



**COHUNA DISTRICT HOSPITAL**  
INCORPORATING THE COHUNA COMMUNITY NURSING HOME

**ANNUAL FINANCIAL AND PERFORMANCE REPORT**  
**2013/2014**



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# REPORT OF OPERATIONS

## FROM THE BOARD PRESIDENT AND CHIEF EXECUTIVE OFFICER

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Cohuna District Hospital and Community Nursing Home (CDH) for the year ending 30 June 2014.



As a small regional health service located in the gateway to the Gannawarra Shire Tourism Region we take great pride in our ability to flexibly accommodate the wide swings in the population we provide health services for. Our usual catchment of around 7,000 swells to around 12,000 during the peak tourist season.

Our mission is to provide quality health care and support services that meet the need of our community in a safe and friendly environment.

This report takes a comprehensive look at the financial and operational activities of the organisation and is linked to the Quality of Care report that demonstrates our accountability to assure our stakeholders the organisation is in responsible hands, well governed by the Board and well managed by the staff, delivering on our promise to provide quality health care for our community.

We are pleased to report on the progress of the organisation against our 2011/2014 Strategic plan that is built on four pillars of;

- Quality of Care
- Partnership with the Community

- Workforce Development and
- Organisational Sustainability.

CDH has been active in supporting the development of Primary Care and strengthening relationships with health care services. The Board has been actively engaged in monitoring, changing and develop clinical services in response to community need.

CDH has faced the challenges of developing a sustainable midwifery model of care and maintaining surgery provision, whilst responding to the needs of the aging population in partnership with other organisations.

The Board has commissioned ASPEX Consulting to continue the work that started last year in developing a service model for the future of CDH. The Board, Consultants, the CEO and the Department are working together on ensuring this plan delivers the right service mix for a sustainable and appropriate health service for the next generation of community members in the Cohuna District in accordance with the State Rural and Regional Health Plan 2012-2022.

Particular highlights during the 2013/2014 year include;

- The continuation of a strong working relationship with the Cohuna Medical Centre for the provision of contracted medical services to the Hospital.
- The development of a model for out of hours on-call medical services across the sub region of Kerang, Cohuna and Barham in conjunction with our Medicare Local and GP clinics.
- The completion of a new kitchen, dry store, medical supplies and linen stores in our support services area providing modern cooking, preparation and storage facilities for our support services, completed from the proceeds of a DH grant and bequest.

- The purchase of two new gastroscopes and an image intensifier for our Theatre Services from community fundraising.
- The provision of wireless technologies throughout our facilities through donations from the community.
- The completion of our meeting and activity room with wireless access and an electronic whiteboard.

2013/14 was another active year for the health service with our full range of services well utilised for the community, which includes;

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

The services and equipment at the Hospital continue to experience high utilization, demonstrating the quality of care provided to the community; some of the statistics are provided below:

- 3200 Urgent Care Presentations
- 1500 Ward Admissions
- 600 Dialysis Sessions
- 76% Utilisation of Ward Beds
- 4000 Acute Bed Days
- 2.4 Average Acute Inpatient Day Stay
- 56 Births
- 99% Aged Care Place Occupancy
- 2,000 District Nursing Visits
- 9000 Meals on Wheels
- 62 FTE Staff
- 200 Theatre Cases
- 14 Credentialed Medical Staff/VMO's

All of the above activity can only be achieved with dedicated and committed staff. The 104 staff at CDH have a long and proud history of delivering a wide range of quality healthcare services. Our staff welcomed and were delighted to have 5 new nursing staff join the organisation during the year and were actively engaged in the training and development of new nursing staff with 3 trainees hosted during the year.

We continue to enjoy the support and remain engaged with the community at large, our community donations allowed for a number of improvements to the facility & new equipment to be purchased. The ladies auxiliary, lions club, Murray to Moyne cycle group and hospital bingo committee continue their long standing relationship and are a cornerstone of our community engagement. A number of trusts and individuals also provide financial support on a regular basis and we record our sincere thanks for their support.

Finally, we acknowledge and thank all those wonderful organisations and people that have supported CDH during the year including the Department of Health, Board Members & Executive, the Heads of Department our Visiting Medical Officers (VMO's), our partner organisations, all of our staff, volunteers, clients and friends.



.....  
William Hall  
CEO



.....  
Cameron Hodge  
Chair

# STATEMENT OF PRIORITIES

## PART A: STRATEGIC PRIORITIES FOR 2013/14

### Developing a system that is responsive to people's needs

ACTION	DELIVERABLE	OUTCOME
Implement formal advance care planning structures and processes that provide patients with opportunities to develop, review and have their expressed preferences for future treatment and care enacted.	Formalise advance care planning into the Cohuna District Hospital clinical governance framework by April 2014.	Advanced Care Planning is now a routine activity at CDH.
Contribute to area based planning initiatives that consider health care across the care continuum.	Cohuna District Hospital active participation in projects to improve co-ordination of clinical services across the Loddon Mallee Region.	CDH is an active member of the SMPCP, the LMMML and the Mid Murray Regional Hospital Alliance.
Configure and distribute services to address the health needs of the local population.	Stage 2 of the Service Plan (synthesis, analysis, service configuration, community & stakeholder consultation) completed by April 2014.	Minor delay due to change of CEO. Stage 2 well underway, preliminary feedback taken into consideration for FY 2014/15 budget and action planning for change in progress. Awaiting funding from Department to proceed with final stage.

### Expanding service, workforce and system capacity

ACTION	DELIVERABLE	OUTCOME
Support excellence in clinical training through productive engagement in clinical training networks and developing health education partnerships across the continuum of learning.	Clinical education project developed and implemented in partnership with Collaborative Health Education and Research Centre by December 2013. Offer 18 placements through the clinical placement network. Partnerships with education providers by August 2013.	Clinical education has been provided as students for placement become available. CDH is actively engaged with RWAV. 37 placements were offered through the clinical placement network.
Work collaboratively with the department on service and capital planning to develop service and system capacity.	Service Plan Stage 2 by April 2014.	Minor delay due to change of CEO. Stage 2 well underway, preliminary feedback taken into consideration for FY 2014/15 budget and action planning for change in progress. Department a key stakeholder and contributor to the process. Awaiting funding from Department to proceed with final stage.

Develop and implement a workforce immunisation policy that builds capacity and aligns with national guidelines, including reference to employment screening and staff immunisation assessment.	Implement strategy to achieve immunisation participation rates in accordance with Immunisation guidelines for health care workers by June 2014.	Workforce policy reflects state guidelines and targets. Immunisation rates for the 13/14 flu season were 91.5%
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### Increasing the system's financial sustainability and productivity

ACTION	DELIVERABLE	OUTCOME
Reduce variation in health service administrative costs.	Active participation in regional projects to achieve efficiencies and deliver sustainable services.	Actively engaged in shared training grants, utilising shared training facilities at Echuca, appointment of a sub-regional HR manager and full review of the purchase book against HPV contracts has been completed.

### Implementing continuous improvements and innovation

ACTION	DELIVERABLE	OUTCOME
Develop and implement improvement strategies that optimise access, patient flow, system coordination and the quality and safety of hospital services.	Increased auditing across all areas to ensure quality and safe service provision.	Kerang and Echuca (nearest neighbours) have been in the midst of refurbishment during the period, consequently CDH has been conscious of supporting not overwhelming sister services. Triage category and operational audits implemented as part of the accreditation process show inpatient DRG's are consistent with the current service plan and medical record audits confirm patients are appropriately referred/transferred to sister services when their care needs exceed the local scope.

## Increasing accountability and transparency

ACTION	DELIVERABLE	OUTCOME
Prepare for the National Safety and Quality Health Service Standards, as applicable.	Develop and implement monitoring and reporting processes to achieve National Safety and Quality Health Service Standards – full cycle survey in March 2014.	Survey deferred to August 2014 due to shortage of internal resources.
Prepare for, and respond to changes in policy and regulation, for example, with regard to proposed amendments to Aged Care legislation.	Internal working party established to manage implications of changes to Commonwealth aged care policies by September 2013.	Aged Care working party formed and has overseen and implemented the adoption of the LLLB reforms.

## Improving utilisation of e-health and communications technology

ACTION	DELIVERABLE	OUTCOME
Maximise the use of health Information and Communication Technology Infrastructure.	<p>Evaluation of Service Agreement with Information and Communication Technology provider to ensure optimal services and price by March 2014.</p> <p>Evaluation of Information Technology Plan by March 2014.</p>	IT service provider has been under close scrutiny on performance to contract and penalties imposed. The current state of service provision & coordination between LMHRA and the ICT service provider remains poor and is to be addressed as part of the LMHRA review.

## PART B: PERFORMANCE PRIORITIES

<b>Operating Result</b>	<b>Target</b>	<b>2013-14 actuals</b>
Annual Operating Result (\$m)	0.03	(.455)
<b>Cash Management</b>	<b>Target</b>	<b>2013-14 actuals</b>
Creditors	<60 days	43 days
Debtors	<60 days	64 days
<b>Quality &amp; Safety</b>	<b>Target</b>	<b>2013-14 actuals</b>
Health Service Accreditation	Full Compliance	Full Compliance
Residential Aged Care Accreditation	Full Compliance	Full Compliance
Cleaning Standards (Overall)	Full Compliance	Full Compliance
Cleaning Standards (AQL-A)	90	96.5%
Cleaning Standards (AQL-B)	85	93.7%
Cleaning Standards (AQL-C)	85	93.1%
Health care worker immunisation – influenza	75	91.5%
Submission of data to VICNISS	Full Compliance	Full Compliance
Hand Hygiene (rate)	70	90.7%
Victorian Patient Satisfaction Monitor: (OCI)	73	CEASED
Consumer Participation Indicator (July – December 2013)	75	90 (2013 data)
Victorian Health Experience Measurement Instrument (January – June 2014)	Full Compliance	Full Compliance
People Matter Survey	Full Compliance	Full Compliance
<b>Maternity</b>		
Percentage of women with prearranged postnatal home care	100	100
Percentage of eligible newborns screened for hearing deficit before one month of age	>97	100

## PART C: ACTIVITY AND FUNDING

<b>Funding type</b>	<b>2013-14 Activity/Achievement</b>
Small Rural	
Small Rural Acute	5.180
Small Rural Residential Care	1.896
Small Rural HACC	0.288
WIES DVA	66.35
WIES TAC	3.06



# OUR STRATEGIC PLAN 2011-2014

## Our Mission

We provide quality health care and support services that meet the needs of our community in a safe and friendly environment for our clients and staff.

## Our Vision

We will maintain high levels of competency and care, and provide the community with a first rate health service.

### 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	<b>Support the development of primary health care</b>	<p>Mapping of existing primary health programs undertaken by CDH or regional partners.</p> <p>Determine priority areas for development and evaluate the effectiveness of current models of care through service planning and regional collaboration.</p> <p>Liaison with the Loddon Mallee Murray Medicare Local through its charter to enhance primary care accessibility across the region.</p>
2	<b>Strengthen Relationships with Health Care Services and Monitor and Develop Clinical Services in Response to Community Need</b>	<p>Effectively utilise existing partnerships including Southern Mallee Primary Care Partnership, Northern Districts Community Health and Gannawarra Shire Council to ensure the effective delivery of primary health care programs and transport initiatives.</p> <p>Maintain open and constructive dialogue with the Cohuna Medical Clinic.</p> <p>Explore partnership opportunities with the other health providers within the region.</p>
3	<b>Develop a sustainable midwifery model of care</b>	Active participation Loddon Mallee Regional Maternity Planning initiative.
4	<b>Maintain Surgery Provision</b>	<p>Identify and implement management processes that will ensure the efficient organisation and management of peri-operative services.</p> <p>Maintain appropriate risk management and clinical governance practices.</p>
5	<b>Respond to the Needs of the Ageing Population in Partnership with Others</b>	Develop appropriate models of care for aged care services and mapping of services through service planning.

## Strategic Direction 2: Work in partnership with the Community

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

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

## Strategic Direction 3: Workforce

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

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

## Strategic Direction 4: Organisational sustainability

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

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

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

# DIRECTOR OF NURSING REPORT

The team at the Cohuna District Hospital continues to focus on providing a safe healthcare service to our community. Staff are committed to excellence in service delivery and continuous service improvement, without this our goals as a health service could not be achieved.

## **Acute Service**

The main focus for our staff this year has been the implementation of the new National Safety and Quality Health Service (NSQHS) Standards. There have been regular staff and planning meetings ensuring that consumer safety and quality service are being maintained and enhanced as we work together on ensuring we are compliant with the new standards when we are surveyed in August 2014.

Cohuna Hospital continues to support the Northern Rivers Nursing Graduate program to enhance acute services. The excellent mix of skills and enthusiasm within the graduate group is encouraging and rewarding to all staff.

Staff continue to deliver a diverse range of services including Urgent Care Centre, Palliative Care and Midwifery Care along with extensive medical and surgical services.

## **Building Project**

This year's building project has been the upgrading of our kitchen area, along with the medical and linen store rooms. During this time Meals on Wheels volunteers and staff displayed outstanding adaptability with the on-going changes in the cooking area. For a period our meals were prepared off site at the Cohuna Retirement Village and our thanks go to CRV for their support. It was all worth the effort with this new functional area now providing a splendid workplace and great food service

## **Nursing Home**

Our Aged Care service provides a home like atmosphere for the residents while delivering expert person centred nursing care. Living Longer Living Better has been a major focus over the year and a number of systems have been updated to accommodate the new funding arrangements. The quality of Residential life is enhanced by the vital role our volunteers play; their time given to our residents is highly valued.

## **District Nursing**

Our District Nurses were again able to maintain a high level of care in the home while meeting the required targets for the year with no one on the waiting list.

The Active Service Model is endorsed throughout the service and provides an increased awareness of the "person-centered" active care philosophy model. Extensive policy and documentation reviews have been undertaken.

The DNS team continues to provide evidence for compliance to the Community Common Care Standards for the major accreditation survey in August 2014. A requirement for all HACC funded services.

## **Post-Acute Care Program**

The Post-Acute Care Program provides care and support to those patients recently discharged from Hospital enabling them to recover in their own homes with professional support. Funding for this service has recently changed and is now under review with our partners at Echuca Regional Health.

## **Transitional Care Program**

This program offers clients further care options after discharge from acute care. The program enables us to support clients in their individual need to obtain their best outcome for recovery.

The use of video conferencing technology has enhanced our assessment procedure and reduced our waiting time for admission into the program.

### **Adult Day Activity Support Service (ADASS)**

ADASS continues to provide recreational and therapeutic support services to those people who continue to reside at home and to residents of our local residential aged care services. The Active Service Model enables the client to be the centre of care. The volunteers are the lifeblood of the day to day activities in the program and provide support for a variety of activities including exercises, bingo, and visits to areas of interest in the wider community.

### **Support Services**

The high standard of catering and cleaning procedures is maintained by the effort and dedication of the Support Services staff.

The Food Safety Audit was passed in June with no recommendations and the Cleaning Audits also passed with no problems showing the commitment and dedication of the staff in maintaining the standards.

The team is committed to providing high quality meals and a varied menu that reflects diversity and special needs for our patients and residents.

The cleanliness of the Hospital is important to successfully have an infection free environment and our cleaning staff play an important role in maintaining these standards.

### **Clinical Risk Management**

Clinical risk management is a strategic approach to patient care where systems are in place to provide an environment whereby risk to patients and staff is minimized. Staff are

continually monitoring "what we are doing and how can we do it better."

### **Quality Activities**

Patient satisfaction surveys, quality projects and internal audits are conducted and reported through committees to the Board of Management. We continually improve our services to reflect best practice.

### **Acknowledgements**

I thank the Board of Management for their commitment and support at all times. Thanks and appreciation also goes to our Visiting Medical Officer's for the work performed and for their on-going dedication and enthusiasm. We also appreciate the work performed by our visiting Specialists and to all staff who provide such outstanding care to our patients, residents and clients.

I also thank our management team and all the staff for their commitment and dedication to providing the best safe care for our patients and residents.

Special thanks must go to our community partners, Northern District Community Health, Gannawarra Shire, Southern Mallee Primary Care Partnership and the Murray to Moyne riders, Bridge to Bridge Committee and volunteers and to our Ladies Auxiliary for their continued commitment and excellent work in fund raising for the Hospital. We could not achieve our goals without your help and support.



