



Financial Report for Boort District Health 2012/2013

VAGO

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27 August 2013

File No: 28699/01

Ms V Poxon
Chief Executive Officer
Boort District Health
PO Box 2
BOORT VIC 3537

Dear Ms Poxon

Audited financial report for the year ended 30 June 2013

I enclose for your information the audited financial report of Boort District Health and the original signed auditor's report for the year ended 30 June 2013.

Copies of the audited financial report and the auditor's report have also been forwarded to:

- the Board President of Boort District Health
- the Minister for Health
- the Minister for Finance and Attorney-General
- the Secretary of the Department of Treasury and Finance
- the Secretary of the Department of Health.

The auditor's report incorporates a paragraph addressing the electronic presentation of your financial report. Where you present your financial report on your website, the enclosed auditor's report must be appended to these statements.

An interim management letter outlining audit observations and recommendations relating to internal controls was issued on 11 April 2013. A final management letter dealing with matters arising from our audit of the financial report was issued on 5 August 2013.

In closing, I record my appreciation for the courtesy and co-operation extended by your staff during the audit.

Yours sincerely



Charlotte Jeffries
Sector Director, Financial Audit



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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Boort District Health

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of Boort District Health which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Boort District Health as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *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 Boort District Health for the year ended 30 June 2013 included both in Boort District Health's annual report and on the website. The Board Members of Boort District Health are responsible for the integrity of Boort District Health's website. I have not been engaged to report on the integrity of Boort District Health'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
27 August 2013


for John Doyle
Auditor-General

BOORT DISTRICT HEALTH

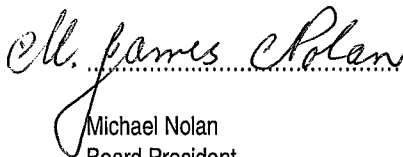
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for Boort District Health 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, presents fairly the financial transactions during the year ended 30 June 2013 and financial position of Boort District Health at 30 June 2013.

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.



Michael Nolan
Board President

Boort

15th August, 2013



Vicki Poxon
Chief Executive Officer /
Chief Finance & Accounting Officer

Boort

15th August, 2013

**BOORT DISTRICT HEALTH
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue from Operating Activities	2	6,059,358	5,679,791
Revenue from Non-Operating Activities	2	116,157	158,248
Employee Expenses	3	(4,673,707)	(4,430,727)
Non Salary Labour Costs	3	(118,779)	(148,574)
Supplies and Consumables	3	(389,340)	(382,052)
Other Expenses	3	(1,014,476)	(991,867)
Net Result Before Capital and Specific Items		(20,787)	(115,181)
Capital Purpose Income	2	626,229	273,560
Depreciation	4	(462,804)	(534,724)
Expenditure Using Capital Purpose Income	3	(20,305)	(19,444)
NET RESULT FOR THE YEAR		122,333	(395,789)
COMPREHENSIVE RESULT		122,333	(395,789)

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

**BOORT DISTRICT HEALTH
BALANCE SHEET
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
Current Assets			
Cash and Cash Equivalents	5	1,659,341	1,368,629
Receivables	6	402,996	293,561
Investments and Other Financial Assets	7	1,878,102	1,877,394
Inventories	8	44,865	38,118
Other Assets	9	42,968	35,520
Total Current Assets		4,028,272	3,613,222
Non-Current Assets			
Receivables	6	94,206	62,652
Property, Plant and Equipment	10	3,182,902	3,476,677
Total Non-Current Assets		3,277,108	3,539,329
TOTAL ASSETS		7,305,380	7,152,551
Current Liabilities			
Payables	11	267,140	344,752
Provisions	12	1,077,740	1,031,725
Other Current Liabilities	14	1,229,408	1,158,240
Total Current Liabilities		2,574,288	2,534,717
Non-Current Liabilities			
Provisions	12	117,142	126,217
Total Non-Current Liabilities		117,142	126,217
TOTAL LIABILITIES		2,691,430	2,660,934
NET ASSETS		4,613,950	4,491,617
EQUITY			
Property, Plant and Equipment Revaluation Surplus	15a	1,461,324	1,461,324
Restricted Specific Purpose Surplus	15a	139,300	139,300
Contributed Capital	15b	3,160,907	3,160,907
Accumulated Surpluses / (Deficits)	15c	(147,581)	(269,914)
TOTAL EQUITY		4,613,950	4,491,617
Commitments	18		
Contingent Assets and Contingent Liabilities	19		

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

**BOORT DISTRICT HEALTH
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

		Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2011		1,461,324	139,300	3,160,907	125,875	4,887,406
Net result for the year	15c	0	0	0	(395,789)	(395,789)
Balance at 30 June 2012		1,461,324	139,300	3,160,907	(269,914)	4,491,617
Net result for the year	15c	0	0	0	122,333	122,333
Balance at 30 June 2013		1,461,324	139,300	3,160,907	(147,581)	4,613,950

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

**BOORT DISTRICT HEALTH
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		4,553,731	4,439,383
Patient and Resident Fees Received		1,119,744	1,163,875
Donations and Bequests Received		359,163	72,277
GST received from /(paid to) ATO		(5,878)	(7,442)
Interest Received		145,870	182,942
Other Receipts		228,817	185,984
Total Receipts		6,401,447	6,037,019
Employee Expenses Paid		(4,636,767)	(4,406,509)
Non Salary Labour Costs		(118,779)	(148,574)
Payments for Suppliers and Consumables		(396,087)	(372,389)
Other Payments		(936,667)	(890,371)
Total Payments		(6,088,300)	(5,817,843)
Cash Generated from Operations		313,147	219,176
Capital Grants from Government		79,323	57,323
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	16	392,470	276,499
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		12,550	259,531
Payments for Non-Financial Assets		(220,277)	(504,741)
Proceeds from Sale of Non-Financial Assets		46,816	64,091
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(160,911)	(181,119)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		231,559	95,380
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		1,170,835	1,075,455
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	1,402,394	1,170,835

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 Boort District Health for the period ending 30 June 2013. 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 a 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 Boort District Health on:
15 August, 2013.

(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 2013, and the comparative information presented in these financial statements for the year ended 30 June 2012.

