

## ITEM 13 JANUARY 2025 FINANCIALS

The financial result for January 2025 compared to budget is favourable for the Operating Result [pre-capital] \$0.3M. Funds Available from Operations was unfavourable compared to budget \$4.7M and the Total Funds Result unfavourable \$3.6M compared to budget.

The Statement of Financial Position at the end of the period indicates sufficient cash to support external restrictions.

Council has expended \$51.6M on its capital works program representing 50.2% of the annual budget. The budget for the same period was \$54.6M. The third Quarter Capital Budget adjustments will be approved through the March Quarterly Review process.

### RECOMMENDATION

The financials be received and noted.

### REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer

Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

### ATTACHMENTS

- 1 Financial Statements – January 2025

### BACKGROUND

This report presents the Financial Performance of the organisation as at 31 January 2025. The below table provides a summary of the organisation's overall financial results for the year to date.

<b>Wollongong City Council</b>	<b>Original</b>	<b>Revised</b>	<b>YTD</b>	<b>YTD</b>	
<b>31 January 2025</b>	<b>Budget</b>	<b>Budget</b>	<b>Forecast</b>	<b>Actual</b>	<b>Variation</b>
<b>Forecast Position</b>	\$M	\$M	\$M	\$M	\$M
	1-Jul	31-Jan	31-Jan	31-Jan	
Operating Revenue	368.1	356.5	192.2	194.1	1.9
Operating Costs	(354.2)	(376.9)	(221.5)	(223.1)	(1.6)
<b>Operating Result [Pre Capital]</b>	<b>13.9</b>	<b>(20.5)</b>	<b>(29.3)</b>	<b>(29.0)</b>	<b>0.3</b>
Capital Grants & Contributions	27.5	31.0	13.6	16.3	2.7
<b>Operating Result</b>	<b>41.3</b>	<b>10.5</b>	<b>(15.7)</b>	<b>(12.7)</b>	<b>3.0</b>
<b>Funds Available from Operations</b>	<b>66.3</b>	<b>49.2</b>	<b>31.8</b>	<b>27.1</b>	<b>(4.7)</b>
<b>Capital Works</b>	<b>106.0</b>	<b>102.8</b>	<b>54.6</b>	<b>51.6</b>	<b>3.0</b>
<b>Contributed Assets</b>	<b>7.0</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to Restricted Cash	2.6	31.1	1.3	1.3	-
Borrowings Repaid	0.7	0.7	0.7	0.7	-
Funded from:					
- Operational Funds	66.3	49.2	31.8	27.1	(4.7)
- Other Funding	49.2	75.6	18.1	16.2	(1.9)
<b>Total Funds Surplus/(Deficit)</b>	<b>(0.8)</b>	<b>(16.8)</b>	<b>(6.6)</b>	<b>(10.1)</b>	<b>(3.6)</b>

### FINANCIAL PERFORMANCE

The January 2025 Operating Result [pre-capital] deficit of \$29.0M is a favourable variance of \$0.3M compared to the budget deficit of \$29.3M.

The Operating Result deficit of \$12.7M is a favourable variance of \$3.0M compared to budget.

The Funds Available from Operations result is unfavourable by \$4.7M compared to phased budget. This result excludes the non-cash variations and transfers to and from Restricted Assets but includes the variation in cash payments for Employee Entitlements. This result best represents the operational budget variations that impact our funding position and current financial capacity. At the end of January there are expenses incurred but not budgeted for natural disaster recovery works (up to \$1M) and for NSW EPA Waste Levies (up to \$2M). These costs may be subject to part funding or credit in future periods. The accounting requirements to recognise revenues or credits have not yet been met and are not yet recorded.

The Total Funds result as at 31 January 2025 is an unfavourable variance of \$3.6M compared to phased budget.

At the end of January, the Capital Works Program had an expenditure of \$51.6M compared to a budget of \$54.6M.

