KIAMA MUNICIPAL COUNCIL

Consolidated Income Statement

For the Period Ending 31 July 2026

	Year to Date				Full Year		
	Actual	Adopted Budget	---------- Variance ---------		Last Year Actual	Original Budget	Adopted Budget
	26-27	26-27	26-27		25-26	26-27	26-27
	$'000	$'000	$'000	%	$'000	$'000	$'000
Income							
Rates, Levies & Annual Charges	2,607	2,594	14	1%	30,333	31,287	31,287
User charges and fees	1,541	1,655	(114)	-7%	19,285	19,729	19,729
Interest & Investment Revenue	176	148	27	18%	1,725	1,780	1,780
Other Revenue	336	398	(62)	-16%	3,905	4,774	4,774
Operating Grants and Contributions	192	142	50	36%	5,112	4,727	4,727
Capital Grants and Contributions	60	72	(12)	-16%	9,938	7,309	7,309
Other Income	-	-	-	0%	2,279	135	135
Net Gain / (Loss) from disposal of assets	-	-	-	0%	453	93	93
Total Income from continuing operations	**4,911**	**5,008**	**(97)**	**-2%**	**73,030**	**69,835**	**69,835**
Expenses							
Employee Benefits	2,140	2,218	78	3%	30,173	29,139	29,139
Borrowing Costs	10	10	0	2%	66	667	667
Materials & Contracts	1,145	1,549	404	26%	26,203	26,300	26,327
Other Expenses	6	8	2	29%	1,322	1,040	1,040
Project costs re-classified to Operating					*4,590*		
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**3,301**	**3,785**	**484**	**13%**	**62,355**	**57,147**	**57,173**
Operating result from continuing operations excluding deprecation, amortisation and impairment of non-financial assets	**1,611**	**1,223**	**387**	**32%**	**10,675**	**12,688**	**12,662**
Depreciation & Amortisation	769	769	-	0%	9,349	9,228	9,228
Operating result from continuing operations	**842**	**454**	**387**	**85%**	**1,326**	**3,460**	**3,433**
Net Operating result before grants and contributions provided for capital purposes	**782**	**362**	**420**	**116%**	**(8,611)**	**(3,849)**	**(4,126)**

KIAMA MUNICIPAL COUNCIL

Blue Haven Terralong Income Statement

For the Period Ending 31 July 2026

	Year to Date				Full Year		
	Actual	Adopted Budget	---------- Variance ----------		Last Year Actual	Original Budget	Adopted Budget
	26-27	26-27	26-27		25-26	26-27	26-27
	$'000	$'000	$'000	%	$'000	$'000	$'000
Income							
User charges and fees	91	102	(11)	-11%	1,048	1,224	1,224
Interest & Investment Revenue	1	-	1	100%	7	-	-
Other Revenue	179	247	(68)	-27%	1,962	2,964	2,964
Other Income	-	-	-	0%	2,279	-	-
Net Gain / (Loss) from disposal of assets	-	-			-	-	-
Internal Revenue	-	-	-	0%	-	-	-
Total Income from continuing operations	**271**	**349**	**(78)**	**-22%**	**5,296**	**4,188**	**4,188**
Expenses							
Employee Benefits	39	25	(14)	-59%	359	318	318
Borrowing Costs	-	-	-	0%	(180)	275	275
Materials & Contracts	49	62	13	21%	737	783	783
Internal Expenditure	33	53	20	38%	678	636	636
Project costs re-classified to Operating					*2,558*		
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**121**	**139**	**19**	**13%**	**4,152**	**2,012**	**2,012**
Operating result from continuing operations excluding deprecation, amortisation and impairment of non-financial assets	**150**	**210**	**(60)**	**-28%**	**1,144**	**2,176**	**2,176**
Depreciation & Amortisation	-	-	-	0%	-	-	-
Operating result from continuing operations	**150**	**210**	**(60)**	**-28%**	**1,144**	**2,176**	**2,176**
Net Operating result before grants and contributions provided for capital purposes	**150**	**210**	**(60)**	**-28%**	**1,144**	**2,176**	**2,176**

