

**Wagga Wagga City Council - LED Streetlighting Upgrade Project**  
**Financial Modelling - Option 3**

***Council funded from external loan borrowings (6 year repayment period)***

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Opening Bank Balance*	3,000,000	3,048,000	3,103,614	3,163,704	3,228,400	3,297,833	3,372,138	3,451,454	4,010,515	4,582,465	5,167,575
Upfront Cost (Net cost to Council)	-2,933,703										
Estimated ESC Savings	315,867										
External Loan Borrowings	2,617,836										
Loan Repayments (6 yrs @ 2.22%)		-470,827	-470,827	-470,827	-470,827	-470,827	-470,827	0	0	0	0
Estimated Annual Savings		477,619	481,177	484,792	488,465	492,196	495,987	499,839	503,753	507,729	511,768
Interest on Bank Balance (assumed 1.60%)	48,000	48,822	49,741	50,731	51,795	52,936	54,155	59,222	68,198	77,381	86,775
<b>Closing Bank Balance</b>	<b>3,048,000</b>	<b>3,103,614</b>	<b>3,163,704</b>	<b>3,228,400</b>	<b>3,297,833</b>	<b>3,372,138</b>	<b>3,451,454</b>	<b>4,010,515</b>	<b>4,582,465</b>	<b>5,167,575</b>	<b>5,766,119</b>
									<b>Net Increase to Council bank</b>		<b>2,766,119</b>

***Essential Energy funded***

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Opening Bank Balance*	3,000,000	3,262,757	3,459,733	3,650,767	3,835,413	4,013,207	4,183,665	4,346,285	4,500,542	4,645,890	4,781,764
Upfront Cost (Net cost to Council)	-102,814										
Estimated ESC Savings	315,867										
Estimated Annual Savings**		143,622	134,601	125,232	115,504	105,404	94,922	84,044	72,758	61,051	48,909
Interest on Bank Balance (assumed 1.60%)	49,704	53,353	56,433	59,414	62,291	65,055	67,698	70,213	72,591	74,823	76,899
<b>Closing Bank Balance</b>	<b>3,262,757</b>	<b>3,459,733</b>	<b>3,650,767</b>	<b>3,835,413</b>	<b>4,013,207</b>	<b>4,183,665</b>	<b>4,346,285</b>	<b>4,500,542</b>	<b>4,645,890</b>	<b>4,781,764</b>	<b>4,907,572</b>
									<b>Net Increase to Council bank</b>		<b>1,907,572</b>

**Notes**

\* Opening bank balance of \$3M has been assumed for all options to allow cashflow comparison to be undertaken.

\*\* Assumes 65% of the new annual capital/maintenance cost is a capital cost recovery charge and increases by Essential Energy's WACC of 3.47%.