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**SFFAS 54 LEASE GUIDANCE:**

**RIGHT-TO-USE LEASES:**

**DEEMED “CAPITAL LEASES” FOR BUDGETARY TREATMENT**

**EFFECTIVE FISCAL YEAR 2024**

**PREPARED BY:**

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**U.S. DEPARTMENT OF THE TREASURY**

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**Proprietary Accounting Requirements & Agency Decision Points**

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.

For proprietary accounting, entity management is responsible for exercising professional judgement and collaborating within its agency to reach certain determinations before establishing proprietary accounting treatment, including:

**1)** Lease Term, with consideration for Options, Renewals/Terminations, and Cancellation Clauses;

**2)** Calculation of Lease Asset/Liability; with consideration for Fixed vs. Variable Payments;

**3)** Interest Rates - Amortization of Discount on Lease Liability/Receivable; and

**4)** Modifications, Terminations, and any respective remeasurements.

**Proprietary Lease Term**

For proprietary accounting, calculating the lease term is pivotal because the classification between short-term leases and right-to-use leases depends on the lease duration. The lease term is determined to be the noncancelable lease period, plus certain periods subject to options to extend or terminate the lease. The noncancelable period is the shorter of the period agreed upon in the lease contract that: **(1)** precedes any option to extend the lease; or **(2)** precedes the first option to terminate the lease. In addition, the lessee’s lease term should include the noncancelable period, along with periods:

* Involving an option to extend the lease, if it is probable that the lessee or lessor will exercise that option (SFFAS 54, Par. 15a & 15c)
* Following an option to terminate the lease, if it is probable that the lessee or lessor will not exercise that option (SFFAS 54, Par. 15b & 15d)

Some specific provisions may also need to be applied when determining the lease term:

* Periods for which the lessee/lessor **(1)** have an option to terminate the lease without permission from the other entity, or **(2)** have to agree to extend, are considered to be cancelable periods and are thus excluded from the lease term (SFFAS 54, Par. 19a.)
* An availability of funds/cancellation clause allowing lessees to cancel a lease agreement if funds for the lease payments are not appropriated should only affect the lease term when it is probable that the clause will be exercised (SFFAS 54, Par. 19c.)
* If a lessee has the option to purchase the underlying asset during the lease term and the contract is not a contract that transfers ownership, the lease term should exclude the period, after the date at which the option is probable of being exercised (SFFAS 61, Par. 19d.)

**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 & Lessor Unearned Revenue**

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)

**Modifications/Terminations**

In the event a right-to-use lease is terminated before the end of the contractual lease term (other than by a transfer of ownership/purchase of the underlying asset), a Lessee should account for the termination by reducing the carrying values of the lease liability and the lease asset and recognizing a gain/loss for the difference. Likewise, lessors should reduce the carrying value of the lease receivable and the related unearned revenue, and record a gain/loss for the difference.

**Budgetary Accounting Requirements & Agency Decision Points**

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.*

For budgetary accounting, entity management is responsible for exercising professional judgement and collaborating within its agency to reach certain determinations before establishing budgetary accounting treatment, including:

**1)** Operating vs. Capital Lease (as defined by Appendix B of OMB Circular No. A-11);

**2)** Budgetary Lease Term, with consideration for Cancellation Clauses; and

**3)** Budget Authority and Outlays.

**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.)
* For illustration purposes, the lease begins at the start of the fiscal year.
* No purchase option probable of being exercised exists.
* 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%.
* All monthly payments are made at the last business day of the month – This scenario assumes payments are made directly to vendor and that there is no lag time between disbursement, authorization, and receipt.

**Lease Asset/Liability Calculation**

* The contract amount is $120,000 ($2,000 monthly payments x 60 months.)
* Management calculates the Present Value of all expected fixed payments to be $94,131. The Lessor charges the Lessee the Treasury Rate of 10.00%.
* The Lessor already has equipment on its Balance Sheet valued at $300,000 with $150,000 Accumulated Depreciation.

**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**

* 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:**

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| **Account Number** | **Account Title** |
| **Budgetary** |  |
| 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 |
| 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]](#footnote-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\*** |

