IMPLEMENTING ASC 842 – LEASES

June 7, 2022

Erik Bonstrom, Partner, UHY LLP
AGENDA

• Overview
  – *Refresher of the key concepts of new standard*

• Implementation Considerations
  – *Items to consider when adopting the new standard*

• Other Considerations
  – *How can UHY help*
• ASC 842 replaces ASC 840

• Effective date

<table>
<thead>
<tr>
<th>If you are....</th>
<th>Fiscal years beginning after....</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public business entities</td>
<td>• December 15, 2018</td>
</tr>
<tr>
<td>• Certain not-for-profit entities</td>
<td></td>
</tr>
<tr>
<td>• Employee benefit plans</td>
<td></td>
</tr>
<tr>
<td>• Other entities</td>
<td>• December 15, 2021</td>
</tr>
</tbody>
</table>

• How prepared are you?
Primary Objectives

• To increase transparency and comparability of financial statements.
• To align U.S. GAAP with IFRS and minimize off-balance sheet items.

Scope

• Generally similar to current U.S. GAAP
• ASC 842 only applies to the lease of property, plant and equipment.
• Excludes: lease of intangible assets, biological assets, inventory, asset under construction and lease to explore for/use nonregenerative resources
• No scope exceptions for small-ticket leases (e.g., leases of low value assets such as personal computers or copiers)
<table>
<thead>
<tr>
<th>Lessee accounting</th>
<th>Legacy Accounting (ASC 840)</th>
<th>New Lease Model (ASC 842)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leases are either:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Operating leases</td>
<td>• All leases recorded on</td>
</tr>
<tr>
<td></td>
<td>(off-balance sheet)</td>
<td>balance sheet (except</td>
</tr>
<tr>
<td></td>
<td>• Capital leases</td>
<td>short-term)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Two income statement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>presentations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Operating lease</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Finance lease</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lessor accounting</th>
<th>Legacy Accounting (ASC 840)</th>
<th>New Lease Model (ASC 842)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Operating leases</td>
<td>• Operating leases</td>
</tr>
<tr>
<td></td>
<td>• Sales-type or direct finance leases</td>
<td>• Sales-type / direct-finance leases</td>
</tr>
<tr>
<td></td>
<td>• Leveraged leases</td>
<td>• No more leveraged leases</td>
</tr>
</tbody>
</table>
### OVERVIEW

On the balance sheet —

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Lessor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets:</strong></td>
<td><strong>Sales-type and direct financing leases:</strong></td>
</tr>
<tr>
<td>➢ Finance lease right of use assets</td>
<td>➢ Derecognizes the leased asset</td>
</tr>
<tr>
<td>➢ Operating lease right of use assets</td>
<td>and recognizes a lease net investment. The</td>
</tr>
<tr>
<td><strong>Classified as current or non-current:</strong></td>
<td>aggregate net investment in the lease is</td>
</tr>
<tr>
<td>➢ Finance lease liabilities</td>
<td>presented separately.</td>
</tr>
<tr>
<td>➢ Operating lease liabilities</td>
<td>➢ Classified as current or noncurrent assets.</td>
</tr>
<tr>
<td>➢ If not presented separately, disclose which</td>
<td><strong>Operating leases:</strong></td>
</tr>
<tr>
<td>line items and amounts in the balance sheet</td>
<td>➢ As PPE or as a separate line item (e.g., assets</td>
</tr>
<tr>
<td>include those ROU assets and lease</td>
<td>subject to operating leases).</td>
</tr>
<tr>
<td>liabilities.</td>
<td></td>
</tr>
</tbody>
</table>

---

➢ If not presented separately, disclose which line items and amounts in the balance sheet include those ROU assets and lease liabilities.
### OVERVIEW

#### In the income statement —

<table>
<thead>
<tr>
<th></th>
<th><strong>Finance Lease</strong></th>
<th><strong>Operating Lease</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lessee</strong></td>
<td>Interest and amortization expense are presented separately, consistently with how the entity records similar expenses</td>
<td>Lease expense, which includes both an interest and amortization component, is presented on the income statement as rent expense</td>
</tr>
<tr>
<td><strong>Lessor</strong></td>
<td>If lease income not presented separately, the lessor shall disclose which line items include lease income</td>
<td></td>
</tr>
</tbody>
</table>

