Customer Accounting (Lessee)

FASB CLASSIFICATION TEST

Data to be inputted (shaded)

Quote	3869222
Type Open (1) Closed (0)	1
Contain Guarantee language Y(1) N(0)	1
TRAC Addendum (1) Yes (0) No	0
Pro Rata Period (# of days)	0
Original Term (# of months)	60
Annual Estimated Mileage	15,000
Capitalized Price	38,386.00
Billed items	0.00
CPR/GOP	0.00
FASB Delivered Price (Capitalized Price + DLP + CPR/GOP)	38,386.00
Depreciation	639.74
Management Fee	32.95
Interest Rate	93.60
Monthly rate charge	766.29
Pro Rata Revenue	0.00
Pro Rata Depreciation Billed	0.00
Borrowing Rate (annual) (override if provide by customer)	7.34%
Residual sale price (to be determined at end of lease)	0.00

CAPITAL ACCOUNTING - AMORTIZATION TABLE

		Reduced by D	D
		Capitalized Lease (Asset)	Depreciation Expense
		38,386	
Month	0	38,386	0
Month	1	37,746	640
Month	2	37,107	640
Month	3	36,467	640
Month	4	35,827	640
Month	5	35,187	640
Month	6	34,548	640
Month	7	33,908	640
Month	8	33,268	640
Month	9	32,628	640
Month	10	31,989	640
Month	11	31,349	640
Month	12	30,709	640
Month	13	30,069	640
Month	14	29,430	640
Month	15	28,790	640
Month	16	28,150	640
Month	17	27,510	640
Month	18	26,871	640
Month	19	26,231	640
Month	20	25,591	640
Month	21	24,951	640
Month	22	24,312	640
Month	23	23,672	640
Month	24	23,032	640
Month	25	22,392	640

Customer Accounting (Lessee)

FASB CLASSIFICATION TEST

Calculation of Implicit Interest Rate

Capitalized Price	38,386.00
Less: Pro Rata Revenue	0.00
Capitalized Price being financed	38,386.00
Term	60
Monthly Rate Charge	766.29
Terminal RBV	1.60
Implicit Interest Rate (monthly)	0.61%

FASB Data Calculations used for Test

Term	60
Monthly borrowing rate	0.61%
Valid 20% addendum Y(1) N(0)	0
Terminal RBV	1.60
Customer Residual Guarantee	1.60

FASB Classification Test

PV of monthly payments	38,384.89
PV of Cust. Residual Guarantee	1.11
Pro Rata Revenue	0.00
Billed items	0.00

CAPITAL ACCOUNTING - AMORTIZATION TABLE

		Reduced by D	D
		Capitalized Lease (Asset)	Depreciation Expense
Month	26	21,753	640
Month	27	21,113	640
Month	28	20,473	640
Month	29	19,834	640
Month	30	19,194	640
Month	31	18,554	640
Month	32	17,914	640
Month	33	17,275	640
Month	34	16,635	640
Month	35	15,995	640
Month	36	15,355	640
Month	37	14,716	640
Month	38	14,076	640
Month	39	13,436	640
Month	40	12,796	640
Month	41	12,157	640
Month	42	11,517	640
Month	43	10,877	640
Month	44	10,237	640
Month	45	9,598	640
Month	46	8,958	640
Month	47	8,318	640
Month	48	7,678	640
Month	49	7,039	640
Month	50	6,399	640
Month	51	5,759	640
Month	52	5,120	640
Month	53	4,480	640

Customer Accounting (Lessee)

FASB CLASSIFICATION TEST

CPR/GOP	0.00
PV of Customer Payments	38,386.00
90% of DELP	34,547.40
Lease Classification	Capital

Accounting Data (Operating and Capital)

Revised Lease Term	60.00

CAPITAL ACCOUNTING - AMORTIZATION TABLE

		Reduced by D	D
		Capitalized Lease (Asset)	Depreciation Expense
Month	54	3,840	640
Month	55	3,200	640
Month	56	2,561	640
Month	57	1,921	640
Month	58	1,281	640
Month	59	641	640
Month	60	2	640
TOTAL			38,384

Capital Accounting Data

Pro Rata Depreciation Expense (NOT BILLED)
Monthly Depreciation Expense (NOT BILLED)

PV of monthly payments
PV of Terminal RBV
Pro Rata Revenue
Billed items
CPR/GOP

Initial Asset/Liability

CAPITAL ACCOUNTING - JOURNAL ENTRIES

Month 0

Customer Accounting (Lessee)

