

NAPS ID 229  
RACS ID 351



**SNOWY MONARO**  
REGIONAL COUNCIL  
Stronger together Better together

**SNOWY RIVER HOSTEL**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

**SNOWY RIVER HOSTEL**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**STATEMENT BY MANAGEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

The attached General Purpose Financial Statement has been prepared in accordance with:

- The Australian Accounting Standards and professional pronouncements

To the best of our knowledge and belief, this Report:

- presents fairly the Hostel's operating result and financial position for the year, and
- accords with Council's accounting and other records

We are not aware of any matter that would render this Report false or misleading in any way.

*J. Mackay*

*29 October 2016*

*per* \_\_\_\_\_  
Joseph G Vescio  
GENERAL MANAGER

\_\_\_\_\_  
Date

**SNOWY RIVER HOSTEL**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

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# SNOWY RIVER HOSTEL

## INCOME STATEMENT

for the year ended 30 June 2016

ADOPTED BUDGET 2016 (\$)		Notes	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
	<b>Income from Continuing Operations</b>			
227,500	User Charges and Fees	2(a)	238,743	229,292
8,000	Interest and Investment Revenue	2(b)	23,024	19,373
166,490	Other Revenues	2(c)	5,210	856
427,000	Grants and Contributions provided for Operating Purposes	2(d & e)	463,288	529,690
-	Grants and Contributions provided for Capital Purposes	2(d & e)	37,991	17,099
	<i>Other Income:</i>			
-	Net Gain from the Disposal of Assets	4	-	-
<u>828,990</u>	<b>Total Income from Continuing Operations</b>		<u>768,256</u>	<u>796,310</u>
	<b>Expenses from Continuing Operations</b>			
624,082	Employee Benefits and On-costs	3(a)	608,833	601,868
-	Borrowing Costs	3(b)	-	-
100,604	Materials and Contracts	3(b)	138,358	139,621
34,100	Depreciation and Amortisation	3(c)	39,196	45,311
-	Net Loss from the Disposal of Assets	4	-	-
88,304	Other Expenses	3(d)	64,289	63,705
<u>847,090</u>	<b>Total Expenses from Continuing Operations</b>		<u>850,676</u>	<u>850,505</u>
<u>(18,100)</u>	<b>Operating Result from Continuing Operations</b>		<u>(82,420)</u>	<u>(54,195)</u>
-	<b>Operating Result from Discontinued Operations</b>		-	-
<u>(18,100)</u>	<b>Net Operating Result for the Year</b>		<u>(82,420)</u>	<u>(54,195)</u>
	<b>Attributable to:</b>			
(18,100)	Snowy River Hostel		(82,420)	(54,195)
<u>(18,100)</u>	<b>Net Operating Result for the Year Before Grants and Contributions Provided for Capital Purposes</b>		<u>(120,411)</u>	<u>(71,294)</u>

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

**SNOWY RIVER HOSTEL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2016

	Notes	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>Net Operating Result for the Year</b>		<u>(82,420)</u>	<u>(54,195)</u>
Other Comprehensive Income		-	-
Total Other Comprehensive Income for the Year		-	-
<b>Total Comprehensive Income for the Year</b>		<u><u>(82,420)</u></u>	<u><u>(54,195)</u></u>
<b>Attributable to:</b>			
Snowy River Hostel		(82,420)	(54,195)

