IBM TRIRIGA 10.5.2

Lease Accounting Implementation Guide

Initial Publication based on TRIRIGA 10.5.1 in July 2016	July 28, 2016
Updated Version after Delivery of TRIRIGA 10.5.2 in December 2016	March 6, 2017

IBM TRIRIGA Lease Accounting Implementation Guide

About This Guide 4

Data Elements Required for IBM TRIRIGA Lease Accounting 5

Lease Accountant Portal 6

Global Application Settings 7

Lease Accounting Parameters 9

Lease Data Migration Considerations 10

Lease Classification 11

Accounting Schedules for GAAP (FASB ASC 840) and IFRS 9 Schedules 13
- **Straight-Line Rent Schedule for Operating Leases** 13
- **Amortization Schedule for Capital & Finance Leases** 13

Initial Adoption of the FASB ASC 842 and IFRS 16 Leasing Standards 14

Operating and Finance Schedules for GAAP (FASB ASC 842) and IFRS 16 15
- **Operating Schedule – GAAP (FASB)** 18
- **Finance Schedule – IFRS (IASB)** 19
- **Contingent Rent** 20

Lease Modifications 21
- **Scenario 1: Additional Entry / Changes / Error Correction within Current Lease Term** 21
- **Scenario 2: Lease Extension** 21
- **Scenario 3: Future Lease Modification with Decreased Scope** 22
- **Scenario 4: Lease Modification with increase in scope** 22
- **Scenario 5: Fair Market Value Change (Restatement)** 22

Lease Assumption Review 24

TRIRIGA Lease Accounting Audits 25
- **Auditing – Lease Assumption Review** 25
- **Auditing – Lease Amendments** 26

Dual Books Support 27
- **Local Reporting Tab for Foreign Property Statutory Reporting** 27

Schedules included for Dual Reporting 28

Equipment Leases 29

Moveable Equipment Lease 29

Service Agreements with Embedded Leases 30

Impact Reports 31

About This Guide

This document is intended to accompany the June 2016 and December 2016 release of IBM TRIRIGA, which introduces additional support for the new FASB-IASB standards, the FASB ASC 842 leasing standard and the IASB IFRS 16 leasing standard. The document is intended as a guide for IBM Business Partners implementing IBM TRIRIGA 10.5.1 and 10.5.2 for Lease Accounting.

This guide supplements the documentation available on the IBM developerWorks wiki:
https://www.ibm.com/developerworks/community/wikis/home?lang=en#!/wiki/IBM%20TRIRIGA1/page/Lease%20Accounting

Data Elements Required for IBM TRIRIGA Lease Accounting

In order for IBM TRIRIGA to produce lease accounting schedules, the data below is required. For customers upgrading from earlier versions of TRIRIGA, it is important to note that nearly all of these fields is included in the earlier releases, therefore those customers can start capturing the data prior to upgrading to TRIRIGA 10.5.1. The Initial Direct Costs and Rental Prepayments fields are new to 10.5.1. They are required prior to adopting the new leasing standards.

	Data Element	Description
Lease	Lease ID	
	Lease Name	
	Lease Type	Expense Lease, Sublease
	Commencement Date	
	Expiration Date	
	Payment Timing	In Advance / In Arrears
	Accounting Type	AP, AR
	Currency	USD, EUR,...
	Unit of Measure	Square Feet, Square Meters, etc...
	Contract Status	Active, Holdover, Terminated,...
	Address	
	City	
	State / Province	
	Country	
	Zip / Postal Code	
	Landlord	
	Tenant	
	Legal Entity	
	Primary Use	Office, Back Office,...
	Rentable Area	
	Initial Liability Carryover	
	Initial Direct Costs	
	Rental Prepayment	
	Acquisition Date	
	Accounting Start Date	for accounting control period
	Accounting End Date	
	Borrowing Rate	

	Data Element	Description
Treatment	Does Property Transfer Ownership at End of Lease?	
	Does Lease have a Bargain Purchase Option?	
	Does Lease begin in the last 25% of Building Life?	
	Is Lease Term 75% >= Asset's Economic Life?	
Options	Option Type	Renewal, Break / Termination, Purchase
	Effective Date	
	Term	if renewal, duration
	Renewal Rate	(associated option term payment)
	Penalty	if termination, penalty
	Likely Term	
	Residual Value	
Clauses	Contingent Rent	
	Index	
	Anniversary Date	
	Minimum % Increase	
Payments	Payment Type (a)	Rent, Incentive, Operating Expense, Insurance, Taxes,...
	Start Date	
	End Date	
	Frequency	Monthly, Quarterly, Annually,One-time...
	Amount	
	Tax	
	(a) If Gross Lease, Rent Component Breakdown	

***** Lease Accounting Fields needed are highlighted in blue**

<u>IBM recommends that customers take an incremental approach to adopting the new FASB and IASB leasing standards:</u>

- Validate the data loaded
- Generate and validate the Straight-Line Rent Schedule
- Adopt the new leasing standard (using bulk review assumptions).
- Generate local reporting for leases of foreign properties.

Lease Accountant Portal

Throughout this document, new features added in IBM TRIRIGA 10.5.2 are denoted in green

Balance Sheet Effect

This graph is showing your full portfolio of leased properties, showing the net equity impact on your balance sheet, starting with your look-back period for the new FASB Leasing Standard. You can filter down to smaller groupings of your portfolio and also view it on individual leases.

Asset Value

This graph is also showing your full portfolio, the asset values and liability values of your leases, starting with your look-back period for the new FASB Leasing Standard.

Local Reporting for Multinational Corporations

TRIRIGA Supports Dual Books; for a US Corporation following GAAP, international leased locations will also generate the IFRS Finance Schedule that local statutory reporting requires.

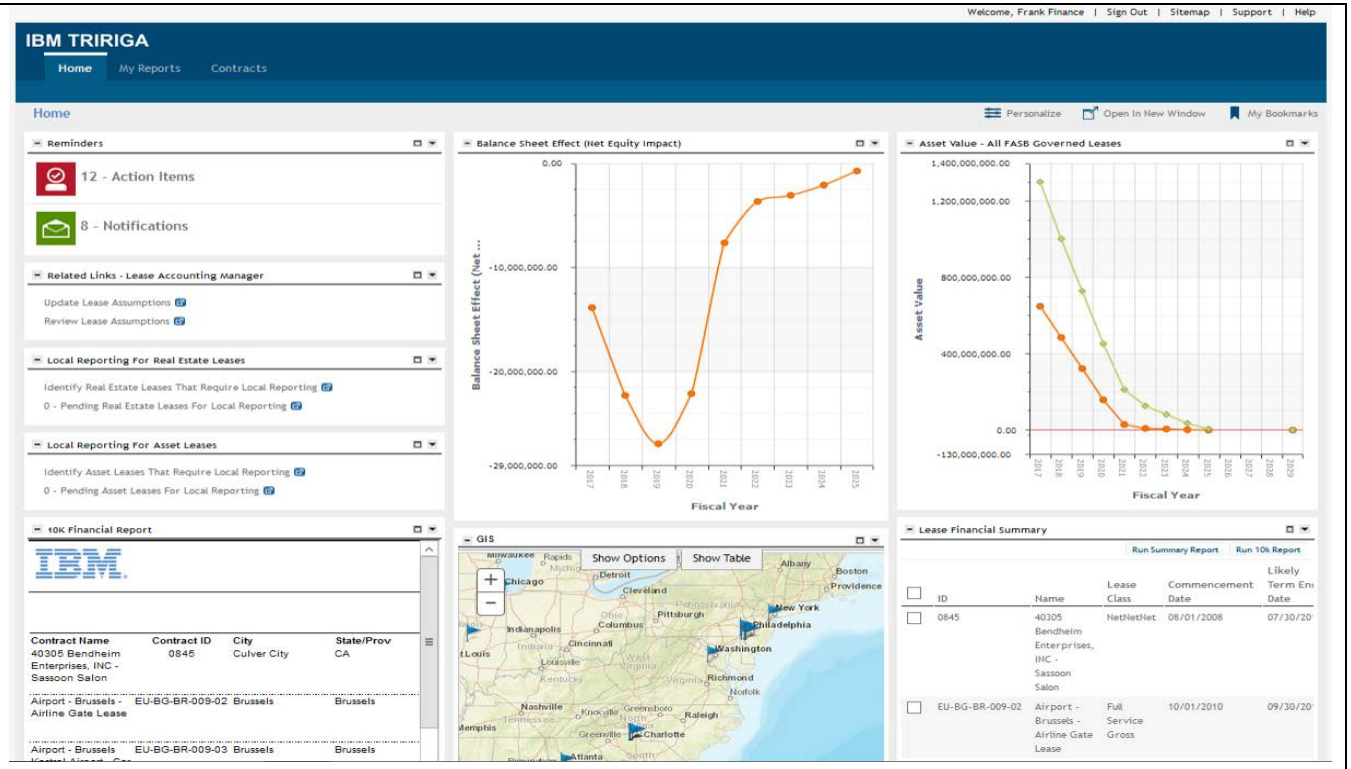
Select the leases that require local reporting from the portal and then generate the local reporting for each lease.

10K Financial Report

TRIRIGA produces a 10K report, showing your lease obligations each year for the next 5 years, and then a total of those commitments for 6 years and beyond.

Lease Financial Summary

Open up full screen view. This report provides a financial summary of your portfolio, focusing on your commitments, Straight-Line Rent per Year, Rent Expense, Maintenance, Security, Taxes, etc. You can filter the report to get a narrower view and drill into any of the leases on the report.



Global Application Settings

Review Assumptions Defaults

Sets the default review period for performing lease assumption reviews. At this interval, the lease accountant will get notified that assumption reviews are due.

Borrow Rate & % Growth Assumption Defaults

The Incremental Borrowing Rate field sets the default borrow rate to use. The value is defaulted when the lease is created. The default is 3%. Borrow rate is used in calculating the Net Present Value.

The Index Growth % field sets the defaults for Index Growth % to be used for index-based leases for the new accounting standard.

The FMRV Growth % field sets the fair market value % default to be used for leases that include the FMRV clause.

