

Interactive Workshop

Accounting for Leases of Lessees



This course provides in-depth, hands-on coverage of new ASC Topic 842, the revised lease accounting standard. Strong emphasis is placed on hands-on, real-life case studies that will be encountered in practice by practitioners who perform or supervise compilation, review, and/or audit engagements for small and middle-market, privately held businesses. The session is designed for a high level of interaction between the instructor and participants.

Program Information

Program Duration	1/2 Day
Prerequisites	Basic Knowledge of US GAAP and US GAAS
Advance Preparation	None
Level of Instruction	Intermediate
Delivery Method	Group / Live
CPE Credit Hours*	
Accounting	<u>4.0</u>

Learning Objectives

This session will enable participants to

- Read and analyze commercial contracts to determine whether they contain lease provisions that require separate accounting
- Apply the new lessee accounting model from new ASC Topic 842 to properly recognize and measure leases in the financial statements
- Draft appropriate lease disclosures for operating and finance leases

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Content Summary*

CPE Credits

Introduction and How to Identify a Lease Included in Another Contract	1.0
▪ Reading, abstracting, and analyzing leases and other commercial contracts to determine whether they contain lease provisions that require separate accounting under the new standard.	
▪ Separating lease and nonlease components from a contract.	
Computing and Recording Lease Obligations and Right of Use Assets	2.0
▪ Revised criteria for distinguishing between operating and finance leases	
▪ Short-term lease exception for leases of 12 months or less	
▪ New practical expedient for determining applicable discount rate	
▪ Accounting for variable lease payments	
▪ Consideration of likelihood of exercise of renewal options	
▪ Accounting for initial direct costs of the lessee	
▪ Effects of purchase options and residual value guarantees	
▪ Effects of lease modifications	
▪ Accounting for incentives provided by the lessor	
▪ Computing amortization of the right-of-use asset	
▪ Impairment of a right-of-use asset	
Presentation and Disclosure	0.5
▪ Presentation in each of the three basic financial statements	
▪ New quantitative and qualitative disclosure requirements	
Other Lessee Issues	0.5
▪ Leases between related parties	
▪ Effects on accounting for income taxes	
▪ Effects on loan covenant compliance	
▪ Maintenance deposits	
▪ Accounting for leasehold improvements	
▪ Adoption and transition considerations	

Course materials include our unique Lease Topic Navigator to assist in research and application of the standard

* Topics, duration and the allocation of CPE credits between fields of study are subject to change to accommodate late-breaking developments.



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