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

# SNOWY RIVER HOSTEL

## BALANCE SHEET

as at 30 June 2016

	Notes	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5(a)	396,534	541,768
Investments	5(b)	-	-
Receivables	6	4,159	2,428
Inventories	7	-	-
Other	7	-	-
Non-Current Assets Classified as Held for Sale		-	-
<b>Total Current Assets</b>		<u>400,693</u>	<u>544,196</u>
<b>NON-CURRENT ASSETS</b>			
Investments	5(b)	-	-
Receivables	6	-	-
Inventories		-	-
Infrastructure, Property, Plant and Equipment	8	1,678,855	1,718,051
Investments Accounted for using the Equity Method		-	-
Investment Property		-	-
Intangible Assets	7(a)	350,000	350,000
Other		-	-
<b>Total Non-Current Assets</b>		<u>2,028,855</u>	<u>2,068,051</u>
<b>TOTAL ASSETS</b>		<u>2,429,548</u>	<u>2,612,247</u>
<b>CURRENT LIABILITIES</b>			
Payables	9	420,091	517,939
Interest Bearing Liabilities	9	-	-
Provisions	9	-	2,431
<b>Total Current Liabilities</b>		<u>420,091</u>	<u>520,370</u>
<b>NON-CURRENT LIABILITIES</b>			
Payables	9	-	-
Interest Bearing Liabilities	9	-	-
Provisions	9	-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		<u>420,091</u>	<u>520,370</u>
<b>NET ASSETS</b>		<u>2,009,457</u>	<u>2,091,877</u>
<b>EQUITY</b>			
Retained Earnings		1,130,837	1,213,257
Reserves	17	878,620	878,620
Hostel Equity Interest		2,009,457	2,091,877
Outside Equity Interest in Controlled Entities		-	-
<b>Total Equity</b>		<u>2,009,457</u>	<u>2,091,877</u>

**SNOWY RIVER HOSTEL**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2016

	2016 (\$)			2015 (\$)		
	Retained Earnings	Hostel Equity Interest	Total Equity	Retained Earnings	Hostel Equity Interest	Total Equity
Balance at beginning of the reporting period	1,213,257	1,213,257	1,213,257	1,267,453	1,267,453	1,267,453
Prior year Adjustments						
Net Operating Result for the year	(82,420)	(82,420)	(82,420)	(54,196)	(54,196)	(54,196)
<b>Balance at end of the reporting period</b>	<b><u>1,130,837</u></b>	<b><u>1,130,837</u></b>	<b><u>1,130,837</u></b>	<b><u>1,213,257</u></b>	<b><u>1,213,257</u></b>	<b><u>1,213,257</u></b>

**SNOWY RIVER HOSTEL**  
**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2016

	Notes	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts:-</u>			
User charges and fees		237,012	226,864
Investment revenue and interest		23,024	19,373
Grants and Contributions provided for Operating Purposes		463,288	296,737
Grants and Contributions provided for Capital Purposes		37,991	17,099
Other		5,210	233,809
Accommodation Bonds		90,000	470,000
<u>Payments:-</u>			
Employee benefits and on-costs		(597,541)	(600,677)
Materials and contracts		(143,583)	(91,949)
Borrowing costs			
Other		(64,289)	(105,688)
Accommodation Bonds Refunds		(196,346)	(228,606)
		<hr/>	<hr/>
<b>Net cash provided by (or used in) operating activities</b>	<b>10(b)</b>	<b><u>(145,234)</u></b>	<b><u>236,962</u></b>
<b>0 CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts:-</u>			
Other		-	-
<u>Payments:-</u>			
Purchase of infrastructure, property, plant and equipment		-	-
Adjustment to assets		-	-
		<hr/>	<hr/>
<b>Net cash provided by (or used in) investing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts:-</u>			
Other		-	-
<u>Payments:-</u>			
Other		-	-
		<hr/>	<hr/>
<b>Net cash provided by (or used in) financing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
Net increase / (decrease) in cash and cash equivalents and investments		<u>(145,234)</u>	<u>236,962</u>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>10(a)</b>	<b>541,767</b>	<b>304,805</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>10(a)</b>	<b><u>396,534</u></b>	<b><u>541,767</u></b>



## Snowy River Hostel

### Notes to the Financial Statements

for the financial year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies

The Snowy River Hostel (NAPS ID 229) is owned and operated by Snowy Monaro Regional Council ABN 72 906 802 034 - branch 04 (formerly Snowy River Shire Council ABN 21 862 479 274).

The principal accounting policies adopted by the Snowy River Hostel in the preparation of this financial report are set out below in order to assist in its general understanding.

