

ASC 842, LEASES STANDARD ADOPTION: COHNREZNICK CAN ASSIST YOUR ORGANIZATION



There is now less than a year to address the potential impact and identify the changes necessary to comply with the ASC 842, *Leases* regulations on private companies. At CohnReznick we have helped companies of all sizes in many industries adopt the ASC 842, *Leases* standard.

The lease accounting team at CohnReznick will work with you to leverage that extensive experience as you prepare for ASC 842 adoption by providing:

Impact Assessment

- **Perform an impact assessment to identify the potential impact of the changes throughout the organization:**
 - Understand the inventory of leases:
 - Obtain the amount and types of leases
 - Read lease and aspects of lease terms
 - Understand Financial Reporting Process:
 - Understand the current lease management process
 - Read existing financial statements, accounting policies, and appropriate process documentation
 - Determine extent of financial and operational impacts:
 - Perform initial gap analysis to identify key differences between ASC 842 and current lease reporting standards.
- **Develop ASC 842, *Leases* plan**
 - Establish project timetable and determine key steps
 - Identify milestones, estimate required resources and costs

Lease Accounting Tool Kit

- **CohnReznick has developed proprietary tools (“the ASC 842 Toolset”) for utilization of ASC 842, *Leases* implementation that include:**
 - Excel model for ASC 842, *Leases* calculation with corresponding instructions
 - ASC 842, *Leases* training deck
 - Abridge ASC 842, *Leases* reference document
 - Rubric for identifying embedded leases

Lease Software Recommendation Support

- **Where appropriate for companies with a higher volume of leases, we can evaluate and recommend lease software appropriate to company needs for the companies to consider.**

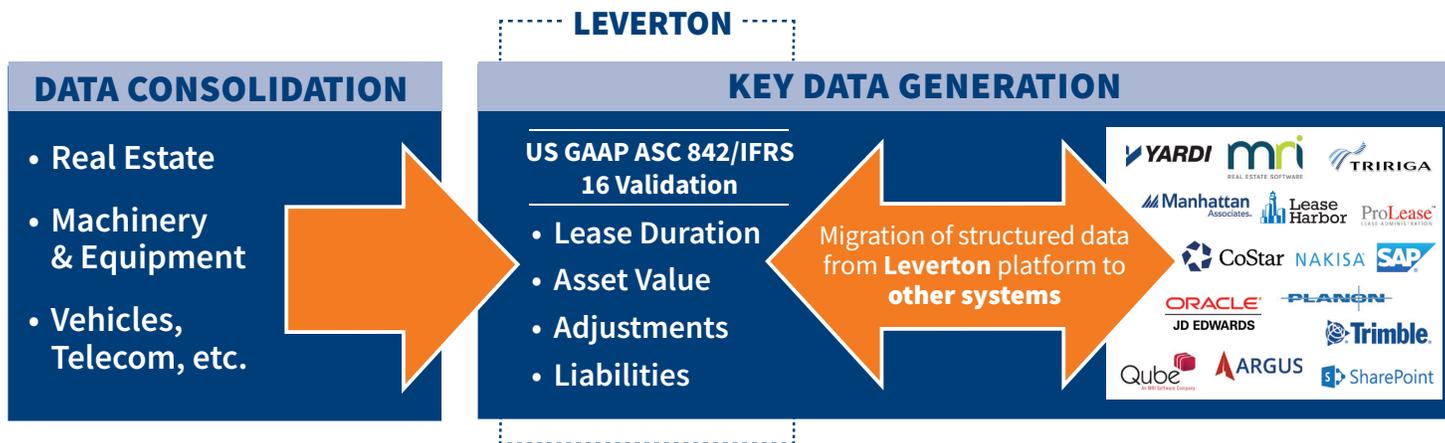
Training Session

- **Curriculum designed to teach your team what they need to know to adopt, administer and sustain the new pronouncement. Training is tailored to meet the needs of your organization.**

Lease Data Abstraction – AI Technology Tools

CohnReznick has adopted artificial intelligence software powered by Leverton to extract lease data from documents to create structured data that speeds up and improves the consistency of the lease analysis process. Leverton is a time-saving platform that uses optical character recognition and data extraction to efficiently consolidate data from disparate sources. Once data is consolidated, it can be validated, accessed, analyzed, and exported into a lease accounting software or excel. Leverton’s features include:

- Document abstraction – Automated/semi-automated extraction
- Search capabilities – Fully searchable PDF text (regardless of scan quality)
- Reporting – Excel export with hyperlinks to source data and API connectivity



Process Optimization Recommendations

- Evaluating and recommending process optimization opportunities based on your company’s requirements, market landscape, and industry practices

Fees

Our lease impact assessment, software selection, and process optimization services will be based on estimated hours at an average outturn rate of \$275 per hour. Our other service offerings are at the following rates:

| SERVICES | ESTIMATED HOURS | ESTIMATED FEES |
|-----------------------------|-----------------|----------------|
| Lease Accounting Tool Kit | | \$5,000 |
| Lease and Tool Kit Training | 3-hour session | \$1,500 |

| AI SOFTWARE DATA EXTRACTION | FEE PER OFFICE/RETAIL LEASE | FEE PER EQUIPMENT LEASE |
|-----------------------------|-----------------------------|-------------------------|
| Up to 50 leases | \$500 | \$250 |
| 50 - 100 leases | \$450 | \$240 |
| 150 - 250 leases | \$400 | \$200 |
| Greater than 250 leases | \$350 | \$200 |