

STATE OF OKLAHOMA  
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES  
GAAP CONVERSION MANUAL

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L. LEASE CONVERSION PACKAGE

June 2021

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I. PURPOSE AND OBJECTIVES

The ACFR presents the state's lease obligations as of June 30. Further, the Deputy State Treasurer for Debt Management (formerly known as the State Bond Advisor) is charged with collecting certain information regarding leases made by the state. The Office of Management and Enterprise Services (OMES) together with the Deputy State Treasurer for Debt Management have prepared this conversion package to meet the needs of both offices.

There are two classifications of leases, operating leases and capital leases (including COP's-certificates of participation). A lease agreement is classified as a capital lease when substantially all of the risks and benefits of ownership are assumed by the lessee. For accounting purposes, a capital lease is viewed as an installment purchase of property rather than the rental of property. All other leases are classified as operating leases.

The state requires a fiscal funding or cancellation clause that permits governmental lessees to terminate the agreement on an annual basis if funds are not appropriated to make required payments. The fiscal funding or cancellation clause should not prohibit the lease agreements from being capitalized. For purposes of this conversion package, only leases meeting the criteria below are considered reportable leases. All other leases are included only as a reconciling item on line 10 of Form L-1.

Reportable leases are:

Operating leases where rental payments (excluding executory costs) equal or exceed \$833 a month and **are for a period of 1 year or longer**. If payments are not made on a monthly basis (annually, quarterly, etc.), adjust the payments to what they would be on a monthly basis and use this amount to determine if the lease is a reportable lease.

Capital leases where the fair market value of the leased asset at inception of the lease is \$25,000 or more. The criteria have changed from prior fiscal years and should be applied only to new leases beginning during or after fiscal year 1998. Do not go back and apply this criteria to existing leases as of June 30, 1997; however, these existing leases will remain reportable until the lease term is completed or the lease is terminated.

Leases consisting of multiple items (e.g., copy machines, pagers, etc.) should be prorated among each individual item to determine if a lease meets the appropriate reporting criteria.

All leases with other state agencies are not reportable leases and are only included as a reconciling item on line 11 of Form L-1.

II. AGENCY ACTION REQUIRED

- A. Carefully read the key terms in Part III.
- B. The Lease Summary form (summary) should reflect amounts as of close of business on June 30.
- C. Round all dollar amounts to the nearest whole dollar.
- D. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed summary form and all associated working papers for three years after the completion of the SA&I audit.
- E. The person who completes and signs the summary form should keep a copy. OMES will contact this person if there are any questions.

- F. If needed, call your agency's financial reporting analyst for guidance.
- G. **Return the following forms and documentation to the Deputy Treasurer for Debt Management, 2300 N Lincoln Blvd., Room 217, Oklahoma City, OK 73105, no later than the due date shown on the form.** If you can return it earlier, please do so.
- \* Form L-1, Lease Summary.
  - \* Form L-2, Lease Worksheet, for **EACH NEW LEASE ONLY.**
  - \* Form L-3, Status Report for leases existing at prior year end.
  - \* Form L-4, Depreciation Worksheet for assets acquired by capital lease.
  - \* The latest OMES Central Purchasing requisition for each new lease.
  - \* Debt service (amortization) schedule for each new capital lease, which may be obtained from the lessor.
- H. If the summary form does not apply to your agency, check the box in the upper left portion of the summary, complete item (2) and **return it to the Deputy Treasurer for Debt Management.**