KIAMA MUNICIPAL COUNCIL

Holiday Parks Income Statement

For the Period Ending 31 July 2026

	Year to Date				Full Year		
	Actual 26-27 $'000	Adopted Budget 26-27 $'000	---------- Variance --------- 26-27 $'000	 %	Last Year Actual 25-26 $'000	Original Budget 26-27 $'000	Adopted Budget 26-27 $'000
Income							
User charges and fees	887	1,055	(168)	-16%	12,000	12,157	12,157
Other Revenue	0	0	(0)	-5%	2	2	2
Operating Grants and Contributions	-	-	-	0%	(0)	-	-
Net Gain / (Loss) from disposal of assets	-	-			-	-	-
Internal Revenue	-	-	-	0%	5	-	-
Total Income from continuing operations	**888**	**1,056**	**(168)**	**-16%**	**12,007**	**12,159**	**12,159**
Expenses							
Employee Benefits	35	39	3	8%	499	500	500
Borrowing Costs	(8)	3	11	355%	49	37	37
Materials & Contracts	434	549	114	21%	6,397	6,585	6,585
Other Expenses	-	-	-	0%	471	471	471
Internal Expenditure	10	131	120	92%	1,593	1,571	1,571
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**473**	**721**	**249**	**34%**	**9,009**	**9,164**	**9,164**
Operating result from continuing operations excluding deprecation, amortisation and impairment of non-financial assets	**415**	**334**	**81**	**24%**	**2,999**	**2,995**	**2,995**
Depreciation & Amortisation	44	44	-	0%	493	532	532
Operating result from continuing operations	**371**	**290**	**81**	**28%**	**2,505**	**2,464**	**2,464**
Net Operating result before grants and contributions provided for capital purposes	**371**	**290**	**81**	**28%**	**2,505**	**2,464**	**2,464**

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KIAMA MUNICIPAL COUNCIL

The Pavilion Income Statement

For the Period Ending 31 July 2026

	Year to Date				Full Year		
	Actual 26-27 $'000	Adopted Budget 26-27 $'000	---------- Variance ---------- 26-27 $'000	%	Last Year Actual 25-26 $'000	Original Budget 26-27 $'000	Adopted Budget 26-27 $'000
Income							
User charges and fees	27	19	8	41%	558	587	587
Net Gain / (Loss) from disposal of assets	-	-			-	-	-
Internal Revenue	7	1	5	376%	26	17	17
Total Income from continuing operations	**33**	**20**	**13**	**64%**	**584**	**603**	**603**
Expenses							
Employee Benefits	21	22	1	7%	276	286	286
Materials & Contracts	10	25	15	59%	367	297	297
Internal Expenditure	3	55	52	95%	645	659	659
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**34**	**102**	**68**	**67%**	**1,289**	**1,242**	**1,242**
Operating result from continuing operations excluding deprecation, amortisation and impairment of non-financial assets	**(0)**	**(82)**	**81**	**100%**	**(705)**	**(639)**	**(639)**
Depreciation & Amortisation	-	-	-	0%	-	-	-
Operating result from continuing operations	**(0)**	**(82)**	**81**	**100%**	**(705)**	**(639)**	**(639)**
Net Operating result before grants and contributions provided for capital purposes	**(0)**	**(82)**	**-**	**0%**	**(705)**	**(639)**	**(639)**

