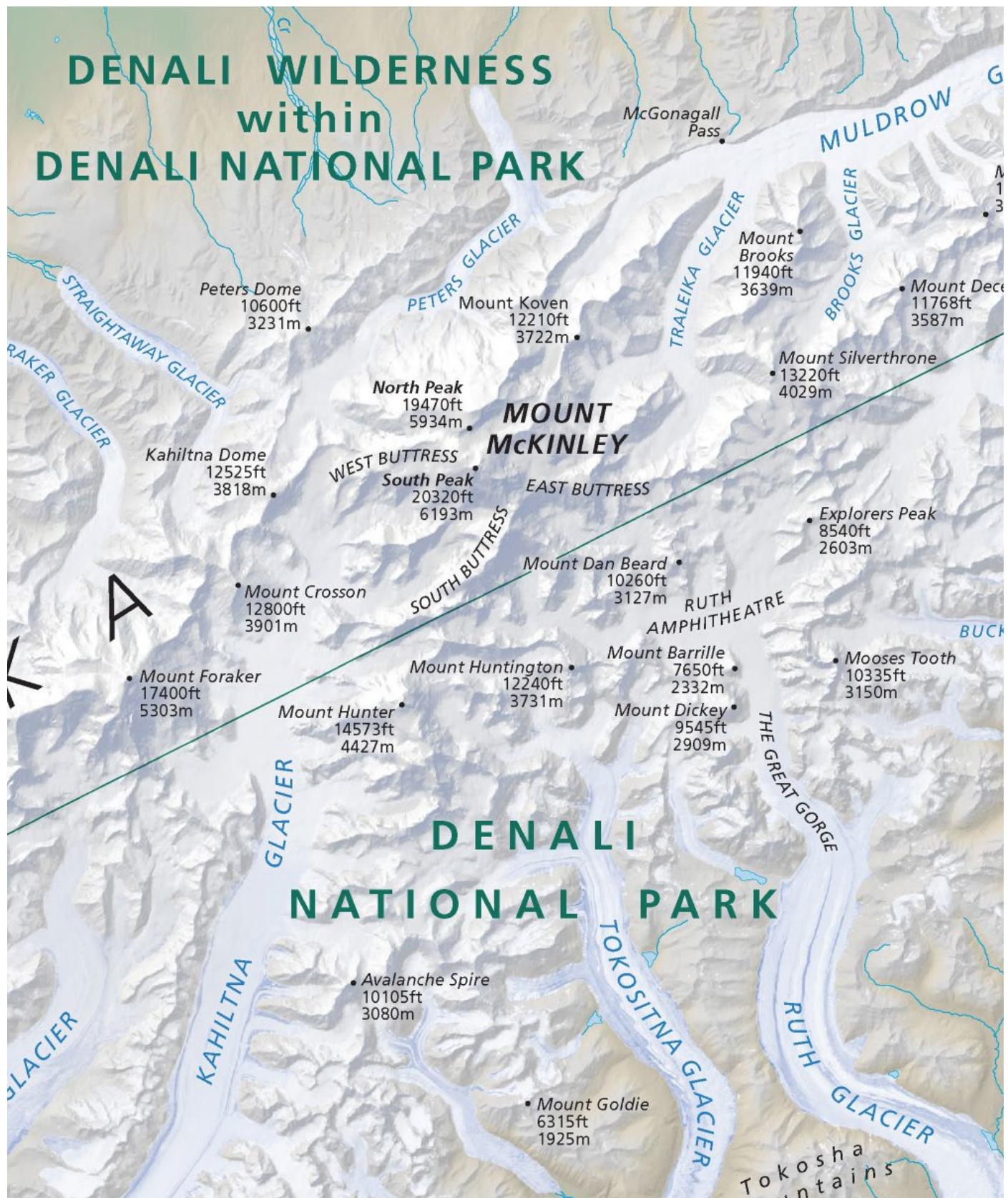


U.S. DEPARTMENT OF THE INTERIOR
Agency Financial Report **2025**





DENALI NATIONAL PARK AND PRESERVE MAP

This map was created by Tom Patterson at the Harpers Ferry Center. <https://www.nps.gov/dena/planyourvisit/maps.htm>



U.S. DEPARTMENT OF THE INTERIOR Agency Financial Report 2025



ON THE COVER: MOUNT MCKINLEY, WITH U.S. FLAG AT EIELSON VISITOR CENTER

Mount McKinley is North America's tallest peak at 20,310 feet above sea level. It is the centerpiece of Denali National Park and Preserve, which was established in 1917 as "Mount McKinley National Park". Per Executive Order 14172, the Department of the Interior has implemented name restorations that honor the legacy of American greatness. As directed by the President, the Gulf of Mexico will now officially be known as the Gulf of America and North America's highest peak will once again bear the name Mount McKinley.

<https://www.whitehouse.gov/presidential-actions/2025/01/restoring-names-that-honor-american-greatness/>

Photo by Ken Conger, NPS

<https://doi.gov/video/what-doi>





Photo by NPS

WATERFALL SUNRISE AT BRYCE CANYON NATIONAL PARK

Tropic Ditch Waterfall Sunrise at the Bryce Canyon National Park, Utah. <https://www.nps.gov/brca/index.htm>

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GULF OF AMERICA DAY

February 9, 2025 marked the first ever Gulf of America Day. Executive Order 14172 ("Restoring Names That Honor American Greatness") required the Secretary of the Interior to "take all appropriate actions to rename as the 'Gulf of America' the U.S. Continental Shelf area bounded on the northeast, north, and northwest by the State of Texas, Louisiana, Mississippi, Alabama and Florida and extending to the seaward boundary with Mexico and Cuba in the area formerly named as the Gulf of Mexico."

<https://www.whitehouse.gov/presidential-actions/2025/02/gulf-of-america-day-2025/>



Message from the Secretary

ON BEHALF OF OUR DEDICATED EMPLOYEES...

who work diligently across the Nation to fulfill our mission, I am pleased to present the Department of the Interior's (Department or Interior) Agency Financial Report (AFR) for fiscal year (FY) 2025. This report provides key financial and performance information that demonstrates the Department's enduring commitment to transparency in the use of American taxpayer dollars and provides a complete presentation of our financials per generally accepted accounting principles.

The Department received its 29th consecutive unmodified audit opinion. Based on the results of the assessment, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2025, except for one material weakness:

- an internal controls process did not operate effectively in identifying the transposition of line items within Note 18 *Statement of Budgetary Resources*. The specific values related to undelivered orders and legal arrangements were not properly categorized and presented. To address this material weakness, DOI will provide training for new control operators, focusing on accurate completion and review of financial statement templates and related disclosures.

During FY 2025, the Department focused on restoring American energy leadership, strengthening national security, and improving efficiency across Interior's operations. Interior advanced responsible oil and gas development on Federal lands and waters, including offshore leasing in the Gulf of America, and generated more than \$13.7 billion in energy revenues supporting States, Tribal governments, and the American taxpayer. These actions reinforced America's energy independence and helped ensure reliable, affordable energy for families and businesses.

The Department also took decisive action to reduce unnecessary regulatory barriers that slow development and increase costs. Interior streamlined permitting processes, improved coordination across Bureaus, and advanced reforms designed to provide regulatory clarity and predictability for energy producers, infrastructure projects, and land users operating on Federal lands.

In support of national security and public safety, Interior transferred public lands to the Department of War for critical defense and border operations, strengthened protections for public lands along the Southern border, and paused offshore wind leasing to ensure national security and military readiness considerations are fully addressed. The Department also invested in law

MESSAGE FROM THE SECRETARY

enforcement and emergency response, including pay increases for Interior law enforcement officers and targeted funding to strengthen wildfire response capacity at the State and local level.

The professionalism and dedication of Interior's workforce, whose efforts are essential to responsibly managing America's public lands and waters while advancing the administration's priorities makes me proud. Interior employees work every day to uphold fiscal discipline, enforce the law, support energy development, and serve the American people efficiently and effectively.

Together, we are ensuring that the Department operates with accountability, regulatory certainty, and a clear focus on energy security, economic opportunity, and stewardship of our Nation's natural resources for current and future generations.



DOUG BURGUM
Secretary of the Interior
January 16, 2026



REMOTE RIVERS IN GATES OF THE ARCTIC, ALASKA

Gates of the Arctic (8,472,505 acres total) is composed of the national park (7,523,897 acres, of which 7,167,192 acres are designated wilderness) and two units that make up the national preserve—the Eastern Unit (Itkillik) and the Western Unit (Kobuk River), containing 948,608 acres combined. Altogether, the park and preserve are nearly 200 miles long and 130 miles wide.

Today, visitors who come to the park to seek remote wilderness and solitude must rely on the knowledge, skills, and equipment they bring with them. No trails, signs, or permanent visitor facilities exist within the park, and no roads provide access to the park, yet Alaska Native people have called the land home for over ten thousand years.

<https://www.nps.gov/gaar/index.htm>

About This Report

The U.S. Department of the Interior's (DOI's, Department's or Interior's) Agency Financial Report (AFR) provides performance and financial information that enables the President, Congress, and the public to assess the performance of DOI relative to its mission and stewardship of the resources entrusted to it for the reporting period October 1, 2024, through September 30, 2025. We prepared this report in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. This document consists of three primary sections and supplemental appendices. The AFR consists of the following sections:

SECTION 1: Management's Discussion and Analysis includes an overview of DOI's history, mission and organizational structure; as well as analysis of performance goals and results; systems, internal controls, and legal compliance; financial statements; and forward-looking information.

SECTION 2: Financial Information includes the financial statements and accompanying notes to the financial statements, required supplementary information (RSI), and the report from the independent auditors.

SECTION 3: Other Information includes the Inspector General's report on management and performance challenges; a summary of financial statement audit and management assurances; and reports on payment integrity, and grants programs.

The DOI produces an AFR rather than the alternative Performance and Accountability Report (PAR). The PAR is a report that combines an AFR with performance information required by the *Government Performance and Results Act (GPRA) of 1993*. The AFR may be viewed online at <https://www.doi.gov/pfm/afr>.

Certificate of Excellence in Accountability Reporting

The DOI received a Certificate of Excellence in Accountability Reporting (CEAR®) award for the Fiscal Year (FY) 2024 AFR. The Association of Government Accountants (AGA) CEAR® Program has been helping federal agencies produce high-quality AFRs and PARs since 1997. The program was established in conjunction with the Chief Financial Officers Council and OMB to improve financial and program accountability by streamlining reporting and improving the effectiveness of such reports.

The DOI is honored to have received this prestigious award for the 23rd consecutive year. The DOI is fully committed to excellence in financial reporting and providing a comprehensive understanding of DOI's fiscal and programmatic accomplishments.

In addition, DOI received the CEAR® Best-in-Class Award for a Management's Discussion and Analysis (MD&A) that tells a compelling story.



An aerial photograph of a large offshore oil and gas platform situated in the middle of a vast, blue ocean. The platform is a complex structure of steel beams, walkways, and various industrial equipment. A prominent feature is a tall, vertical derrick in the center. To the right, a yellow lattice boom crane is extended. The platform is surrounded by a yellow protective hull. A small helicopter landing pad with a green heli-top is visible on the left side. The water around the platform is slightly choppy, with small whitecaps. The sky above is clear and blue.

SECTION 1

Management's Discussion and Analysis

Unaudited

OFFSHORE OIL PRODUCTION

In a significant step forward for American energy production, the Department of the Interior announced in April 2025, a critical policy advancement that will boost offshore oil output in the Gulf of America.

<https://www.doi.gov/pressreleases/interior-boasts-offshore-oil-production-new-commingling-policy>

Photo by BSEE

Mission and Organizational Structure

History <https://www.doi.gov/about/history>

The DOI was established in 1849 and was charged with managing a wide variety of programs, which included overseeing Indian affairs, exploring the western wilderness, directing the District of Columbia jail, constructing the National Capital's water system, managing hospitals and universities, improving historic western emigrant routes, marking boundaries, issuing patents, conducting the census, and researching the geological resources of the United States. As the country matured during the last half of the 19th century, so did DOI, and its mission began to evolve as some of these functions moved to other agencies and DOI acquired new responsibilities.

One such function was established through the *Forest Reserve Act of 1891*, which authorized the President to designate public lands as “forest reserves.” By the fall of 1893, during President Benjamin Harrison’s presidency, 17 forest reserves containing 18 million acres had been created. His successor, President Grover Cleveland, added two forest reserves totaling five million acres; however, he did not add any more forest reserves for over four years, until Congress was willing to pass legislation to allow for the management of the public forests. Following the establishment of the *National Forest Commission of 1896*, coupled with the conservation movement at the beginning of the 20th century, there was an increasing urgency and expanding congressional mandate to protect and more effectively manage the Nation’s natural resources. Gifford Pinchot, one of the first employees of the DOI’s General Land Office (GLO), was hired as a special forestry agent to make further investigations of the forest reserves and recommend ways to manage them. Through his leadership, the DOI was able to politically appoint superintendents in each state that had forest reserves, forest reserve supervisors, and forest rangers to patrol the reserves. In 1905, the United States Forest Service was created and named Pinchot the first agency chief. As chief, Pinchot was in charge of managing the forest reserves “for the greatest good of the greatest number in the long run.” In support of this directive, Congress changed the jurisdiction of the reserves from the GLO in the DOI to the new Division of Forestry within the U.S. Department of Agriculture (USDA).

During the 20th century, DOI’s authorizing statutes shifted to put more emphasis on the preservation, management, and use of public lands and natural and cultural resources. Today, DOI manages 535 million acres of public and Tribal lands, 700 million acres of subsurface minerals, and 3.2 billion acres of the Outer Continental Shelf (OCS). The DOI is the steward of 20 percent of the Nation’s land area, including national

parks, National Wildlife Refuges (NWR), and the public lands. It manages resources providing approximately 20 percent of the Nation’s energy; delivers and manages water in the 17 western states and supplies 15 percent of the Nation’s hydropower energy; and upholds federal trust responsibilities to 574 federally recognized Indian Tribes, Alaska Native communities, and insular areas. The DOI also partners with states to manage wildlife; promote healthy forests and suppress fire; manage energy resource development (oil, gas, coal, hydro, geothermal, wind, and solar) on its lands and offshore areas; promote outdoor recreation (including hunting, fishing, bird watching, boating, hiking, and biking); and provide mapping, geological, hydrological, and biological science for the Nation.

The DOI’s programs encompassed in this report cover a broad spectrum of activities performed by Bureaus and Offices. Historically, hundreds of thousands of volunteers annually contribute their time in support of Bureau and Office missions, bringing unique local knowledge to park operations, assisting in recovery from natural disasters, and participating in environmental education, among other activities.



Photo by Jacob W. Frank, National Park Service

YELLOWSTONE NATIONAL PARK

Yellowstone National Park in Wyoming is the only place in the United States where bison have lived continuously since prehistoric times. Bison live year round in the park, eating grasses and sedges. All bison have large shoulder and neck muscles to swing their heads from side-to-side to clear snow from foraging patches. Despite growing to almost 2,000 pounds, these iconic mammals are agile, strong swimmers, and can run 35 miles per hour and jump about 5 feet high.

<https://www.flickr.com/photos/usinterior/49941263398/in/album-72157714476732352>

THE DOI TIMELINE

[\(Link\)](#)

1849

Congress created the Department of the Interior consolidating the General Land Office (Treasury Department), the Patent Office (State Department, later transferred to Commerce Department), the Indian Affairs Office (War Department) and the military pension offices (War and Navy Departments, later transferred to Veterans Affairs). Once created, the Department became known as the "Department of Everything Else" for its many disparate activities



1872

Congress established Yellowstone as the first National Park



1977

The Surface Mining Control and Reclamation Act (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) to administer programs for controlling the impacts of surface coal mining operations



2006

Formerly known as the Office of Indian Education Programs, the Bureau of Indian Education (BIE) was renamed and established on August 29, 2006



2025

Secretary Burgum and Secretary Rollins (US Department of Agriculture) sign Joint Fire Memo

Mission and Organization



MISSION

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities.

ORGANIZATION

The Department's Bureaus and Offices are listed below:

- ◆ Bureau of Indian Affairs (IA)
- ◆ Bureau of Indian Education (BIE)
- ◆ Bureau of Land Management (BLM)
- ◆ Bureau of Ocean Energy Management (BOEM)
- ◆ Bureau of Reclamation (USBR/Reclamation)
- ◆ Bureau of Safety and Environmental Enforcement (BSEE)
- ◆ Bureau of Trust Funds Administration (BTFA)
- ◆ National Park Service (NPS)
- ◆ Office of Insular Affairs (OIA)
- ◆ Office of Surface Mining Reclamation and Enforcement (OSM)
- ◆ U.S. Fish and Wildlife Service (FWS)
- ◆ U.S. Geological Survey (USGS)





Sierra Willoughby National Park Service (NPS)

DUNES FROM ZAPATA WITH MORNING WIND

Morning light on Star Dune from the Zapata Creek alluvial fan.

<https://www.flickr.com/photos/greatsanddunesnpp/54396988928/>



Photo by NPS

GLACIAL ICE

Unlike regular ice, glacial ice is incredibly dense, compacted over time by immense pressure. As light passes through, all colors in the spectrum are absorbed except for blue, which is scattered and reflected back to our eyes.

<https://www.nps.gov/media/photo/gallery-item.htm?pg=810242&id=244d7e53-1dd8-b71c-07ba-4a65d041e8b1&gid=312FC020-1DD8-B71C-07738F734E09AF8D>



Photo by DOI

SECRETARY DOUG BURGUM VISITS PENNSYLVANIA FRAC SITE

On April 3, 2025, Secretary Doug Burgum toured Range Resources' frac (also known as hydraulic fracturing, fracing, hydrofracturing, or hydrofracking) site in Washington County, Pennsylvania where he discussed how President Trump's executive orders are driving domestic energy growth and cutting costs for American consumers. During his visit, the Secretary participated in a tour of the company's pad site and held a roundtable discussion with regional energy executives, gaining valuable insights into the challenges and successes they are experiencing in the area. He concluded his visit by speaking to nearly 400 local energy workers about the Department of the Interior's agenda to increase energy production and foster innovation in the industry.

<https://www.doi.gov/pressreleases/secretary-doug-burgum-visits-pennsylvania-frac-site>



Photo by Abigail Ryder, BOEM

PLATFORMS ELLY-ELLEN VISIT

BOEM Pacific Region Staff along with BSEE inspectors visited Platforms Elly-Ellen on November 8, 2024.

<https://www.flickr.com/photos/boemgov/54153064652/in/album-72177720322065587>

Bureau and Office Summary

Leading the missions of the Department are the Secretary of the Interior, the Deputy Secretary, and six Assistant Secretaries. Supporting them and implementing program responsibilities and operational activities are Interior's Bureaus and

Offices. Each *Departmental organization* has specialized responsibilities and the expertise to identify, enable, and pursue the goals and objectives set forth in this plan.



Photo by Tami A. Heilemann, DOI

SECRETARY BURGUM FIRST DAY IN OFFICE

Doug Burgum officially began his tenure as the 55th Secretary of the Interior on February 3, 2025, marking the start of a new era focused on advancing American energy independence and ensuring the responsible stewardship of the nation's public lands and resources.

Analysis of Performance Goals and Results

Using Evidence to Achieve Outcomes

The performance information covers a transitional period for Interior as it moved into a new Administration with new priorities: improving affordability for Americans, strengthening American energy dominance, improving our parks and recreation areas, strengthening public safety, and upholding our trust responsibilities. The performance information and results presented here reflect the January 2025 transition from the prior Administration to the strategic priorities and management transformation of the Trump Administration. Results demonstrate the progress Interior has made in on-going efforts under Secretary Burgum's leadership. The Department's Annual Performance Plan and Report is the primary document for comprehensive organizational performance reporting. The FY 2026–2027 Annual Performance Plan and FY 2025 Report will be published in the spring of 2026 and can be found at <https://www.doi.gov/performance/performance-reports>.

Beginning in FY 2026, the Department will establish the FY 2026–2030 Strategic Plan. The strategic plan will define the Department's goals and objectives for the next four years and set the vision for how Interior will achieve its mission while also establishing a framework for building and using evidence in support of decision-making. Future performance reports will reflect performance measures and show the results Interior is delivering for the American people.

The Department uses evidence by looking across programs that form portfolios of work. By gathering and analyzing data, Interior uses evidence-building tools and risk management to inform decisions. The Chief Risk Officer ensures that Departmental leadership is aware and appropriate risk planning is implemented for anticipated risks, uncertainties, future events or conditions, and trends that could significantly affect the outcomes of the strategic goals or objectives. These processes enhance Interior's program management, streamline operations, reduce burden, and improve customer processes to achieve better outcomes. By looking across portfolios, gathering data, applying evidence tools, and managing risks, Interior ensures that its actions are data-driven, transparent, and focused on delivering results that matter most to the American people.

Performance to Track Results

The GPRA Modernization Act of 2010 requires agencies to have a strategic performance framework that focuses on agency priorities with measurable outcomes supported by evidence and data-driven for decision making. The Department is developing the FY 2026–

2030 Strategic Plan, to be published in the spring of 2026, that will outline the vision, mission, goals and objectives to achieve the outcomes of the Trump Administration and Secretary Burgum. The Department is implementing strategies to achieve outcomes in the following areas:

The Department strengthened U.S. energy security, affordability, and economic growth by accelerating domestic energy and natural resource development. This was accomplished through applying innovative technologies and strengthening supply chains which support long-term economic competitiveness. In FY 2025, the Department began streamlining permitting to expand reliable energy production, increased hydropower capacity, approved major coal resources, and advanced future offshore oil, gas, and mineral leasing to attract investment and support creation of new jobs.

- ◆ Supporting American Energy: Offered 359 oil and gas lease parcels totaling 703,299 acres; installed 5.07MW of hydropower to produce 11,000 MWh annually, oil of over 100K barrels per day, approved mine plans totaling 120.2 million tons of federal coal. (BLM, USBR, BSEE, OSM)
- ◆ Streamlining To Better Enable Energy Leasing And Permitting: Updated and issued final rules including an Oil and Gas Leasing Rule (BLM); four for offshore operations (BSEE); eliminated 25 Notices to Lessees (BSEE).
- ◆ Managing Public Lands Productively: Increased timber sales, generated \$117.3 million in mining revenues; supported an estimated 884,000 jobs and \$245 billion in economic output from activities. (BLM)

Interior advanced national security by modernizing infrastructure, enhancing public safety, and securing reliable water access. In FY 2025, the Department strengthened national resilience by modernizing infrastructure, enhancing public safety, and advancing water security through investments in critical facilities, wildfire and law enforcement capacity, and data-driven drought preparedness nationwide.

- ◆ Accelerating Construction And Maintenance: Funded \$8 billion for 396 Great American Outdoors Act (GAOA) Legacy Restoration Fund projects and obligated \$14 billion for more than 3,000 Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) projects, including over 3,700 miles of roads across Indian Country. (All DOI)

- ◆ **Protecting People And Assets:** Cleared almost 60% of law enforcement cases by investing in capacity and community-centered enforcements. (BIA) Reduced risks to Interior-managed assets by implementing the Automated Risk Monitoring and Detection and Analysis (ARMADA) system for 24/7 threat awareness. (Office of Emergency Management (OEM))
- ◆ **Improving And Protecting Delivery Of Essential Water Supplies:** Reduced risk of seismic damage at the B.F. Sisk Dam in California's Central Valley, reducing water loss in irrigation canals, protecting natural water springs from saltwater intrusion in California, and investing in water treatment and redistribution infrastructure in Utah. Advanced tribal water rights settlements. (USBR)
- ◆ **Reducing Threats And Impacts Of Wildland Fire:** Strengthened fire prevention and response across Interior through cross-boundary fuels management (e.g., more than 2.10 million acres), sharing personnel and resources, and stabilizing the wildland firefighter workforce with permanent pay reform and programs to improve retention. These improvements are the basis of wildland fire consolidation across Interior and the planned U.S. Wildland Fire Service. (OWF)

Interior promoted recreation, conservation, and responsible development of public lands and waters to benefit current and future generations. In FY 2025, the Department expanded outdoor recreation, strengthened conservation, and accelerated restoration by opening new access opportunities, advancing habitat and abandoned mine land restoration, expanding stewardship programs, and improving the resilience and health of public lands through extensive fuels and post-fire treatments.

- ◆ **Providing Recreational Opportunities:** Expanded and improved opportunities for hunting and fishing on almost 200,000 acres of public land and water, and 84 miles of rivers and streams; improved roads and access to major recreation dams and reservoirs. (BLM, FWS, USBR) Built foundations for lifelong outdoor engagement with passes and access to over a half million students, 1,800 educators, and military families. (NPS)
- ◆ **Delivered large-scale habitat restoration through partnerships:** Completed 1,701 voluntary conservation projects through Partners for Fish and Wildlife Program restoring and improving over 131,000 acres of habitat and 124 miles of rivers. (FWS)
- ◆ **Making Damaged Lands And Waters Safe And Productive:** Restored land and water, making it available for beneficial use, including almost

8,000 acres from abandoned coal mines and surrounding orphaned wells; rehabilitated 456,000 acres damaged by fire. (OSM, Orphaned Wells Program Office (OWPO), OWF). Responded to damage with emergency response for 50 restoration projects and 60 environmentally sensitive sites. (Office of Restoration and Damage Assessment and Office of Environmental Policy & Compliance)

The Department fostered strong partnerships with tribes, states, local governments, U.S. Territories, and Freely Associated States to achieve shared goals and improve outcomes across the country. In FY 2025, the Department strengthened trust responsibilities and partnerships while delivering high-quality, gold standard science and data.

- ◆ **Supporting Tribal Trust Responsibilities:** Improving service delivery by streamlining the probate resolution process to reduce burden on the customer and accelerate beneficiary access to their assets. Accelerating resolution of the probate backlog. (BIA)
- ◆ **Enhancing Data For Tribal Education:** Improved capacity for data quality and accountability through targeted training and technical assistance to all 60 BIE-funded high schools. (BIE)



Photo by Andrew S. Wright, U.S. Fish and Wildlife Service

PALMYRA ATOLL

About halfway between Hawaii and American Samoa lies Palmyra Atoll - a circular string of about 20 islets nestled among several lagoons and encircled by 15,000 acres of coral reefs.

<https://www.flickr.com/photos/usinterior/51240684498/in/album-72157719450108990>

ANALYSIS OF PERFORMANCE GOALS AND RESULTS

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Photo by USGS

ALASKAN PIPELINE

Secretary Burgum is taking immediate steps to unleash Alaska's untapped natural resource potential and support President Trump's vision of American Energy Dominance. Under the Secretary's leadership, BLM will pursue steps to expand opportunities for exploration and development in the National Petroleum Reserve in Alaska and the Coastal Plain of the Arctic National Wildlife Refuge.

<https://www.doi.gov/pressreleases/interior-secretary-takes-steps-unleash-alaskas-extraordinary-resource-potential>

Analysis of Systems, Controls, and Legal Compliance

Management Assurances Compliance with Laws

The DOI continues to strengthen its internal control program by enhancing cost-effectiveness, increasing efficiencies, and improving management assurances and compliance with the *Federal Managers' Financial Integrity Act of 1982* (FMFIA); and the *Federal Financial Management Improvement Act of 1996* (FFMIA). The following section demonstrates how DOI's internal controls provide reasonable assurance for effective and efficient operations, reliability of reporting, and compliance with laws and regulations.

This includes summaries of DOI's financial management activities and targeted improvement initiatives regarding:

- ◆ Results of financial statement audit,
- ◆ Major management and performance challenges facing DOI,
- ◆ Compliance with other key legal and regulatory requirements, and
- ◆ Results of assessments over the financial management systems.

Federal Managers' Financial Integrity Act of 1982

The FMFIA establishes management's responsibility to assess and manage risk, and report on internal controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The FMFIA requires federal agencies to establish effective and efficient internal controls to provide reasonable assurance that:

- ◆ obligations and costs are in compliance with applicable laws;
- ◆ funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- ◆ revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable reports and to maintain accountability over the assets.

The FMFIA also requires agencies to assess and report on whether financial management systems substantially comply with FFMIA Section 803(a) requirements (FMFIA § 4).

To comply with FMFIA and meet legislative and regulatory requirements, the Department uses a top-down and bottom-up governance structure to oversee internal controls, set standards, monitor compliance, communicate effectively, and manage risk.

The DOI's management performs an annual enterprise-wide risk assessment to identify high-risk areas for evaluation

of internal controls. Risks are scored on the likelihood of occurrence and degree of impact. The results of the assessment are used to develop a risk register that tracks identified risks. The risk register prioritizes the risks based on final scores and identifies high risk areas for internal control evaluations. The internal control evaluation ensures controls are appropriately designed, correctly implemented, and operating effectively. Internal control evaluations, audits, studies, reviews and other observations of DOI's administrative and programmatic process, provide an overall assurance the business processes are functioning as intended. Additionally, the reviews ensure financial and non-financial controls, and financial management systems comply with FMFIA, FFMIA, and OMB requirements.

Bureaus and Offices are required to communicate significant deficiencies and material weaknesses (MW) to the Department and must reflect MWs within their annual assurance statement. The assurance statements from the Bureaus/Offices are reviewed and considered in the development of the Secretary of the Interior's assurance statement. The assurance statement communicates whether DOI can provide reasonable assurance that internal controls over operations, reporting, and compliance were operating effectively. The DOI's management assurances are reflected in the FMFIA Assurance Statement (see page 22).

Internal Control Program and Assessments

The Department's internal control program is designed to comply with the goals, objectives, and requirements of FMFIA and the following Government Accountability Office (GAO)/OMB directives:

- ◆ *U.S. Government Accountability Office, Standards for Internal Control in the Federal Government*, also known as the "Green Book";
- ◆ OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control, including Appendix A, Management of Reporting and Data Integrity Risk; Appendix B, A Risk Management Framework for Government Charge Card Programs; Appendix C, Requirements for Payment Integrity Improvement; Appendix D, Management of Financial Management Systems – Risk and Compliance*; and
- ◆ OMB Circular A-130, *Managing Information as a Strategic Resource*.

The DOI continues to strengthen management assurances by advancing its integrated risk management approach, reinforcing the GAO Green Book's 17 principles, expanding the Independent Verification and Validation (IV&V) program, and enhancing anti-fraud efforts through increased training and communication.

The conclusions in the Department's FY 2025 Annual FMFIA assurance statement are based on multiple components. A central component was the FMFIA assurance statements provided by the Bureau and Office Heads attesting to the effectiveness of the Bureau's and Office's system of internal controls. The Bureau's and Office's FMFIA assurance statements were developed based on the results of internal control reviews, audits, investigations, and reviews conducted by the DOI Office of Inspector General (OIG) or GAO. The DOI considered the contents of these statements along with other sources of information that included, but were not limited to, the following:

- ◆ Department-wide Entity-Level Control Assessment
- ◆ IV&V Assessments
- ◆ Reviews of financial management systems
- ◆ Reports pursuant to the *Federal Information Security Modernization Act of 2014* (FISMA)
- ◆ Reviews over improper payments
- ◆ Internal management reviews and self-assessments
- ◆ Results of the financial statement audit conducted by the independent public accounting firm, KPMG LLP

Based on the Bureau's and Office's FMFIA Assurance Statements, the supplemental sources of information described above, and the results of the assessment of internal controls over operations, reporting, and compliance; DOI analyzed the magnitude of internal control deficiencies, both individually and in aggregate, to determine whether a MW existed in FY 2025.



Photo by National Park Service

BRYCE CANYON NATIONAL PARK

Bryce Canyon National Park in Utah is famous for its unique geology, consisting of a series of horseshoe-shaped natural amphitheaters carved from the eastern edge of the Paunsaugunt Plateau. The erosional force of frost-wedging and the dissolving power of rainwater have shaped the colorful mudstone into bizarre shapes including slot canyons, windows, fins and spires called "hoodoos." Tinted with colors too numerous and subtle to name, these whimsically rocks create a wondrous landscape of mazes, offering some of the most exciting and memorable hikes imaginable.

<https://www.flickr.com/photos/usinterior/49941265983/in/album-72157714476732352>

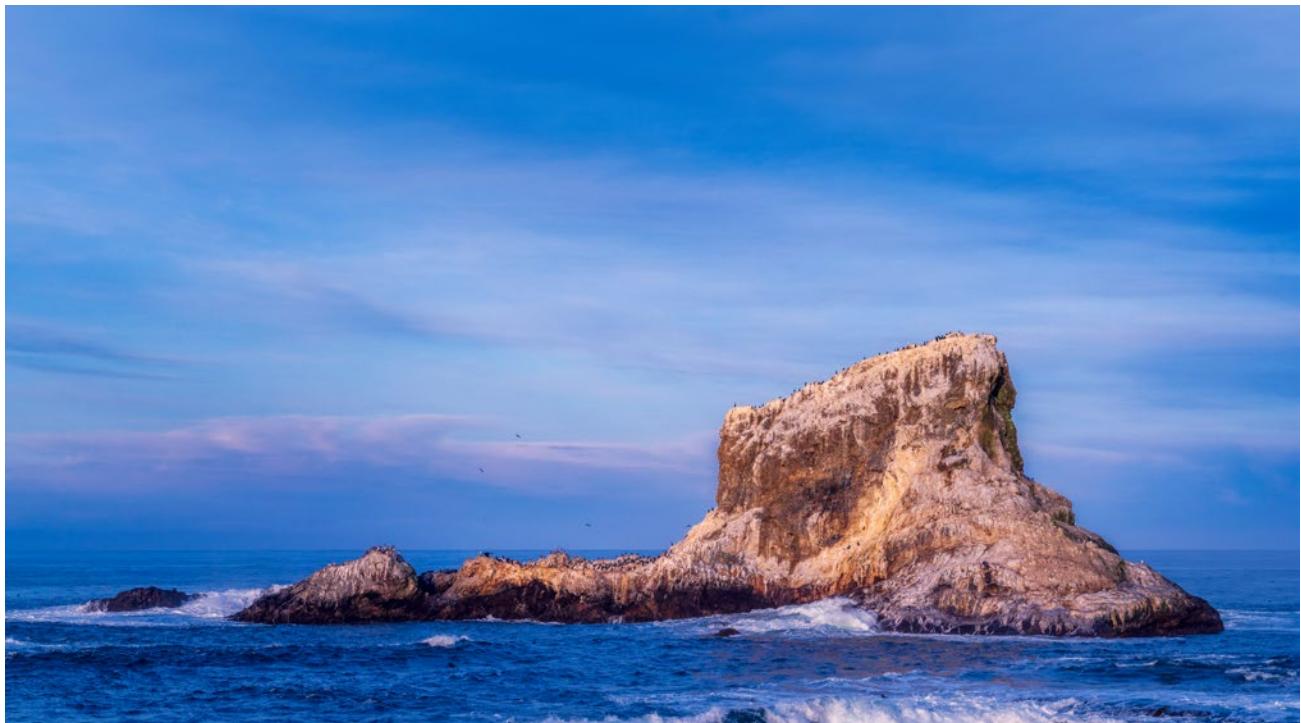


Photo by Jesse Plumb, BLM

CALIFORNIA COASTAL NATIONAL MONUMENT PIEDRAS BLANCAS

Connecting the Pacific Ocean with the land, the California Coastal National Monument provides unique coastal habitat for marine-dependent wildlife and vegetation on more than 20,000 rocks, islands, exposed reefs, and pinnacles along the California coastline, and 1,665 acres of public land onshore in the Point Arena-Stornetta Unit.

<https://www.blm.gov/programs/national-conservation-lands/california/california-coastal>



Photo by NPS

ICONIC BARN OF MORMON ROW GRAND TETON NATIONAL PARK

One of the iconic barns of Mormon Row, as snowcapped mountains catch the rays of the rising sun at Grand Teton National Park in Wyoming. The barn is one of two on adjacent homesteads, the legacy of Mormon settlers in Jackson Hole in the 1890's. They are often called the most photographed barns in the world.

<https://www.nps.gov/grte/learn/historyculture/mormon.htm>

FMFIA Material Weaknesses

The OMB Circular A-123 requires that each agency identify and report on MWs affecting the agency. The DOI has adopted OMB guidelines for MWs designations and recognizes the importance of correcting MWs in a timely manner. The DOI financial staff and senior program officials continuously monitor corrective action progress of all MWs.

The DOI is reporting one MW for FY 2025 related to a control not operating effectively in identifying the transposition of line items within Note 18, Statement of Budgetary Resources (SBR). For more information on the MW and the corrective actions, please see Figure 1.

In FY 2025, DOI implemented corrective actions to reduce the severity of the MW reported in the FY 2024 FMFIA Assurance

Statement, Inadequate Reviews and Implementation of Statement of Federal Financial Accounting Standard (SFFAS) 54, Leases, to a significant deficiency. These actions included establishing a department-wide governance structure to support SFFAS 54 implementation, advancing the standardization of lease related policies and procedures, developing a system solution for lease management and accounting, and creating monitoring and reporting tools to enhance the reliability of financial reporting.

FIGURE 1

FMFIA Material Weakness as of September 30, 2025				
Description	Corrective Actions	FY 2025 Progress	Target Date to Complete	Status
Financial Reporting Review Controls During the third quarter of fiscal year 2025, an internal controls process did not operate effectively. Specifically, the internal control did not identify the transposition of line items within Note 18, SBR. The specific values related to undelivered orders and legal arrangements were not properly categorized and presented.	<p>The DOI will:</p> <ol style="list-style-type: none"> 1) Conduct a comprehensive review of financial reporting procedures to identify gaps or inefficiencies that may have contributed to the error. 2) Determine and design internal control(s) necessary to prevent similar errors in the future. 3) Update financial reporting procedures to incorporate improvements. 4) Communicate and implement the updated procedures along with internal control(s) across the Department to support consistent application. 	<p>Upon identification of the transposition error in Note 18, SBR, the Department corrected the misclassification of undelivered orders and legal arrangements</p> <p>The DOI confirmed that no material errors were present in the year-end SBR.</p>	September 30, 2026	In Progress

The DOI will report a MW as corrected or downgraded when the following occurs:

- ◆ Senior management has demonstrated its firm commitment to resolving the MW as evidenced by resource deployment and frequent and regular monitoring of corrective action progress,
- ◆ Substantial and timely documented progress exists in completing MW corrective actions,
- ◆ Corrective actions have been substantially completed, remaining actions are minor in scope, and the actions will be completed within the next FY,
- ◆ Implemented corrective actions have eliminated or minimized the root cause(s) of the MW, and
- ◆ Substantial validation of corrective action effectiveness has been performed.



Photo by Bob Wick, Bureau of Land Management

LEWIS CLARK NATIONAL HISTORIC TRAIL

The Lemhi Pass in Idaho is where Lewis and Clark crossed over the Continental Divide in 1805. This marked a major milestone in the U. S. westward expansion, but Lewis and Clark were not the first people to use the pass. They followed a well-traveled Shoshone Trail. Sacajawea lived as a child below the pass along Agency Creek until age 12 when she was captured during a battle with another tribe and forced to North Dakota. It was here that she became part of the Corps of Discovery with Lewis and Clark and proved to be invaluable to the success of the expedition. Today the pass is traversed by a 35-mile long graded unpaved Backcountry Byway through public lands where colorful wildflowers like arrowleaf balsam-root, lupine and delphinium rival the sunset.

<https://www.flickr.com/photos/usinterior/49941782306/in/album-72157714476732352>

FIGURE 2

FY 2025 ASSURANCE STATEMENT

The Department of the Interior's (Department) management is responsible for managing risks and maintaining effective internal control to meet the objectives of sections 2 and 4 of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). The Department conducted its assessment of risk and internal control in accordance with the Office of Management and Budget (OMB) Circular No. A-123, titled "Management's Responsibility for Enterprise Risk Management and Internal Control." As required by appendix B to OMB Circular No. A-123, titled, "A Risk Management Framework/or Government Charge Card Programs," the Department also provides assurance that appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices.

The Department received its 29th consecutive unmodified audit opinion. Based on the results of the assessment, the Department can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2025, except for one material weakness:

Financial Reporting Review Controls

During the third quarter of fiscal year 2025, an internal controls process did not operate effectively in identifying the transposition of line items within *Note 18 Statement of Budgetary Resources*. The specific values related to undelivered orders and legal arrangements were not properly categorized and presented.

The Department corrected the error immediately and no material errors were present in the fourth quarter or year-end statements. The Department will review and update the financial reporting standard operating procedures to implement improved internal controls.

The Department's financial management systems comply substantially with the objectives of FMFIA, section 4, and component requirements under the Federal Financial Management Improvement Act of 1996.



DOUG BURGUM
Secretary of the Interior
January 16, 2026

Management of Reporting and Data Integrity Risk

The *Digital Accountability and Transparency Act of 2014* (DATA Act) provides an efficient and transparent method for the public to understand the flow of Federal funds from appropriation through outlay via contracts, loans, and financial assistance, subsequently making Federal spending data more accessible, searchable, and reliable. The DATA Act compliance is accomplished through streamlined reporting requirements and governmentwide data standardization, which ensures consistent reporting of each data element based on the application of a standard definition across all agencies of the Federal government.

The DOI prepared a DATA Act Data Quality Plan, as required by OMB Memorandum M-18-16, *Appendix A to Circular A-123, Management of Reporting and Data Integrity Risk*, which outlines requirements for data quality and provides for testing of key data elements. The DOI is responsible for submitting three files for DATA Act compliance: File A (Appropriations), File B (Program Activity/Object Class), and File C (Award Information).

Additionally, DOI is responsible for submitting File D2 (Financial Assistance Awards) in USA Spending.gov. Embedded within the data preparation workflows of each file is a data quality check to identify issues for timely resolution.

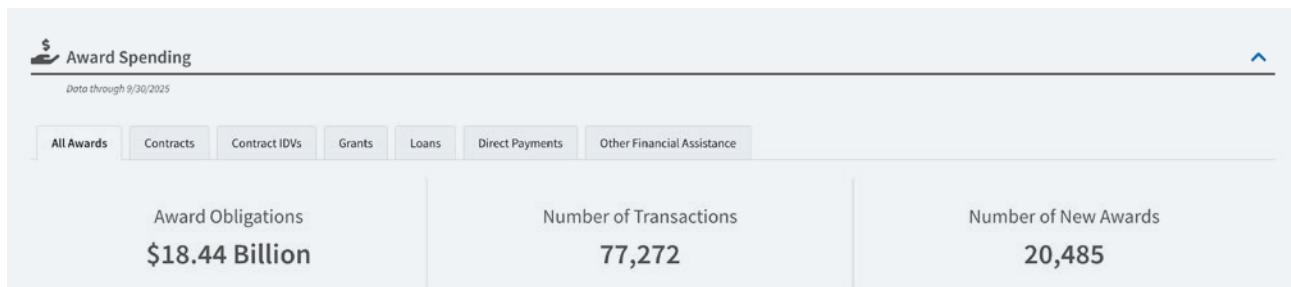
Each DOI Bureau and Office is responsible for ensuring the accuracy, timeliness, and completeness of information

provided under DATA Act reporting. As part of the annual A-123 assessment, each Bureau and Office confirmed reasonable assurance over the safeguarding of assets, compliance with laws and regulations, and reporting data reliability and timeliness. See the FY 2025 Assurance Statement on page 22. The OMB requirement to assess control over reporting has strengthened the accountability of DOI managers regarding internal controls and has improved the quality and reliability of DOI's financial information and other data reporting.

USA Spending is the official open data source of federal spending information, including information about federal awards such as contracts, grants, and loans. Figure 3 below shows DOI's balance totals, as of 9/30/2025, on obligations, transactions, and number of new awards. The amounts can be filtered to individual Bureau or Office and financial instrument type.

In addition to the DOI internal control assurance, USA Spending applies validation rules from the Governmentwide Spending Data Model (GSDM) to DOI data submitted and subsequently published. The GSDM validation rules promote data quality, consistency, and conformance to existing Federal policies.

FIGURE 3



The data in Figure 3 is from USA Spending based on criteria set to identify the specific FY 2025 Funding Awarded by DOI in the United States of America.

Federal Financial Management Improvement Act of 1996

The FFMIA builds upon and complements the *Chief Financial Officer's Act of 1990* (CFO Act), GPRA, amended by the *GPRA Modernization Act of 2010*, and the *Government Management Reform Act of 1994* (GMRA). The FFMIA requires that federal agencies implement and maintain financial management systems that comply substantially with:

- ◆ (1) applicable accounting standards; (2) the U.S. Standard General Ledger at the transaction level; and (3) federal financial management system requirements that support full disclosure of federal financial data, including the cost of federal programs and activities.

Federal agencies are required to address compliance with the requirements of FFMIA in the management representations made to the financial statement auditor. If an agency is not in compliance with the requirements of FFMIA, the Agency Head is required to establish a remediation plan to achieve substantial compliance.

The OMB issued an updated OMB Circular A-123, *Appendix D, Management of Financial Management Systems – Risk and Compliance* in December 2022, to more closely align the guidance with the risk-based approach promoted by OMB Circular A-123. The DOI used the FFMIA Compliance Determination Framework issued in the updated guidance to determine whether DOI's financial management system complied with FFMIA. The DOI's financial management system substantially complied with FFMIA in FY 2025.

Management of Audit Follow-Up and Resolution

The DOI has instituted a comprehensive audit follow-up program to ensure that audit recommendations are implemented in a timely and cost-effective manner and that disallowed costs and other funds due from contractors and grantees are collected or offset. In FY 2025, DOI continued to monitor audit follow-ups on GAO, OIG, and Single Audit Act audit reports. Audit follow-up actions include analyzing referred audit reports by tracking, reviewing, and validating program and financial audit recommendations; developing mutually acceptable and timely resolution of disputed audit findings and recommendations; overseeing the implementation, documentation, and closure of audit recommendations; and monitoring the recovery of disallowed costs. The OIG's Semiannual Reports to Congress (issued May and December 2025) provides additional information about OIG activities and the results of their audits at: <https://www.doiog.gov/reports>. To further underscore the importance of timely implementation of GAO and OIG audit recommendations, DOI has a performance goal of implementing at least 85 percent of all GAO and OIG recommendations where implementation was scheduled to occur during the current year or in

previous years by August 1st of each year. The DOI set its performance goal at 85 percent to allow for impacts, challenges, or unforeseeable delays when initial Corrective Action Plans (CAPs) were developed; some corrective actions can span multiple years. For FY 2025, DOI achieved an implementation rate of 100 percent.

Results of Financial Statement Audit

As required by GMRA, DOI prepares financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm. In FY 2025, KPMG LLP issued an unmodified opinion on the DOI consolidated financial statements. One material weakness was reported, as a result of the financial statement audit. See "Summary of Financial Statement Audit" in the Other Information Section (Figure 26).



Photo by Daniel Gallo, National Park Service

GOLDEN GATE NATIONAL RECREATION AREA

With graceful lines, Art Deco detailing and its emblematic color, the Golden Gate Bridge is one of the most famous and beautiful bridges in the world. With towers extending 746 feet into the sky and a span of 4,200 feet, the bridge is an engineering marvel that stretches across the mouth of San Francisco Bay in California. Opened to the public in 1937, it is best photographed from the surrounding Golden Gate National Recreation Area. With so many views to choose from, you can find your own unique way to capture the bridge's beauty.

<https://www.flickr.com/photos/usinterior/49942081717/in/album-72157714476732352>

Major Management and Performance Challenges Confronting The Department of the Interior

The GAO and the OIG annually advise Congress on what are considered to be the major management and performance challenges facing DOI. A summary of these challenges identified by GAO and the OIG are presented in Section 3: Other Information, of this report. See GAO's High-Risk List at <https://www.gao.gov/highrisk/overview>.

Compliance with Other Key Legal and Regulatory Requirements

The DOI is required to comply with several other legal and regulatory financial requirements, including the *Prompt Payment Act of 2002* (PPA), the *Debt Collection Improvement Act of 1996* (DCIA), and the Electronic Funds Transfer Debt Collection Improvement Act of 1996 (EFT). See Figure 4.

Prompt Pay, Debt Collection, and Electronic Funds Transfer

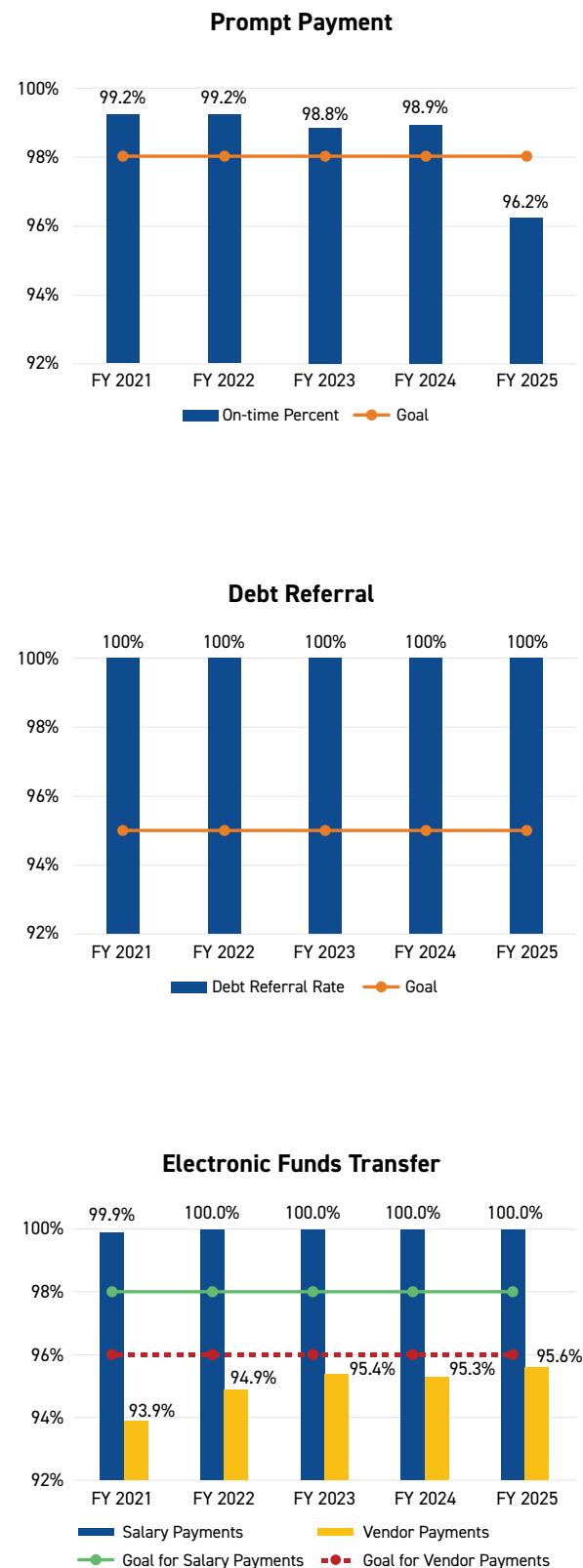
The PPA requires federal agencies to pay their bills on a timely basis; to pay interest penalties when payments are made late, and to take discounts. The DCIA requires federal agencies to refer delinquent nontax debts to the U.S. Department of the Treasury (Treasury) for collection. The EFT provision of the DCIA mandates all recipients of federal vendor payments and salary payments receive their payments electronically, except for tax refunds.

The DOI fell short of the 96 percent performance goal in FY 2025 which was attributed to vendor payments in remote locations with a lack of transportation in isolated communities. There were high volumes of transactions related to tort claims, legal settlements, financial assistance, social service payments to individual Indians, and realty payments that are processed with non-EFT mechanisms.

The Department continues to strive to meet the EFT vendor payment goal, the rating has risen sharply from four years ago, which can be attributed to an increased use of Treasury's Pay.Gov and Online Bill Pay systems. Utilization of the Treasury systems allows DOI to identify customers who were paying with paper checks, initiate outreach to customers, and provide assistance to leverage current electronic payment tools. In addition, DOI is utilizing FedNow, a service developed by the Federal Reserve that allows individuals and businesses to send and receive money instantly, offering an innovative instant payment solution to our customers.

The Department exceeded its 95 percent debt referral rate and look forward to continue improving all goals in years to come.

FIGURE 4



Information Management and Technology

The Chief Information Officer (CIO) provides vision and leadership to Departmental Offices (DO) and Bureaus in all areas of information management and technology (IMT). The Office of the Chief Information Officer (OCIO) works closely with the Senior Procurement Executive to issue policies as needed to control all enterprise-level IMT acquisitions and is a member of the Acquisition Program Advisory Council, which reviews all major acquisitions.

In FY 2025, OCIO advanced its mission to deliver secure, modern, and customer-focused IMT services. Through strategic investments, cross-Bureau/Office collaboration, and a commitment to innovation; OCIO strengthened the Department's digital infrastructure, improved service delivery, and enhanced cybersecurity resilience.

Key accomplishments included the continued modernization of IMT operations, demonstrated by the closure of 119 data centers, resulting in an estimated \$13 million in cost avoidance; the transition of all Department voice services to modern platforms; the deployment of a centralized service management system to nine Bureaus; and updates to Information Technology (IT) hardware procurement standards, that are projected to save \$4.7 million annually.

Customer experience (CX) was a priority in FY 2025 with research involving over 4,000 public participants and the consolidation of 199 websites, saving \$4.1 million. These efforts supported improvements for 300 million visitors and 1.9 million trust beneficiaries. Cybersecurity also advanced with the cyber scorecard rising to 92 percent, multi-factor authentication (MFA) reaching 94 percent, and 57 audit findings resolved.

Looking ahead to FY 2026, OCIO will focus on completing enterprise deployments, maturing cybersecurity capabilities, accelerating cloud adoption, and increasing data and Artificial Intelligence (AI) literacy to support mission delivery.

In alignment with Secretarial Order (SO) 3429, *Consolidation, Unification and Optimization of Administrative Functions*; and SO 3443, *Elevating and Unifying DOI's Wildland Fire Management Program*; the OCIO is modernizing enterprise systems to unify administrative functions and support mission-critical operations. These efforts streamline processes, eliminate redundancies, and accelerate technology adoption—enhancing service delivery across the Department, including improved coordination and data sharing for wildland fire management.

FY 2025 Accomplishments

MODERNIZING IMT OPERATIONS AND ENTERPRISE SERVICES

- ◆ Reviewed IMT investment risk, performance, budget, and strategic priorities across 11 IMT portfolio reviews with Bureaus and Offices; improving transparency for senior leadership and

mission partners into how IMT priorities support the Department's mission.