#### In the statement of cash flows —

<table>
<thead>
<tr>
<th></th>
<th><strong>Finance Lease</strong></th>
<th><strong>Operating Lease</strong></th>
</tr>
</thead>
</table>
| **Lessee** | Operating activities (interest)  
Financing activities (principal) | Operating activities                                                                 |
| **Lessor** | Cash lease payments received are presented within operating activities                |                                                                                     |
Illustration:
A lessee enters into a three-year lease and agrees to make the following annual payments at the end of each year: Year 1 - $10,000, Year 2 - $15,000, Year 3 - $20,000. The discount rate utilized is 8%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
<th>Lease Liability</th>
<th>Interest Expense</th>
<th>Amort of ROU Asset</th>
<th>Total Lease Expense</th>
<th>ROU Asset</th>
<th>Lease Expense</th>
<th>Amort of ROU Asset</th>
<th>ROU Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$ -</td>
<td>$38,000</td>
<td></td>
<td></td>
<td>$38,000</td>
<td></td>
<td></td>
<td></td>
<td>$38,000</td>
</tr>
<tr>
<td>1</td>
<td>10,000</td>
<td>31,038</td>
<td>$3,038</td>
<td>$12,666</td>
<td>$15,704</td>
<td>25,334</td>
<td>$15,000</td>
<td>$11,962</td>
<td>26,038</td>
</tr>
<tr>
<td>2</td>
<td>15,000</td>
<td>18,520</td>
<td>2,481</td>
<td>$12,667</td>
<td>15,148</td>
<td>12,667</td>
<td>15,000</td>
<td>12,519</td>
<td>13,519</td>
</tr>
<tr>
<td>3</td>
<td>20,000</td>
<td>-</td>
<td>1,481</td>
<td>$12,667</td>
<td>14,148</td>
<td>-</td>
<td>15,000</td>
<td>13,519</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$45,000</td>
<td>-</td>
<td>$7,000</td>
<td>$38,000</td>
<td>$45,000</td>
<td>-</td>
<td>$45,000</td>
<td>$38,000</td>
<td>-</td>
</tr>
</tbody>
</table>
## OVERVIEW

### Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Finance Lease</th>
<th>Operating Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Journal Entry:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Right of Use Asset</td>
<td>$38,000</td>
<td>Dr. Right of Use Asset</td>
</tr>
<tr>
<td>Cr. Lease Liability</td>
<td>($38,000)</td>
<td>Cr. Lease Liability</td>
</tr>
</tbody>
</table>
## Income statement

<table>
<thead>
<tr>
<th>Finance Lease</th>
<th>Operating Lease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 1 Journal Entry:</strong></td>
<td><strong>Year 1 Journal Entry:</strong></td>
</tr>
<tr>
<td>Dr. <strong>Interest Expense</strong> $3,038</td>
<td>Dr. <strong>Lease Expense</strong> $3,038</td>
</tr>
<tr>
<td>Dr. Lease Liability $6,962</td>
<td>Dr. Lease Liability $6,962</td>
</tr>
<tr>
<td>Cr. Cash $(10,000)</td>
<td>Cr. Cash $(10,000)</td>
</tr>
<tr>
<td>Dr. <strong>Amortization Expense</strong> $12,666</td>
<td>Dr. <strong>Lease Expense</strong> $11,962</td>
</tr>
<tr>
<td>Cr. Right of Use Asset $(12,666)</td>
<td>Cr. Right of Use Asset $(11,962)</td>
</tr>
</tbody>
</table>
ADJUSTMENTS TO ROU ASSET

• At adoption, the ROU asset and lease liability will agree, unless you have the following items:
  ➢ Lease incentives
  ➢ Initial direct costs
  ➢ Beginning deferred rent

