

**microsoft-10-K-2024-07-30-Financial_Report -
LEASES**

12 Months Ended

Jun. 30, 2024

ch and development facilities, Microsoft Experience Centers, and certain equipment. Our leases have remaining lease terms of less than 1 year to 17 years, some of which include options to extend the leases for up to 5 years.

(In millions)		
Year Ended June 30, 2024 2023 2022		
Operating lease cost \$ 3,555 \$ 2,875 \$ 2,461		
Finance lease cost:		
Amortization of right-of-use assets	\$ 1,800	\$ 1,352 \$ 980
Interest on lease liabilities	734	501 429
Total finance lease cost	\$ 2,534	\$ 1,853 \$ 1,409
Supplemental cash flow information related to leases was as follows:		
(In millions)		

Year Ended June 30, 2024 2023 2022		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 3,550	\$ 2,706 \$ 2,368
Operating cash flows from finance leases	734	501 429
Financing cash flows from finance leases	1,286	1,056 896
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	6,703	3,514 5,268
Finance leases	11,633	3,128 4,234

Supplemental balance sheet information related to leases was as follows:		
(In millions, except lease term and discount rate)		
June 30, 2024 2023		
Operating Leases		
Operating lease right-of-use assets	\$ 18,961	\$ 14,346
Other current liabilities	\$ 3,580	\$ 2,409
Operating lease liabilities	15,497	12,728
Total operating lease liabilities	\$ 19,077	\$ 15,137
Finance Leases		
Property and equipment, at cost	\$ 32,248	\$ 20,538
Accumulated depreciation	(6,386)	(4,647)
Property and equipment, net	\$ 25,862	\$ 15,891
Other current liabilities	\$ 2,349	\$ 1,197
Other long-term liabilities	24,796	15,870
Total finance lease liabilities	\$ 27,145	\$ 17,067
Weighted Average Remaining Lease Term		
Operating leases	7 years	8 years
Finance leases	12 years	11 years
Weighted Average Discount Rate		
Operating leases	3.3 %	2.9 %
Finance leases	3.9 %	3.4 %

The following table outlines maturities of our lease liabilities as of June 30, 2024:

(In millions)

Year Ending June 30, Operating Leases Finance Leases		
2025	\$ 4,124	\$ 3,311
2026	3,549	3,021
2027	2,981	3,037
2028	2,405	3,026
2029	1,924	2,638
Thereafter	6,587	19,116
Total lease payments	21,570	34,149
Less imputed interest	(2,493)	(7,004)
Total	\$ 19,077	\$ 27,145

Additional operating and finance leases, primarily for datacenters, that had not yet commenced of \$ 8.6 billion and \$ 108.4 billion, respectively. These operating and finance leases will commence between fiscal year 2025 and fis