Lease Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.A Lease Disclosure

1. **Operating Leases (state agency is lessee):** For all operating leases where the rental term is one year or longer that were charged to Subobjects ED and EH for the fiscal year ended June 30, disclose the total lease expense/expenditures paid to **external** entities (not state agencies) in the "Payments to External Entities" rows. Disclose payments to the Department of Enterprise Services for state-owned property, payments to other state agencies, and internal payments within the agency for operating leases in the "Payments to Other State Agencies and Internal Payments within the Agency" rows.

Example:

In the example below, the agency has operating lease payments in governmental fund type accounts that include payments for both short term and long-term leases to both internal and external parties.

		Governmental and Internal Service fund type accounts	**Enterprise fund type accounts**
Account			
	039 Aeronautics Account	*150,000*	*0*
	099 Puget Sound Capital Construction	*2,402,000*	*0*
	218 Multimodal Transportation	*5,975*	*0*
AFRS Amount Subobjects ED and EH		*2,557,975*	*0*
Payments to External Entities:			
	Minimum lease expense	*500,000*	*0*
	Contingent lease expense	*0*	*0*
Payments to Other State Agencies and Internal Payments within the Agency			
	Minimum lease expense	*2,057,000*	*0*
	Contingent lease expense	*0*	*0*
Total Operating Lease Expense		*2,557,000*	*0*
Difference (AFRS Amount – Entered Amount)		*975*	*0*
If there is a difference, provide an explanation below: *$975 is for short-term leases less than one year*			

Lease Disclosure – continued

2. **Future Minimum Operating and Capital Lease payments (state agency is lessee):** For operating leases paid to external entities (not state agencies) having initial noncancelable lease terms in excess of one year, and for all capital leases, report the total future minimum lease payments 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 an operating lease with an external entity in a governmental fund type account that expires in two years, and the agency has no capital leases.

	Governmental and Internal Service fund type accounts		**Enterprise fund type accounts**	
Fiscal Year	**Operating Leases**	**Capital Leases**	**Operating Leases**	**Capital Leases**
2021	*500,000*			
2022	*500,000*			
2023				
2024				
2025				
2026 – 2030				
2031 – 2035				
2036 – 2040				
2041 – 2045				
2046 – 2050				
Total Future Minimum Payments	*1,000,000*			

Less: Executory and Interest Costs	(_____)	(_____)
Net Present Value of Future Minimum Lease Payments	$_____	$_____

Lease Disclosure – continued

Reconciliation of Capital Leases to AFRS: *Includes Account 999 General Long-Term Obligations Subsidiary Account	**Governmental and Internal Service fund type accounts***	**Enterprise fund type accounts**
	AFRS Amount	**AFRS Amount**
GL Code 5172 ST Lease-Purchase Agreements Payable	$	$
GL Code 5272 LT Lease-Purchase Agreements Payable		
Total GL Codes 5172/5272 Amount	$	$
Variance between Net Present Value of Future Minimum Lease Payments for Capital Leases and AFRS GL Codes 5172/5272:	$	$

If there is a difference, provide an explanation below.

3. **Capital Leases (state agency is lessee)**: Report assets recorded under capital leases as of June 30 by major class of asset.

Note: Generally, the net value of assets recorded under capital leases should approximate the Net Present Value of Future Minimum Lease Payments recorded in (2) above.

*Include Account 997 "General Capital Assets Subsidiary Account" **Capital Asset**	**Governmental and Internal Service fund type accounts***	**Enterprise fund type accounts**
	Amount	**Amount**
Land (non-depreciable)	$	$
Buildings		
Equipment		
Less: Allowance for Depreciation	( )	( )
Net Value of Assets		
	$	$

Lease Disclosure – concluded

4. **Future Operating and Capital Lease Receipts (state agency is lessor):** Is leasing to **external** entities a significant part of your agency's business activity in terms of revenues or assets? If yes, report the total future minimum lease payments that you expect to receive under existing leases as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter.

	Governmental and Internal Service fund type accounts		**Enterprise fund type accounts**	
Fiscal Year	**Noncancelable Operating Leases**	**Capital Leases**	**Noncancelable Operating Leases**	**Capital Leases**
2021				
2022				
2023				
2024				
2025				
2026 – 2030				
2031 – 2035				
2036 – 2040				
2041 – 2045				
2046 – 2050				
Total Future Minimum Receipts				