

## GASB Statement 87 Scope

**Purpose:** To help you determine whether the lease is within the scope of GASB Statement No. 87, answering the first question of the [Lease Accounting Decision Tree](#).

Type of Lease	Included?	GASB 87 Reference/Explanation
<b>Agricultural Leases (crops, orchards, etc.)</b>	Yes	
<b>Air space</b>	No	Excluded paragraph 8(a)
<b>Biological assets (living plants, timber, animals)</b>	No	Specifically excluded paragraph 8(b)
<b>Buildings &amp; Structures</b>	Yes	
<b>Cell Towers</b>	Yes	
<b>Computer Software</b>	No	Specifically excluded paragraph 8(a)
<b>Computers</b>	Yes	
<b>Contracts that transfer ownership</b>	No	Report as a financed purchase per paragraph 19
<b>Copy Machines</b>	Yes	
<b>Equipment (postage, medical, etc.)</b>	Yes	
<b>Grazing leases</b>	Yes	
<b>Hunting permits</b>	No	Lessee does not have "control of the right to use".
<b>Inventory</b>	No	Specifically excluded paragraph 8(e)
<b>Land used by a single entity</b>	Yes	
<b>Land used by multiple entities</b>	No	Lessee does not have "control of the right to use".
<b>Land Easements</b>	Maybe	Follow decision tree. Many of these leases may not meet the "conveys control of the right to use" criterion.
<b>Machinery</b>	Yes	
<b>Mining (rights to explore for or to exploit natural resources such as oil, gas, and minerals)</b>	No	Specifically excluded paragraph 8(a)
<b>Patents and Copyrights</b>	No	Specifically excluded paragraph 8(a)
<b>Right-of-Way</b>	Maybe	Follow decision tree. Many of these leases may not meet the "conveys control of the right to use" criterion.
<b>Road Use Permits</b>	No	Lessee does not have "control of the right to use".
<b>Service Concession Arrangements</b>	No	Specifically excluded paragraph 8(d), account for under GASB No. 60
<b>Supply contracts (power purchase agreements)</b>	No	Specifically excluded paragraph 8(f)
<b>Vehicles</b>	Yes	Follow decision tree.

*Note: This only applies to assets leased to or from non-state agencies. Leases between state agencies should be recorded as an expense or revenue when the payment is made or received.*