CATALINA REGIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

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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 2026

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 financial year ended 30 June 2026 and the financial position as at 30 June 2026.

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

Signed on the 22nd day of September 2026



CEO

Chris Adams
Name of CEO

CATALINA REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
Revenue				
Interest revenue	2(a)	2,184,317	1,250,000	1,954,526
		2,184,317	1,250,000	1,954,526
Expenses				
Employee costs	2(b)	(744,688)	(760,692)	(745,874)
Materials and contracts		(170,293)	(191,582)	(165,307)
Utility charges		0	(5,000)	0
Depreciation		(40,832)	(37,320)	(37,320)
Finance costs	2(b)	(1,210)	(2,100)	(2,078)
Insurance		(33,832)	(28,275)	(21,461)
Other expenditure	2(b)	(181,780)	(213,185)	(190,679)
		(1,172,635)	(1,238,154)	(1,162,719)
		1,011,682	11,846	791,807
Fair value adjustments to investment property	10	0	0	486,987
		0	0	486,987
Net result for the period	20(b)	**1,011,682**	**11,846**	**1,278,794**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**1,011,682**	**11,846**	**1,278,794**

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

OAG AUDITED

CATALINA REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026	2025
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	8,744,053	14,925,208
Trade and other receivables	6	808,010	937,356
Other financial assets	4(a)	36,628,416	11,524,078
Inventories	7	0	4,270,000
Other assets	8	98,744	83,538
Non-current assets classified as held for distribution	8	4,756,429	0
TOTAL CURRENT ASSETS		51,035,652	31,740,180
NON-CURRENT ASSETS			
Right-of-use assets	9(a)	17,361	56,606
TOTAL NON-CURRENT ASSETS		17,361	56,606
TOTAL ASSETS		51,053,013	31,796,786
CURRENT LIABILITIES			
Trade and other payables	11	517,831	928,658
Lease liabilities	9(b)	23,184	39,371
Employee related provisions	12	73,296	56,387
TOTAL CURRENT LIABILITIES		614,311	1,024,416
NON-CURRENT LIABILITIES			
Lease liabilities	9(b)	0	22,207
Employee related provisions	12	4,753	15,947
TOTAL NON-CURRENT LIABILITIES		4,753	38,154
TOTAL LIABILITIES		619,064	1,062,570
NET ASSETS		50,433,949	30,734,216
EQUITY			
Retained surplus		6,237,427	5,225,745
Member contributions and equity	5	44,196,522	25,508,471
TOTAL EQUITY		50,433,949	30,734,216

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

OAG AUDITED

CATALINA REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Retained surplus	Member contributions and equity	Total equity
		$	$	$
Balance as at 1 July 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**
Comprehensive income for the period				
Net result for the period		1,011,682	0	1,011,682
Total comprehensive income for the period		1,011,682	0	1,011,682
Movement in member contributions	5	0	18,688,051	18,688,051
Balance as at 30 June 2026		**6,237,427**	**44,196,522**	**50,433,949**

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

OAG
AUDITED

CATALINA REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Actual	2025 Actual
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Interest revenue		2,148,113	1,617,674
Goods and services tax received		22,551	24,842
		2,170,664	1,642,516
Payments			
Employee costs		(739,788)	(730,124)
Materials and contracts		(702,142)	(218,965)
Finance costs		(1,820)	(2,405)
Insurance paid		(33,832)	(21,461)
Goods and services tax paid		(17,623)	(21,171)
Other expenditure		(181,780)	(190,679)
		(1,676,985)	(1,184,805)
Net cash provided by operating activities	13(b)	493,679	457,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		(88,152,494)	(15,048,736)
Proceeds for financial assets at amortised cost		63,048,156	38,601,158
Net cash provided by (used in) investing activities		(25,104,338)	23,552,422
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	22	(39,371)	(37,365)
Payments for land development		(35,080,672)	(50,772,252)
Payments for GST withheld at settlement		(9,579,927)	(6,249,317)
Payments for member contributions		(67,994,765)	(65,003,879)
Proceeds from member contributions		131,124,239	90,375,730
Net cash provided by (used in) financing activities		18,429,504	(31,687,083)
Net (decrease) in cash held		(6,181,155)	(7,676,950)
Cash at beginning of year		14,925,208	22,602,158
Cash and cash equivalents at the end of the year	13(a)	8,744,053	14,925,208

