
TABLE OF CONTENTS

Implementation of the New Lease Standard	1
I. Background	1
II. Basic Concepts of ASU 2016-02	8
A. General Rules	8
Test Your Knowledge #1	15
Solutions and Suggested Responses #1	17
III. Introduction	19
IV. Definitions Used in ASU 2016-02	19
V. Scope and Scope Exceptions	22
VI. Identifying a Lease	23
Test Your Knowledge #2	55
Solutions and Suggested Responses #2	57
VII. Lessee Rules	59
A. Lease Classification - Lessee	59
B. Initial Measurement of Lease- Lessee	71
C. Lease Payments - Lessee	83
D. Lease Term and Purchase Options- Lessee	94
Test Your Knowledge #3	99
Solutions and Suggested Responses #3	101
E. Short-Term Leases- Lessee	103
F. Subsequent Measurement and Accounting for Leases- Lessee	124
G. Other Recognition and Measurement Issues- Lessee	130
H. Lease Modifications - Lessee	141
I. Subsequent Reassessment of Lease Elements- Lessee	147
J. Financial Statement Presentation Matters- Lessee	152
K. Disclosures by Lessees	155
Test Your Knowledge #4	181
Solutions and Suggested Responses #4	183
VIII. Lessor Rules	185
A. Lease Classification	185
B. Amendments Made to Lessor Rules Since ASU 2016-02	195
C. Accounting for Sales-Type Lease- Lessor	199
D. Accounting for a Direct Financing Lease	206
E. Accounting for Operating Leases- Lessor	209
F. Disclosure- Lessor Leases	217
Test Your Knowledge #5	221
Solutions and Suggested Responses #5	223
IX. Transition and Effective Date Information	225
A. General- Existing Leases	225
B. Transition to New Lease Standard	225
X. Leases: Sale and Leaseback Transactions	241

XI. Leases: Leveraged Lease Arrangements	244
Test Your Knowledge #6	245
Solutions and Suggested Responses #6	247
XII. Impact of Changes to Lease Accounting	249
XIII. Impact of Lease Changes on Nonpublic Entities	258
XIV. Other Considerations- Dealing with Financial Covenants	260
XV. Avoiding the New Lease Standard	262
Test Your Knowledge #7	277
Solutions and Suggested Responses #7	279
Case Study for Implementation of ASU 2016-02 Private Company Lessee	281
Financial Statement Presentations- 2022	294
2022 Disclosures	299
Sample Disclosure for Example	302
Glossary	309
Index	313
Final Exam Copy	315