- ◆ Successfully completed the multi-year transition of all DOI voice services off the Enterprise Infrastructure Solutions Voice contract. The services migrated to Microsoft Teams, transitioned to Bureau/Office-managed contracts, or were discontinued. This transition supported DOI's efforts to reduce costs and modernize its telecommunications infrastructure.
- ◆ Deployed the Bison Support System (BSS) to the Bureau of Land Management and the U.S. Geological Survey. Nine Bureaus have now deployed on BSS, leaving only FWS and BSEE to onboard to the platform. The BSS is an enterprise-level IT, Human Resource, Facilities service management system that improves support for user requests, problems, incidents, changes, and assets. This system increases customer satisfaction, improves cybersecurity, and provides enhanced analytics to DOI decision makers.
- ◆ Completed 26 awards against the Section 508 Support Services Blanket Purchase Agreement in FY 2025 for a total cost of \$37,140, which improved Section 508 compliance of information and communication technology developed, procured, maintained, or used by Bureaus and Offices.
- ◆ Utilized the Accessibility Management Platform to scan 95,862 public-facing web pages in FY 2025 with a website accessibility conformance of 94 percent, which remains the same as FY 2024. This demonstrates that Bureaus and Offices are maintaining a high standard of compliance for accessibility of content posted on their public-facing websites.
- ◆ Dispositioned (deleted) 186 million emails from the email Enterprise Records and Document Management System (eERDMS) archive. This created a reduction of storage in the eERDMS on average of 2.7 terabyte per month, which is projected to continue improving in FY 2026. The Bureaus and Offices continue to see the results and benefits of their time and effort spent classifying and dispositioning email content.
- ◆ Awarded the email eERDMS Bridge Extension contract to the current vendor through May 2026, which allows the Department to continue supporting mission essential records management systems while the recompete acquisition process is underway for the eERDMS contract.
- ◆ Implemented the Departmental Records Schedule's National Archives and Records Administration-approved administrative and policy retention labels for the Microsoft Office 365 e-mail, OneDrive, and SharePoint. This was a successful first step in improving efficiencies with applying retention labels to official Federal records and removing the default 7-year retention policy for SharePoint sites; thereby, empowering SharePoint site owners to manage their site's content in collaboration with records management personnel and disposition non-record material from their recycle bins.

- ◆ Successfully transitioned the Integrated Data Collections to the new OMB data call process, establishing a system that delivers both scheduled reports and on-demand data sets. This drove the delivery of timely, relevant information to OMB while ensuring full adherence to *Federal Information Technology Acquisition Reform Act* requirements
- ◆ Closed 119 DOI owned and operated data centers by consolidating workloads into modern, secure, agile enterprise cloud environments. This initiative reduced the Department's physical footprint and hardware maintenance costs, while enhancing operational resiliency, cybersecurity posture, and continuity of mission operations. An estimated \$13 million cost avoidance will be realized as a result.
- ◆ Maintained and expanded the DOI IT Storefront, which utilizes a Departmentwide catalog on the National Aeronautics and Space Administration Solutions for Enterprise-Wide Procurement. In FY 2025, DOI implemented strategic updates to laptop configurations to enhance cost efficiency. Key changes included transitioning from ProSupport Plus to ProSupport Flex warranty coverage for most laptops and replacing touch-enabled displays with non-touch versions on select models. These adjustments preserved essential functionality while reducing unnecessary costs. As a result, the Department is projected to save approximately \$4.7 million, further supporting standardized IT offerings that are both operationally effective and fiscally responsible.

TRANSFORMING THE DIGITAL CUSTOMER EXPERIENCE

- ◆ Led a NPS CX Discovery project that included field research at 15 parks, 750 visitor interviews, a national survey of 4,000 members of the public, and a park ranger survey; and resulted in a visitor journey map, visitor personas, and key opportunities for digital transformation to improve the visitor experience for 300 million+ annual visitors.
- ◆ Co-led, with BTFA, a CX Discovery project in partnership with the Technology Modernization Fund that resulted in a beneficiary journey map, service design blueprints, digital product mockups, and a technology and systems strategy to improve the experience for 1.9 million beneficiaries.
- ◆ Created enterprise-wide customer research and usability testing guidelines with fast-track Paperwork Reduction Act clearance to enable Bureaus and Offices to quickly and iteratively deploy surveys, conduct interviews, and test digital products with their customers and users.
- ◆ Led the first phase of an enterprise strategy to consolidate the number of websites and web applications DOI designs, builds, publishes, and maintains; that resulted in turning off 59 public-facing websites, 140 internal-facing websites, and saved \$4.1 million in IT spend.

STRENGTHENING CYBERSECURITY AND RISK MANAGEMENT

- ◆ Improved the Department's cyber scorecard rating from 89 percent in FY 2024 to 92 percent at the end of FY 2025.
- ◆ Improved the Department's implementation for MFA to 94 percent, Data at Rest (DAR) Encryption to 98 percent, and Data in Transit (DIT) Encryption to 95 percent, in support of *EO 14028: Improving the Nation's Cybersecurity*.
- ◆ Completed the implementation of the Smartcard Required for Interactive Login project. The DOI no longer allows user Identification Documents and passwords; users must log in via their Personal Identity Verification (PIV) card. As of FY 2025 Quarter (Q)4, DOI was at 99.67 percent for Smart Card is Required for Interactive Logon enforcement which accounts for variance/exceptions for users that are in process for having PIV cards replaced.
- ◆ Transitioned 40 percent of Windows systems to the Department's Entra ID Platform by September 30, 2025, with the remaining systems documented with Plans of Action and Milestones (POA&Ms). Microsoft Entra ID is a cloud-based identity and access management service.
- ◆ Improved the Department's response to Cybersecurity and Infrastructure Security Agency (CISA) Binding Operational Directive (BOD) 22-01, *Reducing the Significant Risk of Known Exploited Vulnerabilities*, by implementing agent-based Tenable clients and a new Dashboard for progress tracking. Agent-based Tenable clients resolved the gaps and inconsistencies created by mobile systems not being scanned over the Virtual Private Network (VPN). Thorough scanning was implemented which explored vulnerabilities down to a file level, initially exposing more in-depth levels of Known Exploitable Vulnerabilities (KEVs) to address.
- ◆ Closed 57 findings from previous year FISMA and GAO audits to address deficiencies and improved overall security posture.
- ◆ Completed security assessments for four (4) High Value Asset (HVA) systems in FY 2025 in alignment with CISA BOD-18-02, *Securing High Value Assets*, and OMB M-19-03, *Strengthening the Cybersecurity of Federal Agencies by enhancing the High Value Asset Program*, requirements.
- ◆ Added 1,221 entity risk providers into the DOI Cybersecurity Supply Chain Risk Management tools for analysis and on-going monitoring in support of the Department's Cybersecurity Risk Management Program Implementation.
- ◆ Completed a comprehensive organizational assessment that examined roles, spans of control, and resource alignment across cybersecurity functions. All existing cybersecurity contracts were reviewed, resulting in a strategic shift toward execution by federal cybersecurity staff.

- ◆ Improved the Department's maturity level with OMB M-21-31, *Improving the Federal Government's Investigative and Remediation Capabilities Related to Cybersecurity Incidents*, and Security Information and Event Management modernization effort by completing an initial assessment of the current cybersecurity architecture and finding that although many processes are mature, they remain distributed across Bureaus and Offices. Efforts were initiated to consolidate these processes into a unified, department-wide framework that leverages Bureau and Office expertise. Identified gaps in automation and began deploying new tools to reduce manual workload and strengthen operational maturity. The Palo Alto XSIAM agent was deployed to 5 percent of systems. In addition, the tool collected 1.252 petabyte of total log data and 1.679 trillion cumulative events were processed.
- ◆ Published the IMT Enterprise Risk Management policy, which improved the CIO's oversight and visibility into IMT risks, enabling evidence-based decision-making.

HARNESSING DATA AND AI FOR MISSION IMPACT

- ◆ The Chief Data Officer and the Data Governance Board collaborated to enhance data usage for decision-making across DOI Bureaus and Offices. Through the DOI Data Inventory project, they identified over 39,000 datasets, surpassing OMB requirements. The Sensitive Data Categorization project successfully classified data elements in more than 20 application databases linked to major investment systems. This project continues its efforts in sensitive data categorization at the system level. These initiatives have ensured proper metadata documentation, assessed data sensitivity, and established consistent data categorization practices, resulting in improved data visibility and comprehensive usage.
- ◆ In adherence to Executive Order (EO) 14179, *Removing Barriers to American Leadership in Artificial Intelligence*, and OMB Memorandum 25-21, *Accelerating Federal Use of AI through Innovation, Governance, and Public Trust*, updated the AI Use Case collection process to meet updated annual reporting requirements to OMB. The new process integrates risk management and high-impact determination allowing the appropriate level of attention to be placed on use case risk and safety analysis, enabling adherence to OMB's updated mandatory risk management and use case reporting requirements. In adherence to EO 14179 and OMB Memorandum M-25-21, established an AI Strategy and AI Compliance Plan, both of which were published to the Department's public-facing website.
- ◆ In adherence to EO 14179 and OMB Memorandum M-25-21, drafted a charter for an AI Governance Board to carry out the Department's regulatory responsibilities related to AI.

Future Planned Activities

MODERNIZING IMT OPERATIONS AND ENTERPRISE SERVICES

- ◆ Strengthen IT governance to ensure scope and decision space are appropriate, well understood, and empowers oversight and transparency. Evaluate the existing framework and build upon, adhere to, enhance, or change the governance process.
- ◆ Establish a multi-level framework with all levels empowered to carry out the business of IMT governance with clear lines of accountability and decision-making authority at each level of the framework.
- ◆ Deploy the BSS to the final Bureaus of DOI.
- ◆ Establish enterprise program views to track and govern all major IT initiatives, manage resources, and track interdependencies between projects and programs.
- ◆ Drive the modernization of legacy technology, ensuring DOI's leadership is aware of risks and budgetary resource requirements.
- ◆ Continue to accelerate cloud adoption and data center closures.
- ◆ Complete the email eERDMS recompete procurement effort. The eERDMS solution provides DOI with mission critical email and electronic records management and preservation for over 5.3 billion electronic records.
- ◆ Integrate Section 508 accessibility requirements into DOI's Authority to Operate process. This ensures that DOI systems are secure and usable by all individuals, including those with disabilities.
- ◆ Increase growth and development opportunities through IMT coaching, mentoring, and networking events, thereby allowing IMT employees to fully contribute to achieving DOI's mission.
- ◆ Leverage a rigorous workforce planning process that delivers the competencies for today and tomorrow and updates the IMT workforce plan to meet IMT strategic priorities.

TRANSFORMING THE DIGITAL CUSTOMER EXPERIENCE

- ◆ Lead the redesign and unification of the digital recreation experience portfolio including Recreation.gov, Rec.gov mobile app, NPS.gov, and NPS mobile app.
- ◆ Lead the development of enterprise-wide design and development tools and systems including developer.doi.gov and design.doi.gov for reuse across Bureaus and Offices.
- ◆ Continue leading the development of enterprise-wide design and delivery standards including accessibility, agile development, feedback and measurement, and product management for reuse across Bureaus and Offices.

- ◆ Continue website and web application consolidation to reduce the number of outdated and duplicative websites and content that are maintained by Bureaus and Offices.

STRENGTHENING CYBERSECURITY AND RISK MANAGEMENT

- ◆ Continue to mature DOI enterprise security and operations capabilities to provide a Departmental-level view of operations, governance, risk, and compliance.
- ◆ Advance the maturity of DOI's enterprise security toolset to better support Departmental strategic objectives by ensuring secure, consistent, and efficient access to tools, applications, data, and technology. This includes establishing clear visibility into existing cybersecurity tools, eliminating redundancies, and aligning future investments with corporate mission needs.
- ◆ Reduce duplicative cybersecurity tools, providing a high level of cybersecurity at a lower cost. Ensure integration of the DOI technology stack with planned Zero Trust (ZT) architecture.
- ◆ Strengthen cybersecurity capabilities by leveraging AI, such as threat detection, risk analysis, cyber intelligence collection, and engineering.
- ◆ Continue to transition 75 percent of Windows systems to the Department's Entra ID Platform, with the remaining systems documented with POA&Ms.
- ◆ Improve the Department's investigative and remediation maturity level in accordance with OMB M-21-31, by completing the deployment of the Palo Alto XSIAM agent to all systems and establishing links for data ingestion through the environment.
- ◆ Streamline and modernize the authorization processes for IT systems by building a skilled, adaptable cybersecurity workforce capable of supporting a ZT and shared services model. This includes enhancing staff competencies, reducing administrative burden, and improving compliance with federal requirements through targeted training, structured skill assessments, and strengthened cross-team collaboration.
- ◆ Improve the Department's FISMA maturity scores from Level 3 (Consistently Implemented) to Level 4 (Managed and Measurable).
- ◆ Improve the Department's response to BOD-22-01, by implementing analysis and processes to address 100 percent of KEV by CISA defined deadlines.
- ◆ Improve the standardization of Web Application Firewalls in the corporate computing environment by migrating distributed services to a centralized Cloudflare platform.

HARNESSING DATA AND AI FOR MISSION IMPACT

- ◆ Expand the inventory, metadata documentation, and sensitive data categorization of data in DOI systems.
- ◆ Ensure that DOI employees can easily find priority DOI data assets to help inform their decisions, and

that DOI employees have data and AI literacy, in addition to evidence-based decision-making skills, appropriate for their roles and responsibilities.

- ◆ Educate Bureaus and Offices about the ethical use of AI to accomplish DOI strategic objectives.

Financial Management Systems Improvement Strategy

The DOI's goal is to continue improvements in financial transaction processing, analysis, and reporting to enhance financial management through an effective partnership of program, information system, financial, acquisition, budget execution and financial assistance. The integrated nature of business processes working in conjunction with the financial system strengthens internal controls and transparency. The DOI views the adoption of a single, integrated financial system, as encompassing four interrelated elements that drive business processes, improvements, and financial integrity. These elements are: (1) the improvement of internal controls; (2) the elimination of redundant data entry; (3) enabling end-to-end transaction processing; and (4) the standardization of data for improved information quality. The DOI consolidated these integrated business processes through the implementation of the Financial and Business Management System (FBMS), which has been used by DOI since 2013. The DOI relies upon the integration of financial and business management information in FBMS to support program and financial managers and continuously collaborate across DOI to improve these business processes.

Financial Systems Modernization

The FBMS is an operational, integrated suite of software applications that enables DOI to manage a variety of business functions to include core financials, budget execution, acquisition, personal property, fleet management, real property, travel financial data, aspects of financial assistance, and enterprise management information and reporting.

The FBMS enables DOI to meet the following business management goals:

- ◆ Modernized business operations,
- ◆ Standardized and integrated processes,
- ◆ Improved security and internal controls,
- ◆ Improved cost information,
- ◆ Improved tracking and auditing capabilities,
- ◆ Reduced double entry of data in multiple systems and manual paper processing,
- ◆ Improved DOI-wide and Bureau/Office-specific reporting capabilities,

- ◆ Increased data consistency, integrity, and transparency, and
- ◆ Retirement of aged, stove-piped, unsupported, and costly legacy systems.

FY 2025 Accomplishments

The Business Integration Office (BIO) provides continual improvements, and operations and maintenance support to FBMS and its users. The FBMS has an average of approximately 13,600 users with over 3,800 of them using FBMS on an average business day. The BIO manages FBMS hosting through a cloud managed service provider and partners with the OCIO to provide help desk support. In FY 2025, BIO implemented several system improvements:

- ◆ Completed a multi-phase, multi-year effort to migrate to the next generation of technology; in-memory computing. This functionality provides improved performance for business processes and transactional data. It also provides for improved report presentation for data analysis and simplified and accelerated reporting.
- ◆ Completed the SAP in-memory database system -4HANA (4th generation of High-Speed Analytical Appliance) (S/4HANA) migration and successfully went live in October 2024. The effort to deploy S/4HANA was a collaborative effort across DOI, and implemented system-wide upgrades to strengthen the cybersecurity posture, reduce risk, and improve the audit stance of FBMS.
- ◆ Expanded its security toolset to include data masking and continued deployment of a suite of security tools that provide improved security and controls in the following areas: patch and vulnerability management; continuous monitoring of FBMS for evidence of exploitation; and demonstrated compliance with security controls applicable to a FISMA moderate system. The BIO successfully deployed and continues the use of a tool to scramble Personally Identifiable Information.
- ◆ Improved cybersecurity through continued implementation of MFA for all FBMS systems. The MFA is an authentication method that requires the user to provide two or more verification factors to gain access to a resource such as an application, online account, or a VPN. The BIO continued collaboration with OCIO and a managed service provider regarding compliance with DOI's MFA requirements as well as DIT and DAR requirements.
- ◆ Continued participation in the strategic planning sessions for DOI's ZT Architecture mission to ensure alignment of the FBMS security strategy with DOI requirements for this critical cybersecurity initiative.
- ◆ Participated in the periodic HVA assessment of FBMS by the CISA organization, which included a process toward remediation of recommendations.
- ◆ Implemented the following Robotic Process Automation (or bots):
 - ◆ Contract Closeout Backlog Clean-Up - Bob the Closer, automates contract close-out actions

by capturing, analyzing, drafting modifications, and emailing Contracting Officers (CO) a list of expired contracts for potential closure. Bob also accomplishes human-initiated contract close-outs with \$0.00 remaining, without the CO having to enter PRISM. As of FY 2025, Bob has helped with over 92,000 zero-dollar simplified contract closeouts.

- ◆ Contract Modifications – Bobbie the Modifier, automates contract modifications actions by drafting and routing modifications to COs in PRISM. As of FY 2025, Bobbie has helped with 8,939 contract modifications supporting *EO 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity; EO 14168, Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government; EO 14148, Initial Rescissions of Harmful Executive Orders and Actions; and EO 14208, Ending Procurement and Forced Use of Paper Straws.*
- ◆ Enhanced financial assistance management for all of DOI's Bureaus and Offices by supporting the operations and maintenance of GrantSolutions (GS), a Government-wide shared service solution for grants management, including the development of improved reporting capabilities to assist with tracking.
- ◆ Continued implementation efforts for Government-Invoicing (G-Invoicing). The DOI provides ongoing leadership across the federal government in support of the development and enhancement of Treasury's SAP G-Invoicing solution. The DOI is the leader in the requirements gathering, development, defect resolution, testing, and enhancement of SAP's G-Invoicing framework. This year BIO spearheaded a number of critical development and testing activities to ensure the quality of the solution.
- ◆ Executive and Secretarial Order Support: The BIO, in collaboration with DOI's Office of Policy, Management, and Budget, leveraged existing FBMS functionality and implemented system enhancements to meet high-priority needs outlined in Executive and Secretarial Orders, contributing to DOI's compliance with *EO 14247, Modernizing Payments To and From America's Bank Account; EO 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse; EO 14222, Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative; EO 14208, Ending Procurement and Forced Use of Paper Straws; EO 14275, Restoring Common Sense to Federal Procurement; EO 14192, Unleashing Prosperity Through Deregulation; SO 3429, Consolidation, Unification and Optimization of Administrative Functions; and SO 3443, Elevating and Unifying DOI's Wildland Fire Management Program*. This support includes initializing the integration of Treasury "Do Not Pay" (DNP) services into FBMS; automating pre-and post-award checks against Treasury DNP databases; developing a new data pipeline for OIG investigations into fraud, waste, and abuse; robotic process automation used to ensure contract language is in-line with administrative priorities; and providing multifunctional subject

matter expertise in support of the reorganization of DOI administrative functions.

- ◆ **Great American Outdoors Act** –The GAOA is historic legislation that provides funding to address DOI's deferred maintenance backlog and improve the condition of deteriorating assets. The FBMS is the system of record for the Department's financial and property management activities. Leveraging digital solutions, including FBMS, is an important component of DOI's stewardship of GAOA funding. In FY 2025, BIO collaborated with the GAOA Program Management Office to develop business analytics and data visualizations needed to meet GAOA reporting requirements, including the development of a new portfolio management suite and improvements to data validation protocols for project data.
- ◆ Deputy Assistant Secretary-Budget, Finance, Grants, and Acquisition (DAS-BFGA) IT Roadmap –In FY 2025, BIO continued facilitation of business-driven DAS-BFGA IT Roadmaps. These roadmaps identify technology needed to support emerging business drivers and improve DOI operations by streamlining and standardizing business processes and implementing innovative technologies.

Future Planned Activities

Future plans include the optimization of the existing FBMS functional footprint and leveraging the investment to support modular development opportunities to increase management efficiency, effectiveness, transparency, and accountability.

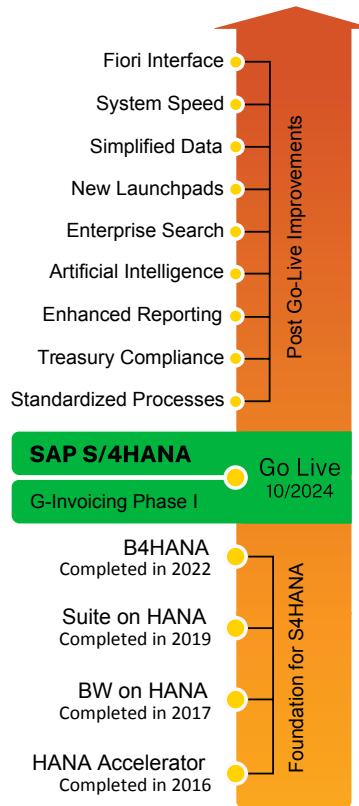
The Department is also focusing on system improvements to address financial management concerns, customer service gaps, improve usability, and increase the security, speed, reliability, and flexibility of the FBMS infrastructure; to meet critical federal mandates. Key planned outyear activities, dependent on approval and funding, include: expanded implementation of robotics process automations; continuation of meaningful security enhancements to strengthen cybersecurity and implement ZT; and expansion of data analytics capabilities, end user training improvements leveraging the new Engagement Layer to streamline and automate standard processes. In addition, outyear activities include the exploration of AI; and implementation of G-Invoicing future requirements, GO.gov, and other system changes to aid compliance with mandatory Federal Accounting Standards Advisory Board (FASAB) [SFFAS 54: Leases](#); and [SFFAS 59: Accounting and Reporting of Government Land](#).

The BIO will also continue to lead the development of the DAS-BFGA IT Roadmap. This effort will identify and prioritize business driven IT initiatives across the entire DAS-BFGA functional area, leading to better plans for improvements for the next three to five years. The DAS-BFGA IT Roadmap is an annual, iterative process. These roadmaps create a plan to expand support for the kinds of benefits being realized from FBMS, such as common business and data standards; modern and unified platforms; transparent reporting using modern analytical tools; increased automated controls and information security; and support for Government-wide initiatives (e.g., G-Invoicing) across other areas of DOI's business operations.

G-Invoicing is the long-term solution for Federal Program Agencies to manage their intragovernmental (IGT) Buy/Sell transactions. G-Invoicing will help DOI and our trading partners: negotiate and accept General Terms and Conditions agreements, broker orders, exchange performance information, validate settlement requests through Intra-governmental Payment and Collection, and resolve IGT elimination discrepancies. The DOI's implementation plan for G-Invoicing is phased. The implementation approach includes extensive system development efforts to enable FBMS, a SAP Enterprise Resource Planning based system, to interface directly with Treasury's G-Invoicing solution to the greatest extent possible, thus minimizing the need for dual entry by our end-users and eliminating the potential for Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reconciliation differences between FBMS and G-Invoicing. The BIO will continue close collaboration with SAP on the design and testing of the subsequent phases of the deployed solution that contain the future phases of G-Invoicing including constructive order acceptance and the 7600EZ processes.

The BIO will continue to lead change in leveraging the modernized S/4HANA platform, which went live in October 2024. The DOI will move to support, upgrade, and leverage the modernized platform to improve how DOI does business. Outyear plans also include the upgrade of the user front-end and interface management functionality.

FIGURE 5





HOARFROST

A beautiful phenomenon with a funny name, hoarfrost forms during clear, calm nights, turning America's public lands into picturesque winter wonderlands.

The morning is the best time to look for hoarfrost because the sun melts the fragile crystals quickly.

<https://x.com/Interior/status/188786336515589551>

Photo by NPS

Analysis of Financial Statements

The DOI received, for the 29th consecutive year, an unmodified audit opinion on its financial statements. The statements were audited by the independent accounting firm KPMG LLP. Information provided on the financial statements and other disclosures provided in this report provide assurance to the public that the information is accurate, reliable, and useful for decision-making. The financial statements and financial data presented in this report have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards prescribed by FASAB.

Financial statement preparation supports DOI's goal of strong financial management and provides accurate and reliable information that is useful for assessing financial performance and allocating resources. The DOI management is responsible for the integrity and objectivity of the financial information presented in the financial statements. Integrity of the information is supported by DOI's internal control program.

Special Account Funds

The NPS has concession agreements which contain provisions that provide for the establishment of escrow type accounts to be used to develop, improve, and maintain visitor facilities. The concessioner periodically deposits a percentage of gross revenue in the account as provided in the concessioner agreement. These Special Account funds are maintained in separate interest-bearing bank accounts

for the concessioners; they are not assets of the NPS and may not be used in NPS operations. Therefore, the balances, inflows, and outflows of these concessioner Special Accounts are not recognized in the financial information of the NPS or DOI. The concessioners reported that these Special Accounts balances totaled approximately \$14.3 million and \$13.9 million, as of September 30, 2025, and 2024, respectively.

The Balance Sheet

The Balance Sheet provides a snapshot of DOI's financial position at a fixed point in time. The fiscal year-end Balance Sheet displays amounts of current and future economic benefits owned or available for use (assets), amounts owed (liabilities) and the residual amounts (net position) at the end of the fiscal year.

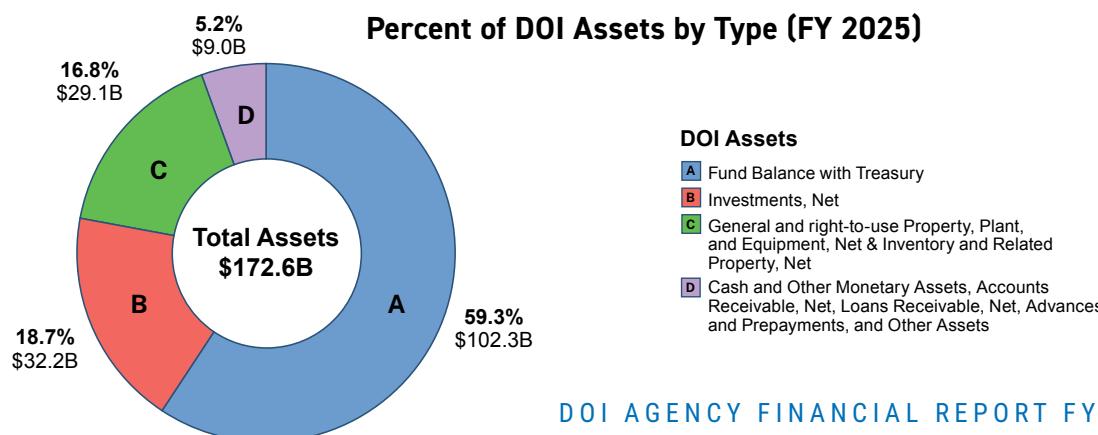
Analysis of Assets

Figure 6 presents DOI assets by type for FY 2025 and FY 2024. Total assets increased by \$5.9 billion, or 3.5 percent, primarily due to changes in Fund Balance with Treasury (FBwT), with smaller increases in General and right-to-use Property, Plant and Equipment (GRTU-PP&E), and Investments. FBwT represents amounts authorized for use in paying liabilities arising from operations and consists of funds from direct appropriations, transfers, offsetting receipts, recoveries, and balances held in budget clearing accounts.

FIGURE 6

DOI Assets (line items summarized) (dollars in thousands)	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Fund Balance with Treasury	\$ 102,309,135	\$ 98,862,424	\$ 3,446,711	3.5%
Investments, Net	32,227,175	31,072,842	1,154,333	3.7%
General and right-to-use Property, Plant, and Equipment, Net & Inventory and Related Property, Net	29,114,224	27,606,617	1,507,607	5.5%
Cash and Other Monetary Assets, Accounts Receivable, Net, Loans Receivable, Net, Advances and Prepayments, and Other Assets	8,996,861	9,213,253	(216,392)	(2.3%)
Total Assets	\$ 172,647,395	\$ 166,755,136	\$ 5,892,259	3.5%

FIGURE 7



ANALYSIS OF FINANCIAL STATEMENTS

The DOI real property portfolio contains approximately 42,000 buildings and 92,000 structures exceeding \$440 billion, as well as nearly every type of asset found in a local community. Many of these assets have historic or cultural significance that not only support DOI's mission but are important to our Nation's heritage.

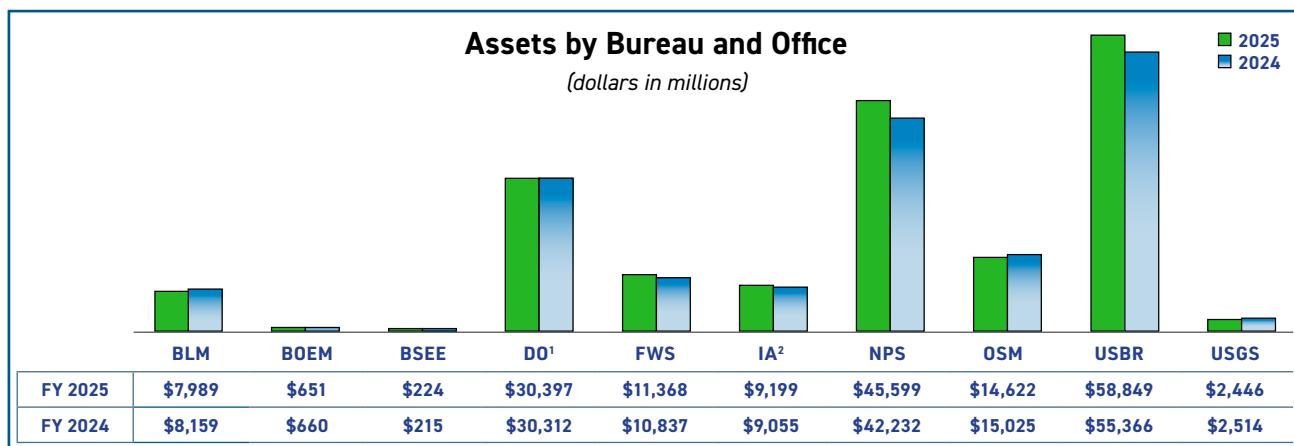
The DOI's reported values for GRTU-PP&E exclude stewardship PP&E in accordance with accounting standards. Stewardship PP&E benefits the Nation as a whole and is considered priceless.

It is not possible to assign an identifiable value to these assets. An in-depth discussion of Stewardship PP&E is presented in Section 2: Financial Information, Note 9.

The USBR enters into long-term repayment and water service contracts with non-federal entities that allow use of irrigation and municipal and industrial (M&I) water facilities in exchange for annual payments that are used to repay a portion of the federal investment. Unmatured repayment contracts are not recognized on the Balance Sheet as a receivable until the annual payment amount is earned. As of September 30, 2025, and 2024, these amounts were estimated at \$1.6 billion and \$1.7 billion, respectively.

Comparative assets by Bureau and Office are displayed in Figure 8. The sum of assets by Bureau is not equal to DOI consolidated total assets as intra-departmental eliminations are excluded from the chart presentation.

FIGURE 8



¹ DOI includes the BTFA and the OIA.

² IA includes the BIA and the BIE.

Analysis of Liabilities

Figure 9 presents DOI liabilities by type for FY 2025 and FY 2024. Total liabilities decreased by \$1.1 billion, or 5.1 percent, primarily due to a reduction in advances from

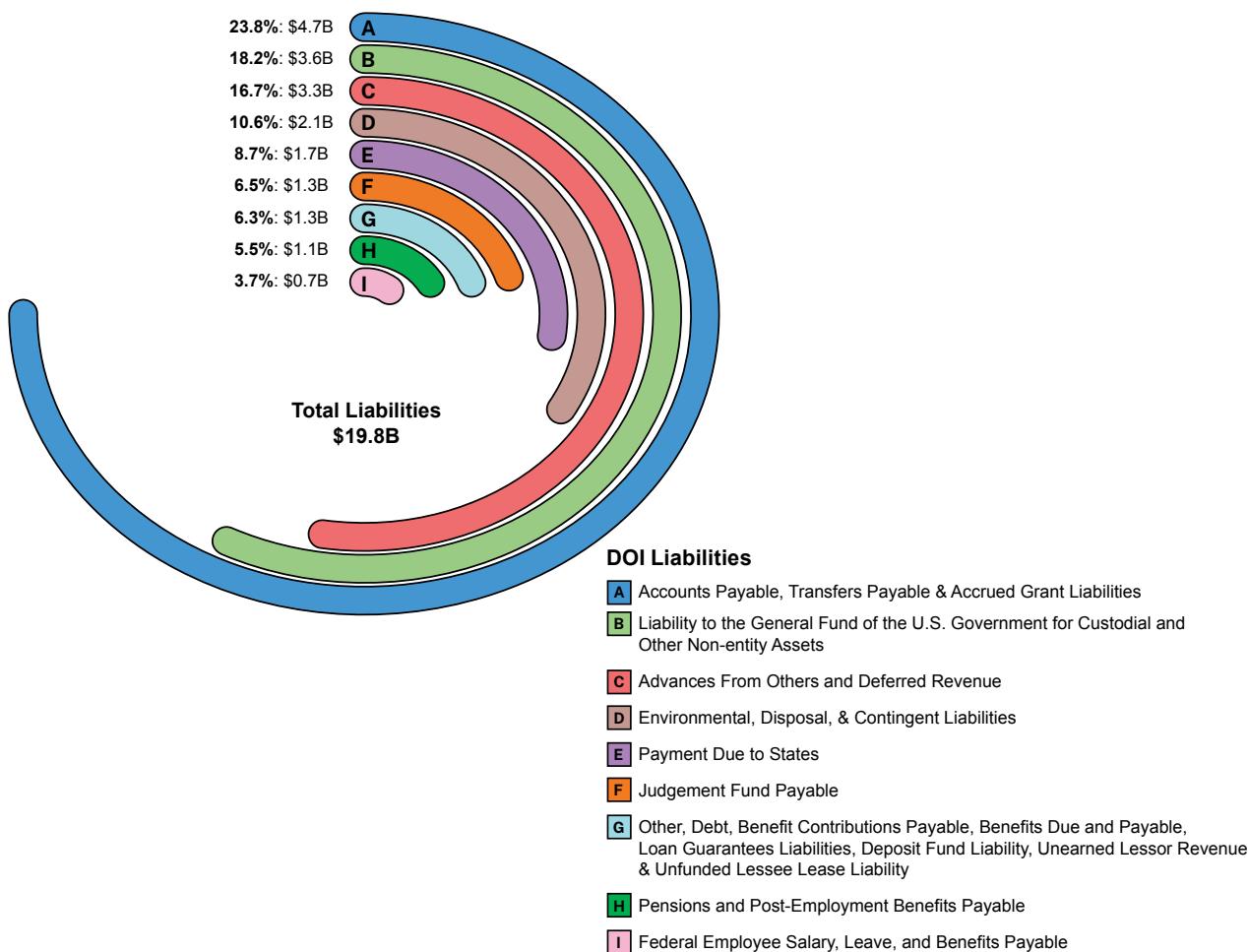
others and deferred revenue driven by normal year-to-year activity from FY 2024 to FY 2025.

FIGURE 9

DOI Liabilities (line items summarized) (dollars in thousands)	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Accounts Payable, Transfers Payable & Accrued Grant Liabilities	\$ 4,714,605	\$ 4,465,257	\$ 249,348	5.6%
Federal Employee Salary, Leave, and Benefits Payable	741,763	935,864	(194,101)	(20.7%)
Pension and Post-Employment Benefits Payable	1,079,193	1,177,634	(98,441)	(8.4%)
Environmental, Disposal, & Contingent Liabilities	2,106,932	1,600,086	506,846	31.7%
Payments Due to States	1,726,229	1,583,814	142,415	9.0%
Advances From Others and Deferred Revenue	3,316,758	4,414,562	(1,097,804)	(24.9%)
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	3,617,172	3,630,268	(13,096)	(0.4%)
Judgement Fund Payable	1,283,868	1,275,844	8,024	0.6%
Other, Debt, Benefit Contributions Payable, Benefits Due and Payable, Loan Guarantees Liabilities, Deposit Fund Liability, Unearned Lessor Revenue, Lessee Lease Liability, & Unfunded Lessee Lease Liability	1,250,590	1,830,753	(580,163)	(31.7%)
Total Liabilities	\$ 19,837,110	\$ 20,914,082	\$ (1,076,972)	(5.1%)

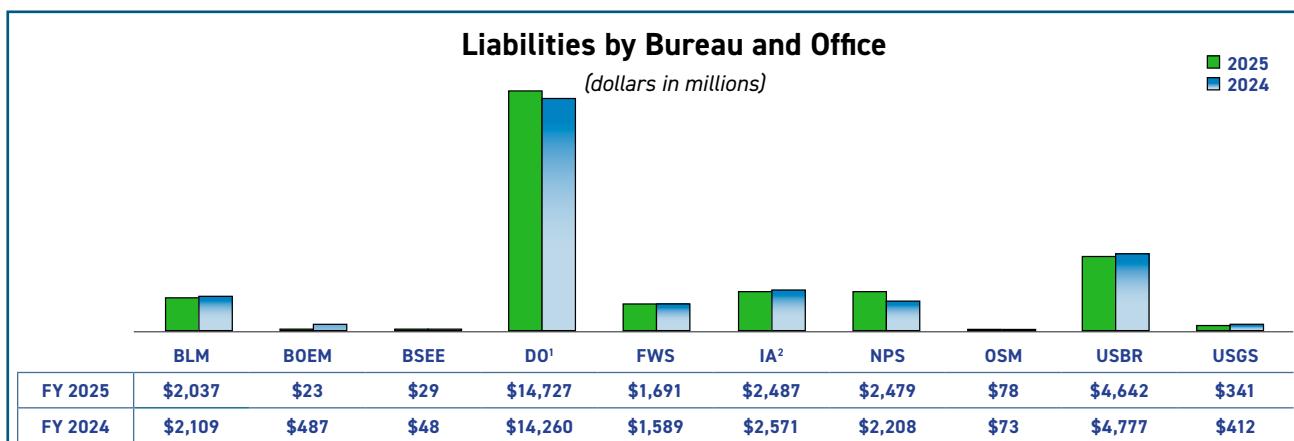
ANALYSIS OF FINANCIAL STATEMENTS

FIGURE 10
Percent of DOI Liabilities by Type (FY 2025)



Comparative liabilities by Bureau and Office are displayed in Figure 11. The sum of Bureau and Office liabilities is not equal to DOI consolidated total liabilities as intradepartmental eliminations are excluded from the graph presented.

FIGURE 11



¹ DO includes the BTFA and the OIA.

² IA include the BIA and the BIE.

Analysis of Net Costs

FIGURE 12

DOI Net Cost (summarized by Bureau and Office) (dollars in thousands)	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Bureau of Land Management	\$ 3,054,791	\$ 2,409,684	\$ 645,107	26.8%
Bureau of Ocean Energy Management	(301,690)	184,612	(486,302)	(263.4%)
Bureau of Reclamation	2,844,373	2,266,238	578,135	25.5%
Bureau of Safety and Environmental Enforcement	208,109	211,688	(3,579)	(1.7%)
Departmental Offices ¹	7,277,226	7,606,372	(329,146)	(4.3%)
Indian Affairs ²	4,780,538	4,405,394	375,144	8.5%
National Park Service	5,079,891	4,607,932	471,959	10.2%
Office of Surface Mining Reclamation and Enforcement	2,071,213	1,975,032	96,181	4.9%
U.S. Fish and Wildlife Service	4,225,047	3,707,202	517,845	14.0%
U.S. Geological Survey	1,637,274	1,638,411	(1,137)	(0.1%)
Eliminations ³	(29,797)	(31,744)	1,947	(6.1%)
Net Costs - by Bureau and Office	\$ 30,846,975	\$ 28,980,821	\$ 1,866,154	6.4%

¹ DO includes the BTFA and the OIA.

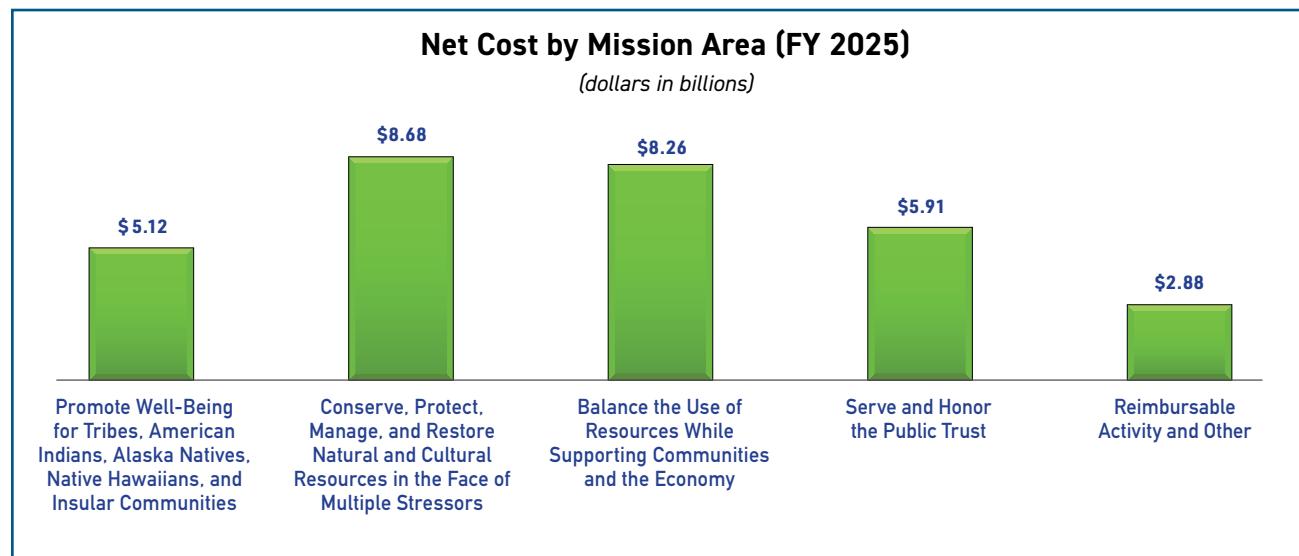
² IA includes the BIA and the BIE.

³ Eliminations represent intra-departmental transactions or balances resulting from business activities conducted between two different DOI entities included in our AFR.

The DOI Net Cost of Operations is presented in Figure 12. The DOI's net costs increased \$1.9 billion, or 6.4 percent. This increase is due to a change in collections for rental fees, right-of-way fees, and renewable energy leases as well as fees associated with competitive applications of interest for oil and gas in FY 2025. The Net Costs exceeded these increases in revenue. In Figure 13, the Consolidated Statement of Net Cost (SNC) includes DOI's four Mission Areas: Promote Well-Being for Tribes, American Indians, Alaska Natives, Native Hawaiians,

and Insular Communities; Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Multiple Stressors; Balance the Use of Resources While Supporting Communities and the Economy; and Serve and Honor the Public Trust. The SNC also includes Reimbursable Activity and Other, which predominately represents the intragovernmental acquisition of goods and services through the DOI Working Capital Fund and Franchise Fund.

FIGURE 13



Analysis of Net Cost – DOI Workforce

The DOI workforce costs include \$9.3 billion in payroll and benefit costs for employees executing DOI's mission and programs. The DOI employed 65,946 people in approximately 2,400 locations with offices across the United States, Puerto Rico, U.S. territories,

and Freely Associated States. The total DOI employees count includes 55,051 full-time permanent staff and 10,895 part-time and seasonal staff as shown in Figures 14 and 15.

FIGURE 14

Work Schedule Information	Full Time Permanent	Other ¹	Total
BIA	3,760	95	3,855
BIE	515	2,388	2,903
BLM	8,610	902	9,512
BOEM	554	16	570
BSEE	632	0	632
BTFA	396	1	397
DO ²	8,769	331	9,100
FWS	7,199	585	7,784
NPS	14,045	5,302	19,347
OSM	279	2	281
USBR	4,463	76	4,539
USGS	5,829	1,197	7,026
Total Employees by Bureau	55,051	10,895	65,946

¹Other includes Part-Time and Seasonal Employees

²DO includes OIA

FIGURE 15

Total Payroll and Benefits		
BLM	\$	1,447,577,564
BOEM		120,828,790
BSEE		147,968,314
DO ¹		1,142,014,188
FWS		1,266,727,536
IA ²		858,885,190
NPS		2,294,900,233
OSM		61,895,917
USBR		836,268,869
USGS		1,147,248,889
TOTAL	\$	9,324,315,490

¹DO includes BTFA and OIA

²IA includes BIA and BIE

Analysis of Net Cost – Stewardship Investments

The DOI net cost includes expenses incurred that are expected to benefit the Nation over time. These expenses are qualitatively material and worthy of

highlighting as they represent expenses charged to current operations.

Research and Development

FIGURE 16

Investments in Research and Development					(dollars in thousands)
Category	FY 2025	FY 2024	Increase/ (Decrease)	% Change	
Basic Research	\$ 57,645	\$ 57,430	\$ 215	0.4%	
Applied Research	724,478	651,967	72,511	11.1%	
Developmental Research	56,728	56,004	724	1.3%	
Total	\$ 838,851	\$ 765,401	\$ 73,450	9.6%	

Investments in Research and Development provides reliable, credible, objective, and unbiased scientific results to improve the basic understanding of natural resources and to inform land and resource management decisions across the Nation. These research and development activities encompass examinations of geological structures, mineral resources, and products within and outside the national domain. Earth science research and information are used to save lives and property, safeguard human health, enhance the economic vitality of the Nation and its people, assess resources, characterize environments, and predict the impact of contamination. This information aids in solving critical societal problems through research, investigation, and the application of state-of-the-art geographic and cartographic methods.

The DOI's research and development activities are presented in the following three major categories:

- ◆ **Basic Research.** A study to gain knowledge or understanding of the fundamental aspects of specific phenomena or observable facts without specific applications and products in mind.
- ◆ **Applied Research.** A systemic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met.
- ◆ **Developmental Research.** The systematic use of knowledge and understanding gained from research for the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes.

FIGURE 17

Investments in Human Capital					(dollars in thousands)
Category	FY 2025	FY 2024	Increase/ (Decrease)	% Change	
Educational Programs	\$ 1,186,559	\$ 1,228,391	\$ (41,832)	(3.4%)	

Human Capital

Investments in Human Capital refers to education and training programs financed by the federal government for the benefit of the public; investments in human capital does not include education and training expenses for federal employees. The DOI plays an important role in providing quality educational opportunities from early childhood throughout adulthood, with consideration given to all aspects of people's lives.

Education Programs

The BIE serves the school system for American Indian students, delivering educational services to students from their earliest years through college. The BIE supports 183 schools and 33 Tribal Colleges and Universities, supporting Tribes in educating their youth and delivering a culturally appropriate education. The BIE serves approximately 40,000 elementary and secondary students in 23 states and nearly 12,000 post-secondary students in 17 states.

The BIE operates two post-secondary schools, Haskell Indian Nations University and Southwestern Indian Polytechnic Institute and provides technical assistance and grants administration for 29 Tribally controlled colleges and universities and two Tribal technical colleges, the Navajo Technical University and United Tribes Technical College.

The BIE's Early Childhood and Family Development programs, referred to as Family and Child Education (FACE) programs, deliver education services that address the achievement gap for Indian children up to five years of age primarily located on rural reservations. These programs teach preschoolers, and their families the critical skills needed to begin school. Over 2,500 individuals receive FACE program services, in the child's home or at school centers.

The BIE incorporates Native language and culture programs in classrooms, supporting expanded preschool and Native Language Immersion Programs to improve

American Indian student academic outcomes. The BIE prioritizes revitalization and maintenance of Native languages and the expanded use of language immersion programs in its schools. The BIE supports Tribal sovereignty over education by assisting Tribes in building capacity to coordinate and deliver educational services to their respective Tribal members.

Ninety-two percent of American Indian and Alaska Native students attend public schools. Under its Johnson O'Malley Program funding, BIE supports such students with the necessary resources designed to meet their unique and specialized educational needs. These funds can provide remedial instruction, counseling, parental involvement, language, and other culturally relevant programs to American Indian students from three years of age through the 12th grade.



Photo by Jacob W. Frank, NPS

YELLOWSTONE BISON GROUP

Bison group headed to Mammoth through Golden Gate
<https://www.flickr.com/photos/yellowstonenps/54354790761/>

The BIE Office of Postsecondary Education funds multiple scholarship programs to improve educational opportunities and serve a larger population of qualified Native American students. The BIE post-secondary support includes a Scholarships and Adult Education program that promotes educational grants to Tribal communities, which have been historically underserved and adversely affected by persistent poverty and inequality.

The BIE Science Post Graduate Scholarship Program Fund provides funding and awards specifically for post-secondary and post-graduate-level fellowships and training opportunities, and BIE Special Higher Education Scholarships are targeted to assist Tribes in developing their communities in economically disadvantaged rural areas as they require trained professionals to plan and implement Tribal development goals.

Non-Federal Physical Property

FIGURE 18

Investment in Non-Federal Physical Property				
Category	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Dams and Other Water Structures	\$ 648,538	\$ 442,693	\$ 205,845	46.5%
Land	73,492	40,346	33,146	82.2%
Roads and Bridges	5,810	1,130	4,680	414.2%
Schools and Public Buildings	188,790	80,023	108,767	135.9%
Ranges	980	3,123	(2,143)	(68.6%)
Not Classified	11,329	968	10,361	1,070.4%
Total	\$ 928,939	\$ 568,283	\$ 360,656	63.5%

The DOI provides a long-term benefit to the public by maintaining its commitment to investing in non-federal physical property. Non-federal physical property refers to expenses incurred by the federal government for the purchase, construction, or major renovation of physical property owned by state and local governments and Insular Areas, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets.

The DOI's investment in non-federal physical property is multifaceted and includes a varied assortment of structures, facilities, and equipment. Investment in these assets results in improved Tribal educational facilities; irrigation infrastructure and water quality improvement projects; species protection and habitat loss prevention programs; recreational activities; and wildlife management.

The Office of Facility Management and Construction provides funds for buildings with historic and architectural significance. The Utah Reclamation Mitigation & Conservation Commission invests in habitat improvements for fish and wildlife on non-federal

properties to mitigate the impact of reclamation projects in Utah on wildlife resources beyond the boundaries of those projects.

Investments in non-federal physical property increased by \$361 million and 63.5 percent in FY 2025. Most of the fluctuation is attributed to a \$206 million increase for Dams and Other Water Structures relating to funding from the IIJA, the Gulf of Mexico Energy Security Act (GOMESA), the GAOA, and the Land and Water Conservation Fund (LWCF). A \$33 million increase was from GOMESA, GAOA, and LWCF for land investments. Lastly, a \$109 million increase in expenditures was for schools and public buildings on heating, ventilation, and air conditioning systems, fences, computers, detention center, and electricity across all regions mostly using the IIJA and IRA funding.

Analysis of Net Position

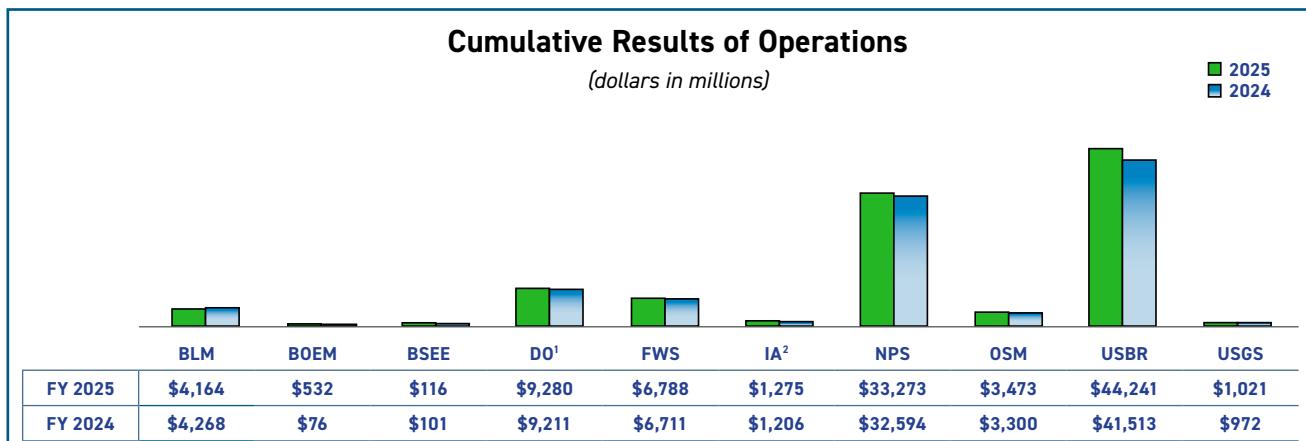
The Net Position of DOI includes Unexpended Appropriations and Cumulative Results of Operations. These two components are displayed on the Statement of Changes in Net Position (SCNP) to provide information

regarding the nature of changes to the Net Position of DOI as a whole as shown in Figure 19. Cumulative Results of Operations is summarized by Bureau and Office in Figure 20.

FIGURE 19

Net Position (dollars in thousands)	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Unexpended Appropriations	\$ 48,647,071	\$ 45,888,847	\$ 2,758,224	6.0%
Cumulative Results of Operations	104,163,214	99,952,207	4,211,007	4.2%
Net Position	\$ 152,810,285	\$ 145,841,054	\$ 6,969,231	4.8%

FIGURE 20



¹ DO includes the BTFA and the OIA.

² IA includes the BIA and the BIE.

