

ITEM 15 APRIL 2025 FINANCIALS

The financial result for April 2025 compared to budget is favourable for the Operating Result [pre-capital] \$5.3M. Funds Available from Operations was unfavourable compared to budget \$0.2M and the Total Funds Result favourable \$2M compared to budget.

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

Council has expended \$69.4M on its capital works program representing 72.5% of the annual budget. The budget for the same period was \$74.2M.

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

- Financial Statements - April 2025

BACKGROUND

This report presents the Financial Performance of the organisation as at 25 April 2025. The below table provides a summary of the organisation's overall financial results for the year to date.

Wollongong City Council	Original	Revised	YTD	YTD	
25 April 2025	Budget	Budget	Forecast	Actual	Variation
Forecast Position	\$M	\$M	\$M	\$M	\$M
	1-Jul	25-Apr	25-Apr	25-Apr	
Operating Revenue	368.1	356.4	267.4	268.9	1.5
Operating Costs	(354.2)	(387.9)	(312.9)	(309.1)	3.8
Operating Result [Pre Capital]	13.9	(31.5)	(45.5)	(40.2)	5.3
Capital Grants & Contributions	27.5	30.0	19.1	21.4	2.3
Operating Result	41.3	(1.5)	(26.4)	(18.8)	7.6
Funds Available from Operations	66.3	48.6	40.2	40.0	(0.2)
Capital Works	106.0	95.7	74.2	69.4	4.9
Contributed Assets	7.0	7.0	-	-	-
Transfer to Restricted Cash	2.6	31.1	1.7	1.7	-
Borrowings Repaid	0.7	0.7	0.7	0.7	-
Funded from:					
- Operational Funds	66.3	48.6	40.2	40.0	(0.2)
- Other Funding	49.2	69.7	24.7	22.0	(2.7)
Total Funds Surplus/(Deficit)	(0.8)	(16.2)	(11.7)	(9.8)	2.0

FINANCIAL PERFORMANCE

The April 2025 Operating Result [pre-capital] deficit of \$40.2M is a favourable variance of \$5.3M compared to the budget deficit of \$45.5M.

The Operating Result deficit of \$18.8M is a favourable variance of \$7.6M compared to budget.

The Funds Available from Operations result is unfavourable by \$0.2M 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.

The Total Funds result as at 25 April 2025 is a favourable variance of \$2M compared to phased budget.

The Funds Available from Operations variation includes the impacts of expenditure on the April natural disaster of \$1.2M that requires further clarification as to recoverability. The continuing impact of the Natural Disaster is not fully known, and work continues substantiating external funding opportunities that may be available to offset associated expenses.

At the end of April, the Capital Works Program had an expenditure of \$69.4M compared to a budget of \$74.2M.