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 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.

Historical cost is based on the fair value of the consideration given in exchange for assets.

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

In the application of AASs management is required to make judgements, estimates and assumptions about 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.

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 Boort District Health.

Its principal address is:
Kiniry Street
Boort, Victoria 3537

A description of the nature of Boort District Health'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

Boort District Health's overall objective is to enrich the health and wellbeing of the community, as well as improve the quality of life to Victorians.

Boort District Health is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

Transactions between segments within Boort District Health have been eliminated to reflect the extent of Boort District Health'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 Boort District Health, but are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and 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 Boort District Health. 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 Boort District Health, the Department of Health and the Victorian Government to measure the ongoing operating performance of Health Services.

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

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

Balance sheet

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

Statement of changes in equity

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

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

Cash flow statement

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

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

Rounding

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

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

Comparative Information

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

(f) **Income from transactions**

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Boort District Health and the income can be reliably measured. 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.

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 05/2013.

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

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

Donations and Other Bequests

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

Interest Revenue

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

Sale of investments

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

(f) Income from transactions (Continued)

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 and the services would have been purchased if not donated.

(g) Expense recognition

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

Cost of goods sold

Costs 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.

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 Boort District Health are entitled to receive superannuation benefits and Boort District Health 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 Boort District Health 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.

(g) **Expense recognition (Continued)**
Depreciation (Continued)

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.

	2013	2012
Buildings		
- Structure Shell Building Fabric	2 to 50 years	2 to 50 years
- Site Engineering Services and Central Plant	2 to 50 years	2 to 50 years
Central Plant		
- Fit Out	2 to 50 years	2 to 50 years
- Trunk Reticulated Building Systems	2 to 50 years	2 to 50 years
Plant and Equipment	5 to 15 years	5 to 15 years
Medical Equipment	7 to 13 years	7 to 13 years
Computers and Communication	3 years	3 years
Furniture and Fittings	10 to 20 years	10 to 20 years
Motor Vehicles	5 years	5 years

Please note: the estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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 from transactions on a systematic basis over the asset's useful life.

Other operating expenses

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

Supplies and Consumables

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

Bad and Doubtful Debts

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

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

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

(h) **Other comprehensive income**

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

Net Gain / (Loss) on Non-Financial Assets

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

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 determined after deducting from the proceeds the carrying value of the asset at that time.

(i) **Financial Instruments**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one Health Service and a financial liability or equity instrument of another Health Service. Due to the nature of Boort District Health'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

Loans and receivables

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

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

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'other comprehensive income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 17.

(j) **Assets**

Cash and Cash Equivalents

Cash and cash equivalents 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.

(j) 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:

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

The Boort District Health 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.

Boort District Health 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 includes land held for sale and 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.

(j) **Assets (Continued)**

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.

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 constructive 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.

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

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

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

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

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

In accordance with FRD 103D Boort District Health'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'.

(j) Assets (Continued)

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 change 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.

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, Boort District Health 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 Boort District Health 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.

(j) Assets (Continued)

Impairment of financial assets

At the end of each reporting period Boort District Health 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 debt 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 2013 for its portfolio of financial assets, Boort District Health 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 2013. 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 loss or held-for-trading;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instruments at Fair Value

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

(k) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the 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.

(k) **Liabilities (Continued)**

Employee Benefits

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

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave, accumulating sick leave and accrued days off which are expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that the Health Service are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where Boort District Health 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:

- present value - component that Boort District Health does not expect to settle within 12 months; and
- nominal value - component that Boort District Health expects to settle within 12 months.

Non-Current Liability - conditional LSL (representing less than 10 years of continuous service) 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. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

On-Costs

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

Superannuation Liabilities

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

(l) 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.

(m) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 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.

(n) Contingent assets and contingent liabilities

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

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

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

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

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

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

30 June 2013

(p) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2013 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 2013, 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. Boort District Health 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 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements</i> [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2011-4 <i>Further Amendments to Australian Accounting Standards to remove Individual Key Management Personnel disclosure requirements</i> [AASB 124]	This Standard amends AASB 124 <i>Related Party Disclosures</i> by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP)	Beginning 1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-6 <i>Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity method and Proportionate Consolidation - Reduced Disclosure Requirements</i> [AASB 127, AASB 128 & AASB 131]	The objective of this Standard is to make amendments to AASB 127 <i>Consolidated and Separate Financial Statements</i> , AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i> to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

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

AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
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(q) Category Groups

Boort District Health 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 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.

BOORT DISTRICT HEALTH
Notes to the Financial Statements
30 June 2013

Note 2: REVENUE	HSA 2013 \$	HSA 2012 \$	H&CI 2013 \$	H&CI 2012 \$	TOTAL 2013 \$	TOTAL 2012 \$
Revenue from Operating Activities						
Government Grants						
- Department of Health	2,694,000	2,650,113	0	0	2,694,000	2,650,113
- Dental Health Services Victoria	387,412	385,890	0	0	387,412	385,890
- Commonwealth Government						
- Residential Aged Care Subsidy	1,436,459	1,278,978	0	0	1,436,459	1,278,978
Transitional Care Program						
- State	84,909	36,268	0	0	84,909	36,268
- Commonwealth	90,335	43,332	0	0	90,335	43,332
Total Government Grants	4,693,115	4,394,581	0	0	4,693,115	4,394,581
Indirect Contributions by Department of Health						
- Insurance	19,514	17,856	0	0	19,514	17,856
- Long Service Leave	31,554	(25,481)	0	0	31,554	(25,481)
Total Indirect Contributions by Department of Health	51,068	(7,625)	0	0	51,068	(7,625)
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	943,243	991,673	0	0	943,243	991,673
Total Patient and Resident Fees	943,243	991,673	0	0	943,243	991,673
Commercial Activities and Specific Purpose Funds						
- Catering	0	0	34,666	25,829	34,666	25,829
- Property Income	0	0	20,940	21,303	20,940	21,303
Total Commercial Activities and Specific Purpose Funds	0	0	55,606	47,132	55,606	47,132
Recoupment From Private Practice for Use of Hospital Facilities	0	0	10,113	50,733	10,113	50,733
Loddon Mallee Rural Health Alliance	84,651	75,285	0	0	84,651	75,285
Other Revenue from Operating Activities	221,562	128,012	0	0	221,562	128,012
Sub-Total Revenue from Operating Activities	5,993,639	5,581,926	65,719	97,865	6,059,358	5,679,791
Revenue from Non-Operating Activities						
Interest and Dividends	0	0	116,157	158,248	116,157	158,248
Sub-Total Revenue from Non-Operating Activities	0	0	116,157	158,248	116,157	158,248
Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	79,323	57,323	0	0	79,323	57,323
- Loddon Mallee Rural Health Alliance	34,980	0	0	0	34,980	0
Residential Accommodation Payments (refer note 2b)	0	0	138,640	131,561	138,640	131,561
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	0	0	(7,064)	(9,119)	(7,064)	(9,119)
Capital Interest	0	0	21,187	21,518	21,187	21,518
Donations and Bequests	0	0	359,163	72,277	359,163	72,277
Sub-Total Revenue from Capital Purpose Income	114,303	57,323	511,926	216,237	626,229	273,560
Total Revenue (refer to note 2a)	6,107,942	5,639,249	693,802	472,350	6,801,744	6,111,599

