

**ITEM 23 OCTOBER 2025 FINANCIALS**

The year-to-date financial result at 31 October 2025 compared to budget is favourable for the Operating Result [pre-capital] \$9.3M and Funds Available from Operations was favourable compared to budget \$4.9M. Total Funds Result was favourable \$12.4M compared to budget.

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

Council expended a total of \$33.3M on its capital works program representing 23.9% of the budget. The budget for the same period was \$41.4M.

**RECOMMENDATION**

The financials be received and noted.

**REPORT AUTHORISATIONS**

Report of: Brian Jenkins, Chief Financial Officer  
 Authorised by: Todd Hopwood, Director Corporate Services (Acting)

**ATTACHMENTS**

- 1 Financial Statements - October 2025

**BACKGROUND**

This report presents the Financial Performance of the organisation as at 31 October 2025. The below table provides a summary of the organisation’s overall full year financial results.

<b>Wollongong City Council 31 October 2025 Year to Date Position</b>	<b>Original Budget \$M 1-Jul</b>	<b>Revised Budget \$M 31-Oct</b>	<b>YTD Forecast \$M 31-Oct</b>	<b>YTD Actual \$M 31-Oct</b>	<b>Variation \$M</b>
Operating Revenue	348.9	373.7	114.1	118.0	3.9
Operating Costs	(362.2)	(363.1)	(124.0)	(118.5)	5.5
<b>Operating Result [Pre Capital]</b>	<b>(13.3)</b>	<b>10.6</b>	<b>(9.9)</b>	<b>(0.5)</b>	<b>9.3</b>
Capital Grants & Contributions	70.2	71.0	22.1	13.1	(9.0)
<b>Operating Result</b>	<b>56.9</b>	<b>81.6</b>	<b>12.2</b>	<b>12.5</b>	<b>0.3</b>
<b>Funds Available from Operations</b>	<b>68.7</b>	<b>56.9</b>	<b>16.2</b>	<b>21.2</b>	<b>4.9</b>
<b>Capital Works</b>	<b>139.4</b>	<b>139.4</b>	<b>41.4</b>	<b>33.3</b>	<b>8.1</b>
<b>Contributed Assets</b>	<b>5.9</b>	<b>5.9</b>	-	-	-
Transfer to Restricted Cash	2.8	43.3	37.8	8.8	29.0
Borrowings Repaid	-	-	-	-	-
Funded from:					
- Operational Funds	68.7	56.9	16.2	21.2	5.0
- Other Funding	79.6	112.2	49.1	19.4	(29.7)
<b>Total Funds Surplus/(Deficit)</b>	<b>0.2</b>	<b>(19.5)</b>	<b>(13.9)</b>	<b>(1.6)</b>	<b>12.4</b>

## FINANCIAL PERFORMANCE

The October 2025 Operating Result [pre-capital] deficit of \$0.5M is a favourable variance of \$9.3M compared to the budget deficit of \$9.9M.

The Operating Result surplus of \$12.5M is a favourable variance of \$0.3M compared to budget.

The Funds Available from Operations result is a favourable \$4.9M when compared to the year-to-date budget of \$16.2M. Results 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 31 October 2025 is a favourable variance of \$12.4M compared to budget.

At the end of October, the Capital Works Program had an expenditure of \$33.3M compared to a budget of \$41.4M for the same period.

