



SFFAS 54 LEASE GUIDANCE:
RIGHT-TO-USE LEASES:
DEEMED “CAPITAL LEASES” FOR BUDGETARY TREATMENT

EFFECTIVE FISCAL YEAR 2024

PREPARED BY:

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Background: Proprietary Requirements

SFFAS No. 54, *Leases*, as amended by SFFAS No. 58 and SFFAS No. 60, replaces proprietary lease accounting and disclosure standards for general purpose federal financial reports. SFFAS No. 54 is effective for reporting periods beginning after September 30, 2023. (Early implementation is not permitted.)

A lease is defined as “a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.” (SFFAS 54, Par. 6.) SFFAS No. 54 requires that federal lessees recognize a lease liability and a right-to-use lease asset (also referred to as a lease asset), and that federal lessors recognize a lease receivable and unearned revenues at the commencement of the lease term, unless the lease meets the definitional criteria of a short-term lease, contract or agreement that transfers ownership, or an intra-governmental lease.

At the commencement of the lease term, the lessee should recognize a lease liability and a right-to-use lease asset, while the lessor should recognize a lease receivable and unearned revenue.

Calculating the Lease Asset/Lease Liability Amounts: Fixed vs. Variable Payments

The Lessee’s lease asset and the Lessor’s lease liability should include the present value of payments expected to be made during the lease term. Generally, these should include:

- Fixed payments;
- Variable payments that depend on an index or a rate;
- Variable payments that are fixed in-substance; and
- Any lease incentives receivable from the lessor.

For a complete list of payment types to include in the present value of payments, please see SFFAS 54, Paragraphs 40 and 56. (SFFAS 54, Par. 49 also identifies costs that are to be capitalized as part of Lessor’s lease asset that are not components of a Lessee’s lease liability.)

Variable payments based on future performance of the lessee or usage of the underlying asset should be recognized as lease expense/revenue during the reporting period to which those payments relate. These variable payments should not be included in the measurement of the lease receivable/lease liability. (See SFFAS 54, Pars. 41 and 54.) Reporting entity management should consult with appropriate procurement officials, and use professional judgment, to make determinations on what payments are fixed and what are variable for proprietary lease accounting purposes.

Amortization of Discount on Lease Liability/Receivable - Interest Expense/Revenue

In subsequent financial reporting periods, the lessee should calculate the amortization of the discount on the lease liability and recognize that amount as interest expense for the period. Any payments made should be allocated first to the accrued interest liability and then to the lease liability. (SFFAS 54, Par. 43) Likewise, the lessor should calculate the amortization of the discount on the receivable and report that amount as interest revenue for the period. Any payments received should be allocated first to the accrued interest receivable and then to the lease receivable. (SFFAS 54, Par. 60)

Lease Amortization

During the lease term, the Lessee's lease asset should be amortized in a systematic and rational manner, over the shorter of: The lease term; or the useful life of the underlying asset. Meanwhile, the Lessor should amortize the unearned revenue to lease revenue in a systematic and rational manner over the term of the lease. (SFFAS 54, Par. 65)

Background: Budgetary Requirements

While proprietary accounting requirements for leases are transformed by SFFAS 54, *Leases*, budgetary accounting requirements will remain unchanged and continue to be guided by the lease scorekeeping rule developed by OMB, CBO, and the House and Senate Budget Committees originally in connection with the Budget Enforcement Act of 1990, and guidance regarding this rule provided in *OMB Circular No. A-11, Appendix B, Budgetary Treatment Of Lease-Purchases and Leases of Capital Assets*.

Operating/Capital/Lease Purchase

Reporting entities should apply professional judgment, consistent with the guidance in Appendix B of *OMB Circular No. A-11*, on Operating Leases/Capital Leases criteria to discern the correct budgetary treatment of each lease contract. Budget Authority for Capital Leases should be recorded up-front in an amount equal to the "asset cost," as defined in Appendix B. Meanwhile, outlays of Capital Leases are scored over the lease term in an amount equal to the annual lease and other contractually required payments.

"Amounts. The up-front budget authority required for both lease-purchases and capital leases is called the asset cost. This equals the present value of the minimum lease and other contractually required payments excluding payments for identifiable annual operating expenses that would be paid by the Government as owner, such as utilities, minor maintenance, and insurance. Property taxes will not be considered to be an operating expense and will be included in the calculation of the up-front budget authority. (See section 3 for the treatment of property taxes for purposes of distinguishing operating leases from capital leases.) Other contractually required payments include any and all costs related to the asset being leased in addition to the rent fee applied under the lease.

For example, other contractually required payments would include all costs under triple net or other unique arrangements. The present value of the lease and other contractually required payments is discounted as of the date of the first payment (or the beginning of the lease term, whichever is earlier) using the appropriate interest rate (see section 4 for a more detailed explanation and the treatment of multiple deliveries)."

Key Assumptions Driving Proprietary Accounting Entries:

Lease Term

- A federal reporting entity (Lessee) signs a 5-year lease with a non-federal entity (Lessor) for the right to control/right to use equipment. (For illustration purposes, the scenario also shows posting logic under a separate heading for a federal Lessor working with a non-federal Lessee.)
- The Lessor already has equipment on its Balance Sheet valued at \$300,000 with \$150,000 Accumulated Depreciation.
- The Present Value of all expected fixed payments is \$100,000. The Lessor charges the Lessee the Treasury Rate of 10.00%.
- No purchase option probable of being exercised exists.

Fixed & Variable Payments

- Management determines the lease contains only fixed payments. Fixed payments include a minimum annual payment required by the lease contract, and lease payments (including interest) are paid at the start of the year.
- Management determines there are no variable payments based on lessee performance or future usage of the underlying asset in the contract, per SFFAS 54, Par. 41. (Also See Technical Release 20, Lease Implementation Guidance, Par. 48 for more information on Variable Payments.)
- Management determines that the fixed lease payments are “contractually required payments” per *OMB Circular A-11, Appendix B*.

Key Assumptions Driving Budgetary Accounting Entries:

Budgetary Authority

- The Lessee received a direct appropriation and is working from a multi-year appropriated TAFS from a general fund expenditure account. Agency management has concluded that appropriations language allows the budget authority to remain available for the lease and other contractually required payments over the full term of the lease.
- It is the responsibility of agencies to determine the correct discount rate and do their own calculations when determining budget authority for capital leases. Per *OMB Circular No. A-11, Appendix B*, all assumptions required to perform the lease analysis are subject to OMB approval. (The differential cost of financing has to be paid upfront by the agency as part of their asset cost calculation.)
- Management determines that the fixed payments are "contractually required payments" per *OMB Circular A-11, Appendix B*.
- Note – For budgetary purposes, agencies will need to develop amortization tables to calculate the asset cost of capital leases.