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 2026

	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
Interest revenue		2,184,317	1,250,000	1,954,526
Fair value adjustments to investment property	10	0	0	486,987
		2,184,317	1,250,000	2,441,513
Expenditure from operating activities				
Employee costs		(744,688)	(760,692)	(745,874)
Materials and contracts		(170,293)	(191,582)	(165,307)
Utility charges		0	(5,000)	0
Depreciation		(40,832)	(37,320)	(37,320)
Finance costs		(1,210)	(2,100)	(2,078)
Insurance		(33,832)	(28,275)	(21,461)
Other expenditure		(181,780)	(213,185)	(190,679)
		(1,172,635)	(1,238,154)	(1,162,719)
Non-cash amounts excluded from operating activities	21(a)	29,028	37,320	3,773,921
Amount attributable to operating activities		1,040,710	49,166	5,052,715
INVESTING ACTIVITIES				
Outflows from investing activities				
Right of use assets received - non cash	9(a)	(1,587)	0	(2,062)
Non-cash amounts excluded from investing activities	21(b)	1,587	0	2,062
Amount attributable to investing activities		0	0	0
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	22	977	0	1,735
Proceeds from member contributions	5	131,124,239	113,337,618	90,030,156
		131,125,216	113,337,618	90,031,891
Outflows from financing activities				
Payments for principal portion of lease liabilities	22	(39,371)	(39,371)	(37,365)
Payments for land development as member contributions	5	(35,080,672)	(36,127,496)	(50,772,252)
Payments for GST withheld at settlement	5	(9,195,201)	(8,101,284)	(6,249,317)
Payments of member contributions and equity received	5	(68,160,315)	(70,198,648)	(65,272,871)
		(112,475,559)	(114,466,799)	(122,331,805)
Non-cash amounts excluded from financing activities	21(c)	(977)	0	(1,735)
Amount attributable to financing activities		18,648,680	(1,129,181)	(32,301,649)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	21(d)	30,755,135	30,247,693	58,004,069
Amount attributable to operating activities		1,040,710	49,166	5,052,715
Amount attributable to financing activities		18,648,680	(1,129,181)	(32,301,649)
Surplus or deficit after imposition of general rates	21(d)	**50,444,525**	**29,167,678**	**30,755,135**

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

CATALINA REGIONAL COUNCIL
FOR THE YEAR ENDED 30 JUNE 2026
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CATALINA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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* 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.

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.

Comparative figures have been reclassified to be comparable with the figures presented in the current financial year. Comparative restricted financial asset disclosures have been restated to reflect that the member contributions and equity balance does not of itself impose an externally imposed restriction over financial assets. The restatement affects the restricted and unrestricted analysis in Notes 3, 4 and 13(a) only. It has no effect on the reported net result, total assets, total equity, or any financial statement.

The Regional Council is established for the regional purpose set out in its Establishment Agreement, being the rezoning, subdivision, development, marketing and sale of the Land. Under section 3.66(2) of the *Local Government Act 1995* it may apply its funds only for that purpose. Member contributions represent the participating local governments' residual interest in the Regional Council, realisable on a winding up in accordance with clause 13.2 of the Establishment Agreement.

Initial application of accounting standards
During the current year, no new or revised Australian Accounting Standards and Interpretations were applied for the first time which are expected to have a material impact.

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 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.
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*

This standard is expected to have a material impact on the disclosures required to be made in the annual financial report for the year ended 30 June 2029 onwards.

