



GASB Statement 87 Scope

To determine if the lease you are evaluating is in the scope of GASB Statement No. 87, see the information below. This will help you with answering the first question of the Lease Accounting Decision Tree.

Type of Lease	Included?	GASB 87 Reference/Explanation
Agricultural Leases (crops, orchards, etc.)	Yes	IG 2019-3, Q&A 4.10 & 4.11: "Although the use of land for farming may produce biological assets, the underlying asset of the lease is the land, which is not a biological asset."
Air space	No	Excluded: paragraph 8(a)
Biological assets (living plants, timber, animals)	No	Specifically excluded: paragraph 8(b)
Buildings & Structures	Yes	
Cell Towers	Yes	
Computer Software	No	Specifically excluded: paragraph 8(a)
Computers	Yes	
Contracts that transfer ownership	No	Report as a financed purchase per paragraph 19
Copy Machines	Yes	You do not have to provide information for copiers leased off of the catalog master agreement, as this information is provided by the vendor. Copiers leased on a contract not open to other agencies should be reported.
Equipment (postage, medical, etc.)	Yes	
Grazing leases	Yes	
Hunting permits	No	Lessee does not have "control of the right to use"
Inventory	No	Specifically excluded: paragraph 8(e)
Land used by a single entity	Yes	
Land used by multiple entities	No	Lessee does not have "control of the right to use"
Land Easements	Maybe	Follow decision tree. "Permanent easements, which last indefinitely without cancellation options, do not meet the period-of-time criterion. Easements obtained for an amount that does not meet the description of exchange or exchange-like transactions in Statement 33 do not meet the exchange or exchange-like criterion." (See IG 2019-3, Q&A 4.5)
Machinery	Yes	
Mining (rights to explore for or to exploit natural resources such as oil, gas, and minerals)	No	Specifically excluded: paragraph 8(a)
Patents and Copyrights	No	Specifically excluded: paragraph 8(a)
Right-of-Way	Maybe	Follow decision tree. Many of these leases may not meet the "conveys control of the right to use" criterion.
Road Use Permits	No	Lessee does not have "control of the right to use".
Service Concession Arrangements	No	Specifically excluded: paragraph 8(d), account for under GASB Statement No. 60
Supply contracts (power purchase agreements)	No	Specifically excluded: paragraph 8(f)
Vehicles	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.