

# Required Supplementary Information (Unaudited, See Auditors' Report)

This section includes the Combining Statement of Budgetary Resources (Budgetary Accounts), deferred maintenance information, intragovernmental transaction disclosures, and supplemental statements for combined working capital and franchise funds.

**Combining Statement of Budgetary Resources**  
**for the year ended September 30, 2005**  
(dollars in thousands)

	Interior Franchise Fund	Water and Related Resources	National Park Service Operations	National Park Service Construction	Management of Land and Resources
<b>Budgetary Resources:</b>					
<b>Budget Authority:</b>					
Appropriations Received	\$ -	\$ 864,637	\$ 1,707,336	\$ 356,739	\$ 848,939
Net Transfers, Current Year Authority	-	(83,323)	5,222	(6,961)	7,500
<b>Unobligated Balance:</b>					
Beginning of Fiscal Year	734,962	268,834	87,256	400,611	34,750
Net Transfers, Unobligated Balance, Actual	-	(157)	237	-	-
<b>Spending Authority From Offsetting Collections:</b>					
<b>Earned</b>					
Collected	1,574,667	195,254	21,178	112,564	97,434
Receivable From Federal Sources	(1,693)	(1,945)	(75)	2,078	6,916
Change in Unfilled Customer Orders					
Advance Received	(58,036)	7,578	-	(5,052)	4
Without Advance From Federal Sources	(9,787)	6,279	-	19,891	1,614
Subtotal: Spending Authority From Offsetting Collections	1,505,151	207,166	21,103	129,481	105,968
Recoveries of Prior Year Obligations	-	22,558	8,300	5,570	21,979
Temporarily Not Available Pursuant to Public Law	-	(5,534)	-	-	-
Permanently Not Available	-	(1,342)	(35,474)	(4,250)	(12,113)
<b>Total Budgetary Resources</b>	<b>\$ 2,240,113</b>	<b>\$ 1,272,839</b>	<b>\$ 1,793,980</b>	<b>\$ 881,190</b>	<b>\$ 1,007,023</b>
<b>Status of Budgetary Resources:</b>					
<b>Obligations Incurred:</b>					
Direct	\$ -	\$ 797,128	\$ 1,743,014	\$ 388,637	\$ 903,436
Reimbursable	1,451,503	199,557	20,357	140,781	70,396
Total Obligations Incurred	1,451,503	996,685	1,763,371	529,418	973,832
<b>Unobligated Balance:</b>					
Apportioned	788,610	276,110	17,333	348,669	33,171
Exempt From Apportionment	-	44	-	(76)	-
Unobligated Balance not Available	-	-	13,276	3,179	20
<b>Total Status of Budgetary Resources</b>	<b>\$ 2,240,113</b>	<b>\$ 1,272,839</b>	<b>\$ 1,793,980</b>	<b>\$ 881,190</b>	<b>\$ 1,007,023</b>
<b>Relationship of Obligations to Outlays:</b>					
Obligations Incurred	\$ 1,451,503	\$ 996,685	\$ 1,763,371	\$ 529,418	\$ 973,832
Obligated Balance, Net, Beginning of Fiscal Year	658,670	366,254	338,577	303,549	224,855
<b>Obligated Balance, Net, End of Fiscal Year:</b>					
Accounts Receivable	4,673	17,732	264	30,146	11,591
Unfilled Customer Orders From Federal Sources	167,649	36,138	-	117,495	11,387
Undelivered Orders	(486,228)	(342,203)	(344,898)	(244,244)	(179,517)
Accounts Payable	(230,152)	(99,768)	(72,971)	(196,847)	(57,779)
Total Obligated Balance, Net, End of Fiscal Year	(544,058)	(388,101)	(417,605)	(293,450)	(214,318)
Less: Spending Authority Adjustments	11,480	(26,891)	(8,225)	(27,538)	(30,508)
<b>Outlays:</b>					
Disbursements	1,577,595	947,947	1,676,118	511,979	953,861
Collections	(1,516,631)	(202,832)	(21,178)	(107,512)	(97,438)
Net Outlays Before Offsetting Receipts	60,964	745,115	1,654,940	404,467	856,423
Less: Offsetting Receipts	-	(354)	-	-	-
<b>Net Outlays (Receipts)</b>	<b>\$ 60,964</b>	<b>\$ 744,761</b>	<b>\$ 1,654,940</b>	<b>\$ 404,467</b>	<b>\$ 856,423</b>

