,301	(95,972)	(4,678)	(266,669)	(455,469)
Total Assets	9,209,234	9,003,188	8,639,298	8,786,834	9,888,672
Total Liabilities	3,431,029	3,196,986	2,705,805	2,294,629	2,693,570
Net Assets	5,778,205	5,806,202	5,933,493	6,492,205	7,195,102
Total Equity	5,778,205	5,806,202	5,933,493	6,492,205	7,195,102

** The Operating result is the result for which the hospital is monitored in its Statement of Priorities also referred to as the Net result before capital and specific items.*

Consultancies Information

Details of consultancies (under $10,000)

In 2017-18, there were 11 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2017-18 in relation to these consultancies was $24,149 (excl. GST).

Details of consultancies (valued at $10,000 or greater)

In 2017-18, there was no consultancies where the total fees payable to the consultants was $10,000 or greater.

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2017-18 is $279,504 (excluding GST) with the details shown below.

($ million)

Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	Non-Business As Usual (non-BAU) ICT expenditure (Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$0.25	$0.03	$0.26	$0.02

Car Parking Fees

Cohuna District Health complies with Department of Health and Human Services circular and does not charge car parking fees.

Occupational Violence

Victorian public health services are required to monitor and publicly report incidents of occupational violence in the health service annual report. To ensure consistency in annual reporting, Health Services are required, as a minimum, to report the following occupational violence statistics in the following format, including the definitions listed underneath the table

Occupational violence statistics	2016-17	2017-18
1. Workcover accepted claims with an occupational violence cause per 100 FTE	Nil	Nil
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	Nil	Nil
3. Number of occupational violence incidents reported	5	3
4. Number of occupational violence incidents reported per 100 FTE	8.06	4.64
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	Nil	Nil

For the purposes of the above statistics the following definitions apply:

Occupational violence - any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2017-18.

Lost time – is defined as greater than one day.

Injury, illness or condition – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

FTE figures required in the above table are calculated and consistent with the Workforce Information FTE calculation.

Occupational Health & Safety

The number of reported hazards/incidents for the year per 100 full-time equivalent staff members.

Item	2016/17	2017/18
No of OHS / Hazards reported	59	65
FTE as at 30th June	62.45	64.59
OHS/Hazards per 100 FTE	94.48	100.63

Month	2016/17	2017/18
July	1	5
August	2	0
September	5	0
October	10	11
November	2	3
December	3	14
January	7	6
February	7	6
March	1	1
April	8	7
May	6	2
June	7	10
TOTAL	**59**	**65**

The number of 'lost time' standard claims for the year per 100 full-time equivalent staff members;

Year	No of Lost Time Claims	FTE	No of Lost time claims per 100 FTE	Ave Total Cost per claim	Estimate of Outstanding Claims Costs
2016/17	3	62.45	4.8	17,864.12	40,513
2017/18	2	64.59	3.10	1,020.84	0.00

In 2016/17 there were three lost time incidents reported. These included a manual handling incident that then resulted in a secondary injury and a fall which resulted in an injury. All staff were supported with a Return to Work plan that resulted in a gradual return to their pre injury employment. There were nil fatalities in both 2016/17 and 2017/18.

Feedback, Comments and Complaints

Cohuna District Hospital encourages comments and complaints from patients, residents, their families and visitors. This feedback is a tool for improvements. All comments and complaints are entered into a register with a brief summary, respecting confidentiality, before being forwarded to the General Manager. All persons lodging comment and complaints receive feedback via telephone and/or letter of receipt.

	2016 - 17	2017 -18
Feedback & Comments	84	102
Complaints	15	8

Environmental Performance

Cohuna District Hospital strives to continually improve the health of the Cohuna community and surrounding district by endeavouring to provide health care in an environmentally sustainable manner. We commit to continual improvement in energy saving and waste management strategies to reduce our carbon footprint whilst maintaining environmental standards in compliance with all applicable regulations and standards. Our performance is reported to the Department of Health and Human Services in the Victorian public Healthcare Services Reporting Tool quarterly.

Gifts Benefits & Hospitality

Cohuna District Hospital is committed to maintaining the Cohuna community trust and support behaviour consistent with the Code of Conduct for Victorian Public Sector Employees. Disclosure in accordance with the requirements outlined in the Minimum accountabilities for managing gifts, benefits and hospitality are displayed on our website to support individuals and avoid conflicts of interest to maintain high levels of integrity and public trust.

Merit & Equity

Cohuna District Hospital is committed to applying merit and equity principles when recruiting and appointing staff. CDH acknowledges its obligations under the Public Administration Act 2004 and promotes and supports the public sector values prescribed in the Act. All employees are expected to model their behaviour in accordance with the Code of Conduct for Victorian Public Sector Employees and the values of responsiveness, integrity, impartiality, accountability respect, leadership and human rights with particular reference to the Victorian Charter of Human Rights and Responsibilities.

Fee for Service

Cohuna District Hospital charge fees as directed and published in circulars issued by the Department of Health and Human Services.

Additional Information

The items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Disclosure Index

The Annual Report of Cohuna District Hospital incorporating Cohuna Community Nursing Home is prepared in accordance with all relevance Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	5,6
FRD 22H	Purpose, functions, powers and duties	5,25,26
FRD 22H	Initiatives and key achievements	12
FRD 22H	Nature and range of services provided	5
Management and structure		
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Financial and other information		
FRD 10A	Disclosure Index	16
FRD 11A	Disclosure of ex-gratia expenses	*
FRD 21C	Responsible person and executive officer disclosures	10
FRD 22H	Application and operation of *Protected Disclosure 2012*	17
FRD 22H	Application and operation of *Carers Recognition Act 2012*	17
FRD 22H	Application and operation of *Freedom of Information Act 1982*	17
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	17
FRD 22H	Details of consultancies over $10,000	11
FRD 22H	Details of consultancies under $10,000	11
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FRD 22H	Information and Communication Technology Expenditure	12
FRD 22H	Major changes or factors affecting performance	11
FRD 22H	Occupational violence	12
FRD 22H	Operational and budgetary objectives and performance against objectives	*
FRD 22H	Summary of the entity's environmental performance	14
FRD 22H	Significant changes in financial position during the year	11
FRD 22H	Statement on National Competition Policy	17
FRD 22H	Subsequent events	11
FRD 22H	Summary of the financial results for the year	11
FRD 22H	Additional information available on request	15
FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	10
FRD 25C	Victorian Industry Participations Policy disclosures	17
FRD 29C	Workforce Data disclosures	10
FRD 103F	Non-Financial Physical assets	*
FRD 110A	Cash Flow Statements	*
FRD 112D	Defined Benefit superannuation Obligations	*
SD 5.2.3	Declaration in report of operations	10
SD 5.1.2.2	Financial Management Compliance Attestation	4
Other requirements under Standing Directions 5.2		*
SD 5.2.2	Declaration in financial statements	*
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	*
SD 5.2.1)A)	Compliance with Ministerial Directions	*

* See in Financial Statements attached

Disclosures

Victorian Industry Participations Policy Act 2003

Cohuna District Hospital and Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2017/18 there were no contracts to which the VIPP applied.

Freedom of Information Act 1982

During 2017/18 there were Twenty One (21) requests for access to documents under the Freedom of Information Act 1982. Nineteen (19) of these requests were approved by the Director of Clinical Services (DCS), who is named as the Principle Officer and Two (02) were approved by the Director of Medical Services, as a conflict of interest of was declared by the Principle Officer in Two (2) cases.

Protected Disclosure Act 2012

Cohuna District Hospital has policies and procedures consistent with the requirements of the Protected Disclosure Act 2012 which supports staff to disclose improper or corrupt conduct within the health service. There were no disclosures notified to IBAC under section 21(2) during the financial year.

Carers Recognition Act 2012

Cohuna District Hospital recognises its obligations under Section 12.12 of the Carers Recognition Act 2012 by ensuring that;

- Its employees and agents have an awareness and understanding of the care relationship principles;
- All practicable measures are taken to ensure that persons who are in care relationships and who are receiving services have an understanding of the care relationship principles;
- All practicable measures are taken to ensure that the organisation and its employees and agents reflect the principles in developing, supporting and providing assistance for persons in care relationships.

Building Act 1993

The Building Act 1993 sets standards for the construction of new buildings and for the maintenance of existing buildings. It includes provisions to protect the safety and health of building users and cost effective construction is encouraged.

All building work carried out during 2017/2018 complies with current Building Standards and to the best of our knowledge, the Health Service complies with building, maintenance and condition assessments, Fire safety audits and essential safety measures maintenance provisions as per the Act.

Safe Patient Care Act 2015

Cohuna District Hospital has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015

National Competition Policy

Cohuna District Hospital and Cohuna Community Nursing Home applies competitive neutral costing and pricing arrangement to significant business units within its operations. These arrangements are in line with the Government policy and the model principles applicable to the health sector.

Statement of Priorities 2017/18

In 2017-18, Cohuna District Hospital contributed to the achievement of the Victorian Government's commitments by:

Domain	Action	Strategy	Health Service Deliverables	Outcome
Better Health	A system geared to prevention as much as treatment Everyone understand their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Reduce Statewide risks Build health neighbourhoods Help people to stay healthy Target health gaps	Implement the Gannawarra Local Agency Membership '5 ways to Wellbeing Program'	**Achieved** Staff participated in "Walk around the World' and 'Bridge to Bridge event. A multi-disciplinary committee was established with participants from each designated work area responsible for staff moral and health initiatives.
			Collaborate with Murray Primary Health Network Program	**Achieved** Funding obtained for collaborative approach through Northern District Community Health to promote Healthy Heart & Lungs Program. A co-ordinator was appointed 0.6 EFT.
			Implement Integrated Service Plan focussing on diabetes, Heart Health, Cancer, Mental Health, Respiratory, Sexual Health and Oral Health.	**Achieved** A registered nurse was appointed the mental health portfolio. The Royal Flying Doctor Dental van visited on-site. A Dental Prosthetist was engaged to visit the Aged Care facility. Condoms were included with Needle Exchange program dispensing unit. A registered nurse completed the Diabetic Educator Course and will assist in education to other staff members. Participation in the National Bowel

				Screening program by providing a colonoscopy service with staff actively asking patients if they were recalled after bowel screening.
			Evaluate the needle Exchange program	**Achieved** No adverse outcomes were reported during the 2017/18 annual report period
Better Access	Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	Plan and invest Unlock innovation Provide easier access Ensure fair access	Develop a service plan to identify health needs and service priorities	**Achieved** Master Planning process commenced with appointment of a project planning committee
			Develop additional partnerships with local private and public providers to enable access to services not currently provided by Cohuna District Hospital	**Achieved** Partnerships and Memorandum of Understandings developed with Northern District Community Health and Echuca Regional Health
			Develop options for increasing local access to Community Care (District Nurse, Transitional Care, Community Aged Care, Planned Activity Group, Meals on Wheels, Allied Health)	**Achieved** Developed and implemented a Discharge Planning procedure
			Participation in the Loddon Mallee Leadership Group and Regional Clinical Council to ensure the health service is aligned to the regional health system	**Achieved** Chief Executive Officer, General Manager and Registered Nurse attend regional meetings to ensure that the health service is aligned to the regional health system
Better Care	Target zero avoidable harm Healthcare that focusses on outcomes	Put quality first Join up care Partner with patients	Appoint Clinical leads for high risk areas of clinical services, including maternity service and dialysis.	**Achieved** Clinical Leads were appointed to focus on NSQHS standards.