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 affect 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:

- Non-current assets held for distribution - Note 8
- Investment property - Note 10
- Measurement of employee benefits - Note 12

Fair value hierarchy information can be found in Note 19

2. REVENUE AND EXPENSES

	2026 Actual $	2025 Actual $
(a) Revenue		
Interest revenue		
Interest on investment account funds	2,184,317	1,954,526
	2,184,317	1,954,526
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	38,300	37,042
	38,300	37,042
Employee Costs		
Employee benefit costs	731,818	730,951
Other employee costs	12,870	14,923
	744,688	745,874
Finance costs		
Interest and financial charges paid/payable for lease liabilities not at fair value through profit or loss	1,210	2,078
	1,210	2,078
Other expenditure		
Sundry expenses	181,780	190,679
	181,780	190,679

3. CASH AND CASH EQUIVALENTS

	Note	2026	2025
		$	$
Cash at bank		8,744,053	14,925,208
Total cash and cash equivalents	13(a)	8,744,053	14,925,208

There were no cash and cash equivalents subject to restrictions imposed by regulations or other externally imposed requirements at the reporting date refer to Note 1.

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents
Cash and cash equivalents include 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.

Restricted financial assets
Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation.

4. OTHER FINANCIAL ASSETS

	Note	2026	2025
		$	$
(a) Current assets			
Financial assets at amortised cost		36,628,416	11,524,078
		36,628,416	11,524,078
Other financial assets at amortised cost			
Term deposits		36,628,416	11,524,078
		36,628,416	11,524,078

There were no financial assets subject to restrictions imposed by regulations or other externally imposed requirements at the reporting date refer to Note 1.

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.

5. MEMBER CONTRIBUTIONS AND EQUITY

	Town of Victoria Park	City of Perth	Town of Cambridge	City of Joondalup	City of Wanneroo	City of Vincent	City of Stirling	Total members contribution
Balance at 1 July 2024	4,814,161	4,814,161	4,814,161	9,628,324	9,628,324	4,814,161	19,259,463	57,772,755
Land development expenses	(4,231,021)	(4,231,021)	(4,231,021)	(8,462,042)	(8,462,042)	(4,231,021)	(16,924,084)	(50,772,252)
Proceeds of sale of members land	7,502,513	7,502,513	7,502,513	15,005,026	15,005,026	7,502,513	30,010,052	90,030,156
GST withheld at settlement	(520,776)	(520,776)	(520,776)	(1,041,553)	(1,041,553)	(520,776)	(2,083,107)	(6,249,317)
Movement of contributed equity	393,927	393,927	393,927	787,855	787,855	393,927	1,575,711	4,727,129
Return of contribution	(5,833,333)	(5,833,333)	(5,833,333)	(11,666,667)	(11,666,667)	(5,833,333)	(23,333,334)	(70,000,000)
Balance at 30 June 2025	2,125,471	2,125,471	2,125,471	4,250,943	4,250,943	2,125,471	8,504,701	25,508,471
Land development expenses	(2,923,389)	(2,923,389)	(2,923,389)	(5,846,779)	(5,846,779)	(2,923,389)	(11,693,558)	(35,080,672)
Proceeds of sale of members land	10,927,020	10,927,020	10,927,020	21,854,040	21,854,040	10,927,020	43,708,079	131,124,239
GST withheld at settlement	(766,267)	(766,267)	(766,267)	(1,532,533)	(1,532,533)	(766,267)	(3,065,067)	(9,195,201)
Movement of contributed equity	153,307	153,307	153,307	306,614	306,614	153,307	613,229	1,839,685
Return of contribution	(5,833,333)	(5,833,333)	(5,833,333)	(11,666,667)	(11,666,667)	(5,833,333)	(23,333,334)	(70,000,000)
Balance at 30 June 2026	3,682,809	3,682,809	3,682,809	7,365,618	7,365,618	3,682,809	14,734,050	44,196,522

MATERIAL ACCOUNTING POLICIES

Equity

Member Contributions

Member contributions represent the cumulative equity contributions made by the member local governments of the Regional Council.