Under Australian Accounting Standards, accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Snowy River Hostel) in preparing and presenting its financial statements

##### (a) Basis of preparation

###### (i) Background

These financial statements are General Purpose Financial Statements which have been prepared in accordance with;

- Australian Accounting Standards ,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

###### (ii) Compliance with International Financial Reporting Standards (IFRSs)

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &

- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

###### (iii) Basis of Accounting

These financial statements have been prepared under the historical cost convention except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

###### (iv) Changes in Accounting Policies

The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial reports, unless otherwise stated.

###### (v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

## Snowy River Hostel

### Notes to the Financial Statements

for the financial year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies

##### (vi) Financial Statements Presentation

The Council has applied the revised AASB 101, Presentation of Financial Statements which became effective on 1 July 2012.

The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

All non-owner changes in equity must now be presented in the statement of comprehensive income.

As a consequence, the Council had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

##### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

##### Grants and Contributions

Grants and contributions are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 2(g).

Note 2(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

##### User Charges, Fees and Other Income

User charges, fees and other income are recognised as revenue when the service has been provided, the payment is received, whichever first occurs.

##### Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

##### Interest

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

##### (c) Receivables

Receivables are recognised at fair value less any provision for doubtful debts.

##### (d) Infrastructure, property, plant and equipment

##### Acquisition of assets

All infrastructure, property, plant and equipment assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

##### Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

##### Land

- council land 100% Capitalised

##### Plant & Equipment

Office Furniture > \$3,000

Office Equipment > \$3,000

Other Plant & Equipment > \$3,000

##### Buildings & Land Improvements

##### Building

- construction/extensions 100% Capitalised

- renovations > \$10,000

Other Structures > \$5,000

## Snowy River Hostel

### Notes to the Financial Statements

for the financial year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies

##### Depreciation

Depreciation on Councils infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of their residual values) over its estimated useful life.

Land is not depreciated.

The range of estimated useful lives for Councils assets include:

- Plant & Equipment
  - Office Equipment 2 - 10 years
  - Office Furniture 5 - 10 years
  - Computer Equipment 3 - 7 years

- Buildings
  - Buildings 100 years

All asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

##### (e) Intangible Assets

Bed licences held by the entity have been recognised at their fair value as at 30 June 2008. The hostel has held these licences for a number of years, however they were not recognised prior to 30 June 2008 at cost as no consideration was paid.

The fair value amount for bed licences is based on the lowest limit of the range of values as provided by the industry association representing aged care in NSW. The bed licences have an infinite life; accordingly no amortisation has been applied to these values.

##### (f) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise

that indicates that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

##### (g) Payables

(i) These amounts represent liabilities and include goods and services provided to the hostel prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(ii) Accommodation Bonds are refunded in accordance with subsection 57 – 21(3) of the Aged Care Act 1997.

##### (h) Financial Instruments

###### Financial assets

Financial assets include trade receivables and cash and cash equivalents.

Receivables are designated as receivable 'at call' and are therefore recognised at their face value at inception.

###### Held to maturity investments

Fixed term investments with an intention to be held to maturity are classified as held to maturity investments. They are measured at amortised cost using the effective interest rate method.

###### Financial liabilities

Financial liabilities include trade payables, other creditors and bonds from third parties.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### (i) Employee Benefits

As Council employees all liabilities for the payment of wages and salaries, annual leave and long service leave are held by Council.

All wages and salaries are on costed to cover the cost of employment overheads.

##### (j) Taxes

The Council and therefore the Hostel is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

## Snowy River Hostel

### Notes to the Financial Statements

for the financial year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies

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##### Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

##### Residential Aged Care Operations

The approved provider delivers Residential Aged Care services and this GPFR relates only to such operations.

##### (k) Economic Dependency

The future operation of the hostel is dependent upon the continuation of financial subsidy from the Snowy River Shire Council.

##### (l) Rounding of amounts

Unless otherwise indicated, amounts in the financial report have been rounded off to the nearest whole dollar.