	Patients and carers are active partners in care Care fits together around people's needs	Strengthen the workforce Embed evidence Ensure equal care **Mandatory actions against the 'Target zero avoidable harm' goal:**		23 recommendations were received from Safer Care Victoria review. PROMPT education embedded and BOS maternity system was installed. Root Cause analysis training was undertaken. Participation in Regional Mortality and Morbidity meetings. Engaged external Specialist to conduct Obstetric reviews. Developed pathways and diversion policies for Midwifery. Maternity information for patients has been developed and completed to include optional birthing sites. Advanced Care Planning project commenced. Social Support Group coordinator commenced dementia project externally. An education focus month calendar has been developed.
		Develop and implement a plan to educate staff about obligations to report patient safety concerns.	As a component of the 2017 People Matters Survey action plan develop and implement a plan to strengthen staff safety culture, including identification and reporting of patient safety concerns.	**Achieved** Multidisciplinary consultative committee commenced Dec 2017 - new title People Matter Consultative Committee February 2018. Encouraging reporting culture; and continuous quality improvement no blame approach. Mentoring of Department managers in

				leadership is occurring; topics include modelling the expected behaviour and culture, workplace rituals, self-reflection and learnings; models of leadership.
		Establish agreements to involve external specialists in clinical governance processes for each major area of activity (including mortality and morbidity review)	Work with the Loddon Mallee Regional Clinical Council to develop roles of external specialists in clinical reviews in partnership with Echuca Regional Health and Bendigo Health.	**Achieved** A registered nurse was appointed to LMRCC CEO request for Loddon Mallee Maternity clinical lead position
		In partnership with consumers, identify three priority improvement areas using Victorian Healthcare Experience Survey data and establish an improvement plan for each. These should be reviewed every six months to reflect new areas for improvement in patient experience.	Recruit community members to review: 1. Bedside handover to include patient input and facilitate increased patient decision making about care and treatment. 2. Increased information for carer/family pre, during and post admission. 3. Information and referral system improvement about managing own health and care at home upon discharge.	**Achieved** Medication information given to patients during hospital stay Reviewing patient brochures and l obtain feedback from patients to ensure plain language is maintained or improved. Reviewing referral systems within the hospital setting

Part B: Performance Priorities

The Victorian Health Services Performance monitoring framework outlines the Government's approach to overseeing the performance of Victorian health services.
Changes to the key performance measures in 2017-18 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

High quality and safe care

Key performance indicator	Target	2017-18 Results
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	80%	88%
Percentage of healthcare workers immunised for influenza	75%	87%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Q1	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Q2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Q3	95%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Q1	75%	Full compliance*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Q2	75%	95%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Q3	75%	Full compliance*
Victorian healthcare Experience Survey – patients perception of cleanliness – Q1	70%	Full compliance*
Victorian healthcare Experience Survey – patients perception of cleanliness – Q2	70%	94%
Victorian healthcare Experience Survey – patients perception of cleanliness – Q3	70%	Full compliance*
Adverse Events		
Number of sentinel events	Nil	1
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with Apgar score <7 to 5	$\leq$ 1.6%	0.027%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	$\leq$ 28.6%	0.0%

*Less than 42 responses received for the period due to relative size of the Health Service

Strong governance, leadership and culture

Key performance indicator	Target	2017-18 Results
Organisational culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	81%
People matter survey – percentage with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have".	80%	97%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area".	80%	86%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager".	80%	78%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others".	80%	79%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation".	80%	77%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff".	80%	65%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised".	80%	66%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here".	80%	93%

Effective financial management

Key performance indicator	Target	2017-18 Results
Finance		
Operating result ($m)	0.05	0.18
Average number of days to paying trade creditors	60 days	47 days
Average number of days to receiving patient fee debtors	60 days	32 days
Adjusted current ratio asset	0.7 or 3% improvement from health service base target	0.89
Number of days of available cash	14 days	123 days

Part C: Activity and funding

The performance and financial framework within which state government-funded organisations operate is described in Volume 2: Health operations 2017-18 if the *Department of Health and Human Services policy and funding guidelines 2017.*

The *Policy and funding guidelines* are available at https://www2.health.vic.gov.au/about/policy-and-funding-guidelines

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy

Funding type	Activity	Budget ($'000)
Small Rural		
Small Rural Acute	98	5,387
Small Rural Residential Care	5,786	500
Small Rural HACC	746	51
Health Workforce	2	41
Other specified funding	0	298
Total Funding		**6,277**

Service Performance

Service	Type of Activity	Actual Activity 2016-17	Actual Activity 2017-18
Medical inpatients	Number of admissions (excl. Dialysis and Unqualified Newborns)	1056	1333
Medical inpatients	Total Bed Days (excl. Dialysis and Unqualified Newborns)	2836	3026
Bed Day Average	(excl. Dialysis and Unqualified Newborns)	2.69	2.27
Urgent Care	Total Presentations	2201	2223
District Nursing	Occasions of Service	1718	1507
Births	Number of births	42	56
Renal Dialysis	Number of sessions held for 3 Chairs	468	463
Aged Care	% Bed Occupancy	99%	95%
Surgical Procedures	Overnight stay	21	25
Surgical Procedures	One Day Stay	142	152
Social Support Group	Total Number of attendances	1210	1082
Meals on Wheels	Total Number of Meals delivered	8232	6225
Transitional Care Program	Hospital Based	126	143
Transitional Care Program	Community Based	414	313

Strategic Plan 2016-2020

The Strategic Plan was developed in 2016. Since then, the plan has been reviewed and positive steps have been taken to ensure sustainability through to 2020. A number of challenges arose during 2017/18, with opportunities to strengthen the obstetric and surgical services which were consulted broadly with the community, stakeholders and neighbouring health services.

Positive steps were taken;

- to develop a workforce that is appropriately skilled and qualified to support the delivery of quality safe care,
- to create a workforce culture that includes open communication,
- to ensure that the anti-bullying and harassment policy was embedded,
- to focus on prevention of occupational violence

The greatest challenge is to have efficient and compliant infrastructure that will support service capability and develop Information Communication systems that will support the quality of care and expand services. As a small rural health service, we needed to define and re-balance our core services and develop a Service Plan.

Service Plan 2017

The Service Plan was developed with key findings for the future healthcare needs over the next five to ten years. The landscape is changing and as a small rural health service we have a continuing role in;

- delivering low risk birthing services,
- low complexity surgery,
- low level acute medical services,
- Residential Aged Care,
- Urgent Care; and
- Community based and primary care to the community.

The demand for acute health services is expected to increase over the coming decades, mainly due to the ageing population. As such, the provision of streamlined and comprehensive care for elderly patients is a priority area for service development.

Growing our local ability to deliver services in the home and having a smaller footprint of beds, but not eliminating acute services will require our resources to be managed more efficiently and effectively.

The Plan identifies key drivers, challenges, goals and enablers and identifies our role to have an efficient and sustainable health service that continues to focus on quality and risk minimisation, whilst maintaining financial viability and seek every opportunity to enhance community engagement.

Master Planning 2018

The Department of Health and Human Services (DHHS) have agreed to undertake Master Planning at Cohuna District Hospital. Jean Sutherland, Board Chair, said the health service is delighted with the Master Planning being confirmed as a result of the service plan being finalised last October.

The purpose of a Master Plan is to consider the infrastructure required to support the health services CDH currently provides and is projected to provide as per it's October 2017 Service Plan i.e. acute inpatients, maternity services, surgical services, residential aged care and consulting rooms for allied health and medical specialists.

The Master Planning involves a review the site, undertake a detailed assessment of the existing building infrastructure, engineering services, information technology systems, compliance with building standards and suitability of equipment. The outcome of the Master Planning will clearly identify the preferred strategy that will allow CDH to deliver its' health services in the most effective and cost efficient manner.

The Master Planning commenced in April 2018, with the first meeting of the Project Planning Team (PPT) that considered material on the Master Planning Process as provided by DHHS. The membership of the PPT will include CDH Executive Departments, Clinicians and Board members. Department officers have visited CDH to familiarise themselves with the site and have commenced the process of appointing design consultants, including an architect, who will be appointed to formally lead the Master Plan Study. It is expected the Master Planning at CDH will be completed by December 2018.

Attestations

Data Integrity

I, Michael Delahunty certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Cohuna District Hospital incorporating Cohuna Community Nursing Home has critically reviewed these controls and processes during the year.

Conflict of Interest

I, Michael Delahunty, certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Cohuna District Hospital incorporating Cohuna Community Nursing Home and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Compliance with HPV

I, Steve Jackel, certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Steve Jackel
Chief Finance & Accounting Officer
Cohuna
June 30th 2018

Michael Delahunty
Chief Executive Officer
Cohuna
June 30th 2018

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna District Hospital

Opinion	I have audited the consolidated financial report of Cohuna District Hospital (the health service) and its controlled entities (together the consolidated entity), which comprises the: • consolidated entity and health service balance sheet as at 30 June 2018 • consolidated entity and health service comprehensive operating statement for the year then ended • consolidated entity and health service statement of changes in equity for the year then ended • consolidated entity and health service cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Other Information	My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 August 2018

Ron Mak
as delegate for the Auditor-General of Victoria

COHUNA DISTRICT HOSPITAL

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

We certify that the attached financial statements for Cohuna District Hospital and the Consolidated Entity have been prepared in accordance with Standing Direction 5.2 of the Financial Management *Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including* Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of Cohuna District Hospital and the Consolidated Entity at 30 June 2018.

At the time of signing we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.

Jean Sutherland	Ben Maw	Steven Jackel
Board Chairperson	Chief Executive Officer	Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
29th August 2018	29th August 2018	29th August 2018

COHUNA DISTRICT HOSPITAL
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Parent Entity 2018 $	Parent Entity 2017 $	Consolidated 2018 $	Consolidated 2017 $
Revenue from Operating Activities	2.1	7,352,812	6,355,297	9,283,400	8,354,477
Revenue from Non-Operating Activities	2.1	36,913	22,149	60,752	36,915
Employee Expenses	3.1	(3,838,023)	(3,571,700)	(6,321,518)	(5,833,336)
Non Salary Labour Costs	3.1	(584,252)	(542,227)	(628,097)	(634,481)
Supplies and Consumables	3.1	(488,241)	(531,471)	(560,760)	(612,173)
Other Expenses	3.1	(1,213,720)	(948,839)	(1,651,476)	(1,407,374)
Net Result Before Capital and Specific Items		**1,265,489**	**783,209**	**182,301**	**(95,972)**
Capital Purpose Income	2.1	313,244	619,531	457,244	619,962
Depreciation	4.3	(518,259)	(519,145)	(653,111)	(660,020)
Specific Expense		(941,860)	(790,073)	-	-
Expenditure for capital purposes	3.1	(7,340)	(4,332)	(7,340)	(4,332)
Net Result after Capital and Specific Items		**111,274**	**89,190**	**(20,906)**	**(140,362)**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	7.2	-	15,000	-	15,000
Net gain/(loss) on financial instruments		(7,084)	(6,108)	(7,084)	(6,108)
Revaluation of Long Service Leave	3.3	(7)	4,179	(7)	4,179
Total other economic flows included in net result		**(7,091)**	**13,071**	**(7,091)**	**13,071**
NET RESULT FOR THE YEAR		**104,183**	**102,261**	**(27,997)**	**(127,291)**
Other Comprehensive Income					
Net fair value revaluation on Non Financial Assets		-	-	-	-
COMPREHENSIVE RESULT		**104,183**	**102,261**	**(27,997)**	**(127,291)**

This Statement should be read in conjunction with the accompanying notes.

COHUNA DISTRICT HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2018

	Note	Parent Entity 2018 $	Parent Entity 2017 $	Consolidated 2018 $	Consolidated 2017 $
Current Assets					
Cash and Cash Equivalents	6.2	1,333,055	775,626	1,333,697	1,157,107
Receivables	5.1	169,354	161,770	213,069	161,770
Investments and Other Financial Assets	4.1	1,183,903	1,015,912	1,601,391	1,015,912
Inventories	5.2	113,533	108,911	113,533	108,911
Prepayments and Other Assets	5.4	49,795	169,413	49,922	169,540
Total Current Assets		**2,849,640**	**2,231,632**	**3,311,612**	**2,613,240**
Non-Current Assets					
Receivables	5.1	176,739	136,446	220,526	180,233
Property, Plant and Equipment	4.2	4,495,387	4,893,156	5,677,096	6,209,715
Total Non-Current Assets		**4,672,126**	**5,029,602**	**5,897,622**	**6,389,948**
TOTAL ASSETS		**7,521,766**	**7,261,234**	**9,209,234**	**9,003,188**
Current Liabilities					
Payables	5.5	674,615	576,281	702,063	592,313
Borrowings	6.1	100,000	100,000	100,000	100,000
Provisions	3.3	1,329,282	1,188,194	1,790,823	1,646,206
Other Liabilities	5.3	5,841	6,740	423,971	374,849
Total Current Liabilities		**2,109,738**	**1,871,215**	**3,016,857**	**2,713,368**
Non-Current Liabilities					
Borrowings	6.1	266,785	359,701	266,785	359,701
Provisions	3.3	112,886	102,144	147,387	123,917
Total Non-Current Liabilities		**379,671**	**461,845**	**414,172**	**483,618**
TOTAL LIABILITIES		**2,489,409**	**2,333,060**	**3,431,029**	**3,196,986**
NET ASSETS		**5,032,357**	**4,928,174**	**5,778,205**	**5,806,202**
EQUITY					
Property, Plant and Equipment Revaluation Surplus	8.1a	4,384,863	4,384,863	5,790,669	5,790,669
Contributed Capital	8.1b	2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Deficits	8.1c	(2,040,896)	(2,145,079)	(2,700,854)	(2,672,857)
TOTAL EQUITY		**5,032,357**	**4,928,174**	**5,778,205**	**5,806,202**

This Statement should be read in conjunction with the accompanying notes.