### III. KEY TERMS

- A. Bargain Purchase is when the lessee's purchase price is sufficiently less than the fair value.
- B. Depreciation is the annual deduction allowed to recover certain costs of "reportable fixed assets" over a fixed time period. Straight-Line depreciation with a ½ year convention in the year of acquisition (year lease begins) and a ½ year convention in the year of disposal (year lease terminates if option to own asset is not exercised) must be used. *It should be noted that when calculating the depreciation for an asset in which the ownership **does not** transfer to the lessee at the end of the lease term, the useful life of that asset cannot be for a period longer than the lease term.*
- C. Executory Costs are insurance, maintenance, taxes, excess copy charges, or other costs that may be included in a lease payment.
- D. Lease is any contract that commits the state to periodic rental payments.
- Capital lease (including a certificate of participation-COP) is a lease meeting any one of the following four criteria:
1. The lease transfers ownership of the property to the lessee by the end of the lease term.
  2. The lease contains a bargain purchase option.
  3. The lease term is equal to 75 percent or more of the estimated economic life of the lease property.
  4. The present value of the minimum lease payments equals or exceeds 90 percent of the fair value of the leased property.
- Operating lease is a lease that meets none of the above criteria.
- E. Lessor is the party that receives the periodic rental payments.
- F. Lessee is the party that makes the periodic rental payments.
- G. Lessee's Incremental Borrowing Rate is the estimated interest rate the lessee would have had to pay if the leased property had been purchased by the lessee and financed over the period covered by the lease.
- H. Lessor's Implicit Interest Rate is the interest rate calculated by the amortization of the lease payments under the terms of the lease.
- I. Minimum Lease Payments are periodic rental payment required in the terms of the lease.

J. Rental Expenditures are non-periodic rental payments.

#### IV. SPECIFIC INSTRUCTIONS

##### A. Completing the Status Report for Leases Existing at Prior Year End, Form L-3

1. This is completed by OMES staff. The number is taken from the worksheet submitted by you for the prior fiscal years.
2. This is completed by OMES staff. The description is taken from the worksheet submitted by you for the prior fiscal years.
3. This is completed by OMES staff. The amounts are taken from the amortization / payment schedule provided by you at the inception of the lease.
4. Dollar amount of fiscal year expenditures per your agency's records:
  - a. Operating leases - provide dollar amount of fiscal year expenditures in the principal column.
  - b. Capital leases - separate the dollar amount of fiscal year expenditures between principal and interest.
  - c. Certificates of Participation - separate the dollar amount of fiscal year expenditures between principal and interest.
5. Explain any differences between the amounts reported in columns 3 and 4. For example, if you made only 11 monthly lease payments during the current fiscal year and did not make the 12th payment until after the end of the fiscal year then this would create a difference between the amounts reported in columns 3 and 4.
6. If the agency will be paying lease payments for this specific piece of property in July, answer YES and skip #7, #8, and #9.
7. Provide the date the lease was ended.
8. If ownership of the property is transferred to your agency, mark YES, if not mark, NO. If you answered yes to this question, you will need to report this asset on Conversion Package H, Line 4.
9. If you answered YES to #8 above, list any payments made to vendor at termination.
10. This is completed by OMES staff. The amounts are taken from the worksheets submitted by you for the prior fiscal years.
11. Note any significant changes to existing leases.

##### B. Completing the lease worksheet, Form L-2

Complete a separate worksheet only for **EACH NEW LEASE** entered into during the fiscal year ended June 30.

**ONLY REPORT LEASES THAT MEET THE CRITERIA OF A REPORTABLE LEASE AS DEFINED ON PAGE L-1, SECTION I. LEASES CONSISTING OF MULTIPLE ITEMS (e.g., COPY MACHINES, PAGERS, etc.) SHOULD BE PRORATED AMONG EACH INDIVIDUAL ITEM TO DETERMINE IF LEASE MEETS REPORTING CRITERIA. EXCLUDE LEASES WITH OTHER STATE AGENCIES.**

Obtain the latest OMES Central Purchasing requisition and the debt service (amortization) schedule for each new lease, and complete each box as follows:

1. OMES Central Purchasing requisition number.

2. The state should record a capital lease at an amount equal to the present value of the minimum lease payments; however, the amount recorded cannot exceed the fair market value of the leased property. These two amounts are normally equal.
  - a. Present value of the minimum lease payments may be obtained from the Lease Worksheet L-2, page 2, question number 4.
  - b. The fair market value of the leased property at inception of the lease is the amount that you would have paid if you had purchased the asset outright. If this information cannot be determined from the agency's records, it can be obtained from the lessor or Central Purchasing.
3. The total economic life of the leased property in years. If the economic life of the asset is unknown, Schedule A is provided for guidance only by general category of asset.
4. The estimated economic life remaining of the asset in years at the beginning of the lease term. If the asset is new, the remaining life will equal #3 above. If the equipment or building is used, this amount will be less than #3 above. For example, if you lease a building in 1990 which was built in 1980 and has an economic life of 30 years, it has a remaining life of 20 years.
5. The month and year the lease term begins (not the date the lease is signed). This is usually the date the leased property is obtained.
6. The total number of payments. For example, 60 payments over 5 years.
7. The beginning of the period is the 1st - 15th; the end is the 16th - 31st.
8. The lower of lessee's incremental borrowing rate or the lessor's implicit interest rate. The lessor's implicit interest rate can be obtained from the lessor.
9. If the lease automatically transfers ownership of the property to the lessee by the end of the lease term, enter Y; if not, enter N.
10. The dollar amount of the bargain purchase option stated in the lease.
11. A) The dollar amount to be paid by the lessee for each payment.  
B) Specify the payment period (i.e., monthly, quarterly, annually).
12. For example, if lease rental payments are made quarterly, enter "4".
13. Annual Minimum Lease Payment. Box 11 x Box 12.
14. The amount of insurance costs included in each lease payment.
15. The amount of maintenance costs included in each lease payment.
16. The amount of other executory costs included in each lease payment. If a break down of executory costs is not available, enter the total here. The total executory costs can be found by taking the difference between the first purchase option price in the lease and the original amount financed. The original amount financed may be found on the OMES Central Purchasing requisition number.
17. Provide a detailed description of each asset and classify the asset into the appropriate type. For example, land and buildings require the location. Buildings need a brief description of the type. Equipment should include make and model and a brief descriptive narrative of the item. The types are:
  1. Land
  2. Building
  3. Equipment
18. Name of the vendor providing the equipment.

19. Name of the entity providing the financing.
20. Classify each lease as a capital lease or an operating lease using the criteria on page 2 of the Lease Worksheet.
21. Provide the minimum lease payments from the current fiscal year through the end of the lease. Capital lease requires that the payments be divided into principal, interest, and executory costs. For operating leases, provide only a total payment amount. Attach a schedule showing breakdown by year if more space is needed.
22. Provide the fund number from which the lease payment is paid.
23. For operating leases, provide the rental expenditures for the fiscal year ended June 30.
24. For capital leases, provide the principal, interest, and executory costs of the lease payments for fiscal year ended June 30.

**PLEASE NOTE: ALL CAPITAL LEASES MUST HAVE A DEBT SERVICE (AMORTIZATION) SCHEDULE ATTACHED. AN AMORTIZATION SCHEDULE SPREADSHEET IS AVAILABLE UPON REQUEST.**

C. Completing the depreciation worksheet, Form L-4

Included and online is a worksheet for calculating accumulated depreciation as of the beginning of the current fiscal year and depreciation expense for the fiscal year. If you would like to receive a disk containing this form, contact your financial reporting analyst.

Complete all columns for each asset being purchased by either a capital lease or a certificate of purchase. When ownership of the asset is transferred to the reporting agency, the asset is removed from the depreciation worksheet for Conversion Package L and included on the depreciation worksheet for Conversion Package H.

1. List each asset included on form L.3 and any new capital lease assets as determined on worksheet forms L.2 in the appropriate categories.
2. Enter the fiscal year the asset was placed in service.
3. If the asset was disposed of, enter the date of disposition.
4. Enter the present value of the minimum lease payments unless this amount is greater than the fair value of the asset at the inception of the lease. (see Form L-3, column 10 for assets in service at the end of the prior year and Form L-2, box 2 for new capital leases or certificates of participation).
5. Enter the estimated salvage value of asset.
6. Enter the total economic life in years. *For assets in which ownership **does not** transfer to the lessee at the end of the lease term, the economic life for that asset should not be greater than the lease term.* Schedule A is provided for guidance only by general category of asset. The life used for depreciation purposes should be the same as the life used on Form L-2.
7. List the prescribed depreciation method: Straight-Line depreciation with half year convention (i.e., ½ year depreciation in year of purchase and ½ year depreciation in year of disposal).
8. Accumulated depreciation at the beginning of the current fiscal year. This is calculated as follows:
  - A) Current Fiscal Year *less* Fiscal Year Placed in Service *minus* .5 = Previously Depreciated Years
  - B) Historical Cost *less* Salvage Value = Total to be Depreciated
  - C) Result from Step B *divided by* Estimated Useful Life (yrs) = Annual Depreciation
  - D) Result from Step A *multiplied by* Result from Step C = Accumulated Depreciation at beginning of fiscal year.