Anne Graham  
CDH Director of Nursing

## SERVICE ACTIVITY

	2013/14	2012/13	2011/12	2010/11
<b>HOSPITAL</b>				
Inpatients Treatment	1,407	1,325	1,431	1,543
Inpatient Bed Days	3,897	3,569	3,519	4,281
Transition Care Bed Days	217	203	166	--
Average Length of Stay (Days)	2.41	2.69	2.54	2.89
Births	56	57	47	61
Operations – minor	133	160	155	162
Operations – major	49	56	53	79
ADASS Attendances	1,499	1,561	1,559	1,604
District Nurse	1,666	1,780	1,937	1,578
Urgent Care Centre Attendances	3,265	3,112	3,570	3,303
Dialysis Sessions	501	313	338	361
Meals on Wheels	8,690	9,392	9,691	9,767
<b>NURSING HOME</b>				
Residents	28	28	22	24
Resident Bed Days	5,684	5,406	5,820	5,784
% Occupancy	97%	93%	99%	99%
Average Length of Stay (Days)	203	193	264	241

### Significant Changes in Financial Position during 2013/14

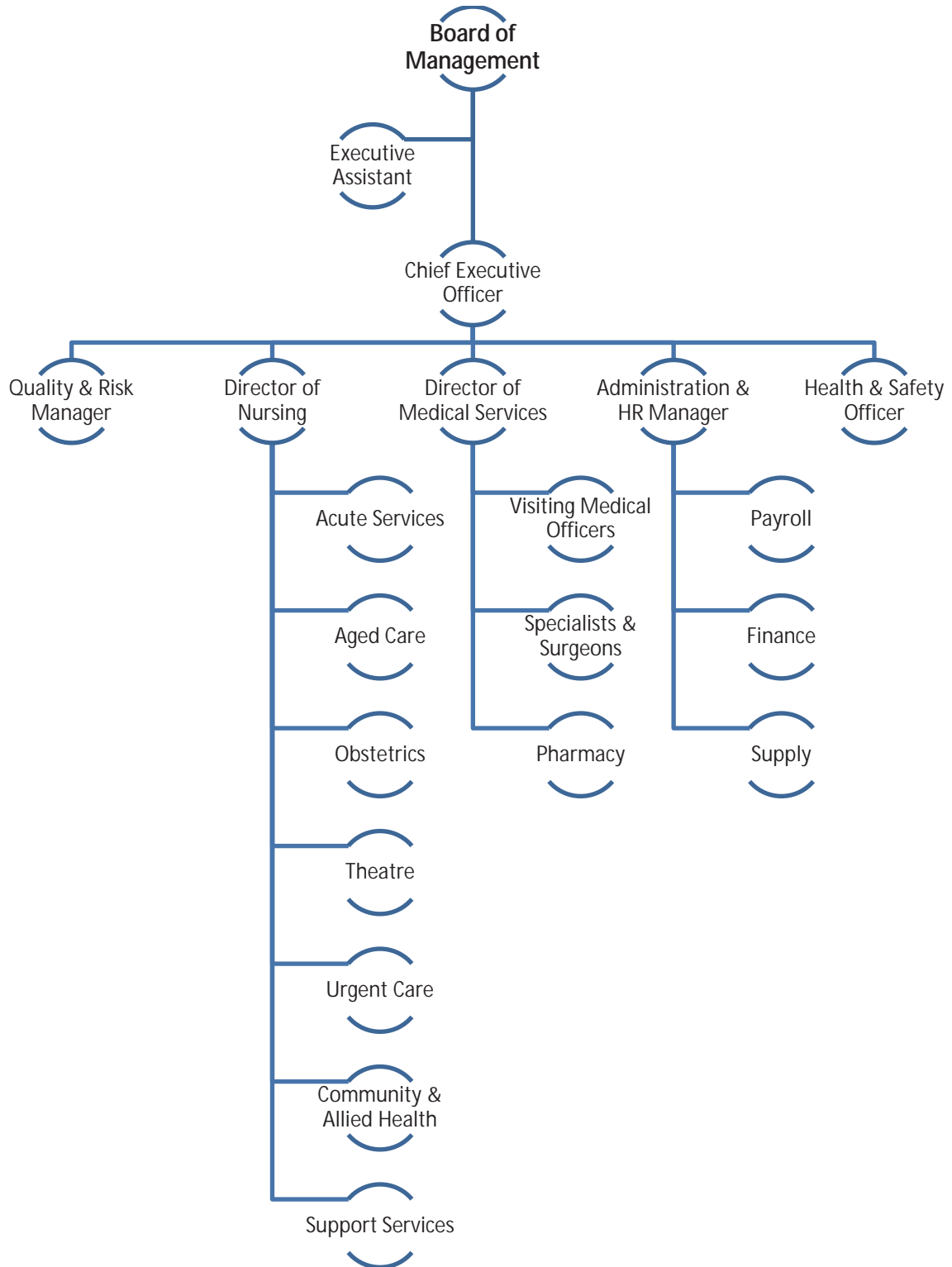
The organisation returned to a deficit position in 2014. This is attributed to the reduction of private insurance income, the increase in general insurance costs, the change in service mix and the associated costs of delivering the model of service currently required in a rural and remote community and impact of the finalisation of capital works projects.

## STAFF BY LABOUR CATEGORY

LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2014	2013	2014	2013
Administration/SMTCP/Quality	10.81	9.88	12.09	10.32
Nursing	41.61	40.99	37.78	40.45
Domestic/Maintenance/ADASS	16.04	14.51	17.56	14.95
	68.46	65.38	67.43	65.72

# ORGANISATIONAL STRUCTURE

## General Organisational Arrangement



# GOVERNANCE

## BOARD OF MANAGEMENT

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

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

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

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

### Members of the Board of Management 2013/14

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

### Members of the Audit Committee

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

## SENIOR OFFICES

### Chief Executive Officer

**William Hall**

MMgt, GCMgt, AFAIM, AFACHSM, MAICD

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

### Director of Medical Services

**Paul Francis**

MB, BS

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

### Director of Nursing

**Anne Graham**

RN Div 1, RM, BAN

The Director of Nursing has professional responsibility for nursing across clinical streams and executive responsibility for acute nursing



services including, Urgent Care, Perioperative, Day Surgery, Renal Dialysis, General Medical and General Surgical, Maternity and Residential Aged Care Services. Major areas of responsibility include Clinical Leadership and Standards of Practice, Nursing credentialing and resource management, service and strategic planning and clinical risk management and quality improvement.

### Quality Manager

**Jill Moore**

RN Div 1, RM

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

### Administration & HR Manager

**Sarah McKinley**

B.Bus (Acc)

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

### Health & Safety Manager

**Suzanne Gundry**

Cert IV (OHS)

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

management. Suzanne also coordinates specific projects on behalf of the Loddon Murray Mallee Medicare Local.

## LIFE GOVERNORS

Mr Ken Mawson

Mr Alan Fry

Mr Eric Bruce Lunghusen

Mr Graeme Hill

Mrs Val Rowlands

Mr Graeme Smith

Mr Graham Munzel

Dr Peter Barker

Mrs Roma Dye

Mr Alan Rickey

## COMMUNITY SUPPORT

DONOR	\$
Estate of Norman Forster	204,562.18
Murray 2 Moyne Donations	27,765.00
Bridge to Bridge Donations (Lions Club)	18,090.00
Kerang Legacy Group	5,000.00
Alfred & Jean Dickson Foundation	4,000.00
A Touch of Pink Racing Day	3,780.75
Cubby House Quilters	2,693.52
Francis & Maureen Harrower	2,000.00
Craig Whittaker	1,990.00
IGA Supermarket	1,225.00
Cohuna Hospital Golf Day	1,084.50
Peter & Elizabeth Lowe	1,000.00
The Late Ken Nancarrow Family	1,000.00
Leitchville Lions Club	500.00
Frank Hird	500.00
Cohuna 500 Club	400.00
Bower Hotel	396.35
Anglican Parish Council	300.00
Mancell & Ann Hilderbrand	200.00

# STATEMENTS OF COMPLIANCE

## **Minister for Health in the State of Victoria**

Cohuna District Hospital and Community Nursing Home was established under the Health Services Act 1988. The responsible Minister during the reporting period was The Minister for Health and Ageing, The Honourable David Davis MLC and The Honourable Mary Wooldridge MLA, Minister for Mental Health.

## **Audit Act 1994**

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

## **National Competition Policy**

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

## **Freedom of Information, Information Privacy & Health Records Acts**

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

## **Compliance with the Victorian Building Act 1993**

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

## **Statement on Environmental Performance**

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

## **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 Quality & Safety Committee. All staff injuries and hazards in the workplace are reported and followed up via the 'Riskman' web based incident management sys-

tem 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.

### **Carers Recognition Act 2012**

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

### **Financial Management Act 1994**

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

### **Statement of Merit and Equity**

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

### **Consultancies 2013/14**

In 2013-14, 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 \$11,225.95 (exc GST).

CONSULTANT	DETAILS	TOTAL FEES APPROVED (ex GST)	TOTAL FEES INCURRED (ex GST)	FUTURE COMMITMENTS
Aspex Consulting	Service Plan	100,000.00	18,181.82	81,818.18
Pitcher Partners	Business Plan	20,000.00	0	20,000.00
Royce	Public Relations	15,000.00	0	15,000.00

### **Contracts**

Cohuna District Hospital and Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2013/14 there were no contracts to which the VIPP applied.

## ADDITIONAL INFORMATION (FRD 22D)

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

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

# RESPONSIBLE BODIES DECLARATION

## Attestation on Data Integrity

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

  
William Hall  
Chief Executive Officer  
Cohuna, 30 June 2014

  
Cameron Hodge  
Chair, Board of Management

## Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Cohuna District Hospital and Community Nursing Home for the year ending 30 June 2014.

  
William Hall  
Chief Executive Officer  
Cohuna, 30 June 2014

  
Cameron Hodge  
Chair, Board of Management

## Attestation for Compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

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

  
William Hall  
Chief Executive Officer  
Cohuna, 30 June 2014

  
Cameron Hodge  
Chair, Board of Management

## Attestation on Compliance with Australian/New Zealand Risk Management Standard

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

  
William Hall  
Chief Executive Officer  
Cohuna, 30 June 2014

  
Cameron Hodge  
Chair, Board of Management

# DISCLOSURE INDEX

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

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\* Refer to annual report – financial section

## FINANCIAL OVERVIEW

The following table provides a summary of financial results for the year ended 30 June 2014, compared with the last five financial years.

	2014	2013	2012	2011	2010
	\$	\$	\$	\$	\$
Total Expenses	8,821,420	8,647,610	8,134,923	7,997,731	7,345,237
Total Revenue	8,204,429	8,781,684	8,125,919	7,599,313	6,958,617
<b>Net Result for Period</b>					
Surplus/(Deficit)	(616,991)	134,074	(9,004)	(398,418)	(386,620)
<b>Operating Result for Period</b>					
Surplus/(Deficit)	(455,469)	(47,279)	(45,132)	(190,126)	72,188
Total Assets	9,888,672	8,006,983	7,854,197	7,864,227	8,325,617
Total Liabilities	2,693,570	2,105,980	2,087,268	2,088,294	2,151,266
Net Assets	7,195,102	5,901,003	5,766,929	5,775,993	6,174,351
<b>TOTAL EQUITY</b>	7,195,102	5,901,003	5,766,929	5,775,933	6,174,351

### Significant Changes in Financial Position during 2013/14

The Board and auditors have carried out an assessment and determined the organisation is inadequately funded to continue to provide services without further financial support from the Department of Health (Victoria). The Board no longer has sufficient operating cash reserves to draw upon to make up the shortfall in funding, consequently a letter of comfort has been sought and provided to the Board of Cohuna District Hospital from the Department of Health to ensure currently exiting services are funded through to September 2015.

### Cash Management / Liquidity Indicators

Cash management / liquidity	2013-14 Actuals
Creditors (days)	43 days
Debtors (patient fees) (days)	64 days



## Appendix 2

### COHUNA DISTRICT HOSPITAL COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	Parent Entity 2014 \$	Parent Entity 2013 \$	Consolidated 2014 \$	Consolidated 2013 \$
Revenue from Operating Activities	2	5,775,350	6,259,177	7,689,287	7,925,694
Revenue from Non-Operating Activities	2	33,035	56,533	53,379	63,018
Employee Expenses	3	(3,507,663)	(3,849,074)	(5,540,358)	(5,475,337)
Non Salary Labour Costs	3	(391,901)	(408,190)	(391,901)	(408,190)
Supplies and Consumables	3	(601,343)	(541,151)	(714,611)	(601,516)
Other Expenses	3	(1,033,136)	(1,373,791)	(1,551,265)	(1,550,948)
<b>Net Result Before Capital and Specific Items</b>		274,342	143,504	(455,469)	(47,279)
Capital Purpose Income	2	146,214	503,972	461,763	792,972
Depreciation	4	(478,778)	(472,315)	(623,285)	(611,619)
<b>NET RESULT FOR THE YEAR</b>		(58,222)	175,161	(616,991)	134,074
<b>Other Comprehensive Income</b>					
Net fair value revaluation on Non Financial Assets		1,248,090	-	1,911,090	-
<b>COMPREHENSIVE RESULT</b>		1,189,868	175,161	1,294,099	134,074

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

**COHUNA DISTRICT HOSPITAL  
BALANCE SHEET  
AS AT 30 JUNE 2014**

	Note	Parent Entity 2014 \$	Parent Entity 2013 \$	Consolidated 2014 \$	Consolidated 2013 \$
<b>Current Assets</b>					
Cash and Cash Equivalents	5	457,725	594,935	462,464	606,401
Receivables	6	329,644	1,239,564	314,026	440,066
Investments and Other Financial Assets	7	761,391	750,427	911,391	906,294
Inventories	8	128,140	139,531	128,140	139,531
Other Assets	9	137,688	14,877	139,208	18,308
<b>Total Current Assets</b>		<b>1,814,588</b>	<b>2,739,334</b>	<b>1,955,229</b>	<b>2,110,600</b>
<b>Non-Current Assets</b>					
Receivables	6	1,636,391	139,645	332,469	309,287
Property, Plant and Equipment	10	5,909,339	4,679,543	7,600,974	5,587,096
<b>Total Non-Current Assets</b>		<b>7,545,730</b>	<b>4,819,188</b>	<b>7,933,443</b>	<b>5,896,383</b>
<b>TOTAL ASSETS</b>		<b>9,360,318</b>	<b>7,558,522</b>	<b>9,888,672</b>	<b>8,006,983</b>
<b>Current Liabilities</b>					
Payables	11	939,709	320,585	943,209	331,570
Provisions	12	1,226,125	1,230,955	1,592,817	1,613,355
Other Liabilities	14	22,556	35,563	27,295	47,029
<b>Total Current Liabilities</b>		<b>2,188,390</b>	<b>1,587,103</b>	<b>2,563,321</b>	<b>1,991,954</b>
<b>Non-Current Liabilities</b>					
Provisions	12	88,031	77,390	130,249	114,026
<b>Total Non-Current Liabilities</b>		<b>88,031</b>	<b>77,390</b>	<b>130,249</b>	<b>114,026</b>
<b>TOTAL LIABILITIES</b>		<b>2,276,421</b>	<b>1,664,493</b>	<b>2,693,570</b>	<b>2,105,980</b>
<b>NET ASSETS</b>		<b>7,083,897</b>	<b>5,894,029</b>	<b>7,195,102</b>	<b>5,901,003</b>
<b>EQUITY</b>					
Property, Plant and Equipment Revaluation Surplus	15a	4,384,863	3,136,773	5,790,669	3,879,579
Contributed Capital	15b	2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Surpluses/(Deficits)	15c	10,644	68,866	(1,283,957)	(666,966)
<b>TOTAL EQUITY</b>		<b>7,083,897</b>	<b>5,894,029</b>	<b>7,195,102</b>	<b>5,901,003</b>
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This Statement should be read in conjunction with the accompanying notes.

**COHUNA DISTRICT HOSPITAL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

Consolidated	Property, Plant and Equipment Revaluation Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	3,879,579	2,688,390	(801,040)	5,766,929
Net result for the year	-	-	134,074	134,074
Other comprehensive income for the year	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>3,879,579</b>	<b>2,688,390</b>	<b>(666,966)</b>	<b>5,901,003</b>
Net result for the year	-	-	(616,991)	(616,991)
Other comprehensive income for the year	1,911,090	-	-	1,911,090
<b>Balance at 30 June 2014</b>	<b>5,790,669</b>	<b>2,688,390</b>	<b>(1,283,957)</b>	<b>7,195,102</b>

Parent	Property, Plant & Equipment Revaluation Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	3,136,773	2,688,390	(106,295)	5,718,868
Net result for the year	-	-	175,161	175,161
Other comprehensive income for the year	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>3,136,773</b>	<b>2,688,390</b>	<b>68,866</b>	<b>5,894,029</b>
Net result for the year	-	-	(58,222)	(58,222)
Other comprehensive income for the year	1,248,090	-	-	1,248,090
<b>Balance at 30 June 2014</b>	<b>4,384,863</b>	<b>2,688,390</b>	<b>10,644</b>	<b>7,083,897</b>

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

**COHUNA DISTRICT HOSPITAL  
CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Note	Parent Entity 2014 \$	Parent Entity 2013 \$	Consolidated 2014 \$	Consolidated 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		5,037,368	5,273,409	6,605,044	6,653,609
Patient and Resident Fees Received		515,840	523,865	910,347	834,201
GST (Paid to)/received from ATO		(33,252)	(8,634)	(33,252)	(8,634)
Interest Received		32,666	58,257	54,128	63,624
Other Receipts		181,373	163,127	228,280	206,071
<b>Total Receipts</b>		<b>5,733,995</b>	<b>6,010,024</b>	<b>7,764,547</b>	<b>7,748,871</b>
Employee Expenses Paid		(3,451,106)	(3,780,792)	(5,544,673)	(5,451,001)
Non Salary Labour Costs		(391,901)	(408,190)	(391,901)	(408,190)
Payments for Supplies and Consumables		(589,952)	(550,793)	(703,220)	(621,741)
Other Payments		(452,855)	(1,153,912)	(919,409)	(1,322,918)
<b>Total Payments</b>		<b>(4,885,814)</b>	<b>(5,893,687)</b>	<b>(7,559,203)</b>	<b>(7,803,850)</b>
<b>Cash Generated from Operations</b>		<b>848,181</b>	<b>116,337</b>	<b>205,344</b>	<b>(54,979)</b>
Capital Grants from Government		59,300	369,720	59,300	369,720
Capital Donations and Bequests Received		67,759	89,784	288,475	314,084
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	16	<b>975,240</b>	<b>575,841</b>	<b>553,119</b>	<b>628,825</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for Non-Financial Assets		(447,640)	(461,412)	(713,229)	(728,601)
Proceeds from Sale of Non-Financial Assets		1,150	27,649	1,150	27,649
Purchase of Investments		(10,964)	(12,539)	(5,097)	(12,649)
Cash (Provided to)/Received from Related Entities		(681,843)	(214,315)	-	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(1,139,297)</b>	<b>(660,617)</b>	<b>(717,176)</b>	<b>(713,601)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(164,057)</b>	<b>(84,776)</b>	<b>(164,057)</b>	<b>(84,776)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>454,216</b>	<b>538,992</b>	<b>454,216</b>	<b>538,992</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	5	<b>290,159</b>	<b>454,216</b>	<b>290,159</b>	<b>454,216</b>

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 for the period ending 30 June 2014. 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:  
18th August, 2014.

