



COHUNA DISTRICT HOSPITAL
INCORPORATING THE COHUNA COMMUNITY NURSING HOME
ANNUAL FINANCIAL AND PERFORMANCE REPORT
2014/2015



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HEALTH SERVICE PROFILE

LOCATION & CONTACT DETAILS

Hospital

144-158 King George Street
PO Box 317
COHUNA VIC 3568

Email: info@cdh.vic.gov.au

Website: www.cdh.vic.gov.au

Phone: 03 5456 5300

Fax: 03 5456 2435

Nursing Home

144-158 King George Street
PO Box 317
COHUNA VIC 3568

Phone: 03 5456 5300

Planned Activity Group

Cohuna Memorial Hall
21 King Edward Street
COHUNA VIC 3568

Phone: 03 5456 5215

District Nursing Service

144-158 King George Street
PO Box 317
COHUNA VIC 3568

Phone: 03 5456 5393

HEALTH SERVICE PROFILE

Established

The Cohuna District Hospital was established as a public hospital in 1952. The Hospital provides care for residents of Cohuna and the surrounding catchment area. In 1983, an appeal raised funds for a nursing home. A nursing home wing was built adjacent to the hospital and opened in 1985.

Registered Beds

16 Acute

16 Residential Aged Care

Accreditation Status

Accredited with the Australian Council on Healthcare Standards (ACHS) until November 2016

Accredited with The Australian Aged Care Quality Agency until August 2015

Auditors

Auditor General Victoria
Richmond, Sinnott & Delahunty Chartered Accountants

Accountants

Accounting & Audit Solutions Bendigo (AASB)

Banker

ANZ Bank
Bendigo Bank
Westpac Bank

Honorary Solicitor:

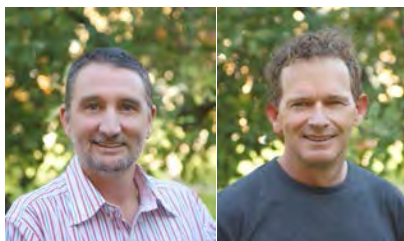
Embleton & Associates (Cohuna)

Nature and Range of Services

Urgent Care
Acute Ward
3 Chair Dialysis Unit
Obstetrics
Orthopaedic Surgery
Gynaecological Surgery
Diagnostic Gastroscopy
Minor General Surgery
Minor Dental Surgery
Respite
Residential Aged Care
District Nursing
Radiology and Sonography

EXECUTIVE REPORT

FROM THE BOARD PRESIDENT AND CHIEF EXECUTIVE OFFICER



It gives us great pleasure to present the Cohuna District Hospital and the Cohuna Community Nursing Home (CDH) 2014/15 Annual Report for the year ended 30 June 2015. The past year has been one of review of our position, place and role in the complex health system as we prepare for service redevelopment and improvement over the coming years.

This year's annual report provides a comprehensive review of our financial position, structure and performance to a range of targets and goals and is linked to our quality of care report that expands on our accountability and promise to delivery excellence in rural health care.

Most notably this year we celebrated:

- The successful opening of the new kitchen
- The outstanding results in the patient satisfaction surveys - 99.2% overall excellence.
- The safety improvements to our helicopter landing area
- A new Cisco IP telephone system
- The implementation of the Studer staff development program across the health service
- The upgrade of our Obstetrics (birthing) Suite

- The considerable improvements to our Aged Care outdoor living area
- The interior décor improvements in our Aged Care wing

As a small regional health service, we continue to provide a key role in the provision of urgent care, medical inpatients, obstetrics, dialysis, general surgery, clinical nursing, district nursing, aged and general care to our community.

In 2014/15 we focussed on preparing for the future by expanding our commitment to our nursing workforce, supporting five nurses in their advanced nursing training – two in RIPERN (Rural and Isolated Practice Endorse Registered Nurse), two in RNP (Registered Nurse Practitioner) and one nurse achieved outstanding recognition for her peri-operative studies. The dedication and devotion shown by each of these nurses to their profession will support our delivery of quality health care to the community and GP workforce immensely.

The team at the Cohuna District Hospital continues to demonstrate excellence in providing a satisfying and safe health care service to our community with excellent results in the patient satisfaction surveys, during the year 99.2% of all patients rated their experience with the service as excellent.

The achievements during the year would not have been possible without the dedication of our honorary Board, our staff, VMO's, partner organisations, auxiliaries, volunteers, donors and supporters. We recognise the pride and

commitment placed into every meal prepared, every fundraiser, every medication administered, in each welcome at the front desk and in every aspect of health care we provide.

Our review of financial and service delivery performance by the Department and independent consultants has confirmed our internal analysis that our organisation has excellent financial controls and performs well when benchmarked with similar organisations. Our 'bottom line' financial result is a product of structural costs associated with providing the broad range of high quality services in a small rural community context, in the face of falling revenues and increasing costs.

Our activity continues to grow in urgent care with presentations up 6% on 2012/13 numbers. Significantly more members of the community are being treated by nursing staff only up 20% on 2012/13 numbers.

Inpatient separations have increased by 9% over the year and by 15% over two years, however improvements in treatment and use of advance discharge planning have combined to ensure total bed days remain relatively stable over a two year period. Our average length of stay is 2.13 days compared with 2.41 last year and 2.69 two years ago.

District Nursing visits are up 30% over two years with a 10% increase over the past year, this area of our service continues to face high demand.

Births for the year are down on previous years with a 20% reduction over last year, reflecting both the number of births in the

area and a trend to refer moderate to high risk cases to tertiary Hospitals with specialist services.

Minor theatre cases continue to grow with a trend toward minor cases and diagnostic scopes as small numbers of higher cost and higher risk procedures are substituted for early intervention and diagnostic procedures. Minor surgical and early intervention and diagnostic procedures were up 20% on the previous year and major cases were down 12%.

Our Theatre staff have also worked closely with our medical officers and improved the flow in day procedure to improve the recovery process and comfort to our patients allowing them to go home earlier and recover better.

The number of dialysis sessions is down slightly over last year reflecting the uptake of in-home dialysis, we forecast a considerable increase in dialysis sessions for the forthcoming year.

The community continues to support the Hospital by using private health insurance wherever possible, however falling numbers of insured and lower returns from insurers continue to impact our private revenue.

Our meals on wheels, and senior citizens community wellbeing programs continue at relatively stable numbers with no significant change to meals on wheels over the past few years, however we have noted a decline in attendances to planned activity groups which will be a focus point for the year ahead.

The Board and CEO are engaged in a consultation process with various

Directorates within DHHS, exploring what options are available to provide the right services to our community that also support the VMO's, visiting specialists, with a strong focus on addressing the specific challenges of the aged care and community healthcare sector. We acknowledge the on-going financial and strategic support of the Department of Health and Human Services as this process is undertaken.

This year we acknowledge and say a special thank you to the continuing support of our volunteer fundraising groups. Ladies Auxiliary, the Lions Club, Bridge to Bridge, the Bingo Team, the Pink Ladies Breast Cancer Support Group and the Murray to Moyne cycling team and numerous other groups, businesses and private donors. Along with other community fundraising events these groups have contributed considerable time, energy and financial support to the Hospital and Nursing Home to ensure we have the best of community supported Hospitals and Nursing Homes in Rural Victoria.

This year marks the retirement of our Director of Nursing after 35 years of service to the community. We wish Anne Graham all the best in her retirement and thank her for her service and contribution to the health and wellbeing of the community. We also thank the retiring Board Members who have retired from their position as of June 2015. To Della

McGraw and Bernice McKenzie, on behalf of the community and the organisation we say thank you for your generous service, strong governance, insight and valuable contribution. We also extend our thanks to Ron Nicholls.

This year we recognised Mr Geoff Hall with a Life Governors Award for his 20 years of dedicated service as a Board Member, thank you Geoff for your dedication, wisdom, dedication to the community and for the leadership and governance given over the years.



.....
William Hall
CEO



.....
Cameron Hodge
Chair

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES FOR 2014-2015

Developing a system that is responsive to people's needs

Action	Deliverable	Outcome
Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings, with clear guidance about the role of, and access to, specialist palliative care.	Develop an organisational policy for the provision of safe, high quality end of life care in acute and subacute settings, with clear guidance about the role of, and access to, specialist palliative care.	"Palliative Care Australia" toolkit has been implemented with Nurse Unit Managers supporting the program organisation-wide with Echuca Regional Health as our lead partner agency.
Work collaboratively with Ambulance Victoria to achieve timely transfer of patients.	Finalise improvement of Hospital helicopter landing area safety upgrades by December 2014 (Lions Club Donation Project)	Safety upgrades are underway, and will be finalised during 2015, Ambulance no longer needs to use public roadways to access landing area and travel to Urgent Care, signage, markers and fencing in place.
Implement an organisation-wide policy for responding to clinical and non-clinical violence and aggression by patients, staff and visitors (including code grey) that aligns with department guidance (2014).	Update internal processes to include code grey procedures and training by December 2014	New code grey procedures in place, safety systems improved and training carried out. Whole of site security review carried out, new key systems completed.
Implement formal advance care planning structures and processes, including putting into place a system for preparing and/or receiving, and documenting advance care plans in partnership with patients, carers and substitute decision makers.	Ensure nursing staff are trained and routinely delivering advance care planning information and advice to relevant admitted consumers by September 2014	All nurses are trained in advanced care planning, now a part of routine training and refresher courses as part of our online nurse training and professional development programme.
Develop opportunities for greater private sector collaboration, coordination and integration.	Assess opportunities for partnership and collaboration with the Cohuna Retirement Village to enhance viability of aged care services by June 2015	Actively working with local aged care providers to improve quality and sustainability, currently exploring 'next step' options with DHHS and partners.
Progress partnerships with other services to improve outcomes for regional and rural patients.	Assess opportunities for partnership and collaboration with Kerang District Health Service and Echuca Regional Health for coordinated and complementary delivery of medical services across the sub-region by June 2015.	Actively participating in the Strengthening Rural Health Services partnership across multiple regions. Working with partner services and DHHS on the implementation of a DMS succession planning and medical workforce improvement project.

Improving every Victorian's health status and experiences

Action	Deliverable	Outcome
Reduce unplanned readmissions.	Continue to monitor and review unplanned readmissions and report monthly (with recommended actions) at clinical governance and Board level from August 2014.	Unplanned readmissions remain lower than state averages with all unplanned readmissions reviewed by the Quality Manager, DON and DMS and overseen by the Clinical Governance Committee.
Identify service users who are marginalised or vulnerable to poor health, and develop interventions that improve their outcomes relative to other groups, for example, Aboriginal people, people affected by mental illness, people at risk of elder abuse, people with disability, homeless people, refugees and asylum seekers.	Formalise and enhance our engagement within the local Aboriginal community via the Local Indigenous Network (LIN) and other forums from August 2014.	A regular attendee to the local aboriginal indigenous network, the Southern Mallee PCP and Gannawarra local action meeting.
Optimise alternatives to hospital admission.	Expand and develop primary care and District Nursing options by June 2015.	Worked with the local GP clinic to improve the uptake of EPC packages and restructured the District Nursing program. Supported 4 nurses thru RIPERN and RNP qualifications to improve the level of community outpatient care received at UCC.

Expanding service, workforce and system capacity

Action	Deliverable	Outcome
Develop and implement a workforce immunisation plan that includes pre-employment screening and immunisation assessment for existing staff that work in high risk areas in order to align with Australian infection control and immunisation guidelines.	Develop pre-employment screening policy and procedures by December 2015.	Policies updated to include screening for new employees hired into midwifery positions.
Build workforce capability and sustainability by supporting formal and informal clinical education and training for staff and health students, in particular inter-professional learning.	Support two staff to qualify as Rural and Isolated Practice Nurses or nurse practitioners during the 2015 student intake.	The health service continues to support advanced nursing qualifications in an ongoing manner and has supported 2 x RIPERN and 2 x RNP staff to obtain scholarships and complete their training. Ongoing.

Support excellence in clinical training through productive engagement in clinical training networks and developing health education partnerships across the continuum of learning.	Support the training of two (2) graduate year nurses as a partner in the “Northern Rivers” nurse training and development program by Jun 2015	The health service continues to support the training and development of new nurses and has provided two graduate nursing places this year.
Optimise workforce productivity through identification and implementation of workforce models that enhance individual and team capacity and support flexibility.	Develop strategies for sub regional sharing of professional resources, such as shared financial services and coordinated and complementary medical services by June 2015:	An active partner in the Strengthening Rural Health Services project. Implemented shared resources in Finance and Human Resources with partner agencies during 2015.

Increasing the system’s financial sustainability and productivity

Action	Deliverable	Outcome
Reduce health service administrative costs.	Comprehensive review of administrative processes by March 2015. Review data collection, reporting and management systems by March 2015	Review completed and confirmed underlying cost base is structural and requires adjustment to income and/or service model to address. Implemented powerbudget and considerable change and enhancements to internal financial systems to improve budget forecasting and financial control.

Implementing continuous improvements and innovation

Action	Deliverable	Outcome
Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Finalise the preliminary service plan by December 2014. Ensure patient-centred care outcomes are a primary consideration in the re-design of the service by June 2015.	Initial service plan adjustment recommendations from consultant were rejected by the Board and DH as being ineffective at addressing the long term needs. CEO and DHHS senior staff currently exploring alternatives with our partners in health care.

Increasing accountability and transparency

Action	Deliverable	Outcome
Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	Engage in the Victorian Healthcare Association Board capability development tool & complete an initial review by March 2015.	Chair has taken the lead on increasing Board capability. The Board has completed the VHA Board Capability and Development tool with actions in place to capitalise on the results.
Demonstrate a strategic focus and commitment to aged care by responding to community need as well as the Commonwealth Living Longer Living Better reforms.	Informed by the service plan, develop options for optimal operation of residential aged care under new funding and regulatory arrangements by March 2015	New policy, procedure, training and process have been developed to ensure the adoption of the new LLLB reforms.

Improving utilisation of e-health and communications technology

Action	Deliverable	Outcome
Utilise telehealth to better connect service providers and consumers to appropriate and timely services.	Implement the telehealth service model developed for Cohuna District Hospital with the Regional Director of Telehealth by March 2015.	Telehealth now used as a regular system for pre-anaesthetic and specialist clinics within the health service.
Ensure local ICT strategic plans are in place	Update and refresh the Cohuna District Hospital Information and Communication Technology strategic plan in collaboration with our partners Loddon Mallee Rural Health Alliance and INNTEC by March 2015	We are working with the new CEO of LMRHA to support the new strategic direction of the Alliance. New IP telephony system and data infrastructure refreshed throughout the facility during the year.