COHUNA DISTRICT HOSPITAL
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Consolidated	Note	Property, Plant and Equipment Revaluation Surplus $	Contributed Capital $	Accumulated Deficits $	Total $
Balance at 1 July 2016		5,790,669	2,688,390	(2,545,566)	5,933,493
Net result for the year		-	-	(127,291)	(127,291)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2017		**5,790,669**	**2,688,390**	**(2,672,857)**	**5,806,202**
Net result for the year		-	-	(27,997)	(27,997)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2018		**5,790,669**	**2,688,390**	**(2,700,854)**	**5,778,205**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $	Contributed Capital $	Accumulated Deficits $	Total $
Balance at 1 July 2016		4,384,863	2,688,390	(2,247,340)	4,825,913
Net result for the year		-	-	102,261	102,261
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2017		**4,384,863**	**2,688,390**	**(2,145,079)**	**4,928,174**
Net result for the year		-	-	104,183	104,183
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2018		**4,384,863**	**2,688,390**	**(2,040,896)**	**5,032,357**

This Statement should be read in conjunction with the accompanying notes.

COHUNA DISTRICT HOSPITAL
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Parent Entity 2018 $	Parent Entity 2017 $	Consolidated 2018 $	Consolidated 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		6,737,659	5,797,764	8,258,558	7,326,627
Capital Grants from Government		288,122	62,302	432,122	62,302
Capital Donations and Bequests Received		30,631	557,229	34,304	557,660
Patient and Resident Fees Received		355,127	397,211	675,367	812,461
GST (Paid to)/received from ATO		(66,150)	47,497	(66,150)	47,497
Interest Received		30,945	14,423	51,111	29,189
Other Receipts		200,765	378,469	227,884	398,911
Total Receipts		***7,577,099***	***7,254,895***	***9,613,196***	***9,234,647***
Employee Expenses Paid		(3,686,200)	(3,601,384)	(6,153,438)	(5,781,562)
Non Salary Labour Costs		(584,252)	(542,227)	(628,097)	(634,481)
Payments for Supplies and Consumables		(492,863)	(513,972)	(565,382)	(594,674)
Other Payments		(925,114)	(969,402)	(1,332,840)	(1,384,910)
Total Payments		***(5,688,429)***	***(5,626,985)***	***(8,679,757)***	***(8,395,627)***
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	8.2	**1,888,670**	**1,627,910**	**933,439**	**839,020**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(120,490)	(219,795)	(120,492)	(239,636)
Proceeds from Sale of Non-Financial Assets		-	15,000	-	15,000
(Purchase of)/Proceeds from Investments		(167,991)	(708,004)	(167,991)	(583,004)
Cash (Provided to)/Received from Related Entities		(941,860)	(693,727)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(1,230,341)**	**(1,606,526)**	**(288,483)**	**(807,640)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Borrowings		(100,000)	-	(100,000)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**(100,000)**	**-**	**(100,000)**	**-**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**558,329**	**21,384**	**544,956**	**31,380**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**768,885**	**747,501**	**782,258**	**750,878**
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	**1,327,214**	**768,885**	**1,327,214**	**782,258**

This Statement should be read in conjunction with the accompanying notes.

BASIS OF PRESENTATION

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparing these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions, contributions by owners* (that is contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the health service.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contribution by owners. Transfer of net liabilities arising from administrative restructurings are treated as distribution to owners.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Cohuna District Hospital (ABN 44 332 472 725) for the year ended 30 June 2018. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act* 1994, and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

The Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Cohuna District Hospital on:
29th August, 2018.

(b) Reporting Entity

The financial statements includes all the controlled activities of Cohuna District Hospital.

Its principal address is:
King George Street
Cohuna, Victoria 3568

A description of the nature of Cohuna District Hospital's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer to Note 8.11 Economic Dependency).

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Health Service.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

The Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, infrastructure, plant and equipment, (refer to Note 4.2);
- Superannuation expense (refer to Note 3.4);
- Employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3); and

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of Consolidation

These statements are presented on a consolidated basis in accordance with AASB 10 *Consolidated Financial Statements:*

- The consolidated financial statements of Cohuna District Hospital include all reporting entities controlled by Cohuna District Hospital as at 30 June 2018; and
- The consolidated financial statements exclude bodies of Cohuna District Hospital that are not controlled by Cohuna District Hospital, and therefore are not consolidated.
- Control exists when Cohuna District Hospital has the power to govern the financial and operating policies of a Health Service so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 8.9.
- The parent entity is not shown separately in the notes.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Cohuna District Hospital reporting entity include;
- Cohuna Community Nursing Home Inc.

Intersegment Transactions

Transactions between segments within Cohuna District Hospital have been eliminated to reflect the extent of Cohuna District Hospital's operations as a group.

(e) Jointly Controlled Operation

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, the Health Service recognises in the financial statements:
- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint venture operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Cohuna Distict Hospital is a Member of the Loddon Mallee Rural Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.10 Jointly Controlled Operations).

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Cohuna Distict Hospital is predominantly funded by accrual based grant funding for the provision of outputs.
The Health Service also receives income from the supply of services.

Structure
2.1 Analysis of revenue by source

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE **Consolidated**	**Admitted Patients 2018 $**	**Residential Aged Care 2018 $**	**Aged Care 2018 $**	**Other 2018 $**	**TOTAL 2018 $**
Government Grants	6,353,038	1,520,899	245,153	-	8,119,090
Indirect Contributions by Department of Health and Human Services	26,061	18,615	1,861	-	46,537
Patient and Resident Fees	278,734	363,955	53,690	-	696,379
Loddon Mallee Rural Health Alliance	-	-	-	229,832	229,832
Catering	75	54	5	75,117	75,251
Property Income	10,275	3,539	996	-	14,810
Other Revenue from Operating Activities	57,245	23,526	5,634	15,096	101,501
Total Revenue from Operating Activities	**6,725,428**	**1,930,588**	**307,339**	**320,045**	**9,283,400**
Non Capital Donations	5,142	3,673	367	-	9,182
Interest and Dividends	29,311	20,166	2,093	-	51,570
Total Revenue from Non-Operating Activities	**34,453**	**23,839**	**2,460**	**-**	**60,752**
Capital Grants	-	144,000	-	288,122	432,122
Donations	-	-	-	25,122	25,122
Total Capital Purpose Income	**-**	**144,000**	**-**	**313,244**	**457,244**
Net gain/(loss) on non-financial assets	-	-	-	-	-
TOTAL REVENUE	**6,759,881**	**2,098,427**	**309,799**	**633,289**	**9,801,396**

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (Continued)

Consolidated	Admitted Patients 2017 $	Residential Aged Care 2017 $	Aged Care 2017 $	Other 2017 $	TOTAL 2017 $
Government Grants	5,398,409	1,528,863	241,333	-	7,168,605
Indirect Contributions by Department of Health and Human Services	52,654	34,625	3,463	-	90,742
Patient and Resident Fees	257,613	415,250	49,334	-	722,197
Loddon Mallee Rural Health Alliance	-	-	-	207,762	207,762
Catering	105	75	8	70,349	70,537
Property Income	8,190	5,850	585	-	14,625
Other Revenue from Operating Activities	45,824	14,517	3,802	15,866	80,009
Total Revenue from Operating Activities	**5,762,795**	**1,999,180**	**298,525**	**293,977**	**8,354,477**
Interest and Dividends	20,673	14,766	1,476	-	36,915
Total Revenue from Non-Operating Activities	**20,673**	**14,766**	**1,476**	**-**	**36,915**
Capital Grants	-	-	-	62,302	62,302
Donations	603	431	43	556,583	557,660
Total Capital Purpose Income	**603**	**431**	**43**	**618,885**	**619,962**
TOTAL REVENUE	**5,784,071**	**2,014,377**	**300,044**	**912,862**	**9,011,354**

Department of Health and Human Services makes certain payments on behalf of the Health Service.
These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Revenue Recognition
Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Cohuna District Hospital and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants and other transfers of income (other than contributions by owners)
In accordance with AASB 1004 *Contributions,* government grants and other transfers of income (other than contributions by owners are recognised as income when the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

Contributions are deferred as income in advance when the Health Service has a present obligation to repay them and the present obligations can be reliably measured.

Indirect Contributions from the Department of Health and Human Services
- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2018.

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (Continued)

Patient and Resident Fees
Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees
Private Practice fees are recognised as revenue at the time invoices are raised.

Revenue from commercial activities
Revenue from commercial activities such as provision of meals to external users is recognised on an accrual basis.

Donations and Other Bequests
Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as specific restricted purpose surplus.

Interest Revenue
Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Sale of investments
The gain/loss on the sale of investments is recognised when the investment is realised.

Other Income
Other income includes recoveries, sundry sales and minor facility charges.

Category Groups
Cohuna District Hospital has used the following category groups for reporting purposes for the current and previous financial years.

- **Admitted Patient Services (Admitted Patients)** comprises all acute and subacute admitted patients services, where services are delivered in public hospitals.

- **Aged Care** comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

- **Residential Aged Care including Mental Health (RAC incl. Mental Health)** referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units and secure extended care units.

- **Other Services not reported elsewhere - (Other)** comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Kooris liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

NOTE 3: THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Analysis of expenses by source
3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds
3.3 Employee Benefits in the Balance Sheet
3.4 Superannuation

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE Consolidated	Admitted Patients 2018 $	Residential Aged Care 2018 $	Aged Care 2018 $	Other 2018 $	TOTAL 2018 $
Employee Expenses	3,413,224	2,483,495	278,222	146,577	6,321,518
Other Operating Expenses					
Non Salary Labour Costs	579,760	43,845	4,492	-	628,097
Supplies and Consumables	455,833	72,519	2,854	29,554	560,760
Medical Indemnity Insurance	131,923	2,623	263	-	134,809
Fuel, Light, Power & Water	72,706	51,930	5,193	-	129,829
Repairs and Maintenance	89,682	39,443	2,771	1,487	133,383
Other Expenses	630,092	343,760	43,410	236,193	1,253,455
Total Expenditure from Operating Activities	**5,373,220**	**3,037,615**	**337,205**	**413,811**	**9,161,851**
Depreciation (refer note 4.4)	-	134,852	-	518,259	653,111
Expenditure for Capital Purposes	-	-	-	7,340	7,340
Total Other Expenses	**-**	**134,852**	**-**	**525,599**	**660,451**
TOTAL EXPENSES	**5,373,220**	**3,172,467**	**337,205**	**939,410**	**9,822,302**

Consolidated	Admitted Patients 2017 $	Residential Aged Care 2017 $	Aged Care 2017 $	Other 2017 $	TOTAL 2017 $
Employee Expenses	3,161,470	2,261,636	269,977	140,253	5,833,336
Other Operating Expenses					
Non Salary Labour Costs	532,199	92,254	10,028	-	634,481
Supplies and Consumables	491,754	80,702	3,368	36,349	612,173
Other Expenses	891,461	458,535	50,545	6,833	1,407,374
Total Expenditure from Operating Activities	**5,076,884**	**2,893,127**	**333,918**	**183,435**	**8,487,364**
Depreciation (refer note 4.4)	-	140,875	-	519,145	660,020
Expenditure for Capital Purposes	-	-	-	4,332	4,332
Total Other Expenses	**-**	**140,875**	**-**	**523,477**	**664,352**
TOTAL EXPENSES	**5,076,884**	**3,034,002**	**333,918**	**706,912**	**9,151,716**

Expense Recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses.

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (Continued)

Grants and Other Transfers
These include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and Consumables
Supplies and service costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expenses when distributed.

Bad and Doubtful Debts
Refer to Note 4.1 *Investments and other financial assets.*

Fair Value of Assets, Services and Resources Provided Free of Charge or for Nominal Consideration
Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

Borrowing costs of qualifying assets
In accordance with the paragraphs of AASB 123 *Borrowing Costs* applicable to not-for-profit public sector entities, the Health Services continues to recognise borrowing costs immediately as an expense, to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

Net gain/ (loss) on non-financial assets
Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:
- Revaluation gains / (losses) of non-financial physical assets (refer to Note 4.2 Property Plant & Equipment).
- Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments
Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities

Impairment of Non-Financial Assets
Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.1 Investments and other financial assets.

