

Unaudited  
Required  
Supplementary  
Information

**U.S. Department of the Interior**  
**Combining Statement of Budgetary Resources**  
**for the year ended September 30, 2001**

(dollars in thousands)

	Bureau of Indian Affairs	National Park Service	Fish and Wildlife Service
<b>Budgetary Resources</b>			
Budget Authority	\$ 2,823,356	\$ 2,734,662	\$ 2,115,247
Unobligated Balances - Beginning of Period	641,977	905,940	464,210
Spending Authority from Offsetting Collections	139,691	62,034	120,163
Other Adjustments	38,939	89,864	96,348
<b>Total Budgetary Resources</b>	<b>3,643,963</b>	<b>3,792,500</b>	<b>2,795,968</b>
<b>Status of Budgetary Resources</b>			
Obligations Incurred	2,903,109	2,591,185	2,096,909
Unobligated Balances - Available	558,442	938,665	669,875
Unobligated Balances - Not Available	182,412	262,650	29,184
<b>Total Status of Budgetary Resources</b>	<b>3,643,963</b>	<b>3,792,500</b>	<b>2,795,968</b>
<b>Outlays</b>			
Total Obligations Incurred	2,903,110	2,591,185	2,096,909
Spending Authority from Offsetting Collections and Adjustments	(205,187)	(176,550)	(219,376)
Obligated Balance, Net - Beginning of Period	667,521	678,951	864,071
Obligated Balance Transferred, Net	171	-	-
Obligated Balance, Net - End of Period	(854,167)	(946,098)	(1,015,233)
<b>Total Outlays</b>	<b>2,511,448</b>	<b>2,147,488</b>	<b>1,726,371</b>

**U.S. Department of the Interior**  
**Combining Statement of Budgetary Resources**  
**for the year ended September 30, 2001**  
(dollars in thousands)

	Bureau of Land Management	U.S. Geological Survey	Bureau of Reclamation	Office of Surface Mining	Minerals Management Service	Department Offices and Other	Total
\$	1,805,559	\$ 887,950	\$ 935,889	\$ 497,877	\$ 1,189,153	\$ 785,174	\$ 13,774,867
	243,566	86,131	236,655	70,157	10,412	263,556	2,922,604
	135,216	430,640	691,120	2,213	405,106	784,378	2,770,561
	29,768	3,210	57,251	20,943	19,768	67,867	423,958
	<b>2,214,109</b>	<b>1,407,931</b>	<b>1,920,915</b>	<b>591,190</b>	<b>1,624,439</b>	<b>1,900,975</b>	<b>19,891,990</b>
	1,838,049	1,288,397	1,620,301	537,100	1,609,910	1,416,014	15,900,974
	375,719	104,553	299,968	50,420	12,666	482,637	3,492,945
	341	14,981	646	3,670	1,863	2,324	498,071
	<b>2,214,109</b>	<b>1,407,931</b>	<b>1,920,915</b>	<b>591,190</b>	<b>1,624,439</b>	<b>1,900,975</b>	<b>19,891,990</b>
	1,838,049	1,288,397	1,620,301	537,100	1,609,910	1,416,014	15,900,975
	(169,664)	(438,010)	(791,292)	(25,567)	(426,247)	(855,336)	(3,307,229)
	303,383	129,649	643,092	277,325	78,425	475,519	4,117,936
	-	-	-	-	-	-	171
	(490,593)	(122,547)	(580,070)	(351,915)	(73,373)	(497,392)	(4,931,388)
\$	<b>1,481,175</b>	<b>\$ 857,489</b>	<b>\$ 892,031</b>	<b>\$ 436,943</b>	<b>\$ 1,188,715</b>	<b>\$ 538,805</b>	<b>\$ 11,780,465</b>

# Deferred Maintenance

The Department of the Interior owns, builds, purchases, and contracts services for assets such as schools, office buildings, roads, bridges, dams, irrigation systems, and reservoirs. These assets are used to support the Department's stated mission. Interior's assets include some deteriorating facilities for which repair and maintenance have not been adequately funded. Current and prior budgetary restraints require that repair and maintenance on these assets be postponed for future years. Interior refers to this unfunded repair and maintenance of facilities and infrastructure as deferred maintenance.

