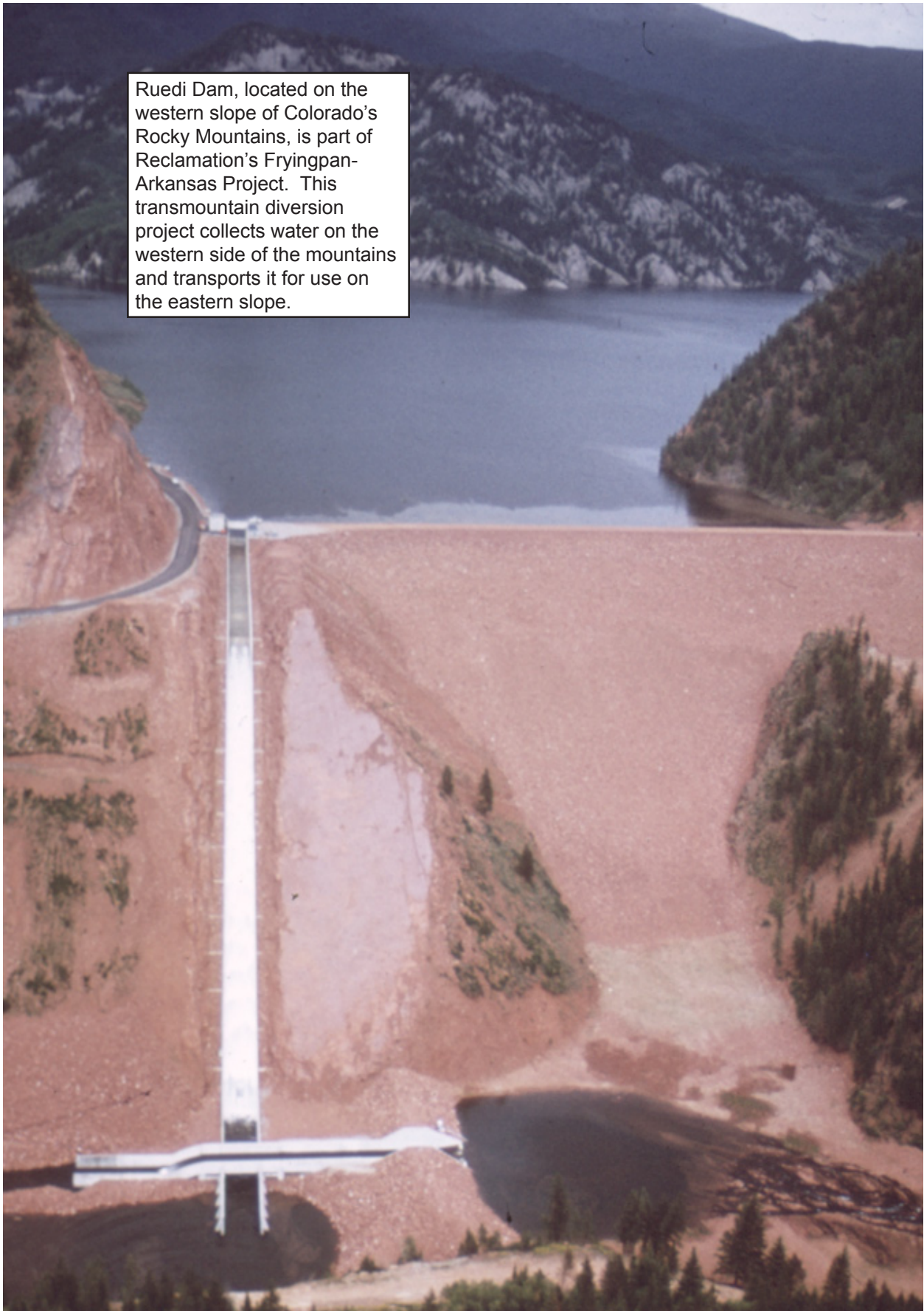


# Supplemental Section

Ruedi Dam, located on the western slope of Colorado's Rocky Mountains, is part of Reclamation's Fryingpan-Arkansas Project. This transmountain diversion project collects water on the western side of the mountains and transports it for use on the eastern slope.



## Bureau of Reclamation Organization Chart

Commissioner, Bureau of Reclamation	
John W. Keys, III 1849 C Street NW Washington, DC 20240-0001	
Chief of Staff	Regional Director, Great Plains Regional Office
Robert Quint 1849 C Street NW Washington, DC 20240-0001	Maryanne Bach P.O. Box 36900 Billings, Montana 59107-6900
Deputy Commissioner/Director, Operations	Regional Director, Lower Colorado Regional Office
William E. Rinne 1849 C Street NW Washington, DC 20240-0001	Robert W. Johnson P.O. Box 61470 Boulder City, Nevada 89006-1470
Deputy Commissioner/Director, External and Intergovernmental Affairs	Regional Director, Mid-Pacific Regional Office
Mark Limbaugh 1849 C Street NW Washington, DC 20240-0001	Kirk C. Rodgers 2800 Cottage Way Sacramento, California 95825-1898
Director, Policy, Management, and Technical Services	Regional Director, Pacific Northwest Regional Office
Michael R. Gabaldon P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007	J. William McDonald 1150 North Curtis Road, Suite 100 Boise, Idaho 83706-1234
Director, Security, Safety, and Law Enforcement	Regional Director, Upper Colorado Regional Office
Larry Todd P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007	Rick Gold 125 South State Street, Room 6107 Salt Lake City, Utah 84138-1102
Director, Program and Budget	Director, Management Services Office
Robert Wolf 1849 C Street NW Washington, DC 20240-0001	Elizabeth Cordova-Harrison P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007
	Director, Technical Service Center
	Michael Roluti P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007
	Chief Information Officer
	Randy Feuerstein P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007
	Director, Office of Program and Policy Services
	Roseann Gonzales P.O. Box 25007, Denver Federal Center Denver, Colorado 80225-0007
	Director, Research and Development
	Vacant



**Bureau of Reclamation  
Regional Boundaries and Offices**

# Required Supplementary Information

## Financial Resources

Funding for the Bureau of Reclamation's major program activities is provided from appropriations, revolving fund revenues, transfers from other Federal agencies, and contributions from non-Federal entities. A summary of Reclamation's major sources of fiscal year (FY) 2004 and 2003 new budget authority is provided.