##### (m) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within this Financial Report and/or the Notes.

##### (n) Disclaimer

Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2016

**Note 2 - Revenue from Continuing Operations**

		ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>a) USER FEES AND CHARGES</b>			
<u>Fees</u>			
Daily Care Fees		217,248	225,292
Respite Fees		16,978	
Food Services		4,462	4,000
Other		55	
<b>Total User Charges and Fees</b>		<b>238,743</b>	<b>229,292</b>
<b>b) INTEREST AND INVESTMENT REVENUE</b>			
Interest on Investments		7,644	1,987
Interest on Accommodation Bonds & Contributions		15,380	17,386
<b>Total Interest Revenue</b>		<b>23,024</b>	<b>19,373</b>
	<b>OPERATING</b>		<b>CAPITAL</b>
	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>c) OTHER REVENUES</b>			
Reimbursement of Expense	2,030	-	
Other	3,180	856	
<b>Total Other Revenue</b>	<b>5,210</b>	<b>856</b>	<b>-</b>
<b>d) GRANTS</b>			
<u>Specific Purpose</u>			
Commonwealth Benefits	370,548	296,072	-
Community Infrastructure Grants	-		-
Training Grant	-		
<b>Total Grants</b>	<b>370,548</b>	<b>296,072</b>	<b>-</b>
<b>e) CONTRIBUTIONS</b>			
Resident Accommodation Contributions		37,991	17,099
Subsidy from Council	87,740	232,953	
Donations	5,000	665	-
Other	-	-	
<b>Total Contributions</b>	<b>92,740</b>	<b>233,618</b>	<b>17,099</b>
<b>Total Grants and Contributions</b>	<b>463,288</b>	<b>529,690</b>	<b>37,991</b>

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2016

**Note 2 - Revenue from Continuing Operations (Continued)**

	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>f) RESTRICTIONS RELATING TO GRANTS AND CONTRIBUTIONS</b>		
<p>Certain grants and contributions are obtained by the Hostel on the condition they be spent in a specified manner:</p>		
Grants and contributions recognised in the current period which have not been spent	-	-
Less:		
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period	-	4,431
<b>Net increase / (decrease) in restricted grants and contributions</b>	-	4,431

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 3 - Expenses from Continuing Operations

	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>a) EMPLOYEE BENEFITS AND ON-COSTS</b>		
Salaries and Wages	469,380	463,964
Travelling	1,583	23
Employee Leave Entitlements	79,562	92,146
Superannuation	44,591	33,026
Workers' Compensation Insurance	10,081	9,001
Training Costs & Professional Development	2,754	3,156
Other Employment Costs	882	552
<b>Total Employee Costs Expensed</b>	<b><u>608,833</u></b>	<b><u>601,868</u></b>
<b>b) MATERIALS AND CONTRACTS</b>		
Raw Materials and Consumables	9,243	10,714
Cleaning Supplies	4,971	4,944
Minor Equipment Purchases	9,355	5,987
Contractor and consultancy costs	17,090	4,966
Catering Supplies	52,549	46,117
Fleet Hire	3,420	5,516
IT Costs	9,000	20,302
Medication Systems	4,899	5,737
Repairs & Maintenance	10,218	10,997
Rates	3,136	4,160
Water	11,099	17,521
Waste Services	3,378	2,660
<b>Total Materials and Contracts</b>	<b><u>138,358</u></b>	<b><u>139,621</u></b>
<b>c) DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>		
Plant and Equipment	3,330	3,844
Office Equipment	-	-
Furniture and Fittings	5,170	6,025
Land Improvements	126	147
Buildings	28,771	33,217
Other Structures	1,457	1,682
Other Assets	342	396
<b>Total Depreciation and Total Impairment</b>	<b><u>39,196</u></b>	<b><u>45,311</u></b>
<b>d) OTHER EXPENSES</b>		
Energy Costs	34,415	43,469
Insurance	7,348	7,313
Administration	5,000	5,000
Telephone	12,735	1,964
Memberships & Subscriptions	3,147	3,346
Postage, Printing & Stationery	1,644	2,613
Other Expenses	0	0
<b>Total Other Expenses from Ordinary Activities</b>	<b><u>64,289</u></b>	<b><u>63,705</u></b>

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 4 - Net Gain or Loss from Disposal of Assets

	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
GAIN (OR LOSS) ON DISPOSAL OF PLANT AND EQUIPMENT	-	-
Proceeds from Disposal	-	-
Less: Carrying amount of assets sold	-	-
<b>NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS</b>	<u>-</u>	<u>-</u>

