

Lease Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.A Lease Disclosure

- 1. Right-to-Use Lease Agreement Future Payments (state agency is lessee) - Principal and Interest to Maturity:** For leases paid to external entities (not state agencies) having initial noncancelable lease terms in excess of one year, report the future payments, by principal and interest, as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter. **Reporting should be limited to existing leases.** To obtain the principal and interest future payments by fiscal year in total for all funds, you can utilize the “Future Minimum Lease Payments” report from the Facilities Portfolio Management Tool.

Example:

In the example below, the agency has a right-to-use lease agreement with an external entity in a governmental fund type account that expires in two years. The agency has no enterprise fund type account leases.

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
	Principal	Interest	Principal	Interest
2023	432,000	68,000		
2024	474,000	26,000		
2025				
2026				
2027				
2028 – 2032				
2033 – 2037				
2038 – 2042				
2043 – 2047				
2048 – Thereafter				
Total	906,000	94,000		

Lease Disclosure – continued

Reconciliation of Right-to-Use Lease Liability to AFRS:	<u>Governmental and Internal Service fund type accounts*</u>	<u>Enterprise fund type accounts</u>
*Includes Account 999 General Long-Term Obligations Subsidiary Account		
AFRS amount:		
GL Code 5174 ST Right-to-Use Lease Liability	\$ _____	\$ _____
GL Code 5274 LT Right-to-Use Lease Liability	_____	_____
Total GL Codes 5174/5274 Amount in AFRS	<u>\$ _____</u>	<u>\$ _____</u>
Variance between Total Future Payments for Principal (from table above) and AFRS GL Codes 5174/5274:	\$ _____	\$ _____

If there is a difference, provide an explanation below:

2. Has your agency committed to any right-to-use lease agreements that exceed the capitalization threshold with a lease start date after June 30?

No _____ Yes _____ If yes, provide a description of the lease agreement, the total lease payments, and the lease start date.

Comment box.

3. **Lease-to-Own Agreement Future Payments (state agency is lessee) - Principal and Interest to Maturity:** For leases paid to external entities (not state agencies) having initial noncancelable lease terms in excess of one year, report the future payments, by principal and interest, as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter. **Reporting should be limited to existing leases.**

Example:
In the example below, the agency has a lease-to-own agreement with an external entity in a governmental fund type account that expires in three years. The agency has no enterprise fund type account leases.

Lease Disclosure – concluded

Fiscal Year	Governmental and Internal Service fund type accounts		Enterprise fund type accounts	
	Principal	Interest	Principal	Interest
2023	318,000	82,000		
2024	354,000	46,000		
2025	376,000	24,000		
2026				
2027				
2028 – 2032				
2033 – 2037				
2038 – 2042				
2043 – 2047				
2048 – Thereafter				
Total	1,048,000	152,000		

Reconciliation of Lease-to-Own Agreements Payable to AFRS:

**Governmental and
Internal Service
fund type accounts***

**Enterprise fund
type accounts**

*Includes Account 999 General Long-Term Obligations Subsidiary Account

AFRS amount:

GL Code 5172 ST Lease-to-Own Agreements Payable	\$ _____	\$ _____
GL Code 5272 LT Lease-to-Own Agreements Payable	_____	_____
Total GL Codes 5172/5272 Amount in AFRS	\$ _____	\$ _____
Variance between Total Future Payments for Principal (from table above) and AFRS GL Codes 5172/5272:	\$ _____	\$ _____

If there is a difference, provide an explanation below.