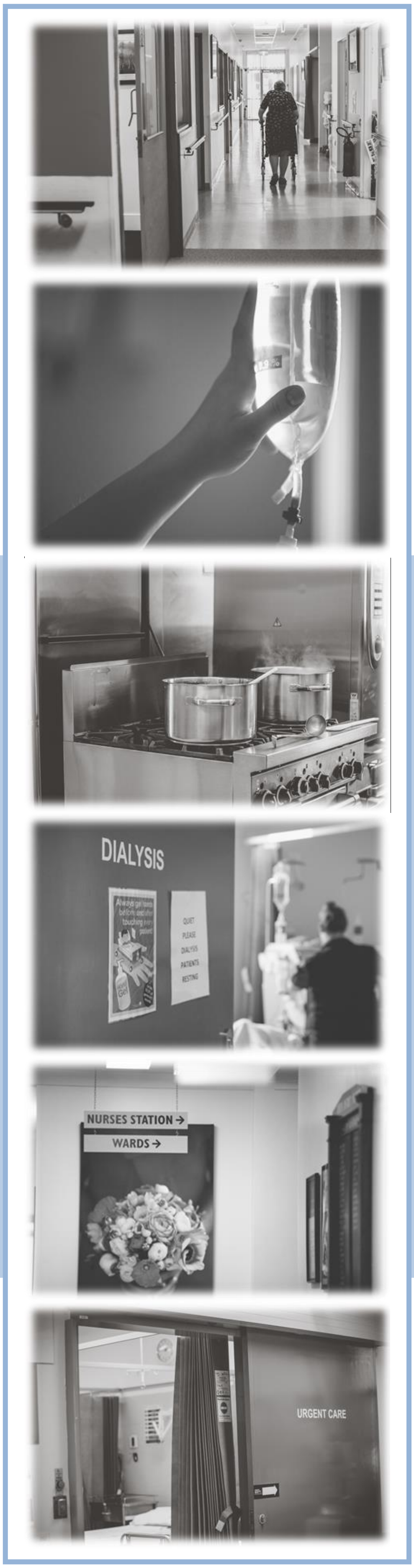


COHUNA DISTRICT HOSPITAL

INCORPORATING THE COHUNA COMMUNITY NURSING HOME

ANNUAL FINANCIAL AND PERFORMANCE REPORT

2015/2016

CONTENTS

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: 0428565320

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 October 2018

Auditors
Auditor General Victoria
Richmond, Sinnott & Delahunty Chartered Accountants

Accountants
Accounting & Audit Solutions Bendigo (AASB)
AFS & Associates Bendigo (AFS)

Banker
ANZ Bank
Bendigo Bank
Westpac Bank

Honorary Solicitor:
Embleton & Associates (Cohuna)

Nature and Range of Services
Urgent Care Centre
Acute Ward
Dialysis Unit
Obstetrics
Planned Activity Groups
Transitional Care
Domiciliary Care
Palliative Care
Diagnostic Scopes
Minor General Surgery
Respite
Residential Aged Care
District Nursing
Radiology and Sonography

REPORT OF OPERATIONS

FROM THE BOARD PRESIDENT

On behalf of the Board of Management of the Cohuna District Hospital and the Cohuna Community Nursing Home Inc. it is our pleasure to present the 64th Annual Report for the year ending 30th June 2016.

In July 2015, we welcomed the following Board members Jean Sutherland, Andrew Rigg, Deanne van der Drift and John Dickson. We said farewell to Andrew Rigg in March 2016 and the board is very appreciative of his skills, expertise and contribution to the organisation.

Board members continue to actively participate in forums that enhance the knowledge and skills to effectively govern the organisation. Throughout the year an external evaluation was conducted by an independent facilitator. The review provided encouraging feedback and recommendations to ensure the Board maintains relevant experience and expertise to fulfil its obligations under the Health Act 1988.

The Board are committed to achieving strong outcomes at governance, leadership and organisational levels with a key focus for the future to create successful business models and strategic partnerships that will enhance the health and wellbeing outcomes in the catchment area.

Our mission to provide quality health care and support services that meet the need of our communities, in a safe and friendly environment. This year has seen the Board engage a number of consultants to provide support our accountability and purpose.

During the year the Cohuna District Hospital has faced the challenges of developing a safe and sustainable midwifery model of care introducing new Framework, Policy, Procedures and Guidelines. The provision of surgical services has also been under review, whilst responding to the needs of an ageing population in partnership with other organisations.

The Board and executive staff have an excellent working relationship with the Department of Health and Human Services and we appreciate their willingness and availability to provide support and guidance. We record our appreciation to Dr Peter Brennan for his ongoing assistance and guidance in developing the Strategic Plan which will deliver the right service mix for a sustainable and appropriate health service for the next generation of community members.

We would also like to acknowledge William Hall, Jo Lowday and Jacque Phillips, who provided strong leadership and contributed as the Chief Executive throughout the year. Despite significant change, the organisation has improved the financial position and created stability with the development of a new strategic plan. This will provide a road map for our future.

Our staff across the health service, in partnership with our visiting medical staff, continue to demonstrate a commitment of the highest level to ensure Cohuna District Hospital and Cohuna Community Nursing Home continue to provide care quality care to its patients, clients and residents. It is this caring nature of our staff that patients, residents and visitors remember the most and for which we receive positive feedback.

Cohuna District Hospital continues to actively build its partnerships in the Community. Relationships that are formed are important in providing the health service with advice, direction and guidance about issues affecting the community.

Cohuna District Hospital and Cohuna Community Nursing Home is truly grateful for the support of the community, local organisations and people through generous donations of time and money to support our vision to be widely recognised for excellence in healthcare. Numerous donations and bequests have been received and we would like to particularly acknowledge the ongoing support of the Murray to Moyne Bike Club, the Bridge to Bridge coordinated by the Cohuna Lions Club and the Ladies Auxiliary, who each year exceed our expectations.

The Board of Management would like to thank our staff, volunteers, partner organisations and many others who work together to support the Cohuna District Hospital and Cohuna Community Nursing Home. Additionally, we would like to acknowledge the contribution of the visiting medical officers, specialist services and allied health professionals, who together improve the health and well-being of Cohuna and surrounding communities.

………………………………..

Cameron Hodge
Board President

STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES FOR 2015-2016

Patient experience and outcomes		
Action	**Deliverable**	**Outcome**
Drive improved health outcomes through a strong focus on patient-centered care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Work with the department, stakeholders and advisors on the redevelopment of the service plan and service model with a high focus on out of hospital and Aged Care outcomes by December 2015	Achieved with active participation by the Chief Executive Officer and the Director of Clinical Services in Gannawarra Local Action Meetings, Big Dry, Sustaining Farming Families and Primary Care Partnership.
Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent, identify and respond appropriately to family violence at an individual and community level.	Conduct early intervention and identification training with District and General Nursing staff to identify opportunity for intervention at the point of service, admission and home care by December 2015.	Achieved with Policy, Procedure and Framework developed along with a staff code of conduct. The Director of Clinical Services attended Child Safe Standard Education.
Improve the health outcomes of Aboriginal and Torres Strait Islanders by increasing accessibility and cultural responsiveness of the Victorian health system.	Attend and facilitate Aboriginal events in the local government area. Provide educational and vocational opportunities and enhance Board and staff cultural awareness and responsiveness with specific Board training by October 2015.	Achieved with the Chief Executive Officer attending meetings with the local aboriginal indigenous network and signed an agreement in partnership with Southern Mallee Primary Care Partnership and Gannawarra Local Action Meeting.
Use consumer feedback and develop participation processes to improve person and family centered care, health service practice and patient experiences.	Implement and encourage the use of self-service health information kiosks with access to trained nurses by December 2015.	Achieved with a Self-service health information kiosk set up in waiting area reception for general public to access. Public have access to trained nurses on staff 24 hours, 7 days per week. Patient-centered care education was conducted as an in-service.
Identify service users who are marginalised or vulnerable to poor health, and develop interventions that improve their outcomes relative to other groups, for example, women, Aboriginal people, people affected by mental illness, people at risk of elder abuse, people with disability, homeless people, refugees and asylum seekers, people whose alcohol and other drug use is damaging on their health or impacting on their recovery.	Continue planning and action to move to a social model of health with a balance of hospital based services and mobile/community based health services to address the needs of the vulnerable in the community, with a particular focus on the aged, children, immigrant refugees and Aboriginal groups. Appoint a social health nurse (or similar) position by December 2015.	Achieved with the District Nurse attending and providing education at school on healthy program (walk to school) Work continues with the local Medical Clinic to improve the uptake of Enhanced Primary Care access. Ongoing work continues with investigation into implementing a Safe Procedure and Policy for a Needle Exchange Program.

Governance, Leadership and culture		
Action	Deliverable	Outcome
Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health.	In partnership with local government, the Primary Care Partnership and local health service partners, enhance workplace wellbeing through the "live lighter" and "5 ways to wellbeing: campaigns by September 2015. Continue to provide enhanced Employee assistance Program services to employees requiring mental health support at no-cost for up to 5 specialist visits.	Achieved with a Mental Health portfolio and training provided to a champion Nurse. The "5 ways to wellbeing" campaign was enhanced through the workplace. A staff wellness group was established. The Employee Assistance Program is advertised in the Dining Room and Newsletter to all staff members.
Monitor and publically report incidents of occupational violence. Work collaboratively with the Department of Health and Human Services to develop systems to prevent the occurrence of occupational violence.	Conduct occupational violence training for nursing staff in communication with Echuca Regional Health by December 2015.	Achieved with Code Grey Training provided through mandatory online ReHSeN which all staff must complete.
Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace. Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale.	Promote awareness of bullying and harassment to the Board and staff to ensure incidents are detected and prevented in the workplace.	Achieved through promoting the Studor Principles and addressed through the People Matters Survey each year. A workshop was held in June 2016 for all Managers.
Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.	Sponsor one Board member to attend the Australian Institute of company Directors course in 2015.	Ongoing
Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions.	Extend training in mental health identification and first aid to Senior Managers by December 2015.	Ongoing

Apply existing capability frameworks and clinical guidelines to inform service system planning, giving consideration to the capability of neighbouring services and how best to allocate available resources so as to deliver the maximum benefit to the local community.	As part of our service plan review, ensure the capabilities of neighbouring health services are taken into consideration and balanced with local access expectations by December 2015.	Achieved with a review of all services undertaken and new frameworks developed for Maternity, Surgical, Clinical Governance Quality of Care. This body of work will be ongoing with constant monitoring and auditing.

Safety and quality

Action	Deliverable	Outcome
Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae (CRE) as outlined in Hospital Circular 02/15 (issued 16 June 2015)	Review, strengthen and enhance existing plans and processes by January 2016 as part of the regional infection control group.	Achieved with a review of MRO Policy in consultation with RIPPRAC.
Implement effective antimicrobial stewardship practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.	Continue to develop existing antimicrobial stewardship programs in partnership with our regional infection control teams. Complete update training with all Visiting Medical Officers by February 2016.	Achieved with Policy and Procedure developed in consultation with VMOs. Audits are conducted with results fed back to VMOs at bi-monthly meetings.
Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements.	Lead an inter-organisation emergency response exercise and actively participate in regional and local government emergency planning activities by March 2016.	Achieved with two Staff members attending an emergency meeting with planning conducted on Heatwave and Pandemic emergencies with local authorities.
Provide information and support about prevention, risk factors and early detection and management of diseases by employing a prevention and detection approach similar to the :Supporting patients to be smoke free: an ABDC approach in Victorian health services' model.	Declare the entire site smoke free and provide access to the Quit and associated models by February 2016.	Achieved by the Occupational & Health & Safety team in conjunction with management declaring the Cohuna District Hospital a smoke free site in July 2015. Signage was erected and removal of external ashtrays was completed. Education and support was offered to staff members.