Cash and non-cash contributions received from member local governments provided to establish, expand or enhance the Regional Council's capacity to deliver services, and which do not give rise to an obligation for repayment, are recognised directly in equity as member contributions. Member contributions are measured at the fair value of the consideration received at the date control of the asset is obtained by the Regional Council.

The Regional Council undertakes the development, marketing and sale of land within the Catalina Estate. Where that land is owned by the member local governments, title passes directly from those local governments to the purchaser in accordance with clause 7.1 of the Establishment Agreement, and the land is not recognised as an asset of the Regional Council. The net proceeds of those sales received by the Regional Council, and the development expenditure it incurs on that land, are recognised as movements in Member Contributions rather than as revenue and expenses in the Statement of Comprehensive Income.

Land owned by the Regional Council in its own right is recognised as an asset of the Regional Council and is disclosed in Notes 8 and 10.

Where GST is withheld at settlement on the sale of land owned by a member local government and remitted directly to the Australian Taxation Office by the purchaser, the amount withheld is not received by the Regional Council and is claimed by the member local government in their own activity statement. The amount withheld is recognised as a reduction in that member local government's Member Contributions within the Statement of Cashflows.

Distributions, withdrawals or returns of equity approved in accordance with the Regional Council's Establishment Agreement and relevant legislative requirements are recognised as reductions in Member Contributions in the period in which they are approved. Member Contributions are not recognised as revenue in the Statement of Comprehensive Income.

6. TRADE AND OTHER RECEIVABLES

	2026	2025
	$	$
Current		
Member reimbursements receivable	434,954	600,504
Accrued interest on term deposits	373,056	336,852
	808,010	937,356

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.

Accrued interest on term deposits
Accrued interest on term deposits represents interest earned but not received at the reporting date.

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.
Accrued interest on term deposits is recognised as interest earned and is a receivable in accordance with the terms of the relevant term deposits.

Classification and subsequent measurement
Member reimbursements receivables 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. Accrued interest is measured at amortised cost and is classified as current where it is expected to be received within 12 months after the reporting date.

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

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

7. INVENTORIES

	Note	2026	2025
		$	$
Land held for resale			
Cost of acquisition		0	4,236,987
Development costs		0	33,013
		0	4,270,000
The following movements in inventories occurred during the year:			
Balance at beginning of year		4,270,000	0
Additions to inventory		486,429	33,013
Transfers from investment property		0	4,236,987
Transfers to non-current assets held for distribution	8	(4,756,429)	0
Balance at end of year		0	4,270,000

Land previously held as inventories was transferred to non-current assets held for distribution to owners on 16 April 2026, following Council's resolution to transfer Lot 807 to the member councils for nil consideration. Refer to Note 8.

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.

8. OTHER ASSETS

	Note	2026	2025
		$	$
Other assets - current			
Prepayments		144	5,688
Settlement bonds		98,600	77,850
		98,744	83,538
Non-current assets held for distribution			
Land		4,756,429	0
		4,756,429	0
The following movements in land held for distribution occurred during the year:			
Balance at beginning of year		0	0
Additions to land held for distribution		0	0
Transfers from inventories	7	4,756,429	0
Balance at end of year		4,756,429	0

Land classified as non-current assets held for distribution
Lot 807 is a parcel of land within the Catalina development area owned by the Catalina Regional Council. Unlike the majority of land within the development area, which is owned by the participating member councils, Lot 807 is currently held by the Regional Council. During 2025-26, the Regional Council resolved to transfer ownership of Lot 807 to the participating member councils to align ownership of the land with the broader Catalina development area. The land is expected to be distributed to the member councils in accordance with their ownership interests in the Catalina project. A deed of transfer was executed and lodged with Landgate in July 2026 and the transfer is expected to be completed during the first quarter of the 2026-27 financial year.