Budgetary Lease Capital/Operating Determination

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- Management determines the lease to be a “**Capital lease**” for budgetary purposes. Therefore, the asset cost (up-front budget authority required) is the present value of the minimum lease and other contractually required payments. (Note that the differential cost of financing has to be paid upfront by the agency as part of their asset cost calculation.)
- Additional budget authority equal to the cost of financing (imputed interest cost) is recorded on an annual basis over the lease term. Imputed interest cost is calculated pursuant to the guidance in *OMB Circular No. A-11*, Appendix B using the Treasury interest rates published in the most recent update to Appendix C of *OMB Circular No. A-94*. It is equal to the difference between the minimum lease and other contractually required payments under the full term of the lease and the estimated net present value of those payments (asset cost) that is recorded upfront. For this example, assume the appropriate discount rate is 10.0%.
- There are no other payments for identifiable annual operating expenses (utilities, minor maintenance, and insurance, etc.)

Budgetary Outlays

- Outlays are scored annually equal to the annual lease and contractually required payments. Over the life of the lease:
 - Outlays for the asset cost comes from the balances obligated when the lease agreement was signed; and
 - Outlays for the imputed interest cost comes from new budget authority.

Cancellation Clauses

- The lease does not contain renewal/purchase options or cancellation clauses, and is not associated with government land.

Listing of USSGL Accounts Used in This Scenario:

Account Number	Account Title
<u>Budgetary</u>	
406000	Anticipated Collections From Non-Federal Sources
411900	Other Appropriations Realized
426600	Other Actual Business-Type Collections From Non-Federal Sources
445000	Unapportioned – Unexpired Authority
449000	Anticipated Resources - Unapportioned Authority
451000	Apportionments
459000	Apportionments – Anticipated Resources – Programs Subject to Apportionment
461000	Allotments – Realized Resources
480100	Undelivered Orders – Obligations, Unpaid
490100	Delivered Orders – Obligations, Unpaid

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490200	Delivered Orders – Obligations, Paid
Proprietary	
101000	Fund Balance With Treasury
134000	Interest Receivable - Not Otherwise Classified
175000	Equipment
175900	Accumulated Depreciation on Equipment
193000	Lessor Lease Receivable*¹
193900	Allowance for Loss on Lease Receivable*
195000	Lessee Right-To-Use Lease Asset*
195900	Accumulated Amortization on Lessee Lease Assets*
214000	Accrued Interest Payable - Not Otherwise Classified
233000	Unearned Lessor Revenue*
293000	Lessee Lease Liability*
310000	Unexpended Appropriations - Cumulative
310100	Unexpended Appropriations – Appropriations Received
310700	Unexpended Appropriations - Used - Accrued
310710	Unexpended Appropriations - Used - Disbursed
331000	Cumulative Results of Operations
531000	Interest Revenue - Other
570000	Expended Appropriations – Used Accrued
570010	Expended Appropriations - Disbursed
593300	Amortization of Unearned Lessor Revenue*
633000	Other Interest Expense
671000	Depreciation, Amortization, and Depletion
671300	Lessee Lease Amortization*

Proprietary Amortization Table (PV of Payments = \$100,000; Treasury Interest Rate of 10.0%)

¹ See Treasury Financial Manual, Volume 1, USSGL Supplements, Section II for Account Definitions of new lease accounts.

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Year	Annual Lease Payment	Interest on Unpaid Lease (Treasury Rate = 10.0%)	Reduction of Lease Liability/Asset	Ending Lease Liability/ Lease Asset Balance
Contract Signed				\$100,000
1	\$23,982	\$0	\$23,982	\$76,018
2	\$23,982	\$7,602	\$16,380	\$59,638
3	\$23,982	\$5,964	\$18,018	\$41,620
4	\$23,982	\$4,162	\$19,820	\$21,800
5	\$23,982	\$2,182	\$21,800	\$0
Total	\$119,910	\$19,910	\$100,000	-

FISCAL YEAR 1

Lessee Accounting

1. The Lessee records the enactment of appropriations in Year 1 of the 5-year lease agreement. Per *OMB Circular No. A-11, Appendix B*, this upfront Budget Authority includes the present value of the minimum lease and other contractually required payments over the full term of the lease, as well as the imputed interest accrued on the debt and Year 1. **The Present Value of expected payments is \$100,000, and interest accrued during the first year is \$7,602 = Total upfront Budget Authority = \$107,602.** (Imputed interest cost is recorded annually over the lease term.)

Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 411900 Other Appropriations Realized 445000 Unapportioned - Unexpired Authority	107,602	107,602	A104
<u>Proprietary Entry</u> 101000 (G) Fund Balance With Treasury 310100 (G) Unexpended Appropriations – Appropriations Received	107,602	107,602	

2. The Lessee records budgetary authority apportioned by the Office of Management and Budget and available for allotment in Year 1.

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Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 445000 Unapportioned - Unexpired Authority 451000 Apportionments <u>Proprietary Entry</u> None	107,602	107,602	A116

3. The Lessee records the allotment of authority in Year 1.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 451000 Apportionments 461000 Allotments – Realized Resources <u>Proprietary Entry</u> None	107,602	107,602	A120

4. The lease contract is signed by both parties. The Lessee records current-year undelivered orders without an advance (Equal to only the \$100,000 Present Value of expected payments.)			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 480100 Undelivered Orders – Obligations, Unpaid <u>Proprietary Entry</u> None	100,000	100,000	B306

5. The Lessee takes control over the use of the equipment; The lease term is 5 years. A Lease Asset and Lease Liability are recorded per SFFAS 54, Par. 40 & Par. 49.