**Combining Statement of Budgetary Resources  
for the year ended September 30, 2005  
(dollars in thousands)**

Wildland Fire Management	Bureau of Land Mangement Operations	Fish and Wildlife Resource Management	Minerals Leasing and Associated Payments	Operation of Indian Programs	Survey, Investigation and Research	Other Budgetary Accounts	FY 2005 Total Budgetary Accounts
\$ 843,099	\$ 1,025,739	\$ 977,205	\$ 1,620,107	\$ 1,958,347	\$ 958,021	\$ 4,925,778	\$ 16,085,947
716	36	11,083	-	3,897	5,436	(58,984)	(115,378)
89,402	565,764	63,428	-	375,187	46,299	2,542,963	5,209,456
(716)	-	-	-	666	-	635	665
42,320	-	152,797	-	327,727	411,119	2,259,566	5,194,626
(3,642)	-	12,579	-	3,072	(7,334)	65,072	75,028
(8,599)	-	1,328	-	(54,286)	3,600	165,285	51,822
(6,727)	-	(19,766)	-	17,898	3,066	258,386	270,854
23,352	-	146,938	-	294,411	410,451	2,748,309	5,592,330
27,984	15,840	16,886	-	44,815	8,158	239,136	411,226
-	-	-	-	-	-	(6,319)	(11,853)
(11,804)	-	(14,312)	-	(31,066)	(20,716)	(216,387)	(347,464)
<u>\$ 972,033</u>	<u>\$ 1,607,379</u>	<u>\$ 1,201,228</u>	<u>\$ 1,620,107</u>	<u>\$ 2,646,257</u>	<u>\$ 1,407,649</u>	<u>\$ 10,175,131</u>	<u>\$ 26,824,929</u>
\$ 831,011	\$ 757,509	\$ 985,550	\$ 1,620,107	\$ 1,947,344	\$ 943,813	\$ 5,017,257	\$ 15,934,806
12,711	-	145,301	-	336,681	410,973	2,390,934	5,179,194
843,722	757,509	1,130,851	1,620,107	2,284,025	1,354,786	7,408,191	21,114,000
128,311	849,870	68,081	-	321,673	22,241	2,702,668	5,556,737
-	-	-	-	-	-	44,952	44,920
-	-	2,296	-	40,559	30,622	19,320	109,272
<u>\$ 972,033</u>	<u>\$ 1,607,379</u>	<u>\$ 1,201,228</u>	<u>\$ 1,620,107</u>	<u>\$ 2,646,257</u>	<u>\$ 1,407,649</u>	<u>\$ 10,175,131</u>	<u>\$ 26,824,929</u>
\$ 843,722	\$ 757,509	\$ 1,130,851	\$ 1,620,107	\$ 2,284,025	\$ 1,354,786	\$ 7,408,191	\$ 21,114,000
272,014	277,759	258,930	-	281,108	90,471	3,697,629	6,769,816
5,705	-	39,832	-	9,208	135,460	147,076	401,687
6,000	-	93,398	-	20,993	45,780	324,236	823,076
(255,869)	(856,500)	(322,820)	-	(199,016)	(177,883)	(3,657,865)	(7,067,043)
(42,344)	(21,385)	(63,748)	-	(63,387)	(100,388)	(541,407)	(1,490,176)
(286,508)	(877,885)	(253,338)	-	(232,202)	(97,031)	(3,727,960)	(7,332,456)
(17,614)	(15,840)	(9,700)	-	(65,785)	(3,890)	(562,595)	(757,106)
811,614	141,543	1,126,743	1,620,107	2,267,146	1,344,336	6,815,265	19,794,254
(33,722)	-	(154,125)	-	(273,442)	(414,719)	(2,424,851)	(5,246,450)
777,892	141,543	972,618	1,620,107	1,993,704	929,617	4,390,414	14,547,804
-	(1,000,343)	-	(1,620,107)	-	-	(3,283,691)	(5,904,495)
<u>\$ 777,892</u>	<u>\$ (858,800)</u>	<u>\$ 972,618</u>	<u>\$ -</u>	<u>\$ 1,993,704</u>	<u>\$ 929,617</u>	<u>\$ 1,106,723</u>	<u>\$ 8,643,309</u>