## FINANCIAL POSITION

### Cash, Investments & Available Funds

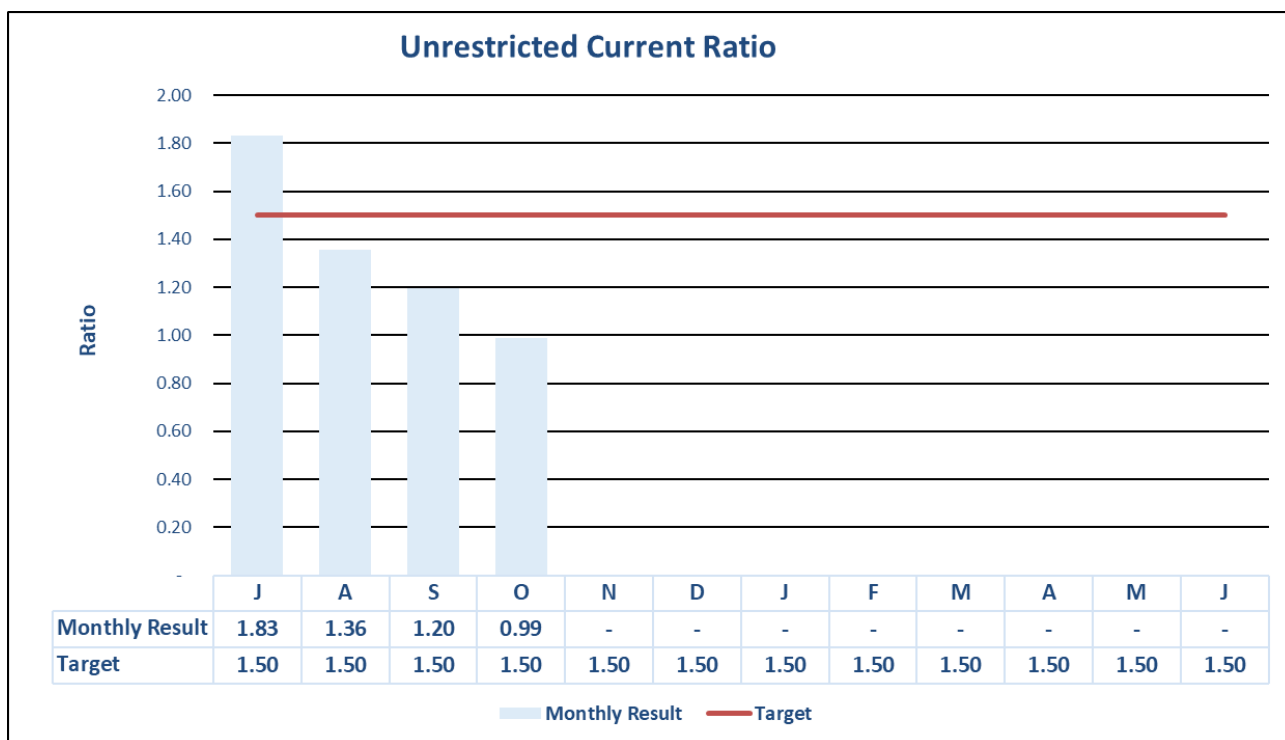
Council's cash and investments decreased during October 2025 to holdings of \$243.1M compared to \$244.9M at the end of September 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

<b>Wollongong City Council</b>				
<b>31 October 2025</b>				
<b>Cash, Investments and Available Funds</b>				
	<b>Actual 2024/25</b>	<b>Original Budget 2025/26</b>	<b>Revised Budget 2025/26</b>	<b>Actuals YTD July 2025/26</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Total Cash and Investments</b>	<b>214.5</b>	<b>206.3</b>	<b>243.1</b>	<b>231.9</b>
Less Restrictions:				
External	103.2	105.3	114.9	112.6
Internal	67.6	86.2	103.6	74.4
CivicRisk Investment	3.7			3.7
Total Restrictions	174.5	191.6	218.6	190.7
<b>Available Cash</b>	<b>40.0</b>	<b>14.7</b>	<b>24.6</b>	<b>41.2</b>
Adjusted for :				
Payables	(27.5)	(32.6)	(30.1)	(26.1)
Receivables	30.2	32.7	32.5	19.1
Other	3.8	1.9	(10.1)	11.1
Net Payables & Receivables	6.5	2.0	(7.7)	4.1
<b>Available Funds</b>	<b>46.5</b>	<b>16.7</b>	<b>16.8</b>	<b>45.3</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 remains above the Financial Strategy target range of 3.5% to 5.5% of operational revenue (pre-capital) illustrating long-term strength in Council's liquidity. The increase in cash and investments over the period remains closely aligned with anticipated cash flows.

