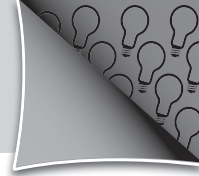


# CONSULTANT'S CORNER



## PREPARING FOR THE NEW LEASE ACCOUNTING STANDARD



**Dan Miller,**  
CPA  
Principal

**(615) 320-5500**  
www.crosslinpc.com  
info@crosslinpc.com

From office facilities and equipment to copiers and automobiles, nearly every business uses leasing arrangements. The most profound changes in accounting for leases in more than 35 years may be happening soon.

The FASB and IASB recently released a revised exposure draft proposing that leases extending more than 12 months be reported on the balance sheet. Accordingly, a right to use asset and corresponding liability would be recorded with additional disclosures providing detail of the leases. The new accounting requirements could impact a company's current ratio and other financial reporting measures.

Additionally, the changes will not only affect a company's financial statements, but may also influence how leasing arrangements are structured.

While the new standard will take some time to finalize and be implemented, here's what you should do to start preparing now:

- Keep up with the status of the project through the FASB website.
- Review and document your current leases, especially those that will be renewed within the next few years.
- Assess the additional recordkeeping effort that will be required.
- Inform stakeholders and users of your financial statements about how the proposed changes will impact your company and its financial statements.
- Consult the experts. At Crosslin & Associates, we have a team of advisors with experience in all types of leasing arrangements.