Analysis of Budgetary Resources

FIGURE 21

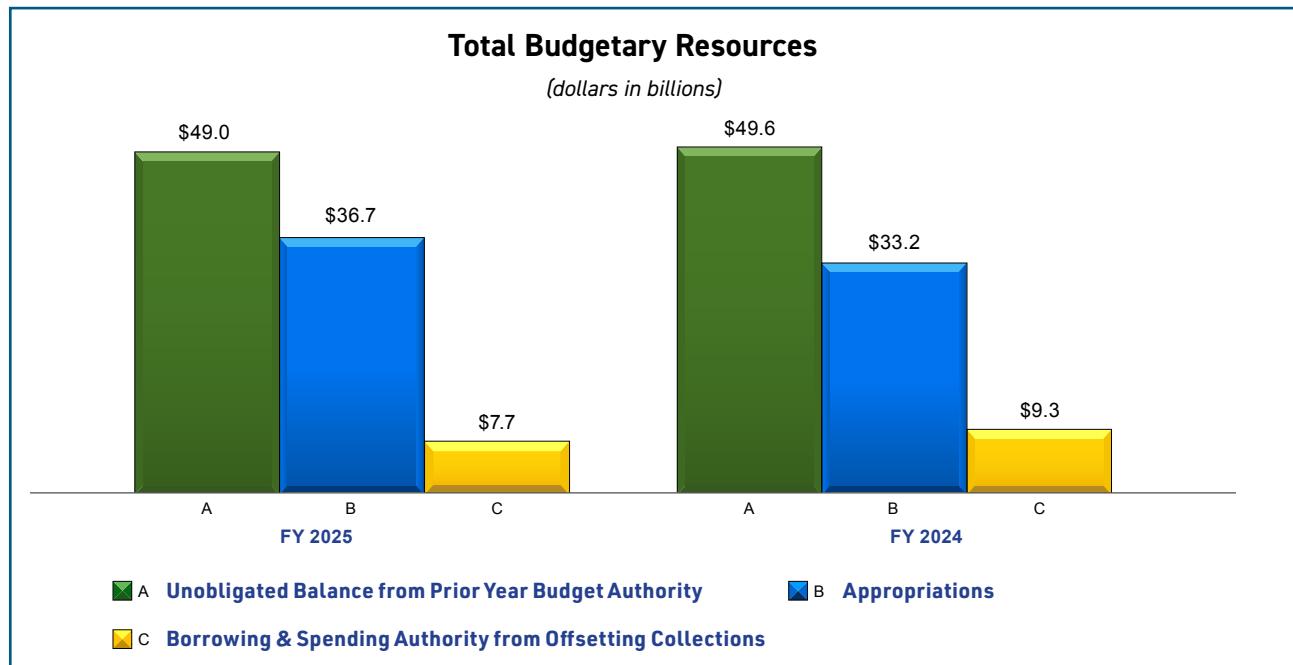
Key Budgetary Measures (dollars in thousands)	FY 2025	FY 2024	Increase/ (Decrease)	% Change
Unobligated Balance from Prior Year Budget Authority	\$ 48,968,234	\$ 49,635,088	\$ (666,854)	(1.3%)
Appropriations (Discretionary and Mandatory)	36,721,638	33,155,324	3,566,314	10.8%
Borrowing & Spending Authority from Offsetting Collections	7,681,695	9,308,614	(1,626,919)	(17.5%)
Total Budgetary Resources	\$ 93,371,567	\$ 92,099,026	\$ 1,272,541	1.4%
New Obligations and Upward Adjustments	42,698,443	44,241,549	(1,543,106)	(3.5%)
Apportioned, Unexpired Accounts	49,847,136	47,187,901	2,659,235	5.6%
Unapportioned, Unexpired Accounts and Expired Unobligated Balance, End of Year	825,988	669,576	156,412	23.4%
Status of Budgetary Resources	\$ 93,371,567	\$ 92,099,026	\$ 1,272,541	1.4%

Figure 21 provides an overview of the status of budgetary resources. The DOI receives funding from general government funds administered by Treasury and appropriated for DOI's use by Congress. The DOI also receives a portion of DOI's resources from Special and Trust Funds, such as Conservation Funds (the LWCF and Historic Preservation Fund (HPF)), the Reclamation Fund, and the Sport Fish Restoration and Boating Trust Fund. These funds are administered in accordance with applicable laws and regulations.

For the year ended September 30, 2025, the increase in DOI's Total Budgetary Resources equaled \$1.3 billion, a 1.4 percent increase from FY 2024.

As shown in Figure 22, Unobligated Balances from Prior Year Budget Authority totaled \$49.0 billion in FY 2025, representing a decrease of \$667 million, or 1.3 percent. Appropriations of \$36.7 billion increased by \$3.6 billion or 10.8 percent, largely due to increased funding in FY 2025. Spending Authority from Offsetting Collections and Borrowing Authority amounted to \$7.7 billion, a decrease of \$1.6 billion, or 17.5 percent. This fluctuation primarily reflects normal program activity, including unfilled customer orders with advances and reimbursable services across various DOI program areas.

FIGURE 22



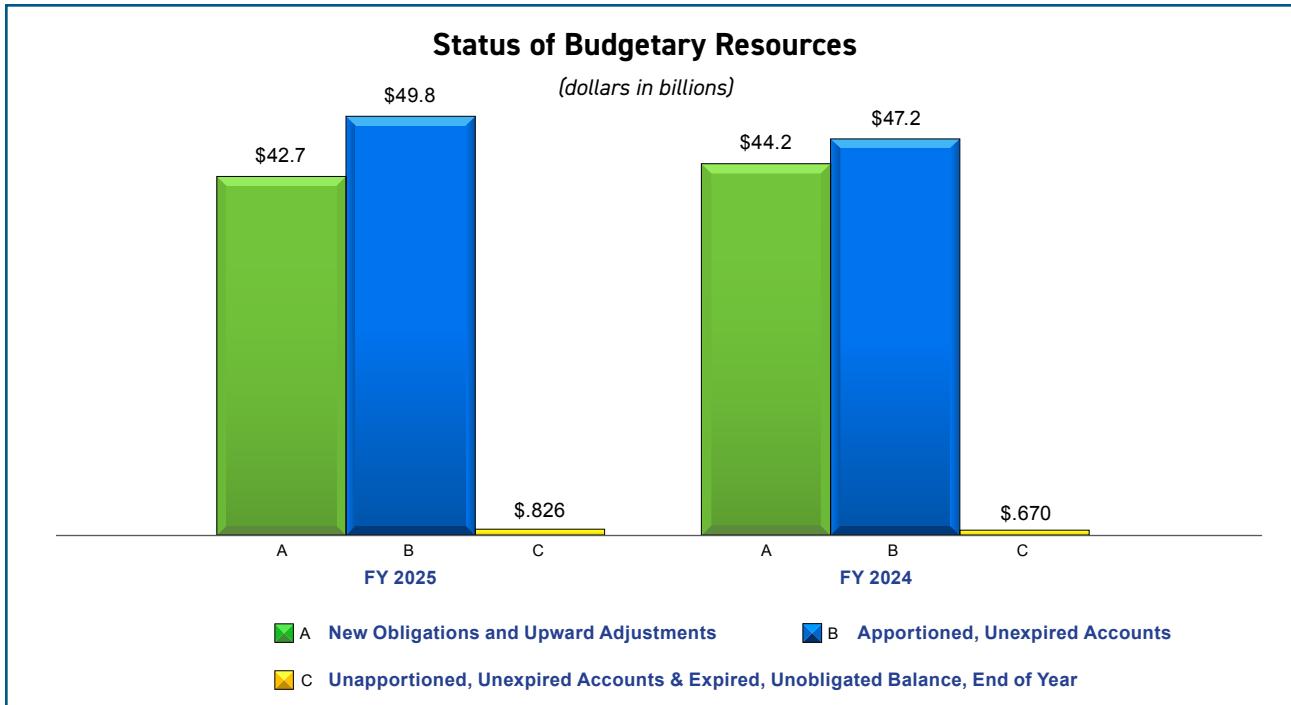
ANALYSIS OF FINANCIAL STATEMENTS

Figure 23 presents the Status of Budgetary Resources for FY 2025 and FY 2024. In FY 2025, New Obligations and Upward Adjustments totaled \$42.7 billion, representing a decrease of \$1.5 billion, or 3.5 percent, compared to FY 2024.

Apportioned, Unexpired balances totaled \$49.8 billion in FY 2025, an increase of \$2.6 billion, or 5.6 percent, compared to FY 2024. The increase was primarily driven by higher funding in FY 2025, along with the obligation and expenditure of funds across various DOI programs.

At the end of FY 2025, Unapportioned, Unexpired, and Expired Unobligated balances totaled \$826 million. The increase was largely attributable to expired authority in various DOI programs, and represents a \$156 million, or 23.4 percent, increase compared to FY 2024.

FIGURE 23



Analysis of Custodial Activity

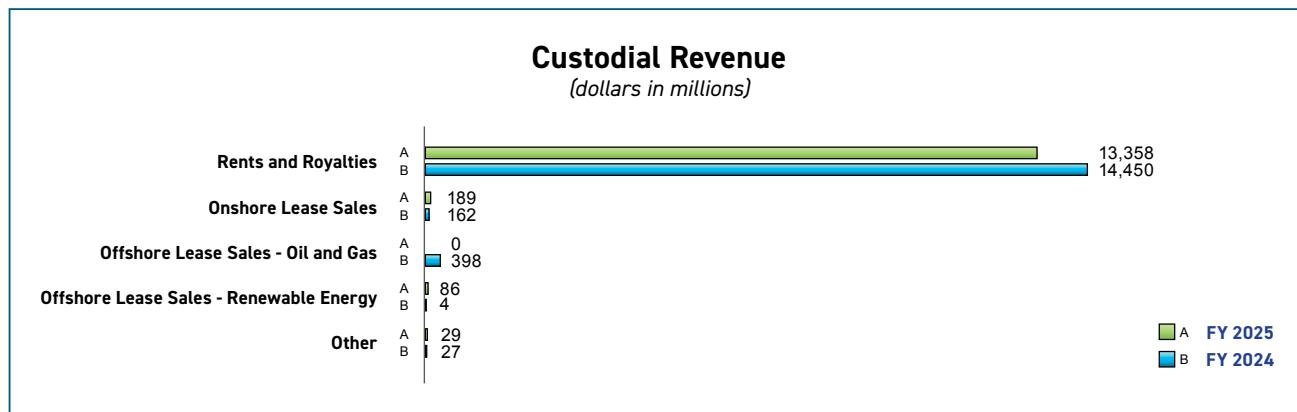
FIGURE 24

Custodial Activity	(dollars in thousands)	FY 2025	FY 2024	Increase/(Decrease)	% Change
Rents and Royalties		\$ 13,358,394	\$ 14,449,672	\$ (1,091,278)	(7.6%)
Onshore Lease Sales		188,565	161,884	26,681	16.5%
Offshore Lease Sales - Oil & Gas		-	397,574	(397,574)	(100.0%)
Offshore Lease Sales - Renewable Energy		85,955	4,308	81,647	1,895.2%
Other		28,534	26,848	1,686	6.3%
Total Custodial Revenue		\$ 13,661,448	\$ 15,040,286	\$ (1,378,838)	(9.2%)

Figures 24 and 25 display DOI custodial activity, that are collected by components within DOI on behalf of other entities. Custodial activity primarily includes revenues from royalties, rents, lease sales, and other receipts for federal oil, gas, renewable energy, and mineral leases. This activity is distributed to other DOI Bureaus, other federal entities, states, and others.

This activity is considered to be revenue of the federal government as a whole and is therefore excluded from DOI's SNC. The \$1.4 billion and 9.2 percent decrease in custodial revenue is attributable to decreased rents and royalties due to decrease in oil prices in FY 2025, and no oil and gas lease sales were held in FY 2025 compared to FY 2024.

FIGURE 25



Limitations of Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of 31 U.S. Code (U.S.C.) § 3515(b). The statements are prepared from records of federal entities in accordance

with Federal GAAP and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

What's Ahead—A Forward Look

Under Secretary Doug Burgum's leadership, the Department of the Interior is entering a new chapter—one focused on restoring balance, cutting unnecessary red tape, increasing affordability, strengthening law enforcement, expanding recreational opportunities, and managing our natural assets as true contributions to America's Balance Sheet. In the months ahead, bold reforms will modernize Department operations while safeguarding public lands, promoting multiple use, and supporting vibrant outdoor recreation.

Priorities for FY 2026 and Beyond

Securing Critical Minerals, Energy Independence, and Strategic Resources

Energy and resource development on federal lands and waters will be accelerated through streamlined permitting and advanced technologies. These efforts will strengthen critical mineral supply chains and ensure American Energy Dominance.

Modernizing Wildland Fire Management

The Department will establish a unified U.S. Wildland Fire Service, consolidating suppression, risk mitigation, and recovery under one mission-focused organization.

Strengthening Interior Law Enforcement and the U.S. Park Police

Interior will expand law enforcement capacity across Bureaus (BIA, NPS, BLM, FWS), improve coordination, and direct resources to high-priority needs such as visitor safety, crime prevention, and security in the Nation's Capital.

Building the Federal Balance Sheet and Streamlining Permitting

America's public lands, mineral estate, and offshore resources are national assets. Interior will treat them as contributors to America's Balance Sheet—generating returns and lower costs for the American people—while cutting red tape that delays responsible development.

Expanding Access to Parks, Hunting, Fishing, and Outdoor Recreation

The Department will increase public access to national parks, refuges, and public lands. Through the LWCF, states, territories, and the District of Columbia will receive support to improve access, expand trail networks, and modernize outdoor recreation infrastructure.

Honoring America 250 and Preserving Cultural Heritage

Ahead of the 250th Anniversary of American independence, Interior will invest in historic site preservation, cultural programs, and semiquincentennial celebrations to showcase and protect the Nation's heritage.

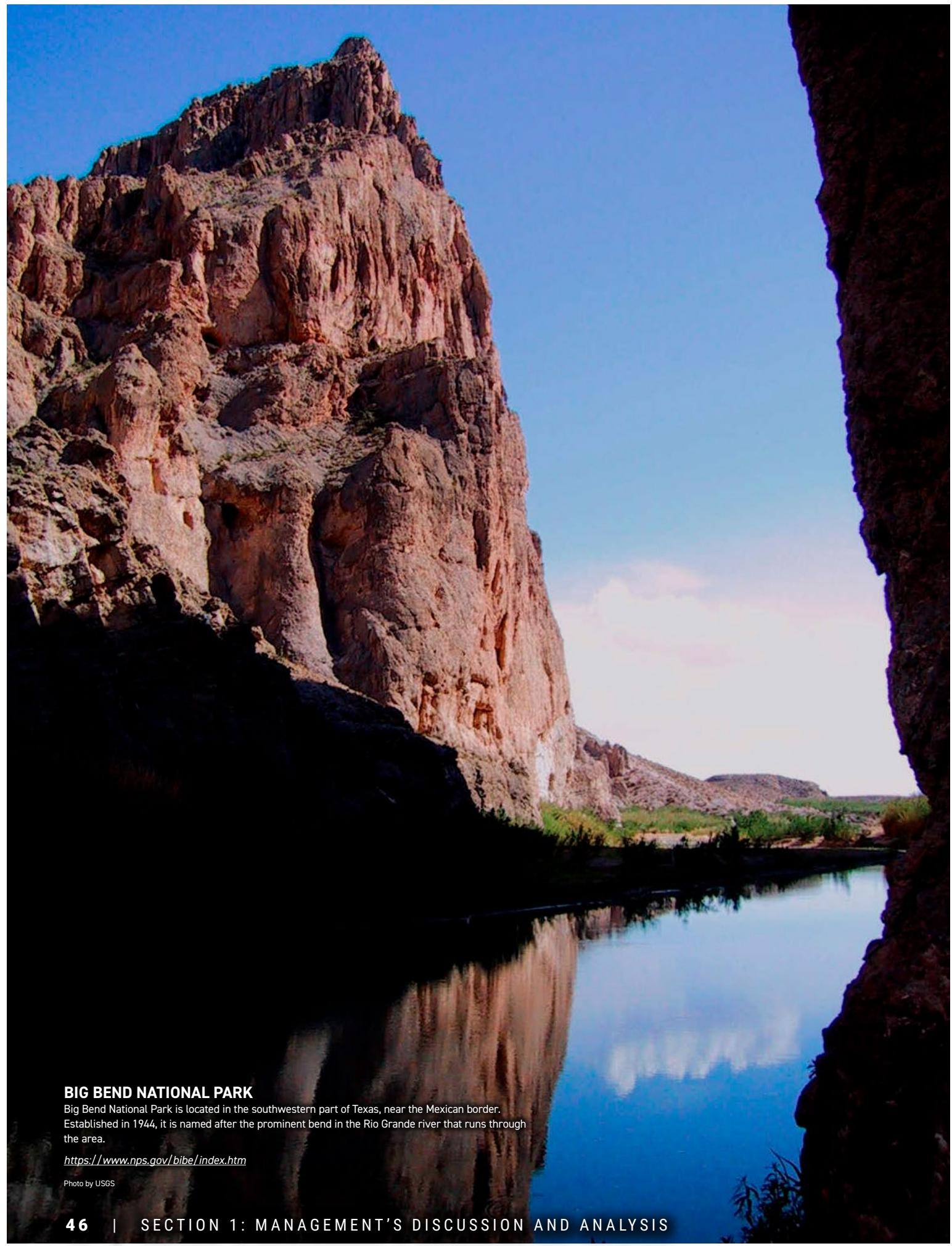
Restoring Gold Standard Science and Evidence-Based Decision Making

The Department will reaffirm scientific integrity with rigorous peer review, transparent modeling, and robust impact assessments to ensure decisions on resources, energy, and the environment are grounded in credible data.

Tribal Collaboration, Rural Partnerships, and Infrastructure

Interior will strengthen collaboration with Tribal Nations and rural communities, cutting red tape and expediting infrastructure and permitting to support local decision-making and community priorities.

In FY 2026 and beyond, the Department will translate vision into action: consolidating wildfire capabilities; reinforcing law enforcement; expanding recreation and access; generating stronger economic returns from energy and mineral assets; restoring scientific rigor; and partnering with Tribes and local communities. These efforts embody Secretary Burgum's vision of a modern Interior Department—one aligned with energy dominance, efficiency, affordability, public service, and responsible stewardship of America's natural resources and heritage.



BIG BEND NATIONAL PARK

Big Bend National Park is located in the southwestern part of Texas, near the Mexican border. Established in 1944, it is named after the prominent bend in the Rio Grande river that runs through the area.

<https://www.nps.gov/bibe/index.htm>

Photo by USGS



SECTION 2

Financial Information

BLM OIL AND GAS PROGRAM

The BLM manages the Federal government's onshore subsurface mineral estate – about 700 million acres (30% of the United States) held by the BLM, U.S. Forest Service and other Federal agencies and surface owners - for the benefit of the American public. It also manages some aspects of the oil and gas development for Indian tribes from the Tribal mineral estate.

<https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics>

Photo by Jesse Pluim, BLM

Message from the Deputy Chief Financial Officer and Director of the Office of Financial Management

The Office of Financial Management is honored to join Secretary Burgum in presenting the United States Department of the Interior Agency's Financial Report for Fiscal Year (FY) 2025. The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities. Our unwavering commitment to this mission, demonstrated through our effective financial management and oversight of the resources entrusted to the Department, is a testament to our dedication to the American people and should provide you with a profound sense of reassurance about our work.

We are pleased to report the Department received its consecutive 29th unmodified audit opinion on the financial statements for FY 2025. This achievement reflects the dedication of our financial management team to provide accuracy, transparency, and accountability. This year, we consolidated all financial management personnel under a unified structure, marking a transformative shift in how the Department governs, manages, and safeguards its resources. This enterprise approach strengthens accountability and transparency, reinforces internal controls and audit readiness, enables more consistent and decision-useful financial information, and builds a resilient, high-performing financial workforce positioned to support mission delivery and sustain long-term financial integrity. Financial statement audits remain an essential risk management tool used to strengthen financial accuracy and oversight. We remain committed to maintaining sound financial management as responsible stewards of these resources.

We approached FY 2025 with focus, collaboration, and a shared sense of purpose to meet the demands of an evolving financial landscape, including complex compliance and reporting requirements, as well as the Department's organizational shift to a unified financial management structure. This approach demonstrates the strength and excellence of the Department's financial management in action every day. I wish to recognize and thank our financial professionals for their tireless dedication and professionalism. Their skillful management and oversight of the Department's resources drives our success and reinforces our commitment to responsible stewardship. The achievements of FY 2025 are the result of a concerted, team-wide effort by all stakeholders, and it is through their hard work and professionalism that the Department continues to maintain public trust and operational excellence.



TONYA R. JOHNSON-SIMMONS
Deputy Chief Financial Officer and
Director, Office of Financial Management

The Office of Financial Management Mission:

To serve as a strategic partner by providing high-quality financial management, disciplined stewardship, and innovative solutions that empower leadership and advance the Department's mission.

MESSAGE FROM THE OFFICE OF THE CHIEF FINANCIAL OFFICER

The Department began FY 2025 with two financial statement audit findings from the prior year: a material weakness related to the implementation of Statement of Federal Financial Accounting Standards (SFFAS 54) on leases, and a significant deficiency related to monitoring assets constructed by other federal agencies. Over the past year, the Department achieved meaningful progress in remediating these findings. Accounting policies were refined to support accurate recognition and recording of lease transactions, and corrective actions were implemented to strengthen controls over leases and the monitoring of Property, Plant, and Equipment (PP&E).

To address the lease-related finding, the Department began implementing a consolidated financial system solution to manage lessee and lessor activity. This solution enhances our ability to analyze, classify, and monitor lease agreements in accordance with accounting standards, further strengthening internal controls and supporting accurate and transparent financial reporting. As a result, the material weakness on leases was reduced to a significant deficiency, and the long-standing audit finding related to PP&E achieved significant advancement in management processes, resulting in its downgrade to a non-reportable condition. Additionally, the significant deficiency related to monitoring assets constructed by other federal agencies was reduced to a not reportable condition. These results demonstrate our culture of continuous improvement and our commitment to strengthening internal controls and financial reporting processes.

While we are optimistic about our culture of continuous improvement and the progress achieved, the FY 2025 financial statement audit also identified two new control deficiencies, including a material weakness in financial reporting review controls and a finding related to monitoring the asbestos cleanup liability. These findings highlight the need to further strengthen financial reporting oversight and reinforce the consistent application of accounting standards across the Department. Targeted remediation efforts are underway and will continue through FY 2026 to address the root causes of the new findings and sustain long-term improvements in financial management and accountability.

Building on these improvements, the Department has also initiated the modernization of its audit and internal controls framework. During FY 2025, we began developing a SharePoint-based management system to support audit readiness and financial risk management oversight across the Department. This effort addresses gaps from the phased-out legacy audit management repository and lays the groundwork for a modernized, comprehensive approach to audit and internal controls. The system establishes a unified platform that enhances collaboration between audit and internal controls, streamlines oversight processes, and provides the infrastructure needed for tracking, reporting, and managing audit-ready financial and operational activities. By laying the foundation for digitizing records and enabling analytics, this initial framework positions DOI to strengthen accountability, coordination, and risk management across Bureaus and Offices while supporting the Department's FY 2025 strategic priorities.

Beyond financial statement audits, the Department successfully achieved 100% of its Government Accountability Office (GAO) and the DOI Office of the Inspector General (OIG) targeted audit remediation goal, completing 214 recommendations in FY 2025. Notably, 59% addressed GAO High-Risk and OIG Management Challenge areas, including energy resource management, contract and grant oversight, cybersecurity, and stewardship of water and power resources. These results underscore the Department's commitment to accountability, internal controls, and mission-critical program performance.

The Department also strengthened entity-level oversight and risk management. It completed its 4th annual consolidated entity-level assessment and gained deeper insights into operational and financial risks. The Office of Financial Management continued to require the fraud awareness course titled, "Recognizing and Responding to Suspected Fraud", equipping staff to identify and report suspected fraud, waste, or abuse.

In addition to these accomplishments, other noteworthy initiatives that advanced the Department's mission and strategic objectives include:

- Continued implementation of Interior's Antifraud Strategy, which is centered around three pillars: communications, management of fraud risk, and prevention. In FY 2025, the Department continued its fraud training program and monitored fraud risk across the Department through the Internal Control Program.
- Promoted DOI's compliance with the GAO Green Book by completing the Department's entity-level assessment. This assessment consolidated principle-based results across the 17 GAO Green Book principles and included extensive documentation review, significantly enhancing the internal control environment.

MESSAGE FROM THE OFFICE OF THE CHIEF FINANCIAL OFFICER

- Completed Interior's Fraud Risk Profile, as required by OMB Circular A-123, covering payroll, beneficiary payments, grants, significant contracts, and IT security safeguards.
- Strengthened the charge card control environment by reducing active cardholders from over 21,000 to approximately 6,700, aligning card access with validated mission needs and supervisory oversight.
- Enhanced the Department's Payment Integrity Program through a risk-based approach, benchmarking, cross-agency collaboration, and data analytics of supplemental funds, enabling comprehensive analysis of programs susceptible to improper payments.
- Earned an "A+" rating on the FY 2024 Small Business Procurement Scorecard, marking 15 consecutive years of receiving an "A" or "A+" and reinforcing the Department's commitment to maximizing opportunities for small businesses in procurement.

Lastly, the Department achieved a Best-In-Class Certificate of Excellence in Accountability Reporting for our FY 2024 AFR from the AGA for our fifth consecutive year, reflecting sustained excellence in Department-wide financial management, including financial reporting quality, internal control effectiveness, and enterprise-level risk management. This continued recognition provides independent validation of the maturity, consistency, and reliability of the Department's financial management practices and its commitment to transparency, accountability, and responsible stewardship of public resources.

Looking ahead, the Office of Financial Management will continue modernizing entity-level monitoring systems and governance structures to proactively identify critical risks and support informed, timely decision-making across the Department. Together, these financial, operational, and audit-focused initiatives reinforce a culture of continuous improvement, strengthen internal controls, and support accurate, transparent, and timely financial reporting.



TONYA R. JOHNSON-SIMMONS

Deputy Chief Financial Officer and
Director, Office of Financial Management

January 16, 2026



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

January 16, 2026

Memorandum

To: Doug Burgum
Secretary of the Interior
C. Brzymialkiewicz
From: Caryl N. Brzymialkiewicz, Ph.D.
Deputy Inspector General Performing the Duties of the Inspector General
Subject: *Independent Auditors' Report on the U.S. Department of the Interior's Financial Statements for Fiscal Year 2025*
Report No. 2025-FIN-022

This memorandum transmits the KPMG LLP (KPMG) auditors' report of the U.S. Department of the Interior's (DOI's) financial statements for fiscal year (FY) 2025. The Chief Financial Officers Act of 1990 (Pub. L. No. 101-576), as amended, requires the DOI Inspector General, or an independent external auditor as determined by the Inspector General, to audit DOI's financial statements.

Under a contract issued by DOI and monitored by the Office of Inspector General, KPMG, an independent public accounting firm, audited DOI's financial statements for the fiscal year that ended September 30, 2025. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office and Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual*.

In its audit of DOI's financial statements, KPMG reported:

- The financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles.
- One material weakness and two significant deficiencies in internal controls over financial reporting:
 - *Material Weakness* – Inadequate financial reporting review controls.
 - *Significant Deficiency* – Inadequate controls over Statement of Federal Financial Accounting Standards No. 54, Lessor Leases.
 - *Significant Deficiency* – Inadequate monitoring of asbestos cleanup liability.
- No instances in which DOI's financial management systems did not comply substantially with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA).
- No reportable noncompliance with provisions of laws tested or other matters.

Office of Inspector General | Washington, DC

INSPECTOR GENERAL'S TRANSMITTAL

In connection with the contract, we reviewed KPMG's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on DOI's financial statements or conclusions about the effectiveness of internal control over financial reporting. We also do not express conclusions about whether DOI's financial management systems substantially complied with the three FFMIA requirements or whether DOI complied with laws and other matters. KPMG is responsible for the attached auditors' report dated January 16, 2026, and the conclusions expressed therein. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

KPMG makes eight recommendations to address the identified findings. DOI submitted its response to KPMG on January 16, 2026. We will notify Congress about these findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please call me or Nicki Miller, Assistant Inspector General for Audits, Inspections, and Evaluations, at 202-208-5745.

Attachment



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Secretary and Deputy Inspector General Performing the Duties of the Inspector General
US Department of the Interior:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the US Department of the Interior (Department), which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources and custodial activity for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Department as of September 30, 2025, and its net cost, changes in net position, budgetary resources, and custodial activity for the year then ended in accordance with US generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter – Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its consolidated financial statements. Such information is not a required part of the consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

KPMG LLP a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

US generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the Table of Contents, Introduction, Message from the Office of the Chief Financial Officer, Inspector General's Transmittal, Section 3: Other Information, and Section 4: Appendix but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2025, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item A to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items B and C to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2025 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

INDEPENDENT AUDITORS' REPORT



We also performed tests of the Department's compliance with certain provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which the Department's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the findings identified in our audit and described in the accompanying Schedule of Findings. The Department's response, titled Management's Response to Independent Auditors' Report for Fiscal Year (FY) 2025 (Assignment No. 2025-FIN-022), was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
January 16, 2026

Schedule of Findings

Internal control is a dynamic process used by management to achieve its objectives and an effective internal control system helps an entity adapt to evolving demands and changing risks. As programs develop and entities strive to improve operational processes and implement new technology, management must identify the potential risks that would prevent them from achieving their objectives and continually evaluate their internal control system so that it is effective and updated when necessary. As such, management is expected to perform ongoing risk assessment and monitoring activities to ensure the controls are established, designed, and operating effectively to mitigate the identified risks.

As in prior years, during fiscal year (FY) 2025, the Department initiated the implementation of corrective action plans to address previously identified internal control weaknesses and strengthen their internal control. Although the Department made some progress in certain financial management and reporting areas, a material weakness was identified in financial reporting review controls, and significant deficiencies were identified in the areas of leases and the asbestos cleanup liability, that highlight the need for improved financial management and reporting controls at the Department. Additional remediation efforts are scheduled in FY 2026.

MATERIAL WEAKNESS**A. Inadequate Financial Reporting Review Controls**

During FY 2025, the Department initiated a comprehensive unification of the administrative functions across the Department. This initiative realigned key financial process areas, streamlined reporting structures, and required cross-functional collaboration to support department-wide priorities. The Department continues to advance its realignment to centralize financial management and oversight responsibilities.

Condition

The Department's controls over the review of its financial statements and the related notes were not operating effectively to prevent, or detect and correct, errors in certain financial statement notes. Specifically, the review of the Q3 financial statements and related notes did not detect and correct material errors within the *Note 18. Statement of Budgetary Resources* related to inaccurate presentation of the underlying transactional data.

Criteria

- Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 7: *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*
- Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (Green Book):
 - Principle 4 – *Demonstrate Commitment to Competence*; and
 - Principle 12 – *Implement Control Activities*.
- OMB Circular No. A-136, *Financial Reporting Requirements*

Cause and Effect

Due to changes in personnel and insufficient training time for new control operators, reviewers of the Department's financial statements and related notes lacked the necessary knowledge and experience

Schedule of Findings

to perform an effective review based on the established procedures outlined in the *Financial Statement and Note Disclosure Preparation Checklist*.

The identified control deficiency resulted in the following presentation errors in the Department's financial statement *Note 18. Statement of Budgetary Resources* as of June 30, 2025:

- *Undelivered Orders* table:
 - Total Undelivered Orders, Federal amounts were overstated by \$18.1 billion;
 - Total Undelivered Orders, Non-Federal amounts were understated by \$18.1 billion;
- *Legal Arrangements Affecting Use of Unobligated Balances* table:
 - Expired Authority amounts were overstated by \$61.9 billion

As a result of these observations, the Department made the necessary corrections to its year-end financial statements and notes.

Without effective financial reporting controls, the Department is exposed to increased risk that misstatements, including presentation errors, in its financial statements and related notes may not be prevented, or detected and corrected, in a timely manner.

Recommendations:

We recommend the Department:

1. Implement comprehensive training for new control operators, focusing on accurate completion and review of financial statement templates and related disclosures. Training should emphasize understanding control objectives, consistent application of policies and procedures, and thorough review practices to detect and correct errors.
2. Periodically assess the effectiveness of training and update materials as needed to reflect changes in personnel, processes, or reporting requirements.
3. Assign experienced personnel as the reviewer or a second review by a different employee when new employees are performing the control.

SIGNIFICANT DEFICIENCIES

B. Inadequate Controls over SFFAS 54 Lessor Leases

In FY 2024, the Department adopted FASAB SFFAS 54: Leases, and related amendments, which revised the financial reporting standards for federal lease accounting.

The Department manages a substantial portfolio of diverse public land use arrangements, including agreements for rights of way, energy development, and livestock grazing to be considered for SFFAS 54 lessor reporting requirements.

In the prior year, a deficiency was identified and reported related to the Department's review and implementation of SFFAS 54: Leases.

Schedule of Findings*Conditions*

During FY 2025, the Department demonstrated progress in addressing the identified prior year deficiency, however, remediation efforts were not completed. The Department's controls were not designed, through documented policies and procedures, and implemented to respond to the risks of noncompliance with the lessor reporting requirements of SFFAS 54, and related amendments.

Specifically, we noted the Department lacked controls related to:

- The review of new or modified contracts and agreements to determine whether they meet the definition of a lease under SFFAS 54 to ensure completeness of the lease population in instances where the Department may be a lessor.
- The evaluation of non-GAAP policies of not recognizing a lease receivable and unearned revenue for certain agreement types meeting the definition of a lease, to ensure the resulting omission is not material to the financial statements.
- The validation of the population of agreements for completeness and accuracy when estimating the lease related account balances for right of way agreements in which the Department is the lessor.
- The reconciliation of lease receivable account balances to underlying support to ensure the accuracy of amounts reported.

Criteria

- SFFAS 54: *Leases*
- GAO Green Book:
 - Principle 4 – *Demonstrate Commitment to Competence*;
 - Principle 7 – *Identify, Analyze, and Respond to Risks*;
 - Principle 10 – *Design Control Activities*;
 - Principle 11 – *Design Activities for the Information System*;
 - Principle 12 – *Implement Control Activities*;
 - Principle 16 – *Perform Monitoring Activities*; and
 - Principle 17 – *Evaluate Issues and Remediate Deficiencies*.

Cause and Effect

The Department's risk assessment process was not sufficient to respond to risks related to right to use lessor arrangements. In addition, the Department did not have sufficient personnel with the necessary knowledge and experience to design and implement sufficient controls related to leases and perform ongoing monitoring activities.

While the Department was able to support material compliance with SFFAS 54, and related amendments, the conditions noted above, in conjunction with a lack of sufficient resources, accounting systems, and appropriate monitoring, increases the overall risk of misstatement of the

Schedule of Findings

financial statements. We identified a \$162 million understatement in the Department's lease receivable as the result of a reconciling difference between underlying support and the reported account balance.

Recommendations:

We recommend the Department:

1. Continue to design policies to perform and document a risk assessment of new or revised accounting standards.
2. Provide ongoing guidance and training to process owners to ensure compliance with the standards.
3. Enhance risk assessment procedures to identify and implement changes needed to internal processes and controls to ensure ongoing compliance with SFFAS 54.

C. Inadequate Monitoring of Asbestos Cleanup Liability

The Department owns facilities that may contain asbestos and estimates an asbestos cleanup liability using costs factors derived from historical asbestos surveys and cleanup costs. These cost factors are updated annually to incorporate new survey data and adjust for inflation. The estimated asbestos cleanup liability is calculated by applying the cost factors to the square footage of non-exempt facilities and using average survey costs for assets without square footage data.

Condition

The Department's controls over the estimation of its asbestos cleanup liability were not appropriately designed and implemented to prevent, or detect and correct, errors in the calculation of the liability. The absence of a review and verification process for critical data inputs impacted the accuracy of the calculated cost factors used to estimate the associated liability.

Criteria

- SFFAS 6: *Accounting for Property, Plant, and Equipment*
- FASAB Technical Release 10: *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
- GAO Green Book:
 - Principle 10 – *Design Control Activities*;
 - Principle 12 – *Implement Control Activities*;
 - Principle 13 – *Use Quality Information*; and
 - Principle 16 – *Perform Monitoring Activities*.

Cause and Effect

The Department did not perform a review of the application, data, methods, or assumptions used in developing the estimated asbestos cleanup liability. Additionally, reliance on automated calculations occurred without sufficiently designed oversight or validation procedures and controls.

Schedule of Findings

The absence of effective internal controls exposes the Department to increased risk that misstatements in its asbestos cleanup liability may not be prevented, or detected and corrected, in a timely manner.

Specifically, we noted the cost factors used in the application of the estimation methodology were incorrectly deflated and the asbestos cleanup liability was understated by approximately \$597 million as of June 30, 2025. Corrections made in the current year resulted in a liability of \$1.1 billion as of September 30, 2025.

Recommendations:

We recommend the Department:

1. Implement a periodic retrospective review to verify the data, methods, and assumptions are accurate, complete, and consistent with established estimation methodologies.
2. Establish and document a formal control requiring periodic review and validation of the application of the data used to generate the accounting estimate.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

January 16, 2026

Memorandum

To: Ms. Caryl Bryzmialkiewicz
Deputy Inspector General Performing the Duties of the Inspector General
U.S. Department of the Interior
Office of Inspector General
1849 C Street, NW
Washington, DC 20240

From: Tonya R. Johnson-Simmons
Deputy Chief Financial Officer (Deputy CFO) and
Director, Office of Financial Management (PFM)

Subject: Management's Response to Independent Auditors' Report for Fiscal Year
(FY) 2025 (Assignment No. 2025-FIN-022)

Joyce Johnson-Simmons

We appreciate the opportunity to respond to the Independent Auditors' Report on the U.S. Department of the Interior (the Department) Fiscal Year (FY) 2025 consolidated financial statements. We are pleased to have achieved an unmodified audit opinion for the 29th consecutive year.

In FY 2025, the Department received one material weakness related to the review of financial reporting and two significant deficiencies related to SFFAS 54: Leases lessor arrangements and to the monitoring of the Asbestos Cleanup Liability. We concur with the auditor identified deficiencies.

Management remains firmly committed to implementing the necessary corrective actions to address the key issues identified during the audit. As noted in the report, the Department has already made progress in several financial management and reporting areas, including strengthening internal controls, and will continue to enhance Department-wide controls over financial reporting. To address the lease-related repeat finding, the Department began implementing a consolidated financial system solution to manage lessee and lessor activity. This solution will improve our ability to properly analyze, classify, and monitor lease agreements in accordance with accounting standards, further strengthening internal controls and supporting accurate, transparent financial reporting. With respect to the asbestos cleanup liability finding, management expects prompt remediation of the underlying issues that led to the finding. The immediate financial impact has been addressed through an update to the FY 2025 Asbestos Cost Factors and Average Asbestos Survey Cost. In addition, we will review and update the financial reporting procedures to strengthen our internal controls and enhance compliance with applicable standards across all areas identified in the audit.

In closing, we extend our appreciation to KPMG for their professionalism throughout the audit process and for providing valuable insights that have strengthened our efforts. We remain deeply

RESPONSE TO INDEPENDENT AUDITORS' REPORT

committed to transparency and accountability as cornerstones of our work. We look forward to working collaboratively with the Office of Inspector General and the Independent Auditor in support of future audits.

Principal Financial Statements

The DOI's financial statements have been prepared to report the financial position, results of operations, net position, budgetary resources, and custodial activity of DOI pursuant to the requirements of the CFO Act, GMRA, and OMB Circular A-136. The statements have been prepared in accordance with GAAP as outlined by FASAB.

The responsibility for the integrity of the financial information included in these statements rests with DOI's management. The audit of DOI's principal financial statements was performed by an independent certified public accounting firm selected by DOI's OIG. The auditors' report, issued by the independent certified public accounting firm, is included in Section 2, Financial Information, of this report.

A brief description of the nature of each required financial statement is listed below.

► **Consolidated Balance Sheet**

The Balance Sheet presents amounts of current and future economic benefits owned or managed by DOI (assets), amounts owed by DOI (liabilities), and residual amounts which comprise the difference (net position).

► **Consolidated Statement of Net Cost**

The Statement of Net Cost presents the net cost of operations by mission area as defined in the DOI Strategic Plan applicable to the current reporting period.

► **Consolidated Statement of Changes in Net Position**

The Statement of Changes in Net Position reports the change in net position during the reporting period, which results from changes to Unexpended Appropriations and Cumulative Results of Operations.

► **Combined Statement of Budgetary Resources**

The Statement of Budgetary Resources provides information about how budgetary resources were made available and their status at the end of the period. It is the only financial statement derived entirely from the budgetary general ledger accounts.

► **Combined Statement of Custodial Activity**

The Statement of Custodial Activity identifies revenues collected by DOI on behalf of other entities. Custodial Revenue is comprised of royalties, rents, lease sales, and other receipts for federal oil, gas, renewable energy and mineral leases, and revenues from national park and federal land pass sales. Proceeds are distributed to the General Fund of the Treasury, federal agencies, states, and coastal political subdivisions.

Department of the Interior
Consolidated Balance Sheet

as of September 30, 2025

	<i>(dollars in thousands)</i>	FY 2025
ASSETS (Note 8)		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 102,309,135	
Investments, Net (Note 3)	32,227,175	
Accounts Receivable, Net (Note 4):		
Accounts Receivable, Net	239,320	
Transfers Receivable, Net	1,764,432	
Advances and Prepayments	188,120	
Total Intragovernmental	\$ 136,728,182	
With the Public:		
Cash and Other Monetary Assets	\$ 160	
Accounts Receivable, Net (Note 4)	5,780,215	
Loans Receivable, Net (Note 5)	30,578	
Inventory and Related Property, Net (Note 6)	24,742	
General and right-to-use PP&E, Net (Note 7)	29,089,482	
Advances and Prepayments	593,386	
Other Assets: (Note 8)		
Lease Receivable	355,541	
Other	45,109	
Total With the Public	\$ 35,919,213	
TOTAL ASSETS	\$ 172,647,395	
Stewardship Property, Plant, and Equipment (Note 9)		
LIABILITIES (Note 14)		
Intragovernmental:		
Accounts Payable:		
Accounts Payable	\$ 69,290	
Transfers Payable	1,676,339	
Debt (Note 10)	26,928	
Advances from Others and Deferred Revenue	2,150,295	
Other Liabilities: (Note 14)		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	3,617,172	
Judgment Fund Payable	1,283,868	
Benefit Contributions Payable	157,617	
Other	165,120	
Total Intragovernmental	\$ 9,146,629	
With the Public:		
Accounts Payable	\$ 1,759,145	
Federal Employee Salary, Leave, and Benefits Payable (Note 12)	741,763	
Pension and Post-Employment Benefits Payable (Note 12)	1,079,193	
Environmental and Disposal Liabilities (Note 13)	1,741,878	
Benefits Due and Payable	3,334	
Loan Guarantee Liabilities (Note 5)	38,835	
Advances from Others and Deferred Revenue	1,166,463	
Other Liabilities: (Note 14)		
Accrued Grant Liabilities	1,209,831	
Deposit Fund Liability	262,378	
Contingent Liabilities (Note 13)	365,054	
Payments due to States	1,726,229	
Unearned Lessor Revenue	361,900	
Unfunded Lessee Lease Liability	118,481	
Other	115,997	
Total With the Public	\$ 10,690,481	
TOTAL LIABILITIES	\$ 19,837,110	
Commitments and Contingencies (Notes 13 and 15)		
NET POSITION (Note 16)		
Unexpended Appropriations - Funds from Dedicated Collections	\$ 20,747,747	
Unexpended Appropriations - Funds from Other Than Dedicated Collections	27,899,324	
Total Unexpended Appropriations (Consolidated)	48,647,071	
Cumulative Results of Operations - Funds from Dedicated Collections	95,636,143	
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	8,527,071	
Total Cumulative Results of Operations (Consolidated)	104,163,214	
TOTAL NET POSITION	\$ 152,810,285	
TOTAL LIABILITIES AND NET POSITION	\$ 172,647,395	

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

Department of the Interior
Consolidated Statement of Net Cost
 for the fiscal year ended September 30, 2025

	<i>(dollars in thousands)</i>	FY 2025
Promote Well-Being for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities		
Gross Costs	\$ 5,485,074	
Less: Earned Revenue	367,149	
Net Program Cost	5,117,925	
Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Multiple Stressors		
Gross Costs	9,746,403	
Less: Earned Revenue	1,065,953	
Net Program Cost	8,680,450	
Balance the Use of Resources While Supporting Communities and the Economy		
Gross Costs	9,326,031	
Less: Earned Revenue	1,062,555	
Net Program Cost	8,263,476	
Serve and Honor the Public Trust		
Gross Costs	6,722,376	
Less: Earned Revenue	814,865	
Net Program Cost	5,907,511	
Reimbursable Activity and Other		
Gross Costs Not Assigned to Programs	6,563,723	
Less: Earned Revenue Not Attributable to Programs	3,686,110	
Net Costs Not Assigned to Programs	2,877,613	
TOTAL		
Gross Costs	37,843,607	
Less: Earned Revenue	6,996,632	
Net Cost of Operations (Notes 17 and 19)	\$ 30,846,975	

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

Department of the Interior
Consolidated Statement of Changes in Net Position
for the fiscal year ended September 30, 2025

	FY 2025			
	Funds From Dedicated Collections (Consolidated Totals) (Note 16)	Funds From Other Than Dedicated Collections (Consolidated Totals)	Eliminations	Consolidated Total
(dollars in thousands)				
Unexpended Appropriations				
Beginning Balance	\$ 20,378,587	\$ 25,510,260	\$ -	\$ 45,888,847
Appropriations Received	3,158,121	23,244,421	-	26,402,542
Appropriations Transferred In/(Out)	66,574	(338,246)	-	(271,672)
Other Adjustments	-	(819,681)	-	(819,681)
Appropriations - Used	(2,855,535)	(19,697,430)	-	(22,552,965)
Net Change in Unexpended Appropriations	369,160	2,389,064	-	2,758,224
Total Unexpended Appropriations - Ending	\$ 20,747,747	\$ 27,899,324	\$ -	\$ 48,647,071
Cumulative Results of Operations				
Beginning Balance	\$ 92,096,814	\$ 7,855,393	\$ -	\$ 99,952,207
Appropriations - Used	2,855,535	19,697,430	-	22,552,965
Royalty, Rents, and Lease Sales Retained	8,417,239	(17)	-	8,417,222
Non-Exchange Revenue	1,956,154	960,952	-	2,917,106
Donations and Forfeitures of Cash and Cash Equivalents	75,404	-	-	75,404
Transfers In/(Out) Without Reimbursement	460,322	265,905	-	726,227
Donations and Forfeitures of Property	49,051	20,487	-	69,538
Imputed Financing	92,084	1,078,815	(14)	1,170,885
Other Financing Sources/(Uses)	(5,649)	(865,716)	-	(871,365)
Net Cost of Operations	(10,360,811)	(20,486,178)	14	(30,846,975)
Net Change in Cumulative Results of Operations	3,539,329	671,678	-	4,211,007
Cumulative Results of Operations - Ending	95,636,143	8,527,071	-	104,163,214
Total Net Position	\$ 116,383,890	\$ 36,426,395	\$ -	\$ 152,810,285

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

Department of the Interior
Combined Statement of Budgetary Resources
 for the fiscal year ended September 30, 2025

	Budgetary Accounts (dollars in thousands)	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts
		FY 2025	FY 2025
Budgetary Resources:			
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory) (Note 18)		\$ 48,901,933	\$ 66,301
Appropriations (Discretionary and Mandatory)		36,721,638	-
Borrowing Authority (Discretionary and Mandatory)		-	179
Spending Authority from Offsetting Collections (Discretionary and Mandatory)		7,663,432	18,084
Total Budgetary Resources		\$ 93,287,003	\$ 84,564
Status of Budgetary Resources:			
New Obligations and Upward Adjustments		\$ 42,674,576	\$ 23,867
Unobligated Balance, End of Year:			
Apportioned, Unexpired Accounts		49,786,439	60,697
Unapportioned, Unexpired Accounts		455,617	-
Unexpired, Unobligated Balance, End of Year		50,242,056	60,697
Expired, Unobligated Balance, End of Year		370,371	-
Unobligated Balance, End of Year		50,612,427	60,697
Total Budgetary Resources		\$ 93,287,003	\$ 84,564
Outlays, Net and Disbursements, Net:			
Outlays, Net (Total) (Discretionary and Mandatory)		33,624,509	-
Distributed Offsetting Receipts (-)		(11,580,767)	-
Agency Outlays, Net (Discretionary and Mandatory)		\$ 22,043,742	\$ -
Disbursements, Net (Mandatory)		\$ -	\$ 11,009

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

Department of the Interior
Combined Statement of Custodial Activity
 for the fiscal year ended September 30, 2025

	<i>(dollars in thousands)</i>	FY 2025
Revenues on Behalf of the Federal Government		
Rents and Royalties	\$ 13,358,394	
Onshore Lease Sales	188,565	
Offshore Lease Sales – Renewable Energy	85,955	
Other	28,534	
Total Revenue	\$ 13,661,448	
Disposition of Revenue		
Distribution to Department of the Interior		
Bureau of Land Management	5,855	
Bureau of Ocean Energy Management	47,964	
Bureau of Reclamation	2,979,624	
Bureau of Safety and Environmental Enforcement	48,933	
Departmental Offices	4,197,936	
Fish and Wildlife Service	1,752	
National Park Service	1,224,953	
Distribution to Other Federal Agencies		
Army Corps of Engineers	841	
Department of Agriculture	250,633	
General Fund of the Treasury	5,007,256	
Distribution to States and Others	5,761	
Change in Untransferred Revenue	(110,060)	
Total Disposition of Revenue	\$ 13,661,448	
Net Custodial Activity (Note 22)	\$ -	

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The DOI is a Cabinet-level agency of the Executive Branch of the federal government created in 1849 by Congress as the Nation's principal conservation agency. The DOI conserves and manages the Nation's natural resources and cultural heritage for the benefit and enjoyment of the American people, provides scientific and other information about natural resources and natural hazards to address societal challenges and create opportunities for the American people, and honors the Nation's trust responsibilities or special commitments to American Indians, Alaskan Natives, and affiliated Island Communities to help them prosper.

The accompanying financial statements include all federal funds under DOI's control or which are a component of the reporting entity. Reporting Entity is an organization that issues its own financial statements because either there is a statutory or administrative requirement to prepare financial statements, or they choose to prepare one. A Consolidation Entity is an organization that should be consolidated in the financial statements of a reporting entity. The DOI prepares the consolidated financial statements consolidating the financial information of its Bureaus and Offices. Disclosure Entities are not consolidation entities, but information about the entity is needed for accountability purposes and to meet the federal financial reporting objectives. Related Parties are individuals or entities where an existing relationship provides either DOI or the other party the ability to exercise significant influence over the other party's policy decisions. The DOI Disclosure Entities and Related Parties are presented in Note 21. A summary of fiduciary activities managed by DOI is included in Note 20. Fiduciary Assets are not assets of DOI and are not recognized on the balance sheet. The financial statements included herein also do not include the effects of centrally administered assets and liabilities related to the federal government as a whole, such as public borrowing or certain tax revenue, which may in part be attributable to DOI.

The DOI is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by DOI may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

B. Organization and Structure of DOI

The DOI is composed of the following operating Bureaus and Offices:

- ◆ Bureau of Land Management (BLM)
- ◆ Bureau of Ocean Energy Management (BOEM)

- ◆ Bureau of Reclamation (USBR/Reclamation)
- ◆ Bureau of Safety and Environmental Enforcement (BSEE)
- ◆ Departmental Offices (DO)
 - ◆ Bureau of Trust Funds Administration (BTFA)
 - ◆ Office of Insular Affairs (OIA)
- ◆ Indian Affairs (IA)
 - ◆ Bureau of Indian Affairs (BIA)
 - ◆ Bureau of Indian Education (BIE)
- ◆ National Park Service (NPS)
- ◆ Office of Surface Mining Reclamation and Enforcement (OSM)
- ◆ U.S. Fish and Wildlife Service (FWS)
- ◆ U.S. Geological Survey (USGS)

C. Basis of Accounting and Presentation

These financial statements have been prepared to report the financial position, net cost, changes in net position, budgetary resources, and custodial activities of DOI as required by the CFO Act and GMRA. These financial statements have been prepared from the books and records of DOI in accordance with GAAP and OMB Circular A-136. FASAB, which is the designated standard-setting body for the federal government, prescribes the GAAP standards for federal entities.

The DOI adopted SFFAS 62, which provides transitional accommodations to reporting entities implementing SFFAS 54 for the treatment of "embedded leases" which are contracts or agreements that contain lease component(s) and non-lease component(s), such as service components, and serve a primary purpose attributable to the non-lease component(s). The DOI has elected to apply the accommodation through September 30, 2026.

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

These financial statements present proprietary and budgetary information. The DOI, pursuant to OMB directives, prepares additional financial reports that are used to monitor and control DOI's use of budgetary resources.

Throughout the financial statements and notes, certain assets, liabilities, earned revenue, and costs have been classified as intragovernmental which is defined as exchange transactions made between two reporting entities within the federal government.

The accounting structure of federal agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting,

revenues are recognized when earned and expenses are recognized when incurred without regard to receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds.

D. Fund Balance with Treasury & Cash

FBwT is the amount held with Treasury that is available to DOI for making expenditures and paying liabilities. Balances held by DOI on behalf of the Government or other entities are included in FBwT, such as general funds, revolving funds, special funds, trust, deposit, clearing and miscellaneous receipt accounts. Imprest funds are not held by Treasury.

Further details on FBwT are contained in Note 2.

The cash amount includes balances held by private banks and investing firms, change-making funds maintained in offices where maps are sold over the counter, and imprest funds.

E. Investments, Net

It is expected that investments will be held until maturity; therefore, they are valued at cost and adjusted for amortization of premiums and discounts, if applicable. The premiums and discounts are recognized as adjustments to interest income, utilizing the straight-line method of amortization for short-term securities (e.g., bills) and the interest method for longer-term securities (e.g., notes). Interest on investments is accrued as it is earned.

The market value is estimated by multiplying the par value of each security by the market price on the last day of the fiscal year.

Note 3 provides investment details.

F. Accounts Receivable, Net

Accounts Receivable Due from Federal Agencies.

Intragovernmental receivables are primarily from the sale of products and services to other federal agencies, including the sale of maps, the performance of environmental and scientific services, and administrative and other services. These reimbursable arrangements generally reduce the duplication of effort within the federal government, resulting in a lower cost of federal programs and services. Intragovernmental receivables are generally considered to be fully collectible as there is no credit risk.

Transfers Receivable, Net. Intragovernmental transfer receivables primarily represent balances that are currently invested, and will remain that way until needed for disbursement. The FWS Sport Fish Restoration program records transfer receivables due from the Department of Homeland Security's Coast Guard for revenues collected from motorboat fuel taxes and special excise taxes on fishing tackle and equipment. These funds are held as investments by Treasury's Bureau of the Fiscal Service (Fiscal Service) until transfers are requested to be made to the Sport Fish Restoration Account.

Other transfer receivables are financing sources due from other federal entities resulting from non-exchange transactions.

Accounts Receivable Due from the Public.

Receivables due from the public generally arise from either the provision of goods and services or from the levy of fines and penalties resulting from DOI's regulatory responsibilities. An allowance for doubtful accounts is established for reporting purposes based on past experience in the collection of these receivables and analysis of outstanding balances.

Note 4 contains additional information regarding accounts receivable due from the public.