FINANCIAL POSITION

Cash, Investments & Available Funds

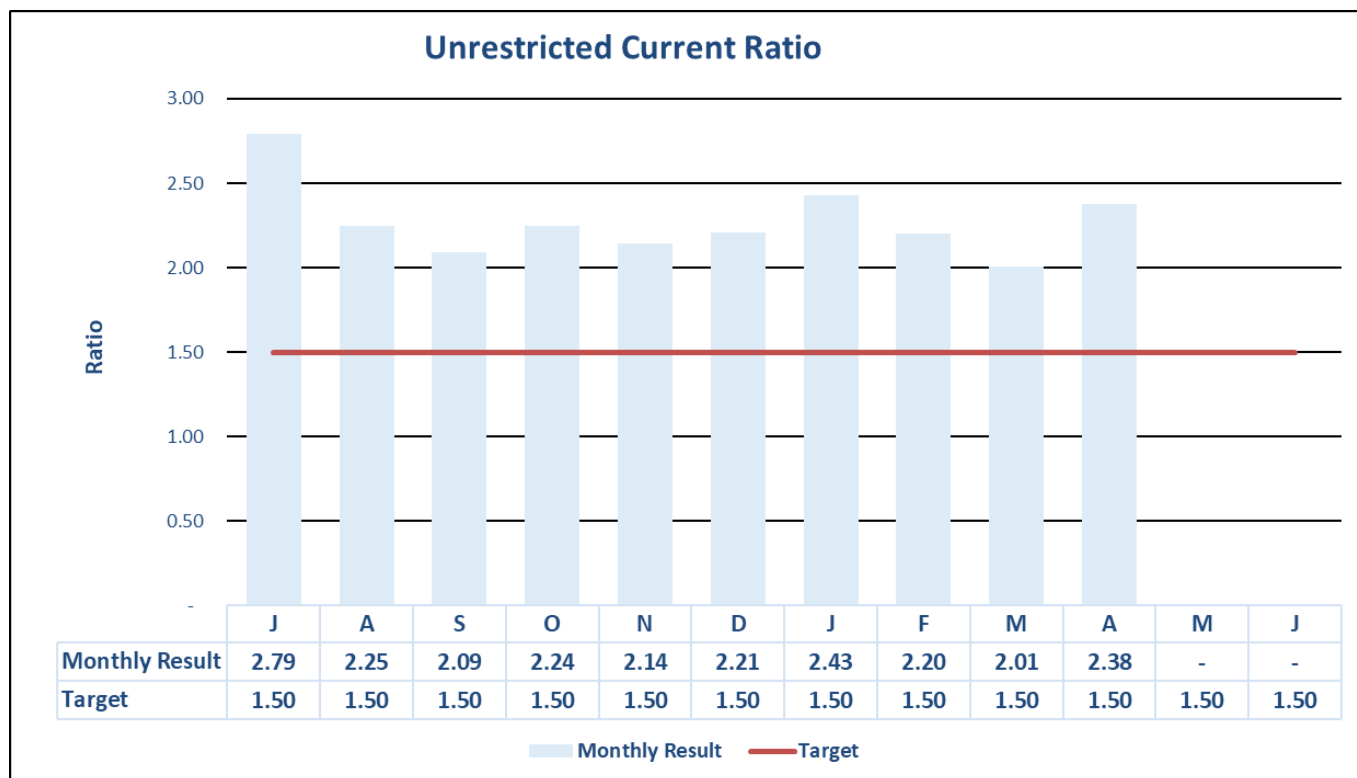
Council's cash and investments decreased during April 2025 to holdings of \$176.3M compared to \$190.0M at the end of March 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

Wollongong City Council 25 April 2025 Cash, Investments and Available Funds				
	Actual 2023/24	Original Budget 2024/25	Revised Budget 2024/25	Actuals YTD April 2025
	\$M	\$M	\$M	\$M
Total Cash and Investments	179.5	186.1	206.2	176.3
Less Restrictions:				
External	86.9	80.0	95.3	105.8
Internal	68.7	86.6	91.8	66.1
CivicRisk Investment	3.1			3.1
Total Restrictions	158.7	166.6	187.1	175.0
Available Cash	20.8	19.5	19.1	1.3
Adjusted for :				
Payables	(22.3)	(29.3)	(32.3)	(20.5)
Receivables	32.4	28.6	27.9	40.7
Other	10.5	(2.4)	1.9	10.1
Net Payables & Receivables	20.6	(3.1)	(2.6)	30.3
Available Funds	41.4	16.4	16.5	31.6

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 (refer Attachment).

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 25 April 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 \$4.03B of Property, Plant and Equipment at net carrying value, and gross replacement cost \$7.0B (excluding \$117M in Work In Progress) that are controlled and managed by Council on behalf of the community at 25 April 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 April through a favourable result for *Total Funds Result Budget versus Actual*.

