

## ITEM 13 JULY 2025 FINANCIALS

The year to date financial result as at 25 July 2025 compared to budget is favourable for the Operating Result [pre-capital] \$1.8M and Funds Available from Operations was on par compared to budget and the Total Funds Result favourable \$1.7M 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 \$6.3M on its capital works program representing 4.5% of the budget. The budget for the same period was \$9.6M.

### 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 - July 2025
- 2 Contracts

### BACKGROUND

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

<b>Wollongong City Council 25 July 2025 Year to Date Position</b>	<b>Original Budget \$M 1-Jul</b>	<b>Revised Budget \$M 25-Jul</b>	<b>YTD Forecast \$M 25-Jul</b>	<b>YTD Actual \$M 25-Jul</b>	<b>Variation \$M</b>
Operating Revenue	348.9	348.9	23.9	24.3	0.4
Operating Costs	(362.2)	(362.2)	(26.2)	(24.9)	1.4
<b>Operating Result [Pre Capital]</b>	<b>(13.3)</b>	<b>(13.3)</b>	<b>(2.3)</b>	<b>(0.6)</b>	<b>1.7</b>
Capital Grants & Contributions	70.2	70.2	4.3	2.8	(1.5)
<b>Operating Result</b>	<b>56.9</b>	<b>56.9</b>	<b>2.0</b>	<b>2.2</b>	<b>0.3</b>
<b>Funds Available from Operations</b>	<b>68.7</b>	<b>68.7</b>	<b>3.4</b>	<b>3.1</b>	<b>(0.3)</b>
<b>Capital Works</b>	<b>139.4</b>	<b>139.4</b>	<b>9.6</b>	<b>6.3</b>	<b>3.3</b>
<b>Contributed Assets</b>	<b>5.9</b>	<b>5.9</b>	-	-	-
Transfer to Restricted Cash	2.8	2.8	0.2	0.2	-
Borrowings Repaid	-	-	-	-	-
Funded from:					
- Operational Funds	68.7	68.7	3.4	3.1	(0.3)
- Other Funding	79.6	79.6	4.3	3.0	(1.3)
<b>Total Funds Surplus/(Deficit)</b>	<b>0.2</b>	<b>0.2</b>	<b>(2.2)</b>	<b>(0.5)</b>	<b>1.7</b>

## FINANCIAL PERFORMANCE

The July 2025 Operating Result [pre-capital] deficit of \$0.6M is a favourable variance of \$1.7M compared to the budget deficit of \$2.3M.

The Operating Result surplus of \$2.2M is a favourable variance of \$0.3M compared to budget.

The Funds Available from Operations result is unfavourable \$0.3M when compared to the year-to-date budget of \$3.4M. 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 25 July 2025 is a favourable variance of \$1.7M compared to budget.

At the end of July, the Capital Works Program had an expenditure of \$6.3M compared to a budget of \$9.6M for the same period.