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Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 480100 Undelivered Orders – Obligations, Unpaid 490100 Delivered Orders – Obligations, Unpaid	100,000	100,000	
<u>Proprietary Entry</u> 195000 Lessee Right-To-Use Lease Asset 293000 Lessee Lease Liability	100,000	100,000	
310700 Unexpended Appropriations - Used - Accrued 570000 Expended Appropriations - Used - Accrued	100,000	100,000	B134

6. In Year 1, the Lessee makes the first annual lease payment to Lessor, and records the payment of funds previously accrued. The Lessee records the disbursement of appropriations for the fiscal year.			
Lessee – Disbursement of first Annual Lease Payment	Debit	Credit	TC
<u>Budgetary Entry</u> 490100 Delivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, Paid	23,982	23,982	
<u>Proprietary Entry</u> 293000 Lessee Lease Liability 101000 (G) Fund Balance With Treasury	23,982	23,982	
310710 Unexpended Appropriations - Used - Disbursed 570000 Expended Appropriations - Used - Accrued 310700 Unexpended Appropriations - Used - Accrued 570010 Expended Appropriations - Disbursed	23,982 23,982	23,982 23,982	B235
<i>Ending Lease Liability Balance of USSGL 293000 = \$100,000 - \$23,928 = \$76,018</i>			

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7. The Lessee records amortization of the right-to-use lease asset for the period. (\$100,000 / 5 Year Life of Lease = \$20,000 Amortization per year.) A lease asset should be amortized in a systematic and rational manner over the shorter of: The lease term; or the useful life of the underlying asset. (SFFAS 54, Par. 50)			
Lessee – Amortization of Lease Asset for Year 1	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671300 Lessee Lease Amortization 195900 Accumulated Amortization on Lessee Lease Assets	20,000	20,000	

8. The lessee records accrued interest during the first year of the lease. The lessee should calculate the amortization of the discount on the lease liability and recognize that amount as interest expense for the period. (SFFAS 54, Par. 43)			
Lessee – Accrual of Interest Expense for Year 1	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 490100 Delivered Orders – Obligations, Unpaid	7,602	7,602	B416
<u>Proprietary Entry</u> 633000 (N) Other Interest Expense 214000 (N) Accrued Interest Payable - Not Otherwise Classified	7,602	7,602	
310700 Unexpended Appropriations - Used - Accrued 570000 Expended Appropriations - Used - Accrued	7,602	7,602	B134

9. The Lessee records the closing of lease and interest expenses to cumulative results of operations.			
Lessee	Debit	Credit	TC

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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 671300 Lessee Lease Amortization 633000 (N) Other Interest Expense	27,602	20,000 7,602	F336

10. The Lessee records the closing of expended appropriation to cumulative results of operations, along with the closing of fiscal-year activity to unexpended appropriations.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 570000 Expended Appropriations - Used - Accrued 570010 Expended Appropriations – Disbursed 331000 Cumulative Results of Operations	83,620 23,982	107,602	F336
310000 Unexpended Appropriations – Cumulative 310700 Unexpended Appropriations - Used - Accrued 310710 Unexpended Appropriations - Used – Disbursed	107,602	83,620 23,982	F342
310100 (G) Unexpended Appropriations – Appropriations Received 310000 Unexpended Appropriations - Cumulative	107,602	107,602	F342

11. The Lessee records the closing of paid delivered orders to total actual resources.			
Lessee	Debit	Credit	TC

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<p><u>Budgetary Entry</u> 490200 Delivered Orders – Obligations, Paid 420100 Total Actual Resources, Collected</p>	23,982	23,982	F314
<p><u>Proprietary Entry</u> None</p>			

12. The Lessee records the consolidation of actual net-funded resources.			
Lessee	Debit	Credit	TC
<p><u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 411900 Other Appropriations Realized</p>	107,602	107,602	F302
<p><u>Proprietary Entry</u> None</p>			

Lessor Accounting

1. In Year 1, the Lessor records anticipated collections.			
Lessor	Debit	Credit	TC
<p><u>Budgetary Entry</u> 406000 Anticipated Collections From Non-Federal Sources 449000 Anticipated Resources - Unapportioned Authority</p>	23,982	23,982	A140
<p><u>Proprietary Entry</u> None</p>			

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2. In Year 1, the Lessor records the apportionment approval by OMB of anticipated authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 449000 Anticipated Resources - Unapportioned Authority 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982	23,982	A118
<u>Proprietary Entry</u> None			

3. The Lessee takes control over the use of the equipment; The lease term is 5 years. A Lease Receivable and Unearned Revenue are recorded per SFFAS 54. Also per SFFAS 54, Par. 56, the Lessor reduces the lease receivable by a provision for uncollectible amounts.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 193000 Lessor Lease Receivable 193900 Allowance for Loss on Lease Receivable 233000 Lessor Lease Unearned Revenue	100,000	2,000 98,000	
<i>Initial Lease Receivable Balance of USSGL 193000 = \$100,000.</i>			

4. In Year 1, the Lessor receives the annual lease payment from the Lessee and records the receipt of payment. Also in Year 1, the Lessor records the allotment of authority.			
Lessor – Receipt of first Annual Lease Payment	Debit	Credit	TC

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<u>Budgetary Entry</u>			
426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982		
406000 Anticipated Collections From Non-Federal Sources		23,982	C109
459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982		
451000 Apportionments		23,982	A123
451000 Apportionments	23,982		
461000 Allotments – Realized Resources		23,982	A120
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	23,982		
193000 Lessor Lease Receivable		23,982	
<i>Ending Lease Receivable Balance of USSGL 193000 = \$100,000 - \$23,982 = \$76,018</i>			

5. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period. A Lessor should amortize the unearned revenue (recognizing it as earned revenue) in a systematic and rational manner of life of the lease. (SFFAS 60, Par. 26)			
Lessor – Recognition of Unearned Revenue for Year 1	Debit	Credit	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
233000 Lessor Lease Unearned Revenue	20,000		
593300 Amortization of Unearned Lessor Revenue		20,000	

6. The lessor recognizes the amortization of the discount on the lease receivable as interest revenue for the period. (SFFAS 54, Par. 60)			
Lessor – Accrual of Interest Revenue for Year 1	Debit	Credit	TC

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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 134000 Interest Receivable - Not Otherwise Classified 531000 Interest Revenue - Other	7,602	7,602	

7. In Year 1, the Lessor records depreciation expense on equipment it owns (the underlying asset within the lease.) \$300,000 cost / 20-year useful life = \$15,000.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671000 (N) Depreciation, Amortization, and Depletion 175900 Accumulated Depreciation on Equipment	15,000	15,000	E120

8. The Lessor records the closing of revenue to cumulative results of operations.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 593300 Amortization of Unearned Lessor Revenue 531000 Interest Revenue - Other 331000 Cumulative Results of Operations	20,000 7,602	27,602	F336

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9. The Lessor records the closing of depreciation expense to cumulative results of operations.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 671000 Depreciation, Amortization, and Depletion	15,000	15,000	F336

10. The Lessor records the closing of unobligated balances in programs subject to apportionment to unapportioned authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 445000 Unapportioned – Unexpired Authority	23,982	23,982	F308
<u>Proprietary Entry</u> None			