Rent Component Assumption Defaults

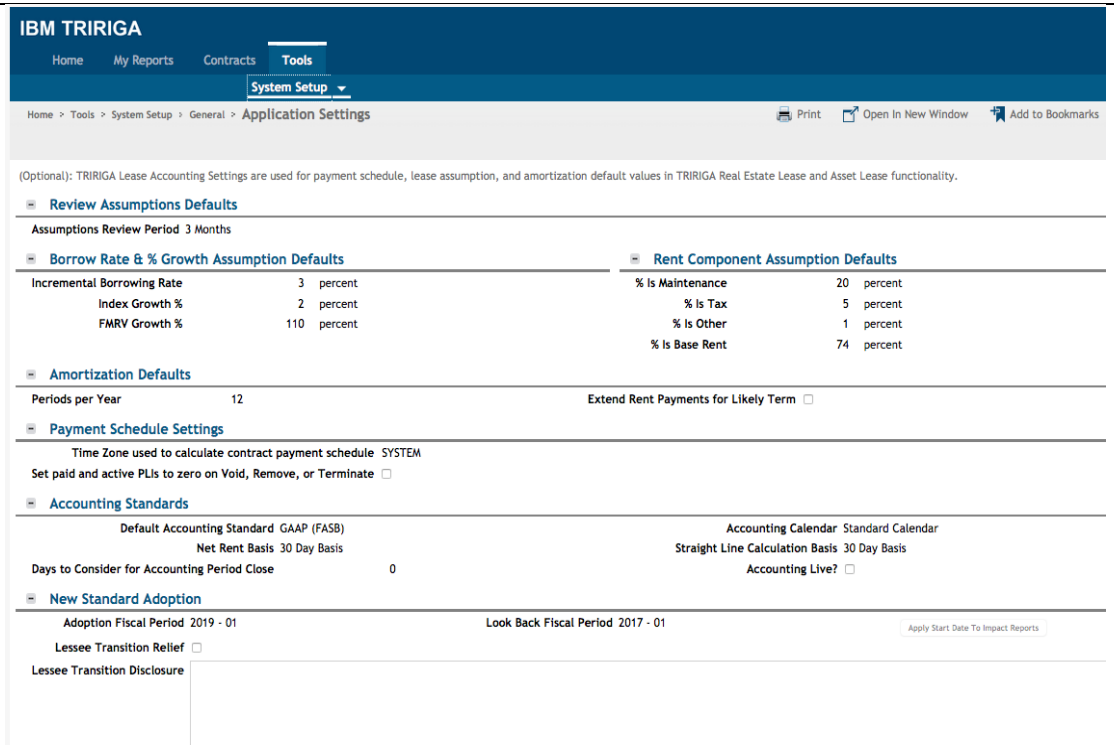
The fields in this section set default percentages for maintenance, tax, insurance, other, and base rent to be used for Gross leases.
TRIRIGA uses this base rent percentage to determine the portion of the rent that should be included in the NPV calculation as defined by ASC 842 on adoption.

Amortization Defaults

In the Periods per Year field, set the default number of periods to be used for a year. The default is 12.
Select the Extend Rent Payments for Likely Term check box to extend the rent payments for the likely term option from the last payment schedule on the lease if no payment schedule is defined for the likely term option.

Payment Schedule Settings

Set the time zone to be used when creating payment schedules. The default is System.



Accounting Standards

This section includes the settings required for lease accounting calculations for straight-line schedule/amortization and Operating/Finance schedule. The Accounting Calendar is used to define fiscal periods and accounting schedules. System defaults to the Standard Calendar, but can also support retail calendars such as 445 and 454 fiscal calendars.

The Default Accounting Standard sets the default corporate accounting standard. Contrary to earlier versions of TRIRIGA, this standard will be used as the standard for all leases. Leases that require local reporting according to another accounting standard will use the local reporting option as explained in a separate topic below.

The Net Rent Basis sets the default for how the net rent payment is calculated on the Straight-Line Rent, Amortization, Operating, & Finance schedules for the new accounting standard. The default is 30 Day Basis.

The Straight Line Calculation Basis sets how the rent expense value on the Straight-Line Rent, Amortization, Operating, & Finance schedules is calculated. The default is 30 Day Basis. The other option is actual-day basis.

The Days to Consider for Accounting Period field sets the default number of days to be considered beyond a fiscal period for it to be considered a closed period. System defaults to zero and will not let you post to a closed period. As an example, assume that days to close = 6 days & that you have a new lease effective during the current fiscal period. You will be able to adjust the accounting data up to 6 days after the fiscal period end.

Until you have fully set up your accounting information, you can turn off validations for the Audit Assumptions Log by clearing the Accounting Live? check box. By default, it is not selected.

New Standard Adoption

Set the Adoption Fiscal Period to the period when the new accounting standard is to be adopted. Set the Look Back Fiscal Period to the period of history needed for the new accounting standard. Typically, this is set to two years before the Adoption Fiscal Period.

To apply the start date of the Look Back Fiscal Period for metric report filtering, click the Apply Start Date to Impact Reports action.

To get relief for new accounting standards for taxes and insurances, check the Lessee Transition Relief check box and enter a disclosure note in the Lessee Transition Disclosure field. In the final standard published by the FASB, this is referred to as Practical Expedients.

Lease Accounting Parameters

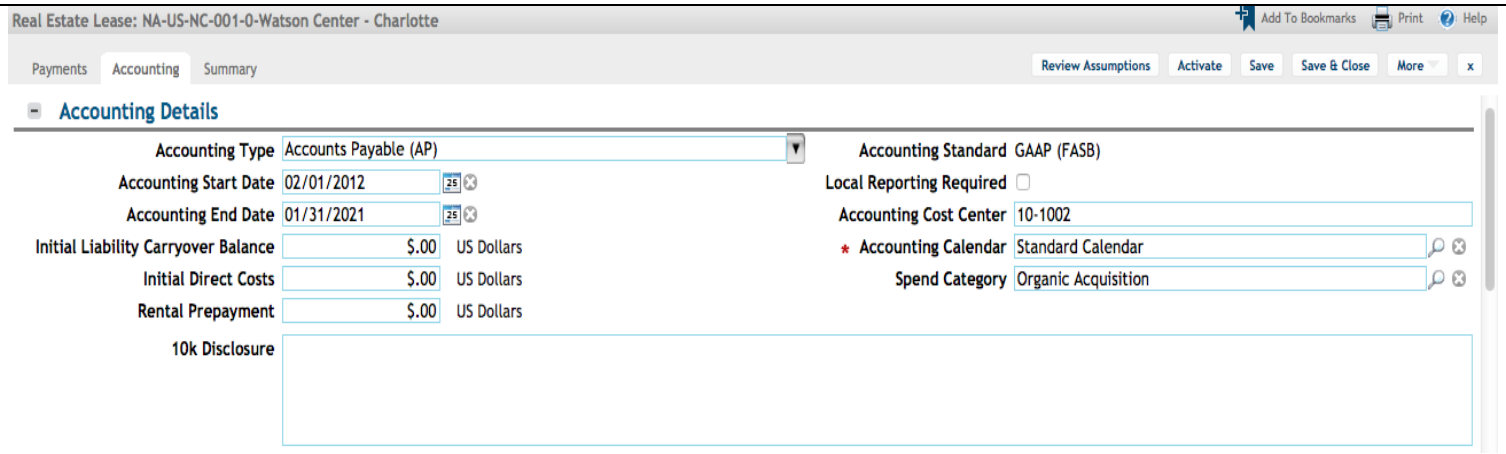
(1) Only Lease Accountant has access ***(Separation of Duties)***

(2) Comply much less expensively – input from our lease accounting customers and Accounting partners led to our pre-configured solution….

The result is a **blend of accounting controls with flexibility** required by your Real Estate Lease Administration and Finance teams.

(3) TRIRIGA has global settings for the Accounting Standard & Accounting Calendar. We ship a Standard Monthly Calendar, 4-4-5 and 4-5-4 Retail fiscal calendars with root-nodes only, and support user-defined calendars.

(4) As mentioned in the local reporting section, clicking this checkbox will show a local reporting according to another accounting standard.



Lease Data Migration Considerations

A ***key aspect*** of our solution is the **Initial Liability Carryover Balance capability**. During Data Migration, some of our customers have had 10s of thousands of leases to reconcile against their Excel-based Straight-Line Rent Schedules.

- This feature allows you to (a) pick your go-live date, gather your accrued liability for each lease, TRIRIGA then adjusts the accrual liability based upon the carryover.
- This saves the lease administrator from capturing payment details all of the way from the lease inception.
- It also allows the lease accountant to reconcile the straight-line rent schedule very quickly, accelerating your data migration.

Real Estate Lease: 1003035-0-Watson Center - DC Site Acquisition

Add To Bookmarks | Print | Help

General | Clauses, Options & Terms | Payments | Accounting | History | Summary

Review Assumptions | Revise | More | x

Accounting Type	Accounts Payable (AP)		Accounting Standard	GAAP (FASB)
Accounting Start Date	01/01/2016		Local Reporting Required	☐
Accounting End Date	12/31/2018		Accounting Cost Center	2671
Initial Liability Carryover Balance	$-100,000.00	US Dollars	* Accounting Calendar	Standard Calendar
Initial Direct Costs	$12,000.00	US Dollars	Spend Category	M&A Driven Acquisition
Rental Prepayment	$.00	US Dollars	Payment Timing	Payment in Advance
10k Disclosure				

FASB Treatment

FASB Lease Type	Building and Land		Lease Treatment	OPERATING	
Does Property Transfer Ownership at End of Lease?	No		Is Lessor Implicit Interest Known?	No	
Does Lease have a Bargain Purchase Option?	No				
Does Lease begin in the last 25% of Building Life?	No		Incremental Borrowing Rate	0	percent
Is Lease Term 75% >= Asset's Economic Life?	No		Lease Rate Used (Calculated)	0	percent
Is NPV of Rent >= 90% of Asset's FMV?	No		Est. Economic Life of Asset (Yrs)	40	
Total Rent	$720,000.00	US Dollars	Fair Market Value	$.00	US Dollars
Rent Obligation as % of FMV	0	percent	Land Percentage	0	percent
NPV of Rent	$682,563.77	US Dollars	Fair Value of Building	$.00	US Dollars
NPV of Rent/Building Only (Discounted)	$682,563.77	US Dollars	Fair Value of Land	$.00	US Dollars
Land Portion of Rent	$.00	US Dollars	Land's Value > 25% of FV of Property?	No	
Lease Term (in years)	3		IRR	0	percent

Lease Classification

Lease Classification	Operating	Fair Market Value	$.00	US Dollars
No alternative use of specialized asset to lessor at end of lease term?	No	Lease Rate Used (IRR)	0	percent
Management Assumptions				

Straight-Line Rent Schedule

Export 36 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrual Liability
2016 - 01	$10,000.00	$17,222.22	$-7,222.22	$-107,222.22
2016 - 02	$10,000.00	$17,222.22	$-7,222.22	$-114,444.44
2016 - 03	$10,000.00	$17,222.22	$-7,222.22	$-121,666.66

Lease Classification

GAAP (FASB ASC 842) Lease Classification

- Lease Treatment – since 2011, we have supported FASB and the IASB lease treatment. Based upon your answers to the "tests" in the FASB ASC 840, TRIRIGA automatically calculates the lease treatment and the NPV of Rent within the accounting period that you established in the section above.

