

# Required Supplementary Information

(Unaudited,  
See Accompanying  
Auditors' Report)

**T**his section includes the Combining Statement of Budgetary Resources by major budget account (Budgetary Accounts), deferred maintenance information, and heritage asset and stewardship land condition information.

**Combining Statement of Budgetary Resources  
for the fiscal year ended September 30, 2008**  
(dollars in thousands)

	Interior Franchise Fund	Working Capital Fund	Water and Related Resources	National Park Service Operations	Management of Land and Resources
<b>Budgetary Resources:</b>					
Unobligated balance, beginning of Fiscal Year:	\$ 119,208	\$ 99,232	\$ 208,344	\$ 71,126	\$ 44,926
Recoveries of prior year unpaid obligations	-	15,662	31,801	19,071	27,841
Budget Authority					
Appropriation	-	40,727	946,129	2,001,809	870,911
Spending authority from offsetting collections					
Earned					
Collected	741,080	1,267,842	258,481	19,757	139,630
Change in receivables from Federal sources	51,175	1,712	6,911	(95)	(14,997)
Change in unfilled customer orders					
Advance received	(217,378)	(65,026)	179,753	-	-
Without advance from Federal sources	173,899	57,459	(2,471)	-	151,727
Total Budget Authority	748,776	1,302,714	1,388,803	2,021,471	1,147,271
Nonexpenditure transfers, net, anticipated and actual	-	-	85,246	244	(60)
Temporarily not available pursuant to Public Law	-	-	-	-	-
Permanently not available	-	(635)	-	(40,242)	(13,532)
<b>Total Budgetary Resources</b>	<b>\$ 867,984</b>	<b>\$ 1,416,973</b>	<b>\$ 1,714,194</b>	<b>\$ 2,071,670</b>	<b>\$ 1,206,446</b>
<b>Status of Budgetary Resources:</b>					
Obligations incurred:					
Direct	\$ -	\$ (7,383)	\$ 907,332	\$ 1,965,411	\$ 927,958
Reimbursable	795,303	1,306,061	256,622	18,724	100,658
Total Obligations incurred	795,303	1,298,678	1,163,954	1,984,135	1,028,616
Unobligated balance available:					
Apportioned	72,681	118,295	550,185	55,407	177,830
Exempt from apportionment	-	-	48	69	-
Total Unobligated balance available	72,681	118,295	550,233	55,476	177,830
Unobligated balance not available	-	-	7	32,059	-
<b>Total Status of Budgetary Resources</b>	<b>\$ 867,984</b>	<b>\$ 1,416,973</b>	<b>\$ 1,714,194</b>	<b>\$ 2,071,670</b>	<b>\$ 1,206,446</b>
<b>Obligated Balance:</b>					
Obligated balance, net					
Unpaid obligations, brought forward, beginning of Fiscal Year	\$ 622,942	\$ 433,472	\$ 635,189	\$ 418,343	\$ 276,607
Less: Uncollected customer payments from Federal sources, brought forward, beginning of Fiscal Year	(70,919)	(160,382)	(75,929)	(382)	(39,746)
Total unpaid obligated balances, net, beginning of Fiscal Year	552,023	273,090	559,260	417,961	236,861
Obligations incurred, net	795,303	1,298,678	1,163,954	1,984,135	1,028,616
Less: Gross outlays	(776,237)	(1,280,038)	(1,145,736)	(1,936,869)	(984,958)
Less: Recoveries of prior year unpaid obligations, actual	-	(15,662)	(31,801)	(19,071)	(27,841)
Change in uncollected customer payments from Federal sources	(225,074)	(59,171)	(4,440)	95	(136,730)
<b>Total unpaid obligated balance, net, end of period</b>	<b>\$ 346,015</b>	<b>\$ 216,897</b>	<b>\$ 541,237</b>	<b>\$ 446,251</b>	<b>\$ 115,948</b>
<b>Obligated balance, net, end of period (by component):</b>					
Unpaid obligations	\$ 642,008	\$ 436,450	\$ 621,606	\$ 446,538	\$ 292,424
Less: Uncollected customer payments from Federal sources	(295,993)	(219,553)	(80,369)	(287)	(176,476)
<b>Total unpaid obligated balance, net, end of period</b>	<b>\$ 346,015</b>	<b>\$ 216,897</b>	<b>\$ 541,237</b>	<b>\$ 446,251</b>	<b>\$ 115,948</b>
<b>Net Outlays:</b>					
Net Outlays					
Gross outlays	\$ 776,237	\$ 1,280,038	\$ 1,145,736	\$ 1,936,869	\$ 984,958
Less: Offsetting collections	(523,702)	(1,202,816)	(438,235)	(19,757)	(139,630)
Less: Distributed Offsetting receipts	-	-	(256)	-	-
<b>Net Outlays(Receipts)</b>	<b>\$ 252,535</b>	<b>\$ 77,222</b>	<b>\$ 707,245</b>	<b>\$ 1,917,112</b>	<b>\$ 845,328</b>