### Note 5(a) - Cash and Cash Equivalents

	ACTUAL 2016		ACTUAL 2015	
	Current (\$)	Non-current (\$)	Current (\$)	Non-current (\$)
<b>CASH ASSETS</b>				
Cash at bank and on hand	100,000	-	100,000	-
Deposits at call	296,534	-	441,768	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>396,534</u>	<u>-</u>	<u>541,768</u>	<u>-</u>

### NOTE 5(b) - Investments

The hostel has no investments



## Note 5(c) - Restricted Cash, Cash Equivalents and Investments

	ACTUAL 2016		ACTUAL 2015	
	Current (\$)	Non-current (\$)	Current (\$)	Non-current (\$)
<b>Total Cash, cash equivalents and Investments</b>	<b>396,534</b>	<b>-</b>	<b>541,768</b>	<b>-</b>
External restrictions	396,534	-	502,880	-
Internal restrictions	-	-	38,888	-
Unrestricted	-	-	-	-
<b>TOTAL</b>	<b>396,534</b>	<b>-</b>	<b>541,768</b>	<b>-</b>

	Opening Balance (\$'000)	Transfers to Restrictions (\$'000)	Transfers from Restrictions (\$'000)	Closing Balance (\$'000)
<b>EXTERNAL RESTRICTIONS</b>				
Included in liabilities:-				
Resident Bonds (a)	502,880	90,000	(196,346)	396,534
Other:-				
Specific purpose unexpended grants (b)	-	-	-	-
Specific purpose unexpended contributions (b)	-	-	-	-
<b>TOTAL EXTERNAL RESTRICTIONS</b>	<b>502,880</b>	<b>90,000</b>	<b>(196,346)</b>	<b>396,534</b>
<b>INTERNAL RESTRICTIONS</b>				
Employee leave entitlements	-			-
Building and equipment replacement	-			-
Uncompleted Works	38,888	-	(38,888)	-
Donations (c)	-			-
<b>TOTAL INTERNAL RESTRICTIONS</b>	<b>38,888</b>	<b>-</b>	<b>(38,888)</b>	<b>-</b>
<b>TOTAL RESTRICTIONS</b>	<b>541,768</b>	<b>90,000</b>	<b>(235,234)</b>	<b>396,534</b>

- (a) Resident Entry Contribution bonds which must be applied for the purposes for which they were raised.  
(b) Grants which are not yet expended for the purpose for which the grants were obtained.  
(c) Donations which are not yet expended for the purpose for which they were obtained.

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 6 - Receivables

PURPOSE	ACTUAL 2016		ACTUAL 2015	
	Current (\$)	Non-current (\$)	Current (\$)	Non-current (\$)
User Charges and Fees	4,159	-	2,428	-
Net GST Receivable				
<b>TOTAL RECEIVABLES</b>	<u>4,159</u>	<u>-</u>	<u>2,428</u>	<u>-</u>

### Note 7 (a) - Inventories and Other Assets

The Snowy River Hostel has no inventories

### Note 7(b) - Intangible Assets

	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>INTANGIBLE ASSETS</b>		
Bed licences	350,000	350,000
Less: amortisation		
<b>TOTAL INTANGIBLE ASSETS</b>	<u>350,000</u>	<u>350,000</u>