## FINANCIAL POSITION

### Cash, Investments & Available Funds

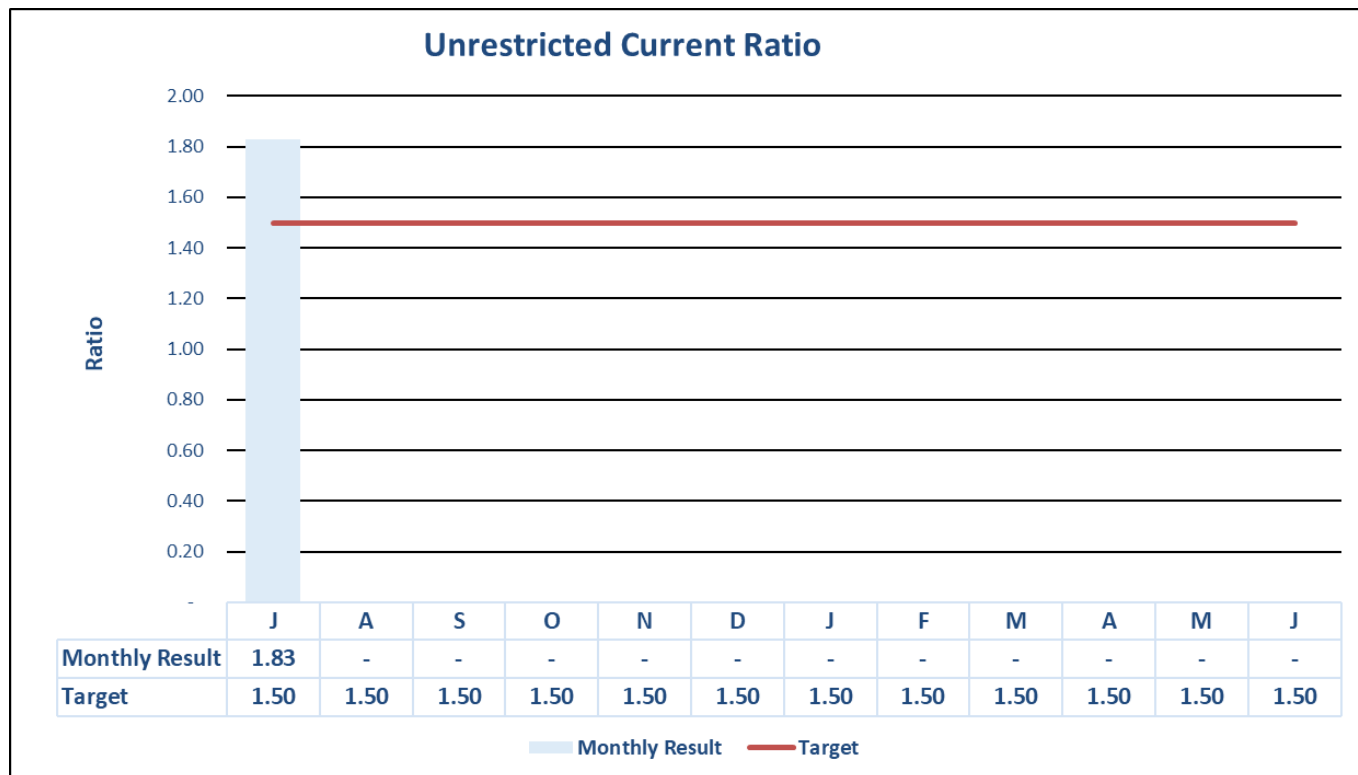
Council's cash and investments decreased during July 2025 to holdings of \$196.6M compared to \$213.9M at the end of June 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

<b>Wollongong City Council</b>			
<b>25 July 2025</b>			
<b>Cash, Investments and Available Funds</b>			
	<b>Actual 2024/25 \$M</b>	<b>Original Budget 2025/26 \$M</b>	<b>Actuals YTD July 2025/26 \$M</b>
<b>Total Cash and Investments</b>	<b>213.9</b>	<b>206.3</b>	<b>196.6</b>
Less Restrictions:			
External	103.2	105.3	112.3
Internal	67.6	86.2	67.9
CivicRisk Investment	3.1		3.1
Total Restrictions	173.9	191.6	183.3
<b>Available Cash</b>	<b>40.0</b>	<b>14.7</b>	<b>13.3</b>
Adjusted for :			
Payables	(27.5)	(32.6)	(24.4)
Receivables	30.2	32.7	48.7
Other	3.8	1.9	8.5
Net Payables & Receivables	6.5	2.0	32.8
<b>Available Funds</b>	<b>46.5</b>	<b>16.7</b>	<b>46.1</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.

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 July 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 \$87M in Work In Progress) that are controlled and managed by Council on behalf of the community at 25 July 2025.

Attachment 2 to this report includes details of contracts entered into that have yet to be fully performed and tenders approved by the General Manager during the April to June 2025 Quarter.

**PLANNING AND POLICY IMPACT**

This report contributes to the delivery of Our Wollongong Our Future 2032 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 July through a favourable result for *Total Funds Result Budget versus Actual* and improved Available Funds performance against full year budget.

