

ITEM 19 AUGUST 2025 FINANCIALS

The year to date financial result as at 29 August 2025 compared to budget is favourable for the Operating Result [pre-capital] \$5.4M and Funds Available from Operations was favourable compared to budget \$1.5M. Total Funds Result was favourable \$3.4M 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 \$14.2M on its capital works program representing 10.2% of the budget. The budget for the same period was \$18.9M.

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 – August 2025

BACKGROUND

This report presents the Financial Performance of the organisation as at 29 August 2025. The below table provides a summary of the organisation's overall full year financial results.

Wollongong City Council 29 August 2025 Year to Date Position	Original Budget \$M 1-Jul	Revised Budget \$M 29-Aug	YTD Forecast \$M 29-Aug	YTD Actual \$M 29-Aug	Variation \$M
Operating Revenue	348.9	348.9	56.5	59.3	2.8
Operating Costs	(362.2)	(364.2)	(60.3)	(57.8)	2.5
Operating Result [Pre Capital]	(13.3)	(15.3)	(3.8)	1.5	5.4
Capital Grants & Contributions	70.2	70.2	8.8	5.5	(3.3)
Operating Result	56.9	54.9	5.0	7.0	2.1
Funds Available from Operations	68.7	67.6	9.5	11.0	1.5
Capital Works	139.4	139.4	18.9	14.2	4.8
Contributed Assets	5.9	5.9	-	-	-
Transfer to Restricted Cash	2.8	2.8	0.5	0.5	-
Borrowings Repaid	-	-	-	-	-
Funded from:					
- Operational Funds	68.7	67.6	9.5	11.0	1.5
- Other Funding	79.6	79.6	9.4	6.4	(3.0)
Total Funds Surplus/(Deficit)	0.2	(0.9)	(0.6)	2.8	3.4

FINANCIAL PERFORMANCE

The August 2025 Operating Result [pre-capital] surplus of \$1.5M is a favourable variance of \$5.4M compared to the budget deficit of \$3.8M.

The Operating Result surplus of \$7.0M is a favourable variance of \$2.1M compared to budget.

The Funds Available from Operations result is a favourable \$1.5M when compared to the year-to-date budget of \$9.5M. 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 29 August 2025 is a favourable variance of \$3.4M compared to budget.

At the end of August, the Capital Works Program had an expenditure of \$14.2M compared to a budget of \$18.9M for the same period.

