

ITEM 20 SEPTEMBER 2025 FINANCIALS

The year to date financial result as at 26 September 2025 compared to budget is favourable for the Operating Result [pre-capital] \$6.4M and Funds Available from Operations was favourable compared to budget \$2M. Total Funds Result was favourable \$4.2M 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 \$22.6M on its capital works program representing 16.2% of the budget. The budget for the same period was \$30.1M.

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 - September 2025

BACKGROUND

This report presents the Financial Performance of the organisation as at 26 September 2025. The below table provides a summary of the organisation's overall full year financial results.

Wollongong City Council 26 September 2025 Year to Date Position	Original Budget \$M 1-Jul	Revised Budget \$M 26-Sep	YTD Forecast \$M 26-Sep	YTD Actual \$M 26-Sep	Variation \$M
Operating Revenue	348.9	348.9	83.2	86.8	3.6
Operating Costs	(362.2)	(364.2)	(88.2)	(85.4)	2.8
Operating Result [Pre Capital]	(13.3)	(15.3)	(5.0)	1.4	6.4
Capital Grants & Contributions	70.2	70.2	15.1	8.6	(6.6)
Operating Result	56.9	54.9	10.1	10.0	(0.1)
Funds Available from Operations	68.7	67.6	14.3	16.3	2.0
Capital Works	139.4	139.4	30.1	22.6	7.6
Contributed Assets	5.9	5.9	-	-	-
Transfer to Restricted Cash	2.8	2.8	0.7	0.7	-
Borrowings Repaid	-	-	-	-	-
Funded from:					
- Operational Funds	68.7	67.6	14.3	16.3	2.0
- Other Funding	79.6	79.6	16.3	10.9	(5.4)
Total Funds Surplus/(Deficit)	0.2	(0.9)	(0.2)	4.0	4.2

FINANCIAL PERFORMANCE

The September 2025 Operating Result [pre-capital] surplus of \$1.4M is a favourable variance of \$6.4M compared to the budget deficit of \$5M.

The Operating Result surplus of \$10M is an unfavourable variance of \$0.1M compared to budget.

The Funds Available from Operations result is a favourable \$2M when compared to the year-to-date budget of \$14.3M. 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 26 September 2025 is a favourable variance of \$4.2M compared to budget.

At the end of September, the Capital Works Program had an expenditure of \$22.6M compared to a budget of \$30.1M for the same period.

FINANCIAL POSITION

Cash, Investments & Available Funds

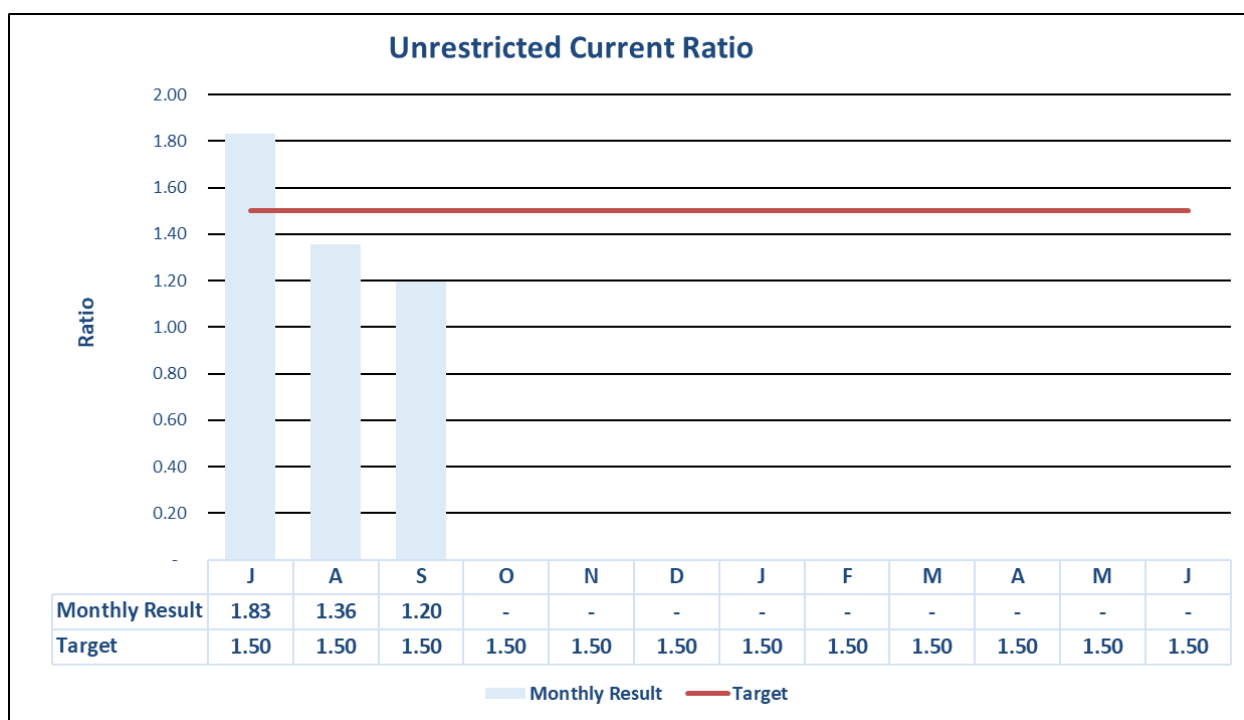
Council's cash and investments increased during September 2025 to holdings of \$244.9M compared to \$236.9M at the end of August 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