PART B: PERFORMANCE PRIORITIES

Safety and quality performance

Key Performance Indicator	Target	2014-15 actuals
Patient Experience and outcomes		
Victorian Health Experience Survey	Full Compliance	Full Compliance
Maternity – Percentage of women with prearranged post natal home care	100	100
Governance, Leadership and Culture		
Patient Safety Culture	80	100
Safety and Quality		
Health Service Accreditation	Full Compliance	Full Compliance
Residential Aged Care Accreditation	Full Compliance	Full Compliance
Cleaning Standards	Full Compliance	Full Compliance
Submission of data to VICNISS	Full Compliance	Postponed due to late arrival of Flu vaccines
Hand Hygiene (rate) – quarter 2	75	88.7
Hand Hygiene (rate) – quarter 3	77	92.3
Hand Hygiene (rate) – quarter 4	80	89.9
Healthcare worker immunisation – influenza	75	92

Financial sustainability performance

Key Performance Indicator	Target	2014-15 actuals
Finance		
Creditors	< 60 days	76 days
Debtors	< 60 days	25 days
Asset Management		
Basic Asset Management plan	Full compliance	Partial Compliance

PART C: ACTIVITY AND FUNDING

Funding type	2014-15 Activity/Achievement
Small Rural	
Small Rural Acute	\$5.194M
Small Rural Residential Care	\$1.935M
Small Rural HACC	\$0.275M
WIES DVA	48.51
WIES TAC	0.87

OUR STRATEGIC PLAN 2011-2015

Our existing Strategic Plan (2011-2015) was extended into the 2015 year to accommodate the service and financial review of our organisation during the year and can be read on our website: www.cdh.vic.gov.au

Our Vision

We are recognised for Excellence in Rural Healthcare.

Mission Statement

As a healthcare partner, we deliver the best of available health and wellbeing services to our community.

Our Values

We share and demonstrate the common values of the Victorian public health sector, for everyone:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

Strategic Direction 1: Quality Care

The Hospital will provide a high quality service appropriate to our community within a culture of continuous improvement

No.	Goal	Operational Plan Indicator
1	Support the development of primary health care	<p>Mapping of existing primary health programs undertaken by CDH or regional partners.</p> <p>Determine priority areas for development and evaluate the effectiveness of current models of care through service planning and regional collaboration.</p> <p>Liaison with the Loddon Mallee Murray Medicare Local through its charter to enhance primary care accessibility across the region.</p>
2	Strengthen Relationships with Health Care Services and Monitor & Develop Clinical Services in Response to Community Need	<p>Effectively utilise existing partnerships including Southern Mallee Primary Care Partnership, Northern Districts Community Health and Gannawarra Shire Council to ensure the effective delivery of primary health care programs and transport initiatives.</p> <p>Maintain open and constructive dialogue with the Cohuna Medical Clinic.</p> <p>Explore partnership opportunities with the other health providers within the region.</p>

3	Develop a sustainable midwifery model of care	Active participation Loddon Mallee Regional Maternity Planning initiative.
4	Maintain Surgery Provision	Identify and implement management processes that will ensure the efficient organisation and management of peri-operative services. Maintain appropriate risk management and clinical governance practices.
5	Respond to the Needs of the Ageing Population in Partnership with Others	Develop appropriate models of care for aged care services and mapping of services through service planning.

Strategic Direction 2: Work in partnership with the Community

The Hospital will actively engage the community, its businesses and organisations in its quest to provide quality health care.

No.	Goal	Operational Plan Indicator
1	Continue to value and grow our connection with the community	Maintain an effective and active Community Consultative Forum. Maintain effective communication links through the website, publications and media coverage.
2	Recognise the economic and social value of CDH as a major employer in the Gannawarra Shire	Maintain close association with Kerang District Health and Gannawarra Shire.

Strategic Direction 3: Workforce

The Hospital will have a sufficient workforce with appropriate staff skill mixes to provide health care.

No.	Goal	Operational Plan Indicator
1	Workforce planning	Maintain and develop continuous improvement strategies covering HR policies and practices. Develop strategies for workforce retention and succession planning. Liaison with Cohuna Medical Clinic concerning General Practitioner recruitment.

Strategic Direction 4: Organisational sustainability

The Hospital will develop governance structures and service infrastructure to ensure the capacity to meet future needs.

No.	Goal	Operational Plan Indicator
1	Completion of a Service Plan and Model of Care in collaboration between the Board of Management and the Department of Health	Completion of a Service Plan & Model of Care comprising the following elements: <ul style="list-style-type: none"> • An assessment of the environment within which the health service operates including: geography, demographics, policy and contemporary clinical practice; • A profile of the actual services delivered currently; • The identified gaps and agreed service profile that ought to be delivered; • The identified model of care as to how services are to be delivered; and • The “key enablers” such as workforce and infrastructure that will be required in the future.

2	Strengthen Board Governance	<p>Continue to undertake Board governance training and performance review.</p> <p>Focus on the development of a more robust clinical governance reporting structure.</p> <p>Annual review of the CDH three year Strategic Plan.</p> <p>Governance involvement with the Department of Health's <i>Statement of Priorities Program (SOP)</i>.</p>
3	Continued focus on quality and accreditation	<p>Achieve accreditation compliance and acceptable accreditation ratings for ACHS, ACSAA and HACC review cycles within an evident continuous improvement program.</p> <p>Establish a team based approach and accountabilities to ensure compliance with the newly introduced National Safety and Quality Health Service Standards (N.S.Q.H.S).</p>
4	Continued focus on risk management	<p>Maintain a sound integrated and organisational wide risk management program.</p> <p>Update and implement an annual Occupational Health & Safety program.</p>
5	Maintain financial viability	<p>Work collaboratively with the Department of Health to identify critical elements of the health service's financial operations through the SOP program.</p> <p>Utilisation of the Finance and Audit Committees to ensure robust, transparent financial analysis, budgeting and reporting to the governing body.</p>
6	Undertake building upgrade	<p>Successful completion and commissioning of self-funded redevelopment areas incorporating dialysis, nursing home, ward improvements, patient's lounges' and offices.</p> <p>Successful completion of food services redevelopment project.</p> <p>Seek to undertake a "fabric condition" review by Capital Management Branch, Department of Health, following endorsement of the Service Plan.</p>

SERVICE ACTIVITY

	2014/15	2013/14	2012/13	2011/12
HOSPITAL				
Inpatients Treatment	1,529	1,407	1,325	1,431
Inpatient Bed Days	3,729	3,897	3,569	3,519
Transition Care Bed Days	248	217	203	166
Average Length of Stay (Days)	2.13	2.41	2.69	2.54
Births	45	56	57	47
Operations – minor	159	133	160	155
Operations – major	43	49	56	53
ADASS Attendances	1,190	1,499	1,561	1,559
District Nurse	1,795	1,666	1,780	1,937
Urgent Care Centre Attendances	3,318	3,265	3,112	3,570
Dialysis Sessions	467	501	313	338
Meals on Wheels	8,883	8,690	9,392	9,691
NURSING HOME				
Residents	21	28	28	22
Resident Bed Days	5427	5,684	5,406	5,820
% Occupancy	94.5%	97%	93%	99%
Average Length of Stay (Days)	258	203	193	264

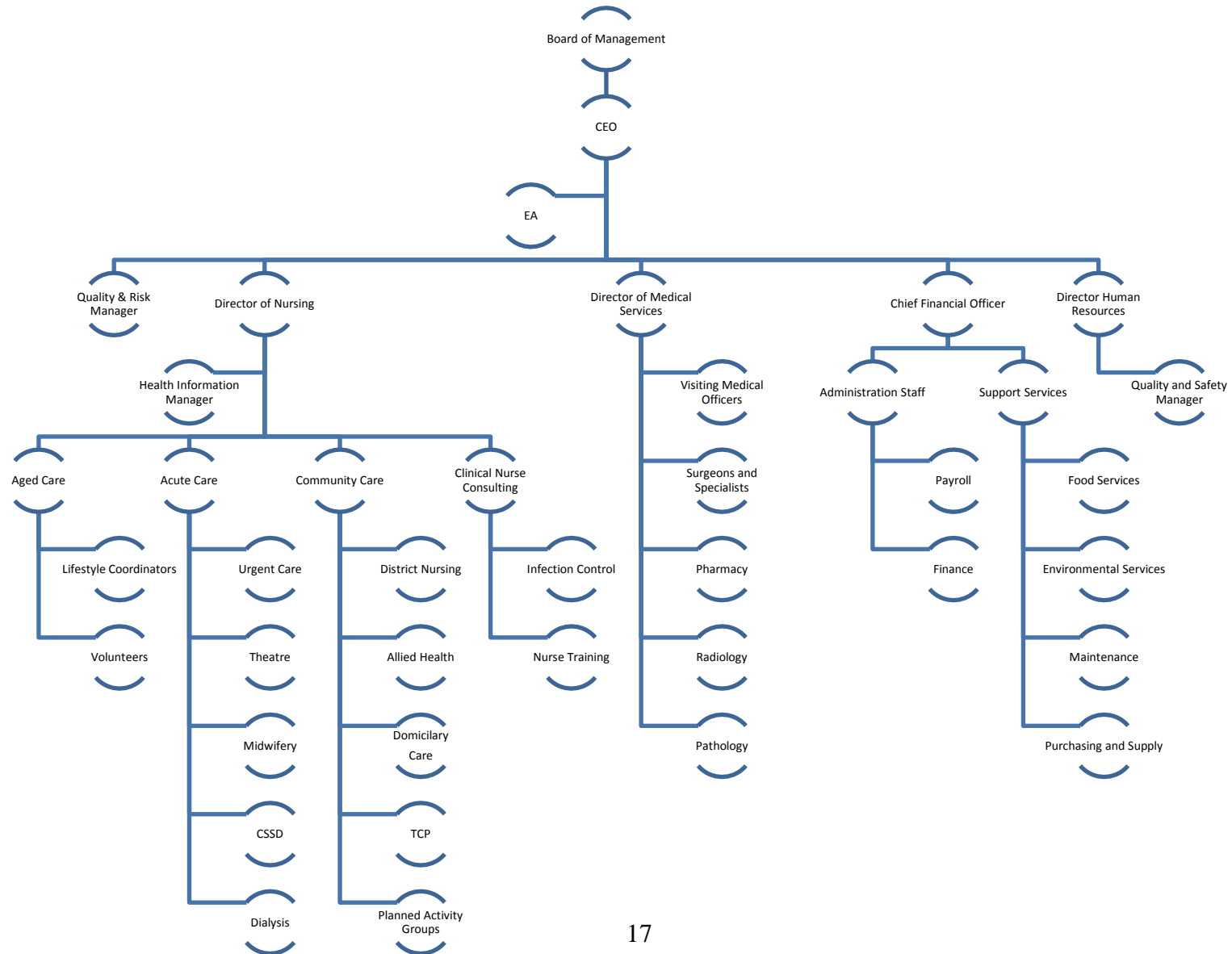
Significant Changes in Financial Position during 2014/15

The organisation continued in a deficit position in 2015. This is attributed to the reduction of private insurance income, the increase in general insurance costs, the reduction of DVA income, funding increases of less than CPI, the change in service mix and the associated costs of delivering the model of service currently required in a rural and remote community and impact of the finalisation of capital works projects.

STAFF BY LABOUR CATEGORY

LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2015	2014	2015	2014
Administration/Quality	10.90	10.81	11.38	12.09
Nursing/HACC	37.48	41.61	36.69	37.78
Support Services	16.55	16.04	17.40	17.56
TOTAL	64.93	68.46	65.47	67.43

ORGANISATIONAL STRUCTURE



GOVERNANCE

BOARD OF MANAGEMENT

It is Board of managements' role to set the future direction of the service through motivational leadership and establishing a robust Strategic Plan.

Cohuna District Hospital is an incorporated entity under the Health Services Act 1988 and is governed by an eleven-member board. The Board of Management is appointed by the Governor-in-Council on the recommendation of the Minister of Health.

Terms of appointment are usually three years, with approximately one quarter of terms expiring in June of each year. All members are eligible for reappointment.

Board members serve in a voluntary capacity. There is a diverse mix of skills and experience within the Board of Management and this mix is under continual review.

Members of the Board of Management 2014/15

Cameron Hodge – President
Lorraine Learmonth – Vice President
Lois Drummond Ron Nicholls
Geoff Hall Mandy Hutchinson
Ron Stanton Bernice Mackenzie
George Payne Graeme Smith
Della McGraw

Members of the Audit Committee

Cameron Hodge – President
Lorraine Learmonth – Vice President
Blake Pitson – Independent Chair
Sue Woods – Independent Member
Bryan Main – Independent Member
Geoff Hall
Ron Stanton
George Payne

SENIOR OFFICES

Chief Executive Officer

William Hall
MMgt, GCMgt, AFAIM, AFACHSM, MAICD

The Chief Executive Officer (CEO) is responsible to the Board of Directors for the efficient and effective management of Cohuna District Hospital and Nursing Home. Key accountabilities include the development and implementation of operational and strategic planning, maximising service efficiency and quality improvement, minimising and managing risk and financial sustainability. William represents CDH at a broad range of regional and state forums and is a Board member of the Primary Care Partnership and Chair of the Gannawarra Community Bus Committee and represents the service at a number of community clubs and events.

Director of Medical Services

Paul Francis

MB, BS

The Director of Medical Services has professional responsibility for Visiting Medical Officers, Staff Specialists and Hospital Medical Officers across all clinical services and has operational responsibility for the Pharmacy and the Medical Library. The Director of Medical Services has clinical responsibility for Medical Imaging. The role is also responsible for recruitment and credentialing of medical staff in addition to working with other members of the Executive to provide clinical governance, strategic planning and resource management for the health service.

Director of Nursing

Anne Graham

RN Div I, RM, BAN

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

Quality Manager

Jill Moore

RN Div I, RM

The Quality Manager leads and manages the Quality Improvement program to

ensure compliance with the Australian Council of Healthcare Standards (ACHS) and National Safety and Quality Health Service (NSQHS) Standards. Jill drives quality improvement and acts as a best practices coach to all staff, volunteers and members of the Board.