**Combining Statement of Budgetary Resources**  
**for the year ended September 30, 2004**  
(dollars in thousands)

	Interior Franchise Fund	Water and Related Resources	National Park Service Operations	National Park Service Construction	Management of Land and Resources
<b>Budgetary Resources:</b>					
<b>Budget Authority:</b>					
Appropriations Received	\$ -	\$ 851,803	\$ 1,629,641	\$ 355,820	\$ 865,744
Net Transfers, Current Year Authority	-	(85,601)	10,067	43,456	15
<b>Unobligated Balance:</b>					
Beginning of Fiscal Year	720,543	266,624	69,027	341,172	36,763
Net Transfers, Unobligated Balance, Actual	-	1,346	21	14,006	-
<b>Spending Authority From Offsetting Collections:</b>					
<b>Earned</b>					
Collected	1,396,541	215,667	20,266	108,247	274,026
Receivable From Federal Sources	(17,054)	9,757	(139)	9,829	(1,816)
Change in Unfilled Customer Orders					
Advance Received	264,506	4,934	-	(1,160)	(12)
Without Advance From Federal Sources	(65,871)	1,493	-	32,077	3,332
Subtotal: Spending Authority From Offsetting Collections	1,578,122	231,851	20,127	148,993	275,530
Recoveries of Prior Year Obligations	-	25,901	7,439	7,414	24,533
Temporarily Not Available Pursuant to Public Law	-	-	-	-	-
Permanently Not Available	-	(5,059)	(25,172)	(4,107)	(10,478)
<b>Total Budgetary Resources</b>	<b>\$ 2,298,665</b>	<b>\$ 1,286,865</b>	<b>\$ 1,711,150</b>	<b>\$ 906,754</b>	<b>\$ 1,192,107</b>
<b>Status of Budgetary Resources:</b>					
<b>Obligations Incurred:</b>					
Direct	\$ -	\$ 798,907	\$ 1,603,055	\$ 384,088	\$ 902,363
Reimbursable	1,563,704	219,125	20,839	122,054	254,994
Total Obligations Incurred	1,563,704	1,018,032	1,623,894	506,142	1,157,357
<b>Unobligated Balance:</b>					
Apportioned	734,961	268,833	67,612	400,612	34,730
Exempt From Apportionment	-	-	-	-	-
Unobligated Balance not Available	-	-	19,644	-	20
<b>Total Status of Budgetary Resources</b>	<b>\$ 2,298,665</b>	<b>\$ 1,286,865</b>	<b>\$ 1,711,150</b>	<b>\$ 906,754</b>	<b>\$ 1,192,107</b>
<b>Relationship of Obligations to Outlays:</b>					
Obligations Incurred	\$ 1,563,704	\$ 1,018,032	\$ 1,623,894	\$ 506,142	\$ 1,157,357
Obligated Balance, Net, Beginning of Fiscal Year	442,008	339,185	299,641	330,507	218,149
<b>Obligated Balance, Net, End of Fiscal Year:</b>					
Accounts Receivable	6,366	19,677	339	28,068	4,675
Unfilled Customer Orders From Federal Sources	177,436	29,859	-	97,605	9,773
Undelivered Orders	(605,109)	(308,706)	(269,461)	(279,570)	(188,347)
Accounts Payable	(237,363)	(107,084)	(69,455)	(149,652)	(50,957)
Total Obligated Balance, Net, End of Fiscal Year	(658,670)	(366,254)	(338,577)	(303,549)	(224,856)
Less: Spending Authority Adjustments	82,925	(37,150)	(7,300)	(49,320)	(26,049)
<b>Outlays:</b>					
Disbursements	1,429,967	953,813	1,577,658	483,780	1,124,601
Collections	(1,661,047)	(220,601)	(20,267)	(107,087)	(274,014)
Net Outlays Before Offsetting Receipts	(231,080)	733,212	1,557,391	376,693	850,587
Less: Offsetting Receipts	-	(120)	-	-	-
<b>Net Outlays (Receipts)</b>	<b>\$ (231,080)</b>	<b>\$ 733,092</b>	<b>\$ 1,557,391</b>	<b>\$ 376,693</b>	<b>\$ 850,587</b>