FASB Treatment — Calculate Lease Treatment

FASB Lease Type	Building and Land		Lease Treatment	OPERATING	
Does Property Transfer Ownership at End of Lease?	No		Is Lessor Implicit Interest Known?	No	
Does Lease have a Bargain Purchase Option?	No				
Does Lease begin in the last 25% of Building Life?	No		Incremental Borrowing Rate	3	percent
Is Lease Term 75% >= Asset's Economic Life?	No		Lease Rate Used (Calculated)	3	percent
Is NPV of Rent >= 90% of Asset's FMV?	No		Est. Economic Life of Asset (Yrs)	40	
Total Rent	$18,009,270.48	US Dollars	Fair Market Value	$21,000,000.00	US Dollars
Rent Obligation as % of FMV	74.6573	percent	Land Percentage	0	percent
NPV of Rent	$15,678,038.57	US Dollars	Fair Value of Building	$21,000,000.00	US Dollars
NPV of Rent/Building Only (Discounted)	$15,678,038.57	US Dollars	Fair Value of Land	$.00	US Dollars
Land Portion of Rent	$.00	US Dollars	Land's Value > 25% of FV of Property?	No	
Lease Term (in years)	9				

- We leverage that capability by calculating the new Lease Classification when you click 'Calculate Lease Treatment'.
- The new FASB, ASC 842, has a new question. If there is no alternative use of this 'specialized asset' to lessor at the end of the lease term, answer Yes, and TRIRIGA will set the Lease Classification to Finance.

Lease Classification — Override Lease Classification

Lease Classification	Finance		Fair Market Value	$850,000.00	US Dollars
No alternative use of specialized asset to lessor at end of lease term?	Yes		Lease Rate Used (IRR)	0	percent
* Management Assumptions					

- However, given the guidance from our Accounting Partners, we realize that there is no longer a 'brightline'; TRIRIGA allows you to override back to an Operating Lease. If user clicks, override, TRIRIGA makes the management assumption **disclosure** field required.

If the lease accountant overrides the lease classification, TRIRIGA requires a management assumption for disclosures.

IFRS 16 (IASB) Lease Classification

- Lease Treatment – since 2011, we have supported the FASB and the IASB lease treatment. Based upon your answers to the "tests" for the IFRS 9 treatment, TRIRIGA automatically calculates the lease treatment and the NPV of Rent within the accounting period that you established in the section above.

IFRS Treatment — Calculate Lease Treatment

IFRS Lease Type: Building and Land — Lease Treatment: OPERATING

20.4 Requirements

Does the lease substantially transfer all the risks and rewards incidental to ownership? No

20.5 Requirements

Does property transfer ownership at the end of the lease? No
Does the lease have a bargain purchase option? No
Is the lease term 75% greater than or equal to the asset's economic life? No
Is the NPV of rent greater than or equal to 90% of the asset's FMV? No
Are the leased assets of such a specialized nature that only the lessee can use them without major modifications? No
Are there any other conditions in which the risks and rewards of ownership are transferred to the lessee? No
Is the land amount immaterial and can the land and buildings be treated as a single unit for lease classification? No

20.6 Requirements

Can the lessee cancel the lease (and be responsible for the lessor's losses associated with the cancellation)? No
Do gains or losses from residual value fluctuation accrue to the lessee? No
Does lessee have a renewal option that is substantially below market? No

Incremental Borrowing Rate	3	percent	Is lessor implicit interest known?	No	
Lease Rate Used (Calculated)	3	percent			
NPV of Rent	$12,610,058.04	US Dollars	Estimate Economic Life of the Asset (in Years)	0	
Total Rent	$13,813,929.00	US Dollars	Fair Market Value	$15,000,000.00	US Dollars
Rent Obligation as Percentage of FMV	84.0671	percent	Land Percentage	0	percent
NPV of Rent/Building Only (Discounted)	$12,610,058.04	US Dollars	Land Portion of Rent	$.00	US Dollars
Fair Value of Building	$15,000,000.00	US Dollars	Fair Value of Land	$.00	US Dollars
Lease Term (in Years)	6		Land's value greater than 25% of FV of the property?	No	
IRR	0	percent			

- We leverage that capability by calculating the new Lease Classification when you click 'Calculate Lease Treatment'.
- The new IASB standard (IFRS 16) includes three methods of remeasuring the asset.
  a. At Amortized Cost (same as GAAP (FASB))
  b. FV under IAS 16 (PP&E)
  c. FV under IAS 40 (Investment Properties)

Lease Classification

Lease Classification: Finance — Fair Market Value: $15,000,000.00 US Dollars
Under IFRS, how will company remeasure the asset? At Amortized Cost — Lease Rate Used (IRR): 0 percent
Management Assumptions

At Amortized Cost
FV Under IAS 16
FV Under IAS 40

- *At Amortized Cost*: If using this method, lease accountants are required to review the lease assumptions by updating the Incremental Borrow Rate when reviewing lease assumptions.
- *At FV under IAS16*: If using this method, lease accountants are expected to use fair value on lease assumptions to adjust the asset value. TRIRIGA recalculates the amortization of the Asset based upon a fair value change from lease assumption review.
- *At FV under IAS40*: TRIRIGA does not support this method, however the lease accountant can export the generated finance schedule as a starting point to be worked offline in Excel.

Accounting Schedules for GAAP (FASB ASC 840) and IFRS 9 Schedules

Straight-Line Rent Schedule for Operating Leases

- Straight-Line Rent Schedule – in compliance with the **current** FASB and IASB leasing standards, TRIRIGA produces a Straight-Line Rent Schedule for operating leases.
- With guidance from our **Big Four Accounting Partners**, TRIRIGA handles partial periods, retroactive payment controls, indexed rent that is certain, and liability carryover (deferred rent) for lease amendments.

Straight-Line Rent Schedule

Export 108 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrual Liability
2012 - 02	$136,433.87	$166,752.50	$-30,318.63	$-30,318.63
2012 - 03	$136,433.87	$166,752.50	$-30,318.63	$-60,637.26
2012 - 04	$136,433.87	$166,752.50	$-30,318.63	$-90,955.89
2012 - 05	$136,433.87	$166,752.50	$-30,318.63	$-121,274.52
2012 - 06	$136,433.87	$166,752.50	$-30,318.63	$-151,593.15
2012 - 07	$136,433.87	$166,752.50	$-30,318.63	$-181,911.78
2012 - 08	$136,433.87	$166,752.50	$-30,318.63	$-212,230.41
2012 - 09	$136,433.87	$166,752.50	$-30,318.63	$-242,549.04

Amortization Schedule for Capital & Finance Leases

- Amortization Schedule – in compliance with the **current** FASB and IASB leasing standards, TRIRIGA produces an Amortization Schedule for capital / finance leases.

Amortization Schedule

Export 36 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Asset Value	Liability Value	Net Equity
2014 - 01	€10,000.00	€639.30	€9,360.70	€10,654.96	$16,115.67	€372,923.58	€374,217.84	$-1,846.77
2014 - 02	€10,000.00	€623.70	€9,376.30	€10,654.96	$16,093.41	€362,268.62	€364,841.54	$-3,671.27
2014 - 03	€10,000.00	€608.07	€9,391.93	€10,654.96	$16,071.10	€351,613.66	€355,449.61	$-5,473.48
2014 - 04	€10,000.00	€592.42	€9,407.58	€10,654.96	$16,048.77	€340,958.70	€346,042.03	$-7,253.35
2014 - 05	€10,000.00	€576.74	€9,423.26	€10,654.96	$16,026.40	€330,303.74	€336,618.77	$-9,010.85
2014 - 06	€10,000.00	€561.03	€9,438.97	€10,654.96	$16,003.98	€319,648.78	€327,179.80	$-10,745.94
2014 - 07	€10,000.00	€545.30	€9,454.70	€10,654.96	$15,981.54	€308,993.82	€317,725.10	$-12,458.58
2014 - 08	€10,000.00	€529.54	€9,470.46	€10,654.96	$15,959.05	€298,338.86	€308,254.64	$-14,148.73
2014 - 09	€10,000.00	€513.76	€9,486.24	€10,654.96	$15,936.53	€287,683.90	€298,768.40	$-15,816.36
2014 - 10	€10,000.00	€497.95	€9,502.05	€10,654.96	$15,913.98	€277,028.94	€289,266.35	$-17,461.44

Initial Adoption of the FASB ASC 842 and IFRS 16 Leasing Standards

Initial Adoption - in order to set the operating schedule to start from the Look-back period that you established in application settings, select "Initial Adoption to New Standards" as the Review Type.

TRIRIGA will set the Effective Fiscal Period to the Look-back Period as setup in application settings.