SNOWY RIVER HOSTEL

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

Note 8 - Infrastructure, Property, Plant and Equipment

	As at 30 June 2015 (\$')					MOVEMENTS DURING YEAR (\$)					as at 30 June 2016 (\$)			
	Cost / Deemed Cost	Fair Value	Accum depn & impairment	Transfers / Adjustments	Written down value	Additions <sup>1</sup>	WDV of disposals	Depreciation & impairment	Transfers / Adjustments	Revaluation increments / (decrements)	Cost / Deemed Cost	Fair Value	Accum depn & impairment	Written down value
BY ASSET TYPE														
Plant and Equipment		38,444	7,594	-	30,850	-	-	3,330	-	-	-	38,444	10,924	27,520
Office Equipment		5,491	5,491	-	-	-	-	-	-	-	-	5,491	5,491	-
Furniture and Fittings		71,398	27,716	-	43,682	-	-	5,170	-	-	-	71,398	32,886	38,512
Land:-														
Operational		330,000	-	-	330,000	-	-	-	-	-	-	330,000	-	330,000
Community		-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciable Land Improvements		7,347	2,721	-	4,626	-	-	126	-	-	-	7,347	2,847	4,500
Buildings:-														
Specialised		1,993,000	730,767	-	1,262,233	-	-	28,771	-	-	-	1,993,000	759,538	1,233,462
Other Structures		60,644	16,361	-	44,283	-	-	1,457	-	-	-	60,644	17,818	42,826
Other Assets		3,966	1,589	-	2,377	-	-	342	-	-	-	3,966	1,931	2,035
<b>TOTAL</b>	<b>-</b>	<b>2,510,290</b>	<b>792,239</b>	<b>-</b>	<b>1,718,051</b>	<b>-</b>	<b>-</b>	<b>39,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,510,290</b>	<b>831,435</b>	<b>1,678,855</b>

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 9 - Payables, Interest Bearing Liabilities and Provisions

	ACTUAL 2016		ACTUAL 2015	
	Current (\$)	Non-current (\$)	Current (\$)	Non-current (\$)
<b>PAYABLES</b>				
Accrued Expenses	465	-	5,690	-
Accrued wages & salaries	23,092	-	9,369	-
Resident Accommodation Bonds	396,534	-	502,880	-
<b>TOTAL PAYABLES</b>	<b><u>420,091</u></b>		<b><u>517,939</u></b>	
<b>PROVISIONS</b>				
Other Leave <sup>1</sup>	-		2,431	
<b>TOTAL PROVISIONS</b>	<b><u>-</u></b>	<b>-</b>	<b><u>2,431</u></b>	<b>-</b>
<b>Liabilities relating to Restricted Assets</b>				
Resident Accommodation Bonds	396,534	-	502,880	-
<b>TOTAL</b>	<b><u>396,534</u></b>		<b><u>502,880</u></b>	

#### Notes

1. Vested employee leave entitlements are all carried as a current provision.

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 10 - Reconciliation of Cash Flow Movements

	Notes	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>a) Reconciliation of Cash Assets</b>			
Total Cash Assets	5(a)	396,534	541,768
Less Bank Overdraft	10(a)	-	-
Investments	5(b)	-	-
<b>Balance as per Cash Flow Statement</b>		<u><b>396,534</b></u>	<u><b>541,768</b></u>
<b>b) Reconciliation of net operating result to cash provided from operating activities</b>			
Net operating result from Income Statement		(82,420)	(54,195)
Add: Depreciation and impairment	3	39,196	45,311
Increase in accommodation bonds	5	90,000	470,000
Increase in receivables	6	-	-
Increase in payables	9	8,498	-
Increase in employee leave entitlements		-	-
Increase in accrued interest payable		-	-
Increase in other current liabilities		-	-
Loss on sale of assets		-	-
Amortisation of discounts and premiums recognised		-	-
Employee expenses not claimable		-	-
Less: Decrease in provision for doubtful debts		-	-
Decrease in other provisions		-	-
Decrease in receivables		(1,731)	-
Increase in inventories		-	-
Increase in other current assets		-	-
Decrease in employee leave entitlements	9	(2,431)	-
Decrease in accommodation bonds	5	(196,346)	(228,606)
Decrease in payables		-	-
Decrease in other current liabilities		-	-
Gain on sale of assets		-	-
<b>Net Cash provided from (used in) operating activities from Cash Flow Statement</b>		<u><b>(145,234)</b></u>	<u><b>232,510</b></u>

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2016

**Note 11 - Commitments for Expenditure**

The Snowy River Hostel has no commitments for expenditure

**Note 12 - Investment Properties**

Snowy River Hostel does not own investment property.

## SNOWY RIVER HOSTEL

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016

#### Note 13(a) - Financial Instruments

##### Interest Rate Risk Exposure

The Hostel's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, which the Hostel intends to hold to maturity.