This can be summarized as:  $\frac{(HC - SV)}{EUL} \times (CY - YPS - .5)$

Where:

HC = Historical Cost

SV = Salvage Value

EUL = Estimated Useful Life

CY = Current Fiscal Year

YPS = Year Placed in Service

Example: A computer system was leased in FY 1997 for \$50,000 with an estimated salvage value of \$5,000. Using straight-line depreciation and an estimated useful life of 5 yrs, accumulated depreciation is calculated as follows:

A)  $2000 - 1997 - .5 = 2.5$

B)  $\$50,000 - \$5,000 = \$45,000$

C)  $\$45,000/5 = \$9,000$

D)  $2.5 * \$9,000 = \$22,500$  Accumulated Depreciation at beginning of fiscal year.

or  $\frac{(\$50,000 - \$5,000)}{5} \times (2000 - 1997 - .5) = \$22,500$

9. For assets placed in service in prior years, current year depreciation is the amount calculated in step 8C. (In the above example, current year depreciation for this asset is \$9,000). For assets placed in service in the current fiscal year, current year depreciation would be the amount calculated in step 8C divided by two (1/2 year convention).
10. Total accumulated depreciation is column 8 plus column 9. (In the above example, this would be \$31,500).

D. Completing the Lease Summary Form, Form L-1

Prior to completing the summary form, you should have completed forms L.2, L.3 and L.4 as applicable.

1. Enter the agency ACFR code, name, and funds/accounts to be included on the summary.
2. Provide the name, title, phone number and date for each person who completes and approves this summary form. The finance officer or executive director should approve the form before **sending it to the Deputy State Treasurer for Debt Management**. Keep a copy of the form.
3. Provide the total rental expenditures for operating leases of buildings (including new building leases from form L-2) for the fiscal year ended June 30. Only report leases where rental payments (excluding executory costs) equal or exceed \$833 a month. If payments are not made on a monthly basis (annually, quarterly, etc.), adjust the payments to what they would be on a monthly basis and use this amount to determine if the lease is a reportable lease. Exclude leases with other State agencies.
4. Estimate the ensuing fiscal year expenditures for operating leases of buildings.
5. Enter lease expenditures for existing leases from the status sheet (L.3) totals in column 4.
6. Enter expenditures for new operating leases from the lease worksheets (L.2), box #23. Exclude new building lease expenditures reported on line #3.
7. Enter principal and interest for new capital leases from the lease worksheets (L.2), box #24.
8. Enter expenditures for building operating leases from lease summary line #3.
9. Total #5 through #8.

10. Enter other small and miscellaneous rental expenditures such as postage meters, meeting rooms, and one-time rentals.
11. Enter rental expenditures made to other State agencies if the payment was made using expenditure codes 3211-3219 or 4311-4315.
12. Enter other reconciling items and specify.
13. Total lines #9 through #12. This amount should equal your annual expenditures charged to object codes 3211 through 3219 and 4311 through 4315. If different, provide an explanation in the comment section. These amounts could differ if leases are recorded using improper expenditure codes.
14. Enter the current fiscal year depreciation from the depreciation worksheet L.4, column 9 total.
15. Enter the total cost and accumulated depreciation for terminated or expired leases if assets have been returned to lessor.
16. Provide comments or explanations as needed.

E. Working Papers

The agency should keep any documents that support data on the summary form. For example:

- \* OMES Central Purchasing requisitions
- \* Debt service schedules
- \* Lease Worksheets
- \* Lease Summary
- \* Depreciation Worksheets
- \* Status of Leases

## Schedule A

Accounting for leases requires in box 3 the total economic life of the leased property in years. Professional judgment should be used to determine lives. Common life ranges, based upon industry sources are:

Example	Definition	Economic Useful Life Ranges
Office furniture, fixtures and equipment	Furniture and fixtures which are not a structural component of a building. Includes such assets as desks, files, safes, and communication equipment.	6 - 12
Information systems	Computers and their peripheral equipment used in administering normal business transactions and the maintenance of business records, their retrieval and analysis. Peripheral equipment consists of magnetic tape feeds, high speed printers, data entry terminals, tape drives, disc drives, video display terminals and optical scanners.	3 - 7
Data handling equipment except computers	Typewriters, calculators, adding and accounting machines, copiers and duplicating equipment.	5 - 7
Airplanes and helicopters		5 - 7
Automobiles		3 - 5
Buses		7 - 11
Light general purpose trucks	Trucks for use over the road (actual unloaded weight less than 13,000 pounds).	3 - 5
Heavy general purpose trucks	Actual unloaded weight 13,000 pounds or more.	5 - 7
Tractor units for use over the road		3 - 5
Vessels, barges, tugs, and similar water transport equipment		15 - 22
Land improvements	Improvements directly to or added to land, provided such improvements are depreciable. Examples of such assets include sidewalks, roads, canals and bridges.	20
Buildings and Structures	Government office buildings, concrete, masonry, steelframed, nontemporary.	40 - 60
	Government office buildings, temporary, portable, relocatable.	10 - 25
	Jails, correctional facilities.	35 - 55
	Medical - hospitals, medical offices, dental clinics, outpatient centers.	35 - 50
	Museums and libraries.	35 - 60
	Barns - freestall and general purpose.	15 - 40
	Implement/Equipment buildings and sheds.	15 - 30
	Miscellaneous sheds and outbuildings.	10 - 15
	Shower and restroom facilities.	15 - 35
Infrastructure	Roads, bridges, drainage systems, water and sewer systems, lighting systems and fiber-optic cable systems	20 - 50



Schedule B  
Present Value of an Annuity of \$1

Periods = Box 6 from the Lease Worksheet

Interest Rate = Box 8 divided by Box 12 from the Lease Worksheet

If the payments are made at the beginning of the period (Box 7 from the Lease Worksheet) convert this table. Use one less period and add 1.0 to the present value factor.

