

ITEM 13 MAY 2025 FINANCIALS

The financial result for May 2025 compared to budget is favourable for the Operating Result [pre-capital] \$5.9M. Funds Available from Operations was unfavourable compared to budget \$1.5M and the Total Funds Result unfavourable \$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 \$76.9M on its capital works program representing 80.3% of the annual budget. The budget for the same period was \$78.7M.

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 - May 2025

BACKGROUND

This report presents the Financial Performance of the organisation as at 30 May 2025. The below table provides a summary of the organisation's overall financial results for the year to date.

Wollongong City Council 30 May 2025 Forecast Position	Original Budget \$M 1-Jul	Revised Budget \$M 30-May	YTD Forecast \$M 30-May	YTD Actual \$M 30-May	Variation \$M
Operating Revenue	368.1	356.4	295.8	298.2	2.4
Operating Costs	(354.2)	(387.9)	(348.9)	(345.4)	3.5
Operating Result [Pre Capital]	13.9	(31.5)	(53.1)	(47.2)	5.9
Capital Grants & Contributions	27.5	30.0	21.3	26.9	5.6
Operating Result	41.3	(1.5)	(31.8)	(20.3)	11.5
Funds Available from Operations	66.3	48.6	44.4	42.9	(1.5)
Capital Works	106.0	95.7	78.7	76.9	1.8
Contributed Assets	7.0	7.0	0.0	-	0.0
Transfer to Restricted Cash	2.6	31.1	1.9	1.9	-
Borrowings Repaid	0.7	0.7	0.7	0.7	-
Funded from:					
- Operational Funds	66.3	48.6	44.4	42.9	(1.5)
- Other Funding	49.2	69.7	27.8	25.5	(2.3)
Total Funds Surplus/(Deficit)	(0.8)	(16.2)	(9.1)	(11.2)	(2.0)

FINANCIAL PERFORMANCE

The May 2025 Operating Result [pre-capital] deficit of \$47.2M is a favourable variance of \$5.9M compared to the budget deficit of \$53.1M.

The Operating Result deficit of \$20.3M is a favourable variance of \$11.5M compared to budget.

The Funds Available from Operations result is unfavourable by \$1.5M 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 30 May 2025 is an unfavourable variance of \$2M compared to phased budget.

The Funds Available from Operations variation includes the impacts of expenditure on the April 2024 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 May, the Capital Works Program had an expenditure of \$76.9M compared to a budget of \$78.7M.

FINANCIAL POSITION

Cash, Investments & Available Funds

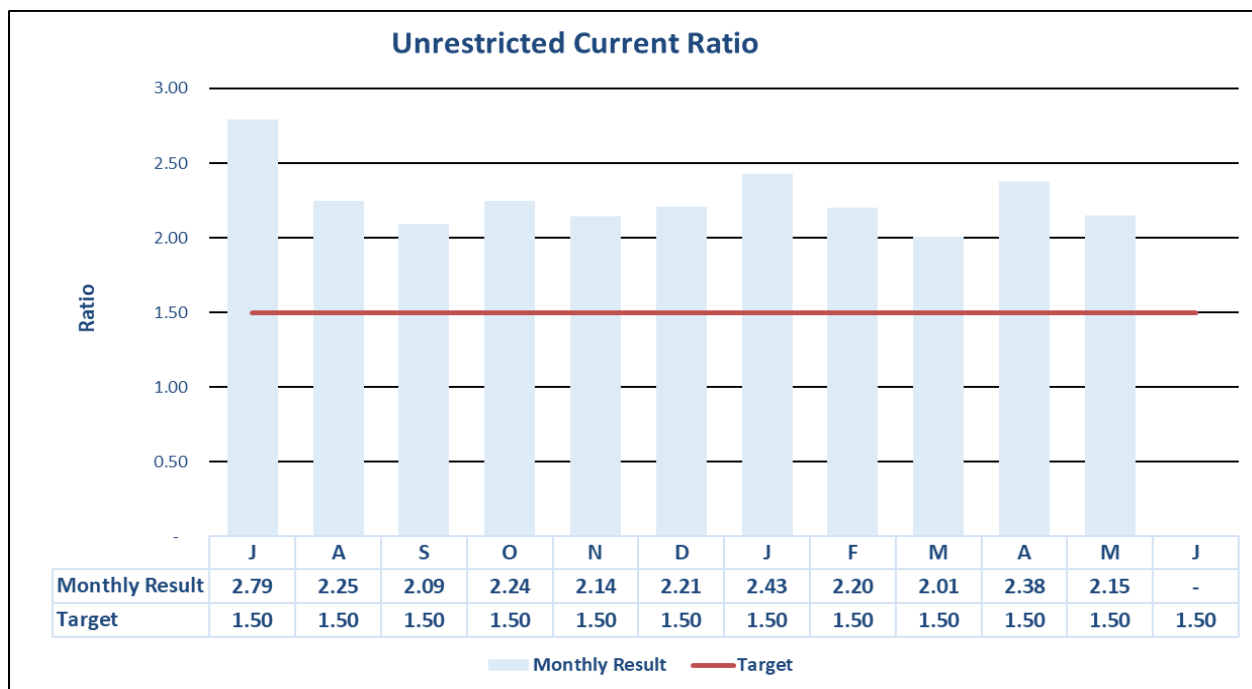
Council's cash and investments increased during May 2025 to holdings of \$201.5M compared to \$176.3M at the end of April 2025. A significant portion of these funds are subject to restriction meaning they can only be utilised for specific purposes. As a result, Council's true available cash position is more accurately depicted by considering available funds that are uncommitted and not subject to restriction.