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

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

	Admitted Patients 2013 \$	Residential Aged Care 2013 \$	Aged Care 2013 \$	Primary Health 2013 \$	Other 2013 \$	TOTAL 2013 \$
Revenue from Services Supported by Health Services Agreement						
Government Grants	2,077,478	1,808,161	244,820	562,656	0	4,693,115
Indirect Contributions by Department of Health	11,932	30,422	3,377	5,337	0	51,068
Patient and Resident Fees (refer note 2b)	196,208	589,579	22,469	134,987	0	943,243
Other Revenue from Operating Activities	103,904	154,983	21,484	19,644	6,198	306,213
Capital Purpose Income (refer note 2)	114,303	0	0	0	0	114,303
Total Revenue from Services Supported by Health Services Agreement	2,503,825	2,583,145	292,150	722,624	6,198	6,107,942
Revenue from Services Supported by Hospital and Community Initiatives						
Commercial Activities and Specific Purpose Funds	0	0	0	0	55,606	55,606
Recoupment from Private Practice for Use of Hospital Facilities	0	0	0	0	10,113	10,113
Interest and Dividends	0	0	0	0	116,157	116,157
Capital Purpose Income (refer note 2)	0	0	0	0	511,926	511,926
Total Revenue from Services Supported by Hospital and Community Initiatives	0	0	0	0	693,802	693,802
Total Revenue	2,503,825	2,583,145	292,150	722,624	700,000	6,801,744

Indirect Contributions by Health

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

Note 2a: ANALYSIS OF REVENUE BY SOURCE (Continued)

	Admitted Patients 2012 \$	Residential Aged Care 2012 \$	Aged Care 2012 \$	Primary Health 2012 \$	Other 2012 \$	TOTAL 2012 \$
Revenue from Services Supported by Health Services Agreement						
Government Grants	2,071,074	1,633,447	210,170	479,890	0	4,394,581
Indirect Contributions by Department of Health	(10,250)	2,040	227	358	0	(7,625)
Patient and Resident Fees (refer note 2b)	288,768	540,002	21,780	141,123	0	991,673
Other Revenue from Operating Activities	125,621	61,889	6,723	3,012	6,052	203,297
Capital Purpose Income (refer note 2)	57,323	0	0	0	0	57,323
Total Revenue from Services Supported by Health Services Agreement	2,532,536	2,237,378	238,900	624,383	6,052	5,639,249
 Revenue from Services Supported by Hospital and Community Initiatives						
Commercial Activities and Specific Purpose Funds	0	0	0	0	47,132	47,132
Recoupment from Private Practice for Use of Hospital Facilities	0	0	0	0	50,733	50,733
Interest and Dividends	0	0	0	0	158,248	158,248
Capital Purpose Income (refer note 2)	0	0	0	0	216,237	216,237
Total Revenue from Services Supported by Hospital and Community Initiatives	0	0	0	0	472,350	472,350
 Total Revenue	2,532,536	2,237,378	238,900	624,383	478,402	6,111,599

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

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

NOTE 2b: PATIENT AND RESIDENT FEES RAISED

Patient and Resident Fees	2013	2012
	\$	\$
Acute		
- Inpatients (*)	196,208	288,768
- Outpatients	134,987	141,123
Residential Aged Care		
- Nursing Home	172,197	155,870
- Hostel	417,382	384,132
Aged Care & Primary Health		
- Co-Ordinated Care	22,469	18,451
- Other	0	3,329
TOTAL PATIENT AND RESIDENT FEES	943,243	991,673
Capital Purpose Income		
Residential Accommodation Payments (**)	138,640	131,561
TOTAL CAPITAL PURPOSE INCOME	138,640	131,561

(*) 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

	2012	2011
	\$	\$
Proceeds from Disposal of Non-Current Assets		
- Motor Vehicles	46,816	64,091
Total Proceeds from Disposal of Non-Current Assets	46,816	64,091
Less: Written Down Value of Non-Current Assets Sold		
- Motor Vehicles	(53,880)	(73,210)
Total Written Down Value of Non-Current Assets Sold	(53,880)	(73,210)
NET GAINS/(LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS	(7,064)	(9,119)