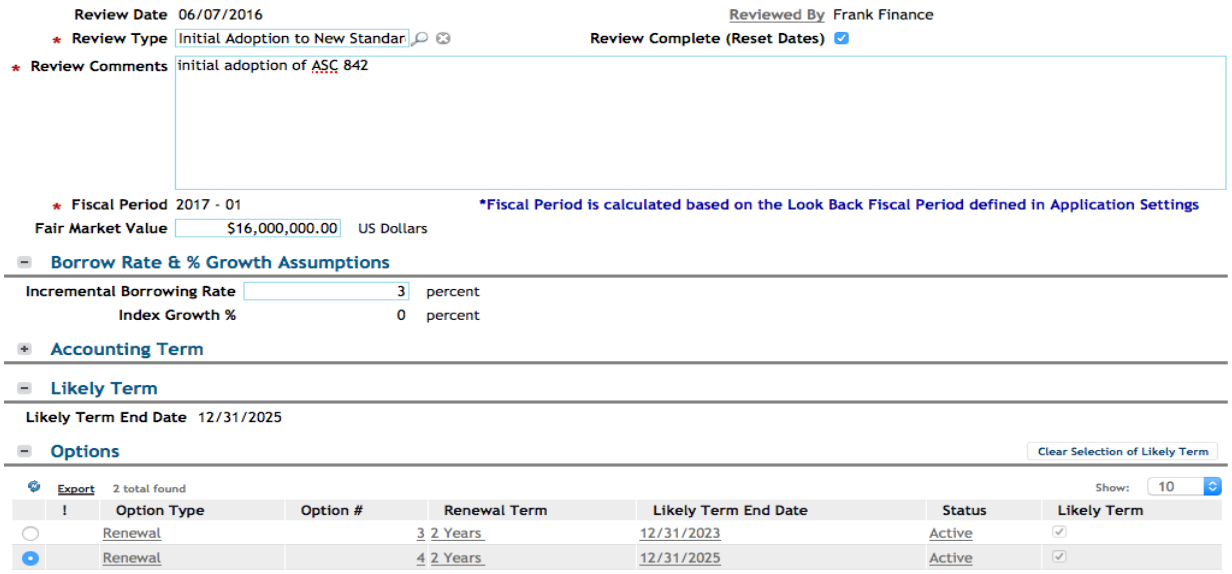
Typically, the lease accountant user will: Update the borrowing rate.

Select the likely renewal term.

Click Submit and TRIRIGA will restart the operating schedule from the look-back period and recalculate the NPV, Liability Value, Accrued Liability, and Asset Value.

Today, TRIRIGA includes the rent component in the calculation of NPV for gross leases.

After confirming that the Straight-Line Rent Schedule is accurate, click Review Assumptions.



Operating and Finance Schedules for GAAP (FASB ASC 842) and IFRS 16

Financial Assumptions

- As we scroll down on the Accounting Tab, the Financial Assumptions for lease accounting under the new FASB & IASB standards are visible.
- Since 2010, TRIRIGA has supported option term payments. This comes into play as you use TRIRIGA to select your Likely Term based upon your renewal options.
- TRIRIGA provides global settings in order to establish your Adoption Date and Two Year Look-back period.

Financial Assumption Reviews

Last Review Date	04/25/2016	Review Period	6 Months
Next Review Date	10/25/2016	Last Reviewed By	

Term Assumption

Commencement Date	02/01/2012	Short Term Lease	No
Likely Expiration Date	01/31/2025		
Likely Term	12 Years 11 Months 4 Weeks 21 Hours	Extend Rent Payments for Likely Term	☑
Adoption Date	01/01/2017	Standard Adopted	☑
Reassessed Effective Date	01/01/2017		

Borrow Rate & % Growth Assumptions

Incremental Borrowing Rate	3	percent

Term Option

Name	Renewal	Option Type	Renewal
Option #	4	Likely Term End Date	01/31/2025

- When your accounting policy is established, you will have the information that you need in order to adopt the new leasing standard. To facilitate your transition, TRIRIGA allows you to adopt the standard in bulk, for groups of leases.
- (For clarity, 'establishing the accounting policy' means that the corporation's accounting executives defined the adoption and look-back periods and set standards for establishing likely term and practical expedients.)
- As of the look-back period, TRIRIGA will calculate the NPV of Rent.

Schedule Summary

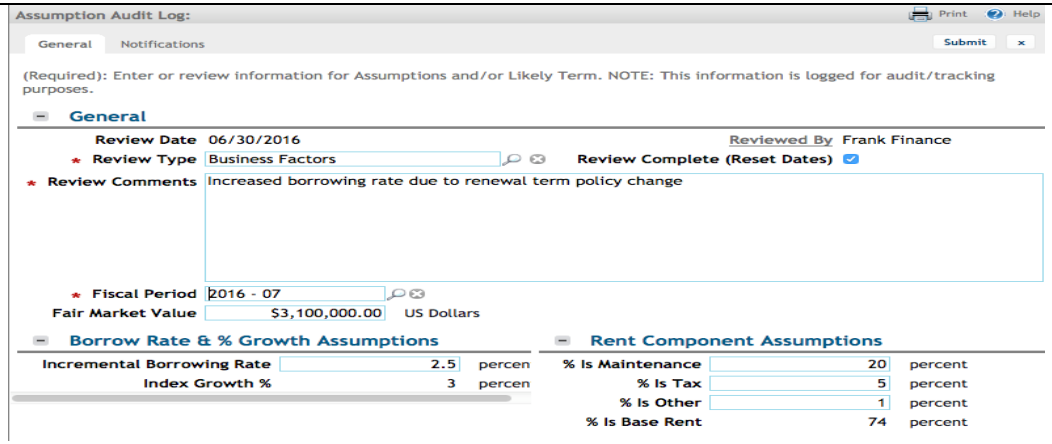
Total Rent Expenses	$15,780,000.00	US Dollars	Current NPV of Rent	$13,801,301.75	US Dollars
Straight Line Rent per Year	$1,753,333.33	US Dollars	Total Maintenance Expenses	$3,581,389.20	US Dollars
Total Security Expenses	$.00	US Dollars	Total Tax Expenses	$1,534,881.00	US Dollars
Total Other Expenses	$.00	US Dollars	Total Insurance Expenses	$.00	US Dollars
Total Incentive Income	$.00	US Dollars	Total Utilities Expenses	$.00	US Dollars

Non-Rent Components in Gross Leases

- For a gross lease, TRIRIGA exposes the non-rent components section within the lease assumption review form and within the lease accounting tab.
- The global settings for rent component assumptions are defaulted, but may be overwritten on individual leases or when performing a bulk lease assumption review.
- The Net Rent Payment in the Straight-Line Rent Schedule and Operating Schedule will use the base rent percentage in order to adjust the gross rent in the payment schedules.

Future: If the lease commences after the adoption of the new standard, TRIRIGA will include rent, tax, and insurance in the calculation of NPV.

Future: TRIRIGA will allows users to separate lease and non-lease components if the policy election is elected.



Tenant Improvement Incentives (TI)

- TRIRIGA provides two separate schedules for TI under ASC 840 and IAS 9.
- One schedule covers the TI received before lease commencement, and the second schedule covers the TI received after lease commencement. This is done in order to carry forward unamortized lease incentives to calculate the initial ROU Asset Value on transition to ASC 842.
- For ASC 842 and IFRS17, TRIRIGA reduces the overall liability in the fiscal period in which the TI is received by netting the TI against the lease payments. In other words, the net rent payment is reduced in the period in which TI is received.

ASC 840, IAS16

Incentive Schedule Before Lease Commencement

Export 48 total found

Fiscal Period	Incentive Amount	Accrual	Liability
2016 - 07	$15,000.00	$312.50	$14,687.50
2016 - 08	$.00	$312.50	$14,375.00
2016 - 09	$.00	$312.50	$14,062.50
2016 - 10	$.00	$312.50	$13,750.00
2016 - 11	$.00	$312.50	$13,437.50
2016 - 12	$.00	$312.50	$13,125.00
2017 - 01	$.00	$312.50	$12,812.50
2017 - 02	$.00	$312.50	$12,500.00
2017 - 03	$.00	$312.50	$12,187.50
2017 - 04	$.00	$312.50	$11,875.00
2017 - 05	$.00	$312.50	$11,562.50

Incentive Schedule After Lease Commencement

Export 48 total found

2016 - 07	$5,000.00	$312.50	$4,687.50
2016 - 08	$.00	$312.50	$4,375.00
2016 - 09	$.00	$312.50	$4,062.50
2016 - 10	$.00	$312.50	$3,750.00
2016 - 11	$.00	$312.50	$3,437.50
2016 - 12	$.00	$312.50	$3,125.00
2017 - 01	$.00	$312.50	$2,812.50
2017 - 02	$.00	$312.50	$2,500.00
2017 - 03	$.00	$312.50	$2,187.50
2017 - 04	$.00	$312.50	$1,875.00
2017 - 05	$.00	$312.50	$1,562.50
2017 - 06	$.00	$312.50	$1,250.00
2017 - 07	$10,000.00	$312.50	$10,937.50

ASC 842, IFRS 16

Schedule Summary

Total Rent Expenses	$2,162,000.00	US Dollars	Current NPV of Rent	$2,053,517.98	US Dollars
Straight Line Rent per Year	$617,714.29	US Dollars	Current Asset Value	$2,028,267.98	US Dollars
Total Maintenance Expenses	$.00	US Dollars	Total Security Expenses	$.00	US Dollars
Total Tax Expenses	$.00	US Dollars	Total Other Expenses	$.00	US Dollars
Total Insurance Expenses	$.00	US Dollars	Total Utilities Expenses	$.00	US Dollars

Operating Schedule

Export 42 total found

Fiscal Period	Net Rent Payment	Variable Lease Payment	Rent Expense	Accrual	Accrued Liability	Interest Expense	Change in Liability Value	Liability Value	Asset Value	Amortization	Gain (Loss) on Revaluation	Net Equity
2017 - 01	$50,000.00	$.00	$50,875.00	$-1,187.50	$-13,312.50	$5,008.79	$-44,991.21	$2,008,526.77	$1,982,401.77	$45,866.21	$.00	$-26,125.00
2017 - 02	$50,000.00	$.00	$50,875.00	$-1,187.50	$-14,500.00	$4,896.32	$-45,103.68	$1,963,423.09	$1,936,423.09	$45,978.68	$.00	$-27,000.00
2017 - 03	$50,000.00	$.00	$50,875.00	$-1,187.50	$-15,687.50	$4,783.56	$-45,216.44	$1,918,206.64	$1,890,331.65	$46,091.44	$.00	$-27,874.99
2017 - 04	$50,000.00	$.00	$50,875.00	$-1,187.50	$-16,875.00	$4,670.52	$-45,329.48	$1,872,877.16	$1,844,127.17	$46,204.48	$.00	$-28,749.99
2017 - 05	$50,000.00	$.00	$50,875.00	$-1,187.50	$-18,062.50	$4,557.19	$-45,442.81	$1,827,434.35	$1,797,809.36	$46,317.81	$.00	$-29,624.99
2017 - 06	$50,000.00	$.00	$50,875.00	$-1,187.50	$-19,250.00	$4,443.59	$-45,556.41	$1,781,877.94	$1,751,377.95	$46,431.41	$.00	$-30,499.99
2017 - 07	$41,000.00	$.00	$50,875.00	$-10,187.50	$-29,437.50	$4,352.19	$-36,647.81	$1,745,230.14	$1,704,855.14	$46,522.81	$.00	$-40,375.00
2017 - 08	$51,000.00	$.00	$50,875.00	$-187.50	$-29,625.00	$4,235.58	$-46,764.42	$1,698,465.71	$1,658,215.72	$46,639.42	$.00	$-40,249.99
2017 - 09	$51,000.00	$.00	$50,875.00	$-187.50	$-29,812.50	$4,118.66	$-46,881.34	$1,651,584.37	$1,611,459.38	$46,756.34	$.00	$-40,124.99
2017 - 10	$51,000.00	$.00	$50,875.00	$-187.50	$-30,000.00	$4,001.46	$-46,998.54	$1,604,585.84	$1,564,585.84	$46,873.54	$.00	$-40,000.00
2017 - 11	$51,000.00	$.00	$50,875.00	$-187.50	$-30,187.50	$3,883.96	$-47,116.04	$1,557,469.80	$1,517,594.80	$46,991.04	$.00	$-39,875.00