Administration & HR Manager

Sarah McKinley

B.Bus (Acc)

The Administration & Human Resources Manager leads and manages the administration team to ensure a high level of customer service maintains and oversees aged care contracts and billing. Sarah is responsible for general accounting and provides financial information to staff and the Board to ensure fully informed decision making.

Health & Safety Manager

Suzanne Gundry

Cert IV (OHS)

The Occupational Health & Safety Manager oversees the processes that ensure we provide a safe workplace within the health service. Suzanne acts as a support resource and mentor to staff and management. Health and Safety is promoted throughout the health service with particular attention to on-going procedure development and implementation, staff education and training and overall risk management. Suzanne also coordinates specific projects on behalf of the Loddon Murray Mallee Medicare Local.

LIFE GOVERNORS

Mr Ken Mawson
Mr Alan Fry
Mr Eric Bruce Lunghusen
Mr Graeme Hill
Mrs Val Rowlands
Mr Graeme Smith
Mr Graham Munzel
Dr Peter Barker
Mrs Roma Dye
Mr Alan Rickey
Mr Geoff Hall

COMMUNITY SUPPORT

DONORS over \$200	\$
Basile & Co - Estate Of Edith Pounder	\$ 116,986.44
Cohuna Ladies Hospital Auxiliary	\$ 30,060.00
Murray To Moyne	\$ 20,136.00
The Alfred & Jean Dickson Foundation	\$ 4,000.00
Peter & Elizabeth Lowe	\$ 3,270.00
Cohuna Kangas Football Netball Club	\$ 2,383.50
Denise Challis	\$ 2,000.00
Cohuna IGA Supermarket	\$ 1,040.00
Francis & Maureen Harrower	\$ 1,000.00
Cohuna Golf Club - Hospital Day	\$ 858.00
Bower Hotel Cabaret Gaming	\$ 503.90
Frank Hird	\$ 500.00
Keith & Jacoba Vanlier	\$ 500.00
Leitchville Bunyip Sporting Club	\$ 500.00
Mrs Beryl Munro	\$ 500.00
Peter & Sue McGillivray	\$ 500.00
Norm & Gwen Wilson	\$ 400.00
Cohuna Anglican Parish	\$ 300.00
Geoff Hall	\$ 200.00

STATEMENTS OF COMPLIANCE

Minister for Health in the State of Victoria

Cohuna District Hospital and Community Nursing Home was established under the Health Services Act 1988. The responsible Ministers during the reporting period was the Honourable Jill Hennessy MLA, Minister for Health: 4 December 2014 to 30 June 2015, the Honourable David Davis MLC, Minister for Health, Minister for Ageing: 1 July 2014 to 31 December 2014, Martin Foley, MLA, Minister for Housing, Disability and Ageing: 4 December 2014 to 30 June 2015, Martin Foley MLA, Minister for Mental Health: 4 December 2014 to 30 June 2015 and The Honourable Mary Wooldridge MLA, Minister for Mental Health: 1 July 2014 to 3 December 2014.

Audit Act 1994

Cohuna District Hospital and Community Nursing Home Audit Committee provides independent and objective appraisal on the organisations operation.

National Competition Policy

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

Freedom of Information, Information Privacy & Health Records Acts

Cohuna District Hospital and Community Nursing Home has a Freedom of Information Officer and a process in place for the public to access their medical records. The Freedom of Information Act 1982, Information Privacy Act 2000 and Health Records Act 2001 provide for members of the public to access their medical record for the purpose of viewing, amending incorrect notations or copying parts of the record. During the year there were 6 requests under the Act. All were completed within the required 45 days.

Compliance with the Victorian Building Act 1993

Cohuna District Hospital and Community Nursing Home complies with the provisions of the Building Act 1993 in accordance with the Department of Health Capital Development Guidelines (Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings 1994/ Building Regulations 2005 and Building Code of Australia 2004).

Protected Disclosure Act 2012

Cohuna District Hospital is committed to the aims and objectives of the Protected Disclosures Act 2012 and does not tolerate improper conduct by its employees, officers or directors, nor the taking of reprisals against those who come forward to disclose such conduct.

Cohuna District Hospital recognises the value of transparency and accountability in our administrative and management practices, and supports the making of disclosures that reveal

corrupt conduct or conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Cohuna District Hospital will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Statement on Environmental Performance

Cohuna District Hospital and Community Nursing Home sustainability report is completed for the Department of Health, Victorian Public Healthcare Services Waste Reporting Tool, quarterly. CDH has achieved the sustainability goals as set out in the program, along with the progression of additional energy initiatives.

Resources Usage & Costs

		2015	2014	2013	Reduction
Gas	Litres	45,683	43,339	53,633	(5%)
	Cost	\$35,635	\$39,943	\$40,516	

		2015	2014	2013	Reduction
Electricity	Kwh	360,364	389,574	421,231	(7%)
	Cost	\$55,074	\$67,686	\$61,626	

*Water statistics not available at 30th June 2015

Compliance with the Occupational Health & Safety Act 2004

Cohuna District Hospital and Community Nursing Home complies with the Occupation Health & Safety Act 2004 and its associated regulations and code of practice to meet the Australian Council of Health Care Standards requirements. The organisation monitors its compliance through an Occupational Health & Safety Committee which reports to the Board of Management and Clinical Governance Committee. All staff injuries and hazards in the workplace are reported and followed up via the 'Riskman' web based incident management system available to all staff and entered into Victorian Health Incident Management System (VHIMS). We support our staff both in the provision of training to reduce risk of injury and, if an injury does occur, a comprehensive return to work program.

Over the past three years our incident reporting system has reported an average of 29 incidents per year. In 2014/15, there were 29 incidents and 24 safety related improvement activities. 3 lost time injuries were managed totalling 5 days lost time.

	2015	2014	2013
Total Incidents	29	39	20
Lost Time Incidents	3	1	1
Days Lost Time	5	1	6

Carers Recognition Act 2012

Cohuna District Hospital and Community Nursing Home takes all practicable measures to ensure that its employees, agents and persons who are in care relationships receiving services have an awareness and understanding of the care relationship principles. We reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

Financial Management Act 1994

The information provided in this report has been prepared in accordance with the Directions of the Minister for Finance Part 9.1.3 (IV) and is available to relevant Ministers, Members of Parliament and the public on request.

Statement of Merit and Equity

Cohuna District Hospital and Community Nursing Home ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit, and complies with relevant legislation including equal employment opportunity and the Fair Work Act, Australia and the National Employment Standards. Cohuna District Hospital and Community Nursing Home has policies and procedures in place that ensure employees are respected and treated fairly. These policies also provide avenues for grievance and complaint processes.

Consultancies 2014/15

In 2014-15, Cohuna District Hospital and Community Nursing Home engaged 3 consultants where the total fee payable to the consultant was less than \$10,000 with a total expenditure of \$10,689.00 (exc GST).

CONSULTANT	DETAILS	TOTAL FEES APPROVED (ex GST)	TOTAL FEES INCURRED (ex GST)	FUTURE COMMITMENTS
Aspex Consulting	Service Plan	29,829.00	29,829.00	0.00
Service Plan Consultants	Service Plan	51,989.18	3,850.00	48,139.18

Contracts

Cohuna District Hospital and Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2014/15 there were no contracts to which the VIPP applied.

ADDITIONAL INFORMATION (FRD 22F)

In compliance with the requirements of FRD 22F *Standard Disclosures in the Report of Operations*, details in respect of the items listed below have been retained by Cohuna District Hospital and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- (a) A statement of pecuniary interests has been completed;
- (b) Details of shares held by senior officers as nominee or held beneficially;
- (c) Details of publications produced by the Department about the activities of the Health Service and where these can be obtained;
- (d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- (e) Details of any major external reviews carried out on the Health Service;
- (f) 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;
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) 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;
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) 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;
- (k) 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;
- (l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

RESPONSIBLE BODIES DECLARATION

Attestation on Data Integrity

We, Cameron Hodge (President and Chair) and William Hall (CEO) certify that Cohuna District Hospital and Community Nursing Home has put in place appropriate internal controls and processes to ensure that reported data reasonable reflects actual performance. Cohuna District Hospital and Community Nursing Home has critically reviewed these controls and processes during the year.



William Hall
Chief Executive Officer
Cohuna, 30 June 2015



Cameron Hodge
Chair, Board of Management

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Cohuna District Hospital and Community Nursing Home for the year ending 30 June 2015.



William Hall
Chief Executive Officer
Cohuna, 30 June 2015



Cameron Hodge
Chair, Board of Management

Attestation for Compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

We, Cameron Hodge (President and Chair) and William Hall (CEO) certify that Cohuna District Hospital and Community Nursing has complied with Ministerial Direction 4.5.5.1 – Insurance.



William Hall
Chief Executive Officer
Cohuna, 30 June 2015



Cameron Hodge
Chair, Board of Management

Attestation on Compliance with Australian/New Zealand Risk Management Standard

We, Cameron Hodge (President and Chair) and William Hall (CEO) certify that Cohuna District Hospital and Community Nursing Home has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile Cohuna District Hospital and Community Nursing Home has been critically reviewed within the last 12 months.



William Hall
Chief Executive Officer
Cohuna, 30 June 2015



Cameron Hodge
Chair, Board of Management

DISCLOSURE INDEX

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

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* REFER TO FINANCIAL STATEMENTS

FINANCIAL OVERVIEW

The following table provides a summary of financial results for the year ended 30 June 2015, compared with the last five financial years.

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Total Expenses	8,873,676	8,821,420	8,647,610	8,134,923	7,997,731
Total Revenue	8,139,516	8,204,429	8,781,684	8,125,919	7,599,313
Net Result for Period					
Surplus/(Deficit)	(734,160)	(616,991)	134,074	(9,004)	(398,418)
Operating Result for Period					
Surplus/(Deficit)	(294,445)	(455,469)	(47,279)	(45,132)	(190,126)
Total Assets	8,755,571	9,888,672	8,006,983	7,854,197	7,864,227
Total Liabilities	2,294,629	2,693,570	2,105,980	2,087,268	2,088,294
Net Assets	6,460,942	7,195,102	5,901,003	5,766,929	5,775,993
TOTAL EQUITY	6,460,942	7,195,102	5,901,003	5,766,929	5,775,933

Cash Management / Liquidity Indicators

Cash management / liquidity	2014-15 Actuals
Creditors (days)	76 days
Debtors (patient fees) (days)	25 days

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Cohuna District Hospital

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of Cohuna District Hospital which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising the Cohuna District Hospital and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 25 to the consolidated financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of Cohuna District Hospital are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the Financial Management Act 1994 and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Cohuna District Hospital and the consolidated entity as at 30 June 2015 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the Australian accounting profession.

MELBOURNE
22 September 2015



J John Doyle
Auditor-General

COHUNA DISTRICT HOSPITAL

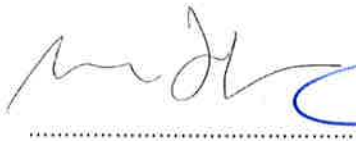

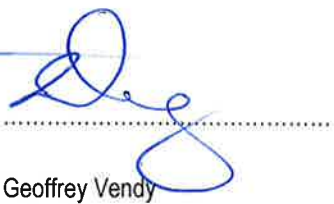
**BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND
CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION**

We certify that the attached financial statements for Cohuna District Hospital and the Consolidated Entity have been prepared in accordance with Standing Direction 4.2 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 2015 and financial position of Cohuna District Hospital and the Consolidated Entity at 30 June 2015.

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.

		
.....
Cameron Hodge Board Member	William Hall Chief Executive Officer	Geoffrey Vendy Chief Finance & Accounting Officer

Cohuna

Cohuna

Cohuna

21 September 2015

21 September 2015

21 September 2015

**COHUNA DISTRICT HOSPITAL
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	Parent Entity 2015 \$	Parent Entity 2014 \$	Consolidated 2015 \$	Consolidated 2014 \$
Revenue from Operating Activities	2	5,892,326	5,775,350	7,800,529	7,689,287
Revenue from Non-Operating Activities	2	17,667	33,035	28,358	53,379
Employee Expenses	3	(3,597,527)	(3,507,663)	(5,594,544)	(5,540,358)
Non Salary Labour Costs	3	(450,406)	(391,901)	(457,523)	(391,901)
Supplies and Consumables	3	(568,577)	(601,343)	(663,439)	(714,611)
Other Expenses	3	(1,096,462)	(1,033,136)	(1,407,826)	(1,551,265)
Net Result Before Capital and Specific Items		197,021	274,342	(294,445)	(455,469)
Capital Purpose Income	2	245,983	146,214	310,629	461,763
Depreciation	4	(492,108)	(478,778)	(629,954)	(623,285)
Specific Expense		(1,810,224)	-	-	-
Expenditure for capital purposes	3	(91,118)	-	(120,390)	-
NET RESULT FOR THE YEAR		(1,950,446)	(58,222)	(734,160)	(616,991)
Other Comprehensive Income					
Changes in physical asset revaluation reserve		-	1,248,090	-	1,911,090
Total other comprehensive income		-	1,248,090	-	1,911,090
COMPREHENSIVE RESULT		(1,950,446)	1,189,868	(734,160)	1,294,099

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

**COHUNA DISTRICT HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	Parent Entity 2015 \$	Parent Entity 2014 \$	Consolidated 2015 \$	Consolidated 2014 \$
Current Assets					
Cash and Cash Equivalents	5	366,989	457,725	381,055	462,464
Receivables	6	224,738	329,644	224,738	314,026
Investments and Other Financial Assets	7	340,709	761,391	465,709	911,391
Inventories	8	111,819	128,140	111,819	128,140
Prepayments and Other Assets	9	5,822	137,688	5,949	139,208
Total Current Assets		1,050,077	1,814,588	1,189,270	1,955,229
Non-Current Assets					
Receivables	6	232,289	1,636,391	374,308	332,469
Property, Plant and Equipment	11	5,626,521	5,909,339	7,191,993	7,600,974
Total Non-Current Assets		5,858,810	7,545,730	7,566,301	7,933,443
TOTAL ASSETS		6,908,887	9,360,318	8,755,571	9,888,672
Current Liabilities					
Payables	12	574,161	939,709	590,544	943,209
Provisions	13	1,143,879	1,226,125	1,569,895	1,592,817
Other Liabilities	15	5,591	22,556	19,657	27,295
Total Current Liabilities		1,723,631	2,188,390	2,180,096	2,563,321
Non-Current Liabilities					
Provisions	13	51,805	88,031	114,533	130,249
Total Non-Current Liabilities		51,805	88,031	114,533	130,249
TOTAL LIABILITIES		1,775,436	2,276,421	2,294,629	2,693,570
NET ASSETS		5,133,451	7,083,897	6,460,942	7,195,102
EQUITY					
Property, Plant and Equipment Revaluation Surplus	16a	4,384,863	4,384,863	5,790,669	5,790,669
Contributed Capital	16b	2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Surpluses/(Deficits)	16c	(1,939,802)	10,644	(2,018,117)	(1,283,957)
TOTAL EQUITY		5,133,451	7,083,897	6,460,942	7,195,102
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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 2015**

