

CATALINA REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	31

The Catalina Regional Council conducts the operations of a local government with the following community vision:

To create a sustainable urban community offering diverse housing choice, social connectivity and employment opportunities.

Principal place of business:
2/369 Scarborough Beach Road
Innaloo WA 6018

**CATALINA REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

Statement by CEO

The accompanying financial report of the Catalina Regional Council has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 23rd day of September 2025



CEO

Chris Adams

Name of CEO



**CATALINA REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
Revenue				
Interest revenue	2(a)	1,954,526	2,116,000	2,502,910
Other revenue		0	0	8,000
		<u>1,954,526</u>	<u>2,116,000</u>	<u>2,510,910</u>
Expenses				
Employee costs	2(b)	(745,874)	(731,651)	(716,873)
Materials and contracts		(165,307)	(213,325)	(217,984)
Utility charges		0	(5,000)	0
Depreciation		(37,320)	(37,053)	(37,053)
Finance costs	2(b)	(2,078)	(1,905)	(2,913)
Insurance		(21,461)	(23,608)	(20,437)
Other expenditure	2(b)	(190,679)	(175,006)	(194,586)
		<u>(1,162,719)</u>	<u>(1,187,548)</u>	<u>(1,189,846)</u>
		<u>791,807</u>	<u>928,452</u>	<u>1,321,064</u>
Fair value adjustments to investment property	10	486,987	0	1,235,000
		<u>486,987</u>	<u>0</u>	<u>1,235,000</u>
Net result for the period	20(b)	<u>1,278,794</u>	<u>928,452</u>	<u>2,556,064</u>
Total other comprehensive income for the period		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income for the period		<u>1,278,794</u>	<u>928,452</u>	<u>2,556,064</u>

This statement is to be read in conjunction with the accompanying notes.



CATALINA REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	14,925,208	22,602,158
Trade and other receivables	6	937,356	873,167
Other financial assets	4(a)	11,524,078	35,076,500
Inventories	7	4,270,000	0
Other assets	8	83,538	42,995
TOTAL CURRENT ASSETS		31,740,180	58,594,820
NON-CURRENT ASSETS			
Right-of-use assets	9(a)	56,606	91,864
Investment property	10	0	3,750,000
TOTAL NON-CURRENT ASSETS		56,606	3,841,864
TOTAL ASSETS		31,796,786	62,436,684
CURRENT LIABILITIES			
Trade and other payables	11	928,658	564,622
Lease liabilities	9(b)	39,371	37,365
Employee related provisions	12	56,387	26,129
TOTAL CURRENT LIABILITIES		1,024,416	628,116
NON-CURRENT LIABILITIES			
Lease liabilities	9(b)	22,207	59,843
Employee related provisions	12	15,947	29,019
TOTAL NON-CURRENT LIABILITIES		38,154	88,862
TOTAL LIABILITIES		1,062,570	716,978
NET ASSETS		30,734,216	61,719,706
EQUITY			
Retained surplus		5,225,745	3,946,951
Member contributions and equity	5	25,508,471	57,772,755
TOTAL EQUITY		30,734,216	61,719,706

This statement is to be read in conjunction with the accompanying notes.



**CATALINA REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Retained surplus \$	Member contributions and equity \$	Total equity \$
Balance as at 1 July 2023		1,390,887	45,449,035	46,839,922
Comprehensive income for the period				
Net result for the period		2,556,064	0	2,556,064
Total comprehensive income for the period		2,556,064	0	2,556,064
Movement in member contributions	5	0	12,323,720	12,323,720
Balance as at 30 June 2024		3,946,951	57,772,755	61,719,706
Comprehensive income for the period				
Net result for the period		1,278,794	0	1,278,794
Total comprehensive income for the period		1,278,794	0	1,278,794
Movement in member contributions	5	0	(32,264,284)	(32,264,284)
Balance as at 30 June 2025		5,225,745	25,508,471	30,734,216

This statement is to be read in conjunction with the accompanying notes.

