

APPENDIX X

NOTE 18: LEASES

NOTE 18. Leases

A. ENTITY AS LESSEE

Capital Leases

Summary of Assets Under Capital Lease:

Land and Buildings	\$ xx
Machinery and Equipment	\$ xx
Other	\$ xx
Accumulated Amortization	\$ xx

Description of Lease Arrangements: _____

Future Payments Due

<u>Fiscal Year</u>	<u>Asset Category</u>			<u>Totals</u>
	(1)	(2)	(3)	
Year 1	\$ xx	\$ xx	\$ xx	\$ xx
Year 2	xx	xx	xx	xx
Year 3	xx	xx	xx	xx
Year 4	xx	xx	xx	xx
Year 5	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Lease Payments	\$ xx	\$ xx	\$ xx	\$ xx
Less: Imputed Interest	xx	xx	xx	xx
Executory Costs (e.g., taxes)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Capital Lease Liability	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
			Funded	<u>\$ xx</u>
			Unfunded	<u>\$ xx</u>

Operating Leases

Description of Lease Arrangements: _____

Future Payments Due

<u>Fiscal Year</u>	<u>Asset Category</u>			Totals
	(1)	(2)	(3)	
Year 1	\$ xx	\$ xx	\$ xx	\$ xx
Year 2	xx	xx	xx	xx
Year 3	xx	xx	xx	xx
Year 4	xx	xx	xx	xx
Year 5	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Lease Payments	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

B. ENTITY AS LESSOR

Capital Leases

Description of Lease Arrangements: _____

Future Projected Receipts

<u>Fiscal Year</u>	<u>Asset Category</u>			Totals
	(1)	(2)	(3)	
Year 1	\$ xx	\$ xx	\$ xx	\$ xx
Year 2	xx	xx	xx	xx
Year 3	xx	xx	xx	xx
Year 4	xx	xx	xx	xx
Year 5	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Capital Leases				
Receivable	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

Operating Leases

Description of Lease Arrangements: _____

Future Projected Receipts

<u>Fiscal Year</u>	<u>Asset Category</u>			Totals
	(1)	(2)	(3)	
Year 1	\$ xx	\$ xx	\$ xx	\$ xx
Year 2	xx	xx	xx	xx
Year 3	xx	xx	xx	xx
Year 4	xx	xx	xx	xx
Year 5	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Operating Lease Receivables	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

C. Other Information: _____

Instructions

[Note: A capital lease is one that transfers substantially all the benefits and risks inherent in the ownership of property. This transfer occurs if, at the inception of the lease, one or more of the following criteria exist: (1) ownership of the leased property is transferred to the lessee by the end of the lease term; (2) the lease contains a bargain purchase option; (3) the lease term is substantially (i.e., 75 percent or more) equal to the estimated useful life of the leased property; or (4) at the inception of the lease, the present value of the minimum lease payments, with certain adjustments, is 90 percent or more of the fair value of the property. The lessee accounts for such a lease as the acquisition of an asset and the incurrence of a liability. The lessor should account for such a lease as a sale or financing. All other leases are referred to as operating leases. If further information is needed, please see Financial Accounting Standards Board (FASB) Statement No. 13, "Accounting For Leases," and subsequent pronouncements.]

A. ENTITY AS LESSEE. Summary of Assets Under Capital Lease: Enter the gross assets under capital lease, by major category of asset and the total accumulated amortization.

Description of Lease Arrangements: Provide information that would disclose the level of the agency's funding commitments including, but not limited to, the major asset categories and such lease terms as the existence and terms of renewal options, escalation clauses, restrictions imposed by lease agreements, contingent rentals, and the amortization period.

Future Payments Due: Enter future lease payments, by major category, for all noncancelable leases with terms longer than one year.

For capital leases, show deductions for imputed interest and executory costs, including any profit thereon. Separately disclose the funded and unfunded portions of the capital lease liability. The

funded capital lease liability shall agree with the amount reported on line 4.b.(5) and the unfunded portion shall agree with the amount reported on line 5.b.(3) of the Statement of Financial Position.

B. ENTITY AS LESSOR. Description of Lease Arrangements: Provide the information necessary to disclose the commitment of the entity's assets including but not limited to the major asset category and lease terms.

Future Projected Receipts: Enter future lease revenues by asset category for all noncancelable leases with terms longer than one year.

C. OTHER INFORMATION. Provide other information relevant to leases that is not disclosed in the above categories.