**(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 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

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

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

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

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

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

**(c) Reporting Entity (Continued)**

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

**(d) Principles of Consolidation**

In accordance with AASB 127 *Consolidated and Separate 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 2014, and their income and expenses for that part of the reporting period in which control existed. 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 24.

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.

Bodies 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.

**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 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 the Victorian Government to measure the ongoing operating performance of Health Services.

**(d) Principles of Consolidation (Continued)**

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

- \* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.  
It also includes donations of plant and equipment (refer note 1 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;
  
- \* Specific income/expense, comprises the following items, where material:
  - \* Voluntary departure packages
  - \* Write-down of inventories
  - \* Non-current asset revaluation increments/decrements
  - \* Non-current assets lost or found
  - \* Forgiveness of loans
  - \* Reversals of provisions
  - \* Voluntary changes in accounting policies (which are not required by an accounting standard
  - \* or other authoritative pronouncement of the Australian Accounting Standards Board);
  
- \* Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (j);
  
- \* Depreciation as described in note 1 (h);
  
- \* Assets provided or received free of charge, as described in note 1 (g); and
  
- \* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

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

**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 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) Change in accounting policies**

**AASB 13 Fair Value Measurement**

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a health service is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The health service has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revised and adjusted where applicable. In light of AASB 13, the health service has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

AASB 13 has predominantly impacted the disclosures of the health service. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not to be provided for comparative periods, before initial application. Consequently, comparatives of these disclosures have not been provided for 2012-13, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments Disclosures*.

**AASB 119 Employee Benefits**

In 2013-14, the health service has applied AASB 119 Employee Benefits (Sep 2011, as amended), and related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the health service.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within 12 months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

The health service considers the change in classification has not materially altered its measurement of the annual leave provision.

**(g) Income from transactions**

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

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

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

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

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

**(g) Income from transactions (Continued)**

**Indirect Contributions from the Department of Health**

- Insurance is recognised as revenue following advice from the Department of Health.
- 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.

**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.

**(h) Expense recognition**

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

**Cost of goods sold**

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

**Employee expenses**

Employee expenses include:

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

**Defined contribution superannuation plans**

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

**(h) Expense recognition (Continued)**

***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 13: 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.

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.

	2014	2013
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

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 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.

(h) **Expense recognition (Continued)**

**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 its carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(i) **Other comprehensive income**

Other comprehensive income measure the change in volume or value of assets or liabilities that do not result from transactions.

**Net Gain / (Loss) on Non-Financial Assets**

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

**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.

(j) **Financial Instruments**

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

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

The following refers to financial instruments unless otherwise stated.

**Categories of non-derivative financial instruments**

**Reclassification of financial instruments at fair value through profit or loss**

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

**Loans and receivables**

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

Loans and receivables category includes cash and deposits (refer to Note 1(j)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

(j) **Financial Instruments (Continued)**

**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 17.

**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.

(k) **Assets**

**Cash and Cash Equivalents**

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

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

**Receivables**

Receivables consist of:

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

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

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

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

**Investments and other financial assets**

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

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss;
- Held-to-maturity;
- Loans and receivables; and
- Available-for-sale financial assets.

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.

**(k) Assets (Continued)**

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 10 *Property, plant and equipment*.

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

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

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

**Revaluations of Non-current Physical Assets**

Non-Current physical assets are measured at fair value and are revalued in accordance with FRD 103E *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.

**(k) Assets (Continued)**

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 103E 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.

**(k) Assets (Continued)**

**Investments in jointly controlled assets and operations**

In respect of any interest in jointly controlled assets, Cohuna District Hospital recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

For jointly controlled operations Cohuna District Hospital recognises:

- the assets that it controls;
- the liabilities that it incurs;
- expenses that it incurs; and
- the share of income that it earns from selling outputs of the joint venture.

**Derecognition of financial assets**

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

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

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

**Impairment of financial assets**

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

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

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

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

In order to determine an appropriate fair value as at 30 June 2014 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 2014. 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.



**(k) Assets (Continued)**

**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 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.

**(l) 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.

**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, Sick Leave and Accrued Days Off**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick 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, annual leave and sick 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.

**(l) 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.

**(m) Leases**

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

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

All other leases are classified as operating leases.

**Operating leases**

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

**(n) Equity**

**Contributed Capital**

Consistent with *Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *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.

**(o) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 18) at their nominal value and are inclusive of the goods and services tax ("GST") payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

**(p) Contingent assets and contingent liabilities**

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

**(q) Goods and Services Tax ("GST")**

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

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

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

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

(r) **AASs issued that are not yet effective**

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2014 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 2014, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Cohuna District Hospital has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement)</i> .	1 January 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 10 <i>Consolidated Financial Statements</i>	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 <i>Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors</i> .	1 Jan 2014 (not-for-profit entities)	For the public sector, AASB 10 builds on the control guidance that existed in AASB 127 and Interpretation 112 and is not expected to change <i>which entities need to be consolidated</i> .  Ongoing work is being done to monitor and assess the impact of this standard.
AASB 11 <i>Joint Arrangements</i>	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014 (not-for-profit entities)	Based on current assessment, entities already apply the equity method when accounting for joint ventures. It is anticipated that there would be no material impact. Ongoing work is being done to monitor and assess the impact of this standard.

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

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	1 Jan 2014 (not-for-profit entities)	The new standard is likely to require additional disclosures and ongoing work is being done to determine the extent of additional disclosure required.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 July 2014	[If separate budget is presented to the parliament]:  The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget.  [If separate budget is not presented to the parliament]:  This Standard is not applicable as no budget disclosure is required.
AASB 1056 Superannuation Entities	AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans. The standard was developed in light of changes in recent years, developments in the superannuation industry and Australia's adoption of IFRS.	1 July 2016	The standard was issued in June 2014. While preliminary assessment has not identified any material impact arising from AASB 1056, further work to assess the impact of this standard will be undertaken.

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

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

**(s) Category Groups**

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

**Admitted Patient Services (Admitted Patients)** comprises all recurrent health revenue/expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

**Aged Care** comprises revenue/expenditure from Home and Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

**Primary Health** comprises revenue/expenditure for Community Health Services including health promotion and counselling, physiotherapy speech therapy, podiatry and occupational therapy.

**Off Campus, Ambulatory Services (Ambulatory)** comprises all recurrent health revenue/expenditure on public hospital type services including palliative care facilities and rehabilitation facilities and rehabilitation facilities, as well as services provided under the following agreements: Services that are provided or received by hospitals (or area health services) but are delivered/received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, which have been delivered within hospital's i.e. in rural/remote areas.

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

**Other Services excluded from Australian Health Care Agreement (AHCA) (Other)**

comprises revenue/expenditure for services not separately classified above, including: Public Health Services including Laboratory testing, Blood Borne Viruses/ Sexually Transmitted Infections clinical services, Kooris liaison officers, immunisation and screening services, Drug services including drug withdrawal, counselling and the needle and syringe program, Dental Health services, including general and specialist dental care, school dental services and clinical education. Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: REVENUE	Parent						Consolidated					
	HSA 2014 \$	HSA 2013 \$	H&CI 2014 \$	H&CI 2013 \$	TOTAL 2014 \$	TOTAL 2013 \$	HSA 2014 \$	HSA 2013 \$	H&CI 2014 \$	H&CI 2013 \$	TOTAL 2014 \$	TOTAL 2013 \$
<b>Revenue from Operating Activities</b>												
Government Grants												
- Department of Health	4,862,454	4,627,089	-	-	4,862,454	4,627,089	5,605,075	5,122,339	-	-	5,605,075	5,122,339
- Commonwealth Government												
- Residential Aged Care Subsidy	-	-	-	-	-	-	833,090	876,915	-	-	833,090	876,915
- Health Network Funding Adjustment	-	66,844	-	-	-	66,844	-	66,844	-	-	-	66,844
State Government - Other	13,008	332,868	-	-	13,008	332,868	13,008	332,868	-	-	13,008	332,868
Transitional Care Program												
- State	54,290	62,507	-	-	54,290	62,507	54,290	62,507	-	-	54,290	62,507
- Commonwealth	75,456	97,131	-	-	75,456	97,131	75,456	97,131	-	-	75,456	97,131
<b>Total Government Grants</b>	<b>5,005,208</b>	<b>5,186,439</b>	<b>-</b>	<b>-</b>	<b>5,005,208</b>	<b>5,186,439</b>	<b>6,580,919</b>	<b>6,558,604</b>	<b>-</b>	<b>-</b>	<b>6,580,919</b>	<b>6,558,604</b>
Indirect Contributions by Department of Health												
- Insurance	9,401	117,714	-	-	9,401	117,714	6,819	117,714	-	-	6,819	117,714
- Long Service Leave	13,337	61,366	-	-	13,337	61,366	23,182	87,666	-	-	23,182	87,666
<b>Total Indirect Contributions by Department of Health</b>	<b>22,738</b>	<b>179,080</b>	<b>-</b>	<b>-</b>	<b>22,738</b>	<b>179,080</b>	<b>30,001</b>	<b>205,380</b>	<b>-</b>	<b>-</b>	<b>30,001</b>	<b>205,380</b>
Patient and Resident Fees												
- Patient and Resident Fees (refer note 2b)	455,991	558,926	-	-	455,991	558,926	455,991	558,926	-	-	455,991	558,926
- Residential Aged Care (refer note 2b)	-	-	-	-	-	-	299,674	245,636	-	-	299,674	245,636
<b>Total Patient and Resident Fees</b>	<b>455,991</b>	<b>558,926</b>	<b>-</b>	<b>-</b>	<b>455,991</b>	<b>558,926</b>	<b>755,665</b>	<b>804,562</b>	<b>-</b>	<b>-</b>	<b>755,665</b>	<b>804,562</b>
Commercial Activities and Specified Purposes Funds												
Catering	-	-	83,665	85,415	83,665	85,415	-	-	83,665	85,415	83,665	85,415
Property Income	-	-	10,609	12,929	10,609	12,929	-	-	10,609	12,929	10,609	12,929
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	10,588	-	10,588	-	-	-	10,588	-	10,588
<b>Total Commercial Activities and Specific Purpose Funds</b>	<b>-</b>	<b>-</b>	<b>94,274</b>	<b>108,932</b>	<b>94,274</b>	<b>108,932</b>	<b>-</b>	<b>-</b>	<b>94,274</b>	<b>108,932</b>	<b>94,274</b>	<b>108,932</b>
Loddon Mallee Rural Health Alliance	89,077	106,864	-	-	89,077	106,864	89,077	106,864	-	-	89,077	106,864
Other Revenue from Operating Activities	108,062	118,936	-	-	108,062	118,936	128,088	141,352	11,263	-	139,351	141,352
<b>Sub-Total Revenue from Operating Activities</b>	<b>5,681,076</b>	<b>6,150,245</b>	<b>94,274</b>	<b>108,932</b>	<b>5,775,350</b>	<b>6,259,177</b>	<b>7,583,750</b>	<b>7,816,762</b>	<b>105,537</b>	<b>108,932</b>	<b>7,689,287</b>	<b>7,925,694</b>
<b>Revenue from Non-Operating Activities</b>												
Interest and Dividends	33,035	56,533	-	-	33,035	56,533	53,379	63,018	-	-	53,379	63,018
<b>Sub-Total Revenue from Non-Operating Activities</b>	<b>33,035</b>	<b>56,533</b>	<b>-</b>	<b>-</b>	<b>33,035</b>	<b>56,533</b>	<b>53,379</b>	<b>63,018</b>	<b>-</b>	<b>-</b>	<b>53,379</b>	<b>63,018</b>
<b>Revenue from Capital Purpose Income</b>												
State Government Capital Grants												
- Targeted Capital Works and Equipment	59,300	369,720	-	-	59,300	369,720	59,300	369,720	-	-	59,300	369,720
- Loddon Mallee Rural Health Alliance	18,925	44,162	-	-	18,925	44,162	18,925	44,162	-	-	18,925	44,162
Residential Accommodation Payments (refer note 2b)	-	-	-	-	-	-	94,833	64,700	-	-	94,833	64,700
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	230	306	230	306	-	-	230	306	230	306
Donations and Bequests	-	-	67,759	89,784	67,759	89,784	-	-	288,475	314,084	288,475	314,084
<b>Sub-Total Revenue from Capital Purpose Income</b>	<b>78,225</b>	<b>413,882</b>	<b>67,989</b>	<b>90,090</b>	<b>146,214</b>	<b>503,972</b>	<b>173,058</b>	<b>478,582</b>	<b>288,705</b>	<b>314,390</b>	<b>461,763</b>	<b>792,972</b>
<b>Total Revenue (refer note 2a)</b>	<b>5,792,336</b>	<b>6,620,660</b>	<b>162,263</b>	<b>199,022</b>	<b>5,954,599</b>	<b>6,819,682</b>	<b>7,810,187</b>	<b>8,358,362</b>	<b>394,242</b>	<b>423,322</b>	<b>8,204,429</b>	<b>8,781,684</b>

Indirect contributions by Department of Health: Department of Health makes certain payments on behalf of the Hospital. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses. This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

<b>Note 2a: ANALYSIS OF REVENUE BY SOURCE (Based on the consolidated view of note 2)</b>	<b>Admitted Patients 2014 \$</b>	<b>Residential Aged Care 2014 \$</b>	<b>Aged Care 2014 \$</b>	<b>Other 2014 \$</b>	<b>TOTAL 2014 \$</b>
<b>Revenue from Services Supported by Health Services Agreement</b>					
Government Grants	4,762,322	1,575,711	242,886	-	6,580,919
Indirect Contributions by Department of Health	19,864	7,263	2,874	-	30,001
Patient and Resident Fees (refer note 2b)	414,827	299,674	41,164	-	755,665
Loddon Mallee Rural Health Alliance	89,077	-	-	-	89,077
Other Revenue from Operating Activities	96,799	31,289	-	-	128,088
Interest and Dividends	33,035	20,344	-	-	53,379
Capital Purpose Income (refer note 2)	78,225	94,833	-	-	173,058
<b>Total Revenue from Services Supported by Health Services Agreement</b>	<b>5,494,149</b>	<b>2,029,114</b>	<b>286,924</b>	<b>-</b>	<b>7,810,187</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>					
Catering	-	-	-	83,665	83,665
Property Income	-	-	-	10,609	10,609
Other	-	-	-	11,263	11,263
<b>Other Activities</b>					
Capital Purpose Income (refer note 2)	-	220,716	-	67,989	288,705
<b>Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>220,716</b>	<b>-</b>	<b>173,526</b>	<b>394,242</b>
<b>TOTAL REVENUE</b>	<b>5,494,149</b>	<b>2,249,830</b>	<b>286,924</b>	<b>173,526</b>	<b>8,204,429</b>

**Indirect Contributions by Department of Health**

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



<b>Note 2a: ANALYSIS OF REVENUE BY SOURCE (Based on the consolidated view of note 2) (Continued)</b>	<b>Admitted Patients 2013 \$</b>	<b>Residential Aged Care 2013 \$</b>	<b>Aged Care 2013 \$</b>	<b>Other 2013 \$</b>	<b>TOTAL 2013 \$</b>
<b>Revenue from Services Supported by Health Services Agreement</b>					
Government Grants	4,897,141	1,373,965	287,498	-	6,558,604
Indirect Contributions by Department of Health	170,313	26,300	8,767	-	205,380
Patient and Resident Fees (refer note 2b)	511,327	245,636	47,599	-	804,562
Interest and Dividends	47,761	13,913	1,344	-	63,018
Loddon Mallee Rural Health Alliance	106,864	-	-	-	106,864
Other Revenue from Operating Activities	118,792	22,417	143	-	141,352
Capital Purpose Income (refer note 2)	413,882	64,700	-	-	478,582
<b>Total Revenue from Services Supported by Health Services Agreement</b>	<b>6,266,080</b>	<b>1,746,931</b>	<b>345,351</b>	<b>-</b>	<b>8,358,362</b>
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>					
Interest and Dividends	-	-	-	-	-
Catering	-	-	-	85,415	85,415
Property Income	-	-	-	12,929	12,929
Other	-	-	-	10,588	10,588
<b>Other Activities</b>					
Capital Purpose Income (refer note 2)	-	-	-	314,390	314,390
<b>Total Revenue from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423,322</b>	<b>423,322</b>
<b>TOTAL REVENUE</b>	<b>6,266,080</b>	<b>1,746,931</b>	<b>345,351</b>	<b>423,322</b>	<b>8,781,684</b>

**Indirect Contributions by Department of Health**

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

**NOTE 2b: PATIENT AND RESIDENT FEES RAISED**

<b>Patient and Resident Fees</b>	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
Acute				
- Inpatients (*)	414,827	511,327	414,827	511,327
Residential Aged Care				
- Resident Daily Care Fees	-	-	299,674	245,636
Aged Care				
- District Nursing	31,187	37,065	31,187	37,065
- Day Care	9,977	10,534	9,977	10,534
<b>TOTAL PATIENT AND RESIDENT FEES</b>	<b>455,991</b>	<b>558,926</b>	<b>755,665</b>	<b>804,562</b>
<b>Capital Purpose Income:</b>				
Residential Accommodation Payments (**)	-	-	94,833	64,700
<b>TOTAL CAPITAL PURPOSE INCOME</b>	<b>-</b>	<b>-</b>	<b>94,833</b>	<b>64,700</b>

(\*) Compensable payments (such as TAC, WIES and DVA throughput) are excluded.