BOORT DISTRICT HEALTH
Notes to the Financial Statements
30 June 2013

Note 3: EXPENSES

	HSA 2013 \$	HSA 2012 \$	H&CI 2013 \$	H&CI 2012 \$	TOTAL 2013 \$	TOTAL 2012 \$
Employee Expenses						
Salaries and Wages	4,090,985	3,945,895	0	0	4,090,985	3,945,895
WorkCover Premium	73,983	52,975	0	0	73,983	52,975
Long Service Leave	127,322	72,152	0	0	127,322	72,152
Superannuation	381,417	359,705	0	0	381,417	359,705
Total Employee Expenses	4,673,707	4,430,727	0	0	4,673,707	4,430,727
Non Salary Labour Costs						
Fee for Service Medical Officers	118,779	148,574	0	0	118,779	148,574
Total Non Salary Labour Costs	118,779	148,574	0	0	118,779	148,574
Supplies and Consumables						
Drug Supplies	33,307	53,342	0	0	33,307	53,342
Medical, Surgical Supplies and Prosthesis	141,524	132,882	0	0	141,524	132,882
Pathology Supplies	3,329	5,546	0	0	3,329	5,546
Special Services	32,190	25,413	0	0	32,190	25,413
Food Supplies	151,645	139,275	27,345	25,594	178,990	164,869
Total Supplies and Consumables	361,995	356,458	27,345	25,594	389,340	382,052
Other Expenses						
Domestic Services and Supplies	96,308	91,688	0	0	96,308	91,688
Fuel, Light, Power and Water	163,504	151,150	0	0	163,504	151,150
Insurance costs funded by the Department of Health	19,514	10,231	0	0	19,514	10,231
Repairs and Maintenance	68,558	57,170	0	0	68,558	57,170
Maintenance Contracts	49,269	22,410	0	0	49,269	22,410
Patient Transport	34,850	36,992	0	0	34,850	36,992
Loddon Mallee Rural Health Alliance	153,420	129,752	0	0	153,420	129,752
Other Administrative Expenses	415,503	479,474	0	0	415,503	479,474
Audit Fees						
- VAGO - Audit of Financial Statements	13,550	13,000	0	0	13,550	13,000
Total Other Expenses	1,014,476	991,867	0	0	1,014,476	991,867
Expenditure Using Capital Purpose Income						
Loddon Mallee Rural Health Alliance	0	0	0	0	0	0
Other Expenses	0	0	20,305	19,444	20,305	19,444
Total Expenditure using Capital Purpose Income	0	0	20,305	19,444	20,305	19,444
Depreciation	0	0	462,804	534,724	462,804	534,724
Total	0	0	462,804	534,724	462,804	534,724
Total Expenses	6,168,957	5,927,626	510,454	579,762	6,679,411	6,507,388

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

Note 3a: ANALYSIS OF EXPENSE BY SOURCE

	Admitted Patients 2013 \$	Residential Aged Care 2013 \$	Aged Care 2013 \$	Primary Health 2013 \$	Other 2013 \$	TOTAL 2013 \$
Services Supported by Health Service Agreement						
Employee Expenses	1,542,729	2,451,736	273,520	373,360	32,362	4,673,707
Non Salary Labour Costs	95,468	0	0	23,311	0	118,779
Supplies and Consumables	132,974	160,099	9,157	57,762	0	359,992
Other Expenses	433,088	444,487	71,334	67,570	0	1,016,479
Sub-Total Expenses from Services Supported by Health Services Agreement	2,204,259	3,056,322	354,011	522,003	32,362	6,168,957

Services Supported by Hospital and Community Initiatives

Supplies and Consumables	0	0	0	0	27,345	27,345
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Sub-Total Expense from Services Supported by Hospital and Community Initiatives

0	0	0	0	27,345	27,345
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Loddon Mallee Rural Health Alliance

Other Expenses	0	0	0	0	20,305	20,305
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Depreciation (refer note 4)

0	0	0	0	462,804	462,804
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Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives

0	0	0	0	483,109	483,109
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Total Expenses

2,204,259	3,056,322	354,011	522,003	542,816	6,679,411
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	Admitted Patients 2012 \$	Residential Aged Care 2012 \$	Aged Care 2012 \$	Primary Health 2012 \$	Other 2012 \$	TOTAL 2012 \$
Services Supported by Health Service Agreement						
Employee Expenses	1,457,439	2,326,065	286,512	360,711	0	4,430,727
Non Salary Labour Costs	104,276	0	0	44,298	0	148,574
Supplies and Consumables	124,518	169,943	3,909	57,965	0	356,335
Other Expenses	397,099	446,168	79,655	69,068	0	991,990
Sub-Total Expenses from Services Supported by Health Services Agreement	2,083,332	2,942,176	370,076	532,042	0	5,927,626

Services Supported by Hospital and Community Initiatives

Supplies and Consumables	0	0	0	0	25,594	25,594
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Sub-Total Expense from Services Supported by Hospital and Community Initiatives

0	0	0	0	25,594	25,594
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Loddon Mallee Rural Health Alliance

Other Expenses	0	0	0	0	19,444	19,444
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Depreciation (refer note 4)

0	0	0	0	534,724	534,724
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Sub-total Expenditure from Services supported by Health Services Agreement and by Hospital and Community Initiatives

0	0	0	0	554,168	554,168
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Total Expenses

2,083,332	2,942,176	370,076	532,042	579,762	6,507,388
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NOTE 4: DEPRECIATION	2013	2012
	\$	\$
Depreciation		
Buildings	334,948	405,082
Plant and Equipment	71,519	70,417
Motor Vehicles	48,639	50,810
Furniture and Fittings	4,912	4,558
LMRHA Assets	2,786	3,857
TOTAL DEPRECIATION	462,804	534,724

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.

	2013	2012
	\$	\$
Cash on Hand	205	175
Cash at Bank	1,659,136	1,368,454
TOTAL CASH AND CASH EQUIVALENTS	1,659,341	1,368,629
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	1,402,394	1,170,835
Cash for Loddon Mallee Rural Health Alliance	9,531	8,598
Cash for Monies Held in Trust		
- Cash at Bank	247,416	189,196
TOTAL CASH AND CASH EQUIVALENTS	1,659,341	1,368,629

NOTE 6: RECEIVABLES

	2013	2012
	\$	\$
CURRENT		
Contractual		
Trade Debtors - Health Service	174,343	120,301
Trade Debtors - Loddon Mallee Rural Health Alliance	43,243	6,880
Patient Fees	29,702	67,563
Accrued Investment Income	20,779	29,305
Accrued Revenue - Grants	99,938	39,519
Accrued Revenue - Loddon Mallee Rural Health Alliance	433	621
	<u>368,438</u>	<u>264,189</u>
Statutory		
GST Receivable - Health Service	32,752	26,874
GST Receivable - Loddon Mallee Rural Health Alliance	1,806	2,498
	<u>34,558</u>	<u>29,372</u>
TOTAL CURRENT RECEIVABLES	<u>402,996</u>	<u>293,561</u>
NON CURRENT		
Statutory		
Long Service Leave - Department of Health	94,206	62,652
TOTAL NON-CURRENT RECEIVABLES	<u>94,206</u>	<u>62,652</u>
TOTAL RECEIVABLES	<u>497,202</u>	<u>356,213</u>