Inadequately funded maintenance may result from reduced budgets, reallocation of maintenance funds for emergency requirements, insufficient management systems or practices, and competition for resources from other program needs. Deterioration of facilities can adversely impact public health and safety, reduce employees' morale and productivity, and increase the need for costly major repairs or early replacement of structures and equipment. Undue wear on facilities may not be immediately noticeable to users, but inadequate maintenance can require that a facility be replaced or undergo major reconstruction before the end of its expected useful life.

Due to the scope, nature, and variety of the assets entrusted to the Department, as well as the nature of deferred maintenance itself, exact estimates of deferred maintenance cannot be determined at this time. Interior has calculated estimates of deferred maintenance based on data from a variety of systems, procedures, and data sources. However, the accumulation of deferred maintenance cost estimates is not the primary purpose of many of these sources, so the Department acknowledges that the reliability of these sources as a basis for deferred maintenance estimates can vary greatly.

Interior's current estimate for deferred maintenance includes property categories such as building facilities, fixed and heavy equipment, bridges and roads, dams, irrigation systems, and reservoirs. The estimate generally includes costs for items such as: (1) construction contract administration and inspection; (2) construction materials; (3) transportation; (4) removal of existing appurtenances, e.g., guard rails, furnishings, and equipment items that are not physically attached to property, along with related storage, inventorying, and tagging; (5) fixed equipment; (6) employee costs; and (7) indirect costs and/or contract support costs. The estimate excludes costs for items such as routine annual and preventive maintenance of facilities and other infrastructure. In addition, the estimate generally excludes vehicles and most other categories of operating equipment.

Initial studies indicate that the estimated amounts needed to fund the correction of deferred maintenance for property, plant, and equipment (PP&E) throughout the Department may range from approximately \$8.1 to \$11.4 billion (*Figure 30*).

**Figure 30**

<b>Estimated Deferred Maintenance (in millions)</b>			
	<b>Estimated Range of Deferred Maintenance General PP&amp;E</b>	<b>Estimated Range of Deferred Maintenance Stewardship PP&amp;E</b>	<b>Total Estimated Range of Deferred Maintenance</b>
Bureau of Indian Affairs	\$2,731 to \$2,813	\$223 to \$230	\$2,954 to \$3,043
Bureau of Land Management	\$70 to \$125	\$115 to \$207	\$185 to \$332
Bureau of Reclamation	\$26 to \$26	-	\$26 to \$26
Fish and Wildlife Service	\$843 to \$1,140	-	\$843 to \$1,140
National Park Service	\$3,776 to \$6,293	\$303 to \$505	\$4,079 to \$6,798
U.S. Geological Survey	\$60 to \$100	-	\$60 to \$100
<b>Total</b>	<b>\$7,506 to \$10,497</b>	<b>\$641 to \$942</b>	<b>\$8,147 to \$11,439</b>

# Intra-Governmental Transaction Disclosures

Intra-governmental amounts represent transactions between federal entities included in the federal government's annual financial report. These transactions include assets, liabilities, revenues, transfers, and expenses (see *Figures 31, 32, and 33*).

