



GASB 87 – Accounting for Leases

- Lease Scenario:
 - A lease exists for a school's building
 - The present value of future payments for this lease is determined to be \$515,796.98



GASB 87 – Initial Recognition

- Governmental Funds:

- DR Expenditure – Capital Outlay \$515,796.98
 - Cr Other Financing Source \$515,796.98

- Government-wide and Proprietary Fund:

- DR Capital Leased Asset - \$515,796.98
 - CR Lease Liability \$515,796.98



GASB 87 – Lease Payment Recognition

- Governmental Funds:

- DR Debt Service (principal) \$14,327.69
- DR Debt Service (interest) \$672.31
 - CR Cash \$15,000

- Government-wide and Proprietary Fund:

- DR Lease liability \$14,327.69
- DR Interest Expense \$672.31
 - CR Cash \$15,000