KIAMA MUNICIPAL COUNCIL

Leisure Centre Income Statement

For the Period Ending 31 July 2026

	Year to Date				Full Year		
	Actual 26-27 $'000	Adopted Budget 26-27 $'000	---------- Variance --------- 26-27 $'000	%	Last Year Actual 25-26 $'000	Original Budget 26-27 $'000	Adopted Budget 26-27 $'000
Income							
User charges and fees	193	233	(40)	-17%	2,619	2,796	2,796
Other Revenue	0	-	0	100%	-	-	-
Capital Grants and Contributions	-	-	-	0%	0	-	-
Net Gain / (Loss) from disposal of assets	-	-			-	-	-
Internal Revenue	-	-	-	0%	-	-	-
Total Income from continuing operations	**193**	**233**	**(40)**	**-17%**	**2,619**	**2,796**	**2,796**
Expenses							
Employee Benefits	163	166	3	2%	2,160	2,078	2,078
Borrowing Costs	2	0	(2)	-8367%	9	0	0
Materials & Contracts	25	58	34	58%	745	785	785
Internal Expenditure	4	72	67	94%	873	860	860
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**195**	**296**	**101**	**34%**	**3,787**	**3,724**	**3,724**
Operating result from continuing operations excluding deprecation, amortisation and impairment of non-financial assets	**(2)**	**(63)**	**61**	**97%**	**(1,168)**	**(928)**	**(928)**
Depreciation & Amortisation	-	-	-	0%	-	-	-
Operating result from continuing operations	**(2)**	**(63)**	**61**	**97%**	**(1,168)**	**(928)**	**(928)**
Net Operating result before grants and contributions provided for capital purposes	**(2)**	**(63)**	**61**	**97%**	**(1,168)**	**(928)**	**(928)**

KIAMA MUNICIPAL COUNCIL

Income Statement by Program & Service

For the Period Ending 31 July 2026

PROGRAM & SERVICE	REVENUE			EXPENDITURE			OPERATING RESULT FROM CONTINUING OPERATIONS		
	Actual 26/27 $'000	Budget 26/27 $'000	Variance $ 26/27 $'000	Actual 26/27 $'000	Budget 26/27 $'000	Variance $ 26/27 $'000	Actual 26/27 $'000	Budget 26/27 $'000	Variance $ 26/27 $'000
Business Operations									
Kendall Beach Holiday Park	148	107	40	80	141	61	67	(34)	101
Kiama Harbour Cabins	90	150	(60)	72	133	61	18	17	1
Seven Mile Beach Holiday Park	192	326	(134)	133	177	44	58	149	(90)
Surf Beach Holiday Park	101	338	(236)	93	154	61	8	183	(175)
Werri Beach Holiday Park	357	135	222	132	155	22	225	(20)	244
Leisure Centre	193	233	(40)	197	296	99	(4)	(63)	59
The Pavilion	33	20	13	47	115	68	(14)	(95)	81
Blue Haven - Terralong ILU	271	349	(78)	121	139	19	150	210	(60)
Commercial Waste Services	39	-	39	4	-	(4)	34	-	34
Business Operations	**1,423**	**1,658**	**(234)**	**880**	**1,310**	**431**	**543**	**347**	**196**
Core Council Administration	**2,376**	**2,896**	**(520)**	**1,205**	**1,226**	**22**	**1,172**	**1,670**	**(498)**
Regulatory	**252**	**235**	**18**	**339**	**425**	**86**	**(86)**	**(190)**	**104**
Public Services & Amenities	**907**	**862**	**45**	**1,560**	**2,058**	**497**	**(653)**	**(1,195)**	**542**
Other Community Services	**78**	**37**	**40**	**211**	**215**	**4**	**(134)**	**(178)**	**44**
Total Council	**5,037**	**5,688**	**(652)**	**4,195**	**5,234**	**1,039**	**842**	**454**	**388**

Key:
Favourable
Unfavourable

**Details on the specific services contained under each program can be found on the following page.*

KIAMA MUNICIPAL COUNCIL

Programs & Services

Contained below is a list of Kiama Council's main programs and the associated services which are provided under each.

