

Example for large up-front capital costs:

Item 21 Attachment				
Applicant: Little Orange School District		Attachment: W-A1		
BEN: 3456789		Application: 876543		
Narrative description: Buildout and lease of wide area network for T-1 facilities connecting District Office with one high school, two intermediate schools, and eight elementary schools				
Quantity	Product or Service Description	Unit Cost	Extended Pre-discount Cost	
			Recurring	Non-Recurring
1	Capital infrastructure costs for required service provider plant upgrades	\$480,000.00		\$480,000.00
1	Installation	\$46,200.00		\$46,200.00
SUBTOTAL, UP-FRONT CAPITAL COSTS:				\$526,200.00
Divide by three for 3-year amortization period:				\$175,400.00
1	Yearly maintenance for above	\$31,680.00		\$31,680.00
12	Access charge, per month	\$5,720.00	68,640.00	
TOTAL:			\$68,640.00	\$207,080.00
<u>Additional information: Amortization statement:</u>				
Little Orange School District recognizes that SLD program rules require amortization over a period of at least three years when up-front capital costs exceed \$500,000. Up-front capital costs include service provider recovery for components and installation, but not up-front charges for maintenance. As indicated above, the up-front capital costs for Little Orange School District are \$526,200. We elect an amortization period of three years, for an annual cost of \$175,400. This capital cost, plus the \$31,680 charge for annual maintenance, totaling \$207,080, is shown in Item 23 of Form 471.				

SLD NOTES: For a funding request of this scope, a copy of the contract and a further cost breakdown also should be included, so that the costs and technical configuration of the proposal can be reviewed.