CATALINA REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Interest revenue		1,617,674	2,502,910
Goods and services tax received		24,842	29,798
Other revenue		0	8,000
		1,642,516	2,540,708
Payments			
Employee costs		(730,124)	(714,680)
Materials and contracts		(218,965)	(233,712)
Finance costs		(2,405)	(2,783)
Insurance paid		(21,461)	(20,437)
Goods and services tax paid		(21,171)	(27,104)
Other expenditure		(190,679)	(194,586)
		(1,184,805)	(1,193,302)
Net cash provided by operating activities	13(b)	457,711	1,347,406
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds for financial assets at amortised cost		23,552,422	(3,062,363)
Net cash provided by (used in) investing activities		23,552,422	(3,062,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	22	(37,365)	(35,728)
Payments for land development		(57,021,569)	(38,186,908)
Payments for member contributions		(65,003,879)	(27,505,073)
Proceeds from member contributions		90,375,730	77,750,007
Net cash provided by (used in) financing activities		(31,687,083)	12,022,298
Net increase (decrease) in cash held		(7,676,950)	10,307,341
Cash at beginning of year		22,602,158	12,294,817
Cash and cash equivalents at the end of the year	13(a)	14,925,208	22,602,158

Non-cash investing and financing movements are disclosed at note 13(c)

This statement is to be read in conjunction with the accompanying notes.

CATALINA REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Interest revenue		1,954,526	2,116,000	2,502,910
Other revenue		0	0	8,000
Fair value adjustments to investment property	10	486,987	0	1,235,000
		2,441,513	2,116,000	3,745,910
Expenditure from operating activities				
Employee costs		(745,874)	(731,651)	(716,873)
Materials and contracts		(165,307)	(213,325)	(217,984)
Utility charges		0	(5,000)	0
Depreciation		(37,320)	(37,053)	(37,053)
Finance costs		(2,078)	(1,905)	(2,913)
Insurance		(21,461)	(23,608)	(20,437)
Other expenditure		(190,679)	(175,006)	(194,586)
		(1,162,719)	(1,187,548)	(1,189,846)
Non-cash amounts excluded from operating activities	21(a)	3,773,921	37,053	(1,188,593)
Amount attributable to operating activities		5,052,715	965,505	1,367,471
INVESTING ACTIVITIES				
Outflows from investing activities				
Right of use assets received - non cash	9(a)	(2,062)	0	(3,760)
Non-cash amounts excluded from investing activities	21(b)	2,062	0	3,760
Amount attributable to investing activities		0	0	0
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	22	1,735	0	3,890
Proceeds from member contributions	5	90,030,156	99,992,450	77,693,400
		90,031,891	99,992,450	77,697,290
Outflows from financing activities				
Payments for principal portion of lease liabilities	22	(37,365)	(37,365)	(35,728)
Payments for land development as member contributions	5	(57,021,569)	(75,245,288)	(38,186,908)
Payments of member contributions and equity received	5	(65,272,871)	(45,650,000)	(27,182,772)
		(122,331,805)	(120,932,653)	(65,405,408)
Non-cash amounts excluded from financing activities	21(c)	(1,735)	0	(3,890)
Amount attributable to financing activities		(32,301,649)	(20,940,203)	12,287,992
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	21(d)	58,004,069	47,927,569	44,348,606
Amount attributable to operating activities		5,052,715	965,505	1,367,471
Amount attributable to financing activities		(32,301,649)	(20,940,203)	12,287,992
Surplus or deficit after imposition of general rates	21(d)	30,755,135	27,952,871	58,004,069

This statement is to be read in conjunction with the accompanying notes.

**CATALINA REGIONAL COUNCIL
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	11
Note 4	Other financial assets	11
Note 5	Member contributions and equity	12
Note 6	Trade and other receivables	13
Note 7	Inventories	14
Note 8	Other assets	15
Note 9	Leases	16
Note 10	Investment property	17
Note 11	Trade and other payables	18
Note 12	Employee related provisions	19
Note 13	Notes to the statement of cash flows	20
Note 14	Contingent liabilities	21
Note 15	Capital commitments	21
Note 16	Related party transactions	22
Note 17	Financial risk management	24
Note 18	Events occurring after the end of the reporting period	26
Note 19	Other material accounting policies	27
Note 20	Function and activity	28
Note 21	Determination of surplus or deficit	29
Note 22	Borrowing and lease liabilities	30

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the Catalina Regional Council which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16 Leases* which would have required the Catalina Regional Council to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls ;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the Regional Council to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Investment property - Note 10
- Measurement of employee benefits - Note 12

Fair value hierarchy information can be found in Note 19

The local government reporting entity

All funds through which the Regional Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2020-1 Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*
- *AASB 2023-3 Amendments to Australian Accounting Standards*
 - *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards*
 - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- *AASB 2014-10 Amendments to Australian Accounting Standards*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards*
 - *Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards*
 - *Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards*
 - *Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements*
 - *(Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements*
 - *(Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards*
 - *Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards*
 - *Annual Improvements Volume 11*

