



Lease Accounting Services

The Challenge

The central tenet of ASC 842 and IFRS 16 requires that all leases – regardless of whether operating or finance leases – must be recorded on the balance sheet. In order to comply properly, companies need to revamp their approach to both negotiating and reporting leases – obligations that will increase workloads considerably for employees involved in these processes. Additionally, more management judgments will be required to arrive at accurate values of every lease's assets and liabilities over its life.

By the time audit firms enter the picture, leases will already be fully executed and the opportunity to structure them in a manner optimal to the company's primary financial metrics will have lapsed. In addition, lease information might not be correctly calculated under the new rule to enable an efficient audit of financial statements. The risk of unintended consequences to results is significant.

The Solution

Blythe Global Advisors has a proven track record of helping clients – from startups to brand-name entities, U.S.-based and international – resolve lease accounting issues. Our lease accounting experts have completed dozens of engagements; and our clients can attest that we hit the ground running and that we always leave companies better positioned to meet their reporting obligations and to reach their strategic objectives.

We achieve our consistently high results through **BlytheTeam®**, our alliance of former **Big Four partners/executives**, current industry entrepreneurs, and former corporate finance and accounting senior executives/professionals. Approximately 35 are active CPAs. These experts bring extensive knowledge of U.S. and international accounting principles and regulations, seasoned leadership, project management skills, and expertise across a wide range of industries to every engagement.

Our Lease Accounting Services

For businesses needing assistance to bring their lease accounting practices into compliance, we provide a range of services – from end-to-end advisory services for companies needing help evaluating their overall leasing strategy, systems, processes and procedures to **LeaseDashBoard®**, a turnkey solution that determines calculations under ASC 842 and IFRS 16. Depending on what help clients need, this range of services can assist with everything from structuring leases properly during upfront negotiations to ensuring they're correctly and optimally reported throughout the life of their operation.

- ◆ Assessment of existing leases: We forecast their impact on primary financial metrics under ASC 842 and IFRS 16 implementation.
- ◆ Recommendations regarding new leases: We evaluate the overall leasing strategy – including the impact of the rule on processes, workloads, systems and culture – both within and beyond the general accounting and financial functions. We analyze prospective new leases to help structure leases that maximize EBITDA.
- ◆ Preparation of a blueprint for compliance including implementation of updated or new systems, policies and/or procedures.
- ◆ LeaseDashBoard® for the determination of calculations that enable conversion of data into compliant financial reporting formats and statements.
- ◆ Production of audit-ready documents.
- ◆ Liaison to the audit firm – anticipating needs, reducing costs and providing value up and down the reporting chain.
- ◆ Companywide training as needed.

Whatever your lease accounting needs, call us.

Lease Accounting Services

Some of Our Lease Accounting Experts

BlytheTeam® Member

Marc Blythe – CPA, CGMA
Bryan Banta – CPA, MBA
Peggy Brooker – CPA, CGMA
George Georgiades, CPA
Kevin Hartley – CPA
Fayeron Morrison – CPA, CFE
Luis Puncel – CPA
Will Richards – CPA

Previous Audit Firm Experience

Audit Partner, EY
Audit Senior Manager, KPMG, BDO
Audit Partner, EY
Author, CCH / Audit Senior Manager, EY
Audit Senior, PwC
Audit Senior Manager, PwC
Audit Partner, PwC
Senior Associate, Grant Thornton

A Few of Our Lease Accounting Engagements

- ◆ Assisted a \$450 million private equity-backed retail company evaluate more than 300 leases representing potentially \$100 million for proper accounting treatment and classification.
- ◆ Helped a venture capital-backed company evaluate and structure \$40 million in lease commitments in the context of both current lease accounting guidance and ASC 842.
- ◆ Assisted retail, technology and health science companies evaluate the impact of ASC 842 on existing lease portfolios.
- ◆ Worked with several equipment and real estate lessors to educate executives and company representatives on ASC 842, including assistance in the evaluation of software to streamline their customers' implementation of the new rule.

Some of Our Lease Accounting Clients



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