MATERIAL ACCOUNTING POLICIES

Other current assets
Other non-financial assets include 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.

Non-current assets held for distribution
A non-current asset is classified as held for distribution to owners when the Regional Council is committed to distributing the asset to its owners acting in their capacity as owners. For this to be the case, the asset must be available for immediate distribution in their present condition and the distribution must be highly probable.

The distribution is regarded as highly probable when actions necessary to complete the distribution have commenced, completion is expected within one year from the date of classification, and those actions indicate that significant changes to the distribution or its withdrawal are unlikely. Where approval is required, the probability of obtaining that approval is considered when assessing whether the distribution is highly probable.

Non-current assets classified as held for distribution to owners are measured at lower of its carrying amount and fair value less costs to distribute.

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 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
Additions *		1,587	1,587
Depreciation		(40,832)	(40,832)
Balance at 30 June 2026		17,361	17,361
Gross balance amount at 30 June 2026		183,244	183,244
Accumulated depreciation at 30 June 2026		(165,883)	(165,883)
Balance at 30 June 2026		17,361	17,361

* 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:		2026 Actual	2025 Actual
		$	$
Depreciation on right-of-use assets		(40,832)	(37,320)
Finance charge on lease liabilities	22	(1,210)	(2,078)
Total amount recognised in the statement of comprehensive income		(42,042)	(39,398)
Total cash outflow from leases		(40,581)	(39,443)

(b) Lease liabilities

Current		23,184	39,371
Non-current		0	22,207
	22	23,184	61,578

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 asset 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.

10. INVESTMENT PROPERTY

	2026 Actual	2026 Budget	2025 Actual
	$	$	$
Non-current assets - at reportable value			
Carrying balance at 1 July	0	0	3,750,000
Transfers to inventories	0	0	(4,236,987)
Net gain/(loss) from fair value adjustment	0	0	486,987
Closing balance at 30 June	0	0	0

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment property comprises land held for capital appreciation and/or future development prior to transfer to inventory when the land is held for sale in the ordinary course of business.

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 properties. Market approach using recent observable market data of comparable lots in the same location.

11. TRADE AND OTHER PAYABLES

	2026	2025
	$	$
Current		
Sundry creditors	315,921	700,647
Accrued payroll liabilities	10,446	11,300
Statutory liabilities	10,221	10,182
Bonds and deposits held	120,000	120,000
Accrued expenses	60,884	86,254
Credit card	359	275
	517,831	928,658

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.

12. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2026	2025
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	34,199	24,991
Long service leave	29,655	24,031
	63,854	49,022
Employee related other provisions		
Employment on-costs	9,442	7,365
	9,442	7,365
Total current employee related provisions	73,296	56,387
Non-current provisions		
Employee benefit provisions		
Long service leave	2,149	14,718
	2,149	14,718
Employee related other provisions		
Employment on-costs	2,604	1,229
	2,604	1,229
Total non-current employee related provisions	4,753	15,947
Total employee related provisions	78,049	72,334

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:

	2026	2025
Amounts are expected to be settled on the following basis:	**$**	**$**
Less than 12 months after the reporting date	73,296	56,387
More than 12 months from reporting date	4,753	15,947
	78,049	72,334

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.

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	2026 Actual	2025 Actual
		$	$
Cash and cash equivalents	3	8,744,053	14,925,208

There were no financial assets subject to restrictions imposed by regulations or other externally imposed requirements at the reporting date (2025: $nil) refer to Note 1.