Consolidated		Property, Plant and Equipment Revaluation Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2013		3,879,579	2,688,390	(666,966)	5,901,003
Net result for the year	16(c)	-	-	(616,991)	(616,991)
Other comprehensive income for the year	16(a)	1,911,090	-	-	1,911,090
Balance at 30 June 2014		5,790,669	2,688,390	(1,283,957)	7,195,102
Net result for the year		-	-	(734,160)	(734,160)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2015		5,790,669	2,688,390	(2,018,117)	6,460,942

Parent		Property, Plant & Equipment Revaluation Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$	\$	\$	\$
Balance at 1 July 2013		3,136,773	2,688,390	68,866	5,894,029
Net result for the year		-	-	(58,222)	(58,222)
Other comprehensive income for the year		1,248,090	-	-	1,248,090
Balance at 30 June 2014		4,384,863	2,688,390	10,644	7,083,897
Net result for the year		-	-	(1,950,446)	(1,950,446)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2015		4,384,863	2,688,390	(1,939,802)	5,133,451

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

**COHUNA DISTRICT HOSPITAL
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Note	Parent Entity 2015 \$	Parent Entity 2014 \$	Consolidated 2015 \$	Consolidated 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		5,223,761	5,037,368	6,759,140	6,605,044
Patient and Resident Fees Received		354,609	515,840	780,662	910,347
GST (Paid to)/received from ATO		46,939	(33,252)	46,939	(33,252)
Interest Received		22,009	32,666	32,726	54,128
Other Receipts		240,530	181,373	255,223	228,280
Total Receipts		5,887,848	5,733,995	7,874,690	7,764,547
Employee Expenses Paid		(3,556,331)	(3,451,106)	(5,633,182)	(5,544,673)
Non Salary Labour Costs		(450,406)	(391,901)	(457,523)	(391,901)
Payments for Supplies and Consumables		(1,060,710)	(589,952)	(1,155,572)	(703,220)
Other Payments		(849,681)	(452,855)	(1,192,410)	(919,409)
Total Payments		(5,917,128)	(4,885,814)	(8,438,687)	(7,559,203)
Cash Generated from Operations		(29,280)	848,181	(563,997)	205,344
Capital Grants from Government		46,800	59,300	46,800	59,300
Capital Donations and Bequests Received		170,645	67,759	180,625	288,475
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	17	188,165	975,240	(336,572)	553,119
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(202,607)	(447,640)	(214,290)	(713,229)
Proceeds from Sale of Non-Financial Assets		2,275	1,150	2,275	1,150
(Purchase of)/Proceeds from Investments		420,682	(10,964)	445,682	(5,097)
Cash (Provided to)/Received from Related Entities		(511,420)	(681,843)	-	-
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(291,070)	(1,139,297)	233,667	(717,176)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(102,905)	(164,057)	(102,905)	(164,057)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		290,159	454,216	290,159	454,216
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	187,254	290,159	187,254	290,159

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 District Hospital (ABN 44 332 472 725) for the period ending 30 June 2015. 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:

21 September 2015.

(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 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

The going concern basis was used to prepare the financial statements.

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

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 with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- 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 District 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 and the relevant FRDs.

(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 District 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 District 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 District Hospital's independent valuation agency.

Cohuna District Hospital, in conjunction with VGV 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(k));
- superannuation expense (refer to Note 1(h)); 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(l)).

(c) Reporting Entity

The financial statements include 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.

Objectives and funding

Cohuna District Hospital'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 District Hospital is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

In accordance with AASB 10 *Consolidated Financial Statements*:

- The consolidated financial statements of Cohuna District Hospital incorporates the assets and liabilities of all entities controlled by Cohuna District Hospital as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed; 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 25.

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.

Jointly controlled assets or operations

Interest in jointly controlled assets or operations are not consolidated by Cohuna District Hospital, but are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

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

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 Health Service's own activities or local initiatives and/or the Commonwealth.

Residential Aged Care Service

The Residential Aged Care Service's operations are an integral part of the Cohuna District Hospital and share its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Notes 2 and 3 to the financial statements.

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 District Hospital. 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 District Hospital, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

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

Comprehensive operating statement (Continued)

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 (g)). 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;
- * 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 (j);
- * Depreciation as described in note 1 (h);
- * Assets provided or received free of charge, as described in note 1 (g); 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.

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.

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 dollar 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) Change in accounting policies

AASB 10 Consolidated financial statements

AASB 10 provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

- (a) The investor has power over the investee;
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

(f) Change in accounting policies (Continued)

AASB 10 Consolidated financial statements (Continued)

Based on the new criteria prescribed in AASB 10, Cohuna District Hospital has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. Based on this review, Cohuna District Hospital has determined there are no entities required to be consolidated in accordance with AASB 10.

AASB 11 Joint Arrangements

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

Cohuna District Hospital has reviewed its existing contractual arrangements with other entities to ensure they are aligned with the new classifications under AASB 11.

Cohuna District Hospital has accounted for the following interests in associates and joint ventures using the joint operation method:

- Loddon Mallee Rural Health Alliance.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 Disclosure of Interests in Other Entities prescribes the disclosure requirements for an entity's interests in subsidiaries, associates and joint arrangements; and extends to the entity's association with unconsolidated structured entities.

Cohuna District Hospital has disclosed information about its interests in associates and joint ventures, including any significant judgements and assumptions used in determining the type of joint arrangement in which it has an interest.

(g) 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 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 05/2013.

Patient and Resident Fees

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

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 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.

(g) Income from transactions (Continued)

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.

(h) 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 which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

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 reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the Cohuna District Hospital are entitled to receive superannuation benefits and Cohuna District Hospital contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Cohuna District Hospital are disclosed in Note 14: 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 and Human Services. Assets with a cost in excess of \$1,000 are capitalised and depreciated has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

(h) Expense recognition (Continued)

Depreciation (Continued)

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

	2015	2014
Buildings		
- Structure Shell Building Fabric	50 years	45 to 60 years
- Site Engineering Services and Central Plant	40 years	20 to 30 years
Central Plant		
- Fit Out	25 years	20 to 30 years
- Trunk Reticulated Building Systems	30 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	10 years	10 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 operating 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 (k) 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 its 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.

(i) Other comprehensive income

Other comprehensive income measure the change in 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:

Revaluation gains / losses on non-financial physical assets

Refer to note 1(k) Revaluations of non-physical assets.

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.

(j) 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 District 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*. 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.

Loans and receivables

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 1(k)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit and loss.

(k) 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.

(k) Assets (Continued)

Receivables (Continued)

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.

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.

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.

Inventories

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, including land held for sale, 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.

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 11 *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, depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

(k) Assets (Continued)

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 the net result, the increment is recognised as income in the net result.

Revaluations of Non-current Physical Assets (Continued)

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 District Hospital'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(i) - '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, except for:

- inventories;
- financial assets;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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.

(k) Assets (Continued)

Investments in joint operations

In respect of any interest in joint operations, Cohuna District Hospital 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 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.

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 Cohuna District Hospital 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 order to determine an appropriate fair value as at 30 June 2015 for its portfolio of financial assets, Cohuna District Hospital obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2015. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

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:

- 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.

(I) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and arise when the Health Service 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.

(I) Liabilities (Continued)

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 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.

(l) Liabilities (Continued)

Employee Benefits (Continued)

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 District Hospital does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service 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.

(m) Leases

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 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.

Operating leases

Operating lease payment, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(n) Equity

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.

(o) 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 19) 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.

(p) 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.

(q) 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.

(r) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2015 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 2015, 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.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1 January 2018	The preliminary 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 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 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 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.

(r) 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 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: <ul style="list-style-type: none"> - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	1 January 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

(r) **AASBs issued that are not yet effective (Continued)**

AASB 2015-7 Amendments to Australian Accounting Standards

The Australian Accounting Standards Board issued an amending accounting standard AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value disclosures of Not-for-Profit Public Sector Entities* on 13 July 2015. In accordance with FRD 7A *Early adoption of authoritative accounting pronouncements*, the Minister for Finance has approved the option for Victorian not-for-profit public sector entities to early adopt the amending accounting standard to enable them to benefit from some limited exemption in relation to fair value disclosures for the 2014-15 reporting period. The limited exemption is available to those entities whose assets are held primarily for their current service potential rather than to generate net cash inflows.

Cohuna District Hospital meets the criteria specified in AASB 2015-7 to benefit from the reduced disclosure requirements, so it has chosen to early adopt the amendments to Fair Value disclosure of Not-for-profit-public sector entities.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*
- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]*
- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) –*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*
- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

(s) **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 recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals.

Aged Care comprises revenue/expenditure from Home and Community Care (HACC) programs.

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 DHHS 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 (CCUs) and secure extended care units (SECs).

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/expenditure for 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, Dental Health services, including general and specialist dental care, school dental services and clinical education. 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 2: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2015 \$	Residential Aged Care 2015 \$	Aged Care 2015 \$	Other 2015 \$	TOTAL 2015 \$
Government Grants	4,835,504	1,535,379	239,717	-	6,610,600
Indirect Contributions by Department of Health and Human Services	63,902	(17,135)	3,060	-	49,827
Patient and Resident Fees	330,692	371,413	33,353	-	735,458
Loddon Mallee Rural Health Alliance	-	-	-	215,036	215,036
Catering	-	252	-	87,425	87,677
Property Income	-	3,601	-	5,875	9,476
Other Revenue from Operating Activities	63,665	14,693	2,304	11,793	92,455
Total Revenue from Operating Activities	5,293,763	1,908,203	278,434	320,129	7,800,529
Interest and Dividends	15,755	10,691	1,688	224	28,358
Total Revenue from Non-Operating Activities	15,755	10,691	1,688	224	28,358
Capital Purpose Income	-	54,640	-	229,700	284,340
Donations	14,707	9,980	1,576	-	26,263
Capital Interest	-	26	-	-	26
Total Capital Purpose Income	14,707	64,646	1,576	229,700	310,629
TOTAL REVENUE	5,324,225	1,983,540	281,698	550,053	8,139,516

Note 2: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients 2014 \$	Residential Aged Care 2014 \$	Aged Care 2014 \$	Other 2014 \$	TOTAL 2014 \$
Government Grants	4,762,322	1,575,711	242,886	-	6,580,919
Indirect Contributions by Department of Health and Human Services	19,864	7,263	2,874	-	30,001
Patient and Resident Fees	414,827	299,674	41,164	-	755,665
Loddon Mallee Rural Health Alliance	89,077	-	-	-	89,077
Catering	-	-	-	83,665	83,665
Property Income	-	-	-	10,609	10,609
Other Revenue from Operating Activities	96,799	31,289	-	11,263	139,351
Total Revenue from Operating Activities	5,382,889	1,913,937	286,924	105,537	7,689,287
Interest and Dividends	33,035	20,344	-	-	53,379
Total Revenue from Non-Operating Activities	33,035	20,344	-	-	53,379
Capital Purpose Income	78,225	315,549	-	67,989	461,763
Total Capital Purpose Income	78,225	315,549	-	67,989	461,763
TOTAL REVENUE	5,494,149	2,249,830	286,924	173,526	8,204,429

Indirect contributions by Department of Health (1 July 2014 - 31 December 2014)/Department of Health and Human Services (1 Jan 2015 - 30 June 2015)

Department of Health/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.

NOTE 2a: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Consol'd 2015 \$	Consol'd 2014 \$
Proceeds from Disposal of Non Current Assets		
- Plant & Equipment	2,275	1,150
Total Proceeds from Disposal of Non-Current Assets	2,275	1,150
Less: Written Down Value of Non-Current Assets Disposed		
- Plant & Equipment	-	(920)
Total Written Down Value of Non-Current Assets Disposed	-	(920)
NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS	2,275	230

Note 3: ANALYSIS OF EXPENSE BY SOURCE	Admitted Patients 2015	Residential Aged Care 2015	Aged Care 2015	Other 2015	TOTAL 2015
Employee Expenses	3,081,191	1,997,017	394,934	121,402	5,594,544
Non Salary Labour Costs	449,312	7,117	1,094	-	457,523
Supplies and Consumables	525,506	94,862	6,516	36,555	663,439
Other Expenses	843,083	311,364	63,203	190,176	1,407,826
Total Expenditure from Operating Activities	4,899,092	2,410,360	465,747	348,133	8,123,332
Depreciation (refer note 4)	-	137,846	-	492,108	629,954
Expenditure for Capital Purposes	-	29,272	-	91,118	120,390
Total Other Expenses	-	167,118	-	583,226	750,344
TOTAL EXPENSES	4,899,092	2,577,478	465,747	931,359	8,873,676
	Admitted Patients 2014	Residential Aged Care 2014	Aged Care 2014	Other 2014	TOTAL 2014
Employee Expenses	2,979,610	2,034,754	378,045	147,949	5,540,358
Non Salary Labour Costs	391,901	-	-	-	391,901
Supplies and Consumables	547,000	113,268	3,069	51,274	714,611
Other Expenses	949,552	518,129	81,152	2,432	1,551,265
Total Expenditure from Operating Activities	4,868,063	2,666,151	462,266	201,655	8,198,135
Depreciation (refer note 4)	-	144,507	-	478,778	623,285
Total Other Expenses	-	144,507	-	478,778	623,285
TOTAL EXPENSES	4,868,063	2,810,658	462,266	680,433	8,821,420

**NOTE 3a: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY
MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS**

	Expense		Revenue	
	Consol'd 2015 \$	Consol'd 2014 \$	Consol'd 2015 \$	Consol'd 2014 \$
Provision of Meals	348,133	188,647	87,425	83,665
SMTCP and GNETS	-	13,008	-	-
TOTAL	348,133	201,655	87,425	83,665

The Southern Mallee Transport Connections Partnership's (SMTCP) role is to better coordinate existing transport services and/or to develop innovative transport solutions for the sub-region.