In June 2025 the annual review of classification of investments as current or non-current was conducted. This considered intent of holdings that included investment return and liquidity (or combination of both) and reviewed historical transactions by investment type. At the time the result of this work altered the presentation of Floating Rate Notes with a settlement date greater than 12 months being classified as non-current. The transaction moved \$47.6M in Floating Rate Notes from current to non-current on the Statement of Financial Position. The transaction reduced the Unrestricted Current Ratio to fall below the existing target of 1.5. It is important to note that Floating Rate Notes can be actively traded, regardless of classification as current or non-current with the investment type still assisting Council in managing its liquidity. There has been no change in Council’s liquidity because of this transaction. The Unrestricted Current Ratio target will be reassessed moving forward based on the revised accounting application.



**Borrowings**

Council has no outstanding loans as at 31 October 2025. Council will consider borrowings as part of its Resource Strategy and Capital Budget to manage cash flow timing mismatches, fund asset investments, and ensure intergenerational equity, prioritizing internal borrowing where economical. Borrowing terms will aim to align with asset life, and interest on internal borrowings will be applied to income-generating activities to reflect opportunity costs and support accurate business cases.

No additional borrowings have been identified in the forward estimates.

**Infrastructure, Property, Plant & Equipment**

The Statement of Financial Position shows \$4.13B of Property, Plant and Equipment at net carrying value, and gross replacement cost \$7.2B (excluding \$112.6M in Work In Progress) that are controlled and managed by Council on behalf of the community at 31 October 2025.

**PLANNING AND POLICY IMPACT**

This report contributes to the delivery of Our Wollongong Our Future 2035 Goal 4 “We have a healthy, respectful, and inclusive community”. It specifically delivers on the following:

Community Strategic Plan 2035	Delivery Program 2025-2029
Strategy	Service
4.14 Council demonstrates responsible leadership that is customer focused, demonstrates respect and inclusion, and uses resources that are managed effectively to ensure long-term sustainability.	Financial Services

## CONCLUSION

The financial result impacted key financial indicators at the end of October through a favourable result for Total Funds Result Budget versus Actual and improved Available Funds performance against phased budget.