**Combining Statement of Budgetary Resources  
for the fiscal year ended September 30, 2008**  
*(dollars in thousands)*

Wildland Fire Management	Bureau of Land Management Permanent Operations Funds	Fish and Wildlife Resource Management	Minerals Leasing and Associated Payments	Operation of Indian Programs	Survey, Investigation and Research	Other Budgetary Accounts	Total Budgetary Accounts
\$ 54,827	\$ 1,054,135	\$ 89,160	\$ -	\$ 600,853	\$ 50,625	\$ 3,331,987	\$ 5,724,423
26,022	33,903	20,224	-	25,638	5,772	282,868	488,802
1,204,878	199,340	1,099,772	2,456,778	2,080,261	1,022,430	5,736,851	17,659,886
27,818	-	153,880	-	301,824	443,348	1,320,447	4,674,107
3,156	-	3,210	-	1,302	12,304	6,389	71,067
(254)	-	2,371	-	24,807	312	6,188	(69,227)
1,010	-	65,959	-	(105,168)	262,558	(16,742)	588,231
1,236,608	199,340	1,325,192	2,456,778	2,303,026	1,740,952	7,053,133	22,924,064
(111,397)	(21)	5,800	-	2,890	5,100	(13,330)	(25,528)
-	-	-	-	-	-	(2,643)	(2,643)
(12,806)	-	(17,949)	-	(32,452)	(23,170)	(59,538)	(200,324)
\$ 1,193,254	\$ 1,287,357	\$ 1,422,427	\$ 2,456,778	\$ 2,899,955	\$ 1,779,279	\$ 10,592,477	\$ 28,908,794
\$ 945,319	\$ 298,373	\$ 1,129,770	\$ 2,456,778	\$ 2,061,851	\$ 989,399	\$ 5,414,112	\$ 17,088,920
27,067	-	140,949	-	317,634	459,230	1,316,993	4,739,241
972,386	298,373	1,270,719	2,456,778	2,379,485	1,448,629	6,731,105	21,828,161
220,868	988,984	145,324	-	415,593	314,827	3,791,108	6,851,102
-	-	-	-	-	-	40,565	40,682
220,868	988,984	145,324	-	415,593	314,827	3,831,673	6,891,784
-	-	6,384	-	104,877	15,823	29,699	188,849
\$ 1,193,254	\$ 1,287,357	\$ 1,422,427	\$ 2,456,778	\$ 2,899,955	\$ 1,779,279	\$ 10,592,477	\$ 28,908,794
\$ 286,907	\$ 1,385,490	\$ 347,451	\$ -	\$ 296,599	\$ 298,931	\$ 4,091,418	\$ 9,093,349
(6,780)	-	(59,266)	-	(214,610)	(162,137)	(297,326)	(1,087,477)
280,127	1,385,490	288,185	-	81,989	136,794	3,794,092	8,005,872
972,386	298,373	1,270,719	2,456,778	2,379,485	1,448,629	6,731,105	21,828,161
(974,519)	(346,842)	(1,212,391)	(2,456,778)	(2,315,408)	(1,436,750)	(6,342,713)	(21,209,239)
(26,022)	(33,903)	(20,224)	-	(25,638)	(5,772)	(282,868)	(488,802)
(4,166)	-	(69,169)	-	103,866	(274,862)	10,353	(659,298)
\$ 247,806	\$ 1,303,118	\$ 257,120	\$ -	\$ 224,294	\$ (131,961)	\$ 3,909,969	\$ 7,476,694
\$ 258,751	\$ 1,303,118	\$ 385,556	\$ -	\$ 335,038	\$ 305,037	\$ 4,196,943	\$ 9,223,469
(10,945)	-	(128,436)	-	(110,744)	(436,998)	(286,974)	(1,746,775)
\$ 247,806	\$ 1,303,118	\$ 257,120	\$ -	\$ 224,294	\$ (131,961)	\$ 3,909,969	\$ 7,476,694
\$ 974,519	\$ 346,842	\$ 1,212,391	\$ 2,456,778	\$ 2,315,408	\$ 1,436,750	\$ 6,342,713	\$ 21,209,239
(27,564)	-	(156,250)	-	(326,631)	(443,660)	(1,326,636)	(4,604,881)
-	(185,938)	-	(2,456,778)	-	-	(4,281,497)	(6,924,469)
\$ 946,955	\$ 160,904	\$ 1,056,141	\$ -	\$ 1,988,777	\$ 993,090	\$ 734,580	\$ 9,679,889

