

Audited Financial Statements

U.S. Department of the Interior
Consolidated Balance Sheets
as of September 30, 2001 and 2000

(dollars in thousands)

	2001	2000 (as restated)
ASSETS		
Fund Balance with Treasury (Note 2)		
Fund Balance with Treasury - General	\$ 7,456,823	\$ 6,140,226
Fund Balance with Treasury - Restricted	18,090,204	17,280,395
Cash (Note 3)	48,087	6,896
Investments, Net (Note 4)		
Treasury Securities	5,069,265	4,645,338
Public Securities	136,177	155,639
Total Fund Balance with Treasury, Cash and Investments	30,800,556	28,228,494
Accounts Receivable, Net (Note 5)		
Public	1,653,217	1,242,695
Due from Federal Agencies	254,340	262,025
Advances and Prepayments		
Public	35,134	39,992
Due from Federal Agencies	2,370	3,427
Loans - Public, Net (Note 6)	216,809	249,627
Inventory and Operating Materials, Net (Note 7)	370,551	373,643
Investigations and Development (Note 8)	95,227	84,115
Property, Plant and Equipment, Net (Note 9)	16,488,166	16,568,367
Other Assets - Public, Net (Note 10)	244,457	249,179
Stewardship Assets (Note 11)		
TOTAL ASSETS (Note 12)	\$ 50,160,827	\$ 47,301,564

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Consolidated Balance Sheets (Continued)
as of September 30, 2001 and 2000
(dollars in thousands)

	2001	2000 (as restated)
LIABILITIES AND NET POSITION		
Liabilities		
Accounts Payable		
Due to the Public	\$ 756,064	\$ 643,527
Due to Federal Agencies	415,185	325,546
Accrued Payroll and Benefits		
Due to the Public	509,380	471,862
Due to Federal Agencies	155,519	147,550
Deferred Revenue (Note 13)		
Received from the Public	103,001	82,128
Received from Federal Agencies	288,614	121,298
Federal Employees Compensation Act Liability Due to the Public (Note 14)	663,468	584,827
Loans Due to Treasury (Note 15)	1,457,588	1,473,538
Custodial Liability Due to Federal Agencies	1,108,753	909,415
Environmental and Contingent Liability Due to the Public (Note 16)	748,359	966,952
Deferred Credits and Other Liabilities (Note 17)		
Due to the Public	702,865	541,722
Due to Federal Agencies	203,465	343,687
Total Liabilities (Note 19)	7,112,261	6,612,052
Commitments and Contingencies (Notes 16, 18)		
Net Position (Note 23)		
Unexpended Appropriations	3,817,896	3,155,865
Cumulative Results of Operations	39,230,670	37,533,647
Total Net Position	43,048,566	40,689,512
TOTAL LIABILITIES AND NET POSITION	\$ 50,160,827	\$ 47,301,564

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Consolidated Statements of Net Cost of Operations
for the years ended September 30, 2001 and 2000
(dollars in thousands)

	2001	2000
		(Unaudited)
Protect the Environment and Preserve Our Nation's Natural & Cultural Resources		
Gross Cost	\$ 3,220,707	\$ 3,089,871
Earned Revenue	498,663	350,065
Net Cost	<u>2,722,044</u>	<u>2,739,806</u>
Provide Recreation for America		
Gross Cost	2,047,262	1,950,120
Earned Revenue	196,545	232,890
Net Cost	<u>1,850,717</u>	<u>1,717,230</u>
Manage Natural Resources for a Healthy Environment and a Strong Economy		
Gross Cost	3,715,045	3,133,691
Earned Revenue	1,099,300	874,695
Net Cost	<u>2,615,745</u>	<u>2,258,996</u>
Provide Science for a Changing World		
Gross Cost	1,402,824	1,345,320
Earned Revenue	386,885	393,640
Net Cost	<u>1,015,939</u>	<u>951,680</u>
Meet Our Responsibilities to American Indians and Island Communities		
Gross Cost	3,539,352	3,450,657
Earned Revenue	290,548	267,312
Net Cost	<u>3,248,804</u>	<u>3,183,345</u>
Shared Services		
Gross Cost	939,130	742,454
Earned Revenue	961,386	752,288
Net Cost	<u>(22,256)</u>	<u>(9,834)</u>
Other		
Gross Cost	432,079	309,375
Earned Revenue	278,836	183,437
Net Cost	<u>153,243</u>	<u>125,938</u>
Elimination of Intra-Department Activity		
Gross Cost	(1,049,106)	(893,956)
Earned Revenue	(1,049,106)	(855,151)
Net Cost	<u>0</u>	<u>(38,805)</u>
Totals		
Gross Cost (Note 21)	14,247,293	13,127,532
Earned Revenue	2,663,057	2,199,176
Net Cost of Operations (Note 20)	<u>\$ 11,584,236</u>	<u>\$ 10,928,356</u>

