**Implementation process:**

1. Describe technical resources used in adopting the new guidance.

[Describe.]

1. Indicate who at the company was responsible for overseeing and reviewing adoption of the new guidance.

[Describe.]

**Initial recognition and adoption steps:** *(continues on next page)*

1. Identify Leases: Briefly describe the nature of lease agreements in effect at any point during the periods to which the new standards apply to, and/or refer to a supporting schedule.

[Describe lessee and lessor leases broadly]

1. Elect practical expedients, as applicable – see below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Elected* | *Not Elected* | *N/A* |
| 1. Package of practical expedients (must adopt all or none) – elect not to reassess:
	1. Classification of leases that existed at the adoption date.
	2. Whether any expired or existing contracts are or contain leases.
	3. Initial direct costs for existing leases.
 |  |  |  |
| 1. Pass on applying ASC 842 to short-term leases.
 |  |  |  |
| 1. Use of risk-free discount rate for leases with no implicit interest rate.
 |  |  |  |
| 1. Use of hindsight in determining lease term, including renewal, termination, and purchase options, as well as assessing impairment of ROU assets.
 |  |  |  |
| 1. Reassessment of certain land easements.
 |  |  |  |

1. Scope out leases, as applicable.
	1. Immaterial leases - may adopt a reasonable capitalization threshold for leases.

[Describe scoped out immaterial leases and/or established capitalization threshold here].

* 1. Short-term leases (with terms of 1 year or less, if practical expedient is elected).

[identify scoped out short-term leases to which ASC 842 was not applied].

1. Classify scoped in leases (as applicable, after considering practical expedient i.a.) – see Excel schedule(s).
2. Calculate ROU assets and lease liabilities – see Excel schedule(s).
3. Determine adoption transition method / effective date.

Lessees are required to apply a modified retrospective transition approach, using one of the following methodologies.

1. Adjust comparative periods (effective at the beginning of the first year presented)
2. Adjust current period only (effective at the beginning of the current period)

The company adopted ASC 842 with an effective date of \_\_\_\_\_\_\_\_\_\_ using transition method [a or b]. Accordingly, the prior period [was / was not] adjusted accordingly. There was no significant net impact as of the effective date OR the net effect of adopting the guidance as of the effective date was $\_\_\_\_\_\_\_ and was record as a cumulative adjustment to equity as of the effective date.

1. Record journal entries
2. Summarize information for disclosures using calculation templates.