G. Loans Receivable, Net

Loans with the Public. Loans are accounted for as receivables after the funds have been disbursed. For loans obligated on or after the effective date of the *Federal Credit Reform Act of 1990* (FCRA), October 1, 1991, the loan principal is presented net of the estimated federal loan subsidy. The loan subsidy includes estimated delinquencies and defaults, net of recoveries, the interest rate differential between the loan rates and Treasury borrowings, offsetting fees, and other estimated cash flows associated with these loans.

For loans obligated prior to October 1, 1991, principal, interest, and penalties receivable are presented net of an allowance for estimated uncollectible amounts. The allowance is based on past experience, present market conditions, an analysis of outstanding balances, and other direct knowledge relating to specific loans.

Loans are exposed to various risks such as interest rate and credit risks. Such risks, and the resulting loans, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that changes in the collectability of loans will occur in the near term and that such changes could affect the collectability of loans reported.

See Note 5 for additional information on loans receivable.

H. Inventory and Related Property, Net

Inventory. The DOI's inventories are categorized based on DOI's major activities and the services DOI provides to the federal government and the public.

The USGS maintains Operational Land Imager operating materials, as well as maps and map products that are located at several Earth Science Information Centers across the United States. All inventory products and materials are valued at historical cost or approximated historical cost. Historical cost is approximated when necessary using a method of averaging actual costs to produce like-kind scale maps within the same fiscal year.

The GSA sold and transferred the Federal Helium System to Messer Helium Cliffside, LLC for the BLM. Proceeds received from the sale of the Federal Helium System are expected to be returned to the Treasury, and the remaining amounts will be retained to complete closeout activities. Once all closeout activities have ended, the remaining proceeds will be forwarded to the Treasury as outlined in the *Helium Stewardship Act of 2013* (HSA), P.L. 113-40.

Aircraft fuel and parts are held in inventory as operating materials to be consumed and are valued at historical cost, based on the moving average cost method. The value of this inventory is adjusted based on the results of periodic physical inventories.

The DOI's Working Capital Fund maintains an inventory of operating materials that will be consumed during future operations and is stated at historical cost using the weighted average cost method. These operating materials are maintained for sign construction, employee uniforms, and DOI's standard forms functions.

Seized and Forfeited Property. The DOI Law Enforcement Programs may obtain seized or forfeited property in the course of operations. Bureau law enforcement programs provide an annual certification of significant seized and forfeited property that is disclosed when activity is above established DOI thresholds. The following thresholds are applicable to each Bureau for reporting non-valued property: 6,000 kilograms for narcotics; 48,000 for mature marijuana plants; and 6,000 in the applicable unit of measurement for wildlife/wildlife parts, artifacts or non-valued firearms; \$30 million for cash and monetary instruments, real property, personal property with open market or black market value, and firearms. Seized non-valued property is not considered an asset of DOI and is not reported as such in DOI's financial statements.

The DOI Law Enforcement Programs (IA, FWS, NPS, BLM, Reclamation, and U.S. Park Police (USPP)) certified there were no significant activity for seized and forfeited property during FY 2025.

See Note 6 for additional information on inventory and related property.

I. General and right-to-use Property, Plant, & Equipment

General and right-to-use Property Plant, & Equipment.

GRTU-PP&E consists of buildings, structures, and facilities used for general operations, power, irrigation, fish protection, wildlife enhancement, and recreation; land and land improvements acquired for general operating purposes; equipment, vehicles, and aircraft; construction in progress (CIP); leasehold improvements; right-to-use lease assets; and internal use software.

All GRTU-PP&E except right-to-use (RTU) assets are capitalized at acquisition cost and depreciated using the straight-line method over the estimated useful lives of the property. Buildings, structures, and facilities are depreciated over a useful life from 10 to 80 years, with the exception of dams and certain related property, which are depreciated over useful lives of up to 100 years. Equipment, vehicles, and aircraft are depreciated over useful lives generally ranging from two to 50 years. Leasehold improvements are amortized over the shorter of the estimated useful life or the life of the lease.

In leases where DOI is the lessee, right-to-use lease assets are recognized when DOI enters into a lease agreement that meets the criteria outlined in SFFAS 54 for RTU lease agreements. In addition, DOI will record corresponding lease liabilities that represents the present value of future lease payments owed under contractual agreements and are recorded as obligations on the balance sheet. Right-to-use lease assets are amortized over the length of the lease term, including any renewal options that are reasonably certain to be exercised. The amortization is recognized on a straight-line basis to align with the lease liability, reflecting the systematic and rational allocation of the lease asset's cost over its useful life.

For land, buildings, structures, land improvements, leasehold improvements, and facilities, DOI has established a capitalization threshold of \$250,000. In terms of significant lessor leases, Bureaus and Offices have the option to use a lower threshold. This threshold is applicable with the exception of dams and certain related property, which are fully capitalized. For right-to-use real property lease assets, DOI has established a capitalization threshold of \$500,000. Lease assets that do not meet this threshold will be expensed in the period they are incurred.

For equipment, vehicles, aircraft, and other personal property, DOI has established a capitalization threshold of \$25,000. Bureaus and Offices have the option to use a lower threshold. There are no restrictions on the use or convertibility of DOI PP&E. For Personal Property right-to-use assets, DOI deemed these to be immaterial and are expensed in the period in which they occur. Reference Note 15 for further information.

In accordance with the standards, DOI recorded certain PP&E acquired on or before September 30, 1996, at its estimated net book value (e.g., gross cost less accumulated depreciation) or its estimated gross cost. The DOI estimated these costs and net book values based on available historic supporting documents, current replacement cost deflated to date of acquisition, and/or the cost of similar assets at the time of acquisition.

Construction in Progress. CIP is used for the accumulation of the cost of construction or major renovation of fixed assets during the construction period. The assets are transferred out of CIP when the project is placed in-service.

The CIP also includes construction in abeyance. Construction in abeyance represents construction activities that have been classified as temporarily suspended by management because of financial, technical, legal, political or other reasons with a reasonable expectation that construction activity or return of service utility can be completed in the future. Costs for activities such as continuing low-level maintenance to sustain the asset in a recoverable status or until re-utilization efforts are exhausted, may accrue while in temporary suspension.

Internal Use Software. Internal use software includes purchased commercial off-the-shelf software, contractor-developed software, and software that was internally developed by agency employees. Internal use software is capitalized at cost and amortized over a useful life of five years, if the acquisition cost is \$100,000 or more.

Impairment. The DOI identifies potential impairment to PP&E through the periodic asset condition assessment processes, as part of response actions for disasters, or through other facilities management activities. The DOI considers the impact of the decline in service utility on its operations when determining if the decline is significant and treats the decline as permanent when management has no reasonable expectation that the lost utility will be replaced or restored. If these two factors are present, DOI will measure the impairment loss using a method that reasonably reflects the diminished service utility.

GRTU-PP&E values are presented in Note 7.

Other Assets. Other Assets include the assets not otherwise classified on the Balance Sheet. Included are assets representing the net realizable value of PP&E that has been permanently removed from service, however not yet disposed.

J. Stewardship PP&E

Stewardship PP&E consists of public domain land and heritage assets, such as national monuments and historic sites, which have been entrusted to DOI to be maintained in perpetuity for the benefit of current and future generations.

The majority of public lands presently under the management of DOI were acquired by the federal government during the first century of the Nation's existence and are considered stewardship land. A portion of these lands have been reserved as national parks, wildlife refuges, and wilderness areas, while the remainder is managed for multiple uses. The DOI is also responsible for maintaining a variety of cultural and natural heritage assets, which include national monuments, historic structures, and library and museum collections.

The stewardship land and heritage assets managed by DOI are considered priceless and irreplaceable. As such, DOI assigns no financial value to them and the PP&E capitalized and reported on the Balance Sheet excludes these assets.

Note 9 provides additional information concerning stewardship land and heritage assets.

Multi-Use Heritage Assets. Some heritage assets have been designated as multi-use heritage assets. These assets have both operating and heritage characteristics, however, in a multi-use heritage asset, the predominant use of the asset is in government operations. Predominant use is defined as more than 50 percent of the entire building, structure, or land being used in government operations. For financial reporting purposes, multi-use heritage assets are included in DOI GRTU-PP&E balances.

K. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by DOI as the result of a transaction or event that has already occurred.

INTRAGOVERNMENTAL LIABILITIES

Accounts Payable. Accounts payable are amounts primarily owed for goods and services received but not yet paid. The DOI estimates certain accounts payable balances based on either the past history of payments in the current periods that relate to prior periods, a percentage of undelivered orders, or a current assessment of services/products received but not paid.

Transfers Payable. Transfers payable are amounts from balances that are currently invested. Funds remain invested until such time that they are needed for disbursement. Nonexpenditure transfers will be processed to move funds to the receiving federal entity.

Debt. The DOI has borrowed funds from Treasury in accordance with FCRA to fund loans under various loan programs.

See Note 5 for additional information on loans and Note 10 for additional information on debt.

Advances from Others and Deferred Revenue. Advances and deferred revenue consists of monies received for goods and services that have not yet been provided or rendered by DOI.

OTHER INTRAGOVERNMENTAL LIABILITIES

Liabilities Due to the General Fund of the U.S.

Government for Custodial and Other Non-entity Assets.

Liabilities due to the General Fund include Capital Transfers, Custodial Liabilities, and Miscellaneous Receipts Liability.

Capital transfers payable to the General Fund include liabilities for appropriations determined to be recoverable from project beneficiaries when funds are received that meet the requirement for repayment.

Custodial liabilities due to the General Fund represent amounts collected by DOI on behalf of others that have not yet been distributed.

See Note 11 for additional information on liabilities due to the General Fund.

See Note 14 and Note 15 for additional information on liabilities due to right-to-use liabilities.

Judgment Fund Payable. Most legal judgments against DOI are paid from the Judgment Fund maintained by Treasury. The DOI is required to repay Treasury only for Judgment Fund payments made pursuant to: (1) the *Contract Disputes Act*; and (2) the *Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002* (No FEAR Act). The balance of this liability is not covered by budgetary resources, pending future appropriations to DOI.

Benefit Program Contributions Payable. Liabilities due to other federal entities for payroll and benefit costs such as the employer's portion of payroll taxes and benefit contributions not yet paid, unfunded *Federal Employees' Compensation Act* (FECA) liability billed by the Department of Labor (DOL) for payments made on DOI's behalf, and other unfunded employment related costs.

Other Miscellaneous Intragovernmental Liabilities.

Other intragovernmental liabilities not otherwise classified are reported as Other Miscellaneous Liabilities. Included are custodial liabilities due to federal agencies other than the General Fund of the Treasury, and unidentified federal deposits.

PUBLIC LIABILITIES

Federal Employee Salary, Leave, and Benefits Payable.

The federal employee salary, leave, and benefits include liabilities for accrued funded payroll and leave, unfunded leave, employer contributions and payroll taxes payable, and other funded employment related liability.

Accrued funded payroll and leave benefits represents salaries and benefits earned by employees but not yet paid. Unfunded Leave refers to annual leave earned by employees but not yet funded. These amounts are accrued as a liability until the leave is used by the employee. Each year the balance is adjusted to reflect current pay rates.

To the extent that current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

The employer contributions and payroll taxes payable covers the employer's portion of contributions and payroll taxes related to employee benefits. While other unfunded employment related liability includes additional unfunded liabilities related to employment benefits not covered under the previously mentioned items.

See Note 12 for additional information regarding the federal employee salary, leave, and benefits liability.

Pension and Post-Employment Benefits Payable.

The pension and post-employment benefits consist of the liabilities owed under the USPP Pension Plan, and FECA actuarial liability.

The FECA actuarial liability represents the liability for future workers' compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved cases. This liability is determined by DOL annually as of September 30.

See Note 12 for additional information regarding the pension and post-employment benefits liability.

Environmental and Disposal Liabilities. The DOI's environmental and disposal liabilities include environmental remediation and asbestos-related cleanup liabilities.

The DOI has accrued an environmental remediation liability when cleanup costs are determined to be probable and the amounts can be estimated. Such liabilities are probable, when the government is responsible for creating the hazard or is otherwise legally liable to clean up the contamination. Changes in environmental remediation liability cleanup cost estimates are recorded based on progress made and revision of the cleanup plans, assuming current technology, laws, and regulations.

When DOI is not legally liable but the likelihood of incurring costs for the cleanup is reasonably possible, the range of the cleanup costs is disclosed.

Asbestos is categorized as either friable or non-friable. Friable asbestos poses an immediate health threat and DOI reports the related liability as an environmental remediation liability. Non-friable asbestos does not pose an immediate health threat and DOI reports the liability for the costs to contain and dispose of non-friable asbestos during repair, renovation, demolition, or other disturbance of the property as an Asbestos Cleanup Liability. The DOI estimates the asbestos cleanup liability using a cost model developed from existing asbestos surveys.

Environmental and disposal liabilities are non-legal and/or non-contingent liabilities. Environmental and disposal liabilities related to litigation are reported under Other Liabilities on the Consolidated Balance Sheet, and displayed as Contingent Liabilities in Note 13 and Note 14.

Note 13 has additional information on environmental and disposal liabilities.

Loan Guarantee Liabilities. Loan guarantee liabilities represent the expected present value amount of cash flows to and from the U.S. Federal Government from loan guarantees. All transactions that affect the subsidy for loan guarantees flow through this liability.

OTHER PUBLIC LIABILITIES

Accrued Grant Liabilities. Grants payable are amounts owed to grantees but not yet paid. The DOI estimates certain grants payable balances based on either the past history of payments in the current periods that relate to prior periods or a percentage of undelivered orders.

Deposit Fund Liability. Amounts deposited that are awaiting disposition or reclassification.

Contingent Liabilities. Contingent liabilities are liabilities where the existence or amount of the liability cannot be determined with certainty pending the outcome of future events. The DOI's contingent liabilities primarily relate to legal actions.

The DOI recognizes contingent liabilities when the liability is probable and reasonably estimable. Environmental and disposal liabilities related to litigation are included in Contingent Liabilities. The DOI discloses contingent liabilities in the notes to the financial statements when the conditions for liability recognition are not met and when the outcome of future events is more than remote. In some cases, once losses are certain, payments may be made from the Judgment Fund maintained by the Treasury rather than from amounts appropriated to DOI. The DOI will record an intragovernmental liability and future funded expense in the instances where DOI is responsible for reimbursement to the Judgment Fund, pursuant to the *Contract Disputes Act* or the *No FEAR Act*. Congressional appropriations are often required for reimbursement.

Note 13 has additional information on contingent liabilities.

Payments Due to States. Payments due to states represents custodial royalty, rent, lease sale, or other revenue that has been collected or accrued that is due to the states but not yet disbursed.

Other Miscellaneous Public Liabilities.

Other public liabilities not otherwise classified are reported as Other Liabilities. Included are other funded and unfunded liabilities, and contract holdbacks.

L. Revenues and Financing Sources

Exchange and Non-Exchange Revenue. The DOI classifies revenues as either exchange revenue or non-exchange revenue.

Exchange revenues are those transactions in which DOI provides goods and services to another party for a price. These revenues are presented on the SNC and serve to offset the costs of these goods and services.

In certain cases, the prices charged for goods and services by DOI are set by law or regulation, which for program and other reasons may not represent full cost (e.g., grazing fees, park entrance, and other recreation fees). Prices set for products and services offered through working capital funds are intended to recover the full costs (actual cost, plus administrative fees) incurred by these activities.

Non-exchange revenues result from donations to the Government and from the Government's sovereign right

to demand payment, including taxes, fines for violation of environmental laws, and abandoned mine land fees charged per ton of coal mined.

The DOI transfers a portion of royalty collections from the custodial fund to the operating funds for distribution to certain states. The DOI reports these state amounts as Royalties Retained on the SCNP rather than on the SNC. The DOI also transfers a portion of royalty collections to other DOI Bureaus and those are retained by DOI (See Note 22).

Appropriations. Congress appropriates the majority of DOI's operating funds from the general receipts of the Treasury. These funds are made available to DOI for a specified time period (one or more fiscal years) or until expended. Appropriations are reflected as a financing source on the SCNP.

Custodial Revenue. The Office of Natural Resources Revenue (ONRR), a component of DO, collects royalties, rents, lease sales, and other receipts for federal oil, gas, renewable and mineral leases. The DOI does not consider the custodial lease sales to be leases under SFFAS 54, Leases.

The USGS sells America the Beautiful - National Parks & Federal Recreational Land passes, Northwest Park passes, and assorted maps.

Note 22 has additional information on custodial revenues.

Imputed Financing Sources. The DOI receives goods and services from other federal entities at no cost or at a cost less than the full cost to the providing entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by DOI are recognized as imputed costs in the SNC and are offset by imputed financing sources in the SCNP. The DOI imputed costs and financing sources include employee benefits administered by the Office of Personnel Management (OPM), claims settled by the Treasury Judgment Fund, and business-type activities when applicable. Unreimbursed costs other than those identified in this paragraph are not reported as imputed costs and corresponding imputed financing in DOI's financial statements, in accordance with SFFAS 55, *Amending Inter-Entity Cost Provisions*.

Lessor Leases. In accordance with SFFAS 54, DOI recognizes significant lessor leases as part of its financial reporting framework. These leases involve agreements where DOI grants rights to utilize federal properties or resources to lessees, generating essential revenue streams for the agency. The DOI recognizes lease receivables, which represent the present value of future lease payments expected from lessees, thereby enhancing the reporting of anticipated cash inflows.

Note 15 has additional information about lessor leases.

M. Personnel Compensation and Benefits

Annual and Sick Leave Program. Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs.

An unfunded liability is recognized for earned but unused annual leave since, from a budgetary standpoint, this annual leave will be paid from future appropriations when the leave is used by employees rather than from amounts that were appropriated to DOI as of the date of the financial statements. The amount accrued is based upon current pay rates of the employees. Sick leave and other types of leave are expensed when used and no liability is recognized for these amounts, as employees do not vest in these benefits.

Federal Employees Workers' Compensation Program.

The FECA program provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The FECA program is administered by DOL, which pays valid claims and subsequently seeks reimbursement from DOI for these paid claims.

The FECA liability consists of two components. The first component is based on actual claims paid by DOL but not yet reimbursed by DOI. The DOI reimburses DOL for the amount of the actual claims as funds are appropriated for this purpose. There is generally a two-to three-year lag between payment by DOL and reimbursement by DOI. As a result, DOI recognizes a liability for the actual claims paid by DOL and to be reimbursed by DOI.

The second component is the actuarial liability that is estimated for future benefit payments as a result of past events. This liability includes death, disability, medical, and miscellaneous costs. The DOL determines this component annually, as of September 30. The DOI recognizes an unfunded liability to the public for these estimated future payments.

In FY 2025, the methodology for billable projected liabilities included, among other things: (1) an algorithmic model that relies on individual case characteristics and benefit payments (the FECA Case Reserve Model); and; (2) incurred but not reported claims were estimated using the patterns of incurred benefit liabilities in addition to those of payments.

Federal Employees' Group Life Insurance Program (FEGLI).

Most of DOI's employees are entitled to participate in the FEGLI Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and DOI paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. The OPM administers this program and is responsible for the reporting of liabilities. For each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of the basic life coverage. The DOI has recognized the entire service cost of the post-retirement portion of basic life coverage as an imputed cost and imputed financing source, as DOI's contributions to the basic life

coverage are fully allocated by OPM to the pre-retirement portion of coverage.

Retirement Programs. The DOI's employees participate in one of the following three retirement programs: (1) Federal Employees' Retirement System (FERS), (2) Civil Service Retirement System (CSRS), or (3) the USPP Pension Plan.

The OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees Government-wide, including DOI participants. The DOI has recognized an imputed cost and imputed financing source for the difference between the sum of actual CSRS and FERS participant withholdings and agency contributions, less the estimated OPM service cost.

FERS. Employees hired after December 31, 1983, are covered by FERS. The FERS is a three-tiered plan consisting of Social Security, the Thrift Savings Plan (TSP), and a basic FERS annuity. Employees under FERS are covered by full Social Security taxes. Employees may contribute a portion of their pay to the TSP, subject to the annual maximum limit set by the Internal Revenue Service. These contributions are tax-deferred. The Government contributes 1 percent of pay and matches a portion of the employee's contributions. The maximum Government contribution is 5 percent of pay. The TSP is administered by the Federal Retirement Thrift Investment Board.

The third tier of FERS is the basic annuity. The basic FERS annuity is based on the employee's length of service and the "high-3" average pay. For most employees, the formula for computing the annual annuity is 1 percent of average pay for each year of creditable service. Employees are required to contribute to this annuity plan. The contribution rate required by an employee to this plan is dependent upon the date of initial hire. Employees first hired on or after January 1, 2014, are covered by FERS-FRAE (Further Revised Annuity Employees) and must contribute 4.4 percent of gross pay to the plan. Employees first hired between January 1 and December 31, 2013, are covered by FERS-RAE (Revised Annuity Plan) and must contribute 3.1 percent of gross pay to the plan. Employees hired prior to January 1, 2013, and after December 31, 1983, are covered by FERS and must contribute .8 percent of gross pay to the plan.

CSRS. The CSRS is a defined benefit, contributory retirement system. Employees share in the expense of the annuities to which they become entitled. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS. The CSRS benefits are based on the employee's "high-3" average pay and the years of service. The CSRS covered employees contribute 7, 7.5 or 8 percent of pay to CSRS and, while they generally pay no Social Security retirement, survivor and disability tax, they must pay the Medicare tax (currently 1.45 percent of pay). The DOI matches the employee's CSRS contributions. Employees may contribute up to 5 percent of pay to the TSP. There is no government contribution.

USPP Pension Plan. Police officers hired by NPS on or before December 31, 1985, participate in the USPP Pension Plan, which is administered by the District of Columbia. Each in-service member contributes 7 percent of their gross earnings. The normal retirement benefit is 2.5 percent for each year of service up to 20, with an additional 3 percent for each year beyond 20, but no more than an aggregate of 80 percent. Retirement is permitted after 20 years of service, but mandatory by the age of 60. Annual benefits paid from the USPP Pension Plan are funded on a pay-as-you-go basis through a permanent indefinite appropriation from Treasury's General Fund. Police officers hired by NPS after December 31, 1985, are covered under the provisions for law enforcement officers under CSRS or FERS.

The DOI reports the USPP pension liability and associated expense in accordance with SFFAS 33, *Pensions, Other Retirement Benefits, and Other Post-employment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates*. The DOI estimates the future cost to provide benefits to current and future retirees using economic assumptions and historical cost information. The estimate is adjusted by the time value of money and the probability of having to pay benefits due to assumed decrements for mortality.

The actuarial liabilities are measured during the fiscal year using discount rate assumptions and on the valuation date in accordance with SFFAS 33, with roll-forward or projection adjustments for the effects of changes during the year in major factors such as pay increases, cost of living adjustments, and material changes in the number of participants.

N. Federal Government Transactions

The DOI's financial activities interact with and are dependent upon the financial activities of the centralized management functions of the federal government. These activities include public debt and cash management activities and employee retirement, life insurance, and health benefit programs. The financial statements of DOI do not contain the costs of centralized financial decisions and activities performed for the benefit of the entire government. However, imputed costs have been recognized when they are incurred by other agencies on behalf of DOI, including settlement of claims and litigation paid by Treasury's Judgment Fund and the partial funding of employee benefits by OPM.

Transactions and balances among DOI's entities have been eliminated from the Balance Sheet, the SNC, and the SCNP. As provided for by OMB Circular A-136, the SBR is presented on a combined basis; therefore, intradepartmental transactions and balances have not been eliminated from this statement. In order to provide for a comprehensive accounting of custodial activity, the distribution of custodial revenues to DOI entities has not been eliminated from the Statement of Custodial Activity (SCA).

O. Possessory Interest to Leasehold Surrender Interest (PI/LSI)

The DOI has contracts with organizations that manage and operate hotels, lodges, restaurants, gift shops, and other concession operations at various parks. In accordance with legislation and the contracts, some of these concessioners have a possessory interest or leasehold surrender interest in certain real property construction or improvements that the concessioner pays for and DOI approves.

A concessioner's interest may be extinguished provided the concessioner is compensated for the PI/LSI in accordance with concession laws and contracts. At the end of the contract period, PI/LSI amounts are negotiated and either incorporated into new contracts or extinguished through payment. Payment for this interest has been made by a subsequent concessioner in most situations.

The DOI does not report the assets used by concessioners in its financial statements because the concessioners control the benefits of the assets and have the responsibilities of the risks and maintenance of the assets. In addition, DOI does not report a PI/LSI liability at the time a concessioner receives PI/LSI because an event of financial consequence has not occurred. However, DOI does record a liability at the time that DOI decides to discontinue a concession operation or take possession of the assets.

The DOI has concession agreements which contain provisions that provide for the establishment of escrow-type accounts to be used to develop, improve, and maintain visitor facilities. The concessioner periodically deposits a percentage of gross revenue in the account as provided in the concession agreement. These special account funds maintained in separate interest-bearing bank accounts owned by the concessioners are not assets of DOI, and may not be used in DOI operations. Therefore, the balances, inflows, and outflows of these concessioner special accounts are not recognized in the financial statements.

P. Allocation Transfers

The DOI is a party to allocation transfers with other federal agencies as both a transferring (parent) entity and a receiving (child) entity. Allocation transfers are legal delegations by one department to obligate budget authority and outlay funds to another department. A separate fund (allocation account) is created by Treasury as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account and subsequently obligations and outlays incurred by the child entity are charged to this allocation account as the child entities execute the delegated activity on behalf of the parent entity. All financial activity related to these allocation transfers is reported in the financial statements of the parent entity from which the underlying legislative authority, appropriations, and budget apportionments are derived.

The DOI allocates funds, as a parent, to the USDA, the Department of Transportation (DOT), and the U.S. Army

Corps of Engineers (USACE). The DOI receives allocation transfers, as the child, from USDA, Department of Health and Human Services, DOL, DOT, USACE, and the U.S. Agency for International Development (US State Department).

Q. Income Taxes

As an agency of the federal government, DOI is generally exempt from all income taxes imposed by any governing body, whether it be a federal, state, commonwealth, local, or foreign government.

R. Estimates

The DOI has made certain estimates and assumptions related to the reporting of accrued grant liabilities, lease receivables, and unearned revenue, and the associated note disclosures. Actual results could differ from these estimates.

S. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, investment, and disposition by the federal government of cash or other assets in which non-federal individuals or entities have an ownership interest the federal government must uphold. Fiduciary balances and activities are excluded from DOI's financial statements.

Note 20, Fiduciary Activities, provides additional information.

T. Public Private Partnerships

SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, defines public-private partnerships as "risk-sharing arrangements or transactions with expected lives greater than five years between public and private sector entities." The DOI performed an extensive assessment of agreements with private entities and reviewed the terms of the arrangements against risk sharing and other criteria for financial statement disclosure as provided in the standard. The DOI determined there are no public-private partnerships that meet the criteria for disclosure in FY 2025.

U. Reclassifications

The Federal Employee Benefits Payable line item is now broken out into two liability lines. Federal Employee Salary, Leave, and Benefits Payable; and Pensions and Post Employment-related Benefits, have been added per A-136.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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NOTE 2. FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all federal agencies. The net activity represents FBwT. The FBwT represents the right of DOI to draw down funds from Treasury for expenses and liabilities.

The status of the FBwT may be classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in current operations. The unavailable balance also includes amounts appropriated in prior fiscal years, which are not available to fund new obligations. The obligated not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received; or goods and services received, but for which payment has not yet been made. The clearing, deposit, and unavailable General Fund receipt accounts balance primarily consists of oil, gas, and solid mineral royalty, rent, and bonus payments from the public for leases on federal lands that are awaiting distribution. The balance also includes payroll withholdings to be distributed, as well as other collections awaiting classification. The unavailable special receipt accounts include the LWCF and the Reclamation Fund, which are not available to DOI for use unless appropriated by Congress.

Obligated and unobligated balances reported for the status of FBwT do not agree with obligated and unobligated balances reported in the Combined SBR because the budgetary balances are also supported by amounts other than FBwT, such as investments in Treasury securities.

The FBwT are reconciled on a monthly basis to the balances in the general ledger. Differences are related to temporary timing differences between submission to Treasury and recognition in the general ledger.

In FY 2025, \$71 million of unused funds from expired appropriations were returned to Treasury as of September 30th of this fiscal year. Such balances are excluded from the amount reported as FBwT in accordance with Treasury guidelines.

Additional discussion of FBwT is presented in Note 1(D).

Status of Fund Balance with Treasury as of September 30, 2025, consists of the following:

	<i>(dollars in thousands)</i>	FY 2025
Budgetary Fund Balance with Treasury		
Unobligated Balance	\$ 27,615,796	
Obligated Balance Not Yet Disbursed	22,875,302	
Total Budgetary Fund Balance with Treasury	\$ 50,491,098	
Non-Budgetary Fund Balance with Treasury		
Clearing, Deposit, and Unavailable General Fund Receipt Accounts	\$ 2,227,477	
Unavailable Special Receipt Accounts	49,590,560	
Total Non-Budgetary Fund Balance with Treasury	\$ 51,818,037	
Total Fund Balance with Treasury Status	\$ 102,309,135	

NOTE 3. INVESTMENTS, NET

The DOI invests funds in federal government securities on behalf of various DOI programs and for amounts held in certain escrow accounts. The federal government securities include marketable Treasury securities and nonmarketable, market-based securities issued by the Federal Investment Branch of Fiscal Service. Nonmarketable, market-based securities are Treasury securities that are not traded on any securities exchange but mirror the prices of marketable securities with similar terms.

Investments are purchased using various sources of funding such as funds from dedicated collections and appropriated monies received from the General Fund of the Treasury that have specific legislative authority. The federal government does not set aside assets to pay future expenditures associated with funds from dedicated collections. The cash generated from funds from dedicated collections is used by the Treasury for general government purposes. Treasury securities are

issued to funds from dedicated collections as evidence of designated receipts and provide the funds from dedicated collections with the authority to draw upon Treasury for future authorized expenditures. These securities are an asset to the funds from dedicated collections and are presented as investments in the table accompanying Note 16, Funds from Dedicated Collections.

Treasury securities are a liability of the Treasury and are eliminated in the consolidation of the U.S. Government-wide financial statements. Treasury will finance any future redemption of the securities by a fund from dedicated collections in the same manner that all other government expenditures are financed.

Additional information regarding investments can be found in Note 1(E).

Investments as of September 30, 2025, consist of the following:					
<i>(dollars in thousands)</i>	Cost	Net Amortized (Premium)/Discount	Interest Receivable	Investments, Net	Market Value
U.S. Treasury Securities					
Marketable	\$ 703,073	\$ 2,121	\$ -	\$ 705,194	\$ 705,454
Non-marketable, Market-based	31,314,228	113,762	93,991	31,521,981	31,409,690
Total Intragovernmental Investments	\$ 32,017,301	\$ 115,883	\$ 93,991	\$ 32,227,175	\$ 32,115,144

NOTE 4. ACCOUNTS RECEIVABLE, NET

Due From the Public, Net. Accounts receivable due to DOI from the public may arise either from the sale of products and services or from the imposition of regulatory fines and penalties. Products and services sold by DOI mineral leases, from which royalties are then collected; the sale of water; water testing and other scientific studies conducted for state and local governments; remittance of fees from park concessioners collected by NPS; and fees for irrigation and power services collected by IA. Fines and penalties are imposed in the enforcement of various environmental laws and regulations.

Recovery of Reimbursable Capital Costs. The USBR enters into long-term repayment contracts and water service contracts with non-federal (public) water users that allow the use of irrigation and M&I water facilities in exchange for annual payments to repay a portion of the federal investment allocation to the construction of reimbursable irrigation and M&I water facilities.

Unmatured repayment contracts are recognized on the Balance Sheet when the annual repayment amount is earned, at which time current accounts receivable and current period exchange revenue are recorded.

Deepwater Horizon Consent Decree. On April 4, 2016, a federal court in New Orleans, LA, entered a Consent Decree regarding case No. 10-4536, United States of America v. BP Exploration & Production Inc. (BPXP), et al. This case resolved civil claims against BP entities arising from the April 20, 2010, Macondo well blowout and the massive oil spill. Under the Consent Decree, BP was ordered to pay a civil penalty, claims under the *False Claims Act*, lost royalties, and amounts for natural resource damages and associated assessment costs. Annual payments from BP to DOI will continue through year 2031. As of September 30, 2025, DOI has recorded over \$3.2 billion accounts receivable and approximately \$385 million in interest receivable. Management considers these receivables to be fully collectible.

See Note 1(F) for additional discussion regarding accounts receivable.

Accounts Receivable from the Public consists of the following as of September 30, 2025:		
	(dollars in thousands)	FY 2025
Intragovernmental:		
Accounts Receivable	\$ 239,320	
Accounts Receivable, Transfers	1,764,432	
Total Intragovernmental Accounts Receivable, Net	\$ 2,003,752	
With the Public:		
Accounts and Interest Receivable	6,158,990	
Allowance for Doubtful Accounts	(378,775)	
Total Accounts and Interest Receivable, Net With the Public	\$ 5,780,215	

NOTE 5. LOANS RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES

A. Direct Loan and Loan Guarantee Program Names:	(dollars in thousands)
	FY 2025
Indian Affairs - Defaulted Guaranteed Loans (Credit Reform)	\$ 114
Bureau of Reclamation - Direct Loans (Pre-Credit Reform)	3,817
Bureau of Reclamation - Direct Loans (Credit Reform)	21,107
Departmental Offices - Direct Loans (Credit Reform)	5,540
Total Loans and Interest Receivable, Net	\$ 30,578

Indian Affairs. The IA provides guaranteed loans to Indian Tribes and organizations, Indian individuals, and Alaskan Natives for economic development purposes. The IA loan program includes the Indian Direct Loan Program (which ceased providing loans in 1995) and the Indian Loan Guarantee Program under the FCRA.

Interest is accrued daily on the outstanding principal balance of direct and assigned loans based on a 360-day year for pre-credit reform loans and a 365-day year for credit reform loans. The interest rate charged on each loan is the *Indian Financing Act* rate that was effective at the time the loan was made or a rate determined and approved by the Division of Capital Investment Chief. Interest is accrued on current and delinquent loans.

Bureau of Reclamation. The USBR operates loan programs that provide federal assistance to non-federal organizations for constructing or improving water resource projects in the western states. The USBR loan programs are authorized under the *Small Reclamation Projects Act of 1956*, the *Distribution System Loans Act*, the *Rural Development and Policy Act of 1980*, and the *Rehabilitation and Betterment Act*. Direct loans (Pre-Credit and FCRA) consist primarily of drought relief and repayment loans.

Loan interest rates vary depending on the applicable legislation; in some cases, there is no stated interest rate on agricultural and Native American loans. Interest on applicable loans does not accrue until the loan enters repayment status.

Departmental Offices. The DO has one credit reform loan to the American Samoa Government (ASG). In 2001, a loan was extended to ASG. The total was approved for \$18.6 million and made available to ASG bearing interest at a rate equal to the Treasury cost of borrowing for obligations of similar duration. The proceeds of the loan were used by ASG for debt reduction and fiscal reform. This loan, including all principal and accrued interest, is due on April 15, 2027.

Outstanding direct loan balances obligated prior to FY 1992, as of September 30, 2025, are summarized as follows:

B. Direct Loans Obligated Prior to FY 1992 (Allowance for Loss Method):					(dollars in thousands)
Direct Loan Programs (Pre-Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance For Loan Losses	Direct Loans, Net	
Bureau of Reclamation	\$ 3,817	\$ -	\$ -	\$ 3,817	
FY 2025 Total	\$ 3,817	\$ -	\$ -	\$ 3,817	

Direct loans and loan guarantees made after FY 1991, are accounted for in accordance with FCRA. The FCRA prescribes the presentation of loans receivable and loan guarantees at the net present value of the expected future cash flows. This is accomplished by netting the subsidy against loans receivable gross or against loan guarantees payable gross. The tables that follow provide a breakdown of the components supporting the Loans Receivable, Net and Loan Guarantee Payable, Net as presented on the

Balance Sheet. The asset and liability are jointly disclosed due to the common requirements under FCRA. Loans receivable gross is representative of the outstanding principal distributed to the recipient. This principal is funded with amounts that DOI borrows from the Treasury with interest. As the customer makes payments against the loan, these repayments are applied against the Treasury borrowings and associated interest, resulting in a reduction to the amount DOI owes to Treasury (Note 10, Debt).

C. Direct Loans Obligated After FY 1991:					(dollars in thousands)	
Direct Loan Programs (Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance for Subsidy Cost	Direct Loans, Net		
Bureau of Reclamation	\$ 20,453	\$ -	\$ 654	\$ 21,107		
Departmental Offices - American Samoa Government	6,565	-	(1,025)	5,540		
FY 2025 Total	\$ 27,018	\$ -	\$ (371)	\$ 26,647		

Table D. Subsidy Expenses for Direct Loans by Program and Component

The subsidy expense represents the cost of the loan to the federal government. The current and prior year subsidy expense is disclosed in the following tables. This amount includes the cost of new loans disbursed in the current year plus the cost of changes to the subsidy resulting from the annual re-estimate and/or modification process.

Subsidy Modifications. A modification occurs when the basic assumptions used in the original cash flow document change. Modifications are also calculated using OMB credit subsidy calculator. Modifications could be triggered by the number of years for repayment or an increase to a fixed interest rate charged to the recipient. The re-estimated or modified subsidy rate is then automatically appropriated in the following fiscal year in accordance with FCRA.

Subsidy Re-estimates. Re-estimates are calculated annually for loans and loan guarantees using historical, current, and projected cash flows. The cash flow documentation is submitted into the standard OMB credit subsidy calculator to arrive at the re-estimated subsidy rate (factors that this calculator considers are detailed in Note 1(G)). There are two types of re-estimates, an interest

rate re-estimate and a technical re-estimate. Interest rate re-estimates are the result of a reduction to projected interest costs associated with the loans and guarantees over the repayment period. Technical re-estimates are the result of a change to projected cash flows associated with the loans.

Subsidy Rates. The FCRA requires that the cash flows associated with like loans and guarantees are monitored by cohort year. The cohort year is the year in which the loans are initially disbursed, or the guarantees are initially made. Loans and guarantees within a like cohort share similar characteristics that enable them to be assigned a like net present value subsidy rate. These rates cannot be applied to the loans or guarantees to yield the subsidy expense. The DOI did not disburse any new direct loans in FY 2025, and therefore does not have any subsidy rates or administrative expenses to disclose.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

D. Subsidy Expense for Direct Loans by Program and Component:				<i>(dollars in thousands)</i>
Modifications and Re-estimates		Interest Rate Re-estimates	Technical Re-estimates	Total Re-estimates
	Direct Loan Programs (Credit Reform)			
Indian Affairs		\$ (336)	\$ 306	\$ (30)
Bureau of Reclamation		-	147	147
FY 2025 Total		\$ (336)	\$ 453	\$ 117

Total Direct Loan Subsidy Expense	<i>(dollars in thousands)</i>	FY 2025
Direct Loan Programs (Credit Reform)		
Indian Affairs	\$ (30)	
Bureau of Reclamation	147	
Total	\$ 117	

Table E. Schedule for Reconciling Direct Loan Subsidy Cost Allowance Balances

The subsidy cost allowance is a cumulative amount that represents the difference between expected repayments from the loan recipient and the cost of borrowing the principal from Treasury. This subsidy allowance is adjusted

annually by recording a subsidy expense that is funded with appropriations. Adjustments can be made due to re-estimates or modifications. There were no other changes in economic conditions, other risk factors, legislation, or credit policies that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy re-estimates.

E. Schedule for Reconciling Direct Loan Subsidy Cost Allowance Balances (Post-1991 Direct Loans):		<i>(dollars in thousands)</i>
		FY 2025
Beginning balance of the subsidy cost allowance		\$ 698
Adjustments:		
(a) Subsidy allowance amortization		(306)
(b) Other		(138)
Ending balance of the subsidy cost allowance before reestimates		254
Add or subtract total subsidy reestimates as shown in Schedule D		117
Ending Balance of the Subsidy Cost Allowance		\$ 371

The Allowance for Subsidy Account reflects the unamortized credit reform subsidy for direct loans.

Table F. Defaulted Guaranteed Loans Receivable from Post-1991 Guarantees

The DOI recognizes loans receivable for defaulted loans that were guaranteed. Loans assumed after FCRA are accounted for using the present value method to arrive at the net receivable or value of assets related to defaulted guaranteed loans receivable, net.

F. Defaulted Guaranteed Loans from Post-1991 Guarantees (Present Value Method):					<i>(dollars in thousands)</i>
Guaranteed Loans (Credit Reform)	Defaulted Guarantee. Loans Receivable, Gross	Interest Receivable	Allowance for Subsidy Cost (Present Value)	Value of Assets Related to Defaulted Guaranteed Loans, Receivable, Net	
FY 2025	\$ 1,028	\$ 235	\$ (1,149)	\$ 114	

Table G. Guaranteed Loans Outstanding

The following table details the outstanding principal for loan guarantees as of September 30, 2025, by cohort year. The amount guaranteed is a portion of the outstanding principal and is separately displayed. The New Guaranteed

Loans Disbursed presented as of FY 2025, represent principal disbursements and guarantees for prior FY cohorts and the current FY cohort (see the subsidy rates paragraph above Table D for the definition of cohort).

G. Guaranteed Loans Outstanding as of September 30, 2025:				<i>(dollars in thousands)</i>
Loan Guarantee Programs			Outstanding Principal of Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
FY 1992-2024			\$ 687,637	\$ 616,309
FY 2025			14,213	12,792
Total			\$ 701,850	\$ 629,101

New Guaranteed Loans Disbursed (Current reporting year):			
Amount Paid in Current FY for Prior Years	\$ 50,006	Amount Paid in Current FY for Current FY Guarantees	\$ 14,244
FY 2025 Total	\$ 64,250		
			\$ 12,820

Table H. Liability for Loan Guarantees

Present value of cash outflows projected for outstanding guarantees is detailed below.

H. Liability for Loan Guarantees:		(dollars in thousands)
Guaranteed Loans (Pre-Credit Reform)		Liabilities for Loan Guarantees, for Post-1991 Guarantees, Present Value
Liability for Loan Guarantees:		
FY 2025		\$ 38,835

Table I. Subsidy Expense for Loan Guarantees by Program and Component

The subsidy expense for guaranteed loans is the sum of interest supplements and defaults, offset by fees and other collections. The total loan guarantee program

subsidy expense is the sum of the new loan guarantees and the modifications and re-estimates. There were no other changes in economic conditions, other risk factors, legislation, or credit policies that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy re-estimates.

I. Subsidy Expense for Loan Guarantees by Program and Component:					(dollars in thousands)
Guaranteed Loans (Credit Reform)	Interest Supplements	Defaults	Fees and Other Collections	Total	
Subsidy Expense for New Loan Guarantees:					
FY 2025	\$ 1,838	\$ 3,052	\$ (1,156)	\$ 3,734	
Modifications and Reestimates:					
FY 2025	\$ (2,888)	\$ (16,034)	\$ (18,922)		
Total Loan Guarantee Program Subsidy Expense				FY 2025	
Indian Affairs				\$ (15,188)	

Table J. Subsidy Rate for Loan Guarantees by Program and Component

The subsidy rates disclosed pertain only to the current year's cohorts. These rates cannot be applied to the guarantees of loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loan guarantees reported in the current year could

result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and re-estimates. The following subsidy rates are applicable only to new loan guarantees issued in FY 2025.

J. Subsidy Rates for Loan Guarantees by Program and Component:					
Guaranteed Loans (Credit Reform)	Interest Supplements	Defaults	Fees and Other Collections	Other	Total
Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts:					
FY 2025	2.8%	4.1%	(1.8%)	0.0%	5.1%

Table K. Schedule for Reconciling Loan Guarantee Liability Balances

The following table provides a roll forward of the loan guarantee liability for the current fiscal year.

K. Schedule for Reconciling Loan Guarantee Liability Balances:		<i>(dollars in thousands)</i>
		FY 2025
Beginning Balance of the Loan Guarantee Liability		\$ 39,309
Less Claim Payment to Lenders		(145)
Add Fees Received		1,151
Less Interest Supplements Paid		(89)
Less Interest Revenue on Uninvested Funds		(1,158)
Add Interest Expense on Entity Borrowing		6
Add Subsidy Expense		3,734
Add Upward Reestimates		2,453
Less Downward Reestimates		(21,375)
Other		14,949
Ending Balance of the Loan Guarantee Liability		\$ 38,835

Table L. Loan Guarantee Administrative Expenses

The DOI incurred salary and other administrative expenses in managing the guaranteed loans programs.

L. Administrative Expense:		<i>(dollars in thousands)</i>
Guaranteed Loans Program		
FY 2025		\$ 1,510

Table M. Loans Receivable

The following table provides a roll forward of the loans receivable for the current fiscal year.

M. Loans Receivable:	(dollars in thousands)
	FY 2025
Beginning Balance of Loans Receivable, Net	\$ 33,358
Add Loan Disbursements/Defaulted Loan Claim Payments	374
Less Principal and Interest Payments Received	(4,455)
Add Interest Accruals	536
Less Interest Revenue on Uninvested Funds/Add Interest Expense on Borrowings	866
Less Subsidy Expense/Add Negative Subsidy	(182)
Less Upward Reestimates/Add Downward Reestimates	4
Other Increase/(Decrease) to the Subsidy Allowance	307
Allowance for Loan and Interest Loss Adjustments	(444)
Other Non-Cash Reconciling Items	214
Ending Balance of Loans Receivable, Net	\$ 30,578

NOTE 6. INVENTORY AND RELATED PROPERTY, NET

Inventory and Related Property as of September 30, 2025, consists of the following:		
	(dollars in thousands)	FY 2025
Inventory		
Published Maps and Other Inventory Held for Current Sale	\$ 13,617	
Operating Materials		
Working Capital Fund: Inventory Held for Use	67	
Operational Land Imager: Inventory Held for Use	7,978	
Airplane Parts and Fuel Held for Use	3,080	
Total Inventory and Related Property	\$ 24,742	

Valuation methods and other information regarding inventory and related property are presented in Note 1(H).

NOTE 7. GENERAL AND RIGHT-TO-USE PROPERTY, PLANT, AND EQUIPMENT, NET

The GRTU-PP&E categories with corresponding acquisition cost and accumulated depreciation/amortization as of September 30, 2025, are shown in the following table:

	<i>(dollars in thousands)</i>	Acquisition Cost	Accumulated Depreciation/Amortization	Net Book Value
Land and Land Improvements	\$ 2,572,274	(312,405)	\$ 2,259,869	
Buildings	6,912,362	(3,453,286)	3,459,076	
Structures and Facilities	30,967,926	(15,463,942)	15,503,984	
Leasehold Improvements	125,433	(80,255)	45,178	
Lessee right-to-use Assets	166,713	(52,545)	114,168	
Construction in Progress				
Construction in Progress - General	5,714,239	-	5,714,239	
Construction in Progress in Abeyance	319,893	-	319,893	
Equipment, Vehicles, and Aircraft	3,979,910	(2,564,531)	1,415,379	
Internal Use Software				
In Use	489,620	(430,660)	58,960	
In Development	198,736	-	198,736	
Total Property, Plant, and Equipment	\$ 51,447,106	(22,357,624)	\$ 29,089,482	

Note: GRTU-PP&E other than lessee right-to-use assets are depreciated based on depreciable life; whereas, lessee right-to-use assets are amortized based on the lease amortization schedule. For further information regarding the lease related details, please refer to Note 15, Leases.

Capitalization criteria and other information regarding general and right-to-use property, plant, and equipment are discussed in Note 1(l).

The following table displays the GRTU-PP&E roll-forward as of September 30, 2025.

	<i>(dollars in thousands)</i>	FY 2025
Balance, Beginning of Year	\$ 27,584,652	
Capitalized Acquisitions	2,498,791	
Right-to-use Lease Assets	26,254	
Amortization of right-to-use Lease Assets	(26,960)	
Dispositions	(48,589)	
Transfer In/(Out) Without Reimbursement, Net	33,340	
Depreciation/Amortization Expense	(938,895)	
Donations	17,623	
Other	(56,734)	
Balance, End of Year	\$ 29,089,482	

Note: Information concerning deferred maintenance and repairs and estimated land acreage is discussed in unaudited RSI. Note 7 provides acquisition cost and accumulated amortization for right-to-use lease net book value, illustrating some of the Department's financial commitments across a portfolio of leases.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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NOTE 8. ASSETS ANALYSIS

Assets of DOI include entity assets and non-entity assets. Non-entity assets are currently held by but not available to DOI and will be forwarded to Treasury or other agencies at a future date.

Non-entity assets, restricted by nature, consist of DOI's

custodial activity, a portion of the Sport Fish Restoration and Boating Trust Fund that is held for others, amounts in deposit, miscellaneous receipts, special receipts, and budget clearing accounts held for others.

DOI's assets as of September 30, 2025, are summarized into the following categories:				
	(dollars in thousands)	Entity	Non-Entity	FY 2025
ASSETS: Intragovernmental Assets				
Fund Balance with Treasury	\$ 100,193,573	\$ 2,115,562	\$ 102,309,135	
Investments, Net	32,159,218	67,957		32,227,175
Accounts Receivable, Net:				
Accounts Receivable, Net	239,320	-		239,320
Transfers Receivable, Net	952,909	811,523		1,764,432
Advances and Prepayments	188,120	-		188,120
Total Intragovernmental Assets	\$ 133,733,140	\$ 2,995,042	\$ 136,728,182	
With the Public:				
Cash and Other Monetary Assets	\$ 160	\$ -	\$ 160	
Accounts Receivable, Net	3,794,078	1,986,137		5,780,215
Loans Receivable, Net	30,578	-		30,578
Inventory and Related Property, Net	24,742	-		24,742
General and right-to-use Property, Plant, and Equipment, Net	29,089,482	-		29,089,482
Advances and Prepayments	593,386	-		593,386
Other Assets:				
Lease Receivable	-	355,541		355,541
Other	45,109	-		45,109
Total With the Public	\$ 33,577,535	\$ 2,341,678	\$ 35,919,213	
Total Assets	\$ 167,310,675	\$ 5,336,720	\$ 172,647,395	

Note: As of September 30, 2025, DOI has a total of \$400.7 million Other Assets. Included in Other Assets are DOI's Lease Receivable of \$356 million with \$549 thousand of Allowance for Uncollectible Amounts. For further information regarding the lease related details, please refer to Note 15, Leases.

NOTE 9. STEWARDSHIP PP&E

The DOI's mission is to protect and manage the Nation's natural resources and cultural heritage. To ensure that these resources are preserved and sustained for the benefit and enjoyment of future generations, Congress has enacted legislation to assist in asset management.

The predominant laws governing the management of stewardship land are the *National Park Service Organic Act of 1916*, the *National Wildlife Refuge System Improvement Act*, and the *Federal Land Policy and Management Act of 1976* (FLPMA). However, there are many other significant laws that provide additional guidance on various aspects of stewardship land. Combined, these laws direct the management of land and waters for the benefit of present and future generations.

The FLPMA created the concept of multiple-use, which Congress defines as management of both the land and the use of the land in a combination that will best meet the present and future needs of the American people. The resources and uses embraced by the multiple-use concept include mineral development; natural, scenic, scientific, and historical values; outdoor recreation; livestock grazing; timber management; watersheds; and wildlife and fish habitat.

The preservation and management of heritage assets located on federal lands or preserved in federal and non-federal facilities is guided chiefly by the *Antiquities Act of 1906*; the *Archaeological Resources Protection Act of 1979, as amended*; *Curation of Federally-Owned and Administered Archeological Collections*; the *Native American Graves Protection and Repatriation Act of 1990*; the *National Historic Preservation Act of 1966*; and EO 13287, *Preserve America*.

Through these laws and regulations, DOI strives to preserve and manage stewardship land and heritage assets so that their value is preserved intelligently and that they are thoughtfully integrated into the needs of the surrounding communities. The cited legislation is implemented through DOI policy and guidance, whereby continuous program management evaluations and technical reviews ensure compliance.

During FY 2025, the costs associated with acquiring, constructing, and renovating heritage assets were \$527 million and the costs associated with acquiring and improving stewardship lands were \$340 million. Information concerning deferred maintenance and repairs (DM&R) and estimated land acreage is discussed in unaudited RSI.

STEWARDSHIP LAND

The DOI-administered stewardship lands encompass a wide range of activities, including recreation; conservation; resource extraction such as mining and oil and gas leasing; wilderness protection; and other functions vital to the health of the economy and of the American people. These include

national parks, NWR, public lands, and many other lands of national and historical significance.

The *Wilderness Act of 1964*, established the National Wilderness Preservation System to ensure that future generations can continue to experience wild and natural places. This system currently includes more than 111 million acres, of which 68 percent is managed by DOI.

Each Bureau within DOI that administers stewardship lands serves to preserve, conserve, protect, and interpret how best to manage the Nation's natural, cultural, and recreational resources. Some of these stewardship lands have been designated as multiple-use.

In general, units of stewardship land are added or deleted through Presidential, Congressional, or Secretarial action. However, boundaries of individual units may be expanded or altered by fee title purchase, transfer of jurisdiction, gift, or withdrawal from the public domain. The change in boundaries of individual units occurs to enhance the purpose for which the unit exists.

BUREAU STEWARDSHIP LANDS

Bureau of Land Management

Geographic Management Areas. The BLM reports its stewardship land by geographic management areas. Specific land use plans are developed and implemented for each of these geographic management areas to manage the land's resources for both present and future periods.

The BLM is guided by principles of multiple use. Multiple uses include: domestic livestock grazing; fish and wildlife development and utilization; mineral exploration and production; rights-of-way; outdoor recreation; and timber production.

Bureau of Reclamation

Federal Water and Related Projects. The USBR stewardship land is used for federal water and related projects that have been authorized and funded by Congress. These projects include dams, reservoirs, canals, laterals, and various other types of water related properties. The lands for these projects were withdrawn from the public domain to construct, operate, and maintain the projects. Recreational activities such as fishing, boating and camping, may be authorized on these withdrawn lands.

U.S. Fish and Wildlife Service

Lands are acquired through a variety of methods, including withdrawal from the public domain, fee title purchase, transfer of jurisdiction, donation, or gift. The FWS purchases land through two primary sources of funding: the Migratory Bird Conservation Fund and the LWCF. The FWS lands are managed and used in accordance with the explicit purpose of the statutes that authorize acquisition or designation and that direct use and management of the land.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

National Wildlife Refuges (NWR). The NWR land is used for fish, wildlife, plants, and related recreations. These lands are protected in perpetuity for as long as they remain in the NWR System. The NWR lands are managed to maintain their natural state, to mitigate adverse effects of actions previously conducted by others, or to enhance existing conditions to improve benefits to fish, wildlife, plant resources, and associated recreations.