• Any difference between the cash expenditure for leases and the expense recorded on a straight-line basis will flow through the ROU asset

• Example initial journal entry to record ROU asset and lease liability:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROU asset</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Deferred rent</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>Lease liability</td>
<td></td>
<td>$12,000</td>
</tr>
</tbody>
</table>
• Significant changes include:
  • New definition of a lease
  • Operating leases are now on the balance sheet (lessee accounting)
  • Lease reassessment requirements
  • Lease modification accounting
  • More judgment is required – e.g., reasonably certain is a high degree of confidence that a future event will occur based on all economic factors relevant to that assessment. See ASC 842-10-55-26 for guidance.
  • Disclosure requirements for lessees
True or False?

- Under ASC 842 interest and amortization expense will now be recorded as separate line items on the income statement for all operating leases that meet the criteria to be capitalized as a right-of-use asset and corresponding lease liability.
• **False** – While there is a separate interest and amortization expense component for all operating leases that meet the criteria to be recorded on the books as a right of use asset and lease liability, these amounts are combined into a single line item on the P&L as “lease (or rent) expense.”
IMPLEMENTATION CONSIDERATIONS

- Determine transition approach
- Consider practical expedients
- Discount rate considerations
- Accounting policy elections
- Identifying lease term, variable rent, and modifications
- Disclosures
TRANSITION OPTIONS

• **Method 1:** modified retrospectively to each prior reporting period presented
  - The date of initial application is the beginning of the earliest comparative period presented

• **Method 2:** cumulative effect recognized at beginning of the period of adoption
  - Apply ASC 840 in pre-ASC 842 comparative periods
  - Recognize the effects of applying ASC 842 as a cumulative-effect adjustment to retained earnings as of January 1 in the year of adoption
Several optional practical expedients are available:

| Must be elected as a package at the adoption date | An entity may elect not to reassess:  
- If a contract meets the new **definition** of a lease  
- Lease **classification** for expired or existing leases  
- If capitalized **initial direct costs** qualify for capitalization under ASC 842 |
| May be elected individually or with the other practical expedients |  
- An entity may use **hindsight** in determining the lease term (e.g., evaluating renewal options, termination options and purchase options) |
| Private company practical expedient |  
- A non-public entity may elect to:  
  - Utilize a **risk-free rate** for a period comparable to the lease term instead the incremental borrowing rate |
## Discount Rate

<table>
<thead>
<tr>
<th>Rate Implicit in Lease</th>
<th>Incremental Borrowing Rate</th>
<th>Risk-Free Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro:</strong> Will be most accurate / applicable for the lease</td>
<td><strong>Pro:</strong> Easier to determine than implicit rate*</td>
<td><strong>Pro:</strong> Easiest to determine</td>
</tr>
<tr>
<td><strong>Con:</strong> May not be easily determinable</td>
<td><strong>Con:</strong> May be difficult to determine if the Company does not have any debt</td>
<td><strong>Con:</strong> Will result in significantly higher ROU asset and lease liability balance</td>
</tr>
</tbody>
</table>

* Must be over a similar term and an amount equal to the lease payments in a similar economic environment.
DISCOUNT RATE – ASU 2021-09

• **Changes:** Discount rate for lessees that are not public business entities
  - Allow a qualified lessee to make the risk-free discount rate accounting policy election **by class** of underlying asset
  - Lessees would be required to **disclose** its election
  - Require a qualified lessee to use the **rate implicit in the lease** when it is readily determinable instead of the risk-free rate, regardless of whether the lessee applies the risk-free rate election.
• At what date should the discount rate be calculated?