The Gannawarra Non-Emergency Transport Service (GNETS) provides door-to-door long distance transport for people living in the Gannawarra Shire and surrounding areas, so that they may attend medical appointments in regional and city areas.

Cohuna District Hospital
Notes to the Financial Statements
30 June 2015

NOTE 4: DEPRECIATION

	Consol'd 2015	Consol'd 2014
	\$	\$
Depreciation		
Buildings	475,470	474,409
Plant and Equipment		
- Plant	45,537	41,954
- Medical Equipment	57,976	58,997
- Motor Vehicles	13,376	13,376
- Furniture and Fittings	30,379	30,476
Loddon Mallee Rural Health Alliance	7,216	4,074
TOTAL DEPRECIATION	629,954	623,285

NOTE 5: 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 2015	Consol'd 2014
	\$	\$
Cash on Hand	460	460
Cash at Bank	206,451	316,994
Cash and Deposits at Call - Loddon Mallee Rural Health Alliance	174,144	145,010
TOTAL CASH AND CASH EQUIVALENTS	381,055	462,464

Represented by:

Cash for Health Service Operations (as per cash flow statement)	187,254	290,159
Cash for Loddon Mallee Rural Health Alliance	174,144	145,010
Cash for Monies Held in Trust		
- Cash at Bank	19,657	27,295
TOTAL CASH AND CASH EQUIVALENTS	381,055	462,464

NOTE 6: RECEIVABLES

	Consol'd 2015	Consol'd 2014
	\$	\$
CURRENT		
Contractual		
Trade Debtors	105,282	168,583
Patient Fees	47,110	37,674
Accrued Investment Income	2,069	6,411
Accrued Revenue - Other	29,894	6,246
Loddon Mallee Rural Health Alliance Receivables	807	1,955
Less Allowance for Doubtful Debts - Trade Debtors	(5,209)	-
	179,953	220,869
Statutory		
GST Receivable - Health Service	43,311	90,250
GST Receivable - Loddon Mallee Rural Health Alliance	1,474	2,907
	44,785	93,157
TOTAL CURRENT RECEIVABLES	224,738	314,026
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	374,308	332,469
TOTAL NON-CURRENT RECEIVABLES	374,308	332,469
TOTAL RECEIVABLES	599,046	646,495
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	-	-
Increase/(Decrease) in allowance recognised in net result	5,209	-
Balance at end of year	5,209	-

(b) Ageing analysis of receivables

Please refer to Note 18(b) for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from receivables

Please refer to Note 18(b) for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: OTHER FINANCIAL ASSETS

	Operating Fund		Capital Fund		Consol'd	Consol'd
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
CURRENT						
<i>Term Deposit</i>						
Aust. Dollar Term Deposits > 3 Months	255,284	275,334	210,425	636,057	465,709	911,391
TOTAL OTHER FINANCIAL ASSETS	<u>255,284</u>	<u>275,334</u>	<u>210,425</u>	<u>636,057</u>	<u>465,709</u>	<u>911,391</u>
Represented by:						
Health Service Investments	255,284	275,334	210,425	636,057	465,709	911,391
TOTAL OTHER FINANCIAL ASSETS	<u>255,284</u>	<u>275,334</u>	<u>210,425</u>	<u>636,057</u>	<u>465,709</u>	<u>911,391</u>

(a) Ageing analysis of other financial assets

Please refer to Note 18(b) for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from other financial assets

Please refer to Note 18(b) for the nature and extent of credit risk arising from other financial assets.

NOTE 8: INVENTORIES

	Consol'd 2015	Consol'd 2014
	\$	\$
Pharmaceuticals - at cost	10,720	19,780
Catering Supplies - at cost	6,001	7,347
Housekeeping Supplies - at cost	6,821	9,888
Medical and Surgical Lines - at cost	81,349	79,408
Engineering Stores - at cost	-	2,332
Administration - at cost	6,928	9,385
TOTAL INVENTORIES	<u>111,819</u>	<u>128,140</u>

NOTE 9: PREPAYMENTS AND OTHER ASSETS

	Consol'd 2015	Consol'd 2014
	\$	\$
Health Service Prepayments	3,096	134,228
Loddon Mallee Rural Health Alliance Prepayments	2,853	4,980
TOTAL OTHER ASSETS	<u>5,949</u>	<u>139,208</u>

NOTE 10: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2015 %	2014 %
Loddon Mallee Rural Health Alliance	Information Technology	2.59	2.68
		2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents		174,144	145,010
Receivables		2,281	4,862
Prepayments		2,853	4,980
Total Current Assets		<u>179,278</u>	<u>154,852</u>
Non Current Assets			
Plant and Equipment		12,193	12,726
Total Non Current Assets		<u>12,193</u>	<u>12,726</u>
Total Assets		<u>191,471</u>	<u>167,578</u>
Current Liabilities			
Payables		16,266	16,353
Accrued Expenses		4,333	4,888
Total Current Liabilities		<u>20,599</u>	<u>21,241</u>

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

Revenue from Operating Activities	215,036	91,218
Expenditure	182,780	193,314
Surplus/(Deficit) before Capital and Depreciation	<u>32,256</u>	<u>(102,096)</u>
Depreciation	7,216	4,074
Capital Purpose Income	-	18,925
Other Expenditure	19	-
Total	<u>(7,235)</u>	<u>14,851</u>
Current Year Surplus/(Deficit)	<u>25,021</u>	<u>(87,245)</u>

Contingent Assets and Contingent Liabilities

There are no known contingent assets or liabilities of the Loddon Mallee Rural Health Alliance

Commitments for Expenditure

There are no known commitments for expenditure of the Loddon Mallee Rural Health Alliance

Cohuna District Hospital
Notes to the Financial Statements
30 June 2015

NOTE 11: PROPERTY, PLANT AND EQUIPMENT
(a) Gross carrying amount and accumulated depreciation

	Consol'd	Consol'd
	2015	2014
	\$	\$
Land		
- Land at Fair Value	439,000	439,000
Total Land	439,000	439,000
Buildings		
- Buildings Under Construction at Cost	-	595,923
Less Accumulated Depreciation	-	-
- Buildings at Fair Value	6,556,632	5,918,000
Less Accumulated Depreciation	475,470	-
Total Buildings	6,081,162	6,513,923
Plant and Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	12,193	12,726
- Plant and Equipment at Fair Value	516,196	418,253
Less Accumulated Depreciation	248,609	203,072
Total Plant and Equipment	279,780	227,907
Medical Equipment		
- Medical Equipment at Fair Value	675,843	602,205
Less Accumulated Depreciation	394,411	336,435
Total Medical Equipment	281,432	265,770
Furniture and Fittings		
- Furniture and Fittings at Fair Value	266,878	266,878
Less Accumulated Depreciation	185,756	155,377
Total Furniture and Fittings	81,122	111,501
Motor Vehicles		
- Motor Vehicles at Fair Value	71,338	71,338
Less Accumulated Depreciation	41,841	28,465
Total Motor Vehicles	29,497	42,873
TOTAL PROPERTY, PLANT AND EQUIPMENT	7,191,993	7,600,974

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(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 2013	512,000	22,460	4,391,968	215,786	267,280	121,353	56,249	5,587,096
Additions	-	573,463	16,351	44,385	57,487	20,624	-	712,310
Loddon Mallee Rural Health Alliance	-	-	-	13,764	-	-	-	13,764
Revaluation	(73,000)	-	1,984,090	-	-	-	-	1,911,090
Depreciation	-	-	(474,409)	(46,028)	(58,997)	(30,476)	(13,376)	(623,286)
Balance at 1 July 2014	439,000	595,923	5,918,000	227,907	265,770	111,501	42,873	7,600,974
Additions	-	6,074	36,635	97,943	73,638	-	-	214,290
Loddon Mallee Rural Health Alliance	-	-	-	6,683	-	-	-	6,683
Revaluation	-	-	-	-	-	-	-	-
Net transfers between classes	-	(601,997)	601,997	-	-	-	-	-
Depreciation	-	-	(475,470)	(52,753)	(57,976)	(30,379)	(13,376)	(629,954)
Balance at 30 June 2015	439,000	-	6,081,162	279,780	281,432	81,122	29,497	7,191,993

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.

Plant and Equipment carried at fair value

A valuation of the Hospital's 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 2015.

(c) Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	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	6,081,162	-	-	6,081,162
Total of building at fair value	6,081,162	-	-	6,081,162
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	279,780	-	-	279,780
- Medical equipment	281,432	-	-	281,432
- Furniture and fittings	81,122	-	-	81,122
- Motor Vehicles	29,497	-	29,497	-
Total of plant, equipment and vehicles at fair value	671,831	-	-	642,334

Note

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

There have been no transfers between levels during the period.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

Fair value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30 June 2014	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	5,918,000	-	-	5,918,000
Total of building at fair value	5,918,000	-	-	5,918,000
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	227,907	-	-	227,907
- Medical equipment	265,770	-	-	265,770
- Furniture and fittings	111,502	-	-	111,502
- Motor Vehicles	42,872	-	42,872	-
Total of plant, equipment and vehicles at fair value	648,051	-	-	605,179

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 2015.

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 2015.

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

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(d) Reconciliation of Level 3 fair value as at 30 June 2015

	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	5,918,000	227,907	265,770	111,501
Purchases (sales)	-	36,635	104,626	73,638	-
Transfers in of level 3	-	601,997	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(475,470)	(52,753)	(57,976)	(30,379)
Subtotal	439,000	6,081,162	279,780	281,432	81,122
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	439,000	6,081,162	279,780	281,432	81,122
Unrealised gains/(losses) on non-financial assets					
	439,000	6,081,162	279,780	281,432	81,122

There have been no transfers between levels during the period.

Reconciliation of Level 3 fair value as at 30 June 2014

	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	512,000	4,391,968	215,786	267,280	121,354
Purchases (sales)	-	16,351	58,149	57,487	20,624
Gains or losses recognised in net result					
- Depreciation	-	(474,409)	(46,028)	(58,997)	(30,476)
Subtotal	512,000	3,933,910	227,907	265,770	111,502
Items recognised in other comprehensive income					
- Revaluation	(73,000)	1,984,090	-	-	-
Subtotal	(73,000)	1,984,090	-	-	-
Closing Balance	439,000	5,918,000	227,907	265,770	111,502
Unrealised gains/(losses) on non-financial assets					
	439,000	5,918,000	227,907	265,770	111,502

There have been no transfers between levels during the period.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique ⁽¹⁾	Significant unobservable inputs ⁽¹⁾	Range (weighted average) ⁽¹⁾	Sensitivity of fair value measurement to changes in significant unobservable inputs
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/m ² (\$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 - \$99,528 (\$3,606)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	3 - 20 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 - \$60,790 (\$6,083)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	5 - 13 years (8 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

NOTE 11: 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 - \$32,704 (\$3,707)	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 (11 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 and should not be directly used without consultation with entities' independent valuer.

NOTE 12: PAYABLES

CURRENT

Contractual

	Consol'd 2015 \$	Consol'd 2014 \$
Trade Creditors (i)	251,010	803,772
Accrued Audit Fees	19,680	18,000
Loddon Mallee Rural Health Alliance Payables	20,599	21,241
Accrued Expenses - Other	92,899	42,380
	384,188	885,393

Statutory

Department of Health and Human Services	133,610	55,990
Australian Taxation Office - PAYG	58,737	-
Department of Health & Ageing	12,183	-
Fringe Benefits Tax Payable	1,826	1,826
	206,356	57,816
TOTAL PAYABLES	590,544	943,209

(i) The average credit period is 30 days. No interest is charged on payables.

(a) Maturity analysis of payables

Please refer to Note 18(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 18(c) for the nature and extent of risks arising from contractual payables.

Cohuna District Hospital
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NOTE 13: PROVISIONS

	Consol'd 2015	Consol'd 2014
	\$	\$
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	408,128	432,573
- unconditional and expected to be settled after 12 months (ii)	72,022	71,152
Long Service Leave (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	150,000	133,780
- unconditional and expected to be settled after 12 months (ii)	656,695	684,642
Accrued Days Off (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	7,757	10,447
- unconditional and expected to be settled after 12 months (ii)	-	-
Accrued Wages & Salaries (Note 13(a))		
- unconditional and expected to be settled within 12 months (ii)	114,571	108,279
- unconditional and expected to be settled after 12 months (ii)	-	-
	1,409,173	1,440,873
 Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	91,417	72,198
- unconditional and expected to be settled after 12 months (iii)	69,305	79,746
	160,722	151,944
Total Current Provisions	1,569,895	1,592,817
 Non-Current Provisions		
Employee Benefits (i) (Note 13(a))	103,600	119,461
Provisions related to employee benefit on-costs (Note 13(a) and Note 13(b))	10,933	10,788
Total Non-Current Provisions	114,533	130,249
 Total Provisions	1,684,428	1,723,066
 (a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	542,827	556,767
Accrued Salaries and Wages	126,662	119,706
Accrued Days Off	8,576	11,549
Unconditional Long Service Leave Entitlements	891,830	904,795
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	114,533	130,249
Total Employee Benefits and Related On-Costs	1,684,428	1,723,066
 (b) Movements in provisions		
 Movement in Long Service Leave:		
Balance at start of year	1,035,044	1,023,630
Provision made during the year		
- Revaluations	25,876	1,087
- Expense Recognising Employee Service	132,545	141,480
Settlement made during the year	(187,102)	(131,153)
Balance at end of year	1,006,363	1,035,044

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 14: SUPERANNUATION

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.