FINANCIAL POSITION

Cash, Investments & Available Funds

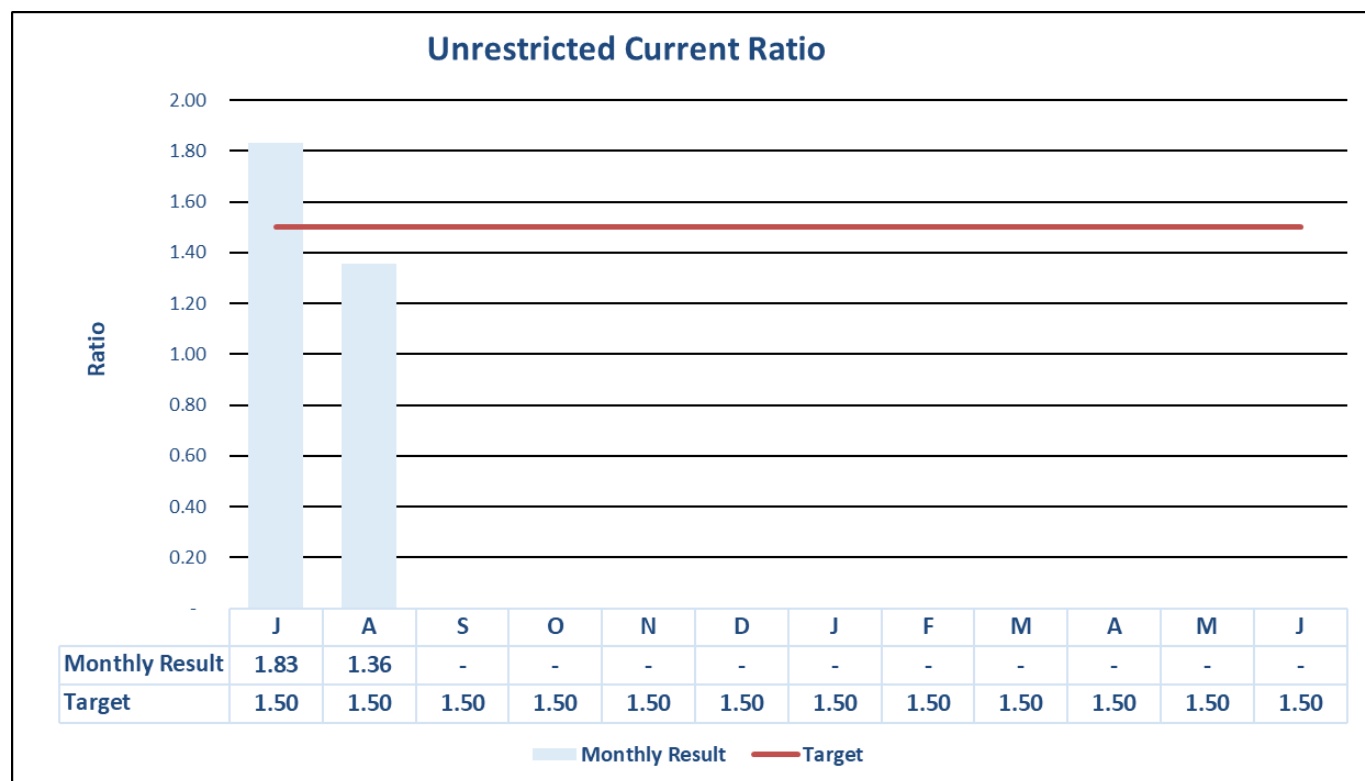
Council's cash and investments increased during August 2025 to holdings of \$236.9M compared to \$196.6M at the end of July 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

Wollongong City Council 29 August 2025 Cash, Investments and Available Funds			
	Actual 2024/25 \$M	Original Budget 2025/26 \$M	Actuals YTD July 2025/26 \$M
Total Cash and Investments	214.5	206.3	236.9
Less Restrictions:			
External	103.2	105.3	114.8
Internal	67.6	86.2	68.0
CivicRisk Investment	3.7		3.7
Total Restrictions	174.5	191.6	186.5
Available Cash	40.0	14.7	50.4
Adjusted for :			
Payables	(27.5)	(32.6)	(25.9)
Receivables	30.2	32.7	15.1
Other	3.8	1.9	10.1
Net Payables & Receivables	6.5	2.0	(0.8)
Available Funds	46.5	16.7	49.6

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 (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 29 August 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.

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 \$94.7M in Work In Progress) that are controlled and managed by Council on behalf of the community at 29 August 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 August through a favourable result for *Total Funds Result Budget versus Actual* and improved Available Funds performance against full year budget.

