

PRESENTATION FOR THE ASSOCIATION FOR FINANCIAL PROFESSIONALS – NASHVILLE

APRIL MEETING – TOPIC 842, *LEASES* – OVERVIEW FOR LESSEES



AGENDA

- Qualifications and background
- Staffing trend in accounting
- Overview of ASC 842, Leases

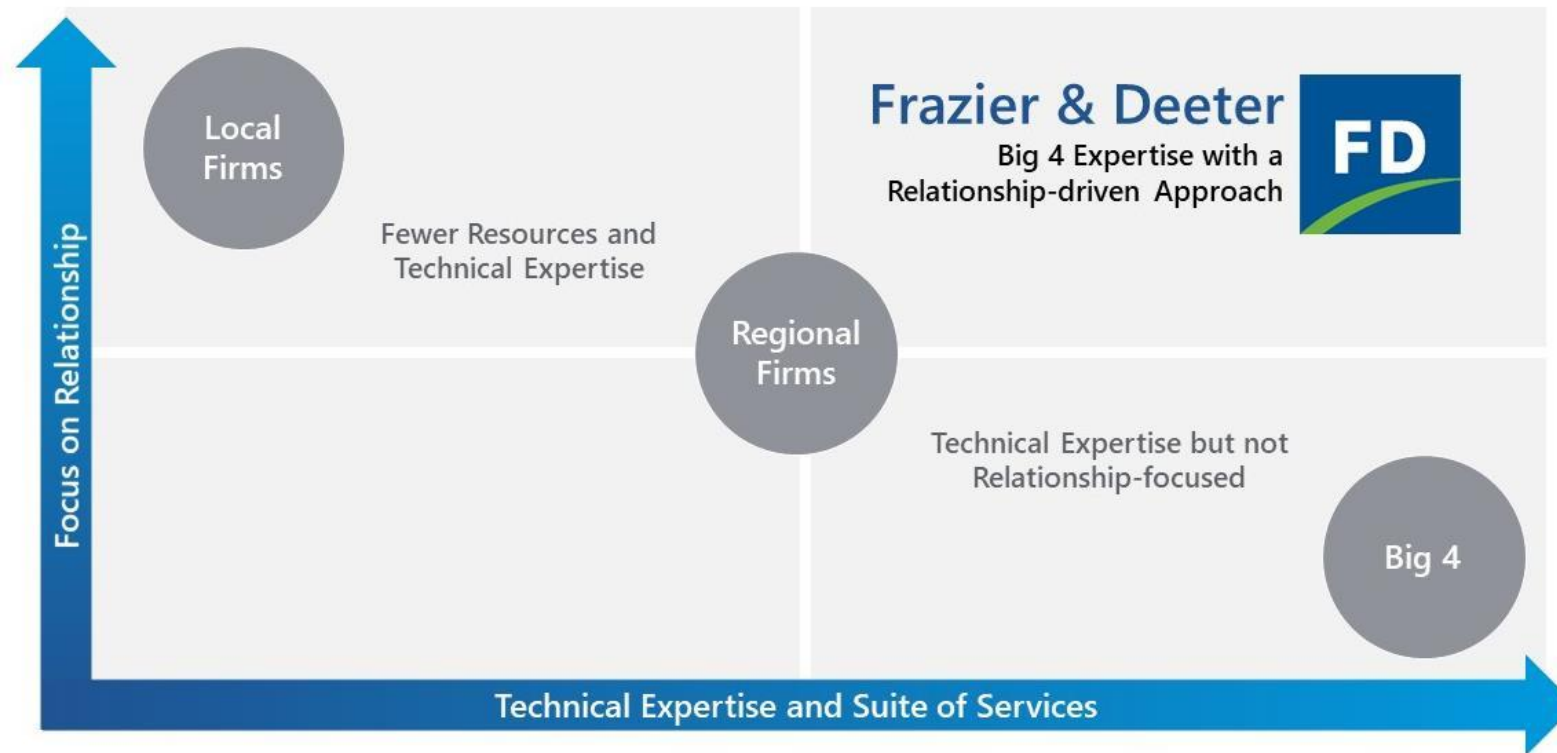
KEY FACTS

- FD and our family of businesses serve domestic and international clients through our US and UK offices.
- Firm headquarters are in Atlanta, Georgia.
- Our highly credentialed, award-winning firm is registered with the Public Company Accounting Oversight Board (PCAOB), the Canadian Public Accountability Board (CPAB) and the American Institute of Certified Public Accountants (AICPA).



RELATIONSHIP-DRIVEN APPROACH

Strong Technical Expertise with an Emphasis on Client Experience



TECHNICAL EXPERTISE

FD has direct involvement in the standard-setting boards of the accounting industry and unmatched access to strong technical accounting expertise. Our proprietary audit methodology was developed by partners who are former members of the PCAOB. Partners also have experience with the (FASB), a private, nonprofit standard-setting body with the primary purpose to establish and improve GAAP within the US public's interest. Our firm further has partners serving on the:

- **AICPA's Auditing Standards Board** (ASB), which serves the public interest by developing comprehensive auditing and attestation standards that enable practitioners to provide high-quality audit and attest services in an effective and efficient manner.
- **AICPA's Technical Issues Committee** (TIC), which represents the views of local firms and their privately-owned clients in the standard-setting process.
- **FASB's Private Company Council** (PCC), which is the advisory body to the FASB that advises the FASB on possible alternatives within GAAP to address the needs of users of private company financial statements.
- **Financial Reporting Executive Committee** (FinRec), which has the ultimate purpose of serving the public interest by improving financial reporting.



SERVICE OFFERING

ASSURANCE

- Audits & Reviews, Financial Statements & Employee Benefit Plans
- Lease Accounting (842)
- Revenue Recognition (606)
- Statutory Audits
- Technical Accounting & Financial Reporting

TAX

- Business & Individual Compliance & Planning, Domestic & International
- Credits & Incentives
- Estate Planning
- Family Office
- State & Local
- Transfer Pricing
- Valuations

ADVISORY

- Benefits & Compensation
- Business Process Improvement
- Business Transformation & Strategic Consulting
- Client & Employee Experience; Operational Excellence
- Cybersecurity Risk Assessments & Pen Testing
- Data Privacy; GDPR & CCPA
- Environmental, Social & Governance (ESG)
- HIPAA/HITRUST CSF: Policy & Procedure Development; Continuous Monitoring
- Internal & IT Audit Outsourcing/Co-sourcing
- Internal Control Assessments & Remediation
- IT General Controls Testing
- IT Governance & Risk Assessments
- Merger & Acquisition Integration
- PCI Readiness & Scope Advisory
- Sarbanes-Oxley Compliance
- SOC® Readiness, Examination & Reporting

Presented by Lindsey A.F. Ellis, MS, CPA

- Audit Principal
- Primarily responsible for audits, reviews and compilations
- Advises clients on accounting, financial reporting, technical accounting, internal auditing, and other business needs
- Specializes in a wide variety of industries such as nonprofit, manufacturing & distribution, healthcare, professional services, technology, government, utilities, construction and financial institutions
- 10+ year of experience



Accounting Staffing Trends

- Close to 75% of CPAs reached retirement age in 2020¹
- The number of CPA candidates is dropping – 50,000 in 2010 to 32,000 in 2021²
- Pass rate of the CPA exam remains ~60% – 30,000 in 2010 to 20,000 in 2021³
- Accounting degree completions are down – 80,000 at peak in 2016 to 73,000 in 2021³
- 88% of accounting firms say retaining talent is challenging in 2023⁴

1- <https://controllerscouncil.org/accounting-crisis-cpa-firms-face-75-retirements/>

2 - [https://www.cpajournal.com/2022/11/25/fixing-the-crisis-in-accounting/#:~:text=Although%20there%20were%20almost%2050%2C000,2021%20\(AICPA%2C%202021\)](https://www.cpajournal.com/2022/11/25/fixing-the-crisis-in-accounting/#:~:text=Although%20there%20were%20almost%2050%2C000,2021%20(AICPA%2C%202021))