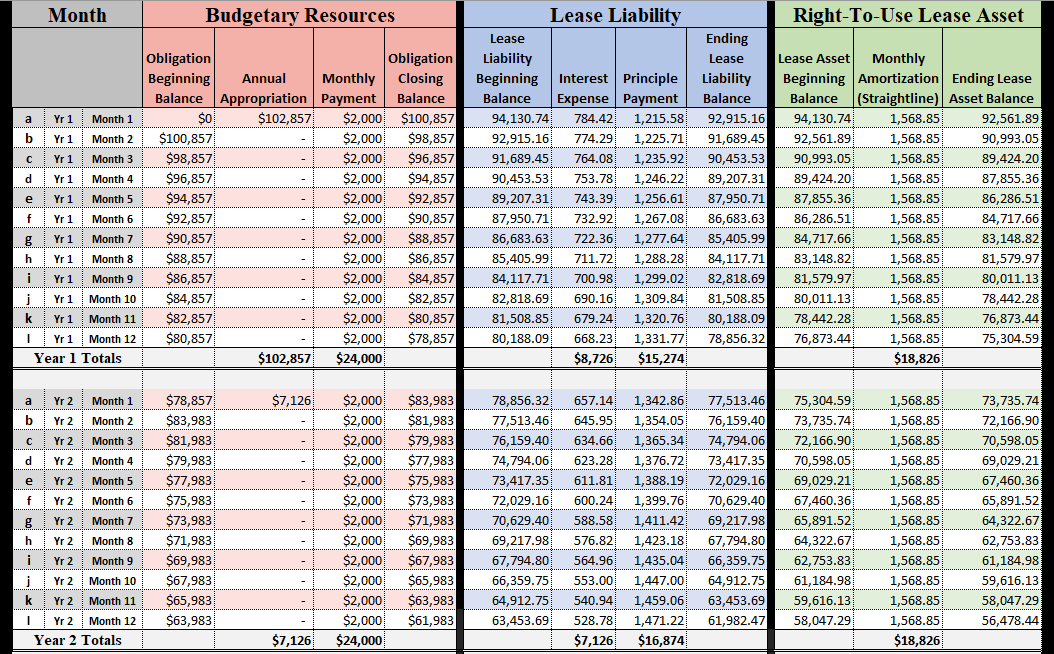
**Amortization Table**

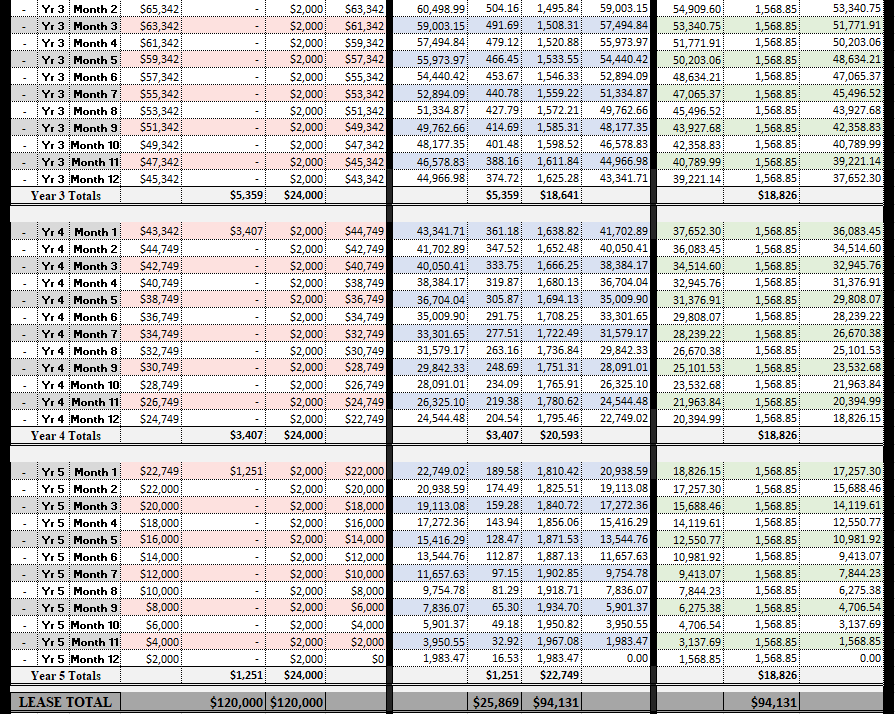
* **Contract Amount $120,000**
* **5-Year Lease, 60 monthly payments of $2,000 each**
* **Treasury Interest Rate of 10.0% for Proprietary and Budgetary Accounting.**
* **Present Value of Payments = $94,131. Lessee Right-To-Use- Asset & Lease Liability amount: $94,131**
* **Year 1 Budget Authority = $94,131 Lease Principal Payments over 5 years; Year 1 Interest Expense of $8,726 = $102,857**
* **Year 2 Budget Authority = Year 2 Interest Expense of $7,126 = $7,126**
* **For illustration purposes, the lease begins at the start of the fiscal year.**
* **Monthly payments are considered to be disbursed on the last business day of each month.**

**Disclaimer**

The below guidance is intended to serve as a reference only based on a finite number of underlying assumptions. It is in no way intended to provide comprehensive posting logic for every leasing activity. Agencies should have a thorough understanding of authoritative standards SFFAS 54, SFFAS 60, and SFFAS 61 and apply other factors, including but not limited to certain prepayments, accruals, etc. As stated above, agency management must exercise professional judgement and collaborate within their agency to reach determinations of lease activities on a lease-by-lease basis, before establishing accounting treatment.

Entity management should document these decisions and incorporate them into management’s existing OMB Circular No. A-123, “Management's Responsibility for Enterprise Risk Management and Internal Control,” Appendix A, procedures.





**FISCAL YEAR 1 - Right-To-Use Leases; “Capital” for Budgetary Treatment**

**Lessee Accounting**

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| 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 in Year 1**. The Present Value of expected payments is $94,131, and interest accrued during the first year is $8,726 = Total upfront Budget Authority = $102,857.** (Imputed interest cost is recorded annually over the lease term.) | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  411900 Other Appropriations Realized  445000 Unapportioned - Unexpired Authority  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  310100 (G) Unexpended Appropriations – Appropriations Received | 102,857  102,857 | 102,857  102,857 | A104 |

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| 2. The Lessee records budgetary authority apportioned by the Office of Management and Budget and available for allotment in Year 1. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** | |
| **Budgetary Entry**  445000 Unapportioned - Unexpired Authority  451000 Apportionments  **Proprietary Entry**  None | 102,857 | 102,857 | A116 | |

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| 3. The Lessee records the allotment of authority in Year 1. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  None | 102,857 | 102,857 | A120 |

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| 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 - Additional budget authority equal to the cost of financing (imputed interest cost) is recorded on an annual basis over the lease term.) | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  480100 Undelivered Orders – Obligations, Unpaid  **Proprietary Entry**  None | 102,857 | 102,857 | B306 |

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| 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. The entire amount of the lease liability (principle) is covered from the Year 1 appropriation. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  195000 Lessee Right-To-Use Lease Asset  293000 Lessee Lease Liability | 94,131 | 94,131 |  |

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| 6a. The lessee records accrued interest for month 1, per the proprietary amortization schedule. 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 Month 1.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 Accrued Interest Payable – Not Otherwise Classified | 784 | 784 | B418 |

