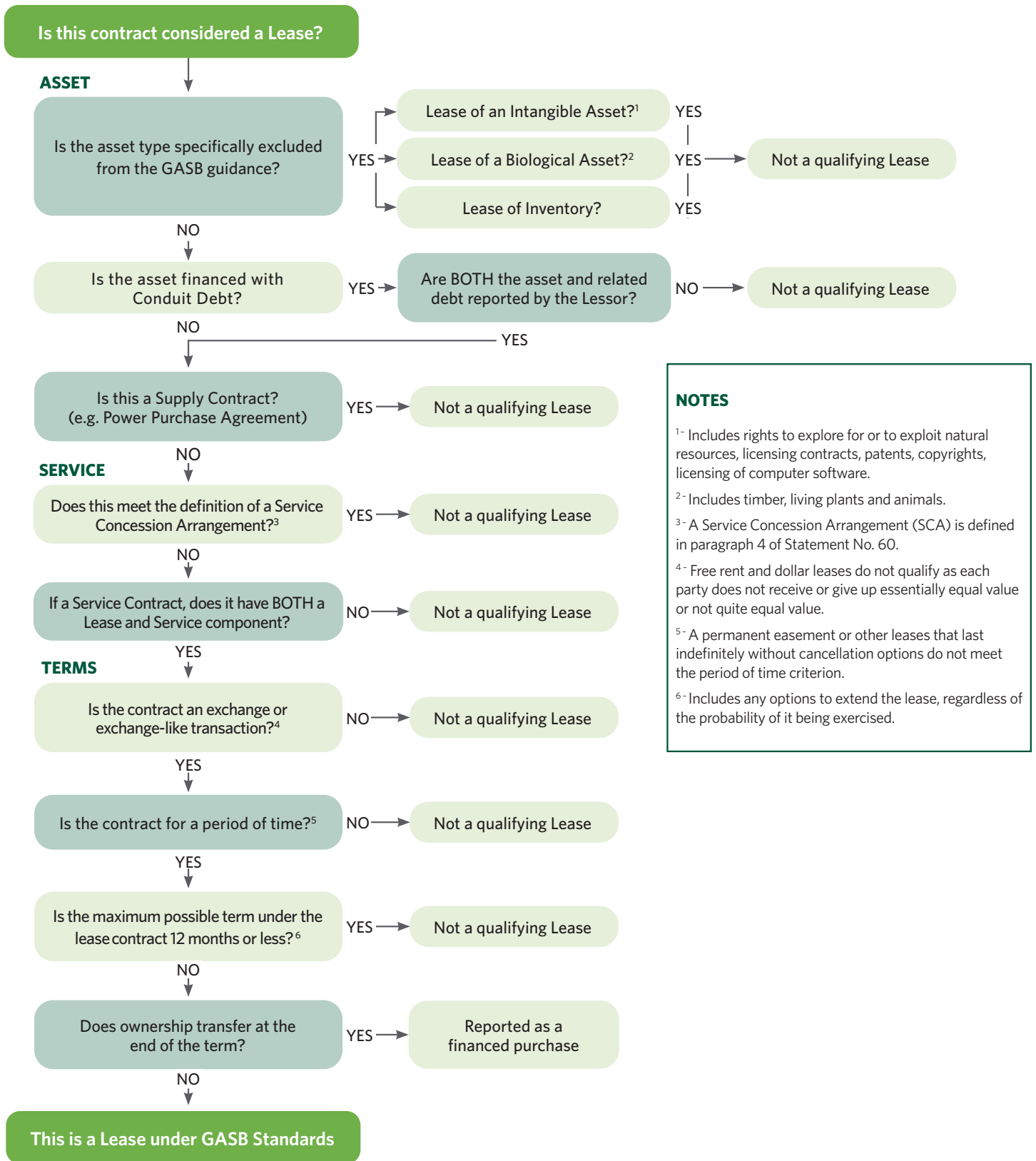


GASB Lease Determination

To help with implementation of the new lease standard, Cherry Bekaert has created a lease determination flow chart tool to help government lessees and lessors determine if a contract is truly a lease under the standard.



NOTES

1- Includes rights to explore for or to exploit natural resources, licensing contracts, patents, copyrights, licensing of computer software.

2- Includes timber, living plants and animals.

3- A Service Concession Arrangement (SCA) is defined in paragraph 4 of Statement No. 60.

4- Free rent and dollar leases do not qualify as each party does not receive or give up essentially equal value or not quite equal value.

5- A permanent easement or other leases that last indefinitely without cancellation options do not meet the period of time criterion.

6- Includes any options to extend the lease, regardless of the probability of it being exercised.