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**To:** Danielle Zeyher  
**Subject:** Lease Exposure Draft 842

I understand there are many good reasons to overhaul the rules when it comes to accounting for leases.

I am not, however in favor of the new rules when it comes to smaller companies as it adds further complication to financial statements that are increasingly becoming more confusing to the readers of financial statements. In addition, the compliance associated with these rules adds additional burdens to an accounting staff which is increasingly overloaded with escalating regulatory and reporting requirements.

Currently, financial statements have a disclosure requirement for operating Leases which describe the future obligations of operating leases. Our current readers look at these obligations and understand the financial commitments associated with these leases.

Turning these operating leases to assets on the balance sheets will confuse readers. The readers look at fixed assets on the balance sheet as assets they own. Adding leased assets to these assets will cloud their perception of what they own.

As an alternative, I would suggest to leave the balance sheet and income statement alone and require more footnote disclosure on the operating lease obligations to divide these assets into categories such as real estate, equipment, software, and intangibles. Perhaps this alternative could be available if a business met one of a couple exceptions such as the size of a business, assets less than \$100 million, or if the lease assets added were less than a threshold amount of the total assets of a business, say 10%.

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