**Budget Authority**  
**For the Years Ended September 30, 2004, and 2003**  
**(In Millions)**

	2004	2003
Water and Related Resources	\$ 766.2	\$ 759.3
Lower Colorado River Basin Development Fund	27.5	30.7
Upper Colorado River Basin Fund	52.8	38.3
Colorado River Dam Fund	67.8	68.8
Central Valley Project Restoration Fund	39.6	48.9
Reclamation Trust Funds	5.5	2.9
Policy and Administration	55.5	54.9
Other Budget Accounts	10.3	10.7
Total	<u>\$ 1,025.2</u>	<u>\$ 1,014.5</u>

The Combining Statement of Budgetary Resources, which is included as a principal financial statement, presents information about Reclamation's total budgetary resources, including carry forward of unused, prior year funding, and spending authority created by reimbursements from other Federal agencies and non-Federal entities. The Combining Statement of Budgetary Resources presents this information by major budget account.

Reclamation's largest budget account is Water and Related Resources. This account funds programs used for the operation and maintenance of Reclamation facilities to deliver water and power, preservation of natural resources, and continued efforts towards water conservation and technology development.

The Working Capital Fund (WCF), the Lower Colorado River Basin Development Fund (LCRBDF), and the Upper Colorado River Basin Fund (UCRBF) are revolving funds that operate on a fee for service basis. The WCF provides support services and equipment for Reclamation programs and activities, as well as for other Federal entities. The LCRBDF and the UCRBF collect revenues from the public, primarily from the sale of power.

The Colorado River Dam Fund is an available receipt fund into which various operating revenues of the Hoover Dam are collected,



**U.S. Department of the Interior**  
**Bureau of Reclamation**  
**Combining Statement of Budgetary Resources**  
**For the Year Ended September 30, 2004**

(In Thousands)	Water and Related Resources	Working Capital Fund	Lower Colorado River Basin Development Fund	Upper Colorado River Basin Fund
<b>BUDGETARY RESOURCES</b>				
Budget Authority:				
Appropriations Received	\$ 851,803	\$ -	\$ -	\$ -
Borrowing Authority	-	-	-	-
Net Transfers, Current Year Authority	(85,601)	-	27,529	52,795
Unobligated Balance:				
Beginning of Fiscal Year	266,627	24,970	161,974	22,403
Net Transfers, Unobligated Balance, Actual	1,346	-	(41)	41
Spending Authority from Offsetting Collections:				
Earned:				
Collected	215,667	337,708	168,794	73,549
Receivable from Federal Sources	9,757	5,086	(234)	186
Change in Unfilled Customer Orders:				
Advance Received	4,934	(285)	(5)	(790)
Without Advance from Federal Sources	1,493	-	-	-
Recoveries of Prior Year Obligations	25,901	1,523	72	9,348
Permanently Not Available	(5,059)	(4,525)	(1,032)	(4,227)
<b>Total Budgetary Resources</b>	<b>\$ 1,286,868</b>	<b>\$ 364,477</b>	<b>\$ 357,057</b>	<b>\$ 153,305</b>
<b>STATUS OF BUDGETARY RESOURCES</b>				
Obligations Incurred:				
Direct	\$ 798,907	\$ -	\$ -	\$ -
Reimbursable	219,125	336,246	146,328	131,203
<b>Total Obligations Incurred</b>	<b>1,018,032</b>	<b>336,246</b>	<b>146,328</b>	<b>131,203</b>
Unobligated Balance:				
Apportioned	268,836	28,231	210,729	22,102
Exempt From Apportionment	-	-	-	-
<b>Total Status of Budgetary Resources</b>	<b>\$ 1,286,868</b>	<b>\$ 364,477</b>	<b>\$ 357,057</b>	<b>\$ 153,305</b>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>				
Obligations Incurred	\$ 1,018,032	\$ 336,246	\$ 146,328	\$ 131,203
Obligated Balance, Net, Beginning of Fiscal Year	339,184	18,176	6,930	129,109
Obligated Balance, Net, End of Fiscal Year:				
Accounts Receivable	19,677	10,011	7,388	254
Unfilled Customer Orders from Federal Sources	29,859	-	-	-
Undelivered Orders	(308,706)	(5,063)	(15,823)	(44,562)
Accounts Payable	(107,085)	(26,174)	(13,617)	(92,497)
Less: Spending Authority Adjustments	(37,150)	(6,610)	162	(9,534)
Outlays:				
Disbursements	953,811	326,586	131,368	113,973
Less: Offsetting Collections	(220,601)	(337,423)	(168,788)	(72,760)
<b>Net Outlays Before Offsetting Receipts</b>	<b>733,210</b>	<b>(10,837)</b>	<b>(37,420)</b>	<b>41,213</b>
Less: Offsetting Receipts	(120)	-	-	-
<b>Net Outlays (Receipts)</b>	<b>\$ 733,090</b>	<b>\$ (10,837)</b>	<b>\$ (37,420)</b>	<b>\$ 41,213</b>

Colorado River Dam Fund	Central Valley Project Restoration Fund	Reclamation Trust Fund	Policy and Administration	California Bay-Delta Ecosystem Restoration	Other Budget Accounts	Total Budgetary Accounts
\$ 67,771	\$ 39,600	\$ 5,542	\$ 55,525	\$ -	\$ 361	\$ 1,020,602
-	-	-	-	-	-	-
-	-	-	-	-	9,941	4,664
8,755	820	41,349	1,167	29,682	996	558,743
-	-	-	-	-	-	1,346
-	-	-	-	-	-	795,718
-	-	-	-	-	-	14,795
-	-	-	-	-	-	3,854
-	-	-	-	-	-	1,493
312	2,743	322	626	629	2	41,478
(1,435)	(52)	-	(328)	-	(1)	(16,659)
<b>\$ 75,403</b>	<b>\$ 43,111</b>	<b>\$ 47,213</b>	<b>\$ 56,990</b>	<b>\$ 30,311</b>	<b>\$ 11,299</b>	<b>\$ 2,426,034</b>
\$ 63,924	\$ 42,655	\$ 7,769	\$ 55,855	\$ 11,527	\$ 10,254	\$ 990,891
-	-	-	-	-	-	832,902
63,924	42,655	7,769	55,855	11,527	10,254	1,823,793
11,479	456	-	1,135	18,784	1,045	562,797
-	-	39,444	-	-	-	39,444
<b>\$ 75,403</b>	<b>\$ 43,111</b>	<b>\$ 47,213</b>	<b>\$ 56,990</b>	<b>\$ 30,311</b>	<b>\$ 11,299</b>	<b>\$ 2,426,034</b>
\$ 63,924	\$ 42,655	\$ 7,769	\$ 55,855	\$ 11,527	\$ 10,254	\$ 1,823,793
2,959	50,456	6,516	7,768	32,008	34,280	627,386
-	-	-	-	-	-	37,330
-	-	-	-	-	-	29,859
(1,019)	(43,375)	(3,327)	(6,597)	(29,210)	(30,519)	(488,201)
(3,010)	(5,718)	(655)	(2,363)	(2,549)	(263)	(253,931)
(312)	(2,743)	(322)	(626)	(629)	(2)	(57,766)
62,542	41,275	9,981	54,037	11,147	13,750	1,718,470
-	-	-	-	-	-	(799,572)
62,542	41,275	9,981	54,037	11,147	13,750	918,898
(67,771)	(38,282)	(5,542)	-	-	(1,348,473)	(1,460,188)
<b>\$ (5,229)</b>	<b>\$ 2,993</b>	<b>\$ 4,439</b>	<b>\$ 54,037</b>	<b>\$ 11,147</b>	<b>\$ (1,334,723)</b>	<b>\$ (541,290)</b>