**Combining Statement of Budgetary Resources  
for the fiscal year ended September 30, 2007**  
*(dollars in thousands)*

	Interior Franchise Fund	Working Capital Fund	Water and Related Resources	National Park Service Operations	Management of Land and Resources
<b>Budgetary Resources:</b>					
Unobligated balance, beginning of Fiscal Year:	\$ 503,964	\$ 127,608	\$ 185,402	\$ 65,327	\$ 41,176
Recoveries of prior year unpaid obligations	-	6,574	15,185	8,382	22,063
Budget Authority					
Appropriation	-	270	901,309	1,767,667	866,911
Collected	1,086,985	1,235,009	198,671	19,587	85,988
Change in receivables from Federal sources	15,395	(56,535)	6,084	32	6,322
Change in unfilled customer orders					
Advance received	(445,534)	(69,233)	33,442	-	(34)
Without advance from Federal sources	(30,511)	(128,769)	27,051	-	1,563
Total Budget Authority	626,335	980,742	1,166,557	1,787,286	960,750
Nonexpenditure transfers, net, anticipated and actual	-	8	(92,916)	(4,266)	-
Temporarily not available pursuant to Public Law	-	-	-	-	-
Permanently not available	-	-	-	(6,138)	-
<b>Total Budgetary Resources</b>	<b>\$ 1,130,299</b>	<b>\$ 1,114,932</b>	<b>\$ 1,274,228</b>	<b>\$ 1,850,591</b>	<b>\$ 1,023,989</b>
<b>Status of Budgetary Resources:</b>					
Obligations incurred:					
Direct	\$ -	\$ 334	\$ 828,916	\$ 1,759,879	\$ 921,933
Reimbursable	1,011,091	1,015,366	236,968	19,586	57,130
Total Obligations incurred	1,011,091	1,015,700	1,065,884	1,779,465	979,063
Unobligated balance available:					
Apportioned	119,208	99,232	208,289	53,684	44,926
Exempt from apportionment	-	-	48	(120)	-
Total Unobligated balance available	119,208	99,232	208,337	53,564	44,926
Unobligated balance not available	-	-	7	17,562	-
<b>Total Status of Budgetary Resources</b>	<b>\$ 1,130,299</b>	<b>\$ 1,114,932</b>	<b>\$ 1,274,228</b>	<b>\$ 1,850,591</b>	<b>\$ 1,023,989</b>
<b>Obligated Balance:</b>					
Obligated balance, net					
Unpaid obligations, brought forward, beginning of Fiscal Year	\$ 812,820	\$ 598,592	\$ 588,221	\$ 369,376	\$ 237,860
Less: Uncollected customer payments from Federal sources, brought forward, beginning of Fiscal Year	(86,036)	(345,685)	(42,796)	(350)	(31,861)
Total unpaid obligated balances, net, beginning of Fiscal Year	726,784	252,907	545,425	369,026	205,999
Obligations incurred, net	1,011,091	1,015,700	1,065,884	1,779,465	979,063
Less: Gross outlays	(1,200,968)	(1,174,247)	(1,003,729)	(1,722,116)	(918,253)
Less: Recoveries of prior year unpaid obligations, actual	-	(6,574)	(15,185)	(8,382)	(22,063)
Change in uncollected customer payments from Federal sources	15,116	185,304	(33,135)	(32)	(7,885)
<b>Total unpaid obligated balance, net, end of period</b>	<b>\$ 552,023</b>	<b>\$ 273,090</b>	<b>\$ 559,260</b>	<b>\$ 417,961</b>	<b>\$ 236,861</b>
<b>Obligated balance, net, end of period (by component):</b>					
Unpaid obligations	622,942	433,472	635,189	418,343	276,607
Less: Uncollected customer payments from Federal sources,	(70,919)	(160,382)	(75,929)	(382)	(39,746)
<b>Total unpaid obligated balance, net, end of period</b>	<b>\$ 552,023</b>	<b>\$ 273,090</b>	<b>\$ 559,260</b>	<b>\$ 417,961</b>	<b>\$ 236,861</b>
<b>Net Outlays:</b>					
Net Outlays					
Gross outlays	1,200,968	1,174,247	1,003,729	1,722,116	918,253
Less: Offsetting collections	(641,451)	(1,165,776)	(232,113)	(19,587)	(85,954)
Less: Distributed Offsetting receipts	-	-	(434)	-	-
<b>Net Outlays(Receipts)</b>	<b>\$ 559,517</b>	<b>\$ 8,471</b>	<b>\$ 771,182</b>	<b>\$ 1,702,529</b>	<b>\$ 832,299</b>