**Combining Statement of Budgetary Resources**  
**for the year ended September 30, 2004**  
(dollars in thousands)

Wildland Fire Management	Bureau of Land Mangement Operations	Fish and Wildlife Resource Management	Minerals Leasing and Associated Payments	Operation of Indian Programs	Survey, Investigation and Research	Other Budgetary Accounts	FY 2004 Total Budgetary Accounts
\$ 892,725 (126,625)	\$ 523,719 -	\$ 963,352 5,200	\$ 1,162,955 -	\$ 1,916,317 -	\$ 949,686 -	\$ 4,600,628 14,321	\$ 14,712,390 (139,167)
101,691 -	288,798 926	30,365 15,296	- -	484,472 6,488	78,629 -	2,487,187 (12,103)	4,905,271 25,980
16,500 6,016	- -	137,397 (3,044)	- -	229,269 (6,868)	438,941 (31,514)	1,885,842 30,296	4,722,696 (4,537)
908 (285)	- -	(344) 71,794	- -	3,074 (16,264)	(1,165) (16,761)	276,936 19,354	547,677 28,869
23,139	-	205,803	-	209,211	389,501	2,212,428	5,294,705
25,758	14,803	16,212	-	63,232	10,744	197,543	393,579
-	-	-	-	-	-	(2,249)	(2,249)
(9,132)	-	(11,932)	-	(23,613)	(17,131)	(71,205)	(177,829)
<b>\$ 907,556</b>	<b>\$ 828,246</b>	<b>\$ 1,224,296</b>	<b>\$ 1,162,955</b>	<b>\$ 2,656,107</b>	<b>\$ 1,411,429</b>	<b>\$ 9,426,550</b>	<b>\$ 25,012,680</b>
\$ 808,505 9,648	\$ 262,482 -	\$ 957,186 203,682	\$ 1,162,955 -	\$ 2,038,657 242,263	\$ 979,877 385,253	\$ 4,769,101 2,114,486	\$ 14,667,176 5,136,048
818,153	262,482	1,160,868	1,162,955	2,280,920	1,365,130	6,883,587	19,803,224
89,403 -	565,764 -	59,831 -	- -	349,285 -	21,101 -	2,480,601 39,444	5,072,733 39,444
-	-	3,597	-	25,902	25,198	22,918	97,279
<b>\$ 907,556</b>	<b>\$ 828,246</b>	<b>\$ 1,224,296</b>	<b>\$ 1,162,955</b>	<b>\$ 2,656,107</b>	<b>\$ 1,411,429</b>	<b>\$ 9,426,550</b>	<b>\$ 25,012,680</b>
\$ 818,153 314,242	\$ 262,482 75,068	\$ 1,160,868 269,263	\$ 1,162,955 -	\$ 2,280,920 218,728	\$ 1,365,130 26,311	\$ 6,883,587 3,207,872	\$ 19,803,224 5,740,974
9,347 12,727	- -	27,253 113,164	- -	6,136 3,094	142,793 42,714	82,003 65,849	326,657 552,221
(264,649)	(269,274)	(340,205)	-	(214,996)	(162,251)	(3,386,206)	(6,288,774)
(29,439)	(8,485)	(59,141)	-	(75,342)	(113,727)	(459,275)	(1,359,920)
(272,014)	(277,759)	(258,929)	-	(281,108)	(90,471)	(3,697,629)	(6,769,816)
(31,490)	(14,803)	(84,962)	-	(40,100)	37,531	(247,192)	(417,910)
828,891 (17,407)	44,988 -	1,086,240 (137,053)	1,162,955 -	2,178,440 (232,343)	1,338,501 (437,777)	6,146,638 (2,162,778)	18,356,472 (5,270,374)
811,484	44,988	949,187	1,162,955	1,946,097	900,724	3,983,860	13,086,098
-	(496,118)	-	(1,162,955)	-	-	(2,609,874)	(4,269,067)
<b>\$ 811,484</b>	<b>\$ (451,130)</b>	<b>\$ 949,187</b>	<b>\$ -</b>	<b>\$ 1,946,097</b>	<b>\$ 900,724</b>	<b>\$ 1,373,986</b>	<b>\$ 8,817,031</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 the 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 repair 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.

The SFAS No. 6, "Accounting for Property, Plant, and Equipment," requires annual disclosure of the estimated cost to remedy accumulated deferred maintenance on Interior property, plant, and equipment (PP&E). Both General PP&E and Stewardship PP&E are included.

Deferred maintenance information is accumulated when maintenance was not performed when it should have been or when it was scheduled and which, therefore, was put off or delayed for a future period. Deferred maintenance needs may be further categorized in two tiers, critical and non-critical. Delaying correction of non-critical needs may result in their becoming critical facility or equipment deficiencies at a future time. Code compliance (e.g., life safety, ADA, OSHA, environmental, etc.) and other regulatory or Executive Order compliance requirements not met on schedule are considered deferred maintenance.

The Department has developed a 5-Year Plan that provides a framework for improved planning and management to maintenance and construction programs and better defines accumulated deferred maintenance funding needs. In developing the 5-Year Plan, the Department established uniform criteria for critical health and safety and resource protection projects, and through rigorous screening, prioritized the projects based on these criteria. FASAB requires that all deferred maintenance be reported regardless of when it might be performed, not just that included in the 5-Year Plan. The long-term goal is to have deferred maintenance backlog information based on condition assessments recorded in a facilities maintenance management information system. This information does not include annual maintenance or capital improvements as defined in the Department's Budget Formulation Guidance.

Interior adopted accounting guidance for concession assets and related liabilities effective October 1, 2004. As a result of adopting this guidance, Interior removed deferred maintenance amounts ranging from \$151 million to \$325 million from concession assets.

## Critical Deferred Maintenance

Categories of deferred maintenance for analytic purposes include (a) Critical Health and Safety Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to public or employee safety or health; (b) Critical Resource Protection Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to natural or cultural resources; (c) Critical Mission Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to a bureau's ability to carry out its assigned mission; (d) Compliance and Other Deferred Maintenance: A facility deferred maintenance need that will improve public or

employee safety, health, or accessibility; compliance with codes, standards, laws, complete unmet programmatic needs and mandated programs; protection of natural or cultural resources to a bureau's ability to carry out its assigned mission.

Critical Maintenance is the work prioritized for FY 2004-2009 in the Deferred Maintenance and Capital Improvement Plans for the Bureau of Land Management, the U.S. Geological Survey, the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs. The Department prioritizes deferred maintenance through 5-year plans that identify the most critical needs. The Bureau of Reclamation has no critical maintenance.