U.S. Department of the Interior  
 Bureau of Reclamation  
 Combining Statement of Budgetary Resources  
 For the Year Ended September 30, 2003

(In Thousands)	Water and Related Resources	Working Capital Fund	Lower Colorado River Basin Development Fund	Upper Colorado River Basin Fund
<b>BUDGETARY RESOURCES</b>				
Budget Authority:				
Appropriations Received	\$ 832,509	\$ -	\$ -	\$ -
Borrowing Authority	-	-	-	-
Net Transfers, Current Year Authority	(73,151)	-	30,689	38,365
Unobligated Balance:				
Beginning of Fiscal Year	256,269	31,903	119,374	16,263
Net Transfers, Unobligated Balance, Actual	(425)	-	132	791
Spending Authority from Offsetting Collections:				
Earned:				
Collected	186,366	324,272	151,542	67,458
Receivable from Federal Sources	(9,725)	(4,440)	(2,081)	(334)
Change in Unfilled Customer Orders:				
Advance Received	9,379	(2,829)	(1,231)	20,000
Without Advance from Federal Sources	(9,869)	-	-	-
Recoveries of Prior Year Obligations	24,130	1,485	544	2,916
Permanently Not Available	(4,788)	-	(1,247)	(24,523)
Total Budgetary Resources	<u>\$ 1,210,695</u>	<u>\$ 350,391</u>	<u>\$ 297,722</u>	<u>\$ 120,936</u>
<b>STATUS OF BUDGETARY RESOURCES</b>				
Obligations Incurred:				
Direct	\$ 776,564	\$ -	\$ -	\$ -
Reimbursable	167,504	325,421	135,748	98,533
Total Obligations Incurred	<u>944,068</u>	<u>325,421</u>	<u>135,748</u>	<u>98,533</u>
Unobligated Balance:				
Apportioned	266,627	24,970	161,974	22,403
Exempt From Apportionment	-	-	-	-
Total Status of Budgetary Resources	<u>\$ 1,210,695</u>	<u>\$ 350,391</u>	<u>\$ 297,722</u>	<u>\$ 120,936</u>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>				
Obligations Incurred	\$ 944,068	\$ 325,421	\$ 135,748	\$ 98,533
Obligated Balance, Net, Beginning of Fiscal Year	335,077	14,279	3,905	115,965
Obligated Balance, Net, End of Fiscal Year:				
Accounts Receivable	9,921	4,923	7,622	68
Unfilled Customer Orders from Federal Sources	28,366	-	-	-
Undelivered Orders	(265,211)	(7,087)	(373)	(31,082)
Accounts Payable	(112,260)	(16,012)	(14,179)	(98,095)
Less: Spending Authority Adjustments	(4,536)	2,955	1,538	(2,583)
Outlays:				
Disbursements	935,425	324,479	134,261	82,806
Less: Offsetting Collections	(195,745)	(321,443)	(150,311)	(87,458)
Net Outlays Before Offsetting Receipts	<u>739,680</u>	<u>3,036</u>	<u>(16,050)</u>	<u>(4,652)</u>
Less: Offsetting Receipts	(408)	-	-	-
Net Outlays (Receipts)	<u>\$ 739,272</u>	<u>\$ 3,036</u>	<u>\$ (16,050)</u>	<u>\$ (4,652)</u>



Colorado River Dam Fund	Central Valley Project Restoration Fund	Reclamation Trust Fund	Policy and Administration	California Bay-Delta Ecosystem Restoration	Other Budget Accounts	Total Budgetary Accounts
\$ 68,760	\$ 48,904	\$ 2,942	\$ 54,870	\$ -	\$ 705	\$ 1,008,690
-	-	-	-	-	-	-
-	-	-	-	-	10,000	5,903
6,051	874	46,873	224	32,659	6,500	516,990
-	-	-	-	-	-	498
-	-	-	-	-	-	729,638
-	-	-	-	-	-	(16,580)
-	-	-	-	-	-	25,319
-	-	-	-	-	-	(9,869)
301	2,551	295	843	2,910	7	35,982
(1,410)	(61)	-	(357)	-	(65)	(32,451)
<b>\$ 73,702</b>	<b>\$ 52,268</b>	<b>\$ 50,110</b>	<b>\$ 55,580</b>	<b>\$ 35,569</b>	<b>\$ 17,147</b>	<b>\$ 2,264,120</b>
\$ 64,947	\$ 51,448	\$ 8,761	\$ 54,413	\$ 5,887	\$ 16,151	\$ 978,171
-	-	-	-	-	-	727,206
64,947	51,448	8,761	54,413	5,887	16,151	1,705,377
8,755	820	-	1,167	29,682	996	517,394
-	-	41,349	-	-	-	41,349
<b>\$ 73,702</b>	<b>\$ 52,268</b>	<b>\$ 50,110</b>	<b>\$ 55,580</b>	<b>\$ 35,569</b>	<b>\$ 17,147</b>	<b>\$ 2,264,120</b>
\$ 64,947	\$ 51,448	\$ 8,761	\$ 54,413	\$ 5,887	\$ 16,151	\$ 1,705,377
3,609	48,005	13,509	9,129	42,530	32,268	618,276
-	-	-	-	-	-	22,534
-	-	-	-	-	-	28,366
(1,001)	(44,082)	(5,748)	(5,743)	(29,382)	(32,351)	(422,060)
(1,958)	(6,374)	(768)	(2,025)	(2,626)	(1,929)	(256,226)
(301)	(2,551)	(295)	(843)	(2,910)	(7)	(9,533)
65,296	46,446	15,459	54,931	13,499	14,132	1,686,734
-	-	-	-	-	-	(754,957)
65,296	46,446	15,459	54,931	13,499	14,132	931,777
(68,761)	(44,900)	(2,942)	-	-	(1,268,554)	(1,385,565)
<b>\$ (3,465)</b>	<b>\$ 1,546</b>	<b>\$ 12,517</b>	<b>\$ 54,931</b>	<b>\$ 13,499</b>	<b>\$ (1,254,422)</b>	<b>\$ (453,788)</b>

primarily from the sale of power generated at the dam. These revenues are used to fund the operation and maintenance of the dam.