## FINANCIAL POSITION

### Cash, Investments & Available Funds

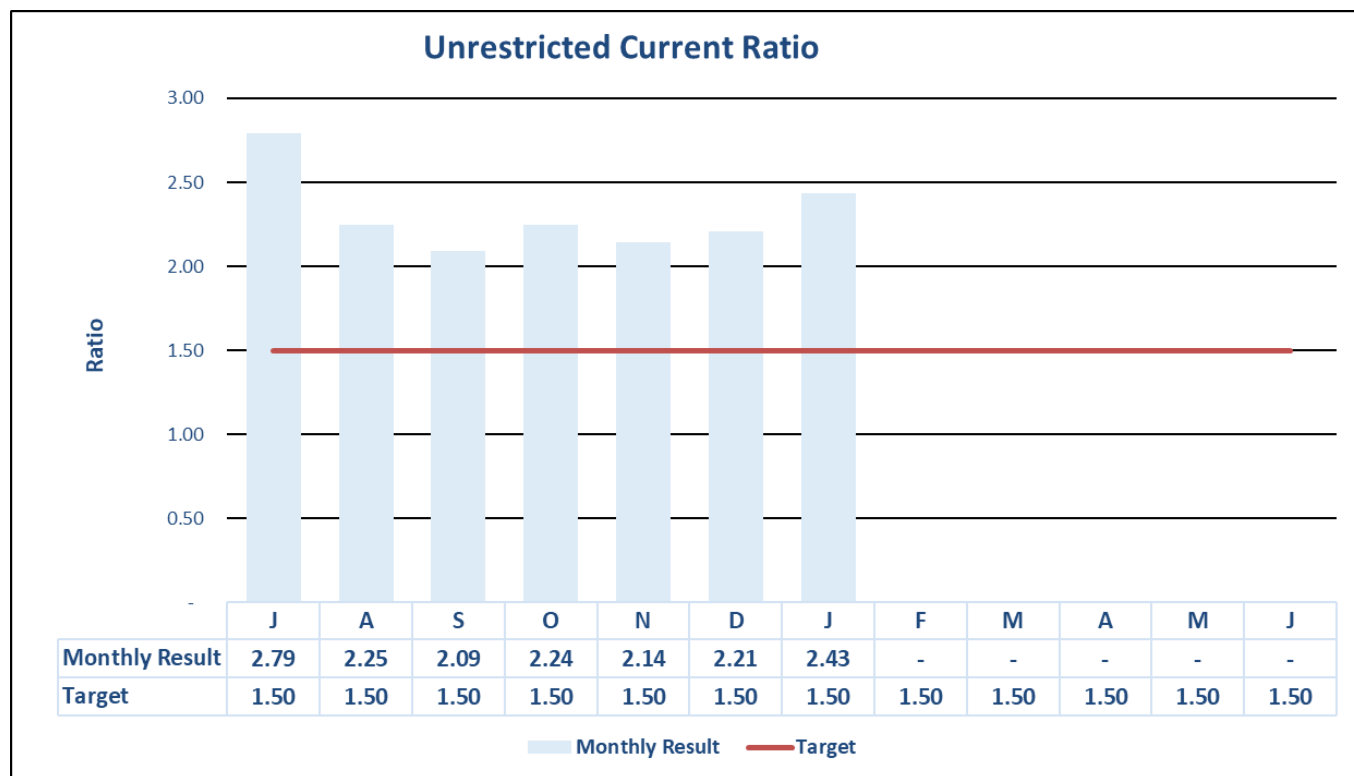
Council's cash and investments decreased during January 2025 to holdings of \$180.7M compared to \$190.5M at the end of December 2024. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

<b>Wollongong City Council</b>				
<b>31 January 2025</b>				
<b>Cash, Investments and Available Funds</b>				
	<b>Actual 2023/24</b>	<b>Original Budget 2024/25</b>	<b>Revised Budget 2024/25</b>	<b>Actuals YTD January 2025</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Total Cash and Investments</b>	<b>179.5</b>	<b>186.1</b>	<b>202.6</b>	<b>180.7</b>
Less Restrictions:				
External	86.9	80.0	94.2	99.7
Internal	68.7	86.6	90.9	68.4
CivicRisk Investment	3.1			3.1
Total Restrictions	158.7	166.6	185.2	171.2
<b>Available Cash</b>	<b>20.8</b>	<b>19.5</b>	<b>17.4</b>	<b>9.5</b>
Adjusted for :				
Payables	(22.3)	(29.3)	(31.4)	(28.1)
Receivables	32.4	28.6	28.0	38.8
Other	10.5	(2.4)	1.9	11.3
Net Payables & Receivables	20.6	(3.1)	(1.5)	21.9
<b>Available Funds</b>	<b>41.4</b>	<b>16.4</b>	<b>15.9</b>	<b>31.4</b>

External restrictions are funds that must be spent for a specific purpose and cannot be used by Council for general operations. Internal restrictions are funds that Council has determined will be used for a specific future purpose, although Council may vary that use by resolution of Council. Further details on the internal and external restrictions can be found in the Cash Flow Statement (Attachment 1).