## Estimated Deferred Maintenance

Generally, deferred maintenance is not estimated on equipment. If, however, the nature of operations is such that deferred maintenance on equipment is considered significant and meaningful, the Department may report this information.

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 are very difficult to determine. Interior has calculated estimates of deferred maintenance based on data from a variety of systems, procedures, and data sources. The accumulation of deferred maintenance cost estimates, however, is not the primary purpose of many of these sources. The Department acknowledges that the reliability of these sources as a basis for deferred maintenance estimates may vary from bureau to bureau. The Department has implemented a cyclic/recurring condition assessment process to monitor, at a minimum of every 5 years, the condition of buildings and other facilities. The 2005 process is similar to the process in place in FY 2004.

## Condition Assessment Surveys

The Department uses Condition Assessment Surveys to determine deferred maintenance for each class of assets. A condition assessment survey is the periodic inspection of real property to determine its current condition and to provide a cost estimate for necessary repairs. Annual condition assessments are performed on all constructed assets with a current replacement value (CRV) of \$5,000 or more and are performed by field operating unit staff. Comprehensive condition assessments are performed on all constructed assets with a current replacement value of \$50,000 or more once every 5 years. Comprehensive assessments are usually performed under contract; the contract includes an expert inspection of the facility and all component systems, a summary of deficiencies found, and a recalculation of the current replacement value.

The Department's assessment of deferred maintenance is dependent upon the bureaus having accurate and complete facilities information. The accumulation of facility data provides the necessary information for compliance with the Federal Accounting Standard that requires annual reporting of deferred maintenance of fixed assets.

Facilities and items of equipment are categorized according to condition using terms such as those shown below:

Good "G" – Facility/equipment condition meets established maintenance standards, operates efficiently, and has a normal life. There is no deferred maintenance on facilities/equipment in good condition.

Fair "F" – Facility/equipment condition meets minimum standards but requires additional maintenance or repair to prevent further deterioration, increase operating efficiency, and to achieve normal life expectancy.

Poor/Unsatisfactory "P" – Facility/equipment does not meet most operating standards and requires frequent

repairs to prevent accelerated deterioration and provide a minimal level of operating function. In some cases, this includes condemned or failed facilities.

Based on periodic condition assessment surveys, an indicator of condition is the percent of facilities and items of equipment in each of the good, fair, or poor categories.

Interior’s current estimate for deferred maintenance includes the following property categories of Roads, Bridges and Trails; Irrigation, Dams and Other Water Structures; Buildings (e.g., Administration, Education, Housing, Historic Buildings); and Other Structures (e.g., Recreation Sites, Hatcheries, etc.).

The estimate generally excludes vehicles and most other categories of operating equipment since on-going maintenance is performed on these assets and such assets would be disposed of before they resulted in a deferred maintenance condition.

### Deferred Maintenance Estimate

Deferred maintenance information from the Feasibility software system represents the full inventory of all the identified deficiencies, but does not represent a backlog of specific repairs to be undertaken. Bureaus are developing performance measures to improve assets to an acceptable condition. Once these measures are in place and costs associated with achieving acceptable condition determined, this will become the deferred backlog amounts. As such, the Department’s current approach for estimating the amount needed to correct deferred maintenance for property, plant, and equipment ranges from approximately \$10.1 billion to \$18 billion as summarized in *Table 3-1*.

TABLE 3-1

(dollars in thousands) Type of Deferred Maintenance	General PP&E		Stewardship PP&E		Total	
	Low	High	Low	High	Low	High
Roads, Bridges, Trails*	\$ 4,658,045	\$ 9,156,365	\$ 537,357	\$ 741,482	\$ 5,195,402	\$ 9,897,847
Irrigation, Dams and Other Water Structures	1,640,283	2,126,452	65,578	96,699	1,705,861	2,223,151
Buildings *	1,351,411	2,090,445	680,354	1,438,812	2,031,765	3,529,257
Other Structures *	987,923	1,920,399	172,650	369,437	1,160,573	2,289,836
DOI Total	\$ 8,637,662	\$ 15,293,661	\$ 1,455,939	\$ 2,646,430	\$ 10,093,601	\$ 17,940,091

\*These totals include deferred maintenance on non-Bureau of Indian Affairs-owned (Tribal) assets for which the Bureau of Indian Affairs is responsible for maintenance (e.g., roads on Tribal lands).



## Intragovernmental Transaction Disclosures

Intragovernmental amounts represent transactions between Federal entities included in the Federal Government's annual financial report. These transactions include assets, liabilities, revenues, transfers, and expenses. Interior's FY 2005 intragovernmental transactions are shown in *Tables 3-2, 3-3, and 3-4*.