The Central Valley Project Restoration Fund provides funding for fish and wildlife habitat restoration, improvement, and acquisition activities. Revenues come from project beneficiaries and donations.

Reclamation Trust Funds collect amounts that are earmarked for specific purposes and are expended accordingly, primarily to finance activities such as fish and wildlife habitat restoration and other mitigation efforts.

The Policy and Administration budget account is used to finance all of Reclamation's centralized management functions that are not chargeable directly to a specific project or program. These functions include management of personnel, safety and health, and information resources. Also included are budgetary policy formulation and execution, procurement and general services, and public affairs activities.

The California Bay-Delta Ecosystem Restoration account is included as part of Reclamation's budget for budget presentation purposes; these funds are distributed among participating Federal agencies, based on a program recommended by the State of California and Federal Agencies (CALFED) group and approved by the Secretary of the Interior. The CALFED Bay-Delta Program was established in May 1995 to develop a comprehensive, long-term solution to the complex and interrelated problems in California's San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta). The Bay-Delta system provides habitat for 120 fish and wildlife species, some listed as threatened or endangered. The system is also critical to California's economy because the two rivers that flow into the Bay-Delta provide potable water for two-thirds of California's homes and businesses and irrigate more than 4 million acres of farmland on which 45 percent of the Nation's fruits and vegetables are grown. CALFED is comprised of a consortium of Federal and State agencies. Federal agencies include Reclamation, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, and the National Marine Fisheries Service, with possible participation by other agencies in the future. State agency involvement includes oversight by the California Resources Agency and the participation of the State Department of Water Resources, the Department of Fish and Game, and the California Environmental Protection Agency.

The Other Budget Accounts balance includes several smaller activities within Reclamation, including the San Gabriel Restoration Fund, loan program, and financing funds.

## Working Capital Fund

Reclamation operates a Working Capital Fund to efficiently finance support services and equipment for Reclamation programs and other various Federal and non-Federal agencies. Balance sheet information on the financial position of the WCF as of September 30, 2004, and 2003 is presented on the following page.

Although the WCF is operated as a single entity, it is divided into 22 activities and numerous subactivities to facilitate management of the fund. Among the largest of the activities is the Technical Service Center (TSC), which provides engineering and technical services to WCF customers.

The WCF is an intragovernmental revolving fund and recovers the full cost of doing business. The types of services provided by the WCF fall into three broad categories: (1) Engineering and Technical Services, (2) Administrative Services, and (3) Information Technology (IT) Services. The WCF Statement of Net Cost for the years ended September 30, 2004, and 2003 is presented below. The presentation by major category of services is intended to provide information on the relative composition of the WCF.

The most significant activities in the Engineering and Technical Services category are technical services related to water resources management support provided by the TSC. Also included in this category are vehicles and aircraft used for engineering support.

**Combined Working Capital Fund Statement of Net Cost  
For the Years Ended September 30, 2004, and 2003  
(In Thousands)**

	2004			2003	
	Engineering and Technical Services	Administrative Services	Computer Services	Working Capital Fund Total	Working Capital Fund Total
<b>Expenses:</b>					
Operating Expenses					
Intragovernmental	\$ 34,163	\$ 84,277	\$ 19,510	\$ 137,950	\$ 128,375
With the Public	61,816	135,099	(6,623)	190,292	189,445
<b>Total Operating Expenses</b>	<b>95,979</b>	<b>219,376</b>	<b>12,887</b>	<b>328,242</b>	<b>317,820</b>
Depreciation and Amortization	2,368	1,076	2,330	5,774	5,715
Imputed Costs	0	0	0	0	10,799
Other Expenses	(134)	(234)	757	389	198
<b>Total Expenses</b>	<b>98,213</b>	<b>220,218</b>	<b>15,974</b>	<b>334,405</b>	<b>334,532</b>
Exchange Revenues:					
Sale of Goods and Services	(101,547)	(226,405)	(13,532)	(341,484)	(319,284)
<b>Net Cost of Operations</b>	<b>\$ (3,334)</b>	<b>\$ (6,187)</b>	<b>\$ 2,442</b>	<b>\$ (7,079)</b>	<b>\$ 15,248</b>

**Working Capital Fund Balance Sheet**  
**As of September 30, 2004, and 2003**

(In Thousands)	2004	2003
<b>ASSETS</b>		
<b>Intragovernmental Assets:</b>		
Fund Balance with Treasury	\$ 49,459	\$ 43,145
Accounts and Interest Receivable, Net	9,992	3,483
Advances and Prepayments	401	400
<b>Total Intragovernmental Assets</b>	<b>59,852</b>	<b>47,028</b>
Accounts and Interest Receivable, Net	70	1,527
Loans and Interest Receivable, Net	3,100	3,630
General Property, Plant & Equipment, Net	36,193	35,156
Advances and Prepayments	225	-
<b>TOTAL ASSETS</b>	<b>\$ 99,440</b>	<b>\$ 87,341</b>
<b>LIABILITIES</b>		
<b>Intragovernmental Liabilities:</b>		
Accounts Payable	\$ 7,961	\$ 1,626
Debt	3,100	3,630
Accrued Payroll and Benefits	6,939	3,815
Advances and Deferred Revenue	1,735	2,074
<b>Total Intragovernmental Liabilities</b>	<b>19,735</b>	<b>11,145</b>
<b>Public Liabilities:</b>		
Accounts Payable	4,185	4,941
Accrued Payroll and Benefits	15,231	14,070
Contingent Liabilities	-	150
Advances and Deferred Revenue	782	729
<b>Total Public Liabilities</b>	<b>20,198</b>	<b>19,890</b>
<b>TOTAL LIABILITIES</b>	<b>39,933</b>	<b>31,035</b>
<b>Commitments and Contingencies</b>		
<b>Net Position</b>		
Cumulative Results of Operations	59,507	56,307
<b>Total Net Position</b>	<b>59,507</b>	<b>56,307</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 99,440</b>	<b>\$ 87,341</b>

Administrative services include accounting and finance support, overhead allocation distribution, and leave cost distribution. The Information Technology Services category includes software development and operations and maintenance on Reclamation information technology resources.