The Health service does not recognise any 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 as follows:

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2015	2014	2015	2014
		\$	\$	\$	\$
Defined Benefit Plans:	Health Super	-	23,619	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	489,603	416,966	-	50,746
Total		489,603	440,585	-	50,746

NOTE 15: OTHER LIABILITIES

CURRENT

Monies Held in Trust*

- Patient Monies Held in Trust

Other Monies Held in Trust

TOTAL CURRENT

* Total Monies Held in Trust

Represented by the following assets:

Cash Assets (refer to Note 5)

TOTAL OTHER LIABILITIES

	Consol'd 2015 \$	Consol'd 2014 \$
19,657	19,657	4,739
-	-	22,556
19,657	19,657	27,295
19,657	19,657	27,295

Cohuna District Hospital
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NOTE 16: EQUITY

(a) Reserves

Property, Plant and Equipment Revaluation Surplus ⁽¹⁾

	Consol'd 2015 \$	Consol'd 2014 \$
Balance at beginning of the reporting period		
- Land	194,994	267,994
- Buildings	5,595,675	3,611,585
Revaluation Increment/Decrement		
- Land	-	(73,000)
- Buildings	-	1,984,090
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	(1,283,957)	(666,966)
Net Result for the Year	(734,160)	(616,991)
Balance at the end of the reporting period	(2,018,117)	(1,283,957)

(d) Total Equity at end of financial year

6,460,942 **7,195,102**

NOTE 17: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consol'd 2015 \$	Consol'd 2014 \$
NET RESULT FOR THE YEAR	(734,160)	(616,991)
Depreciation	622,738	619,212
Movement in Doubtful Debts	5,209	-
Net (Gain)/Loss from Sale of Plant and Equipment	(2,275)	(230)
Share of Net Result from Joint Operations	(24,535)	9,491
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	39,659	50,298
(Increase)/Decrease in Prepayments	131,132	(120,868)
Increase/(Decrease) in Payables	(352,023)	605,131
Increase/(Decrease) in Provisions	(38,638)	(4,315)
Change in Inventories	16,321	11,391
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(336,572)	553,119

NOTE 18: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Cohuna District Hospital's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory receivables)

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

The Health Service 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 Health Service.

The main purpose in holding financial instruments is to prudentially manage Cohuna District Hospital financial risks within the government policy parameters.

Categorisation of financial instruments

	Contractual financial assets/liabilities designated at fair value through profit/loss \$	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss \$	Contractual financial assets - loans and receivables \$	Contractual financial assets - available for sale \$	Contractual financial liabilities at amortised cost \$	Total \$
2015						
Contractual Financial Assets						
Cash and cash equivalents	-	-	381,055	-	-	381,055
Receivables	-	-	179,953	-	-	179,953
Other Financial Assets	-	-	465,709	-	-	465,709
Total Financial Assets (i)	-	-	1,026,717	-	-	1,026,717
Financial Liabilities						
At amortised cost	-	-	-	-	403,845	403,845
Total Financial Liabilities(ii)	-	-	-	-	403,845	403,845

	Contractual financial assets/liabilities designated at fair value through profit/loss \$	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss \$	Contractual financial assets - loans and receivables \$	Contractual financial assets - available for sale \$	Contractual financial liabilities at amortised cost \$	Total \$
2014						
Contractual Financial Assets						
Cash and cash equivalents	-	-	462,464	-	-	462,464
Receivables	-	-	220,869	-	-	220,869
Other Financial Assets	-	-	911,391	-	-	911,391
Total Financial Assets (i)	-	-	1,594,724	-	-	1,594,724
Financial Liabilities						
At amortised cost	-	-	-	-	912,688	912,688
Total Financial Liabilities(ii)	-	-	-	-	912,688	912,688

(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 18: 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 \$
2015					
Financial Assets					
Other Financial Assets (i)	-	28,358	-	-	28,358
Total Financial Assets	-	28,358	-	-	28,358
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2014					
Financial Assets					
Other Financial Assets (i)	-	53,379	-	-	53,379
Total Financial Assets	-	53,379	-	-	53,379
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

(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.

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk (Continued)

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Cohuna District Hospital maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AA2 credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other \$	Total \$
2015					
Financial Assets					
Cash and Cash Equivalents	381,055	-	-	-	381,055
Loans and Receivables (i)	-	-	-	179,953	179,953
Other Financial Assets	465,709	-	-	-	465,709
Total Financial Assets	846,764	-	-	179,953	1,026,717
2014					
Financial Assets					
Cash and Cash Equivalents	462,464	-	-	-	462,464
Loans and Receivables (i)	-	-	-	220,869	220,869
Other Financial Assets	911,391	-	-	-	911,391
Total Financial Assets	1,373,855	-	-	220,869	1,594,724

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable)

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk (Continued)

Ageing analysis of financial assets as at 30 June

	Consol'd Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2015							
Financial Assets							
Cash and Cash Equivalents	381,055	381,055	-	-	-	-	-
Loans and Receivables (i)	179,953	163,263	4,014	4,961	7,715	-	-
Other Financial Assets	465,709	465,709	-	-	-	-	-
Total Financial Assets	1,026,717	1,010,027	4,014	4,961	7,715	-	-
2014							
Financial Assets							
Cash and Cash Equivalents	462,464	462,464	-	-	-	-	-
Loans and Receivables (i)	220,869	180,624	7,440	18,146	14,659	-	-
Other Financial Assets	911,391	911,391	-	-	-	-	-
Total Financial Assets	1,594,724	1,554,479	7,440	18,146	14,659	-	-

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

Contractual financial assets that are neither past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently Cohuna District Hospital does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Service operates under the Government's fair payments policy of setting financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Health Service from month to month.

The following table discloses the contractual maturity analysis for Cohuna District Hospital 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

	Consol'd Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2015	\$	\$	\$	\$	\$	\$
Financial Liabilities						
<i>At amortised cost</i>						
Payables	384,188	384,188	384,188	-	-	-
Other Financial Liabilities (i)	19,657	19,657	-	-	19,657	-
Total Financial Liabilities	403,845	403,845	384,188	-	19,657	-
2014						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	885,393	885,393	885,393	-	-	-
Other Financial Liabilities (i)	27,295	27,295	-	-	27,295	-
Total Financial Liabilities	912,688	912,688	885,393	-	27,295	-

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

(d) Market Risk

Cohuna District Hospital's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Currency Risk

Cohuna District Hospital is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Interest Rate Risk

Exposure to interest rate risks arise primarily through the Cohuna District Hospital's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Health Service mainly holds financial assets with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movements in interest rates on a daily basis.

Other Price Risk

The Health Service is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Health Service on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non - Interest Bearing \$'000
2015					
Financial Assets					
Cash and Cash Equivalents	1.30	381,055	-	380,595	460
Loans and Receivables (i)	-	179,953	-	-	179,953
Other Financial Assets	2.90	465,709	465,709	-	-
Total Financial Assets		1,026,717	465,709	380,595	180,413
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)	-	384,188	-	-	384,188
Other Financial Liabilities	-	19,657	-	-	19,657
Total Financial Liabilities		403,845	-	-	403,845
2014					
Financial Assets					
Cash and Cash Equivalents	1.19	462,464	-	462,004	460
Loans and Receivables (i)	-	220,869	-	-	220,869
Other Financial Assets	3.73	911,391	911,391	-	-
Total Financial Assets		1,594,724	911,391	462,004	221,329
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)	-	885,393	-	-	885,393
Other Financial Liabilities	-	27,295	-	-	27,295
Total Financial Liabilities		912,688	-	-	912,688

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e GST input tax credit and GST payable)

NOTE 18: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Cohuna District Hospital believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Australia and New Zealand Banking Group Ltd).

- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.73%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Cohuna District Hospital at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$	\$	\$	\$	\$
2015					
Financial Assets					
Cash and Cash Equivalents	381,055	(3,811)	(3,811)	3,811	3,811
Loans and Receivables	179,953	-	-	-	-
Other Financial Assets	465,709	(4,657)	(4,657)	4,657	4,657
Financial Liabilities					
<i>At amortised cost</i>					
Payables	384,188	-	-	-	-
Other Financial Liabilities (i)	19,657	-	-	-	-
		(8,468)	(8,468)	8,468	8,468
2014					
Financial Assets					
Cash and Cash Equivalents	462,464	(4,625)	(4,625)	4,625	4,625
Loans and Receivables	220,869	-	-	-	-
Other Financial Assets	911,391	(9,114)	(9,114)	9,114	9,114
Financial Liabilities					
<i>At amortised cost</i>					
Payables	885,393	-	-	-	-
Other Financial Liabilities (i)	27,295	-	-	-	-

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Health Service considers that the carrying amount of financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

NOTE 18: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

Comparison between carrying amount and fair value

	Total Carrying Amount	Fair Value	Total Carrying Amount	Fair Value
	2015	2015	2014	2014
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	381,055	381,055	462,464	462,464
Loans and Receivables (i)				
- Trade Debtors	179,953	179,953	220,869	220,869
- Other Financial Assets	465,709	465,709	911,391	911,391
Total Financial Assets	1,026,717	1,026,717	1,594,724	1,594,724
Financial Liabilities				
<i>At amortised cost</i>				
Payables	384,188	384,188	885,393	885,393
Other Financial Liabilities (i)	19,657	19,657	27,295	27,295
Total Financial Liabilities	403,845	403,845	912,688	912,688

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

All financial assets held by Cohuna District Hospital are classified as Level 1.

NOTE 19: COMMITMENTS FOR EXPENDITURE

	Consol'd 2015 \$	Consol'd 2014 \$
Capital Expenditure Commitments		
<u>Payable</u>		
Land and Buildings	-	-
Total Capital Expenditure Commitments	<u>-</u>	<u>-</u>
Land and Buildings*		
Not later than one year	-	-
Total Capital Expenditure Commitments	<u>-</u>	<u>-</u>
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	4,382	4,382
Total lease commitments	<u>4,382</u>	<u>4,382</u>
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	1,643	1,643
Later than 1 year and not later than 5 years	2,739	2,738
	<u>4,382</u>	<u>4,382</u>

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

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Cohuna District Hospital has provided a letter of comfort to the Cohuna Community Nursing Home dated 01/08/2015, 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 September 2016, should it be required.

NOTE 21: OPERATING SEGMENTS

	ACUTE CARE		RACS		OTHER SERVICES		CONSOLIDATED	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
External Segment Revenue	5,324,225	5,494,149	1,983,540	2,249,830	831,751	460,450	8,139,516	8,204,429
Total Revenue	5,324,225	5,494,149	1,983,540	2,249,830	831,751	460,450	8,139,516	8,204,429
EXPENSES								
External Segment Expenses	4,899,092	4,868,063	2,577,478	2,810,658	1,397,106	1,142,699	8,873,676	8,821,420
Total Expenses	4,899,092	4,868,063	2,577,478	2,810,658	1,397,106	1,142,699	8,873,676	8,821,420
Net Result from ordinary activities	425,133	626,086	(593,938)	(560,828)	(565,355)	(682,249)	(734,160)	(616,991)
Interest Income	-	-	-	-	-	-	-	-
Net Result for Year	425,133	626,086	(593,938)	(560,828)	(565,355)	(682,249)	(734,160)	(616,991)
OTHER INFORMATION								
Segment Assets	6,908,887	9,360,318	1,846,684	528,354	-	-	8,755,571	9,888,672
Unallocated Assets	-	-	-	-	-	-	-	-
Total Assets	6,908,887	9,360,318	1,846,684	528,354	-	-	8,755,571	9,888,672
Segment Liabilities	1,775,436	2,276,421	519,193	417,149	-	-	2,294,629	2,693,570
Unallocated Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	1,775,436	2,276,421	519,193	417,149	-	-	2,294,629	2,693,570
Acquisition of property, plant and equipment	191,052	689,072	23,238	23,238	-	-	214,290	712,310
Depreciation expense	492,108	478,779	137,846	144,507	-	-	629,953	623,285
Non cash expenses other than depreciation	7,988	106,111	-	-	-	-	7,988	106,111

The major products/services from which the above segments derive revenue are:

Business Segments

Health Services

Residential Aged Care

Services

Acute Hospital services

Aged Care services

Nursing Home facilities

Geographical Segment

Cohuna District Hospital 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 22a: 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.

Responsible Ministers:

	Period
The Honourable David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health and Community Services	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MP, Minister for Disability Services and Reform	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
The Honourable Jenny Mikakos, MLC, Minister for Families and Children	04/12/2014 - 30/06/2015
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	04/12/2014 - 30/06/2015

Governing Boards

Mr R. J. Stanton	01/07/2014 - 30/06/2015
Mr G. J. Hall	01/07/2014 - 30/06/2015
Mr G. A. Payne	01/07/2014 - 30/06/2015
Mrs D.M. McGraw	01/07/2014 - 30/06/2015
Mr G. L. Smith	01/07/2014 - 30/06/2015
Mrs L.M. Drummond	01/07/2014 - 30/06/2015
Mr R.J Nicholls	01/07/2014 - 30/06/2015
Mr C. P. Hodge	01/07/2014 - 30/06/2015
Mrs B. MacKenzie	01/07/2014 - 30/06/2015
Mrs K.L Hore	01/07/2014 - 30/06/2015
Ms A.Hutchinson	01/07/2014 - 30/06/2015
Mrs L Learmonth	01/07/2014 - 30/06/2015

Accountable Officers

Mr W Hall	01/07/2014 - 30/06/2015
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Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999
\$70,000 - \$79,999
\$80,000 - \$89,999
\$150,000 - \$159,999
Total Numbers

	Consol'd	
	2015 No.	2014 No.
	11	11
	1	1
	0	1
	1	0
	13	13
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$154,253	\$155,021

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

During the year, there were no other transactions with responsible persons or their related parties.

NOTE 22b: EXECUTIVE OFFICER DISCLOSURES

Executive Officer Remuneration

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Consolidated			
	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$120,000 - \$129,999	1	1	1	1
Total	1	1	1	1
Total Remuneration	\$122,242	\$129,935	\$122,242	\$129,935
Total annualised employee equivalents (AEE) (i)	1	1	1	1

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

NOTE 23: REMUNERATION OF AUDITORS

Victorian Auditor-General's Office

Audit or review of financial statement
Other auditor remuneration

	Consol'd 2015 \$	Consol'd 2014 \$
Audit or review of financial statement	19,680	18,000
Other auditor remuneration	5,327	5,327
	25,007	23,327

NOTE 24: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no known events that have occurred after the balance sheet date that would require adjustment to or disclosure in the financial statements.

NOTE 25: CONTROLLED ENTITIES

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

NOTE 26: ECONOMIC DEPENDENCY

The financial performance of Cohuna District Hospital has continued to decline since the prior year reporting a deficit net result before capital and specific items of \$294,445 and a net current asset position (\$990,826) resulting in a current asset ratio 0.55 and a cash outflow from operations of \$563,997.

Cohuna District Hospital is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services. The Department of Health and Human Services has provided confirmation that it will continue to provide Cohuna District Hospital adequate cash flow support meet its current and future obligations as and when they fall due for a period up to September 2016.

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Cohuna Community Nursing Home Inc.

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Cohuna Community Nursing Home Inc. which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Cohuna Community Nursing Home Inc. are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and *Australian Charities and Not-for-profit Commission Act 2012*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements the Australian accounting profession and *the Australian Charities and Not-for-profits Commission Act 2012*. I confirm that I have given to the Board Members of the association a written independence declaration, a copy of which is included in the Board Members' Report.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Cohuna Community Nursing Home Inc. as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and *Australian Charities and Not-for-profit Commission Act 2012*.