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| 7a. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 Accrued Interest Payable - Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,216  784  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $92,915*** | | | |

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| 8a. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 1.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $92,562*** | | | |

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| 6b. The lessee records accrued interest for month 2, per the proprietary amortization schedule. 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 Month 2.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 774 | 774 | B418 |

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| 7b. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,226  774  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $91,689*** | | | |

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| 8b. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 2.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $90,993*** | | | |
| 6c. The lessee records accrued interest for month 3, per the proprietary amortization schedule. 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 Month 3.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 764 | 764 | B418 |

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| 7c. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,236  764  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $90,454*** | | | |

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| 8c. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 3.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $89,424*** | | | |

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| 6d. The lessee records accrued interest for month 4, per the proprietary amortization schedule. 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 Month 4.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 754 | 754 | B418 |

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| 7d. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,246  754  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $89,207*** | | | |

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| 8d. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 4.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $87,855*** | | | |

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| 6e. The lessee records accrued interest for month 5, per the proprietary amortization schedule. 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 Month 5.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 743 | 743 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 7e. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,257  743  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $87,951*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 8e. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 5.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $86,287*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6f. The lessee records accrued interest for month 6, per the proprietary amortization schedule. 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 Month 6.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 733 | 733 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 7f. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,267  733  2,000 | 2,000  2,000  2,000 | B110  B234 |
| ***Ending Lease Liability Balance (USSGL 293000) = $86,684*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 8f. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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 Month 6.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $84,718*** | | | |

***\*(For simplicity, the recurring entries of Lessee Payments for Months 7-12 are not illustrated, but amounts can be seen in the amortization table.)\****

|  |  |  |  |
| --- | --- | --- | --- |
| 9. The Lessee records the closing of lease and interest expenses to cumulative results of operations. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  331000 Cumulative Results of Operations  671300 Lessee Lease Amortization  633000 (N) Other Interest Expense | 27,552 | 18,826  8,726 | 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** |
| **Budgetary Entry**  None  **Proprietary Entry**  570010 Expended Appropriations – Disbursed  331000 Cumulative Results of Operations    310000 Unexpended Appropriations – Cumulative  310710 Unexpended Appropriations - Used – Disbursed  310100 (G) Unexpended Appropriations – Appropriations Received  310000 Unexpended Appropriations - Cumulative | 24,000  24,000  102,857 | 24,000  24,000  102,857 | F336  F342  F342 |

|  |  |  |  |
| --- | --- | --- | --- |
| 11. The Lessee records the closing of paid delivered orders to total actual resources. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  490200 Delivered Orders – Obligations, Paid  420100 Total Actual Resources, Collected  **Proprietary Entry**  None | 23,982 | 23,982 | F314 |

|  |  |  |  |
| --- | --- | --- | --- |
| 12. The Lessee records the consolidation of actual net-funded resources. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  420100 Total Actual Resources, Collected  411900 Other Appropriations Realized    **Proprietary Entry**  None | 102,857 | 102,857 | F302 |

**Lessor Accounting**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. In Year 1, the Lessor records anticipated collections. (The amount of expected Year 1 monthly payments is $24,000.) | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  406000 Anticipated Collections From Non-Federal Sources  449000 Anticipated Resources - Unapportioned Authority  **Proprietary Entry**  None | 24,000 | 24,000 | A140 |

|  |  |  |  |
| --- | --- | --- | --- |
| 2. In Year 1, the Lessor records the apportionment approval by OMB of anticipated authority. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  449000 Anticipated Resources - Unapportioned Authority  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  **Proprietary Entry**  None | 24,000 | 24,000 | A118 |

|  |  |  |  |
| --- | --- | --- | --- |
| 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** |
| **Budgetary Entry**  None  **Proprietary Entry**  193000 Lessor Lease Receivable  193900 Allowance for Loss on Lease Receivable  233000 Lessor Lease Unearned Revenue | 94,131 | 2,000  92,131 |  |
| ***Initial Lease Receivable Balance of USSGL 193000 = $94,131.*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 4a. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 1. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 1** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 784 | 784 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5a. In month 1, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of first Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  784  1,216 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $92,915*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6a. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 1** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4b. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 2. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 2** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 774 | 774 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5b. In month 2, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of second Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  774  1,226 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $91,689*** |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 6b. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 2** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4c. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 3. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 3** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 764 | 764 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5c. In month 3, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of third Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  764  1,236 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $90,454*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6c. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 3** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4d. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 4. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 4** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 764 | 764 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5d. In month 4, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of fourth Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  764  1,236 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $89,207*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6d. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 4** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4e. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 5. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 5** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 743 | 743 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5e. In month 5, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of fifth Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  743  1,257 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $87,951*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6e. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 5** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4f. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 6. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 1, Month 6** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 733 | 733 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5f. In month 6, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of sixth Monthly Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  733  1,267 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $86,684*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6f. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 6** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

***\*(For simplicity, the recurring entries of Lessor Receipts for Months 7-12 are not illustrated, but amounts can be seen in the amortization table.)\****

|  |  |  |  |
| --- | --- | --- | --- |
| 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** |
| **Budgetary Entry**  None  **Proprietary Entry**  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** |
| **Budgetary Entry**  None  **Proprietary Entry**  593300 Amortization of Unearned Lessor Revenue  531000 Interest Revenue - Other  331000 Cumulative Results of Operations | 18,826  8,726 | 27,552 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| 9. The Lessor records the closing of depreciation expense to cumulative results of operations. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** | |
| **Budgetary Entry**  None  **Proprietary Entry**  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** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  445000 Unapportioned – Unexpired Authority  **Proprietary Entry**  None | 24,000 | 24,000 | F308 |

|  |  |  |  |
| --- | --- | --- | --- |
| 11. The Lessor records the consolidation of actual net-funded resources. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  420100 Total Actual Resources, Collected  426600 Other Actual Business-Type Collections From Non-Federal Sources    **Proprietary Entry**  None | 24,000 | 24,000 | F302 |