Other gains/(losses) from other economic flows
Other gains/(losses) include:

a. the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
b. transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (Continued)

Financial guarantee
Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

NOTE 3.2: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Expense		Revenue	
	Consol'd 2018 $	Consol'd 2017 $	Consol'd 2018 $	Consol'd 2017 $
Provision of Meals	183,979	183,435	75,117	70,349
TOTAL	**183,979**	**183,435**	**75,117**	**70,349**

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET	Consol'd 2018 $	Consol'd 2017 $
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	485,233	448,363
- unconditional and expected to be settled wholly after 12 months (iii)	70,000	70,000
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	65,000	150,000
- unconditional and expected to be settled wholly after 12 months (iii)	786,472	634,870
Accrued Days Off		
- unconditional and expected to be settled wholly within 12 months (ii)	9,941	12,468
- unconditional and expected to be settled wholly after 12 months (iii)	-	-
Accrued Wages & Salaries		
- unconditional and expected to be settled wholly within 12 months (ii)	217,619	180,840
- unconditional and expected to be settled wholly after 12 months (iii)	-	-
	1,634,265	1,496,541
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled wholly within 12 months (ii)	74,438	78,096
- unconditional and expected to be settled wholly after 12 months (iii)	82,120	71,569
	156,558	149,665
Total Current Provisions	**1,790,823**	**1,646,206**
Non-Current Provisions		
Employee Benefits (i)	134,065	112,193
Provisions related to employee benefit on-costs	13,322	11,724
Total Non-Current Provisions	**147,387**	**123,917**
Total Provisions	**1,938,210**	**1,770,123**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	622,879	586,009
Accrued Salaries and Wages	217,619	180,840
Accrued Days Off	9,941	12,468
Unconditional Long Service Leave Entitlements	940,384	866,889
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	147,387	123,917
Total Employee Benefits and Related On-Costs	**1,938,210**	**1,770,123**
Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	990,806	928,164
Provision made during the year		
- Revaluations	7	(4,179)
- Expense Recognising Employee Service	167,593	211,375
Settlement made during the year	(70,635)	(144,554)
Balance at end of year	**1,087,771**	**990,806**

Notes:
(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values

Employee Benefit Recognition
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions
Provisions are recognised when the Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET (Continued)

Employee benefits
This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off
Liabilities for wages and salaries, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and accrued days off are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

Long Service Leave (LSL)
Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – where the entity does not expect to settle a component of this current liability within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-Costs related to employee expense
Provision for on-costs, such as workers compensation and superannuation are recognised together with provisions for employee benefits.

NOTE 3.4: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2018 $	**2017 $**	**2018 $**	**2017 $**
Defined Benefit Plans:	Health Super	-	6,483	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	506,357	466,356	-	-
Total		506,357	472,839	-	-

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

Defined contribution superannuation plans
In relation to defined contributions (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit superannuation plans
The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

The Health service does not recognise any unfunded defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered terms.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Health Service are disclosed above.

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

The hospital controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure

4.1 Investments and other financial assets
4.2 Property, plant & equipment
4.3 Depreciation and amortisation

NOTE 4.1: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Capital Fund		Consol'd	Consol'd
	2018	2017	2018	2017	2018	2017
CURRENT	$	$	$	$	$	$
Term Deposit						
Aust. Dollar Term Deposits > 3 Months	1,067,716	495,715	533,675	520,197	1,601,391	1,015,912
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**1,067,716**	**495,715**	**533,675**	**520,197**	**1,601,391**	**1,015,912**
Represented by:						
Health Service Investments	650,228	495,715	533,675	520,197	1,183,903	1,015,912
Accommodation Bonds (Refundable Entrance Fees)	417,488	-	-	-	417,488	-
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**1,067,716**	**495,715**	**533,675**	**520,197**	**1,601,391**	**1,015,912**

Note 4.1 Investment Recognition
Hospital investments must be in accordance in Standing Direction 3.7.2 – Treasury and Investment Risk Management. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:
- Loans and receivables.

The Cohuna District Hospital classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Cohuna District Hospital assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit and loss are subject to annual review for impairment.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Health Service's continuing involvement in the asset.

Impairment of financial assets
At the end of each reporting period, the Department assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets* .

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	Consol'd 2018 $	Consol'd 2017 $
Land		
- Land at Fair Value	439,000	439,000
Total Land	**439,000**	**439,000**
Buildings		
- Buildings Under Construction at cost	49,262	12,600
- Buildings at Fair Value	6,616,302	6,616,302
Less Accumulated Depreciation	1,930,888	1,445,053
Total Buildings	**4,734,676**	**5,183,849**
Plant and Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	17,400	4,114
- Plant and Equipment at Fair Value	561,472	566,438
Less Accumulated Depreciation	410,523	381,512
Total Plant and Equipment	**168,349**	**189,040**
Medical Equipment		
- Medical Equipment at Fair Value	865,104	849,560
Less Accumulated Depreciation	597,368	537,253
Total Medical Equipment	**267,736**	**312,307**
Furniture and Fittings		
- Furniture and Fittings at Fair Value	283,038	280,428
Less Accumulated Depreciation	236,576	221,817
Total Furniture and Fittings	**46,462**	**58,611**
Motor Vehicles		
- Motor Vehicles at Fair Value	75,216	68,717
Less Accumulated Depreciation	54,343	41,809
Total Motor Vehicles	**20,873**	**26,908**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**5,677,096**	**6,209,715**

(b) Reconciliation of the carrying amounts of each class of asset

	Land $	Under Construction $	Buildings $	Plant and Equipment $	Medical Equipment $	Furniture and Fittings $	Motor Vehicles $	Consol'd $
Balance at 1 July 2016	439,000	-	5,611,514	232,983	260,443	70,038	16,121	6,630,099
Additions	-	12,600	45,169	23,367	122,972	9,895	23,742	237,745
Loddon Mallee Rural Health Alliance	-	-	-	1,891	-	-	-	1,891
Revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	(485,434)	(69,201)	(71,108)	(21,322)	(12,955)	(660,020)
Balance at 1 July 2017	**439,000**	**12,600**	**5,171,249**	**189,040**	**312,307**	**58,611**	**26,908**	**6,209,715**
Additions	-	36,662	-	27,750	29,860	4,455	6,499	105,226
Loddon Mallee Rural Health Alliance	-	-	-	15,266	-	-	-	15,266
Revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	(485,835)	(63,707)	(74,431)	(16,604)	(12,534)	(653,111)
Balance at 30 June 2018	**439,000**	**49,262**	**4,685,414**	**168,349**	**267,736**	**46,462**	**20,873**	**5,677,096**

Land and buildings carried at valuation

An independent valuation of the Hospital's property was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of the valuation. The effective date of the valuation was 30 June 2014.

In compliance with FRD 103F, in the year ended 30 June 2018, Cohuna Distict Hospital management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2018.

As a result of the assessment, there was no material movement in fair value of land or buildings.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Land at fair value				
Specialised land	439,000	-	-	439,000
Total of land at fair value	439,000	-	-	439,000
Buildings at fair value				
Specialised buildings	4,685,414	-	-	4,685,414
Total of building at fair value	4,685,414	-	-	4,685,414
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	168,349	-	-	168,349
- Medical equipment	267,736	-	-	267,736
- Furniture and fittings	46,462	-	-	46,462
- Motor Vehicles	20,873	-	20,873	-
Total of plant, equipment and vehicles at fair value	503,420	-	20,873	482,547
	5,627,834	**-**	**20,873**	**5,606,961**

Note
(i) Classified in accordance with the fair value hierarchy, see Note 4.2(e).

There have been no transfers between levels during the period.

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Land at fair value				
Specialised land	439,000	-	-	439,000
Total of land at fair value	439,000	-	-	439,000
Buildings at fair value				
Specialised buildings	5,171,249	-	-	5,171,249
Total of building at fair value	5,171,249	-	-	5,171,249
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	189,040	-	-	189,040
- Medical equipment	312,307	-	-	312,307
- Furniture and fittings	58,611	-	-	58,611
- Motor Vehicles	26,908	-	26,908	-
Total of plant, equipment and vehicles at fair value	586,866	-	26,908	559,958
	6,197,115	**-**	**26,908**	**6,170,207**

Note
(i) Classified in accordance with the fair value hierarchy, see Note 4.2(e).

There have been no transfers between levels during the period.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value

30-Jun-18	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	5,171,249	189,040	312,307	58,611
Purchases (sales)	-	-	43,016	29,860	4,455
Gains or losses recognised in net result					
- Depreciation	-	(485,835)	(63,707)	(74,431)	(16,604)
Subtotal	**439,000**	**4,685,414**	**168,349**	**267,736**	**46,462**
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	**439,000**	**4,685,414**	**168,349**	**267,736**	**46,462**
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	439,000	**4,685,414**	**168,349**	**267,736**	**46,462**

30-Jun-17	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	5,611,514	232,983	260,443	70,038
Purchases (sales)	-	45,169	25,258	122,972	9,895
Gains or losses recognised in net result					
- Depreciation	-	(485,434)	(69,201)	(71,108)	(21,322)
Subtotal	**439,000**	**5,171,249**	**189,040**	**312,307**	**58,611**
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	**439,000**	**5,171,249**	**189,040**	**312,307**	**58,611**
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	439,000	**5,171,249**	**189,040**	**312,307**	**58,611**

There have been no transfers between levels during the period.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Fair Value Determination

Asset Class	Examples of types assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/Freehold)	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligation Adjustments
Specialised Buildings (a)	Specialised buildings with limited alternative uses and/or substantial customisation eg. Hospitals	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Motor Vehicles	If there is no active resale market	Level 2	Market approach	n.a.
Plant and equipment Medical Equipment Furniture & Fittings	Specialised items with limited alternative uses and/or substantial cutomisation	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

(a) AASB 13 Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

Initial Recognition
Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Subsequent Measure
Consistent with AASB 13 *Fair Value Measurement* , Cohuna Distict Hospital determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 *Fair Value Movement* and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For the purpose of fair value disclosures, Cohuna Distict Hospital has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Cohuna Distict Hospital determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Cohuna Distict Hospital's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

Consideration of highest and best use (HBU) for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, Health Services can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset. Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, Health Services are required to engage with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:
External factors:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver a Health Service's service obligation; and
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

Valuation hierarchy

Health Services need to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e. it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and the Health Service has determined that the transaction price or quoted price does not represent fair value.

A Health Service shall develop unobservable inputs using the best information available in the circumstances, which might include the Health Service's own data. In developing unobservable inputs, a Health Service may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the Health Service that is not available to other market participants. A Health Service need not undertake exhaustive efforts to obtain information about other market participant assumptions. However, a Health Service shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, the Health Service held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

Vehicles

The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

Plant and equipment

Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with FRD 103F *Non-current physical assets.* This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'other comprehensive income' and are credited directly to the asset revaluation surplus except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103F Cohuna Distict Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

NOTE 4.3: DEPRECIATION AND AMORTISATION

	Consol'd 2018 $	Consol'd 2017 $
Depreciation		
Buildings	485,835	485,434
Plant and Equipment		
- Plant	61,727	65,745
- Medical Equipment	74,431	71,108
- Motor Vehicles	12,534	12,955
- Furniture and Fittings	16,604	21,322
Loddon Mallee Rural Health Alliance	1,980	3,456
TOTAL DEPRECIATION	**653,111**	**660,020**

Depreciation
All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life (refer AASB 116 *Property, Plant and Equipment*).

Amortisation
Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life. If a Health Service has items such as patents, trademarks, computer software or development expenses that are being capitalised, these should be included under 'Intangible Assets' (refer AASB 138 *Intangible Assets*) and amortised.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

	2018	2017
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	5 to 6 years	5 to 6 years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Intangible produced assets with finite lives are depreciated as an expense on a systematic basis over the asset's useful life.

NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure

5.1 Receivables
5.2 Inventories
5.3 Other liabilities
5.4 Prepayments and other non-financial assets
5.5 Payables

NOTE 5.1: RECEIVABLES	Consol'd 2018 $	Consol'd 2017 $
CURRENT		
Contractual		
Trade Debtors	30,235	86,064
Patient Fees	87,005	65,993
Accrued Investment Income	10,370	9,911
Accrued Revenue - Other	11,549	-
Loddon Mallee Rural Health Alliance Receivables	13,071	5,113
Less Allowance for Doubtful Debts - Trade Debtors	(7,525)	(7,525)
	144,705	159,556
Statutory		
GST Receivable - Health Service	63,335	(1,176)
GST Receivable - Loddon Mallee Rural Health Alliance	5,029	3,390
Accrued Revenue - Department of Health and Human Services	-	-
	68,364	2,214
TOTAL CURRENT RECEIVABLES	**213,069**	**161,770**
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	220,526	180,233
TOTAL NON-CURRENT RECEIVABLES	**220,526**	**180,233**
TOTAL RECEIVABLES	**433,595**	**342,003**
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	7,525	7,525
Increase/(Decrease) in allowance recognised in net result	-	-
Balance at end of year	**7,525**	**7,525**

Receivables consist of:
- Contractual receivables, which includes of mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

Doubtful debts
Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows in the net result.

NOTE 5.2: INVENTORIES	Consol'd 2018 $	Consol'd 2017 $
Pharmaceuticals - at cost	18,397	20,784
Catering Supplies - at cost	6,617	3,426
Housekeeping Supplies - at cost	11,505	19,915
Medical and Surgical Lines - at cost	70,780	55,950
Administration - at cost	6,234	8,836
TOTAL INVENTORIES	**113,533**	**108,911**

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

The basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for inventory is measured on the basis of weighted average cost.

