

Bureau of Indian Affairs • Bureau of Indian Education • Bureau of Land Management • Bureau of Ocean Energy Management • Bureau of Reclamation • Bureau of Safety & Environmental Enforcement  
Bureau of Trust Funds Administration • National Park Service • Office of Insular Affairs • Office of the Secretary • Office of Surface Mining Reclamation & Enforcement • U.S. Fish & Wildlife Service • U.S. Geological Survey

# U.S. DEPARTMENT OF THE INTERIOR Agency Financial Report 2023



## THE ENDANGERED SPECIES ACT TURNS 50



Photo by Daniel Gallo, NPS.

### **MOON OVER SAN FRANCISCO: GOLDEN GATE NATIONAL RECREATION AREA**

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.

# U.S. DEPARTMENT OF THE INTERIOR Agency Financial Report 2023



## **ON THE COVER: BALD EAGLE TAKING OFF FROM ICEBERG, PETERSBURG RANGER DISTRICT, TONGASS NATIONAL FOREST**

In the mid-1900s, our national symbol was in danger of extinction throughout most of its range. Bald eagle populations were negatively impacted by habitat destruction and degradation, as well as illegal shooting and the contamination of their food source—largely from the insecticide Dichlorodiphenyltrichloroethane, known as DDT. Habitat protection afforded by the *Endangered Species Act* (ESA), the federal government’s banning of DDT, and conservation actions taken by the American public helped bald eagles make a remarkable recovery. They were removed from the list of endangered species in 2007. Bald eagle sightings are now common during both the nesting season and throughout the winter. The recovery of the bald eagle is a testament to the effectiveness of the ESA in conserving and recovering imperiled species.

<https://www.doi.gov/blog/endangered-species-act-celebrating-50-years-success-wildlife-conservation>

Photo by Carey Case, USDA Forest Service

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





Photo by NPS

### **DEEP DIVE ON A SHALLOW REEF: NATIONAL PARK OF AMERICAN SAMOA**

On the reefs of Ofu, research is unearthing secrets about how some coral communities might weather future ocean conditions. But reefs—and reef managers—will need to contend with more than just heat. Warming ocean temperatures will layer upon existing impacts from ocean acidification, overfishing, eutrophication, tropical storms, and other environmental threats. “Well managed coral ecosystems can recover from bleaching events more quickly and more successfully than their degraded counterparts,” Victoria Barker writes, “which can reduce the time required for full reef recovery by years or even decades.” <https://www.nps.gov/articles/ofupools.htm>

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### ON BEHALF OF THE 68,000 DEDICATED

employees who work diligently across the Nation to carry out our varied mission, I am pleased to present the Department of the Interior's (Interior or Department) Agency Financial Report for Fiscal Year 2023. This report provides key financial and performance information that demonstrates the Department's commitment to transparency in the use of American taxpayer dollars and a complete presentation of our financials in accordance with Generally Accepted Accounting Principles. For the 27th year, the Department has received an unmodified audit opinion and will work to address material weaknesses in compliance with relevant laws.

The Department's internal control over operations, reporting, and compliance were operating effectively as of September 30, 2023, except for three material weaknesses:

- Controls over financial reporting led to process breakdown in several areas. To remedy this, we are working to strengthen our process controls over the preparation, compilation, and review of our financial statement.
- Bureaus used an outdated policy and, as a result, incorrectly booked natural disaster events over the past several years. We are updating this policy to clarify the nuances and variations of transactions under it.
- A reporting issue with another Federal agency led the Department to identify potential gaps/weaknesses in the accounting treatment of fixed assets. We are assessing and strengthening policies and procedures regarding fixed-asset projects constructed by other Federal agencies.

Two years ago, President Biden signed the Bipartisan Infrastructure Law (BIL), a historic down payment on ensuring that future generations have clean air, drinkable water, fertile soil, and a high quality of life, which is currently threatened by the worsening climate crisis.

Through the BIL, Interior received \$30 billion across our Bureaus and Offices. Two years into implementation, we have made incredible progress on our work to deliver a more equitable, sustainable future that works for everyone.