Financial sustainability

Action	Deliverable	Outcome
Improve cash management processes to ensure that financial obligations are met as they are due.	As part of the internal audit process, review and improve cash management processes by June 2016.	Achieved with AASB and AFS conducting internal audits and recommendations implemented. This is monitored by the Audit Committee and Finance Department
Develop collaboration with peers to selectively provide services that represent the best value of money whilst in the best interests of patients.	Work in partnership with other health services to identify efficiencies through shared services.	Work is ongoing and partnership development is explored to identify how the facility can be more efficient.
Review and refine existing service agreements with providers.	Conduct a comprehensive review of contracts for the provision of Visiting Medical Officer, medical and allied health services by February	A Review was undertaken in Dec 2015 and a Program was ordered and will be implemented in Sept 2016 – Status ongoing

Access

Action	Deliverable	Outcome
Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians.	Continue our partnership with the Gannawarra Shire, Southern Mallee Primary Care Partnership and other stakeholders to identify and assist vulnerable and disadvantaged groups in the community.	Ongoing collaboration with Primary Care Partnership and other stakeholders. Two staff members completed training with the "Sustaining Farming Families".
Progress partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to so, making the most efficient use	Work with Metropolitan, Bendigo, Swan Hill and Echuca health services to provide local rehabilitation programs locally and early transfer of patients from surgical and advanced medical centres.	Achieved through the Transitional Care Program, Maternity and Surgical Consultations. All transfers are audited and reviewed with education and follow-up reporting to staff.
Work collaboratively with Ambulance Victoria to achieve timely transfer of patients.	Work closely with Ambulance Victoria to ensure unnecessary use of emergency ambulances is avoided with the increased use of alternative transport methods. Usage data will be reviewed quarterly through to June 2016.	Achieved with regular audits conducted on all Acute and Urgent Care transfers which are documented Education and outcome findings are reported to staff through Clinical meetings.
Ensure that policies, procedures and service models are in place to manage and monitor colonoscopy referrals and ensure timely access for patients with an urgent clinical need.	Maintain a rural diagnostic scope service with clear pathways to tertiary health services for appropriate and timely access to further treatment.	Ongoing review of Policies and Procedures to ensure timely access for patients with urgent clinical needs.
Develop Tele-health service models to facilitate the delivery of high quality and equitable specialist services to patients.	In conjunction with Bendigo Health and the Loddon Mallee Regional Health Alliance continue to develop telehealth services, particularly in the area of urgent care and pre-anaesthetics.	Achieved with both Skype and a Video Conference Unit availability which are used regularly to facilitate in delivering high quality health service to patients.

PART B: PERFORMANCE PRIORITIES

Safety and quality performance

Key Performance Indicator	Target	2015-16 actuals
Patient Experience and outcomes Performance		
Percentage of women with prearranged postnatal care	100%	100%
Victorian health experience survey – data submission	Full Compliance	Full Compliance
Victorian Healthcare Experience survey – patient experience	95% positive	96% positive
Governance, Leadership and Culture		
People Matter Survey – patient safety culture	80%	69%
Safety and Quality		
NSQHS Health Service Accreditation	Full Compliance	Full Compliance
AACQA Residential Aged Care Accreditation	Full Compliance	Full Compliance
Cleaning Standards Overall compliance	Full Compliance	Full Compliance
Very High risk (Category A)	90 points	96 points
High risk (Category B)	85 points	97 points
Moderate risk (Category C)	85 points	92 points
Submission of data to VICNISS*	Full Compliance	Full Compliance
Compliance with the Hand Hygiene Australia Program	80%	89%
Percentage of healthcare workers immunized for influenza	75%	92%

* VICNISS is the Victorian Hospital Acquired Infection Surveillance System

OUR STRATEGIC PLAN 2011-2015

Our existing Strategic Plan (2011-2015) was extended into the 2016 year to accommodate the service and financial review of our organisation during the year and can be read on the Website: www.cdh.viv.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**	Mapping of existing primary health programs undertaken by CDH or regional partners. Determine priority areas for development and evaluate the effectiveness of current models of care through service planning and regional collaboration. Liaison with the Loddon Mallee Murray Medicare Local through its charter to enhance primary care accessibility across the region.
2	**Strengthen Relationships with Health Care Services and Monitor & Develop Clinical Services in Response to Community Need**	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. Maintain open and constructive dialogue with the Cohuna Medical Clinic. Explore partnership opportunities with the other health providers within the region.

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

SERVICE ACTIVITY

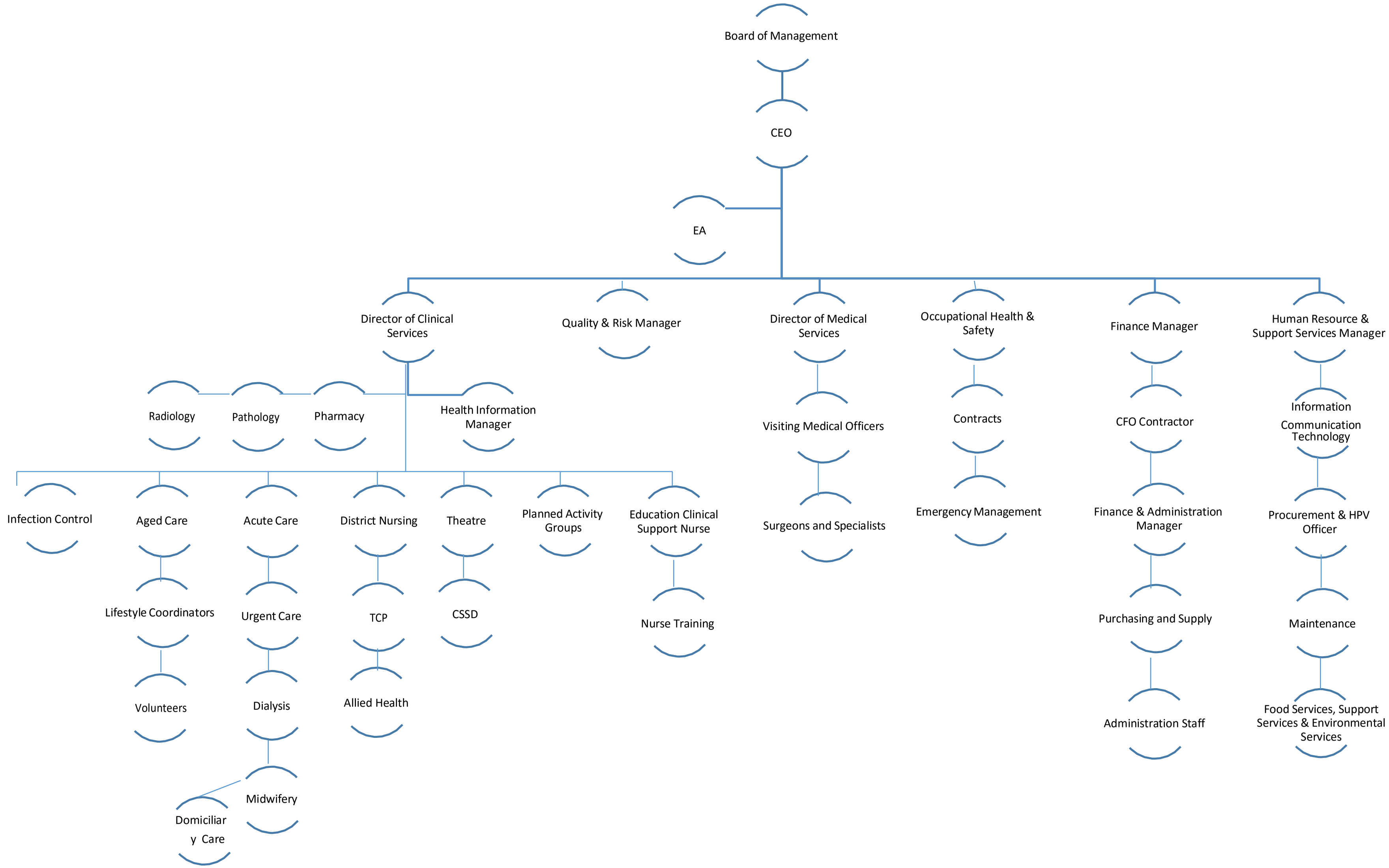
	2015-16	2015-14	2013-14	2012-13
HOSPITAL				
Admitted Patients (excl. Newborns & Dialysis	1,152	1,017	850	955
Inpatient Bed Days	3,061	3,118	3,208	3,061
Dialysis Sessions	471	467	501	313
Transition Care Bed Days	197	248	217	203
Average Length of Stay (Days)	2.65	3.06	3.77	3.20
Births	64	45	56	57
Operations - Day Surgery	138	159	133	160
Operations - Overnight	31	43	49	56
ADASS Attendances	1,170	1,190	1,499	1,561
District Nurse	1,814	1,795	1,666	1,780
Urgent Care Centre	2,552	3,318	3,265	3,112
Meals on Wheels	10,089	8,883	8,690	9,392
NURSING HOME				
Residents	28	21	28	28
Resident Bed Days	5,737	5,427	5,684	5,406
% Occupancy	97.7%	94.5%	97%	93%
Average Length of Stay (Days)	205	258	203	193

Major changes or factors affecting performance

There were no major changes or factors, which affected the achievement of the Hospital's operational objectives during 2015 – 2016.

STAFF BY LABOUR CATEGORY

LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2016	2015	2016	2015
Nursing/HACC	36.78	37.48	36.21	36.69
Administration/Quality	10.62	10.90	11.01	11.38
Support Services	18.95	16.55	17.90	17.40
TOTAL	66.35	64.93	65.12	65.47


Board of Management
CEO
EA
Director of Clinical Services
Quality & Risk Manager
Director of Medical Services
Occupational Health & Safety
Finance Manager
Human Resource & Support Services Manager
Radiology
Pathology
Pharmacy
Health Information Manager
Visiting Medical Officers
Contracts
CFO Contractor
Information Communication Technology
Infection Control
Aged Care
Acute Care
District Nursing
Theatre
Planned Activity Groups
Education Clinical Support Nurse
Surgeons and Specialists
Emergency Management
Finance & Administration Manager
Procurement & HPV Officer
Lifestyle Coordinators
Urgent Care
TCP
CSSD
Nurse Training
Purchasing and Supply
Maintenance
Volunteers
Dialysis
Allied Health
Administration Staff
Food Services, Support Services & Environmental Services
Midwifery
Domiciliar y Care

GOVERNANCE

BOARD OF MANAGEMENT

The volunteer members of the Board of Management are responsible for setting the strategic direction of Cohuna District Hospital and Cohuna Community Nursing Home within the framework of government policy. The Board of Management oversee the quality of care program, taking an active role in planning, monitoring and evaluation.