The level of cash and investments in Council's available funds position is still above the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital) due to the impact of the early payment of the Financial Assistance Grant. The decrease in cash and investments is in line with anticipated cash flows.

The Unrestricted Current Ratio measures the Council's liquidity position or ability to meet short term obligations as they fall due. The below graph reflects Council's performance against the Local Government benchmark of greater than 1.5 times.



### Borrowings

Council has no outstanding loans as at 31 January 2025. Council's Financial Strategy includes provision for additional borrowing in the future and Council will consider borrowing opportunities from time to time to bring forward the completion of capital projects where immediate funding is not available.

### Infrastructure, Property, Plant & Equipment

The Statement of Financial Position shows \$4.04B of Property, Plant and Equipment at net carrying value, and gross replacement cost \$6.95B (excluding \$114M in Work In Progress) that are controlled and managed by Council on behalf of the community at 31 January 2025.

### PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong Our Future 2032 Goal 4 "We are a connected and engaged community". It specifically delivers on the following:

Community Strategic Plan 2032		Delivery Program 2022-2026	
Strategy		Service	
4.8	Council's resources are managed effectively to ensure long term financial sustainability.	Financial Services	

### CONCLUSION

The financial result impacted key financial indicators at the end of January through an unfavourable result for *Total Funds Result Budget versus Actual*.

**Wollongong City Council**  
**1 July 2024 to 31 January 2025**  
**Income Statement**

	2024/25 Original Budget \$'000	2024/25 Revised Budget \$'000	2024/25 YTD Budget \$'000	2024/25 Actual YTD \$'000	Variance \$'000
<b>Income From Continuing Operations</b>					
<b>Revenue:</b>					
Rates and Annual Charges	247,048	247,535	145,484	145,701	217
User Charges and Fees	39,990	37,523	22,062	23,528	1,466
Interest and Investment Revenues	6,197	9,707	5,668	6,536	868
Other Revenues	6,074	6,956	4,110	4,473	363
Rental Income	7,028	7,025	3,982	3,951	(31)
Grants & Contributions provided for Operating Purposes	33,212	19,210	12,894	11,829	(1,065)
Grants & Contributions provided for Capital Purposes	27,454	30,955	13,626	16,317	2,692
<b>Other Income:</b>	0	0	0	0	0
Profit/Loss on Disposal of Assets	28,516	28,516	(1,979)	(1,978)	0
<b>Total Income from Continuing Operations</b>	<b>395,519</b>	<b>387,427</b>	<b>205,847</b>	<b>210,358</b>	<b>4,511</b>
<b>Expenses From Continuing Operations</b>					
Employee Costs	164,095	165,700	96,346	97,692	(1,346)
Borrowing Costs	557	1,055	622	614	8
Materials & Services	102,189	111,583	65,385	60,073	5,312
Other Expenses	24,257	24,504	14,740	16,279	(1,539)
Depreciation, Amortisation + Impairment	87,113	98,249	57,873	57,957	(84)
Labour Internal Charges	(21,690)	(21,853)	(12,114)	(8,689)	(3,425)
Non-Labour Internal Charges	(2,323)	(2,301)	(1,356)	(869)	(487)
<b>Total Expenses From Continuing Operations</b>	<b>354,198</b>	<b>376,937</b>	<b>221,495</b>	<b>223,056</b>	<b>(1,561)</b>
<b>Operating Result</b>	<b>41,322</b>	<b>10,489</b>	<b>(15,647)</b>	<b>(12,698)</b>	<b>2,950</b>
<b>Operating Result [pre capital]</b>	<b>13,868</b>	<b>(20,466)</b>	<b>(29,273)</b>	<b>(29,015)</b>	<b>258</b>
<b>Funding Statement</b>					
Net Operating Result for the Year	41,322	10,489	(15,647)	(12,698)	2,950
Add back :					
- Non-cash Operating Transactions	106,241	96,972	77,124	76,428	(695)
- Restricted cash used for operations	14,601	18,771	11,535	9,448	(2,087)
- Income transferred to Restricted Cash	(79,972)	(60,780)	(31,866)	(33,282)	(1,415)
Leases Repaid	(132)	(496)	(292)	(296)	(4)
Payment of Employee Entitlements	(15,763)	(15,763)	(9,048)	(12,514)	(3,465)
<b>Funds Available from Operations</b>	<b>66,297</b>	<b>49,193</b>	<b>31,805</b>	<b>27,088</b>	<b>(4,717)</b>
Loans Repaid	(656)	(656)	(656)	(657)	(1)
Advances (made by) / repaid to Council	0	0	0	0	0
<b>Operational Funds Available for Capital Budget</b>	<b>65,642</b>	<b>48,537</b>	<b>31,149</b>	<b>26,431</b>	<b>(4,718)</b>
<b>Capital Budget Statement</b>					
Assets Acquired	(105,995)	(102,791)	(54,584)	(51,599)	2,985
Contributed Assets	(7,014)	(7,014)	0	0	0
Transfers to Restricted Cash	(2,607)	(31,123)	(1,251)	(1,251)	0
Funded From :-					
- Operational Funds	65,642	48,537	31,149	26,431	(4,718)
- Sale of Assets	3,550	32,066	1,469	1,205	(264)
- Internally Restricted Cash	13,920	14,006	6,543	4,969	(1,574)
- Borrowings	0	0	0	0	0
- Capital Grants	15,875	15,276	6,056	6,448	392
- Developer Contributions (Section 94)	5,135	3,521	2,024	1,860	(163)
- Other Externally Restricted Cash	1,547	2,631	1,363	1,108	(255)
- Other Capital Contributions	9,161	8,086	671	681	9
<b>TOTAL FUNDS SURPLUS / (DEFICIT)</b>	<b>(788)</b>	<b>(16,805)</b>	<b>(6,560)</b>	<b>(10,148)</b>	<b>(3,589)</b>

