

**Capital Assets**

Capital assets (general fixed assets) are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life that is greater than two years.

The District has invested in a broad range of capital assets that are used to support the District operations, which include:

- Land and land improvements;
- Building and building improvements;
- Facilities and other improvements;
- Constructions in progress;
- Personal property, including:
  - Furniture and equipment;
  - Vehicles; and
  - Other assets; and
- Leasehold improvements and certain leased equipment.

**Capital Asset  
Classification**

The classification of capital asset items shall be determined in accordance with the standards issued by the Governmental Accounting Standards Board (GASB) and TEA, in a manner consistent with generally accepted accounting principles, and as otherwise required by applicable law.

**Capitalization  
Criteria**

An item must meet the following criteria to be classified as a capital item:

- The item is tangible;
- The unit cost of the item is \$5,000 or more; and
- The useful life is estimated at more than two years.

The chief financial officer shall ensure that the District's records include an accurate inventory of all capital assets and shall develop appropriate guidelines for the management of the District's capital assets. Inventory control methods shall be implemented.