Wollongong City Council

1 July 2024 to 29 August 2025

Income Statement

	2025/26 Original Budget \$'000	2025/26 Budget \$'000	2025/26 YTD Budget \$'000	2025/26 YTD Actuals \$'000	Variance \$'000
Income From Continuing Operations					
Revenue:					
Rates and Annual Charges	258,973	258,973	42,272	43,067	795
User Charges and Fees	40,870	40,870	6,041	6,383	342
Interest and Investment Revenues	6,240	6,240	1,038	1,781	743
Other Revenues	6,334	6,334	1,029	915	(114)
Rental Income	7,553	7,553	1,213	1,085	(128)
Grants & Contributions provided for Operating Purposes	28,960	28,960	4,911	6,094	1,182
Grants & Contributions provided for Capital Purposes	70,216	70,216	8,761	5,508	(3,253)
Other Income:	0	0	0	0	0
Profit/Loss on Disposal of Assets	0	0	11	11	(0)
Total Income from Continuing Operations	419,147	419,147	65,277	64,843	(434)
Expenses From Continuing Operations					
Employee Costs	169,238	169,973	29,438	28,099	1,338
Borrowing Costs	1,028	1,028	169	153	16
Materials & Services	103,104	104,258	16,609	13,375	3,234
Other Expenses	26,217	26,295	3,948	4,709	(761)
Depreciation, Amortisation + Impairment	88,185	88,185	14,497	14,347	150
Labour Internal Charges	(23,041)	(23,041)	(3,958)	(2,596)	(1,362)
Non-Labour Internal Charges	(2,497)	(2,497)	(411)	(331)	(79)
Total Expenses From Continuing Operations	362,235	364,201	60,292	57,756	2,537
Operating Result	56,912	54,946	4,984	7,087	2,103
Operating Result [pre capital]	(13,304)	(15,270)	(3,777)	1,579	5,356
Funding Statement					
Net Operating Result for the Year	56,912	54,946	4,984	7,087	2,103
Add back :					
- Non-cash Operating Transactions	108,577	108,584	18,286	17,615	(671)
- Restricted cash used for operations	11,963	12,837	1,626	1,471	(155)
- Income transferred to Restricted Cash	(91,916)	(91,916)	(12,831)	(11,520)	1,312
Leases Repaid	(514)	(514)	(85)	(90)	(6)
Payment of Employee Entitlements	(16,354)	(16,354)	(2,505)	(3,546)	(1,041)
Funds Available from Operations	68,668	67,583	9,475	11,017	1,542
Loans Repaid	0	0	0	0	0
Advances (made by) / repaid to Council	0	0	0	0	0
Operational Funds Available for Capital Budget	68,668	67,583	9,475	11,017	1,542
Capital Budget Statement					
Assets Acquired	(139,415)	(139,415)	(18,940)	(14,171)	4,769
Contributed Assets	(5,871)	(5,871)	0	0	0
Transfers to Restricted Cash	(2,776)	(2,776)	(463)	(463)	0
Funded From :-					
- Operational Funds	68,668	67,583	9,475	11,017	1,542
- Sale of Assets	1,399	1,399	129	11	(118)
- Internally Restricted Cash	14,508	14,508	2,378	1,183	(1,195)
- Borrowings	0	0	0	0	0
- Capital Grants	35,098	35,098	4,391	3,174	(1,217)
- Developer Contributions (Section 94)	22,345	22,345	2,220	1,505	(715)
- Other Externally Restricted Cash	400	400	246	566	320
- Other Capital Contributions	5,871	5,871	0	4	4
TOTAL FUNDS SURPLUS / (DEFICIT)	226	(859)	(564)	2,826	3,389

WOLLONGONG CITY COUNCIL

Statement of Financial Position
as at 29 August 2025

	YTD Actual 2024/25 \$'000	Actual 2024/25 \$'000
Current Assets		
Cash Assets	49,357	49,586
Investment Securities	97,881	67,365
Receivables	15,057	30,216
Inventories	6,550	6,511
Current Contract Assets	6,273	5,366
Other	8,676	3,144
Assets classified as held for sale	0	0
Total Current Assets	183,795	162,188
Non-Current Assets		
Non Current Cash Assets	55,000	46,250
Non Current Investment Securities	34,631	51,309
Non-Current Inventories	0	0
Property, Plant and Equipment	4,133,749	4,133,990
Investment Properties	5,650	5,650
Intangible Assets	0	0
Right-Of-Use Assets	2,144	2,276
Total Non-Current Assets	4,231,174	4,239,474
TOTAL ASSETS	4,414,969	4,401,662
Current Liabilities		
Current Payables	25,904	27,484
Current Contract Liabilities	31,257	23,174
Current Lease Liabilities	325	395
Current Provisions payable < 12 months	20,365	20,711
Current Provisions payable > 12 months	40,809	40,809
Current Interest Bearing Liabilities	0	0
Total Current Liabilities	118,660	112,572
Non-Current Liabilities		
Non Current Interest Bearing Liabilities	0	0
N/C Lease Liabilities	2,072	2,072
Non Current Provisions	50,735	50,603
Total Non-Current Liabilities	52,807	52,675
TOTAL LIABILITIES	171,468	165,247
NET ASSETS	4,243,501	4,236,415
Equity		
Accumulated Surplus	1,525,379	1,522,372
Asset Revaluation Reserve	2,561,571	2,561,571
Restricted Assets	156,551	152,473
TOTAL EQUITY	4,243,501	4,236,415