**Combining Statement of Budgetary Resources  
for the fiscal year ended September 30, 2007**  
(dollars in thousands)

Wildland Fire Management	Bureau of Land Management Operations	Fish and Wildlife Resource Management	Minerals Leasing and Associated Payments	Operation of Indian Programs	Survey, Investigation and Research	Other Budgetary Accounts	FY 2007 Budgetary Accounts	Total
\$ 153,277	\$ 1,560,396	\$ 76,008	\$ -	\$ 445,913	\$ 50,313	\$ 2,976,601	\$ 6,185,985	
20,548	59,421	24,030	-	9,117	7,018	331,293	503,631	
853,355	219,630	1,021,368	1,880,900	1,988,222	988,049	5,918,090	16,405,771	
22,482	-	162,591	-	227,337	452,161	1,313,950	4,804,761	
(864)	-	(8,186)	-	7,341	(17,224)	(4,896)	(52,531)	
(145)	-	3,675	-	(15,631)	(2,007)	(6,151)	(501,618)	
(1,507)	-	(7,405)	-	130,155	(2,015)	34,220	22,782	
873,321	219,630	1,172,043	1,880,900	2,337,424	1,418,964	7,255,213	20,679,165	
18,282	40	-	-	334	6,159	(599,304)	(671,663)	
-	-	-	-	-	-	-	-	
-	-	(602)	-	-	(6,669)	(23,486)	(36,895)	
\$ 1,065,428	\$ 1,839,487	\$ 1,271,479	\$ 1,880,900	\$ 2,792,788	\$ 1,475,785	\$ 9,940,317	\$ 26,660,223	
\$ 995,251	\$ 785,352	\$ 1,049,974	\$ 1,880,900	\$ 1,954,219	\$ 995,825	\$ 5,284,482	\$ 16,457,065	
15,350	-	132,345	-	237,716	429,335	1,323,848	4,478,735	
1,010,601	785,352	1,182,319	1,880,900	2,191,935	1,425,160	6,608,330	20,935,800	
54,827	1,054,135	84,447	-	511,744	29,900	3,239,437	5,499,829	
-	-	-	-	-	-	66,799	66,727	
54,827	1,054,135	84,447	-	511,744	29,900	3,306,236	5,566,556	
-	-	4,713	-	89,109	20,725	25,751	157,867	
\$ 1,065,428	\$ 1,839,487	\$ 1,271,479	\$ 1,880,900	\$ 2,792,788	\$ 1,475,785	\$ 9,940,317	\$ 26,660,223	
\$ 275,233	\$ 940,824	\$ 339,747	\$ -	\$ 259,690	\$ 290,376	\$ 4,127,186	\$ 8,839,925	
(9,152)	-	(74,857)	-	(77,114)	(181,375)	(268,001)	(1,117,227)	
266,081	940,824	264,890	-	182,576	109,001	3,859,185	7,722,698	
1,010,601	785,352	1,182,319	1,880,900	2,191,935	1,425,160	6,608,330	20,935,800	
(978,378)	(281,265)	(1,150,585)	(1,880,900)	(2,145,909)	(1,409,588)	(6,312,806)	(20,178,744)	