- **New Leases**
  - Lease Commencement Date

- **Existing Leases**
  - ASC 842 Adoption Date

- Unless the hindsight practical expedient is elected
- If the IBR or risk-free rate is utilized you can either use the original term or remaining lease term, but must be consistent
ACCOUNTING POLICY ELECTIONS

- Depending on your situation, the election of certain accounting policies could assist in making the transition and future accounting under ASC 842 less complicated.
  - *Separation of lease and non-lease components* – electing not to separate these items can reduce the administrative burden of identifying and separately accounting for any non-lease components
  - *Portfolio approach* – if the company has many leases with similar characteristics, this may simplify the process of identifying the lease classification, applying one discount rate, etc.
  - *Short-term lease exemption* – likely the most popular election and will enable a company to exclude short-term leases from the ROU asset and lease liability calculations (BEWARE of renewal options)
  - *Materiality thresholds* – if the present value of the ROU asset is below your threshold for capitalization of assets, it can be excluded
LEASE AND NON-LEASE COMPONENTS

Lease components
- The right to use an underlying asset
- Separate lease component when (a) usable on its own and (b) not dependent/interrelated with another right
- Examples – Building, land, piece of equipment

Include in ROU lease asset and lease liability

Non-lease components
- Goods and services provided to the lessee by the lessor that are separate from the right to use the asset
- Examples – Common areas maintenance ("CAM"), parking spaces in areas where parking is at a premium

Executory contract - expense as incurred

Items outside the lease (not a component)
- Activities that do not transfer goods or services to the lessee
- Examples – Reimbursement of lessor’s costs (property taxes, interest, and insurance)

Allocate to lease and non-lease components
Which of the following is a non-lease component?

A. Property taxes
B. Insurance
C. Snow Removal
D. All of the above
Which of the following is a non-lease component?

- C – Snow Removal
# LEASE AND NON-LEASE COMPONENTS

- Allocating consideration to lease and non-lease components

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Based on a relative standalone selling price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Follow the guidance in ASC 606</td>
</tr>
</tbody>
</table>

- Lessees and Lessors can make an accounting policy election to **not separate** a lease component from its associated non-lease components.

**Pros**
- No need to estimate standalone selling price

**Cons**
- Increase the initial lease liability

**Other**
- Could potentially trigger a finance lease
## LEASE AND NON-LEASE COMPONENTS – FIXED VS. VARIABLE

<table>
<thead>
<tr>
<th></th>
<th>Fixed</th>
<th>Variable that Depends on Index or Rate</th>
<th>Variable and Not Based on Index or Rate</th>
</tr>
</thead>
</table>
| **Common area maintenance (CAM)** | • Included as non-lease component  
• Practical expedient can be elected not to separate | • Included as non-lease component measured using rate at commencement  
• Practical expedient can be elected not to separate | • Not included with contract consideration for initial evaluation. |
| **Taxes and Insurance** | • Included as part of the total bundled lease consideration and do not need to be separated | • Included as part of the total bundled lease consideration and not a separate component | • Not included with contract consideration |
LEASE AND NON-LEASE COMPONENTS – EXAMPLE #1

Lessor and lessee entered into a 5-year building lease whereby the lessee is required to pay for the following:

- Use of the building
- Real estate taxes
- Insurance (lessor is named as the insured on the building)
- Payments are fixed at $10,000 per year; however, annual taxes and insurance will vary and are billed separately to the lessee

Analysis:

- Real estate taxes and insurance are outside of the lease
- Real estate taxes and insurance are variable lease payments that do not depend on an index or rate and are excluded from the measurement of the lease liability
- Expensed as variable lease payments in accordance with ASC 842-20-25-6
Assume the same facts as noted in the previous slide, with the following changes:

- Payments are fixed at $13,000 per year and are itemized as follows:
  - $10,000 – Rent
  - $ 2,000 – Real Estate Taxes
  - $ 1,000 – Insurance

Analysis:

- Real estate taxes and insurance are outside of the lease
- The $65,000 in payment ($13,000 * 5 years) are all lease payments for the single component of the contract and are included in the measurement of the lease liability.
LEASE AND NON-LEASE COMPONENTS – EXAMPLE #3

Assume the same facts as noted in the previous slide, except the lease is for a **space** within the building, rather than for the **entire** building, and the fixed annual payment of $13,000 also covers the following charges:

- Cleaning of common areas
- Parking lot maintenance
- Utilities to the building

Analysis:

- Common area maintenance (CAM) is a non-lease component since the lessor’s activities transfer services to the lessee
- The $65,000 in payments ($13,000 * 5 years) is allocated between the two components (lease and non-lease) unless the practical expedient is elected
LEASE TERM

Noncancelable period for which the lessee has the right to use the underlying asset, adjusted for:

- **Lessee-controlled options**: Extension/renewal periods or termination options, if lessee is reasonably certain to exercise (or not exercise).

