

New Study Identifies Companies Most Impacted by New FASB and IFRS Lease Accounting Rules

GREAT FALLS, Va., Jan. 26, 2016 (SEND2PRESS NEWSWIRE) – LeaseAccelerator, the leader in Equipment Lease Management software, published today a report listing the off-balance sheet lease obligations of the 500 largest U.S. public companies. The report, entitled “Who is Most Impacted by the New Lease Accounting Standards?” aims to provide greater awareness of the potential impact of the new lease accounting standards.

Both the recently announced IFRS 16 and the forthcoming FASB ASC 842 will require companies to transfer their operating leases, previously only disclosed in the footnotes of their financial reports, onto their balance sheets starting in 2019. They will replace IAS 17 and ASC 840 (formerly FAS 13), respectively. According to the International Accounting Standards Board, listed companies around the world have around \$3.3 Trillion of leasing commitments – over 85 percent of which do not appear on their balance sheet.

The companies who will be most impacted by the new capital lease accounting standards will be those with the largest operating lease obligations. The off-balance sheet leases for a specific company can range from a few million dollars, on the low end, to tens of billions of dollars, on the high end.

As the new standards have been developed over the past ten years, there has been much debate and analysis of how the changes will impact companies’ decisions to lease versus buy and how credit ratings might change. However, there has been very little research into the additional administrative burden that will be placed on companies to re-design their lease accounting processes to comply. Specifically, to avoid a significant deficiency or material weakness, at-risk companies will have to adopt new management strategies, policies, and software to address the big data problem of equipment lease management: maintaining complete, accurate, and up-to-date data for leases, assets, and stakeholders distributed around the world.

“With comparative reporting requirements for the new lease accounting standards starting as early as 2017 for most firms, we believe that many Fortune 500 companies are woefully unprepared for the new lease accounting standards, especially their equipment lease portfolio,” said Michael Keeler, CEO of LeaseAccelerator. “We hope the publication of this report will provide CFOs with a perspective on the relative size and significance of their operating lease obligations compared to their industry peers and prompt a proactive investigation of solutions given the 2017 income statement comparables deadline.”

You can read the full report here now:

<http://www.leaseaccelerator.com/off-balance-sheet-lease-study>.

Company	F500 Lessee Ranking	Total Operating Lease Obligations (\$Millions)
Walgreens	1	\$33,721
AT&T (1)	2	\$31,047
CVS Health (2)	3	\$27,282
Wal-Mart Stores	4	\$17,910
FedEx Corporation	5	\$16,385
Bank of America Corp.	6	\$14,406
Verizon Communications Inc.	7	\$14,403
McDonald's	8	\$13,160
United Continental Holdings	9	\$13,000
Delta Air Lines	10	\$12,741
J.P. Morgan Chase & Co.	11	\$12,441
American Airlines Group	12	\$11,073
Citigroup	13	\$10,015
Whole Foods Market	14	\$8,902
Rite Aid	15	\$7,797
Home Depot	16	\$7,705
TJX	17	\$7,609
Aeropostale	18	\$7,446
Wells Fargo	19	\$7,055
Dollar General	20	\$6,627

About the Report:

LeaseAccelerator has compiled a list of the 500 largest U.S. public companies ranked by the size of their off balance sheet leasing obligations. To identify the 500 companies, we used Fortune Magazine's most recent "Fortune 500" study. For the operating lease obligations, we collected data from the most recent SEC 10-K annual filings for each of these public companies. No calculations or manipulation of the leasing obligation data has been performed. We have simply organized the data reported by the companies into a list. Hyperlinks to the SEC filings or other financial reports used to source the data have been included for reference.

About LeaseAccelerator:

LeaseAccelerator offers the market-leading SaaS solution for Equipment Lease Management (ELM), delivering hard cost savings, compliance, and best practices to large, international lessees. LeaseAccelerator is the only solution that covers the entire enterprise equipment leasing lifecycle,

including: Equipment Lease Sourcing, saving 6-8% by driving down capital costs; Portfolio and Performance Management, saving 8-12% by improving end-of-term return performance; and Lease Accounting, enabling compliance with current and new FASB, IFRS, and SOX standards. Learn more at <http://www.leaseaccelerator.com/>.

Through LeaseAccelerator's Equipment Lease Sourcing marketplace, customers can access The Global Lessor Network (GLN), a community of more than 500 lessors around the world who compete to win our customers' business. Using the GLN, global companies with a need for in-country leasing expertise and financing can identify and transact with local lessors. LeaseAccelerator supports transactions in 50 countries, spanning a wide variety of asset types and deal sizes. Lessors are encouraged to register at <http://www.lessornetwork.com/>.

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Original Story ID: 2016-0126-04 (10827) :: new-study-identifies-companies-most-impacted-

by-new-fasb-and-ifs-lease-accounting-rules-2016-0126-04

Original Keywords: Who is Most Impacted by the New Lease Accounting Standards
LeaseAccelerator Great Falls Virginia GREAT FALLS, Va.

Alternate Headline: New Study: Who is Most Impacted by the New Lease Accounting Standards

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Original Shortcode for Story: <https://i.send2press.com/Uw7Q4>