Operating Schedule – GAAP (FASB)

- At that point, if accounting standard is FASB, TRIRIGA will generate the Operating Schedule required for the new FASB Standard, ASC 842.
- It will carry forward the deferred rent from the prior period on your Straight-Line Rent schedule, as you'll see in the Accrued Liability for the first fiscal period.
- The left 4 columns are essentially today's straight-line rent schedule.

Operating Schedule

Export 97 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrued Liability	Interest Expense	Principal	Liability Value	Asset Value	Amortization	Gain (Loss) on Revaluation	Net Equity
2017 - 01	$170,542.33	$183,396.50	$-12,854.17	$-812,508.00	$40,756.40	$129,785.93	$16,343,315.39	$14,895,746.06	$66,288.39	$.00	$-1,447,569.33
2017 - 02	$179,069.45	$183,396.50	$-4,327.05	$-816,835.05	$40,410.61	$138,658.84	$16,204,656.56	$14,782,504.28	$65,827.67	$.00	$-1,422,152.28
2017 - 03	$179,069.45	$183,396.50	$-4,327.05	$-821,162.10	$40,063.97	$139,005.48	$16,065,651.08	$14,668,762.06	$65,327.23	$.00	$-1,396,889.02
2017 - 04	$179,069.45	$183,396.50	$-4,327.05	$-825,489.15	$39,716.45	$139,353.00	$15,926,298.08	$14,554,517.19	$64,824.58	$.00	$-1,371,780.89
2017 - 05	$179,069.45	$183,396.50	$-4,327.05	$-829,816.20	$39,368.07	$139,701.38	$15,786,596.70	$14,439,767.44	$64,319.70	$.00	$-1,346,829.26
2017 - 06	$179,069.45	$183,396.50	$-4,327.05	$-834,143.25	$39,018.82	$140,050.63	$15,646,546.07	$14,324,510.59	$63,812.60	$.00	$-1,322,035.48

- To the right of that, the FASB calls for a hybrid amortization schedule with an amortization that is derived from Rent Expense and Interest Expense.
- TRIRIGA now supports Impairment and calculates Gain or Loss under the appropriate lease modifications, according to guidance from our Accounting Partners.
- TRIRIGA now includes the unamortized costs including Initial Direct Costs, Rental Prepayments, and Tenant Improvement Incentives in the calculation of the initial asset value.
- Lastly, but most importantly, TRIRIGA calculates the Net Equity from the Right of Use (ROU) Asset and Liability Value. Using this value, you can see the impact of your operating leases on your balance sheet under the new leasing standard.
- In 10.5.1, Operating/Finance schedules are supported for payment schedules with frequency="Monthly". The Operating/Finance schedule works for non-monthly frequency (Quarterly, Semi-Annually) in cases where the Accounting End date is equal to the Likely expiration date. Whether monthly or non-monthly, TRIRIGA calculates a monthly rate in order to populate a net rent payment in the accounting schedule. In effect, the amount of was spread across the months in the non-monthly frequency.
- TRIRIGA now calculates, in the operating schedule, Net Rent Payments for option term payments with frequencies other than monthly.
- In 10.5.2, TRIRIGA delivers full support of monthly and non-monthly frequency of payments for Operating/Finance leases. TRIRIGA uses the due date of the payment that corresponds to the fiscal period In order to populate the net rent payment.

Finance Schedule – IFRS (IASB)

- At that point, if accounting standard is IASB, TRIRIGA will generate the Finance Schedule required for the new IFRS 16.
- The Finance Schedule resembles the Amortization Schedule produced for IFRS 9.

Finance Schedule

Export 60 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Rent Expense	P & L Impact	Asset Value	Gain (Loss) on Revaluation	Liability Value	Net Equity
2017 - 01	$179,069.45	$26,836.16	$152,233.29	$181,892.24	$208,728.40	$196,123.68	$12,604.72	$10,731,642.31	$.00	$10,761,301.26	$-29,658.95
2017 - 02	$179,069.45	$26,455.58	$152,613.87	$181,892.24	$208,347.82	$196,123.68	$12,224.14	$10,549,750.07	$.00	$10,608,687.39	$-58,937.32
2017 - 03	$179,069.45	$26,074.04	$152,995.41	$181,892.24	$207,966.28	$196,123.68	$11,842.60	$10,367,857.83	$.00	$10,455,691.99	$-87,834.16
2017 - 04	$179,069.45	$25,691.56	$153,377.89	$181,892.24	$207,583.80	$196,123.68	$11,460.12	$10,185,965.59	$.00	$10,302,314.09	$-116,348.50
2017 - 05	$179,069.45	$25,308.11	$153,761.34	$181,892.24	$207,200.35	$196,123.68	$11,076.67	$10,004,073.35	$.00	$10,148,552.75	$-144,479.40
2017 - 06	$179,069.45	$24,923.71	$154,145.74	$181,892.24	$206,815.95	$196,123.68	$10,692.27	$9,822,181.11	$.00	$9,994,407.01	$-172,225.90

- TRIRIGA now supports Impairment and calculates Gain or Loss under the appropriate lease modifications, according to guidance from our Accounting Partners.
- TRIRIGA now includes the unamortized costs including Initial Direct Costs, Rental Prepayments, and Tenant Improvement Incentives in the calculation of the initial asset value.
- Lastly, but most importantly, TRIRIGA calculates the Net Equity from the Right of Use (ROU) Asset and Liability Value. Using this value, you can see the impact of your operating leases on your balance sheet under the new leasing standard.
- In 10.5.1, Operating/Finance schedules are supported for payment schedules with frequency="Monthly". The Operating/Finance schedule works for non-monthly frequency (Quarterly, Semi-Annually) in cases where the Accounting End date is equal to the Likely expiration date. Whether monthly or non-monthly, TRIRIGA calculates a monthly rate in order to populate a net rent payment in the accounting schedule. In effect, the amount of was spread across the months in the non-monthly frequency.
- TRIRIGA now calculates, in the operating schedule, Net Rent Payments for option term payments with frequencies other than monthly.
- In 10.5.2, TRIRIGA delivers full support of monthly and non-monthly frequency of payments for Operating/Finance leases. TRIRIGA uses the due date of the payment that corresponds to the fiscal period in order to populate the net rent payment.
- In 10.5.2, for leases that include contingent rent, TRIRIGA will calculate the rent expense using the amount that is certain, the minimum percent increase. As actual indexation is recorded, TRIRIGA restates the finance schedule for IFRS from the effective fiscal period forward, reflecting the change in the liability.
- Future: Variable lease payments for GAAP and IFRS needs to be calculated.

Contingent Rent

- The initial generation of TRIRIGA Straight-Line Rent Schedules reflect the amount of indexation that is certain. In other words, the minimum % increase (floor) specified in the lease contract.

Lease Clause Details

* Clause Type	Rent	Section Category	Rent

Clause Summary: Minimum Rent Step with annual CPI increases. 08/01/08 - 07/31/18. Minimum Rent shall be increased annually on August 1st by the percentage increase in the CPI for Urban Wage Earners & Clerical Workers for L.A.-Riverside-Orange County consolidated metro area (1982-84=100). CPI published for the month which is the 4th calendar month prior to the Adjustment Date ("Adjustment Index") shall be compared with the CPI published for the month which is 4 calendar months prior to the CD ("Base Index"). Min = 3%, Max = 6%. Initial Base Rent x Adjustment Index / Base Index.

Covenant Details

Clause Text

Index Adjustments

Cost Index	CPI	Index Source	Urban Wage Earners & Clerical Workers for L.A.-Riverside-Orange County consolidated metro area
Base Year	1984	Base Index Date	
Base Index (Percent)	100	Index Percent at Base Year	100
Adjustment Frequency	Annually	Adjustment Reminder	0
* First Adjustment Date	08/01/2009		
Minimum % Increase	3	Lifetime Min % Increase	0
Maximum % Increase	6	Lifetime Max % Increase	0
Description			

Payment Schedule

Related Reports -Select- Recurring Payment Setup

Export 1 total found Show: 10

!	Payment Type	Description	Frequency	Start Date	End Date	Current Period Start Date	Cost per Unit	Contract Rentable	Charge Amount Basis	Expected Cash Pre Tax	Total Tax	Expected Cash Total	Status
	Rent		Monthly	08/01/2008	07/31/2018		$81.18	3000 square-feet	per Month	$20,295.59	$.00	$20,295.59	Scheduled

- The Straight-Line Rent Schedule's Net Rent Payment column will reflect a compound.
- In the upcoming release, the Operating Schedule's Net Rent Payment will include the same logic.

Straight-Line Rent Schedule

Export 120 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrual Liability
2009 - 07	$20,295.59	$23,266.62	$-2,971.03	$-35,652.36
2009 - 08	$20,904.46	$23,266.62	$-2,362.16	$-38,014.52
2009 - 09	$20,904.46	$23,266.62	$-2,362.16	$-40,376.68
2009 - 10	$20,904.46	$23,266.62	$-2,362.16	$-42,738.84

- On the anniversary, when the actual indexation is applied, the IFRS and GAAP treatment of the indexation differs.