Wollongong City Council 30 May 2025 Cash, Investments and Available Funds				
	Actual 2023/24	Original Budget 2024/25	Revised Budget 2024/25	Actuals YTD May 2025
	\$M	\$M	\$M	\$M
Total Cash and Investments	179.5	186.1	206.2	201.5
Less Restrictions:				
External	86.9	80.0	95.3	110.5
Internal	68.7	86.6	91.8	66.2
CivicRisk Investment	3.1			3.1
Total Restrictions	158.7	166.6	187.1	179.8
Available Cash	20.8	19.5	19.1	21.7
Adjusted for :				
Payables	(22.3)	(29.3)	(32.3)	(23.1)
Receivables	32.4	28.6	27.9	25.4
Other	10.5	(2.4)	1.9	6.4
Net Payables & Receivables	20.6	(3.1)	(2.6)	8.7
Available Funds	41.4	16.4	16.5	30.4

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 (attached).

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 30 May 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 \$7B (excluding \$119M in Work In Progress) that are controlled and managed by Council on behalf of the community at 30 May 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 May through an unfavourable result for *Total Funds Result Budget versus Actual*.

Wollongong City Council
1 July 2024 to 30 May 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	226,657	226,724	68
User Charges and Fees	39,990	38,629	35,499	37,004	1,505
Interest and Investment Revenues	6,197	10,650	9,761	9,895	135
Other Revenues	6,074	7,107	6,349	6,595	246
Rental Income	7,028	6,839	6,294	6,162	(132)
Grants & Contributions provided for Operating Purposes	33,212	17,110	15,822	16,397	575
Grants & Contributions provided for Capital Purposes	27,454	29,997	21,284	26,859	5,575
Other Income:	0	0	0	0	0
Profit/Loss on Disposal of Assets	28,516	28,516	(4,539)	(4,539)	(0)
Total Income from Continuing Operations	395,519	386,407	317,125	325,096	7,971
Expenses From Continuing Operations					
Employee Costs	164,095	168,714	155,248	153,124	2,124
Borrowing Costs	557	1,055	966	962	4
Materials & Services	102,189	119,539	102,522	93,466	9,057
Other Expenses	24,257	25,028	22,939	23,270	(331)
Depreciation, Amortisation + Impairment	87,113	97,803	89,496	89,648	(151)
Labour Internal Charges	(21,690)	(21,892)	(20,118)	(13,686)	(6,432)
Non-Labour Internal Charges	(2,323)	(2,305)	(2,109)	(1,378)	(731)
Total Expenses From Continuing Operations	354,198	387,942	348,944	345,405	3,539
Operating Result	41,322	(1,535)	(31,820)	(20,309)	11,511
Operating Result [pre capital]	13,868	(31,533)	(53,103)	(47,168)	5,935
Funding Statement					
Net Operating Result for the Year	41,322	(1,535)	(31,820)	(20,309)	11,511
Add back:					
- Non-cash Operating Transactions	106,241	104,483	119,637	117,885	(1,751)
- Restricted cash used for operations	14,601	19,882	18,301	15,058	(3,244)
- Income transferred to Restricted Cash	(79,972)	(57,953)	(46,823)	(51,235)	(4,412)
Leases Repaid	(132)	(496)	(454)	(434)	20
Payment of Employee Entitlements	(15,763)	(15,763)	(14,470)	(18,105)	(3,635)
Funds Available from Operations	66,297	48,618	44,371	42,859	(1,511)
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	43,715	42,202	(1,512)
Capital Budget Statement					
Assets Acquired	(105,995)	(95,734)	(78,713)	(76,927)	1,786
Contributed Assets	(7,014)	(7,014)	(0)	0	0
Transfers to Restricted Cash	(2,607)	(31,123)	(1,943)	(1,943)	0
Funded From:-					
- Operational Funds	65,642	47,962	43,715	42,202	(1,512)
- Sale of Assets	3,550	32,066	2,770	2,008	(762)
- Internally Restricted Cash	13,920	12,734	10,108	8,745	(1,363)
- Borrowings	0	0	0	0	0
- Capital Grants	15,875	11,035	8,893	9,545	652
- Developer Contributions (Section 94)	5,135	5,592	4,800	4,138	(661)
- Other Externally Restricted Cash	1,547	400	370	203	(166)
- Other Capital Contributions	9,161	7,908	856	863	7
TOTAL FUNDS SURPLUS / (DEFICIT)	(788)	(16,174)	(9,144)	(11,164)	(2,020)

