

Learning Objectives

- Recognize a key change made to GAAP by the new lease standard.
- Identify a type of lease that exists for a lessee under ASU 2016-02.
- Recall a type of lease for which the ASU 2016-02 rules do not apply.
- Identify how a lessee should account for initial direct costs.
- Recognize items that are and are not components of a lease term.
- Identify types of leases for a lessor.

I. Background

II. Basic Concepts of ASU 2016-02

III. Introduction

IV. Definitions Used in ASU 2016-02

V. Scope and Scope Exceptions

VI. Identifying a Lease

VII. Lessee Rules

- A. Lease Classification - Lessee
- B. Initial Measurement of Lease - Lessee
- C. Lease Payments - Lessee
- D. Lease Term and Purchase Options - Lessee
- E. Short-Term Leases - Lessee
- F. Subsequent Measurement and Accounting for Leases - Lessee
- G. Other Recognition and Measurement Issues - Lessees
- H. Lease Modifications - Lessee
- I. Subsequent Reassessment of Lease Elements - Lessee
- J. Financial Statement Presentation Matters - Lessee
- K. Disclosures by Lessees

VIII. Lessor Rules

- A. Lease Classification
- B. Amendments Made to Lessor Rules since ASU 2016-02
- C. Accounting for Sales-Type Lease - Lessor
- D. Accounting for a Direct Financing Lease
- E. Accounting for Operating Leases - Lessor
- F. Disclosure - Lessor Leases

IX. Transition and Effective Date Information

X. Leases: Sale and Leaseback Transactions

XI. Leases: Leveraged Lease Arrangements

XII. Impact of Changes to Lease Accounting

XIII. Impact of Lease Changes on Nonpublic Entities

XIV. Other Considerations - Dealing with Financial Covenants

XV. Avoiding the New Lease Standard