## Deferred Maintenance

Reclamation owns a water resources management infrastructure which consists of diversion and storage dams; hydroelectric powerplants; water conveyance facilities (canals, pipelines,

siphons, tunnels, and pumps); recreational facilities; and associated buildings, bridges, and roads, as well as an inventory of related construction, maintenance, laboratory, and scientific equipment. The operation and maintenance of some of these assets is performed by Reclamation using annual or permanent appropriations or other available funding sources. The operation and maintenance of the remaining assets is performed by Reclamation's water and power customers or by contractors at their expense pursuant to contracts with Reclamation.

Reclamation employs a commercial, off-the-shelf maintenance management system on many of its larger, more complex facilities and performs condition assessment (site reviews) and other field inspections to estimate the condition of, and determine the need for, any maintenance related to its assets. Under these various review programs, most of Reclamation's major assets, whether operated and maintained by Reclamation or its contractors, are assessed triennially. The monitoring and tracking of maintenance-related deficiencies and/or recommendations of water and power-related infrastructure is generally conducted on an annual basis and are reported in the dam safety or power resources information system.

Many factors influence whether maintenance is performed as scheduled or deferred. These factors may include limitations on access to facilities (e.g., due to water levels); intervening technological innovations or developments; seasonal or climatological considerations; reassessment of priorities; delays in the contract-award process; availability of or delays caused by the contractor; and changes in funding priorities resulting from, in some cases, emergencies or unforeseen critical maintenance requirements. It is Reclamation's policy to give critical maintenance—that which addresses a threat to life, property, and safety—the highest priority in attention and resources.

The following table identifies Reclamation's estimate of deferred maintenance as of September 30, 2004, on those facilities (reserved works) operated and maintained by it. The reserved works facilities currently in operation and maintenance status include general (non-heritage) and stewardship (heritage assets) that are components of Reclamation projects.<sup>1</sup> The precision attributable to these estimates for the assets involved is based on current, available data.

Reclamation continues to refine its estimates by improving the documentation procedures and systems for tracking condition

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<sup>1</sup> The deferred maintenance of heritage assets that are part of active project features is reported under this section, not under the "Heritage Assets" section of "Stewardship Assets." Heritage assets that may have been a part of an active project but no longer serve that purpose, are reported under the "Heritage Assets" section of "Stewardship Assets."

## Estimate of Deferred Maintenance as of September 30, 2004

Type of Deferred Maintenance	Condition Category Note (1)	Critical Maintenance Cost Note (2)	General Property, Plant, and Equipment		Stewardship Property, Plant, and Equipment		Total	
			Low	High	Low	High	Low	High
Roads, Bridges, Trails	G, F, P	–	\$ 11	\$ 836			\$ 11	\$ 836
Irrigation, Dams, and Other Water Structures	G, F, P	–	\$ 981	\$ 22,051	\$ 1,285	\$ 8,054	\$ 2,266	\$ 30,105
Buildings, Other Structures	F, P	–	\$ 326	\$ 1,731	\$ 2	\$ 1,566	\$ 328	\$ 3,297
<b>Total Reclamation</b>		–	\$ 1,318	\$ 24,618	\$ 1,287	\$ 9,620	\$ 2,605	\$ 34,238

## Note (1) Condition Assessment:

Good (G) Facility (equipment condition meets established maintenance standards, operates efficiently, and has a normal life.

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

Poor (P) Facility/equipment does not meet most maintenance standards and requires frequent repairs to prevent accelerated deterioration and provide a minimal level of operating function. In some cases, that includes condemned or failed facilities.

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

## Note (2) Category:

A Critical Health and Safety Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to public or employee safety.

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.

assessments and for reporting the scheduling and deferral of maintenance work. Reclamation uses budget estimates, the Dam Safety/Power Resources Information System, Accessibility and Data Management System, and Maintenance Management System (MAXIMO) as sources for potential deferred maintenance. Variations in the reporting of deferred maintenance are expected from year to year because of the types of maintenance work on Reclamation facilities.

Reclamation began implementation of its "Plan for Improving the Reporting of Deferred Maintenance" (Plan) in FY 1999. The purpose of the Plan is to establish Reclamation's process to improve the reporting of deferred maintenance. Although Reclamation implemented the Plan in FY 1999, it will take a period of years before the Plan is fully achieved and implemented uniformly across Reclamation. In FY 2005, formalized directives and standards for documenting and reporting deferred maintenance will be available for continued improvement of Reclamationwide reporting procedures.



# Required Supplemental Stewardship Information

## Federal Stewardship Assets

### Federal Stewardship Land

Federal stewardship land is defined as land owned by the Federal Government that was not acquired for or in connection with other property, plant, and equipment. Reclamation's lands are integral to project purposes, such as constructing and operating dams, reservoirs, water conveyance systems, and power facilities. Project lands were acquired at a cost to Reclamation projects or withdrawn from the public domain in support of Reclamation's mandate to provide water for agricultural, municipal and industrial uses, flood control, and power. While Reclamation's lands are acquired or withdrawn for specific project purposes, other multipurpose uses of the land occur. For example, if the use does not interfere with the project purposes for which land was withdrawn or acquired, activities such as boating, camping, fishing, wildlife management, and livestock grazing may be authorized.

The term "Reclamation withdrawn lands" refers to those lands withdrawn from public entry and set aside for authorized Reclamation project purposes. Of Reclamation's approximately 8,700,000 total acres of project land, over 5,800,000 acres of withdrawn land were transferred over time to Reclamation from the Bureau of Land Management and the U.S. Department of Agriculture Forest Service (USDA Forest Service) at no cost to the project beneficiaries for use in constructing authorized Reclamation projects. Since these withdrawn lands were acquired at no cost to the project or project beneficiaries, under Federal accounting standards, these lands are referred to as Reclamation's Stewardship Lands. As of the end of FY 2004, Reclamation has 5,724,998 acres of withdrawn lands in its land inventory.

#### Stewardship Lands as of September 30, 2004

Category	Federal Acres				Total Non-Federal Acres	Combined Total Acres	Condition
	Beginning Acres	Additions	Withdrawals	Ending Acres			
Reclamation Project Lands – Withdrawn	5,861,154	1	1	5,724,998	0	5,724,998	Acceptable

<sup>1</sup> The difference between the beginning and ending acres is a decrease 136,156 acres. This decrease is a direct result of the completion of the fourth year of a 5-year intensive land reconciliation effort in which Reclamation's land inventory records are being researched, corrected, and reconciled with the agency's project financial records. This decrease does not represent actual withdrawal relinquishments or acquisition of new withdrawn lands for project purposes.