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

Members are appointed for a term of three years, with approximately one quarter of terms expiring in June of each year.

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 2015/16

Cameron Hodge – President
Lorraine Learmonth – Sen Vice President
Mandy Hutchinson – Jnr Vice President
Jean Sutherland - Treasurer

Lois Drummond	Graeme Smith
Geoff Hall	Deanne VanderDrift
John Dickson	Ron Stanton

George Payne
Dr Peter Brennan (Delegate)
Andrew Rigg (resigned March 2016)

Members of the Audit Committee

Deanne Van der Drift (Chairperson)
Sam Manduskar (Community member)
Jean Sutherland
Geoff Hall
Cameron Hodge
Sue Woods (Community member)
Ron Stanton
Dr Peter Brennan (Delegate)

CHIEF EXECUTIVE

William Hall
Chief Executive Officer
Resigned Feb 19th 2016

Jacque Phillips
Interim Chief Executive Officer
(Feb 23rd 2016 – June 30th 2016)

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

EXECUTIVE STAFF

Director of Medical Services

All medical staff (Visiting Medical Officers) report professionally to the Chief Medical Officer. The Director of Medical Services include Pharmacy, and has oversight of the contracted services of Pathology and Medical Imaging.

The role is also responsible for credentialing of medical staff in addition to working with other members of the Executive to provide clinical governance, planning and resource management for the health service.

Director of Clinical Services

The Director of Clinical Services 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 & Risk Manager

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. The QR manager drives quality improvement and acts as a best practices coach to all staff, volunteers and members of the Board.

Finance & Administration Management

The Administration & Finance Managers lead and manage the administration team to ensure a high level of customer service. The manager is responsible for all internal and external reporting and analysis, together with day to day transaction processing. They are responsible for general accounting and provide financial information to staff and the Board to ensure fully informed decision making.

Occupational Health & Safety Manager

The Occupational Health & Safety Manager oversees the processes that ensure we provide a safe workplace within the health service. The OH&S manager 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.

Human Resource Manager

The Human Resource manager provides an internal service supporting managers in workforce planning, recruitment and selection, employee engagement, performance development and industrial relations matters.

COMMUNITY SUPPORT

DONORS over $200	$
Cohuna Five Hundred Club	500.00
McGift Crowd Funding	35,519.70
Murray to Moyne Bike Club	58,930.35
Drew Bartram Marathon	3,738.79
The Alfred & Jean Dickson Foundation	5,000.00
Cohuna Golf Club Day	687.95
Cohuna Lions Club Bridge to Bridge	23,000.00
IGA Supermarket Cohuna	420.00
W & K Hall	300.00
C & A Hodge	300.00
Dodgshun Medlin	2,000.00
Cohuna Leitchville RSL Sub Branch	250.00
GW & KF Douglas	200.00
Mrs. Rhonda Richards	1,000.00
Mrs. Cynthia Douthat	4,000.00
Bower Tavern	351.50
G & H Hall	250.00
Jill North	1,000.00
Cohuna Neighbourhood House – John Hawken	250.00
Ladies Auxiliary	14,905.00
Lions Club – Leitchville	500.00

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
Mrs. Anne Graham

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 Honorable;
Jill Hennessy MLA, Minster for Health: 01 July 2015 to 30 June 2016;
Martin Foley MLA, Minister for Mental Health: 01 July 2015 to 30 June 2016;
Martin Foley MLA, Minister for Housing, Disability and Ageing: 01 July 2015 to 30 June 2016;

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 5 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 and Human Services 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 and Human Services, 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

		2016	2015	2014
Gas	Litres	34,837	45,683	43,339
	Cost	$25,221	$35,635	$39,943

		2016	2015	2014
Electricity	Kwh	395,761	360,364	389,574
	Cost	$60,528	$55,074	$67,686

*Water statistics not available at 30th June 2016

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 33 incidents per year.

	2016	2015	2014
Total Incidents	32	29	39
Lost Time Incidents	4	3	1
Days Lost Time	107	5	1

Occupational Violence Statistics 2015 - 2016	
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	14
Number of occupational violence incidents reported per 100 FTE	0.14
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	21.4%

Definitions: For the purposes of the above statistics the following definitions apply.
Occupational violence - any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
Incident - occupational health and safety incidents reported in the health service incident reporting system. Code Grey reporting is not included.
Accepted Workcover claims – Accepted Workcover claims that were lodged in 2015-16.
Lost time – is defined as greater than one day.

Consultancies 2015/16

In 2015-16, Cohuna District Hospital and Community Nursing Home engaged 6 consultants where the total fee payable to the consultant was less than $10,000 with a total expenditure of $18,082.50 (exc GST).

CONSULTANT	DETAILS	TOTAL FEES APPROVED (ex GST)
Susannah Ahern	Clinical Risk Review	16,750.00
Michael Rhook	Residential Aged Care Review	19,695.00
Bendigo Health Care Group	Finance Review	20, 000.00

Contracts

Cohuna District Hospital and Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2015/16 there were no contracts to which the VIPP applied.

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.

ADDITIONAL INFORMATION (FRD22G)

In compliance with the requirements of FRD 22G *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):

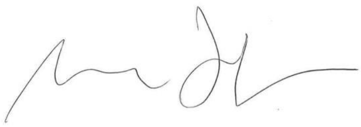
(a) Declarations of pecuniary interests have been duly completed by all relevant officers;
(b) Details of shares held by senior officers as nominee or held beneficially;
(c) Details of publications produced by the entity about itself, and how these can be obtained;
(d) Details of changes in prices, fees, 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

Responsible Bodies declaration as at 30 June 2016

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Cohuna District Hospital and Cohuna Community Nursing Home for the year ending 30 June 2016.

Jacque Phillips
Interim Chief Executive Officer
Cohuna, 30 June 2016

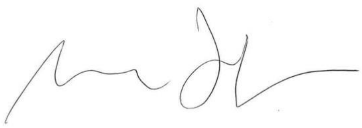


Cameron Hodge
Board President
Cohuna, 30 June 2016

Attestation on Data Integrity

I, Jacque Phillips (Interim CEO) and Cameron Hodge (Board President) certify that the certify that Cohuna District Hospital and Community Nursing Home has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Cohuna District Hospital and Community Nursing Home has critically reviewed these controls and processes during the year.

Jacque Phillips
Interim Chief Executive Officer
Cohuna, 30 June 2016

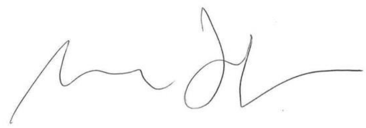


Cameron Hodge
Board President
Cohuna, 30 June 2016

Attestation for compliance with the Ministerial Standing Direction 4.5.5– Risk Management Framework and Processes

I, Jacque Phillips (Interim CEO) and Cameron Hodge (Board President) certify that the Cohuna District Hospital and Community Nursing Home has complied with Ministerial Direction 4.5.5 – Risk Management Framework and Processes. The Cohuna District Hospital and Community Nursing Home Audit Committee has verified this.

Jacque Phillips
Interim Chief Executive Officer
Cohuna, 30 June 2016



Cameron Hodge
Board President
Cohuna, 30 June 2016

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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FRD 22G	Initiatives and key achievements	3
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FRD 21B	Responsible person and executive officer disclosures	*
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22G	Application and operation of Carers Recognition Act 2012 FRD	22
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FRD 22G	Compliance with building and maintenance provisions of Building Act 1993	19
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SD 4.2(b)	Balance sheet	*
SD 4.2(b)	Cash Flow statement	*
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* REFER TO FINANCIAL STATEMENTS

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Cohuna District Hospital

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the 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 and Accounting Officer's declaration of Cohuna District Hospital and the consolidated entity. The consolidated entity comprises 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 financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of Cohuna District Hospital 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 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, I and my staff and delegates have complied with all applicable independence pronouncements.

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 2016 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 *Financial Management Act 1994*.

MELBOURNE
7 September 2016

Dr Peter Frost
Acting 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 2016 and financial position of Cohuna District Hospital and the Consolidated Entity at 30 June 2016.

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	Michael Delahunty Chief Executive Officer	Steven Jackel Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
29th August 2016	29th August 2016	29th August 2016

COHUNA DISTRICT HOSPITAL
COMPREHENSIVE OPERATING STATEMENT FOR
THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Parent Entity 2016 $	Parent Entity 2015 $	Consolidated 2016 $	Consolidated 2015 $
Revenue from Operating Activities	2	6,330,870	5,892,326	8,368,249	7,800,529
Revenue from Non-Operating Activities	2	11,827	17,667	19,640	28,358
Employee Expenses	3	(3,537,113)	(3,597,527)	(5,726,246)	(5,594,544)
Non Salary Labour Costs	3	(426,372)	(450,406)	(426,412)	(457,523)
Supplies and Consumables	3	(527,979)	(568,577)	(613,619)	(663,439)
Other Expenses	3	(1,087,271)	(1,096,462)	(1,626,290)	(1,407,826)
Net Result Before Capital and Specific Items		763,962	197,021	(4,678)	(294,445)
Capital Purpose Income	2	180,404	243,708	204,937	308,354
Depreciation	4	(519,018)	(492,108)	(658,507)	(629,954)
Specific Expense		(678,283)	(1,810,224)	-	-
Expenditure for capital purposes	3	(79,923)	(91,118)	(94,521)	(120,390)
Net Result after Capital and Specific Items		(332,858)	(1,952,721)	(552,769)	(736,435)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets		-	2,275	-	2,275
Net gain/(loss) on financial instruments		26,407	-	26,407	-
Revaluation of Long Service Leave		(1,087)	-	(1,087)	-
Total other economic flows included in net result		25,320	2,275	25,320	2,275
NET RESULT FOR THE YEAR		(307,538)	(1,950,446)	(527,449)	(734,160)
Other Comprehensive Income					
Net fair value revaluation on Non Financial Assets		-	-	-	-
COMPREHENSIVE RESULT		(307,538)	(1,950,446)	(527,449)	(734,160)

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

COHUNA DISTRICT HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	Parent Entity 2016 $	Parent Entity 2015 $	Consolidated 2016 $	Consolidated 2015 $
Current Assets					
Cash and Cash Equivalents	5	753,086	366,989	951,715	381,055
Receivables	6	370,623	224,738	370,623	224,738
Investments and Other Financial Assets	7	307,908	340,709	432,908	465,709
Inventories	8	126,410	111,819	126,410	111,819
Prepayments and Other Assets	9	34,017	5,822	34,144	5,949
Total Current Assets		1,592,044	1,050,077	1,915,800	1,189,270
Non-Current Assets					
Receivables	6	49,612	232,289	93,399	374,308
Property, Plant and Equipment	11	5,192,507	5,626,521	6,630,099	7,191,993
Total Non-Current Assets		5,242,119	5,858,810	6,723,498	7,566,301
TOTAL ASSETS		6,834,163	6,908,887	8,639,298	8,755,571
Current Liabilities					
Payables	12	389,505	574,161	397,135	590,544
Provisions	14	1,091,108	1,143,879	1,515,852	1,569,895
Other Liabilities	16	5,585	5,591	200,837	19,657
Total Current Liabilities		1,486,198	1,723,631	2,113,824	2,180,096
Non-Current Liabilities					
Borrowings	13	453,593	-	453,593	-
Provisions	14	68,459	51,805	138,388	114,533
Total Non-Current Liabilities		522,052	51,805	591,981	114,533
TOTAL LIABILITIES		2,008,250	1,775,436	2,705,805	2,294,629
NET ASSETS		4,825,913	5,133,451	5,933,493	6,460,942
EQUITY					
Property, Plant and Equipment Revaluation Surplus	17a	4,384,863	4,384,863	5,790,669	5,790,669
Contributed Capital	17b	2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Surpluses/(Deficits)	17c	(2,247,340)	(1,939,802)	(2,545,566)	(2,018,117)
TOTAL EQUITY		4,825,913	5,133,451	5,933,493	6,460,942
Commitments	20				
Contingent Assets and Contingent Liabilities	21				