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

Net result		1,011,682	1,278,794
Non-cash items:			
Transfer of investment property to inventories		0	4,236,987
Adjustments to fair value of investment property		0	(486,987)
Depreciation/amortisation		40,832	37,320
CPI adjustment to lease repayments		(610)	(327)
Changes in assets and liabilities:			
(Increase) in trade and other receivables		(36,204)	(333,181)
(Increase) in other assets		(4,771,635)	(40,543)
(Increase)/decrease in inventories		4,270,000	(4,270,000)
Increase/(decrease) in trade and other payables		(26,101)	18,462
Increase in employee related provisions		5,715	17,186
Net cash provided by/(used in) operating activities		493,679	457,711

(c) Non-cash investing and financing activities

Acquisition of right of use assets by means of a lease	9(a)	1,587	2,062

(d) Undrawn borrowing facilities

Credit standby arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(359)	(275)
Total amount of credit unused	9,641	9,725

14. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period (2025 : Nil).

15. CAPITAL COMMITMENTS

	2026	2025
	$	$
Contracted for:		
- capital expenditure projects	7,176,065	13,180,067
	7,176,065	13,180,067

The Regional Council has entered into capital commitments on behalf of its members of $7,176,065 at 30 June 2026 relating to land development.

16. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
Chairman's annual allowance		22,343	22,470	25,913
Chairman's meeting attendance fees		17,640	17,740	20,457
Chairman's Superannuation contribution payments		2,413	3,217	0
		42,396	43,427	46,370
Deputy Chairman's annual allowance		5,586	5,617	6,478
Deputy Chairman's meeting attendance fees		11,763	11,830	13,643
Deputy Chairman's Superannuation contribution payments		0	1,396	0
		17,349	18,843	20,121
All other council member's meeting attendance fees		117,633	118,300	136,427
All other council member's Superannuation contribution payments		4,259	9,465	0
All other council member's travel and accommodation expenses		78	0	0
		121,970	127,765	136,427
	16(b)	181,715	190,035	202,918

(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		487,590		478,148
Post-employment benefits		57,900		54,653
Employee - other long-term benefits		118,489		88,854
Council member costs	16(a)	181,715		202,918
		845,694		824,573

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.

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

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

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:

	Note	2026 Actual $	2025 Actual $
Lease payments		41,190	39,771
Land development expenses	5	(35,080,672)	(50,772,252)
Proceeds from sale of land	5	131,124,239	90,030,156
Return of contribution	5	(70,000,000)	(70,000,000)
Amounts outstanding from related parties:			
Member reimbursements receivable	6	434,954	600,504
Amounts payable to related parties:			
Member GST payable	11	315,921	700,647

(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. GST on the sale of land owned by member local governments is withheld at settlement and remitted directly to the Australian Taxation Office by the purchaser. The amount withheld is claimed by the relevant member local government in its own activity statement and does not form part of the Regional Council's receipts or its goods and services tax liability. No amount is owing to or from member local governments in respect of that GST at the reporting date.

iii. Entities subject to significant influence by the Regional Council

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

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
Market risk - interest rates	Cash and cash equivalents at variable rates	Sensitivity analysis	Utilise fixed interest rate term deposits
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	Member contributions	Annual budget allocations	Availability of member contributions

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 has approved the overall risk management policy and provides 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
	%	$	$	$	$
2026					
Cash and cash equivalents	3.93%	8,744,053	0	8,677,689	66,364
Financial assets at amortised cost - term deposits	5.17%	36,628,416	36,628,416	0	0
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

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

	2026	2025
	$	$
Impact of a 1% movement in interest rates on profit or loss and equity*	86,777	130,285

* Holding all other variables constant

17. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Member reimbursements receivable and accrued interest on term deposits
The Regional Council's member reimbursements receivable and accrued interest on term deposits comprise contractual non-statutory contributions and reimbursements.
The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid.
The Regional Council manages this risk by monitoring outstanding debt and employing debt recovery practices.

The level of outstanding receivables is reported to the Member local governments monthly and benchmarks are set and monitored for acceptable collection performance. To measure the expected credit losses, members reimbursements receivable, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The Regional Council applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all member reimbursements receivable and accrued interest on term deposits.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2025 or 1 July 2026 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 2026 and 30 June 2025 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 2026					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	693,827	25,163	19,723	69,297	808,010
Loss allowance	0	0	0	0	0
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

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.