(b) Ageing analysis of receivables

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

(c) 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: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
CURRENT				
<i>Term Deposit</i>				
Aust. Dollar Term Deposits > 3 Months	1,878,102	1,877,394	1,878,102	1,877,394
TOTAL CURRENT OTHER FINANCIAL ASSETS	<u>1,878,102</u>	<u>1,877,394</u>	<u>1,878,102</u>	<u>1,877,394</u>
Represented by:				
Investments - Health Service	818,440	830,990	818,440	830,990
Investments - Loddon Mallee Rural Health Alliance	77,670	77,360	77,670	77,360
Monies Held in Trust				
- Accommodation Bonds (Refundable Entrance Fees)	981,992	969,044	981,992	969,044
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	<u>1,878,102</u>	<u>1,877,394</u>	<u>1,878,102</u>	<u>1,877,394</u>

(b) Ageing analysis of investments and other financial assets

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

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

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

BOORT DISTRICT HEALTH
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30 June 2013

NOTE 8: INVENTORIES	2013	2012
	\$	\$
CURRENT		
Pharmaceuticals - at cost	9,430	7,585
Catering Supplies - at cost	3,450	4,277
Housekeeping Supplies - at cost	3,843	3,362
Medical and Surgical Lines - at cost	13,612	9,754
Engineering Stores - at cost	8,048	1,176
Dental Stores - at cost	6,482	11,964
TOTAL INVENTORIES	44,865	38,118

Inventories held by the Health Service are held for short periods of time with regular turnover. There is no material loss of service potential in inventories held at the end of the year.

NOTE 9: OTHER ASSETS	2013	2012
	\$	\$
Prepayments - Health Service	39,049	32,744
Prepayments - Loddon Mallee Rural Health Alliance	3,919	2,776
TOTAL OTHER ASSETS	42,968	35,520

NOTE 10: PROPERTY, PLANT AND EQUIPMENT	2013	2012
	\$	\$
Land		
- Land at Fair Value	420,000	420,000
Total Land	420,000	420,000
Buildings		
- Buildings Under Construction at Cost	42,417	0
- Buildings at Cost	505,701	495,450
Less Accumulated Depreciation	19,520	9,407
	486,181	486,043
- Buildings at Fair Value	3,515,100	3,515,100
Less Accumulated Depreciation	1,911,230	1,586,395
	1,603,870	1,928,705
Total Buildings	2,132,468	2,414,748
Plant and Equipment		
- Loddon Mallee Rural Health Alliance	2,405	2,559
- Plant and Equipment at Fair Value	670,467	579,758
Less Accumulated Depreciation	251,938	180,419
Total Plant and Equipment	420,934	401,898
Furniture and Fittings		
- Furniture and Fittings at Fair Value	56,939	53,124
Less Accumulated Depreciation	18,544	13,633
Total Furniture and Fittings	38,395	39,491
Motor Vehicles		
- Motor Vehicles at Fair Value	254,761	272,377
Less Accumulated Depreciation	83,656	71,837
Total Motor Vehicles	171,105	200,540
TOTAL	3,182,902	3,476,677

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	420,000	2,518,985	401,386	37,331	201,171	3,578,873
Additions	0	300,845	73,789	6,718	123,389	504,741
Loddon Mallee Rural Health Alliance	0	0	997	0	0	997
Disposals	0	0	0	0	(73,210)	(73,210)
Depreciation (note 4)	0	(405,082)	(74,274)	(4,558)	(50,810)	(534,724)
Balance at 1 July 2012	420,000	2,414,748	401,898	39,491	200,540	3,476,677
Additions	0	52,668	90,709	3,816	73,084	220,277
Loddon Mallee Rural Health Alliance	0	0	2,632	0	(53,880)	(51,248)
Disposals	0	0	0	0	0	0
Depreciation (note 4)	0	(334,948)	(74,305)	(4,912)	(48,639)	(462,804)
Balance at 30 June 2013	420,000	2,132,468	420,934	38,395	171,105	3,182,902

Land and Buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by the Valuer-General Victoria. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be replaced using depreciated replacement cost. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2009.

Plant and Equipment carried at fair value

An independent valuation of the Health Service's plant and equipment was conducted by independent third parties or by the Health Service. The valuations, which conform to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm lengths transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2012.

NOTE 11: PAYABLES

	2013	2012
	\$	\$
CURRENT		
Contractual		
Trade Creditors	224,695	219,566
Accrued Audit Fees	13,550	13,000
Accrued Expenses - Other	14,626	14,500
Income in Advance	1,352	5,774
Payables - Loddon Mallee Rural Health Alliance	11,670	11,683
	<u>265,893</u>	<u>264,523</u>
Statutory		
Department of Health	0	78,965
FBT Payable	1,247	1,264
	<u>1,247</u>	<u>80,229</u>
TOTAL PAYABLES	<u>267,140</u>	<u>344,752</u>

(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	2013	2012
	\$	\$
Current Provisions		
Employee Benefits (i)		
- unconditional and expected to be settled within 12 months (ii)	503,125	491,823
- unconditional and expected to be settled after 12 months (iii)	464,423	453,991
	<u>967,548</u>	<u>945,814</u>
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	57,300	44,674
- unconditional and expected to be settled after 12 months (present value) (iii)	52,892	41,237
	<u>110,192</u>	<u>85,911</u>
Total Current Provisions	<u>1,077,740</u>	<u>1,031,725</u>
Non-Current Provisions		
Employee Benefits (i)	106,059	114,275
Provisions related to employee benefit on-costs	11,083	11,942
	<u>117,142</u>	<u>126,217</u>
Total Non-Current Provisions	<u>117,142</u>	<u>126,217</u>
Total Provisions	<u>1,194,882</u>	<u>1,157,942</u>
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional Long Service Leave Entitlements	418,776	398,443
Annual Leave Entitlements	398,426	385,493
Accrued Salaries and Wages	250,945	237,145
Accrued Days Off	9,593	10,644
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements (present value)	117,142	126,217
	<u>1,194,882</u>	<u>1,157,942</u>
Total Employee Benefits and Related On-Costs	<u>1,194,882</u>	<u>1,157,942</u>
(b) Movements in Provisions	2013	2012
	\$	\$
Movement in Long Service Leave		
Balance at start of year	524,660	521,053
Provision made during the year		
- Revaluations	13,024	(16,203)
- Expense Recognising Employee Service	114,298	88,355
Settlement made during the year	(116,064)	(68,545)
	<u>535,918</u>	<u>524,660</u>
Balance at end of year	<u>535,918</u>	<u>524,660</u>

Notes:

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

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.