**Attachment 1**

<b>Wollongong City Council</b>					
<b>1 July 2024 to 25 July 2025</b>					
<b>Income Statement</b>					
	<b>2025/26 Original Budget \$'000</b>	<b>2025/26 Budget \$'000</b>	<b>2025/26 YTD Budget \$'000</b>	<b>2025/26 YTD Actuals \$'000</b>	<b>Variance \$'000</b>
<b>Income From Continuing Operations</b>					
<b>Revenue:</b>					
Rates and Annual Charges	258,973	258,973	18,114	18,164	50
User Charges and Fees	40,870	40,870	2,723	2,728	5
Interest and Investment Revenues	6,240	6,240	506	706	200
Other Revenues	6,334	6,334	406	429	24
Rental Income	7,553	7,553	505	433	(73)
Grants & Contributions provided for Operating Purposes	28,960	28,960	1,694	1,842	148
Grants & Contributions provided for Capital Purposes	70,216	70,216	4,285	2,823	(1,462)
<b>Other Income:</b>	0	0	0	0	0
Profit/Loss on Disposal of Assets	0	0	(0)	0	0
<b>Total Income from Continuing Operations</b>	<b>419,147</b>	<b>419,147</b>	<b>28,233</b>	<b>27,124</b>	<b>(1,108)</b>
<b>Expenses From Continuing Operations</b>					
Employee Costs	169,238	169,238	12,690	11,965	725
Borrowing Costs	1,028	1,028	70	75	(4)
Materials & Services	103,104	103,104	7,566	5,934	1,631
Other Expenses	26,217	26,217	1,868	2,017	(150)
Depreciation, Amortisation + Impairment	88,185	88,185	6,041	5,980	61
Labour Internal Charges	(23,041)	(23,041)	(1,845)	(978)	(866)
Non-Labour Internal Charges	(2,497)	(2,497)	(171)	(135)	(36)
<b>Total Expenses From Continuing Operations</b>	<b>362,235</b>	<b>362,235</b>	<b>26,220</b>	<b>24,858</b>	<b>1,362</b>
<b>Operating Result</b>	<b>56,912</b>	<b>56,912</b>	<b>2,013</b>	<b>2,266</b>	<b>253</b>
<b>Operating Result [pre capital]</b>	<b>(13,304)</b>	<b>(13,304)</b>	<b>(2,272)</b>	<b>(557)</b>	<b>1,715</b>
<b>Funding Statement</b>					
Net Operating Result for the Year	56,912	56,912	2,013	2,266	253
Add back :					
- Non-cash Operating Transactions	108,577	108,577	7,728	7,374	(355)
- Restricted cash used for operations	11,963	11,963	634	383	(251)
- Income transferred to Restricted Cash	(91,916)	(91,916)	(5,717)	(4,622)	1,095
Leases Repaid	(514)	(514)	(35)	(11)	24
Payment of Employee Entitlements	(16,354)	(16,354)	(1,249)	(2,283)	(1,034)
<b>Funds Available from Operations</b>	<b>68,668</b>	<b>68,668</b>	<b>3,374</b>	<b>3,107</b>	<b>(267)</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>68,668</b>	<b>3,374</b>	<b>3,107</b>	<b>(267)</b>
<b>Capital Budget Statement</b>					
Assets Acquired	(139,415)	(139,415)	(9,621)	(6,340)	3,282
Contributed Assets	(5,871)	(5,871)	0	0	0
Transfers to Restricted Cash	(2,776)	(2,776)	(231)	(231)	0
Funded From :-					
- Operational Funds	68,668	68,668	3,374	3,107	(267)
- Sale of Assets	1,399	1,399	66	0	(66)
- Internally Restricted Cash	14,508	14,508	1,074	617	(457)
- Borrowings	0	0	0	0	0
- Capital Grants	35,098	35,098	2,124	1,304	(820)
- Developer Contributions (Section 94)	22,345	22,345	870	738	(131)
- Other Externally Restricted Cash	400	400	124	301	177
- Other Capital Contributions	5,871	5,871	0	3	3
<b>TOTAL FUNDS SURPLUS / (DEFICIT)</b>	<b>226</b>	<b>226</b>	<b>(2,220)</b>	<b>(502)</b>	<b>1,719</b>