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 2016

Consolidated	Note	Property, Plant and Equipment Revaluation Surplus $	Contributions by Owners $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 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**
Net result for the year		-	-	(527,449)	(527,449)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2016		**5,790,669**	**2,688,390**	**(2,545,566)**	**5,933,493**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $	Contributions by Owners $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 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**
Net result for the year		-	-	(307,538)	(307,538)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2016		**4,384,863**	**2,688,390**	**(2,247,340)**	**4,825,913**

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

COHUNA DISTRICT HOSPITAL
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Parent Entity 2016 $	Parent Entity 2015 $	Consolidated 2016 $	Consolidated 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		5,390,339	5,223,761	7,090,819	6,759,140
Capital Grants from Government		68,987	46,800	68,987	46,800
Capital Donations and Bequests Received		132,849	170,645	135,950	180,625
Patient and Resident Fees Received		331,318	354,609	800,515	780,662
GST (Paid to)/received from ATO		(4,926)	46,939	(4,926)	46,939
Interest Received		11,711	22,009	19,524	32,726
Other Receipts		444,015	240,530	462,184	255,223
Total Receipts		***6,374,293***	***6,105,293***	***8,573,053***	***8,102,115***
Employee Expenses Paid		(3,552,907)	(3,556,331)	(5,747,970)	(5,633,182)
Non Salary Labour Costs		(426,372)	(450,406)	(426,412)	(457,523)
Payments for Supplies and Consumables		(542,570)	(1,060,710)	(628,210)	(1,155,572)
Other Payments		(1,212,479)	(849,681)	(1,797,169)	(1,192,410)
Total Payments		***(5,734,328)***	***(5,917,128)***	***(8,599,761)***	***(8,438,687)***
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	18	639,965	188,165	(26,708)	(336,572)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(85,003)	(202,607)	(96,613)	(214,290)
Proceeds from Sale of Non-Financial Assets		-	2,275	-	2,275
(Purchase of)/Proceeds from Investments		32,801	420,682	32,801	445,682
Recognition of Cash from LMRHA		174,144	-	174,144	-
Cash (Provided to)/Received from Related Entities		(678,283)	(511,420)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(556,341)	(291,070)	110,332	233,667
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Borrowings		480,000	-	480,000	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		480,000	-	480,000	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		563,624	(102,905)	563,624	(102,905)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		187,254	290,159	187,254	290,159
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	750,878	187,254	750,878	187,254

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 2016. The purpose of the report is to provide users with information about the Health Services' stewardship of resources entrusted to it.

(a) Statement of compliance

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

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

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

The annual financial statements were authorised for issue by the Board of Cohuna District Hospital on:
29th August, 2016.

(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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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 when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;

- Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss);

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

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

(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 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.

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(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 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 2016, 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.

Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

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(j) 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.

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

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 (j);

* Depreciation as described in note 1 (g);

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

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

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

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

Balance sheet

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

Statement of changes in equity

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

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.

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

Rounding

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

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

Comparative Information

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

(f) Income from transactions

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Cohuna 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 05/2014 (update for 2014-14).

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.

Sale of investments

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

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

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

(g) Expense recognition

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

Cost of goods sold

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

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses 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 15: 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.

(g) Expense recognition (Continued)

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

	2016	2015
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	5 to 6 years	5 to 6 years

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

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

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 (j) *Impairment of financial assets.*

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

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

(h) Other economic flows included in net result

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

Net Gain / (Loss) on Non-Financial Assets

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

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

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

Impairment of Non-Financial Assets

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

Other gains/(losses) from other economic flows

Other gains/(losses) include:

a. The revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will include the impact of changes related to the impact of moving from the 2004 long service leave model to the 2008 long service leave model; and

b. Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

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

(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.

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

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

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

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 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.

(j) 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.

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(h) - 'other comprehensive income'.

Impairment of Non-Financial Assets

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

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

(j) 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 cash flows, discounted at the effective interest rate.

Impairment of financial assets (Continued)

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 2016 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 2016. 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.

(k) 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.

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Health Service has categorised its borrowings as either financial liabilities designated at fair value through the profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowings using the effective interest method.

The classification depends on the nature and purpose of the borrowing. The Health Service determines the classification of it's borrowing at initial recognition.

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.

(k) Liabilities (Continued)

Long Service Leave (LSL)

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

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

The components of this current LSL liability are measured at:

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

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

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

Termination Benefits

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

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

On-Costs

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

Superannuation Liabilities

Cohuna 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.

(l) 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 risked 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.

(m) 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.

Specific restricted purpose surplus

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

(n) 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 20) 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.

(o) 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.

(p) 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.

(q) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 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 2016, 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 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

(q) 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 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 *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 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

(q) 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 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 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 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 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.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

(q) 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 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

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 2015-16 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 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

(r) Category Groups

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

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

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

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

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

Note 2: ANALYSIS OF REVENUE BY SOURCE	Admitted Patients 2016 $	Residential Aged Care 2016 $	Aged Care 2016 $	Other 2016 $	TOTAL 2016 $
Government Grants	5,169,969	1,553,548	266,491	-	6,990,008
Indirect Contributions by Department of Health and Human Services	14,125	10,089	1,009	-	25,223
Patient and Resident Fees	422,916	447,765	38,981	-	909,662
Loddon Mallee Rural Health Alliance	-	-	-	227,653	227,653
Catering	2,330	3,495	155	88,056	94,036
Property Income	6,509	4,313	432	-	11,254
Other Revenue from Operating Activities	74,683	18,169	4,365	13,196	110,413
Total Revenue from Operating Activities	**5,690,532**	**2,037,379**	**311,433**	**328,905**	**8,368,249**
Interest and Dividends	10,938	7,813	781	108	19,640
Total Revenue from Non-Operating Activities	**10,938**	**7,813**	**781**	**108**	**19,640**
Capital Purpose Income	-	21,432	-	47,555	68,987
Donations	4,341	3,101	311	128,197	135,950
Total Capital Purpose Income	**4,341**	**24,533**	**311**	**175,752**	**204,937**
TOTAL REVENUE	**5,705,811**	**2,069,725**	**312,525**	**504,765**	**8,592,826**

Note 2: ANALYSIS OF REVENUE BY SOURCE (Continued)

	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**

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 2016 $	Consol'd 2015 $
Proceeds from Disposal of Non Current Assets		
- Plant & Equipment	-	2,275
Total Proceeds from Disposal of Non-Current Assets	-	2,275
Less: Written Down Value of Non-Current Assets Disposed		
- Plant & Equipment	-	-
Total Written Down Value of Non-Current Assets Disposed	-	-
NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS	-	2,275

Note 3: ANALYSIS OF EXPENSE BY SOURCE	**Admitted Patients 2016**	**Residential Aged Care 2016**	**Aged Care 2016**	**Other 2016**	**TOTAL 2016**
Employee Expenses	3,150,619	2,189,133	265,720	121,861	5,727,333
Non Salary Labour Costs	426,368	40	4	-	426,412
Supplies and Consumables	488,113	85,640	3,154	36,712	613,619
Other Expenses	1,019,917	539,019	61,045	6,309	1,626,290
Total Expenditure from Operating Activities	**5,085,017**	**2,813,832**	**329,923**	**164,882**	**8,393,654**
Depreciation (refer note 4)	-	139,489	-	519,018	658,507
Expenditure for Capital Purposes	-	14,598	-	79,923	94,521
Total Other Expenses	**-**	**154,087**	**-**	**598,941**	**753,028**
TOTAL EXPENSES	**5,085,017**	**2,967,919**	**329,923**	**763,823**	**9,146,682**

Note 3: ANALYSIS OF EXPENSE BY SOURCE (Continued)	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**

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

	Expense		Revenue	
	Consol'd 2016 $	Consol'd 2015 $	Consol'd 2016 $	Consol'd 2015 $
Provision of Meals	164,882	348,133	88,056	87,425
TOTAL	164,882	348,133	88,056	87,425

NOTE 4: DEPRECIATION

	Consol'd 2016 $	Consol'd 2015 $
Depreciation		
Buildings	484,149	475,470
Plant and Equipment		
- Plant	67,158	45,537
- Medical Equipment	71,734	57,976
- Motor Vehicles	13,376	13,376
- Furniture and Fittings	14,739	30,379
Loddon Mallee Rural Health Alliance	7,351	7,216
TOTAL DEPRECIATION	658,507	629,954

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 2016 $	Consol'd 2015 $
Cash on Hand	460	460
Cash at Bank	796,118	206,451
Cash at Loddon Mallee Rural Health Alliance	155,137	174,144
TOTAL CASH AND CASH EQUIVALENTS	951,715	381,055
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	750,878	187,254
Cash for Loddon Mallee Rural Health Alliance	-	174,144
Cash for Monies Held in Trust		
- Cash at Bank	200,837	19,657
TOTAL CASH AND CASH EQUIVALENTS	951,715	381,055

NOTE 6: RECEIVABLES

	Consol'd 2016	Consol'd 2015
CURRENT	$	$
Contractual		
Trade Debtors	83,620	105,282
Patient Fees	156,257	47,110
Accrued Investment Income	2,185	2,069
Accrued Revenue - Other	28,912	29,894
Loddon Mallee Rural Health Alliance Receivables	4,623	807
Less Allowance for Doubtful Debts - Trade Debtors	(7,525)	(5,209)
	268,072	179,953
Statutory		
GST Receivable - Health Service	46,823	43,311
GST Receivable - Loddon Mallee Rural Health Alliance	2,888	1,474
Accrued Revenue - Department of Health and Human Services	52,840	-
	102,551	44,785
TOTAL CURRENT RECEIVABLES	370,623	224,738
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	93,399	374,308
TOTAL NON-CURRENT RECEIVABLES	93,399	374,308
TOTAL RECEIVABLES	464,022	599,046

(a) Movement in the allowance for doubtful debts

Balance at beginning of year	5,209	-
Increase/(Decrease) in allowance recognised in net result	2,316	5,209
Balance at end of year	7,525	5,209

(b) Ageing analysis of receivables
Please refer to Note 19(b) for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from receivables
Please refer to Note 19(b) for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: OTHER FINANCIAL ASSETS

	Operating Fund 2016	Operating Fund 2015	Capital Fund 2016	Capital Fund 2015	Consol'd 2016	Consol'd 2015
CURRENT	$	$	$	$	$	$
Term Deposit						
Aust. Dollar Term Deposits > 3 Months	259,143	255,284	173,765	210,425	432,908	465,709
TOTAL OTHER FINANCIAL ASSETS	259,143	255,284	173,765	210,425	432,908	465,709
Represented by:						
Health Service Investments	259,143	255,284	173,765	210,425	432,908	465,709
TOTAL OTHER FINANCIAL ASSETS	259,143	255,284	173,765	210,425	432,908	465,709

(a) Ageing analysis of other financial assets
Please refer to Note 19(b) for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from other financial assets
Please refer to Note 19(b) for the nature and extent of credit risk arising from other financial assets.