Reclamation safeguards its withdrawn lands to protect them against waste, loss, and misuse. Reclamation considers the condition of its land to be acceptable; the lands are managed and protected in a manner sufficient to support the mission of the agency consistent with the statutory purposes for which the lands were withdrawn or otherwise acquired.

## Heritage Assets

Heritage assets are property, plant, and equipment that are unique because of historical or natural significance, cultural, educational, or artistic importance, or for significant architectural characteristics. Heritage assets are generally expected to be preserved indefinitely. Heritage assets include non-collectible cultural and natural heritage assets, such as archeological and historic sites and cultural landscapes, and collectible heritage assets such as museum collections. A summary of Reclamation's non-collectible cultural and natural heritage assets is provided below.

**Non-Collectible Cultural and Natural Heritage Assets as of September 30, 2004**

Category	Beginning Balance	Additions	Withdrawals	Ending Balance	Percent <sup>3</sup>			
					Good	Fair	Poor	Unknown
Archeological and Historic Sites <sup>1</sup>	1,554	172	39	<sup>2</sup> 1,687	8.5	.5	8	83
National Historic Landmarks	5	0	0	<sup>4</sup> 5	60	0	20	20
National Register of Historic Places	54	4	0	<sup>5</sup> 58	19	10	3	68
Paleontological Resources	<sup>6</sup> 173	2	0	175	0	1	0	99
<b>Total</b>	<b>1,786</b>	<b>178</b>	<b>39</b>	<b>1,925</b>				

<sup>1</sup> Since heritage assets are defined as "significant" cultural resources, this category includes only archaeological and historical properties that have been determined eligible for listing in the National Register of Historic Places.

<sup>2</sup> This number includes 27 districts, 1,658 individual properties, 1 traditional cultural property, and 1 cultural landscape.

<sup>3</sup> The condition of heritage assets varies depending on the type, location, and use. Condition assessments are not available on most properties. Condition assessments of historic buildings and structures usually are conducted in association with property reviews.

<sup>4</sup> This number includes two districts and three individual properties.

<sup>5</sup> This number includes 16 districts and 41 individual properties and 1 traditional cultural property.

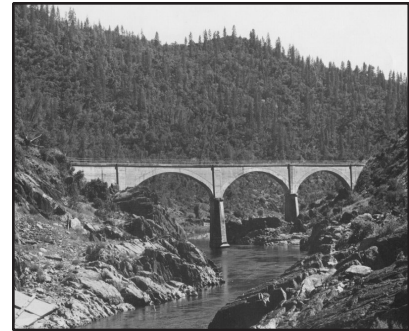
<sup>6</sup> 173 paleontological resources were reported in the narrative of Reclamation's FY 2003 RSSI report but were not included in the 2003 Chart B.

### **Non-Collectible Cultural Heritage Assets**

Non-collectible cultural heritage assets include buildings, structures, archaeological sites, districts, traditional cultural properties, and cultural landscapes that are National Historic Landmarks listed in the *National Register of Historic Places* (NRHP). Assets otherwise determined eligible for listing are reported in "Archeological and Historic Sites."

As databases for tracking cultural heritage assets continue to be implemented, improved, and updated, information on their numbers and status improves. Increasingly, Geographical Information Systems (GIS) are used to map and analyze cultural resources data. Currently, over 70 percent of Reclamation's non-collectible cultural heritage assets inventoried and evaluated are archaeological resources.

Some non-collectible cultural heritage assets are used by Reclamation to carry out its mission and meet the Federal Accounting Standard Advisory Board (FASAB) definition of multiuse heritage assets ("heritage assets whose predominant use is general government operations"). Of the 61 non-collectible cultural heritage assets listed as National Historic Landmarks and in the NRHP, 24 are multiuse heritage assets. These include dams, water distribution systems, a bridge, and office buildings. California's Mountain Quarries Bridge is Reclamation's most recent listing on the NRHP.



Mountain Quarries Bridge, California, listed on the NRHP, February 11, 2004.

Deferred maintenance of stewardship property, plant, and equipment is disclosed in the Required Supplementary Information.

### ***Non-Collectible Natural Heritage Assets***

Non-collectible natural heritage assets consist of paleontological resources. Reclamation has identified 175 paleontological resources on its lands, an increase of 2 from last year. Assessments of paleontological resources are continuing to improve accountability.



Fossil footprints at Flaming Gorge Reservoir.

### ***Collectible Heritage Assets – Museum Collections***

Reclamation budgeted \$2.14 million for activities related to management of its museum property in FY 2004. Fourth quarter data indicate that there are 5.9 permanent full-time equivalent (FTE) staff and 2.6 intern FTE staff involved in managing Reclamation's museum property. In addition, \$1.85 million was expended on activities related to managing Reclamation's museum property.

The following table summarizes Reclamation's total collection information by discipline through the end of fiscal year 2004. An



Interior Museum exhibit, "Fifty Years of Reclamation Archeology."

additional 6,476 cubic feet of materials are located at non-Reclamation facilities for which no item count information is available.

Reclamation opened a permanent exhibit, "Fifty Years of Reclamation Archaeology," at the Interior Museum in June 2004. The exhibit effectively highlights projects from each of Reclamation's five regions, featuring stories of past cultures told through artifacts uncovered at six Western projects: Grand Coulee Dam in Washington State, the New Melones Dam in California, the Central Arizona Project and Glen Canyon Dam in Arizona, the Medicine Creek Reservoir in Nebraska, and the Jamestown Reservoir in North Dakota. The museum property on display provides episodic glimpses into thousands of years of human activity.

Elements of this exhibit can be seen at <<http://www.doi.gov/news/040610a>>.

#### Reclamation Museum Collection as of September 30, 2004

Number of Reclamation Facilities: 20

Number of Non-Reclamation Facilities: 81

Discipline	Estimated Number of Objects in Reclamation Facilities	Estimated Number of Objects in Non-Reclamation Facilities	Total Estimated Collection Size
Archaeology	2,496,104	4,733,828	7,229,932
Art	34	259	293
Ethnography	4	2	6
History	2,739	37	2,776
Documents	685,693	558,292	1,243,985
Botany	0	0	0
Zoology	0	0	0
Paleontology	1	13,031	13,032
Geology	407	8	415
Environmental Samples	2	0	2
<b>Total Number of Objects</b>	<b>3,184,984</b>	<b>5,305,457</b>	<b>8,490,441</b>

Reclamation's museum property collections are physically located at 81 non-Reclamation facilities and 20 Reclamation facilities. The apparent shift from last year to this year in the distribution of items

from Reclamation to non-Reclamation facilities is a result of how “facility” is defined. See the discussion below in the “Deferred Maintenance of Stewardship Assets” section.