NOTE 13: SUPERANNUATION (Continued)

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	
		2013	2012	2013	2012
		\$	\$	\$	\$
Defined Benefit Plans:	Health Super	7,979	7,220	0	0
Defined Contribution Plans:	Health Super / HESTA / Other	373,438	352,485	0	0
Total		381,417	359,705	0	0

NOTE 14: OTHER LIABILITIES

2013 2012
\$ \$

CURRENT

Monies Held in Trust

- Other 4,884 78,923
- Accommodation Bonds (Refundable Entrance Fees) 1,224,524 1,079,317

TOTAL CURRENT

1,229,408 1,158,240

Represented by the following assets:

Cash Assets (refer to Note 5)

247,416 189,196

Investments and other Financial Assets (refer to Note 7)

981,992 969,044

TOTAL OTHER LIABILITIES

1,229,408 1,158,240

NOTE 15: EQUITY

2013 2012
\$ \$

(a) Surpluses

Property, Plant & Equipment Revaluation Surplus ¹

Balance at beginning of the reporting period

- Land 159,000 159,000
- Buildings 1,302,324 1,302,324

Revaluation Increment/(Decrement)

- Land 0 0
- Buildings 0 0

Balance at the end of the reporting period

1,461,324 1,461,324

Represented by:

- Land 159,000 159,000
- Buildings 1,302,324 1,302,324

1,461,324 1,461,324

Restricted Specific Purpose Surplus

Balance at the beginning of the reporting period

139,300 139,300

Balance at the end of the reporting period

139,300 139,300

Total Surpluses

1,600,624 1,600,624

(1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.

NOTE 15: EQUITY (Continued)	2013	2012
	\$	\$
(b) Contributed Capital		
Balance at the beginning of the reporting period	3,160,907	3,160,907
Balance at the end of the reporting period	3,160,907	3,160,907
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(269,914)	125,875
Net Result for the Year	122,333	(395,789)
Balance at the end of the reporting period	(147,581)	(269,914)
(d) Total Equity at end of financial year	4,613,950	4,491,617

**NOTE 16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH
INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES**

	2013	2012
	\$	\$
NET RESULT FOR THE YEAR	122,333	(395,789)
Non-cash movements		
Depreciation	460,018	530,867
Share of Net Result from Joint Ventures	(37,728)	(8,223)
Movements included in investing and financing activities		
Net (Gain)/Loss from Sale of Plant and Equipment	7,064	9,119
Movements in assets and liabilities		
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(105,506)	12,089
(Increase)/Decrease in Prepayments	(6,305)	(6,785)
(Increase)/Decrease in Inventories	(6,747)	9,663
Increase/(Decrease) in Payables	(77,599)	101,340
Increase/(Decrease) in Provisions	36,940	24,218
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	392,470	276,499

NOTE 17: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Boort District Health's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Investment in Equities and Managed Investment Schemes
- Receivables (excluding statutory receivables)
- Payables (excluding statutory receivables)
- Accommodation Bonds

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.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

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

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 Boort District Health's financial risk within the government policy parameters.

Categorisation of financial instruments

	Carrying Amount 2013 \$	Carrying Amount 2012 \$
Financial Assets		
Cash and cash equivalents	1,659,341	1,368,629
Loans and Receivables	368,438	264,189
Available for sale	1,878,102	1,877,394
Total Financial Assets (i)	3,905,881	3,510,212
Financial Liabilities		
At amortised cost	1,496,548	1,502,992
Total Financial Liabilities (ii)	1,496,548	1,502,992

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

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

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

	Net holding gain/(loss) 2013 \$	Net holding gain/(loss) 2012 \$
Financial Assets		
Cash and cash equivalents(i)	0	0
Loans and Receivables(i)	0	0
Available for sale (i)	137,344	179,766
Total Financial Assets	0	0
Financial Liabilities		
At amortised cost (ii)	0	0
Total Financial Liabilities	0	0

(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 measured 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; and

(iii) For financial assets and liabilities that are held-for-trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(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 monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service's policy to only deal with entities with high credit ratings of a minimum Triple-B 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 Boort District Health's 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 (AAA credit rating) \$	Government agencies (AAA credit rating) \$	Government agencies (BBB credit rating) \$	Other (min BBB credit rating) \$	Total \$
2013					
Financial Assets					
Cash and Cash Equivalents	1,659,341	0	0	0	1,659,341
Receivables					
- Trade Debtors	0	0	0	204,045	204,045
- Other Receivables (i)	20,779	99,938	0	43,676	164,393
Other Financial Assets					
- Term Deposit	1,878,102	0	0	0	1,878,102
Total Financial Assets	3,558,222	99,938	0	247,721	3,905,881
2012					
Financial Assets					
Cash and Cash Equivalents	1,368,629	0	0	0	1,368,629
Receivables					
- Trade Debtors	0	0	0	187,864	187,864
- Other Receivables	29,305	39,519	0	7,501	76,325
Other Financial Assets					
- Term Deposit	1,877,394	0	0	0	1,877,394
Total Financial Assets	3,275,328	39,519	0	195,365	3,510,212