- If lessee subsequently changes its assessment of lease term, it will trigger remeasurement of lease payments and lease liability

- **Lessor-controlled options**: Assume that lessor will trigger the extension/renewal option and not terminate the lease.
REASONABLY CERTAIN THRESHOLD

• Reasonably certain should be considered a high threshold; however, there are no bright lines for this criteria.

• An entity should assess whether it is reasonably certain that the lessee will exercise an option by considering all factors relevant to that assessment, including the following:
  ➢ If a significant economic incentive exists
  ➢ If the pricing of the lease renewal option is below or above market rates
  ➢ If there are significant leasehold improvements that would be impaired if renewal option is not taken
  ➢ If significant lease termination or relocation costs would be incurred if renewal option is not taken
  ➢ The importance of the lease to the lease’s operations in avoiding any business interruptions.
POLLING QUESTION #3

What economic factors must be considered for options to extend or renew the lease term?

A. Contract factors (e.g., Hefty termination penalty)
B. Asset-specific factors (e.g., Highly-specialized asset)
C. Entity-specific factors (e.g., Asset is critical to entity’s operations)
D. Market factors (e.g., Renewal is priced far below market)
E. All of the above
What economic factors must be considered for options to extend or renew the lease term?

E. All of the above
Variable lease payments that depend on an index or rate should be included in the calculation of lease payments when classifying a lease and in the measurement of the lease liability.

**ASC 840**
- If the inception date index was utilized in the future commitment disclosure

**ASC 842**
- Utilize inception date index when calculating the initial lease liability **OR** utilize the adoption date index and apply accounting changes and correction of error account under ASC 250
- Utilize adoption date index when calculating lease liability

Changes to the CPI each year do **NOT** require remeasurement, but instead will be **expensed** as incurred and included in **variable** rent expense.
VARIABLE LEASE PAYMENTS – INDEX EXAMPLE

Facts:

• Company X entered into a lease agreement beginning January 1, 2017 for a term of 5 years.

• The Company adopted ASC 842 effective January 1, 2019

• The Company’s incremental borrowing rate at the date of adoption was 6.5%

• Lease payments for year 1 are $120,000

• Each year lease payments are increased by an amount equivalent to the percentage increase in the prior year Consumer Price Index (CPI)

• Under ASC 840, the Company disclosed future commitments utilizing the **inception** date index and plans to calculate the lease liability utilizing the **inception** date index.
## VARIABLE LEASE PAYMENTS – INDEX EXAMPLE

### Analysis:

<table>
<thead>
<tr>
<th>Lease Year Post Adoption</th>
<th>Inception Date Index</th>
<th>Payment Utilized for Lease Liability</th>
<th>Actual Index</th>
<th>Actual Payments</th>
<th>Rent Expense</th>
<th>Variable Lease Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.00%</td>
<td>$127,308</td>
<td>3.25%</td>
<td>$127,617</td>
<td>$127,419</td>
<td>$309</td>
</tr>
<tr>
<td>2020</td>
<td>3.00%</td>
<td>$131,127</td>
<td>3.50%</td>
<td>$132,084</td>
<td>$127,419</td>
<td>$957</td>
</tr>
<tr>
<td>2021</td>
<td>3.00%</td>
<td>$135,061</td>
<td>3.75%</td>
<td>$137,037</td>
<td>$127,419</td>
<td>$1,976</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$393,496</strong></td>
<td><strong>$396,738</strong></td>
<td><strong>$393,496</strong></td>
<td><strong>$393,496</strong></td>
<td><strong>$3,241</strong></td>
<td></td>
</tr>
</tbody>
</table>
Any change to the contractual terms and conditions of a lease.