NOTE 5.3: OTHER LIABILITIES	Consol'd 2018 $	Consol'd 2017 $
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	6,483	15,228
- Accommodation Bonds (Refundable Entrance Fees)	417,488	358,653
Other Monies Held in Trust	-	968
TOTAL CURRENT	**423,971**	**374,849**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	6,483	374,849
Investments and other Financial Assets (refer to Note 4.1)	417,488	-
TOTAL OTHER LIABILITIES	**423,971**	**374,849**

NOTE 5.4: PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS	Consol'd 2018 $	Consol'd 2017 $
Health Service Prepayments	30,142	150,775
Loddon Mallee Rural Health Alliance Prepayments	19,780	18,765
TOTAL OTHER ASSETS	**49,922**	**169,540**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

NOTE 5.5: PAYABLES	Consol'd 2018 $	Consol'd 2017 $
CURRENT		
Contractual		
Trade Creditors	316,484	360,188
Accrued Audit Fees	15,260	19,680
Loddon Mallee Rural Health Alliance Payables	47,463	34,165
Accrued Expenses - Other	78,206	73,098
	457,413	487,131
Statutory		
Department of Health and Human Services	244,650	100,980
Department of Health & Ageing	-	4,202
	244,650	105,182
TOTAL CURRENT	**702,063**	**592,313**
TOTAL PAYABLES	**702,063**	**592,313**

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represents liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Note 5.5 (a) Maturity analysis of financial liabilities as at 30 June

The following table discloses the contractual maturity analysis for Cohuna Distict Hospital's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

	Consol'd Carrying Amount	Nominal Amount	Maturity Dates: Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2018	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables	457,413	457,413	457,413	-	-	-
Borrowings	366,785	366,785	-	-	100,000	266,785
Other Financial Liabilities (i)	423,971	423,971	-	-	423,971	-
Total Financial Liabilities	**1,248,169**	**1,248,169**	**457,413**	**-**	**523,971**	**266,785**
2017						
Financial Liabilities						
At amortised cost						
Payables	487,131	487,131	487,131	-	-	-
Borrowings	459,701	459,701	-	-	100,000	359,701
Other Financial Liabilities (i)	374,849	374,849	-	-	374,849	-
Total Financial Liabilities	**1,321,681**	**1,321,681**	**487,131**	**-**	**474,849**	**359,701**

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST input tax credit)

NOTE 6: HOW WE FINANCE OUR OPERATIONS

This section provides information on the sources of finance utilised by the hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

NOTE 6.1: BORROWINGS

	Consol'd 2018 $	Consol'd 2017 $
CURRENT		
Department of Health and Human Services - Loan	100,000	100,000
TOTAL CURRENT BORROWINGS	**100,000**	**100,000**
NON CURRENT		
Department of Health and Human Services - Loan	266,785	359,701
TOTAL NON CURRENT BORROWINGS	**266,785**	**359,701**
TOTAL BORROWINGS	**366,785**	**459,701**

A loan has been provided by the Department of Health and Human Services in order to provide cash flow to meet ongoing financial obligations. The loan is provided on an interest free basis and is repayable over a term of 5 years.

(a) Maturity analysis of borrowings
Please refer to Note 5.5 for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from borrowings
Please refer to Note 5.5 for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches
During the current year, there were no defaults and breaches of any of the borrowings.

Borrowing Recognition
A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
All other leases are classified as operating leases.

Finance leases
Entity as lessee
Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.
Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Leasehold Improvements
The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Borrowings
All borrowings are initially recognised at fair value of the consideration received, less directly attributable transactions costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method.

All borrowings for Cohuna Distict Hospital are associated with finance leases incurred by the Hume Region Health Alliance. Finance leases are regarded as a financial accommodation and under Section 30 of the Health Services Act 1988, the Minister for Health and the Treasurer must declare a registered funded agency to be an approved borrower for the purposes of this section.

NOTE 6.2: CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Consol'd 2018 $	Consol'd 2017 $
Cash on Hand	460	460
Cash at Bank	1,302,969	988,660
Cash at Loddon Mallee Rural Health Alliance	30,268	167,987
TOTAL CASH AND CASH EQUIVALENTS	**1,333,697**	**1,157,107**
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	1,327,214	782,258
Cash for Monies Held in Trust		
- Cash at Bank	6,483	374,849
TOTAL CASH AND CASH EQUIVALENTS	**1,333,697**	**1,157,107**

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	Consol'd 2018 $	Consol'd 2017 $
Capital Expenditure Commitments		
There are no capital expenditure commitments at the reporting date.		
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	-	1,096
Total lease commitments	**-**	**1,096**
Operating lease - plant and equipment		
Cancellable operating lease for a colour multi-function printer/copier/fax/scanner payable as follows:		
Not later than one year	-	1,096
Later than 1 year and not later than 5 years	-	-
	-	**1,096**

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are sated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

The hospital is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments
7.2 Contingent assets and contingent liabilities

NOTE 7.1: FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Cohuna Distict Hospital's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation.*

(a) Financial Instruments: Categorisation

2018	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets			
Cash and cash equivalents	1,333,697	-	1,333,697
Receivables	144,705	-	144,705
Other Financial Assets	1,601,391	-	1,601,391
Total Financial Assets (i)	**3,079,793**	**-**	**3,079,793**
Financial Liabilities			
Payables	-	457,413	457,413
Borrowings	-	366,785	366,785
Other Financial Liabilities	-	423,971	423,971
Total Financial Liabilities(i)	**-**	**1,248,169**	**1,248,169**

2017	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets			
Cash and cash equivalents	1,157,107	-	1,157,107
Receivables	159,556	-	159,556
Other Financial Assets	1,015,912	-	1,015,912
Total Financial Assets (i)	**2,332,575**	**-**	**2,332,575**
Financial Liabilities			
Payables	-	487,131	487,131
Borrowings	-	459,701	459,701
Other Financial Liabilities	-	374,849	374,849
Total Financial Liabilities(i)	**-**	**1,321,681**	**1,321,681**

(i) The carrying amount excludes statutory receivables (i.e. GST Receivable and DHHS Receivable) and statutory payables (i.e. Revenue in advance and DHHS payable).

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)
(b) Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss) $	Total interest income/ (expense)	Fee income / (expense) $	Impairment loss $	Total $
2018					
Financial Assets					
Loans and Receivables (i)	-	51,570	-	-	51,570
Total Financial Assets	**-**	**51,570**	**-**	**-**	**51,570**
Financial Liabilities					
At amortised cost (ii)	(7,084)	-	-	-	(7,084)
Total Financial Liabilities	**(7,084)**	**-**	**-**	**-**	**(7,084)**
2017					
Financial Assets					
Loans and Receivables (i)	-	36,915	-	-	36,915
Total Financial Assets	**-**	**36,915**	**-**	**-**	**36,915**
Financial Liabilities					
At amortised cost (ii)	(6,108)	-	-	-	(6,108)
Total Financial Liabilities	**(6,108)**	**-**	**-**	**-**	**(6,108)**

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

(ii) For financial liabilities measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

Categories of financial instruments

Loans and receivables and cash

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 6.2), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Health Service recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Health Service's continuing involvement in the asset.

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

Impairment of financial assets

At the end of each reporting period, the Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for sale financial instrument assets that meet the definition of loans and receivables may be classified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

Cohuna District Hospital has provided a letter of comfort to the Cohuna Community Nursing Home, which details that they will provide adequate cash support to enable the Nursing Home to meet its current and future obligations when they fall due for a period up to 30 June 2019, should it be required.

NOTE 8: OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Equity
8.2 Reconciliation of net result for the year to net cashflows from operating activities
8.3 Responsible persons disclosures
8.4 Remuneration of Executives
8.5 Related parties
8.6 Remuneration of auditors
8.7 AASBs issued that are not yet effective
8.8 Events occuring after the Balance sheet date
8.9 Controlled Entities
8.10 Jointly Controlled Operations
8.11 Economic Dependency
8.12 Alternative presentation of comprehensive operating statement

NOTE 8.1: EQUITY	Consol'd 2018	Consol'd 2017
(a) Surpluses	$	$
Property, Plant and Equipment Revaluation Surplus [(1)]		
Balance at beginning of the reporting period		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675
Revaluation Increment/Decrement		
- Land	-	-
- Buildings	-	-
Balance at the end of the reporting period	**5,790,669**	**5,790,669**
Represented by:		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675
(1) The property, plant and equipment asset revaluation reserve arises on the revaluation of property, plant and equipment.		
Total Reserves	**5,790,669**	**5,790,669**
(b) Contributed Capital		
Balance at the beginning of the reporting period	2,688,390	2,688,390
Balance at the end of the reporting period	**2,688,390**	**2,688,390**
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(2,672,857)	(2,545,566)
Net Result for the Year	(27,997)	(127,291)
Balance at the end of the reporting period	**(2,700,854)**	**(2,672,857)**
Total Equity at end of financial year	**5,778,205**	**5,806,202**

Contributed Capital
Consistent with *Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119A *Contributions by Owners* , appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions, that have been designated as contributed capital are also treated as contributed capital.

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property, plant and equipment revaluation surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Specific restricted purpose surplus
A specific restricted purpose surplus is established where the Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

NOTE 8.2: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consol'd 2018 $	Consol'd 2017 $
NET RESULT FOR THE YEAR	(27,997)	(127,291)
Depreciation	653,111	660,020
Provision for Doubtful Debts	-	-
Net (Gain)/Loss from Sale of Plant and Equipment	-	(15,000)
Net (Gain)/Loss on Financial Instruments	7,084	6,108
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(91,592)	122,019
(Increase)/Decrease in Prepayments	119,618	(135,396)
Increase/(Decrease) in Payables	109,750	263,466
Increase/(Decrease) in Provisions	168,087	47,595
(Increase)/Decrease in Inventories	(4,622)	17,499
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**933,439**	**839,020**

NOTE 8.3: RESPONSIBLE PERSON DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2017 - 30/06/2018
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2017 - 30/06/2018
Governing Boards	
Mrs V. Sutherland	01/07/2017 - 30/06/2018
Mrs D Van der Drift	01/07/2017 - 30/06/2018
Mrs L. Drummond	01/07/2017 - 30/06/2018
Mr R. Henery	01/07/2017 - 30/06/2018
Ms A. Patrick	01/07/2017 - 30/06/2018
Mr A. Dowell	01/07/2017 - 30/06/2018
Ms N. Bourke	01/07/2017 - 30/06/2018
Mr R. Dallimore	01/07/2017 - 30/06/2018
Mr S. Manduskar	01/07/2017 - 30/06/2018
Ms A.Hutchinson	01/07/2017 - 31/07/2017
Accountable Officers	
Mr M. Delahunty (i)	01/07/2017 - 30/06/2018

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands:

Income Band	**2018 No.**	**2017 No.**
$0 - $9,999	10	10
$80,000 - $89,999	-	1
$90,000 - $99,999	1	-
Total Numbers	11	11
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$91,908**	**$82,450**

(i) Mr M. Delahunty is engaged as the accountable officer in a contract arrangement with Echuca Regional Health (ERH). Payments for his services were made directly to ERH and are reported in the total remuneration above.

Amounts relating to Governing Board Members and Accountable Officer are disclosed in the Health Service's controlled entities financial statements.
Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.5.

NOTE 8.4: REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

Long service leave, other long-service benefit or deferred compensation.

Termination benefits

Termination of employment payments, such as severance packages.

Remuneration of executive officers	**Total Remuneration**	
	2018	**2017(a)**
	$	**$**
Short-term employee benefits	234,295	144,293
Post-employment benefits	22,123	12,450
Other long-term benefits	4,697	-
Termination benefits	-	-
Total Remuneration	**261,115**	**156,743**
Total Number of executives (i)	**2**	**1**
Total annualised employee equivalent (AEE) (ii)	**2**	**1**

Notes:

(i) The total number of executive officers includes persons, other than Ministers and Accountable Officers, who may meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures. The Health Service does not consider any executive officers meet the definition of KMP.

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week (this is generally five full working days per week).

NOTE 8.5: RELATED PARTIES

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members;
- Jointly Controlled Operation - A member of the Loddon Mallee Rural Health Alliance; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Health Service and its controlled entities, directly or indirectly.

The Board of Directors and the Executive Directors of Cohuna Distict Hospital and it's controlled entities are deemed to be KMPs.

Entity	**KMPs**	**Position Title**
Cohuna District Hospital	Mrs V. Sutherland	Chair of the Board
Cohuna District Hospital	Mrs D Van der Drift	Board Member
Cohuna District Hospital	Mrs L. Drummond	Board Member
Cohuna District Hospital	Mr R. Henery	Board Member
Cohuna District Hospital	Ms A. Patrick	Board Member
Cohuna District Hospital	Mr A. Dowell	Board Member
Cohuna District Hospital	Ms N. Bourke	Board Member
Cohuna District Hospital	Mr R. Dallimore	Board Member
Cohuna District Hospital	Mr S. Manduskar	Board Member
Cohuna District Hospital	Ms A.Hutchinson	Board Member
Cohuna Community Nursing Home Inc.	Mrs V. Sutherland	Chair of the Board
Cohuna Community Nursing Home Inc.	Mrs D Van der Drift	Board Member
Cohuna Community Nursing Home Inc.	Mrs L. Drummond	Board Member
Cohuna Community Nursing Home Inc.	Mr R. Henery	Board Member
Cohuna Community Nursing Home Inc.	Ms A. Patrick	Board Member
Cohuna Community Nursing Home Inc.	Mr A. Dowell	Board Member
Cohuna Community Nursing Home Inc.	Ms N. Bourke	Board Member
Cohuna Community Nursing Home Inc.	Mr R. Dallimore	Board Member
Cohuna Community Nursing Home Inc.	Mr S. Manduskar	Board Member
Cohuna Community Nursing Home Inc.	Ms A.Hutchinson	Board Member

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968,* and is reported within the Department of Parliamentary Services' Financial Report.