(i) The total amounts 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 asset 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 \$	
2013							
Financial Assets							
Cash and Cash Equivalents	1,659,341	1,659,341	0	0	0	0	0
Receivables							
- Trade Debtors	204,045	179,340	19,180	5,525	0	0	0
- Other Receivables	164,393	164,393	0	0	0	0	0
Other Financial Assets							
- Term Deposit	1,878,102	1,878,102	0	0	0	0	0
Total Financial Assets	3,905,881	3,881,176	19,180	5,525	0	0	0
2012							
Financial Assets							
Cash and Cash Equivalents	1,368,629	1,368,629	0	0	0	0	0
Receivables							
- Trade Debtors	187,864	131,967	43,780	12,117	0	0	0
- Other Receivables	76,325	76,325	0	0	0	0	0
Other Financial Assets							
- Term Deposit	1,877,394	1,877,394	0	0	0	0	0
Total Financial Assets	3,510,212	3,454,315	43,780	12,117	0	0	0

Contractual financial assets that are neither past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Health Service does not hold any collateral as security nor credit enhancements relating to 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 their carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(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.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk (Continued)

The following table discloses the contractual maturity analysis for Boort District Hospital's 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

	Total Carrying Amount \$	Nominal Amount \$	Maturity Dates			
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2013						
Financial Liabilities						
Payables	267,140	267,140	267,140	0	0	0
Other Financial Liabilities (i)						
- Accommodation Bonds	1,224,524	1,224,524	0	0	1,224,524	0
- Other	4,884	4,884	0	0	4,884	0
Total Financial Liabilities	1,496,548	1,496,548	267,140	0	1,229,408	0
2012						
Financial Liabilities						
Payables	344,752	344,752	344,752	0	0	0
Other Financial Liabilities (i)						
- Accommodation Bonds	1,079,317	1,079,317	0	0	1,079,317	0
- Other	78,923	78,923	0	0	78,923	0
Total Financial Liabilities	1,502,992	1,502,992	344,752	0	1,158,240	0

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

(d) Market Risk

Boort District Health'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

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

Interest Rate Risk

Exposure to interest rate risk's arise primarily through the Boort District Health'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.

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

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
2013					
Financial Assets					
Cash and Cash Equivalents	2.85	1,659,341	0	1,659,136	205
Receivables					
- Trade Debtors	0.00	204,045	0	0	204,045
- Other Receivables	0.00	164,393	0	0	164,393
Other Financial Assets					
- Term Deposit	4.31	1,878,102	1,878,102	0	0
Total Financial Assets		3,905,881	1,878,102	1,659,136	368,643
Financial Liabilities					
Payables	0.00	267,140	0	0	267,140
Other Financial Liabilities					
- Accommodation Bonds	0.00	1,224,524	0	0	1,224,524
- Other	0.00	4,884	0	0	4,884
Total Financial Liabilities		1,496,548	0	0	1,496,548
2012					
Financial Assets					
Cash and Cash Equivalents	3.60	1,368,629	0	1,368,454	175
Receivables					
- Trade Debtors	0.00	187,864	0	0	187,864
- Other Receivables	0.00	76,325	0	0	76,325
Other Financial Assets					
- Term Deposit	5.69	1,877,394	1,877,394	0	0
Total Financial Assets		3,510,212	1,877,394	1,368,454	264,364
Financial Liabilities					
Payables	0.00	344,752	0	0	344,752
Other Financial Liabilities					
- Accommodation Bonds	0.00	1,079,317	0	0	1,079,317
- Other	0.00	78,923	0	0	78,923
Total Financial Liabilities		1,502,992	0	0	1,502,992

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Boort District Health believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia).

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%; and
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

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

	Carrying Amount \$	Interest Rate Risk				Other Price Risk			
		-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$	-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$
2013									
Financial Assets									
Cash and Cash Equivalents	1,659,341	(16,593)	(16,593)	16,593	16,593	0	0	0	0
Receivables									
-Trade Debtors	204,045	0	0	0	0	0	0	0	0
-Other Receivables	164,393	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	1,878,102	(18,781)	(18,781)	18,781	18,781	0	0	0	0
Financial Liabilities									
Payables	267,140	0	0	0	0	0	0	0	0
Other Financial Liabilities									
-Accommodation Bonds	1,224,524	0	0	0	0	0	0	0	0
-Other	4,884	0	0	0	0	0	0	0	0
		(35,374)	(35,374)	35,374	35,374	0	0	0	0
2012									
Financial Assets									
Cash and Cash Equivalents	1,368,629	(13,686)	(13,686)	13,686	13,686	0	0	0	0
Receivables									
-Trade Debtors	187,864	0	0	0	0	0	0	0	0
-Other Receivables	76,325	0	0	0	0	0	0	0	0
Other Financial Assets									
- Term Deposit	1,877,394	(18,774)	(18,774)	18,774	18,774	0	0	0	0
Financial Liabilities									
Payables	344,752	0	0	0	0	0	0	0	0
Other Financial Liabilities									
-Accommodation Bonds	1,079,317	0	0	0	0	0	0	0	0
-Other	78,923	0	0	0	0	0	0	0	0
		(32,460)	(32,460)	32,460	32,460	0	0	0	0

(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 financial assets include holdings in unlisted shares. Fair value of these is determined by projecting future cash inflows from expected future dividends and subsequent disposals of the securities.

These cash flows are then discounted back to their present value using a discount rate of 5.16%

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(e) Fair Value (Continued)

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.

Comparison between carrying amount and fair value

	Total Carrying Amount 2013 \$	Fair Value 2013 \$	Total Carrying Amount 2012 \$	Fair Value 2012 \$
Financial Assets				
Cash and Cash Equivalents	1,659,341	1,659,341	1,368,629	1,368,629
Receivables				
- Trade Debtors	204,045	204,045	187,864	187,864
- Other Receivables	164,393	164,393	76,325	76,325
Other Financial Assets				
-Term Deposits	1,878,102	1,878,102	1,877,394	1,877,394
Total Financial Assets	3,905,881	3,905,881	3,510,212	3,510,212
Financial Liabilities				
Payables	267,140	267,140	344,752	344,752
Other Financial Liabilities (i)				
-Accommodation Bonds	1,224,524	1,224,524	1,079,317	1,079,317
-Monies Held in Trust	4,884	4,884	78,923	78,923
Total Financial Liabilities	1,496,548	1,496,548	1,502,992	1,502,992

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

NOTE 18: COMMITMENTS FOR EXPENDITURE

There are no known capital or leasing commitments as at the date of this report.

