

## Note 26. Stewardship Property, Plant, and Equipment

Stewardship PP&E consists of items whose physical properties resemble those of PP&E traditionally capitalized in financial statements. However, stewardship PP&E differs from traditional PP&E in that their values may be indeterminable or may have little meaning (e.g., museum collections, monuments, assets acquired in the formation of the nation) or that allocating the cost of such assets to accounting periods that benefit from the ownership of such assets is meaningless. Stewardship PP&E includes stewardship land (land not acquired for or in connection with PP&E) and heritage assets (e.g., federal monuments and memorials and historically or culturally significant property).

Stewardship land is land and land rights owned by the federal government intended to be held indefinitely. The majority of stewardship land was acquired by the government during the first century of the nation's existence. Examples of stewardship land include land reserved, managed, planned, used, or acquired for forests and parks, recreation and conservation, wildlife and grazing, historical landmarks, multiple purpose ancillary revenue generating activities, and/or buffer zones. "Land" is defined as the solid part of the surface of the earth. Excluded from the definition are the natural resources (that is, depletable resources, such as mineral deposits and petroleum; renewable resources, such as timber; and the outer-continental shelf resources) related to land.

Additional information concerning stewardship land, such as entity stewardship policies, physical units by major categories, and the condition of stewardship land, can be obtained from the financial statements of DHS, DOC, DOD, DOE, DOI, DOT, EPA, HHS, TVA, USDA, and VA. Refer to Land and Permanent Land Rights located in the unaudited RSI for information concerning the federal estimated acreage.

Heritage assets are government-owned assets that have one or more of the following characteristics: historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics. Entities provide protection and preservation services to maintain all heritage assets in the best possible condition as part of America's history. Examples of heritage assets include the Declaration of Independence, the U.S. Constitution, and the Bill of Rights preserved by the National Archives. Heritage assets are classified into two categories: collection and non-collection. Collection type heritage assets include objects gathered and maintained for exhibition, for example, museum collections, art collections, and library collections. Non-collection type heritage assets include parks, memorials, monuments, and buildings. In some cases, heritage assets may serve two purposes: a heritage function and general government operations. In those cases, the heritage asset should be considered a multi-use heritage asset if the predominant use of the asset is in general government operations (e.g., the main Treasury building used as an office building). The cost of acquisition, improvement, reconstruction, or renovation of multi-use heritage assets is capitalized as PP&E and depreciated over its estimated useful life.

Additional information concerning other significant heritage assets, multi-use heritage assets, component federal entity stewardship policies for heritage assets, physical units by major categories of heritage assets, and the condition of heritage assets, can be obtained from the financial statements of DHS, DOC, DOD, DOE, DOI, DOT, GSA, National Aeronautics and Space Administration (NASA), State, Treasury, USDA, and VA. Refer to DM&R located in the unaudited RSI for information concerning estimated maintenance and repair costs.