WOLLONGONG CITY COUNCIL

Statement of Financial Position
as at 30 May 2025

	YTD Actual 2024/25 \$'000	Actual 2023/24 \$'000
Current Assets		
Cash Assets	49,120	44,900
Investment Securities	111,258	116,457
Receivables	25,442	32,372
Inventories	6,505	6,524
Current Contract Assets	5,964	10,771
Other	5,059	3,561
Assets classified as held for sale	0	0
Total Current Assets	203,348	214,585
Non-Current Assets		
Non Current Cash Assets	38,000	15,000
Non Current Investment Securities	3,117	3,117
Non-Current Inventories	0	0
Property, Plant and Equipment	4,031,122	4,056,151
Investment Properties	5,100	5,100
Intangible Assets	0	0
Right-Of-Use Assets	903	1,332
Total Non-Current Assets	4,078,242	4,080,700
TOTAL ASSETS	4,281,590	4,295,285
Current Liabilities		
Current Payables	23,130	22,273
Current Contract Liabilities	19,892	12,543
Current Lease Liabilities	65	460
Current Provisions payable < 12 months	17,253	18,706
Current Provisions payable > 12 months	42,119	42,119
Current Interest Bearing Liabilities	0	657
Total Current Liabilities	102,460	96,758
Non-Current Liabilities		
Non Current Interest Bearing Liabilities	0	0
N/C Lease Liabilities	963	963
Non Current Provisions	50,605	49,685
Total Non-Current Liabilities	51,568	50,648
TOTAL LIABILITIES	154,028	147,406
NET ASSETS	4,127,562	4,147,879
Equity		
Accumulated Surplus	1,502,029	1,534,631
Asset Revaluation Reserve	2,464,025	2,466,361
Restricted Assets	161,508	146,887
TOTAL EQUITY	4,127,562	4,147,879

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 30 May 2025		
	YTD Actual 2024/25 \$ '000	Actual 2023/24 \$ '000
Cash Flows From Operating Activities		
Receipts		
Rates & Annual Charges	229,560	232,873
User Charges & Fees	37,173	42,526
Interest & Interest Received	8,086	8,575
Grants & Contributions	59,818	68,654
Bonds, deposits and retention amounts received	148	886
Other	28,472	29,432
Payments		
Employee Benefits & On-costs	(141,364)	(142,434)
Materials & Contracts	(107,034)	(138,853)
Borrowing Costs	(43)	(127)
Bonds, deposits and retention amounts refunded	-	(1,352)
Other	(21,825)	1,578
Net Cash provided (or used in) Operating Activities	92,991	101,758
Cash Flows From Investing Activities		
Receipts		
Sale of Investments	48,649	37,813
Sale of Investment Property		
Sale of Real Estate Assets		
Sale of Infrastructure, Property, Plant & Equipment	2,008	848
Payments:		
Purchase of Investments	(65,128)	(38,090)
Purchase of Investment Property	-	
Purchase of Infrastructure, Property, Plant & Equipment	(73,249)	(98,797)
Net Cash provided (or used in) Investing Activities	(87,719)	(98,226)
Cash Flows From Financing Activities		
Payments:		
Repayment of Borrowings & Advances	(657)	(2,572)
Repayment of Finance Lease Liabilities	(395)	(431)
Net Cash Flow provided (used in) Financing Activities	(1,052)	(3,003)
Net Increase/(Decrease) in Cash & Cash Equivalents	4,220	529
plus: Cash & Cash Equivalents - beginning of year	44,900	44,371
plus: Investments on hand - end of year	152,375	134,574
Cash & Cash Equivalents and Investments - year to date	201,495	179,474

WOLLONGONG CITY COUNCIL		
Cash Flows and Investments		
as at 30 May 2025		
	YTD Actual 2024/25 \$ '000	Actual 2023/24 \$ '000
Total Cash & Cash Equivalents and Investments - year to date	201,495	179,474
Attributable to:		
External Restrictions (refer below)	110,451	86,881
Internal Restrictions (refer below)	66,207	68,674
Unrestricted	24,837	23,919
Total External Restrictions	110,451	86,881
External Restrictions		
Developer Contributions	72,026	55,949
RMS Contributions	586	422
Specific Purpose Unexpended Grants	17,638	11,730
Special Rates Levy Wollongong Mall	1,063	962
Special Rates Levy Wollongong City Centre	94	94
Local Infrastructure Renewal Scheme	-	-
Unexpended Loans	969	924
Domestic Waste Management	5,862	5,321
Private Subsidies	7,513	6,943
Housing Affordability	3,114	3,029
Stormwater Management Service Charge	1,586	1,507
Total External Restrictions	110,451	86,881
Internal Restrictions		
Property Investment Fund	5,616	5,396
Strategic Projects	31,822	32,991
Sports Priority Program	844	524
Car Parking Strategy	1,371	1,223
MacCabe Park Development	2,177	2,040
Darcy Wentworth Park	18	18
Garbage Disposal Facility	7,337	10,854
West Dapto Development	16,344	14,927
Natural Areas	173	173
Lake Illawarra Estuary Management Fund	505	528
Total Internal Restrictions	66,207	68,674