Wollongong City Council
1 July 2024 to 25 April 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
Income From Continuing Operations					
Revenue:					
Rates and Annual Charges	247,048	247,558	203,324	202,993	(332)
User Charges and Fees	39,990	38,629	32,071	33,094	1,023
Interest and Investment Revenues	6,197	10,650	8,857	8,526	(331)
Other Revenues	6,074	7,107	5,748	6,151	403
Rental Income	7,028	6,839	5,674	5,546	(127)
Grants & Contributions provided for Operating Purposes	33,212	17,110	14,759	15,604	846
Grants & Contributions provided for Capital Purposes	27,454	29,997	19,055	21,362	2,308
Other Income:	0	0	0	0	0
Profit/Loss on Disposal of Assets	28,516	28,516	(3,022)	(3,022)	(0)
Total Income from Continuing Operations	395,519	386,407	286,465	290,254	3,789
Expenses From Continuing Operations					
Employee Costs	164,095	168,714	138,874	137,240	1,633
Borrowing Costs	557	1,055	865	874	(10)
Materials & Services	102,189	119,539	92,030	82,962	9,068
Other Expenses	24,257	25,028	20,800	20,936	(136)
Depreciation, Amortisation + Impairment	87,113	97,803	80,118	80,486	(368)
Labour Internal Charges	(21,690)	(21,892)	(17,884)	(12,180)	(5,704)
Non-Labour Internal Charges	(2,323)	(2,305)	(1,888)	(1,211)	(678)
Total Expenses From Continuing Operations	354,198	387,942	312,914	309,108	3,806
Operating Result	41,322	(1,535)	(26,449)	(18,854)	7,595
Operating Result [pre capital]	13,868	(31,533)	(45,504)	(40,216)	5,288
Funding Statement					
Net Operating Result for the Year	41,322	(1,535)	(26,449)	(18,854)	7,595
Add back :					
- Non-cash Operating Transactions	106,241	104,483	106,026	105,179	(847)
- Restricted cash used for operations	14,601	19,882	16,299	13,926	(2,373)
- Income transferred to Restricted Cash	(79,972)	(57,953)	(42,276)	(43,285)	(1,009)
Leases Repaid	(132)	(496)	(407)	(423)	(16)
Payment of Employee Entitlements	(15,763)	(15,763)	(12,963)	(16,535)	(3,572)
Funds Available from Operations	66,297	48,618	40,231	40,009	(222)
Loans Repaid	(656)	(656)	(656)	(657)	(1)
Advances (made by) / repaid to Council	0	0	0	0	0
Operational Funds Available for Capital Budget	65,642	47,962	39,574	39,352	(223)
Capital Budget Statement					
Assets Acquired	(105,995)	(95,734)	(74,226)	(69,358)	4,868
Contributed Assets	(7,014)	(7,014)	0	0	0
Transfers to Restricted Cash	(2,607)	(31,123)	(1,739)	(1,739)	0
Funded From :-					
- Operational Funds	65,642	47,962	39,574	39,352	(223)
- Sale of Assets	3,550	32,066	2,403	1,883	(520)
- Internally Restricted Cash	13,920	12,734	8,804	8,177	(628)
- Borrowings	0	0	0	0	0
- Capital Grants	15,875	11,035	7,951	8,048	97
- Developer Contributions (Section 94)	5,135	5,592	4,357	2,928	(1,429)
- Other Externally Restricted Cash	1,547	400	326	80	(246)
- Other Capital Contributions	9,161	7,908	831	863	31
TOTAL FUNDS SURPLUS / (DEFICIT)	(788)	(16,174)	(11,718)	(9,768)	1,950

WOLLONGONG CITY COUNCIL

**Statement of Financial Position
as at 25 April 2025**

	YTD Actual 2024/25 \$'000	Actual 2023/24 \$'000
Current Assets		
Cash Assets	32,369	44,900
Investment Securities	109,829	116,457
Receivables	40,675	32,372
Inventories	6,516	6,524
Current Contract Assets	8,129	10,771
Other	5,760	3,561
Assets classified as held for sale	0	0
Total Current Assets	203,278	214,585
Non-Current Assets		
Non Current Cash Assets	31,000	15,000
Non Current Investment Securities	3,117	3,117
Non-Current Inventories	0	0
Property, Plant and Equipment	4,034,685	4,056,151
Investment Properties	5,100	5,100
Intangible Assets	0	0
Right-Of-Use Assets	948	1,332
Total Non-Current Assets	4,074,850	4,080,700
TOTAL ASSETS	4,278,127	4,295,285
Current Liabilities		
Current Payables	20,501	22,273
Current Contract Liabilities	17,880	12,543
Current Lease Liabilities	72	460
Current Provisions payable < 12 months	17,047	18,706
Current Provisions payable > 12 months	42,119	42,119
Current Interest Bearing Liabilities	0	657
Total Current Liabilities	97,620	96,758
Non-Current Liabilities		
Non Current Interest Bearing Liabilities	0	0
N/C Lease Liabilities	963	963
Non Current Provisions	50,521	49,685
Total Non-Current Liabilities	51,485	50,648
TOTAL LIABILITIES	149,105	147,406
NET ASSETS	4,129,023	4,147,879
Equity		
Accumulated Surplus	1,506,073	1,534,631
Asset Revaluation Reserve	2,465,060	2,466,361
Restricted Assets	157,890	146,887
TOTAL EQUITY	4,129,023	4,147,879