For GAAP, TRIRIGA shows the variable lease payment within the operating schedule.

For IFRS, TRIRIGA will recalculate the liability, update the Net Rent Payment, and restate the finance schedule from the effective date of the indexation forwards.

Lease Modifications

The following are four typical reasons that a lease administrator may need to modify a lease.

Scenario 1: Additional Entry / Changes / Error Correction within Current Lease Term

This could be due to an error correction or simply an additional payment that was not known when the lease was first abstracted. On the Active Lease, click Data Revise and use data revise or amendment, following the guidance below:

- For changes to Lease Clauses, Options, Services, or Space Use Agreements, use the Data Revise option.
- For changes to Payments that do not affect accounting schedules, use the Data Revise option. Examples include the following:
    a. CAM / OPEX estimate updates.
    b. Insurance
    c. Property Taxes

- When a lease administrator revises a lease and chooses Data Revise, TRIRIGA now includes an effective date. If the Effective Date falls after the End of the first fiscal period, plus the global application setting of Days to Close, the lease administrator should use the, use the Amendment or Copy and Link options for changes affecting accounting schedules. Examples include the following:
    a. Rent Payments
    b. Tenant Improvement Incentives
    c. Accounting Control Period

In accordance with ASC 842 and IFRS 16, no Gain or Loss on Asset Revaluation is recognized by TRIRIGA in these three instances.

Scenario 2: Lease Extension

For lease extensions; such as the exercise of a renewal option, use the Amendment option. This will capture a full snapshot of the lease, prompt you to adjust accounting start date to the effective date of the renewal, carry forward the deferred rent, and calculate the new rent expense.

Scenario 3: Future Lease Modification with Decreased Scope

In a scenario where your rentable square footage has decreased, use the Amendment option and TRIRIGA will capture the Gain (Loss) on Asset Revaluation:

- 10 year lease, annual payment of $100,000, 6% rate --> amortization schedule, lease liability $590,767.
- At beginning of year 6, reduce lease space by 50% and lease payment to $68,000, rate now 7%.
    - Remeasured lease liability is $306,098.
    - Difference in lease liability is $284,669 ($590,767-306,098).
    - This difference ($284,669/$590,767) represents a 48.2% reduction in lease liability.
    - Applying that percentage against the Right of Use Asset (ROU) gives us $247,888 = $48.2% * ROU $514,436.

In accordance with ASC 842 and IFRS 16, the Gain (Loss) on Revaluation is recognized by TRIRIGA.
$284,669 - $247,888 = $36,781 profit (ROU asset decreased by less than obligation)

*Limitation: TRIRIGA uses approach A, not approach B

Scenario 4: Lease Modification with increase in scope

A Lease Accountant now has the ability to create a new lease and relate them together for reporting purposes. Related Leases are used if a landlord has additional space and the tenant would like to expand or occupy the location. In this case, the user will need to create a copy of the lease and associate it to the original lease.

On an Active Lease, there is a new transition action called Copy & Link To Lease. This allows a copy of the original lease to create a new lease without copying the payment schedules, clauses, and options. The newly created lease will be associated to the original lease in the History tab of the Related Lease query. This function differs from the full copy function in that it excludes data such as payment schedules that the lease administrator should re-enter in order to avoid an oversight. Where this data is unlikely to be the same as the existing lease, this approach does not introduce an inefficiency.

Scenario 5: Fair Market Value Change (Restatement)

1. Fair Market Value (FMV) Increase
2. Fair Market Value (FMV) Decrease = Impairment

If a reassessment process using a review assumption is carried out, the fair market value is defaulted from the lease. If there is a change in the review assumption that is less than the fair market value recorded on the lease, the lease is an example of the “Impairment” scenario. The fair market value from the review assumption is used as a starting asset value and the amortization of Finance or Operating lease is calculated on a straight-line basis. This will result in the calculation of Gain/Loss, i.e the difference between the original asset value and the new asset value in the current period.

Future: When a lease is impaired the following should happen in the system for ASC840 (Capital leases) or ASC842 (Operating/Finance leases)
The period in which the impairment occurs, the ending Asset Value of the Fiscal line item should be updated with new Fair Market Value.
The Gain/Loss calculation is : FMV – (Previous Asset Value – Depreciation).
Gain/Loss calculated for the period where the lease is impaired.
The Rent expense (Straight line expense) after impairment should be Interest Expense + Depreciation.

Important: As of version 10.5.1 the fair market value cannot be negative. A negative value will result in incorrect calculations.

Lease Assumption Review

- IBM has enhanced the lease assumption review capability that was first implemented in 2011.
- It now captures the fiscal period in which the assumptions are effective and restates the schedule from that period forward, while not affecting the past, closed periods.
- Under IFRS 16, the fair market value (FMV) requires periodic review. TRIRIGA displays the fair market value entered previously.
-

Assumption Audit Log: Print Help

General Notifications Submit x

(Required): Enter or review information for Assumptions and/or Likely Term. NOTE: This information is logged for audit/tracking purposes.

General

Review Date 07/07/2016 Reviewed By Frank Finance

* Review Type Business Factors Review Complete (Reset Dates) ☑

* Review Comments Adjust discount rate based upon renewal policy change

* Fiscal Period 2016 - 07

Fair Market Value $15,000,000.00 US Dollars

Borrow Rate & % Growth Assumptions

Incremental Borrowing Rate 3 percent

Index Growth % 3 percent

Accounting Term

Likely Term

Likely Term End Date 01/31/2025

Options Clear Selection of Likely Term

Export 3 total found Show: 10

	!	Option Type	Option #	Renewal Term	Likely Term End Date	Status	Likely Term
○		Renewal	2	2 Years	01/31/2023	Active	☑
●		Renewal	3	2 Years	01/31/2025	Active	☑
○		Renewal	4	2 Years	01/31/2027	Active	☐

Likely Term Option

Name Renewal Option Type Renewal

Option # 3 Likely Term End Date 01/31/2025

TRIRIGA Lease Accounting Audits

Auditing – Lease Assumption Review

- A key feature of TRIRIGA's Lease Accounting Offering is the auditing, whether it is the full snapshot of your leases that we take when you amend a lease or the Assumption Audit Log that you see at the bottom of each lease's accounting tab.

- When we open this log, you will see how we capture every aspect of your lease assumption reviews.

- Within each fiscal line item from the effective fiscal period forward, the new borrowing rate will be captured.

Real Estate Lease: NA-US-NC-001-0-Watson Center - Charlotte

Add To Bookmarks | Print | Help

Payments | Accounting | Summary

Review Assumptions | Activate | Save | Save & Close | More | x

Assumption Audit Log

Related Reports -Select- Assumption Audit Logs

Export 1 total found Show: 10

Assumptions Review Date	Review Type	Review Comments	Status
04/25/2016	Initial Adoption to New Standard	initial adoption to ASC 842	Active

Assumption Audit Log: Print | Help

General | Notifications Submit | x

(Required): Enter or review information for Assumptions and/or Likely Term. NOTE: This information is logged for audit/tracking purposes.

General

Review Date 05/02/2016 Reviewed By Frank Finance

* Review Type Initial Adoption to New Standa Review Complete (Reset Dates)

* Review Comments

* Fiscal Period 2017 - 01 *Fiscal Period is calculated based on the Look Back Fiscal Period defined in Application Settings

Fair Market Value $15,000,000.00 US Dollars

Borrow Rate & % Growth Assumptions

Incremental Borrowing Rate 3 percent

Accounting Term

Accounting Start Date 02/01/2012 Accounting End Date 01/31/2021

Recalculate Schedules

Likely Term

Likely Term End Date 01/31/2025

Options Clear Selection of Likely Term

Export 2 total found Show: 10

!	Option Type	Option #	Renewal Term	Likely Term End Date	Status	Likely Term
	Renewal	3	2 Years	01/31/2023	Active	✓
	Renewal	4	2 Years	01/31/2025	Active	✓

Auditing – Lease Amendments

- In order to provide the proper support required by your auditors, TRIRIGA takes a full snapshot of your lease data, including the accounting schedules.
- At any time, you can access these read-only snapshots from the history tab of the current lease revision.

Real Estate Lease: Demo-5-Jul-1-245 Summer Street, Boston MA

Add To Bookmarks | Print | Help

General | Clauses, Options & Terms | Payments | Accounting | History | Summary

Review Assumptions | Revise | More | x

(Summary): Amendment Details and History.

Current Amendment Details

Amendment Number 1 **Amendment Date** 05/01/2016

Amendment Type Lease Extension

Description Of Changes Exercised renewal option of first floor lease at 245 Summer Street.

Amendments History of Real Estate Lease

Export 1 total found Show: 10

!	ID	Name	Revision	Lease Type	Expiration Date	Rentable	Rate	Status
	1003033	245 Summer Street, Boston MA	0	Expense Lease	12/31/2017	0 square-feet	$.00	History

Amendment History

Export 1 total found Show: 10

!	Amendment Date	Amended By	Current Amendment	Description	Change Type	Modified Date/Time
	05/01/2016	Leases, Lotta - 6043	0	Exercised renewal option of first floor lease at 245 Summer Street.	Amendment	07/05/2016 11:03 EDT

Dual Books Support

Local Reporting Tab for Foreign Property Statutory Reporting

For Multinationals, **TRIRIGA is able to generate dual reporting**; set a global accounting standard and produce both GAAP and IFRS schedules on leases in foreign countries.

- In this scenario, we are demonstrating an international leased property for a US Multinational Corporation.
- On the Accounting tab, this real estate lease will look like any other FASB lease, reporting to the corporation according to GAAP (the FASB standard). Click on the Local Reporting checkbox and a Local Reporting tab will display.
- On the Local Reporting tab, the IFRS lease treatment takes the answers from the GAAP lease treatment and prompts you for those questions that are unique to the IFRS treatment.
- Under IFRS 16, all lease are classified as Finance leases, therefore TRIRIGA generates a Finance Schedule.

Real Estate Lease: EU-DE-FR-001-0-Watson Centre - Frankfurt

Add To Bookmarks | Print | Help

Payments | Accounting | Local Reporting | Summary

Activate | Save | Save & Close | More | x

(Optional): Review Local Reporting FASB/IFRS Treatment and Lease Classification.