These amendments are not expected to have any material impact on the financial report on initial application.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

2. REVENUE AND EXPENSES

	2025 Actual	2024 Actual
	\$	\$
(a) Revenue		
Interest revenue		
Interest on investment account funds	1,954,526	2,502,910
	<u>1,954,526</u>	<u>2,502,910</u>
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	37,042	34,700
	<u>37,042</u>	<u>34,700</u>
Employee Costs		
Employee benefit costs	730,951	695,962
Other employee costs	14,923	20,911
	<u>745,874</u>	<u>716,873</u>
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	2,078	2,913
	<u>2,078</u>	<u>2,913</u>
Other expenditure		
Sundry expenses	190,679	194,586
	<u>190,679</u>	<u>194,586</u>

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2025	2024
	\$	\$
	14,925,208	3,602,158
	0	19,000,000
13(a)	14,925,208	22,602,158
	5,210,815	3,655,903
13(a)	9,714,393	18,946,255
	14,925,208	22,602,158

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the Regional Council due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as
- Restricted other financial assets at amortised cost

Note	2025	2024
	\$	\$
	11,524,078	35,076,500
	11,524,078	35,076,500
	11,524,078	35,076,500
	11,524,078	35,076,500
13(a)	11,524,078	35,076,500
	11,524,078	35,076,500

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Regional Council classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 17.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. MEMBER CONTRIBUTIONS AND EQUITY

	2025 Actual Balance	2025 Budget Balance	2024 Actual Balance
	\$	\$	\$
(a) Town of Victoria Park			
Opening balance	4,814,161	3,993,964	3,787,184
Land development expenses	(4,751,797)	(6,270,441)	(3,182,242)
Proceeds of sale of land	7,502,513	8,332,704	6,474,450
Movement of contributed equity	393,927	(54,167)	234,769
Return of contribution	(5,833,333)	(3,750,000)	(2,500,000)
	2,125,471	2,252,061	4,814,161
(b) City of Perth			
Opening balance	4,814,161	3,993,964	3,787,184
Land development expenses	(4,751,797)	(6,270,441)	(3,182,242)
Proceeds of sale of land	7,502,513	8,332,704	6,474,450
Movement of contributed equity	393,927	(54,167)	234,769
Return of contribution	(5,833,333)	(3,750,000)	(2,500,000)
	2,125,471	2,252,061	4,814,161
(c) Town of Cambridge			
Opening balance	4,814,161	3,993,964	3,787,184
Land development expenses	(4,751,797)	(6,270,441)	(3,182,242)
Proceeds of sale of land	7,502,513	8,332,704	6,474,450
Movement of contributed equity	393,927	(54,167)	234,769
Return of contribution	(5,833,333)	(3,750,000)	(2,500,000)
	2,125,471	2,252,061	4,814,161
(d) City of Joondalup			
Opening balance	9,628,324	7,987,928	7,574,371
Land development expenses	(9,503,595)	(12,540,881)	(6,364,485)
Proceeds of sale of land	15,005,026	16,665,408	12,948,900
Movement of contributed equity	787,855	(108,333)	469,538
Return of contribution	(11,666,667)	(7,500,000)	(5,000,000)
	4,250,943	4,504,122	9,628,324
(e) City of Wanneroo			
Opening balance	9,628,324	7,987,928	7,574,371
Land development expenses	(9,503,595)	(12,540,881)	(6,364,485)
Proceeds of sale of land	15,005,026	16,665,408	12,948,900
Movement of contributed equity	787,855	(108,333)	469,538
Return of contribution	(11,666,667)	(7,500,000)	(5,000,000)
	4,250,943	4,504,122	9,628,324
(f) City of Vincent			
Opening balance	4,814,161	3,993,964	3,787,184
Land development expenses	(4,751,797)	(6,270,441)	(3,182,242)
Proceeds of sale of land	7,502,513	8,332,704	6,474,450
Movement of contributed equity	393,927	(54,167)	234,769
Return of contribution	(5,833,333)	(3,750,000)	(2,500,000)
	2,125,471	2,252,061	4,814,161
(g) City of Stirling			
Opening balance	19,259,463	15,975,856	15,151,557
Land development expenses	(19,007,191)	(25,081,763)	(12,728,970)
Proceeds of sale of land	30,010,052	33,330,817	25,897,800
Movement of contributed equity	1,575,711	(216,667)	939,076
Return of contribution	(23,333,334)	(15,000,000)	(10,000,000)
	8,504,701	9,008,244	19,259,463
Total members contribution	25,508,471	27,024,731	57,772,755
Land development expenses	(57,021,569)	(75,245,288)	(38,186,908)
Proceeds of sale of land	90,030,156	99,992,450	77,693,400
Movement of contributed equity	4,727,129	(650,000)	2,817,228
Return of contributions	(70,000,000)	(45,000,000)	(30,000,000)
Movement in member contributions	(32,264,284)	(20,902,838)	12,323,720
Opening balance	57,772,755	47,927,569	45,449,035
Movement in member contributions	(32,264,284)	(20,902,838)	12,323,720
	25,508,471	27,024,731	57,772,755