(\*\*) This includes accommodation charges, interest earned on accommodation bonds and retention amount.

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

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
<b>Proceeds from Disposal of Non Current Assets</b>				
- Land and Buildings	-	27,649	-	27,649
- Plant	1,150	-	1,150	-
<b>Total Proceeds from Disposal of Non-Current Assets</b>	<b>1,150</b>	<b>27,649</b>	<b>1,150</b>	<b>27,649</b>
<b>Less: Written Down Value of Non-Current Assets Disposed</b>				
- Land and Buildings	-	(27,343)	-	(27,343)
- Plant	(920)	-	(920)	-
<b>Total Written Down Value of Non-Current Assets Disposed</b>	<b>(920)</b>	<b>(27,343)</b>	<b>(920)</b>	<b>(27,343)</b>
<b>NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS</b>	<b>230</b>	<b>306</b>	<b>230</b>	<b>306</b>

Note 3: EXPENSES	Parent						Consolidated					
	HSA 2014	HSA 2013	H&CI 2014	H&CI 2013	TOTAL 2014	TOTAL 2013	HSA 2014	HSA 2013	H&CI 2014	H&CI 2013	TOTAL 2014	TOTAL 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Employee Expenses</b>												
Salaries and Wages	2,924,171	3,184,208	130,897	144,698	3,055,068	3,328,906	4,727,567	4,611,607	130,897	144,698	4,858,464	4,756,305
Work Cover Premium	29,456	28,826	455	1,855	29,911	30,681	47,541	42,279	455	1,855	47,996	44,134
Long Service Leave	95,620	142,949	6,874	1,514	102,494	144,463	135,693	194,802	6,874	1,514	142,567	196,316
Superannuation	310,467	336,187	9,723	8,837	320,190	345,024	481,608	469,745	9,723	8,837	491,331	478,582
<b>Total Employee Expenses</b>	<b>3,359,714</b>	<b>3,692,170</b>	<b>147,949</b>	<b>156,904</b>	<b>3,507,663</b>	<b>3,849,074</b>	<b>5,392,409</b>	<b>5,318,433</b>	<b>147,949</b>	<b>156,904</b>	<b>5,540,358</b>	<b>5,475,337</b>
<b>Non Salary Labour Costs</b>												
Fee for Visiting Medical Officers	391,901	408,190	-	-	391,901	408,190	391,901	408,190	-	-	391,901	408,190
<b>Total Non Salary Labour Costs</b>	<b>391,901</b>	<b>408,190</b>	<b>-</b>	<b>-</b>	<b>391,901</b>	<b>408,190</b>	<b>391,901</b>	<b>408,190</b>	<b>-</b>	<b>-</b>	<b>391,901</b>	<b>408,190</b>
<b>Supplies and Consumables</b>												
Drug Supplies	96,158	87,727	-	-	96,158	87,727	96,246	87,727	-	-	96,246	87,727
Medical, Surgical Supplies and Prosthesis	174,594	162,566	-	-	174,594	162,566	190,429	177,432	-	-	190,429	177,432
Pathology Supplies	28,860	27,486	-	-	28,860	27,486	28,860	27,486	-	-	28,860	27,486
Special Services	221,440	132,395	-	-	221,440	132,395	226,568	136,213	-	-	226,568	136,213
Food Supplies	29,017	106,841	51,274	24,136	80,291	130,977	121,234	148,522	51,274	24,136	172,508	172,658
<b>Total Supplies and Consumables</b>	<b>550,069</b>	<b>517,015</b>	<b>51,274</b>	<b>24,136</b>	<b>601,343</b>	<b>541,151</b>	<b>663,337</b>	<b>577,380</b>	<b>51,274</b>	<b>24,136</b>	<b>714,611</b>	<b>601,516</b>
<b>Other Expenses from Continuing Operations</b>												
Domestic Services and Supplies	94,618	116,420	2,432	-	97,050	116,420	142,455	155,027	2,432	-	144,887	155,027
Fuel, Light, Power and Water	78,041	70,295	-	3,000	78,041	73,295	120,819	105,022	-	3,000	120,819	108,022
Insurance costs funded by the Department of Health	106,111	123,747	-	-	106,111	123,747	106,111	123,747	-	-	106,111	123,747
Motor Vehicle Expenses	9,389	10,416	-	22,360	9,389	32,776	13,286	10,416	-	22,360	13,286	32,776
Repairs and Maintenance	132,914	152,025	-	522	132,914	152,547	188,176	159,015	-	522	188,176	159,537
Patient Transport	94,203	114,069	-	-	94,203	114,069	94,203	114,069	-	-	94,203	114,069
Loddon Mallee Rural Health Alliance	193,314	193,684	-	-	193,314	193,684	193,314	193,684	-	-	193,314	193,684
Administrative Expenses	302,287	343,651	-	196,759	302,287	540,410	667,142	430,192	-	196,759	667,142	626,951
Audit Fees												
- VAGO - Audit of Financial Statements	14,500	13,700	-	-	14,500	13,700	18,000	16,650	-	-	18,000	16,650
- Other	5,327	13,143	-	-	5,327	13,143	5,327	20,485	-	-	5,327	20,485
<b>Total Other Expenses from Continuing Operations</b>	<b>1,030,704</b>	<b>1,151,150</b>	<b>2,432</b>	<b>222,641</b>	<b>1,033,136</b>	<b>1,373,791</b>	<b>1,548,833</b>	<b>1,328,307</b>	<b>2,432</b>	<b>222,641</b>	<b>1,551,265</b>	<b>1,550,948</b>
<b>Expenditure using Capital Purpose Income</b>												
Loddon Mallee Rural Health Alliance	-	-	4,074	-	4,074	-	-	-	4,074	-	4,074	-
<b>Total Expenditure using Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>4,074</b>	<b>-</b>	<b>4,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,074</b>	<b>-</b>	<b>4,074</b>	<b>-</b>
Depreciation	-	-	474,704	472,315	474,704	472,315	-	-	619,211	611,619	619,211	611,619
<b>TOTAL EXPENSES</b>	<b>5,332,388</b>	<b>5,768,525</b>	<b>680,433</b>	<b>875,996</b>	<b>6,012,821</b>	<b>6,644,521</b>	<b>7,996,480</b>	<b>7,632,310</b>	<b>824,940</b>	<b>1,015,300</b>	<b>8,821,420</b>	<b>8,647,610</b>

This note relates to expenditure above the net result line only, and does not reconcile to comprehensive result

<b>Note 3a: ANALYSIS OF EXPENSE BY SOURCE (Based on the consolidated view of Note 3)</b>	<b>Admitted Patients 2014</b>	<b>Residential Aged Care 2014</b>	<b>Aged Care 2014</b>	<b>Other 2014</b>	<b>TOTAL 2014</b>
<b>Services Supported by Health Service Agreement</b>					
Employee Expenses	2,979,610	2,034,754	378,045	-	5,392,409
Non Salary Labour Costs	391,901	-	-	-	391,901
Supplies and Consumables	547,000	113,268	3,069	-	663,337
Other Expenses	949,552	518,129	81,152	-	1,548,833
<b>Total Expenses from Services Supported by Health Services Agreement</b>	<b>4,868,063</b>	<b>2,666,151</b>	<b>462,266</b>	<b>-</b>	<b>7,996,480</b>
<b>Services Supported by Hospital and Community Initiatives</b>					
Employee Expenses	-	-	-	147,949	147,949
Supplies and Consumables	-	-	-	51,274	51,274
Other Expenses	-	-	-	2,432	2,432
<b>Total Expense from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,655</b>	<b>201,655</b>
Depreciation (refer note 4)	-	144,507	-	478,778	623,285
<b>Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives</b>	<b>-</b>	<b>144,507</b>	<b>-</b>	<b>478,778</b>	<b>623,285</b>
<b>TOTAL EXPENSES</b>	<b>4,868,063</b>	<b>2,810,658</b>	<b>462,266</b>	<b>680,433</b>	<b>8,821,420</b>

<b>Note 3a: ANALYSIS OF EXPENSE BY SOURCE (Based on the consolidated view of Note 3) (Continued)</b>	<b>Admitted Patients 2013</b>	<b>Residential Aged Care 2013</b>	<b>Aged Care 2013</b>	<b>Other 2013</b>	<b>TOTAL 2013</b>
<b>Services Supported by Health Service Agreement</b>					
Employee Expenses	3,427,598	1,626,211	264,624	-	5,318,433
Non Salary Labour Costs	408,190	-	-	-	408,190
Supplies and Consumables	515,769	60,364	1,247	-	577,380
Other Expenses	1,104,266	177,157	46,884	-	1,328,307
<b>Total Expenses from Services Supported by Health Services Agreement</b>	<b>5,455,823</b>	<b>1,863,732</b>	<b>312,755</b>	<b>-</b>	<b>7,632,310</b>
<b>Services Supported by Hospital and Community Initiatives</b>					
Employee Expenses	-	-	-	156,904	156,904
Supplies and Consumables	-	-	-	24,136	24,136
Other Expenses	-	-	-	222,641	222,641
<b>Total Expense from Services Supported by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,681</b>	<b>403,681</b>
<b>Expenditure using Capital Purpose Income</b>					
Loddon Mallee Rural Health Alliance	-	-	-	-	-
<b>Total Expenditure using Capital Purpose Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation (refer note 4)	-	-	-	611,619	611,619
<b>total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611,619</b>	<b>611,619</b>
<b>TOTAL EXPENSES</b>	<b>5,455,823</b>	<b>1,863,732</b>	<b>312,755</b>	<b>1,015,300</b>	<b>8,647,610</b>

**NOTE 3b: ANALYSIS OF EXPENSES BY INTERNAL AND RESTRICTED SPECIFIC PURPOSE FUNDS FOR SERVICES SUPPORTED BY HOSPITAL AND COMMUNITY INITIATIVES**

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
Provision of Meals	188,647	73,233	188,647	73,233
SMTCP and GNETS	13,008	330,448	13,008	330,448
<b>TOTAL</b>	<b>201,655</b>	<b>403,681</b>	<b>201,655</b>	<b>403,681</b>

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

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

**NOTE 4: DEPRECIATION**

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
<b>Depreciation</b>				
Buildings	342,774	336,035	474,409	460,735
Plant and Equipment				
- Plant	37,869	36,729	41,954	41,835
- Medical Equipment	58,461	59,185	58,997	59,331
- Motor Vehicles	13,376	12,480	13,376	12,480
- Furniture and Fittings	22,225	24,368	30,476	33,720
Loddon Mallee Rural Health Alliance	4,074	3,518	4,074	3,518
<b>TOTAL DEPRECIATION</b>	<b>478,779</b>	<b>472,315</b>	<b>623,286</b>	<b>611,619</b>

**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.

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
Cash on Hand	460	240	460	240
Cash at Bank	312,255	489,539	316,994	501,005
Cash at Loddon Mallee Rural Health Alliance	145,010	105,156	145,010	105,156
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>457,725</b>	<b>594,935</b>	<b>462,464</b>	<b>606,401</b>
<b>Represented by:</b>				
Cash for Health Service Operations (as per cash flow statement)	290,159	454,216	290,159	454,216
Cash for Loddon Mallee Rural Health Alliance	145,010	105,156	145,010	105,156
Cash for Monies Held in Trust				
- Cash at Bank	22,556	35,563	27,295	47,029
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>457,725</b>	<b>594,935</b>	<b>462,464</b>	<b>606,401</b>

**NOTE 6: RECEIVABLES**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>CURRENT</b>				
<b>Contractual</b>				
Trade Debtors	168,583	169,484	168,583	169,484
Patient Fees	37,674	97,523	37,674	97,523
Accrued Investment Income	6,411	6,042	6,411	7,160
Accrued Revenue - Other	21,864	-	6,246	-
Loddon Mallee Rural Health Alliance Receivables	1,955	55,141	1,955	55,141
Amounts Owing from Related Parties	-	800,616	-	-
	<u>236,487</u>	<u>1,128,806</u>	<u>220,869</u>	<u>329,308</u>
<b>Statutory</b>				
Accrued Revenue - Department of Health	-	51,480	-	51,480
GST Receivable - Health Service	90,250	56,998	90,250	56,998
GST Receivable - Loddon Mallee Rural Health Alliance	2,907	2,280	2,907	2,280
	<u>93,157</u>	<u>110,758</u>	<u>93,157</u>	<u>110,758</u>
<b>TOTAL CURRENT RECEIVABLES</b>	<u>329,644</u>	<u>1,239,564</u>	<u>314,026</u>	<u>440,066</u>
<b>NON CURRENT</b>				
<b>Statutory</b>				
Long Service Leave - Department of Health	153,932	139,645	332,469	309,287
Amounts Owing from Related Parties	1,482,459	-	-	-
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<u>1,636,391</u>	<u>139,645</u>	<u>332,469</u>	<u>309,287</u>
<b>TOTAL RECEIVABLES</b>	<u>1,966,035</u>	<u>1,379,209</u>	<u>646,495</u>	<u>749,353</u>

**(a) Ageing analysis of receivables**

Please refer to Note 17(b) for the ageing analysis of contractual receivables.

**(b) Nature and extent of risk arising from receivables**

Please refer to Note 17(b) for the nature and extent of credit risk arising from contractual receivables.

**NOTE 7: OTHER FINANCIAL ASSETS**

	Operating Fund		Capital Fund		Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT</b>								
<i>Term Deposit</i>								
Aust. Dollar Term Deposits > 3 Months	275,334	722,023	486,057	28,404	761,391	750,427	911,391	906,294
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<u>275,334</u>	<u>722,023</u>	<u>486,057</u>	<u>28,404</u>	<u>761,391</u>	<u>750,427</u>	<u>911,391</u>	<u>906,294</u>
<b>Represented by:</b>								
Health Service Investments	275,334	722,023	486,057	28,404	761,391	750,427	911,391	906,294
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<u>275,334</u>	<u>722,023</u>	<u>486,057</u>	<u>28,404</u>	<u>761,391</u>	<u>750,427</u>	<u>911,391</u>	<u>906,294</u>

**(a) Ageing analysis of other financial assets**

Please refer to Note 17(b) for the ageing analysis of other financial assets.

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

Please refer to Note 17(b) for the nature and extent of credit risk arising from other financial assets.