**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 | 78,857 | - | 24,000 | - |
| 445000 | Unapportioned – Unexpired Authority | - | - | - | 24,000 |
| 490100 | Delivered Orders, Obligations Unpaid | - | 78,857 | - | - |
| **Total** | | **78,857** | **78,857** | **24,000** | **24,000** |
|  | |  |  |  |  |
| **Proprietary** | |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury | 78,857 | - | 24,000 | - |
| 134000 (N) | Interest Receivable - Not Otherwise Classified | - | - | - | - |
| 175000 | Equipment | - | - | 300,000 | - |
| 175900 | Acc. Depreciation on Equipment | - | - | - | 165,000 |
| 193000 | Lessor Lease Receivable | - | - | 76,857 | - |
| 193900 | Allowance for Loss on Lease Receivable | - | - | - | 2,000 |
| 195000 | Lessee Right-To-Use Lease Asset | 94,131 | - | - | - |
| 195900 | Accumulated Amortization on Lessee Lease Assets | - | 18,826 | - | - |
| 214000 (N) | Accrued Interest Payable - Not Otherwise Classified | - | - | - | - |
| 233000 | Unearned Lessor Revenue | - | - | - | 73,305 |
| 293000 | Lessee Lease Liability | - | 78,857 | - | - |
| 310000 | Unexpended Appropriations - Cumulative | - | 78,857 | - | - |
| 331000 | Cumulative Results of Operations | 3,552 | - | - | 162,552 |
| **Total** |  | **176,540** | **176,540** | **402,857** | **402,857** |

**Year 1 Financial Statements:**

|  |  |  |  |
| --- | --- | --- | --- |
| **STANDARDIZED BALANCE SHEET – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
|  | **Assets (Note 2)** |  |  |
|  | **Intra-governmental** |  |  |
| 1 | Fund Balance with Treasury (Note 3) (101000) | 78,857 | 24,000 |
| **7** | **Total intra-governmental assets** | **78,857** | **24,000** |
|  |  |  |  |
|  | **Other than intra-governmental** |  |  |
| 12 | General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E) | 75,305 | 135,000 |
| 17 | Other assets (Note 12) (193000E, 193900E) | - | 76,857 |
| **18** | **Total other than intra-governmental** | **75,305** | **213,357** |
|  |  |  |  |
| **19** | **Total assets** | **154,162** | **235,857** |
|  |  |  |  |
|  | **Liabilities (Note 13)** |  |  |
|  | **Other than intra-governmental** |  |  |
| 36 | Advances from others and deferred revenue (233000N) | - | 73,305 |
| 37 | Other liabilities (Notes 18, 19, and 20) (293000E) | 78,857 | - |
| **38** | **Total other than intra-governmental** | **78,857** | **73,305** |
| **39** | **Total liabilities** | **78,857** | **73,305** |
|  |  |  |  |
|  | **Net position** |  |  |
| 41.2 | Unexpended appropriations - Funds from Dedicated Collections (Note 21) (310000E) | 78,857 | - |
| 42.2 | Cumulative results of operations - Funds from other than Dedicated Collections (331000E) | (3,552) | 162,552 |
| **43** | **Total net position** | **75,305** | **162,552** |
| **44** | **Total liabilities and net position** | **154,162** | **235,857** |

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF NET COST – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
|  | **Gross Program Costs (Note 21):** |  |  |
| 1 | Gross costs (633000E, 671000E, 671300E, 693000E) | 27,552 | 15,000 |
| 2 | Less: earned revenue (531000E, 593000E, 593300E) | - | 27,552 |
| 3 | Net program costs | 27,552 | (12,552) |
| 5 | Net program costs including Assumption Changes: | 27,552 | (12,552) |
| **8** | **Net cost of operations** | **27,552** | **(12,552)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF CHANGES IN NET POSITION – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
|  | **Unexpended Appropriations:** |  |  |
| 4 | Appropriations received (310100E) | 102,857 | **-** |
| 7 | Appropriations used (310700E, 310710E) | 24,000 | **-** |
| 8 | Net Change in Unexpended Appropriations (calc.) | 24,000 | **-** |
| 9 | Total Unexpended Appropriations – Ending (calc.) | 78,857 | - |
|  |  |  |  |
|  | **Cumulative Results of Operations:** |  |  |
| 10 | Beginning Balances (331000B) | - | 150,000 |
| 12 | Beginning balances, as adjusted | - | 150,000 |
| 14 | Appropriations used (570000E, 570010E) | 24,000 | - |
|  |  |  |  |
| 21 | Revenue From (Net Cost of) Operations (+/-) | (27,552) | 12,552 |
|  |  |  |  |
| 22 | Net Change in Cumulative Results of Operations | (27,552) | 12,552 |
| 23 | Cumulative Results of Operations – Ending | (3,552) | 162,552 |
|  |  |  |  |
| **24** | **Net Position (calc.)** | **75,305** | **162,552** |