FASB CLASSIFICATION TEST

CAPITAL ACCOUNTING - AMORTIZATION TABLE

Reduced by D	D
Capitalized Lease (Asset)	**Depreciation Expense**

Record Capital lease asset/liability

Dr.	Capital lease asset	Bal Sheet
Cr.	Capital lease obligation	Bal Sheet

Record Cap price reduction/Gain on prior asset

Dr.	Capital lease obligation	Bal Sheet
Cr.	Cash	Bal Sheet

Record Prepaid billing asset

Dr.	Capital lease obligation	Bal Sheet
Cr.	Cash	Bal Sheet

Record pro-rata billing

Dr.	Capital lease obligation	Bal Sheet
Cr.	Cash	Bal Sheet

Customer Accounting (Lessee)

FASB CLASSIFICATION TEST

CAPITAL ACCOUNTING - AMORTIZATION TABLE

Reduced by D	D
Capitalized Lease (Asset)	Depreciation Expense

Record depreciation expense

Dr.	Depreciation Exp	Inc. Stmt-Exp
Cr.	Acc Dep	Bal Sheet

Month 1 through end of term

Record monthly billing

Dr.	Interest Expense	Inc. Stmt-Exp.
Dr.	Capital lease obligation	Bal Sheet
Cr.	Cash	Bal Sheet

Reduced by C	A	B	C=A-B	E=D+B					
Obligation under Capital Lease (Liability)	Monthly Payment	Interest Expense	Reduction to liability	Total Expense	Management Fee	Interest	Principal	Monthly Payment	Balance
38,386									
38,386	-	0	-	-					
37,855	766	235	531	875	32.95	176.16	557.18	766.29	37,828.82
37,320	766	232	535	871	32.95	173.60	559.74	766.29	37,269.08
36,782	766	228	538	868	32.95	171.03	562.31	766.29	36,706.77
36,241	766	225	541	865	32.95	168.45	564.89	766.29	36,141.88
35,696	766	222	545	861	32.95	165.86	567.48	766.29	35,574.40
35,148	766	218	548	858	32.95	163.25	570.09	766.29	35,004.32
34,597	766	215	551	855	32.95	160.64	572.70	766.29	34,431.61
34,043	766	212	555	851	32.95	158.01	575.33	766.29	33,856.28
33,485	766	208	558	848	32.95	155.37	577.97	766.29	33,278.31
32,923	766	205	561	845	32.95	152.72	580.62	766.29	32,697.69
32,358	766	201	565	841	32.95	150.05	583.29	766.29	32,114.41
31,790	766	198	568	838	32.95	147.38	585.96	766.29	31,528.44
31,218	766	195	572	834	32.95	144.69	588.65	766.29	30,939.79
30,643	766	191	575	831	32.95	141.99	591.35	766.29	30,348.44
30,064	766	188	579	827	32.95	139.27	594.07	766.29	29,754.37
29,482	766	184	582	824	32.95	136.55	596.79	766.29	29,157.57
28,896	766	180	586	820	32.95	133.81	599.53	766.29	28,558.04
28,307	766	177	589	817	32.95	131.06	602.28	766.29	27,955.76
27,713	766	173	593	813	32.95	128.29	605.05	766.29	27,350.71
27,117	766	170	597	809	32.95	125.52	607.82	766.29	26,742.88
26,516	766	166	600	806	32.95	122.73	610.61	766.29	26,132.27
25,912	766	162	604	802	32.95	119.92	613.42	766.29	25,518.85
25,305	766	159	608	798	32.95	117.11	616.23	766.29	24,902.62
24,693	766	155	611	795	32.95	114.28	619.06	766.29	24,283.56
24,078	766	151	615	791	32.95	111.44	621.90	766.29	23,661.66