##### 2016

Notes	Floating interest rate (\$)	Fixed interest maturing in:						Non interest bearing (\$)	Total (\$)
		< 1 year (\$)	1 - 2 years (\$)	2 - 3 years (\$)	3 - 4 years (\$)	4 - 5 years (\$)	> 5 years (\$)		
<b>Financial Assets</b>									
Cash and cash equivalents	-	396,534	-	-	-	-	-	-	396,534
Receivables	-	-	-	-	-	-	-	4,159	4,159
<b>Total</b>		<u>396,534</u>						<u>4,159</u>	<u>400,693</u>
Weighted Average Interest Rate		2.88%							
CPI		0.76%							
<b>Financial Liabilities</b>									
Payables	-	-	-	-	-	-	-	420,091	420,091
<b>Total</b>								<u>420,091</u>	<u>420,091</u>
Weighted Average Interest Rate	-	-	-	-	-	-	-	-	-
<b>Net financial assets/liabilities</b>		<u>396,534</u>						<u>(415,932)</u>	<u>(19,398)</u>

##### 2015

Notes	Floating interest rate (\$)	Fixed interest maturing in:						Non interest bearing (\$)	Total (\$)
		< 1 year (\$)	1 - 2 years (\$)	2 - 3 years (\$)	3 - 4 years (\$)	4 - 5 years (\$)	> 5 years (\$)		
<b>Financial Assets</b>									
Cash and cash equivalents	-	541,768	-	-	-	-	-	-	541,768
Receivables	-	-	-	-	-	-	-	2,428	2,428
<b>Total</b>		<u>541,768</u>						<u>2,428</u>	<u>544,196</u>
Weighted Average Interest Rate		3.50%							
CPI		0.76%							
<b>Financial Liabilities</b>									
Payables	-	-	-	-	-	-	-	517,939	517,939
<b>Total</b>								<u>517,939</u>	<u>517,939</u>
Weighted Average Interest Rate	-	-	-	-	-	-	-	-	-
<b>Net financial assets/liabilities</b>		<u>541,768</u>						<u>(515,511)</u>	<u>26,257</u>

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 13(a) - Financial Instruments (Continued)

#### Net Fair Value

The aggregate net fair values of Snowy River Hostel's financial assets and financial liabilities are detailed as follows:

	2016		2015	
	Carrying Amount (\$)	Net Fair Value (\$)	Carrying Amount (\$)	Net Fair Value (\$)
<b>Financial Assets</b>				
Cash and cash equivalents	396,534	396,534	541,768	541,768
Receivables	4,159	4,159	2,428	2,428
<b>Total</b>	<u>400,693</u>	<u>400,693</u>	<u>544,196</u>	<u>544,196</u>
<b>Financial Liabilities</b>				
Payables	420,091	420,091	517,939	517,939
<b>Total</b>	<u>420,091</u>	<u>420,091</u>	<u>517,939</u>	<u>517,939</u>

#### Credit risk

The credit risk of financial assets, excluding investments, is the carrying amount net of any provision for doubtful debts.

The Hostel has an investment policy which seeks to minimise the risk of capital loss. Investments are placed in accordance with the Local Government Investment Order which restricts investments to securities carrying a credit rating of 'A' or better.

#### Policies

Accounting policies in respect to financial assets and financial liabilities are described in Note 1.



# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

### Note 13(b) - Financial Risk Management

The Hostel's financial instruments consist of cash and short-term deposits held with banks, accounts receivable and payable and accommodation bonds received from residents.

Treasury Risk Management - the Hostel, through Council, has a formalised investment strategy defining the policies for the management and oversight of the investment portfolio. Council staff manage the cash and investments portfolio - the results of which are reported to the Council's Committee each month.

Financial Risk Exposures and Management - the main risks the Hostel is exposed to through its financial instruments are liquidity risk and credit risk.

Interest rate risk - the Hostel is exposed to minimal interest risk exposure on the bank deposits held.

Foreign currency risk - the Hostel is not exposed to fluctuations in foreign currencies.

Liquidity risk - the Hostel manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk - credit risk is managed by the Hostel's management team. It arises from exposures to customers (residents and respite) as well as through deposits with financial institutions.

