

NOTE 8. LEASE COMMITMENTS

PRIMARY GOVERNMENT

The State has entered into various property and equipment operating leases (terms in excess of one year) with aggregate future rentals approximating \$135.7 million, of which \$110.3 million relates to property leases and \$25.4 million relates to equipment leases. Operating leases contain various renewal options. Any escalation clauses, sublease rentals and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures of the related fund when paid. Appropriations of approximately \$27.1 million were made by the General Assembly to meet the rental payments in fiscal 2003, of which \$16.2 million was for office space and \$10.9 million was for equipment consisting mainly of computers, data processing equipment and fleet vehicles.

Significant annual equipment rentals include \$4.6 million for computers and data processing equipment for the Executive Department and \$3.7 million for fleet