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

	2025/26 Original Budget \$'000	2025/26 Budget \$'000	2025/26 YTD Budget \$'000	2025/26 YTD Actuals \$'000	Variance \$'000
<b>Income From Continuing Operations</b>					
<b>Revenue:</b>					
Rates and Annual Charges	258,973	259,666	86,802	87,986	1,184
User Charges and Fees	40,870	40,957	13,007	13,605	598
Interest and Investment Revenues	6,240	11,104	3,705	4,096	391
Other Revenues	6,334	6,317	2,063	1,825	(238)
Rental Income	7,553	7,685	2,579	2,257	(321)
Grants & Contributions provided for Operating Purposes	28,960	19,455	5,941	8,193	2,252
Grants & Contributions provided for Capital Purposes	70,216	71,027	22,073	13,058	(9,015)
<b>Other Income:</b>	0	0	0	0	0
Profit/Loss on Disposal of Assets	0	28,516	46	46	0
<b>Total Income from Continuing Operations</b>	<b>419,147</b>	<b>444,728</b>	<b>136,216</b>	<b>131,068</b>	<b>(5,149)</b>
<b>Expenses From Continuing Operations</b>					
Employee Costs	169,238	172,588	60,489	58,118	2,371
Borrowing Costs	1,028	1,125	379	306	73
Materials & Services	103,104	96,915	32,031	28,584	3,448
Other Expenses	26,217	24,493	8,534	9,394	(861)
Depreciation, Amortisation + Impairment	88,185	88,185	29,710	29,408	302
Labour Internal Charges	(23,041)	(17,695)	(6,280)	(6,437)	157
Non-Labour Internal Charges	(2,497)	(2,530)	(853)	(829)	(24)
<b>Total Expenses From Continuing Operations</b>	<b>362,235</b>	<b>363,080</b>	<b>124,011</b>	<b>118,545</b>	<b>5,466</b>
<b>Operating Result</b>	<b>56,912</b>	<b>81,648</b>	<b>12,206</b>	<b>12,523</b>	<b>317</b>
<b>Operating Result [pre capital]</b>	<b>(13,304)</b>	<b>10,621</b>	<b>(9,868)</b>	<b>(535)</b>	<b>9,333</b>
<b>Funding Statement</b>					
Net Operating Result for the Year	56,912	81,648	12,206	12,523	317
Add back :					
- Non-cash Operating Transactions	108,577	80,475	37,321	36,018	(1,303)
- Restricted cash used for operations	11,963	13,175	4,600	3,521	(1,079)
- Income transferred to Restricted Cash	(91,916)	(99,518)	(31,732)	(23,899)	7,833
Leases Repaid	(514)	(514)	(173)	(180)	(7)
Payment of Employee Entitlements	(16,354)	(18,404)	(5,987)	(6,808)	(821)
<b>Funds Available from Operations</b>	<b>68,668</b>	<b>56,861</b>	<b>16,234</b>	<b>21,175</b>	<b>4,941</b>
Loans Repaid	0	0	0	0	0
Advances (made by) / repaid to Council	0	0	0	0	0
<b>Operational Funds Available for Capital Budget</b>	<b>68,668</b>	<b>56,861</b>	<b>16,234</b>	<b>21,175</b>	<b>4,941</b>
<b>Capital Budget Statement</b>					
Assets Acquired	(139,415)	(139,415)	(41,423)	(33,285)	8,138
Contributed Assets	(5,871)	(5,871)	0	0	0
Transfers to Restricted Cash	(2,776)	(43,302)	(37,825)	(8,825)	29,000
Funded From :-					
- Operational Funds	68,668	56,861	16,234	21,175	4,941
- Sale of Assets	1,399	30,399	29,276	66	(29,211)
- Internally Restricted Cash	14,508	17,752	4,039	4,261	221
- Borrowings	0	0	0	0	0
- Capital Grants	35,098	35,335	8,269	8,895	626
- Developer Contributions (Section 94)	22,345	22,100	6,708	5,342	(1,366)
- Other Externally Restricted Cash	400	764	764	764	(0)
- Other Capital Contributions	5,871	5,897	26	43	17
<b>TOTAL FUNDS SURPLUS / (DEFICIT)</b>	<b>226</b>	<b>(19,481)</b>	<b>(13,932)</b>	<b>(1,565)</b>	<b>12,368</b>

**WOLLONGONG CITY COUNCIL**

**Statement of Financial Position**

as at 31 October 2025

	YTD Actual 2025/26 \$'000	Actual 2024/25 \$'000
<b>Current Assets</b>		
Cash Assets	22,054	49,586
Investment Securities	102,201	67,365
Receivables	19,142	30,216
Inventories	6,585	6,511
Current Contract Assets	7,707	5,366
Other	8,407	3,144
<b>Total Current Assets</b>	<b>166,096</b>	<b>162,188</b>
<b>Non-Current Assets</b>		
Non Current Cash Assets	68,000	46,250
Non Current Investment Securities	39,600	51,309
Property, Plant and Equipment	4,137,592	4,133,990
Investment Properties	5,650	5,650
Right-Of-Use Assets	2,006	2,276
<b>Total Non-Current Assets</b>	<b>4,252,847</b>	<b>4,239,474</b>
<b>TOTAL ASSETS</b>	<b>4,418,943</b>	<b>4,401,662</b>
<b>Current Liabilities</b>		
Current Payables	26,100	27,484
Current Contract Liabilities	29,571	23,174
Current Lease Liabilities	257	395
Current Provisions payable < 12 months	20,329	20,711
Current Provisions payable > 12 months	40,809	40,809
<b>Total Current Liabilities</b>	<b>117,065</b>	<b>112,572</b>
<b>Non-Current Liabilities</b>		
N/C Lease Liabilities	2,072	2,072
Non Current Provisions	50,867	50,603
<b>Total Non-Current Liabilities</b>	<b>52,939</b>	<b>52,675</b>
<b>TOTAL LIABILITIES</b>	<b>170,005</b>	<b>165,247</b>
<b>NET ASSETS</b>	<b>4,248,939</b>	<b>4,236,415</b>
<b>Equity</b>		
Accumulated Surplus	1,524,996	1,522,372
Asset Revaluation Reserve	2,561,571	2,561,571
Restricted Assets	162,372	152,473
<b>TOTAL EQUITY</b>	<b>4,248,938</b>	<b>4,236,415</b>