For Lessee:

a) Account for a lease modification as a separate contract when:
   - grants the lessee an additional ROU asset
   - the price of the additional ROU asset has its stand-alone price
   **AND**
   - the price of the additional ROU asset has its stand-alone price

b) If not a separate contract use the discount rate as of the modification effective date to adjust lease liability and ROU asset for the change in the lease payment

c) could result in a gain or loss if the modification results in a full or partial termination of an existing lease

For Lessor: account for a lease modification based on ASC 606
LEASE MODIFICATION – EXAMPLE #1

Facts:
• Company X leases two trucks under a 5 year lease classified as an operating lease. At the end of year 2, the Company and the lessor agree to modify the lease to eliminate one of the trucks, the remaining truck continues to be leased subject to the original lease terms.

Analysis:
• Under ASC 842 the Company would remeasure the lease liability using the discount rate as of the modification date and adjust the right of use asset proportionally. For example, if the ROU asset and lease liability are $48,000 and $56,000, respectively, as of the modification date and the remeasured lease liability is now $24,000

Journal Entry Posted:

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease liability</td>
<td>$32,000</td>
<td></td>
</tr>
<tr>
<td>ROU asset</td>
<td></td>
<td>$27,428</td>
</tr>
<tr>
<td>Gain on modification</td>
<td></td>
<td>$4,572</td>
</tr>
</tbody>
</table>
LEASE MODIFICATION – EXAMPLE #2

Facts:

• On January 1, 2018, Company enters into a 5-year lease for 2,000 sqft of warehouse space for $10,000 per month
• On December 31, 2018, the Company amends the lease contract to include an additional 1,000 sqft of warehouse space in the same building for remaining 4 years
• The Company will pay $6,000 per month for the additional space, which is inline with market rates for 1,000 sqft of space
• Going forward the Company will make one payment of $16,000 per month

Analysis:

• Company will account for additional 1,000 sqft of space as a separate lease
• At the adoption date of ASC 842 on January 1, 2019, the Company has two leases:
  1. Original lease for 2,000 square feet for remaining 4 years
  2. A new lease for 1,000 square feet for 4 years
Additional disclosure requirements apply to lessees and lessors:

- **Qualitative information**
  - Description of leases
  - Basic terms and conditions of leases
  - Existence of options to extend or terminate a lease and which options are recognized as part of its ROU assets and lease liabilities

- **Quantitative information**
  - Details of lease cost
  - Weighted average remaining lease term
  - Weighted average discount rate *

- **Transition disclosures**
  - Required by ASC 250, Accounting Changes and Error Corrections
  - Use of practical expedients

*Weighted-average discount rate does not need to be separated between leases using a risk-free rate and leases using an incremental borrowing rate, per Sept 2021 tentative board decision*
POLLING QUESTION #4

Which of the following items must be disclosed separately in the lease footnote for lessees?

A. Finance lease cost
B. Operating lease cost
C. Variable lease cost
D. Sublease income
E. All of the above
Which of the following items must be disclosed separately in the lease footnote for lessees?

- E – All of the above. A lessee should disclose all components of the expense separately and in total.
HOW CAN WE HELP?

UHY Lease Implementation Team

- Summarize lease terms and verify lease completeness
- Calculate the ROU asset and lease liability
- Assist management in documenting practical expedient and accounting policy elections
- Determine lease classification for new and/or existing leases under new standard
- Discuss and determine likelihood of lease renewal and purchase options
- Calculate monthly or annual journal entries
- Development of appropriate discount rate
- Prepare reports and disclosure data
LEASE SOFTWARE

UHY is a Software Reseller

Features

• Discounted pricing
• User-friendly interface
• Cloud-based solution
• Access controls for clients and third parties (consultants, auditors, etc.)
• Leases can be entered individually or in bulk
• Automated quantitative footnote disclosures
• US GAAP or IFRS calculations

Reports

• Disclosure summary reports
• Amortization schedules
• Journal entries
Who has the first question?
CONTACT INFORMATION

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