

FASAB Questions About Draft Technical Bulletin, Technical Clarifications: SFFAS 59: Accounting and Reporting of Government Land

QFR1. The proposed TB would clarify that categorizing general property, plant, and equipment (G-PP&E) land and stewardship land is based on intent or intended purpose, whereas the sub-categorization is based on predominant use. The determining factor when categorizing land between G-PP&E and stewardship is why the entity is currently managing/holding the land as opposed to its actual predominant use during the reporting period. Refer to paragraphs 5 and 6 and paragraph A4 in the basis for conclusions.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – The TB does clarify how land should be categorized.

QFR2. The proposed TB would clarify that the reporting of non-outer continental shelf (OCS) submerged estimated acreage is optional and that the preparer has flexibility concerning the accounting and reporting of such land. Specifically, preparers have the option to either include or exclude non-OCS estimated acreage in the notes as part of the overall reported acreage estimates. If the entity has non-OCS submerged land, the entity should (1) disclose its policy for including or excluding this land from acreage estimates and (2) describe its mission related to such lands. Refer to paragraphs 7 and 8, paragraph A5 in the basis for conclusions, and appendix C.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – The flexibility provided to preparers is welcome, given the vast array of bodies of water owned by the government, the many reasons they are held, and the many uses they serve.

QFR3. The proposed TB would clarify that the accounting and reporting of land improvements remains consistent with Statement of Federal Financial Accounting Standards 6, *Accounting for Property, Plant, and Equipment*. That is, land improvements would continue to be reported as G-PP&E after land acreage transitions to the notes. Refer to paragraphs 9-11 and paragraph A6-A9 in the basis for conclusions.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – It does clarify that, and does a really nice job of explaining the rationale, for example, in A6 – A9.

QFR4. The proposed TB would clarify that all (G-PP&E and stewardship) permanent land rights are to be expensed as incurred. Refer to paragraphs 12 and 13 and paragraph A10-A11 in the basis for conclusions.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – Paragraph 13 makes this clear, and gives a good explanation of the intent.

QFR5. The proposed TB would clarify that ownership and related acquisition assertions can be supported by non-traditional documentation. For example, alternative methods, such as satellite

imagery, expert analysis, legal precedents, and testimonies from land historians or long-established local communities, can help reconstruct ownership history and confirm the legitimacy of land claims. Additionally, practitioners may review land surveys, geological data, or archival government correspondence to corroborate acquisition details. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – paragraph 17 and footnote 6 add a lot of clarity, and again, the flexibility provided to preparers is welcome.

QFR6. The proposed TB would incorporate concepts regarding ownership in paragraphs 81-83 (Supporting Documentation) and paragraph 85 (Methodology for Developing Supporting documentation) of Technical Release 9, *Implementation Guide for Statement of Federal Financial Accounting Standards 29: Heritage Assets and Stewardship Land*. Refer to paragraphs 14-17 and paragraph A12-A18 in the basis for conclusions.

Do you agree or disagree? Please provide the rationale for your answer.

Agree – The proposed TB does incorporate those concepts.

QFR7. Do you wish to comment on any other aspects of this proposal?

We recommend that HA be added to Appendix F: List of Abbreviations.

DHS also recommends that FASAB and OMB reconsider the current plan to transition this disclosure to notes in FY 2026. We believe this recommendation is closely aligned with the recent OMB memorandum that attempts to bring the federal financial reporting model closer to what the readers (citizens) really care about – i.e., how tax dollars are spent, instead of on non-financial information that could only drive up the cost of preparing and auditing agency financial statements.