Our work to leverage this investment across the Department includes a number of exciting opportunities:

- We are expanding access to **clean, reliable drinking water** for millions of people across the country.
- We are **strengthening wildfire resilience** efforts—including completing fuels management projects on 4.5 million acres— and we have given 5,440 wildland firefighters a temporary pay raise and are equipping them with health, mental wellness, and safety resources.
- We are **cleaning up toxic legacy pollution sites** that are harming communities, as we work to plug the tens of thousands of documented orphaned oil and gas wells and reclaim abandoned mine land sites that are polluting our environment.
- We are **bolstering community resilience** for Tribal communities in the wake of intensifying climate-related impacts.
- We are creating **healthier outdoor spaces** and habitat for people and wildlife, furthering the America the Beautiful initiative.
- We are **applying the best-available science** to map critical minerals that power everything from household appliances and clean energy technologies.

In addition to implementing these priorities, BIL investments have jump-started economic investment and address longstanding needs in Interior programs. These investments include:

- \$16 billion to **plug orphaned oil and gas wells and reclaim abandoned mine lands**. Addressing these toxic legacy pollution sites left behind by extractive industries will build healthier communities, create jobs, and spur economic revitalization in hard-hit energy communities.
- More than \$8 billion to **address water and drought challenges**, including making western communities more resilient to drought and climate change and advancing the short- and long-term sustainability of the Colorado River System.

## MESSAGE FROM THE SECRETARY

- \$1.5 billion across Department land management agencies for **wildland fire management** to strengthen the wildland firefighting workforce, build fire resilience through fuels management and burned area rehabilitation treatments, and invest in research, infrastructure, and technology modernization.
- \$1.4 billion to support **ecosystem restoration and resilience**, building on proven, nature-based projects, programs and partnerships to protect cherished wildlife and nature resources while creating good-paying jobs that strengthen communities.
- \$1 billion through the America the Beautiful Challenge to support **landscape-scale conservation projects** for States, U.S. territories, and Tribal Nations. Launched in 2021, the America the Beautiful initiative set the Nation's first-ever goal to conserve 30 percent of U.S. lands and waters by 2030. The locally led and nationally scaled initiative lifts up efforts to conserve, connect, and restore the lands, waters, and wildlife upon which we all depend.
- More than \$500 million to improve our **scientific innovation** and increase our understanding of mineral resources across the country through integrated mapping, the preservation and collection of geological and geophysical data, and a laboratory facility for energy and minerals research.
- \$466 million to **support efforts in Indian Country** through the Bureau of Indian Affairs to revitalize Tribal infrastructure projects and advance climate resiliency.

The Department plays a central role in how this Nation stewards our public lands, advances clean energy projects, increases environmental protections, pursues environmental justice, and honors our nation-to-nation relationship with Tribes.

I am proud of the actions the Department continues to take to protect public lands, the environment, and Americans' lives and futures. At every step of the way, we have advanced our key priorities with robust engagement, including with Tribal Nations, States, territories, local officials, private landowners, fishers, outdoor enthusiasts, environmental justice advocates, and other important partners and stakeholders across the community.



**DEB HAALAND**  
Secretary of the Interior  
November 15, 2023





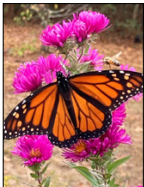
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## About This Report

The U.S. Department of the Interior’s (DOI or Department) 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, 2022, through September 30, 2023. We prepared this report in accordance with the requirements of 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, 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). 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) 2022 AFR. The Association of Government Accountants CEAR® Program has been helping federal agencies produce high-quality AFRs and Performance and Accountability Reports since 1997. The program was established in conjunction with the Chief Financial Officers Council and the 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 21<sup>st</sup> 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, the DOI received the CEAR® Special/ Best-in-Class Award for inspiring photographs with captions.



The image shows three emperor penguins standing on a snowy or icy surface. The penguin in the center is seen from the back, showing its dark, textured feathers. The two penguins on either side are seen from the side, showing their white bodies and black heads with yellow-orange patches. The background is a soft, light blue sky.

# SECTION 1

## Management's Discussion and Analysis

The emperor penguin is the tallest and heaviest of all living penguin species. Adults may weigh up to 88 pounds and are as tall as 45 inches. While emperor penguin populations appear to be currently stable, the U.S. Fish and Wildlife Service (FWS) has determined the species is in danger of extinction in the foreseeable future in a significant portion of its range from climate change. In October 2022, the FWS published the final rule to add emperor penguin to the ESA listing to protect and prevent the species from extinction.

<https://www.fws.gov/press-release/2022-10/emperor-penguin-gets-endangered-species-act-protections>

Photo by William Link, USGS (Image obtained under NMFS Permit No: 1032-1917.)