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Consolidated Statement of Changes in Net Position
for the year ended September 30, 2001

(dollars in thousands)

Net Cost of Operations	\$ (11,584,236)
Financing Sources	
Appropriations Used	8,270,613
Royalties Retained, Interest, and Other Non-Exchange Revenue (Note 22)	3,380,341
Taxes, Fines and Penalties	615,455
Imputed Financing Sources	559,545
Abandoned Mine Fees Collected	284,449
Donated Revenue and Other Financing Sources	121,261
Transfers, Net	80,690
Other Adjustments	(31,095)
Total Financing Sources	13,281,259
Net Results of Operations	1,697,023
Increase in Unexpended Appropriations	662,031
Total Change In Net Position	2,359,054
Net Position - September 30, 2000, Restated (Note 23)	40,689,512
Net Position - September 30, 2001	\$ 43,048,566

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Statements of Custodial Activity
for the years ended September 30, 2001 and 2000
(dollars in thousands)

	2001	2000 (as restated)
Revenues on Behalf of the Federal Government		
Mineral Lease Revenue		
Rents and Royalties	\$ 9,491,481	\$ 5,758,453
Offshore Lease Sales	669,840	426,578
Strategic Petroleum Reserve (Note 24)	61,655	560,521
Interest Revenue	-	74,659
Total Revenue	\$ 10,222,976	\$ 6,820,211
Disposition of Revenue		
Distribution to Department of the Interior		
National Park Service Conservation Funds	\$ 1,046,493	\$ 1,049,000
Bureau of Reclamation	823,929	542,731
Minerals Management Service	1,157,048	1,731,909
Bureau of Land Management	7,198	83,842
Fish and Wildlife Service	1,468	1,781
Distribution to Other Federal Agencies		
Department of the Treasury	6,405,104	4,615,466
Department of Agriculture	25,410	20,943
Department of Commerce	1,105	22
Department of Energy	61,654	560,521
Distribution to Indian Tribes and Agencies	107,982	88,021
Distribution to States and Others	141,389	129,883
Change in Untransferred Revenue	444,196	(2,003,908)
Total Disposition of Revenue	\$ 10,222,976	\$ 6,820,211

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

(dollars in thousands)

Budgetary Resources	
Budget Authority	\$ 13,774,867
Unobligated Balances - Beginning of Period, Restated (Note 23)	2,922,604
Spending Authority from Offsetting Collections	2,770,561
Other Adjustments	423,958
Total Budgetary Resources (Note 25)	\$ 19,891,990

Status of Budgetary Resources	
Obligations Incurred	\$ 15,900,974
Unobligated Balances - Available	3,492,945
Unobligated Balances - Not Available	498,071
Total Status of Budgetary Resources	\$ 19,891,990

Outlays	
Total Obligations Incurred	\$ 15,900,975
Spending Authority from Offsetting Collections and Adjustments	(3,307,229)
Obligated Balance, Net - Beginning of Period, Restated (Note 23)	4,117,936
Obligated Balance Transferred, Net	171
Obligated Balance, Net - End of Period	(4,931,388)
Total Outlays	\$ 11,780,465

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U.S. Department of the Interior
Consolidated Statement of Financing
for the year ended September 30, 2001

(dollars in thousands)

Obligations And Non-Budgetary Resources	
Obligations Incurred	\$ 15,900,975
Less: Spending Authority from Offsetting Collections and Adjustments	(3,307,229)
Exchange Revenue Not in the Budget	(849,318)
Imputed Financing	545,756
Transfers-In/Transfers-Out, Net, to Treasury or Other Agencies	(125,888)
Appropriations - Special Funds	(295,138)
Other Obligations and Non-Budgetary Resources	77,010
Total Obligations as Adjusted, and Non-Budgetary Resources	11,946,168
Less Resources That Do Not Fund Net Cost Of Operations	
Costs of Capitalized Assets on the Balance Sheet	416,008
Financing Sources that Funds Costs of Prior Periods	36,324
Change in Amount of Goods and Services Ordered but Not Received	540,988
Purchase Of Non-Government Securities	65,840
Change in Loans Receivable	32,819
Financing Sources for Unfunded Costs	181,500
Other Resources That Do Not Fund Net Cost Of Operations	14,772
Total Resources That Do Not Fund Net Cost of Operations	1,288,251
Costs That Do Not Require Resources	
Depreciation and Amortization	419,712
Bad Debt Expense	29,213
Disposition and Revaluation of Assets	213,844
Other Costs That Do Not Require Resources	29,670
Total Costs That Do Not Require Resources	692,439
Financing Sources Yet to be Provided	233,880
Net Cost Of Operations	\$ 11,584,236

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