**Year 1 Reclassified Financial Statements:**

|  |  |  |  |
| --- | --- | --- | --- |
| **STANDARDIZED BALANCE SHEET – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
|  | **Assets (Note 2)** |  |  |
|  | **Intra-governmental** |  |  |
| 1 | Fund Balance with Treasury (Note 3) (101000) | 78,857 | 24,000 |
| **7** | **Total intra-governmental assets** | **78,857** | **24,000** |
|  |  |  |  |
|  | **Other than intra-governmental** |  |  |
| 12 | General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E) | 75,305 | 135,000 |
| 17 | Other assets (Note 12) (193000E, 193900E) | - | 76,857 |
| **18** | **Total other than intra-governmental** | **75,305** | **213,357** |
|  |  |  |  |
| **19** | **Total assets** | **154,162** | **235,857** |
|  |  |  |  |
|  | **Liabilities (Note 13)** |  |  |
|  | **Other than intra-governmental** |  |  |
| 36 | Advances from others and deferred revenue (233000N) | - | 73,305 |
| 37 | Other liabilities (Notes 18, 19, and 20) (293000E) | 78,857 | - |
| **38** | **Total other than intra-governmental** | **78,857** | **73,305** |
| **39** | **Total liabilities** | **78,857** | **73,305** |
|  |  |  |  |
|  | **Net position** |  |  |
| 41.2 | Unexpended appropriations - Funds from Dedicated Collections (Note 21) (310000E) | 78,857 | - |
| 42.2 | Cumulative results of operations - Funds from other than Dedicated Collections (331000E) | (3,552) | 162,552 |
| **43** | **Total net position** | **75,305** | **162,552** |
| **44** | **Total liabilities and net position** | **154,162** | **235,857** |

|  |  |  |  |
| --- | --- | --- | --- |
| **RECLASSIFIED STATEMENT OF NET COST – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
| **1** | **Gross cost** |  |  |
| 2 | Non-federal gross cost (633000E, 671000E, 671300E, 693000E) | 27,552 | 15,000 |
| **6** | **Total non-federal gross cost (calc.)** | 27,552 | **15,000** |
| **9** | **Department total gross cost (calc.)** | **27,552** | **15,000** |
|  |  |  |  |
| **10** | **Earned revenue** |  |  |
| 11 | Non-federal earned revenue (531000E, 593000E, 593300E) | **-** | 27,552 |
| 14 | Department total earned revenue (calc.) | **-** | **27,552** |
| **15** | **Net cost of operations (calc.)** | **27,552** | **(12,552)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION – YEAR 1** | | | |
| **Line No.** | **YEAR 1** | **LESSEE** | **LESSOR** |
| **1** | **Net position, beginning of period (310000B, 331000B)** | **-** | **150,000** |
| **7** | **Financing sources:** |  |  |
| 7.1 | Appropriations received as adjusted (rescissions and other adjustments) (RC 41)/1 (310100E) | 102,857 | **-** |
| 7.2 | Appropriations used (RC 39) (310700E, 310710E) | 24,000 | **-** |
| 7.3 | Appropriations expended (RC 38)/1 (570000E, 570010E) | (24,000) | **-** |
| **7.30** | **Total financing sources (calc.)** | **102,857** | **-** |
|  |  |  |  |
| 8 | Revenue From (Net cost of) Operations (+/-) | (27,552) | 12,552 |
|  |  |  |  |
| **9** | **Net position, end of period (calc.)** | **75,305** | **162,552** |

**FISCAL YEAR 2 - Right-To-Use Leases; “Capital” for Budgetary Treatment**

**Lessee Accounting**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. 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. (Imputed interest cost is recorded annually over the lease term.) | | | |
| **Lessee - Enactment of appropriation for Year 2 of interest.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  411900 Other Appropriations Realized  445000 Unapportioned - Unexpired Authority  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  310100 (G) Unexpended Appropriations – Appropriations Received | 7,126  7,126 | 7,126  7,126 | A104 |

|  |  |  |  |
| --- | --- | --- | --- |
| 2. The Lessee records budgetary authority apportioned by the Office of Management and Budget and available for allotment in Year 2. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** | |
| **Budgetary Entry**  445000 Unapportioned - Unexpired Authority  451000 Apportionments  **Proprietary Entry**  None | 7,126 | 7,126 | A116 | |

|  |  |  |  |
| --- | --- | --- | --- |
| 3. The Lessee records the allotment of authority in Year 2. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  None | 7,126 | 7,126 | A120 |

|  |  |  |  |
| --- | --- | --- | --- |
| 4. The Lessee records current-year undelivered orders without an advance (Equal to only the cost of financing (imputed interest cost) whch is recorded on an annual basis over the lease term.) | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  480100 Undelivered Orders – Obligations, Unpaid  **Proprietary Entry**  None | 102,857 | 102,857 | B306 |

|  |  |  |  |
| --- | --- | --- | --- |
| 5a. The lessee records accrued interest for Year 2, Month 1, per the proprietary amortization schedule. 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 2, Month 1.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 657 | 657 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6a. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,343  657  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $77,513*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7a. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 1.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $73,736*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 5b. The lessee records accrued interest for month 2 per the proprietary amortization schedule. 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 2, Month 2.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 646 | 646 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6b. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,354  646  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $76,159*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7b. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 2.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $72,167*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 5c. The lessee records accrued interest for month 3 per the proprietary amortization schedule. 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 2, Month 3.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 635 | 635 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6c. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,365  635  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $74,794*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7c. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 3.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $70,598*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 5d. The lessee records accrued interest for month 4 per the proprietary amortization schedule. 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 2, Month 4.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 623 | 623 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6d. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,377  623  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $73,417*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7d. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 4.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $69,029*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 5e. The lessee records accrued interest for month 5 per the proprietary amortization schedule. 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 2, Month 5.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 612 | 612 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6e. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,388  612  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $72,029*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7e. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 5.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $67,460*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 5f. The lessee records accrued interest for month 6 per the proprietary amortization schedule. 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 2, Month 6.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  **Proprietary Entry**  633000 Other Interest Expense  214000 (N) Accrued Interest Payable – Not Otherwise Classified | 600 | 600 | B418 |