**TABLE 3-2**  
**Intragovernmental Assets**

(dollars in thousands)	Fund Balance with Treasury	Investments	Accounts and		
			Interest Receivable	Loans Receivable	Other
Department of the Treasury	\$ 32,031,132	\$ 7,463,669	\$ 354,960	\$ -	\$ -
Department of Agriculture	-	-	9,094	-	-
Department of Commerce	-	-	6,698	-	50
Department of the Navy	-	-	4,261	-	-
Department of the Army	-	-	10,360	-	-
Department of the Air Force	-	-	4,061	-	-
Environmental Protection Agency	-	-	7,879	-	-
Department of Transportation	-	-	6,641	-	1,182
Department of Health and Human Services	-	-	5,037	-	-
National Aeronautics and Space Adm.	-	-	5,008	-	2
Department of Energy	-	-	9,803	2,458,075	-
U.S. Army Corps of Engineers	-	-	14,832	-	-
Defense Agencies	-	-	42,455	-	-
Other Federal Agencies	-	-	27,588	-	171
<b>TOTAL</b>	<b>\$ 32,031,132</b>	<b>\$ 7,463,669</b>	<b>\$ 508,677</b>	<b>\$ 2,458,075</b>	<b>\$ 1,405</b>

**TABLE 3-3**  
**Intragovernmental Liabilities**

(dollars in thousands)	Accounts		
	Payable	Debt	Other Liabilities
Department of the Treasury	\$ 3,635	\$ 1,220,525	\$ 3,361,084
Executive Office of the President	998	-	29,073
Department of Agriculture	3,871	-	41,998
Department of Justice	678	-	20,945
Department of Labor	2,486	-	132,288
Department of the Navy	1,801	-	174,208
Department of the Army	556	-	586,116
Office of Personnel Management	163	-	25,798
General Services Administration	17,964	-	22,846
Department of Homeland Security	343	-	205,862
Department of Education	414	-	89,801
U.S. Army Corps of Engineers	40,346	-	369,904
Other Federal Agencies	6,626	-	517,134
<b>TOTAL</b>	<b>\$ 79,881</b>	<b>\$ 1,220,525</b>	<b>\$ 5,577,057</b>

**TABLE 3-4**  
**Intragovernmental Earned and Non-Exchange Revenue**

(dollars in thousands)	Non-Exchange Revenue		Earned Revenue
	Transfers In	Transfers Out	
Department of the Treasury	\$ 359,222	\$ 475,590	\$ 68,382
Executive Office of the President	-	-	95,563
Department of Agriculture	1,791	155,094	83,664
Department of the Navy	-	-	336,324
Department of the Army	-	-	764,065
Office of Personnel Management	5	13	4,650
General Services Administration	21,166	13,938	9,587
Department of the Air Force	-	-	207,173
Department of Transportation	314,307	11	17,577
Department of Health and Human Services	-	-	189,065
Department of Energy	123,677	140,961	276,356
Department of Education	-	-	309,787
U.S. Army Corps of Engineers	17	58,054	77,071
Defense Agencies	-	-	342,370
Other Federal Agencies	15,650	81,816	390,208
<b>TOTAL</b>	<b>\$ 835,835</b>	<b>\$ 925,477</b>	<b>\$ 3,171,842</b>

## Working Capital and Franchise Funds

The Department 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 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, Department of Defense, 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, the Department manages the Interior Franchise Fund (IFF) that is 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 major customers of the IFF include the Department of Defense and the Executive Office of the President.

The following summarizes information about the assets, liabilities, and net cost of Interior's working capital and franchise funds as of and for the years ended September 30, 2005 and 2004. The financial information presented includes intra-departmental transactions.

