

Name:

B-10.05

Date:

Section:

	Operating Lease	Capital Lease
The lessee reports the leased asset on their balance sheet		✓
Payments are reported fully as rent expense		
Ownership of the property passes to the lessee by the end of the lease term		
The lease term is at least 75% of the remaining life of the property		
Interest expense is measured and reported by the lessee		
Depreciation of the leased asset is not reported by the lessee		
At the inception of the lease, the lessee records both an asset and liability		
The lessee reports a liability for the present value of all future payments anticipated under the lease agreement		
The lessor continues to report the tangible asset covered by the lease on its balance sheet		