3 - <https://www.aicpa-cima.com/professional-insights/download/2021-trends-report>

4 - <https://insights.caseware.com/state-of-accounting-firms-trends-report-2023>

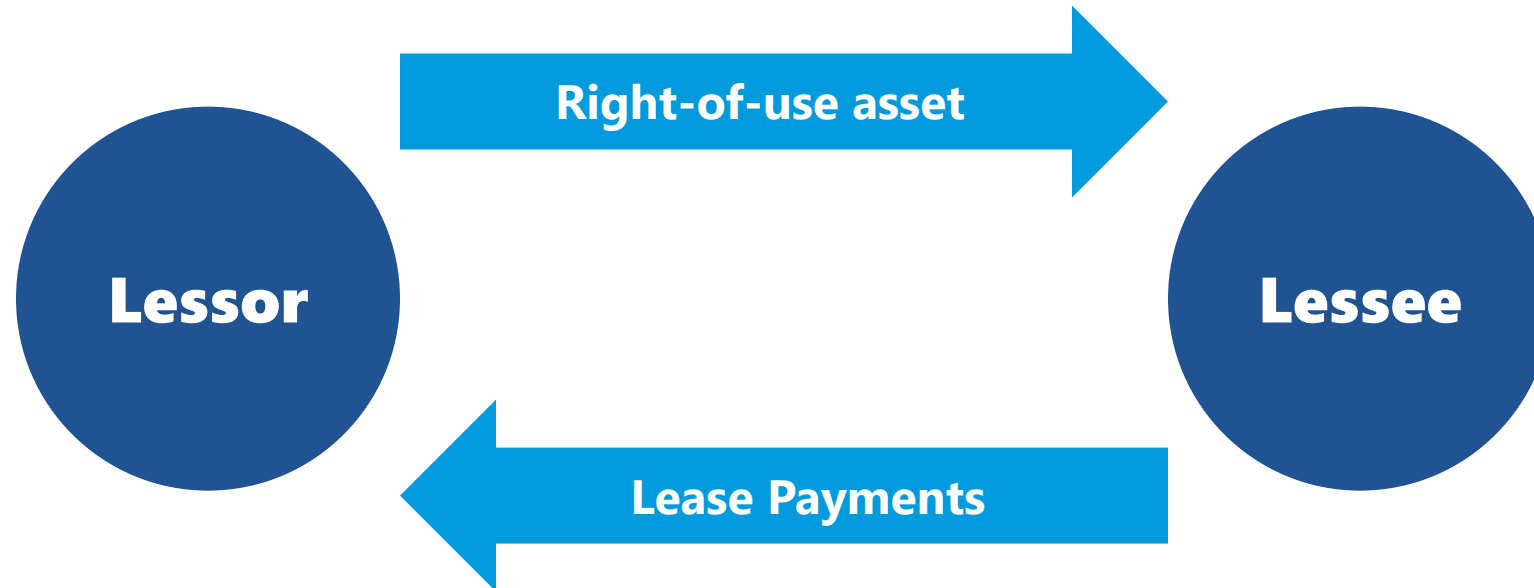
Accounting Staffing Trends

- Succession and growth planning is more important now than ever
- Definition of “work ethic” is changing
- Can A.I. help you?
- Leverage technology
- Outsourcing

Scope of ASC 842 (Leases) - Lessee

Topic 842 Lease Accounting

A lease contract conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration



Scope and Scope Exceptions

Scope: All leases, including subleases

Topic 842 does not apply to:

Leases of
intangible assets
(Topic 350)

Leases of assets
under
construction
(Topic 360)

Leases of
biological assets
(Topic 905)

Leases to explore
for or use
nonregenerative
resources
(Topics 930 and
932)

Leases of
inventory
(Topic 330)

The Basics...

Lessee Model

Finance lease if any of the following are met
(otherwise it's an operating lease):

Lease transfers ownership of the underlying asset to the lessee by the end of the lease term

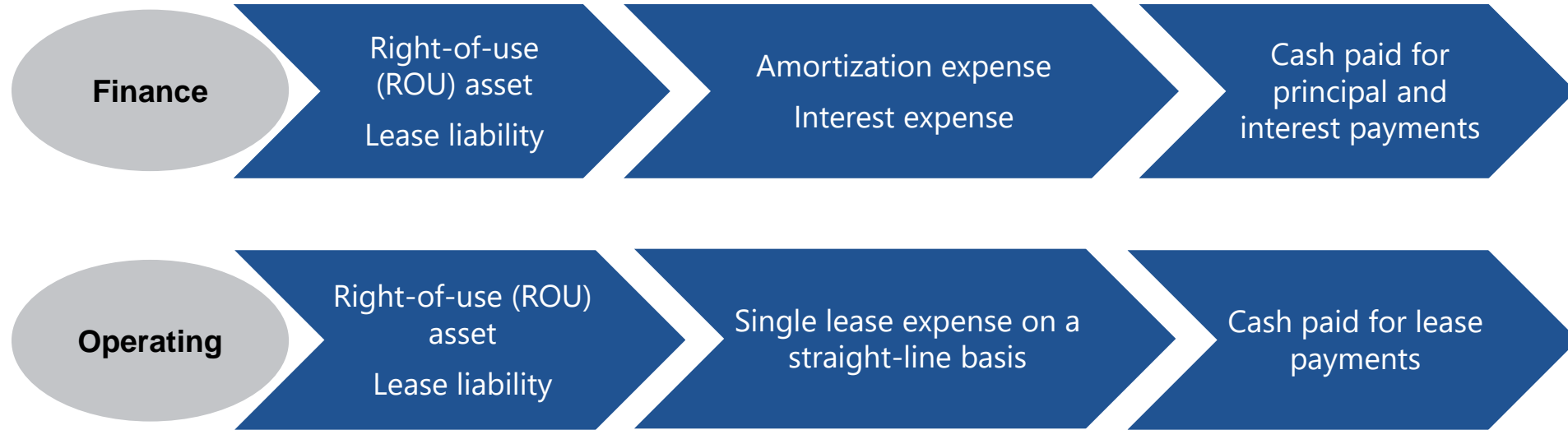
Lease grants the lessee an option to purchase the asset that the lessee is reasonably certain to exercise

Lease term is for a major part of the remaining economic life of the underlying asset

PV of the lease payments and any lease residual value guarantee not reflected in the lease payments, equal or exceed substantially all of the asset's FV

Underlying asset is of such specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term

Lessee Accounting Overview



Classification is similar to the classification in Topic 840

**Accounting Policy Election :
Recognition and measurement exemption for short-term leases (12 months or less)**

Lease Liability

Lease liability



Present value of remaining payments, using a discount rate calculated on the basis of information available at the commencement date

ROU Asset - Operating

Lease liability

+ Unamortized initial direct costs

± Prepaid/Accrued lease payments

- Remaining balance of lease incentives received

ROU Asset

Lease Term

Lease Term
(842-10-30-1)

**Non-
cancellable
Period**

**Option to
extend the
lease if the
lessee is
reasonably
certain to
exercise
that option**

Option to
terminate the
lease if the
lessee is
reasonably
certain not to
exercise that
option

Option to
extend (or not
to terminate)
the lease in
which exercise
of the option
is controlled
by the lessor.