These exposures are not considered significant.

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2016**

**Note 14 - Related Party Transactions**

Snowy River Hostel is owned and operated by Snowy River Shire Council (ABN 21 862 479 274).

Management of Snowy River Hostel have no direct, indirect or beneficial holding in the entity.

**Note 15 - Contingencies**

Snowy River Hostel has no material contingent assets or liabilities to report.

**Note 16 - Investments Accounted for Using the Equity Method**

Snowy River Hostel has no interests in joint ventures.

# SNOWY RIVER HOSTEL

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 17 - Revaluation Reserves and Retained Earnings

	ACTUAL 2016 (\$)	ACTUAL 2015 (\$)
<b>a) Revaluation reserves</b>		
Infrastructure, property, plant and equipment revaluation reserve	528,620	528,620
Intangible assets revaluation reserve	350,000	350,000
<b>Total</b>	878,620	878,620
<b>Movements</b>		
<i>Property, plant and equipment revaluation reserve</i>		
At beginning of year	528,620	528,620
Revaluation - gross	-	-
Depreciation transfer - gross	-	-
<b>At end of year</b>	528,620	528,620
<i>Intangible assets revaluation reserve</i>		
At beginning of year	350,000	350,000
<b>At end of year</b>	350,000	350,000
<b>b) Retained earnings</b>		
Movements in retained earnings were as follows:		
At beginning of year	1,213,257	1,267,452
Net operating result for the year	(82,420)	(54,195)
<b>At end of year</b>	1,130,837	1,213,257

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2016**

**Note 18 - Segment Reporting**

The Snowy River Hostel delivers only residential aged care services and this GPFR therefore relates only to such operations.

**SNOWY RIVER HOSTEL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2016**

**Note 19 - Hostel Details**

**Registered office of Snowy River Hostel**  
2 Myack Street  
Berridale NSW 2628

**Contact Details**

**Mailing Address:**  
PO Box 143  
Berridale NSW 2628

**Telephone:** 02 6451 1200  
**Fax:** 02 6456 3337

**Email:** [council@snowymonaro.nsw.gov.au](mailto:council@snowymonaro.nsw.gov.au)  
**Internet:** [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

**Officers**

**General Manager:**  
Joseph G Vescio

**Responsible Accounting Officer:**  
Jo-Anne Mackay

**Auditors**

Crowe Horwath Auswild  
1300 856 065  
[www.crowehorwath.com.au](http://www.crowehorwath.com.au)

**Other Information**

**ABN:** 72 906 802 034

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## **INDEPENDENT AUDITORS' REPORT TO SNOWY RIVER HOSTEL ON THE GENERAL PURPOSE FINANCIAL STATEMENTS**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying Financial Statements of Snowy River Hostel, which comprises the Statement of Financial Position as at 30 June 2016 and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 45 and the Statement by Management of the Council. The Financial Statements and Council's Statement are in the approved form as required by Section 413(2)(c) of the Local Government Act, 1993.

### **COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Councillors and management of the Council are responsible for the preparation and fair presentation of the Financial Statements in accordance with Australian Accounting Standards, Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Financial Statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the Financial Statements.

We performed the procedures to assess whether in all material respects the Financial Statements presents fairly, in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting and Australian Accounting Standards, a view which is consistent with our understanding of the Council's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit opinion expressed in this report has been formed on the above basis.

#### AUDITOR'S OPINION

In our opinion:

- a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993 Chapter 13, Part 3, Division 2;
- b) the Council's Financial Statements:
  - have been properly prepared in accordance with the requirements of this Division;
  - are consistent with the Council's accounting records;
  - present fairly the Council's financial position and result of its operations; and
  - are in accordance with applicable Accounting Standards.
- c) all information relevant to the conduct of the audit has been obtained; and
- d) there are no material deficiencies in the accounting records or Financial Statements that have come to light during the course of the audit.

*Crowe Horwath Auswild*  
CROWE HORWATH AUSWILD

*Clare Wagner*

**Clare Wagner**  
**Audit Partner**

Dated at the Dubbo Office this 31st day of October 2016