**Figure 31**

Department of the Interior Intra-Governmental Assets (in thousands)				
Trading Partner	Fund Balance with Treasury	Investments	Accounts Receivable	Advances and Prepayments
Treasury	\$25,547,027	\$5,069,265	\$81,204	
Agriculture			24,210	
Commerce			2,071	
Navy			1,670	
EPA			14,904	
Education			6,264	
NASA			5,622	
Energy			20,707	
Corps of Engineers			5,842	
Defense			32,404	
Transportation			45,076	
HHS			5,323	
GSA				\$1,912
Other			9,043	458
Total	\$25,547,027	\$5,069,265	\$254,340	\$2,370

**Figure 32**

Department of the Interior Liabilities to Federal Agencies (in thousands)						
Trading Partner	Accounts Payable	Deferred Revenue	Accrued Payroll and Benefits	Loans	Deferred Credits and Other Liabilities	Custodial Liability
Treasury	\$10,939		\$9,304	\$1,457,588	\$201,970	\$1,108,753
OMB		\$8,780				
Agriculture	1,788	6,049				
Education		8,691				
Commerce	4,191	2,848				
Justice		3,240				
Labor	5,916		113,755			
Navy		5,553				
Army	1,619	1,287				
GSA	20,254	6,069				
NSF		5,135				
OPM			32,219			
HHS		28,785				
Corps of Engineers	271,543	10,376				
Defense	4,776	185,621				
Transportation	72,495	1,079				
EPA		1,636				
AID		7,483				
Energy	11,899	4,364				
Other	9,765	1,618	241		1,495	
Total	\$415,185	\$288,614	\$155,519	\$1,457,588	\$203,465	\$1,108,753

Figure 33

Department of the Interior Intra-Governmental Revenue, Transfers, and Expenses (in thousands)					
Trading Partner	Transfers, Net	Other Non-Exchange Revenue	Imputed Financing Sources	Sales of Goods and Services	Total Expenses
Agriculture	\$105,681			\$48,862	
Corps of Engineers	87,267		\$226	46,154	
OPM			253,578		\$780,053
Treasury	45,620	\$242,000	251,947	88,906	464,523
Energy	(96,277)		53,794	391,369	124,428
Commerce	3,525			12,471	
Army				16,398	
Navy				14,551	
USPS				13,353	
SSA				14,931	
GSA	(61,828)			37,301	446,600
EPA				45,442	
AID				13,665	
HHS				21,128	
NASA				10,431	
Education				128,292	
DOD				230,003	
Transportation	(165,132)				
Other	454	1,609		46,278	228,343
<b>Total</b>	<b>(\$80,690)</b>	<b>\$243,609</b>	<b>\$559,545</b>	<b>\$1,179,535</b>	<b>\$2,043,947</b>

## Working Capital Funds and Franchise Funds

Interior has four working capital funds established by law to finance a continuing cycle of operations, with the receipts from the operations available for use by the funds without further action by Congress. The four working capital funds, which operate as revolving funds, are established in the Bureau of Reclamation, the Bureau of Land Management, the U.S. Geological Survey, and the Departmental Offices. The costs of providing services and operating the funds are fully recovered from customers. The major working capital fund customers are Interior bureaus and offices and other federal agencies; however, some services are provided to states and nongovernment entities. Some of the significant services provided to customers consist of central reproduction, telecommunications, aircraft services, supplies, publications, training, computer processing and related activities, engineering and technical services, and certain cross-servicing activities such as payroll, personnel, and financial and accounting services. The services provided by the working capital funds are usually those that may be performed more advantageously on a reimbursable basis.

In addition, Interior manages the Interior Franchise Fund (IFF) that is a part of the Franchise Fund Pilot program authorized by the Government Management Reform Act of 1994. The purpose of the IFF is to pilot new approaches for providing shared administrative services to reduce the cost of government to the taxpayer by fostering competition and entrepreneurship among providers of commonly required products and services to federal agencies. Some of the significant services include procurement support, financial systems and related services, and other administrative support services. The IFF is a separate legal entity that allows Interior to share cost savings with others that result from providing cost effective and efficient services to federal agencies. By building on this experience of providing cost effective and efficient services, Interior can provide even greater cost savings within Interior and in working with other agencies. It also provides a cost effective way to partner with the private sector, through established relationships with vendors that understand and have worked with the federal government to provide quality services to federal organizations.