Lease Payments - Lessee

Lease Payments - 842-10-30-5

Add:

- Fixed payments
- In-substance fixed payments
- Variable payments linked to an index using the rate at commencement
- Exercise price of purchase option if lessee is reasonably certain of exercising
- Payments for penalties of terminating a lease consistent with the determination of the lease term
- Fees paid to special-purpose entity for structuring
- Lessee Only - amounts probable of being owed under a residual value guarantee

Subtract:

- Lease incentives

If paid before lease commencement >>>
Affects ROU Asset

Amounts owed after lease commencement >>> Lease Liability

Discount Rate

- The rate implicit in the lease, if readily determinable; otherwise the incremental borrowing rate
- Lessor - consider initial direct costs in the determination of the rate

Initial Determination

Reassessment

- Lessee: Reassess only when lease liability is remeasured for other reasons (e.g., change in the lease term)*

Private Companies and NFPs

- Discount Rate Accounting Policy Election: May use risk-free rates by underlying class of asset

Lessee – Simple Financing Lease Under 842

- 5-year equipment lease starts on 1/1/2020
- Rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- Incremental Borrowing Rate is 6% on 1/1/2020
- No initial direct costs recognized
- Economic life of lease asset is 75 months

Year	Lease Liability				Right of Use Asset			Lease Cost =(a)+(b)
	Beg	Int. (6%) (a)	Payment	End	Beg	Amort. (b)	Ending	
Beg	-	-	-	(5,006)	-	-	5,006	-
2020	(5,006)	(300)	1,000	(4,306)	5,006	(1,001)	4,005	(1,302)
2021	(4,306)	(258)	1,100	(3,465)	4,005	(1,001)	3,003	(1,260)
2022	(3,465)	(208)	1,200	(2,472)	3,003	(1,001)	2,002	(1,209)
2023	(2,472)	(148)	1,300	(1,321)	2,002	(1,001)	1,001	(1,150)
2024	(1,321)	(79)	1,400	-	1,001	(1,001)	-	(1,080)
5								(6,000)

Lessee (Financing) – Let's do the Journal Entries

By the End of 2020 – Accounting for fixed payments

- DR Interest Exp \$300 (*Interest : \$5,006 * 6%*)
- CR Lease Liab. \$300

- DR Amort Exp \$1,001
- CR ROU Asset \$1,001

- DR Lease Liab. \$1000
- CR Cash \$1000 (payment per contract)

Lessee – Simple Operating Lease Under 842

- 5-year retail store lease starts on 1/1/2020
- Rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- Incremental Borrowing Rate is 6% on 1/1/2020
- No initial direct costs recognized
- Assume this is an operating lease

Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (6%) (b)	Payment	End	Beg	Amort. =(a)-(b)	Ending
Beg	-	-	-	-	(5,006)	-	-	5,006
2020	1,200	(5,006)	(300)	1,000	(4,306)	5,006	(900)	4,106
2021	1,200	(4,306)	(258)	1,100	(3,465)	4,106	(942)	3,165
2022	1,200	(3,465)	(208)	1,200	(2,472)	3,165	(992)	2,172
2023	1,200	(2,472)	(148)	1,300	(1,321)	2,172	(1,052)	1,121
2024	1,200	(1,321)	(79)	1,400	-	1,121	(1,121)	-
5	6,000			6,000				

Lease Commencement

Commencement Date

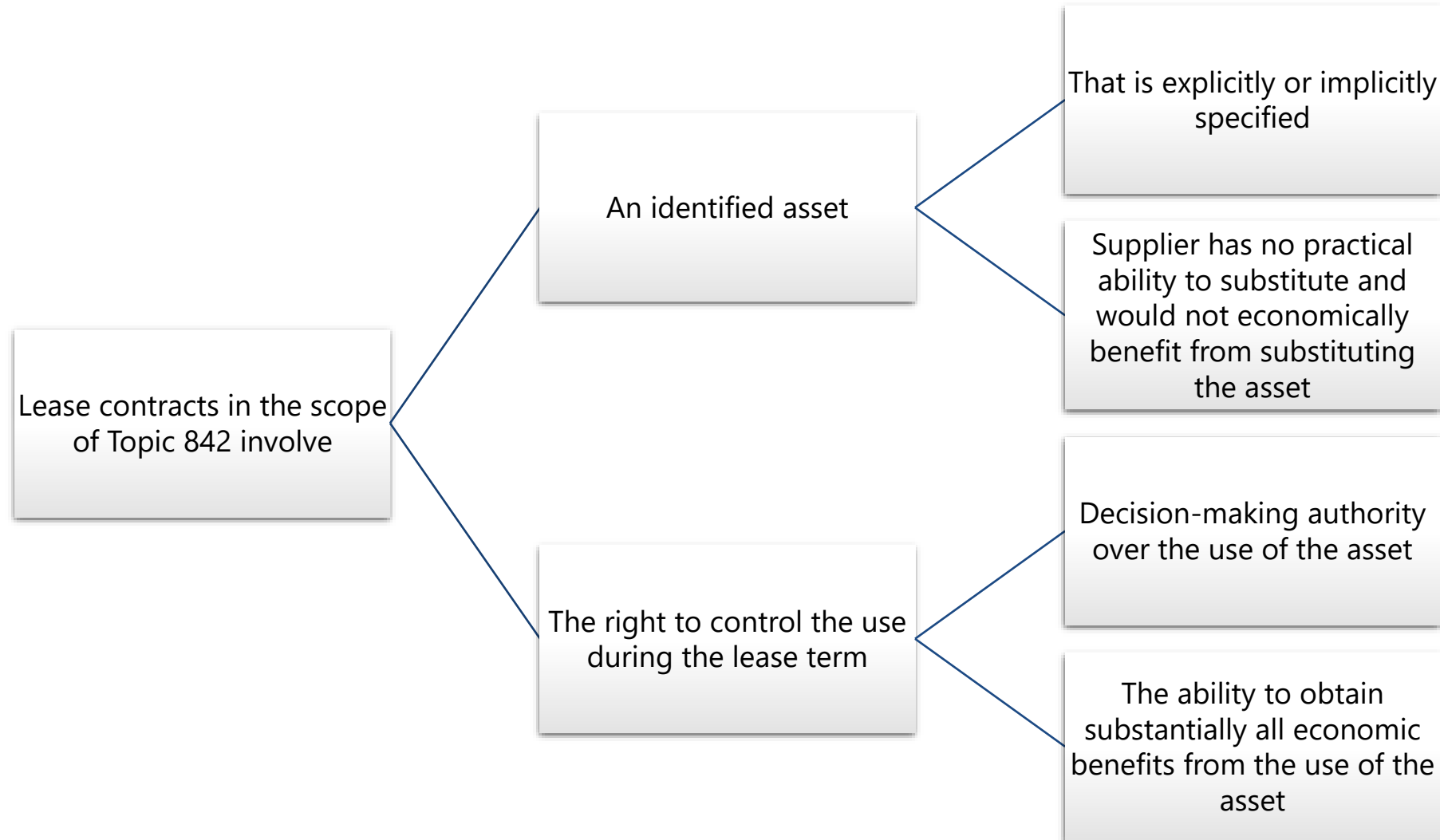
Lease Commencement Date

Starts when lessee has the right to use the underlying asset (transfer of control)

Timing of lease payments does not affect the commencement date

Identifying a Lease

Identifying a Lease under Topic 842



Arrangements w/ Risk of Embedded Leases

Waste Management (Dumpsters)	Dedicated Tooling	Shuttle Buses	Railcars	Storage Units	Cable Company Set Top Boxes
Billboards / Advertising Arrangement	Parking Spaces	Dedicated Servers in "Cloud" Contracts	Cranes on Job Sites	Equipment in Outsource Contracts	Trucks, Boats, Planes, in Logistics Contracts
	Luxury Boxes at Sporting Events	Vending Machines	Shredding Boxes	Artificial Plants	

Initial Direct Costs

Initial Direct Costs (IDC)

IDC = *only* incremental costs that an entity would not have incurred if the lease had not been obtained (executed)

	Sales-Type	Direct Financing	Operating
Lessor	<p><u>Selling profit or loss:</u> Expense IDC at lease commencement</p> <p><u>No selling profit or loss:</u> Include IDC in initial measurement of net investment in the lease</p>	Include IDC in initial measurement of net investment in the lease	Recognize as an expense over the lease term on the same basis as lease income
Lessee	Finance & Operating Include in the initial measurement of the ROU asset and amortize the costs over the lease term		

Initial Direct Costs (IDC) - Example

Costs
incurred by
lessee

\$15,000 - External legal fees

\$7,000 - Employee costs for
negotiating lease terms and conditions

\$20,000 - Payments made to existing
tenant to obtain the lease

Question - What are the lessee's IDCs?