Core Council Administration
Property Administration
Office of the CEO
Finance
Corporate Savings
Training & Development
Rates & Charges
Records Management
Fleet & Plant Administration
Supply & Store
Communications
Civic Activities
Information Technology
Geographic Information Systems
Customer Service
TechnologyOne Implementation and Maintenance
Corporate Planning
Governance
Human Resources
Organisational development
Risk Management
Operating Management

Business Operations
Kendalls Beach Holiday Park
Kiama Harbour Cabins
Seven Mile Beach Holiday Park
Showground Camping Ground
Surf Beach Holiday Park
Werri Beach Holiday Park
The Pavilion
Blue Haven ILU Terralong
Commercial Waste Services
Leisure Centre

Regulatory
Lifeguards
Internal Audit
Bushfire Services (RFS)
Building Development
Compliance
Environmental Administration
Environmental Health
Strategic Planning

Public Services & Ammenities
Depreciation
Building Services & Maintenance
Construction & Works
Engineering & Works Administration
Design Project Contract Management
Asset Management
Engineering Assessment & Approvals
Parks Services
Tree Preservation & Management
Kiama Works Depot
Library Services
Domestic Waste Services
Cleaning Services

Other Community Services
Road Safety
Community Development
Cultural Development
Youth Services
Tourism & Events
Visitor Information Centre
Economic Development

KIAMA MUNICIPAL COUNCIL

Consolidated

Statement of Financial Position

For the Period Ended 31 July 2026

	Notes	YTD Actual 31 July 2026 2026/27 $'000	Last Year YTD Actual 31 July 2025 2025/26 $'000
ASSETS			
Current assets			
Cash and cash equivalants	C1-1	**10,202**	15,291
Investments	C1-2	**26,000**	20,000
Receivables	C1-4	**32,730**	29,143
Inventories	C1-5	**348**	368
Contract assets and contract cost assets	C1-6	**2,644**	513
Current assets classified as 'held for sale'	C1-7	**-**	945
Other		**1,983**	1,433
Total current assets		**73,906**	67,692
Non current assets			
Investments	C1-2	**2,465**	1,465
Receivables	C1-4	**2,895**	2,951
Infrastructure, property, plant and equipment	C1-8	**581,148**	581,205
Investment property	C1-9	**85,960**	85,960
Right of use assets	C2-1	**311**	280
Total non current assets		**672,780**	671,861
Total assets		**746,686**	739,553
LIABILITIES			
Current liabilities			
Payables	C3-1	**98,883**	67,303
Contract liabilities	C3-2	**2,064**	4,575
Lease liabilities	C2-1	**138**	77
Borrowings	C3-3	**2,453**	2,519
Employee benefit provisions	C3-4	**5,736**	6,002
Total current liabilities		**109,274**	80,475
Non current liabilities			
Lease liabilities	C2-1	**211**	226
Borrowings	C3-3	**5,719**	8,154
Employee benefit provisions	C3-4	**513**	513
Total non current liabilities		**6,442**	8,893
Total Liabilities		**115,716**	89,368
Net Assets		**630,970**	650,184
EQUITY			
Retained earnings		**157,332**	151,619
Revaluation reserves		**472,796**	472,534
Council equity interests			
Minority equity interests			
Current Year Net Earnings		**842**	26,032
Total equity		**630,970**	650,184