MELBOURNE
21 September 2015


John Doyle
Auditor-General

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Directors, 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 the Cohuna Community Nursing Home Inc. for the year ended 30 June 2015, 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
21 September 2015



John Doyle
Auditor-General

COHUNA COMMUNITY NURSING HOME INC

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

We certify that the attached financial statements for Cohuna Community Nursing Home Inc have been prepared in accordance with the Associations Incorporation Reform Act 2012, the Australian Charities and Not-for-profits Commission Act 2012, 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, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of Cohuna Community Nursing Home Inc at 30 June 2015.

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.



.....
Cameron Hodge
Board President

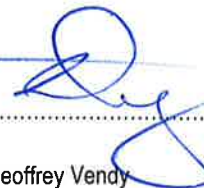
Cohuna

21 September 2015

.....
William Hall
Chief Executive Officer

Cohuna

21 September 2015



.....
Geoffrey Vendy
Chief Finance & Accounting Officer

Cohuna

21 September 2015

COHUNA COMMUNITY NURSING HOME INC
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue from Operating Activities	2	1,908,203	1,913,937
Revenue from Non-Operating Activities	2	10,691	20,344
Employee Expenses	3	(1,997,017)	(2,032,694)
Non Salary Labour Costs	3	(7,117)	-
Supplies and Consumables	3	(94,862)	(113,268)
Other Expenses	3	(311,364)	(518,129)
Net Result From Before Capital and Specific Items		<u>(491,466)</u>	<u>(729,810)</u>
Capital Purpose Income	2	64,646	315,549
Specific income	2a	1,810,224	-
Depreciation	3	(137,846)	(144,507)
Expenditure for Capital Purposes	3	<u>(29,272)</u>	<u>-</u>
NET RESULT FOR THE YEAR		<u>1,216,286</u>	<u>(558,768)</u>
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets		<u>-</u>	<u>663,000</u>
COMPREHENSIVE RESULT FOR THE YEAR		<u><u>1,216,286</u></u>	<u><u>104,232</u></u>

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

COHUNA COMMUNITY NURSING HOME INC
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents	5	14,066	4,739
Other Financial Assets	7	125,000	150,000
Prepayments		127	1,520
Total Current Assets		<u>139,193</u>	<u>156,259</u>
Non-Current Assets			
Receivables	6	142,019	178,537
Property, Plant and Equipment	8	1,565,472	1,691,635
Total Non-Current Assets		<u>1,707,491</u>	<u>1,870,172</u>
TOTAL ASSETS		<u>1,846,684</u>	<u>2,026,431</u>
Current Liabilities			
Payables	9	16,382	19,118
Provisions	10	426,016	366,691
Other Liabilities	12	14,066	4,739
Total Current Liabilities		<u>456,464</u>	<u>390,548</u>
Non Current Liabilities			
Provisions	10	62,728	42,218
Other Liabilities	12	-	1,482,459
Total Non Current Liabilities		<u>62,728</u>	<u>1,524,677</u>
TOTAL LIABILITIES		<u>519,192</u>	<u>1,915,225</u>
NET ASSETS		<u>1,327,492</u>	<u>111,206</u>
EQUITY			
Property, Plant and Equipment Revaluation Surplus	13	1,405,806	1,405,806
Accumulated Surpluses / (Deficits)	13	(78,314)	(1,294,600)
TOTAL EQUITY		<u>1,327,492</u>	<u>111,206</u>
Commitments for Expenditure	16		
Contingent Assets and Contingent Liabilities	17		

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 2015**

	Property, Plant and Equipment Revaluation Surplus	Accumulated Surpluses/ (Deficits)	Total
Note	\$	\$	\$
Balance at 1 July 2013	742,806	(735,832)	6,974
Net result for the year	-	(558,768)	(558,768)
Other comprehensive income for the year	663,000	-	663,000
			<hr/>
Balance at 30 June 2014	1,405,806	(1,294,600)	111,206
			<hr/>
Net result for the year	-	1,216,286	1,216,286
			<hr/>
Balance at 30 June 2015	1,405,806	(78,314)	1,327,492
			<hr/> <hr/>

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 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		1,535,379	1,592,447
Patient and Resident Fees Received		426,053	394,507
Interest Received		10,717	20,344
Other Receipts		18,546	31,289
Total Receipts		1,990,695	2,038,587
Employee Expenses Paid		(1,917,182)	(2,042,821)
Non Salary Labour Costs		(7,117)	-
Payments for Supplies and Consumables		(94,862)	(113,268)
Other payments		(322,596)	(525,336)
Total Payments		(2,341,757)	(2,681,425)
Cash Generated from Operations		(351,062)	(642,838)
Capital Donations and Bequests Received		9,980	220,716
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	14	(341,082)	(422,122)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		(11,683)	(265,588)
Net Sale/(Purchase) of Investments		25,000	5,867
Cash (Provided to) / Received from Related Entities		327,765	681,843
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		341,082	422,122
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT HELD		-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		-	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	-	-

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 2015. 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: 21 September 2015.

(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 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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 30/08/2015, 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 September 2016, 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 with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- The fair value of assets other than land is generally based on their depreciated replacement value.

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

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.

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 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

Transactions between segments within Cohuna Community Nursing Home Inc have been eliminated to reflect the extent of Cohuna Community Nursing Home Inc's operations as a group.

(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.

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 and 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;
- * 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.

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 dollar 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 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 05/2013.

Resident Fees

Resident fees are recognised as revenue at the time 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.

(g) Expense recognition (Continued)

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

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 Nursing Home to the superannuation plans in respect of the services of current Nursing Home staff during reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the Cohuna Community Nursing Home Inc are entitled to receive superannuation benefits and Cohuna Community Nursing Home Inc contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years based on years of service and final average salary.

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 and 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.

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

	2015	2014
Buildings		
- Structure Shell Building Fabric	50 years	50 years
- Site Engineering Services and Central Plant	40 years	40 years
Central Plant		
- Fit Out	25 years	25 years
- Trunk Reticulated Building Systems	30 years	30 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	10 years	10 years

(g) Expense recognition (Continued)

Depreciation (Continued)

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 (k) *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 its 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 comprehensive income

Other comprehensive income measure the change in 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 (k) 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.

Loans and receivables

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 1(j)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all of the Nursing Home's contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit and loss.

(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

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.

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.

(j) **Assets (Continued)**

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(i) - '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, except for:

- inventories;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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.

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 order to determine an appropriate fair value as at 30 June 2015 for its portfolio of financial assets, Cohuna Community Nursing Home Inc obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2015. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

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.

(j) **Assets (Continued)**

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

- 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.

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 Nursing Home 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 Nursing Home expects to wholly settle within 12 months; or
- Present value – if the Nursing Home 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 Nursing Home 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 Nursing Home expects to wholly settle within 12 months; and
- Present value – if the Nursing Home 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.

(k) Liabilities (Continued)
Provisions (Continued)

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 Nursing Home 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) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2015 reporting period.

As at 30 June 2015, 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) AASs 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 <i>Financial Instruments</i>	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 Jan 2018	<p>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.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
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 Jan 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	<p>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.</p> <p>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.</p>

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue -based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 Jan 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

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

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2014-15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014-2015 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) -
- AASB 2015 2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to
- AASB 2015 3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

(q) Category Groups

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

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 2: ANALYSIS OF REVENUE BY SOURCE

	Residential Aged Care	
	2015	2014
	\$	\$
Government Grants		
- Department of Health and Human Services	595,712	742,621
- Commonwealth Government		
- Residential Aged Care Subsidy	939,667	833,090
Indirect Contributions by Department of Health and Human Services	(17,135)	7,263
Resident Fees	371,413	299,674
Other Revenue	18,546	31,289
Total Revenue from Operating Activities	1,908,203	1,913,937
Interest and Dividends	10,691	20,344
Total Revenue from Non-Operating Activities	10,691	20,344
Residential Accommodation Payments	54,640	94,833
Capital Purpose Interest	26	-
Donations and Bequests	9,980	220,716
Total Capital Purpose Income	64,646	315,549
Specific Income (refer Note 2a)	1,810,224	-
TOTAL REVENUE	3,793,764	2,249,830

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 2a: SPECIFIC INCOME

Write-off of the debt between the Cohuna Nursing Home Inc and the Cohuna District Hospital	1,810,224	-
TOTAL SPECIFIC INCOME	1,810,224	-

NOTE 3: ANALYSIS OF EXPENDITURE BY SOURCE

	Residential Aged Care	
	2015	2014
	\$	\$
Employee Expenses	1,997,017	2,032,694
Non Salary Labour Costs	7,117	-
Supplies and Consumables	94,862	113,268
Other Expenses from Continuing Operations	311,364	518,129
Total Expenditure from Operating Activities	2,410,360	2,664,091
Depreciation	137,846	144,507
Expenditure for Capital Purposes	29,272	-
TOTAL EXPENSES	2,577,478	2,808,598

NOTE 4: DEPRECIATION	2015	2014
	\$	\$
Depreciation		
Buildings	122,739	131,635
Plant and Equipment		
- Plant	5,428	4,085
- Major Medical	1,347	536
- Furniture and Fittings	8,332	8,251
TOTAL DEPRECIATION	<u>137,846</u>	<u>144,507</u>

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.

	2015	2014
	\$	\$
Cash at Bank	14,066	4,739
TOTAL CASH AND CASH EQUIVALENTS	<u>14,066</u>	<u>4,739</u>

Represented by:

Cash for Nursing Home Operations (as per Cash Flow Statement)	-	-
Cash at Bank for Monies Held in Trust	14,066	4,739
TOTAL	<u>14,066</u>	<u>4,739</u>

NOTE 6: RECEIVABLES

	2015	2014
	\$	\$
NON-CURRENT		
Statutory		
DHHS - Long Service Leave	142,019	178,537
TOTAL NON-CURRENT RECEIVABLES	<u>142,019</u>	<u>178,537</u>
TOTAL RECEIVABLES	<u>142,019</u>	<u>178,537</u>

(a) Ageing analysis of receivables
Please refer to note 15(b) for the ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from receivables
Please refer to note 15(b) for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS

	2015	2014
	\$	\$
CURRENT		
Term Deposit		
- Aust. Dollar Term Deposits	125,000	150,000
Total Current	<u>125,000</u>	<u>150,000</u>
Represented by:		
Nursing Home Investments	125,000	150,000
TOTAL OTHER FINANCIAL ASSETS	<u>125,000</u>	<u>150,000</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	2015	2014
	\$	\$
Land		
Land at Fair value	40,000	40,000
Total Land	<u>40,000</u>	<u>40,000</u>
Buildings		
Buildings at Fair Value	1,581,050	1,580,000
Less Accumulated Depreciation	(122,739)	-
Total Buildings	<u>1,458,311</u>	<u>1,580,000</u>
Plant and Equipment		
Plant and Equipment at Fair Value	61,074	61,074
Less Accumulated Depreciation	(38,207)	(32,779)
Total Plant and Equipment	<u>22,867</u>	<u>28,295</u>
Medical Equipment		
Medical Equipment at Fair Value	18,334	7,701
Less Accumulated Depreciation	(6,122)	(4,775)
Total Medical Equipment	<u>12,212</u>	<u>2,926</u>
Furniture and Fittings		
Furniture and Fittings at Fair Value	87,856	87,856
Less Accumulated Depreciation	(55,774)	(47,442)
Total Furniture and Fittings	<u>32,082</u>	<u>40,414</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>1,565,472</u>	<u>1,691,635</u>

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 2013	46,000	800,285	20,530	39,954	785	907,554
Additions	-	-	11,850	8,711	2,677	23,238
Revaluation Increments/(Decrements)	(6,000)	911,350	-	-	-	905,350
Depreciation (note 4)	-	(131,635)	(4,085)	(8,251)	(536)	(144,507)
Balance at 1 July 2014	<u>40,000</u>	<u>1,580,000</u>	<u>28,295</u>	<u>40,414</u>	<u>2,926</u>	<u>1,691,635</u>
Additions	-	1,050	-	-	10,633	11,683
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,739)	(5,428)	(8,332)	(1,347)	(137,846)
Balance at 30 June 2015	<u>40,000</u>	<u>1,458,311</u>	<u>22,867</u>	<u>32,082</u>	<u>12,212</u>	<u>1,565,472</u>

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 2015.

(c) Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value				
Specialised land	40,000	-	-	40,000
Total of land at fair value	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Buildings at fair value				
Specialised buildings	1,458,311	-	-	1,458,311
Total of building at fair value	<u>1,458,311</u>	<u>-</u>	<u>-</u>	<u>1,458,311</u>
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	22,867	-	-	22,867
- Medical equipment	12,212	-	-	12,212
- Furniture and fittings	32,082	-	-	32,082
Total of plant, equipment and vehicles at fair value	<u>67,161</u>	<u>-</u>	<u>-</u>	<u>67,161</u>

Note

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

There have been no transfers between levels during the period.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets as at 30 June 2015 (Continued)

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value				
Specialised land	40,000	-	-	40,000
Total of land at fair value	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Buildings at fair value				
Specialised buildings	1,580,000	-	-	1,580,000
Total of building at fair value	<u>1,580,000</u>	<u>-</u>	<u>-</u>	<u>1,580,000</u>
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	28,295	-	-	28,295
- Medical equipment	2,926	-	-	2,926
- Furniture and fittings	40,414	-	-	40,414
Total of plant, equipment and vehicles at fair value	<u>71,635</u>	<u>-</u>	<u>-</u>	<u>71,635</u>

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 Nursing Homes, 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 Nursing Home'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 2015.

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 2015.

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

	2015				
	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
Opening Balance	40,000	1,580,000	28,295	40,414	2,926
Purchases (sales)	-	1,050	-	-	10,633
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,739)	(5,428)	(8,332)	(1,347)
Subtotal	<u>40,000</u>	<u>1,458,311</u>	<u>22,867</u>	<u>32,082</u>	<u>12,212</u>
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing Balance	<u>40,000</u>	<u>1,458,311</u>	<u>22,867</u>	<u>32,082</u>	<u>12,212</u>
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	<u>40,000</u>	<u>1,458,311</u>	<u>22,867</u>	<u>32,082</u>	<u>12,212</u>

There have been no transfers between levels during the period.