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

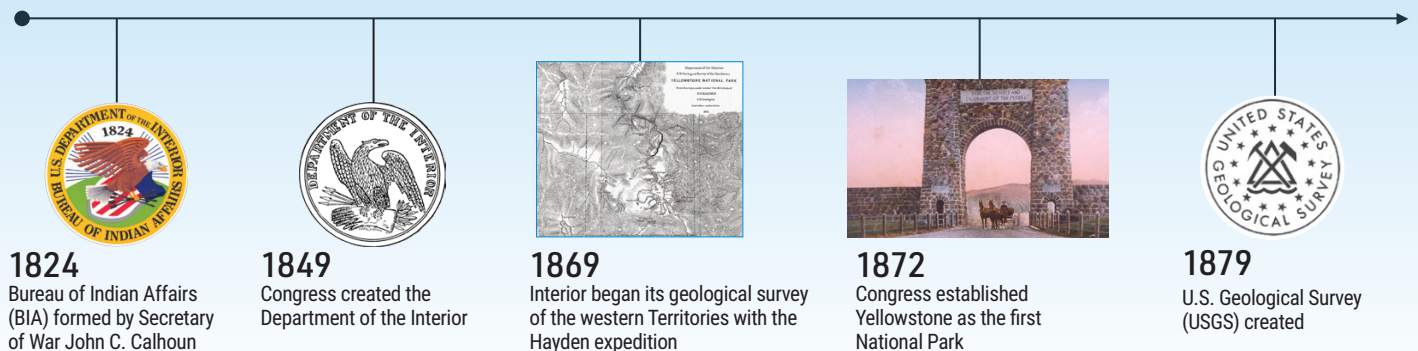
The DOI was established in 1849 and was charged with managing a wide variety of programs, which included overseeing Indian affairs, exploring the western wilderness, directing the District of Columbia jail, constructing the National Capital's water system, managing hospitals and universities, improving 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 19<sup>th</sup> century, so did the DOI, and its mission began to evolve as some of these functions moved to other agencies and the 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 20<sup>th</sup> 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 20<sup>th</sup> century, the DOI's authorizing statutes shifted to put more emphasis on the preservation, management, and use of public lands and natural and cultural resources. Today, the DOI manages the Nation's public lands and minerals, including managing more than 480 million surface acres of public lands, 700 million acres of subsurface minerals, and 2.5 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, 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 TIMELINE



**History** (Continued)

The DOI's programs encompassed in this report cover a broad spectrum of activities performed by bureaus and offices and are captured in the following presentation of each entity's unique mission and set of responsibilities. The DOI's mission is carried out by over 68,000 dedicated and skilled employees who work in bureaus and offices throughout the United

States and our territories. 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 Bekee Hotz, FWS

**COLORADO HOOKLESS CACTUS CONSERVATION SUCCESS**

The Colorado hookless cactus (*Sclerocactus glaucus*) can be found in semi-arid high-elevation desert environments and are identifiable during late April and early May by their striking pink flowers. Since the Colorado hookless cactus was designated as a threatened species in 1979, years of conservation efforts have come to fruition. On April 11, 2023, FWS announced a proposed rule to remove the Colorado hookless cactus from the Federal List of Endangered and Threatened Plants due to recovery.

<https://www.fws.gov/press-release/2023-04/protections-no-longer-needed-colorado-hookless-cactus>

**1902**  
 Reclamation Service, later renamed Bureau of Reclamation (USBR) created

**1903**  
 President Roosevelt established the first National Wildlife Refuge at Pelican Island, Florida

**1910**  
 The Bureau of Mines was established

**1916**  
 President Wilson signed legislation creating the National Park Service (NPS)

**1920**  
 The Mineral Leasing Act established the government's right to rental payments and royalties on oil, gas, and minerals production