(20,548)	(59,421)	(24,030)	-	(9,117)	(7,018)	(331,293)	(503,631)	
2,371	-	15,591	-	(137,496)	19,239	(29,324)	29,749	
\$ 280,127	\$ 1,385,490	\$ 288,185	\$ -	\$ 81,989	\$ 136,794	\$ 3,794,092	\$ 8,005,872	
286,907	1,385,490	347,451	-	296,599	298,931	4,091,418	9,093,349	
(6,780)	-	(59,266)	-	(214,610)	(162,137)	(297,326)	(1,087,477)	
\$ 280,127	\$ 1,385,490	\$ 288,185	\$ -	\$ 81,989	\$ 136,794	\$ 3,794,092	\$ 8,005,872	
978,378	281,265	1,150,585	1,880,900	2,145,909	1,409,588	6,312,806	20,178,744	
(22,337)	-	(166,266)	-	(211,706)	(450,154)	(1,307,800)	(4,303,144)	
-	(213,686)	-	(1,880,900)	-	-	(3,674,463)	(5,769,483)	
\$ 956,041	\$ 67,579	\$ 984,319	\$ -	\$ 1,934,203	\$ 959,434	\$ 1,330,543	\$ 10,106,117	

## Deferred Maintenance

The U.S. 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 Interior's mission. Deferred maintenance is defined as routine maintenance not performed when it should have been or when it was scheduled and which, therefore, was put off or delayed for a future period. This definition aligns to SFFAS No. 6, *Accounting for Property, Plant, and Equipment*.

Deferred maintenance can have an adverse affect on Interior's ability to carry out its mission. For example, a lack of maintenance on windows, heating, ventilation, and air conditioning systems, or other components of a constructed asset, typically results in increased energy costs. Excess energy usage needlessly expends limited resources.

Similarly, deteriorated offices, laboratories, and schools result in an inefficient and unprofessional working environment and a poor learning environment that negatively impacts morale, the ability to attract and retain talented employees, and to educate Native American students and visitors to Interior's facilities. In addition, since one mission of Interior bureaus is to maintain facilities for recreational use by the public, assets that pose a health and safety threat cannot be made available for public use until repairs can be made. 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 reaching the end of its expected useful life.

The SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, SFFAS No. 14, *Amendments to Deferred Maintenance Reporting Amending SFFAS No. 6, Accounting for Property, Plant, and Equipment and SFFAS No. 8, Supplementary Stewardship Reporting*, and SFFAS No. 29, *Stewardship Land and Heritage Assets*, require annual disclosure of the estimated cost to remedy accumulated deferred maintenance on Interior PP&E. Both General PP&E and Stewardship PP&E are included.

## Planning to Reduce Deferred Maintenance

Interior has a 5-Year planning process that provides a framework for improved planning and management of maintenance and construction programs and better defines accumulated deferred maintenance funding needs. Interior's 5-Year Plan is updated annually to reflect a 5-year picture of the bureaus' deferred maintenance and capital improvement needs. The annual update presents the opportunity for bureaus to adjust their project priorities based on newly identified needs or previously identified needs that have become critical during the past year. It focuses on projects that eliminate deferred maintenance or restore constructed assets that are mission critical or mission dependent and are in poor condition, and that are a critical element in the implementation of the Interior Asset Management Plan, Bureau Asset Management Plans, and Site-Specific Asset Business Plans.

The most current guidance on updating the 5-Year Plan is contained in Attachment G of the Interior Annual Budget Guidance. Maintenance and repair projects, including those that wholly or partly address deferred maintenance, are prioritized within each bureau by using a standard project ranking formula contained in Attachment G. The Department does not directly prioritize assets for funding. Rather, it provides the ranking formula and other narrative guidance in Attachment G to assist bureaus' prioritization efforts and to focus available resources.

In preparing the plan, the bureaus follow uniform criteria established by the Department for critical health and safety and resource protection projects. These criteria also facilitate a thorough review and provide consistent information to management for prioritization decisions.

### Critical Deferred Maintenance

Categories of deferred maintenance for analytic purposes include:

- (a) Critical Health and Safety Deferred Maintenance—poses a serious threat to public or employee safety or health;
- (b) Critical Resource Protection Deferred Maintenance—poses a serious threat to natural or cultural resources;

FY 2008 Deferred Maintenance Estimates (in thousands)						
Type of Deferred Maintenance	General PP&E		Stewardship PP&E		Total	
	Low	High	Low	High	Low	High
<b>Financial Statement Estimated Deferred Maintenance</b>						
Roads Bridges and Trails	\$ 5,444,574	\$ 8,008,237	\$ 964,207	\$ 1,363,407	\$6,408,781	\$9,371,644
Irrigation, Dams, and Other Water Structures	2,033,930	3,056,283	361,941	538,186	\$2,395,871	\$3,594,469
Buildings (e.g., Administration, Education, Housing, Historic Buildings)	1,693,349	2,471,720	684,837	1,007,113	\$2,378,186	\$3,478,833
Other Structures (e.g., Recreation sites, Hatcheries, etc.)	1,831,630	2,669,143	174,371	256,427	\$2,006,001	\$2,925,570
<b>Total</b>	<b>\$11,003,483</b>	<b>\$16,205,383</b>	<b>\$2,185,356</b>	<b>\$3,165,133</b>	<b>\$13,188,839</b>	<b>\$19,370,516</b>

- (c) Critical Mission Deferred Maintenance—poses a serious threat to a bureau’s ability to carry out its assigned mission; and,
- (d) Other Deferred Maintenance Need—improves public or employee safety, health, or accessibility; completes unmet programmatic needs and mandated programs; protects natural or cultural resources; or, improves a bureau’s ability to carry out its assigned mission.

Critical Deferred Maintenance is the work prioritized in the 5-Year Plans for the BLM, USGS, FWS, NPS, BOR, and IA. Interior prioritizes deferred maintenance through these 5-year plans.

**Estimated Deferred Maintenance**

The bureaus’ Facilities Maintenance Management Systems (FMMS) track the inventory of identified deferred maintenance. Bureaus are using performance measures to help managers to improve the condition of assets. The FMMS and performance measures contribute to determining the costs associated with improving the condition of constructed assets and the overall deferred maintenance backlog amounts.