NOTE 8: INVENTORIES

	Consol'd 2016 $	Consol'd 2015 $
Pharmaceuticals - at cost	16,334	10,720
Catering Supplies - at cost	7,022	6,001
Housekeeping Supplies - at cost	10,799	6,821
Medical and Surgical Lines - at cost	82,814	81,349
Administration - at cost	9,441	6,928
TOTAL INVENTORIES	126,410	111,819

NOTE 9: PREPAYMENTS AND OTHER ASSETS

	Consol'd 2016 $	Consol'd 2015 $
Health Service Prepayments	18,713	3,096
Loddon Mallee Rural Health Alliance Prepayments	15,431	2,853
TOTAL OTHER ASSETS	34,144	5,949

NOTE 10: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	**Principal Activity**	**Ownership Interest 2016 %**	**Ownership Interest 2015 %**
Loddon Mallee Rural Health Alliance	Information Systems	2.68	2.59

Summarised balance sheet:	Consol'd 2016 $	Consol'd 2015 $
Current assets		
Cash and Cash Equivalents	155,137	174,144
Receivables	7,511	2,281
Inventory	566	0
Prepayments	14,865	2,853
Total current assets	178,079	179,278
Non-Current Assets		
Property Plant and Equipment	5,679	12,193
Total Assets	**183,758**	**191,471**
Current Liabilities		
Payables	28,083	16,266
Accrued Expenses	2,882	4,333
Total current liabilities	30,965	20,599
Total Liabilities	**30,965**	**20,599**

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

	2016	2015
Revenue from Operating Activitues	227,653	215,036
Expenditure	197,315	182,780
Surplus/(Deficit) before Capital and Depreciation	**30,338**	**32,256**
Depreciation	7,351	7,216
Capital Purpose Expenditure	41,067	19
Total	48,418	7,235
Current Year Surplus/(Deficit)	**(18,080)**	**25,021**

Contingent Liabilities and Capital Commitments

There are no contingent liabilities or capital commitments arising from Loddon Mallee Rural Health Alliance

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

	Consol'd	Consol'd
	2016	2015
Land	$	$
- Land at Fair Value	439,000	439,000
Total Land	439,000	439,000
Buildings		
- Buildings at Valuation	6,571,133	6,556,632
Less Accumulated Depreciation	959,619	475,470
Total Buildings	5,611,514	6,081,162
Plant and Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	5,679	12,193
- Plant and Equipment at Fair Value	543,071	516,196
Less Accumulated Depreciation	315,767	248,609
Total Plant and Equipment	232,983	279,780
Medical Equipment		
- Medical Equipment at Fair Value	726,588	675,843
Less Accumulated Depreciation	466,145	394,411
Total Medical Equipment	260,443	281,432
Furniture and Fittings		
- Furniture and Fittings at Fair Value	270,533	266,878
Less Accumulated Depreciation	200,495	185,756
Total Furniture and Fittings	70,038	81,122
Motor Vehicles		
- Motor Vehicles at Fair Value	71,338	71,338
Less Accumulated Depreciation	55,217	41,841
Total Motor Vehicles	16,121	29,497
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,630,099	7,191,993

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 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 1 July 2015	439,000	-	6,081,162	279,780	281,432	81,122	29,497	7,191,993
Additions	-	-	14,501	26,875	50,745	3,655	-	95,776
Loddon Mallee Rural Health Alliance	-	-	-	837	-	-	-	837
Revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	(484,149)	(74,509)	(71,734)	(14,739)	(13,376)	(658,507)
Balance at 30 June 2016	439,000	-	5,611,514	232,983	260,443	70,038	16,121	6,630,099

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.

(c) Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2016	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	5,611,514	-	-	5,611,514
Total of building at fair value	5,611,514	-	-	5,611,514
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	232,983	-	-	232,983
- Medical equipment	260,443	-	-	260,443
- Furniture and fittings	70,038	-	-	70,038
- Motor Vehicles	16,121	-	16,121	-
Total of plant, equipment and vehicles at fair value	579,585	-	-	563,464
	6,630,099	-	-	6,613,978

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 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	-	29,497	642,334
	7,191,993	-	29,497	7,162,496

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

There have been no transfers between levels during the period.

(c) Fair value measurement hierarchy for assets as at 30 June 2016
Specialised land and specialised buildings

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

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

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

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

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2016
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 2016.

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

(d) Reconciliation of Level 3 fair value as at 30 June 2016

	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	6,081,162	279,780	281,432	81,122
Purchases (sales)	-	14,501	27,712	50,745	3,655
Gains or losses recognised in net result					
- Depreciation	-	(484,149)	(74,509)	(71,734)	(14,739)
Subtotal	439,000	5,611,514	232,983	260,443	70,038
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	439,000	5,611,514	232,983	260,443	70,038
Unrealised gains/(losses) on non-financial assets					
	439,000	5,611,514	232,983	260,443	70,038

There have been no transfers between levels during the period.

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.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique (i)	Significant unobservable inputs
Specialised land	Market Approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
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

NOTE 12: PAYABLES

	Consol'd 2016 $	Consol'd 2015 $
CURRENT		
Contractual		
Trade Creditors	194,294	251,010
Accrued Audit Fees	18,700	19,680
Loddon Mallee Rural Health Alliance Payables	30,965	20,599
Accrued Expenses - Other	84,888	92,899
	328,847	384,188
Statutory		
Department of Health and Human Services	-	133,610
Australian Taxation Office - PAYG	68,288	58,737
Department of Health & Ageing	-	12,183
Fringe Benefits Tax Payable	-	1,826
	68,288	206,356
TOTAL CURRENT	397,135	590,544
TOTAL PAYABLES	397,135	590,544

(a) Maturity analysis of payables
Please refer to Note 19(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 19(c) for the nature and extent of risks arising from contractual payables.

NOTE 13: BORROWINGS

	Consol'd 2016 $	Consol'd 2015 $
NON CURRENT		
Department of Health and Human Services - Loan	453,593	-
TOTAL BORROWINGS	453,593	-

A loan has been provided by the Department of Health and Human Services in order to provide cash flow to meet ongoing financial obligations. The loan is provided on an interest free basis and is repayable over a term of 5 years, commencing in October 2017.

(a) Maturity analysis of borrowings
Please refer to Note 19(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from borrowings
Please refer to Note 19(c) for the nature and extent of risks arising from borrowings.

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

NOTE 14: PROVISIONS

	Consol'd 2016 $	Consol'd 2015 $
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 14(a))		
- unconditional and expected to be settled within 12 months (ii)	399,921	408,128
- unconditional and expected to be settled after 12 months (ii)	70,000	72,022
Long Service Leave (Note 14(a))		
- unconditional and expected to be settled within 12 months (ii)	150,000	150,000
- unconditional and expected to be settled after 12 months (ii)	564,383	656,695
Accrued Days Off (Note 14(a))		
- unconditional and expected to be settled within 12 months (ii)	13,531	7,757
- unconditional and expected to be settled after 12 months (ii)	-	-
Accrued Wages & Salaries (Note 14(a))		
- unconditional and expected to be settled within 12 months (ii)	162,685	114,571
- unconditional and expected to be settled after 12 months (ii)	-	-
	1,360,520	1,409,173
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	94,258	91,417
- unconditional and expected to be settled after 12 months (iii)	61,074	69,305
	155,332	160,722
Total Current Provisions	**1,515,852**	**1,569,895**
Non-Current Provisions		
Employee Benefits (i) (Note 14(a))	125,177	103,600
Provisions related to employee benefit on-costs (Note 14(a) and Note 14(b))	13,211	10,933
Total Non-Current Provisions	**138,388**	**114,533**
Total Provisions	**1,654,240**	**1,684,428**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	531,263	542,827
Accrued Salaries and Wages	179,854	126,662
Accrued Days Off	14,959	8,576
Unconditional Long Service Leave Entitlements	789,776	891,830
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	138,388	114,533
Total Employee Benefits and Related On-Costs	**1,654,240**	**1,684,428**
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	1,006,363	1,035,044
Provision made during the year		
- Revaluations	1,087	25,876
- Expense Recognising Employee Service	132,545	132,545
Settlement made during the year	(211,831)	(187,102)
Balance at end of year	928,164	1,006,363

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 15: 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	
		2016 $	**2015 $**	**2016 $**	**2015 $**
Defined Benefit Plans:	Health Super	6,033	-	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	479,385	489,603	-	-
Total		485,418	489,603	-	-

NOTE 16: OTHER LIABILITIES

	Consol'd 2016 $	Consol'd 2015 $
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	15,252	19,657
- Accommodation Bonds (Refundable Entrance Fees)	180,000	-
Other Monies Held in Trust	5,585	-
TOTAL CURRENT	200,837	19,657
***Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 5)	200,837	19,657
TOTAL OTHER LIABILITIES	200,837	19,657

NOTE 17: EQUITY

(a) Reserves	Consol'd 2016 $	Consol'd 2015 $
Property, Plant and Equipment Revaluation Surplus [1]		
Balance at beginning of the reporting period		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675
Revaluation Increment/Decrement		
- Land	-	-
- Buildings	-	-
Balance at the end of the reporting period	5,790,669	5,790,669
Represented by:		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675

(1) The property, plant and equipment asset revaluation reserve arises on the revaluation of property, plant and equipment.

Total Reserves	5,790,669	5,790,669
(b) Contributed Capital		
Balance at the beginning of the reporting period	2,688,390	2,688,390
Balance at the end of the reporting period	2,688,390	2,688,390
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(2,018,117)	(1,283,957)
Net Result for the Year	(527,449)	(734,160)
Balance at the end of the reporting period	(2,545,566)	(2,018,117)
(d) Total Equity at end of financial year	5,933,493	6,460,942

NOTE 18: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Consol'd 2016 $	Consol'd 2015 $
NET RESULT FOR THE YEAR	(527,449)	(734,160)
Depreciation	658,507	622,738
Provision for Doubtful Debts	2,316	5,209
Net (Gain)/Loss from Sale of Plant and Equipment	-	(2,275)
Net (Gain)/Loss on Financial Instruments	(26,407)	-
Share of Net Result from Joint Operations	-	(24,535)
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	200,996	39,659
(Increase)/Decrease in Prepayments	(28,195)	131,132
Increase/(Decrease) in Payables	(261,697)	(352,023)
Increase/(Decrease) in Provisions	(30,188)	(38,638)
Change in Inventories	(14,591)	16,321
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(26,708)	(336,572)

NOTE 19: 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

2016	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	-	-	951,715	-	-	951,715
Receivables	-	-	268,072	-	-	268,072
Other Financial Assets	-	-	432,908	-	-	432,908
Total Financial Assets (i)	-	-	1,652,695	-	-	1,652,695
Financial Liabilities						
Payables	-	-	-	-	328,847	328,847
Borrowings	-	-	-	-	453,593	453,593
Other Financial Liabilities	-	-	-	-	200,837	200,837
Total Financial Liabilities(ii)	-	-	-	-	983,277	983,277

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	-	-	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						
Payables	-	-	403,845	-	-	403,845
Total Financial Liabilities(ii)	-	-	403,845	-	-	403,845

(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 19: 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 $
2016					
Financial Assets					
Loans and Receivables (i)	-	19,640	-	-	19,640
Total Financial Assets	-	19,640	-	-	19,640
Financial Liabilities					
At amortised cost (ii)	26,407	-	-	-	26,407
Total Financial Liabilities	26,407	-	-	-	26,407
2015					
Financial Assets					
Loans and Receivables (i)	-	28,358	-	-	28,358
Total Financial Assets	-	28,358	-	-	28,358
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.