The following summarizes the condensed information about assets, liabilities, and net position of the Interior working capital and franchise funds for the year ended September 30, 2001 and 2000. The financial information presented includes intra-departmental transactions.

U.S. Department of the Interior  
Supplemental Balance Sheet  
Combined Working Capital Funds  
as of September 30, 2001  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	U.S. Geological Survey	Departmental Offices	Interior Franchise Fund	TOTAL
<b>Assets</b>						
Fund Balance with Treasury & Cash	\$ 49,844	\$ 41,593	\$ 66,994	\$ 95,200	\$ 219,779	\$ 473,410
Accounts Receivable						
Public, Net	-	72	2,039	2,530	36	4,677
Due from Federal Agencies	-	8,168	2,155	32,748	15,730	58,801
Property, Plant & Equipment	73,101	36,490	5,587	34,311	-	149,489
Other Assets	577	8,730	(7)	2,798	509	12,607
<b>Total Assets</b>	<b>\$ 123,522</b>	<b>\$ 95,053</b>	<b>\$ 76,768</b>	<b>\$ 167,587</b>	<b>\$ 236,054</b>	<b>\$ 698,984</b>
<b>Liabilities and Net Position</b>						
Liabilities to the Public						
Accounts Payable and Other	\$ 1,355	\$ 10,346	\$ 4,804	\$ 34,432	\$ 248	\$ 51,185
Liabilities to Federal Agencies						
Accounts Payable and Other	1,731	13,310	65,303	44,419	235,471	360,234
<b>Total Liabilities</b>	<b>3,086</b>	<b>23,656</b>	<b>70,107</b>	<b>78,851</b>	<b>235,719</b>	<b>411,419</b>
Net Position						
Cumulative Results of Operations	120,436	71,397	6,661	88,736	335	287,565
<b>Total Net Position</b>	<b>120,436</b>	<b>71,397</b>	<b>6,661</b>	<b>88,736</b>	<b>335</b>	<b>287,565</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 123,522</b>	<b>\$ 95,053</b>	<b>\$ 76,768</b>	<b>\$ 167,587</b>	<b>\$ 236,054</b>	<b>\$ 698,984</b>

U.S. Department of the Interior  
Supplemental Balance Sheet  
Combined Working Capital Funds  
as of September 30, 2000  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	U.S. Geological Survey	Departmental Offices	Interior Franchise Fund	TOTAL
<b>Assets</b>						
Fund Balance with Treasury & Cash	\$ 38,245	\$ 47,233	\$ 57,024	\$ 61,552	\$ 85,336	\$ 289,390
Accounts Receivable, Net						
Public	-	85	2,403	229	16	2,733
Due from Federal Agencies	-	9,161	2,103	27,145	16,044	54,453
Property, Plant & Equipment, Net	56,446	37,136	4,246	32,701	-	130,529
Other Assets, Net	138	-	(7)	2,040	1,219	3,390
<b>Total Assets</b>	<b>\$ 94,829</b>	<b>\$ 93,615</b>	<b>\$ 65,769</b>	<b>\$ 123,667</b>	<b>\$ 102,615</b>	<b>\$ 480,495</b>
<b>Liabilities and Net Position</b>						
Liabilities to the Public						
Accounts Payable and Other	\$ 163	\$ 5,898	\$ 4,725	\$ 23,258	\$ 22	\$ 34,066
Liabilities to Federal Agencies						
Accounts Payable and Other	1,730	11,247	56,387	15,085	102,559	187,008
<b>Total Liabilities</b>	<b>1,893</b>	<b>17,145</b>	<b>61,112</b>	<b>38,343</b>	<b>102,581</b>	<b>221,074</b>
Net Position						
Cumulative Results of Operations	92,936	76,470	4,657	85,324	34	259,421
<b>Total Net Position</b>	<b>92,936</b>	<b>76,470</b>	<b>4,657</b>	<b>85,324</b>	<b>34</b>	<b>259,421</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 94,829</b>	<b>\$ 93,615</b>	<b>\$ 65,769</b>	<b>\$ 123,667</b>	<b>\$ 102,615</b>	<b>\$ 480,495</b>