**Supplemental Balance Sheet**  
**Combined Working Capital and Franchise Funds**  
**as of September 30, 2005**  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	Departmental Offices	Interior Franchise Fund	U.S. Geological Survey	FY 2005 TOTAL
<b>ASSETS</b>						
Intragovernmental Assets:						
Fund Balance with Treasury	\$ 57,532	\$ 49,974	\$ 595,988	\$ 1,332,667	\$ 80,386	\$ 2,116,547
Accounts and Interest Receivable, Net	-	9,919	101,078	4,673	-	115,670
Other	-	126	16,792	153	-	17,071
<b>Total Intragovernmental Assets</b>	<b>57,532</b>	<b>60,019</b>	<b>713,858</b>	<b>1,337,493</b>	<b>80,386</b>	<b>2,249,288</b>
Cash	56	-	-	-	-	56
Accounts and Interest Receivable, Net	-	91	2,579	250	2	2,922
Loans and Interest Receivable, Net	-	1,900	-	-	-	1,900
Inventory and Related Property, Net	306	-	528	-	-	834
General Property, Plant, and Equipment, Net	102,172	34,823	66,720	-	9,382	213,097
Other	77	217	8	2	-	304
<b>Stewardship Assets</b>						
<b>TOTAL ASSETS</b>	<b>\$ 160,143</b>	<b>\$ 97,050</b>	<b>\$ 783,693</b>	<b>\$ 1,337,745</b>	<b>\$ 89,770</b>	<b>\$ 2,468,401</b>
<b>LIABILITIES</b>						
Intragovernmental Liabilities:						
Accounts Payable	\$ 3	\$ 4,712	\$ 11,360	\$ 1,348	\$ 870	\$ 18,293
Debt	-	1,900	-	-	-	1,900
Other						
Advances and Deferred Revenue	5,640	1,709	497,219	1,078,948	-	1,583,516
Other Liabilities	1	7,185	2,073	96	114	9,469
<b>Total Intragovernmental Liabilities</b>	<b>5,644</b>	<b>15,506</b>	<b>510,652</b>	<b>1,080,392</b>	<b>984</b>	<b>1,613,178</b>
Accounts Payable	30	5,312	136,489	227,906	3,691	373,428
Federal Employee and Veterans' Benefits	-	-	6,222	-	-	6,222
Environmental and Disposal Liabilities	-	-	1,300	-	-	1,300
Other						
Advances and Deferred Revenue	-	667	4,729	2	-	5,398
Other Liabilities	124	17,707	10,023	803	545	29,202
<b>TOTAL LIABILITIES</b>	<b>5,798</b>	<b>39,192</b>	<b>669,415</b>	<b>1,309,103</b>	<b>5,220</b>	<b>2,028,728</b>
<b>Commitments and Contingencies</b>						
<b>Net Position</b>						
Unexpended Appropriations	-	-	789	-	-	789
Cumulative Results of Operations	154,345	57,858	113,489	28,642	84,550	438,884
<b>Total Net Position</b>	<b>154,345</b>	<b>57,858</b>	<b>114,278</b>	<b>28,642</b>	<b>84,550</b>	<b>439,673</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 160,143</b>	<b>\$ 97,050</b>	<b>\$ 783,693</b>	<b>\$ 1,337,745</b>	<b>\$ 89,770</b>	<b>\$ 2,468,401</b>

**Supplemental Balance Sheet**  
**Combined Working Capital and Franchise Funds**  
**as of September 30, 2004**  
(dollars in thousands)

	Bureau of Land Management	Bureau of Reclamation	Departmental Offices	Interior Franchise Fund	U.S. Geological Survey	FY 2004 TOTAL
<b>ASSETS</b>						
Intragovernmental Assets:						
Fund Balance with Treasury	\$ 55,184	\$ 49,459	\$ 596,637	\$ 1,393,632	\$ 85,133	\$ 2,180,045
Accounts and Interest Receivable, Net	-	9,992	39,973	6,370	-	56,335
Other	-	401	10,658	1,283	-	12,342
<b>Total Intragovernmental Assets</b>	<b>55,184</b>	<b>59,852</b>	<b>647,268</b>	<b>1,401,285</b>	<b>85,133</b>	<b>2,248,722</b>
Cash	55	-	-	-	-	55
Accounts and Interest Receivable, Net	4	70	755	292	5	1,126
Loans and Interest Receivable, Net	-	3,100	-	-	-	3,100
Inventory and Related Property, Net	444	-	567	-	-	1,011
General Property, Plant, and Equipment, Net	95,112	36,193	45,087	-	8,234	184,626
Other	131	225	5	2	-	363
Stewardship Assets						
<b>TOTAL ASSETS</b>	<b>\$ 150,930</b>	<b>\$ 99,440</b>	<b>\$ 693,682</b>	<b>\$ 1,401,579</b>	<b>\$ 93,372</b>	<b>\$ 2,439,003</b>
<b>LIABILITIES</b>						
Intragovernmental Liabilities:						
Accounts Payable	\$ 8	\$ 7,962	\$ 3,012	\$ 2,821	\$ 263	\$ 14,066
Debt	-	3,100	-	-	-	3,100
Other						
Advances and Deferred Revenue	3,650	1,736	488,658	1,136,984	-	1,631,028
Other Liabilities	1	6,940	1,450	54	98	8,543
<b>Total Intragovernmental Liabilities</b>	<b>3,659</b>	<b>19,738</b>	<b>493,120</b>	<b>1,139,859</b>	<b>361</b>	<b>1,656,737</b>
Accounts Payable	16	4,184	94,102	234,060	4,225	336,587
Federal Employee and Veterans' Benefits	-	-	6,062	-	-	6,062
Environmental and Disposal Liabilities	-	-	1,300	-	-	1,300
Other						
Advances and Deferred Revenue	-	782	4,731	2	-	5,515
Other Liabilities	150	15,230	9,399	432	454	25,665
<b>TOTAL LIABILITIES</b>	<b>3,825</b>	<b>39,934</b>	<b>608,714</b>	<b>1,374,353</b>	<b>5,040</b>	<b>2,031,866</b>
Commitments and Contingencies						
Net Position						
Unexpended Appropriations	-	-	4,827	-	-	4,827
Cumulative Results of Operations	147,105	59,506	80,141	27,226	88,332	402,310
<b>Total Net Position</b>	<b>147,105</b>	<b>59,506</b>	<b>84,968</b>	<b>27,226</b>	<b>88,332</b>	<b>407,137</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 150,930</b>	<b>\$ 99,440</b>	<b>\$ 693,682</b>	<b>\$ 1,401,579</b>	<b>\$ 93,372</b>	<b>\$ 2,439,003</b>