**WOLLONGONG CITY COUNCIL**

**Statement of Financial Position**

as at 25 July 2025

	YTD Actual 2024/25 \$'000	Actual 2024/25 \$'000
<b>Current Assets</b>		
Cash Assets	34,134	49,586
Investment Securities	95,752	67,365
Receivables	48,688	30,216
Inventories	6,539	6,511
Current Contract Assets	5,095	5,366
Other	8,088	3,144
Assets classified as held for sale	0	0
<b>Total Current Assets</b>	<b>198,296</b>	<b>162,188</b>
<b>Non-Current Assets</b>		
Non Current Cash Assets	39,000	46,250
Non Current Investment Securities	27,763	50,687
Non-Current Inventories	0	0
Property, Plant and Equipment	4,134,312	4,133,991
Investment Properties	5,650	5,650
Intangible Assets	0	0
Right-Of-Use Assets	2,221	2,276
<b>Total Non-Current Assets</b>	<b>4,208,946</b>	<b>4,238,854</b>
<b>TOTAL ASSETS</b>	<b>4,407,242</b>	<b>4,401,042</b>
<b>Current Liabilities</b>		
Current Payables	24,402	27,483
Current Contract Liabilities	31,019	23,174
Current Lease Liabilities	392	395
Current Provisions payable < 12 months	19,819	20,711
Current Provisions payable > 12 months	40,809	40,809
Current Interest Bearing Liabilities	0	0
<b>Total Current Liabilities</b>	<b>116,441</b>	<b>112,572</b>
<b>Non-Current Liabilities</b>		
Non Current Interest Bearing Liabilities	0	0
N/C Lease Liabilities	2,072	2,072
Non Current Provisions	50,669	50,603
<b>Total Non-Current Liabilities</b>	<b>52,741</b>	<b>52,675</b>
<b>TOTAL LIABILITIES</b>	<b>169,182</b>	<b>165,247</b>
<b>NET ASSETS</b>	<b>4,238,060</b>	<b>4,235,795</b>
<b>Equity</b>		
Accumulated Surplus	1,522,509	1,521,751
Asset Revaluation Reserve	2,561,571	2,561,571
Restricted Assets	153,980	152,473
<b>TOTAL EQUITY</b>	<b>4,238,060</b>	<b>4,235,795</b>

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 25 July 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
<b>Cash Flows From Operating Activities</b>		
<b>Receipts</b>		
Rates & Annual Charges	3,928	247,522
User Charges & Fees	(10,667)	39,909
Interest & Interest Received	391	9,061
Grants & Contributions	18,839	97,659
Bonds, deposits and retention amounts received	57	167
Other	1,464	31,727
<b>Payments</b>		
Employee Benefits & On-costs	(11,917)	(153,952)
Materials & Contracts	(6,643)	(126,741)
Borrowing Costs	(9)	(141)
Bonds, deposits and retention amounts refunded	-	-
Other	(4,174)	(22,192)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>(8,733)</b>	<b>123,019</b>
<b>Cash Flows From Investing Activities</b>		
<b>Receipts</b>		
Sale of Investments	2,000	50,649
Sale of Investment Property		
Sale of Real Estate Assets		
Sale of Infrastructure, Property, Plant & Equipment	-	2,068
<b>Payments:</b>		
Purchase of Investments	1	(79,128)
Purchase of Investment Property	-	(1,100)
Purchase of Infrastructure, Property, Plant & Equipment	(8,718)	(89,795)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(6,717)</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	(2)	(370)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(2)</b>	<b>(1,027)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(15,452)	4,686
plus: Cash & Cash Equivalents - beginning of year	49,586	44,900
plus: Investments on hand - end of year	162,515	164,301
<b>Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>196,649</b>	<b>213,887</b>