KIAMA MUNICIPAL COUNCIL

Consolidated Cashflow Statement

For the Period Ending 31 July 2026

	Year to Date	Full Year
	Actual	Adopted Budget
	26-27	26-27
	$'000	$'000
Operating result from continuing operations	**842**	**3,433**
Cash Adjustments		
Depreciation	769	9,228
Cost of Assets Sold - Plant & Equipment	-	870
Cost of Assets Sold - Property	-	4,151
Cost of Assets Sold - Other	-	-
Capital Works Program	(1,300)	(26,672)
Purchase of Investment Property	-	(1,933)
Loan Repayments	-	(679)
Blue Haven Terralong Loan	-	5,000
Deferred Management fees	(179)	(2,958)
Aged Care Bonds Movements	-	10,608
Net Movement in Debtors/Creditors	(4,043)	3,000
Net Inc/(Dec) in Funds before Transfers	**(3,912)**	**4,049**
Net Reserve Movements		
Externally Restricted	**1,052**	**(4,328)**
Unexpended Grants	425	(2,070)
Crown Land	337	(2,569)
Blue Haven Terralong ILU Maintenance Levy	-	-
Domestic waste management	(31)	1,444
Stormwater Levy	8	(217)
Security bonds, Deposits & Retentions	222	-
Developer contributions (Unexpended)	90	(916)
Internally Restricted	**14**	**5,068**
Blue Haven ILU Prudential Cover	-	-
Terralong ILU Capital Works	-	-
Plant Replacement	-	1,014
Employee Leave Entitlements	-	-
Land Development	-	4,151
Risk Improvement Incentive	14	(15)
Temporary Funding Disaster Recovery Funding Agreement Works	-	(83)
Total Net Reserve Movements	1,065	740
Net Inc/(Dec) in Unrestricted Funds	**(4,977)**	**3,309**
Net Inc/(Dec) in Unrestricted Funds excluding one-off sales	**(4,977)**	**(842)**

KIAMA MUNICIPAL COUNCIL

Key Performance Ratios

For the Period Ending 31 July 2026

Category	Ratio	Purpose	Formula	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Operating Sustainability	Operating Performance Ratio	Measures whether ongoing operating revenue covers ongoing operating costs.	(Operating Revenue Excl. Capital Grants & Contributions − Operating Expenses) ÷ Operating Revenue Excl. Capital Grants & Contributions	16%	> 0.0%	
Operating Sustainability*	Operating Performance Ratio (Excl. Depreciation)	Measures whether ongoing operating revenue can fund ongoing operating costs before non-cash depreciation expenses.	(Operating Revenue Excl. Capital Grants & Contributions − Operating Expenses + Depreciation, Amortisation & Impairment) ÷ Operating Revenue Excl. Capital Grants & Contributions	32%	> 20.0%	
Operating Sustainability	Own Source Revenue Ratio	Measures Council's reliance on its own revenue sources.	Operating Revenue Excl. All Grants & Contributions ÷ Total Operating Revenue	95%	> 60.0%	
Liquidity	Unrestricted Current Ratio	Measures Council's ability to meet short-term obligations.	(Current Assets − External Restrictions) ÷ (Current Liabilities − Specific Purpose Liabilities)	0.4	> 1.5x	
Liquidity	Rates & Annual Charges Outstanding Ratio	Measures the effectiveness of rates and charges collection.	Rates & Annual Charges Outstanding ÷ Rates & Annual Charges Collectable	97%	< 10.0%	
Liquidity	Unrestricted Cash Expense Cover Ratio	Measures how long Council can fund operations from unrestricted cash.	(Cash + Investments − External Restrictions) ÷ (Operating Expenses − Depreciation − Interest Expense) × 12	0.2	> 3.0 months	
Leverage	Leverage Ratio	Measures debt relative to Council's operating earning capacity.	Total Borrowings ÷ EBITDA	5.0	< 3.0x	
Leverage*	Debt Service Cover Ratio	Measures Council's ability to meet debt repayment obligations from operating earnings.	EBITDA ÷ (Principal Repayments + Borrowing Costs)	168.6	> 2.0x	
Developer Contributions	Contributions Expenditure Performance Ratio	Measures how effectively developer contributions are converted into infrastructure delivery.	Contributions Expenditure ÷ (Opening Contributions Balance + Contributions Revenue + Interest Income)	0%	≥ 20.0%	

