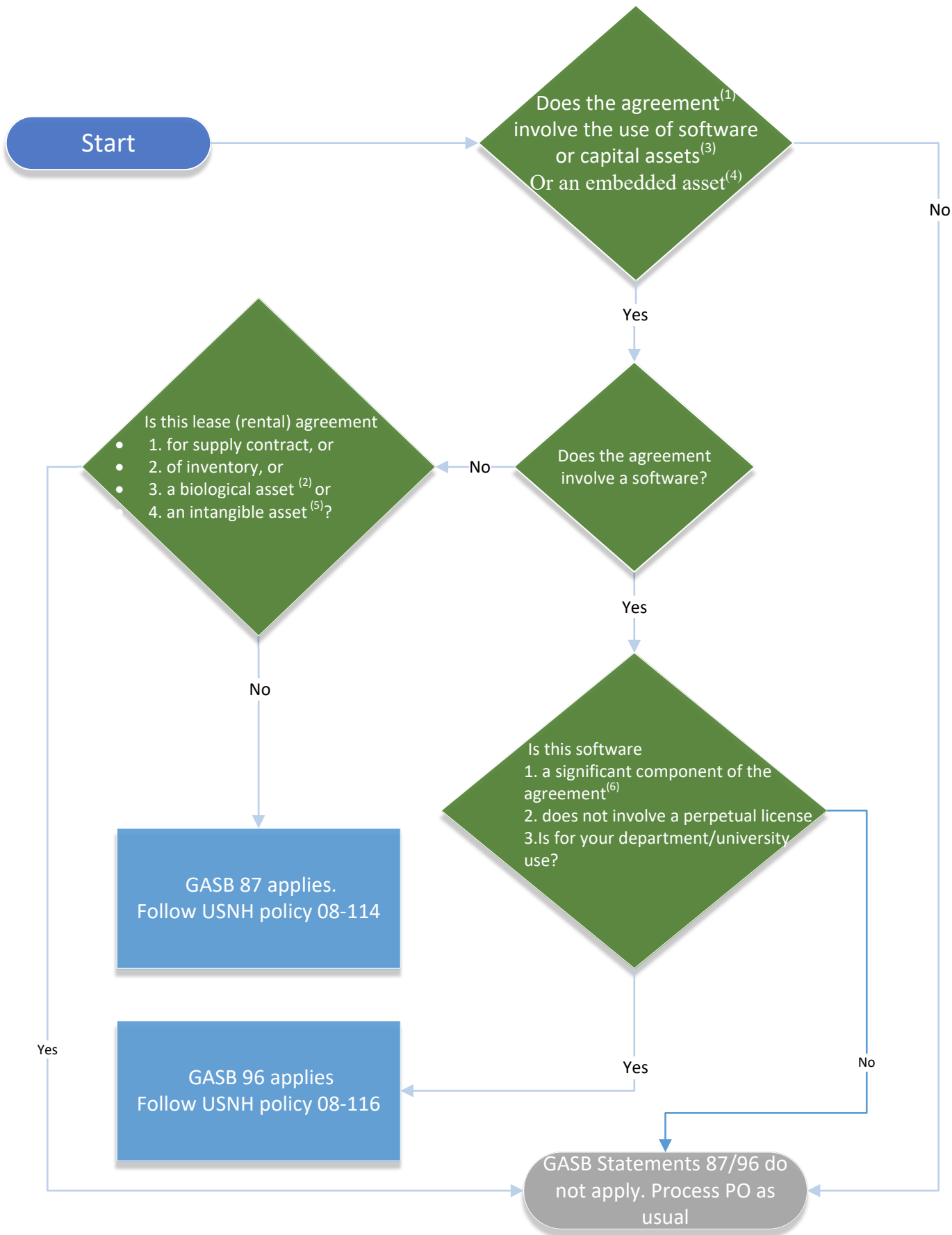


Identifying agreements subject to GASB 87/96



Glossary

- 1. Agreement:** Any legally enforceable arrangement, written or verbal. These could be labeled as contracts, purchase orders, or be under a different label. The agreement may be a service contract that include the use of an asset.
- 2. Biological Asset:** Includes timber, living plants, and living animals
- 3. Capital Assets:** Includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.
- 4. Embedded assets** are assets that are included (i.e. embedded) within service agreements or other contracts that entail the use of such asset where the user had control over it. Common example include the use of dumpsters in waste management contract, janitorial equipment in a cleaning service contract, etc.
- 5. Intangible Assets:** Are assets that lack physical substance, are non-financial (not investment securities or prepaids) and have an initial useful life greater than one year. Common intangibles include, but are not limited to, rights to explore for or to exploit natural resources such as oil, gas, and minerals and similar non-regenerative resources; licensing contracts for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights
- 6. Software as an insignificant component:** In this context, an insignificant component would be software that was incidental to a piece of hardware. For example, many office copiers have software included with the hardware that allows the computers to communicate with it. This would be considered incidental.