

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

## NOTE 9. CAPITAL LEASES:

The Commission entered into a lease of \$277,556 for a new Xerox printer effective February, 1998. The lease required 60 monthly payments of \$5,225 including interest at 4.9% with the final payment due January, 2003. The leasing company waived the payment for the first six months. The \$26,125 due for February through June was recorded as miscellaneous revenues and debt service expenditures. Title passes to the Commission for no additional consideration at the end of the 60-month payment term.

Capital leases consist of the following:

Lease on computer equipment (CPU, software, maintenance, technical support), payable in monthly installments of \$33,875 including interest at 4.3% with maturity in June, 2001	\$1,052,967
Lease on computer equipment (printer), payable in monthly installments of \$8,444 including interest at 4.9% with maturity in July, 1998	8,410
Lease on computer equipment (printer) payable in monthly installments of \$5,225 including interest at 4.9% with maturity in January, 2003	<u>256,930</u>
	<u>\$1,318,307</u>

All of the leases provide that title passes after the final payment is made.

Total payments on capital leases for the year ended June 30, 1998 was \$601,703 and consisted of \$529,662 of principal and \$72,041 of interest.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 1998:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 365,811	\$ 44,081	\$ 409,892
2000	435,847	33,350	469,197
2001	421,308	14,014	435,322
2002	59,349	3,351	62,700
2003	<u>35,992</u>	<u>583</u>	<u>36,575</u>
Total Obligations	<u>\$1,318,307</u>	<u>\$ 95,379</u>	<u>\$1,413,686</u>