Due to the scope, nature, and variety of the assets entrusted to Interior, 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. Interior acknowledges that to date the reliability of these sources as a basis for deferred

maintenance estimates may vary from bureau to bureau. However, the Interior’s “Guidance on Deferred Maintenance, Current Replacement Value and Facility Condition Index in Life-Cycle Cost Management” is currently being updated with more detailed standard guidance for calculating deferred maintenance costs. This guidance will help ensure that a consistent estimating methodology is used across Interior.

**Condition Assessment Surveys**

Interior has implemented a cyclic/recurring condition assessment process to monitor the condition of buildings and other facilities at least once every 5 years. The maintenance needs of Interior’s real property assets are identified primarily through the annual and comprehensive condition assessment processes required by the Department of all bureaus.

Interior 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 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 inspection of the facility and all component systems, a summary of deficiencies found, and a recalculation of the current replacement value.

## Required Supplementary Information

Interior's current estimate for deferred maintenance includes the following real property categories: nonheritage and heritage buildings and structures including multiuse assets, road assets, dams, water distribution systems, and power assets, etc. The estimate generally excludes fleet vehicles and most other categories of operating equipment, since ongoing maintenance is performed on these assets and such assets would be disposed of before they resulted in a critical deferred maintenance condition.

### Deferred Maintenance Estimate

Interior does not break out deferred maintenance from total maintenance spending for both annual budgets and actual amounts expended in program execution. The information contained in the Interior budget is a combined value for the amount of funds budgeted for deferred maintenance and sustainment funding. Additionally, some portion of the amount budgeted for construction funds is used to eliminate deferred maintenance. Consequently, the Interior's current approach for estimating the total amount needed to correct deferred maintenance for PP&E ranges from approximately \$13.2 billion to \$19.4 billion.

The methodology used to calculate and report deferred maintenance data has been modified from that used in previous fiscal years. All bureaus now estimate deferred maintenance and report deferred maintenance summary data to an accuracy

level of minus 15 percent to plus 25 percent. This methodology revision was directed by Departmental management with input from the OMB to ensure deferred maintenance estimating and reporting accuracy and consistency is maintained among Interior's bureaus.

### MMS/MRM Compliance Assessments and Pre-assessment Work in Process

Management's best estimate of additional revenues that may potentially be collected from compliance assessments and pre-assessment work in process as of September 30, 2008, is \$45.2 million. This estimate is comprised of approximately \$6.7 million in Royalty in Kind (RIK) imbalance pre-assessment work in process, and approximately \$38.5 million in Compliance Asset Management (CAM) compliance assessments and pre-assessment work in process.

The amounts disclosed are subject to significant variability upon final resolution of the compliance work, due to numerous factors such as the receipt of additional third party documentation including volume revisions from pipeline or gas plant statements, pricing changes from purchaser statements, revised transportation invoices, interim imbalance statements with retroactive adjustments, ongoing reconciliations, and other information subsequently received.

Primary Land Management Categories	As of September 30, 2008	Condition	
		Acceptable	Needs Intervention
IA - Regional Offices	12	100%	
BLM - Geographic Management Areas	134	100%	
BOR - Federal Water and Related Projects	142	100%	
FWS - National Wildlife Refuges	548	99%	1%
FWS - Coordination Areas	49	100%	
FWS - Wetland Management Districts	37	100%	
FWS - National Fish Hatcheries	67	100%	
FWS - Fish Health Centers	9	100%	
FWS - Fish Technology Centers	8	100%	
FWS - Associated Fish Facilities	19	100%	
NPS - Park Units	378	100%	
OS - Commision Land	1	100%	
<b>Total Number of Units</b>	<b>1,404</b>	<b>100%</b>	<b>0%</b>



### Condition of Stewardship Lands

Land is defined as the solid part of the surface of the earth and excludes natural resources (that is, depletable resources and renewable resources) related to the land. Based on this definition, stewardship land is considered to be in acceptable condition unless an environmental contamination or liability is identified and the land cannot be used for its intended purpose(s). Information regarding the financial liabilities identified as probable or reasonably possible and that potentially affect the condition of Stewardship Land are located in Note 14, "Contingent Liabilities and Environmental and Disposal Liabilities."