Coordination Areas. Coordination Area land is used as a wildlife management area that is made available to a state by cooperative agreement between FWS and a state agency having control over wildlife resources.

Wetland Management Districts (WMD). The WMDs are important components of the NWR System. They differ from refuges, which frequently consist of a single contiguous parcel of land, in that they are generally scattered, small parcels of land. The primary use is to conserve waterfowl nesting and rearing habitats. The WMDs consist of waterfowl production areas, wetland easements, or grassland easements.

National Fish Hatcheries. National Fish Hatchery land is used to rear various aquatic species in accordance with specific species management plans for the purpose of recovery, restoration, mitigation, or other special conservation or recreation effort and may include the release, transfer, or provision of refuge for the species propagated.

Fish Technology Centers. This land is used to house applied research centers that provide leadership in science-based management of trust aquatic resources through the development of new concepts, strategies,

and techniques to solve problems in hatchery operations and aquatic resource conservation.

Associated Fish Facilities. These land units are owned by the federal government, but operated by some other entity (state agency, Tribal conservation unit, etc.). The FWS usually has limited management or oversight responsibility for these land units.

National Park Service

Park Units. The NPS conducts various activities to protect and preserve unimpaired resources and values of the National Park System, while providing for public use and enjoyment, in accordance with statutes authorizing the National Park System Units' (Park Units') establishment or directing their use and management. Park Units are created by an act of Congress, except that National Monuments also may be added by Presidential proclamation. An act of Congress is required to withdraw a Park Unit from the National Park System.

Office of the Secretary

Utah Reclamation Mitigation and Conservation

Commission Lands. This land is used for fish and wildlife habitat and recreation to replace or offset the loss in Utah of fish and wildlife resources and related recreational opportunities caused by the acquisition, construction, and operation of USBR project assets such as dams, power plants, roads, pipelines, aqueducts, operation and maintenance of buildings, and visitor centers.

The DOI units of stewardship land by category as of September 30, 2025, are shown in the following table:

Primary Land Management Categories		As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025
BLM	Geographic Management Areas	127	-	-	127
FWS	National Wildlife Refuges	568	1	-	569
FWS	Wetland Management Districts	38	-	-	38
FWS	Coordination Areas	50	-	-	50
FWS	National Fish Hatcheries	68	-	-	68
FWS	Fish Technology Centers	5	-	-	5
FWS	Associated Fish Facilities	16	-	-	16
NPS	Park Units	421	2	-	423
OS	Commission Lands	1	-	-	1
USBR	Federal Water and Related Projects	134	-	-	134
Total Number of Units		1,428	3	-	1,431

HERITAGE ASSETS

The DOI is a steward of a large, varied, and scientifically important body of heritage assets, both non-collectible and collectible in nature.

Some of the heritage assets have been designated as multiple-use, which Congress defines as management of both the land and the use of the land in a combination that will best meet the present and future needs of the American people. The resources and uses embraced by the multiple-use concept include mineral development; natural, scenic, scientific, and historical values; outdoor recreation; livestock grazing; timber management; watersheds; and, wildlife and fish habitat.

NON-COLLECTIBLE HERITAGE ASSETS

Non-collectible heritage assets include historic buildings, structures, and sites; prehistoric structures and sites (better known as archeological sites); cultural landscapes; and other resources. Some stewardship land assets are also included in non-collectible heritage assets, such as national parks and NWR. In addition, subsets of lands within the National Park System may have additional heritage asset designations, such as wilderness areas and national natural landmarks. Heritage assets are added or withdrawn through Presidential, Congressional, or Secretarial designation.

Descriptions of the types of non-collectible heritage assets are:

Cooperative Management and Protection Areas. The BLM manages one Congressionally designated cooperative management and protection area, the Steens Mountain Cooperative Management and Protection Area, located in southeastern Oregon. Cooperative and innovative management projects are maintained and enhanced by BLM, private landowners, tribes, and other public interest groups.

Headwaters Forest Reserve. The Headwaters Forest Reserve, located in central Humboldt County, California, was acquired from private owners by BLM and the State of California. While title is held by BLM, this area is co-managed by BLM and the State of California to protect the stands of old-growth redwoods that provide habitat for a threatened seabird, the marbled murrelet, as well as the headwaters that serve as a habitat for the threatened Coho salmon and other fish populations.

Lake Todatonten Special Management Area. Congress authorized the creation of the Lake Todatonten Special Management Area located in the interior of Alaska. Lake Todatonten, the central feature of this special management area, is particularly important to waterfowl which use the area for migration, staging, molting, and nesting. The lake and its surrounding hills are also home to moose, bear, and other furbearers, and are managed by BLM.

National Battlefields. A national battlefield is an area of land on which a single historic battle or multiple

historic battles took place during varying lengths of time. This general title includes national battlefields, national battlefield parks, national battlefield sites, and national military parks. National Battlefields are managed by NPS.

National Conservation Areas. Congress designates national conservation areas so that present and future generations of Americans can benefit from the conservation, protection, enhancement, use, and management of these areas and enjoy their natural, recreational, cultural, wildlife, aquatic, archeological, paleontological, historical, educational, and/or scientific resources and values. National conservation areas are managed by BLM and FWS.

National Historic Landmarks. The Historic Sites Act of 1935, authorizes the Secretary of the Department of the Interior to designate national historic landmarks as the federal government's official recognition of the national significance of historic properties. These landmarks possess exceptional value or quality in illustrating or interpreting the heritage of the United States in history, architecture, archeology, technology, and culture. They also possess a high degree of integrity of location, design, setting, materials, workmanship, feeling, and association. The National Historic Landmark program is administered by NPS. National historic landmarks are managed by IA, USBR, FWS, BLM, and NPS.

National Historic Sites. Usually, a national historic site contains a single historical feature that was directly associated with its subject. Derived from the *Historic Sites Act of 1935*, some historic sites were established by Secretaries of DOI; but most have been authorized by acts of Congress. National Historic Sites are managed by NPS.

National Historic Trails. Since the passage of the *National Trails System Act in 1968*, BLM, FWS and NPS have assumed responsibility over several national historic, recreation, or scenic trails designated by Congress. Designations include National Historic Trail, National Scenic Trail, Trail Systems, and National Recreation Trail. National Historic Trails and Trail Systems are managed by BLM.

National Historical Parks. This designation generally applies to historic parks that extend beyond single properties or buildings. National Historical Parks are managed by NPS.

National Lakeshores. A national lakeshore is a protected area of lakeshore that is maintained to preserve a significant portion of the diminishing shoreline for the benefit, inspiration, education, recreational use, and enjoyment of the public. Although national lakeshores can be established on any natural freshwater lake, the existing three are all located on the Great Lakes. National lakeshores closely parallel national seashores in character and use. National Lakeshores are managed by NPS.

National Memorials. A national memorial is commemorative of a historic person or episode; it need not occupy a site historically connected with its subject. National Memorials are managed by NPS and FWS.

National Military Parks. See National Battlefields section.

National Monuments. National monuments are normally designated by Congress to protect historic landmarks, historic and prehistoric structures, or other objects of historic or scientific interest on the public lands. The *Antiquities Act of 1906*, authorized the President to declare by public proclamation landmarks, structures, and other objects of historic or scientific interest situated on lands owned or controlled by the government to be national monuments. National monuments are managed by BLM, FWS, and NPS.

National Natural Landmarks. National natural landmarks are designated by the Secretary of the Interior. To qualify as a national natural landmark, the area must contain an outstanding representative example of the Nation's natural heritage, including terrestrial communities, aquatic communities, landforms, geological features, habitats of native plant and animal species, or fossil evidence of the development of life on earth and must be located within the boundaries of the United States, its Territories, or on the Continental Shelf. The National Natural Landmark program is administered by NPS. Within DOI, national natural landmarks are managed by USBR, FWS, NPS, and BLM.

National Parks. Generally, national parks are large natural places that encompass a wide variety of attributes, sometimes including significant historic assets. Hunting, mining, and consumptive activities are generally not authorized. National Parks are managed by NPS.

National Parkways. The title "parkway" refers to a roadway and the parkland paralleling the roadway. All were intended for scenic motoring along a protected corridor and often connect cultural sites. National Parkways are managed by NPS.

National Preserves. National preserves are areas having characteristics associated with national parks but in which Congress has permitted continued public hunting, trapping, oil/gas exploration, and extraction. National Preserves are managed by NPS.

National Recreation Areas. A national recreation area is an area designated by Congress to both assure the conservation and protection of natural, scenic, historic, pastoral, and fish and wildlife values and to provide for the enhancement of recreational values. National recreation areas are generally centered on large reservoirs and emphasize water-based recreation with some located near major population centers. National Recreation Areas are managed by BLM and NPS.

National Recreation Trails. See National Historic Trail section. Trail Systems are reported under National Recreation Trails. National Recreation Trails are managed by BLM and FWS, and Trail Systems are managed by BLM.

National Reserves. National reserves are similar to national preserves, except that management may be transferred to local or state authorities. National Reserves are managed by NPS.

National Rivers. There are several variations to this category. National river and recreation area, national scenic river, wild river, etc. These rivers possess remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values and shall be preserved in a free-flowing condition – that they and their immediate environments shall be protected for the benefit and enjoyment of present and future generations. National Rivers are managed by NPS.

National Scenic Areas. The purpose of the National Scenic Area is to conserve, protect, and enhance, for the benefit, use, and enjoyment of present and future generations, the nationally significant scenic, cultural, geological, educational, biological, historical, recreational, cinematographic, and scientific resources of the Scenic Area. National Scenic Areas are managed by BLM in accordance with the FLPMA.

National Scenic Trails. See National Historic Trail section. National Scenic Trails are managed by BLM and NPS.

National Seashores. A national seashore preserves shoreline areas as well as offshore islands with natural and recreational significance with the dual goal of protecting precious, ecologically fragile land, while allowing the public to enjoy a unique resource. The national seashores are located on the Atlantic, Pacific, and Gulf coasts of the United States. National Seashores are managed by NPS.

National Wild and Scenic Rivers. Rivers designated in the National Wild and Scenic Rivers System are classified in one of three categories (wild, scenic, and recreational), depending on the extent of development and accessibility along each section. In addition to being free flowing, these rivers and their immediate environments must possess at least one outstanding remarkable value – scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values. National Wild and Scenic Rivers are managed by BLM, FWS, and NPS.

National Wildlife Refuges. The NWR land is used for the fish, wildlife, and plants and recreations. These lands are protected in perpetuity for as long as they remain in the NWR System. The NWR lands are managed to maintain their natural state, to mitigate adverse effects of actions previously conducted by others, or to enhance existing

conditions to improve benefits to fish, wildlife, and plant resources and associated recreations.

Threatened and endangered plant and animal species are affected by natural and human-induced pressures including loss of habitat, predation, invasive species, and other factors.

Outstanding Natural Area. An outstanding natural area consists of protected lands to preserve exceptional, rare, or unusual natural characteristics and to provide for the protection or enhancement of natural, educational, or scientific values. These areas are protected by allowing physical and biological processes to operate, usually without direct human intervention. The BLM manages three such areas.

International Historic Site. The international historic site, Saint Croix International Historic Site, is relevant to both U.S., and Canadian history and is managed by NPS.

Wilderness Areas. Wilderness areas are defined as a place where the earth and its community of life are untrammeled by man, where man himself is a visitor and does not remain. These areas are open to the public for purposes of recreational, scenic, scientific, educational, conservatorial, and historical use. Generally, a wilderness area is greater than 5,000 acres and appears to have been affected primarily by the forces of nature, with human development substantially unnoticeable. Wilderness areas provide outstanding opportunities for solitude or primitive and unconfined types of recreation. Wilderness areas are managed by BLM, NPS, and FWS.

Research Natural Area. The BLM manages Fossil Forest Research Natural Area, which was designated by Congress to conserve and protect natural values and to provide scientific knowledge, education, and interpretation for more than 2,000 acres of land and resources in New Mexico.

Archaeological Protection Areas. The BLM manages two Congressionally-designated Archeological Protection Areas in New Mexico. Galisteo Basin is the location for many well-preserved prehistoric and historic archeological resources of Native American and Spanish colonial cultures. Chaco Culture is an area of archeological significance for the Chacoan Anasazi Indian culture.

Special Areas. The BLM manages five Secretarially-designated Special Areas in Alaska and one in Nevada. The Utukok River Uplands contains critical habitat for caribou. Teshekpuk Lake and its watershed are an important habitat for a large number of ducks, geese, and swans. Colville River provides critical nesting habitat for the arctic peregrine falcon. Kasegaluk Lagoon was designated as a Special Area where special precautions are necessary to control activities which would disrupt resource values. Peard Bay is an area of Western Alaska

which provides protections for numerous subsistence species including caribou herds, tens of thousands of birds, and lake and coastal fish habitat. Finally, The Numu Neue Cultural Center, a project in Northern Nevada, aims to support the culture, language, and knowledge of the Fallon Paiute Shoshone Tribe. The center is part of a defense bill compromise that also includes funding for environmental justice concerns. The compromise was the result of years of negotiations between the U.S. Navy, Congress, local tribes, and affected counties in Nevada.

Other. This category includes those park units that cannot be readily included in any of the standard categories. Examples include Catoctin Mountain Park, Maryland; Constitution Gardens, District of Columbia; National Capital Parks in the District of Columbia, Maryland, and Virginia; the White House; the National Mall; and Wolf Trap National Park for the Performing Arts, Virginia.

COLLECTIBLE HERITAGE ASSETS

The DOI is a steward of a large and unique collection of library holdings and museum collections.

Library Collections

Library collections are added when designated by the Secretary, Congress, or the President. A library collection may be withdrawn if it is later managed as part of a museum collection, if legislation is amended, and/or if the park unit is withdrawn.

Bureau of Land Management. The BLM Library, located in Denver at the National Operations Center, is the only full-service library in the BLM with professional staff. The BLM Library provides access to scientific, historical, and legal information regarding public lands and natural resources management to support researchers, BLM decision makers, and the public. The BLM Library's collection goes beyond books, including peer-reviewed journals, technical publications, policy, historical documents, and more. While most of the collection focuses on biological and earth sciences, the library also provides materials pertaining to policy and management.

Departmental Offices. The DO manages the DOI Library. This library was created by Secretarial Order and the collections represent a national resource in the disciplines vital to the missions of DOI. The collection covers Native American culture and history, American history, national parks, geology, nature, wildlife management, public lands management, and law. In addition, the library's collection of online databases and access to other electronic information sources enable DOI personnel and other researchers to access needed information from their computers. The DOI policy dictates that copies of all publications produced by or for its bureaus and offices will be deposited in the library collection.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI units of non-collectible heritage assets by category as of September 30, 2025, are shown in the following table:

Non-Collectible Heritage Asset Categories	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025
Cooperative Management and Protection Area	1	-	-	1
Headwaters Forest Reserve	1	-	-	1
Lake Todatonten Special Management Area	1	-	-	1
National Battlefield Parks	4	-	-	4
National Battlefield Site	1	-	-	1
National Battlefields	11	-	-	11
National Conservation Areas	24	-	-	24
National Historic Landmarks (NHL)	238	4	-	242
National Historic Sites	76	-	1	75
National Historic Trails	14	-	-	14
National Historical Parks	63	1	-	64
National Lakeshores	3	-	-	3
National Memorials	33	-	-	33
National Military Parks	9	-	-	9
National Monuments	123	3	-	126
National Natural Landmarks (NNL)	117	-	-	117
National Parks	63	-	-	63
National Parkways	4	-	-	4
National Preserves	19	-	-	19
National Recreation Areas	22	-	-	22
National Recreation Trails	128	-	-	128
National Reserves	2	-	-	2
National Rivers	4	-	-	4
National Scenic Area	1	-	-	1
National Scenic Trails	11	-	-	11
National Seashores	10	-	-	10
National Wild and Scenic Rivers	105	-	-	105
National Wildlife Refuges	568	1	-	569
Outstanding Natural Areas	3	-	-	3
International Historic Site	1	-	-	1
Wilderness Areas	401	-	-	401
Research Natural Area	1	-	-	1
Archaeological Protection Areas	2	-	-	2
Special Areas	6	-	-	6
Other	11	-	-	11
Total	2,081	9	1	2,089

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

U.S. Geological Survey. The USGS library holdings, collected during more than a century of providing library services, are an invaluable legacy to the Nation. The Secretarial Order that founded USGS decreed that copies of reports published by USGS should be given to the library in exchange for publications of state and national geological surveys and societies. The USGS's two library collections provide scientific information needed by DOI researchers, as well as researchers of other Government agencies, universities, and professional communities. Besides providing resources for USGS scientific investigations, the library collections provide access to geographical, technical, and historical literature in paper and electronic formats for the general public and the industry. These libraries are housed in Reston, Virginia; and Denver, Colorado.

National Park Service. The NPS reports two libraries that are specifically designated as libraries in NPS establishing legislation and are not managed as part of the park's museum collection.

The DOI units of library collections as of September 30, 2025, are shown in the following table:

Interior Library Collections	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025
Bureau of Land Management Library	-	1	-	1
Departmental Library	1	-	-	1
National Park Service Library	2	-	-	2
U.S. Geological Survey Library	2	-	-	2
Total	5	1	-	6

The DOI units of museum collections as of September 30, 2025, are shown in the following table:

Interior Museum Collections	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025
Held at Interior Facilities	596	4	3	597
Held at Non-Interior Facilities	421	31	3	449
Total	1,017	35	6	1,046

Bureau employees. The DOI museum collections are important for their intrinsic scientific, cultural, and artistic values, their usefulness in supporting DOI's mission of managing DOI land, cultural resources, and natural resources, and their research potential to study current

Museum Collections

The DOI's museum property is intimately associated with the lands and cultural and natural resources for which DOI Bureaus and Offices have significant stewardship responsibilities. The DOI manages millions of museum objects in the disciplines of art, ethnography, archeology, archives, history, biology, paleontology, and geology.

Museum collections are organized by location for the purposes of physical accountability. Each Bureau has the authority to add or remove an individual museum collection unit, which is done for various reasons such as recovery of new collections from Bureau lands, discovery of previously unknown collections held in non-DOI facilities, and collections consolidation.

Museum collections are housed in both DOI and non-DOI facilities in an effort to maximize awareness of and accessibility to the collections by the public and DOI

issues such as biodiversity, and health. Housing museum collections in non-DOI facilities also allows for cost effective care by professionals in those facilities, which are often non-federal.

NOTE 10. DEBT

Intragovernmental Debt to Treasury Under Credit Reform

As discussed in Note 5, Loans Receivable, Net; IA, USBR, and DO's OIA have borrowed funds from Treasury in accordance with FCRA to fund loans under various loan programs.

Departmental Offices

Interest is accrued annually based on the prevailing market yield on Treasury securities of comparable maturity. The weighted average interest rate used to calculate interest owed to Treasury is 5.42 percent. The repayment date for this loan is September 30, 2027.

Indian Affairs

Maturity dates for the amounts borrowed from Treasury range from 2028–2036. Interest rates for these securities range from 2.00 percent to 6.2 percent and are based on the disbursement-weighted average discount rate (DWADR) and Single Effective Rate (SER). Cohorts utilizing

the DWADR are 1998–1999, and those rates range from 5.87 percent to 6.2 percent. Cohorts utilizing the SER is 2016 and has a rate of 2.00 percent. The DWADR and SER varies by cohort year. Prior year, a security having a 6.84 percent interest rate was reported and paid off this FY, lowering the interest rate range from 6.84 percent to 6.2 percent. There was no new borrowing executed this FY.

Bureau of Reclamation

The maturity dates for these loans range from 2028–2043. Financing accounts must earn and pay interest at the same rate used to discount the credit subsidy cash flows for each cohort. A DWADR is used for FY 1995–2000 cohort years and ranges from 5.81 percent to 7.39 percent. A SER is used for FY 2001–2002 cohort years and ranges from 5.42 percent to 5.59 percent.

Intragovernmental Debt to Treasury activity as of September 30, 2025, is summarized as follows:

<i>(dollars in thousands)</i>	Beginning Balance	Borrowing / (Repayments), Net	Ending Balance
Debt Owed to Treasury Other than the Federal Financing Bank	\$ 28,769	\$ (1,841)	\$ 26,928
Total Debt Due to Treasury	\$ 28,769	\$ (1,841)	\$ 26,928

NOTE 11. LIABILITY TO THE GENERAL FUND OF THE U.S. GOVERNMENT FOR CUSTODIAL AND OTHER NON-ENTITY ASSETS

The DOI records Capital Transfers Liability for appropriations determined to be recoverable from project beneficiaries when funds are received, and they meet the requirement for repayment. Capital Transfers for Loans liability include amounts paid for associated financing accounts when there is a downward re-estimate pursuant to the FCRA.

The Custodial Liability represents amounts collected by DOI on behalf of others that have not yet been distributed. The collections are comprised of royalties, rents, lease sales, and other receipts for federal oil, gas, renewable energy, and mineral leases. Proceeds are distributed to the General Fund of the Treasury, federal agencies, states, and coastal political subdivisions.

Liability to the General Fund as of September 30, 2025, is summarized as follows:

<i>(dollars in thousands)</i>	FY 2025
Capital Transfers Liability	\$ 1,589,293
Capital Transfers for Loans Liability	9,851
Custodial Liability	1,153,486
Miscellaneous Receipts Liability	864,542
Total Liability to the General Fund of the U.S. Government	\$ 3,617,172

NOTE 12. FEDERAL EMPLOYEE SALARY, LEAVE, BENEFITS, AND PENSIONS PAYABLE

Federal Employee Benefits Payable as of September 30, 2025, consists of the following:

	<i>(dollars in thousands)</i>	FY 2025
Federal Employee Salary, Leave, and Benefits Payable		
Accrued Funded Payroll and Leave	\$ 224,739	
Unfunded Leave	507,484	
Employer Contributions and Payroll Taxes Payable	9,540	
Total Federal Employee Salary, Leave, and Benefits Payable	\$ 741,763	
Pension and Post-Employment Benefits Payable		
U.S. Park Police Pension Actuarial Liability	\$ 567,839	
U.S. Park Police Pension Current Liability	41,161	
Federal Employees Compensation Actuarial Liability	470,193	
Total Pension and Post-Employment Benefits Payable	\$ 1,079,193	

U.S. Park Police Pension Plan. In estimating the USPP Pension Plan liability and associated expense, NPS's actuary applies economic assumptions to historical cost information to estimate the Government's future cost to provide benefits to current and future retirees. The estimate is adjusted by the time value of money and the probability of having to pay benefits due to assumed decrements for mortality.

The following table represents the significant economic assumptions used to estimate the USPP Plan liability and the changes in the USPP Pension Plan liability balances. The USPP Pension Plan discount rates of 2.7 percent match the rates established by OPM for the CSRS plan for FY 2025, which has similar demographic characteristics and keeps NPS consistent in its reporting. The NPS used the PUB2016 Safety Above-Median Gender Distinct Mortality Base Table, released on May 7, 2025,

by the Society of Actuaries' Retirement Plans Experience Committee and based on data collected from public pension systems. The longevity scale for this mortality table is MP-2021 for FY 2025.

Additionally, the FY 2025 USPP Pension Plan inflation rates of 2.6 percent differ from 2.9 percent used by OPM for the CSRS plan. The USPP Pension inflation rate is a calculation where future inflation is assumed equal to future salary increases. The plan's cost of living adjustment is based on increases in basic pay, not general inflation. Therefore, the inflation rate has been set to match the 10-year average of the Federal General Schedule of Salary Increases.

See Note 1(K) for additional information on Federal Employee Benefits.

Economic Assumptions Used	<i>(expressed in percentages)</i>	FY 2025
Interest Rate	2.70	
Inflationary Rate	2.60	
Projected Salary Increase	2.60	
USPP Pension Plan Liability		
Beginning Balance	\$ 658,300	
Pension Expenses		
Interest on liability	15,900	
Actuarial (gains) or losses from experience	(7,439)	
Actuarial (gains) or losses from assumption changes	(16,600)	
Total Pension Expenses	(8,139)	
Less Benefit Payments	(41,161)	
Ending Balance	\$ 609,000	

NOTE 13. CONTINGENT LIABILITIES AND ENVIRONMENTAL AND DISPOSAL LIABILITIES

The DOI is party to various administrative proceedings, legal actions, and tort claims which may result in settlements or decisions adverse to the federal government and has the responsibility to remediate sites with environmental contamination.

Contingent Liabilities

General Contingent Liabilities consist of numerous lawsuits and claims filed against DOI which are awaiting adjudication. These liabilities typically relate to *Federal Tort Claims Act* administrative and judicial claims, contract-related actions, Tribal and Indian trust-related matters, personnel and employment-related matters, and various land and resource related claims and adjudications. Most of the cash settlements are expected to be paid out of the Judgment Fund, which is maintained by Treasury, rather than the operating resources of DOI. In suits brought through the *Contract Disputes Act of 1978*, and awards under *Federal Antidiscrimination and Whistleblower Protection Acts*, DOI is required to reimburse the Judgment Fund from future agency appropriations.

No amounts have been accrued in the financial records for claims where the amount of potential loss cannot be estimated or the likelihood of an unfavorable outcome is less than probable. Matters for which the likelihood of an unfavorable outcome is less than probable but more than remote involve a wide variety of allegations and claims. These matters arise in the course of carrying out DOI programs and operations, including interaction with the Tribes and individual Indians, interaction with trust territory in the Pacific Islands, operation of wildlife refuges, law enforcement of DOI-managed land, general management activities on DOI land, resource related claims, and operations of reclamation projects. For many of these matters, the ultimate outcomes cannot be predicted at this time. Sufficient information is not currently available to determine if the ultimate resolution of the proceedings, actions, and claims will materially affect DOI's financial position or results of operations.

The accrued and potential Contingent Liabilities as of September 30, 2025, are summarized as follows:

	(dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
			Lower End of Range	Upper End of Range
Contingent Liabilities				
Probable	\$ 365,054	\$ 365,054	\$ 365,054	\$ 1,387,230
Reasonably Possible	\$ -	\$ -	\$ 714,233	\$ 1,136,045

Environmental and Disposal Liabilities

Environmental and Disposal Liabilities include estimated cleanup costs related to remediation as well as cleanup costs related to friable and nonfriable asbestos in accordance with FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*. Contingent liabilities related to environmental and disposal litigation are reported as Contingent Liabilities rather than Environmental and Disposal liabilities.

The DOI is subject to environmental laws and regulations regarding air, water, and land use, the storage and disposal of hazardous materials, and the operations and closure of facilities at which environmental contamination may be present. The major federal laws covering environmental response, cleanup, and monitoring include: *Comprehensive Environmental Response, Compensation, and Liability Act*; *Resource Conservation and Recovery Act*; *Oil Pollution Act*; *Clean Water Act*; *Clean Air Act*; *Safe Drinking Water Act*; and *Asbestos Hazard Emergency Response Act*. Under these laws responsible parties, which may include federal agencies under certain

circumstances, are required to remove releases of hazardous substances from facilities they own, operate, or at which they arranged for the disposal of such substances. The DOI estimates its environmental remediation liability for future costs of studies necessary to evaluate response requirements, monitoring, and cleanup of hazardous substances. Changes in environmental remediation liability cleanup cost estimates are based on progress made and revision of the cleanup plans.

Certain DOI facilities may include asbestos-containing material in the construction or later renovation. These materials, while in an undisturbed or encapsulated state (e.g., nonfriable asbestos) are not subject to cleanup under applicable law. The DOI's policy is that unless and until the material becomes friable or otherwise capable of causing contamination, the costs for monitoring, management and removal of these materials are to be disclosed as Asbestos Related Cleanup Liability.

See Note 1(K) for additional information on contingent liabilities and environmental and disposal liabilities.

The accrued and potential Environmental and Disposal Liabilities as of September 30, 2025, are summarized as follows:

(dollars in thousands)	Accrued Liabilities	Estimated Range of Loss		
		Lower End of Range	Upper End of Range	
Environmental Remediation Liability				
Probable	\$ 594,948	\$ 594,948	\$ 4,995,577	
Reasonably Possible	\$ -	\$ 327,020	\$ 478,543	
Asbestos Related Cleanup Liability	1,146,930			
Total Environmental & Disposal Liability	\$ 1,741,878			

NOTE 14. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES AND OTHER LIABILITIES

Liabilities covered by budgetary resources are funded liabilities to be liquidated with existing budgetary resources. Liabilities not covered by budgetary resources represent those unfunded liabilities for which Congressional action is needed before budgetary resources can be provided. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources. Current liabilities are expected to be liquidated within one year from the reporting date, while non-current liabilities are not expected to be liquidated within one year. Right-to-use Lease Assets: As of the reporting period, the Agency recognizes right-to-use lease assets corresponding to its lease liabilities, which include both operating and financing leases. These right-

to-use lease assets are recorded at the present value of future lease payments, adjusted for any lease incentives received, initial direct costs incurred, and any leasehold improvements. The total liabilities associated with these lease obligations are disclosed under “Liabilities Not Covered by Budgetary Resources” to reflect the Agency’s commitment to lease payments in future periods. Refer to Note 1 and Note 15 for reference.

Pursuant to SFFAS 1, paragraph 86, the amount of other current liabilities that are not covered by budgetary resources for September 30, 2025, is \$1.8 billion.

The DOI's liabilities not covered by budgetary resources as of September 30, 2025, are as follows:		
	(dollars in thousands)	FY 2025
Intragovernmental Liabilities:		
Other Intragovernmental Liabilities	\$ 1,557,121	
Total Intragovernmental Liabilities	\$ 1,557,121	
 With the Public:		
Federal Employee Salary, Leave, and Benefits Payable	\$ 507,485	
Pensions and Post Employment-related Benefits	1,038,032	
Environmental and Disposal Liabilities	1,741,878	
Benefits Due and Payable	3,334	
Other Liabilities With the Public	2,652,785	
Total Liabilities With the Public	5,943,514	
Total Liabilities Not Covered by Budgetary Resources	7,500,635	
Total Liabilities Not Requiring Budgetary Resources	4,970,205	
Total Liabilities Covered by Budgetary Resources	7,366,270	
Total Liabilities	\$ 19,837,110	

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI's Other Liabilities as of September 30, 2025, are as follows:

	(dollars in thousands)	FY 2025
Other Intragovernmental Liabilities:		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	\$ 3,617,172	
Judgment Fund Payable	1,283,868	
Benefit Contributions Payable	157,617	
Other	165,120	
Total Other Intragovernmental Liabilities	\$ 5,223,777	
 Other Liabilities With the Public:		
Accrued Grant Liabilities	\$ 1,209,831	
Deposit Fund Liability	262,378	
Contingent Liabilities	365,054	
Payments due to States	1,726,229	
Unearned Lessor Revenue	361,900	
Unfunded Lessee Lease Liability	118,481	
Other	115,997	
Total Other Public Liabilities	\$ 4,159,870	
Total Other Liabilities	\$ 9,383,647	

NOTE 15. LEASES

Federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement.

DOI AS LESSEE

Intragovernmental Leases

The DOI leases office space and other facilities through the General Service Administration. The term of the leases can vary significantly, typically ranging from short-term (one year or less) to long-term (up to 20 years or more). Payments are usually made on a periodic basis and may include costs for rent, utilities, and maintenance. These payments are often structured as reimbursement or cost recovery, ensuring that the lessor agency recovers the full cost of providing the leased space or property. Leases may

include clauses allowing for early termination or renewal options, depending on the needs of DOI.

For FY 2025, DOI's annual intragovernmental lease expense for personal property leases amounted to \$83 million and for real property leases \$321 million.

Leases Other Than Short-Term, Contracts or Agreements That Transfer Ownership, and Intragovernmental

The DOI has executed lease contracts for buildings, equipment, vehicles, and other personal property. These arrangements range in terms from 2 to 20+ years. Lease payments generally consist of fixed base rent.

The DOI recognized total lease assets of \$167 million. These lease assets represent the right-to-use assets under our lease agreements and are subject to amortization over the lease term. The accumulated amortization of the lease assets amounted to \$53 million.

Lessee Future Lease Payments for Leases Other Than Short-Term, Contracts or Agreements That Transfer Ownership, and Intragovernmental (dollars in thousands)			Totals
	Principal	Interest	
2026	\$ 26,601	\$ 4,851	\$ 31,452
2027	19,572	3,856	23,428
2028	18,106	2,963	21,069
2029	14,479	2,188	16,667
2030	7,467	1,654	9,121
2031-2035	14,525	5,543	20,068
2036-2040	9,339	2,950	12,289
2041-2045	4,777	1,278	6,055
2046-2050	2,435	579	3,014
2051-2055	357	226	583
Thereafter	822	1,482	2,304
Total Future Lease Payments	\$ 118,480	\$ 27,570	\$ 146,050

The DOI recognized an annual lease expense of \$29 million under our lease agreements. The lease liability was calculated using a discount rate that varies based on the lease commencement date and lease term. The DOI used the Treasury incremental borrowing rate. This discount rate was applied to determine the present value of the lease payments over the remaining lease term.

The DOI does not typically engage in any sublease arrangements, sale-leaseback transactions, or lease-leaseback transactions as a lessee.

DOI AS LESSOR

Intragovernmental Leases

The DOI has a limited number of leases with federal entities where NPS is the lessor. These leases are of historic and non-historic properties in park areas.

Intragovernmental Future Lease Payments to be Received (Lessor)	<i>(dollars in thousands)</i>	Amount
2026		\$ 46
2027		46
2028		46
2029		46
2030		46
2031-2035		230
2036-2040		230
2041-2045		230
2046-2050		46
Thereafter		-
Total Intragovernmental Future Lease Payments to be Received		\$ 966

Leases Other Than Short-Term, Contracts or Agreements That Transfer Ownership, and Intragovernmental

The DOI manages a broad variety of leasing arrangements where DOI acts as a Lessor. These arrangements can include leases for land, real estate, office space, or equipment, as well as Right of Ways (ROW) and Concessionaires at National Parks. The Lease terms typically range from greater than 2 years to 60+ years, with lease payments generally consisting of fixed based rent.

ROW contracts involve considerations that facilitate infrastructure development. Lessees pay fees for the rights to cross land for infrastructure projects, such as pipelines, power lines, telecommunications, etc. In exchange, they receive exclusive access to land for the duration specified in the contract, enabling project implementation. The fee structure helps regulate land access while ensuring that the landowners are compensated for the use of their property.

Grazing agreements provide for a specified timeframe and maximum number of animal unit months. However, the yearly payments are variable and based on the Lessee's submission of the annual actual usage. Bills are issued yearly based on these reports. Numerous factors contribute to the variability for grazing agreements including livestock owned and in use by the lessee, available forage, seasons, BLM established restrictions for the year, and environmental conditions. As a result, the revenues, whether current or future estimated, are variable and cannot be reasonably estimated. The DOI excludes variable payments that are based on future performance or usage from the lease receivable calculation.

The DOI had several assets under lease, including land and buildings. The carrying amount of buildings under lease is \$52 million. The accumulated depreciation on these buildings is \$549 thousand. Depreciation is calculated based on the straight-line method over the estimated useful life of each building, considering the lease term and any renewal options that are reasonably certain to be exercised.

The DOI recognized \$73 million in lease revenue. This includes fixed payments received from lessees under the terms of the leases, such as regular rent payments, as well as interest revenue as appropriate.

The DOI recognized variable payments from Grazing and Concessionaire agreements for the amount of \$206 million. These are not included in our lease receivable. Outside of these, DOI did not recognize additional agreements with variable payments.

The DOI did not engage in any sublease arrangements, sale-leaseback transactions, or lease-leaseback transactions.

The Department's commitments related to leases are also outlined within Notes 7, 8, and 14, of the financial statements. Note 7 provides acquisition cost and accumulated depreciation for right-to-use lessee net book value, illustrating some of the Department's financial commitments across a portfolio of leases. Included in Other Assets within Note 8, are DOI's Lease Receivable of \$356 million with \$549 thousand of Allowance for Uncollectible Amounts. Note 14 provides amounts related to lessee lease liability and the lessor unearned revenue liability within other liabilities with the public.

NOTE 16. FUNDS FROM DEDICATED COLLECTIONS

Funds from dedicated collections are financed by specifically identified revenues and other financing sources, provided to the government by non-federal sources, required by statute to be used for designated activities, benefits, or purposes that must be accounted for separately from the government's general revenues.

The DOI's significant funds from dedicated collections are:

The Land and Water Conservation Fund (LWCF). The LWCF was enacted by the *Land and Water Conservation Fund Act of 1965* (P. L. 88-578), to create and maintain a nationwide legacy of high quality recreation areas and facilities. The LWCF Act established a funding source for both federal acquisition of authorized national park, conservation, and recreation areas, as well as grants to state and local governments to help them acquire, develop, and improve outdoor recreation areas.

Each year, amounts from the LWCF are warranted to some of the Bureaus within DOI and the rest to the U.S. Forest Service (USFS). These funds are considered inflows of resources to the Government and are reported as a restricted asset.

The Historic Preservation Fund (HPF). The HPF provides matching grants to encourage private and non-federal investment in historic preservation efforts nationwide, and assists state and local governments and Indian Tribes with expanding and accelerating historic preservation activities nationwide. The HPF grants serve as a catalyst and "seed money" to preserve and protect the Nation's irreplaceable heritage for current and future generations.

Annually, under the *National Historic Preservation Act of 1966*, royalties from OCS oil and gas leases are transferred from ONRR to NPS. Each year, amounts from HPF are transferred via warrant to NPS. These funds are considered inflows of resources to the Government.

Reclamation Fund. The Reclamation Fund was established by the *Reclamation Act of 1902* (32 Stat. 388). It is a restricted, unavailable receipt fund into which a portion of USBR's revenues (mostly repayment of capital investment costs, associated interest, and operation and maintenance reimbursements from water and power users) and receipts from other federal agencies (primarily revenues from certain federal mineral royalties from ONRR) are deposited. No expenditures are made directly from the Reclamation Fund; however, funds are transferred from the Reclamation Fund into USBR's appropriated expenditure funds or to other federal agencies pursuant to Congressional appropriation acts to invest and reinvest in the reclamation of arid lands in the western states. The funds are considered inflows of resources to the Government.

Some of USBR's projects are funded from the General Fund of the Treasury and are required to be repaid to the General Fund. Whether some or all of a project's costs are subject to

cost recovery and how and when repayment is due to USBR and subsequently to the General Fund is determined based upon either the language in the authorizing legislation or the language in other Reclamation law, as amended.

Water and Related Resources Fund & Recovery Act.

The Water and Related Resources Fund receives most of its funding from appropriations derived from the Reclamation Fund. These funds are used for USBR's central mission of delivering water and generating hydropower in the western United States.

Costs associated with multipurpose plants are allocated to the various purposes, principally: power, irrigation, M&I water, fish and wildlife enhancement, recreation, and flood control. Generally, only those costs associated with power, irrigation, and M&I water are reimbursable. Costs associated with purposes such as fish and wildlife enhancement, recreation, and flood control generally are nonreimbursable. Capital investment costs are recovered over a 40-year period, but may extend to 50 years or more, if authorized by the Congress. The funds are considered inflows of resources to the Government.

The *American Recovery and Reinvestment Act of 2009* (ARRA) (P. L. 111-5), provided funding to USBR for activities that would normally be financed under the Water and Related Resources Fund. The majority of these funds were provided by appropriations derived from the Reclamation Fund in accordance with P. L. 111-5. This fund was used to meet the criteria set out in ARRA that included preserving and creating jobs and investing in infrastructure. The USBR programs under ARRA provided for meeting future water supply needs, infrastructure reliability and safety, environmental and ecosystem restoration, the Secretary's Water Conservation initiative, emergency drought relief, and green buildings. Those efforts contributed to the long-term availability of water and natural resources. In 2015, USBR returned the unused funds. The funds are considered inflows of resources to the Government.

Lower Colorado River Basin Development Fund (LCRBDF).

The LCRBDF receives funding from multiple sources for specific purposes as provided under LCRBDF. Funding sources include: appropriations and federal revenue from the Central Arizona Project; federal revenues from the Boulder Canyon Project and the Parker-Davis Project; the Western Area Power Administration; federal revenue from the Northwest-Pacific Southwest intertie in the States of Nevada and Arizona; and revenues earned from investing in Treasury securities. Funding sources may be retained and are available without further appropriation. The LCRBDF provides for irrigation development and management activities within the Lower Colorado River Basin including operation, maintenance, replacements, and emergency expenditures for facilities of the Colorado River storage project and participating projects. The funds are considered inflows of resources to the Government.

Upper Colorado River Basin Fund. The Upper Colorado River Basin Fund receives funding from appropriations, water users, and the Western Area Power Administration. Funding sources may be retained and are available without further appropriation. The *Colorado River Basin Project Act* provides appropriations and revenues collected in connection with the operation of the Colorado River storage project for operations, maintenance, replacements, and emergency expenditures for facilities of the Colorado River storage project and participating projects. The funds are considered inflows of resources to the Government.

Abandoned Mine Reclamation Fund. The SMCRA (P.L. 95-87), enacted in August 1977, requires that all operators of coal mining operations pay a reclamation fee on every ton of coal produced. The ILJA, signed into law on November 15, 2021, amended section 402 of SMCRA to reduce reclamation fee rates by 20 percent and extend OSM's fee collection authority through September 30, 2034. The fees are deposited in the Abandoned Mine Reclamation Fund, which is used primarily to fund projects for the reclamation and restoration of land and water resources adversely affected by past coal mining. Under the authority of SMCRA (section 401 (e)), OSM invests the funds in U.S. Treasury securities. In accordance with provisions of the SMCRA (as amended), the interest earned by the fund is transferred to the United Mine Workers of America Combined Benefit Fund, the 1992 UMWA Benefit Plan, and the 1993 UMWA Benefit Plan (section 402 (h)). The funds are considered inflows of resources to the Government.

Federal Aid in Wildlife Restoration Fund (the Pittman-Robertson Wildlife Restoration Act). Federal Aid in Wildlife Restoration receives funding from excise taxes on sporting firearms, handguns, ammunition, and archery equipment. It provides federal assistance to the 50 states, Puerto Rico, Guam, the U.S. Virgin Islands, the Northern Mariana Islands, and American Samoa for projects to restore, enhance, and manage wildlife resources, and to conduct state hunter education programs. The Act authorizes receipts for permanent indefinite appropriations to FWS for use in the fiscal year following collection. Funds not used by the states after two years revert to FWS for carrying out the provisions of the *Migratory Bird Conservation Act*. The funds are considered inflows of resources to the Government.

Other Funds from Dedicated Collections. The DOI is responsible for the management of numerous funds from dedicated collections with a variety of purposes. Funds presented on an individual basis represent the majority of DOI's net position attributable to funds from dedicated collections. All other funds from dedicated collections have been aggregated in accordance with SFFAS 43, *Funds from Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds*, and are presented in the following list.

Indian Affairs

- ▶ Operation and Maintenance of Quarters
- ▶ Natural Resource Damage Assessment and Restoration Fund – Exxon Valdez Restoration
- ▶ Operation and Maintenance – Indian Irrigation Projects
- ▶ Alaska Resupply Program
- ▶ Indian Water Rights and Habitat Acquisition Program
- ▶ Power Revenues, Indian Irrigation Projects
- ▶ Gifts and Donations

Bureau of Land Management

- ▶ Helium Fund
- ▶ Payments to States from Grazing Receipts, etc., Public Lands Outside Grazing Districts
- ▶ Receipts from Grazing, etc., Public Lands Outside Grazing Districts
- ▶ Service Charges, Deposits and Forfeitures
- ▶ Road Maintenance Deposits
- ▶ Payments to States from Grazing Receipts, etc., Public Lands Within Grazing Districts
- ▶ Receipts from Grazing, etc., Public Lands Within Grazing Districts
- ▶ Land Acquisition
- ▶ Receipts from Grazing, etc., Public Lands Within Grazing Districts, Miscellaneous
- ▶ Operation and Maintenance of Quarters
- ▶ Receipts from Sale of Public Lands, Clark County, Nevada
- ▶ Payments to State and county from Clark County, Nevada Land Sales
- ▶ Grazing Fees for Range Improvements, *Taylor Grazing Act*
- ▶ Range Improvements
- ▶ Payments to States (Proceeds of Sales)
- ▶ Sale of Public Land and Materials, five percent Fund to States
- ▶ Forest Ecosystem Health and Recovery
- ▶ Timber Sales Pipeline Restoration Fund
- ▶ Federal Land Disposal Account
- ▶ Sale of Natural Gas and Oil Shale, 1n3
- ▶ Use of Receipts from Mineral Leasing Activities on Certain Naval Oil Shale Reserves
- ▶ White Pine County Special Account
- ▶ Recreational Enhancement Fee Program, Bureau of Land Management
- ▶ *Lincoln County Land Act*
- ▶ White River Oil Shale Mine, Utah Sales
- ▶ Title II Projects on Federal Lands
- ▶ Stewardship Contracting Product Sale
- ▶ Washington County, Utah Land Acquisition Account
- ▶ Owyhee Land Acquisition Account

- ▶ Carson City Special Account
- ▶ Silver Saddle Endowment Account
- ▶ State Share, Carson City Land Sales
- ▶ Oil and Gas Permit Processing Fee – 15 percent
- ▶ Permit Processing Fund Mineral Leases
- ▶ Geothermal Steam Implementation Fund
- ▶ Naval Petroleum Reserve Numbered 2 Lease Revenue Account
- ▶ Payment from Proceeds, Sale of Water, Mineral Leasing Act of 1920
- ▶ Ojito Land Acquisition
- ▶ Sale of Public Land and Materials
- ▶ Oregon and California Land – Grant Fund
- ▶ Payments to Counties, Oregon and California Grant Lands
- ▶ Payments to Counties, National Grasslands
- ▶ Coos Bay Wagon Road Grant Fund
- ▶ Payments to Coos Bay & Douglas Counties, Oregon, from Receipts, Coos Bay Wagon Road Grant Lands
- ▶ Donations for Cadastral Surveys and Conveyance of Omitted Lands
- ▶ Gifts for Conservation Practices, Acquisition, and Protection
- ▶ Land and Resources Management Trust Fund
- ▶ Southern Nevada Public Land Management

Bureau of Reclamation

- ▶ North Platte Project – Facility Operations
- ▶ North Platte – Farmers Irrigation District – Facility Operations
- ▶ Administration Expenses
- ▶ Klamath – Water and Energy
- ▶ Operation and Maintenance of Quarters
- ▶ Central Valley Project Restoration Fund
- ▶ Natural Resource Damage Assessment and Restoration Fund
- ▶ Water and Related Resources Reclamation Fund
- ▶ San Gabriel Restoration Fund
- ▶ San Joaquin River Restoration Fund
- ▶ Reclamation Water Settlement Fund
- ▶ Colorado River Dam Fund – Boulder Canyon Project
- ▶ Reclamation Trust Funds
- ▶ Recreation Enhancement Fee Program
- ▶ Blackfeet Water Settlement Implementation Fund
- ▶ Water Storage Enhancement Receipts

Bureau of Safety and Environmental Enforcement

- ▶ Oil Spill Research
- ▶ Decommissioning Activities, Allocation Transfers

Office of Surface Mining Reclamation and Enforcement

- ▶ Regulation and Technology, Civil Penalties

Departmental Offices

- ▶ Indian Arts and Craft Receipts
- ▶ Natural Resource Damage Assessment and Restoration Fund
- ▶ Everglades Restoration Account
- ▶ Departmental Management Land and Water Conservation
- ▶ Take Pride in America, Gifts and Bequests
- ▶ National Indian Gaming Commission
- ▶ State Share Mineral Leasing Act
- ▶ Payments to Alaska from Oil and Gas Leases, National Petroleum Reserve
- ▶ Payments to Oklahoma Red River, Royalties
- ▶ Corps of Engineers Onshore State Share
- ▶ Payments to States, National Forest Fund
- ▶ Gulf of Mexico Energy Security Act (GOMESA) State Share
- ▶ Geothermal Lease Revenues, Payments to Counties
- ▶ Environmental Improvement and Restoration Fund

U.S. Fish and Wildlife Service

- ▶ Cooperative Endangered Species Conservation Fund, from Land and Water Conservation Fund
- ▶ Land Acquisition
- ▶ Operation and Maintenance of Quarters
- ▶ National Wildlife Refuge Fund
- ▶ Proceeds From Sales, Water Resource Development Projects
- ▶ Migratory Bird Conservation Account
- ▶ Lahontan Valley and Pyramid Lake Fish and Wildlife Fund
- ▶ Natural Resource Damage Assessment and Restoration Fund
- ▶ Recreational Fee Enhancement Program
- ▶ Landowner Incentive Program
- ▶ Community Partnership Enhancement
- ▶ Coastal Impact Assistance Program
- ▶ Contributed Funds
- ▶ Federal Land Transactions
- ▶ Filming and Photography Fee Program
- ▶ Exotic Bird Conservation Fund
- ▶ Energy Permit Processing Improvement
- ▶ Southern Nevada Public Land Management
- ▶ Sport Fish Restoration and Boating Trust Fund

Bureau of Ocean Energy Management

- ▶ Decommissioning Activities, Parent

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

National Park Service

- ▶ Centennial Challenge Fund
- ▶ Land Acquisitions and State Assistance
- ▶ Operation and Maintenance of Quarters
- ▶ Delaware Water Gap Route 209 Operations
- ▶ Recreational Fee Enhancement Program
- ▶ Park Building, Lease, and Maintenance
- ▶ National Park Service Transportation Systems Fund
- ▶ Natural Resource Damage Assessment Restoration Fund
- ▶ National Maritime Heritage
- ▶ Filming and Photography Fee Program
- ▶ Glacier Bay Cruise and Boat Fees
- ▶ Parks Concession Franchise Fees
- ▶ Land and Water Conservation Fund, *Gulf of Mexico Energy Security Act*
- ▶ Grand Teton National Park
- ▶ Donations

- ▶ Birthplace of Abraham Lincoln
- ▶ Visitor Experience Improvement Authority
- ▶ Educational Expenses, Children of Employees, Yellowstone National Park
- ▶ Medical Services Fund, National Park Service

U. S. Geological Survey

- ▶ Operation and Maintenance of Quarters
- ▶ Natural Resource Damage Assessment and Restoration Fund
- ▶ Contributed Funds

NOTE 16 continues on page 116

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI's funds from dedicated collections as of and for the year ended September 30, 2025, consist of the following:												FY 2025	FY 2025	FY 2025
(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources & Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Federal Aid in Wildlife Restoration	Other Funds from Dedicated Collections	Total Funds from Dedicated Collections (Combined)	Eliminations between Dedicated Collection Funds	Total Funds from Dedicated Collections (Consolidated)		
BALANCE SHEET														
ASSETS														
Intragovernmental:														
Fund Balance with Treasury	\$ 22,620,999	\$ 3,852,044	\$ 22,188,213	\$ 11,873,795	\$ 2,094	\$ 442,739	\$ 19,949	\$ 323,929	\$ 11,015,585	\$ 72,339,347	\$ -	\$ 72,339,347		
Investments, Net	-	-	-	2	536,300	-	14,203,126	2,768,283	7,254,404	24,762,115	-	24,762,115		
Accounts Receivable, Net:														
Accounts Receivable, Net	-	-	581,160	3,775	2,388	-	-	18,264	848,966	1,454,553	(461)	1,454,092		
Transfers Receivable, Net	-	-	-	20,804	-	-	-	-	1,740,116	1,760,920	-	1,760,920		
Advances and Prepayments	-	-	-	6,627	-	5,943	63	-	17,239	29,872	(2,513)	27,359		
Total Intragovernmental	\$ 22,620,999	\$ 3,852,044	\$ 22,179,373	\$ 11,905,003	\$ 540,782	\$ 448,682	\$ 14,223,138	\$ 3,110,476	\$ 20,876,310	\$ 100,346,807	\$ (2,974)	\$ 100,343,833		
With the Public:														
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	1	-	1		
Accounts Receivable, Net	-	-	12,668	703	244	1,367	60,026	-	3,598,445	3,673,453	-	3,673,453		
General and Right-to-use Property, Plant, and Equipment, Net	-	-	-	11,810,530	2,123,598	2,862,114	2,344	-	1,867,448	18,666,034	-	18,666,034		
Advances and Prepayments	-	-	-	11,626	36,232	2,354	-	-	65,293	115,505	-	115,505		
Other Assets	-	-	-	-	8,255	4,539	-	-	55,453	68,247	-	68,247		
Total With the Public	-	-	12,668	11,822,860	2,168,329	2,870,374	62,370	-	5,586,639	22,523,240	-	22,523,240		
TOTAL ASSETS	\$ 22,620,999	\$ 3,852,044	\$ 22,179,373	\$ 23,727,863	\$ 2,709,111	\$ 3,319,056	\$ 14,285,508	\$ 3,110,476	\$ 26,462,949	\$ 122,870,047	\$ (2,974)	\$ 122,867,073		
LIABILITIES														
Intragovernmental:														
Accounts Payable:														
Accounts Payable, Capital Transfers	\$ -	\$ -	\$ -	\$ 1,146,403	\$ -	\$ -	\$ -	\$ -	\$ 1,146,403	\$ -	\$ -	\$ 1,146,403		
Accounts Payable	-	-	-	45,560	791	2,402	578	-	11,336	60,667	(461)	60,206		
Transfers Payable	-	-	-	-	-	-	-	-	811,523	811,523	-	811,523		
Advances from Others and Deferred Revenue	-	-	-	5,368	-	-	-	-	1	5,369	(2,513)	2,856		
Other Liabilities	-	-	-	142,055	29	43,594	763	-	4,426	190,867	-	190,867		
Total Intragovernmental	\$ -	\$ -	\$ -	\$ 1,339,386	\$ 820	\$ 45,996	\$ 1,341	\$ -	\$ 827,286	\$ 2,214,829	\$ (2,974)	\$ 2,211,855		
With the Public:														
Accounts Payable	-	-	-	211,819	4,492	2,635	452	157	161,264	380,819	-	380,819		
Federal Employee Salary, Leave, and Benefits Payable	-	-	-	28,988	218	1,694	3,953	-	22,156	57,009	-	57,009		
Pension and Post-Employment Benefits Payable	-	-	-	40,719	-	-	1,599	-	455	42,773	-	42,773		
Environmental and Disposal Liabilities	-	-	-	201,921	-	-	-	-	-	201,921	-	201,921		
Benefits Due and Payable	-	-	-	-	-	-	2,783	-	-	2,783	-	2,783		
Advances from Others and Deferred Revenue	-	-	76,052	519,169	14,885	183,217	-	-	213,134	1,006,457	-	1,006,457		
Other Liabilities	-	50,752	76,052	1,296,940	19,787	230,643	66,167	91,397	2,439,590	2,579,566	-	2,579,566		
Total With the Public	-	50,752	76,052	1,296,940	19,787	230,643	66,167	91,397	2,439,590	4,271,328	-	4,271,328		
TOTAL LIABILITIES	\$ -	\$ 50,752	\$ 76,052	\$ 2,636,326	\$ 20,607	\$ 276,639	\$ 67,508	\$ 91,397	\$ 3,266,876	\$ 6,486,157	\$ (2,974)	\$ 6,483,183		
NET POSITION														
Unexpended Appropriations	-	69,119	-	7,447,197	220,679	114,812	10,752,764	-	2,143,176	20,747,747	-	20,747,747		
Cumulative Results of Operations	22,620,999	3,732,173	22,705,989	13,644,340	2,467,825	2,927,605	3,465,236	3,019,079	21,052,897	95,636,143	-	95,636,143		
TOTAL NET POSITION	22,620,999	3,801,292	22,705,989	21,091,537	2,688,504	3,042,417	14,218,000	3,019,079	23,196,073	116,383,890	-	116,383,890		
TOTAL LIABILITIES AND NET POSITION	\$ 22,620,999	\$ 3,852,044	\$ 22,179,373	\$ 23,727,863	\$ 2,709,111	\$ 3,319,056	\$ 14,285,508	\$ 3,110,476	\$ 26,462,949	\$ 122,870,047	\$ (2,974)	\$ 122,867,073		

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI's funds from dedicated collections as of and for the year ended September 30, 2025 (Continued)													
(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources & Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Federal Aid in Wildlife Restoration	Other Funds from Dedicated Collections	FY 2025	FY 2025	FY 2025	
										Total Funds from Dedicated Collections (Combined)	Eliminations between Dedicated Collection Funds	Total Funds from Dedicated Collections (Consolidated)	
NET COST OF OPERATIONS													
Gross Costs	\$ -	\$ 198,989	\$ 307	\$ 3,111,172	\$ 129,306	\$ 140,255	\$ 1,188,181	\$ 1,062,628	\$ 6,861,324	\$ 12,692,162	\$ (63,821)	\$ 12,628,341	
Earned Revenue	-	-	(175,950)	(249,868)	(99,795)	(105,345)	(17)	-	(1,672,929)	(2,303,904)	36,374	(2,267,530)	
TOTAL NET COST OF OPERATIONS	\$ -	\$ 198,989	\$ (175,643)	\$ 2,861,304	\$ 29,511	\$ 34,910	\$ 1,188,164	\$ 1,062,628	\$ 5,188,395	\$ 10,388,258	\$ (27,447)	\$ 10,360,811	
CHANGES IN NET POSITION													
UNEXPENDED APPROPRIATIONS													
Beginning Balance	\$ -	\$ 27,419	\$ -	\$ 6,912,604	\$ 226,123	\$ 82,708	\$ 11,314,139	\$ -	\$ 1,815,594	\$ 20,378,587	\$ -	\$ 20,378,587	
Appropriations Received	-	50,000	-	2,963,380	-	-	130,000	-	14,741	3,158,121	-	3,158,121	
Appropriations Transferred In/(Out)	-	-	-	(767,100)	30,115	52,555	-	-	751,004	66,574	-	66,574	
Appropriations-Used	-	(8,300)	-	(1,661,687)	(35,559)	(20,451)	(691,375)	-	(438,163)	(2,855,535)	-	(2,855,535)	
Net Change in Unexpended Appropriations	-	41,700	-	534,593	(5,444)	32,104	(561,375)	-	327,582	369,160	-	369,160	
Total Unexpended Appropriations - Ending	\$ -	\$ 69,119	\$ -	\$ 7,447,197	\$ 220,679	\$ 114,812	\$ 10,752,764	\$ -	\$ 2,143,176	\$ 20,747,747	\$ -	\$ 20,747,747	
CUMULATIVE RESULTS OF OPERATIONS													
Beginning Balance	\$ 22,576,374	\$ 3,776,594	\$ 21,068,053	\$ 13,078,282	\$ 2,480,488	\$ 2,936,022	\$ 3,287,710	\$ 3,121,531	\$ 19,771,760	\$ 92,096,814	\$ -	\$ 92,096,814	
Appropriations-Used	-	8,300	-	1,661,688	35,559	20,451	691,375	-	438,162	2,855,535	-	2,855,535	
Royalty, Rents, and Lease Sales Retained	1,051,953	150,000	2,877,879	-	-	-	-	-	4,337,407	8,417,239	-	8,417,239	
Non-Exchange Revenue With the Public:													
Miscellaneous Taxes and Receipts	10,547	-	202	-	-	8	81,845	-	(422,174)	(329,572)	-	(329,572)	
Intragovernmental Non-Exchange Revenue	-	-	7,336	-	-	280	586,809	960,176	731,125	2,285,726	-	2,285,726	
Transfers In/(Out) without Reimbursement	(1,017,875)	-	(1,423,124)	1,623,115	(18,712)	(6,185)	(40)	-	1,303,143	460,322	-	460,322	
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	75,404	75,404	-	75,404	
Donations and Forfeitures of Property	-	-	-	45,605	-	3,446	-	-	-	49,051	-	49,051	
Imputed Financing	-	-	-	98,250	1	8,493	5,701	-	7,086	119,531	(27,447)	92,084	
Other Financing Sources/(Uses)	-	(3,732)	-	(1,296)	-	-	-	-	(621)	(5,649)	-	(5,649)	
Net Cost of Operations	-	(198,989)	175,643	(2,861,304)	(29,511)	(34,910)	(1,188,164)	(1,062,628)	(5,188,395)	(10,388,258)	27,447	(10,360,811)	
Net Change in Cumulative Results of Operations	44,625	(44,421)	1,637,936	566,058	(12,663)	(8,417)	177,526	(102,452)	1,281,137	3,539,329	-	3,539,329	
Cumulative Results of Operations - Ending	22,620,999	3,732,173	22,705,989	13,644,340	2,467,825	2,927,605	3,465,236	3,019,079	21,052,897	95,636,143	-	95,636,143	
TOTAL NET POSITION	\$ 22,620,999	\$ 3,801,292	\$ 22,705,989	\$ 21,091,537	\$ 2,688,504	\$ 3,042,417	\$ 14,218,000	\$ 3,019,079	\$ 23,196,073	\$ 116,383,890	\$ -	\$ 116,383,890	

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

NOTE 17. COSTS AND EXCHANGE REVENUE BY RESPONSIBILITY SEGMENT

The Net Cost of Operations aligns with the mission areas identified in the DOI Strategic Plan. The following tables present the Statement of Net Cost by Bureau and mission areas (Responsibility Segments).