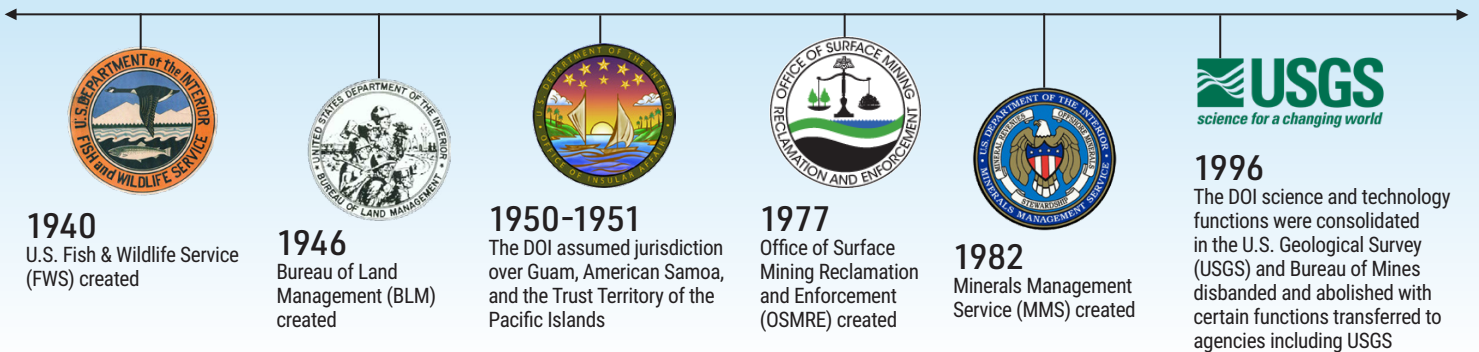
**1934**  
 The first Migratory Bird Hunting Stamp was issued. The Indian Reorganization Act was enacted, forming tribal governments and affirming the Secretary's trust responsibilities



Image by Betsy Boynton and Breanna Williams / USGS

**EXPLORE USGS OCEAN AND COASTAL SCIENCE ONLINE**

The ocean connects all Earth land masses. The U.S. coastlines (shown in bright blue) are almost 100,000 miles long. These extensive coastal areas stretch from Maine’s Atlantic shores in the northeast, south along the shores of the Gulf of Mexico and insular areas in the Caribbean. Toward the west, Pacific coastal areas include the shores of California, Oregon and Washington as well as Alaska, Hawai’i and insular areas in the Pacific Islands. The Nation’s coasts also include areas surrounding the Great Lakes, one of the largest freshwater ecosystems in the world. Altogether, our coasts are home to more than 40 percent of the population and support critical habitat for wildlife. <https://www.usgs.gov/programs/cmhrp>



# OCEAN SCIENCE

The USGS Coastal and Marine Hazards and Resources Program is the only federal science program focused on the geology and processes of coastal and marine landscapes

USGS helps identify the extent of the U.S. Extended Continental Shelf to determine where the U.S. can manage resources

## LAW OF THE SEA

Less than **10%** of the seafloor has been mapped globally <sup>1</sup>

USGS studies and monitors the impacts of gas hydrates, tsunamis, and other marine geohazards

**960+** seafloor mapping activities conducted by USGS

**37 of 50** critical minerals can be found in U.S. waters <sup>2</sup>

Learn more at [www.usgs.gov/ocean](http://www.usgs.gov/ocean)

Sources:  
 1. <https://oceanservice.noaa.gov/facts/exploration.html>  
 2. <https://www.bgsa.gov/marines-minerals/offshore-critical-mineral-resources>

Infographic by USGS

**EXPLORE OCEAN TOPICS:** Ocean 101, Mapping the Seafloor, Ocean Discovery, Great Lakes and Inland Seas, Marine Biology and Ecosystems, Marine Geohazards, Marine Geology, Marine Minerals and Offshore Energy, Ocean and Climate.  
<https://www.usgs.gov/science/science-explorer/ocean>

# COASTAL SCIENCE

The USGS Coastal and Marine Hazards and Resources Program is the only federal science program focused on the geology and processes of coastal and marine landscapes

**40%** of the U.S. lives in coastal counties <sup>1</sup>

**>50** coastal change forecasts provided by USGS for hurricanes and extreme storms since 2011

**\$8.3 TRILLION** in goods and services produced by coastal counties annually <sup>1</sup>

**23** tools developed by USGS to inform and serve our Nation's coastal stakeholders

Coastal hazards such as sea-level rise, erosion, and extreme storms threaten lives and property along our Nation's coasts

Learn more at [www.usgs.gov/coasts](http://www.usgs.gov/coasts)

Source:  
 1. <https://coast.noaa.gov/states/fast-facts/economics-and-demographics.html>