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.

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)
Credit quality of contractual financial assets that are neither past due nor impaired

2016	Financial Institutions (AA2 credit rating) $	Government agencies (AAA credit rating) $	Government agencies (BBB credit rating) $	Other $	Total $
Financial Assets					
Cash and Cash Equivalents	951,715	-	-	-	951,715
Trade Debtors	-	-	-	268,072	268,072
Term Deposits	432,908	-	-	-	432,908
Total Financial Assets	1,384,623	-	-	268,072	1,652,695
2015					
Financial Assets					
Cash and Cash Equivalents	381,055	-	-	-	381,055
Trade Debtors	-	-	-	179,953	179,953
Term Deposits	465,709	-	-	-	465,709
Total Financial Assets	846,764	-	-	179,953	1,026,717

(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 assets as at 30 June

			Past Due But Not Impaired				
2016	Consol'd Carrying Amount $	Not Past due and not impaired $	Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $	Impaired Financial Assets $
Financial Assets							
Cash and Cash Equivalents	951,715	951,715	-	-	-	-	-
Trade Debtors	268,072	174,523	22,685	28,902	26,912	7,525	7,525
Term Deposits	432,908	432,908	-	-	-	-	-
Total Financial Assets	1,652,695	1,559,146	22,685	28,902	26,912	7,525	7,525
2015							
Financial Assets							
Cash and Cash Equivalents	381,055	381,055	-	-	-	-	-
Trade Debtors	179,953	158,054	4,014	4,961	7,715	-	5,209
Term Deposits	465,709	465,709	-	-	-	-	-
Total Financial Assets	1,026,717	1,004,818	4,014	4,961	7,715	-	5,209

(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 a re 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 19: 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
2016	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables Borrowings	328,847	328,847	328,847	-	-	-
Other Financial Liabilities (i)	453,593	453,593	-	-	-	453,593
	200,837	200,837	-	-	200,837	-
Total Financial Liabilities	983,277	983,277	328,847	-	200,837	453,593
2015						
Financial Liabilities						
At amortised cost						
Payables						
Other Financial Liabilities (i)	384,188	384,188	384,188	-	-	-
	19,657	19,657	-	-	19,657	-
Total Financial Liabilities	403,845	403,845	384,188	-	19,657	-

(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.

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.

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)
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		
2016			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non - Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	1.30	951,715	-	951,255	460
Trade Debtors	-	268,072	-	-	268,072
Term Deposits	3.00	432,908	432,908	-	-
Total Financial Assets		1,652,695	432,908	951,255	268,532
Financial Liabilities					
At amortised cost					
Payables (i)	-	328,847	-	-	328,847
Borrowings	-	453,593	-	-	453,593
Other Financial Liabilities	-	200,837	-	-	200,837
Total Financial Liabilities		983,277	-	-	983,277
2015					
Financial Assets					
Cash and Cash Equivalents	1.30	381,055	-	380,595	460
Trade Debtors	-	179,953	-	-	179,953
Term Deposits	2.90	465,709	465,709	-	-
Total Financial Assets		1,026,717	465,709	380,595	180,413
Financial Liabilities					
At amortised cost					
Payables (i)	-	384,188	-	-	384,188
Other Financial Liabilities	-	19,657	-	-	19,657
Total Financial Liabilities		403,845	-	-	403,845

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

NOTE 19: 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 3.0%;
- 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%		+1%	
		Profit	Equity	Profit	Equity
2016	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	951,715	(9,517)	(9,517)	9,517	9,517
Trade Debtors	268,072	-	-	-	-
Term Deposits	432,908	(4,329)	(4,329)	4,329	4,329
Financial Liabilities					
At amortised cost					
Payables	328,847	-	-	-	-
Borrowings	453,593	-	-	-	-
Other Financial Liabilities (i)	200,837	-	-	-	-
		(13,846)	(13,846)	13,846	13,846
2015					
Financial Assets					
Cash and Cash Equivalents	381,055	(3,811)	(3,811)	3,811	3,811
Trade Debtors	179,953	-	-	-	-
Term Deposits	465,709	(4,657)	(4,657)	4,657	4,657
Financial Liabilities					
At amortised cost					
Payables	384,188	-	-	-	-
Other Financial Liabilities (i)	19,657	-	-	-	-
		(8,468)	(8,468)	8,468	8,468

(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 19: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

Comparison between carrying amount and fair value

	Total Carrying Amount 2016 $	Fair Value 2016 $	Total Carrying Amount 2015 $	Fair Value 2015 $
Financial Assets				
Cash and Cash Equivalents	951,715	951,715	381,055	381,055
Loans and Receivables (i)				
- Trade Debtors	268,072	268,072	179,953	179,953
- Term Deposits	432,908	432,908	465,709	465,709
Total Financial Assets	**1,652,695**	**1,652,695**	**1,026,717**	**1,026,717**
Financial Liabilities				
At amortised cost				
Payables Borrowings	328,847	328,847	384,188	384,188
Other Financial Liabilities (i)	453,593	453,593	-	-
Total Financial Liabilities	200,837	200,837	19,657	19,657
	983,277	**983,277**	**403,845**	**403,845**

(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 20: COMMITMENTS FOR EXPENDITURE

	Consol'd 2016 $	Consol'd 2015 $
Capital Expenditure Commitments		
Payable		
Land and Buildings	-	-
Total Capital Expenditure Commitments	**-**	**-**
Land and Buildings*		
Not later than one year	-	-
Total Capital Expenditure Commitments	**-**	**-**
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	2,739	4,382
Total lease commitments	**2,739**	**4,382**
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	1,096	2,739
	2,739	**4,382**

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

NOTE 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Cohuna District Hospital has provided a letter of comfort to the Cohuna Community Nursing Home, which details that they will provide adequate cash support to enable the Nursing Home to meet its current and future obligations when they fall due for a period up to 30 September 2017, should it be required.

NOTE 22: OPERATING SEGMENTS

	ACUTE CARE		RACS		OTHER SERVICES		CONSOLIDATED	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
REVENUE								
External Segment Revenue	5,721,280	5,324,225	2,061,912	1,983,540	816,401	831,751	8,599,593	8,139,516
Total Revenue	5,721,280	5,324,225	2,061,912	1,983,540	816,401	831,751	8,599,593	8,139,516
EXPENSES								
External Segment Expenses	5,085,017	4,899,092	2,967,919	2,577,478	1,093,746	1,397,106	9,146,682	8,873,676
Total Expenses	5,085,017	4,899,092	2,967,919	2,577,478	1,093,746	1,397,106	9,146,682	8,873,676
Net Result from ordinary activities	636,263	425,133	(906,007)	(593,938)	(277,345)	(565,355)	(547,089)	(734,160)
Interest Income	10,938	-	7,813	-	889	-	19,640	-
Net Result for Year	647,201	425,133	(898,194)	(593,938)	(276,456)	(565,355)	(527,449)	(734,160)
OTHER INFORMATION								
Segment Assets	6,834,163	6,908,887	1,805,135	1,846,684	-	-	8,639,298	8,755,571
Unallocated Assets	-	-	-	-	-	-	-	-
Total Assets	6,834,163	6,908,887	1,805,135	1,846,684	-	-	8,639,298	8,755,571
Segment Liabilities	2,008,250	1,775,436	697,555	519,193	-	-	2,705,805	2,294,629
Unallocated Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	2,008,250	1,775,436	697,555	519,193	-	-	2,705,805	2,294,629
Acquisition of property, plant and equipment	84,166	191,052	11,610	23,238	-	-	95,776	214,290
Depreciation expense	519,018	492,108	139,489	137,846	-	-	658,507	629,954
Non cash expenses other than depreciation	6,688	7,988	-	-	-	-	6,688	7,988

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

Business Segments	**Services**
Health Services	Acute Hospital services Aged Care services
Residential Aged Care	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 23a: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2015 - 30/06/2016
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2015 - 30/06/2016
Governing Boards	
Mrs L Learmonth	01/07/2015 - 30/06/2016
Mrs L.M. Drummond	01/07/2015 - 30/06/2016
Mr R. J. Stanton	01/07/2015 - 30/06/2016
Mr G. J. Hall	01/07/2015 - 30/06/2016
Mr G. A. Payne	01/07/2015 - 30/06/2016
Mr G. L. Smith	01/07/2015 - 30/06/2016
Mr A. Rigg	01/07/2015 - 22/03/2016
Mrs V. Sutherland	01/07/2015 - 30/06/2016
Mrs D Van der Drift	01/07/2015 - 30/06/2016
Mr C. P. Hodge	01/07/2015 - 30/06/2016
Mr J. Dickson	01/07/2015 - 30/06/2016
Ms A.Hutchinson	01/07/2015 - 30/06/2016
Accountable Officers	
Mr W. Hall	01/07/2015 - 20/02/2016
Mrs J. Phillips (i)	23/02/2016 - 30/06/2015

Remuneration of Responsible Persons

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

	Consol'd	
Income Band	2016	2015
	No.	No.
$0 - $9,999	12	11
$70,000 - $79,999	-	1
$150,000 - $159,999	-	1
$160,000 - $169,999	1	-
Total Numbers	13	13
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$160,305	$154,253

(i) Mrs J. Phillips was engaged as the accountable officer on an interim basis on a contract arrangement with Numurkah District Health Service (NDHS). Payments for her services were made directly to NDHS and are not reported in the income bands or total remuneration above.

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 23b: 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	
	2016	2015	2016	2015
	No.	No.	No.	No.
$120,000 - $129,999	-	1	-	1
Total	-	1	-	1
Total Remuneration	-	$122,242	-	$122,242
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 24: REMUNERATION OF AUDITORS

	Consol'd 2016	Consol'd 2015
Victorian Auditor-General's Office	$	$
Audit or review of financial statement	18,700	19,680
Other auditor remuneration	42,686	5,327
	61,386	25,007

NOTE 25: CONTROLLED ENTITIES

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

NOTE 26: ECONOMIC DEPENDENCY

Cohuna District Hospital is wholly dependent on the continued financial support of the State Government and in particular, the Department of Human Services. The Department of Human Services has provided confirmation that it will continue to provide Cohuna District Hospital adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2017.

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Cohuna Community Nursing Home Inc.