COMPENSATION	**2018 $**	**2017 $**
Short term employee benefits	91,908	82,450
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total	**91,908**	**82,450**

(i)Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
(ii)KMPs are also reported in Note 8.3 Resposible Persons or Note 8.4 Remuneration of Executives.

Significant transactions with government-related entities
Cohuna District Hospital received funding from the Department of Health and Human Services of $6,777,950 (2017: $5,948,769).

Expenses incurred by the Health Service in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require the Health Service to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

NOTE 8.5: RELATED PARTIES (Continued)

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Other than the below and normal citizen type transactions, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

Other Transactions of Responsible Persons and their Related Parties	**2018**	**2017**
	$	**$**
Board Member Mrs V. Sutherland occupied a hospital owned residential property and paid rent on normal terms and conditions	-	5,986

NOTE 8.6: REMUNERATION OF AUDITORS

	Consol'd 2018	Consol'd 2017
Victorian Auditor-General's Office	$	$
Audit or review of financial statement	20,540	19,680
Other auditor remuneration	20,360	14,306
TOTAL REMUNERATION OF AUDITORS	**40,900**	**33,986**

NOTE 8.7: AASBs ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Cohuna District Hospital has not and does not intend to adopt these standards early.

Topic	**Key Requirements**	**Effective date**	**Impact on financial statements**
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	01-Jan-18	The assessment has identified the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure	01-Jan-18	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AAS's to incorporate the consequential amendments arising from the issuance of AASB 9.	01-Jan-18	The assessment has indicated there will be no significant impact for the public sector.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AASB 15* has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	01-Jan-18	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications.

NOTE 8.7: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends as follows: - Trade receivables that do not have a significant financing component, are to be measured at their transaction price at initial recognition. - Dividends are recognised in the profit and loss only when: * the entity's right to receive payment of the dividend is established; * it is probable the economic benefits associated with the dividend will flow to the entity; and * the amount can be measured reliably.	01/01/2018 except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AASB 15*	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2108	01-Jan-18	The amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15*	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: - A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; - For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and - For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	01-Jan-18	The assessment has indicated there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit-Entities*	This Standard defers the mandatory effective date of AASB 15 for not-for-profit-entities from 1 January 2018 to 1 January 2109.	01-Jan-19	The amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit-Entities*	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01-Jan-19	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 - Statutory receivables are recognised and measured similarly to financial assets. AASB 15 - The "customer" does not need to be the recipient of goods and/or services; - The "contract" could include an arrangement entered into under the direction of another party; - Contracts are enforceable if they are enforceable by legal or "equivalent means"; - Contracts do not have to have commercial substance, only economic substance; and - Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.

NOTE 8.7: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	01-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.
AASB 1058 *Income of Not-for-Profit-Entities*	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 *Contributions.* The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	01-Jan-19	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

The following accounting pronouncements are also issued but not effective for the 2017‑18 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share‑based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

NOTE 8.8: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Health Service and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

Procedures have commenced during the financial year to wind-up the Cohuna Community Nursing Home Inc. and transfer all assets and liabilities to Cohuna District Hospital effective 1 July 2018. A liquidator has been appointed to complete the procedure, which will take place upon finalisation of the 2018 annual financial reporting and subsequent transfer of assets and liabilities.

NOTE 8.9: CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Equity Holding 2018	Equity Holding 2017
Cohuna Community Nursing Home Inc.	Australia	100%	100%

NOTE 8.10: JOINTLY CONTROLLED OPERATIONS

Name of Entity	Principal Activity	Ownership Interest 2018 %	Ownership Interest 2017 %
Loddon Mallee Rural Health Alliance	Information Systems	3.09	2.68

Cohuna Distict Hospital's interest in assets employed in the above jointly controlled operations and assets is detailed below
The amounts are included in the financial statements and consolidated financial statements under their respective categories:

Summarised balance sheet:	Consol'd 2018 $	Consol'd 2017 $
Current assets		
Cash and Cash Equivalents	30,268	48,363
Receivables	140,648	8,503
Inventory	3,081	1,192
Prepayments	16,699	17,573
Total current assets	190,696	75,631
Non-Current Assets		
Property Plant and Equipment	17,400	4,114
Total Assets	**208,096**	**79,745**
Current Liabilities		
Payables	40,899	30,173
Accrued Expenses	6,564	3,992
Total current liabilities	47,463	34,165
Total Liabilities	**47,463**	**34,165**

Cohuna District Hospital's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenue from Operating Activities	229,832	207,762
Expenditure	234,287	187,563
Surplus/(Deficit) before Capital and Depreciation	**(4,455)**	**20,199**
Depreciation	1,980	3,456
Capital Purpose Expenditure	7,340	4,332
Total	9,320	7,788
Current Year Surplus/(Deficit)	**(13,775)**	**12,411**

Contingent Liabilities and Capital Commitments
There are no contingent liabilities or capital commitments arising from Loddon Mallee Rural Health Alliance

NOTE 8.11: ECONOMIC DEPENDENCY
The Health Service is dependent on the Department of Health and Human Services for the majority of it revenue used to operate the entity.
At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Health Service.

NOTE 8.12: ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	2018 $	2017 $
Grants		
Operating	8,165,627	7,259,347
Capital	432,122	62,302
Interest	51,570	36,915
Sales of goods and services	771,630	792,734
Other	380,447	860,056
Revenue from Transactions	**9,801,396**	**9,011,354**
Employee expenses	6,321,518	5,833,336
Depreciation	653,111	660,020
Other operating expenses	2,847,673	2,658,360
Expenses from Transactions	**9,822,302**	**9,151,716**
Net result from transactions - Net Operating Balance	**(20,906)**	**(140,362)**
Other economic flows included in net result		
Net gain/ (loss) on sale of non-financial assets	-	15,000
Other gains/ (losses) from other economic flows included in net result	(7,091)	(1,929)
Total Other Economic flows included in Net Result	**(7,091)**	**13,071**
NET RESULT FOR THE YEAR	**(27,997)**	**(127,291)**

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, Cohuna Community Nursing Home Inc

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Cohuna Community Nursing Home Inc for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
6 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna Community Nursing Home Inc

Opinion	I have audited the financial report of Cohuna Community Nursing Home Inc (the nursing home) which comprises the: • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including: • giving a true and fair view of the financial position of the nursing home as at 30 June 2018 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the nursing home in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the nursing home is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the nursing home's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Other Information	My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the nursing home's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the nursing home's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the nursing home to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
6 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

COHUNA COMMUNITY NURSING HOME INC

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

In accordance with a resolution of the Board of Management of Cohuna Community Nursing Home Inc., the members declare that:

1 The financial statements and notes as attached, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

a. Comply with the Australian Accounting Standards; and

b. Give a true and fair view of the financial position of Cohuna Community Nursing Home Inc as at 30 June 2017 and of its performance for the year ended on that date.

2 In the Members opinion there are reasonable grounds to believe that Cohuna Community Nursing Home Inc will be able to pay its debts as and when they become due and payable.

Jean Sutherland	Ben Maw	Steven Jackel
Board Chairperson	Chief Executive Officer	Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
31st August 2018	31st August 2018	31st August 2018

COHUNA COMMUNITY NURSING HOME INC
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Revenue from Operating Activities	2	1,930,588	1,999,180
Revenue from Non-Operating Activities	2	20,166	14,766
Employee Expenses	3	(2,483,495)	(2,261,636)
Non Salary Labour Costs	3	(43,845)	(92,254)
Supplies and Consumables	3	(72,519)	(80,702)
Other Expenses	3	(437,756)	(458,535)
Net Result From Before Capital and Specific Items		**(1,086,861)**	**(879,181)**
Capital Purpose Income	2	147,673	431
Specific Income		941,860	790,073
Depreciation	4	(134,852)	(140,875)
NET RESULT FOR THE YEAR		**(132,180)**	**(229,552)**
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets		-	-
COMPREHENSIVE RESULT FOR THE YEAR		**(132,180)**	**(229,552)**

This Statement should be read in conjunction with the accompanying notes.

COHUNA COMMUNITY NURSING HOME INC
BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
Current Assets			
Cash and Cash Equivalents	5	642	381,481
Receivables	6	43,715	-
Prepayments		127	127
Total Current Assets		**461,972**	**381,608**
Non-Current Assets			
Receivables	6	43,787	43,787
Property, Plant and Equipment	8	1,181,709	1,316,559
Total Non-Current Assets		**1,225,496**	**1,360,346**
TOTAL ASSETS		**1,687,468**	**1,741,954**
Current Liabilities			
Payables	9	27,447	16,032
Provisions	10	461,541	458,012
Other Liabilities	12	418,130	368,108
Total Current Liabilities		**907,118**	**842,152**
Non Current Liabilities			
Provisions	10	34,501	21,773
Total Non Current Liabilities		**34,501**	**21,773**
TOTAL LIABILITIES		**941,619**	**863,925**
NET ASSETS		**745,849**	**878,029**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	13	1,405,806	1,405,806
Accumulated Surpluses / (Deficits)	13	(659,957)	(527,777)
TOTAL EQUITY		**745,849**	**878,029**

This Statement should be read in conjunction with the accompanying notes.

COHUNA COMMUNITY NURSING HOME INC
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Property, Plant and Equipment Revaluation Surplus	Accumulated Surpluses/ (Deficits)	Total
	$	$	$
Balance at 1 July 2016	**1,405,806**	**(298,225)**	**1,107,581**
Net result for the year	-	(229,552)	(229,552)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2017	**1,405,806**	**(527,777)**	**878,029**
Net result for the year	-	(132,180)	(132,180)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2018	**1,405,806**	**(659,957)**	**745,849**

This Statement should be read in conjunction with the accompanying notes.

COHUNA COMMUNITY NURSING HOME INC
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating & Capital Grants from Government		1,664,899	1,528,863
Capital Donations and Bequests Received		3,673	431
Patient and Resident Fees Received		320,240	415,250
Interest Received		20,166	14,766
Other Receipts		27,119	20,442
Total Receipts		***2,036,097***	***1,979,752***
Employee Expenses Paid		(2,467,238)	(2,180,178)
Non Salary Labour Costs		(43,845)	(92,254)
Payments for Supplies and Consumables		(72,519)	(80,702)
Other payments		(407,726)	(415,508)
Total Payments		***(2,991,328)***	***(2,768,642)***
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	**(955,231)**	**(788,890)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		-	(19,841)
Net Sale/(Purchase) of Investments		-	125,000
Cash (Provided to) / Received from Related Entities		941,858	693,727
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**941,858**	**798,886**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT HELD		**(13,373)**	**9,996**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**13,373**	**3,377**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	**-**	**13,373**

This Statement should be read in conjunction with the accompanying notes.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Cohuna Community Nursing Home Inc for the period ending 30 June 2018. The purpose of the report is to provide users with information about the Nursing Home's stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Associations Incorporation Reform Act 2012* , and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of *AASB 101 Presentation of Financial Statements.*

The financial statements also comply with the *Australian Charities and Not-for-profits Commission Act 2012* .

The Nursing Home is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Entities under the AAS's.

The annual financial statements were authorised for issue by the Board of Cohuna Community Nursing Home Inc on:
31st August, 2018

(b) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements have been prepared on a going concern basis. The Nursing Home has secured a letter of comfort from the Cohuna District Hospital dated 30/07/2018, which details that they will provide adequate cash flow support to enable the Nursing Home to meet its current and future obligations as and when they fall due for a period up to 30 June 2019, should it be required.

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Nursing Home.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are reassessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;

- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result); and

- The fair value of assets other than land is generally based on their depreciated replacement value.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Consistent with *AASB 13 Fair Value Measurement* , Cohuna Community Nursing Home Inc determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13.

(b) Basis of accounting preparation and measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Cohuna Community Nursing Home Inc has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Cohuna Community Nursing Home Inc determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Cohuna Community Nursing Home Inc's independent valuation agency.

Cohuna Community Nursing Home Inc, in conjunction with VGV and Cosgraves Property advisers monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));
- superannuation expense (refer to Note 1(g)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(k)).

(c) Reporting Entity

The financial statements includes all the controlled activities of Cohuna Community Nursing Home Inc.

Its principal address is:
King George Street
Cohuna, Victoria 3568

A description of the nature of Cohuna Community Nursing Home Inc's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

Cohuna Community Nursing Home Inc's overall objective is to provide quality health care and support services that meets the needs of their community in a safe and friendly environment for all clients and staff, as well as improve the quality of life for all Victorians.