Infographic by USGS

**EXPLORE COASTAL TOPICS:** Coasts 101, Climate, Coastal Change, Coastal Ecosystems, Coastal Hazards and Resilience, Wetlands and Estuaries  
<https://www.usgs.gov/science/science-explorer/coasts>



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



**2011**  
 MMS divided into Bureau of Ocean Energy Management (BOEM), Bureau of Safety and Environmental Enforcement (BSEE) and Office of Natural Resources Revenue (ONRR)



**2019**  
 DOI adopted 12 standard regional boundaries



**2020**  
 In a reorganization, the Bureau of Trust Funds Administration (BTFA) assumed the fiduciary functions previously managed by the Office of the Special Trustee for American Indians



**2021**  
 Secretary Haaland, Pueblo of the Laguna, leads as the first Native American woman to serve the DOI



Photo by Lione Clare / Sitka Conservation Society

### BACK TO SCHOOL: FISH-FRIENDLY CULVERT TO BENEFIT FUTURE GENERATIONS OF FISH, SOUTHEAST ALASKANS

Peterson Creek is a classic Sitka, Alaska creek: it's where new generations of salmon, char, and other fishes start life. Specifically, Peterson Creek happens to be home to Coho Salmon, Pink Salmon and Dolly Varden char. This fish passage project was completed just in time for salmon returning to spawn and Sitka's youth returning to school. Culverts placed where roads cross streams can pose barriers to fish if not designed with fish behavior and flow in mind: they're often undersized in relation to the creek's width and placed atop (instead of embedded in) the streambed. This makes it difficult for fish – especially juveniles that aren't strong swimmers yet – to move up or downstream through the crossing. Peterson Creek had two such culverts. "If there's one thing that Alaskans can rally around, it's salmon. These projects are a win-win for both salmon and infrastructure stability in communities." – Andy Stevens, Fish Biologist, U.S. Fish & Wildlife Service <https://www.fws.gov/story/back-school>



Photo by Lione Clare / Sitka Conservation Society

Salmon splash in Sitka, Alaska's Peterson Creek in the vicinity of a large channel-spanning culvert. <https://www.fws.gov/story/back-school>





Photo by Ryan Haggerty / FWS / 2023

### **WHOOPING CRANE**

The whooping crane occurs only in North America, specifically within Canada and the United States, and is North America's tallest bird. Though it once ranged throughout the Great Plains and Gulf Coast regions, the Whooping Crane population was decimated by hunting and habitat loss. The whooping crane was listed as endangered in 1970, has made a steady recovery, and its population has increased from just 21 individuals in 1941 to over 500 individuals today.



Photo by Percy Ulsamer / FWS / 2023

### **SLEEPING HAWAIIAN MONK SEAL**

Hawaiian monk seals, or 'ilio hoto i ka uua in Hawaiian, are one of the most endangered marine mammals in the world. Thanks to recovery efforts under the ESA, population numbers have slowly increased in the last decade. This year the total population surpassed 1,500 for the first time in 20 years, according to the National Oceanic and Atmospheric Administration.

## Vision

Manage our land, water, and resources for the benefit of all Americans, both today and tomorrow.

## 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.

## Guiding Principles

- ◆ We use science and evidence-based information to guide our decisions.
- ◆ We balance our decisions to meet the needs of today and tomorrow.
- ◆ We value diversity and inclusion in our activities, operations, and services.
- ◆ We manage and achieve through meaningful collaboration, engagement, and partnerships.

## DOI Secretarial Priorities

As we have successfully started from our Strategic Plan in FY 2022, and as we advance into FY 2024, we are committed at DOI to implementing the core functions of our mission and achieving the goals of the Biden-Harris Administration and the Secretary on behalf of the American people.

The Secretary has identified priorities in the coming years to:

- ◆ Tackle the impacts of climate change.
- ◆ Actively promote diversity, equity, inclusion, and accessibility.
- ◆ Ensure environmental justice and environmental stewardship.
- ◆ Support tribal and indigenous communities.
- ◆ Build and strengthen an inclusive outdoor economy.
- ◆ Invest in DOI infrastructure and facilities to be more resilient.
- ◆ Expand renewable energy development and reduce greenhouse gas emissions.
- ◆ Uphold public trust and demonstrate sound management practices.