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. TRADE AND OTHER RECEIVABLES

Current

Member reimbursements receivable
 Other receivables
 GST receivable

2025	2024
\$	\$
600,504	869,496
336,852	0
0	3,671
937,356	873,167

MATERIAL ACCOUNTING POLICIES

Member reimbursements receivable

Member reimbursements receivable are amounts receivable from member local governments for the reimbursement of costs incurred on their behalf for the development and sale of their land.

Measurement

Member reimbursements receivable are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days.

Member reimbursements receivable are held with the objective to collect the member cashflows and therefore the Regional Council measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 17.

CATALINA REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2025

7. INVENTORIES

	2025	2024
	\$	\$
Land under development		
Cost of acquisition	4,236,987	0
Development costs	33,013	0
	4,270,000	0
The following movements in inventories occurred during the year:		
Balance at beginning of year	0	0
Additions to inventory	33,013	0
Transfers from Investment Property	4,236,987	0
Balance at end of year	4,270,000	0

Land previously held as investment property was transferred to inventory due to the change in its use.
 Refer to Note 10.

MATERIAL ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Prepayments	5,688	5,395
Settlement bonds	77,850	37,600
	83,538	42,995

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments and settlement bonds 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.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right-of-use assets - land and buildings	Total right-of-use assets
		\$	\$
Balance at 1 July 2023		125,157	125,157
Additions *		3,760	3,760
Depreciation		(37,053)	(37,053)
Balance at 30 June 2024		91,864	91,864
Gross balance amount at 30 June 2024		179,596	179,596
Accumulated depreciation at 30 June 2024		(87,732)	(87,732)
Balance at 30 June 2024		91,864	91,864
Additions *		2,062	2,062
Depreciation		(37,320)	(37,320)
Balance at 30 June 2025		56,606	56,606
Gross balance amount at 30 June 2025		181,658	181,658
Accumulated depreciation at 30 June 2025		(125,052)	(125,052)
Balance at 30 June 2025		56,606	56,606

* Right of use asset additions are non-cash additions. Refer to note 13(c).

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Regional Council is the lessee:

		2025 Actual	2024 Actual
		\$	\$
Depreciation on right-of-use assets		(37,320)	(37,053)
Finance charge on lease liabilities	22	(2,078)	(2,913)
Total amount recognised in the statement of comprehensive income		(39,398)	(39,966)
Total cash outflow from leases		(39,443)	(38,641)
(b) Lease liabilities			
Current		39,371	37,365
Non-current		22,207	59,843
	22	61,578	97,208

The building lease has a term of 3 years with an extension option of 2 years and a termination option of 6 months.
Refer to Note 22 for details of lease liabilities.

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Regional Council uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 22.

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Regional Council anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. INVESTMENT PROPERTY

Non-current assets - at reportable value

Carrying balance at 1 July

Transfers to Inventories

Net gain/(loss) from fair value adjustment

Closing balance at 30 June

2025 Actual	2025 Budget	2024 Actual
\$	\$	\$
3,750,000	0	2,515,000
(4,236,987)	0	0
486,987	0	1,235,000
0	0	3,750,000

Investment property is land held with the intention to develop and sell in future years.

During the year the purpose for which the investment property was held, changed with engineering designs completed and approvals substantially progressed with the intent being to commence construction.

This land was transferred to inventory due to the change in its use.

Refer to Note 7.

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Regional Council.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 Investment Property and, in any event, every five years.

