

Update on Item 10.6

3.1 Council's current debt position is:

| Amount | Maturity Date | Fixed Rate of Interest | Annual Interest Cost |
|--------------------------|------------------------|------------------------|----------------------|
| \$3 million | 15/4/2029 | 3.12% | \$94k |
| \$5 million | 14/4/2033 | 3.68% | \$184k |
| \$11 million | 15/4/2027 | 4.17% | \$255k |
| \$19 million | Balance at 1 July 2022 | | \$533k |
| 2022/23 Increase: | | | |
| \$5 million Apr 2023) | 15/5/2028 | 5.10% | \$385k |
| \$24 million | Current Balance | | \$1.38m |

(For these purposes, 2022/23 Annual Interest Cost has been taken to be \$575k. A further \$7m debt is expected to be sourced in June 2023)

This figure is derived from Council's latest Debt Summary which includes the latest \$7m debt addition (this is the annual cost of Council's current debt : this significantly exceeds the 2022/23 cost as \$12m has been taken out in the last quarter of the year).....

Debt Summary

| Loan Amount | Interest % | Annual Interest \$ |
|-------------|------------|--------------------|
| 3,000,000 | 3.12% | 93,600 |
| 5,000,000 | 3.68% | 184,000 |
| 11,000,000 | 4.17% | 458,700 |
| 5,000,000 | 5.10% | 255,000 |
| 7,000,000 | 5.50% | 385,000 |
| | | 1,376,300 |

The Table in S3.1 of the Agenda Report did not transpose correctly from the above Debt Summary and this gave rise to Councillor's other query : in the Agenda Report the Interest Cost figure for the \$11m Loan and the latest \$5m Loan (stated at \$255k and \$385k respectively) have picked up the wrong amounts – these figures should be \$459k and \$255k respectively) .

This provides a 2022/23 expected Finance Cost of around \$800k (not \$533k as stated in the Agenda Report). Although this flows through to the calculations in Sections 3.4 and 3.5 of the Agenda Report, this makes no real difference to the outcomes of these ratios (Net Interest in these calculations increases from \$225k to \$450k : the resulting ratios remain around 1%, well within the maximum levels of 20% and 25%).