IFRS Treatment — Calculate Lease Treatment

IFRS Lease Type: Building and Land — Lease Treatment: OPERATING

20.4 Requirements

Does the lease substantially transfer all the risks and rewards incidental to ownership? No

20.5 Requirements

Does property transfer ownership at the end of the lease? No

Does the lease have a bargain purchase option? No

Is the lease term 75% greater than or equal to the asset's economic life? No

Is the NPV of rent greater than or equal to 90% of the asset's FMV? No

Are the leased assets of such a specialized nature that only the lessee can use them without major modifications? No

Are there any other conditions in which the risks and rewards of ownership are transferred to the lessee? No

Is the land amount immaterial and can the land and buildings be treated as a single unit for lease classification? No

20.6 Requirements

Can the lessee cancel the lease (and be responsible for the lessor's losses associated with the cancellation)? No

Do gains or losses from residual value fluctuation accrue to the lessee? No

Does lessee have a renewal option that is substantially below market? No

Lease Classification

Lease Classification: Finance

Management Assumptions:

Finance Schedule

Export 97 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Rent Expense	P & L Impact	Asset Value	Gain (Loss) on Revaluation	Liability Value	Net Equity
2017 - 01	€22,751.08	€5,437.08	€17,314.00	€17,707.34	€23,144.42	€24,290.00	€-1,145.58	€1,394,956.26	€.00	€2,180,268.92	€-785,312.66
2017 - 02	€23,888.64	€5,390.95	€18,497.69	€17,643.55	€23,034.50	€24,290.00	€-1,255.50	€1,388,711.17	€.00	€2,161,771.23	€-773,060.06
2017 - 03	€23,888.64	€5,344.71	€18,543.93	€17,564.56	€22,909.27	€24,290.00	€-1,380.73	€1,382,387.09	€.00	€2,143,227.30	€-760,840.21
2017 - 04	€23,888.64	€5,298.35	€18,590.29	€17,484.57	€22,782.92	€24,290.00	€-1,507.08	€1,375,983.02	€.00	€2,124,637.00	€-748,653.98
2017 - 05	€23,888.64	€5,251.87	€18,636.77	€17,403.58	€22,655.45	€24,290.00	€-1,634.55	€1,369,497.96	€.00	€2,106,000.23	€-736,502.27
2017 - 06	€23,888.64	€5,205.28	€18,683.36	€17,321.55	€22,526.83	€24,290.00	€-1,763.17	€1,362,930.87	€.00	€2,087,316.87	€-724,386.00
2017 - 07	€23,888.64	€5,158.57	€18,730.07	€17,238.49	€22,397.06	€24,290.00	€-1,892.94	€1,356,280.72	€.00	€2,068,586.80	€-712,306.08
2017 - 08	€23,888.64	€5,111.75	€18,776.89	€17,154.38	€22,266.13	€24,290.00	€-2,023.87	€1,349,546.46	€.00	€2,049,809.91	€-700,263.45
2017 - 09	€23,888.64	€5,064.80	€18,823.84	€17,069.20	€22,134.00	€24,290.00	€-2,156.00	€1,342,727.02	€.00	€2,030,986.07	€-688,259.05
2017 - 10	€23,888.64	€5,017.74	€18,870.90	€16,982.95	€22,000.69	€24,290.00	€-2,289.31	€1,335,821.33	€.00	€2,012,115.18	€-676,293.85

Schedules included for Dual Reporting

For a US Multinational operating lease, TRIRIGA complies with FASB ASC-840 by producing a Straight-Line Rent Schedule.

Real Estate Lease: EU-DE-FR-001-0-Watson Centre - Frankfurt

Add To Bookmarks | Print | Help

Payments | Accounting | Local Reporting | Summary

Review Assumptions | Revise | More | x

Straight-Line Rent Schedule

Export 108 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrual Liability
2012 - 02	€18,200.87	€21,897.33	€-3,696.46	€-41,299.78
2012 - 03	€18,200.87	€21,897.33	€-3,696.46	€-44,996.24
2012 - 04	€18,200.87	€21,897.33	€-3,696.46	€-48,692.70
2012 - 05	€18,200.87	€21,897.33	€-3,696.46	€-52,389.16
2012 - 06	€18,200.87	€21,897.33	€-3,696.46	€-56,085.62

On the same lease, during the transition period, TRIRIGA produces an Operating Schedule, in compliance with FASB ASC-842.

Operating Schedule

Export 97 total found

Fiscal Period	Net Rent Payment	Rent Expense	Accrual	Accrued Liability	Interest Expense	Principal	Liability Value	Asset Value	Amortization	Gain (Loss) on Revaluation	Net Equity
2017 - 01	€22,751.08	€24,290.00	€-1,538.92	€-125,277.23	€5,437.08	€17,314.00	€2,180,268.92	€.00	€.00	€.00	€-785,312.66
2017 - 02	€23,888.64	€24,290.00	€-401.36	€-125,678.59	€5,390.95	€18,497.69	€2,161,771.23	€.00	€.00	€.00	€-773,060.06
2017 - 03	€23,888.64	€24,290.00	€-401.36	€-126,079.95	€5,344.71	€18,543.93	€2,143,227.30	€.00	€.00	€.00	€-760,840.21
2017 - 04	€23,888.64	€24,290.00	€-401.36	€-126,481.31	€5,298.35	€18,590.29	€2,124,637.00	€.00	€.00	€.00	€-748,653.98
2017 - 05	€23,888.64	€24,290.00	€-401.36	€-126,882.67	€5,251.87	€18,636.77	€2,106,000.23	€.00	€.00	€.00	€-736,502.27
2017 - 06	€23,888.64	€24,290.00	€-401.36	€-127,284.03	€5,205.28	€18,683.36	€2,087,316.87	€.00	€.00	€.00	€-724,386.00

For the local statutory reporting, TRIRIGA then produces a Finance Schedule, in compliance with IFRS 16, handling situations as Contingent Rent where the ASC-842 differs from IFRS 16.

Finance Schedule

Export 97 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Rent Expense	P & L Impact	Asset Value	Gain (Loss) on Revaluation	Liability Value	Net Equity
2017 - 01	€22,751.08	€5,437.08	€17,314.00	€17,707.34	€23,144.42	€24,290.00	€-1,145.58	€1,394,956.26	€.00	€2,180,268.92	€-785,312.66
2017 - 02	€23,888.64	€5,390.95	€18,497.69	€17,643.55	€23,034.50	€24,290.00	€-1,255.50	€1,388,711.17	€.00	€2,161,771.23	€-773,060.06
2017 - 03	€23,888.64	€5,344.71	€18,543.93	€17,564.56	€22,909.27	€24,290.00	€-1,380.73	€1,382,387.09	€.00	€2,143,227.30	€-760,840.21
2017 - 04	€23,888.64	€5,298.35	€18,590.29	€17,484.57	€22,782.92	€24,290.00	€-1,507.08	€1,375,983.02	€.00	€2,124,637.00	€-748,653.98
2017 - 05	€23,888.64	€5,251.87	€18,636.77	€17,403.58	€22,655.45	€24,290.00	€-1,634.55	€1,369,497.96	€.00	€2,106,000.23	€-736,502.27
2017 - 06	€23,888.64	€5,205.28	€18,683.36	€17,321.55	€22,526.83	€24,290.00	€-1,763.17	€1,362,930.87	€.00	€2,087,316.87	€-724,386.00

Equipment Leases

Moveable Equipment Lease

A moveable lease would include Fleet (vehicles), moveable hardware, and other leased equipment.

Within TRIRIGA, a master lease agreement could hold the fleet. Each vehicle contains its own location, condition, and has ties to TRIRIGA operations and maintenance, if needed.

General | Contact Details | Assets | Clauses, Options & Terms | Payments | Accounting | History | Summary | Client Attributes | Notes &

(Optional): Details about leased assets.

Leased Assets

Export 3 total found Apply Filters Clear Filters Show More Filters

!	Image	Unit Number	Serial Number	Model Number	Name	Spec Class	Ownership Status	Ownership Status Co
					Contains	Contains	Contains	
			482149219	Aero 384	Peterbuilt - Aero 384 - 400	Truck	Lease	
			482149219	Aero 384	Peterbuilt - Aero 384 - 400	Truck	Lease	
			482149219	Aero 384	Peterbuilt - Aero 384 - 400	Truck	Lease	

Under FASB ASC 840 and IFRS 9, TRIRIGA produces an amortization schedule.

Amortization Schedule

Export 72 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Asset Value
2014 - 06	$631.94	$82.42	$549.52	$466.67	$549.09	$33,13
2014 - 07	$631.94	$81.05	$550.89	$466.67	$547.72	$32,66
2014 - 08	$631.94	$79.67	$552.27	$466.67	$546.34	$32,20
2014 - 09	$631.94	$78.29	$553.65	$466.67	$544.96	$31,73
2014 - 10	$631.94	$76.91	$555.03	$466.67	$543.58	$31,26
2014 - 11	$631.94	$75.52	$556.42	$466.67	$542.19	$30,80
2014 - 12	$631.94	$74.13	$557.81	$466.67	$540.80	$30,33

In compliance with ASC 842 and IFRS 16, TRIRIGA produces a Finance Schedule, the same as the amortization schedule.

Finance Schedule

Export 72 total found

Fiscal Period	Net Rent Payment	Interest Expense	Principal	Amortization	P & L Book Expense	Rent Expense	P & L Impact	Asset Value	Gain (Reval
2017 - 01	$520.00	$37.08	$482.92	$374.48	$411.56	$392.68	$18.88	$14,979.36	
2017 - 02	$520.00	$35.88	$484.12	$374.48	$410.36	$392.68	$17.68	$14,604.88	
2017 - 03	$520.00	$34.67	$485.33	$374.48	$409.15	$392.68	$16.47	$14,230.40	
2017 - 04	$520.00	$33.45	$486.55	$374.48	$407.93	$392.68	$15.25	$13,855.92	
2017 - 05	$520.00	$32.24	$487.76	$374.48	$406.72	$392.68	$14.04	$13,481.44	
2017 - 06	$375.00	$31.38	$343.62	$374.48	$405.86	$392.68	$13.18	$13,106.96	
2017 - 07	$375.00	$30.52	$344.48	$374.48	$405.00	$392.68	$12.32	$12,732.48	

Service Agreements with Embedded Leases

Whereas a service agreement would be treated as an operating lease, the embedded lease would be a finance lease. TRIRIGA links the service agreement with the leases embedded within it.