**WOLLONGONG CITY COUNCIL**

**Statement of Financial Position**

as at 31 January 2025

	YTD Actual 2024/25 \$'000	Actual 2023/24 \$'000
<b>Current Assets</b>		
Cash Assets	32,832	44,900
Investment Securities	122,735	116,457
Receivables	38,761	32,372
Inventories	6,522	6,524
Current Contract Assets	7,455	10,771
Other	7,811	3,561
Assets classified as held for sale	0	0
<b>Total Current Assets</b>	<b>216,116</b>	<b>214,585</b>
<b>Non-Current Assets</b>		
Non Current Cash Assets	22,000	15,000
Non Current Investment Securities	3,117	3,117
Non-Current Inventories	0	0
Property, Plant and Equipment	4,041,443	4,056,151
Investment Properties	5,100	5,100
Intangible Assets	0	0
Right-Of-Use Assets	1,056	1,332
<b>Total Non-Current Assets</b>	<b>4,072,716</b>	<b>4,080,700</b>
<b>TOTAL ASSETS</b>	<b>4,288,832</b>	<b>4,295,285</b>
<b>Current Liabilities</b>		
Current Payables	28,113	22,273
Current Contract Liabilities	15,271	12,543
Current Lease Liabilities	189	460
Current Provisions payable < 12 months	16,726	18,706
Current Provisions payable > 12 months	42,119	42,119
Current Interest Bearing Liabilities	0	657
<b>Total Current Liabilities</b>	<b>102,419</b>	<b>96,758</b>
<b>Non-Current Liabilities</b>		
Non Current Interest Bearing Liabilities	0	0
N/C Lease Liabilities	963	963
Non Current Provisions	50,271	49,685
<b>Total Non-Current Liabilities</b>	<b>51,234</b>	<b>50,648</b>
<b>TOTAL LIABILITIES</b>	<b>153,653</b>	<b>147,406</b>
<b>NET ASSETS</b>	<b>4,135,179</b>	<b>4,147,879</b>
<b>Equity</b>		
Accumulated Surplus	1,512,573	1,534,631
Asset Revaluation Reserve	2,465,700	2,466,361
Restricted Assets	156,906	146,887
<b>TOTAL EQUITY</b>	<b>4,135,179</b>	<b>4,147,879</b>