** Indicates new ratio/proposed change to existing local government performance ratio*

Enclosure 1

Item 14.1

Level 1 – Budget Control Improvements

Adopted Savings Initiative	Progress Status	Target Savings	Comments
Increase Terralong DMF Income due to new higher prices for future residents	Implemented	720,000	Implemented - however, realisation of this item will depend on filling vacant units
Procurement efficiencies	In Progress	660,000	Procurement team undertaking analysis to identify opportunities for supplier consolidation
Blue Haven Terralong Materials & Contracts reduction from original submission	Implemented	500,000	Implemented - lower budgets in place
Review IT subscriptions to eliminate non-essential software; re-phase programs	Implemented	300,000	Implemented - lower budgets in place – reviewing subscriptions
Legal cost reduction reflecting improvement in governance and controls	Implemented	225,000	Implemented - lower budgets in place
Additional Interest Revenue relating to Property Divestment	Implemented	210,000	Implemented - budget includes $4.1m property sales, which generates $210k interest, noting sale is expected in November
Gain/losses on revaluation of investment property	Implemented	135,035	Implemented - assumes 2.29% increase in land value for $6M property Shoalhaven St – EOFY process
Introduce annual cap on leaseback of Council light vehicle fleet, transition to novated leases (grandparenting provisions per Award)	Not Commenced	62,500	Grandparenting provisions, benefit re-calculated over two years
Increase Terralong recurrent fees (Maintenance Levy) due to higher occupancy and increased fee for new residents	Implemented	102,500	Implemented - new fees published (but will also require filling vacant units)
Conduct more service reviews internally to reduce consultant costs	Implemented	100,000	Implemented - Rather than doing internally, planning to do 2 external reviews FY27; internal resources for recommendations
Align training & developments budget in line with FY25 actuals	Implemented	88,992	Implemented - FY27 budget aligned to FY26 actuals
Rationalise consulting budget	Implemented	45,000	Implemented reduction in budget
Additional rates revenue from Housing Growth strategy	In Progress	33,187	
Reduce budget for uninsured property loss - small claims	Implemented	30,000	Implemented - budget reduced for this item
Banking tender review - investigate offerings of other banks to reduce merchant fees	Not Commenced	30,000	

Increase motor vehicle leaseback contributions	Implemented	24,000	Implemented
Increase financial services fee to ISJO	In Progress	20,000	KMC liaising with ISJO to confirm quantum of increase.
Reductions in Councillor training budget in line with KMC reductions for staff (other than for Australian Local Government Association and Local Government NSW Association Conferences)	Implemented	15,000	Includes additional $10K versus 07/04 (more accurate calculation of the savings)
Pay out TCorp loan early (currently in restricted reserve)	In Progress	8,000	Liaising with TCorp
TCorp Interest	In Progress	(275,000)	Budget assumes full year interest on $5M loan at 5.5%. Loan application submitted. Some savings will occur due to later drawdown
Rates (updated parameters)	Implemented	(185,700)	Implemented
Council bi-election costs	Implemented	(250,000)	Budget includes $250K; risk from additional election cost.
Total – Level 1		**2,598,515**	

Level 2 – Discretionary Services

Adopted Savings Initiative	Progress Status	Target Savings	Comments
Higher Holiday Park rates over & above CPI net of Commission	Implemented	154,387	Implemented - Updated fees & charges already included
Exit Commercial Waste - implement Service Review (net of internal costs)	Implemented	148,000	Implemented - exited out of Commercial services. Savings expected from lower O/T and external services
Cost recovery of Sports field maintenance	Implemented	67,500	KDSA have agreed cost
Cease KDSA donations - Property	Implemented	60,000	Donation ceased
Leisure Centre - Fees and Charges effective 5% increase to reflect costs	Implemented	58,967	Implemented - Updated fees & charges already included
Cemetery Income Increase	Implemented	51,000	
Peer review of Blue Haven Terralong Condition Report	In progress	(40,000)	Included in budget. Peer review being scoped
Total – Level 2		**499,854**	