Periods	Interest									
	1/2%	3/4%	1%	1 1/2%	2%	2 1/2%	3%	4%	5%	
1	0.99502	0.99256	0.99010	0.98522	0.98039	0.97561	0.97087	0.96154	0.95238	
2	1.98510	1.97772	1.97040	1.95588	1.94156	1.92742	1.91347	1.88609	1.85941	
3	2.97025	2.95556	2.94099	2.91220	2.88388	2.85602	2.82861	2.77509	2.72325	
4	3.95050	3.92611	3.90197	3.85438	3.80773	3.76197	3.71710	3.62990	3.54595	
5	4.92587	4.88944	4.85343	4.78264	4.71346	4.64583	4.57971	4.45182	4.32948	
6	5.89638	5.84560	5.79548	5.69719	5.60143	5.50813	5.41719	5.24214	5.07569	
7	6.86207	6.79464	6.72819	6.59821	6.47199	6.34939	6.23028	6.00205	5.78637	
8	7.82296	7.73661	7.65168	7.48593	7.32548	7.17014	7.01969	6.73274	6.46321	
9	8.77906	8.67158	8.56602	8.36052	8.16224	7.97087	7.78611	7.43533	7.10782	
10	9.73041	9.59958	9.47130	9.22218	8.98259	8.75206	8.53020	8.11090	7.72173	
11	10.67703	10.52067	10.36763	10.07112	9.78685	9.51421	9.25262	8.76048	8.30641	
12	11.61893	11.43491	11.25508	10.90751	10.57534	10.25776	9.95400	9.38507	8.86325	
13	12.55615	12.34235	12.13374	11.73153	11.34837	10.98318	10.63496	9.98565	9.39357	
14	13.48871	13.24302	13.00370	12.54338	12.10625	11.69091	11.29607	10.56312	9.89864	
15	14.41662	14.13699	13.86505	13.34323	12.84926	12.38138	11.93794	11.11839	10.37966	
16	15.33993	15.02431	14.71787	14.13126	13.57771	13.05500	12.56110	11.65230	10.83777	
17	16.25863	15.90502	15.56225	14.90765	14.29187	13.71220	13.16612	12.16567	11.27407	
18	17.17277	16.77918	16.39827	15.67256	14.99203	14.35336	13.75351	12.65930	11.68959	
19	18.08236	17.64683	17.22601	16.42617	15.67846	14.97889	14.32380	13.13394	12.08532	
20	18.98742	18.50802	18.04555	17.16864	16.35143	15.58916	14.87747	13.59033	12.46221	
21	19.88798	19.36280	18.85698	17.90014	17.01121	16.18455	15.41502	14.02916	12.82115	
22	20.78406	20.21121	19.66038	18.62082	17.65805	16.76541	15.93692	14.45112	13.16300	
23	21.67568	21.05331	20.45582	19.33086	18.29220	17.33211	16.44361	14.85684	13.48857	
24	22.56287	21.88915	21.24339	20.03041	18.91393	17.88499	16.93554	15.24696	13.79864	
25	23.44564	22.71876	22.02316	20.71961	19.52346	18.42438	17.41315	15.62208	14.09394	
26	24.32402	23.54219	22.79520	21.39863	20.12104	18.95061	17.87684	15.98277	14.37519	
27	25.19803	24.35949	23.55961	22.06762	20.70690	19.46401	18.32703	16.32959	14.64303	
28	26.06769	25.17071	24.31644	22.72672	21.28127	19.96489	18.76411	16.66306	14.89813	
29	26.93302	25.97589	25.06579	23.37608	21.84438	20.45355	19.18845	16.98371	15.14107	
30	27.79405	26.77508	25.80771	24.01584	22.39646	20.93029	19.60044	17.29203	15.37245	
31	28.65080	27.56832	26.54229	24.64615	22.93770	21.39541	20.00043	17.58849	15.59281	
32	29.50328	28.35565	27.26959	25.26714	23.46833	21.84918	20.38877	17.87355	15.80268	
33	30.35153	29.13712	27.98969	25.87895	23.98856	22.29188	20.76579	18.14765	16.00255	
34	31.19555	29.91278	28.70267	26.48173	24.49859	22.72379	21.13184	18.41120	16.19290	
35	32.03537	30.68266	29.40858	27.07559	24.99862	23.14516	21.48722	18.66461	16.37419	
36	32.87102	31.44681	30.10751	27.66068	25.48884	23.55625	21.83225	18.90828	16.54685	
37	33.70250	32.20527	30.79951	28.23713	25.96945	23.95732	22.16724	19.14258	16.71129	
38	34.52985	32.95808	31.48466	28.80505	26.44064	24.34860	22.49246	19.36786	16.86789	
39	35.35309	33.70529	32.16303	29.36458	26.90259	24.73034	22.80822	19.58448	17.01704	
40	36.17223	34.44694	32.83469	29.91585	27.35548	25.10278	23.11477	19.79277	17.15909	
41	36.98729	35.18307	33.49969	30.45896	27.79949	25.46612	23.41240	19.99305	17.29437	
42	37.79830	35.91371	34.15811	30.99405	28.23479	25.82061	23.70136	20.18563	17.42321	
43	38.60527	36.63892	34.81001	31.52123	28.66156	26.16645	23.98190	20.37079	17.54591	
44	39.40823	37.35873	35.45545	32.04062	29.07996	26.50385	24.25427	20.54884	17.66277	
45	40.20720	38.07318	36.09451	32.55234	29.49016	26.83302	24.51871	20.72004	17.77407	
46	41.00219	38.78231	36.72724	33.05649	29.89231	27.15417	24.77545	20.88465	17.88007	
47	41.79322	39.48617	37.35370	33.55319	30.28658	27.46748	25.02471	21.04294	17.98102	
48	42.58032	40.18478	37.97396	34.04255	30.67312	27.77315	25.26671	21.19513	18.07716	
49	43.36350	40.87820	38.58808	34.52468	31.05208	28.07137	25.50166	21.34147	18.16872	
50	44.14279	41.56645	39.19612	34.99969	31.42361	28.36231	25.72976	21.48218	18.25593	
51	44.91820	42.24958	39.79814	35.46767	31.78785	28.64616	25.95123	21.61749	18.33898	
52	45.68975	42.92762	40.39419	35.92874	32.14495	28.92308	26.16624	21.74758	18.41807	
53	46.45746	43.60061	40.98435	36.38300	32.49505	29.19325	26.37499	21.87267	18.49340	
54	47.22135	44.26860	41.56866	36.83054	32.83828	29.45683	26.57766	21.99296	18.56515	
55	47.98145	44.93161	42.14719	37.27147	33.17479	29.71398	26.77443	22.10861	18.63347	
56	48.73776	45.58969	42.71999	37.70588	33.50469	29.96486	26.96546	22.21982	18.69854	
57	49.49031	46.24287	43.28712	38.13387	33.82813	30.20962	27.15094	22.32675	18.76052	
58	50.23911	46.89118	43.84863	38.55554	34.14523	30.44841	27.33101	22.42957	18.81954	
59	50.98419	47.53467	44.40459	38.97097	34.45610	30.68137	27.50583	22.52843	18.87575	
60	51.72556	48.17337	44.95504	39.38027	34.76089	30.90866	27.67556	22.62349	18.92929	