U.S. Department of the Interior  
Supplemental Statement of Net Cost of Operations  
Combined Working Capital Funds  
for the year ended September 30, 2001  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	U.S. Geological Survey	Departmental Offices	Interior Franchise Fund	TOTAL
<b>Expenses</b>						
Operating Expenses	\$ 9,395	\$ 291,554	\$ 37,263	\$ 339,368	\$ 235,046	\$ 912,626
Depreciation and Amortization	8,928	6,823	693	3,831	-	20,275
Net Loss (Gain) on Disposition of Assets	(275)	66	16	1,192	-	999
Bad Debt Expense	-	2	-	-	-	2
Other Expenses	-	-	3	5,226	-	5,229
<b>Total Expenses</b>	<b>\$ 18,048</b>	<b>\$ 298,445</b>	<b>\$ 37,975</b>	<b>\$ 349,617</b>	<b>\$ 235,046</b>	<b>\$ 939,131</b>
<b>Revenues</b>						
Sales of Goods and Services to the Public	\$ 65	\$ 18,614	\$ (1,604)	\$ 5,759	\$ 2,014	\$ 24,848
Sales of Goods and Services to Federal Agencies	22,594	265,905	42,679	349,696	233,333	914,207
Other Revenues	22,332	-	-	-	-	22,332
<b>Total Revenues</b>	<b>44,991</b>	<b>284,519</b>	<b>41,075</b>	<b>355,455</b>	<b>235,347</b>	<b>961,387</b>
<b>Net Cost of (Profit From) Operations</b>	<b>\$ (26,944)</b>	<b>\$ 13,927</b>	<b>\$ (3,100)</b>	<b>\$ (5,838)</b>	<b>\$ (301)</b>	<b>\$ (22,256)</b>

U.S. Department of the Interior  
Supplemental Statement of Net Cost of Operations  
Combined Working Capital Funds  
for the year ended September 30, 2000  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	U.S. Geological Survey	Departmental Offices	Interior Franchise Fund	TOTAL
<b>Expenses</b>						
Operating Expenses	\$ 8,385	\$ 280,549	\$ 35,746	\$ 268,376	\$ 128,838	\$ 721,894
Depreciation and Amortization	9,135	6,610	424	2,753	-	18,922
Net Loss (Gain) on Disposition of Assets	(400)	198	-	(38)	-	(240)
Bad Debt Expense	-	15	-	-	488	503
Other Expenses	-	-	-	1,375	-	1,375
<b>Total Expenses</b>	<b>\$ 17,121</b>	<b>\$ 287,371</b>	<b>\$ 36,170</b>	<b>\$ 272,466</b>	<b>\$ 129,326</b>	<b>\$ 742,454</b>
<b>Revenues</b>						
Sales of Goods and Services to the Public	\$ 61	\$ 26,346	\$ 1,604	\$ 1,986	\$ 3,654	\$ 33,651
Sales of Goods and Services to Federal Agencies	21,585	255,248	36,730	270,404	125,786	709,753
Other Revenues	3,659	(5)	-	5,230	-	8,884
<b>Total Revenues</b>	<b>25,306</b>	<b>281,588</b>	<b>38,334</b>	<b>277,620</b>	<b>129,440</b>	<b>752,288</b>
<b>Net Cost of (Profit From) Operations</b>	<b>\$ (8,185)</b>	<b>\$ 5,783</b>	<b>\$ (2,164)</b>	<b>\$ (5,154)</b>	<b>\$ (114)</b>	<b>\$ (9,834)</b>

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