|  |  |  |  |
| --- | --- | --- | --- |
| 6f. The Lessee makes the monthly lease payment to Lessor and records the disbursement of appropriations for the fiscal year. | | | |
| **Lessee - Disbursement of Monthly Lease Payment (Budget Authority received up-front in Year 1.)** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  480100 Undelivered Orders – Obligations, Unpaid  490200 Delivered Orders – Obligations, Paid  **Proprietary Entry**  293000 Lessee Lease Liability  214000 (N) Accrued Interest Payable – Not Otherwise Classified  101000 (G) Fund Balance With Treasury  310710 Unexpended Appropriations - Used - Disbursed  570010 Expended Appropriations - Disbursed | 2,000  1,400  600  2,000 | 2,000  2,000  2,000 | B235 |
| ***Ending Lease Liability Balance (USSGL 293000) = $70,629*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 7f. The Lessee records amortization of the right-to-use Lease Asset. **($94,131 / 5 Year Life of Lease / 12 months = $1,569 Straight-line Amortization per month.)** 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, Month 6.** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry -** None  **Proprietary Entry**  671300 Lessee Lease Amortization  195900 Accumulated Amortization on Lessee Lease Assets | 1,569 | 1,569 |  |
| ***Ending Lease Asset Balance (USSGL 195000 - 195900) = $65,892*** | | | |

***\*(For simplicity, the recurring entries of Lessee Payments for Months 7-12 are not illustrated, but amounts can be seen in the amortization table.)\****

|  |  |  |  |
| --- | --- | --- | --- |
| 8. The Lessee records the closing of lease and interest expenses to cumulative results of operations. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  331000 Cumulative Results of Operations  671300 Lessee Lease Amortization  633000 (N) Other Interest Expense | 25,952 | 18,826  7,126 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| 9. 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** |
| **Budgetary Entry**  None  **Proprietary Entry**  570010 Expended Appropriations – Disbursed  331000 Cumulative Results of Operations    310000 Unexpended Appropriations – Cumulative  310710 Unexpended Appropriations - Used – Disbursed  310100 (G) Unexpended Appropriations – Appropriations Received  310000 Unexpended Appropriations - Cumulative | 24,000  24,000  7,126 | 24,000  24,000  7,126 | F336  F342  F342 |

|  |  |  |  |
| --- | --- | --- | --- |
| 10. The Lessee records the closing of paid delivered orders to total actual resources. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  490200 Delivered Orders – Obligations, Paid  420100 Total Actual Resources, Collected  **Proprietary Entry**  None | 24,000 | 24,000 | F314 |

|  |  |  |  |
| --- | --- | --- | --- |
| 11. The Lessee records the consolidation of actual net-funded resources. | | | |
| **Lessee** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  420100 Total Actual Resources, Collected  411900 Other Appropriations Realized    **Proprietary Entry**  None | 7,126 | 7,126 | F302 |

**Lessor Accounting**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. In Year 2, the Lessor records anticipated collections. (The amount of expected Year 2 monthly payments is $24,000.) | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  406000 Anticipated Collections From Non-Federal Sources  449000 Anticipated Resources - Unapportioned Authority  **Proprietary Entry**  None | 24,000 | 24,000 | A140 |

|  |  |  |  |
| --- | --- | --- | --- |
| 2. In Year 2, the Lessor records the apportionment approval by OMB of anticipated authority. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  449000 Anticipated Resources - Unapportioned Authority  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  **Proprietary Entry**  None | 24,000 | 24,000 | A118 |

|  |  |  |  |
| --- | --- | --- | --- |
| 4a. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 1. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 1** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 657 | 657 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5a. In month 1, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 1 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  657  1,343 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $77,513*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6a. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 1** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4b. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 2. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 2** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 646 | 646 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5b. In month 2, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 2 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  646  1,354 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $76,159*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6b. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 2** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4c. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 3. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 3** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 635 | 635 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5c. In month 3, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 3 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  635  1,365 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $74,794*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6c. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 3** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4d. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 4. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 4** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 623 | 623 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5d. In month 4, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 4 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  623  1,377 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $73,417*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6d. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 4** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4e. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 5. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 5** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 612 | 612 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5e. In month 5, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 5 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  612  1,388 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $72,029*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6e. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 5** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4f. The Lessor recognizes interest revenue for the amortization of the discount on the lease receivable for month 6. (SFFAS 54, Par. 60) | | | |
| **Lessor - Accrual of Interest Revenue for Year 2, Month 6** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  134000 Interest Receivable - Not Otherwise Classified  531000 Interest Revenue - Other | 600 | 600 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 5f. In month 6, the Lessee pays monthly lease payment to Lessor, and the Lessor records the receipt of payment. The Lessor allots the funds. | | | |
| **Lessor - Receipt of Year 2, Month 6 Lease Payment** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  426600 Other Actual Business-Type Collections From Non-Federal Sources  406000 Anticipated Collections From Non-Federal Sources  459000 Apportionments - Anticipated Resources - Programs Subject to Apportionment  451000 Apportionments  451000 Apportionments  461000 Allotments – Realized Resources  **Proprietary Entry**  101000 (G) Fund Balance With Treasury  134000 Interest Receivable - Not Otherwise Classified  193000 Lessor Lease Receivable | 2,000  2,000  2,000  2,000 | 2,000  2,000  2,000  600  1,400 | C109  A123  A120 |
| ***Ending Lease Receivable Balance of USSGL 193000 = $70,629*** | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| 6f. The Lessor recognizes revenue from the measurement of the lease receivable as earned revenue for the reporting period via straightline amortization. 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, Month 6** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  None  **Proprietary Entry**  233000 Lessor Lease Unearned Revenue  593300 Amortization of Unearned Lessor Revenue | 1,569 | 1,569 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 7. 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** |
| **Budgetary Entry**  None  **Proprietary Entry**  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** |
| **Budgetary Entry**  None  **Proprietary Entry**  593300 Amortization of Unearned Lessor Revenue  531000 (N) Interest Revenue - Other  331000 Cumulative Results of Operations | 18,826  7,126 | 25,952 | F336 |