Reclamation’s estimated total museum property collection changed from 7,688,597 items and 8,769 cubic feet in FY 2003 to 8,490,441 items and 6,476 cubic feet in FY 2004. The 10-percent increase in collection size is primarily the result of better knowledge of the collections as bulk counts are replaced with item counts.

**Status of Cataloging and Condition of Cataloged Reclamation Museum Collections  
As of September 30, 2004**

2003 Estimated Collection Size	Additions	Withdrawals	2004 Estimated Collection Size	Total Items Cataloged	Number of Cataloged Items with Item-level Condition Data	Items Level Condition		
						Good	Fair	Poor
7,688,597	876,410	74,566	8,490,441	6,565,644	1,469,840	1,339,258	122,497	8,085

The Lower Colorado Dam Office participated in the selection of a new exhibit design and fabrication contractor for the Hoover Dam Visitor Center (HDVC). An historic photograph exhibit entitled “Installation of the Arizona Generator Units 1936-1952” is on the Arizona Balcony in the powerhouse. Numerous other exhibits were developed and installed at the HDVC, including a display of Hoover Dam memorabilia. Museum property previously held at Parker and Davis Dams was moved to dedicated spaces within Hoover Dam.

Also within the Lower Colorado Region, the Phoenix Area Office relocated its museum property from the Central Arizona Project Repository to the new Huhugam Heritage Center within the Gila River Indian Community.



Hoover Dam Visitor Center.

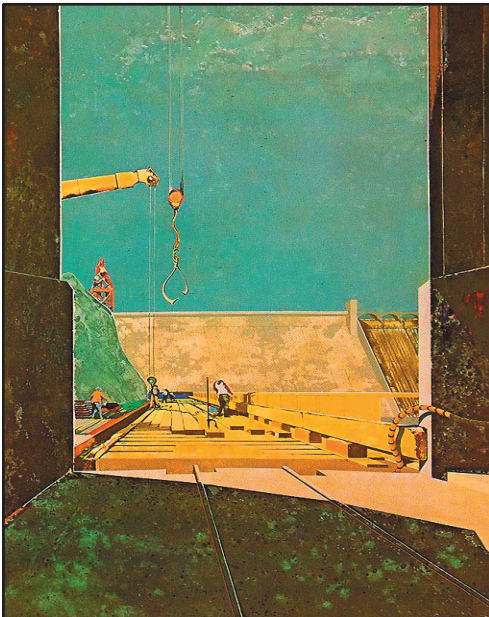


**Reclamation Additions and Withdrawals by Discipline  
As of September 30, 2004**

Discipline	2003 Totals	2004 Additions	2004 Withdrawals	2004 Ending Balance
Archaeology	6,396,414	836,245	2,727	7,229,932
Art	292	101	100	293
Ethnography	6	0	0	6
History	2,518	260	2	2,776
Documents	1,276,677	38,936	71,628	1,243,985
Botany	0	0	0	0
Zoology	0	0	0	0
Paleontology	12,178	863	9	13,032
Geology	510	5	100	415
Environmental Samples	2	0	0	2
<b>Total Number of Objects</b>	<b>7,688,597</b>	<b>876,410</b>	<b>74,566</b>	<b>8,490,441</b>



Huhugam Heritage Center.



From the Batch Plant, by Alfred McAdams, acrylic on paper.

The Museum Property Program website, [www.usbr.gov/museumproperty](http://www.usbr.gov/museumproperty), contains information about Reclamation's program, including examples of museum property, listings of Reclamation and non-Reclamation facilities housing Reclamation museum property, and a listing of museum property contacts within Reclamation. The art portion, [www.usbr.gov/museumproperty/art](http://www.usbr.gov/museumproperty/art), of this page contains a history of Reclamation's commissioned fine art and a list of the artists that participated in the program, including biographical information about most of the artists. Electronic images also are available at this site.

## Stewardship Investments

Stewardship investments are substantial investments made by the Federal Government for the benefit of the Nation. The FASAB requires reporting for three categories of stewardship investments—Research and Development, Investment in Human Capital, and Investment in Non-Federal Physical Property. Reclamation identified stewardship investments in all three categories.



## Research and Development

Reclamation invests in applied research programs to aid in the water and energy management challenges facing the arid West. Programs focus on the improvement of water management, the development of solutions pertaining to flood hydrology, water quality, irrigation return flows, and the delivery of hydropower to the West. The information obtained through these programs provides water management solutions and techniques that yield future benefits to the Nation. Research and development activities support Reclamation's end outcome goal to deliver water consistent with applicable State and Federal law in an environmentally responsible and cost-efficient manner.

In FY 2004, research and development expenses incurred under the Water and Energy Management and Development Program activity produced benefits under Reclamation's intermediate outcome measure of effective water management to optimize supply. Expenses also support the end outcome measure of water delivery.

In addition, research and development expenses, incurred under the Facility Maintenance and Rehabilitation Program activity, provided support and benefits which enabled Reclamation to support the intermediate outcome measure to operate and maintain a safe and reliable water infrastructure. Expenses also support the end outcome measures of reliability and maximizing cost efficiency and value. A summary of Reclamation's investments in research and development through September 30, 2004, are shown in the table below.

### Investment in Research and Development (In Millions)

	2004	2003	2002	2001	2000
Water and Energy Management and Development	\$ 18.6	\$ 17.2	\$ 17.6	\$ 15.9	\$ 14.7
Facility Maintenance and Rehabilitation	1.2	1.1	1.4	1.5	1.4
Total Investment	\$ 19.8	\$ 18.3	\$ 19.0	\$ 17.4	\$ 16.1

## Investment in Human Capital

Reclamation operates five Job Corps Centers (Centers) to educate and train disadvantaged youth, based on an interagency agreement with the Department of Labor. As of September 30, 2004, Reclamation expended \$30 million in residential education and job training, including courses in computer technology, painting, woodworking, welding, culinary arts, and social and leadership

development. Reclamation expenses in prior years were (in millions): \$27.1 in 2000; \$27.1 in 2001; \$28.6 in 2002; and \$29.9 in 2003.