**NOTE 8: INVENTORIES**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
Pharmaceuticals - at cost	19,780	23,487	19,780	23,487
Catering Supplies - at cost	7,347	9,659	7,347	9,659
Housekeeping Supplies - at cost	9,888	4,435	9,888	4,435
Medical and Surgical Lines - at cost	79,408	77,214	79,408	77,214
Engineering Stores - at cost	2,332	16,829	2,332	16,829
Administration - at cost	9,385	7,907	9,385	7,907
<b>TOTAL INVENTORIES</b>	<b>128,140</b>	<b>139,531</b>	<b>128,140</b>	<b>139,531</b>

**NOTE 9: OTHER ASSETS**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
Health Service Prepayments	132,708	9,929	134,228	13,360
Loddon Mallee Rural Health Alliance Prepayments	4,980	4,948	4,980	4,948
<b>TOTAL OTHER ASSETS</b>	<b>137,688</b>	<b>14,877</b>	<b>139,208</b>	<b>18,308</b>

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT**

**(a) Gross carrying amount and accumulated depreciation**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>Land</b>				
- Land at Cost	-	52,000	-	52,000
- Land at Fair Value	399,000	414,000	439,000	460,000
<b>Total Land</b>	<b>399,000</b>	<b>466,000</b>	<b>439,000</b>	<b>512,000</b>
<b>Buildings</b>				
- Buildings Under Construction at Cost	595,923	22,460	595,923	22,460
Less Accumulated Depreciation	-	-	-	-
- Buildings at Valuation	4,338,000	4,020,000	5,918,000	4,931,000
Less Accumulated Depreciation	-	1,283,555	-	1,767,336
- Buildings at Cost	-	891,071	-	1,274,171
Less Accumulated Depreciation	-	35,833	-	45,867
<b>Total Buildings</b>	<b>4,933,923</b>	<b>3,614,143</b>	<b>6,513,923</b>	<b>4,414,428</b>
<b>Plant and Equipment</b>				
- Loddon Mallee Rural Health Alliance at Fair Value	12,726	3,036	12,726	3,036
- Plant and Equipment at Fair Value	357,179	324,873	418,253	374,098
Less Accumulated Depreciation	170,293	132,653	203,072	161,348
<b>Total Plant and Equipment</b>	<b>199,612</b>	<b>195,256</b>	<b>227,907</b>	<b>215,786</b>
<b>Medical Equipment</b>				
- Medical Equipment at Fair Value	594,504	539,695	602,205	544,718
Less Accumulated Depreciation	331,660	273,199	336,435	277,438
<b>Total Medical Equipment</b>	<b>262,844</b>	<b>266,496</b>	<b>265,770</b>	<b>267,280</b>
<b>Furniture and Fittings</b>				
- Furniture and Fittings at Fair Value	179,022	167,110	266,878	246,255
Less Accumulated Depreciation	107,935	85,710	155,377	124,901
<b>Total Furniture and Fittings</b>	<b>71,087</b>	<b>81,400</b>	<b>111,501</b>	<b>121,354</b>
<b>Motor Vehicles</b>				
- Motor Vehicles at Fair Value	71,338	71,338	71,338	71,338
Less Accumulated Depreciation	28,465	15,090	28,465	15,090
<b>Total Motor Vehicles</b>	<b>42,873</b>	<b>56,248</b>	<b>42,873</b>	<b>56,248</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>5,909,339</b>	<b>4,679,543</b>	<b>7,600,974</b>	<b>5,587,096</b>



**NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	Land	Under Construction	Buildings	Plant and Equipment	Medical Equipment	Furniture and Fittings	Motor Vehicles	Consol'd
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	460,000	153,213	4,276,576	223,607	187,019	142,697	51,098	5,494,210
Additions	-	494,877	2,497	34,285	139,592	12,377	44,973	728,601
Transfers	52,000	(625,630)	573,630	-	-	-	-	-
Loddon Mallee Rural Health Alliance	-	-	-	3,247	-	-	-	3,247
Disposals	-	-	-	-	-	-	(27,343)	(27,343)
Depreciation	-	-	(460,735)	(45,353)	(59,331)	(33,720)	(12,480)	(611,619)
<b>Balance at 1 July 2013</b>	<u>512,000</u>	<u>22,460</u>	<u>4,391,968</u>	<u>215,786</u>	<u>267,280</u>	<u>121,354</u>	<u>56,248</u>	<u>5,587,096</u>
Additions	-	573,463	16,351	44,385	57,487	20,624	-	712,310
Loddon Mallee Rural Health Alliance	-	-	-	13,764	-	-	-	13,764
Revaluation	(73,000)	-	1,984,090	-	-	-	-	1,911,090
Depreciation	-	-	(474,409)	(46,028)	(58,997)	(30,476)	(13,376)	(623,286)
<b>Balance at 30 June 2014</b>	<u>439,000</u>	<u>595,923</u>	<u>5,918,000</u>	<u>227,907</u>	<u>265,770</u>	<u>111,502</u>	<u>42,872</u>	<u>7,600,974</u>

**Land and buildings carried at valuation**

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

**Plant and Equipment carried at fair value**

A valuation of the Hospital's plant and equipment was undertaken by management to determine the fair value of the plant and equipment. The effective date of the valuation is 30 June 2014.

**(c) Fair value measurement hierarchy for assets as at 30 June 2014**

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>Land at fair value</b>				
Specialised land	439,000	-	-	439,000
Total of land at fair value	<u>439,000</u>	-	-	<u>439,000</u>
<b>Buildings at fair value</b>				
Specialised buildings	5,918,000	-	-	5,918,000
Total of building at fair value	<u>5,918,000</u>	-	-	<u>5,918,000</u>
<b>Plant and equipment at fair value</b>				
Plant equipment and vehicles at fair value				
- Plant and equipment	227,907	-	-	227,907
- Medical equipment	265,770	-	-	265,770
- Furniture and fittings	111,502	-	-	111,502
- Motor Vehicles	42,872	-	42,872	-
Total of plant, equipment and vehicles at fair value	<u>648,051</u>	-	-	<u>605,179</u>

Note

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

There have been no transfers between levels during the period.

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair value measurement hierarchy for assets as at 30 June 2014**

**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.

**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 2014.

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

**(d) Reconciliation of Level 3 fair value**

	2014				
	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
<b>Opening Balance</b>	512,000	4,391,968	215,786	267,280	121,354
<b>Purchases (sales)</b>	-	16,351	44,385	57,487	20,624
Gains or losses recognised in net result					
- Depreciation	-	(474,409)	(46,028)	(58,997)	(30,476)
<b>Subtotal</b>	<b>512,000</b>	<b>3,933,910</b>	<b>214,143</b>	<b>265,770</b>	<b>111,502</b>
Items recognised in other comprehensive income					
- Revaluation	(73,000)	1,984,090	-	-	-
<b>Subtotal</b>	<b>(73,000)</b>	<b>1,984,090</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>439,000</b>	<b>5,918,000</b>	<b>214,143</b>	<b>265,770</b>	<b>111,502</b>
Unrealised gains/(losses) on non-financial assets					
	439,000	5,918,000	214,143	265,770	111,502

There have been no transfers between levels during the period.

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	Valuation technique <sup>(1)</sup>	Significant unobservable inputs <sup>(1)</sup>	Range (weighted average) <sup>(1)</sup>	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market Approach	Community Service Obligation (CSO) adjustment	20% (20%)	A Significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	\$816 - \$1,986/m <sup>2</sup> (\$1,550)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	25 - 50 years (36 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit	\$1,000 - \$99,528 (\$3,606)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	3 - 20 years (7 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation
Medical equipment at fair value	Depreciated replacement cost	Cost per unit	\$1,000 - \$60,790 (\$6,083)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	5 - 13 years (8 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	Cost per unit	\$1,000 - \$32,704 (\$3,707)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
Furniture and fittings at fair value	Depreciated replacement cost	Useful life of PPE	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation
		4 - 20 years (11 years)	

(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 11: PAYABLES**

**CURRENT**

**Contractual**

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
Trade Creditors	803,772	208,355	803,772	208,355
Accrued Audit Fees	14,500	13,700	18,000	16,650
Loddon Mallee Rural Health Alliance Payables	21,241	14,733	21,241	14,733
Accrued Expenses - Other	42,380	6,000	42,380	6,000
	881,893	242,788	885,393	245,738

**Statutory**

Department of Health	55,990	75,310	55,990	75,310
Department of Health and Ageing	-	-	-	8,035
Fringe Benefits Tax Payable	1,826	2,487	1,826	2,487
	57,816	77,797	57,816	85,832
<b>TOTAL PAYABLES</b>	939,709	320,585	943,209	331,570

**(a) Maturity analysis of payables**

Please refer to Note 17(c) for the ageing analysis of contractual payables.

**(b) Nature and extent of risk arising from payables**

Please refer to Note 17(c) for the nature and extent of risks arising from contractual payables.

**NOTE 12: PROVISIONS**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>Current Provisions</b>				
Employee Benefits (i)				
Annual Leave (Note 12(a))				
- unconditional and expected to be settled within 12 months (ii)	332,993	322,532	432,573	421,113
- unconditional and expected to be settled after 12 months (ii)	54,748	29,393	71,152	46,790
Long Service Leave (Note 12(a))				
- unconditional and expected to be settled within 12 months (ii)	105,311	30,169	133,780	135,484
- unconditional and expected to be settled after 12 months (ii)	523,315	589,320	684,642	687,288
Accrued Days Off (Note 12(a))				
- unconditional and expected to be settled within 12 months (ii)	9,798	10,895	10,447	11,505
- unconditional and expected to be settled after 12 months (ii)	-	-	-	-
Accrued Wages & Salaries (Note 12(a))				
- unconditional and expected to be settled within 12 months (ii)	82,989	122,641	108,279	146,581
- unconditional and expected to be settled after 12 months (ii)	-	-	-	-
	<u>1,109,154</u>	<u>1,104,950</u>	<u>1,440,873</u>	<u>1,448,761</u>
Provisions related to employee benefit on-costs				
- unconditional and expected to be settled within 12 months (ii)	55,972	70,064	72,198	92,060
- unconditional and expected to be settled after 12 months (iii)	60,999	55,941	79,746	72,534
	<u>116,971</u>	<u>126,005</u>	<u>151,944</u>	<u>164,594</u>
<b>Total Current Provisions</b>	<b><u>1,226,125</u></b>	<b><u>1,230,955</u></b>	<b><u>1,592,817</u></b>	<b><u>1,613,355</u></b>
<b>Non-Current Provisions</b>				
Employee Benefits (i) (Note 12(a))	81,272	70,068	119,461	103,238
Provisions related to employee benefit on-costs (Note 12(a) and Note 12(b))	6,759	7,322	10,788	10,788
<b>Total Non-Current Provisions</b>	<b><u>88,031</u></b>	<b><u>77,390</u></b>	<b><u>130,249</u></b>	<b><u>114,026</u></b>
<b>Total Provisions</b>	<b><u>1,314,156</u></b>	<b><u>1,308,345</u></b>	<b><u>1,723,066</u></b>	<b><u>1,727,381</u></b>
<b>(a) Employee Benefits and Related On-Costs</b>				
<b>Current Employee Benefits and Related On-Costs</b>				
Annual Leave Entitlements	428,571	398,181	556,767	528,981
Accrued Salaries and Wages	91,748	135,650	119,706	162,051
Accrued Days Off	10,831	12,047	11,549	12,719
Unconditional Long Service Leave Entitlements	694,976	685,077	904,795	909,604
<b>Non-Current Employee Benefits and Related On-Costs</b>				
Conditional Long Service Leave Entitlements (ii)	88,031	77,390	130,249	114,026
<b>Total Employee Benefits and Related On-Costs</b>	<b><u>1,314,157</u></b>	<b><u>1,308,345</u></b>	<b><u>1,723,066</u></b>	<b><u>1,727,381</u></b>
<b>(b) Movements in provisions</b>				
<b>Movement in Long Service Leave:</b>				
<b>Balance at start of year</b>	762,467	762,467	1,023,630	1,023,630
Provision made during the year				
- Revaluations	448	586	1,087	837
- Expense Recognising Employee Service	102,046	143,877	141,480	195,479
Settlement made during the year	(81,954)	(144,463)	(131,153)	(196,316)
<b>Balance at end of year</b>	<b><u>783,007</u></b>	<b><u>762,467</u></b>	<b><u>1,035,044</u></b>	<b><u>1,023,630</u></b>

*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 13: 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	
		2014	2013	2014	2013
		\$	\$	\$	\$
Defined Benefit Plans:	Health Super	23,619	37,655	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	416,966	440,927	50,746	-
<b>Total</b>		<b>440,585</b>	<b>478,582</b>	<b>50,746</b>	<b>-</b>

**NOTE 14: OTHER LIABILITIES**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>CURRENT</b>				
Monies Held in Trust*				
- Patient Monies Held in Trust	-	-	4,739	11,466
Other Monies Held in Trust	22,556	35,563	22,556	35,563
<b>TOTAL CURRENT</b>	<b>22,556</b>	<b>35,563</b>	<b>27,295</b>	<b>47,029</b>
<b>* Total Monies Held in Trust</b>				
<b>Represented by the following assets:</b>				
Cash Assets (refer to Note 5)	22,556	35,563	27,295	47,029
<b>TOTAL OTHER LIABILITIES</b>	<b>22,556</b>	<b>35,563</b>	<b>27,295</b>	<b>47,029</b>

**NOTE 15: EQUITY**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>(a) Reserves</b>				
<b>Property, Plant and Equipment Revaluation Surplus <sup>(1)</sup></b>				
Balance at beginning of the reporting period				
- Land	260,442	260,442	267,994	267,994
- Buildings	2,876,331	2,876,331	3,611,585	3,611,585
Revaluation Increment/Decrement				
- Land	(67,000)	-	(73,000)	-
- Buildings	1,315,090	-	1,984,090	-
<b>Balance at the end of the reporting period</b>	<b>4,384,863</b>	<b>3,136,773</b>	<b>5,790,669</b>	<b>3,879,579</b>
Represented by:				
- Land	193,442	260,442	194,994	267,994
- Buildings	4,191,421	2,876,331	5,595,675	3,611,585

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

<b>Total Reserves</b>	<b>4,384,863</b>	<b>3,136,773</b>	<b>5,790,669</b>	<b>3,879,579</b>
<b>(b) Contributed Capital</b>				
Balance at the beginning of the reporting period	2,688,390	2,688,390	2,688,390	2,688,390
Balance at the end of the reporting period	2,688,390	2,688,390	2,688,390	2,688,390
<b>(c) Accumulated Surpluses/(Deficits)</b>				
Balance at the beginning of the reporting period	68,866	(106,295)	(666,966)	(801,040)
Net Result for the Year	(58,222)	175,161	(616,991)	134,074
Balance at the end of the reporting period	10,644	68,866	(1,283,957)	(666,966)
<b>(d) Total Equity at end of financial year</b>	<b>7,083,897</b>	<b>5,894,029</b>	<b>7,195,102</b>	<b>5,901,003</b>

**NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

	Parent Entity 2014	Parent Entity 2013	Consol'd 2014	Consol'd 2013
	\$	\$	\$	\$
<b>NET RESULT FOR THE YEAR</b>	<b>(58,222)</b>	<b>175,161</b>	<b>(616,991)</b>	<b>134,074</b>
Depreciation	474,705	468,797	619,212	608,101
Change in Inventories	11,391	(20,225)	11,391	(20,225)
Net (Gain)/Loss from Sale of Plant and Equipment	(230)	(306)	(230)	(306)
Share of Net Result from Joint Ventures	9,491	(41,493)	9,491	(41,493)
Change in Operating Assets and Liabilities				
(Increase)/Decrease in Receivables	42,457	(156,418)	50,298	(163,308)
(Increase)/Decrease in Prepayments	(122,779)	(3,850)	(120,868)	(5,771)
Increase/(Decrease) in Payables	614,675	85,893	605,131	93,417
Increase/(Decrease) in Provisions	3,752	68,282	(4,315)	24,336
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>975,240</b>	<b>575,841</b>	<b>553,119</b>	<b>628,825</b>

**NOTE 17: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management Objectives and Policies**

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

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

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

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

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

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

**Categorisation of financial instruments**

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

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

	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
	\$	\$	\$	\$	\$	\$
<b>2013</b>						
<b>Contractual Financial Assets</b>						
Cash and cash equivalents	-	-	606,401	-	-	606,401
Receivables	-	-	329,308	-	-	329,308
Other Financial Assets	-	-	906,294	-	-	906,294
<b>Total Financial Assets (i)</b>	-	-	1,842,003	-	-	1,842,003
<b>Financial Liabilities</b>						
At amortised cost	-	-	292,767	-	-	292,767
<b>Total Financial Liabilities(ii)</b>	-	-	292,767	-	-	292,767

(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 17: 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 \$
<b>2014</b>					
<b>Financial Assets</b>					
Other Financial Assets (i)	-	53,379	-	-	53,379
<b>Total Financial Assets</b>	-	53,379	-	-	53,379
<b>Financial Liabilities</b>					
At amortised cost (ii)	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-	-
<b>2013</b>					
<b>Financial Assets</b>					
Other Financial Assets (i)	-	63,018	-	-	63,018
<b>Total Financial Assets</b>	-	63,018	-	-	63,018
<b>Financial Liabilities</b>					
At amortised cost (ii)	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-	-

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

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

**(b) Credit Risk**

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

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

**(b) Credit Risk (Continued)**

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

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

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

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

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

	Financial Institutions (AA2 credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other \$	Total \$
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	462,464	-	-	-	462,464
Loans and Receivables (i)	-	-	-	220,869	220,869
Other Financial Assets	911,391	-	-	-	911,391
<b>Total Financial Assets</b>	<b>1,373,855</b>	<b>-</b>	<b>-</b>	<b>220,869</b>	<b>1,594,724</b>
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	606,401	-	-	-	606,401
Loans and Receivables (i)	-	-	-	329,308	329,308
Other Financial Assets	906,294	-	-	-	906,294
<b>Total Financial Assets</b>	<b>1,512,695</b>	<b>-</b>	<b>-</b>	<b>329,308</b>	<b>1,842,003</b>