Initial Direct Costs (IDC)

Included

- Commissions
- Payments made to an existing tenant to incentivize that tenant to terminate its lease

Excluded

- General overheads
- Cost to evaluate prospective lessee's financial condition
- Costs to negotiate lease terms and conditions
- Legal fees

Lessee – Simple Operating Lease w/ IDC

- 5-year retail store lease with control obtained on 1/1/2020
- End of year rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- Discount rate is 6% at 1/1/2020
- \$500 paid as lease commissions to a leasing agent
- Assume this is an operating lease

Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (6%) (b)	Payment	End	Beg	Amort.	Ending =(a)-(b)
Beg	-	-	-	-	(5,006)	-	-	5,506
2020	1,300	(5,006)	(300)	1,000	(4,306)	5,506	(1,000)	4,506
2021	1,300	(4,306)	(258)	1,100	(3,465)	4,506	(1,042)	3,465
2022	1,300	(3,465)	(208)	1,200	(2,472)	3,465	(1,092)	2,372
2023	1,300	(2,472)	(148)	1,300	(1,321)	2,372	(1,152)	1,221
2024	1,300	(1,321)	(79)	1,400	-	1,221	(1,221)	-
5	6,500			6,000				

Example – Simple Operating Lease w/ IDC

- On 1/1/2020 – Transfer Control of leased asset and Payment of Lease Commission
 - DR ROU Asset (**3**) \$5,506 (Lease liability + IDC)
 - CR Lease Liability (**2**) \$5,006 (PV of remaining lease payments)
 - CR Cash (**1**) \$500 (IDC – lease commissions)

Example – Simple Operating Lease w/ IDC

- End of 2020 – Lease expense and payment
 - DR Lease Expense (**3**) \$1,300 (Straight-line rent expense)
 - DR Lease Liability (**2**) \$1,000 (2020 lease payment)
 - CR Lease Liability (**4**) \$300 (6% Interest on lease liability)
 - CR ROU Asset (**5**) \$1,000 (ROU amortization)
 - CR Cash (**1**) \$1,000 (2020 lease payment)

Example – Simple Operating Lease w/ IDC

- End of 2024 – Lease expense and payment
 - DR Lease Expense (**3**) \$1,300 (Straight-line rent expense)
 - DR Lease Liability (**2**) \$1,400 (2024 lease payment)
 - CR Lease Liability (**4**) \$79 (6% Interest on lease liability)
 - CR ROU Asset (**5**) \$1,221 (ROU amortization)
 - CR Cash (**1**) \$1,400 (2024 lease payment)

Financial Statement Presentation

Lessee Financial Statement Presentation

Operating Leases

Balance Sheet

- **ROU Assets:**
 - Separate line item or
 - Within another line item but separate from ROU Assets from finance leases
 - All noncurrent
- **Lease Liability**
 - Separate line item or
 - Within another line item but separate from lease liabilities from finance leases
 - Separate between current and noncurrent

Income Statement

- Income from continuing operations (operating expense)

Cash Flows

- Lease payments are operating activities

Lessee Financial Statement Presentation

Finance Leases

Balance Sheet

- **ROU Assets:**
 - Separate line item or
 - Within another line item but separate from ROU Assets from operating leases
 - All noncurrent
- **Lease Liability**
 - Separate line item or
 - Within another line item but separate from lease liabilities from operating leases
 - Separate between current and noncurrent

Income Statement

- **ROU Asset Amortization** consistent with depreciation/amortization of similar assets
- **Interest expense on lease liability** consistent with other interest expense.

Cash Flows

- **ROU Asset Amortization** consistent with depreciation/amortization of similar assets
- **Interest expense on lease liability** consistent with other interest expense.

How to Transition into Topic 842

Leases - Topic 842 Effective Date

Make sure we're ready for Leases
(Topic 842)

FY Beg after December 15, 2021

December 31, 2022 for Calendar YE

Highlights on Transitioning to Topic 842



Nonpublic Entities

Fiscal years beginning after December 15, 2021



Transition method

Assuming Modified retrospective (rather than comparative)



Initial Application

Adjust the beginning of the reporting period in the year the Topic 842 is first applied



Package of Practical Expedients (All or Nothing)

ID of Lease (under 840)
Lease classification (under 840)
Initial Direct Cost (under 840)

Lessee Transition

	Existing Capital Leases	Existing Operating Leases
Recognize the lease liability	Measured at the carrying amount of the capital lease obligation under Topic 840	Measured at the PV of the <i>remaining minimum lease payments</i> Discount rate determined at transition point rather than lease commencement
Recognize the ROU asset	Measured at the carrying amount of the capital lease asset under Topic 840; Qualified unamortized IDCs not included under Topic 840 should be subsumed into ROU asset	Should equal the lease liability, adjusted for any prepaid or accrued rent, lease incentives, or qualified unamortized IDCs

“Simple” Operating Lease - Transitioning

IBR at transition is 5% (1-1-2022)

\$3,900 of payments left

Deferred Rent Balance of \$300

- \$1,200 in 2022
- \$1,300 in 2023
- \$1,400 in 2024



Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (5%) (b)	Payment	End	Beg	Amort. =(a)-(b)	Ending
2021	-	-	-	-	(3,531)	-	-	3,531
2022	1,300	(3,531)	(177)	1,200	(2,508)	3,531	(1,123)	2,408
2023	1,300	(2,508)	(125)	1,300	(1,333)	2,408	(1,175)	1,233
2024	1,300	(1,333)	(67)	1,400	-	1,233	(1,233)	-
	3,900			3,900				

“Simple” Operating Lease - Transitioning

\$3,531 PV of
remaining lease
payments

Deferred Rent
Balance of \$300

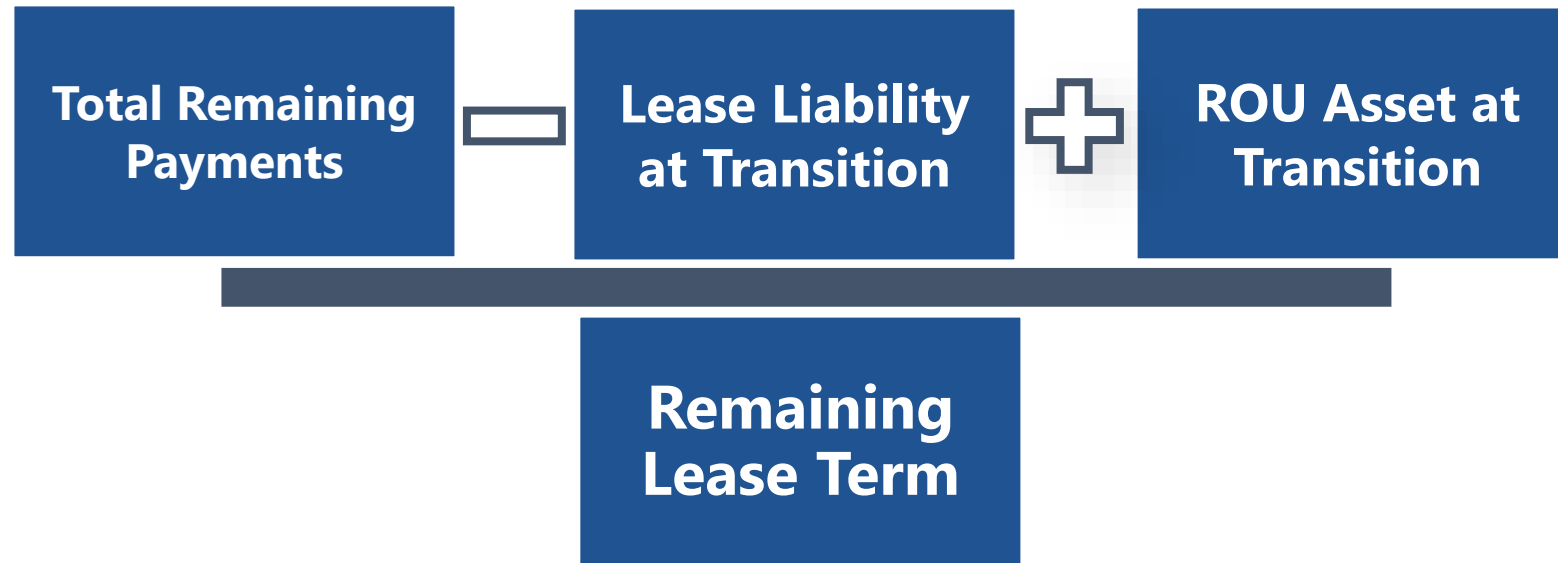
At transition (January 1, 2022) here are the journal entries:

