

## Note 6. Property, Plant, and Equipment, Net

### Property, Plant, and Equipment, net as of September 30, 2024, and 2023

	Accumulated Depreciation/ Amortization			Accumulated Depreciation/ Amortization		
	Cost	2024	Net	Cost	2023	Net
(In billions of dollars)						
Furniture, fixtures, and equipment	1,454.4	895.9	558.5	1,457.6	891.3	566.3
Construction in progress	333.8	N/A	333.8	297.8	N/A	297.8
Buildings, structures, and facilities	804.4	488.0	316.4	754.0	448.7	305.3
Right-to-use lease assets	43.8	5.1	38.7	-	-	-
Internal use software	75.0	47.7	27.3	69.3	43.3	26.0
Land	23.2	N/A	23.2	22.9	N/A	22.9
Other property, plant, and equipment	36.0	20.9	15.1	36.5	19.8	16.7
Total property, plant, and equipment, net	<u>2,770.6</u>	<u>1,457.6</u>	<u>1,313.0</u>	<u>2,638.1</u>	<u>1,403.1</u>	<u>1,235.0</u>

Note: "N/A" indicates not applicable.

PP&E consists predominantly of tangible assets, including land. Internal use software, land rights, assets acquired through financing leases, and leasehold improvements are also included. Beginning in FY 2024, SFFAS No. 54, *Leases* required the recognition of RTU lease assets. For additional information relating to leases, see Note 18—Other Liabilities.

DOD comprises approximately 64.7 percent of the government's total reported PP&E, net as of September 30, 2024. DOD continues to implement SFFAS No. 50, *Establishing Opening Balances for General Property, Plant, and Equipment* which permits alternative methods in establishing opening balances for PP&E and has elected to exclude land and land rights. The total acreage excluded was 22.8 million and 23.5 million as of September 30, 2024, and 2023, respectively. Differences year over year are due to DOD understating and overstating different categories of PP&E. Adjustments were made to asset balances that were incorrectly recorded in legacy systems, assets effected by accounting system migrations, assets placed into service and not expensed, and assets revalued and deemed closed, but were double counted due to incorrect posting logic.

Additional information concerning PP&E can be obtained from the financial statements of DOD, DOE, GSA, TVA, VA, DHS, State, and DOI. Certain PP&E are multi-use heritage assets, see Note 26—Stewardship Property, Plant, and Equipment for additional information on multi-use heritage assets. Refer to DM&R and Land and Permanent Land Rights located in the unaudited RSI for information concerning the estimated maintenance and repair costs related to PP&E and the federal estimated acreage by predominant use.