

Sample Project Cash Flow MLPA

Energy Contract Amount	\$500,000
Useful life of Equipment	10 years
Annual Expected Savings	\$75,000
Lease Amount	\$500,000
Term of Lease	10 years
Interest Rate	4.50%
Annual Lease Payments	\$62,183 *
Net Annual Savings School/town	<u>\$12,817</u>

* Principal payments eligible for state building aid

Bonds vs. Lease

- Debt
 - Voter Approval
 - High Costs of Issuance
 - Lowest Interest Rate
 - Lengthy Process
 - Large Transactions
- Current Expense
 - Board Approval
 - Minimal Costs

 - Tax-Exempt Rate
 - Quick Turnaround (30-45 days)
 - Small transactions – lower “all-in” cost