Post-program job placement services are available to Job Corps students. The table below shows the number of Reclamation Center graduates as a percentage of the total Center enrollment and the number of graduates placed into jobs within 1 year of graduation as a percentage of the graduates in the placement pool.

**Investment in Human Capital  
(In Millions)**

Center	Graduates	Center Enrollment	%	Graduates Placed	Graduate Placement Pool	%
Centennial	269	270	99.6	301	340	88.5
Columbia Basin	195	235	83.0	221	263	84.0
Ft. Simcoe	191	228	83.8	215	267	80.5
Weber Basin	183	200	91.5	182	209	87.1
Collbran	144	213	67.6	175	198	88.4

### Investment in Non-Federal Physical Property

Investment in Non-Federal Physical Property are expenses incurred by Reclamation for the purchase, construction, or major renovation of physical property owned by or given to State and local government or insular areas. Costs include major additions, alterations, replacements, the purchase of major equipment, and the purchase or improvement of other physical assets owned by non-Federal entities. Grants for maintenance and operations are not considered investment in non-Federal physical property.

The investments listed in the following table provide assistance through a variety of measures, all related to water and related resources management. For example, Reclamation incurs expenses for specific programs to provide for the construction or improvement of structures and facilities used in State and local irrigation projects and water quality improvement projects. Reclamationwide programs that improve State and local fish and wildlife habitats through activities such as the construction or betterment of structures or facilities are also included.

**Program Investment in Non-Federal Physical Property  
(In Millions)**

	2004	2003	2002	2001	2000
Water and Related Resources Management Total Investment	\$106.6	\$124.4	\$118.9	\$105.1	\$126.0

***Title Transfers to State and Local Governments***

Assets constructed with Federal funding meet the criteria for non-Federal physical property at the time of transfer under Reclamation's title transfer program. Through September 30, 2004, the net book value of assets transferred to State and local governments totaled approximately \$63 million, of which \$56.1 million was completed plant net of accumulated depreciation of \$75.1 million. Land costs associated with the transfers totaled almost \$6.9 million. Title transfers are further disclosed in Reclamation's financial statement notes.

**Deferred Maintenance of Stewardship Assets**

The financial statement, Estimate of Deferred Maintenance as of September 30, 2004, in the "Required Supplementary Information" section of this report provides facility level condition information. A change in the distribution of museum property at Reclamation versus non-Reclamation facilities is best explained by the change in the definition of facilities.

**Reclamation Facilities** are typically reserved works meaning those facilities owned by Reclamation, which Reclamation operates and maintains with its own workforce using appropriated funds from the Congress, revolving funds, or other funding sources (cost sharing, user contributions, user fees, etc.). Other Reclamation facilities include facilities owned by someone other than Reclamation where Reclamation maintains operation and maintenance (O&M) responsibilities.

**Non-Reclamation Facilities** are typically transferred works meaning those facilities owned by Reclamation where O&M has become the responsibility of an operating entity (irrigation district, State, county, city, local customers, managing partner, or others) pursuant to contracts with Reclamation. Other non-Reclamation facilities include facilities where Reclamation lacks ownership and O&M responsibilities.

These definitions provide the clarity needed to differentiate facilities where Reclamation has O&M responsibility from facilities where

Reclamation does not conduct O&M, thus allowing appropriate reporting of deferred maintenance of stewardship assets.

The April guidance memorandum on assessing deferred maintenance of facilities provided bureaus the option to have facilities evaluated and scored by another bureau, or by the U.S. Army Corps of Engineers Mandatory Center of Expertise for the Curation and Management of Archeological Collections, or to have facilities accredited by the American Association of Museums. Reclamation chose not to use these scoring methods. Instead, Reclamation will only use scores derived from completion of the DOI Checklist for spaces specifically storing, exhibiting, or displaying Reclamation's museum property. This decision was made to assure data reported would correlate with information being tracked and reported upon for the Government Performance and Results Act outcome measure Resource Protection End Outcome Measure 3.02, collections in "good" condition. The DOI Checklist had to be completed for all spaces at a facility in order to establish its condition (see the following table).

**Facilities Conditions and estimated Deferred Maintenance Costs  
As of September 30, 2004**

Facilities	Number of Facilities	Number Evaluated	Condition			Estimated Deferred Maintenance	
			Good Meet >50-70%	Fair Meet 50-70%	Poor Meet <50%	Facilities Housing Collections (In Thousands)	Other Collections Maintenance
Reclamation	20	7	3	4	0	\$101	0
Non-Reclamation	81	24	16	6	2	NA	0
Totals	101	31	19	10	2	\$101	0

## Other Supplementary Information

### Internal Reviews and Audits of Reclamation Programs

We continue to place increased emphasis on the improvement of policies and practices related to accounting and financial reporting by strategically managing our resources to ensure financial accountability. Our goal is to provide accurate, relevant information to managers that withstands audit scrutiny and sets a high standard in financial reporting.

During FY 2004, Reclamation completed four Alternative Management Control Reviews, with no material weaknesses revealed. Functional areas reviewed were:

1. Crediting of Incidental Revenues
2. Dam Safety Program
3. Museum Property Program
4. Hazardous Materials

During FY 2004, 20 corrective actions were added as a result of these reviews. Twelve corrective actions from previous reviews were completed. As of September 30, 2004, 85 corrective actions remained.

During FY 2004, the Office of the Inspector General (OIG) and Government Accountability Office (GAO) audit activity included Reclamation-specific audits, Departmental or Government-wide audits which included Reclamation issues. The OIG completed eight audits and the GAO completed four audits. The following table is a summary of the status of audit recommendations.

	FY 2004 Recommendations	Recommendations Implemented/Closed/ Complied in FY 2004 <sup>1</sup>	Outstanding Recommendations <sup>2</sup>
OIG	18	15	7
GAO	0	0	3

<sup>1</sup> Recommendations may have resulted from audits in previous years.

<sup>2</sup> Outstanding recommendations may have resulted from prior year audits.





Comments and questions about this report or its contents can be made to Ed Abreo, Bureau of Reclamation, Management Services Office, D-7600, P.O. Box 25508, Denver CO 80225-0508, Telephone: 303-445-3423.

This report was written and produced by Reclamation's Technical Communications Group and the Visual Presentations Group. All financial material was prepared by Reclamation's Financial Policy Division.

This Annual Report can be found on the Internet at <http://www.usbr.gov/library/>.

# **Fiscal Year 2004 Annual Report**

U.S. Department of the Interior  
Bureau of Reclamation