Fair value of investment properties

A management valuation was performed to determine the fair value of investment property. The main Level 3 inputs used in the valuation are the recent selling prices of comparable lots in the same location.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued payroll liabilities
 Statutory liabilities
 Bonds and deposits held
 Accrued expenses

2025	2024
\$	\$
700,922	355,348
11,300	7,777
10,182	15,141
120,000	120,000
86,254	66,356
928,658	564,622

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Regional Council becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Regional Council prior to the end of the financial year that are unpaid and arise when the Regional Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

12. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	28,490	26,129
Long service leave	27,897	0
Total current employee related provisions	56,387	26,129
Non-current provisions		
Employee benefit provisions		
Long service leave	15,947	29,019
Total non-current employee related provisions	15,947	29,019
Total employee related provisions	72,334	55,148

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

2025	2024
\$	\$
56,387	26,129
15,947	29,019
72,334	55,148

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Regional Council's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Regional Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the Statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of financial position as follows:

	Note	2025 Actual	2024 Actual
Cash and cash equivalents	3	\$ 14,925,208	\$ 22,602,158
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	9,714,393	18,946,255
- Financial assets at amortised cost	4	11,524,078	35,076,500
- Investment property	10	0	3,750,000
- Inventory	7	4,270,000	0
		25,508,471	57,772,755
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Restricted member contributions and equity	5	25,508,471	57,772,755
Total restricted assets		25,508,471	57,772,755

(b) Reconciliation of net result to net cash provided by operating activities

Net result		1,278,794	2,556,064
Non-cash items:			
Transfer of investment property to inventories		4,236,987	0
Adjustments to fair value of investment property		(486,987)	(1,235,000)
Depreciation/amortisation		37,320	37,053
CPI adjustment to lease repayments		(327)	130
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(333,181)	2,694
(Increase)/decrease in other assets		(40,543)	(32,195)
(Increase)/decrease in inventories		(4,270,000)	0
Increase/(decrease) in trade and other payables		18,462	10,839
Increase/(decrease) in employee related provisions		17,186	7,821
Net cash provided by/(used in) operating activities		457,711	1,347,406

(c) Non-cash investing and financing activities

Acquisition of right of use assets by means of a lease	9(a)	2,062	3,760
--	------	-------	-------

(d) Undrawn borrowing facilities

Credit standby arrangements

Bank overdraft limit		Not Applicable	Not Applicable
Bank overdraft at balance date		Not Applicable	Not Applicable
Credit card limit		10,000	10,000
Credit card balance at balance date		(275)	(1,075)
Total amount of credit unused		9,725	8,925

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period (2024 : Nil).

15. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	60,147,000	72,003,000
	60,147,000	72,003,000

The Regional Council has entered into capital commitments as agent for it's members of \$60,147,000 at 30 June 2025 relating to land development.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

16. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.

Note	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$
Chairman's annual allowance	25,913	21,710	24,277
Chairman's meeting attendance fees	20,457	17,139	19,165
	<u>46,370</u>	<u>38,849</u>	<u>43,442</u>
Deputy Chairman's annual allowance	6,478	5,428	6,069
Deputy Chairman's meeting attendance fees	13,643	11,429	12,780
	<u>20,121</u>	<u>16,857</u>	<u>18,849</u>
All other council member's meeting attendance fees	136,427	114,300	127,802
	<u>136,427</u>	<u>114,300</u>	<u>127,802</u>
16(b)	<u>202,918</u>	<u>170,006</u>	<u>190,093</u>

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Regional Council during the year are as follows:

Short-term employee benefits	478,148	459,509
Post-employment benefits	54,653	50,335
Council member costs	202,918	190,093
	<u>735,719</u>	<u>699,937</u>

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Regional Council's superannuation contributions made during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

16. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Regional Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual	2024 Actual
	\$	\$
Lease payments	39,771	38,360
Land development expenses	(57,021,569)	(38,186,908)
Proceeds from sale of land	90,030,156	77,693,400
Return of contribution	(70,000,000)	(30,000,000)
Amounts outstanding from related parties:		
Trade and other receivables	600,504	869,496
Amounts payable to related parties:		
Trade and other payables	700,647	354,407

(d) Related parties

The Regional Council's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Regional Council, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

The Regional Council acts as agent for member local governments undertaking development of the property.
One member local government has entered into a lease arrangement for the lease of office space to the Regional Council.

iii. Entities subject to significant influence by the Regional Council

There were no such entities requiring disclosure during the current or previous year.