<b>WOLLONGONG CITY COUNCIL</b>		
<b>Cash Flows and Investments</b>		
as at 31 October 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
<b>Cash Flows From Operating Activities</b>		
<b>Receipts</b>		
Rates & Annual Charges	95,245	247,522
User Charges & Fees	9,213	39,909
Interest & Interest Received	2,768	9,061
Grants & Contributions	31,143	97,659
Bonds, deposits and retention amounts received	60	167
Other	9,526	31,727
<b>Payments</b>		
Employee Benefits & On-costs	(52,258)	(153,952)
Materials & Contracts	(32,776)	(126,741)
Borrowing Costs	(42)	(141)
Other	(12,437)	(22,192)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>50,442</b>	<b>123,019</b>
<b>Cash Flows From Investing Activities</b>		
<b>Receipts</b>		
Sale of Investments	9,013	50,649
Sale of Infrastructure, Property, Plant & Equipment	66	2,068
<b>Payments:</b>		
Purchase of Investments	(53,093)	(79,128)
Purchase of Investment Property	-	(1,100)
Purchase of Infrastructure, Property, Plant & Equipment	(33,823)	(89,795)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(77,837)</b>	<b>(117,306)</b>
<b>Cash Flows From Financing Activities</b>		
<b>Payments:</b>		
Repayment of Borrowings & Advances	-	(657)
Repayment of Finance Lease Liabilities	(138)	(370)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(138)</b>	<b>(1,027)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(27,533)	4,686
plus: Cash & Cash Equivalents - beginning of year	49,586	44,900
plus: Investments on hand - end of year	209,801	164,301
<b>Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>231,854</b>	<b>213,887</b>

<b>WOLLONGONG CITY COUNCIL</b>		
<b>Cash Flows and Investments</b>		
as at 31 October 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
<b>Total Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>231,854</b>	<b>213,887</b>
<b>Attributable to:</b>		
External Restrictions (refer below)	112,555	103,184
Internal Restrictions (refer below)	74,411	67,583
Unrestricted	44,888	43,121
	<b>231,854</b>	<b>213,887</b>
<b>External Restrictions</b>		
Developer Contributions	74,939	73,967
RMS Contributions	780	402
Specific Purpose Unexpended Grants	19,442	13,381
Special Rates Levy Wollongong Mall	1,133	1,062
Special Rates Levy Wollongong City Centre	94	94
Unexpended Loans	992	973
Domestic Waste Management	8,318	6,033
Private Subsidies	2,889	2,898
Housing Affordability	3,149	3,120
Stormwater Management Service Charge	819	1,254
<b>Total External Restrictions</b>	<b>112,555</b>	<b>103,184</b>
<b>Internal Restrictions</b>		
Property Investment Fund	5,631	5,532
Strategic Projects	38,832	31,700
Sports Priority Program	942	856
Car Parking Strategy	1,501	1,372
MacCabe Park Development	2,006	2,190
Darcy Wentworth Park	18	18
Garbage Disposal Facility	4,824	5,982
West Dapto Development	19,979	19,259
Natural Areas	173	173
Lake Illawarra Estuary Management Fund	505	501
<b>Total Internal Restrictions</b>	<b>74,411</b>	<b>67,583</b>