11. The Lessor records the consolidation of actual net-funded resources.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982	23,982	F302
<u>Proprietary Entry</u> None			

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Fiscal Year 1 Post-Closing Adjusted Trial Balance:

FISCAL YEAR 1 POST-CLOSING		LESSEE		LESSOR	
Account	Description	Debit	Credit	Debit	Credit
Budgetary					
420100	Total Actual Resources, Collected	83,620	-	23,982	-
445000	Unapportioned – Unexpired Authority	-	-	-	23,982
490100	Delivered Orders, Obligations Unpaid	-	83,620	-	-
Total		83,620	83,620	23,982	23,982
Proprietary					
101000 (G)	Fund Balance With Treasury	83,620	-	23,982	-
134000 (N)	Interest Receivable - Not Otherwise Classified	-	-	7,602	-
175000	Equipment	-	-	300,000	-
175900	Acc. Depreciation on Equipment	-	-	-	165,000
193000	Lessor Lease Receivable	-	-	76,018	-
193900	Allowance for Loss on Lease Receivable	-	-	-	2,000
195000	Lessee Right-To-Use Lease Asset	100,000	-	-	-
195900	Accumulated Amortization on Lessee Lease Assets	-	20,000	-	-
214000 (N)	Accrued Interest Payable - Not Otherwise Classified	-	7,602	-	-
233000	Unearned Lessor Revenue	-	-	-	78,000
293000	Lessee Lease Liability	-	76,018	-	-
331000	Cumulative Results of Operations	-	80,000	-	162,602
Total		183,620	183,620	407,602	407,602

FISCAL YEAR 2

Lessee Accounting

1. In Year 2, the Lessee makes the second annual lease payment to Lessor, and records the payment of funds previously accrued. The Lessee records the disbursement of appropriations for the fiscal year.			
Lessee - Disbursement of second Annual Lease Payment to Lessor	Debit	Credit	TC
<u>Budgetary Entry</u>			
490100 Delivered Orders – Obligations, Unpaid	23,982		
490200 Delivered Orders – Obligations, Paid		23,982	
<u>Proprietary Entry</u>			
293000 Lessee Lease Liability	16,380		
214000 (N) Accrued Interest Payable - Not Otherwise Classified	7,602		
101000 Fund Balance With Treasury		23,982	
310710 Unexpended Appropriations - Used - Disbursed	23,982		
570000 Expended Appropriations - Used - Accrued	23,982		
310700 Unexpended Appropriations - Used - Accrued		23,982	
570010 Expended Appropriations - Disbursed		23,982	B235
<i>Ending Lease Liability Balance of USSGL 293000 = \$76,018- \$16,380 = \$59,638</i>			

2. In Year 2, the Lessee records the enactment of appropriations. Per OMB Circular No. A-11, Appendix B, interest accrued during the year is included in the appropriation.			
Lessee - Enactment of appropriation for Year 2 of interest.	Debit	Credit	TC
<u>Budgetary Entry</u>			
411900 Other Appropriations Realized	5,964		
445000 Unapportioned - Unexpired Authority		5,964	A104
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	5,964		
310100 (G) Unexpended Appropriations – Appropriations Received		5,964	

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3. The Lessee records budgetary authority apportioned by the Office of Management and Budget and available for allotment in Year 2.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 445000 Unapportioned - Unexpired Authority 451000 Apportionments	5,964	5,964	A116
<u>Proprietary Entry</u> None			

4. The Lessee records the allotment of authority in Year 2.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 451000 Apportionments 461000 Allotments – Realized Resources	5,964	5,964	A120
<u>Proprietary Entry</u> None			

5. For Year 2, the Lessee records amortization of the right-to-use Lease Asset for the period. A lease asset should be amortized in a systematic and rational manner over the shorter of: The lease term; OR the useful life of the underlying asset. (SFFAS 54, Par. 50)			
Lessee - Amortization of Lease Asset for Year 2	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671300 Lessee Lease Amortization 195900 Accumulated Amortization on Lessee Lease Assets	20,000	20,000	

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6. The lessee records interest accrued over the second year of the lease. The lessee should calculate the amortization of the discount on the lease liability and recognize that amount as interest expense for the period. (SFFAS 54, Par. 43)s			
Lessee - Accrual of Interest Expense for Amortization of Discount - Year 2	Debit	Credit	TC
<u>Budgetary Entry</u>			
461000 Allotments – Realized Resources	5,964		B416
490100 Delivered Orders – Obligations, Unpaid		5,964	
<u>Proprietary Entry</u>			
633000 (N) Other Interest Expense	5,964		
214000 (N) Accrued Interest Payable - Not Otherwise Classified		5,964	
310700 Unexpended Appropriations - Used - Accrued	5,964		B134
570000 Expended Appropriations - Used - Accrued		5,964	

7. The Lessee records the closing of lease and interest expenses to cumulative results of operations.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
331000 Cumulative Results of Operations	25,964		F336
671300 Lessee Lease Amortization		20,000	
633000 (N) Other Interest Expense		5,964	

8. The Lessee records the closing of expended appropriation to cumulative results of operations, along with the closing of fiscal-year activity to unexpended appropriations.			
Lessee	Debit	Credit	TC

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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 570010 Expended Appropriations – Disbursed	23,982		F336
570000 Expended Appropriations - Used - Accrued		18,018	
331000 Cumulative Results of Operations		5,964	
310000 Unexpended Appropriations – Cumulative	5,964		F342
310700 Unexpended Appropriations - Used - Accrued	18,018		
310710 Unexpended Appropriations - Used – Disbursed		23,982	
310100 (G) Unexpended Appropriations – Appropriations Received	5,964		F342
310000 Unexpended Appropriations - Cumulative		5,964	

9. The Lessee records the closing of paid delivered orders to total actual resources.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 490200 Delivered Orders – Obligations, Paid	23,982		F314
420100 Total Actual Resources, Collected		23,982	
<u>Proprietary Entry</u> None			

10. The Lessee records the consolidation of actual net-funded resources.			
Lessee	Debit	Credit	TC

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<u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 411900 Other Appropriations Realized	5,964	5,964	F302
<u>Proprietary Entry</u> None			

Lessor Accounting

1. In Year 2, the Lessor records anticipated collections. (Year 2 Lease Payment of \$23,982)			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 406000 Anticipated Collections From Non-Federal Sources 449000 Anticipated Resources - Unapportioned Authority	23,982	23,982	A140
<u>Proprietary Entry</u> None			

2. In Year 2, the Lessor records the apportionment approval by OMB of anticipated authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 449000 Anticipated Resources - Unapportioned Authority 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982	23,982	A118
<u>Proprietary Entry</u> None			