Schedule B  
Present Value of an Annuity of \$1

Periods = Box 6 from the Lease Worksheet

Interest Rate = Box 8 divided by Box 12 from the Lease Worksheet

If the payments are made at the beginning of the period (Box 7 from the Lease Worksheet) convert this table. Use one less period and add 1.0 to the present value factor.

Interest									
Periods	6%	8%	10%	11%	12%	15%	18%	20%	25%
1	0.94340	0.92593	0.90909	0.90090	0.89286	0.86957	0.84746	0.83333	0.80000
2	1.83339	1.78326	1.73554	1.71252	1.69005	1.62571	1.56564	1.52778	1.44000
3	2.67301	2.57710	2.48685	2.44371	2.40183	2.28323	2.17427	2.10648	1.95200
4	3.46511	3.31213	3.16987	3.10245	3.03735	2.85498	2.69006	2.58873	2.36160
5	4.21236	3.99271	3.79079	3.69590	3.60478	3.35216	3.12717	2.99061	2.68928
6	4.91732	4.62288	4.35526	4.23054	4.11141	3.78448	3.49760	3.32551	2.95142
7	5.58238	5.20637	4.86842	4.71220	4.56376	4.16042	3.81153	3.60459	3.16114
8	6.20979	5.74664	5.33493	5.14612	4.96764	4.48732	4.07757	3.83716	3.32891
9	6.80169	6.24689	5.75902	5.53705	5.32825	4.77158	4.30302	4.03097	3.46313
10	7.36009	6.71008	6.14457	5.88923	5.65022	5.01877	4.49409	4.19247	3.57050
11	7.88687	7.13896	6.49506	6.20652	5.93770	5.23371	4.65601	4.32706	3.65640
12	8.38384	7.53608	6.81369	6.49236	6.19437	5.42062	4.79322	4.43922	3.72512
13	8.85268	7.90378	7.10336	6.74987	6.42355	5.58315	4.90951	4.53268	3.78010
14	9.29498	8.24424	7.36669	6.98187	6.62817	5.72448	5.00806	4.61057	3.82408
15	9.71225	8.55948	7.60608	7.19087	6.81086	5.84737	5.09158	4.67547	3.85926
16	10.10590	8.85137	7.82371	7.37916	6.97399	5.95423	5.16235	4.72956	3.88741
17	10.47726	9.12164	8.02155	7.54879	7.11963	6.04716	5.22233	4.77463	3.90993
18	10.82760	9.37189	8.20141	7.70162	7.24967	6.12797	5.27316	4.81219	3.92794
19	11.15812	9.60360	8.36492	7.83929	7.36578	6.19823	5.31624	4.84350	3.94235
20	11.46992	9.81815	8.51356	7.96333	7.46944	6.25933	5.35275	4.86958	3.95388
21	11.76408	10.01680	8.64869	8.07507	7.56200	6.31246	5.38368	4.89132	3.96311
22	12.04158	10.20074	8.77154	8.17574	7.64465	6.35866	5.40990	4.90943	3.97049
23	12.30338	10.37106	8.88322	8.26643	7.71843	6.39884	5.43212	4.92453	3.97639
24	12.55036	10.52876	8.98474	8.34814	7.78432	6.43377	5.45095	4.93710	3.98111
25	12.78336	10.67478	9.07704	8.42174	7.84314	6.46415	5.46691	4.94759	3.98489
26	13.00317	10.80998	9.16095	8.48806	7.89566	6.49056	5.48043	4.95632	3.98791
27	13.21053	10.93516	9.23722	8.54780	7.94255	6.51353	5.49189	4.96360	3.99033
28	13.40616	11.05108	9.30657	8.60162	7.98442	6.53351	5.50160	4.96967	3.99226