Reduced by C	A	B	C=A-B	E=D+B					
Obligation under Capital Lease (Liability)	**Monthly Payment**	**Interest Expense**	**Reduction to liability**	**Total Expense**	**Management Fee**	**Interest**	**Principal**	**Monthly Payment**	**Balance**
23,459	**766**	**147**	**619**	**787**	32.95	108.59	624.75	766.29	23,036.91
22,836	**766**	**144**	**623**	**783**	32.95	105.72	627.62	766.29	22,409.29
22,210	**766**	**140**	**627**	**779**	32.95	102.84	630.50	766.29	21,778.79
21,579	**766**	**136**	**630**	**776**	32.95	99.95	633.39	766.29	21,145.39
20,945	**766**	**132**	**634**	**772**	32.95	97.04	636.30	766.29	20,509.09
20,307	**766**	**128**	**638**	**768**	32.95	94.12	639.22	766.29	19,869.87
19,665	**766**	**124**	**642**	**764**	32.95	91.18	642.16	766.29	19,227.71
19,019	**766**	**120**	**646**	**760**	32.95	88.24	645.10	766.29	18,582.61
18,369	**766**	**116**	**650**	**756**	32.95	85.28	648.06	766.29	17,934.55
17,715	**766**	**112**	**654**	**752**	32.95	82.30	651.04	766.29	17,283.51
17,057	**766**	**108**	**658**	**748**	32.95	79.32	654.02	766.29	16,629.49
16,395	**766**	**104**	**662**	**744**	32.95	76.31	657.03	766.29	15,972.46
15,729	**766**	**100**	**666**	**740**	32.95	73.30	660.04	766.29	15,312.42
15,059	**766**	**96**	**670**	**736**	32.95	70.27	663.07	766.29	14,649.35
14,385	**766**	**92**	**674**	**732**	32.95	67.23	666.11	766.29	13,983.24
13,707	**766**	**88**	**678**	**728**	32.95	64.17	669.17	766.29	13,314.07
13,025	**766**	**84**	**682**	**724**	32.95	61.10	672.24	766.29	12,641.83
12,338	**766**	**80**	**687**	**719**	32.95	58.01	675.33	766.29	11,966.51
11,647	**766**	**75**	**691**	**715**	32.95	54.92	678.42	766.29	11,288.08
10,952	**766**	**71**	**695**	**711**	32.95	51.80	681.54	766.29	10,606.54
10,253	**766**	**67**	**699**	**707**	32.95	48.67	684.67	766.29	9,921.88
9,549	**766**	**63**	**704**	**702**	32.95	45.53	687.81	766.29	9,234.07
8,841	**766**	**58**	**708**	**698**	32.95	42.38	690.96	766.29	8,543.11
8,129	**766**	**54**	**712**	**694**	32.95	39.21	694.13	766.29	7,848.97
7,413	**766**	**50**	**717**	**689**	32.95	36.02	697.32	766.29	7,151.65
6,692	**766**	**45**	**721**	**685**	32.95	32.82	700.52	766.29	6,451.13
5,966	**766**	**41**	**725**	**681**	32.95	29.60	703.74	766.29	5,747.40
5,237	**766**	**37**	**730**	**676**	32.95	26.38	706.96	766.29	5,040.43

Reduced by C	A	B	C=A-B	E=D+B					
Obligation under Capital Lease (Liability)	**Monthly Payment**	**Interest Expense**	**Reduction to liability**	**Total Expense**	**Management Fee**	**Interest**	**Principal**	**Monthly Payment**	**Balance**
4,502	766	32	734	672	32.95	23.13	710.21	766.29	4,330.22
3,764	766	28	739	667	32.95	19.87	713.47	766.29	3,616.76
3,020	766	23	743	663	32.95	16.60	716.74	766.29	2,900.01
2,273	766	18	748	658	32.95	13.31	720.03	766.29	2,179.98
1,520	766	14	752	654	32.95	10.00	723.34	766.29	1,456.65
763	766	9	757	649	32.95	6.68	726.66	766.29	729.99
2	766	5	762	644	32.95	3.35	729.99	766.29	0.00
	45,977	7,593		45,977	1,977.00	5,614.40	38,386.00	45,977.40	

0.00
639.74
38,384.89
1.11
0.00
0.00
0.00
38,386.00

Reduced by C	A	B	C=A-B	E=D+B					
Obligation under Capital Lease (Liability)	Monthly Payment	Interest Expense	Reduction to liability	Total Expense	Management Fee	Interest	Principal	Monthly Payment	Balance
38,386									
(38,386)									
-									
-									
-									
-									
-									
-									

Reduced by C	A	B	C=A-B	E=D+B					
Obligation under Capital Lease (Liability)	Monthly Payment	Interest Expense	Reduction to liability	Total Expense	Management Fee	Interest	Principal	Monthly Payment	Balance

0				
0				

235				
531				
(766)				