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

17. FINANCIAL RISK MANAGEMENT

This note explains the Regional Council's exposure to financial risks and how these risks could affect the Regional Council's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables and financial assets	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines

The Regional Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by Catalina Regional Council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Catalina Regional Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Regional Council's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Regional Council to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Regional Council to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
2025					
Cash and cash equivalents	5.31%	14,925,208	0	13,028,469	1,896,739
Financial assets at amortised cost - term deposits	4.51%	11,524,078	11,524,078	0	0
2024					
Cash and cash equivalents	4.67%	22,602,158	19,000,000	3,188,076	414,082
Financial assets at amortised cost - term deposits	5.30%	35,076,500	35,076,500	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2025	2024
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	130,285	31,881

* Holding all other variables constant

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Other receivables

The level of outstanding receivables is reported to the Regional Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Regional Council applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2025					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	860,060	77,296	0	0	937,356
Loss allowance	0	0	0	0	0
30 June 2024					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	661,632	158,541	49,323	0	869,496
Loss allowance	0	0	0	0	0

**CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

17. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Regional Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(d).

The contractual undiscounted cash flows of the Regional Council's Payables are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
2025	\$	\$	\$	\$	\$
Trade and other payables	918,476	0	0	918,476	918,476
Lease liabilities	40,408	22,376	0	62,784	61,578
	958,884	22,376	0	981,260	980,054
2024					
Trade and other payables	549,481	0	0	549,481	549,481
Lease liabilities	39,270	61,016	0	100,286	97,208
	588,751	61,016	0	649,767	646,689

18. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period. (2024 : Nil).

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

19. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Regional Council's operational cycle. In the case of liabilities where the Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Regional Council's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Regional Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Regional Council contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Regional Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Regional Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Regional Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Regional Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Regional Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

20. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Regional Council operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective

Governance

To provide a decision making process for the efficient allocation of scarce resources.

Description

Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members on matters which do not concern other specific functions/activities of the Regional Council are also recorded here.

General purpose funding

To collect interest on investments.

Interest revenue.

Other property and services

To monitor and control overheads on operating accounts.

Other unclassified activities including operational costs, materials, property lease, salaries and wages for Council employees.

(b) Income and expenses

Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions

General purpose funding

Other property and services

Total income

Expenses

Governance

Other property and services

Total expenses

Net result for the period

2025	2024
Actual	Actual
\$	\$
1,954,526	2,502,910
486,987	1,243,000
2,441,513	3,745,910
(190,679)	(194,571)
(972,040)	(995,275)
(1,162,719)	(1,189,846)
1,278,794	2,556,064
27,470,180	58,594,820
4,326,606	3,841,864
31,796,786	62,436,684

(c) Assets

General purpose funding

Other property and services

Total assets

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
Note		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Add: CPI increase on right of use lease agreement	(327)	130
9(a)	Add: Depreciation	37,320	37,053
Non-cash movements in non-current assets and liabilities:			
10	Investment property	3,750,000	(1,235,000)
	Employee benefit provisions	(13,072)	9,224
	Non-cash amounts excluded from operating activities	3,773,921	(1,188,593)
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
9(a)	Right of use assets received - non cash	2,062	3,760
	Non-cash amounts excluded from investing activities	2,062	3,760
(c) Non-cash amounts excluded from financing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to financing activities			
22	Non cash proceeds from new leases	(1,735)	(3,890)
	Non-cash amounts excluded from financing activities	(1,735)	(3,890)
(d) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
9(b)	Add: Current liabilities not expected to be cleared at end of year - Current portion of lease liabilities	39,371	37,365
	Total adjustments to net current assets	39,371	37,365
Net current assets used in the Statement of financial activity			
	Total current assets	31,740,180	58,594,820
	Less: Total current liabilities	(1,024,416)	(628,116)
	Less: Total adjustments to net current assets	39,371	37,365
	Surplus or deficit after imposition of general rates	30,755,135	58,004,069

CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. BORROWING AND LEASE LIABILITIES

Lease liabilities												
		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unit 2, 369 Scarborough Beach Road, Innaloo		129,046	3,890	(35,728)	97,208	1,735	(37,365)	61,578	97,208	0	(37,365)	59,843
Total lease liabilities	9(b)	129,046	3,890	(35,728)	97,208	1,735	(37,365)	61,578	97,208	0	(37,365)	59,843
Lease finance cost payments												
Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term				
					\$	\$	\$					
Unit 2, 369 Scarborough Beach Road, Innaloo	STIRLI/210937	City of Stirling	2.50%	NA	(2,078)	(1,905)	(2,913)	36				
Total finance cost payments					(2,078)	(1,905)	(2,913)					