29	13.59072	11.15841	9.36961	8.65011	8.02181	6.55088	5.50983	4.97472	3.99381
30	13.76483	11.25778	9.42691	8.69379	8.05518	6.56598	5.51681	4.97894	3.99505
31	13.92909	11.34980	9.47901	8.73315	8.08499	6.57911	5.52272	4.98245	3.99604
32	14.08404	11.43500	9.52638	8.76860	8.11159	6.59053	5.52773	4.98537	3.99683
33	14.23023	11.51389	9.56943	8.80054	8.13535	6.60046	5.53197	4.98781	3.99746
34	14.36814	11.58693	9.60857	8.82932	8.15656	6.60910	5.53557	4.98984	3.99797
35	14.49825	11.65457	9.64416	8.85524	8.17550	6.61661	5.53862	4.99154	3.99838
36	14.62099	11.71719	9.67651	8.87859	8.19241	6.62314	5.54120	4.99295	3.99870
37	14.73678	11.77518	9.70592	8.89963	8.20751	6.62881	5.54339	4.99412	3.99896
38	14.84602	11.82887	9.73265	8.91859	8.22099	6.63375	5.54525	4.99510	3.99917
39	14.94907	11.87858	9.75696	8.93567	8.23303	6.63805	5.54682	4.99592	3.99934
40	15.04630	11.92461	9.77905	8.95105	8.24378	6.64178	5.54815	4.99660	3.99947
41	15.13802	11.96723	9.79914	8.96491	8.25337	6.64502	5.54928	4.99717	3.99957
42	15.22454	12.00670	9.81740	8.97740	8.26194	6.64785	5.55024	4.99764	3.99966
43	15.30617	12.04324	9.83400	8.98865	8.26959	6.65030	5.55105	4.99803	3.99973
44	15.38318	12.07707	9.84909	8.99878	8.27642	6.65244	5.55174	4.99836	3.99978
45	15.45583	12.10840	9.86281	9.00791	8.28252	6.65429	5.55232	4.99863	3.99983
46	15.52437	12.13741	9.87528	9.01614	8.28796	6.65591	5.55281	4.99886	3.99986
47	15.58903	12.16427	9.88662	9.02355	8.29282	6.65731	5.55323	4.99905	3.99989
48	15.65003	12.18914	9.89693	9.03022	8.29716	6.65853	5.55359	4.99921	3.99991
49	15.70757	12.21216	9.90630	9.03624	8.30104	6.65959	5.55389	4.99934	3.99993
50	15.76186	12.23348	9.91481	9.04165	8.30450	6.66051	5.55414	4.99945	3.99994
51	15.81308	12.25323	9.92256	9.04653	8.30759	6.66132	5.55436	4.99954	3.99995
52	15.86139	12.27151	9.92960	9.05093	8.31035	6.66201	5.55454	4.99962	3.99996
53	15.90697	12.28843	9.93600	9.05489	8.31281	6.66262	5.55469	4.99968	3.99997
54	15.94998	12.30410	9.94182	9.05846	8.31501	6.66315	5.55483	4.99974	3.99998
55	15.99054	12.31861	9.94711	9.06168	8.31697	6.66361	5.55494	4.99978	3.99998
56	16.02881	12.33205	9.95191	9.06457	8.31872	6.66401	5.55503	4.99982	3.99999
57	16.06492	12.34449	9.95629	9.06718	8.32029	6.66435	5.55511	4.99985	3.99999
58	16.09898	12.35601	9.96026	9.06954	8.32169	6.66466	5.55518	4.99987	3.99999
59	16.13111	12.36668	9.96387	9.07165	8.32294	6.66492	5.55524	4.99989	3.99999
60	16.16143	12.37655	9.96716	9.07356	8.32405	6.66515	5.55529	4.99991	3.99999