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 29 August 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
Cash Flows From Operating Activities		
Receipts		
Rates & Annual Charges	60,525	247,522
User Charges & Fees	(5,771)	39,909
Interest & Interest Received	999	9,061
Grants & Contributions	24,797	97,659
Bonds, deposits and retention amounts received	-	167
Other	5,410	31,727
Payments		
Employee Benefits & On-costs	(25,945)	(153,952)
Materials & Contracts	(15,570)	(126,741)
Borrowing Costs	(21)	(141)
Bonds, deposits and retention amounts refunded	-	-
Other	(6,084)	(22,192)
Net Cash provided (or used in) Operating Activities	38,341	123,019
Cash Flows From Investing Activities		
Receipts		
Sale of Investments	4,000	50,649
Sale of Investment Property		
Sale of Real Estate Assets		
Sale of Infrastructure, Property, Plant & Equipment	11	2,068
Payments:		
Purchase of Investments	(26,084)	(79,128)
Purchase of Investment Property	-	(1,100)
Purchase of Infrastructure, Property, Plant & Equipment	(16,428)	(89,795)
Net Cash provided (or used in) Investing Activities	(38,501)	(117,306)
Cash Flows From Financing Activities		
Payments:		
Repayment of Borrowings & Advances	-	(657)
Repayment of Finance Lease Liabilities	(69)	(370)
Net Cash Flow provided (used in) Financing Activities	(69)	(1,027)
Net Increase/(Decrease) in Cash & Cash Equivalents	(229)	4,686
plus: Cash & Cash Equivalents - beginning of year	49,586	44,900
plus: Investments on hand - end of year	187,512	164,301
Cash & Cash Equivalents and Investments - year to date	236,869	213,887

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 29 August 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
Total Cash & Cash Equivalents and Investments - year to date	236,869	213,887
Attributable to:		
External Restrictions (refer below)	114,752	103,184
Internal Restrictions (refer below)	67,996	67,583
Unrestricted	54,121	43,121
	236,869	213,887
External Restrictions		
Developer Contributions	76,061	73,967
RMS Contributions	1,005	402
Specific Purpose Unexpended Grants	21,260	13,381
Special Rates Levy Wollongong Mall	1,093	1,062
Special Rates Levy Wollongong City Centre	94	94
Local Infrastructure Renewal Scheme	-	-
Unexpended Loans	983	973
Domestic Waste Management	7,237	6,033
Private Subsidies	2,963	2,898
Housing Affordability	3,150	3,120
Stormwater Management Service Charge	906	1,254
Total External Restrictions	114,752	103,184
Internal Restrictions		
Property Investment Fund	5,586	5,532
Strategic Projects	31,593	31,700
Sports Priority Program	900	856
Car Parking Strategy	1,446	1,372
MacCabe Park Development	2,215	2,190
Darcy Wentworth Park	18	18
Garbage Disposal Facility	5,943	5,982
West Dapto Development	19,625	19,259
Natural Areas	173	173
Lake Illawarra Estuary Management Fund	497	501
Total Internal Restrictions	67,996	67,583