3. In Year 2, the Lessor receives the annual lease payment from the Lessee and records the receipt of payment. Also in Year 2, the Lessor records the allotment of authority.			
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RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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Lessor – Receipt of second Annual Lease Payment from Lessee	Debit	Credit	TC
<u>Budgetary Entry</u>			
426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982		C109
406000 Anticipated Collections From Non-Federal Sources		23,982	
459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982		A123
451000 Apportionments		23,982	
451000 Apportionments	23,982		A120
461000 Allotments – Realized Resources		23,982	
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	23,982		
134000 (N) Interest Receivable - Not Otherwise Classified		7,602	
193000 Lessor Lease Receivable		16,380	
<i>Ending Lease Receivable Balance of USSGL 193000 = \$76,018 - \$16,380 = \$59,638</i>			

4. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period. A Lessor should amortize the unearned revenue (recognizing it as earned revenue) in a systematic and rational manner of life of the lease. (SFFAS 60, Par. 26)			
Lessor - Recognition of Unearned Revenue for Year 2	Debit	Credit	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
233000 Lessor Lease Unearned Revenue	20,000		
593300 Amortization of Unearned Lessor Revenue		20,000	

5. The lessor recognizes the amortization of the discount on the lease receivable as interest revenue for the period. (SFFAS 54, Par. 60)			
Lessor - Accrual of Interest Revenue Year 2	Debit	Credit	TC

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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 134000 (N) Interest Receivable - Not Otherwise Classified 531000 (N) Interest Revenue - Other	5,964	5,964	

6. In Year 2, the Lessor records depreciation expense on equipment it owns (the underlying asset within the lease.) \$300,000 cost / 20-year useful life = \$15,000.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671000 (N) Depreciation, Amortization, and Depletion 175900 Accumulated Depreciation on Equipment	15,000	15,000	E120

7. The Lessor records the closing of revenue to cumulative results of operations.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 593300 Amortization of Unearned Lessor Revenue 531000 (N) Interest Revenue - Other 331000 Cumulative Results of Operations	20,000 5,964	25,964	F336

10. The Lessor records the closing of depreciation expense to cumulative results of operations in Year 2.			
Lessor	Debit	Credit	TC

RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 671000 Depreciation, Amortization, and Depletion	15,000	15,000	F336

11. The Lessor records the closing of unobligated balances in programs subject to apportionment to unapportioned authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 445000 Unapportioned – Unexpired Authority	23,982	23,982	F308
<u>Proprietary Entry</u> None			

12. The Lessor records the consolidation of actual net-funded resources.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982	23,982	F302
<u>Proprietary Entry</u> None			

RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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Fiscal Year 2 Post-Closing Adjusted Trial Balance:

FISCAL YEAR 2 POST-CLOSING		LESSEE		LESSOR	
Account	Description	Debit	Credit	Debit	Credit
Budgetary					
420100	Total Actual Resources, Collected	65,602	-	47,964	-
445000	Unapportioned – Unexpired Authority	-	-	-	47,964
490100	Delivered Orders, Obligations Unpaid	-	65,602	-	-
Total		65,602	65,602	47,964	47,964
Proprietary					
101000 (G)	Fund Balance With Treasury	65,602	-	47,964	-
134000 (N)	Interest Receivable - Not Otherwise Classified	-	-	5,964	-
175000	Equipment	-	-	300,000	-
175900	Acc. Depreciation on Equipment	-	-	-	180,000
193000	Lessor Lease Receivable	-	-	59,638	-
193900	Allowance for Loss on Lease Receivable	-	-	-	2,000
195000	Lessee Right-To-Use Lease Asset	100,000	-	-	-
195900	Accumulated Amortization on Lessee Lease Assets	-	40,000	-	-
214000 (N)	Accrued Interest Payable - Not Otherwise Classified	-	5,964	-	-
233000	Unearned Lessor Revenue	-	-	-	58,000
293000	Lessee Lease Liability	-	59,638	-	-
331000	Cumulative Results of Operations	-	60,000	-	173,566
Total		165,602	165,602	413,566	413,566

FISCAL YEAR 3

Lessee Accounting

1. In Year 3, the Lessee makes the third annual lease payment to Lessor, and records the payment of funds previously accrued. The Lessee records the disbursement of appropriations for the fiscal year.			
Lessee – Disbursement of Annual Lease Payment to Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 490100 Delivered Orders – Obligations, Unpaid 490200 Delivered Orders – Obligations, Paid	23,982	23,982	
<u>Proprietary Entry</u> 293000 Lessee Lease Liability 214000 (N) Accrued Interest Payable - Not Otherwise Classified 101000 Fund Balance With Treasury	18,018 5,964	23,982	
310710 Unexpended Appropriations - Used - Disbursed 570000 Expended Appropriations - Used - Accrued 310700 Unexpended Appropriations - Used - Accrued 570010 Expended Appropriations - Disbursed	23,982 23,982	23,982 23,982	B235
<i>Ending Lease Liability Balance of USSGL 293000 = \$59,638 - \$18,018 = \$41,620</i>			

2. In Year 3, the Lessee records the enactment of appropriations. Per OMB Circular No. A-11, Appendix B, interest accrued during the year is included in the appropriation.			
Lessee - Enactment of appropriation for Year 3 of interest.	Debit	Credit	TC
<u>Budgetary Entry</u> 411900 Other Appropriations Realized 445000 Unapportioned - Unexpired Authority	4,162	4,162	A104
<u>Proprietary Entry</u> 101000 (G) Fund Balance With Treasury 310100 (G) Unexpended Appropriations – Appropriations Received	4,162	4,162	

RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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3. The Lessee records budgetary authority apportioned by the Office of Management and Budget and available for allotment in Year 3.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 445000 Unapportioned - Unexpired Authority 451000 Apportionments	4,162	4,162	A116
<u>Proprietary Entry</u> None			

4. The Lessee records the allotment of authority in Year 3.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 451000 Apportionments 461000 Allotments – Realized Resources	4,162	4,162	A120
<u>Proprietary Entry</u> None			

5. For Year 3, the Lessee records amortization of the right-to-use Lease Asset for the period. A lease asset should be amortized in a systematic and rational manner over the shorter of: The lease term; OR the useful life of the underlying asset. (SFFAS 54, Par. 50)			
Lessee - Amortization of Lease Asset for Year 3	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671300 Lessee Lease Amortization 195900 Accumulated Amortization on Lessee Lease Assets	20,000	20,000	

RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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6. The lessee records interest accrued over the third year of the lease. The lessee should calculate the amortization of the discount on the lease liability and recognize that amount as interest expense for the period. (SFFAS 54, Par. 43)s			
Lessee - Accrual of Interest Expense for Amortization of Discount - Year 3	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 490100 Delivered Orders – Obligations, Unpaid	4,162	4,162	B416
<u>Proprietary Entry</u> 633000 (N) Other Interest Expense 214000 (N) Accrued Interest Payable - Not Otherwise Classified	4,162	4,162	
310700 Unexpended Appropriations - Used - Accrued 570000 Expended Appropriations - Used - Accrued	4,162	4,162	B134

7. The Lessee records the closing of lease and interest expenses to cumulative results of operations.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 671300 Lessee Lease Amortization 633000 (N) Other Interest Expense	24,162	20,000 4,162	F336

8. The Lessee records the closing of expended appropriation to cumulative results of operations, along with the closing of fiscal-year activity to unexpended appropriations.			
Lessee	Debit	Credit	TC

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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 570010 Expended Appropriations – Disbursed	23,982		F336
570000 Expended Appropriations - Used - Accrued		19,820	
331000 Cumulative Results of Operations		4,162	
310000 Unexpended Appropriations – Cumulative	4,162		F342
310700 Unexpended Appropriations - Used - Accrued	19,820		
310710 Unexpended Appropriations - Used – Disbursed		23,982	
310100 (G) Unexpended Appropriations – Appropriations Received	4,162		F342
310000 Unexpended Appropriations - Cumulative		4,162	

9. The Lessee records the closing of paid delivered orders to total actual resources.			
Lessee	Debit	Credit	TC
<u>Budgetary Entry</u> 490200 Delivered Orders – Obligations, Paid	23,982		F314
420100 Total Actual Resources, Collected		23,982	
<u>Proprietary Entry</u> None			

10. The Lessee records the consolidation of actual net-funded resources.			
Lessee	Debit	Credit	TC

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<u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 411900 Other Appropriations Realized	4,162	4,162	F302
<u>Proprietary Entry</u> None			

Lessor Accounting

1. In Year 3, the Lessor records anticipated collections. (Year 3 Lease Payment of \$23,982)			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 406000 Anticipated Collections From Non-Federal Sources 449000 Anticipated Resources - Unapportioned Authority	23,982	23,982	A140
<u>Proprietary Entry</u> None			

2. In Year 3, the Lessor records the apportionment approval by OMB of anticipated authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 449000 Anticipated Resources - Unapportioned Authority 459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982	23,982	A118
<u>Proprietary Entry</u> None			

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3. In Year 3, the Lessor receives the annual lease payment from the Lessee and records the receipt of payment. Also in Year 3, the Lessor records the allotment of authority.

Lessor – Receipt of third Annual Lease Payment	Debit	Credit	TC
<u>Budgetary Entry</u>			
426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982		C109
406000 Anticipated Collections From Non-Federal Sources		23,982	
459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment	23,982		A123
451000 Apportionments		23,982	
451000 Apportionments	23,982		
461000 Allotments – Realized Resources		23,982	A120
<u>Proprietary Entry</u>			
101000 (G) Fund Balance With Treasury	23,982		
134000 (N) Interest Receivable - Not Otherwise Classified		5,964	
193000 Lessor Lease Receivable		18,018	
<i>Ending Lease Receivable Balance of USSGL 193000 = \$59,638 - \$18,018 = \$41,620</i>			

4. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period. A Lessor should amortize the unearned revenue (recognizing it as earned revenue) in a systematic and rational manner of life of the lease. (SFFAS 60, Par. 26)

Lessor - Recognition of Unearned Revenue for Year 3	Debit	Credit	TC
<u>Budgetary Entry</u>			
None			
<u>Proprietary Entry</u>			
233000 Lessor Lease Unearned Revenue	20,000		
593300 Amortization of Unearned Lessor Revenue		20,000	

5. The lessor recognizes the amortization of the discount on the lease receivable as interest revenue for the period. (SFFAS 54, Par. 60)

Lessor - Accrual of Interest Revenue Year 3	Debit	Credit	TC
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<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 134000 Interest Receivable - Not Otherwise Classified 531000 Interest Revenue - Other	4,162	4,162	

6. In Year 3, the Lessor records depreciation expense on equipment it owns (the underlying asset within the lease.) \$300,000 cost / 20-year useful life = \$15,000.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 671000 (N) Depreciation, Amortization, and Depletion 175900 Accumulated Depreciation on Equipment	15,000	15,000	E120

7. The Lessor records the closing of revenue to cumulative results of operations.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 593300 Amortization of Unearned Lessor Revenue 531000 Interest Revenue – Other 331000 Cumulative Results of Operations	20,000 4,162	24,762	F336

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10. The Lessor records the closing of depreciation expense to cumulative results of operations in Year 3.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> None			
<u>Proprietary Entry</u> 331000 Cumulative Results of Operations 671000 Depreciation, Amortization, and Depletion	15,000	15,000	F336

11. The Lessor records the closing of unobligated balances in programs subject to apportionment to unapportioned authority.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 461000 Allotments – Realized Resources 445000 Unapportioned – Unexpired Authority	23,982	23,982	F308
<u>Proprietary Entry</u> None			

12. The Lessor records the consolidation of actual net-funded resources.			
Lessor	Debit	Credit	TC
<u>Budgetary Entry</u> 420100 Total Actual Resources, Collected 426600 Other Actual Business-Type Collections From Non-Federal Sources	23,982	23,982	F302
<u>Proprietary Entry</u> None			

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Fiscal Year 3 Pre-Closing Trial Balance:

FISCAL YEAR 3 PRE-CLOSING		LESSEE		LESSOR	
Account	Description	Debit	Credit	Debit	Credit
Budgetary					
411900	Other Appropriations Realized	4,162	-	-	-
420100	Total Actual Resources, Collected	65,602	-	47,964	-
426600	Other Actual Business-Type Collections From Non-Federal Sources	-	-	23,982	-
445000	Unapportioned - Unexpired Authority	-	-	-	47,964
461000	Allotments – Realized Resources	-	-	-	23,982
490100	Delivered Orders, Obligations Unpaid	-	45,782	-	-
490200	Delivered Orders – Obligations, Paid	-	23,982	-	-
Total		69,764	69,764	71,946	71,946
Proprietary					
101000 (G)	Fund Balance With Treasury	45,782	-	71,946	-
134000 (N)	Interest Receivable - Not Otherwise Classified	-	-	4,162	-
175000	Equipment	-	-	300,000	-
175900	Acc. Depreciation on Equipment	-	-	-	195,000
193000	Lessor Lease Receivable	-	-	41,620	-
193900	Allowance for Loss on Lease Receivable	-	-	-	2,000
195000	Lessee Right-To-Use Lease Asset	100,000	-	-	-
195900	Accumulated Amortization on Lessee Lease Assets	-	60,000	-	-
214000 (N)	Accrued Interest Payable - Not Otherwise Classified	-	4,162	-	-
233000	Unearned Lessor Revenue	-	-	-	38,000
293000	Lessee Lease Liability	-	41,620	-	-
310100 (G)	Unexpended Appropriations - Appropriations Received	-	4,612	-	-
310700 (G)	Unexpended Appropriations - Used - Accrued	-	19,820	-	-
310710 (G)	Unexpended Appropriations - Used - Disbursed	23,982	-	-	-
331000	Cumulative Results of Operations	-	60,000	-	173,566
531000 (N)	Interest Revenue - Other	-	-	-	4,162
570000	Expended Appropriations - Used - Accrued	19,820	-	-	-
570010	Expended Appropriations - Disbursed	-	23,982	-	-
593300	Amortization of Unearned Lessor Revenue	-	-	-	20,000
633000 (N)	Other Interest Expense	4,162	-	-	-
671000	Depreciation, Amortization, and Depletion	-	-	15,000	-

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671300	Lessee Lease Amortization	20,000	-	-	-
Total		213,746	213,746	432,728	432,728

Fiscal Year 3 Post-Closing Trial Balance:

FISCAL YEAR 3 POST-CLOSING		LESSEE		LESSOR	
Account	Description	Debit	Credit	Debit	Credit
Budgetary					
420100	Total Actual Resources, Collected	45,782	-	71,946	-
445000	Unapportioned - Unexpired Authority	-	-	-	71,946
490100	Delivered Orders, Obligations Unpaid	-	45,782	-	-
Total		45,782	45,782	71,946	71,946
Proprietary					
101000 (G)	Fund Balance With Treasury	45,782	-	71,946	-
134000 (N)	Interest Receivable - Not Otherwise Classified	-	-	4,162	-
175000	Equipment	-	-	300,000	-
175900	Acc. Depreciation on Equipment	-	-	-	195,000
193000	Lessor Lease Receivable	-	-	41,620	-
193900	Allowance for Loss on Lease Receivable	-	-	-	2,000
195000	Lessee Right-To-Use Lease Asset	100,000	-	-	-
195900	Accumulated Amortization on Lessee Lease Assets	-	60,000	-	-
214000 (N)	Accrued Interest Payable - Not Otherwise Classified	-	4,162	-	-
233000	Unearned Lessor Revenue	-	-	-	38,000
293000	Lessee Lease Liability	-	41,620	-	-
331000	Cumulative Results of Operations	-	40,000	-	182,728
Total		145,782	145,782	417,728	417,728

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Financial Statements:

STANDARDIZED BALANCE SHEET – YEAR 3			
Line No.	YEAR 3	LESSEE	LESSOR
	Assets (Note 2)		
	Intra-governmental		
1	Fund Balance with Treasury (Note 3) (101000E)	45,782	71,946
7	Total intra-governmental assets	45,782	71,946
	Other than intra-governmental		
9	Accounts receivable, net (Notes 6 and 7) (134000E)	-	4,162
12	General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E)	40,000	105,000
17	Other assets (Note 12) (193000E, 193900E)	-	39,620
18	Total other than intra-governmental	40,000	148,782
19	Total assets	85,782	220,728
	Liabilities (Note 13)		
	Other than intra-governmental		
28	Accounts payable (214000E)	4,162	-
36	Advances from others and deferred revenue (233000E)	-	38,000
37	Other liabilities (Notes 18, 19, and 20) (293000E)	41,620	-
38	Total other than intra-governmental	45,782	38,000
39	Total liabilities	45,782	38,000
	Net position		
42.2	Cumulative results of operations - Funds from other than Dedicated Collections (331000E, 570000E, 570010E)	40,000	182,728
43	Total net position	40,000	182,728
44	Total liabilities and net position	85,782	220,728

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STATEMENT OF NET COST – YEAR 3			
Line No.	YEAR 3	LESSEE	LESSOR
	Gross Program Costs (Note 21):		
1	Gross costs (633000E, 671000E, 671300E, 693000E, 880100E, 880200E)	24,162	15,000
2	Less: earned revenue (531000E, 593000E, 593300E)	-	24,162
3	Net program costs	24,162	(9,162)
5	Net program costs including Assumption Changes:	24,162	(9,162)
8	Net cost of operations	24,162	(9,162)

STATEMENT OF CHANGES IN NET POSITION – YEAR 3			
Line No.	YEAR 3	LESSEE	LESSOR
	Unexpended Appropriations:		
4	Appropriations received (310100E)	4,162	-
7	Appropriations used (310700E, 310710E)	-	-
8	Net Change in Unexpended Appropriations (calc.)	4,162	-
9	Total Unexpended Appropriations – Ending (calc.)	4,162	-
	Cumulative Results of Operations:		
10	Beginning Balances (331000B)	60,000	173,566
12	Beginning balances, as adjusted	60,000	173,566
14	Appropriations used (570000E, 570010E)	-	-
21	Revenue From (Net Cost of) Operations (+/-)	(24,162)	9,162
22	Net Change in Cumulative Results of Operations	(24,162)	9,162
23	Cumulative Results of Operations – Ending	35,838	32,728
24	Net Position (calc.)	40,000	182,728

RIGHT-TO-USE LEASES GUIDANCE: BUDGETARY CAPITAL
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STATEMENT OF BUDGETARY RESOURCES – YEAR 3					
Line No.	YEAR 3	LESSEE		LESSOR	
	Budgetary resources:				
1071	Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 25) (420100B)	65,602		47,964	
1290	Appropriations (discretionary and mandatory) (411900E)	4,162		-	
1890	Spending authority from offsetting collection (discretionary and mandatory) (426600E)	-		23,982	
1910	Total budgetary resources (calc.)	69,764		71,946	
	Status of budgetary resources:				
2190	New obligations and upward adjustments (total) (Note 31) (490100E, 490200E)	69,764		-	
	Unobligated balance, end of year:				
2204	Apportioned, unexpired account (461000E)	-		23,982	
2405	Unapportioned, unexpired accounts (445000E)	-		47,964	
2412	Unexpired unobligated balance, end of year (calc.)	-		71,946	
2490	Unobligated balance, end of year (total)	-		71,946	
2500	Total budgetary resources (calc.)	69,764		71,946	
	Outlays, Net and Disbursements, Net				
4190	Outlays, net (total) (discretionary and mandatory) (426600E, 490200E)		23,982		(23,982)