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 25 July 2025		
	YTD Actual 2025/26 \$ '000	Actual 2024/25 \$ '000
<b>Total Cash &amp; Cash Equivalents and Investments - year to date</b>	<b>196,649</b>	<b>213,887</b>
<b>Attributable to:</b>		
External Restrictions (refer below)	112,280	103,184
Internal Restrictions (refer below)	67,863	67,583
Unrestricted	16,506	43,121
	<b>196,649</b>	<b>213,887</b>
<b>External Restrictions</b>		
Developer Contributions	75,245	73,967
RMS Contributions	337	402
Specific Purpose Unexpended Grants	21,074	13,381
Special Rates Levy Wollongong Mall	1,068	1,062
Special Rates Levy Wollongong City Centre	94	94
Local Infrastructure Renewal Scheme	-	-
Unexpended Loans	977	973
Domestic Waste Management	6,369	6,033
Private Subsidies	2,941	2,898
Housing Affordability	3,133	3,120
Stormwater Management Service Charge	1,042	1,254
<b>Total External Restrictions</b>	<b>112,280</b>	<b>103,184</b>
<b>Internal Restrictions</b>		
Property Investment Fund	5,554	5,532
Strategic Projects	31,653	31,700
Sports Priority Program	877	856
Car Parking Strategy	1,425	1,372
MacCabe Park Development	2,203	2,190
Darcy Wentworth Park	18	18
Garbage Disposal Facility	6,007	5,982
West Dapto Development	19,451	19,259
Natural Areas	173	173
Lake Illawarra Estuary Management Fund	502	501
<b>Total Internal Restrictions</b>	<b>67,863</b>	<b>67,583</b>

**Attachment 2**

**Contracts**

The following list of contracts have been entered into during the June 2025 Quarter that have yet to be fully performed. Details of contracts, other than contractors that are on a supplier list that have a value equivalent of 1% of estimated income from continuing operations or \$50K, whichever is the lesser, are provided.

<b>Wollongong City Council June Quarter 2025 Contract Listing</b>					
<b>Contractor</b>	<b>Contract Detail and Purpose</b>	<b>Contract Value \$'000</b>	<b>Commencement Date</b>	<b>Duration of Contract</b>	<b>Budgeted Y/N</b>
Select Civil Pty Ltd	Debris Control Structure Memorial Drive Bellambi	609	16-Apr-25	29-Jul-26	Y
Batmac Constructions Pty Ltd	Roof Replacement - Bulli Beach Cafe	681	6-May-25	20-Jul-26	Y
Batmac Constructions Pty Ltd	Thomas Gibson Amenities Construction	2,083	8-May-25	31-Dec-25	Y
Batmac Constructions Pty Ltd	Reed Park Amenities Upgrade	147	12-May-25	31-Oct-25	Y
Cadifern Pty Ltd	Hibiscus St Bridge Repair - Wollongong Surf Leisure Resort	639	13-May-25	16-Sep-25	Y
Batmac Constructions Pty Ltd	Bulli Community Centre - Lighting & Fire Compliance Upgrade	265	22-May-25	30-Sep-25	Y
Public Works Advisory	125353 - HCCL NSWPW Project Management	825	22-May-25	1-Dec-28	Y
Cadifern Pty Ltd	EMBANKMENT STABILISATION WORKS - 65 CORDEAUX ROAD	1,140	2-Jun-25	2-Jul-25	Y
Fulton Hogan Industries Pty Ltd	Beach Street, Bulli Bridge Refurbishment	148	3-Jun-25	18-Jul-25	Y
Cadifern Pty Ltd	Port Kembla Beach Stormwater Quality Improvement	763	4-Jun-25	15-Oct-25	Y
Rapid Map Services Pty Ltd	Open Space & Recreation Asset Data Collection & Valuation	378	11-Jun-25	31-Mar-26	Y

The following tenders were approved by the General Manager during the June Quarter of 2024-2025:

- T1000194 Open Space & Recreation Asset Data Collection & Valuation
- T1000162 Sports field Drainage Design & Construction at JJ Kelly Park
- T1000190 Radio Communication Devices and Network Access