WOLLONGONG CITY COUNCIL			
Cash Flows and Investments			
as at 25 April 2025			
	YTD Actual 2024/25 \$ '000	Actual 2023/24 \$ '000	
Cash Flows From Operating Activities			
Receipts			
Rates & Annual Charges	198,552	232,873	
User Charges & Fees	25,691	42,526	
Interest & Interest Received	7,185	8,575	
Grants & Contributions	48,921	68,654	
Bonds, deposits and retention amounts received	108	886	
Other	25,467	29,432	
Payments			
Employee Benefits & On-costs	(127,146)	(142,434)	
Materials & Contracts	(95,616)	(138,853)	
Borrowing Costs	(39)	(127)	
Bonds, deposits and retention amounts refunded	-	(1,352)	
Other	(21,042)	1,578	
Net Cash provided (or used in) Operating Activities	62,080	101,758	
Cash Flows From Investing Activities			
Receipts			
Sale of Investments	41,649	37,813	
Sale of Investment Property			
Sale of Real Estate Assets			
Sale of Infrastructure, Property, Plant & Equipment	1,883	848	
Payments:			
Purchase of Investments	(50,128)	(38,090)	
Purchase of Investment Property	-		
Purchase of Infrastructure, Property, Plant & Equipment	(66,971)	(98,797)	
Net Cash provided (or used in) Investing Activities	(73,566)	(98,226)	
Cash Flows From Financing Activities			
Payments:			
Repayment of Borrowings & Advances	(657)	(2,572)	
Repayment of Finance Lease Liabilities	(388)	(431)	
Net Cash Flow provided (used in) Financing Activities	(1,045)	(3,003)	
Net Increase/(Decrease) in Cash & Cash Equivalents	(12,531)	529	
plus: Cash & Cash Equivalents - beginning of year	44,900	44,371	
plus: Investments on hand - end of year	143,946	134,574	
Cash & Cash Equivalents and Investments - year to date	176,315	179,474	

WOLLONGONG CITY COUNCIL			
Cash Flows and Investments			
as at 25 April 2025			
	YTD Actual 2024/25 \$ '000	Actual 2023/24 \$ '000	
Total Cash & Cash Equivalents and Investments - year to date	176,315	179,474	
Attributable to:			
External Restrictions (refer below)	105,800	86,881	
Internal Restrictions (refer below)	66,061	68,674	
Unrestricted	4,454	23,919	
	176,315	179,474	
External Restrictions			
Developer Contributions	68,308	55,949	
RMS Contributions	708	422	
Specific Purpose Unexpended Grants	17,082	11,730	
Special Rates Levy Wollongong Mall	1,050	962	
Special Rates Levy Wollongong City Centre	94	94	
Local Infrastructure Renewal Scheme	-	-	
Unexpended Loans	962	924	
Domestic Waste Management	5,417	5,321	
Private Subsidies	7,458	6,943	
Housing Affordability	3,100	3,029	
Stormwater Management Service Charge	1,621	1,507	
Total External Restrictions	105,800	86,881	
Internal Restrictions			
Property Investment Fund	5,575	5,396	
Strategic Projects	31,863	32,991	
Sports Priority Program	819	524	
Car Parking Strategy	1,413	1,223	
MacCabe Park Development	2,163	2,040	
Darcy Wentworth Park	18	18	
Garbage Disposal Facility	7,322	10,854	
West Dapto Development	16,206	14,927	
Natural Areas	173	173	
Lake Illawarra Estuary Management Fund	509	528	
Total Internal Restrictions	66,061	68,674	

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.