

LeaseCrunch Overview for Clients of:



Wegner CPAs

December, 2022

LEASECRUNCH





Overview of ASC 842

When does it start?

- First fiscal year starting after December 15, 2021
- If you have a calendar fiscal year that started January 1, 2022, your first reporting year is 2022 and should be ready by December 31, 2022

What does it accomplish?

- Increases transparency and comparability among organizations by recognizing lease assets and liabilities on the Balance Sheet
- Adds operating leases to the Balance Sheet
- Removes the concept of Deferred Rent, Prepaid Expense, Capital Lease Asset and Capital Lease Liability
- Requires more detailed Footnote Disclosure



Spreadsheets Are Not Free

Pitfalls

- ✘ Error prone, security risks, formula errors
- ✘ Expensive and complex audits
- ✘ Difficult to do modifications and remeasurements
- ✘ Complicated quantitative footnote disclosure

Footnote Disclosure (ASC 842)

Lease expense	2022-12	
Finance lease expense		
Amortization of ROU assets	29,251.68	
Interest on lease liabilities	4,848.95	
Operating lease expense	200,729.52	
Short-term lease expense *		
Variable lease expense	0.00	
Sublease income *		
Total	234,830.15	
Other Information		
(Gains) losses on sale-leaseback transactions, net *		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. Interest)	4,766.02	
Financing cash flows from finance leases (i.e. principal portion)	21,291.50	
Operating cash flows from operating leases	253,850.16	
ROU assets obtained in exchange for new finance lease liabilities	79,221.15	
ROU assets obtained in exchange for new operating lease liabilities	0.00	
Weighted-average remaining lease term in years for finance leases	5.77	
Weighted-average remaining lease term in years for operating leases	6.86	
Weighted-average discount rate for finance leases	3.05%	
Weighted-average discount rate for operating leases	3.27%	
Maturity Analysis		
	Finance	Operating
2023-12	33,657.52	253,850.16
2024-12	40,357.52	253,850.16
2025-12	45,957.52	253,850.16
2026-12	8,957.52	252,478.16
2027-12	8,957.52	240,000.00
Thereafter	30,604.86	0.00
Total undiscounted cash flows	168,492.46	1,254,028.64
Less: present value discount	(14,817.32)	(94,404.58)
Total lease liabilities	153,675.14	1,159,624.06

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15-Minute Demo



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Next Steps

How to get started with LeaseCrunch

- Request access for your firm by emailing your [contact at Wegner CPAs](#)
- Watch on-demand training: [here](#)
- Create Reporting Entity
- Add users/leases
- Register for the [training webinar](#)
- Send additional questions to LeaseCrunch Support: [here](#)