- | | |
|----------------------|---------|
| ▪ DR ROU Asset | \$3,231 |
| ▪ DR Deferred Rent | \$300 |
| ▪ CR Lease Liability | \$3,531 |

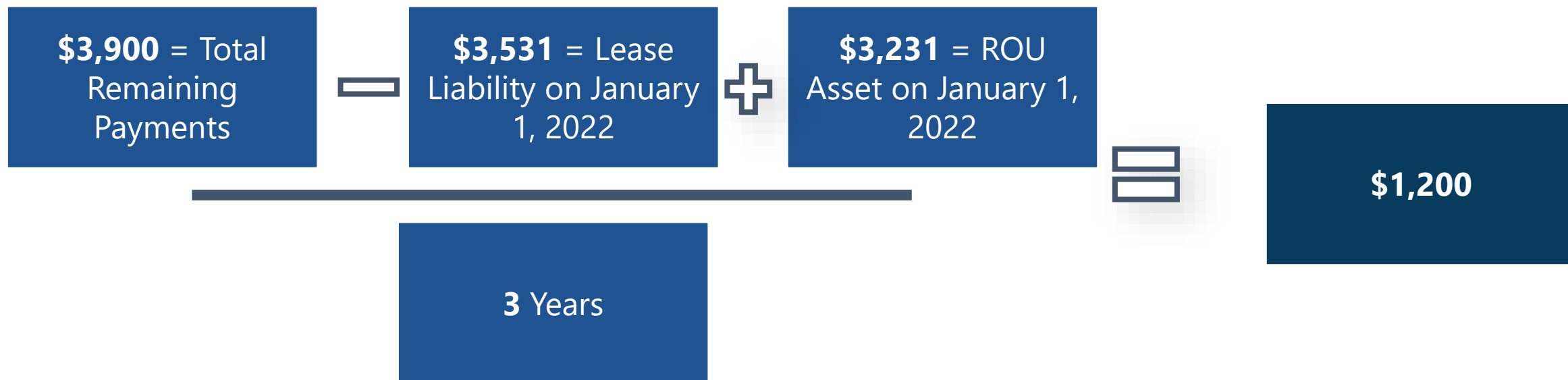
(All Topic 840 balances are now cleared)

How to Determine Straight-Lined Rent at Transition

Straight-Lined Rent at Transition Equals:



Operating Lease Example – Straight-Lined Rent at Transition



Lessee – Simple Operating Lease Transition to Topic 842

- Assume the Company transitions for fiscal year ending December 31, 2022
- Company elects the following:
 - Modified retrospective
 - Use of package of practical expedients
- Transition IBR is 5%
- Deferred Rent Balance at Transition equaled \$300

Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (5%)	Payment	End	Beg	Amort.	Ending =(a)-(b)
2021	-	-	-	-	(3,531)	-	-	3,231
2022	1,200	(3,531)	(177)	1,200	(2,508)	3,231	(1,023)	2,208
2023	1,200	(2,508)	(125)	1,300	(1,333)	2,208	(1,075)	1,133
2024	1,200	(1,333)	(67)	1,400	-	1,133	(1,133)	-
	3,600			3,900				

Leasehold Improvements & Related Party Leases

Leasehold Improvements

842-20-35-12 (Leasehold Improvement Amortization)

- Leasehold improvements shall be amortized over the shorter of the useful life of those leasehold improvements and the remaining lease term, unless the lease transfers ownership of the underlying asset to the lessee or the lessee is reasonably certain to exercise an option to purchase the underlying asset, in which case the lessee shall amortize the leasehold improvements to the end of their useful life.

Related Party Lease

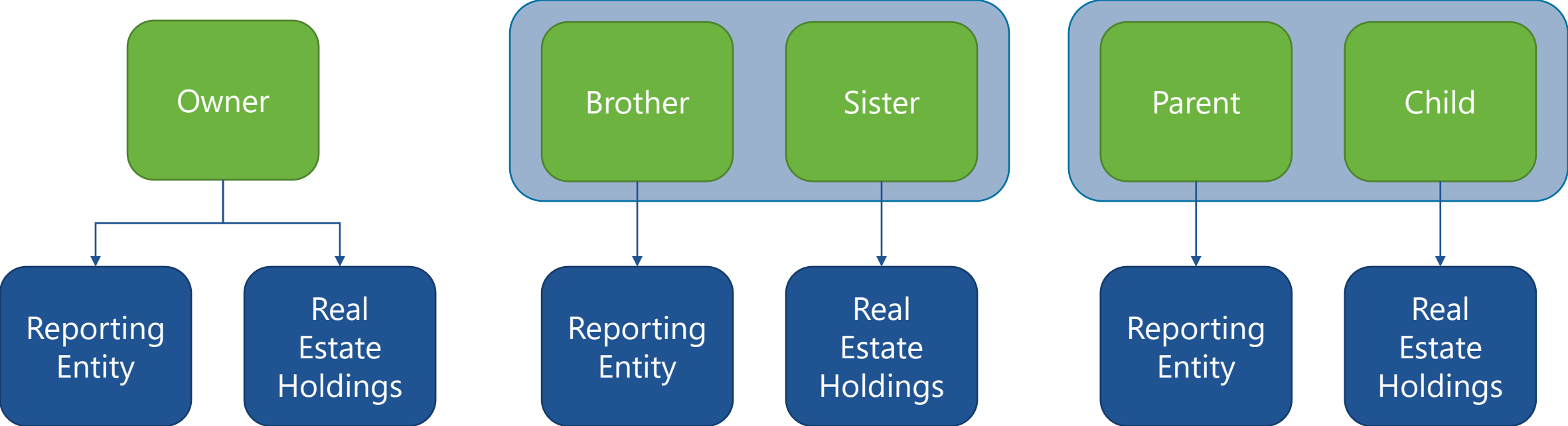
842-10-55-12 (Related Party Guidance)

- [Leases](#) between related parties should be classified in accordance with the lease classification criteria applicable to all other leases on the basis of the legally enforceable terms and conditions of the lease. In the separate financial statements of the related parties, the classification and accounting for the leases should be the same as for leases between unrelated parties.