Costs and exchange revenue by responsibility segment for the year ended September 30, 2025, consists of the following:													
(dollars in thousands)	Indian Affairs ¹	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other ²	Bureau of Ocean Energy Management	Bureau of Safety and Environmental Enforcement	National Park Service	Office of Surface Mining Reclamation & Enforcement	U.S. Fish and Wildlife Service	U.S. Geological Survey	Elimination of Intra-Department Activity	FY 2025	
Promote Well-Being for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities													
Gross Costs	\$ 3,970,199	\$ 196,946	\$ 4,458	\$ 1,371,475	\$ -	\$ 48,518	\$ 10,834	\$ -	\$ (117,356)	\$ 5,485,074			
Less: Earned Revenue	315,185	32,807	-	49,721	-	-	-	-	1,412	-	(31,976)	367,149	
Net Program Cost	\$ 3,655,014	\$ 164,139	\$ 4,458	\$ 1,321,754	\$ -	\$ 48,518	\$ 9,422	\$ -	\$ (85,380)	\$ 5,117,925			
Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Multiple Stressors													
Gross Costs	\$ 552,724	\$ 1,661,764	\$ 336,944	\$ 280,509	\$ 1,022	\$ 12,716	\$ 3,056,522	\$ 450,299	\$ 3,858,944	\$ 128,622	\$ (593,663)	\$ 9,746,403	
Less: Earned Revenue	33,880	370,985	77,120	6,082	43,769	(776)	477,515	583	312,269	18,658	(274,132)	1,065,953	
Net Program Cost	\$ 518,844	\$ 1,290,779	\$ 259,824	\$ 274,427	\$ (42,747)	\$ 13,492	\$ 2,579,007	\$ 449,716	\$ 3,546,675	\$ 109,964	\$ (319,531)	\$ 8,680,450	
Balance the Use of Resources While Supporting Communities and the Economy													
Gross Costs	\$ 303,596	\$ 1,065,593	\$ 958,658	\$ 5,019,691	\$ 231,278	\$ 248,991	\$ 6,560	\$ 1,617,239	\$ 16,251	\$ 445,416	\$ (587,242)	\$ 9,326,031	
Less: Earned Revenue	182,606	236,506	319,618	1,469	490,221	53,453	815	186	2,118	27,723	(252,160)	1,062,555	
Net Program Cost	\$ 120,990	\$ 829,087	\$ 639,040	\$ 5,018,222	\$ (258,943)	\$ 195,538	\$ 5,745	\$ 1,617,053	\$ 14,133	\$ 417,693	\$ (335,082)	\$ 8,263,476	
Serve and Honor the Public Trust													
Gross Costs	\$ 495,895	\$ 178,961	\$ 2,279,197	\$ 128,750	\$ -	\$ 2,815,376	\$ 752,964	\$ 954,766	\$ (883,533)	\$ 6,722,376			
Less: Earned Revenue	10,222	26,245	357,073	-	-	368,755	-	98,147	47,147	(92,724)		814,865	
Net Program Cost	\$ 485,673	\$ 152,716	\$ 1,922,124	\$ 128,750	\$ -	\$ 2,446,621	\$ 654,817	\$ 907,619	\$ (790,809)	\$ 5,907,511			
Reimbursable Activity and Other													
Gross Costs Not Assigned to Programs	\$ 17	\$ 1,187,789	\$ 889,784	\$ 4,483,813	\$ -	\$ 57,778	\$ 4,506	\$ -	\$ 810,733	\$ (870,697)	\$ 6,563,723		
Less: Earned Revenue Not Attributable to Programs	-	569,719	870,857	3,949,740	-	58,699	-	62	-	608,735	(2,371,702)	3,686,110	
Net Costs Not Assigned to Programs	\$ 17	\$ 618,070	\$ 18,927	\$ 534,073	\$ -	\$ (921)	\$ 4,444	\$ -	\$ 201,998	\$ 1,501,005	\$ 2,877,613		
Total													
Gross Costs	\$ 5,322,431	\$ 4,291,053	\$ 4,469,041	\$ 11,284,238	\$ 232,300	\$ 319,485	\$ 5,926,976	\$ 2,072,044	\$ 4,638,993	\$ 2,339,537	\$ (3,052,491)	\$ 37,843,607	
Less: Earned Revenue	541,893	1,236,262	1,624,668	4,007,012	533,990	111,376	847,085	831	413,946	702,263	(3,022,694)	6,996,632	
Net Cost of Operations	\$ 4,780,538	\$ 3,054,791	\$ 2,844,373	\$ 7,277,226	\$ (301,690)	\$ 208,109	\$ 5,079,891	\$ 2,071,213	\$ 4,225,047	\$ 1,637,274	\$ (29,797)	\$ 30,846,975	

¹ IA includes BIA and BIE

² DO includes BTFA and OIA

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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NOTE 18. STATEMENT OF BUDGETARY RESOURCES

The SBR provides information about how budgetary resources were made available as well as their status at the end of the period.

The Unobligated balance from prior year budget authority, net amount does not tie to the prior year's Unobligated balance, end of year amount due to adjustments. The

adjustments mainly consist of recoveries of prior year obligated balances, cancelled authority, and allocation transfers of prior year balances. The following table displays a reconciliation between the prior year's unobligated balance, end of year amount to the current year's unobligated balance from prior year budget authority, net amount.

Reconciliation of Prior Year Ending Unobligated Balance to Current Year Beginning Balance for the year ended September 30, 2025			
	FY 2025		
	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts	
Prior Year Unobligated Balance, End of Year	\$ 47,791,175	\$ 66,302	
Recoveries of Prior year Unpaid Obligations	1,609,805		-
Other Changes in Unobligated Balance	(499,047)		(1)
Current Year Unobligated Balance from Prior Year Budget Authority, Net	\$ 48,901,933	\$ 66,301	

Budgetary Resources Obligated for Undelivered Orders. The following table displays the amounts of federal, non-federal, paid, and unpaid budgetary resources obligated for undelivered orders for the year ended September 30, 2025.

Undelivered Orders		
	(dollars in thousands)	FY 2025
Undelivered Orders		
Federal:		
Paid	\$ 273,251	
Unpaid	1,750,925	
Total Undelivered Orders, Federal	\$ 2,024,176	
Non-Federal:		
Paid	\$ 579,528	
Unpaid	23,323,888	
Total Undelivered Orders, Non-Federal	23,903,416	
Total Undelivered Orders	\$ 25,927,592	

Repayment Requirements, Financing Sources for Repayment, and other Terms of Borrowing Authority Used.

The DOI has permanent indefinite borrowing authority for direct and guarantee loan programs in accordance with FCRA, and related legislation. The USBR, IA, and DO are authorized to borrow the unsubsidized portion of direct loan and loan guarantee default disbursements from Fiscal Service.

Borrowings are repaid upon collection of the loan or default from the public. The repayment term associated with USBR direct loans are not more than 40 years from the date when the principal benefits of the projects first became available. The IA's direct loan program ended in FY 1995. Borrowings from direct loans made in FY 1993 and FY 1994, are still outstanding.

The borrowings are continuing to be repaid as scheduled. The DO has one direct loan outstanding to ASG that is due to be paid in full September 30, 2027.

Permanent Indefinite Appropriations. Permanent indefinite appropriations are appropriations given to DOI through public laws which authorize the retention of certain receipts. These appropriations do not specify amounts, but are dependent upon the amount of receipts collected. All DOI Bureaus use one or more permanent no-year appropriations to finance operating costs and purchase PP&E. The DOI has approximately 100 permanent indefinite appropriations. Most of these appropriations are used for special environmental programs and to carry out obligations of the Secretary of the Interior.

Appropriations Received. Appropriations reported on the SBR will not necessarily agree with Appropriations Received as reported on the SCNP. This is due to differences in

budgetary and proprietary accounting concepts and reporting requirements. Some receipts are recorded as appropriations on the SBR, but are recognized as exchange or non-exchange revenue and reported on the SCNP in accordance with SFFAS 7.

Legal Arrangements Affecting Use of Unobligated

Balances. Unobligated balances, whose period of availability has expired (e.g., expired authority), are not available to fund new obligations, but are available to pay for adjustments to new obligations and upward adjustments prior to expiration. The DOI's unapportioned balances as of September 30, 2025, are disclosed in the table below.

Legal Arrangements Affecting Use of Unobligated Balances		
	(dollars in thousands)	FY 2025
Unapportioned, Unexpired Account		\$ 455,617
Expired Authority		370,371
Unapportioned		\$ 825,988

Available Borrowing, End of the Period. The DOI did not have any available budgetary borrowing for the year ended September 30, 2025. The DOI does have permanent indefinite borrowing authority for the execution of direct loan and loan guarantee programs in accordance with FCRA. The amount borrowed will fluctuate dependent upon the actual performance of the borrower as compared to the projected performance and the applicable Treasury interest rate. In FY 2025, DOI exercised \$179 thousand in new borrowing authority, with repayments of \$2.0 million.

As of September 30, 2025, DOI had no available contract authority.

amounts, and is estimated to be released in February 2026. The Budget of the United States Government is available on the OMB website.

There are legitimate reasons for differences between balances reported in the SBR and the actual balances reported in the Budget of the United States Government. The FY 2024 differences are explained in the Reconciliation of the SBR to the Budget of the United States Government table on the following page.

Explanation of Differences between the Combined SBR and the Budget of the United States Government. The SBR has been prepared to coincide with the amounts shown in the Budget of the United States Government. The Budget of the United States Government containing the actual amounts for FY 2025, has not been published at the time these financial statements were prepared. The Budget of the United States actual FY 2024, amounts were released in May 2025. The FY 2027 Budget of the United States Government will include the FY 2025 actual

Reconciliation of the Statement of Budgetary Resources to the Budget of the United States Government					
	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays	
FY 2024 Combined Statement of Budgetary Resources	\$ 92,099	\$ 44,242	\$ 11,990	\$ 29,436	
Bureau of Trust Funds Administration Fiduciary activity included in the Budget of the US Government that is excluded from the SBR	885	198	558	198	
National Park Service Concessionaire activity included in the Budget of the US Government that is excluded from the SBR	17	2	6	3	
Expired resources included in the SBR that are excluded from the Budget of the US Government	(381)	(49)			
Other activity	(2)	(3)		(11)	
Subtotal	\$ 519	\$ 148	\$ 564	\$ 190	
Budget of the U.S. Government	\$ 92,618	\$ 44,390	\$ 12,554	\$ 29,626	

NOTE 19. RECONCILIATION OF NET COST TO NET OUTLAYS

As required by SFFAS 7, amended by SFFAS 53, *Budget and Accrual Reconciliation*, DOI has reconciled the net cost of operations, reported in the SNC, to the net outlays, reported on the SBR.

Financial (proprietary) and budgetary accounting information differ. Proprietary accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit.

The reconciliation of net cost of operations, presented on an accrual basis, and net outlays, presented on a budgetary basis, provides a visual depiction of the relationship between proprietary and budgetary accounting.

The reconciliation below begins with net cost of operations and is adjusted by the following two sections to reconcile to net outlays.

- ◆ The Components of Net Cost Not Part of Net Outlays section accounts for proprietary net cost transactions that did not result in budgetary net outlays during the current fiscal year. This includes depreciation, changes to assets and liabilities, transfers, and imputed financing that did not affect current year net outlays.

- ◆ The Components of Net Outlays Not Part of Net Cost section accounts for budgetary net outlays that did not result in proprietary net cost transactions for the current fiscal year. This includes acquisition of capital assets and collections that did not affect current year net cost.
- ◆ The Components of Net Cost Not Part of Net Outlays section accounts for changes related to SFFAS 54, *Leases*. This includes the costs associated with right-to-use lease assets (e.g., interest and amortization) as well as outlays associated with leases are included in the components of net outlays that are not part of net cost.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2025, is presented below.

(dollars in thousands)	Intra-Governmental FY 2025	Public FY 2025	Total FY 2025
Net Cost	\$ 822,323	\$ 30,024,652	\$ 30,846,975
Components of Net Cost Not Part of Net Outlays			
Property, Plant and Equipment Depreciation	\$ -	\$ (938,895)	\$ (938,895)
Property, Plant and Equipment Disposal and Re-valuation	- -	(33,979)	(33,979)
Other	(321)	28,411	28,090
Increase/(Decrease) in Assets not affecting Net Outlays			
Accounts Receivable	124,832	(391,897)	(267,065)
Loans Receivable	- -	(625)	(625)
Other Assets	62,536	213,564	276,100
Investments	(25,909)	- -	(25,909)
(Increase)/Decrease in Liabilities not affecting Net Outlays			
Accounts Payable	(119,452)	352,854	233,402
Federal Employee Benefits Payable	- -	289,208	289,208
Advances from Others and Deferred Revenue	1,061,109	8,012	1,069,121
Environmental and Disposal Liabilities	- -	(634,095)	(634,095)
Other Liabilities	(54,072)	(172,006)	(226,078)
Other Financing Sources not affecting Net Outlays			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(948,743)	- -	(948,743)
Transfers (in)/out without Reimbursement	(326,263)	- -	(326,263)
Other Imputed Financing	(222,142)	- -	(222,142)
Total Components of Net Cost Not Part of Net Outlays	\$ (448,425)	\$ (1,279,448)	\$ (1,727,873)
Components of Net Outlays that are Not Part of Net Cost			
Acquisition of Capital Assets	\$ - -	\$ 2,476,457	\$ 2,476,457
Acquisition of Inventory	- -	27,387	27,387
Non-Exchange Revenue and Other	(4,246,051)	(5,336,151)	(9,582,202)
Total Components of Net Outlays that are Not Part of Net Cost	\$ (4,246,051)	\$ (2,832,307)	\$ (7,078,358)
Other Reconciling Items			
Other Temporary Timing Differences	0	2,998	2,998
Total Other Reconciling Items	0	2,998	2,998
Net Outlays (Calculated)	\$ (3,872,153)	\$ 25,915,895	\$ 22,043,742

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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NOTE 20. FIDUCIARY ACTIVITIES

The DOI maintains accounts for Tribal and Other Trust Funds (including the Alaskan Native Escrow Fund) and Individual Indian Monies (IIM) Trust Funds in accordance with the *American Indian Trust Fund Management Reform Act of 1994*. The fiduciary balances that have accumulated in these funds have resulted from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment awards,

settlements of claims, and investment income. The 12 non-valued fiduciary assets represent Tribal land holdings for which IA maintains fiduciary responsibility, often in the capacity of a Trustee. These funds are maintained by IA and ONRR for the benefit of individual Native Americans as well as for designated Indian Tribes. Transactions between these funds have not been fully eliminated and there are no non-monetary assets to report.

Schedule of Fiduciary Activity		Fiduciary Funds	
(dollars in thousands)		FY 2025	FY 2024
Fiduciary Net Assets, Beginning		\$ 9,074,938	\$ 9,005,684
Contributions		1,339,827	1,703,432
Investment Earnings		351,425	358,400
Gain (Loss) on Disposition of Investments, Net		2,505	14,371
Administrative and Other Expenses		116	3
Disbursements to and on Behalf of Beneficiaries		(1,899,603)	(2,006,952)
Increase/(Decrease) Net Assets		(205,730)	69,254
Fiduciary Net Assets, End		\$ 8,869,208	\$ 9,074,938

Fiduciary Net Assets		Fiduciary Funds	
(dollars in thousands)		FY 2025	FY 2024
Cash and Cash Equivalents		\$ 1,734,351	\$ 1,717,321
Investments			
Investments in Treasury Securities		695,699	489,520
Investments in Non-Treasury Securities		6,232,835	6,643,277
Accrued Interest Receivable		40,895	44,584
Other Income Receivable		165,582	180,395
Less: Accounts Payable		(154)	(159)
Total Fiduciary Net Assets		\$ 8,869,208	\$ 9,074,938

Non-Valued Fiduciary Assets		Fiduciary Assets	
		FY 2025	FY 2024
IA Regions		12	12

Separately Issued Financial Statements

The DOI issues separately available financial statements for: (1) Tribal and Other Trust Funds, and (2) IIM Trust Funds.

The separately issued Tribal and Other Trust Funds Financial Statements were prepared using a cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. The cash basis of accounting differs from GAAP in that receivables and payables are not accrued and investment premiums and discounts are not amortized or accreted. Receipts are recorded when received, disbursements are recorded when paid, and investments are stated at historical cost.

The separately issued IIM Trust Funds Financial Statements were prepared using a modified cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. The modified cash basis of accounting differs from GAAP in that receivables and payables are not accrued, with the exception of interest earned on invested funds (including discount accretion and premium amortization). Receipts are recorded when received with the exception of interest, and disbursements are recorded when paid. Interest is recorded when earned, including accretion/amortization of investment discounts and premiums. Investments are stated at amortized cost.

Audit Results. With OIG oversight, independent auditors audited the Tribal and Other Trust Funds and the IIM Trust Funds financial statements as of September 30, 2025, and 2024. The independent auditors indicated that the financial statements were prepared on the cash or modified cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. In addition, the independent auditors' report on the Tribal and Other Trust Funds was qualified as it was not practicable for the independent auditors to extend audit procedures sufficiently to satisfy themselves as to the completeness of trust fund balances as the independent auditors were unable to send account confirmations to Tribal and Other trust funds beneficiaries due to certain parties for whom BTFA holds assets in trust having filed claims against the United States Government requesting an accounting of their trust funds, which prevented the independent auditors from communicating with the involved beneficiaries. The IIM Trust Funds received an unmodified opinion from the auditors.

NOTE 21. DISCLOSURE ENTITIES AND RELATED PARTIES

SFFAS 47, *Reporting Entity* standard defines the Federal Reporting entity as inclusive of the consolidation entity, disclosure entities, and related parties. In accordance with SFFAS 47, the financial position, and results of operation of disclosure entities and related parties are not reported in the DOI consolidated financial statements but the information about disclosure entities and related parties is disclosed for accountability purposes and to meet federal financial reporting objectives. The DOI consolidation entity includes accounts administratively assigned by OMB to DOI in the Budget of the U.S. Government. The DOI consolidation entity did not change between fiscal years 2024 and 2025.

Disclosure Entities:

Foundation for America's Public Lands

The Foundation for America's Public Lands (FPL) is an independent, incorporated 501 (c) 3 nonprofit corporation that was established by Congress in 2017, to encourage, accept, obtain, administer, and use private gifts and donations for the benefit of, or in connection with, the activities and services of BLM. The Secretary of the Interior appoints members to serve on the Foundation's Board of Directors, and the BLM Director is an ex-officio nonvoting member of the Foundation's Board of Directors. For the period ending, September 30, 2025, DOI had expenses of \$2.6 million with FPL to support administrative and program expenses.

Related Parties:

The DOI has identified two related parties in the National Fish and Wildlife Foundation (NFWF), and the National Park Foundation (NPF). These organizations provide benefits to the mission of DOI in the form of expanded partnerships and public outreach.

National Fish and Wildlife Foundation

The NFWF is an independent, incorporated 501(c)3 nonprofit corporation that was established by Congress in 1984, to conserve fish, wildlife, and plant species through innovative partnerships with Federal Agencies, corporations, foundations, and nonprofit organizations to generate new resources for conservation. The founding legislation requires that the Secretary of the Interior approve board membership for NFWF. For the period ending September 30, 2025, DOI had expenses of \$214.4 million with the NFWF to support conservation focused programs.

National Park Foundation

The NPF is an independent, incorporated 501(c)3 nonprofit corporation that was established by Congress in 1967, to generate private support and build strategic partnerships that will protect and enhance America's National Parks

for present and future generations. The Secretary of the Interior (Chair) and NPS Director (Secretary) serve as ex-officio members of NPF board of directors. For the period

ending September 30, 2025, DOI had expenses of \$20.4 million with NPF to support park programs.

NOTE 22. CUSTODIAL ACTIVITY

Custodial Revenues reported on the Combined SCA are revenues collected by components within DOI on behalf of other entities. The ONRR, a component of DO, collects royalties, rents, lease sales, and other receipts for Federal oil, gas, and mineral leases. The ONRR distributes the proceeds in accordance with legislated allocation formulas to other DOI Bureaus, the General Fund of the Treasury, other Federal entities, states, and coastal political subdivisions. The ONRR does not retain any portion of these revenues to offset custodial administrative costs.

In FY 2025, two Atlantic Offshore Wind Sales were completed. The sales totaled \$114.6 million in winning bids with \$28.6 million in bidding credits resulting in a net of \$86 million in revenue.

The USGS sells America the Beautiful – National Parks & Federal Recreational Land passes, Northwest Park passes, and assorted maps. The USGS custodial revenue is distributed to other DOI Bureaus, USDA, and USACE. The USGS does not retain any portion of these revenues to offset custodian administrative costs.

To provide for a comprehensive presentation of custodial revenues collected and distributed, the SCA reflects revenues and distributions of those revenues by the custodial entity (e.g., ONRR and USGS). The recipient of the custodial revenue distributions may subsequently disburse to other entities. For example, distributions shown on the SCA to DO represent custodial revenues that are transferred by the custodian to another DOI fund for management of the disbursements to states and other non-Federal entities, in accordance with provided legislation and OMB authorization. Collections that are

disbursed directly to another Federal agency or non-Federal recipient entity do not affect net cost or net position ending balances reported by DOI. Collections that are disbursed to other DOI Bureaus, do however, affect net cost and/or net position ending balances reported by DOI.

Custodial liabilities are reported within Other Liabilities on the Balance Sheet and represent amounts collected by DOI custodial entities (e.g., ONRR and USGS) on behalf of others that have not yet been disbursed. DO manages funds that require additional disbursements to states. A liability is recorded on the Balance Sheet for Payments to States which represents these revenues earned but not yet disbursed from DOI. Legislative action may be required to disburse funds to states. Costs associated with these payments are reported on DOI's SNC. The Balance Sheet also includes accounts receivable balances for royalties earned on September production of oil and gas leases for which ONRR subsequently receives payment in the following fiscal year.

NOTE 23. RECLASSIFICATION OF FINANCIAL STATEMENTS LINE ITEMS FOR FINANCIAL REPORT COMPILATION PROCESS

To prepare *The Financial Report of the U.S. Government* (FR), Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger accounts, that appear in DOI's financial statements. Treasury uses the trial balance information reported in the GTAS, to prepare governmentwide reclassified financial statements.

Treasury's Reclassified Balance Sheet and Reclassified SCNP resemble DOI's financial statement presentation; therefore, a separate reconciliation is not required for the Balance Sheet. The SCNP must be presented showing only the Entity columns, per OMB Circular A-136, *Financial Reporting Requirements*.

Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the DOI financial statements and the DOI reclassified line items prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items as of September 30, 2025.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2025 Department of the Interior Consolidated Statement of Net Cost		Line Items Used to Prepare FY 2025 Government-wide Statement of Net Cost						
Financial Statement Line (dollars in thousands)	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line	
Gross Cost	\$ 37,843,607	\$ 11,302,552	\$ -	\$ 22,013,358	\$ -	\$ 33,315,910	Non-Federal Gross Cost	
		11,302,552	0	22,013,358	0	33,315,910	Total Non-Federal Gross Costs	
		173,436	0	1,662,705	0	1,836,141	Benefit program costs	
		119,531	(27,447)	1,078,815	(14)	1,170,885	Imputed Costs	
		1,044,011	(36,374)	817,677	(789,622)	1,035,692	Buy/Sell Cost	
		294	0	2,199	(294)	2,199	Borrowing and other interest expense	
		52,338	0	447,042	0	499,380	Other expenses (without reciprocals)	
		0	0	(16,600)	0	(16,600)	Gains/Losses from Changes in Actuarial Assumptions	
		1,389,610	(63,821)	3,991,838	(789,930)	4,527,697	Total Intragovernmental Gross Costs	
Total Gross Costs	\$ 37,843,607	\$ 12,692,162	\$ (63,821)	\$ 26,005,196	\$ (789,930)	\$ 37,843,607	Total Reclassified Gross Costs	
Earned Revenues	\$ 6,996,632	\$ 1,859,558	\$ -	\$ 1,415,101	\$ -	\$ 3,274,659	Non-Federal Earned Revenue	
							Intragovernmental Revenue	
		83,650	(36,374)	4,125,006	(789,622)	3,382,660	Buy/Sell Revenue	
		146,063	0	5,806	0	151,869	Federal securities interest revenue including associated gains and losses (exchange)	
		0	0	1,545	(294)	1,251	Borrowing and other interest revenue (exchange)	
		0	0	(28,532)	24,683	(3,849)	Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange	
		213,491	0	94	(24,683)	188,902	Collections Transferred in to a TAS Other Than the General Fund of the U.S. Government	
		0	0	(2)	0	(2)	Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange	
		1,142	0	0	0	1,142	Accrual for Agency Amounts to be collected in TAS Other Than the General Fund of the U.S. Government - Exchange	
		444,346	(36,374)	4,103,917	(789,916)	3,721,973	Total Intragovernmental Earned Revenue	
Total Earned Revenue	\$ 6,996,632	\$ 2,303,904	\$ (36,374)	\$ 5,519,018	\$ (789,916)	\$ 6,996,632	Total Earned Revenue	
Net Cost of Operations	\$ 30,846,975	\$ 10,388,258	\$ (27,447)	\$ 20,486,178	\$ (14)	\$ 30,846,975	Net Cost of Operations	

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2025 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2025 Government-wide Statement of Operations and Changes in Net Position	
Financial Statement Line (dollars in thousands)	Amounts	Total	Reclassified Financial Statement Line for FR
Unexpended Appropriations			Unexpended Appropriations, Beginning Balance
Beginning Balance	\$ 45,888,847	\$ 45,888,847	Net Position, Beginning of Period (1 of 2)
Appropriations Received, General Funds	26,402,542	26,402,542	Appropriations Received
Appropriations Transferred In/(Out)	(271,672)	36,501	Non-Expenditure Transfers Into Unexpended Appropriations and Financing Sources (1 of 2)
		(308,173)	Non-Expenditures Transfers - Out of Unexpended Appropriations and Financing Sources (Part 1 of 2)
Total Appropriations Transferred In/(Out)	(271,672)	(271,672)	Total Appropriations Transferred In/Out
Appropriations Used	(22,552,965)	(22,552,965)	Appropriations Used
Other Adjustments	(819,681)	(819,681)	Other Adjustments
Net Change	2,758,224	2,758,224	Net Change
Ending Balance - Unexpended Appropriations	\$ 48,647,071	\$ 48,647,071	Total Unexpended Appropriations
Cumulative Results of Operations			Cumulative Results of Operations
Beginning Balance	\$ 99,952,207	\$ 99,952,207	Beginning Balance, as adjusted (2 of 2)
Appropriations Used	22,552,965	22,552,965	Appropriations Used
Royalties, Rents, and Lease Sales Retained	8,417,222	13,536,000	Miscellaneous Earned Revenues
		(5,761)	Other
		(247,626)	Collections Transferred to a TAS Other than the General Fund of the U.S. Government
		(4,943,073)	Non-Entity Collections Transferred to the General Fund of the U.S. Government (1 of 2)
		77,682	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Government (1 of 2)
Total Royalties, Rents, and Lease Sales Retained	8,417,222	8,417,222	Total Royalties, Rents, and Lease Sales Retained
Non-Exchange Revenues	2,917,106	255,038	Other Taxes and Receipts (2 of 5)
		1,193,256	Federal Securities Interest Revenue Including Associated Gains/Losses (Non-Exchange)(1 of 2)
		1,469,901	Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Non-Exchange (Part 2 of 2)
		(1,487)	Accruals for entity amounts to be collected in a TAS other than the General Fund of the U.S. Government - Non-Exchange
		23	Borrowings and Other Interest Revenue - Non-Exchange
		375	Other Non-Budgetary Financing Sources
Total Non-Exchange Revenue	2,917,106	2,917,106	Total Non-Exchange Revenue

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

(Continued)

FY 2025 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2025 Government-wide Statement of Operations and Changes in Net Position	
Financial Statement Line (dollars in thousands)	Amounts	Total	Reclassified Financial Statement Line for FR
Transfers In/(Out) without Reimbursement	726,227	125,922	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-In
		(218,139)	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-Out
		774,735	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources (Part 2 of 2)
		(341,105)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (Part 2 of 2)
		311,513	Expenditure Transfers-In of financing sources
		195,137	Transfers-In Without Reimbursement
		(121,836)	Transfers-Out Without Reimbursement
Total Transfers In/(Out) without Reimbursement	726,227	726,227	Total Transfers In/Out without Reimbursement
Donations and Forfeitures of Cash and Cash Equivalents	75,404	75,404	Other Taxes and Receipts (3 of 5)
Donations and Forfeitures of Property	69,538	69,538	Other Taxes and Receipts (4 of 5)
Imputed Financing	1,170,885	1,170,885	Imputed Financing Sources
Other Financing Sources/(Uses)	(871,365)	(13,516)	Other Taxes and Receipts (5 of 5)
		(5,596)	Non-entity collections transferred to the General Fund of the U.S. Government (2 of 2)
		(718,749)	Non-entity collections transferred to the General Fund of the U.S. Government (2 of 2)
		(133,504)	Accrual for non-entity amounts to be collected and transferred to the General Fund of the U.S. Government (2 of 2)
Total Other Financing Sources/(Uses)	(871,365)	(871,365)	Total Other Financing Sources
Net Cost of Operations	(30,846,975)	(30,846,975)	Net Cost of Operations
Net Change	4,211,007	4,211,007	Net Cost of Operations
Ending Balance - Cumulative Results of Operations	\$ 104,163,214	\$ 104,163,214	Cumulative Results of Operations
Total Net Position	\$ 152,810,285	\$ 152,810,285	Net Position

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2025 Department of the Interior Combined Statement of Custodial Activity		Line Items Used to Prepare FY 2025 Government-wide Statement of Operations and Changes in Net Position and Statement of Net Cost	
Financial Statement Line (dollars in thousands)	Amounts	Other Than Dedicated Collections (with Eliminations)	Reclassified Financial Statement Line
Revenues on Behalf of the Federal Government	\$ 13,661,448	\$ 13,536,002	Statement of Operations and Changes in Net Position – Miscellaneous Earned Revenues
		15	Statement of Net Cost – Buy/Sell Revenue
		125,431	Statement of Net Cost – Non-Federal Earned Revenue
Total Revenues	\$ 13,661,448	\$ 13,661,448	Total Revenues
Disposition of Revenue	13,661,448	5,761	Statement of Operations and Changes in Net Position – Other Taxes and Receipts
		8,633,062	Statement of Operations and Changes in Net Position – Custodial Collections Transferred to a Treasury Account Symbol Other Than the General Fund of the U.S. Government
		31,804	Statement of Operations and Changes in Net Position – Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government – Nonexchange
		4,943,073	Statement of Operations and Changes in Net Position – Non-Entity Collections Transferred to the General Fund of the U.S. Government
		(77,683)	Statement of Operations and Changes in Net Position – Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Government
		2	Statement of Net Cost – Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government – Exchange
		125,429	Statement of Net Cost – Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government – Exchange
Total Disposition of Revenue	\$ 13,661,448	\$ 13,661,448	Total Disposition of Revenue
Net Custodial Activity	\$ -	\$ -	Net Custodial Activity

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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REQUIRED SUPPLEMENTARY INFORMATION

Unaudited, See Accompanying Auditor's Report

This section includes the Combining SBR by major budget account (Budgetary Accounts), DM&R information, custodial activity compliance assessments and pre-assessment work in process. The DOI RSI includes the disclosures required by SFFAS 38, *Accounting for Federal Oil and Gas Resources*. The SFFAS 38 disclosure includes the federal government's estimated petroleum royalties from the production of federal oil and gas proved reserves reported in a schedule of federal oil and gas petroleum royalties and a schedule of

estimated federal oil and gas petroleum royalties to be distributed to others. This section also includes the disclosures required by SFFAS 59, *Accounting and Reporting of Government Land*. The SFFAS 59 disclosure includes estimated acres of G-PP&E Land and Stewardship Land using the three predominant use subcategories of Conservation and Preservation Land, Operational Land and Commercial-use Land.

Combining Statement of Budgetary Resources

Combining Statement of Budgetary Resources for the Fiscal Year Ended September 30, 2025 (dollars in thousands)																	Total Budgetary Accounts
Budgetary Resources:																	
Unobligated Balance from Prior Year Budget Authority, Net	\$ 9,856,507	\$ 1,702,621	\$ 3,376,019	\$ 916,788	\$ 3,538,431	\$ 1,487,327	\$ 423,761	\$ 2,927	\$ 812,119	\$ 1,128,733	\$ 1,030,137	\$ 6,922,422	\$ 1,324,589	\$ 16,379,552	\$ 48,901,933		
Appropriations (Discretionary and Mandatory)	651,773	324,149	4,800	1,565,750	1,930,911	-	1,341,962	3,633,012	2,616,606	2,021,683	1,521,685	3,636,964	1,414,117	16,058,226	36,721,638		
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	12	-	-	347,672	-	1,566,029	87,087	-	72,748	41,250	611,520	577,773	96,805	4,262,536	7,663,432		
Total Budgetary Resources	\$ 10,508,292	\$ 2,026,770	\$ 3,380,819	\$ 2,830,210	\$ 5,469,342	\$ 3,053,356	\$ 1,852,810	\$ 3,635,939	\$ 3,501,473	\$ 3,191,666	\$ 3,163,342	\$ 11,137,159	\$ 2,835,511	\$ 36,700,314	\$ 93,287,003		
Status of Budgetary Resources:																	
New Obligations and Upward Adjustments	\$ 1,442,919	\$ 174,611	\$ 547,241	\$ 2,044,863	\$ 1,118,497	\$ 2,595,882	\$ 1,471,615	\$ 3,632,656	\$ 3,058,591	\$ 2,271,825	\$ 1,996,490	\$ 4,118,650	\$ 2,255,474	\$ 15,945,262	\$ 42,674,576		
Unobligated Balance, End of Year																	
Apportioned, Unexpired Accounts	9,065,373	1,840,914	2,833,578	760,576	4,034,934	457,474	316,648	3,283	300,425	879,131	1,143,455	7,018,476	580,037	20,552,135	49,786,439		
Unapportioned, Unexpired Accounts	-	11,245	-	187	315,911	-	3,038	-	80	128	-	-	-	125,028	455,617		
Unexpired, Unobligated Balance, End of Year	9,065,373	1,852,159	2,833,578	760,763	4,350,845	457,474	319,686	3,283	300,505	879,259	1,143,455	7,018,476	580,037	20,677,163	50,242,056		
Expired, Unobligated Balance, End of Year	-	-	-	24,584	-	-	61,509	-	142,377	40,582	23,397	33	-	77,889	370,371		
Unobligated Balance, End of Year (Total)	\$ 9,065,373	\$ 1,852,159	\$ 2,833,578	\$ 785,347	\$ 4,350,845	\$ 457,474	\$ 381,195	\$ 3,283	\$ 442,882	\$ 919,841	\$ 1,166,852	\$ 7,018,509	\$ 580,037	\$ 20,755,052	\$ 50,612,427		
Total Budgetary Resources	\$ 10,508,292	\$ 2,026,770	\$ 3,380,819	\$ 2,830,210	\$ 5,469,342	\$ 3,053,356	\$ 1,852,810	\$ 3,635,939	\$ 3,501,473	\$ 3,191,666	\$ 3,163,342	\$ 11,137,159	\$ 2,835,511	\$ 36,700,314	\$ 93,287,003		
Outlays, Net, and Disbursements, Net:																	
Outlays Net (Discretionary and Mandatory)	\$ 1,190,993	\$ 180,039	\$ 206,198	\$ 1,728,564	\$ 847,542	\$ 1,032,027	\$ 1,446,449	\$ 3,632,656	\$ 3,040,090	\$ 2,304,566	\$ 1,618,505	\$ 3,016,410	\$ 2,003,302	\$ 11,377,168	\$ 33,624,509		
Distributed Offsetting Receipts	(590,495)	(330,645)	-	-	(335,006)	-	-	(3,621,963)	-	-	(90)	(1,486)	-	(6,701,082)	(11,580,767)		
Agency Outlays, Net (Discretionary and Mandatory)	600,498	(150,606)	206,198	1,728,564	512,536	1,032,027	\$ 1,446,449	\$ 10,693	\$ 3,040,090	\$ 2,304,566	\$ 1,618,415	\$ 3,014,924	\$ 2,003,302	\$ 4,676,086	\$ 22,043,742		

Deferred Maintenance and Repairs

The DOI owns and manages real property assets such as schools, office buildings, roads, bridges, dams, irrigation systems, and reservoirs to enable its mission. The maintenance and repairs needs of these assets are identified primarily through the condition assessment process and related models. Maintenance and repairs as of September 30, 2025, that were not performed when they should have been or were scheduled and delayed for a future period are considered DM&R as reflected in the table below.

Broad methodologies for estimating and reporting DM&R are defined by DOI and implemented across Bureaus and Offices with real property portfolios. Estimates include real property assets that are active, inactive, or have been identified as excess to mission needs. This includes capitalized and non-capitalized, as well as, fully depreciated PP&E.

A condition assessment is the periodic inspection of real property to determine its current condition, validate inventory data and identify and provide a cost estimate for necessary maintenance and repairs. The overall condition of the asset is approximated by the Facility Condition Index (FCI), which is the ratio of the DM&R to the Current Replacement Value.

Deferred Maintenance and Repairs as of September 30, 2025			
PP&E Category	(dollars in thousands)	Beginning DM&R Balance	Ending DM&R Balance
General PP&E	\$	22,979,327	\$ 21,149,600
Heritage Assets		9,934,704	7,710,491
Stewardship Land		1,073,007	1,156,495
Total	\$	33,987,038	\$ 30,016,586

Assets with an FCI closer to zero are considered to be in good condition while those with an FCI closer to 1.0 are considered to be in poor condition. However, the FCI is only one indicator of the overall health of the asset. Professional judgment regarding the severity of the maintenance and repairs plays a critical role in managing DM&R. Due to the location, age, and variety of the assets entrusted to DOI, as well as the nature of DM&R itself, precise cost estimates for DM&R cannot be determined prior to developing the final design and specifications for the repairs. Until that time, estimates are conceptual in nature and are therefore, subject to significant year-over-year fluctuations.

The DOI policy requires that condition assessments be performed on all constructed assets and estimates be adjusted annually for inflation. Certain asset types, such as public bridges, require more frequent assessments due to statutory requirements protecting public safety. Additionally, the operations and maintenance responsibility of some of USBR's assets has been transferred to non-federal operating entities to perform and fund operations and maintenance through user fees. The USBR does not report DM&R on these transferred assets in the AFR.

The DOI has a five-year capital planning process that provides a framework for improved planning and management of maintenance, modernization, and divestiture programs. The DOI's guidance for the five-year plan provides a corporate methodology for implementing investment priorities across the portfolio of assets. The methodology is executed through an annual process in which Bureaus and Offices analyze, prioritize, and select lifecycle investment projects that best support Bureau and Office missions, DOI goals and objectives, and the Administration's emphasis areas. Bureau and Office five-year plans are updated annually to reflect the most current five-year picture of DOI's priority lifecycle investment projects. In preparing the plan, DOI utilizes uniform prioritization criteria to drive consistency and to ensure that the projects are prioritized appropriately. These criteria are reviewed annually for alignment with strategic plans, OMB guidance, recent laws, and EO's.

The DOI presents DM&R in the AFR as beginning and ending balances by categories of PP&E in accordance with

SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*. Categories of PP&E include general PP&E, Heritage Assets, and Stewardship Land per SFFAS 6, *Accounting for Property, Plant, and Equipment*. The SFFAS 29, *Heritage Assets and Stewardship Land*, defines "land" as the solid part of the surface of the earth. The DOI does not perform periodic or recurring maintenance and repairs on stewardship land. However, there are improvements to stewardship land that are specifically constructed to support and further the stewardship mission of the Bureaus and Offices such as protection, preservation, or maintenance of natural or cultural resources. The DOI presents DM&R related to these improvements to stewardship land in the Stewardship Land category. Decreases in the DM&R estimates from FY 2024, were due to funding constraints impacting maintenance priorities; updated requirements on transportation infrastructure, levees, irrigation, power and water control structures; inflation; and continued implementation of more efficient assessment methods.

The GAOA (P.L. 116-152) was passed by Congress on August 4, 2020. The Act established the National Parks and Public Land Legacy Restoration Fund to address the multibillion dollar maintenance backlog of the NPS, FWS, BLM, USFS, and BIE. The Act states that for each of the FYs 2021 through 2025, 50 percent of all energy development revenues due and payable to the United States from oil, gas, coal, or alternative or renewable energy development on federal land and water that is identified as a miscellaneous receipt under federal law in the preceding fiscal year be deposited into this fund. According to the Act, the maximum amount that can be deposited into the fund per year is \$1.9 billion. These funds will be used for priority deferred maintenance projects in the National Park System, NWR System, on public land administered by BLM, for BIE Schools, and in the National Forest System. The Act also authorizes the Secretary of the Interior to accept donations, and gives investment authority to the Secretary of the Interior to invest any portion of the fund that is not required to meet the current disbursement needs.

Custodial Activity, Compliance Assessments and Pre-Assessment Work in Process

Management's best estimate of additional custodial revenues that may potentially be collected from compliance assessments and pre-assessment work in process as of September 30, 2025, is \$42.4 million. This estimate is comprised of approximately \$8.6 million in audit and compliance management, approximately \$25.4 million state and Tribal audits, and approximately \$8.4 million in civil penalties.

The amounts disclosed are subject to significant variability upon final resolution of the compliance work. This variability is due to numerous factors such as the receipt of additional third party documentation which includes 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.

Oil and Gas Petroleum Royalties

Management of Federal Oil and Gas Resources

The DOI is responsible for managing the Nation's oil and natural gas resources and the mineral revenues on federal lands, both onshore and on the OCS. This management process can be broken down into six essential analysis components: pre-leasing; post-leasing and pre-production; production and post-production; revenue collection; fund disbursement; and compliance, as discussed in the Stewardship Policies for Federal Oil and Gas Resources section.

Within DOI, four primary Bureaus and Offices perform these essential management functions:

- ◆ The BOEM manages access to and the exploration and development of the Nation's offshore resources. It seeks to appropriately balance economic development, energy independence, and environmental protection through oil and gas leasing exploration and development activities. It provides access for renewable energy development, and appropriate environmental reviews and studies to ensure these activities are in the Nation's best interest.
- ◆ The BLM is entrusted with managing 13 percent of the Nation's surface land and roughly one-third of its mineral resources, including the onshore energy and mineral resources that generate the highest revenue values of any uses of the public lands.
- ◆ The ONRR is responsible for the management and collection of revenues associated with federal offshore and onshore mineral leases issued under the *Mineral Leasing Act of 1920* (MLA) and the *Outer Continental Shelf Lands Act of 1953* (OCSLA).

The ONRR achieves optimal value by ensuring all natural resource revenues are efficiently and accurately collected and disbursed to recipients in a timely manner and by performing audit and revenue compliance activities, in accordance with the *Federal Oil and Gas Royalty Management Act of 1982* (FOGRMA) and *30 Code of Federal Regulations (CFR) Parts 1201-1290*.

- ◆ The BSEE works to ensure the safe and environmentally sustainable exploration, development, and production of America's offshore energy resources through regulatory oversight and enforcement. The BSEE pursues this objective through a program of efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections, and incident investigations.

Stewardship Policies for Federal Oil and Gas Resources

The DOI's responsibilities as stewards of federal oil and gas resources begin when BLM and BOEM conduct pre-leasing analysis activities, which include the assessment of oil and gas resources that may be offered for lease. For onshore resources, even before an expression of interest by industry, the procedure to determine whether oil and gas leasing is compatible with other uses of the land begins with a land use planning process.

Following the pre-leasing assessment, BLM and BOEM develop plans for offering those resources to developers. Once BLM decides which onshore parcels to offer for lease, those parcels are posted publicly prior to quarterly competitive lease sales. All onshore parcels are evaluated for resource conflicts. Since some form of onshore oil and gas leasing has been in effect since the 1920s, the process of determining mineral ownership is more complex than in the OCS. In some cases, mineral ownership may be divided jointly by more than one federal jurisdictional agency, may be fragmented, or deeds may have shared ownership. In the case of oil and gas development overall, this planning process is designed to consider both the environmental and economic concerns of the Nation by providing opportunities for input from the public, the private sector, states, and Congress. The BLM and BOEM conduct public planning processes for each individual lease sale.

Once a lease sale is completed, BLM and BOEM determine whether bids can be accepted and a lease issued. Prior to lease issuance, BLM must adjudicate all protests to any onshore parcels with winning bids. When a lease is assigned to a winning bidder, BLM and BOEM begin post-leasing and pre-production activities. These activities include a permitting and approval process for exploration, development, and production plans proposed by the lease operators. The BSEE is responsible for reviewing offshore facility and well permits, deep-water operating plans, pipeline applications, production and development applications, and platform applications.

REQUIRED SUPPLEMENTARY INFORMATION

The BLM staff performs onshore inspections and BSEE staff performs offshore inspections confirming activities are conducted in an environmentally and physically safe manner. Similar inspections occur during the production and post-production activities to help ensure the federal government is receiving accurate royalties from production and facilities are decommissioned in a manner that protects the environment.

Before a lease sale is held, BLM and BOEM set lease terms that determine the federal government's share of the value of production from onshore and offshore operations, respectively, subject to provisions of federal oil and gas leasing laws, including MLA, FOGRMA, or the OCSLA. Through royalty revenue collection and fund disbursement, ONRR achieves optimal value by ensuring that all revenues from federal oil and gas leases are efficiently, effectively, and accurately collected,

accounted for, and disbursed to states and counties, other federal component entities, and Treasury, in accordance with relevant statutory authorities. The ONRR also performs revenue compliance activities to ensure the federal government has received fair market value and that companies comply with applicable laws, regulations, and lease terms.

Through this mineral asset management process, DOI serves as the leading mineral asset manager for the federal government, the states, and the American people. Additional information regarding federal natural resources, including oil and gas, can be found on many of DOI's websites. Additional information can be found at [USGS's National Minerals Information Center](#), [BLM's Energy and Minerals webpage](#), and [BOEM's Resource Evaluation Program webpage](#).

Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves

Asset Present Value as of September 30, 2025

(dollars in thousands)

Offshore ¹	Gulf of America	Pacific ²				Total
Oil and Lease Condensate	\$ 29,405,661	\$ 354,808				\$ 29,760,469
Natural Gas, Wet After Lease Separation	1,705,570	16,603				1,722,173
Total Offshore	\$ 31,111,231	\$ 371,411				\$ 31,482,642

¹Offshore royalties include OCSLA Section 8(g) royalties

²Pacific royalties include royalties from Alaska Federal OCS proved reserves.

Onshore	East Coast (PADD 1)	Midwest (PADD 2)	Gulf Coast (PADD 3)	Rocky Mountain (PADD 4)	West Coast (PADD 5)	Total
Oil and Lease Condensate	\$ 31	\$ 1,936,574	\$ 21,651,855	\$ 3,709,121	\$ 401,325	\$ 27,698,906
Natural Gas, Wet After Lease Separation	290	417,034	9,410,842	5,358,444	904,931	16,091,541
Total Onshore	\$ 321	\$ 2,353,608	\$ 31,062,697	\$ 9,067,565	\$ 1,306,256	\$ 43,790,447

Total Offshore and Onshore 2025

(dollars in thousands)

Total Oil and Lease Condensate	\$ 57,459,375
Total Natural Gas, Wet After Lease Separation	17,813,714
Total Offshore and Onshore	\$ 75,273,089

Onshore Regions are reported consistent with Energy Information Administration (EIA) Petroleum Administration for Defense Districts (PADD): (The underlined states have oil/condensate and/or gas production on Federal lands.)

