Randall Corporation leases a truck from David's Trucks with a five year non-cancelable lease on January 1, Year 5 with the following terms:

* Five payments of $26,379.74 (a 9% implicit rate) due at the end of each year.
* The fair value of the truck is $100,000 and cost David $80,000.
* The lease is nonrenewable and the truck reverts to David at the end.
* The truck has a six year economic life.
* Randall has an excellent credit rating.
* David offers no warranty on the truck other than the manufacturer's two-year warranty.

Which one of the following entries will David's Trucks make to record the lease?