**Supplemental Statement of Net Cost  
Combined Working Capital and Franchise Funds  
for the year ended September 30, 2005**  
(dollars in thousands)

	Full Cost of Goods and Services Provided	Related Exchange Revenues	Excess of Full Cost Over Exchange Revenue
<b>Bureau of Land Management</b>			
Motorized Fleet Program	\$ 25,758	\$ (32,413)	\$ (6,655)
<b>Total Bureau of Land Management</b>	<b>25,758</b>	<b>(32,413)</b>	<b>(6,655)</b>
<b>Bureau of Reclamation</b>			
Engineering and Technical Services	103,179	(103,936)	(757)
Administrative Services	223,945	(223,888)	57
Computer and Related Services	18,232	(16,036)	2,196
<b>Total Bureau of Reclamation</b>	<b>345,356</b>	<b>(343,860)</b>	<b>1,496</b>
<b>Departmental Offices</b>			
Aircraft Services	156,803	(159,790)	(2,987)
Building Management/Rental	36,789	(39,923)	(3,134)
Charge Card Rebate	2,736	(5,951)	(3,215)
Federal Services	1,124,039	(1,113,180)	10,859
Y2K/Other	8	-	8
Financial and Business Management System	99	-	99
Intra-Bureau Eliminations	(212,562)	212,562	-
<b>Total Departmental Offices</b>	<b>1,107,912</b>	<b>(1,106,282)</b>	<b>1,630</b>
<b>Interior Franchise Fund</b>			
Government Works Acquisition Services	1,510,314	(1,522,965)	(12,651)
U.S. Films and Video Productions	4,789	(4,389)	400
<b>Total Interior Franchise Fund</b>	<b>1,515,103</b>	<b>(1,527,354)</b>	<b>(12,251)</b>
<b>U.S. Geological Survey</b>			
Reimbursable Services	38,270	(40,784)	(2,514)
Capital Investments	15,917	-	15,917
<b>Total U.S. Geological Survey</b>	<b>54,187</b>	<b>(40,784)</b>	<b>13,403</b>
<b>Total Working Capital and Franchise Funds</b>	<b>\$ 3,048,316</b>	<b>\$ (3,050,693)</b>	<b>\$ (2,377)</b>

**Supplemental Statement of Net Cost  
Combined Working Capital and Franchise Funds  
for the year ended September 30, 2004**  
(dollars in thousands)

	Full Cost of Goods and Services Provided	Related Exchange Revenues	Excess of Full Cost Over Exchange Revenue
<b>Bureau of Land Management</b>			
Motorized Fleet Program	\$ 24,568	\$ (29,604)	\$ (5,036)
<b>Total Bureau of Land Management</b>	<b>24,568</b>	<b>(29,604)</b>	<b>(5,036)</b>
<b>Bureau of Reclamation</b>			
Engineering and Technical Services	98,213	(101,547)	(3,334)
Administrative Services	220,218	(226,405)	(6,187)
Computer and Related Services	15,974	(13,532)	2,442
<b>Total Bureau of Reclamation</b>	<b>334,405</b>	<b>(341,484)</b>	<b>(7,079)</b>
<b>Departmental Offices</b>			
Aircraft Services	136,740	(137,906)	(1,166)
Building Management/Rental	38,368	(38,996)	(628)
Charge Card Rebate	7,748	(6,307)	1,441
Federal Services	741,154	(744,860)	(3,706)
Y2K/Other	(49)	-	(49)
Financial and Business Management System	-	-	-
Intra-Bureau Eliminations	(138,106)	138,106	-
<b>Total Departmental Offices</b>	<b>785,855</b>	<b>(789,963)</b>	<b>(4,108)</b>
<b>Interior Franchise Fund</b>			
Government Works Acquisition Services	1,330,907	(1,349,056)	(18,149)
U.S. Films and Video Productions	1,700	(1,700)	-
<b>Total Interior Franchise Fund</b>	<b>1,332,607</b>	<b>(1,350,756)</b>	<b>(18,149)</b>
<b>U.S. Geological Survey</b>			
Reimbursable Services	38,316	(38,451)	(135)
Capital Investments	13,854	(107)	13,747
<b>Total U.S. Geological Survey</b>	<b>52,170</b>	<b>(38,558)</b>	<b>13,612</b>
<b>Total Working Capital and Franchise Funds</b>	<b>\$ 2,529,605</b>	<b>\$ (2,550,365)</b>	<b>\$ (20,760)</b>

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