PAD District 1 (East Coast) is composed of the following three subdistricts:

- **Subdistrict 1A (New England):** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- **Subdistrict 1B (Central Atlantic):** Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania
- **Subdistrict 1C (Lower Atlantic):** Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia

PAD District 2 (Midwest): Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, Oklahoma, Tennessee, Wisconsin

PAD District 3 (Gulf Coast): Alabama, Arkansas, Louisiana, Mississippi, New Mexico, Texas

PAD District 4 (Rocky Mountain): Colorado, Idaho, Montana, Utah, Wyoming

PAD District 5 (West Coast): Alaska, Arizona, California, Hawaii, Nevada, Oregon, Washington

The previous table presents the estimated present value of future federal royalty receipts on estimated proved reserves as of September 30, 2025. Inputs to these estimates were measured as of this effective date or were extrapolated to this effective date. The federal government's estimated petroleum royalties have as their basis the Department of Energy's (DOE) EIA estimates of proved reserves. The DOE EIA proved reserves estimates are [published annually](#), covering all offshore and onshore federal areas. The DOE EIA provides such estimates directly for federal offshore areas and are adjusted to extract the federal subset of onshore proved reserves. Key to these adjustments is the assumption that the federal portion of each state's onshore proved reserves corresponds to the fraction of production from federal lands, as compared to total production from the state for Current Year 2023, the most recent published DOE EIA proved reserves report. The federal proved reserves are then further adjusted to correspond with the effective date. The DOE EIA reserves estimates are effective a full 21 months prior to the effective date of this disclosure. Over this 21-month period, reserves values change with subtractions from production and additions through disclosures. Adjustments were made for each region by assuming that reserves are changing at a constant rate relative to production, and 3-year historical averages of these relationships were applied to interim production to adjust the reserves to this effective date.

Production of the reserves was projected over time to simulate schedules of when the oil and natural gas would be estimated to be produced. Each region has characteristics that create unique assumptions that affect these projections. For example, in a developing region, production rates may be low in comparison to abundant proved reserves, indicating that rates will continue to build for a time before beginning their natural decline.

Future royalties were then estimated from these production streams by applying future price estimates by OMB, production growth estimates from the EIA's 2023 Annual Energy Outlook (AEO 2023), and effective royalty rates. The OMB price estimates are 11-year estimates prepared for the Administration's FY 2026 budget. These OMB estimates are for nominal prices and are based on futures contract averages and expected inflation. Beyond the 11-year OMB forecasts, the prices in the projections are assumed to continue at the constant rates established in the last years of the OMB forecast. Those growth rates are 2 percent per year for oil and gas in the offshore estimates. For the onshore estimates, the BLM used the relationship between the OMB's forecasts and the EIA's price forecasts (reference and low oil price case scenarios in the AEO 2023) during the 11-year window to forecast prices for the remaining period.

Offshore gas price projections were calculated for each region based on the proportion of gas-related revenue

received over the last three years from wet gas royalties, dry gas royalties, and natural gas liquids royalties. For onshore gas price projections, data was used for the most recently completed FY 2023, with updated ONRR sales year data as of March 1, 2024. Assuming these 3-year offshore or 1-year onshore average proportional relationships continue, gas prices were adjusted to account for the proportional relative values of each of these gas-related products. The 1-year period for onshore was chosen for the greater relative importance of ongoing recent structural changes with the advent of horizontal and directional drilling on multi-well pads with hydraulic fracturing and other enhanced recovery processes that lead to an ever-evolving understanding of the nature and location of oil and gas production on the federal mineral estate. This includes more recent movements of gas production from federal lands between wells producing drier gas streams with relatively low liquids content, and wetter gas streams with relatively high liquids content. This method is assumed to capture the value of royalties from the three gas related products from the single wet gas production stream, reported together as 'Natural Gas, Wet After Lease Separation', to most accurately reflect the actual wellhead volumes or unprocessed gas at the lease.

Effective royalty rates are also unique for each region and are based on the assumption that the royalty relationships established in the prior 3-year average will remain for offshore, or 1-year average for onshore. As with the dry gas, wet gas, and natural gas liquids relationships for the onshore projections discussed above, the effective royalty rates for both oil and gas were chosen from the most recent full fiscal year of updated ONRR sales year data (FY 2024), to place greater emphasis on the most recent shifts in oil and gas production between plays with different effective rates due to each play's greater or lesser degree of allowances for transportation and processing costs. Effective royalty rates were calculated by dividing each offshore region's last three years' royalty values by the sales values resulting in the fraction of sales value actually received as royalties (while using the last 1-year for onshore). This method automatically accounts for transportation allowances and allowable deductions on regional bases that reduce the nominal royalty rates to the effective rates, and implicitly converts the market-based prices from OMB to First Purchase Prices for oil and Wellhead Prices for gas.

The present value of these royalties was then estimated by discounting the revenue stream back to the effective date at the public discount rate assumed to be equal to the OMB's estimates of future 30-Year Treasury Bill rates for offshore, and a weighted average of the U.S. Treasury yield

REQUIRED SUPPLEMENTARY INFORMATION

curve¹ from trading dates for the most recently completed fiscal year for onshore. For onshore, the discount rate used was 4.67 percent. The OMB rates used for offshore are 11-year estimates prepared for the Administration's FY 2026 budget. The rates begin at 4.71 percent for FY 2025, and decrease to 3.41 percent for FY 2035. The rates were assumed to remain at 3.41 percent beyond FY 2035, as regional production estimates vary in amount by year and may last longer or shorter than the 30-year maturity period. The 30-year Treasury Bill rates were chosen because this maturity life most closely approximates the productive lives of the offshore proved reserves estimates, and therefore, the Government's "cost of capital" for investments with this length of maturity.

¹ Comprised of 1-month, 2-month, 3-month, 6-month, 1-year, 2-year, 3-year, 5-year, 7-year, 10-year, 20-year, and 30-year U.S. Treasury yields, listed on <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield>.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Estimated Federal Oil and Gas Petroleum Royalties to be Distributed to Others as of September 30, 2025 <i>(dollars in thousands)</i>		
	FY 2025	
Other Federal Bureaus and Agencies		
Department of the Treasury	\$	33,329,685
Interior - Reclamation Fund		15,998,534
Other Federal Bureaus and Agencies		2,324,345
States and Others		23,620,525
Total Estimated Petroleum Royalties to be Distributed to Others	\$	75,273,089

The above table presents an estimate of Federal oil and gas petroleum royalties to be distributed to others, based

upon a historical percentage of distributions of royalties to others over the preceding twelve months.

Revenue Reported by Category FY 2025 <i>(dollars in thousands)</i>			
	FY 2025		
	Federal Offshore	Federal Onshore	Total
Royalties from Oil & Lease Condensate	\$ 5,254,950	\$ 5,466,318	\$ 10,721,268
Accrual Adjustment - Oil & Lease Condensate	(22,378)	28,607	6,229
Royalties from Natural Gas	\$ 266,602	\$ 1,609,950	\$ 1,876,552
Accrual Adjustment - Natural Gas	133	10,243	\$ 10,376
Subtotal	\$ 5,499,307	\$ 7,115,118	\$ 12,614,425
 Rent	 106,184	 9,695	 115,879
Bonus Bid	-	170,642	170,642
Subtotal	\$ 106,184	\$ 180,337	\$ 286,521
Total	\$ 5,605,491	\$ 7,295,455	\$ 12,900,946

The above table of revenue reported by category presents royalty revenue reported to DOI in fiscal year 2025 for oil and lease condensate, and for natural gas, as well as rent revenue and bonus bid revenue by offshore and onshore leases. The revenue accrual adjustments represent activity for current month production for which reporting of volumes and categories occurs in the months following production; and for royalty payments that have been received but have not been matched with related royalty reports, and therefore are not yet associated to volumes or categories. Amounts include oil and gas revenue only, and do not include revenue in the financial statements for other commodities.

Rent is defined as annual payments, normally a fixed dollar per acre, required to preserve the rights to a lease while the lease is not in production. A rent schedule is established at the time a lease is issued. Bonus Bid is defined as cash consideration paid to the United States by the successful bidder for a mineral lease, awarded through a competitive bidding process. The payment is made in addition to the rent and royalty obligations specified in the lease.

REQUIRED SUPPLEMENTARY INFORMATION

Estimated Petroleum Royalties (Proved Reserves) FY 2025 (in thousands)				
Oil and Lease Condensate (Bbl)				
Federal Offshore	Quantity (in thousands)	Average Purchase Price (\$) ¹	Average Royalty Rate (%)	
Gulf of America ²	4,507,746	\$ 72.77	14.36%	
Pacific (including Alaska Federal OCS)	40,050	67.12	18.71%	
Subtotal Federal Offshore	4,547,796			
Federal Onshore				
East Coast (PADD 1)	7	\$ 69.56	12.50%	
Midwest (PADD 2)	447,641	69.11	11.62%	
Gulf Coast (PADD 3)	3,315,968	71.28	12.40%	
Rocky Mountain (PADD 4)	721,988	66.45	12.11%	
West Coast (PADD 5)	159,719	71.60	12.77%	
Subtotal Federal Onshore	4,645,323			
Total Federal Offshore and Onshore	9,193,119			

Natural Gas, Wet After Lease Separation (Mcf)				
Federal Offshore	Quantity (in thousands)	Average Purchase Price (\$) ¹	Average Royalty Rate (%)	
Gulf of America ²	4,463,540	\$ 3.77	11.89%	
Pacific (Alaska Federal OCS has no proved gas reserves)	31,365	3.02	16.59%	
Subtotal Federal Offshore	4,494,905			
Federal Onshore				
East Coast (PADD 1)	859	\$ 2.98	12.56%	
Midwest (PADD 2)	1,740,895	0.80	8.92%	
Gulf Coast (PADD 3)	34,181,950	0.84	10.25%	
Rocky Mountain (PADD 4)	19,082,788	1.69	10.46%	
West Coast (PADD 5)	2,938,308	3.86	12.24%	
Subtotal Federal Onshore	57,944,800			
Total Federal Offshore and Onshore	62,439,705			

The tables above provide the estimated quantity, regional average price, and regional average royalty rate by category of estimated Federal proved reserves at the end of FY 2025. The prices and royalty rates are based upon historical averages, include estimates, exclude prior period adjustments, and are affected by such factors as accounting adjustments and transportation allowances,

resulting in effective royalty rates. Prices are valued at the lease rather than at the market center, and differ from those used to compute the asset estimated present values, which are forecasted and discounted based upon OMB economic assumptions.

¹ Average Purchase Price (\$) represents the average of the regional average, and is generally defined for oil as the First Purchase Price which is the actual amount paid by the first purchaser of crude oil as it leaves the lease on which it was produced. For natural gas, it is generally defined as the Wellhead Price which is the value of the purchased natural gas at the mouth of the well for unprocessed gas or for processed gas an imputed wellhead price based on the residue gas and natural gas liquid volumes and values.

² Gulf of America Proved Reserves are royalty bearing volumes. In the Gulf of America, an additional **518,384** Mbbl of proved oil reserves and **324,278** MMcf of proved gas reserves are not reflected in these totals as they are estimated to be producible royalty free under various royalty relief provisions. The net present value of the royalty value of the royalty free proved reserves volumes in the Federal Gulf of America is estimated to be **\$3.4 billion**.

REQUIRED SUPPLEMENTARY INFORMATION

Federal Regional Oil and Gas Information FY 2025 (in thousands)					
Oil and Lease Condensate Information - Offshore					
Region	Sales Volume (Bbl)	Sales Value (\$)	R royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	
Gulf of America	501,669	\$ 36,240,811	\$ 5,201,585	\$ 952,974	
Pacific	4,314	288,326	53,365	N/A	
Total	505,983	\$36,529,137	\$ 5,254,950	\$ 952,974	

Natural Gas Information - Offshore					
Region	Sales Volume (Mcf)	Sales Value (\$)	R royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	
Gulf of America	615,138	\$ 2,314,119	\$ 264,966	\$ 48,418	
Pacific	2,717	8,384	1,636	N/A	
Total	617,855	\$ 2,322,503	\$ 266,602	\$ 48,418	

Oil and Lease Condensate Information - Onshore					
Region	Sales Volume (Bbl)	Sales Value (\$)	R royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	
East Coast (PADD 1)	0.4	\$ 29	\$ 4	N/A	
Midwest (PADD 2)	38,971	2,608,536	298,754	N/A	
Gulf Coast (PADD 3)	508,644	35,719,425	4,440,839	N/A	
Rocky Mountain (PADD 4)	77,381	5,040,530	613,215	N/A	
West Coast (PADD 5)	12,691	902,695	113,506	N/A	
Total	637,687	\$ 44,271,215	\$ 5,466,318	\$ -	

Natural Gas Information - Onshore					
Region	Sales Volume (Mcf)	Sales Value (\$)	R royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	
East Coast (PADD 1)	174	\$ 516	\$ 65	N/A	
Midwest (PADD 2)	220,556	696,157	59,140	N/A	
Gulf Coast (PADD 3)	3,804,626	11,025,441	1,123,027	N/A	
Rocky Mountain (PADD 4)	1,236,610	4,027,766	416,520	N/A	
West Coast (PADD 5)	15,290	96,379	11,198	N/A	
Total	5,277,256	\$ 15,846,259	\$ 1,609,950	\$ -	

REQUIRED SUPPLEMENTARY INFORMATION

Federal Regional Oil and Gas Information (Continued) (in thousands)				
Oil and Lease Condensate Information - Offshore and Onshore				
Region	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
Total	1,143,670	\$ 80,800,352	\$ 10,721,268	\$ 952,974

Natural Gas Information - Offshore and Onshore				
Region	Sales Volume (McF)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
Total	5,895,111	\$ 18,168,762	\$ 1,876,552	\$ 48,418

The above tables of Federal regional oil and gas sales information reflect reported sales volume, sales value, royalty revenue, and estimated value for royalty relief for FY 2025.

Sales volume represents the quantity of a mineral commodity sold during the reporting period. Sales value represents the dollar value of the mineral commodity sold during the reporting period. Royalty revenue earned represents a stated share or percentage of the value of the mineral commodity produced.

Royalty relief is the reduction, modification, or elimination of any royalty payment due, to promote development, increase production, or encourage production of marginal resources on certain leases or categories of leases. The value for royalty relief is based upon amounts reported to ONRR in accordance with royalty reporting requirements, less estimated transportation costs.

The sales volume, sales value, royalty revenue earned, and the value for royalty relief are presented on a regional basis, and include adjustments and estimates. The information is presented on a regional basis to provide users of the financial statements with the regional variances in oil and gas activity for decision-making purposes, and to reflect the estimated amount of royalty relief granted in the fiscal year.

Other Significant Federal Oil and Gas Resources

For information on Undiscovered Oil and Gas Resources on the Nation's OCS, visit: <https://www.boem.gov/oil-gas-energy/resource-evaluation/undiscovered-resources>.

For more information on Onshore Undiscovered Oil and Gas Resources visit: <https://www.usgs.gov/centers/central-energy-resources-science-center/science/united-states-assessments-undiscovered-oil>.

Coal Royalties

Management of Federal Coal Resources

The DOI is responsible for managing the Nation's coal resources and revenues on federal lands. The BLM federal coal leases contribute a large share of total domestic coal production and consumption. The EIA estimated that coal resources accounted for 15.2 percent of the Nation's electricity generation in 2024, with federal lands supplying approximately 40.1 percent of all U.S. coal production.

The ONRR is responsible for the management and collection of revenues associated with federal coal leases. The ONRR achieves optimal value by ensuring that all natural resource revenues are efficiently and accurately collected and disbursed to recipients in a timely manner and by performing audit and revenue compliance activities.

Stewardship Policies for Federal Coal Resources

The MLA, as amended, and the *Mineral Leasing Act for Acquired Lands of 1947*, as amended, gives DOI the responsibility for coal leasing on approximately 700 million acres of federal mineral estate which includes 570 million acres where coal development is allowed. The surface estate of these lands may be under the control of BLM, USFS, private or state landowners, or other federal agencies.

The DOI receives coal leasing revenues from a bonus paid at the time the lease is issued, an annual rent payment of \$3.00 per acre, and royalties paid on the value of

the coal after it has been mined. The royalty rate for surface-mining methods is 12.5 percent or 8 percent for underground mining. P.L. 119-21, *An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Title V-Committee on Energy and Natural Resources*; lowered the royalty rate for all coal leases issued under section 2 of the Mineral Leasing Act to not more than 7 percent for the period of July 2025 through September 2034. The BLM can approve reduced royalty rates based on maximum economic recovery. Regulations that govern BLM's coal leasing program are contained in Title 43, *Groups 3000* and *3400* of the CFR.

Public lands are available for coal leasing after the lands have been evaluated through a multiple-use planning process. The land use planning process encompasses four steps: identification of coal with potential for development; determination if the lands are suitable for coal development; consideration of multiple use conflicts; and surface owner consultation. Leasing federal coal resources is prohibited on some public lands, such as national parks, NWR, or military reservations. For more details about coal leasing, visit the following BLM website: <https://www.blm.gov/programs/energy-and-minerals/coal>.

Through this mineral asset management process, DOI serves as the leading mineral asset manager for the federal government.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Estimated Federal Coal Royalties Asset Present Value as of September 30, 2025 (dollars in thousands)					
	Powder River Basin ¹	Colorado	Utah	All Other ²	Total
Total Coal	\$ 5,427,643	\$ 800,352	\$ 579,590	\$ 536,507	\$ 7,344,092

¹ Contains federal leases in Wyoming and Montana

² Contains federal leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The above table presents the estimated present value of future federal royalty receipts on estimated recoverable reserves as of September 30, 2025. The federal government's estimated coal royalties have as their basis BLM's estimates of recoverable reserves. The federal recoverable reserves are then further adjusted to correspond with the effective date of the analysis and then are projected over time to simulate a schedule of when the reserves would be produced. Future royalties are then calculated by applying future price estimates

and effective royalty rates, adjusted for transportation allowances and other allowable deductions. The present value of these royalties are then determined by discounting the revenue stream back to the effective date at a public discount rate assumed to be equal to OMB's estimates of future 30-Year Treasury Bill rates. The 30-year rate was chosen because this maturity life most closely approximates the productive lives of the recoverable reserves estimates.

Schedule of Estimated Federal Coal Royalties to be Distributed to Others as of September 30, 2025 (dollars in thousands)		FY 2025
Other Federal Bureaus and Agencies		
Department of the Treasury		\$ 807,850
Interior – Reclamation Fund		2,937,637
States and Others		3,598,605
Total Estimated Coal Royalties to be Distributed to Others		\$ 7,344,092

The above table presents an estimate of federal coal royalties to be distributed to others, based on the

percentage of distributions of coal royalties to others over the preceding 12 months.

Coal Revenue Reported by Category FY 2025 (dollars in thousands)		FY 2025
Coal Royalties		\$ 397,935
Accrual Adjustment - Coal Royalties		(674)
Subtotal		\$ 397,261
Rent		1,018
Bonus Bid		-
Subtotal		\$ 1,018
Total		\$ 398,279

The above table of revenue reported by category represents royalty revenue reported to ONRR in FY 2025 for coal, as well as rent revenue and bonus bid revenue. The revenue accrual adjustments represent activity with

no associated reported volumes, such as manual accruals, and include estimates.

REQUIRED SUPPLEMENTARY INFORMATION

Estimated Coal Royalties (Recoverable Reserves) FY 2025 (in thousands)				
Area	FY 2025			Average Royalty Rate (%)
	Quantity (in tons)	Average Purchase Price (\$) per ton		
Federal Coal				
Powder River Basin ¹	4,078,228	\$ 14.24	11.17%	
Colorado	256,364	55.95	6.04%	
Utah	113,315	75.20	7.16%	
All Other ²	295,818	31.00	5.54%	
Total Federal	4,743,725			

¹ Contains federal leases in Wyoming and Montana

² Contains federal leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The table above provides the estimated quantity, average price, and average royalty rate by category of estimated federal coal recoverable reserves at the end of FY 2025. The prices and royalty rates are based on the average of the most recent 12 sales month's revenue collection activity, include estimates, exclude prior period adjustments, and are affected by such factors

as accounting adjustments and transportation and processing allowances, resulting in effective royalty rates. Prices are valued at the lease rather than at the market center, and differ from those used to compute the asset estimated present values, which are forecasted and discounted based upon OMB economic assumptions.

Federal Area Coal Information FY 2025 (in thousands)				
Area	FY 2025			Royalty Revenue Earned (\$)
	Sales Volume (in tons)	Sales Value (\$)		
Federal Coal				
Powder River Basin ¹	205,074	\$ 3,091,173	\$ 341,249	
Colorado	6,715	492,581	26,679	
Utah	6,062	508,268	27,080	
All Other ²	6,095	165,650	2,927	
Total Federal	223,946	\$ 4,257,672	\$ 397,935	

¹ Contains federal leases in Wyoming and Montana

² Contains federal leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The above table of federal coal sales information reflects reported sales volume, sales value, and royalty revenue for FY 2025.

Sales volume represents the quantity of a mineral commodity sold during the reporting period. Sales value represents the dollar value of the mineral commodity sold during the reporting period. Royalty revenue earned represents a stated share or percentage of the value of

the mineral commodity produced. The sales volume, sales value, and royalty revenue earned are presented on an area basis, and include adjustments and estimates. The information is presented on an area basis to provide users of the financial statements with area variances in coal activity for decision making purposes.

Other Significant Federal Coal Resources

In 2025, BLM, in collaboration with ONRR, estimated the remaining recoverable coal reserves on currently authorized federal coal leases to be approximately 4.7 billion tons of coal. The recoverable coal reserves include all coal that is economically recoverable within areas that are suitable for mining. The recoverable coal reserves do not include coal that is within areas classified as being unsuitable for mining (such as under interstate highways, within alluvial valley floors, or within areas that are determined to be critical habitat for listed threatened or endangered plant or animal species), areas that are not economically minable, or coal that is required to not be mined in order to safeguard the life and safety of the miners.

Other Natural Resources

The DOI has other natural resources which are under federal lease whereby the lessee is required to pay royalties on the sale of the natural resource. These natural resources include soda ash, potash (including muriates of potash and langbeinite phosphate), lead concentrate, copper concentrate, and zinc concentrate. Of these, soda

ash and potash have the largest estimated present value of future royalties.

Soda ash is obtained from trona and sodium carbonate-rich brines. The world's largest deposit of trona is in the Green River Basin in Wyoming. There are smaller deposits of sodium carbonate mineral in California and Colorado.

Underground room and pillar mining, using continuous miner machines, is the primary method of mining Wyoming trona ore. As of September 30, 2025, the estimated net present value of future royalties from trona from the Green River Basin is \$665 million.

Potash is an alkaline potassium compound, especially potassium carbonate or hydroxide. Most of the mining of potash takes place in southeastern New Mexico.

Underground room and pillar mining using continuous miner machines is the primary method of mining potash ore. As of September 30, 2025, the estimated net present value of future royalties from potash (including the muriates of potash and langbeinite phosphate) is \$233 million.

REQUIRED SUPPLEMENTARY INFORMATION

Land

The Department is a steward for much of America's public lands and ensures that these resources are conserved for the benefit, use, and enjoyment of current and future generations. The DOI uses these lands to support our mission areas including access to National Parks, Refuges, Monuments, and Natural Resources.

The DOI reports estimated land acres following the guidance of SFFAS 59, *Accounting and Reporting of Government Land*.

The reporting guidance requires that entities report information within the categories of: (1) G-PP&E Land; and (2) Stewardship Land.

G-PP&E Land at the Department is used to facilitate the mission of sustainably balancing the use of resources while supporting communities and the economy. This land is essential to accommodate facilities and waterbodies that deliver water and power resources to states and communities.

Typically, Stewardship Land is held by the Department to facilitate its mission of conserving, protecting, managing, and restoring natural and cultural resources in the face of multiple stressors. The DOI-managed lands and waters are conserved for the benefit, use, and enjoyment of current

and future generations. These lands include land within the various DOI entities, such as the national park system, NWR, etc.

The Department is responsible for managing all of its land entities and their various resources to ensure that they are used in a manner that will best meet the present and future needs of the nation.

The guidance also requires reporting estimated acres of G-PP&E Land and Stewardship Land using three predominant use subcategories:

- ◆ Conservation and Preservation Land
- ◆ Operational Land
- ◆ Commercial Use Land

For the SFFAS 59 Land reporting requirement of estimated acres, amounts will differ from total acreage amounts in the MD&A section due to differences in parameters and reporting cycles. RSI land information is not intended to be comparable with information reported in the MD&A section. The consolidated results for the Department are found on the table below.

Estimated Acreage by Predominant Use As of September 30, 2025						
(in thousands of acres)	Beginning Balance FY 2025	Conservation and Preservation Land	Operational Land	Commercial Use Land	Ending Balance FY 2025	Explanatory Comments
G-PP&E Land	2,652	-	2,651	-	2,651	1
Stewardship Land	424,722	229,492	4,403	189,500	423,395	2
Total Estimated Acreage	427,374	229,492	7,054	189,500	426,046	

Explanatory Comment Highlights

G-PP&E Land (Explanatory Comment 1) – BLM, USBR, and FWS collectively classified acres as operational land within the G-PPE category.

Stewardship Land (Explanatory Comment 2) – BLM, USBR, FWS, and NPS contributed to the total acreage counts in this category. Within the Stewardship land reporting category, contributions to the subcategories are attributed as follows:

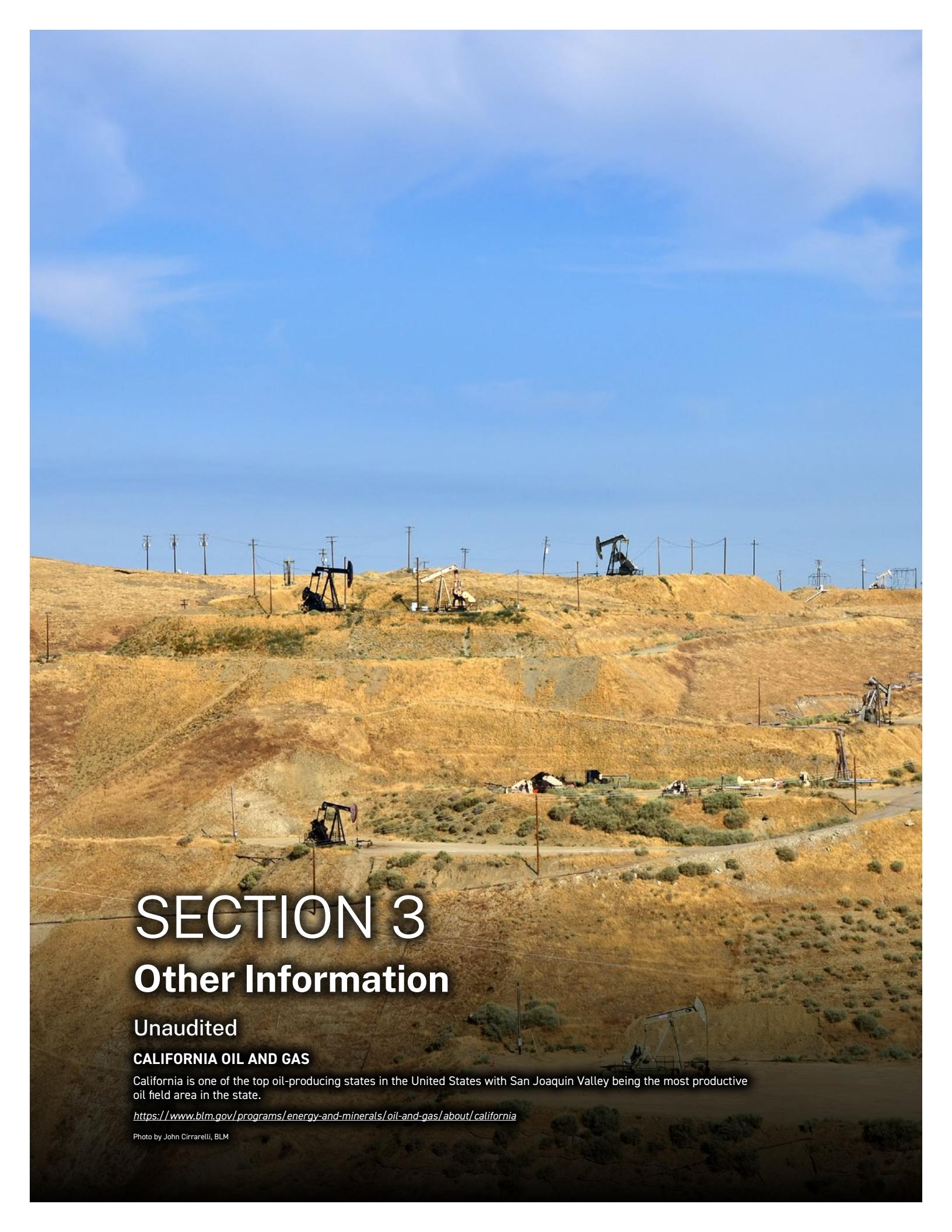
- ◆ **Conservation and Preservation Land:** BLM, FWS and NPS
- ◆ **Operational Land:** BLM, USBR, and FWS
- ◆ **Commercial Use Land:** BLM

All Bureaus reporting in this category consider these acres to be used to benefit the needs of future generations through proper management, administration and protection.

Marine National Monuments

The DOI's FWS manages 662,732 thousand acres of submerged lands within Marine National Monuments (MNM) for wildlife conservation purposes. These monument acres are administered by the FWS under the authority of *National Wildlife Refuge System Administration Act* (16 U.S.C. 668dd-668ee, NWRSA) and were protected by Presidential Proclamations 8031, 8335, 8336, 8337, 8112, 9173, 9478, and Secretarial Order 3284, as amended.

The 662,732 thousand acres of submerged lands includes the Pacific Remote Islands MNM, Papahanaumokuakea MNM, Marianas Trench MNM, Rose Atoll MNM, and the Northeast Canyons and Seamounts MNM. The MNM are reported in the DOI Stewardship Note per SFFAS 29 and are not included in the DOI land acres above.



SECTION 3

Other Information

Unaudited

CALIFORNIA OIL AND GAS

California is one of the top oil-producing states in the United States with San Joaquin Valley being the most productive oil field area in the state.

<https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/about/california>

Photo by John Cirrarelli, BLM



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



Inspector General's Statement

Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2025

December 2025



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

To: Doug Burgum
Secretary of the Interior

From: Caryl N. Brzymialkiewicz, Ph.D. *C. Brzymialkiewicz*
Deputy Inspector General Performing the Duties of the Inspector General

Subject: Final Report – *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2025*

In accordance with the Reports Consolidation Act of 2000, we are submitting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI) for inclusion in DOI's *Agency Financial Report* for fiscal year 2025. We have organized this report around an emerging challenge area of "Managing Change" and two main challenge areas—"Managing Spending and Operations" and "Delivering Core Services"—but note that some topics span multiple challenge areas.

If you have any questions, please call me at 202-208-5745.

Office of Inspector General | Washington, DC



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INTRODUCTION AND APPROACH

In accordance with the Reports Consolidation Act of 2000, we are reporting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI). By statute, a summary of this report is required to be included in DOI's agency financial report.

This year, we highlight an emerging challenge that touches on every aspect of DOI's mission, "Managing Change." We also identify two primary challenge areas in this report: "Managing Spending and Operations" and "Delivering Core Services." As part of our reformulation of these challenges, we have updated the preceding years' challenge of "Managing Spending" to incorporate more prominently the intersection of financial oversight and oversight of DOI's operational functions. We also note an update from prior years' approaches in which we separately identified "Ensuring Health and Safety" as a standalone challenge. This year, we have addressed this topic within the two primary challenges—most notably, through our discussions of responsibilities to Native Americans and wildfire management. Finally, while we continue to highlight "Delivering Core Services" as a primary challenge, we have updated the specific areas within the major challenge areas to reflect what we have identified as the most important issues and our most current work.

This report is primarily based on our work and U.S. Government Accountability Office (GAO) reviews, as well as our own general knowledge of DOI's programs and operations. In preparing this report, we also took into account DOI's wide-ranging mission, which includes managing the country's public lands, natural resources, and cultural heritage; providing scientific and other information about those resources; and fulfilling its trust responsibilities to

American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities.

Throughout, we provide links to our reports that are related to the challenge areas. Additional reports can be viewed on our website: <https://www.doiig.gov>. Our analysis generally considers DOI's challenges and progress as of September 30, 2025, unless otherwise noted.

DOI itself implements its programs and operations through its 11 bureaus:

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (BOR)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Bureau of Trust Funds Administration (BTFA)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

In addition to these bureaus, there are a number of offices that fall under the Office of the Secretary and other components, including the Office of the Chief Information Officer (OCIO), Office of Natural Resources Revenue (ONRR), Office of Wildland Fire (OWF), Orphaned Wells Program Office (OWPO), Office of Law Enforcement and Security, and Office of Insular Affairs (OIA).



EMERGING CHALLENGE AREA

Managing Change

A topic that affects both identified management challenges is the heightened need to manage rapid organizational change effectively. This year, DOI leadership has directed many organizational initiatives and policy changes that influence all aspects of DOI's operations.

The pace and complexity of these large-scale organizational changes, including staffing changes and consolidation initiatives, present a number of risks and opportunities. For example, DOI initiated voluntary resignation incentive programs and, pursuant to Secretarial Order No. 3429, is in the process of consolidating key administrative functions—including communications, financial management, contracting, human resources, grants, civil rights, and IT services—within a centralized Office of the Secretary. Such initiatives have the potential to reduce redundancy and improve efficiency but can also introduce challenges tied to scale, integration, and accountability. Consolidating varying administrative systems across multiple bureaus requires harmonizing policies, procedures, and systems that have evolved under different regulatory, cultural, and technical frameworks. DOI may need to consider, for example, managing potential resistance to change, aligning competing stakeholder priorities, and ensuring consolidation initiatives do not disrupt mission functions at the field office level.

Other more general guidance to the Federal Government and additional DOI initiatives have directed changes to procurement processes, hiring and employment matters, and the use of artificial intelligence. These directives will similarly require careful management to ensure effective, efficient implementation. Our work in recent months has consistently acknowledged these changes and their potential significance. For example, a [flash report](#) providing an overview of artificial intelligence and machine learning technologies, selected use cases, and policies implemented within DOI highlighted the evolving nature of the DOI's practices in these areas. However, many of the initiatives and efforts are in their early phases.

In addition, DOI is experiencing a shift in mission priorities and approaches. These shifts are most



visible in various executive and secretarial orders. For example, Executive Order No. 14154 directs DOI to review all existing regulations and other agency actions that "impose an undue burden" on the identification, development, or use of domestic energy resources—with particular attention to oil, coal, natural gas, and critical minerals; DOI, in turn, issued an implementing order. Other orders relate to efforts to increase critical minerals production and modify approaches to renewable energy projects.

The need to manage change is not unique to the current environment, but ensuring that change initiatives are successful requires careful planning, monitoring, and reevaluation at appropriate times. Depending on the circumstances, there may be, for example, a need to establish clear metrics and performance indicators to help track whether consolidation and other efforts are achieving their intended purposes—whether those goals are increased cost savings, faster decision making, enhanced service, or strengthened internal controls. These issues become particularly significant when organizational adjustments are combined with changes to DOI's overall approach to policy issues such as energy exploration and production on Federal lands and waters and deregulation. We anticipate that our ongoing and future work will more fully assess the implications of the various changes and the extent to which changes are successfully implemented.

CHALLENGE AREA

Managing Spending and Operations

According to USASpending.gov, DOI had \$91 billion in budgetary resources in fiscal year (FY) 2025. To maintain these assets and accomplish its mission, DOI must manage significant spending, including contracts and financial assistance in the form of grants and cooperative agreements. Below, we summarize DOI's challenges, plans, and progress in managing spending related to contract and financial assistance oversight, deferred maintenance, insular areas, supplemental spending, and cybersecurity.

Contract and Financial Assistance Oversight

DOI relies on contracts, grants, and other Federal financial assistance agreements to carry out its mission. According to USASpending.gov, DOI planned to spend about \$11.62 billion in award obligations in FY 2025—one-third of that amount as contracts and two-thirds as grants and other financial assistance. Contract, grant, and financial assistance oversight throughout the lifecycle of each award is critical to the success of the programs funded through these mechanisms. This oversight includes building adequate performance and financial accountability measures into programs' terms and conditions, conducting risk assessments of potential recipients,

Grants and cooperative agreements are governed by 2 C.F.R. Part 200, and procurement contracts are covered by the Federal Acquisition Regulation (FAR)—each of which contain oversight, accountability, and management provisions that enable DOI to hold award recipients accountable for the proper use of taxpayer funds. In contrast, “[miscellaneous obligations](#),” which have been used to award more than \$1 billion in Inflation Reduction Act funds related to the Lower Colorado River Basin, lack such requirements that would provide clear and sufficient oversight and enable DOI to hold recipients accountable.



and monitoring recipients' financial and substantive performance. Additionally, different risks and requirements are associated with different funding vehicles. Given the range of available options and the varying needs of the bureaus, DOI must carefully choose the most appropriate funding vehicle that both meets program needs and promotes accountability of Federal funds. As discussed below, our work has continued to identify significant risks and challenges that DOI faces in this area.

Ensuring Funds Are Spent Properly and Protected From Fraud

DOI is responsible for ensuring that its recipients are spending funds properly and that adequate controls are in place to prevent and detect fraudulent diversion of funds. Generally, recipients may spend Federal award funds only on allowable, reasonable, and documented expenses related to the award.¹ Our work has questioned contractor, grantee, and other recipient costs across multiple programs in instances in which the costs (1) did not relate to the award, (2) were unsupported, or (3) were otherwise unallowable. For example, we have questioned costs associated with [time and effort](#), [in-kind contributions](#), [equipment](#), [program income](#), and [unfunded liabilities](#).

DOI also faces challenges in managing fraud risks. Fraud diverts resources from intended beneficiaries

¹ See 2 C.F.R. Part 200, Subpart E, and FAR Part 31.

and can compromise the success of DOI programs. Our investigations have identified numerous circumstances in which funds awarded under DOI contract, grant, and other financial assistance awards were misused—by diverting funds, submitting falsified invoices, rigging bids, and diverting natural resources.

Given that DOI contractors, grantees, and other recipients often subaward or subcontract work to others, DOI faces challenges in protecting funds when it may not have knowledge of or data regarding which subrecipients or contractors are carrying out the work and how these entities are spending the funds. To address these risks and protect these resources, DOI must effectively use available tools such as pre-award risk assessments, monitoring, training, and technology solutions, including data analytics.

Pre-Award Risk Assessments and Award Recipient Monitoring

DOI faces challenges in ensuring that award recipients will be responsible stewards of taxpayer funds and that recipients have adequate systems and controls in place to protect those funds. Performing comprehensive risk assessments of recipients before awarding funds and using the full range of oversight tools—including customized award terms and conditions and monitoring tailored to the risks presented by each recipient—can support these goals. Our work has highlighted opportunities for DOI to improve its pre-award risk assessments of recipients across multiple bureaus and offices, including BIA, OSMRE, and OWPO. DOI has taken action to implement one recommendation in these areas and has not yet acted on nine additional recommendations.

We have also identified opportunities for DOI to more effectively and efficiently monitor recipients during the award period, including at FWS, OWPO, and USGS. Without proper and timely oversight throughout the award period, DOI cannot ensure recipients are accomplishing program goals and appropriately spending funds. Pre-award risk assessments can help DOI determine which tools at its disposal—such as site visits or desk reviews—are most appropriate for a particular recipient. Further, when DOI identifies concerns, it should promptly follow up to ensure the appropriate bureau or office takes corrective action. Particularly given ongoing structural changes in DOI (including reduced staff), the use of tools such as effective data analysis, system flags, and other automated internal controls

can help inform this process and ensure taxpayer funds are protected.

Risks from inadequate DOI monitoring and oversight extend beyond financial considerations and can impact health and safety. For example, we found that a BIA contractor repeatedly closed work orders at a Tribal school without adequate evidence, putting students at continued risk of health and safety issues.

Subrecipient and Contractor Determinations and Oversight

Contract, grant, and other financial assistance recipients, particularly State recipients, frequently subaward or contract significant portions of the work to accomplish DOI program goals. DOI faces challenges in ensuring award recipients oversee these subrecipients and contractors as required. DOI has implemented 15 of 17 recommendations for improvement in these areas, including providing guidance regarding subrecipient and contractor monitoring to help contractors and grantees navigate this challenging area.

To protect Federal funds, regulations require grantees to conduct risk assessments and monitor subrecipients—that is, those with whom a grantee has partnered to carry out a part of the grant's objectives. Different rules and requirements apply to a grantee's oversight and disclosure of subrecipients versus contractors. Our audits have repeatedly found that grantees inaccurately classify subrecipient agreements as contracts, leading to a lack of required pre-award risk assessments, monitoring, and reporting.

Financial and Performance Data and Reporting

In overseeing its contract, grant, and financial assistance portfolio, DOI faces challenges ensuring that award recipients provide timely, complete, and accurate financial and performance data and reports. Without such information, it is more difficult to determine whether recipients are spending funds properly and achieving program objectives efficiently and effectively. To address this challenge, we have recommended that DOI provide clear guidance to recipients, review reports when they are provided, raise questions when red flags arise, and follow up on overdue financial and performance reports. Adequate financial systems that track and document expenditures are an important factor in promoting accurate and timely reporting.

We have identified and questioned costs associated with recipients that had inadequate financial management systems that led to inaccurate reporting. DOI has implemented 20 of 34 recommendations related to financial and performance data and reporting and has stated that it is continuing to address 14 related recommendations.

DOI must also establish clear performance metrics so that DOI program staff have a basis to evaluate progress toward program goals and grantees know what information to provide and when to provide it. Verifying outcomes—that the taxpayer is receiving the public good intended by the program—has been a challenge we have highlighted in our reports and continues to be an ongoing concern. For example, one

of our recent reports identified that a grantee did not track the performance data required by DOI guidance, which negatively affected the program office's ability to demonstrate to both Congress and the public that the relevant Federal funding was achieving its purpose.

Key Reports

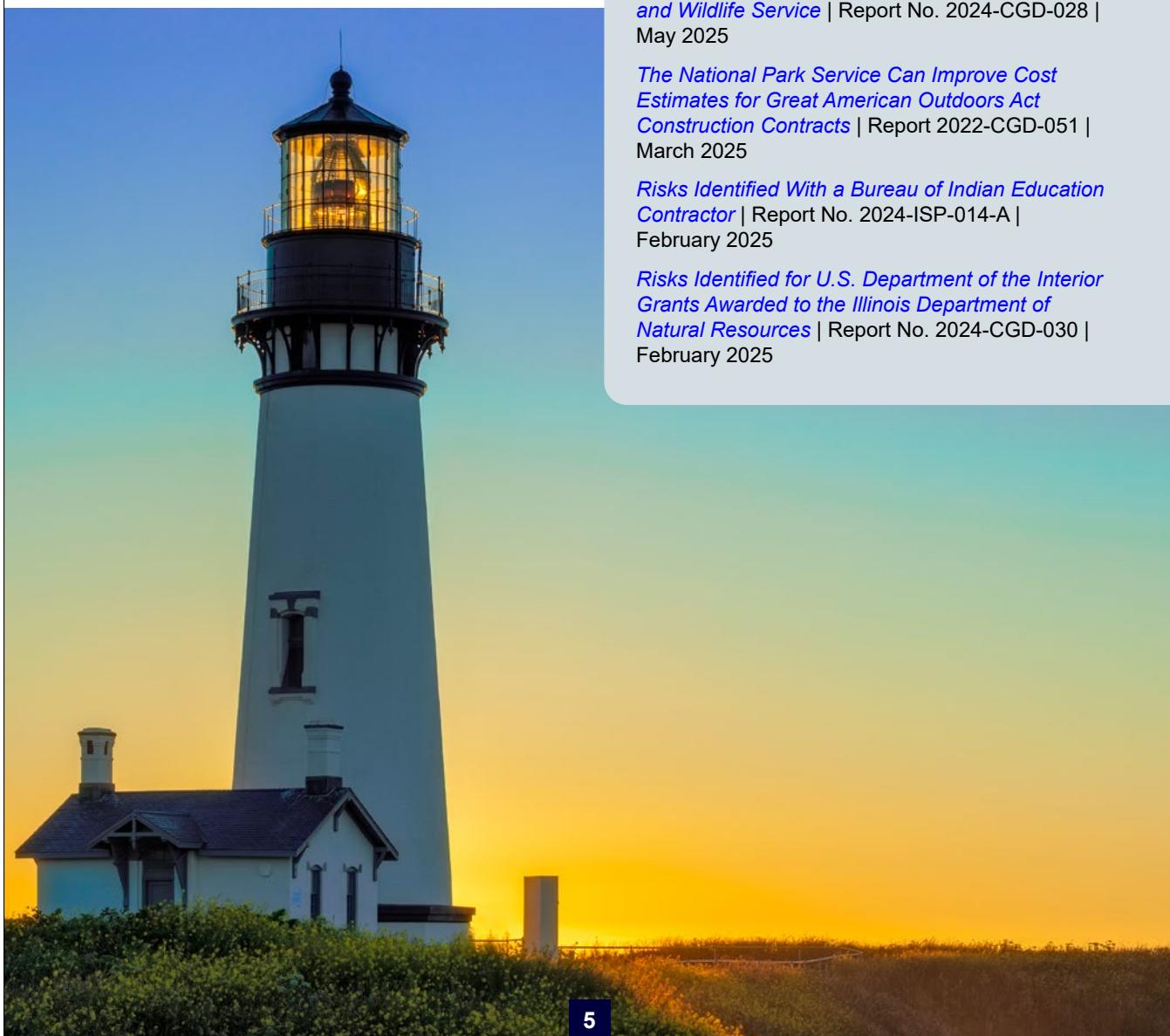
Risks Identified for Inflation Reduction Act Funds Awarded by the U.S. Bureau of Reclamation for Drought Mitigation Projects | Report No. 2023-WR-035-A | July 2025

Wildlife and Sport Fish Restoration Grants Awarded to the State of Oregon by the U.S. Fish and Wildlife Service | Report No. 2024-CGD-028 | May 2025

The National Park Service Can Improve Cost Estimates for Great American Outdoors Act Construction Contracts | Report 2022-CGD-051 | March 2025

Risks Identified With a Bureau of Indian Education Contractor | Report No. 2024-ISP-014-A | February 2025

Risks Identified for U.S. Department of the Interior Grants Awarded to the Illinois Department of Natural Resources | Report No. 2024-CGD-030 | February 2025



Deferred Maintenance

Deferred maintenance is defined as maintenance and repairs that were not performed when they should have been and were put off or delayed for a future period. Substantial portions of DOI's supplemental funds, particularly those awarded under the Great American Outdoors Act, are designated to address these deferred maintenance needs. Our work has found that DOI faces challenges in accurately and reliably estimating the cost of deferred maintenance at NPS facilities given weaknesses in the underlying data. NPS has recently taken action to implement all of our recommendations related to this area, including one of DOI's three highest priority recommendations. Maintaining park infrastructure for public use is a particularly significant consideration given NPS' vast portfolio of 5,500 miles of paved roads, 17,000 miles of trails, and 25,000 buildings. This maintenance involves significant funds—with more than \$22.9 billion in estimated repairs as of the end of FY 2024 for NPS alone—and has health and safety implications for employees and the more than 300 million people who visit national parks each year. We have also found that BIA was unable to effectively manage deferred maintenance, despite longstanding concerns regarding the poor condition of BIE school facilities that may jeopardize the well-being of school children and staff. Additionally, GAO has made recommendations related to DOI's deferred maintenance, including developing plans to



address backlogs, identify timelines, evaluate costs, and provide more information to Congress and the public regarding the deferred maintenance and repair backlog.

Key Reports

Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities |
Report No. 2022-CR-036 | March 2024

The National Park Service Faces Challenges in Managing Its Deferred Maintenance |
Report No. 2020-CR-066 | September 2023

Insular Areas

DOI faces unique challenges and risks with respect to the Insular areas, in particular risks associated with supplemental funding awarded to American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands due to their remote locations and the unique relationships between the Federal Government and the U.S. Territories. For example, DOI must address lack of robust monitoring capability, late or absent single audits, and lack of available data regarding environmental and socioeconomic challenges facing the Territories. At least 10 audits related to the Insular Areas in the last 10 years have collectively identified weaknesses with grant compliance that DOI must address. GAO has also found DOI faces challenges in issuing timely management decisions on questioned costs identified in single

audit reports for the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, which receive millions of dollars in U.S. grants from Federal agencies. DOI has one open, significant recommendation directed to OIA to ensure Single Audits are conducted and submitted.

Key Report

The Office of Insular Affairs Needs To Ensure Insular Areas' Compliance With Federal Regulations Related to Single Audit Submissions |
Report No. 2025-FIN-005 | September 2025

Supplemental Spending

In recent years, DOI has received significant supplemental funds, including more than \$28 billion from the Infrastructure Investment and Jobs Act (IIJA),² approximately \$8.1 billion plus permanent annual funding for the Land and Water Conservation Fund from the Great American Outdoors Act,³ \$6.6 billion from the Inflation Reduction Act,⁴ and over \$3 billion from the American Relief Act.⁵

DOI relies on contracts, grants, and other financial assistance agreements to achieve its goals for a significant amount of these supplemental funds, and all of the challenges noted above apply to DOI in this context as well. Moreover, some of the other challenge areas we have noted—particularly, deferred maintenance and expenditures regarding the Insular Areas—involve supplemental funding.

Capacity, Subject Matter Expertise, and Risks Presented by New Programs

In some cases, DOI programs have received a significant influx of funds without a proportionate increase in administrative staff and support. This creates challenges for DOI to effectively oversee these programs, ensure program objectives are achieved, and verify funds are spent properly. In particular, DOI staff must issue guidance, conduct timely reviews of financial and performance reports, and follow up on those reports, as appropriate. Recipients must track, manage, document, and report their spending and ensure program activities are moving forward and achieving results. Subrecipients must similarly track, document, and report their spending and ensure that the work supported by the funds is achieved—for example, orphaned well plugging and abandoned mine land remediation.

Our recent work has highlighted weaknesses in these areas. For example, in one report, we concluded that program staff were not organized and allocated in a manner proportional to the increase in IIJA funding, which reduced the staff's ability to expend IIJA funds for their intended purposes, prevent award delays, reduce inefficiencies, and allow for adequate monitoring of IIJA grants. Another report found internal control weaknesses related to OWF's oversight and management of IIJA fuels management funds to ensure the funds were spent in accordance with the IIJA and to reduce the risk of fraud, waste, and abuse. Additional

² Pub. L. No. 117-58.

³ Pub. L. No. 116-152.

⁴ Pub. L. No. 117-169.

⁵ Pub. L. No. 117-158.

work has highlighted the benefits of examining long-term staffing plans to ensure that programs have adequate resources and subject matter expertise to fulfill their responsibilities to oversee these important Federal programs. GAO has also identified strategic workforce planning and oversight on its priority recommendations list for DOI; we note that some of these GAO recommendations arise from reports issued in 2021 and 2023. In light of DOI's recent and ongoing organizational changes, DOI may continue to face challenges in ensuring adequate staff with the necessary programmatic and financial knowledge to conduct recipient risk assessments and monitor the financial and performance reports submitted by recipients. DOI should remain aware that our past work has demonstrated that a lack of trained and knowledgeable oversight staff can put funds at increased risk of fraud, waste, abuse, and mismanagement.

In addition, some supplemental funding established new programs and program offices. For example, OWPO was established in January 2023 to award and oversee more than \$4.5 billion in new funding to support orphaned well plugging. Not only does DOI programmatic success require staff who are knowledgeable about Federal rules and programmatic subject matter, it requires recipients and subrecipients to have adequate capacity, resources, and knowledge to execute the program and ensure that funds are being spent properly. As highlighted in recent reports, new programs that fund organizations that have not historically received DOI funds present risks due to lack of experience. DOI faces challenges in mitigating these risks and supporting recipients and subrecipients in addressing their own capacity, knowledge, and training challenges.

Key Reports

The Orphaned Wells Program Office Needs to Improve Its Oversight of the Infrastructure Investment and Jobs Act Funding to States | Report No. 2023-INF-025 | December 2024

The Office of Surface Mining Reclamation and Enforcement Should Improve Efforts for Expenditure Infrastructure Investment and Jobs Act Funds | Report No. 2023-INF-014 | September 2024

GAO High-Risk Areas

Strategic Human Capital Management

Improving the Delivery of Federal Disaster Assistance

Cybersecurity

Cybersecurity continues to be a high-risk area for Federal agencies; cyberattacks and related threats pose serious risks for DOI operations and programs. DOI relies on complex, interconnected information systems to carry out its daily operations. According to the Federal IT Portfolio Dashboard, DOI spent almost \$2 billion in FY 2025 on its portfolio of IT assets.

Our work has described ongoing challenges and the importance of implementing an enterprise cybersecurity program that balances compliance, cost, and risk while enabling bureaus to meet their diverse missions. For example, the FY 2024 annual independent Federal Information Security Modernization Act audit identified necessary improvements and made 27 recommendations intended to strengthen DOI's information security program as well as those of the bureaus and offices. Additionally, in 2023, we evaluated DOI's information system risk management practices to determine if DOI had appropriately authorized its systems to operate and if it analyzed and monitored security weaknesses to reduce the risk of compromise. We found that multiple DOI systems were operating without authorization and that DOI did not consistently analyze and monitor security weaknesses. These deficiencies, which we attributed to a lack of resource prioritization and clear guidelines, increased the risk of compromise for the Federal information systems under DOI's responsibility.

We note that DOI has not yet fully implemented several significant recommendations in this area. For example, we recommended that DOI's OCIO develop and implement a process to evaluate all systems' Authorizations to Operate annually for accuracy and completeness to ensure systems are operating with a valid authorization determined by actual risk. We have designated this recommendation, which was issued in 2023, as one of DOI's three highest priority open recommendations awaiting corrective action. In February 2024, we recommended that DOI's OCIO regularly test DOI's data loss prevention capability to ensure that sensitive data is protected against exfiltration attempts. This recommendation likewise remains open. We have also evaluated DOI's cyber threat hunting program and its efforts to remediate known software vulnerabilities and made recommendations for improvement in both areas.

DOI will continue to face challenges in improving management of its complex information systems and operation of a secure infrastructure to protect



its Federal computer networks and data from cyber threats. Additionally, DOI is currently undergoing the consolidation of its administrative functions, including IT, within the Office of the Secretary. DOI's plan to redefine roles, responsibilities, and authorities remains pending.

We will continue to provide oversight of DOI's cybersecurity posture, including an anticipated inspection of DOI's data leakage prevention and the annual Federal Information Security Modernization Act audit for FY 2025. We will also continue to monitor and report on DOI's progress implementing our prior recommendations.