	2014				
	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
Opening Balance	46,000	800,285	20,530	39,954	785
Purchases (sales)	-	-	11,849	8,711	2,678
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(131,635)	(4,085)	(8,251)	(536)
Subtotal	<u>46,000</u>	<u>668,650</u>	<u>28,294</u>	<u>40,414</u>	<u>2,927</u>
Items recognised in other comprehensive income					
- Revaluation	(6,000)	911,350	-	-	-
Subtotal	<u>(6,000)</u>	<u>911,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing Balance	<u>40,000</u>	<u>1,580,000</u>	<u>28,294</u>	<u>40,414</u>	<u>2,927</u>
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	<u>40,000</u>	<u>1,580,000</u>	<u>28,294</u>	<u>40,414</u>	<u>2,927</u>

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⁾
Specialised land	Market Approach	Community Service Obligation (CSO)
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE
Medical equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE
Furniture and fittings at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE

(i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities' independent valuer.

NOTE 9: PAYABLES

	2015	2014
	\$	\$
Contractual		
Accrued Audit Fees	4,200	3,500
Other Accrued Expenses	-	15,618
	<u>4,200</u>	<u>19,118</u>
Statutory		
Department of Health and Ageing	12,182	-
TOTAL PAYABLES	<u><u>16,382</u></u>	<u><u>19,118</u></u>

(a) Maturity analysis of payables

Please refer to Note 15(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to note 15(c) for the nature and extent of risks arising from contractual payables.

NOTE 10: PROVISIONS	2015	2014
	\$	\$
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	101,455	99,580
- unconditional and expected to be settled after 12 months (ii)	15,000	16,403
Long Service Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	36,255	28,469
- unconditional and expected to be settled after 12 months (ii)	205,446	161,327
Accrued Days Off (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	1,914	649
- 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)	25,290	25,290
- unconditional and expected to be settled after 12 months (ii)	-	-
	385,360	331,718
 Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	17,399	16,226
- unconditional and expected to be settled after 12 months (iii)	23,257	18,747
	40,656	34,973
Total Current Provisions	426,016	366,691
 Non-Current Provisions		
Employee Benefits (i) (Note 10(a))	56,742	38,189
Provisions related to employee benefit on-costs (Note 10(a))	5,986	4,029
Total Non-Current Provisions	62,728	42,218
 Total Provisions	488,744	408,909
 (a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Annual Leave Entitlements	128,741	128,196
Accrued Salaries and Wages	27,958	27,958
Accrued Days Off	2,116	718
Unconditional Long Service Leave Entitlements	267,201	209,819
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	62,728	42,218
Total Employee Benefits and Related On-Costs	488,744	408,909
 (b) Movements in provisions		
	\$	\$
Movement in Long Service Leave:		
Balance 1 July, 2014	252,037	261,163
Provision made during year		
- Revaluations	-	639
- Expense Recognising Employee Service	45,421	40,073
Settlement made during the year	32,471	(49,838)
 Balance June 30, 2015	329,929	252,037

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.

The Nursing Home does not recognise any 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 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Defined Benefit Plans: Health Super	-	-	-	-
Defined Contribution Plans: Health Super / HESTA / Other	170,465	171,141	-	-
Total	170,465	171,141	-	-

NOTE 12: OTHER LIABILITIES

	2015	2014
	\$	\$
Current		
Monies Held in Trust *	14,066	4,739
Monies Owed to Related Parties	-	-
Non-Current		
Monies Owed to Related Parties	-	1,482,459
TOTAL OTHER LIABILITIES	<u>14,066</u>	<u>1,487,198</u>
* Monies Held in Trust		
Represented by:		
Cash Assets (refer note 4)	<u>14,066</u>	<u>4,739</u>
TOTAL OTHER LIABILITIES	<u>14,066</u>	<u>4,739</u>

NOTE 13: EQUITY

(a) Surpluses

	2015	2014
	\$	\$
Property, Plant and Equipment Revaluation Surplus		
Balance at beginning of the reporting period		
- Land	1,552	7,552
- Buildings	<u>1,404,254</u>	<u>735,254</u>
Revaluation Increment/(Decrement) during the Year		
- Land	-	(6,000)
- Buildings	<u>-</u>	<u>669,000</u>
Property, Plant and Equipment Revaluation Surplus at end of the Reporting Period	<u>1,405,806</u>	<u>1,405,806</u>
Represented by:		
- Land	1,552	1,552
- Buildings	<u>1,404,254</u>	<u>1,404,254</u>
Total Surpluses	<u>1,405,806</u>	<u>1,405,806</u>

NOTE 13: EQUITY (Continued)

	2015	2014
(b) Accumulated Surpluses/(Deficits)	\$	\$
Balance at the Beginning of the Reporting Period	(1,294,600)	(735,832)
Net Result for the Year	<u>1,216,286</u>	<u>(558,768)</u>
Balance at the end of the reporting period	<u>(78,314)</u>	<u>(1,294,600)</u>
Total Equity at the end of financial year	<u><u>1,327,492</u></u>	<u><u>111,206</u></u>

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

	2015	2014
	\$	\$
NET RESULT FOR THE YEAR	1,216,286	(558,768)
Depreciation	137,846	144,507
Write-off debt to Cohuna District Hospital	(1,810,224)	-
(Increase)/Decrease in Receivables	36,518	7,841
(Increase)/Decrease in Prepayments	1,393	1,910
Increase/(Decrease) in Provisions	79,835	(8,067)
Increase/(Decrease) in Payables	<u>(2,736)</u>	<u>(9,545)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>(341,082)</u></u>	<u><u>(422,122)</u></u>

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

2015	Contractual financial assets/liabilities designated at fair value through profit/loss	Contractual financial assets/liabilities held-for- trading at fair value through profit/loss	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$	\$	\$
Contractual Financial Assets						
Cash and cash equivalents	-	-	14,066	-	-	14,066
Receivables	-	-	-	-	-	-
Other Financial Assets	-	-	125,000	-	-	125,000
Total Financial Assets (i)	-	-	139,066	-	-	139,066
Financial Liabilities						
At amortised cost	-	-	18,266	-	-	18,266
Total Financial Liabilities(ii)	-	-	18,266	-	-	18,266

2014	Contractual financial assets/liabilities designated at fair value through profit/loss	Contractual financial assets/liabilities held-for- trading at fair value through profit/loss	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$	\$	\$
Contractual Financial Assets						
Cash and cash equivalents	-	-	4,739	-	-	4,739
Receivables	-	-	-	-	-	-
Other Financial Assets	-	-	150,000	-	-	150,000
Total Financial Assets (i)	-	-	154,739	-	-	154,739
Financial Liabilities						
At amortised cost	-	-	1,506,316	-	-	1,506,316
Total Financial Liabilities(ii)	-	-	1,506,316	-	-	1,506,316

(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
	\$	\$	\$	\$	\$
2015					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	10,691	-	-	10,691
Total Financial Assets	-	10,691	-	-	10,691
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2014					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	20,344	-	-	20,344
Total Financial Assets	-	20,344	-	-	20,344
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

(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.

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Nursing Home, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Nursing Home's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Nursing Home. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Nursing Home's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Nursing Home's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Nursing Home does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Nursing Home's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Nursing Home will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Cohuna Community Nursing Home Inc maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AA2 credit rating)	Government agencies (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
2015	\$	\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	14,066	-	-	-	14,066
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	125,000	-	-	-	125,000
Total Financial Assets	139,066	-	-	-	139,066
2014					
Financial Assets					
Cash and Cash Equivalents	4,739	-	-	-	4,739
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	150,000	-	-	-	150,000
Total Financial Assets	154,739	-	-	-	154,739

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable)

Ageing analysis of financial asset as at 30 June

	Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
2015							
Financial Assets							
Cash and Cash Equivalents	14,066	14,066	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	125,000	125,000	-	-	-	-	-
Total Financial Assets	139,066	139,066	-	-	-	-	-
2014							
Financial Assets							
Cash and Cash Equivalents	4,739	4,739	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	150,000	150,000	-	-	-	-	-
Total Financial Assets	154,739	154,739	-	-	-	-	-

(i) Ageing analysis of financial assets excludes the types of statutory financial assets (i.e. GST input tax credit)

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently Cohuna Community Nursing Home Inc does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Nursing Home would be unable to meet its financial obligations as and when they fall due. The Nursing Home operates under the Government's fair payments policy of setting financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Nursing Home's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Nursing Home manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Nursing Home from month to month.

Cohuna Community Nursing Home has secured a letter of comfort from the Cohuna District Hospital dated 30/08/2015, 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 September 2016, should it be required.

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

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
	\$	\$	\$	\$	\$	\$
2015						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	16,382	16,382	16,382	-	-	-
Other Financial Liabilities (i)	14,066	14,066	14,066	-	-	-
Total Financial Liabilities	30,448	30,448	30,448	-	-	-
2014						
Financial Liabilities						
<i>At amortised cost</i>						
Payables	19,118	19,118	19,118	-	-	-
Other Financial Liabilities (i)	1,487,198	1,487,198	4,739	-	-	-
Total Financial Liabilities	1,506,316	1,506,316	23,857	-	-	-

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

(d) Market Risk

Cohuna Community Nursing Home Inc's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Currency Risk

Cohuna Community Nursing Home Inc is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Interest Rate Risk

Exposure to interest rate risks arise primarily through the Cohuna Community Nursing Home Inc's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Nursing Home mainly holds financial assets with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Nursing Home has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Nursing Home manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movements in interest rates on a daily basis.

Other Price Risk

The Nursing Home is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Nursing Home on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rate %	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
2015					
Financial Assets					
Cash and Cash Equivalents	1.19	14,066	-	14,066	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	3.73	125,000	125,000	-	-
Total Financial Assets		139,066	125,000	14,066	-
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)		16,382	-	-	16,382
Other Financial Liabilities		14,066	-	-	14,066
Total Financial Liabilities		30,448	-	-	30,448
2014					
Financial Assets					
Cash and Cash Equivalents	2.85	4,739	-	4,739	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	4.20	150,000	150,000	-	-
Total Financial Assets		154,739	150,000	4,739	-
Financial Liabilities					
<i>At amortised cost</i>					
Payables (i)		19,118	-	-	19,118
Other Financial Liabilities		1,487,198	-	-	1,487,198
Total Financial Liabilities		1,506,316	-	-	1,506,316

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Cohuna Community Nursing Home Inc believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Australia and New Zealand Banking Group Ltd.)

- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.73%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Cohuna Community Nursing Home Inc at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$	\$	\$	\$	\$
2015					
Financial Assets					
Cash and Cash Equivalents	14,066	(141)	(141)	141	141
Loans and Receivables	-	-	-	-	-
Other Financial Assets	125,000	(1,250)	(1,250)	1,250	1,250
Financial Liabilities					
<i>At amortised cost</i>					
Payables	16,382	-	-	-	-
Other Financial Liabilities (i)	14,066	-	-	-	-
		(1,391)	(1,391)	1,391	1,391
2014					
Financial Assets					
Cash and Cash Equivalents	4,739	(47)	(47)	47	47
Loans and Receivables	-	-	-	-	-
Other Financial Assets	150,000	(1,500)	(1,500)	1,500	1,500
Financial Liabilities					
<i>At amortised cost</i>					
Payables	19,118	-	-	-	-
Other Financial Liabilities (i)	1,487,198	-	-	-	-
		(1,547)	(1,547)	1,547	1,547

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Nursing Home considers that the carrying amount of financial instrument assets to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

The following table shows that the fair values of all of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2015	2015	2014	2014
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	14,066	14,066	4,739	4,739
Loans and Receivables (i)	-	-	-	-
Other Financial Assets	125,000	125,000	150,000	150,000
Total Financial Assets	139,066	139,066	154,739	154,739
Financial Liabilities				
<i>At amortised cost</i>				
Payables	16,382	16,382	19,118	19,118
Other Financial Liabilities (i)	14,066	14,066	1,487,198	1,487,198
Total Financial Liabilities	30,448	30,448	1,506,316	1,506,316

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

All financial assets held by Cohuna District Hospital are classified as Level 1.

NOTE 16: COMMITMENTS FOR EXPENDITURE

Cohuna Community Nursing Home Inc has entered into the following contract commitments for expenditure:

	2015	2014
	\$	\$
Payable		
Land and Buildings	-	-
Total Capital Commitments	-	-
Land and Buildings*		
No later than one year	-	-
Total	-	-

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 2014 - 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 David Davis, MLC, Minister for Health and Minister for Ageing	01/07/2014 - 03/12/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health and Community Services	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
Governing Boards	
Mr R. J. Stanton	01/07/2014 - 30/06/2015
Mr G. J. Hall	01/07/2014 - 30/06/2015
Mr G. A. Payne	01/07/2014 - 30/06/2015
Mrs D.M. McGraw	01/07/2014 - 30/06/2015
Mr G. L. Smith	01/07/2014 - 30/06/2015
Mrs L.M. Drummond	01/07/2014 - 30/06/2015
Mr R.J Nicholls	01/07/2014 - 30/06/2015
Mr C. P. Hodge	01/07/2014 - 30/06/2015
Mrs B. MacKenzie	01/07/2014 - 30/06/2015
Mrs K.L Hore	01/07/2014 - 30/06/2015
Mrs. L. Learmonth	01/07/2014 - 30/06/2015
Accountable Officer	
Mr W. Hall	01/07/2014 - 30/06/2015

Remuneration of Responsible Persons

The Chief Executive Officer (Accountable Officer) is employed by Cohuna District Hospital (CDH), and information relating to his 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

No executive officers received remuneration in excess of \$100,000.

NOTE 20: REMUNERATION OF AUDITORS

	2015	2014
	\$	\$
Victorian Auditor-General's Office		
Audit or review of financial statements	4,200	3,500
	4,200	3,500

NOTE 21: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no known events that have occurred after the balance sheet date that would require adjustment to or disclosure in the financial statements.

NOTE 22: ECONOMIC DEPENDENCY

The financial performance of Cohuna Community Nursing Home Inc has continued to decline since the prior year with the Nursing Home reporting a deficit net result before capital and specific items of \$491,466 and a net current asset position (\$317,271) resulting in a current asset ratio 0.31 and a cash outflow from operations of \$341,082.

Cohuna District Hospital has provided confirmation that it will continue to provide Cohuna Community Nursing Home Inc adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2016. The parent entity has also received a letter of comfort from the Department of Health and Human Services which will provide the financial capacity to support the Nursing Home.