Home › NA-US-NC-011 - 0 - Watson Center -Charlotte - FASB - Office Equipment Lease

Print | Open In New Windo

General | Contact Details | Assets | Clauses, Options & Terms | Payments | Accounting | History | Summary | Client Attributes | Notes & Do

Activate | Save | Save & Close | More | x

(Required): General information about Asset Lease.

General

ID NA-US-NC-011 | Revision 0 | Status Revision In Progress

Picture

* Name Watson Center - Charlotte - FASB - Office Equipment Service Agreement | Date 06/20/2014

Description Embedded leases of copiers within Charlotte Watson Center service agreement.

Legal Name

Units

Details

Lease Type Expense Lease - Master Sublease | Lease Category

Base Lease Rate $.00 US Dollars | Lease Base Year 0

Escalation Cap % 0 percent | Deposit $.00 US Dollars

Late Fee Type | Late Fee Flat Amount $.00 US Dollars | Late Fee Flat Rate % 0 percent

Accounting Type Accounts Payable (AP) | Payment Timing Payment in Advance

Critical Dates

* Commencement Date 06/01/2014 | Lease Term 6 Years

Base Lease Expiration Date 05/31/2020 | Expiration Reminder 6 Months | Expiration Notification Date 11/30/2019

Inception (Execution) Date 06/01/2014 | Abstracted Date 05/14/2014

Legal Notice Date 02/01/2020 | Legal Notice Reminder 6 Months | Legal Notification Date 08/01/2019

Original Commencement Date 06/01/2014 | Acquired Date

Original Expiration Date 05/31/2017 | Returned Date

Parent Asset Lease

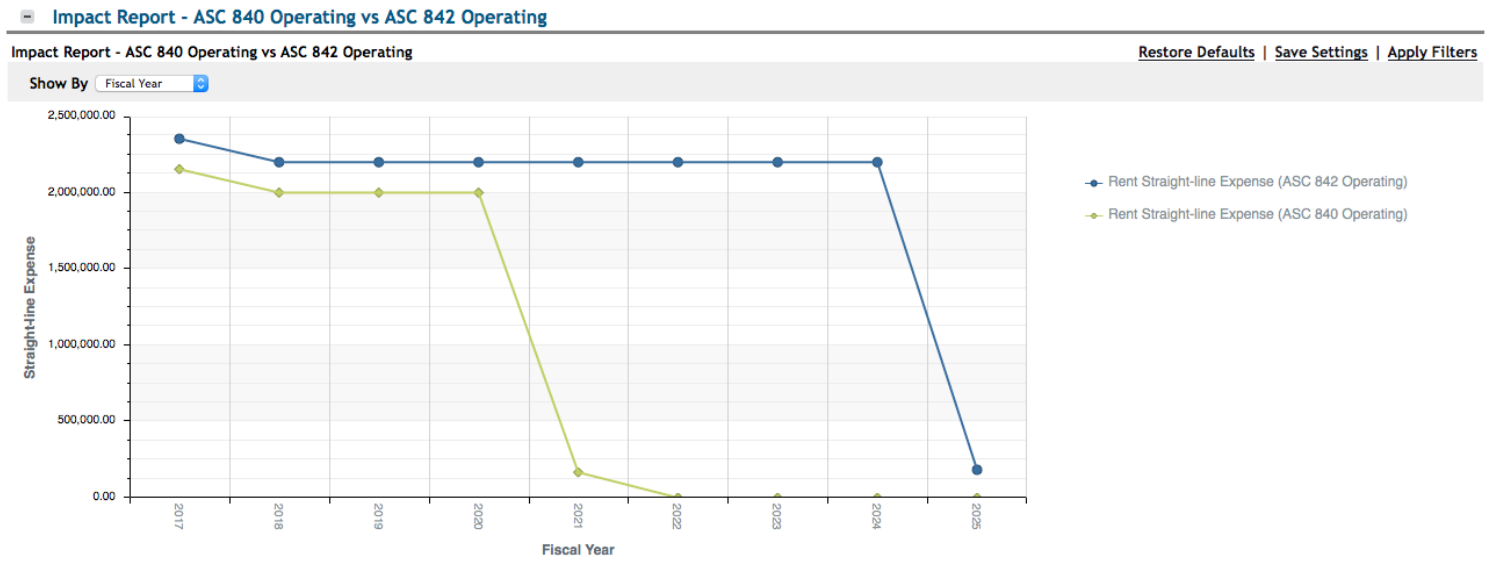
Find | Remove

Name Watson Center -Dubai- Service Agreement | ID ME-UA-DB-012

Impact Reports

P&L Impact Report – ASC 840 Operating vs ASC 842 Operating

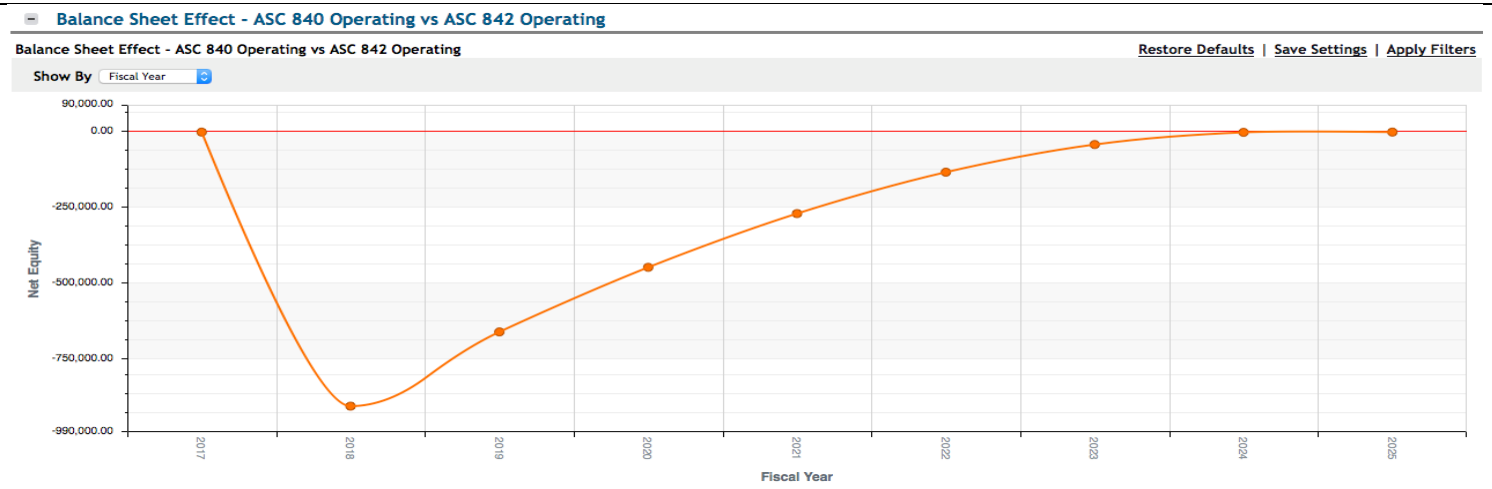
- Since the FASB relaxed the lease standard, this graph is not as important. Use this as a chance to emphasize that we support the IASB lease standard as well and that this graph remains important since those leases will be treated as finance leases.



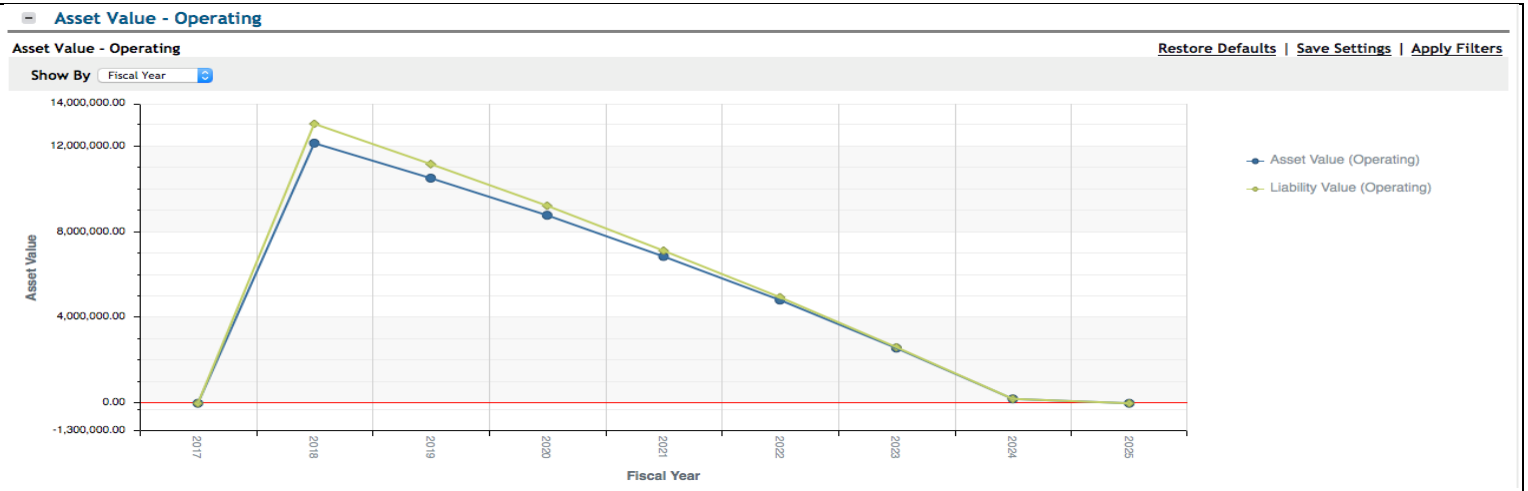
Balance Sheet Effect – ASC 840 Operating vs ASC 842 Operating

- This graph is showing the net equity impact of this particular lease on your balance sheet, starting with your look-back period for the new FASB Leasing Standard.

- From our Lease Accountant portal, you can view this graph for groupings of your portfolio or for your full portfolio of leased properties.



Asset Value – ASC 842 Operating

- This graph is showing asset values and liability values of this particular lease, starting with your look-back period for the new FASB Leasing Standard.

- From our Lease Accountant portal, you can view this graph for groupings of your portfolio or for your full portfolio of leased properties.