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

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

**(b) Credit Risk (Continued)**

**Ageing analysis of financial assets as at 30 June**

	Consol'd Carrying Amount \$	Not Past due and not impaired \$	Past Due But Not Impaired				Impaired Financial Assets \$
			Less than 1 Month \$	1 - 3 Months \$	3 Months - 1 Year \$	1 - 5 Years \$	
<b>2014</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	462,464	462,464	-	-	-	-	-
Loans and Receivables (i)	220,869	180,624	7,440	18,146	14,659	-	-
Other Financial Assets	911,391	911,391	-	-	-	-	-
<b>Total Financial Assets</b>	<b>1,594,724</b>	<b>1,554,479</b>	<b>7,440</b>	<b>18,146</b>	<b>14,659</b>	<b>-</b>	<b>-</b>
<b>2013</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	606,401	606,401	-	-	-	-	-
Loans and Receivables (i)	329,308	285,013	6,050	6,130	32,115	-	-
Other Financial Assets	906,294	906,294	-	-	-	-	-
<b>Total Financial Assets</b>	<b>1,842,003</b>	<b>1,797,708</b>	<b>6,050</b>	<b>6,130</b>	<b>32,115</b>	<b>-</b>	<b>-</b>

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

**Contractual financial assets that are neither past due or impaired**

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

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

**NOTE 17: 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
	\$	\$	\$	\$	\$	\$
<b>2014</b>						
<b>Financial Liabilities</b>						
<i>At amortised cost</i>						
Payables	885,393	885,393	885,393	-	-	-
Other Financial Liabilities (i)	27,295	27,295	-	-	27,295	-
<b>Total Financial Liabilities</b>	<b>912,688</b>	<b>912,688</b>	<b>885,393</b>	<b>-</b>	<b>27,295</b>	<b>-</b>
<b>2013</b>						
<b>Financial Liabilities</b>						
<i>At amortised cost</i>						
Payables	245,738	245,738	245,738	-	-	-
Other Financial Liabilities (i)	47,029	47,029	-	-	47,029	-
<b>Total Financial Liabilities</b>	<b>292,767</b>	<b>292,767</b>	<b>245,738</b>	<b>-</b>	<b>47,029</b>	<b>-</b>

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

**(d) Market Risk**

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

**Currency Risk**

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

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

**(d) Market Risk (Continued)**

**Interest Rate Risk**

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

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

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

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

**Other Price Risk**

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

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non - Interest Bearing \$'000
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.19	462,464	-	462,004	460
Loans and Receivables (i)	-	220,869	-	-	220,869
Other Financial Assets	3.73	911,391	911,391	-	-
<b>Total Financial Assets</b>		<b>1,594,724</b>	<b>911,391</b>	<b>462,004</b>	<b>221,329</b>
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables (i)	-	885,393	-	-	885,393
Other Financial Liabilities	-	27,295	-	-	27,295
<b>Total Financial Liabilities</b>		<b>912,688</b>	<b>-</b>	<b>-</b>	<b>912,688</b>
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2.85	606,401	-	606,161	240
Loans and Receivables (i)	-	329,308	-	-	329,308
Other Financial Assets	4.20	906,294	906,294	-	-
<b>Total Financial Assets</b>		<b>1,842,003</b>	<b>906,294</b>	<b>606,161</b>	<b>329,548</b>
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables (i)	-	245,738	-	-	245,738
Other Financial Liabilities	-	47,029	-	-	47,029
<b>Total Financial Liabilities</b>		<b>292,767</b>	<b>-</b>	<b>-</b>	<b>292,767</b>

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

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

**(d) Market Risk (Continued)**

**Sensitivity Disclosure Analysis**

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

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

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

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$	\$	\$	\$	\$
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	462,464	(4,625)	(4,625)	4,625	4,625
Loans and Receivables	220,869	-	-	-	-
Other Financial Assets	911,391	(9,114)	(9,114)	9,114	9,114
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables	885,393	-	-	-	-
Other Financial Liabilities (i)	27,295	-	-	-	-
		(13,739)	(13,739)	13,739	13,739
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	606,401	(6,064)	(6,064)	6,064	6,064
Loans and Receivables	329,308	-	-	-	-
Other Financial Assets	906,294	(9,063)	(9,063)	9,063	9,063
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables	245,738	-	-	-	-
Other Financial Liabilities (i)	47,029	-	-	-	-

(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 17: FINANCIAL INSTRUMENTS (Continued)**  
**(e) Fair Value (Continued)**

**Comparison between carrying amount and fair value**

	Total Carrying Amount	Fair Value	Total Carrying Amount	Fair Value
	2014 \$	2014 \$	2013 \$	2013 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	462,464	462,464	606,401	606,401
Loans and Receivables (i)				
- Trade Debtors	220,869	220,869	329,308	329,308
- Other Financial Assets	911,391	911,391	906,294	906,294
<b>Total Financial Assets</b>	<b>1,594,724</b>	<b>1,594,724</b>	<b>1,842,003</b>	<b>1,842,003</b>
<b>Financial Liabilities</b>				
<i>At amortised cost</i>				
Payables	885,393	885,393	245,738	245,738
Other Financial Liabilities (i)	27,295	27,295	47,029	47,029
<b>Total Financial Liabilities</b>	<b>912,688</b>	<b>912,688</b>	<b>292,767</b>	<b>292,767</b>

(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 18: COMMITMENTS FOR EXPENDITURE**

	Parent Entity 2014 \$	Parent Entity 2013 \$	Consol'd 2014 \$	Consol'd 2013 \$
<b>Capital Expenditure Commitments</b>				
<u>Payable</u>				
Land and Buildings	-	297,540	-	297,540
<b>Total Capital Expenditure Commitments</b>	<b>-</b>	<b>297,540</b>	<b>-</b>	<b>297,540</b>
Land and Buildings*				
Not later than one year	-	233,828	-	495,358
<b>Total Capital Expenditure Commitments</b>	<b>-</b>	<b>233,828</b>	<b>-</b>	<b>495,358</b>
<b>Lease commitments</b>				
Commitments in relation to leases contracted for at the reporting date:				
Operating Leases	4,382	6,025	4,382	6,025
<b>Total lease commitments</b>	<b>4,382</b>	<b>6,025</b>	<b>4,382</b>	<b>6,025</b>
<b>Operating lease - plant and equipment</b>				
Cancellable operating lease for a colour multi-function printer/copier/fax/scanner payable as follows:				
Not later than one year	1,643	1,643	1,643	1,643
Later than 1 year and not later than 5 years	2,739	4,382	2,739	4,382
	<b>4,382</b>	<b>6,025</b>	<b>4,382</b>	<b>6,025</b>

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

**NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Cohuna District Hospital has provided a letter of comfort to the Cohuna Community Nursing Home dated 01/08/2014, which details that they will provide adequate cash support to enable the Nursing Home to meet its current and future obligations when they fall due for a period up to September 2015, should it be required.

**NOTE 20: OPERATING SEGMENTS**

	ACUTE CARE		RACS		OTHER SERVICES		CONSOLIDATED	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
External Segment Revenue	5,494,149	6,218,319	2,249,830	1,733,018	460,450	767,329	8,204,429	8,718,666
<b>Total Revenue</b>	<b>5,494,149</b>	<b>6,218,319</b>	<b>2,249,830</b>	<b>1,733,018</b>	<b>460,450</b>	<b>767,329</b>	<b>8,204,429</b>	<b>8,718,666</b>
<b>EXPENSES</b>								
External Segment Expenses	4,868,063	5,455,823	2,810,658	1,863,732	1,142,699	1,328,055	8,821,420	8,647,610
<b>Total Expenses</b>	<b>4,868,063</b>	<b>5,455,823</b>	<b>2,810,658</b>	<b>1,863,732</b>	<b>1,142,699</b>	<b>1,328,055</b>	<b>8,821,420</b>	<b>8,647,610</b>
<b>Net Result from ordinary activities</b>	<b>626,086</b>	<b>762,496</b>	<b>(560,828)</b>	<b>(130,714)</b>	<b>(682,249)</b>	<b>(560,726)</b>	<b>(616,991)</b>	<b>71,056</b>
Interest Income	-	47,761	-	13,913	-	1,344	-	63,018
<b>Net Result for Year</b>	<b>626,086</b>	<b>810,257</b>	<b>(560,828)</b>	<b>(116,801)</b>	<b>(682,249)</b>	<b>(559,382)</b>	<b>(616,991)</b>	<b>134,074</b>
<b>OTHER INFORMATION</b>								
Segment Assets	9,360,318	7,558,522	528,354	448,461	-	-	9,888,672	8,006,983
Unallocated Assets	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>9,360,318</b>	<b>7,558,522</b>	<b>528,354</b>	<b>448,461</b>	<b>-</b>	<b>-</b>	<b>9,888,672</b>	<b>8,006,983</b>
Segment Liabilities	2,276,421	1,664,493	417,149	441,487	-	-	2,693,570	2,105,980
Unallocated Liabilities	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,276,421</b>	<b>1,664,493</b>	<b>417,149</b>	<b>441,487</b>	<b>-</b>	<b>-</b>	<b>2,693,570</b>	<b>2,105,980</b>
Acquisition of property, plant and equipment	689,072	681,311	23,238	47,290	-	-	712,310	728,601
Depreciation expense	478,779	472,315	144,507	139,304	-	-	623,286	611,619
Non cash expenses other than depreciation	106,111	123,747	-	-	-	-	106,111	123,747

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

**Business Segments**

Health Services

Residential Aged Care

**Services**

Acute Hospital services

Aged Care services

Nursing Home facilities

**Geographical Segment**

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



**NOTE 21: JOINTLY CONTROLLED OPERATIONS AND ASSETS**

Name of Entity	Principal Activity	Ownership Interest	
		2014 %	2013 %
Loddon Mallee Rural Health Alliance	Information Technology	2.69	2.68

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

	2014 \$	2013 \$
<b>Current Assets</b>		
Cash and Cash Equivalents	145,010	105,156
Receivables	4,862	57,421
Prepayments	4,980	4,948
<b>Total Current Assets</b>	<u>154,852</u>	<u>167,525</u>
<b>Non Current Assets</b>		
Plant and Equipment	12,726	3,036
<b>Total Non Current Assets</b>	<u>12,726</u>	<u>3,036</u>
<b>Total Assets</b>	<u>167,578</u>	<u>170,561</u>
<b>Current Liabilities</b>		
Payables	16,353	14,006
Accrued Expenses	4,888	727
<b>Total Current Liabilities</b>	<u>21,241</u>	<u>14,733</u>

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

Revenue from Operating Activities	91,218	106,864
Expenditure	193,314	193,684
<b>Surplus/(Deficit) before Capital and Depreciation</b>	<u>(102,096)</u>	<u>(86,820)</u>
Depreciation	4,074	3,518
Capital Purpose Income	18,925	44,162
Total	<u>14,851</u>	<u>40,644</u>
<b>Current Year Surplus/(Deficit)</b>	<u>(87,245)</u>	<u>(46,176)</u>

**Contingent Assets and Contingent Liabilities**

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

**Commitments for Expenditure**

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

**NOTE 22a: RESPONSIBLE PERSON DISCLOSURES**

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

**Responsible Ministers:**

The Honourable David Davis, MLC, Minister for Health and Ageing  
The Honourable Mary Wooldridge, MLA, Minister for Mental Health

Period
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014

**Governing Boards**

Mr R. J. Stanton  
Mr G. J. Hall  
Mr G. A. Payne  
Mrs D.M. McGraw  
Mr G. L. Smith  
Mrs L.M. Drummond  
Mr R.J Nicholls  
Mr C. P. Hodge  
Mrs B. MacKenzie  
Mrs K.L Hore  
Ms A.Hutchinson  
Mrs L Learmonth

01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 30/06/2014
01/07/2013 - 31/07/2013
01/08/2013 - 30/06/2014
01/07/2013 - 30/06/2014

**Accountable Officers**

Mr R. J. Bulmer  
Mr W Hall

01/07/2013 - 23/11/2013
23/11/2013 - 30/06/2014

**Remuneration of Responsible Persons**

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

**Income Band**

\$0 - \$9,999  
\$70,000 - \$79,999  
\$80,000 - \$89,999  
\$160,000 - \$169,999

**Total Numbers**

	Parent		Consol'd	
	2014 No.	2013 No.	2014 No.	2013 No.
\$0 - \$9,999	11	11	11	11
\$70,000 - \$79,999	1	0	1	0
\$80,000 - \$89,999	1	0	1	0
\$160,000 - \$169,999	0	1	0	1
<b>Total Numbers</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>12</b>

**Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:**

<b>\$155,021</b>	<b>\$167,049</b>	<b>\$155,021</b>	<b>\$167,049</b>
------------------	------------------	------------------	------------------

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

**Other Transactions of Responsible Persons and their Related Parties**

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

**NOTE 22b: EXECUTIVE OFFICER DISCLOSURES**

**Executive Officer Remuneration**

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

	Parent				Consolidated			
	Total Remuneration		Base Remuneration		Total Remuneration		Base Remuneration	
	2014	2013	2014	2013	2014	2013	2014	2013
	No.	No.	No.	No.	No.	No.	No.	No.
\$120,000 - \$129,999	1	1	1	1	1	1	1	1
<b>Total</b>	1	1	1	1	1	1	1	1
<b>Total Remuneration</b>	\$129,935	\$139,133	\$129,935	\$129,935	\$129,935	\$139,133	\$129,935	\$129,935
Total annualised employee equivalents (AEE) (i)	1	1	1	1	1	1	1	1

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

**NOTE 23: REMUNERATION OF AUDITORS**

**Victorian Auditor-General's Office**

Audit or review of financial statement  
Other auditor remuneration

	Parent Entity	Parent Entity	Consol'd	Consol'd
	2014	2013	2014	2013
\$	\$	\$	\$	\$
14,500	13,700	18,000	16,650	
5,327	13,143	5,327	20,485	
<b>19,827</b>	<b>26,843</b>	<b>23,327</b>	<b>37,135</b>	

**NOTE 24: CONTROLLED ENTITIES**

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

**NOTE 25: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Cohuna District Hospital currently has funds owing from the Cohuna Community Nursing Home of \$1.4 million. There has been a change with respect to conditions that existed at the date of the balance sheet and affect the estimates inherent in the process of preparing financial statements. The Board are currently reassessing its evaluation of the conditions on which the estimates were based. This assessment is not yet concluded but may result in the impairment of this debt in the future.

**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 Health. The Department of Health has provided confirmation that it will continue to provide Cohuna District Hospital adequate cash flow support meet its current and future obligations as and when they fall due for a period up to September 2015.

**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 2014 and financial position of Cohuna District Hospital and the Consolidated Entity at 30 June 2014.

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.

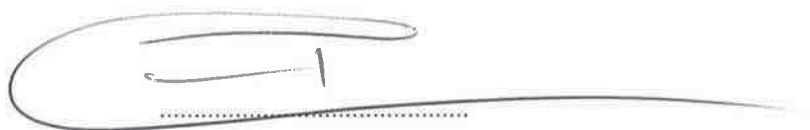
We authorise the attached financial statements for issue on this day.