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of Cohuna Community Nursing Home Inc. which comprises the 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.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Associations Incorporation Reform Act 2012*, 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 of the financial report that gives a true and fair view 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, I and my staff and delegates have complied with all applicable independence requirements of the Australian accounting profession.

I confirm that I have given to the Board Members a written independence declaration, a copy of which is included in the Board's Report.

Opinion

In my opinion, the financial report of Cohuna Community Nursing Home Inc. is in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* including:

(a) giving a true and fair view of the entity's financial position as at 30 June 2016, and of its financial performance for the year ended on that date

b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Regulation 2013.*

MELBOURNE
7 September 2016

Dr Peter Frost
Acting Auditor-General

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

11 May 2015

File No: 30031/01

Mr C Hodge
Board President
Cohuna Community Nursing Home Inc.
PO Box 317
COHUNA VIC 3568

Dear Mr Hodge

Auditor-General's Independence Declaration

The *Australian Charities and Not-for-profits Commission Act 2012* (the Act) requires an auditor to make a declaration of independence in relation to the audit of corporations.

Section 60-40 of the Act requires the individual auditor, audit firm or audit company that conducts either an audit or review of a financial report to give the directors of the company a written declaration that, to the best of the auditor's knowledge and belief, there have been no contraventions of the auditor independence requirements of the Act or of any applicable code of professional conduct in relation to the audit or review.

Accordingly, I enclose a signed independence declaration for your entity's financial report for the year ended 31 December 2015.

Please contact myself on 8601 7169, if you have any queries concerning this matter.

Yours sincerely

Ron Mak
Sector Director, Hospitals

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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 Cohuna Community Nursing Home Inc. for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the 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
7 September 2016

Dr Peter Frost
Acting 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 2016 and financial position of Cohuna Community Nursing Home Inc at 30 June 2016.

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	Michael Delahunty Chief Executive Officer	Steven Jackel Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
29th August 2016	29th August 2016	29th August 2016

COHUNA COMMUNITY NURSING HOME INC

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Revenue from Operating Activities	2	2,037,379	1,908,203
Revenue from Non-Operating Activities	2	7,813	10,691
Employee Expenses	3	(2,189,133)	(1,997,017)
Non Salary Labour Costs	3	(40)	(7,117)
Supplies and Consumables	3	(85,640)	(94,862)
Other Expenses	3	(539,019)	(311,364)
Net Result From Before Capital and Specific Items		(768,640)	(491,466)
Capital Purpose Income	2	24,533	64,646
Specific Income		678,283	1,810,224
Depreciation	3	(139,489)	(137,846)
Expenditure for Capital Purposes	3	(14,598)	(29,272)
NET RESULT FOR THE YEAR		(219,911)	1,216,286
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets		-	-
COMPREHENSIVE RESULT FOR THE YEAR		(219,911)	1,216,286

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

COHUNA COMMUNITY NURSING HOME INC
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
Current Assets			
Cash and Cash Equivalents	5	198,629	14,066
Receivables	6	-	-
Other Financial Assets	7	125,000	125,000
Prepayments		127	127
Total Current Assets		323,756	139,193
Non-Current Assets			
Receivables	6	43,787	142,019
Property, Plant and Equipment	8	1,437,593	1,565,472
Total Non-Current Assets		1,481,380	1,707,491
TOTAL ASSETS		1,805,136	1,846,684
Current Liabilities			
Payables	9	7,630	16,382
Provisions	10	424,744	426,016
Other Liabilities	12	195,252	14,066
Total Current Liabilities		627,626	456,464
Non Current Liabilities			
Provisions	10	69,929	62,728
Total Non Current Liabilities		69,929	62,728
TOTAL LIABILITIES		697,555	519,192
NET ASSETS		1,107,581	1,327,492
EQUITY			
Property, Plant and Equipment Revaluation Surplus	13	1,405,806	1,405,806
Accumulated Surpluses / (Deficits)	13	(298,225)	(78,314)
TOTAL EQUITY		1,107,581	1,327,492
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 2016

	Property, Plant and Equipment Revaluation Surplus $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 2014	1,405,806	(1,294,600)	111,206
Net result for the year	-	1,216,286	1,216,286
Other comprehensive income for the year	-	-	-
Balance at 30 June 2015	1,405,806	(78,314)	1,327,492
Net result for the year	-	(219,911)	(219,911)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	1,405,806	(298,225)	1,107,581

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 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		1,651,780	1,535,379
Capital Donations and Bequests Received		24,533	9,980
Patient and Resident Fees Received		447,765	426,053
Interest Received		7,813	10,717
Other Receipts		25,977	18,546
Total Receipts		***2,157,868***	***2,000,675***
Employee Expenses Paid		(2,183,204)	(1,917,182)
Non Salary Labour Costs		(40)	(7,117)
Payments for Supplies and Consumables		(85,640)	(94,862)
Other payments		(552,280)	(322,596)
Total Payments		***(2,821,164)***	***(2,341,757)***
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	(663,296)	(341,082)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		(11,610)	(11,683)
Net Sale/(Purchase) of Investments		-	25,000
Cash (Provided to) / Received from Related Entities		678,283	327,765
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		666,673	341,082
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT HELD		3,377	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	3,377	-

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 2016. 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:
29th August, 2016

(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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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 01/08/2016, 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 2017, should it be required.

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

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

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

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

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

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

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

Comprehensive operating statement

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

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

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

Comprehensive operating statement

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

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

* Depreciation as described in note 1 (g);

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

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

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

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

Balance sheet

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

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

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 $1 unless otherwise stated.

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

Comparative Information

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

(f) Income from transactions

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

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

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

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

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

Indirect Contributions from the Department of Health & Human Services

- Insurance is recognised as revenue following advice from the Department of Health & Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL Liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2015.

Resident Fees

Resident 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.

Sale of investments

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

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

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

(g) Expense recognition

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

Cost of goods sold

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

Employee expenses

Employee expenses include:

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

	2016	2015
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	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 it's carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Other economic flows included in net result

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

Net Gain / (Loss) on Non-Financial Assets

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

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

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

Impairment of Non-Financial Assets

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

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.

(i) Financial Instruments (Continued)

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.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'other comprehensive income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period.
Fair value is determined in the manner described in Note 15.

Reclassification of available-for-sale financial assets

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

(j) Assets

Cash and Cash Equivalents

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

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

Receivables

Receivables consist of:

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

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

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

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

(j) Assets (Continued)

Investments and other financial assets

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

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

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

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

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

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 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 8 *Property, plant and equipment* .

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

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

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

(j) Assets (Continued)

Revaluations of Non-current Physical Assets

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

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

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

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

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

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

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(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 am expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

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

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

(j) Assets (Continued)

Derecognition of financial assets

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

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

Impairment of financial assets

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

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

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

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

In order to determine an appropriate fair value as at 30 June 2016 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 2016. 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:
- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instruments at Fair Value

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

(k) Liabilities

Payables

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

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

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

(k) Liabilities (Continued)

Provisions

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

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

Employee Benefits

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

Wages and Salaries, Annual Leave and Accrued Days Off

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

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

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

Long Service Leave (LSL)

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

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

The components of this current LSL liability are measured at:

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

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

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

Termination Benefits

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

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

On-Costs

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

Superannuation Liabilities

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

(l) Equity

Contributed Capital

Consistent with *Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*, 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.

(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 2016 reporting period.

As at 30 June 2016, 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 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

(p) 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 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014-1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-4 *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 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 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 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 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.

(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 2014-10 *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 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.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

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 2015-16 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 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

(q) Category Groups

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

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

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

NOTE 2a: ANALYSIS OF REVENUE BY SOURCE

	2016	2015
	$	$
Government Grants		
- Department of Health & Human Services	580,887	595,712
- Commonwealth Government		
- Residential Aged Care Subsidy	972,661	939,667
Indirect Contributions by Department of Health	10,089	(17,135)
Resident Fees (refer note 2b)	447,765	371,413
Other Revenue	25,977	18,546
Total Revenue from Operating Activities	2,037,379	1,908,203
Interest and Dividends	7,813	10,691
Total Revenue from Non-Operating Activities	7,813	10,691
Residential Accommodation Payments (refer note 2b)	-	54,640
Capital Purpose Grant Funding	21,432	-
Capital Purpose Interest	-	26
Donations and Bequests	3,101	9,980
Total Capital Purpose Income	24,533	64,646
TOTAL REVENUE	2,069,725	1,983,540

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

NOTE 2b: RESIDENT FEES RAISED

	2016	2015
	$	$
Recurrent		
Residential Aged Care		
- Nursing Home	447,765	371,413
Total Recurrent	447,765	371,413
Capital Purpose		
Residential Accommodation Payments	-	54,640
Total Capital	-	54,640

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

NOTE 3a: ANALYSIS OF EXPENDITURE BY SOURCE

	2016 $	2015 $
Services Supported by Health Services Agreement		
Employee Expenses	2,189,133	1,997,017
Non Salary Labour Costs	40	7,117
Supplies and Consumables	85,640	94,862
Other Expenses from Continuing Operations	539,019	311,364
Total Expenses Supported by Health Services Agreement	2,813,832	2,410,360
Depreciation	139,489	137,846
Expenditure for Capital Purposes	14,598	29,272
TOTAL EXPENSES	2,967,919	2,577,478

NOTE 4: DEPRECIATION

	2016	2015
	$	$
Depreciation		
Buildings	122,914	122,739
Plant and Equipment		
- Plant	5,976	5,428
- Major Medical	2,289	1,347
- Furniture and Fittings	8,310	8,332
TOTAL DEPRECIATION	139,489	137,846

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.

	2016	2015
	$	$
Cash at Bank	198,629	14,066
TOTAL CASH AND CASH EQUIVALENTS	198,629	14,066
Represented by:		
Cash for Nursing Home Operations (as per Cash Flow Statement)	3,377	-
Cash at Bank for Monies Held in Trust	195,252	14,066
TOTAL	198,629	14,066

NOTE 6: RECEIVABLES

	2016	2015
	$	$
CURRENT		
Contractual		
Accrued Revenue - Other	-	-
TOTAL CURRENT RECEIVABLES	-	-
NON-CURRENT		
Statutory		
DHHS - Long Service Leave	43,787	142,019
TOTAL NON-CURRENT RECEIVABLES	43,787	142,019
TOTAL RECEIVABLES	43,787	142,019

(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

	2016	2015
	$	$
CURRENT		
Loans and Receivables		
Term Deposit		
- Aust. Dollar Term Deposits	125,000	125,000
Total Current	125,000	125,000
Represented by:		
Nursing Home Investments	125,000	125,000
TOTAL OTHER FINANCIAL ASSETS	125,000	125,000

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	2016	2015
	$	$
Land		
Land at Fair value	40,000	40,000
Total Land	40,000	40,000
Buildings		
Buildings at Fair Value	1,580,000	1,580,000
Less Accumulated Depreciation	(245,478)	(122,739)
Buildings at Cost	2,665	1,050
Less Accumulated Depreciation	(175)	-
Total Buildings	1,337,012	1,458,311
Plant and Equipment		
Plant and Equipment at Fair Value	61,074	61,074
Less Accumulated Depreciation	(44,183)	(38,207)
Total Plant and Equipment	16,891	22,867
Medical Equipment		
Medical Equipment at Fair Value	28,329	18,334
Less Accumulated Depreciation	(8,411)	(6,122)
Total Medical Equipment	19,918	12,212
Furniture and Fittings		
Furniture and Fittings at Fair Value	87,856	87,856
Less Accumulated Depreciation	(64,084)	(55,774)
Total Furniture and Fittings	23,772	32,082
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,437,593	1,565,472

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 2014	40,000	1,580,000	28,295	40,414	2,926	1,691,635
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 1 July 2015	40,000	1,458,311	22,867	32,082	12,212	1,565,472
Additions	-	1,615	-	-	9,995	11,610
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,914)	(5,976)	(8,310)	(2,289)	(139,489)
Balance at 30 June 2016	40,000	1,337,012	16,891	23,772	19,918	1,437,593

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 2016.