|  |  |  |  |
| --- | --- | --- | --- |
| 10. The Lessor records the closing of depreciation expense to cumulative results of operations in Year 2. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** | |
| **Budgetary Entry**  None  **Proprietary Entry**  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** |
| **Budgetary Entry**  461000 Allotments – Realized Resources  445000 Unapportioned – Unexpired Authority  **Proprietary Entry**  None | 24,000 | 24,000 | F308 |

|  |  |  |  |
| --- | --- | --- | --- |
| 12. The Lessor records the consolidation of actual net-funded resources. | | | |
| **Lessor** | **Debit** | **Credit** | **TC** |
| **Budgetary Entry**  420100 Total Actual Resources, Collected  426600 Other Actual Business-Type Collections From Non-Federal Sources    **Proprietary Entry**  None | 24,000 | 24,000 | F302 |

**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 | 61,983 | - | 48,000 | - |
| 445000 | Unapportioned – Unexpired Authority | - | - | - | 48,000 |
| 490100 | Delivered Orders, Obligations Unpaid | - | 61,983 | - | - |
| **Total** | | **61,983** | **61,983** | **48,000** | **48,000** |
|  | |  |  |  |  |
| **Proprietary** | |  |  |  |  |
| 101000 (G) | Fund Balance With Treasury | 61,983 | - | 48,000 | - |
| 175000 | Equipment | - | - | 300,000 | - |
| 175900 | Acc. Depreciation on Equipment | - | - | - | 180,000 |
| 193000 | Lessor Lease Receivable | - | - | 61,983 | - |
| 193900 | Allowance for Loss on Lease Receivable | - | - | - | 2,000 |
| 195000 | Lessee Right-To-Use Lease Asset | 94,131 | - | - | - |
| 195900 | Accumulated Amortization on Lessee Lease Assets | - | 37,652 | - | - |
| 233000 | Unearned Lessor Revenue | - | - | - | 54,479 |
| 293000 | Lessee Lease Liability | - | 61,983 | - | - |
| 310000 | Unexpended Appropriations - Cumulative | - | 61,983 | - | - |
| 331000 | Cumulative Results of Operations | 5,504 | - | - | 173,504 |
| **Total** |  | **161,618** | **161,618** | **409,983** | **409,983** |

**Year 2 Financial Statements:**

|  |  |  |  |
| --- | --- | --- | --- |
| **STANDARDIZED BALANCE SHEET – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
|  | **Assets (Note 2)** |  |  |
|  | **Intra-governmental** |  |  |
| 1 | Fund Balance with Treasury (Note 3) (101000) | 61,983 | 48,000 |
| **7** | **Total intra-governmental assets** | **61,983** | **48,000** |
|  |  |  |  |
|  | **Other than intra-governmental** |  |  |
| 12 | General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E) | 56,479 | 135,000 |
| 17 | Other assets (Note 12) (193000E, 193900E) | - | 59,983 |
| **18** | **Total other than intra-governmental** | **56,479** | **179,983** |
|  |  |  |  |
| **19** | **Total assets** | **118,462** | **227,983** |
|  |  |  |  |
|  | **Liabilities (Note 13)** |  |  |
|  | **Other than intra-governmental** |  |  |
| 36 | Advances from others and deferred revenue (233000N) | - | 54,479 |
| 37 | Other liabilities (Notes 18, 19, and 20) (293000E) | 61,983 | - |
| **38** | **Total other than intra-governmental** | **61,983** | **54,479** |
| **39** | **Total liabilities** | **61,983** | **54,479** |
|  |  |  |  |
|  | **Net position** |  |  |
| 41.2 | Unexpended appropriations - Funds from other than Dedicated Collections (Note 21) (310000E) | 61,983 | - |
| 42.2 | Cumulative results of operations - Funds from other than Dedicated Collections (331000E) | (5,504) | 173,504 |
| **43** | **Total net position** | **56,479** | **173,504** |
| **44** | **Total liabilities and net position** | **118,462** | **227,983** |

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF NET COST – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
|  | **Gross Program Costs (Note 21):** |  |  |
| 1 | Gross costs (633000E, 671000E, 671300E, 693000E) | 25,952 | 15,000 |
| 2 | Less: earned revenue (531000E, 593000E, 593300E) | - | 25,952 |
| 3 | Net program costs | 25,952 | (10,952) |
| 5 | Net program costs including Assumption Changes: | 25,952 | (10,952) |
| **8** | **Net cost of operations** | **25,952** | **(10,952)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **STATEMENT OF CHANGES IN NET POSITION – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
|  | **Unexpended Appropriations:** |  |  |
| 1 | Beginning Balance (310000B) | 78,857 | **-** |
| 3 | Beginning balance, as adjusted | 78,857 | **-** |
| 4 | Appropriations received (310100E) | 7,126 | **-** |
| 7 | Appropriations used (310700E, 310710E) | 24,000 | **-** |
| 8 | Net Change in Unexpended Appropriations (calc.) | 24,000 | **-** |
| 9 | Total Unexpended Appropriations – Ending (calc.) | 61,983 | - |
|  |  |  |  |
|  | **Cumulative Results of Operations:** |  |  |
| 10 | Beginning Balances (331000B) | (3,552) | 162,552 |
| 12 | Beginning balances, as adjusted | (3,552) | 162,552 |
| 14 | Appropriations used (570000E, 570010E) | 24,000 | - |
|  |  |  |  |
| 21 | Revenue From (Net Cost of) Operations (+/-) | (25,952) | 10,952 |
|  |  |  |  |
| 22 | Net Change in Cumulative Results of Operations | (25,952) | 10,952 |
| 23 | Cumulative Results of Operations – Ending | (5,504) | 173,504 |
|  |  |  |  |
| **24** | **Net Position (calc.)** | **56,479** | **173,504** |