Board Member

Cohuna

18th August 2014



William Hall  
Chief Executive Officer/  
Chief Finance & Accounting Officer

Cohuna

18th August 2014

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Cohuna District Hospital

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 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 has been audited. The financial report is the consolidated financial statements of the economic entity, comprising the Cohuna District Hospital and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 24 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 the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the Financial Management Act 1994 and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cohuna District Hospital and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

## Independent Auditor's Report (continued)

### *Independence*

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

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Cohuna District Hospital and the consolidated entity as at 30 June 2014 and of 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.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Cohuna District Hospital for the year ended 30 June 2014 included both in the Cohuna District Hospital's annual report and on the website. The Board Members of the Cohuna District Hospital are responsible for the integrity of the Cohuna District Hospital's website. I have not been engaged to report on the integrity of the Cohuna District Hospital's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
22 August 2014



Dr Peter Frost  
Acting Auditor-General

**COHUNA COMMUNITY NURSING HOME INC  
 COMPREHENSIVE OPERATING STATEMENT  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue from Operating Activities	2	1,913,937	1,666,517
Revenue from Non-Operating Activities	2	20,344	6,485
Employee Expenses	3	(2,032,694)	(1,626,263)
Supplies and Consumables	3	(113,268)	(60,365)
Other Expenses	3	<u>(518,129)</u>	<u>(177,157)</u>
<b>Net Result From Before Capital and Specific Items</b>		(729,810)	(190,783)
Capital Purpose Income	2	315,549	289,000
Depreciation	3	<u>(144,507)</u>	<u>(139,304)</u>
<b>NET RESULT FOR THE YEAR</b>		<u>(558,768)</u>	<u>(41,087)</u>
<b>Other Comprehensive Income</b>			
Net fair value revaluation on Non Financial Assets		663,000	-
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<u><u>104,232</u></u>	<u><u>(41,087)</u></u>

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

**COHUNA COMMUNITY NURSING HOME INC**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	4,739	11,466
Receivables	6	-	1,118
Other Financial Assets	7	150,000	155,867
Prepayments		1,520	3,430
<b>Total Current Assets</b>		<u>156,259</u>	<u>171,881</u>
<b>Non-Current Assets</b>			
Receivables	6	178,537	169,642
Property, Plant and Equipment	8	1,691,635	907,554
<b>Total Non-Current Assets</b>		<u>1,870,172</u>	<u>1,077,196</u>
<b>TOTAL ASSETS</b>		<u>2,026,431</u>	<u>1,249,077</u>
<b>Current Liabilities</b>			
Payables	9	19,118	10,985
Provisions	10	366,691	382,400
Other Liabilities	12	4,739	812,082
<b>Total Current Liabilities</b>		<u>390,548</u>	<u>1,205,467</u>
<b>Non Current Liabilities</b>			
Provisions	10	42,218	36,636
Other Liabilities	12	1,482,459	-
<b>Total Non Current Liabilities</b>		<u>1,524,677</u>	<u>36,636</u>
<b>TOTAL LIABILITIES</b>		<u>1,915,225</u>	<u>1,242,103</u>
<b>NET ASSETS</b>		<u>111,206</u>	<u>6,974</u>
<b>EQUITY</b>			
Property, Plant and Equipment Revaluation Surplus	13	1,405,806	742,806
Accumulated Surpluses / (Deficits)	13	(1,294,600)	(735,832)
<b>TOTAL EQUITY</b>		<u>111,206</u>	<u>6,974</u>
Commitments for Expenditure	16		
Contingent Assets and Contingent Liabilities	17		

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



**COHUNA COMMUNITY NURSING HOME INC  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributions by Owners \$	Accumulated Surpluses/ (Deficits) \$	Total \$
<b>Balance at 1 July 2012</b>	742,806	-	-	(694,745)	48,061
Net result for the year	-	-	-	(41,087)	(41,087)
Other comprehensive income for the year	-	-	-	-	-
<b>Balance at 30 June 2013</b>	742,806	-	-	(735,832)	6,974
Net result for the year	-	-	-	(558,768)	(558,768)
Other comprehensive income for the year	663,000	-	-	-	663,000
<b>Balance at 30 June 2014</b>	1,405,806	-	-	(1,294,600)	111,206

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 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government		1,592,447	1,380,200
Patient and Resident Fees Received		394,507	310,336
Interest Received		20,344	5,367
Other Receipts		31,289	42,944
<b>Total Receipts</b>		<b>2,038,587</b>	<b>1,738,847</b>
Employee Expenses Paid		(2,042,821)	(1,670,209)
Payments for Supplies and Consumables		(113,268)	(70,948)
Other payments		(525,336)	(169,005)
<b>Total Payments</b>		<b>(2,681,425)</b>	<b>(1,910,162)</b>
<b>Cash Generated from Operations</b>		<b>(642,838)</b>	<b>(171,315)</b>
Capital Grants from Government		-	-
Capital Donations and Bequests Received		220,716	224,300
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	14	<b>(422,122)</b>	<b>52,985</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Non-Financial Assets		(265,588)	(267,190)
Net Sale/(Purchase) of Investments		5,867	(110)
Cash (Provided to) / Received from Related Entities		681,843	214,315
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>422,122</b>	<b>(52,985)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT HELD</b>		<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	5	<b>-</b>	<b>-</b>

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 2014. 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: 22nd August, 2014

**(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 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

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 01/08/2014, 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 2015, should it be required.

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are reassessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- 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 AASBs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

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

**(c) Reporting Entity**

The financial statements 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 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 (g)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;

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

**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 (j);
  
- \* Depreciation as described in note 1 (h);
  
- \* Assets provided or received free of charge, as described in note 1 (g); and
  
- \* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

**Balance sheet**

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

**Statement of changes in equity**

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

**Cash flow statement**

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

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

**Rounding**

All amounts shown in the financial statements are expressed to the nearest \$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) **Change in accounting policies**

**AASB 13 Fair Value Measurement**

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a health service is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The health service has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revised and adjusted where applicable. In light of AASB 13, the health service has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

AASB 13 has predominantly impacted the disclosures of the health service. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not to be provided for comparative periods, before initial application. Consequently, comparatives of these disclosures have not been provided for 2012-13, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments Disclosures*.

**AASB 119 Employee Benefits**

In 2013-14, the health service has applied AASB 119 Employee Benefits (Sep 2011, as amended), and related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the health service.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within 12 months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

The health service considers the change in classification has not materially altered its measurement of the annual leave provision.

(g) **Income from transactions**

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Cohuna 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.

**(g) Income from transactions (Continued)**

**Indirect Contributions from the Department of Health**

- Insurance is recognised as revenue following advice from the Department of Health.
- 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.

**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.

**(h) Expense recognition**

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

**Cost of goods sold**

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

**Employee expenses**

Employee expenses include:

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



(h) **Expense recognition (Continued)**

**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.

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.

	2014	2013
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

(h) **Expense recognition (Continued)**

**Depreciation (Continued)**

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

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

**Other operating expenses**

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

**Supplies and Consumables**

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

**Bad and Doubtful Debts**

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

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

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

(i) **Other comprehensive income**

Other comprehensive income measure the change in volume or value of assets or liabilities that do not result from transactions.

**Net Gain / (Loss) on Non-Financial Assets**

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

**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.

(j) **Financial Instruments**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Cohuna 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 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.

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(j) **Financial Instruments (Continued)**

***Categories of non-derivative financial instruments***

**Reclassification of financial instruments at fair value through profit or loss**

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

**Loans and receivables**

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

Loans and receivables category includes cash and deposits (refer to Note 1(k)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

**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.

(k) **Assets**

**Cash and Cash Equivalents**

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

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

**(k) Assets (Continued)**

**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.

**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.

(k) **Assets (Continued)**

**Inventories (Continued)**

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.

**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.

**(k) Assets (Continued)**

**Revaluations of Non-current Physical Assets (Continued)**

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 an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

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

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

**(k) Assets (Continued)**

**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 2014 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 2014. 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.

**(l) Liabilities**

**Payables**

Payables consist of:

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

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

**Provisions**

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

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

**Employee Benefits**

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

**Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick 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, annual leave and sick 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.



(l) **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 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.

(m) **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.

**Specific restricted purpose surplus**

A specific restricted purpose surplus is established where the Nursing Home 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 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.

**(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 2014 reporting period.

As at 30 June 2014, 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.

(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 9 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement)</i> .	1 January 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 10 <i>Consolidated Financial Statements</i>	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 <i>Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities</i> that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.	1 Jan 2014 (not-for-profit entities)	For the public sector, AASB 10 builds on the control guidance that existed in AASB 127 and Interpretation 112 and is not expected to change <i>which entities need to be consolidated</i> .  Ongoing work is being done to monitor and assess the impact of this standard.
AASB 11 <i>Joint Arrangements</i>	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014 (not-for-profit entities)	Based on current assessment, entities already apply the equity method when accounting for joint ventures. It is anticipated that there would be no material impact. Ongoing work is being done to monitor and assess the impact of this standard.

(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 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	1 Jan 2014 (not-for-profit entities)	The new standard is likely to require additional disclosures and ongoing work is being done to determine the extent of additional disclosure required.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jan 2014 (not-for-profit entities)	Current assessment indicates that there is limited impact on Victorian Public Sector entities. Ongoing work is being done to monitor and assess the impact of this standard.
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 July 2014	[If separate budget is presented to the parliament]: The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget.  [If separate budget is not presented to the parliament]:  This Standard is not applicable as no budget disclosure is required.
AASB 1056 Superannuation Entities	AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans. The standard was developed in light of changes in recent years, developments in the superannuation industry and Australia's adoption of IFRS.	1 July 2016	The standard was issued in June 2014. While preliminary assessment has not identified any material impact arising from AASB 1056, further work to assess the impact of this standard will be undertaken.

**(q) AASs issued that are not yet effective (Continued)**

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB Interpretation 21 Levies.

**(r) 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 revenue/expenditure from Home and Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

**Residential Aged Care including Mental Health (RAC incl. Mental Health)** referred to in the past as psycho geriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from DH 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).

**NOTE 2: REVENUE**

	HSA 2014 \$	HSA 2013 \$	H&CI 2014 \$	H&CI 2013 \$	TOTAL 2014 \$	TOTAL 2013 \$
<b>Revenue from Operating Activities</b>						
Government Grants						
- Department of Health	742,621	495,250	-	-	742,621	495,250
- Commonwealth Government - Residential Aged Care Subsidy	833,090	876,915	-	-	833,090	876,915
<b>Total Government Grants</b>	<b>1,575,711</b>	<b>1,372,165</b>	<b>-</b>	<b>-</b>	<b>1,575,711</b>	<b>1,372,165</b>
Indirect Contributions by Department of Health	7,263	26,300	-	-	7,263	26,300
Resident Fees (refer Note 2b)	299,674	245,636	-	-	299,674	245,636
Other Revenue from Operating Activities	31,289	22,416	-	-	31,289	22,416
<b>Total Revenue from Operating Activities</b>	<b>1,913,937</b>	<b>1,666,517</b>	<b>-</b>	<b>-</b>	<b>1,913,937</b>	<b>1,666,517</b>
<b>Revenue from Non-Operating Actives</b>						
Interest and Dividends	-	-	20,344	6,485	20,344	6,485
<b>Total Revenue from Non-Operating Activities</b>	<b>-</b>	<b>-</b>	<b>20,344</b>	<b>6,485</b>	<b>20,344</b>	<b>6,485</b>
<b>Revenue from Capital Purpose Income</b>						
Residential Accommodation Payments (refer note 2b)	94,833	64,700	-	-	94,833	64,700
State Government Capital Grants	-	-	-	-	-	-
Donations and Bequests	220,716	224,300	-	-	220,716	224,300
<b>Total Revenue from Capital Purpose Income</b>	<b>315,549</b>	<b>289,000</b>	<b>-</b>	<b>-</b>	<b>315,549</b>	<b>289,000</b>
<b>Total Revenue (refer to note 2a)</b>	<b>2,229,486</b>	<b>1,955,517</b>	<b>20,344</b>	<b>6,485</b>	<b>2,249,830</b>	<b>1,962,002</b>

**Indirect Contributions by Department of Health**

Department of Health 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.

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

**NOTE 2a: ANALYSIS OF REVENUE BY SOURCE**

	2014	2013
	\$	\$
<b>Revenue from Services Supported by Health Services Agreement</b>		
Government Grants		
- Department of Health	742,621	495,250
- Commonwealth Government		
- Residential Aged Care Subsidy	833,090	876,915
Indirect Contributions by Department of Health	7,263	26,300
Resident Fees (refer note 2b)	299,674	245,636
Other Revenue	31,289	22,416
Residential Accommodation Payments (refer note 2b)	94,833	64,700
State Government Capital Grants	-	-
Donations and Bequests	220,716	224,300
	<u>2,229,486</u>	<u>1,955,517</u>
<b>Total Revenue from Services Supported by Health Services Agreement</b>		
<b>Revenue from Services Supported by Hospital and Community Initiatives</b>		
Interest and Dividends	20,344	6,485
	<u>20,344</u>	<u>6,485</u>
<b>Total Revenue from Services Supported by Hospital and Community Initiatives</b>		
	<u>20,344</u>	<u>6,485</u>
<b>TOTAL REVENUE</b>	<u>2,249,830</u>	<u>1,962,002</u>

**Indirect Contributions by Department of Health**

Department of Health 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**

	2014	2013
	\$	\$
<b>Recurrent</b>		
<b>Residential Aged Care</b>		
- Nursing Home	299,844	245,986
<b>Total Recurrent</b>	<u>299,844</u>	<u>245,986</u>
<b>Capital Purpose</b>		
Residential Accommodation Payments	94,833	64,700
<b>Total Capital</b>	<u>94,833</u>	<u>64,700</u>

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

**NOTE 3: EXPENSES**

	2014	2013
	\$	\$
<b>Employee Expenses</b>		
Salaries and Wages	1,803,395	1,427,399
Work Cover Premium	18,085	13,453
Long Service Leave	40,073	51,853
Superannuation	171,141	133,558
<b>Total Employee Expenses</b>	2,032,694	1,626,263
<b>Supplies and Consumables</b>		
Medical, Surgical Supplies and Prosthesis	15,923	14,866
Special Services	5,128	3,818
Food Supplies	92,217	41,681
<b>Total Supplies and Consumables</b>	113,268	60,365
<b>Other Expenses from Continuing Operations</b>		
Domestic Services and Supplies	47,837	38,607
Fuel, Light, Power and Water	42,778	34,727
Motor Vehicle Expenses	3,897	-
Repairs and Maintenance	55,262	6,990
Administrative Expenses	364,855	93,883
Audit Fees - Auditor General	3,500	2,950
<b>Total Other Expenses from Continuing Operations</b>	518,129	177,157
Depreciation	144,507	139,304
<b>TOTAL EXPENSES</b>	2,808,598	2,003,089

**NOTE 3a: ANALYSIS OF EXPENDITURE BY SOURCE**

	2014	2013
	\$	\$
<b>Services Supported by Health Services Agreement</b>		
Employee Expenses	2,032,694	1,626,263
Supplies and Consumables	113,268	60,365
Other Expenses from Continuing Operations	518,129	177,157
<b>Total Expenses Supported by Health Services Agreement</b>	2,664,091	1,863,785
Depreciation	144,507	139,304
<b>TOTAL EXPENSES</b>	2,808,598	2,003,089



**NOTE 4: DEPRECIATION**

	2014	2013
	\$	\$
<b>Depreciation</b>		
Buildings (i)	131,635	124,700
Plant and Equipment (ii)		
- Plant	4,085	5,106
- Major Medical	536	146
- Furniture and Fittings	8,251	9,352
	<u>144,507</u>	<u>139,304</u>
<b>TOTAL DEPRECIATION</b>	<u>144,507</u>	<u>139,304</u>

**NOTE 5: CASH AND CASH EQUIVALENTS**

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

	2014	2013
	\$	\$
Cash at Bank	4,739	11,466
	<u>4,739</u>	<u>11,466</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>4,739</u>	<u>11,466</u>
Represented by:		
Cash for Nursing Home Operations (as per Cash Flow Statement)	-	-
Cash at Bank for Monies Held in Trust	4,739	11,466
	<u>4,739</u>	<u>11,466</u>
<b>TOTAL</b>	<u>4,739</u>	<u>11,466</u>

**NOTE 6: RECEIVABLES**

	2014	2013
	\$	\$
<b>CURRENT</b>		
<b>Contractual</b>		
Accrued Revenue - Other	-	1,118
	<u>-</u>	<u>1,118</u>
<b>TOTAL CURRENT RECEIVABLES</b>	<u>-</u>	<u>1,118</u>
<b>NON-CURRENT</b>		
<b>Statutory</b>		
DH - Long Service Leave	178,537	169,642
	<u>178,537</u>	<u>169,642</u>
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<u>178,537</u>	<u>169,642</u>
<b>TOTAL RECEIVABLES</b>	<u>178,537</u>	<u>170,760</u>

(a) Ageing analysis of receivables

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

(b) Nature and extent of risk arising from receivables

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

**NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS**

	2014	2013
	\$	\$
<b>CURRENT</b>		
<i>Loans and Receivables</i>		
Term Deposit		
- Aust. Dollar Term Deposits	150,000	155,867
<b>Total Current</b>	<u>150,000</u>	<u>155,867</u>
<b>Represented by:</b>		
Nursing Home Investments	<u>150,000</u>	<u>155,867</u>
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<u>150,000</u>	<u>155,867</u>

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**(a) Gross carrying amount and accumulated depreciation**

	2014	2013
	\$	\$
<b>Land</b>		
Land at Fair value	40,000	46,000
<b>Total Land</b>	<u>40,000</u>	<u>46,000</u>
<b>Buildings</b>		
Work in Progress	-	-
Buildings at Fair Value	1,580,000	911,000
Less Accumulated Depreciation	-	(483,781)
Buildings at Cost	-	383,100
Less Accumulated Depreciation	-	(10,034)
<b>Total Buildings</b>	<u>1,580,000</u>	<u>800,285</u>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	61,074	49,225
Less Accumulated Depreciation	(32,779)	(28,695)
<b>Total Plant and Equipment</b>	<u>28,295</u>	<u>20,530</u>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	7,701	5,023
Less Accumulated Depreciation	(4,775)	(4,238)
<b>Total Medical Equipment</b>	<u>2,926</u>	<u>785</u>
<b>Furniture and Fittings</b>		
Furniture and Fittings at Fair Value	87,856	79,145
Less Accumulated Depreciation	(47,442)	(39,191)
<b>Total Furniture and Fittings</b>	<u>40,414</u>	<u>39,954</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>1,691,635</u>	<u>907,554</u>

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(a) Gross carrying amount and accumulated depreciation (Continued)**

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
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2012</b>	46,000	672,895	21,645	38,197	931	779,668
Additions	-	252,090	3,991	11,109	-	267,190
Depreciation (note 4)	-	(124,700)	(5,106)	(9,352)	(146)	(139,304)
<b>Balance at 1 July 2013</b>	<u>46,000</u>	<u>800,285</u>	<u>20,530</u>	<u>39,954</u>	<u>785</u>	<u>907,554</u>
Additions	-	-	11,849	8,711	2,678	23,238
Revaluation Increments/(Decrements)	(6,000)	911,350	-	-	-	905,350
Depreciation (note 4)	-	(131,635)	(4,085)	(8,251)	(536)	(144,507)
<b>Balance at 30 June 2014</b>	<u>40,000</u>	<u>1,580,000</u>	<u>28,294</u>	<u>40,414</u>	<u>2,927</u>	<u>1,691,635</u>

**Land and Buildings Carried at Valuation**

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

The effective date of the valuation is 30 June 2014.