(c) Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2016	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	40,000	-	-	40,000
Buildings at fair value				
Specialised buildings	1,337,012	-	-	1,337,012
Total of building at fair value	1,337,012	-	-	1,337,012
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	16,891	-	-	16,891
- Medical equipment	19,918	-	-	19,918
- Furniture and fittings	23,772	-	-	23,772
Total of plant, equipment and vehicles at fair value	60,581	-	-	60,581

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(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	40,000	-	-	40,000
Buildings at fair value				
Specialised buildings	1,458,311	-	-	1,458,311
Total of building at fair value	1,458,311	-	-	1,458,311
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	67,161	-	-	67,161

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

There have been no transfers between levels during the period.

Specialised land and specialised buildings

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

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2016.

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

2016	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
Opening Balance	40,000	1,458,311	22,867	32,082	12,212
Purchases (sales)	-	1,615	-	-	9,995
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,914)	(5,976)	(8,310)	(2,289)
Subtotal	40,000	1,337,012	16,891	23,772	19,918
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	40,000	1,337,012	16,891	23,772	19,918
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	1,337,012	16,891	23,772	19,918

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	40,000	1,458,311	22,867	32,082	12,212
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	40,000	1,458,311	22,867	32,082	12,212
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	1,458,311	22,867	32,082	12,212

There have been no transfers between levels during the period.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

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

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

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

NOTE 9: PAYABLES

	2016 $	2015 $
Contractual		
Accrued Audit Fees	3,800	4,200
Other Accrued Expenses	3,830	-
	7,630	4,200
Statutory		
Department of Health and Ageing	-	12,182
TOTAL PAYABLES	7,630	16,382

(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

	2016 $	2015 $
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	100,610	101,455
- unconditional and expected to be settled after 12 months (ii)	15,000	15,000
Long Service Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	30,000	36,255
- unconditional and expected to be settled after 12 months (ii)	205,164	205,446
Accrued Days Off (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	1,548	1,914
- 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)	31,888	25,290
- unconditional and expected to be settled after 12 months (ii)	-	-
	384,210	385,360
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	17,925	17,399
- unconditional and expected to be settled after 12 months (iii)	22,609	23,257
	40,534	40,656
Total Current Provisions	**424,744**	**426,016**

NOTE 10: PROVISIONS (Continued)	2016 $	2015 $
Non-Current Provisions		
Employee Benefits (i) (Note 10(a))	63,256	56,742
Provisions related to employee benefit on-costs (Note 10(a))	6,673	5,986
Total Non-Current Provisions	**69,929**	**62,728**
Total Provisions	**494,673**	**488,744**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Annual Leave Entitlements	127,807	128,741
Accrued Salaries and Wages	35,252	27,958
Accrued Days Off	1,711	2,116
Unconditional Long Service Leave Entitlements	259,974	267,201
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	69,929	62,728
Total Employee Benefits and Related On-Costs	494,673	488,744
(b) Movements in provisions	$	$
Movement in Long Service Leave:		
Balance 1 July, 2015	329,929	252,037
Provision made during year		
- Revaluations	-	-
- Expense Recognising Employee Service	61,147	45,421
Settlement made during the year	(61,173)	32,471
Balance June 30, 2016	329,903	329,929

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	
		2016 $	**2015 $**	**2016 $**	**2015 $**
Defined Benefit Plans:	Health Super	-	-	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	176,304	170,465	-	-
Total		176,304	170,465	-	-

NOTE 12: OTHER LIABILITIES

	2016	2015
	$	$
Current		
Monies Held in Trust *	15,252	14,066
Accommodation Bonds (Refundable Entrance Fees)	180,000	-
TOTAL OTHER LIABILITIES	195,252	14,066
*** Monies Held in Trust**		
Represented by:		
Cash Assets (refer note 4)	195,252	14,066
TOTAL OTHER LIABILITIES	195,252	14,066

NOTE 13: EQUITY

(a) Surpluses

	2016	2015
Property, Plant and Equipment Revaluation Surplus	$	$
Balance at beginning of the reporting period		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Revaluation Increment/(Decrement) during the Year		
- Land	-	-
- Buildings	-	-
Property, Plant and Equipment Revaluation Surplus at end of the Reporting Period	1,405,806	1,405,806
Represented by:		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Total Surpluses	1,405,806	1,405,806

	2016	2015
(b) Accumulated Surpluses/(Deficits)	$	$
Balance at the Beginning of the Reporting Period	(78,314)	(1,294,600)
Net Result for the Year	(219,911)	1,216,286
Balance at the end of the reporting period	(298,225)	(78,314)
Total Equity at the end of financial year	1,107,581	1,327,492

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

	2016 $	2015 $
NET RESULT FOR THE YEAR	(219,911)	1,216,286
Less Non Cash Debt forgiveness	(678,283)	(1,810,224)
Depreciation	139,489	137,846
(Increase)/Decrease in Receivables	98,232	36,518
(Increase)/Decrease in Prepayments	-	1,393
Increase/(Decrease) in Provisions	5,929	79,835
Increase/(Decrease) in Payables	(8,752)	(2,736)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(663,296)	(341,082)

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

2016	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 As						
Cash and cash equivalents	-	-	198,629	-	-	198,629
Receivables	-	-	-	-	-	-
Other Financial Assets	-	-	125,000	-	-	125,000
Total Financial Assets (i)	-	-	323,629	-	-	323,629
Financial Liabilities						
At amortised cost	-	-	-	-	202,882	202,882
Total Financial Liabilities	-	-	-	-	-	202,882

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	-	-	-	-	-	18,266

(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 $
2016					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	7,813	-	-	7,813
Total Financial Assets	-	7,813	-	-	7,813
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
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	-	-	-	-	-

(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
2016	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	198,629	-	-	-	198,629
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	125,000	-	-	-	125,000
Total Financial Assets	323,629	-	-	-	323,629
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

(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

			Past Due But Not Impaired				
	Carrying Amount	Not Past due and not impaired	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years	Impaired Financial Assets
2016	$	$	$	$	$	$	$
Financial Assets							
Cash and Cash Equivalents	198,629	198,629	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	125,000	125,000	-	-	-	-	-
Total Financial Assets	323,629	323,629	-	-	-	-	-
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	-	-	-	-	-

(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, 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 2017, 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
2016	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables	7,630	7,630	7,630	-	-	-
Other Financial Liabilities (i)	195,252	195,252	15,252	-	180,000	-
Total Financial Liabilities	202,882	202,882	22,882	-	180,000	-
2015						
Financial Liabilities						
At amortised cost						
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	-	-	-

(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		
2016	%		Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
Financial Assets					
Cash and Cash Equivalents	1.30	198,629	-	198,629	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	3.00	125,000	125,000	-	-
Total Financial Assets		323,629	125,000	198,629	-
Financial Liabilities					
At amortised cost					
Payables (i)		7,630	-	-	7,630
Other Financial Liabilities		195,252	-	-	195,252
Total Financial Liabilities		202,882	-	-	202,882
2015					
Financial Assets					
Cash and Cash Equivalents	1.30	14,066	-	14,066	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	2.90	125,000	125,000	-	-
Total Financial Assets		139,066	125,000	14,066	-
Financial Liabilities					
At amortised cost					
Payables (i)		16,382	-	-	16,382
Other Financial Liabilities		14,066	-	-	14,066
Total Financial Liabilities		30,448	-	-	30,448

(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%		+1%	
		Profit	Equity	Profit	Equity
2016	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	198,629	(1,986)	(1,986)	1,986	1,986
Loans and Receivables	-	-	-	-	-
Other Financial Assets	125,000	(1,250)	(1,250)	1,250	1,250
Financial Liabilities					
At amortised cost					
Payables	7,630	-	-	-	-
Other Financial Liabilities (i)	195,252	-	-	-	-
		(3,236)	(3,236)	3,236	3,236
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					
At amortised cost					
Payables	16,382	-	-	-	-
Other Financial Liabilities (i)	14,066	-	-	-	-
		(1,391)	(1,391)	1,391	1,391

(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 2016 $	Fair Value 2016 $	Carrying Amount 2015 $	Fair Value 2015 $
Financial Assets				
Cash and Cash Equivalents	198,629	198,629	14,066	14,066
Loans and Receivables (i)	-	-	-	-
Other Financial Assets	125,000	125,000	125,000	125,000
Total Financial Assets	323,629	323,629	139,066	139,066
Financial Liabilities				
At amortised cost				
Payables	7,630	7,630	16,382	16,382
Other Financial Liabilities (i)	195,252	195,252	14,066	14,066
Total Financial Liabilities	202,882	202,882	30,448	30,448

(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:

	2016 $	2015 $
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 2015 - Nil.

NOTE 18: SEGMENT REPORTING
Cohuna Community Nursing Home Inc provides residential aged care services to residents of the community.
There are no other segments operating within the Cohuna Community Nursing Home Inc.

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

NOTE 19a: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Health	01/07/2015 - 30/06/2016
Governing Boards	
Mrs. L. Learmonth	01/07/2015 - 30/06/2016
Mrs L.M. Drummond	01/07/2015 - 30/06/2016
Mr R. J. Stanton	01/07/2015 - 30/06/2016
Mr G. J. Hall	01/07/2015 - 30/06/2016
Mr G. A. Payne	01/07/2015 - 30/06/2016
Mr G. L. Smith	01/07/2015 - 30/06/2016
Mr A. Rigg	01/07/2015 - 30/06/2016
Mrs V. Sutherland	01/07/2015 - 30/06/2016
Mrs D. Van der Drift	01/07/2015 - 30/06/2016
Mr C. P. Hodge	01/07/2015 - 30/06/2016
Mr J. Dickson	01/07/2015 - 30/06/2016
Ms A. Hutchinson	01/07/2015 - 30/06/2016
Accountable Officer	
Mr W. Hall	01/07/2015 - 20/02/2016
Mrs J. Phillips	23/02/2016 - 30/06/2016

Remuneration of Responsible Persons

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

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

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

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

Other transactions of Responsible Persons and their Related Parties.

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

NOTE 19b: EXECUTIVE OFFICER DISCLOSURES

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

NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no known events that have occurred after the balance sheet date.

NOTE 21: REMUNERATION OF AUDITORS	2016	2015
	$	$
Victorian Auditor-General's Office		
Audit or review of financial statements	4,200	3,500
	4,200	3,500

NOTE 22: ECONOMIC DEPENDENCY

Cohuna Community Nursing Home Inc is wholly dependent on the continued financial support of the Cohuna District Hospital. 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 2017.