WOLLONGONG CITY COUNCIL			
Cash Flows and Investments			
as at 31 January 2025			
	YTD Actual	Actual	
	2024/25	2023/24	
	\$ '000	\$ '000	
<b>Cash Flows From Operating Activities</b>			
<b>Receipts</b>			
Rates & Annual Charges	146,929	232,873	
User Charges & Fees	20,074	42,526	
Interest & Interest Received	4,974	8,575	
Grants & Contributions	37,559	68,654	
Bonds, deposits and retention amounts received	124	886	
Other	19,642	29,432	
<b>Payments</b>			
Employee Benefits & On-costs	(91,286)	(142,434)	
Materials & Contracts	(67,664)	(138,853)	
Borrowing Costs	(29)	(127)	
Bonds, deposits and retention amounts refunded	-	(1,352)	
Other	(19,763)	1,578	
<b>Net Cash provided (or used in) Operating Activities</b>	<b>50,559</b>	<b>101,758</b>	
<b>Cash Flows From Investing Activities</b>			
<b>Receipts</b>			
Sale of Investments	21,794	37,813	
Sale of Investment Property			
Sale of Real Estate Assets			
Sale of Infrastructure, Property, Plant & Equipment	1,205	848	
<b>Payments:</b>			
Purchase of Investments	(34,000)	(38,090)	
Purchase of Investment Property	-		
Purchase of Infrastructure, Property, Plant & Equipment	(50,699)	(98,797)	
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(61,699)</b>	<b>(98,226)</b>	
<b>Cash Flows From Financing Activities</b>			
<b>Payments:</b>			
Repayment of Borrowings & Advances	(657)	(2,572)	
Repayment of Finance Lease Liabilities	(271)	(431)	
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(928)</b>	<b>(3,003)</b>	
Net Increase/(Decrease) in Cash & Cash Equivalents	(12,068)	529	
plus: Cash & Cash Equivalents - beginning of year	44,900	44,371	
plus: Investments on hand - end of year	147,852	134,574	
<b>Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>180,684</b>	<b>179,474</b>	

WOLLONGONG CITY COUNCIL			
Cash Flows and Investments			
as at 31 January 2025			
	YTD Actual	Actual	
	2024/25	2023/24	
	\$ '000	\$ '000	
<b>Total Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>180,684</b>	<b>179,474</b>	
<b>Attributable to:</b>			
External Restrictions (refer below)	99,690	86,881	
Internal Restrictions (refer below)	68,377	68,674	
Unrestricted	12,617	23,919	
<b>Total External Restrictions</b>	<b>99,690</b>	<b>86,881</b>	
<b>External Restrictions</b>			
Developer Contributions	65,535	55,949	
RMS Contributions	729	422	
Specific Purpose Unexpended Grants	13,733	11,730	
Special Rates Levy Wollongong Mall	1,014	962	
Special Rates Levy Wollongong City Centre	94	94	
Local Infrastructure Renewal Scheme	-	-	
Unexpended Loans	905	924	
Domestic Waste Management	6,313	5,321	
Private Subsidies	7,371	6,943	
Housing Affordability	3,095	3,029	
Stormwater Management Service Charge	901	1,507	
<b>Total External Restrictions</b>	<b>99,690</b>	<b>86,881</b>	
<b>Internal Restrictions</b>			
Property Investment Fund	5,539	5,396	
Strategic Projects	32,100	32,991	
Sports Priority Program	840	524	
Car Parking Strategy	1,395	1,223	
MacCabe Park Development	2,129	2,040	
Darcy Wentworth Park	18	18	
Garbage Disposal Facility	9,772	10,854	
West Dapto Development	15,858	14,927	
Natural Areas	173	173	
Lake Illawarra Estuary Management Fund	553	528	
<b>Total Internal Restrictions</b>	<b>68,377</b>	<b>68,674</b>	

**Notes to the Financial Statements:**

While reviewing the information presented through this report, it should be noted that Council has elected to process additional transactions that vary from the accounting standards applied to year end reports to ensure the information at monthly intervals provides support to the decision-making and monitoring process. These transactions are summarised below:

- Timing of the recognition of Rates income – under AASB 1058, the Rates income is required to be recognised when it is raised. Through the monthly financial reports, the income has been spread across the financial year.
- Timing of the recognition of Financial Assistance Grant – under AASB 1058, the Financial Assistance Grant is required to be recognised on receipt. Through these financial reports, the income is spread across the financial year.