Opposite guidance from ASC Topic 840

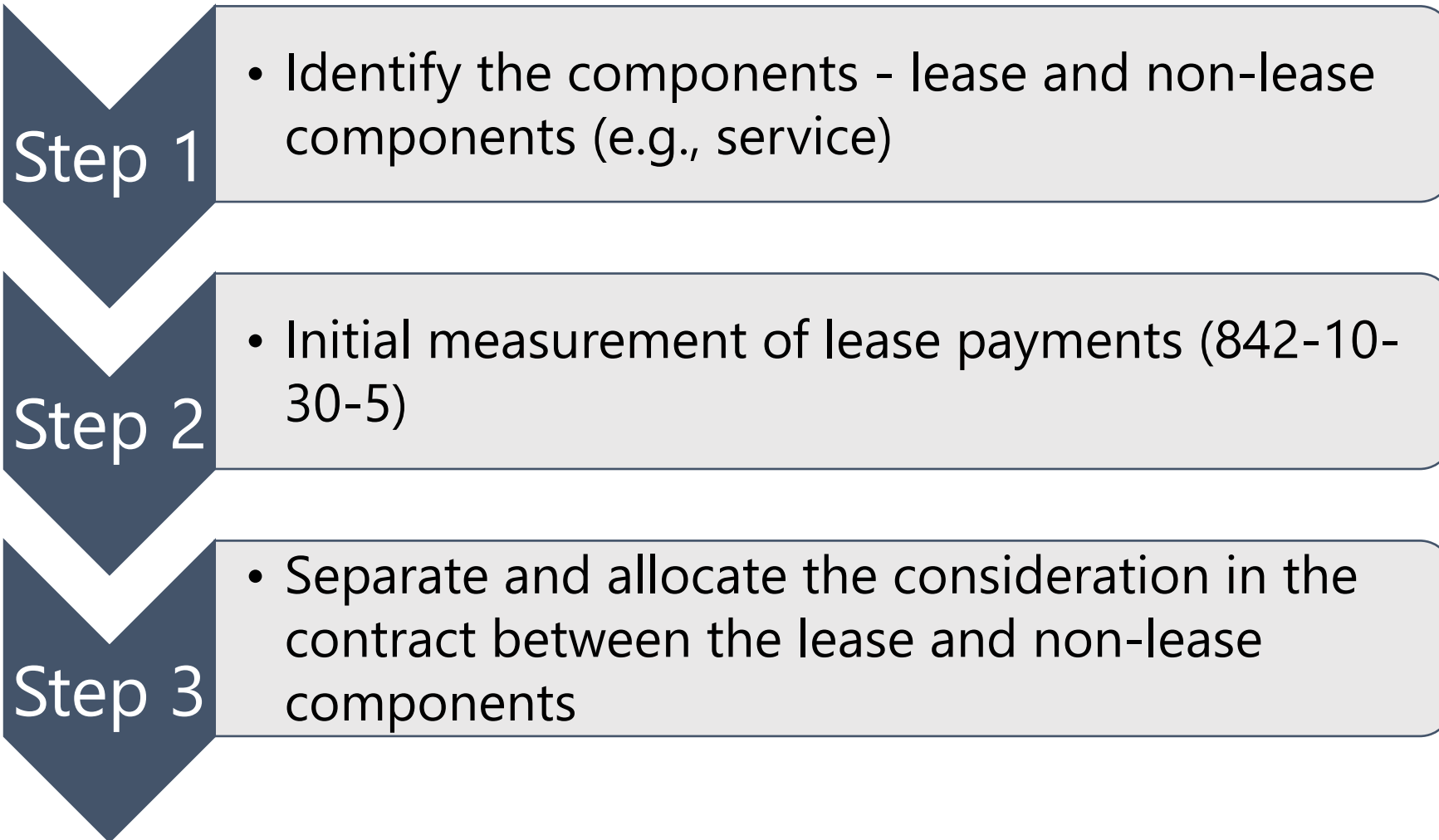
Consider ASC Topic 850 (Related Party Disclosures)

What are Related Party Leases under Common Control?

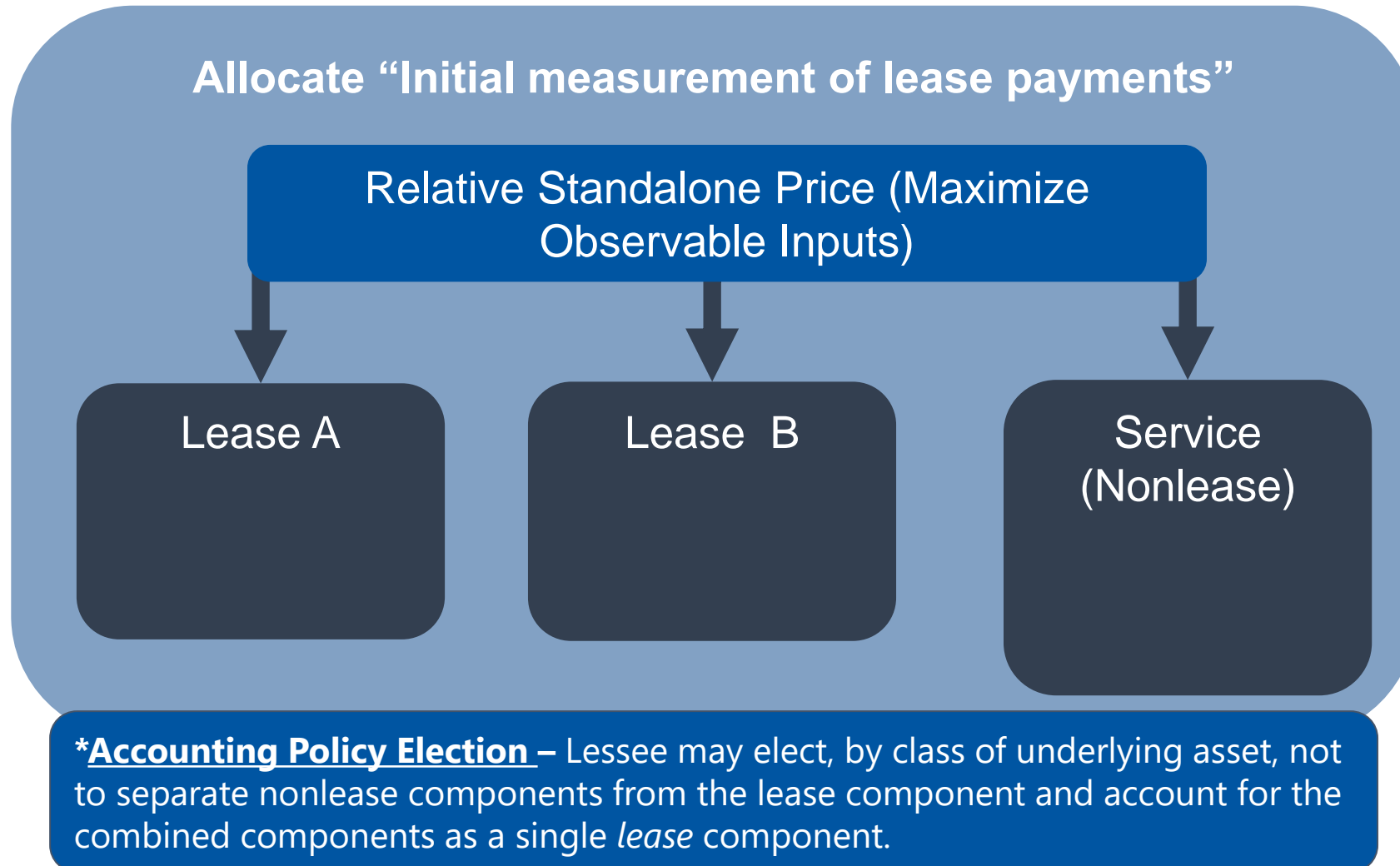


Allocation between Leasing and Nonleasing Components

ID Units and Allocating Consideration



Lease Allocation



Lessee – Operating Lease w/ CAM (No Election to Combine)

- 5-year retail store lease entered at end of 2020
- The contract states that the lease payment will be \$1000 the first year and increase 100 each year thereafter for a total of \$6000.
- Lessee also pays common area maintenance (CAM) charges to approximate \$300 each year. Lessor will bill the Lessee based on actual costs once a year.
- Discount rate is 6%
- Assume this is an operating lease
- Standalone price:
 - For the lease are the fixed payments in the lease contract (\$6,000 in total)
 - For CAM is expected to approximate \$300 each year (\$1,500 in total).

Is this what you would do?

