

**Appendix B to Agenda paper 2B / FASB memo 179 —Example**

Lease Term	5
Fixed lease payment	100
Expected RVG on Day 1	50
Expected RVG after Year 1	100
Discount Rate	6%

Day 1 Year	Lease Payments	ROU Asset end of period	Amortization	Lease Obligation end of period	Interest Expense
0		459		459	
1	100	367	92	386	28
2	100	275	92	309	23
3	100	183	92	228	19
4	100	92	92	142	14
5	150	-	92	-	8

Entry at inception					
ROU Asset	459				
Lease Liability		459			

End of Year 1					
Amortization of ROU	92				
Interest Expense	28				
Lease Liability	72				
Cash		100			
ROU Asset		92			
	192	(192)			

Reassessment after Year 1 Year	Lease Payments	ROU Asset end of period	Amortization	Lease Obligation end of period	Interest Expense
		406		426	
2	100	305	102	351	26
3	100	203	102	272	21
4	100	102	102	189	16
5	200	-	102	-	11

Reassessment Entry					
ROU Asset	40				
Lease Liability		40			

End of Year 2					
Amortization of ROU	102				
Interest Expense	26				
Lease Liability	74				
Cash		100			
ROU Asset		102			
	202	(202)			