Key Reports

The U.S. Department of the Interior Information Systems at Increased Risk Due to Unmitigated Known Vulnerabilities | Report No. 2023-ITA-007 | September 2025

Summary: Evaluation of the U.S. Department of the Interior's Cyber Threat Hunting Program | Report No. 2023-CTD-039 | August 2025

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024 | Report No. 2024-CTD-006 | March 2025

The U.S. Department of the Interior Needs To Better Protect Data Stored in the Cloud From the Risk of Unauthorized Access | Report No. 2022-ITA-025 | February 2024

The U.S. Department of the Interior's Cyber Risk Management Practices Leave Its Systems at Increased Risk of Compromise | Report No. 2020-ITA-030 | February 2023

GAO High-Risk Areas

Ensuring the Cybersecurity of the Nation
Improving IT Acquisitions and Management

CHALLENGE AREA

Delivering Core Services

Each of DOI's bureaus and offices serves a unique role and has specific responsibilities to deliver core services in support of DOI's mission. These core services support DOI's ability to fulfill its responsibilities—such as managing and protecting the Nation's natural resources and cultural heritage, conserving land and water, and upholding Tribal trust and related responsibilities. Below, we summarize DOI's most significant challenges in delivering core services related to natural resources and energy management, responsibility to Native Americans, and wildfire management.

Natural Resources and Energy Management

DOI oversees one-fifth of the land in the United States and is the steward of Federal energy resources—including oil, gas, coal, and renewable energy—that provide 30 percent of the United States' domestically produced energy. DOI collected almost \$15 billion in oil and gas revenues in FY 2024. Energy and natural resource revenues benefit every American, either directly through payments to Tribes and individual mineral owners or indirectly through contributions to Federal and State programs and the U.S. Treasury.

As we identified in our previous management challenge reports, DOI continues to face challenges in managing complex energy operations (including collecting revenues), overseeing leasing, and ensuring that development is safe and efficient. For example, we found that the bureaus did not maintain complete or accurate Federal oil and gas bankruptcy data. This data is needed to help bureaus make informed decisions and take appropriate steps to reduce the risks of incurring costs related to entities' decommissioning and reclamation responsibilities if the entities do not pay their debts to the bureaus. Separately, we investigated allegations that an oil company and its subsidiaries failed to conduct decommissioning operations within one year after expiration of its Federal leases as required. The company later filed for bankruptcy, and DOI filed multiple proofs of claims, including over



\$4 billion in protective claims seeking to preserve the United States' right to enforce or otherwise demand the company's regulatory compliance with its decommissioning obligations related to 276 properties.

We have also recommended improvements to ONRR's royalty adjustments process. Specifically, payors who report sales from oil and gas leases to ONRR and pay royalty obligations can make adjustments when necessary to correct overpayments or underpayments. We found that ONRR needed to strengthen its internal controls to ensure that royalty adjustments, especially those that reduce royalties paid to the Federal Government, are accurate. ONRR recently completed corrective actions sufficient to close the final three open recommendations from this 2022 report.

Illustrating the significance of these issues, OIG's Energy Investigations Unit has conducted more than 243 investigations in 29 States, resulting in over \$234 million in monetary results and 61 criminal convictions or civil settlements in the last 16 years. For example, a recent investigation led to the first Federal prosecution under the Federal Oil and Gas Royalty Management Act. The defendant eventually pleaded guilty to charges of failing to pay royalties owed to the Jicarilla Apache Nation, the Navajo Nation, and the Federal Government; the defendant also pleaded guilty to wire fraud and submitting fraudulent oil and gas extraction reports.

As our prior work has demonstrated, DOI will continue to face challenges ensuring that the public receives a fair return for the resources that are extracted from Federal lands and waters, especially in light of recent executive actions aimed at increasing domestic energy production.

DOI also faces challenges in addressing another natural resource—namely, water. BOR is the country's largest wholesale water supplier, operating 296 reservoirs with a total storage capacity of 140 million acre-feet. It also provides 10 million farmland acres and 140,000 western farmers—1 out of every 5—with irrigation water. In addition to managing water, BOR operates 53 hydroelectric power plants that annually produce, on average, 40 billion kilowatt-hours, making it the second largest producer of hydropower in the United States. Complicating BOR's mission, the Western States have experienced ongoing historic drought over the last two decades.

Our work has identified multiple challenges in this area. For example, we audited BOR's cost allocation and ratesetting processes for the Central Valley Project and determined that BOR did not have internal controls sufficient to ensure the accuracy of those processes, which is necessary to ensure that costs are accurately allocated and that construction and operations costs are recouped by the Federal Government as appropriate. As another example, we investigated allegations that a manager of a local water district in California illegally diverted water from State of California and BOR waterways and profited from the subsequent sale of the stolen water. BOR estimated that over 42 billion gallons of water, valued at over \$25 million, were stolen during a 23-year period. We substantiated the allegations; in the resulting prosecution, the defendant pleaded guilty, and the local water district entered into a civil settlement.

DOI faces ongoing challenges in managing the delivery of water, the protection of fish and wildlife habitat, and the generation of hydroelectric power. Moreover,

most existing Colorado River Basin conservation agreements expire in 2026; BOR is currently analyzing alternatives for long-term (post-2026) operations. Our oversight of these challenges continues with ongoing audits related to drought mitigation efforts for the Lower and Upper Colorado River Basins and the Salton Sea. We also anticipate oversight work related to BOR's canal improvement projects and domestic water supply projects.

Key Reports

[Failure to Decommission Offshore Platforms |](#)

Report No. 24-0057 | July 2025

[Summary: Panoche Water District General Manager Conspired to Illegally Divert Federal Water |](#)

Report No. 24-0745 | February 2025

[U.S. Department of the Interior Bureaus Must Improve Federal Oil and Gas Internal Controls To Ensure Oversight of Financial Risks to the Government From Bankruptcies |](#)

Report No. 2023-CR-003 | December 2024

[Stronger Controls Needed Over the Bureau of Reclamation's Central Valley Project Cost Allocation and Ratesetting Processes |](#)

Report No. 2022-WR-048 | August 2024

[Flash Report: The Bureau of Reclamation's Drought Mitigation Plans and Activities |](#)

Report No. 2023-WR-032 | March 2024

[Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments |](#)

Report No. 2020-CR-009 | January 2022

GAO High-Risk Area

[Management of Federal Oil and Gas Resources](#)



Responsibility to Native Americans

DOI is the primary Federal agency charged with carrying out the United States' trust responsibilities to American Indians and Alaska Natives, maintaining the Government-to-Government/Nation-to-Nation relationship with federally recognized Indian Tribes, and promoting and supporting Tribal self-determination. DOI Indian Affairs, which includes BIA, BIE, BTFA, and the Office of the Assistant Secretary for Indian Affairs, supports federally recognized American Indian and Alaska Native Governments by directly administering or by funding tribally administered programs. Indian Affairs seeks to enhance the quality of life, promote economic opportunities, and fulfill the Federal trust responsibility to American Indians and Alaska Natives, including the protection and preservation of trust assets.

Our work has identified an array of challenges in this area. For example, conditions at BIE schools have been a longstanding challenge for DOI; both our office and GAO have reviewed BIE schools for decades and found systemic weaknesses in the facilities management program. Recently, we have published the results of safety and health inspections of three Indian schools supported or overseen by BIE. Our inspections have found repeat safety and health deficiencies, deficiencies that have gone unaddressed well past abatement deadlines, and numerous errors with data in BIE's facility management system that tracks work orders and maintenance issues. As noted previously, we have also found that Indian Affairs is not effectively managing deferred maintenance at BIE schools, in part due to unreliable work order data that we have identified in other reviews. While Indian Affairs has made some progress addressing recommendations related to deferred maintenance, its efforts to close a number of significant recommendations are ongoing. In particular, a recommendation from our 2016 report on the condition of Indian school facilities remains open and is one of our three highest priority recommendations awaiting corrective action.

We have also identified health and safety concerns at Indian detention facilities. For decades, detention facilities in Indian Country have been affected by understaffing, overcrowding, and poor facility conditions. Our recent work acknowledged actions to correct deficiencies but also identified challenges with issues such as staffing shortages, overcrowding, and incomplete facility condition information.

DOI will continue to face challenges improving its management of programs that serve Tribes and their members. We will accordingly continue to provide oversight of DOI's efforts, including our ongoing series of safety and health inspections at individual BIE schools. We also have ongoing work related to BIA's administration and oversight of acquisitions functions, BIA's Missing and Murdered Unit's efforts, and BTFA's process to collect death data.

Key Reports

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness, Security, and Facility Management System Accuracy at Riverside Indian School | Report No. 2024-ISP-040 | July 2025

Indian Affairs Still Needs to Improve Management of BIA-Funded and/or -Operated Detention Programs | Report No. 2022-WR-040 | February 2025

Risks Identified With a Bureau of Indian Education Contractor | Report No. 2024-ISP-014-A | February 2025

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tate Topa Tribal School | Report No. 2024-ISP-014 | December 2024

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School | Report No. 2023-ISP-040 | October 2024

Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities | Report No. 2022-CR-036 | March 2024

Detention Facility Health and Safety Concerns | Report No. 2022-WR-040-A | April 2023

GAO High-Risk Area

Improving Federal Management of Programs That Serve Tribes and Their Members



Wildfire Management

Wildfires can have devastating effects on local communities, public resources, ecosystems, life, and personal property. According to the National Interagency Fire Center, almost 65,000 wildfires burned around 8.9 million acres in the United States during 2024. The reported number of wildfires and acres burned Nationwide in 2024 was noticeably higher than the previous 5- and 10-year averages, and 2024's fires exceeded the 10-year average by 27 percent. In 2024, DOI fire suppression costs totaled more than \$466 million. DOI's wildfire management program consists of OWF and the four bureaus with wildland fire operations—BIA, BLM, FWS, and NPS. The program manages wildfire response for more than 500 million acres of national parks, wildlife refuges and preserves, other public lands, and Indian reservations, and it is part of the Federal interagency wildfire response framework. OWF provides governance, policy guidance, budget oversight, and operational accountability. In 2024, DOI employed 5,780 wildland fire personnel.

DOI continues to face challenges we have previously reported, including maintaining and recruiting a firefighting workforce, managing ecosystems to reduce fuels, and responding to active wildfires. In 2024, we evaluated whether DOI's wildland firefighting bureaus routinely inspected their firefighting vehicles for mechanical and safety issues as required and found that overall, they did not. Our two significant recommendations from that report remain open. Moreover, as wildfires and suppression costs have continued to increase, DOI is also likely to continue to face increased costs associated with responding to wildfire activity, which is exacerbated by abnormally dense vegetation, increased development in or near wildlands, drought, and other climate stressors. In 2025, we conducted an audit to determine whether OWF and the bureaus with firefighting responsibilities are efficiently managing IIJA fuels management funds and spending the funds in accordance with

IIJA requirements. We found that OWF and the bureaus did not always comply with the IIJA's directive to prioritize fuels management projects in areas with a "very high" wildfire hazard potential. We made 34 recommendations to OWF and the bureaus; 8 of these recommendations have been implemented. We will be monitoring DOI's progress implementing our remaining recommended improvements.

In June 2025, the President issued an executive order directing the Secretaries of the Interior and Agriculture to consolidate their wildland fire programs,⁶ and, in September 2025, DOI issued a secretarial order implementing the provisions of the President's executive order. These changes are intended to streamline the Federal Government's wildfire prevention and response, strengthen wildfire mitigation, and improve coordination with non-Federal partners. The consolidation of DOI and U.S. Department of Agriculture wildland fire programs potentially presents new challenges with the integration of organizations with currently disparate staff, technologies, and budgets. We anticipate conducting oversight work regarding fire management, and, in doing so, we will take these new directives into account.

Key Reports

Improvements Needed in the U.S. Department of the Interior's Management and Oversight of Infrastructure Investment and Jobs Act Funding for Fuels Management | Report No. 2023-CR-009 | August 2025

The U.S. Department of the Interior Did Not Ensure Its Wildland Firefighting Bureaus Conducted Routine Vehicle Inspections | Report No. 2022-ER-021 | March 2024

⁶ The President's Fiscal Year 2026 budget also proposes a consolidation of the U.S. Department of Agriculture's U.S. Forest Service and DOI wildland fire management programs, establishing a new U.S. Wildland Fire Service within DOI. Under this new organization, command and appropriations from all existing wildland fire management activities within DOI bureaus and the Department of Agriculture's Forest Service will be consolidated.



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.

WHO CAN REPORT?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

HOW DOES IT HELP?

Every day, DOI employees and non-employees alike contact OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for DOI, its employees, and the public.

WHO IS PROTECTED?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Specifically, 5 U.S.C. § 407(b) states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.

If you wish to file a complaint about potential fraud,
waste, abuse, or mismanagement in DOI,
please visit OIG's online hotline at www.doiig.gov/hotline
or call OIG's toll-free hotline number: **1-800-424-5081**

Summary of Financial Statement Audit and Management Assurances

Results of Financial Statement Audit

As required by the CFO Act and GMRA, DOI prepares consolidated financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm, since FY 2001.

The results of the FY 2025 financial statement audit are summarized in Figure 26. The DOI achieved an unmodified audit opinion for DOI's consolidated financial statements.

FIGURE 26

Summary of Financial Statement Audit					
FY 2025					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Inadequate Reviews and Implementation of SFFAS 54, Leases	1	0	1*	0	0
Financial Reporting Review Controls	0	1	0	0	1
Total Material Weaknesses	1	1	1*	0	1

Management Assurances

The FMFIA requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls, including program, operational, and administrative areas as well as financial management and reporting. The results of the FY 2025 management assurances are summarized in Figures 27, 28, and 29.

As shown in Figure 27, DOI's FY 2025 Assurance Statement was modified due to one MW related to Financial Reporting Review Controls.

FIGURE 27

Summary of Management Assurances						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Inadequate Reviews and Implementation of SFFAS 54, Leases	1	0	1*	0	0	0
Financial Reporting Review Controls	0	1	0	0	0	1
Total Material Weaknesses	1	1	1*	0	0	1

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

*In FY 2025, the severity of the Inadequate Reviews and Implementation of SFFAS 54, Leases was lowered to a significant deficiency from a MW.

SUMMARY OF FINANCIAL STATEMENT AUDIT & MANAGEMENT ASSURANCES

FIGURE 28

Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems Comply to Financial Management System Requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total of Non-Conformances	0	0	0	0	0	0

FIGURE 29

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	Auditor
1. Federal Financial Management System Requirements	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
2. Applicable Federal Accounting Standards	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
3. U.S. Standard General Ledger at the Transaction Level	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted

Payment Integrity

Overview

On March 2, 2020, the *Payment Integrity Information Act of 2019*, (PIIA) was enacted into law (P.L.116-117). This law strengthens efforts to combat improper payments by consolidating previous improper payment legislation and reinforcing payment reporting requirements within the federal government. On March 5, 2021, OMB issued an update to Appendix C of Circular A-123 in Memorandum M-21-19, *Requirements for Payment Integrity Improvement*, which established specific requirements for enhancing payment integrity, including the criteria agencies must follow to remain compliant with PIIA. This includes conducting Phase 1 Risk Assessments, and Phase 2 Statistical Sample Testing of high-risk programs.

To further strengthen efforts to prevent improper payments and fraud, EO 14249, *Protecting “America’s Bank Account Against Fraud, Waste, and Abuse* and EO 14247, *Modernizing Payments to and From America’s Bank Account*, were signed by the President on March 25, 2025. EO 14249 aims to improve how federal agencies check payments, manage financial systems, and share data across the government. EO 14247 directs federal agencies to transition to electronic payments and collections, phasing out most paper checks by September 30, 2025, to enhance security of Federal payments, reduce costs, and lower the risk of fraud and improper payments.

Payment Integrity Risk Assessments

The PIIA requires agencies to review programs and activities for the risk of improper payment by performing risk assessments to determine whether those programs are susceptible to significant improper payments. In

accordance with PIIA, DOI follows a three-year in-cycle assessment schedule, under which each applicable program is reviewed once every three years. In addition to this regular cycle, DOI performs off-cycle assessments for programs that are newly established or have experienced significant changes, such as new legislation or substantial increases in funding levels, that may increase their potential for improper payments. With OMB concurrence, DOI utilizes an alternative annual assessment period from Q4 of the prior fiscal year through Q3 of the current fiscal year.

In FY 2024, DOI conducted off-cycle risk assessments for 11 programs. Each of these programs had payments exceeding \$10 million during the assessment period, which spanned from Q4 of FY 2023 through Q3 of FY 2024, with a combined total of approximately \$2.6 billion. The assessments determined that none of the programs were at high risk for improper payments, and as a result, all DOI programs remained in Phase 1. Additionally, OIG conducted its annual inspection and determined that the Department was in compliance with PIIA.

In FY 2025, DOI conducted an in-cycle risk assessment of 103 programs, totaling approximately \$33.3 billion in payments for the assessment period. None of the 103 programs identified as being high risk for significant improper payments, and no new programs were flagged for Appendix C Phase 2 Testing during the fiscal year. For additional information regarding DOI’s PIIA and Appendix C payment integrity reporting and compliance efforts, including Phase 1 Risk Assessments and prior year Phase 2 Test results, please refer to PaymentAccuracy.gov.

Sampling and Estimation

The DOI is required to design and implement appropriate statistical sampling and estimation methods to produce statistically valid improper payment estimates for all programs and activities determined to be “susceptible to significant improper payments” through Appendix C Phase 2 Testing. The DOI employs a testing methodology using statistical sampling to estimate the amount and percentage of improper payments based on the prior year’s program expenditures. In developing its sampling and estimation plans, DOI consults with a certified statistician to ensure its testing methodology will produce statistically valid improper payment estimates.

The *Bipartisan Budget Act of 2018*, initiated an improper payment reporting requirement in FY 2020 for DOI programs funded under the “emergency supplemental appropriations to respond to and recover from recent hurricanes, wildfires, and other disasters.” As described in OMB M-18-14, *Implementation of Internal Controls and Grant Expenditures for the Disaster-Related Appropriations* (DRA), all programs and activities expending more than \$10 million in any one fiscal year were deemed to be susceptible to significant improper payments.

As a result, the DRA program was identified as susceptible in FY 2020. Since then, DOI has not had any programs deemed susceptible during the Phase 1 risk assessment process, as required by PIIA.

The DOI’s FY 2024 Off-Cycle risk assessments found no program at high risk of susceptibility to significant improper payments, eliminating the need for Phase 2 testing this fiscal year. Similarly, the FY 2025 In-Cycle risk assessments did not identify any high-risk programs requiring Phase 2 testing.

Overpayments Identified and Recaptured

The Department conducts recovery activities in accordance with OMB Circular A-123 as part of its efforts to strengthen payment integrity and reduce improper payments. These activities including self-reported overpayments, internal control reviews, Single Audit reviews, and post-payment reviews.

The DOI will continue to leverage these efforts to address improper payments in a cost-effective and efficient manner while also assessing whether implementing a payment recapture audit program would provide additional value or benefits.

In FY 2025, DOI had approximately \$37.8 billion in outlays for all programs or activities that expend \$1 million or more annually. For efforts conducted outside of payment recapture audits, DOI identified \$9.56 million or 0.25 percent in overpayments and recovered \$10.35 million or 0.27 percent. The sources used to identify the overpayments and recovered amounts were self-reported data gathered through the Department’s Bureaus and Offices internal control reviews and single audit reports. The recovered amount exceeds the identified amount due to timing differences, as recoveries may include overpayments identified in prior periods. In FY 2026, DOI will continue its efforts to recapture any balances identified.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

The Treasury implemented the DNP Working System, to help federal agencies prevent improper payments. This system brings together a range of government data sources, including the Death Master File, which helps identify deceased individuals to ensure payments are made accurately and only to eligible recipients. Under PIIA, each agency is directed to thoroughly review prepayment and pre-award procedures, as well as ensure available databases with relevant information are checked to determine proper eligibility prior to the release of federal funds.

In FY 2025, the Department continued its close collaboration with the Treasury's Fiscal Service to enhance payment monitoring efforts. This included a comprehensive review of its current DNP procedures and progress toward aligning with EO 14247, *Modernizing Payments to and from America's Bank Account*, as well as EO 14249, *Protecting America's Bank Account Against Fraud, Waste, and Abuse*.

It also maintains ongoing communication with Bureaus and Offices, emphasizing the importance of using the DNP Working System to verify eligibility across various data sources, ensuring that vendors, grantees, loan recipients, and beneficiaries are qualified to receive federal payments.

Other Efforts

The following are other efforts that DOI undertakes to identify and recover improper payments agency-wide:

- ◆ **Collaboration.** The DOI partners with Bureaus and Offices to accurately determine whether matches identified through the Treasury DNP Working System are proper or improper, and to recover funds when necessary.
- ◆ **Prepayment Audit of Government Bills of Lading (GBL).** The DOI conducts prepayment audits of freight bills via GBL. This effort is required by the *Travel and Transportation Reform Act of 1998*. Efforts continue with DOI's Bureaus and Offices to ensure that all freight bills undergo prepayment audits.

- ◆ **Invoice Payment Reviews.** The DOI conducts various pre-and post-payment reviews of vendor invoices across the Bureaus and Offices. The reviews are the responsibility of the Bureaus and Offices and are used to certify the validity of invoices scheduled for payment, identify inaccurate payments, and determine the effectiveness of internal controls over the payment process.

- ◆ **Travel Voucher Audits.** The DOI conducts both pre-and post-travel voucher audits. The audits are designed to identify incorrect payment amounts, unauthorized claims, and internal controls over the payment process.

- ◆ **Government Charge Card.** The Department required all Bureaus and Offices to document their internal controls and processes for the Purchase, Travel, and Fleet Card Programs. This initiative was in response to a recommendation from an internal review aimed at strengthening charge card oversight. To support this effort, a charge card freeze and review process was initiated to align with EO 14222, *Establishing and Implementing the President's "Department of Government Efficiency" Initiative*. As a result, Department-wide purchase card restrictions were enforced as outlined in a March 2025 DOI memorandum.

- ◆ **Payment Integrity Monitoring Capabilities.** The Department continues building its Payment Integrity monitoring capabilities to perform independent assessments and validate results being provided by the Bureaus and Offices.

Fraud Reduction

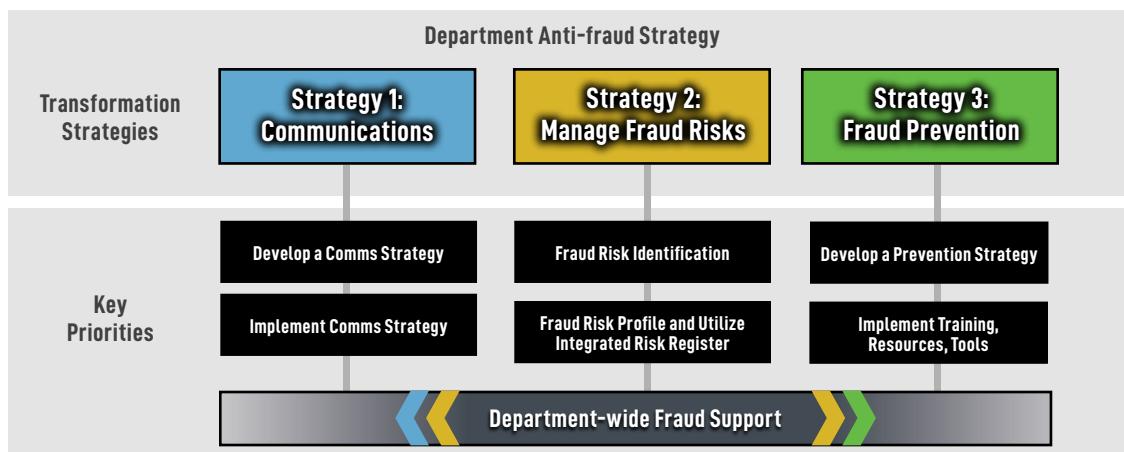
On March 2, 2020, PIIA repealed and replaced the *Fraud Reduction and Data Analytics Act of 2015* (FRDAA). However, pursuant to Section 3357 of the PIIA, the guidelines required to be established under Section 3(a) of the FRDAA, continue to be in effect, including the requirement that agencies conduct an evaluation of fraud risks; use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and continuously improve fraud detection using data analytics; and use the results of monitoring, evaluation, audits, and investigations to improve fraud prevention, detection, and response.

To implement these guidelines, DOI is underscoring the significance of the 2025 GAO Green Book and its updated

guidance for preventing fraud and improper payments. To put these standards into action, the Department is taking a comprehensive approach to managing fraud risks and strengthening internal controls. The Department is also drawing on guidance from *GAO's Framework for Managing Fraud Risks in Federal Programs*, the U.S. Chief Financial Officers Council's Anti-Fraud Playbook.

The DOI is prepared to mitigate the risk of fraudulent activities through the Department Anti-fraud Strategy, consisting of three transformation strategies, as presented in Figure 30, *Department Anti-fraud Strategy*. The Department continuously reviews and implements this strategy to ensure its approach to preventing and addressing fraud remains effective and current.

FIGURE 30



The DOI continued advancing its transformation strategies through a range of initiatives. Anti-fraud efforts for FY 2025 included, but were not limited to, the following activities:

Strategy 1: Communications

- ◆ Continuously monitoring each of the transformation strategies to ensure effective communication, management of fraud risk, and adequate fraud prevention resources are available to the Department.
- ◆ Strengthening the development of a department-wide focus group to support the Anti-fraud Strategy by creating an effective platform to share fraud incidents, potential internal/external fraud threats, and promote leading practices to mitigate the risk of fraud.

Strategy 2: Manage Fraud Risks

- ◆ Maintaining and refining the Department's Fraud Risk Profile to support the identification and mitigation of potential fraud risks.

- ◆ Leveraging multiple department-wide mechanisms to identify, assess, and evaluate fraud risks including:
 - ◆ Integrated risk register – identifying and assessing fraud risks and determining whether the internal controls mitigate those risks to acceptable levels.
 - ◆ PIIA risk assessment – completing the risk assessment to determine the program's susceptibility to improper payments, including the risk of fraud.
 - ◆ Entity-level assessment – assessing: (1) leadership's "tone at the top" and commitment to program integrity, ethical values, and combatting fraud; and (2) the controls in place to identify and mitigate fraud risks.

- ◆ Performing an IV&V assessment of the controls implemented within Bureaus and Offices to identify, analyze, and respond to potential fraud; and, based on the results of the assessment, implementing several enhancements to the anti-fraud activities in accordance with the three transformation strategies.
- ◆ Monitoring CAPs in place to address external auditor recommendations, including recommendations related to fraud risks, and holding senior management accountable for resolving audit recommendations by including a critical element for audit recommendation closure in Senior Executive Service performance plans.
- ◆ Utilizing confirmed fraud cases reported by the DOI OIG to enhance accountability and guide continuous improvement in fraud risk management.

Strategy 3: Fraud Prevention

- ◆ Providing annual anti-fraud training for all employees to promote awareness and equip staff with the skills to effectively recognize, detect, and respond to fraud, with mandatory participation for employees in designated roles.
- ◆ Evaluating the current organization structure to manage fraud and implementing enhancements such as travel and charge card policies within DOI, and emphasizing the standards of ethical conduct for all employees to ensure proper use of taxpayer dollars.

Grants Programs

The information in this section is provided in fulfillment of the reporting requirements on expired awards that remain open as required under Section II.4.9, Grants Programs of the OMB Circular A-136, Financial Reporting Requirements. Figure 31 identifies the total number of grant programs and cooperative agreements for which closeouts have not occurred, but for which the period of performance has elapsed by two or more years prior to September 30, 2025.

FIGURE 31

Grants/Cooperative Agreements (dollars in thousands)			
Category	2–3 Years	4–5 Years	More than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	101	7	-
Number of Grants/Cooperative Agreements with Undisbursed Balances	72	19	-
Total Amount of Undisbursed Balances	\$5,525,769	\$3,373,931	\$-

During FY 2025, the Department continued to make remarkable progress to improve the administration of discretionary financial assistance. Bureaus and Offices utilized GS, a single award management system designated as an OMB shared-service provider for financial assistance, to administer over 42,500 financial assistance award transactions totaling \$13 billion.

The Office of Grants Management issued financial assistance policies to Bureaus and Offices to clarify financial assistance regulatory requirements to ensure the Department's resources are managed to the greatest public benefit.

To reduce the backlog of expired but unclosed grant awards, the Department has taken significant steps by initiating the implementation of the GS Closeout Module. This centralized tool is designed to streamline and automate the grant closeout process, improving compliance with the OMB's Uniform Guidance and the *Grants Oversight and New Efficiency (GONE) Act*.

The GS Closeout Module enhances efficiency by supporting both individual and bulk closeout actions, integrating with financial systems and automating notices and reminders for grant recipients. These capabilities substantially reduce administrative burden, accelerate processing timelines, and increase transparency and accountability.

The GS Closeout Module offers a range of strategic benefits, such as: supporting closeouts at the project, budget period, and administrative levels within a single, centralized interface; allowing for both individual and bulk closeout actions; and dramatically increasing operational efficiency by reducing up to 86 percent of mouse clicks required for

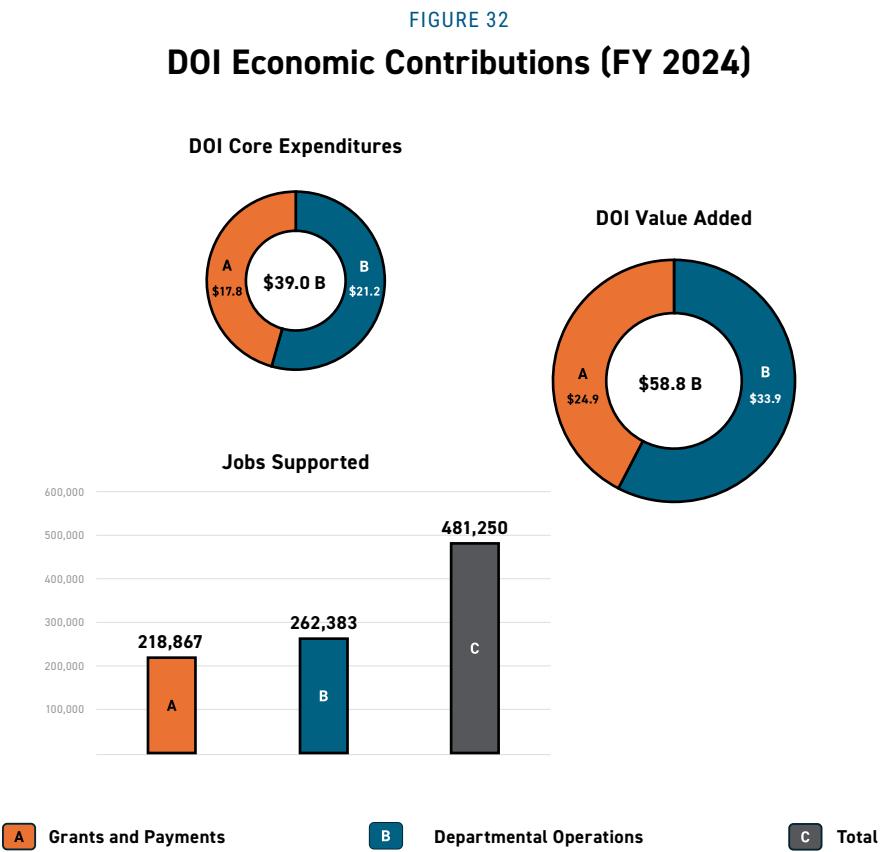
these tasks. The system interfaces with external financial systems such as the Payment Management System, ensuring accurate data integration and seamless financial reconciliation. Additional features include automated Notices of Award at closeout, a centralized dashboard for real-time tracking, and automated reminder emails to grant recipients to encourage timely action. The added features promote regulatory compliance and improve the speed and accuracy of the closeout process, aligning DOI practices with federal requirements and improving overall financial transparency.

The impact of this initiative is evident in the progress made by DOI in reducing expired awards. A comparison of data from before and after the module's rollout shows a marked decline in expired but not closed grants. For grants with expired periods of performance:

- ◆ The number of grants with zero-dollar balances dropped from 320 to 108, a 66 percent reduction (212 fewer grants).
- ◆ Grants with undisbursed balances decreased from 125 to 91 representing a 27.2 percent reduction (34 fewer grants).
- ◆ The total undisbursed balance decreased from \$19,645,524 to \$8,899,700, a reduction of approximately 54.7 percent.

These improvements illustrate DOI's successful advancement toward timely grant closeouts and effective financial stewardship.

Economic Contributions from DOI Operations and Grants & Payments



Economic Contributions

Economic contributions are one of several ways that DOI demonstrates transparency in how its activities contribute to the U.S. economy, its people, and natural resources. These estimates reflect how the Department's core expenditures (the activities and investments the Department engages in to fulfill its mission) contribute to the economy in terms of jobs and gross domestic product (GDP).

Core expenditures capture a range of DOI's activities including Departmental Operations and Grants and Payments. For purposes of this report, core activities do not include the economic contributions generated by non-Department actors, that is, activities performed by other public or private sector entities on Departmental-managed lands and waters (e.g., recreation, grazing, mineral extraction).

In FY 2024,¹ the Department's core expenditures totaled \$39.0 billion, which contributed nearly \$58.8 billion to the U.S. economy and supported over 480,000 jobs. Of these investments, approximately 45 percent reflected

grants and payments directed back to other sectors of the economy, largely through state, local, and Tribal governments.

Highlights of DOI's economic contributions to key economic sectors are detailed below.

- ◆ **Departmental Operations:** Activities performed and produced by Departmental employees, such as the development of reliable scientific information, supporting law enforcement on federal and Tribal lands, and managing resources to achieve Strategic Plan goals; contributed approximately \$33.9 billion to GDP and supported an estimated 262,000 jobs.
- ◆ **Grants and Payments:** Grants and payments, largely to state, local and Tribal governments, supported contributions to GDP of approximately \$24.9 billion and an estimated 219,000 jobs.

¹The best available information for data analysis and economic modeling was used. The latest IMPLAN model year and expenditure data (2024) was used at the time of this analysis. As IMPLAN is a commercial software package, users are dependent on the vendor's data update schedule. The 2025 IMPLAN model will not be released until late 2026.

Civil Monetary Penalty Adjustment for Inflation

The *Federal Civil Penalties Inflation Adjustment Act of 1990*, as amended by the *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (collectively “the Act”), requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties (CMP) to maintain their deterrent effect. For FY 2025, DOI performed annual inflationary adjustments of 62 CMP utilizing a cost-of-

living adjustment multiplier of 1.02598, in accordance with OMB Memorandum M-25-02, *Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015*. Figure 33 lists the FY 2025 CMP inflation adjustments published in the Federal Register and the CFR subject to the Act and OMB guidance.

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
African Elephant Conservation Act - 16 U.S.C. 4224(b); 50 CFR 11.33	Any violation	1988	2025	\$13,132	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Bald and Golden Eagle Protection Act - 16 U.S.C. 668(b); 50 CFR 11.33	Any violation	1940	2025	\$16,590	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(1) Knowing violation of section 1538	1973	2025	\$65,653	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(2) Other knowing violation	1973	2025	\$31,513	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(3) Any other violation	1973	2025	\$1,659	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Federal Coal Leasing Amendments Act of 1975 - 30 U.S.C. 201(b); 43 CFR 9239.5-3(f)(1)	Coal exploration for commercial purposes without an exploration license	1976	2025	\$5,125	Bureau of Land Management	90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	\$1,562	Bureau of Ocean Energy Management	90 FR 1878 (January 10, 2025) https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	\$1,562	Bureau of Safety and Environmental Enforcement	90 FR 44147 (September 12, 2025) https://www.federalregister.gov/documents/2025/09/12/2025-17607/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	\$1,562	Office of Natural Resources Revenue	<p>90 FR 1878 (January 10, 2025) https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments</p> <p>Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(b)(1)	Failure to comply	1983	2025	\$1,368	Bureau of Land Management	<p>90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(d)	If transporter fails to permit inspection for documentation	1983	2025	\$1,368	Bureau of Land Management	<p>90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(b); 30 CFR 1241.52(b)	Per day for each violation not corrected	1983	2025	\$15,628	Office of Natural Resources Revenue	<p>90 FR 1878 (January 10, 2025) https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments</p> <p>Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(b); 43 CFR 3163.2(b)(2)	If corrective action is not taken	1983	2025	\$13,690	Bureau of Land Management	<p>90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(c)(3); 30 CFR 1241.60(b)(1)	Per violation for each day that the violation continues	1983	2025	\$31,252	Office of Natural Resources Revenue	<p>90 FR 1878 (January 10, 2025) https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments</p> <p>Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(c); 43 CFR 3163.2(e)	Failure to permit inspection, failure to notify	1983	2025	\$27,378	Bureau of Land Management	<p>90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(d)(3); 30 CFR 1241.60(b)(2)	Per violation for each day that the violation continues	1983	2025	\$78,134	Office of Natural Resources Revenue	<p>90 FR 1878 (January 10, 2025) https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments</p> <p>Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.</p>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(d); 43 CFR 3163.2(f)	False or inaccurate documents; unlawful transfer or purchase	1983	2025	\$68,445	Bureau of Land Management	<p>90 FR 5718 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</p>
Indian Gaming Regulatory Act - 25 U.S.C. 2713(a); 25 CFR 575.4	Per violation	1988	2025	\$65,655	National Indian Gaming Commission	<p>90 FR 5605 (January 17, 2025) https://www.federalregister.gov/documents/2025/01/17/2025-01060/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation</p>
Indian Trader Act - 25 U.S.C 264; 25 CFR § 140.3	Penalty for trading in Indian country without a license	1834	2025	\$1,659	Bureau of Indian Affairs	<p>90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments</p>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Indian Trader Act 25 USC 261; 25 CFR 141.50	Penalty for trading on Navajo, Hopi or Zuni reservations without a license	1975	2025	\$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(1); 50 CFR 11.33	(1) Violations referred to in 16 U.S.C. 3373(a)(1)	1981	2025	\$33,181	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(2); 50 CFR 11.33	(2) Violations referred to in 16 U.S.C. 3373(a)(2)	1981	2025	\$829	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Marine Mammal Protection Act of 1972 - 16 U.S.C. 1375; 50 CFR 11.33	Any violation	1972	2025	\$33,181	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(c)(1)	Failure of museum to comply	1990	2025	\$8,531	National Park Service	90 FR 4671 (January 16, 2025) https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(m)(1) Footnote: To accurately adjust the daily civil penalty amount in 43 CFR 10.11(m)(1) that was not updated in 2024, DOI is multiplying 1.02598 by the penalty amount that should be in the CFR had it been updated in 2024.	Continued failure to comply per day	1990	2025	\$1,707	National Park Service	90 FR 4671 (January 16, 2025) https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(g)(4)	Continued failure to comply per day	1990	2025	\$1,707	National Park Service	90 FR 4671 (January 16, 2025) https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments
Oil Pollution Act of 1990 - 33 U.S.C. 2716(a); 30 CFR 553.51(a)	Failure to comply per day per violation	1990	2025	\$59,114	Bureau of Ocean Energy Management	90 FR 2611 (January 13, 2025) https://www.federalregister.gov/documents/2025/01/13/2025-00257/2025-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Outer Continental Shelf Lands Act of 1953 - 43 U.S.C. 1350(b)(1); 30 CFR 250.1403	Failure to comply per-day, per-violation	2006	2025	\$55,764	Bureau of Safety and Environmental Enforcement	90 FR 44147 (September 12, 2025) https://www.federalregister.gov/documents/2025/09/12/2025-17607/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment
Outer Continental Shelf Lands Act of 1953 - 43 U.S.C. 1350(b)(1); 30 CFR 550.1403	Failure to comply per day per violation	2006	2025	\$55,764	Bureau of Ocean Energy Management	90 FR 2611 (January 13, 2025) https://www.federalregister.gov/documents/2025/01/13/2025-00257/2025-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(1) Violation involving use of force or violence or threatened use of force or violence	1994	2025	\$21,114	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(2) Any other violation	1994	2025	\$10,556	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Rhinoceros and Tiger Conservation Act of 1998 - 16 U.S.C. 5305a(b)(2); 50 CFR 11.33	Any violation	1998	2025	\$23,097	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Minimum penalty based upon one point assigned under 30 CFR 723.14.	1977	2025	\$84	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 723.14.	1977	2025	\$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.15(b)	Assessment of separate violations for each day	1977	2025	\$3,148	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Minimum penalty based upon one point assigned under 30 CFR 845.14.	1977	2025	\$84	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 845.14.	1977	2025	\$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.15(b)	"Assessment of separate violations for each day "	1977	2025	\$3,148	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 724.14(b)	Individual civil penalties	1977	2025	\$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 846.14(b)	Individual civil penalties	1977	2025	\$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments
Title 25 - Indians Authority: 25 U.S.C. 356; 25 CFR 213.37	Penalty for failure of lessee to comply with lease of restricted lands of members of the Five Civilized Tribes in Oklahoma for mining, operating regulations at part 213, or orders	1920	2025	\$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: 25 U.S.C. 396a-g; 25 CFR 211.55	Penalty for violation of leases of Tribal land for mineral development, violation of part 211, or failure to comply with a notice of noncompliance or cessation order	1938	2025	\$1,993	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 243.8	Penalty for non-Native transferees of live Alaskan reindeer who violates part 243, takes reindeer without a permit, or fails to abide by permit terms.	2006	2025	\$7,820	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 225.37	Penalty for violation of minerals agreement, regulations at part 225, other applicable laws or regulations, or failure to comply with a notice of noncompliance or cessation order	1994	2025	\$2,110	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.42	Penalty for violation of lease of Osage reservation lands for oil and gas mining or regulations at part 226, or noncompliance with the Superintendent's order	2016	2025	\$1,183	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(a)	Penalty per day for failure to obtain permission to start operations	2016	2025	\$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(b)	Penalty per day for failure to file records	2016	2025	\$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(c)	Penalty for each well and tank battery for failure to mark wells and tank batteries	2016	2025	\$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(d)	Penalty each day after operations are commenced for failure to construct and maintain pits	2016	2025	\$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

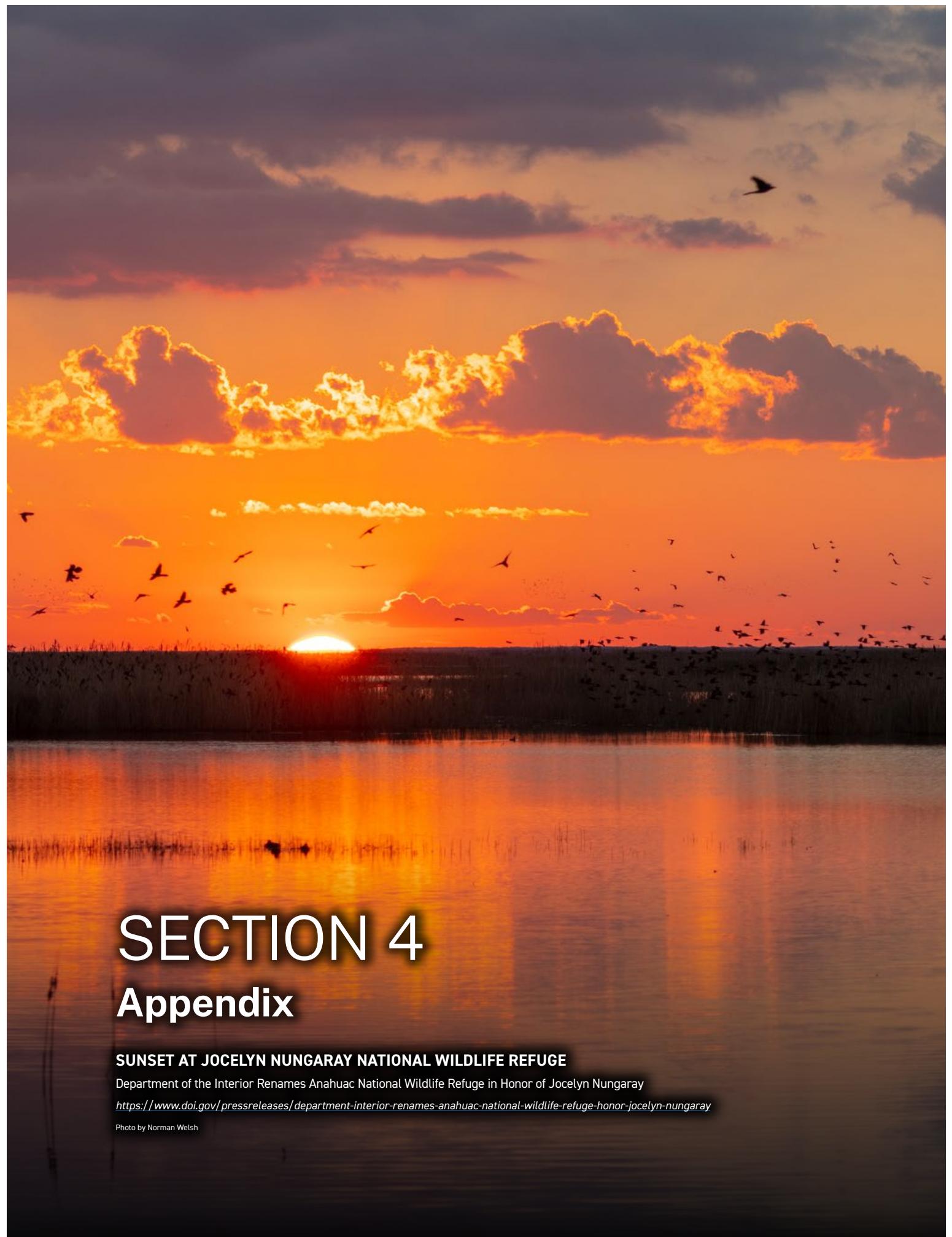
Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(e)	Penalty for failure to comply with requirements regarding valve or other approved controlling device	2016	2025	\$236	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(f)	Penalty for failure to notify Superintendent before drilling, redrilling, deepening, plugging, or abandoning any well	2016	2025	\$472	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(g)	Penalty per day for failure to properly care for and dispose of deleterious fluids	2016	2025	\$1,183	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(h)	Penalty per day for failure to file plugging and other required reports	2016	2025	\$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 227.24	Penalty for failure of lessee of certain lands in Wind River Indian Reservation, Wyoming, for oil and gas mining to comply with lease provisions, operating regulations, regulations at part 227, or orders	1957	2025	\$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: 25 CFR 700.725 and Pub. L. 99-590; Pub. L. 03-531, 88 Stat. 1712 as amended by Pub. L. 96-305, 94 Stat. 929, Pub. L. 100-686, 102 Stat. 3929 (25 U.S.C. 640d).	Penalty per head per day for each cow, bull, horse, mule, or donkey in trespass	1991	2025	\$1.06	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 33

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: 25 CFR 700.725 and Pub. L. 99-590; Pub. L. 03-531, 88 Stat. 1712 as amended by Pub. L. 96-305, 94 Stat. 929, Pub. L. 100-686, 102 Stat. 3929 (25 U.S.C. 640d).	Penalty per head per day for each sheep or goat in trespass	1991	2025	27¢	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: 25 CFR 273.182(a) and Secs. 201-203, Pub. L. 93-638, 88 Stat. 2203, 2213-2214 (25 U.S.C. 455-457), unless otherwise noted.	Penalty for misusing funds or property by officer, director, agent, or employee of, or connected with, any contractor or subcontractor	2020	2025	\$1,059	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: 25 CFR 273.182(b) and Secs. 201-203, Pub. L. 93-638, 88 Stat. 2203, 2213-2214 (25 U.S.C. 455-457), unless otherwise noted.	Penalty for misusing funds or property by officer, director, agent, or employee of, or connected with, any contractor or subcontractor	2020	2025	\$10,592	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Title 25 - Indians Authority: Pub.L. 114-74, 129 Stat. 599; 25 CFR 249.6(b)	Penalty for fishing in violation of regulations at part 249 (Off-Reservation Treaty Fishing)	1967	2025	\$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(1) Violation of section 4910(a)(1), section 4910(a)(2), or any permit issued under section 4911	1992	2025	\$55,652	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(2) Violation of section 4910(a)(3)	1992	2025	\$26,711	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(3) Any other violation	1992	2025	\$1,114	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties



SECTION 4

Appendix

SUNSET AT JOCELYN NUNGARAY NATIONAL WILDLIFE REFUGE

Department of the Interior Renames Anahuac National Wildlife Refuge in Honor of Jocelyn Nungaray

<https://www.doi.gov/pressreleases/department-interior-renames-anahuac-national-wildlife-refuge-honor-jocelyn-nungaray>

Photo by Norman Welsh

Glossary of Acronyms

AEO	Annual Energy Outlook	DATA Act	<i>Digital Accountability and Transparency Act of 2014</i>
AFR	Agency Financial Report	DCIA	<i>Debt Collection Improvement Act of 1996</i>
AGA	Association of Government Accountants	DIT	Data in Transit
AI	Artificial Intelligence	DM&R	Deferred Maintenance and Repairs
ARRA	<i>American Recovery and Reinvestment Act of 2009</i>	DNP	Do Not Pay
ASG	American Samoa Government	DO	Departmental Offices
<hr/>		DOE	Department of Energy
Bbl	Oil Barrel	DOI	Department of the Interior
BIA	Bureau of Indian Affairs	DOL	Department of Labor
BIE	Bureau of Indian Education	DOT	Department of Transportation
BIL	<i>Bipartisan Infrastructure Law</i>	DRA	Disaster-Related Appropriations
BIO	Business Integration Office	DWADR	Disbursement-Weighted Average Discount Rate
BLM	Bureau of Land Management	<hr/>	
BOD	Binding Operational Directive	eERDMS	Enterprise Records and Document Management System
BOEM	Bureau of Ocean Energy Management	EFT	Electronic Funds Transfer
BSEE	Bureau of Safety and Environmental Enforcement	EIA	Energy Information Administration
BSS	Bison Support System	EO	Executive Order
BTFA	Bureau of Trust Funds Administration	<hr/>	
CAP	Corrective Action Plan	FACE	Family and Child Education
CEAR	Certificate of Excellence in Accountability Reporting	FASAB	Federal Accounting Standards Advisory Board
CFO	Chief Financial Officer	FBMS	Financial and Business Management System
CFO Act	<i>Chief Financial Officer's Act of 1990</i>	FBwT	Fund Balance with Treasury
CFR	Code of Federal Regulations	FCI	Facility Condition Index
CIO	Chief Information Officer	FCRA	<i>Federal Credit Reform Act of 1990</i>
CIP	Construction in Progress	FECA	<i>Federal Employees Compensation Act</i>
CISA	Cybersecurity and Infrastructure Security Agency	FEGLI	Federal Employees' Group Life Insurance
CMP	Civil Monetary Penalties	FERS	Federal Employees Retirement System
CO	Contracting Officer	FFMIA	<i>Federal Financial Management Improvement Act of 1996</i>
CSRS	Civil Service Retirement System	FISMA	<i>Federal Information Security Modernization Act of 2004</i>
CX	Customer Experience		
<hr/>			
DAR	Data at Rest		
DAS-BFGA	Deputy Assistant Secretary-Budget, Finance, Grants and Acquisition		

GLOSSARY OF ACRONYMS

(Continued)

FLPMA	<i>Federal Land Policy and Management Act of 1976</i>	IMT	Information Management and Technology
FMFIA	<i>Federal Managers' Financial Integrity Act of 1982</i>	IRA	<i>Inflation Reduction Act</i>
FOGRMA	<i>Federal Oil and Gas Royalty Management Act of 1982</i>	IT	Information Technology
FR	The Financial Report of the U.S. Government	IV&V	Independent Verification and Validation
FRDA	<i>Fraud Reduction and Data Analytics Act of 2015</i>	KEV	Known Exploitable Vulnerabilities
FWS	U.S. Fish and Wildlife Service	LCRBDF	Lower Colorado River Basin Development Fund
FY	Fiscal Year	LWCF	Land and Water Conservation Fund
GAAP	Generally Accepted Accounting Principles	M&I	Municipal and Industrial
GAO	Government Accountability Office	Mbbl	One Thousand Barrels
GAOA	<i>Great American Outdoors Act</i>	Mcf	One Thousand Cubic Feet
GDP	Gross Domestic Product	MD&A	Management's Discussion and Analysis
GHG	Greenhouse Gas	MFA	Multi-factor Authentication
G-Invoicing	Government-Invoicing	MLA	Mineral Leasing Act of 1920
GLO	General Land Office	MMcf	One Million Cubic Feet
GMRA	<i>Government Management Reform Act of 1994</i>	MNM	Marine National Monuments
GOMESA	<i>Gulf of Mexico Energy Security Act</i>	MW	Material Weakness
GPRA	<i>Government Performance and Results Act</i>	NFR	Notice of Findings and Recommendations
GRTU-PP&E	General and right-to-use Property, Plant and Equipment	NFWF	National Fish and Wildlife Foundation
GS	GrantSolutions	NPF	National Park Foundation
GSDM	Governmentwide Spending Data Model	NPS	National Park Service
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System	NWR	National Wildlife Refuge
HANA	High-performance Analytic Appliance	OCIO	Office of the Chief Information Officer
HPF	Historic Preservation Fund	OCS	Outer Continental Shelf
HVA	High Value Asset	OCSLA	<i>Outer Continental Shelf Lands Act of 1953</i>
IA	Indian Affairs	OIA	Office of Insular Affairs
IGT	Intragovernmental	OIG	Office of Inspector General
IIJA	<i>Infrastructure Investment and Jobs Act</i>	OMB	Office of Management and Budget
IIM	Individual Indian Monies	ONRR	Office of Natural Resources Revenue

GLOSSARY OF ACRONYMS

(Continued)

OPM	Office of Personnel Management	U.S.C.	U.S. Code
OSM	Office of Surface Mining Business Reclamation and Enforcement	USDA	U.S. Department of Agriculture
OWF	Office of Wildland Fire	USFS	U.S. Forest Service
USGS		USGS	U.S. Geological Survey
USPP		USPP	U.S. Park Police
PADD	Petroleum Administration for Defense Districts	VPN	Virtual Private Network
PAR	Performance Accountability Report		
PDAS	Principal Deputy Assistant Secretary	ZT	Zero Trust
PFM	Office of Financial Management		
PI/LSI	Possessory Interest to Leasehold Surrender Interest		
PIIA	<i>Payment Integrity Information Act of 2019</i>		
PIV	Personal Identify Verification		
P.L.	Public Law		
POAG&M	Plans of Action and Milestone		
PPA	<i>Prompt Payment Act of 2002</i>		
PP&E	Property, Plant, and Equipment		
ROW	Right of Ways		
RSI	Required Supplementary Information		
RTU	Right-to-use		
SBR	Statement of Budgetary Resources		
SCA	Statement of Custodial Activity		
SCNP	Statement of Changes in Net Position		
SER	Single Effective Rate		
SFFAS	Statement of Federal Financial Accounting Standard		
SMCRA	<i>Surface Mining Control and Reclamation Act of 1977</i>		
SNC	Statement of Net Cost		
Treasury	U.S. Department of the Treasury		
TSP	Thrift Savings Plan		
USACE	U.S. Army Corps of Engineers		
USBR	Bureau of Reclamation		

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