

The related liability is amortized over the term of the lease, which can result in a different value in the asset versus the liability.

The following is a summary of Net Assets under Capital Lease and Future Minimum Lease payments as of September 30, 2017 and 2016 (*dollars in millions*). Lease liabilities are not covered by budgetary resources.

	2017	2016
Net Assets under Capital Leases:		
Buildings	\$ 423	\$ 175
Accumulated Depreciation	(70)	(58)
Net Assets under Capital Leases	\$ 353	\$ 117

Future Minimum Lease Payments:

2017	
Fiscal Year	Lease Payments
2018	\$ 15
2019	16
2020	15
2021	15
2022	15
2023 and thereafter	126
Total Minimum Lease Payments	202
Less: Amount Representing Interest	(108)
Liabilities under Capital Leases	\$ 94

2016	
Fiscal Year	Lease Payments
2017	\$ 15
2018	15
2019	15
2020	14
2021	14
2022 and thereafter	150
Total Minimum Lease Payments	223
Less: Amount Representing Interest	(124)
Liabilities under Capital Leases	\$ 99

## Operating Leases

The Department leases real property under operating leases. These leases expire in various years. Minimum future rental payments under operating leases have remaining terms in excess of one year as of September 30, 2017 and 2016 for each of the next 5 years and in aggregate are as follows (*dollars in millions*):

Year Ended September 30, 2017	Operating Lease Amounts
2018	\$ 469
2019	341
2020	250
2021	165
2022	112
2023 and thereafter	257
Total Minimum Future Lease Payments	\$ 1,594

Year Ended September 30, 2016	Operating Lease Amounts
2017	\$ 420
2018	329
2019	231
2020	153
2021	96
2022 and thereafter	363
Total Minimum Future Lease Payments	\$ 1,592

## 13 CONTINGENCIES AND COMMITMENTS

### Contingencies

The Department is a party in various material legal matters (litigation, claims, assessments, including pending or threatened litigation, unasserted claims, and claims that may derive from treaties or international agreements) brought against it. We periodically review these matters pending against us. As a result of these reviews, we classify and adjust our contingent liability when we think it is probable that there will be an unfavorable outcome and when a reasonable estimate of the amount can be made.