

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>6.0</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 in 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
<ul style="list-style-type: none"> ▪ 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 components, nonlease components, and noncomponents included in a contract. 	
Computing and Recording Lease Obligations and Right of Use Assets	2.0
<ul style="list-style-type: none"> ▪ 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 – Narrowed definition ▪ Effects of purchase options and residual value guarantees ▪ Effects of lease modifications ▪ Accounting for incentives provided by the lessor ▪ Computing amortization and impairment of the right-of-use asset 	
Presentation and Disclosure	0.5
<ul style="list-style-type: none"> ▪ Presentation in each of the three basic financial statements ▪ New quantitative and qualitative disclosure requirements 	
Other Lessee Issues	0.5
<ul style="list-style-type: none"> ▪ Leases between related parties ▪ Effects on accounting for income taxes and on loan covenants ▪ Deposits ▪ Accounting for leasehold improvements ▪ Adoption and transition considerations ▪ Sale and leaseback 	

OPTIONAL 2-HOUR ADD-ON MODULE ON ACCOUNTING FOR LEASES OF LESSORS IS AVAILABLE

Course materials include our unique Lease Topic Navigator Tool



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