2026	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying amount $
Trade and other payables	507,610	0	0	507,610	507,610
Lease liabilities	23,361	0	0	23,361	23,184
	530,971	0	0	530,971	530,794
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

18. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

A deed of transfer for Lot 807 was executed and lodged with Landgate in July 2026 and the transfer is expected to be completed during the first quarter of the 2026-27 financial year. Refer to Note 8 for further details. There were no other events occurring after the end of the reporting period (2025 : Nil).

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 and council members. 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.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the Regional Council at the end of the reporting period.

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. The Regional Council only considers whether the highest and best use differs from its current use where it is highly probable a non-financial asset will be used for an alternative purpose or the asset is held for the purpose of generating net cash inflows.

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.

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

	2026 Actual	2025 Actual
	$	$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	2,184,317	1,954,526
Other property and services	0	486,987
Total income	2,184,317	2,441,513
Expenses		
Governance	(181,780)	(190,679)
Other property and services	(990,855)	(972,040)
Total expenses	(1,172,635)	(1,162,719)
Net result for the period	1,011,682	1,278,794

(c) Assets

General purpose funding	51,035,652	27,470,180
Other property and services	17,361	4,326,606
Total assets	51,053,013	31,796,786

21. DETERMINATION OF SURPLUS OR DEFICIT

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 *Financial Management Regulation 32*.	Note	2025/26 (30 June 2026 carried forward)	2025/26 Budget (30 June 2026 carried forward)	2024/25 (30 June 2025 carried forward)
		$	$	$
(a) Non-cash amounts excluded from operating activities				
Adjustments to operating activities				
Add: CPI increase on right of use lease agreement		(610)	0	(327)
Add: Depreciation	9(a)	40,832	37,320	37,320
Non-cash movements in non-current assets and liabilities:				
Investment property	10	0	0	3,750,000
Employee benefit provisions		(11,194)	0	(13,072)
Non-cash amounts excluded from operating activities		29,028	37,320	3,773,921
(b) Non-cash amounts excluded from investing activities				
Adjustments to investing activities				
Right of use assets received - non cash	9(a)	1,587	0	2,062
Non-cash amounts excluded from investing activities		1,587	0	2,062
(c) Non-cash amounts excluded from financing activities				
Adjustments to financing activities				
Non cash proceeds from new leases	22	(977)	0	(1,735)
Non-cash amounts excluded from financing activities		(977)	0	(1,735)
(d) Surplus or deficit after imposition of general rates				
Adjustments to net current assets				
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of lease liabilities	9(b)	23,184	0	39,371
Total adjustments to net current assets		23,184	0	39,371
Net current assets used in the Statement of financial activity				
Total current assets		51,035,652	29,700,170	31,740,180
Less: Total current liabilities		(614,311)	(532,492)	(1,024,416)
Add: Total adjustments to net current assets		23,184	0	39,371
Surplus or deficit after imposition of general rates		50,444,525	29,167,678	30,755,135

22. BORROWING AND LEASE LIABILITIES

Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
		$	$	$	$	$	$	$	$	$	$	$
Unit 2, 369 Scarborough Beach Road, Innaloo		97,208	1,735	(37,365)	61,578	977	(39,371)	23,184	61,578	0	(39,371)	22,207
Total lease liabilities	9(b)	97,208	1,735	(37,365)	61,578	977	(39,371)	23,184	61,578	0	(39,371)	22,207

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025	Lease term
					$	$	$	
Unit 2, 369 Scarborough Beach Road, Innaloo	STIRLI/210937	City of Stirling	2.50%	20/01/2027	(1,210)	(2,100)	(2,078)	36
Total finance cost payments					(1,210)	(2,100)	(2,078)	