**Plant and Equipment Carried at Fair Value**

A valuation of Cohuna Community Nursing Home Inc plant and equipment was undertaken by management to determine the fair value of the Plant and Equipment. The effective date of the valuation is 30 June 2014.

**(c) Fair value measurement hierarchy for assets as at 30 June 2014**

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

Note

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

There have been no transfers between levels during the period.

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair value measurement hierarchy for assets as at 30 June 2014 (Continued)**

**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 2014.

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

**(d) Reconciliation of Level 3 fair value**

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

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 <sup>(1)</sup>	Significant unobservable inputs <sup>(1)</sup>	Range (weighted average) <sup>(1)</sup>	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/m <sup>2</sup> (\$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				A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
	Cost per unit	\$1,000 - \$11,850 (\$3,138)		
	Depreciated replacement cost			A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation
	Useful life of PPE	4 - 20 years (9 years)		

(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**

	2014	2013
	\$	\$
<b>Contractual</b>		
Accrued Audit Fees	3,500	2,950
Other Accrued Expenses	15,618	-
	<u>19,118</u>	<u>2,950</u>
<b>Statutory</b>		
Department of Health and Ageing	-	8,035
<b>TOTAL PAYABLES</b>	<u><u>19,118</u></u>	<u><u>10,985</u></u>

**(a) Maturity analysis of payables**

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

**(b) Nature and extent of risk arising from payables**

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

<b>NOTE 10: PROVISIONS</b>	2014	2013
	\$	\$
<b>Current Provisions</b>		
Employee Benefits (i)		
Annual Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	99,580	98,581
- unconditional and expected to be settled after 12 months (ii)	16,403	17,397
Long Service Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	28,469	105,315
- unconditional and expected to be settled after 12 months (ii)	161,327	97,968
Accrued Days Off (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	649	610
- unconditional and expected to be settled after 12 months (ii)	-	-
Accrued Wages & Salaries (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	25,290	23,940
- unconditional and expected to be settled after 12 months (ii)	-	-
	331,718	343,811
 Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	16,226	21,996
- unconditional and expected to be settled after 12 months (iii)	18,747	16,593
	34,973	38,589
<b>Total Current Provisions</b>	<b>366,691</b>	<b>382,400</b>
 <b>Non-Current Provisions</b>		
Employee Benefits (i) (Note 10(a))	38,189	33,170
Provisions related to employee benefit on-costs (Note 10(a))	4,029	3,466
<b>Total Non-Current Provisions</b>	<b>42,218</b>	<b>36,636</b>
 <b>Total Provisions</b>	<b>408,909</b>	<b>419,036</b>
 <b>(a) Employee Benefits and Related On-Costs</b>		
<b>Current Employee Benefits and related on-costs</b>		
Annual Leave Entitlements	128,196	130,800
Accrued Salaries and Wages	27,958	26,401
Accrued Days Off	718	672
Unconditional Long Service Leave Entitlements	209,819	224,527
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave Entitlements (ii)	42,218	36,636
<b>Total Employee Benefits and Related On-Costs</b>	<b>408,909</b>	<b>419,036</b>
 <b>(b) Movements in provisions</b>	\$	\$
 <b>Movement in Long Service Leave:</b>		
<b>Balance 1 July, 2013</b>	261,163	254,496
Provision made during year		
- Revaluations	639	251
- Expense Recognising Employee Service	40,073	51,853
Settlement made during the year	(49,838)	(45,437)
 <b>Balance June 30, 2014</b>	<b>252,037</b>	<b>261,163</b>

*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	
	2014 \$	2013 \$	2014 \$	2013 \$
Defined Benefit Plans: Health Super	-	-	-	-
Defined Contribution Plans: Health Super / HESTA / Other	171,141	133,558	-	-
<b>Total</b>	<b>171,141</b>	<b>133,558</b>	<b>-</b>	<b>-</b>

**NOTE 12: OTHER LIABILITIES**

	2014 \$	2013 \$
<b>Current</b>		
Monies Held in Trust *	4,739	11,466
Monies Owed to Related Parties	-	800,616
<b>Non-Current</b>		
Monies Owed to Related Parties	1,482,459	-
<b>TOTAL OTHER LIABILITIES</b>	<b>1,487,198</b>	<b>812,082</b>
<b>* Monies Held in Trust</b>		
<b>Represented by:</b>		
Cash Assets (refer note 4)	4,739	11,466
<b>TOTAL OTHER LIABILITIES</b>	<b>4,739</b>	<b>11,466</b>

**NOTE 13: EQUITY**

**(a) Surpluses**

	2014 \$	2013 \$
<b>Property, Plant and Equipment Revaluation Surplus</b>		
Balance at beginning of the reporting period		
- Land	7,552	7,552
- Buildings	735,254	735,254
Revaluation Increment/(Decrement) during the Year		
- Land	(6,000)	-
- Buildings	669,000	-
Property, Plant and Equipment Revaluation Surplus at end of the Reporting Period	1,405,806	742,806
Represented by:		
- Land	1,552	7,552
- Buildings	1,404,254	735,254
<b>Total Surpluses</b>	<b>1,405,806</b>	<b>742,806</b>



**NOTE 13: EQUITY (Continued)**

	2014	2013
<b>(b) Accumulated Surpluses/(Deficits)</b>	\$	\$
Balance at the Beginning of the Reporting Period	(735,832)	(694,745)
Net Result for the Year	<u>(558,768)</u>	<u>(41,087)</u>
Balance at the end of the reporting period	<u>(1,294,600)</u>	<u>(735,832)</u>
<b>Total Equity at the end of financial year</b>	<u>111,206</u>	<u>6,974</u>

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

	2014	2013
	\$	\$
<b>NET RESULT FOR THE YEAR</b>	(558,768)	(41,087)
Depreciation	144,507	139,304
(Increase)/Decrease in Receivables	7,841	(6,889)
(Increase)/Decrease in Prepayments	1,910	(1,921)
Increase/(Decrease) in Provisions	(8,067)	(43,946)
Increase/(Decrease) in Payables	<u>(9,545)</u>	<u>7,524</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(422,122)</u>	<u>52,985</u>

**NOTE 15: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management Objectives and Policies**

The Cohuna Community Nursing Home Inc's principal financial instruments comprise of:

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

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

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

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

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

**NOTE 15: FINANCIAL INSTRUMENTS (Continued)**

**(a) Financial Risk Management Objectives and Policies (Continued)**

**Categorisation of financial instruments**

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

2013	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 \$
<b>Contractual Financial Assets</b>						
Cash and cash equivalents	-	-	11,466	-	-	11,466
Receivables	-	-	1,118	-	-	1,118
Other Financial Assets	-	-	155,867	-	-	155,867
<b>Total Financial Assets (i)</b>	-	-	168,451	-	-	168,451
<b>Financial Liabilities</b>						
At amortised cost	-	-	815,032	-	-	815,032
<b>Total Financial Liabilities(ii)</b>	-	-	815,032	-	-	815,032

(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
	\$	\$	\$	\$	\$
<b>2014</b>					
<b>Financial Assets</b>					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	20,344	-	-	20,344
<b>Total Financial Assets</b>	-	20,344	-	-	20,344
<b>Financial Liabilities</b>					
At amortised cost (ii)	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-	-
<b>2013</b>					
<b>Financial Assets</b>					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	6,485	-	-	6,485
<b>Total Financial Assets</b>	-	6,485	-	-	6,485
<b>Financial Liabilities</b>					
At amortised cost (ii)	-	-	-	-	-
<b>Total Financial Liabilities</b>	-	-	-	-	-

(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
<b>2014</b>	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and Cash Equivalents	4,739	-	-	-	4,739
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	150,000	-	-	-	150,000
<b>Total Financial Assets</b>	<b>154,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,739</b>
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	11,466	-	-	-	11,466
Loans and Receivables (i)	-	-	-	1,118	1,118
Other Financial Assets	155,867	-	-	-	155,867
<b>Total Financial Assets</b>	<b>167,333</b>	<b>-</b>	<b>-</b>	<b>1,118</b>	<b>168,451</b>

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

**Ageing analysis of financial asset as at 30 June**

	Carrying Amount	Not Past due and not impaired	Past Due But Not Impaired				Impaired Financial Assets
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years	
	\$	\$	\$	\$	\$	\$	\$
<b>2014</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	4,739	4,739	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	150,000	150,000	-	-	-	-	-
<b>Total Financial Assets</b>	<b>154,739</b>	<b>154,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2013</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	11,466	11,466	-	-	-	-	-
Loans and Receivables	1,118	1,118	-	-	-	-	-
Other Financial Assets	155,867	155,867	-	-	-	-	-
<b>Total Financial Assets</b>	<b>168,451</b>	<b>168,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Contractual financial assets that are either past due or impaired**

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

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

**NOTE 15: FINANCIAL INSTRUMENTS (Continued)**

**(c) Liquidity Risk**

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

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

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

Cohuna Community Nursing Home has secured a letter of comfort from the Cohuna District Hospital dated 01/08/2014, 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 2015, 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
	\$	\$	\$	\$	\$	\$
<b>2014</b>						
<b>Financial Liabilities</b>						
<i>At amortised cost</i>						
Payables	19,118	19,118	19,118	-	-	-
Other Financial Liabilities (i)	1,487,198	1,487,198	4,739	-	-	1,482,459
<b>Total Financial Liabilities</b>	<b>1,506,316</b>	<b>1,506,316</b>	<b>23,857</b>	<b>-</b>	<b>-</b>	<b>1,482,459</b>
<b>2013</b>						
<b>Financial Liabilities</b>						
<i>At amortised cost</i>						
Payables	10,985	10,985	10,985	-	-	-
Other Financial Liabilities (i)	812,082	812,082	11,466	-	800,616	-
<b>Total Financial Liabilities</b>	<b>823,067</b>	<b>823,067</b>	<b>22,451</b>	<b>-</b>	<b>800,616</b>	<b>-</b>

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

**(d) Market Risk**

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

**Currency Risk**

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

**NOTE 15: FINANCIAL INSTRUMENTS (Continued)**

**(d) Market Risk (Continued)**

**Interest Rate Risk**

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

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

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

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

**Other Price Risk**

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

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

	Weighted Average Effective Interest Rate %	Carrying Amount	Interest Rate Exposure		
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.19	4,739	-	4,739	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	3.73	150,000	150,000	-	-
<b>Total Financial Assets</b>		154,739	150,000	4,739	-
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables (i)		19,118	-	-	19,118
Other Financial Liabilities		1,487,198	-	-	1,487,198
<b>Total Financial Liabilities</b>		1,506,316	-	-	1,506,316
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	2.85	11,466	-	11,466	-
Loans and Receivables (i)		1,118	-	-	1,118
Other Financial Assets	4.20	155,867	155,867	-	-
<b>Total Financial Assets</b>		168,451	155,867	11,466	1,118
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables (i)		10,985	-	-	10,985
Other Financial Liabilities		812,082	-	-	812,082
<b>Total Financial Liabilities</b>		823,067	-	-	823,067

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

**NOTE 15: FINANCIAL INSTRUMENTS (Continued)**

**(d) Market Risk (Continued)**

**Sensitivity Disclosure Analysis**

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

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

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

	Carrying Amount	Interest Rate Risk			
		-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$	\$	\$	\$	\$
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	4,739	(47)	(47)	47	47
Loans and Receivables	-	-	-	-	-
Other Financial Assets	150,000	(1,500)	(1,500)	1,500	1,500
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables	19,118	-	-	-	-
Other Financial Liabilities (i)	1,487,198	-	-	-	-
		(1,547)	(1,547)	1,547	1,547
<b>2013</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	11,466	(115)	(115)	115	115
Loans and Receivables	1,118	-	-	-	-
Other Financial Assets	155,867	(1,559)	(1,559)	1,559	1,559
<b>Financial Liabilities</b>					
<i>At amortised cost</i>					
Payables	10,985	-	-	-	-
Other Financial Liabilities (i)	812,082	-	-	-	-
		(1,673)	(1,673)	1,673	1,673

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

**(e) Fair Value**

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

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

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

**NOTE 15: FINANCIAL INSTRUMENTS (Continued)**

**(e) Fair Value (Continued)**

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

**Comparison between carrying amount and fair value**

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2014	2014	2013	2013
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and Cash Equivalents	4,739	4,739	11,466	11,466
Loans and Receivables (i)	-	-	1,118	1,118
Other Financial Assets	150,000	150,000	155,867	155,867
<b>Total Financial Assets</b>	<b>154,739</b>	<b>154,739</b>	<b>168,451</b>	<b>168,451</b>
<b>Financial Liabilities</b>				
<i>At amortised cost</i>				
Payables	19,118	19,118	10,985	10,985
Other Financial Liabilities (i)	1,487,198	1,487,198	812,082	812,082
<b>Total Financial Liabilities</b>	<b>1,506,316</b>	<b>1,506,316</b>	<b>823,067</b>	<b>823,067</b>

(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:

	2014	2013
	\$	\$
Payable		
Land and Buildings	-	261,530
<b>Total Capital Commitments</b>	<b>-</b>	<b>261,530</b>
Land and Buildings*		
No later than one year	-	261,530
<b>Total</b>	<b>-</b>	<b>261,530</b>

**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 2013 - 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.

	<b>Period</b>
<b>Responsible Ministers:</b>	
The Honourable David Davis, MLC, Minister for Health and Ageing	01/07/2013 - 30/06/2014
The Honourable Mary Wooldridge, MLA, Minister for Mental Health	01/07/2013 - 30/06/2014
<b>Governing Boards</b>	
Mr R. J. Stanton	01/07/2013 - 30/06/2014
Mr G. J. Hall	01/07/2013 - 30/06/2014
Mr G. A. Payne	01/07/2013 - 30/06/2014
Mrs D.M. McGraw	01/07/2013 - 30/06/2014
Mr G. L. Smith	01/07/2013 - 30/06/2014
Mrs L.M. Drummond	01/07/2013 - 30/06/2014
Mr R.J Nicholls	01/07/2013 - 30/06/2014
Mr C. P. Hodge	01/07/2013 - 30/06/2014
Mrs B. MacKenzie	01/07/2013 - 30/06/2014
Mrs K.L Hore	01/07/2013 - 30/06/2014
Mrs. L. Learmonth	01/07/2013 - 30/06/2014
<b>Accountable Officer</b>	
Mr R. J. Bulmer	01/07/2013 - 23/11/2013
Mr W. Hall	23/11/2013 - 30/06/2014

**Remuneration of Responsible Persons**

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

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

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

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

**Other transactions of Responsible Persons and their Related Parties.**

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

**NOTE 19b: EXECUTIVE OFFICER DISCLOSURES**

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

**NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Cohuna District Hospital currently has funds owing from the Cohuna Community Nursing Home of \$1.4 million. There has been a change with respect to conditions that existed at the date of the balance sheet and affect the estimates inherent in the process of preparing financial statements. The Board are currently reassessing its evaluation of the conditions on which the estimates were based. This assessment is not yet concluded but may result in the impairment of this debt in the future.

**NOTE 21: REMUNERATION OF AUDITORS**

	2014	2013
	\$	\$
<b>Victorian Auditor-General's Office</b>		
Audit or review of financial statements	3,500	2,950
	3,500	2,950

**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 2015.

**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 2014 and financial position of Cohuna Community Nursing Home Inc at 30 June 2014.

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

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



.....

Cameron Hodge  
Board President

Cohuna

22nd August 2014



.....

William Hall  
Chief Executive Officer/  
Chief Finance & Accounting Officer

Cohuna

22nd August 2014

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Cohuna Community Nursing Home Inc

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 of the Cohuna Community Nursing Home Inc which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Cohuna Community Nursing Home Inc are responsible for the preparation 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, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report of the 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 2014, 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*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Cohuna Community Nursing Home Inc for the year ended 30 June 2014 included both in the Cohuna Community Nursing Home Inc's annual report and on the website. The Board Members of the Cohuna Community Nursing Home Inc are responsible for the integrity of the Cohuna Community Nursing Home Inc's website. I have not been engaged to report on the integrity of the Cohuna Community Nursing Home Inc's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
22 August 2014

  
Dr Peter Frost  
Acting Auditor-General