**Year 2 Reclassified Financial Statements:**

|  |  |  |  |
| --- | --- | --- | --- |
| **STANDARDIZED BALANCE SHEET – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
|  | **Assets (Note 2)** |  |  |
|  | **Intra-governmental** |  |  |
| 1 | Fund Balance with Treasury (Note 3) (101000) | 61,983 | 48,000 |
| **7** | **Total intra-governmental assets** | **61,983** | **48,000** |
|  |  |  |  |
|  | **Other than intra-governmental** |  |  |
| 12 | General and right-to-use property, plant, and equipment, net (Note 10) (175000E, 175900E, 195000E, 195900E) | 56,479 | 135,000 |
| 17 | Other assets (Note 12) (193000E, 193900E) | - | 59,983 |
| **18** | **Total other than intra-governmental** | **56,479** | **179,983** |
|  |  |  |  |
| **19** | **Total assets** | **118,462** | **227,983** |
|  |  |  |  |
|  | **Liabilities (Note 13)** |  |  |
|  | **Other than intra-governmental** |  |  |
| 36 | Advances from others and deferred revenue (233000N) | - | 54,479 |
| 37 | Other liabilities (Notes 18, 19, and 20) (293000E) | 61,983 | - |
| **38** | **Total other than intra-governmental** | **61,983** | **54,479** |
| **39** | **Total liabilities** | **61,983** | **54,479** |
|  |  |  |  |
|  | **Net position** |  |  |
| 41.2 | Unexpended appropriations - Funds from other than Dedicated Collections (Note 21) (310000E) | 61,983 | - |
| 42.2 | Cumulative results of operations - Funds from other than Dedicated Collections (331000E) | (5,504) | 173,504 |
| **43** | **Total net position** | **56,479** | **173,504** |
| **44** | **Total liabilities and net position** | **118,462** | **227,983** |

|  |  |  |  |
| --- | --- | --- | --- |
| **RECLASSIFIED STATEMENT OF NET COST – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
| **1** | **Gross cost** |  |  |
| 2 | Non-federal gross cost (633000E, 671000E, 671300E, 693000E) | 25,952 | 15,000 |
| **6** | **Total non-federal gross cost (calc.)** | **25,952** | **15,000** |
| **9** | **Department total gross cost (calc.)** | **25,952** | **15,000** |
|  |  |  |  |
| **10** | **Earned revenue** |  |  |
| 11 | Non-federal earned revenue (531000E, 593000E, 593300E) | **-** | 25,952 |
| 14 | Department total earned revenue (calc.) | **-** | **25,952** |
| **15** | **Net cost of operations (calc.)** | **25,952** | **(10,952)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **RECLASSIFIED STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION – YEAR 2** | | | |
| **Line No.** | **YEAR 2** | **LESSEE** | **LESSOR** |
| **1** | **Net position, beginning of period (310000B, 331000B)** | **75,305** | **162,552** |
| **7** | **Financing sources:** |  |  |
| 7.1 | Appropriations received as adjusted (rescissions and other adjustments) (RC 41)/1 (310100E) | 7,126 | **-** |
| 7.2 | Appropriations used (RC 39) (310700E, 310710E) | 24,000 | **-** |
| 7.3 | Appropriations expended (RC 38)/1 (570000E, 570010E) | (24,000) | **-** |
| **7.30** | **Total financing sources (calc.)** | **82,431** | **-** |
|  |  |  |  |
| 8 | Revenue From (Net cost of) Operations (+/-) | (25,952) | 10,952 |
|  |  |  |  |
| **9** | **Net position, end of period (calc.)** | **56,479** | **173,504** |

|  |  |  |  |
| --- | --- | --- | --- |
| **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, 490100B, 490100E) | 19,820 | 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.)** | **23,982** | **71,946** |
|  |  |  |  |
|  | **Status of budgetary resources:** |  |  |
| 2190 | New obligations and upward adjustments (total) (Note 31) (490100E – 490100B, 490200E) | 4,162 | - |
|  |  |  |  |
|  | **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.)** | **4,162** | **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** | ***SF 133*** | ***Schedule P*** | ***SF 133*** | ***Schedule P*** |
| 0900 | Total new obligations, unexpired accounts (490200E) | - | 23,982 | - | - |
| 1000 | Unobligated balance brought forward, Oct 1 (490100B) | 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 – 490100B, 490200E) | 69,764 | - | - | - |
| 2004 | Direct obligations (total) (calc.) | 69,764 | - | - | - |
|  |  |  |  |  |  |
| 2170 | New obligations, unexpired accounts (490100E – 490100B, 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 | - |
|  |  |  |  |  |  |
|  | **CHANGE IN OBLIGATED BALANCE** |  |  |  |  |
|  | **Unpaid obligations:** |  |  |  |  |
| 3000 | Unpaid obligations, brought forward, Oct 1 (490100B) | 65,602 | 65,602 | - | - |
| 3010 | New obligations, unexpired accounts (490100E – 490100B, 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:** |  |  |  |  |
| 5311 | Direct unobligated balance, start of year (420100B, 490100B) | - | - | 47,964 | 47,964 |
| 5313 | Discretionary unobligated balance, start of years (420100B) | - | - | 47,964 | 47,964 |
| 5321 | Direct unobligated balance, end of year (445000E, 461000E) | - | - | 71,946 | 71,946 |
| 5323 | Discretionary unobligated balance, end of year (445000E, 461000E) | - | - | 71,946 | 71,946 |

1. See Treasury Financial Manual, Volume 1, USSGL Supplements, Section II for Account Definitions of new lease accounts. [↑](#footnote-ref-1)