- Fixed - Rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- CAM – Variable Payments based on actual (expected to be approximate \$300 per year or 1,500 in total)
- Discount rate is 6%

Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (6%) (b)	Payment	End	Beg	Amort. =(a)-(b)	Ending
2020	-	-	-	-	(5,006)	-	-	5,006
2021	1,200	(5,006)	(300)	1,000	(4,306)	5,006	(900)	4,106
2022	1,200	(4,306)	(258)	1,100	(3,465)	4,106	(942)	3,165
2023	1,200	(3,465)	(208)	1,200	(2,472)	3,165	(992)	2,172
2024	1,200	(2,472)	(148)	1,300	(1,321)	2,172	(1,052)	1,121
2025	1,200	(1,321)	(79)	1,400	(0)	1,121	(1,121)	-
	6,000							

- Book entire payment based on actual CAM charges entirely as CAM Expense

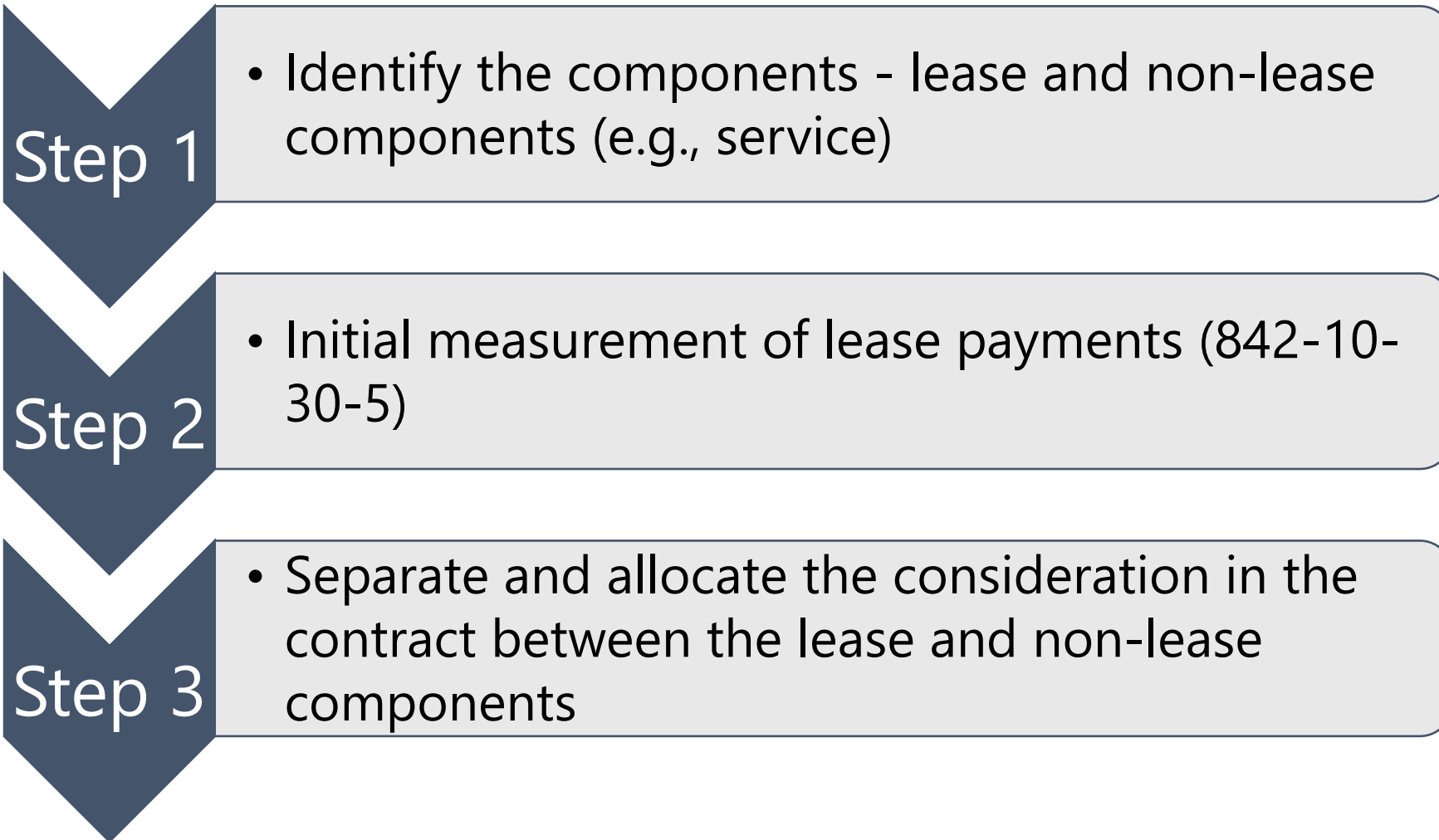
Is this what you would do?

- Fixed - Rent payment equals to ... increases \$100 each year thereafter. Total payments ...
- CAM - Variable Payment ... rate \$300 per year or 1,500 in total ...
- Discount rate ...

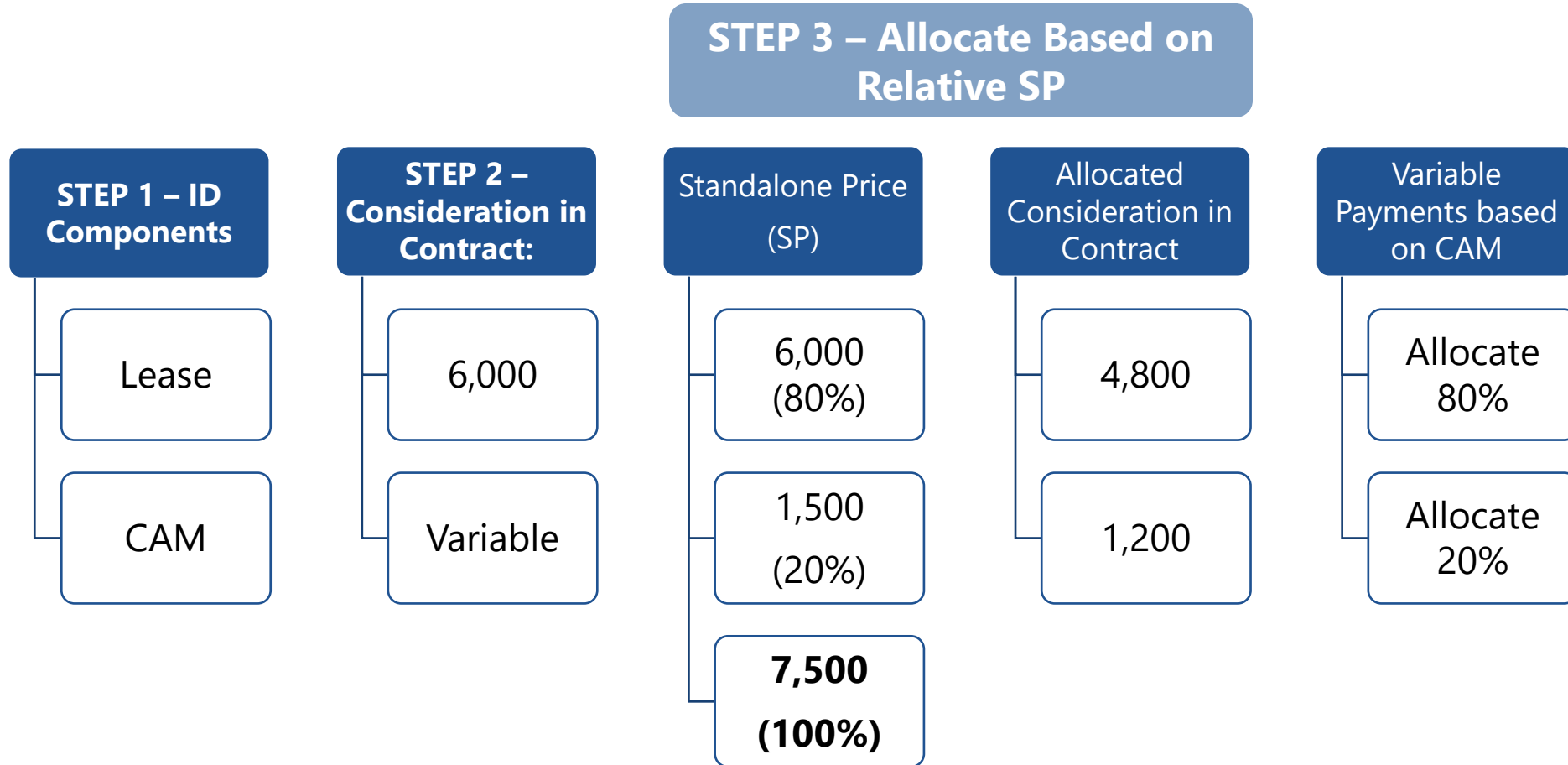
Year	Liability			Residual		Net
	Beg	Payment	End	Beg	Ending	
2020	-	-	(96)	-	06	
2021	(5,006)	(300)		5,006	06	
2022	(4,306)	(258)	1,100	5,006	165	
2023	(3,465)	(208)	1,200		1,172	
2024		(148)	1,300	(1,300)	1,121	
2025	1,200	(70)	1,400	(1,400)	-	
	6,000					