Cohuna Community Nursing Home Inc is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

Cohuna Community Nursing Home shares services with Cohuna District Hospital, the Parent Entity. All transactions between the two entities are recorded at cost.

(e) Scope and presentation of financial statements

Fund Accounting

The Cohuna Community Nursing Home Inc operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Cohuna Community Nursing Home Inc's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

(e) Scope and presentation of financial statements (Continued)

Services Supported by Health Services Agreement and Services Supported by Hospital and Community Initiatives.

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and Human Services and include Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while Services Supported by Hospital and Community Initiatives (H&CI) are funded by the Nursing Home's own activities or local initiatives and/or the Commonwealth.

Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled 'Net Result Before Capital and Specific Items' to enhance the understanding of the financial performance of Cohuna Community Nursing Home Inc. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of a unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital and Specific Items' is used by the management of Cohuna Community Nursing Home Inc, the Department of Health & Human Services and the Victorian Government to measure the ongoing operating performance of Nursing Homes.

Capital and specific items, which are excluded from this sub-total comprise:

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.
  It also includes donations of plant and equipment (refer note 1 (f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;

Comprehensive operating statement

* Specific income/expense, comprises the following items, where material:
  * Voluntary departure packages
  * Write-down of inventories
  * Non-current asset revaluation increments/decrements
  * Non-current assets lost or found
  * Forgiveness of loans
  * Reversals of provisions
  * Voluntary changes in accounting policies (which are not required by an accounting standard
  * or other authoritative pronouncement of the Australian Accounting Standards Board);

* Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (i);

* Depreciation as described in note 1 (g);

* Assets provided or received free of charge, as described in note 1 (f); and

* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Other economic flows; are changes arising from market remeasurements. They include:

* gains and losses from disposals of non-financial assets;
* revaluations and impairments of non-financial physical and intangible assets;
* remeasurement arising from defined benefit superannuation plans; and
* fair value changes of financial instruments.

Balance sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered / settled more than 12 months after reporting period), are disclosed in the notes where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from the opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

(e) Scope and presentation of financial statements (Continued)

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows* .

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

Rounding

All amounts shown in the financial statements are expressed to the nearest $1 unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

Comparative Information

There have been no changes to comparative information which require additional disclosure.

(f) Income from transactions

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Cohuna Community Nursing Home Inc and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 *Contributions,* government grants and other transfers of income (other than contributions by owners are recognised as income when the Nursing Home gains control of the underlying assets irrespective of whether conditions are imposed on the Nursing Home's use of the contributions.

Contributions are deferred as income in advance when the Nursing Home has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health & Human Services

- Insurance is recognised as revenue following advice from the Department of Health & Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL Liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2018.

Resident Fees

Resident fees are recognised as revenue at the time invoices are raised.

Revenue from commercial activities

Revenue from commercial activities such as provision of meals to external users is recognised at the time the invoices are raised.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as specific restricted purpose surplus.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Sale of investments

The gain/loss on the sale of investments is recognised when the investment is realised.

Fair value of assets and services received free of charge or for nominal consideration

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(g) Expense recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Cost of goods sold

Cost of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses

Defined contribution superannuation plans

In relation to defined contributions (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

The name and details of the major employee superannuation funds and contributions made by Cohuna Community Nursing Home Inc are disclosed in Note 11: Superannuation.

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health & Human Services.

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

(g) Expense recognition (Continued)

Depreciation (Continued)

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

	2018	2017
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Intangible produced assets with finite lives are depreciated as an expense on a systematic basis over the asset's useful life.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and Consumables

Supplies and service costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expenses when distributed.

Bad and Doubtful Debts

Refer to note 1(j) *Impairment of financial assets.*

Fair value of assets, services and resources provided free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at it's carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Other economic flows included in net result

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Net Gain / (Loss) on Non-Financial Assets

Net gain / (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Net gain/(loss) on disposal of Non-Financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between proceeds and the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 1 (j) Assets.

(i) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Cohuna Community Nursing Home's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments:* Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

(j) Assets

Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables

Receivables consist of:

- Contractual receivables, which includes of mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

(j) Assets (Continued)

Investments and other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:
- Loans and receivables; and
- Available-for-sale financial assets.

The Cohuna Community Nursing Home Inc classifies its other financial assets between current and non-current assets based on the purpose or which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Cohuna Community Nursing Home Inc assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit and loss are subject to annual review for impairment.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger / machinery of government are transferred at their carrying amount.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8 *Property, plant and equipment* .

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restriction will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Land and Buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

(j) Assets (Continued)

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with AASB 13 *Fair Value Measurement.* This revaluation process normally occurs at least every five years, based upon the asset's Purpose Classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the standards. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'other comprehensive income' and are credited directly to the asset revaluation surplus except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in the net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with AASB 13 Cohuna Community Nursing Home Inc's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment did not identify any significant movements that would require a revaluation.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(h) - 'other comprehensive income'.

Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other non-financial assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(j) Assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Nursing Home retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Nursing Home has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Nursing Home has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Nursing Home's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period Cohuna Community Nursing Home Inc assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. Bad debts written off by mutual consent and the allowance for doubtful debts are classified as 'other comprehensive income' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instruments at Fair Value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.

(k) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Nursing Home prior to the end of the financial year that are unpaid, and arise when the Nursing Home becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.

- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

(k) Liabilities (Conintued)

Provisions

Provisions are recognised when the Nursing Home has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-Costs

Provisions for on-costs, such as payroll tax, workers compensation, superannuation are recognised separately from the provision for employee benefits.

Superannuation Liabilities

Cohuna Community Nursing Home Inc does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Nursing Home has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation obligations as they fall due.

(l) Equity

Property, plant and equipment revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

(m) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 16) at their nominal value and are inclusive of the goods and services tax ("GST") payable.
In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(o) Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

(p) AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective.
They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Cohuna Community Nursing Home Inc has not and does not intend to adopt these standards early.

(p) AASBs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

(p) AASBs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2017-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2018 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

(q) Category Groups

Cohuna Community Nursing Home Inc has used the following category groups for reporting purposes for the current and previous financial years.

Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units and secure extended care units.

NOTE 2a: ANALYSIS OF REVENUE BY SOURCE

	2018 $	2017 $
Government Grants		
- Department of Health & Human Services	500,324	492,958
- Commonwealth Government		
- Residential Aged Care Subsidy	1,020,575	1,035,905
Indirect Contributions by Department of Health	18,615	34,625
Resident Fees (refer note 2b)	363,955	415,250
Other Revenue	27,119	20,442
Total Revenue from Operating Activities	**1,930,588**	**1,999,180**
Interest and Dividends	20,166	14,766
Total Revenue from Non-Operating Activities	**20,166**	**14,766**
Capital Purpose Grant Funding	144,000	-
Donations and Bequests	3,673	431
Total Capital Purpose Income	147,673	431
TOTAL REVENUE	**2,098,427**	**2,014,377**

Indirect Contributions by Department of Health and Human Services
Department of Health and Human Services makes certain payments on behalf of the Nursing Home. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2b: RESIDENT FEES RAISED

	2018 $	2017 $
Recurrent		
Residential Aged Care		
- Nursing Home	363,955	415,250
Total Recurrent	**363,955**	**415,250**

Commonwealth Nursing Home Inpatient benefits are included in resident fee revenue.
The Nursing Home charges fees in accordance with the Department of Health & Human Services directives.

NOTE 3: ANALYSIS OF EXPENDITURE BY SOURCE

	Note	2018 $	2017 $
Services Supported by Health Services Agreement			
Employee Expenses		2,483,495	2,261,636
Non Salary Labour Costs		43,845	92,254
Supplies and Consumables		72,519	80,702
Other Expenses from Continuing Operations		437,756	458,535
Total Expenses Supported by Health Services Agreement		**3,037,615**	**2,893,127**
Depreciation	4	134,852	140,875
TOTAL EXPENSES		**3,172,467**	**3,034,002**

NOTE 4: DEPRECIATION	2018 $	2017 $
Depreciation		
Buildings	122,925	122,925
Plant and Equipment		
- Plant	4,540	6,357
- Major Medical	3,986	3,968
- Furniture and Fittings	3,401	7,625
TOTAL DEPRECIATION	**134,852**	**140,875**

NOTE 5: CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	2018 $	2017 $
Cash at Bank	642	381,481
TOTAL CASH AND CASH EQUIVALENTS	**642**	**381,481**
Represented by:		
Cash for Nursing Home Operations (as per Cash Flow Statement)	-	13,373
Cash at Bank for Monies Held in Trust	642	368,108
TOTAL	**642**	**381,481**

NOTE 6: RECEIVABLES

	2018 $	2017 $
CURRENT		
Contractual		
Accrued Revenue - Other	43,715	-
TOTAL CURRENT RECEIVABLES	**43,715**	**-**
NON-CURRENT		
Statutory		
DHHS - Long Service Leave	43,787	43,787
TOTAL NON-CURRENT RECEIVABLES	**43,787**	**43,787**
TOTAL RECEIVABLES	**87,502**	**43,787**

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS	2018 $	2017 $
CURRENT		
Loans and Receivables		
Term Deposit		
- Aust. Dollar Term Deposits	417,488	-
Total Current	417,488	-
Represented by:		
Monies Held in Trust - Accommodation Bonds	417,488	-
TOTAL OTHER FINANCIAL ASSETS	417,488	-

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	2018 $	2017 $
Land		
Land at Fair value	40,000	40,000
Total Land	**40,000**	**40,000**
Buildings		
Buildings at Fair Value	1,582,665	1,582,665
Less Accumulated Depreciation	(491,503)	(368,578)
Total Buildings	**1,091,162**	**1,214,087**
Plant and Equipment		
Plant and Equipment at Fair Value	58,017	67,154
Less Accumulated Depreciation	(45,944)	(50,540)
Total Plant and Equipment	**12,073**	**16,614**
Medical Equipment		
Medical Equipment at Fair Value	40,958	42,090
Less Accumulated Depreciation	(15,233)	(12,379)
Total Medical Equipment	**25,725**	**29,711**
Furniture and Fittings		
Furniture and Fittings at Fair Value	86,011	87,856
Less Accumulated Depreciation	(73,262)	(71,709)
Total Furniture and Fittings	**12,749**	**16,147**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,181,709**	**1,316,559**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(b) Reconciliations of the carrying amounts of each class of asset

Reconciliations of the carrying amounts of each class of asset for the entity at the beginning and end of the previous and current financial year is set out below.

	Land	Buildings	Plant and Equipment	Furniture and Fittings	Medical Equipment	Total
	$	$	$	$	$	$
Balance at 1 July 2016	40,000	1,337,012	16,891	23,772	19,918	1,437,593
Additions	-	-	6,080	-	13,761	19,841
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,925)	(6,357)	(7,625)	(3,968)	(140,875)
Balance at 1 July 2017	**40,000**	**1,214,087**	**16,614**	**16,147**	**29,711**	**1,316,559**
Additions	-	-	-	-	-	-
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,925)	(4,541)	(3,398)	(3,986)	(134,850)
Balance at 30 June 2018	**40,000**	**1,091,162**	**12,073**	**12,749**	**25,725**	**1,181,709**

Land and Buildings Carried at Valuation
An independent valuation of Cohuna Community Nursing Home Inc property was performed by the *Valuer-General Victoria* to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The effective date of the valuation is 30 June 2014.

Plant and Equipment Carried at Fair Value
A valuation of Cohuna Community Nursing Home Inc plant and equipment was undertaken by management to determine the fair value of the Plant and Equipment. The effective date of the valuation is 30 June 2018.

(c) Fair value measurement hierarchy for assets as at 30 June 2018

	Carrying amount as at 30 June 2018	**Fair value measurement at end of reporting period using:** Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Land at fair value	$	$	$	$
Specialised land	40,000	-	-	40,000
Total of land at fair value	**40,000**	**-**	**-**	**40,000**
Buildings at fair value				
Specialised buildings	1,091,162	-	-	1,091,162
Total of building at fair value	**1,091,162**	**-**	**-**	**1,091,162**
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	12,073	-	-	12,073
- Medical equipment	25,725	-	-	25,725
- Furniture and fittings	12,749	-	-	12,749
Total of plant, equipment and vehicles at fair value	**50,547**	**-**	**-**	**50,547**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Land at fair value	$	$	$	$
Specialised land	40,000	-	-	40,000
Total of land at fair value	**40,000**	**-**	**-**	**40,000**
Buildings at fair value				
Specialised buildings	1,214,087	-	-	1,214,087
Total of building at fair value	**1,214,087**	**-**	**-**	**1,214,087**
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	16,614	-	-	16,614
- Medical equipment	29,711	-	-	29,711
- Furniture and fittings	16,147	-	-	16,147
Total of plant, equipment and vehicles at fair value	**62,472**	**-**	**-**	**62,472**

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

Specialised land and specialised buildings

The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

Plant and equipment
Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2018.