### Condition of Heritage Assets

#### Noncollectible Heritage Assets

The condition of land based noncollectible heritage assets is based on the condition of the land, as described above. The condition of structure based noncollectible heritage assets is based on the requirements described in the deferred maintenance section. The condition of Interior's noncollectible heritage assets are shown in the following table.

Primary Non-Collectible Heritage Asset Categories	As of September 30, 2008	Condition Expressed as a Percentage				
		Land Based		Structurally Based		
		Acceptable	Needs Intervention	Acceptable	Unacceptable	Unknown
Cooperative Management and Protection Areas	1	100%				
Headwaters Forest Reserve	1	100%				
Lake Totatonten Special Management Area	1	100%				
National Battlefield Parks	3			100%		
National Battlefield Sites	1	100%				
National Battlefields	11	100%		100%		
National Conservation Areas	13	100%				
National Historic Landmarks (NHL)	202	0%		86%	9%	5%
National Historic Sites	80	100%		99%	1%	
National Historic Trails	10	100%				
National Historical Parks	42	100%		97%	3%	
National Lakeshores	4			100%		
National Memorials	28	100%		100%		
National Military Parks	9	100%		100%		
National Monuments	90	100%		94%	6%	
National Natural Landmarks (NNL)	108	100%				
National Parks	58	100%		98%	2%	
National Parkways	4	100%		100%		
National Preserves	18	100%		94%	6%	
National Recreation Areas	19	100%		100%		
National Recreation Trails	95	100%		100%		
National Reserves	2	100%		100%		
National Rivers	5	100%		100%		
National Scenic Trails	6	100%				
National Seashores	10			100%		
National Wild and Scenic Rivers	60	100%		100%		
National Wildlife Refuges	548	99%	1%			
Outstanding Natural Area	3	100%				
International Historic Sites	1			100%		
Wilderness Areas	321	100%				
Other	11	100%		100%		
<b>Total</b>	<b>1,765</b>	<b>100%</b>	<b>0%</b>	<b>94%</b>	<b>4%</b>	<b>2%</b>

## Collectible Heritage Assets

### Library Collections

Condition assessment standards were developed in FY 2007 for Interior libraries. These standards are in agreement with national standards (The National Information Standards Organization publication on the *Environmental Guidelines for the Storage of Paper Records*) and are based on temperature and humidity, exposure to light, gaseous contaminants, and particulates. Library facilities must meet the

requirements of at least two of the four components to be considered in good or fair condition. As with the museum collections, the goal of safeguarding is to preserve the items in library collections for as long as possible and to manage their condition in accordance with the intended use and not to unduly hasten their deterioration.

Interior Library Collections	As of September 30, 2008	Condition of Library Collections		
		Good	Fair	Poor
Library Collections	7		86%	14%

### Museum Collections

Facilities housing Department museum collections must meet specific environmental, security, fire protection, housekeeping, physical examination, and conservation treatment, storage, and exhibit space standards, as described in Chapter 3 of Departmental Manual Section 411. These standards require facilities that house collections to maintain their stewardship responsibilities by adhering to best practices as defined by industry standards.

The primary focus within museum collections is preservation. Great attention is given to stabilizing objects in the condition in which they were received and preventing further deterioration. Museum objects are generally expected to be preserved indefinitely. The goal of safeguarding is to preserve the heritage asset for as long as possible and to manage the condition in accordance with the intended use and not to unduly hasten their deterioration.

Interior Museum Collections	As of September 30, 2008	Condition of Museum Collections			
		Good	Fair	Poor	Unknown
Held at Interior Bureau Facilities	595	43%	33%	23%	1%
Held at Non-Interior Bureau Facilities	480	51%	27%	6%	16%
Total	1,075	46%	30%	16%	8%