- Book entire payment ... as CAM Expense

ID Units and Allocating Consideration



Lessee – Allocate Consideration in Contract (“Fixed”)



Topic 842 Lessee Allocation

- Fixed - Rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- CAM – Variable Payments based on actual (expected to be approximate \$300 per year or 1,500 in total)
- Discount rate is 6%

Year	Fixed Payments			Lease Cost Straight Line [a]	Lease Liability				Right of Use Asset		
		Lease	CAM		Beg	Int. (6%)	Payment	End	Beg	Amort.	Ending
		80%	20%			[b]				= [a] - [b]	
2020	-	-	-	-	-	-	-	(4,005)	-	0	4,005
2021	1,000	800	200	960	(4,005)	(240)	800	(3,445)	4,005	(720)	3,285
2022	1,100	880	220	960	(3,445)	(207)	880	(2,772)	3,285	(753)	2,532
2023	1,200	960	240	960	(2,772)	(166)	960	(1,978)	2,532	(794)	1,738
2024	1,300	1,040	260	960	(1,978)	(119)	1,040	(1,057)	1,738	(841)	897
2025	1,400	1,120	280	960	(1,057)	(63)	1,120	0	897	(897)	(0)
	6,000	4,800	1,200	4,800							

Lessee – Let's do the Journal Entries

End of 2020 – Transfer Control of location and establish lease liability and ROU asset

- DR ROU Asset \$4,005 (NPV of allocated fixed payments)
 - CR Lease Liability \$4,005

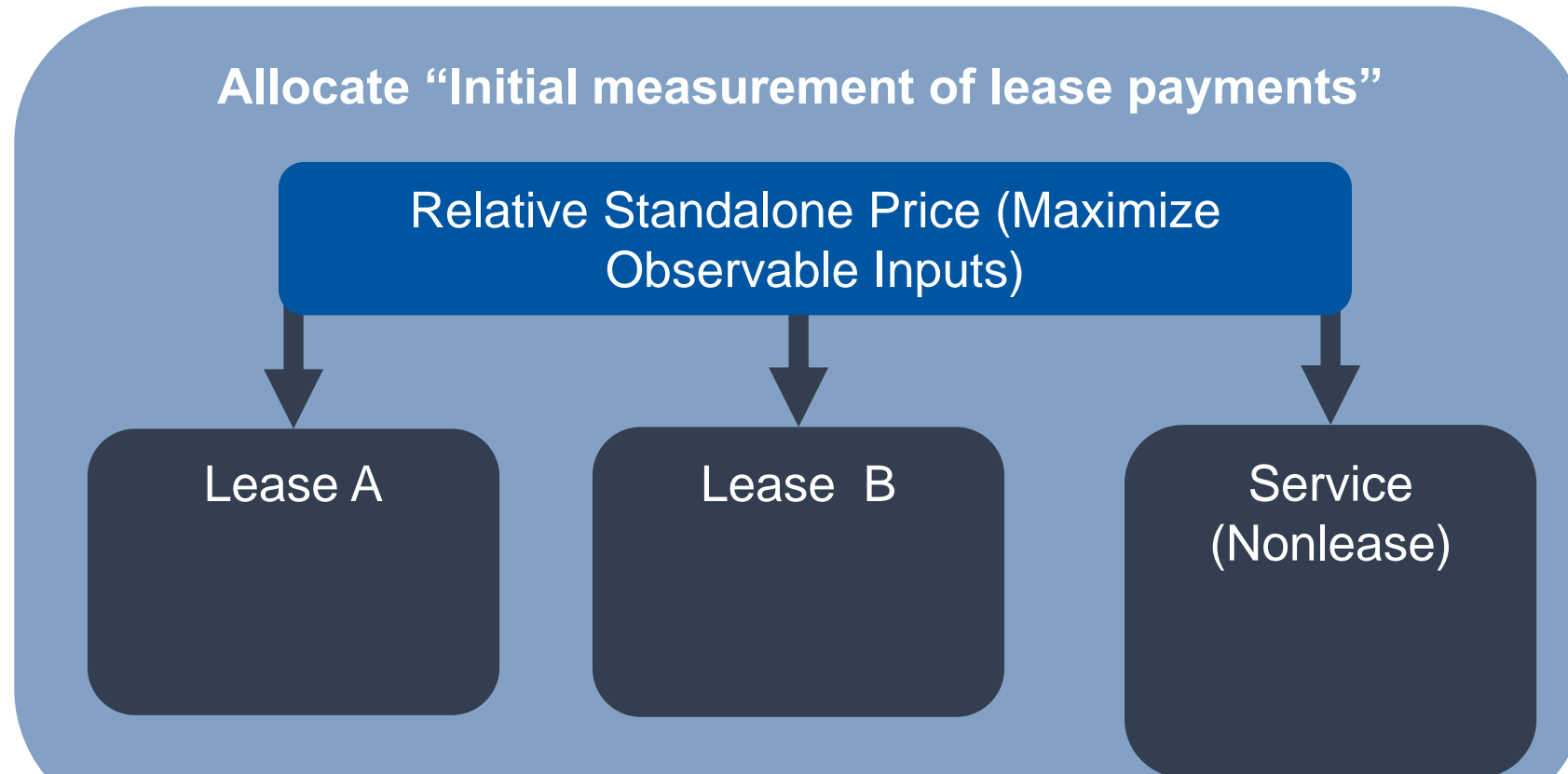
Lessee – Let's do the Journal Entries

End of 2021 – Accounting for Variable Payments

Actual CAM charges come in at \$298

- DR Lease Cost \$238 ($\$298 * 80\%$)
- DR CAM Expense \$60 ($\$298 * 20\%$)
- CR Cash \$298

Lease Allocation



***Accounting Policy Election** – Lessee may elect, by class of underlying asset, not to separate nonlease components from the lease component and account for the combined components as a single *lease* component.

Combining Leasing and Nonleasing

- Fixed - Rent payment equals \$1,000 the first year and increases \$100 each year thereafter. Total payments over 5 years is \$6,000
- CAM – Variable Payments based on actual (expected to be approximate \$300 per year or 1,500 in total)
- Discount rate is 6%

Year	Rent Expense (a)	Lease Liability				Right of Use Asset		
		Beg	Int. (6%) (b)	Payment	End	Beg	Amort. =(a)-(b)	Ending
2020	-	-	-	-	(5,006)	-	-	5,006
2021	1,200	(5,006)	(300)	1,000	(4,306)	5,006	(900)	4,106
2022	1,200	(4,306)	(258)	1,100	(3,465)	4,106	(942)	3,165
2023	1,200	(3,465)	(208)	1,200	(2,472)	3,165	(992)	2,172
2024	1,200	(2,472)	(148)	1,300	(1,321)	2,172	(1,052)	1,121
2025	1,200	(1,321)	(79)	1,400	(0)	1,121	(1,121)	-
	6,000							

- Book entire payment based on actual CAM charges entirely as [Lease/Rent Expense](#).

THANK YOU!