For all assets measured at fair value, the current use is considered the highest and best use.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value

2018	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
	$	$	$	$	$
Opening Balance	40,000	1,214,087	16,614	16,147	29,711
Purchases (sales)	-	-	-	-	-
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,925)	(4,541)	(3,398)	(3,986)
Subtotal	**40,000**	**1,091,162**	**12,073**	**12,749**	**25,725**
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Closing Balance	**40,000**	**1,091,162**	**12,073**	**12,749**	**25,725**
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	**1,091,162**	**12,073**	**12,749**	**25,725**

2017	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
	$	$	$	$	$
Opening Balance	40,000	1,337,012	16,891	23,772	19,918
Purchases (sales)	-	-	6,080	-	13,761
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,925)	(6,357)	(7,625)	(3,968)
Subtotal	**40,000**	**1,214,087**	**16,614**	**16,147**	**29,711**
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Closing Balance	**40,000**	**1,214,087**	**16,614**	**16,147**	**29,711**
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	**1,214,087**	**16,614**	**16,147**	**29,711**

There have been no transfers between levels during the period.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs [(i)]	Range (weighted average) [(i)]	Sensitivity of fair value measurement to changes in significant unobservable
Specialised land	Market Approach	Community Service Obligation (CSO) adjustment	20% (20%)	A Significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	$816 - $1,986/m² ($1,550)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	25 - 50 years (36 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $15,300 ($2,349)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	3 - 13 years (7 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation
Medical equipment at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $2,678 ($1,100)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	6 - 10 years (9 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations: (Continued)

Furniture and fittings at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $11,850 ($3,138)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	4 - 20 years (9 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

(i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative.

NOTE 9: PAYABLES	2018 $	2017 $
Contractual		
Accrued Audit Fees	3,800	3,800
Other Accrued Expenses	23,647	8,030
	27,447	11,830
Statutory		
Department of Health (Commonwealth)	-	4,202
TOTAL PAYABLES	**27,447**	**16,032**

The following table discloses the contractual maturity analysis for Cohuna Community Nursing Home Inc financial liabilities.
For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2018	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables	27,447	27,447	27,447	-	-	-
Other Financial Liabilities (i)	418,130	418,130	642	-	417,488	-
Total Financial Liabilities	**445,577**	**445,577**	**28,089**	**-**	**417,488**	**-**
2017						
Financial Liabilities						
At amortised cost						
Payables	16,032	16,032	16,032	-	-	-
Other Financial Liabilities (i)	368,108	368,108	9,455	-	358,653	-
Total Financial Liabilities	**384,140**	**384,140**	**25,487**	**-**	**358,653**	**-**

(i) Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST payable)

NOTE 10: PROVISIONS	2018 $	2017 $
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	130,788	103,270
- unconditional and expected to be settled after 12 months (ii)	15,000	15,000
Long Service Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	20,000	30,000
- unconditional and expected to be settled after 12 months (ii)	240,867	223,619
Accrued Days Off (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	(333)	1,209
- unconditional and expected to be settled after 12 months (ii)	-	-
Accrued Wages & Salaries (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	27,958	41,205
- unconditional and expected to be settled after 12 months (ii)	-	-
	434,280	414,303
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	2,090	9,898
- unconditional and expected to be settled after 12 months (iii)	25,171	33,811
	27,261	43,709
Total Current Provisions	**461,541**	**458,012**

NOTE 10: PROVISIONS (Continued)	2018 $	2017 $
Non-Current Provisions		
Employee Benefits (i) (Note 10(a))	31,339	19,695
Provisions related to employee benefit on-costs (Note 10(a))	3,162	2,078
Total Non-Current Provisions	**34,501**	**21,773**
Total Provisions	**496,042**	**479,785**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Annual Leave Entitlements	145,788	130,747
Accrued Salaries and Wages	27,958	45,552
Accrued Days Off	(333)	1,337
Unconditional Long Service Leave Entitlements	288,128	280,376
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	34,501	21,773
Total Employee Benefits and Related On-Costs	**496,042**	**479,785**
(b) Movements in provisions	$	$
Movement in Long Service Leave:		
Balance 1 July, 2017	302,149	329,903
Provision made during year		
- Revaluations	-	-
- Expense Recognising Employee Service	77,187	112,049
Settlement made during the year	(56,707)	(139,803)
Balance June 30, 2018	**322,629**	**302,149**

Notes:
(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and worker's compensation insurance are not employee benefits and are reflected as a separate provision.
(ii) The amounts are disclosed are at present values

NOTE 11: SUPERANNUATION

Employees of the Nursing Home are entitled to receive superannuation benefits and the Nursing Home contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Nursing Home. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Nursing Home are as follows:

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2018 **$**	**2017** **$**	**2018** **$**	**2017** **$**
Defined Contribution Plans:	Health Super / HESTA / Other	200,655	181,167	-	-
Total		200,655	181,167	-	-

NOTE 12: OTHER LIABILITIES	2018 $	2017 $
Current		
Monies Held in Trust *	642	9,455
Accommodation Bonds (Refundable Entrance Fees)	417,488	358,653
TOTAL OTHER LIABILITIES	**418,130**	**368,108**
*** Monies Held in Trust**		
Represented by:		
Cash Assets (refer note 5)	642	368,108
Investments and Other Financial Assets (refer note 7)	417,488	-
TOTAL OTHER LIABILITIES	**418,130**	**368,108**

NOTE 13: EQUITY

(a) Surpluses

Property, Plant and Equipment Revaluation Surplus		
Balance at beginning of the reporting period		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Revaluation Increment/(Decrement) during the Year		
- Land	-	-
- Buildings	-	-
Property, Plant and Equipment Revaluation Surplus at end of the Reporting Period	1,405,806	1,405,806
Represented by:		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Total Surpluses	**1,405,806**	**1,405,806**

(b) Accumulated Surpluses/(Deficits)

Balance at the Beginning of the Reporting Period	(527,777)	(298,225)
Net Result for the Year	(132,180)	(229,552)
Balance at the end of the reporting period	(659,957)	(527,777)
Total Equity at the end of financial year	**745,849**	**878,029**

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2018 $	2017 $
NET RESULT FOR THE YEAR	(132,180)	(229,552)
Less Non Cash Debt forgiveness	(941,860)	(790,073)
Depreciation	134,852	140,875
(Increase)/Decrease in Receivables	(43,715)	-
Increase/(Decrease) in Provisions	16,257	81,458
Increase/(Decrease) in Payables	11,415	8,402
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(955,231)**	**(788,890)**

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Cohuna Community Nursing Home Inc's principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The Nursing Home's main financial risks include credit risk, liquidity risk and interest rate risk. The Nursing Home manages these financial risks in accordance with its financial risk management policy.

The Nursing Home uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the financial risk management committee of the Nursing Home.

The main purpose in holding financial instruments is to prudentially manage Cohuna Community Nursing Home Inc financial risks within the government policy parameters.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

Categorisation of financial instruments

2018	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets			
Cash and cash equivalents	642	-	642
Receivables	43,715	-	43,715
Other Financial Assets	417,488	-	417,488
Total Financial Assets (i)	**461,845**	**-**	**461,845**
Financial Liabilities			
At amortised cost	-	445,577	445,577
Total Financial Liabilities(ii)	**-**	**445,577**	**445,577**

2017	Contractual financial assets - loans and receivables $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets			
Cash and cash equivalents	381,481	-	381,481
Receivables	-	-	-
Other Financial Assets	-	-	-
Total Financial Assets (i)	**381,481**	**-**	**381,481**
Financial Liabilities			
At amortised cost	-	379,938	379,938
Total Financial Liabilities(ii)	**-**	**379,938**	**379,938**

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit receivable).

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss)	Total interest income/ (expense)	Fee income / (expense)	Impairment loss	Total
	$	$	$	$	$
2018					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	20,166	-	-	20,166
Total Financial Assets	**-**	**20,166**	**-**	**-**	**20,166**
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**
2017					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	14,766	-	-	14,766
Total Financial Assets	**-**	**14,766**	**-**	**-**	**14,766**
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**

(i) For cash and cash equivalents, loans and receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, interest revenue, minus any impairment recognised in the net result.

(ii) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense measured at amortised cost.

Categories of financial instruments
Loans and receivables and cash
are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less and impairment). The Health Service recognises the following assets in this category:
- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits

Financial liabilities at amortised cost
are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The Health Service recognises the following liabilities in this category:
- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)
Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
    (i) has transferred substantially all the risks and rewards of the asset; or
    (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Health Service's continuing involvement in the asset.

Impairment of financial assets
At the end of each reporting period, the Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets.*

Reclassification of financial instruments:
Subsequent to initial recognition and under rare circumstances, non-derivative financial instrument assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for sale financial instrument assets that meet the definition of loans and receivables may be classified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

NOTE 16: COMMITMENTS FOR EXPENDITURE

There are no known commitments for expenditure for Cohuna Nursing Home Inc at the date of this report.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no known contingent assets or liabilities for the Cohuna Community Nursing Home Inc as at the date of this report.
30 June 2017 - Nil.

NOTE 18: SEGMENT REPORTING

Cohuna Community Nursing Home Inc provides residential aged care services to residents of the community.
There are no other segments operating within the Cohuna Community Nursing Home Inc.

Geographical Segment

Cohuna Community Nursing Home Inc operates predominantly in Cohuna, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Cohuna, Victoria.

NOTE 19a: RESPONSIBLE PERSON DISCLOSURES

The following disclosures are made regarding responsible persons for the reporting period.

	Period
Responsible Ministers:	
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health, Minister for Equality and Minister for Creative Industries.	01/07/2017 - 30/06/2018
Governing Boards	
Mrs V. Sutherland	01/07/2017 - 30/06/2018
Mrs D Van der Drift	01/07/2017 - 30/06/2018
Mrs L. Drummond	01/07/2017 - 30/06/2018
Mr R. Henery	01/07/2017 - 30/06/2018
Ms A. Patrick	01/07/2017 - 30/06/2018
Mr A. Dowell	01/07/2017 - 30/06/2018
Ms N. Bourke	01/07/2017 - 30/06/2018
Mr R. Dallimore	01/07/2017 - 30/06/2018
Mr S. Manduskar	01/07/2017 - 30/06/2018
Ms A.Hutchinson	01/07/2017 - 31/07/2017
Accountable Officer	
Mr M. Delahunty	01/07/2017 - 30/06/2018

Remuneration of Responsible Persons

The Chief Executive Officer (Accountable Officer) is employed by Cohuna District Hospital (CDH), and information relating to remuneration is disclosed in the financial statements of CDH.

The Cohuna Community Nursing Home Inc (CCNH) is governed by the Board of Management Members of CDH, and information relating to their remuneration is disclosed in the financial statements of CDH.

There were no direct payments made by CCNH to the Accountable Officer or Board of Management Members.

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other transactions of Responsible Persons and their Related Parties.

There were no transactions with Responsible Persons and their related parties during the year.

NOTE 19b: EXECUTIVE OFFICER DISCLOSURES

The Cohuna Community Nursing Home Inc (CCNH) does not employ any Executive Officers in a direct capacity.
Services of an executive nature are provided by Cohuna District Hospital (CDH) on a shared basis and the remuneration level of those executives is disclosed in the financial statements of CDH.

NOTE 19c: RELATED PARTIES

The nursing home is a wholly owned and controlled entity of the State of Victoria. Related parties of the nursing home include:

- all key management personnel and their close family members; and
- all cabinet ministers and their close family members.

Key management personnel (KMP) of the nursing home include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the Services' Financial Report.

Key management personnel consist of Ministers, the board of management and accountable officers as detailed in Note 19a.

Key management personnel did not receive any remuneration, as disclosed in Note 19a.

Transactions with key management personnel and other related parties
Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department and amounts disclosed further below, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Related party transactions:
- The parent entity maintains the operational bank account on behalf of the nursing home. During the year cash was received and/or paid out on behalf of the Association with the net position recorded in the Statement of Cashflows as an investing activity.

Significant transactions with government-related entities
Cohuna Nursing Home Inc received funding from the Department of Health and Human Services of $500,324 (2017: $492,958).

NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Proceedings commenced during the 2017-18 financial year to liquidate Cohuna Community Nursing Home Inc. and transfer all assets and liabilities to Cohuna District Hospital. This process is expected to be completed in 2018-19 effective from 1 July 2018.

NOTE 21: REMUNERATION OF AUDITORS

	2018	2017
Victorian Auditor-General's Office		
Audit or review of financial statements	4,200	4,200
	4,200	**4,200**

NOTE 22: ECONOMIC DEPENDENCY

Cohuna Community Nursing Home Inc is wholly dependent on the continued financial support of the Cohuna District Hospital. flow support to meet its current and future obligations as and when they fall due for a period up to June 2019.