

GASB Statement 87 Scope Guide

Purpose: To assist in determining whether the leased asset is within the scope of GASB Statement No. 87 (use to answer the first box in the Lease Accounting Decision Tree).

Type of Underlying Asset	Included?	GASB 87 Reference/Explanation
Agricultural (crops, orchards, etc.)	Yes	
Air space	No	Excluded paragraph 8(a)
Airport hangar	Maybe	Follow decision tree. Determine whether the leases meet the "conveys control of the right to use" criterion
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	
Dams, dikes, or docks	Maybe	Follow decision tree. Determine whether the leases meet the "conveys control of the right to use" criterion
Equipment (postage, medical, etc.)	Yes	
Grazing land	Maybe	Follow decision tree. Determine whether the leases meet the "conveys control of the right to use" criterion
Hunting, fishing, boating, ATV permits	No	Lessee does not have "control of the right to use"
Inventory	No	Specifically excluded, paragraph 8(c)
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. Determine whether the leases meet the "conveys control of the right to use" criterion
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. Determine whether the leases 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	

Additional exclusions:

1. All interagency leases.
2. Any lease for which the underlying asset is financed with outstanding conduit debt, unless both the underlying asset and the conduit debt are reported by the lessor (specifically excluded, paragraph 8(e)).