

Wagga Wagga City Council - LED Streetlighting Upgrade Project
Financial Modelling - Council Funding Options

Council funded from external loan borrowings

	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
Closing Bank Balance	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	5,766,119
									Net Increase to Council bank		2,766,119

Council funded from internal loan

	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	409,221	897,208	1,396,590	1,907,606	2,430,500	2,965,521	3,512,925	4,072,969	4,645,919	5,232,044
Upfront Cost (Net cost to Council)	-2,617,836										
Internal Loan repayments (from General Fund)**		-480,527	-480,527	-480,527	-480,527	-480,527	-480,527	0	0	0	0
Internal Loan repayments (to Other Fund)		480,527	480,527	480,527	480,527	480,527	480,527	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%)	27,057	10,368	18,205	26,224	34,429	42,826	51,416	60,206	69,198	78,397	87,807
Closing Bank Balance	409,221	897,208	1,396,590	1,907,606	2,430,500	2,965,521	3,512,925	4,072,969	4,645,919	5,232,044	5,831,620
									Net Increase to Council bank		2,831,620

Notes

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

** Internal loan repayments are based on Council's 1 year investment portfolio return to December 2019 of 2.83%.