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Details of estimates of maximum amounts of Contingent Assets or Contingent Liabilities are as follows:

Contingent Assets	2013	2012
Quantifiable	\$	\$
Legal Proceedings and Disputes	950,000	1,250,000

Boort District Health has been bequeathed an estate in 2012 which has been contested and settled subject to a Supreme Court ruling. \$300,000.00 of the estate was received in May 2013, with the balance likely to be received early in the 2014 financial year.

NOTE 20: OPERATING SEGMENTS

	HEALTH SERVICES		RACS		OTHER SERVICES		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
External Segment Revenue	3,518,599	3,395,819	2,583,145	2,237,378	562,656	298,636	6,664,400	5,931,833
Total Revenue	3,518,599	3,395,819	2,583,145	2,237,378	562,656	298,636	6,664,400	5,931,833
EXPENSES								
External Segment Expenses	3,080,273	2,985,450	3,056,322	2,942,176	542,816	579,762	6,679,411	6,507,388
Total Expenses	3,080,273	2,985,450	3,056,322	2,942,176	542,816	579,762	6,679,411	6,507,388
Net Result from ordinary activities	438,326	410,369	(473,177)	(704,798)	19,840	(281,126)	(15,011)	(575,555)
Interest Income	0	0	0	0	137,344	179,766	137,344	179,766
Net Result for Year	438,326	410,369	(473,177)	(704,798)	157,184	(101,360)	122,333	(395,789)
OTHER INFORMATION								
Segment Assets	3,041,600	2,977,969	2,367,194	2,317,673	0	0	5,408,794	5,295,642
Unallocated Assets	0	0	0	0	1,896,586	1,856,909	1,896,586	1,856,909
Total Assets	3,041,600	2,977,969	2,367,194	2,317,673	1,896,586	1,856,909	7,305,380	7,152,551
Segment Liabilities	316,302	308,060	1,474,947	1,397,343	0	0	1,791,249	1,705,403
Unallocated Liabilities	0	0	0	0	900,181	955,531	900,181	955,531
Total Liabilities	316,302	308,060	1,474,947	1,397,343	900,181	955,531	2,691,430	2,660,934
Acquisition of property, plant and equipment and intangible assets	220,277	504,741	0	0	0	0	220,277	504,741
Depreciation	222,633	294,916	173,269	229,525	66,902	10,283	462,804	534,724
Non cash expenses other than depreciation	20,646	(9,665)	30,422	2,040	0	0	51,068	(7,625)

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

Business Segments

Health Services

Services

Acute Hospital services
Aged Care services
Primary Health services

Residential Aged Care Services (RACS)

Nursing Home facilities
Hostel facilities

Geographical Segment

Boort District Health operates predominantly in Boort, Victoria. More than 90% of revenue, net surplus from ordinary activities and segments assets relate to operations in Boort, Victoria.

NOTE 21: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest	
		2013	2012
		%	%
Loddon Mallee Rural Health Alliance	Information Systems	2.12	1.99

Boort District Health's interest in assets employed in the above jointly controlled operations and assets is detailed below.

The amounts are included in the financial statements under their respective categories:

	2013	2012
	\$	\$
Current Assets		
Cash and Cash Equivalents	87,201	85,958
Receivables	45,482	9,999
Prepayments	3,919	2,776
Total Current Assets	136,602	98,733
Non Current Assets		
Property Plant and Equipment	2,405	2,559
Total Non Current Assets	2,405	2,559
Total Assets	139,007	101,292
Current Liabilities		
Payables	11,094	10,393
Accrued Expenses	576	1,290
Total Current Liabilities	11,670	11,683
Total Liabilities	11,670	11,683
Net Assets	127,337	89,609
Revenues		
Revenue from Operating Activities	84,651	75,285
Capital Purpose Income	34,980	0
Total Revenue	119,631	75,285
Expenses		
Information Technology and Administrative Expenditure	153,420	129,752
Capital Purpose Expenditure	0	0
Depreciation	2,786	3,857
Total Expenses	156,206	133,609
Net Result	(36,575)	(58,324)

Commitments for Expenditure

There are no known capital or leasing commitments for Loddon Mallee Rural Health Alliance as at the date of this report.

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
01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013

Governing Boards

Mrs E Barnes
Mr K Jeffrey
Mr M Nolan
Mr D Rees
Mr A McDougal
Mrs M Eicher

01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013
01/07/2012 - 30/06/2013

Accountable Officers

Ms V Jamison
Mrs J Keath
Mrs V Poxon

01/07/2012 - 02/12/2012
03/12/2012 - 17/02/2013
18/02/2013 - 30/06/2013

Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999
\$20,000 - \$29,999
\$50,000 - \$59,999
\$60,000 - \$69,000
\$140,000 - \$149,999

Total Numbers

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

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

2013 No.	2012 No.
6	7
1	0
1	0
1	0
0	1
9	8
\$142,598	\$143,182

Other Transactions of Responsible Persons and their Related Parties

The result of the period includes aggregate amounts attributable to transactions with Responsible Persons and Responsible Persons Related Parties in respect of:

Mr D Rees is the proprietor of Boort Post Office which provides good and services to the Health Service on normal commercial terms and conditions.

2013 \$	2012 \$
4,673	5,132

Note 22b: EXECUTIVE OFFICER DISCLOSURES

No Executive Officer received remuneration in excess of \$100,000 during the year ended 30 June 2013 (2012: Nil)

Note 23: REMUNERATION OF AUDITORS

Victorian Auditor-General's Office

Audit or review of financial statement

2013 \$	2012 \$
13,550	13,000
13,550	13,000

Note 24: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no known events occurring after the balance sheet date that would materially effect the financial result.

Note 25: GLOSSARY

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense and actual experience

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia payments

Ex gratia payment is the gratuitous payment of money where no legal obligation exists.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Note 25: GLOSSARY (Continued)

Financial liability

A financial liability is any liability that is:

(a) A contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Note 25: GLOSSARY (Continued)

Joint ventures

Joint ventures are contractual arrangements between the Department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Note 25: GLOSSARY (Continued)

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

Transactions

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.