Wollongong City Council 26 September 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	244.9
Less Restrictions:			
External	103.2	105.3	114.3
Internal	67.6	86.2	68.1
CivicRisk Investment	3.7		3.7
Total Restrictions	174.5	191.6	186.1
Available Cash	40.0	14.7	58.8
Adjusted for :			
Payables	(27.5)	(32.6)	(25.5)
Receivables	30.2	32.7	6.5
Other	3.8	1.9	11.2
Net Payables & Receivables	6.5	2.0	(7.9)
Available Funds	46.5	16.7	50.9

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 26 September 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 \$102.2M in Work In Progress) that are controlled and managed by Council on behalf of the community at 26 September 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 September through a favourable result for *Total Funds Result Budget versus Actual* and improved Available Funds performance against phased budget.

WOLLONGONG CITY COUNCIL

Statement of Financial Position as at 26 September 2025

	YTD Actual 2025/26 \$'000	Actual 2024/25 \$'000
Current Assets		
Cash Assets	50,485	49,586
Investment Securities	96,880	67,365
Receivables	6,451	30,216
Inventories	6,570	6,511
Current Contract Assets	7,234	5,366
Other	8,941	3,144
Total Current Assets	176,561	162,188
Non-Current Assets		
Non Current Cash Assets	63,000	46,250
Non Current Investment Securities	34,523	51,309
Property, Plant and Equipment	4,135,293	4,133,990
Investment Properties	5,650	5,650
Right-Of-Use Assets	2,083	2,276
Total Non-Current Assets	4,240,548	4,239,474
TOTAL ASSETS	4,417,109	4,401,662
Current Liabilities		
Current Payables	25,509	27,484
Current Contract Liabilities	30,710	23,174
Current Lease Liabilities	290	395
Current Provisions payable < 12 months	20,535	20,711
Current Provisions payable > 12 months	40,809	40,809
Total Current Liabilities	117,853	112,572
Non-Current Liabilities		
N/C Lease Liabilities	2,072	2,072
Non Current Provisions	50,801	50,603
Total Non-Current Liabilities	52,873	52,675
TOTAL LIABILITIES	170,726	165,247
NET ASSETS	4,246,384	4,236,415
Equity		
Accumulated Surplus	1,528,042	1,522,372
Asset Revaluation Reserve	2,561,571	2,561,571
Restricted Assets	156,771	152,473
TOTAL EQUITY	4,246,383	4,236,415

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 26 September 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
Cash Flows From Operating Activities		
Receipts		
Rates & Annual Charges	85,416	247,522
User Charges & Fees	5,410	39,909
Interest & Interest Received	2,148	9,061
Grants & Contributions	28,957	97,659
Bonds, deposits and retention amounts received	-	167
Other	5,502	31,727
Payments		
Employee Benefits & On-costs	(37,624)	(153,952)
Materials & Contracts	(24,084)	(126,741)
Borrowing Costs	(30)	(141)
Other	(10,343)	(22,192)
Net Cash provided (or used in) Operating Activities	55,352	123,019
Cash Flows From Investing Activities		
Receipts		
Sale of Investments	7,000	50,649
Sale of Infrastructure, Property, Plant & Equipment	11	2,068
Payments:		
Purchase of Investments	(36,084)	(79,128)
Purchase of Investment Property	-	(1,100)
Purchase of Infrastructure, Property, Plant & Equipment	(25,276)	(89,795)
Net Cash provided (or used in) Investing Activities	(54,349)	(117,306)
Cash Flows From Financing Activities		
Payments:		
Repayment of Borrowings & Advances	-	(657)
Repayment of Finance Lease Liabilities	(105)	(370)
Net Cash Flow provided (used in) Financing Activities	(105)	(1,027)
Net Increase/(Decrease) in Cash & Cash Equivalents	899	4,686
plus: Cash & Cash Equivalents - beginning of year	49,586	44,900
plus: Investments on hand - end of year	194,403	164,301
Cash & Cash Equivalents and Investments - year to date	244,888	213,887

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 26 September 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
Total Cash & Cash Equivalents and Investments - year to date	244,888	213,887
Attributable to:		
External Restrictions (refer below)	114,258	103,184
Internal Restrictions (refer below)	68,066	67,583
Unrestricted	62,564	43,121
Total	244,888	213,887
External Restrictions		
Developer Contributions	76,312	73,967
RMS Contributions	899	402
Specific Purpose Unexpended Grants	20,574	13,381
Special Rates Levy Wollongong Mall	1,120	1,062
Special Rates Levy Wollongong City Centre	94	94
Unexpended Loans	987	973
Domestic Waste Management	7,440	6,033
Private Subsidies	2,947	2,898
Housing Affordability	3,165	3,120
Stormwater Management Service Charge	720	1,254
Total External Restrictions	114,258	103,184
Internal Restrictions		
Property Investment Fund	5,611	5,532
Strategic Projects	31,442	31,700
Sports Priority Program	922	856
Car Parking Strategy	1,496	1,372
MacCabe Park Development	2,228	2,190
Darcy Wentworth Park	18	18
Garbage Disposal Facility	5,875	5,982
West Dapto Development	19,799	19,259
Natural Areas	173	173
Lake Illawarra Estuary Management Fund	502	501
Total Internal Restrictions	68,066	67,583