

Steps to complete the Initial Agreement Inventory Reporting Tool

Important Notes

Every agreement that meets the definition of a lease (GASB 87), public-private/public-public partnership agreement (PPP) (GASB 94), or subscription-based IT arrangement (SBITA) (GASB 96) must be included in the Reporting Tool.

The following fields only need to be completed for agreements types that are designated as a lease (GASB 87) and are not managed by OGS Real Estate Management:

- Lease Term
- Total Expected Payments (Receipts)
- Lease Payable or Lease Receivable

These fields are necessary for OSC's Bureau of Financial Reporting and Oil Spill Remediation to attempt to determine materiality for all lease contracts. A thorough report of all contract elements needed to report leases in the financial statements will need to be completed at a later date.

Please maintain all documentation used to support the information captured in this reporting tool.

Step 1: Identify your agency's agreement inventory

- Identify all applicable agreements using the *Steps to Determine the Initial Agreement Inventory and Identifying Agreements* flowchart.
 - Contract number (e.g., Lxxxxx, Xxxxxx, Cxxxxx)
 - Purchase order number (if no contract number)
 - Other unique identifier (if no contract number or purchase order number)
- Provide a brief (one to three sentence) description of the agreement
- Indicate whether the agreement is a lease (GASB 87), PPP (GASB 94), or SBITA (GASB 96).

Step 2: Determine Lease (GASB 87) Term and Total Expected Payments

- Enter the lease term (as defined by GASB):
 - Use the *Determination of GASB 87 Lease Term* Flow Chart and the *Reasonably Certain Documentation* template to assist in calculation of lease term.
- Enter the Total Expected Payments/Receipts over the term of the lease.
 - Fixed Payments/Receipts
 - Total number of fixed payments/receipts over the agreement length.
 - If renewal options are included in the lease term then also include fixed payments/receipts during the renewal period.
 - Variable Payments/Receipts
 - If there are any variable payments/receipts, an analysis must be done to see if there is any minimum required payment/receipt
 - If there is, then include the minimum payment/receipt
 - End of agreement term
 - If there are any payments/receipts that are reasonably expected to be made at the end of lease due to the exercise of purchase options, residual value guarantees, or termination options, those must be included in the agreement price.
- Select whether the lease is a lease payable or lease receivable.

Step 3: Sign-off and Review

- Preparer must sign-off and date as agreements are identified and the calculation of lease term and total expected payments is complete.
- Reviewer must review the preparer's work, sign-off and date.