SF 133 AND SCHEDULE P – REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES AND BUDGET PROGRAM AND FINANCING SCHEDULE – YEAR 3					
Line No.	YEAR 3	LESSEE		LESSOR	
	BUDGETARY RESOURCES	<i>SF 133</i>	<i>Schedule P</i>	<i>SF 133</i>	<i>Schedule P</i>
0900	Total new obligations, unexpired accounts (490200E)	23,982	23,982	-	-

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1000	Unobligated balance brought forward, Oct 1 (420100E)	65,602	65,602	47,964	47,964
1070	Unobligated balance (total) (calc.)	65,602	65,602	47,964	47,964
	Budget authority:				
	Appropriations:				
	Discretionary:				
1100	Appropriation (411900E)	4,162	4,162	-	-
1160	Appropriation, discretionary (total)	4,162	4,162	-	-
1700	Collected (426600E)	-	-	23,982	23,982
1750	Spending authority from offsetting collections, discretionary (total)	-	-	23,982	23,982
1900	Budget authority (total)	4,162	4,162	23,982	23,982
1910	Total budgetary resources (calc.)	69,764	-	71,946	-
1930	Total budgetary resources available	-	69,764	-	71,946
	Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year (445000E, 461000E)	-	-	-	71,946
	STATUS OF BUDGETARY RESOURCES				
	New obligations and upward adjustments:				
	Direct:				
2002	Category B (by project) (490100E, 490200E)	69,764	-	-	-
2004	Direct obligations (total) (calc.)	69,764	-	-	-
2170	New obligations, unexpired accounts (490200E)	23,982	-	-	-
2190	New obligations and upward adjustments (total)	23,982	-	-	-
2201	Available in the current period (461000E)	-	-	23,982	-
2403	Other (445000E)	-	-	47,964	-
2412	Unexpired unobligated balance: end of year (calc.)	-	-	71,946	-
2490	Unobligated balance, end of year (total)	-	-	71,946	-
2500	Total budgetary resources (calc.)	69,794	-	71,946	-
	Memorandum (non-add) entries:				
2501	Subject to apportionment – excluding anticipated amounts (445000E, 461000E)	-	-	71,946	-

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	CHANGE IN OBLIGATED BALANCE				
	Unpaid obligations:				
3010	New obligations, unexpired accounts (490100E, 490200E)	69,794	69,794	-	-
3020	Outlays (gross) (-) (490200E)	(23,982)	(23,982)	-	-
3050	Unpaid obligations, end of year (490100E)	45,782	45,782		
3200	Obligated balance, end of year (= or -)	45,782	45,782	-	-
	BUDGET AUTHORITY AND OUTLAYS, NET				
	Discretionary:				
4000	Budget authority, gross (calc.)	4,162	4,162	23,982	23,982
	Outlays, gross				
4010	Outlays from new discretionary authority (490200E)	23,982	23,982	-	-
4020	Outlays, gross (total)	23,982	23,982	-	-
	Offsets against gross budget authority and outlays:				
	Offsetting collections (collected) from:				
4033	Non-Federal sources (-) (426600E)	-	-	(23,982)	(23,982)
4040	Offsets against gross budget authority and outlays (-) (calc.)	-	-	(23,982)	(23,982)
4070	Budget authority, net (discretionary) (calc.)	4,162	4,162	23,982	23,982
4080	Outlays, net (discretionary) (calc.)	23,982	23,982	(23,982)	(23,982)
4180	Budget authority, net (total) (calc.)	4,162	4,162	(23,982)	(23,982)
4190	Outlays, net (total) (calc.)	23,982	23,982	(23,982)	(23,982)
	Unobligated balance:				
5321	Direct unobligated balance, end of year (461000E)	-	-	(23,982)	(23,982)
5323	Discretionary unobligated balance, end of year (461000E)	-	-	(23,982)	(23,982)

Reclassified Financial Statements:

STANDARDIZED BALANCE SHEET – YEAR 3			
Line No.	YEAR 3	LESSEE	LESSOR
	Assets (Note 2)		
	Intra-governmental		
1	Fund Balance with Treasury (Note 3) (101000E)	45,782	71,946
7	Total intra-governmental assets	45,782	71,946
	Other than intra-governmental		
9	Accounts receivable, net (Notes 6 and 7) (134000E)	-	4,162
12	General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E)	40,000	105,000
17	Other assets (Note 12) (193000E, 193900E)	-	39,620
18	Total other than intra-governmental	40,000	148,782
19	Total assets	85,782	220,728
	Liabilities (Note 13)		
	Other than intra-governmental		
28	Accounts payable (214000E)	4,162	-
36	Advances from others and deferred revenue (233000E)	-	38,000
37	Other liabilities (Notes 18, 19, and 20) (293000E)	41,620	-
38	Total other than intra-governmental	45,782	38,000
39	Total liabilities	45,782	38,000
	Net position		
42.2	Cumulative results of operations - Funds from other than Dedicated Collections (331000E, 570000E, 570010E)	40,000	182,728
43	Total net position	40,000	182,728
44	Total liabilities and net position	85,782	220,728

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RECLASSIFIED STATEMENT OF NET COST – YEAR 3			
Line No.		LESSEE	LESSOR
1	Gross cost		
2	Non-federal gross cost (633000E, 671000E, 671300E, 693000E)	24,162	15,000
6	Total non-federal gross cost (calc.)	24,162	15,000
9	Department total gross cost (calc.)	24,162	15,000
10	Earned revenue		
11	Non-federal earned revenue (531000E, 593000E, 593300E)	-	24,162
14	Department total earned revenue (calc.)	-	24,162
15	Net cost of operations (calc.)	24,162	(9,162)

RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION – YEAR 3			
Line No.		LESSEE	LESSOR
1	Net position, beginning of period (310000B, 331000B)	60,000	173,566
7	Financing sources:		
7.1	Appropriations received as adjusted (rescissions and other adjustments) (RC 41)/1 (310100E)	4,162	-
7.2	Appropriations used (RC 39) (310700E, 310710E)	13,762	-
7.3	Appropriations expended (RC 38)/1 (570000E, 570010E)	13,762	-
7.30	Total financing sources (calc.)	4,162	-
8	Revenue From (Net cost of) Operations (+/-)	(24,162)	9,162
9	Net position, end of period (calc.)	40,000	182,728