Photo by Yon Trimble / BOEM

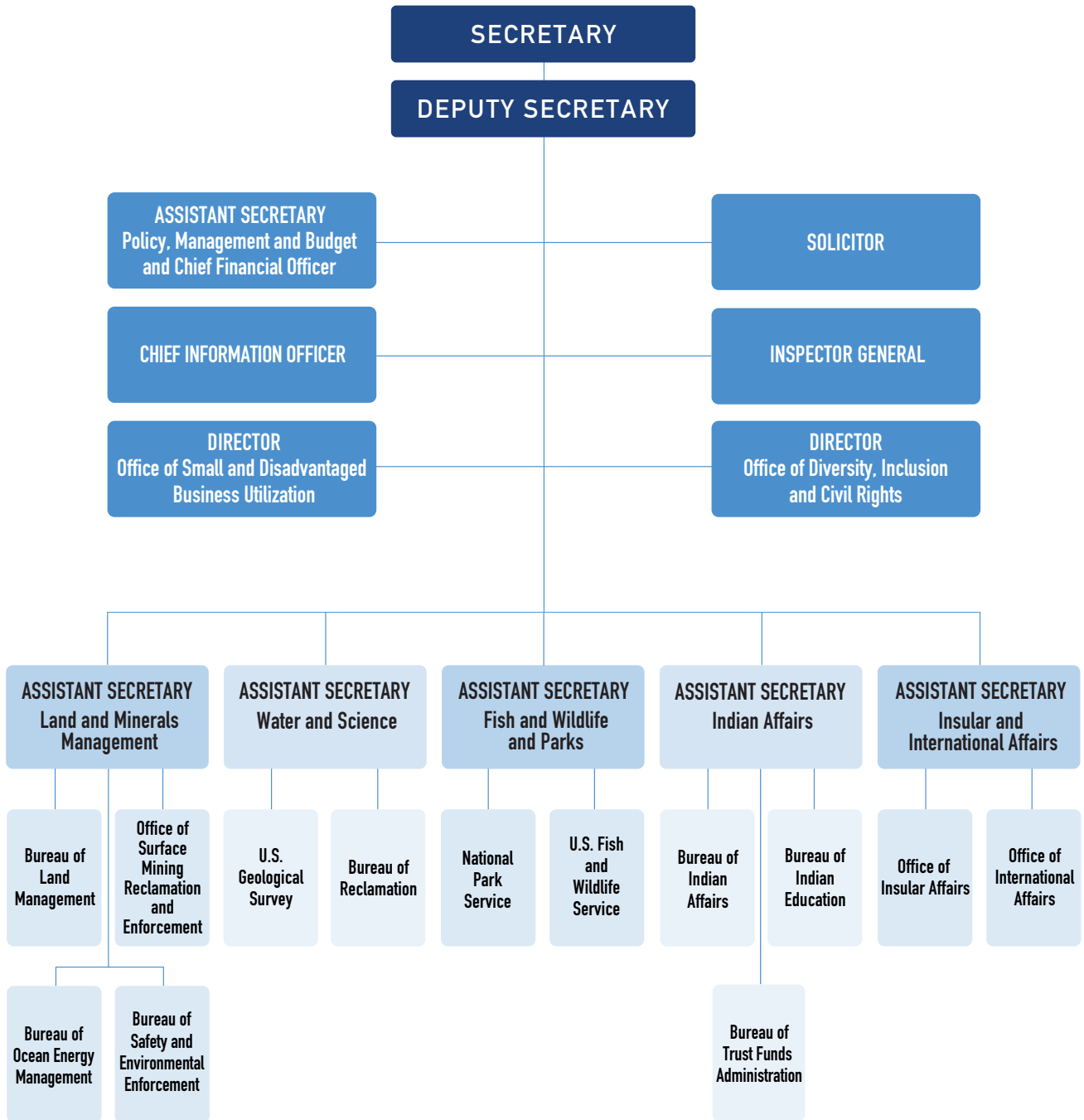
### BOEM DIRECTOR, ELIZABETH KLEIN PRESENTS BOEM'S PROGRESS ON OFFSHORE WIND

Elizabeth Klein speaks about BOEM's offshore wind leasing process as well as information on completed and ongoing studies on real and potential impacts of this renewable resource at the 2023 Offshore Wind International Partnering Forum in Baltimore, Maryland.

<http://www.boem.gov/renewable-energy>

## Organizational Chart

FIGURE 1



## Bureau and Office Summary

Each DOI Bureau or Office has discrete responsibilities that are derived from their legislative authorities.



### Department of the Interior (DOI)

The Office of the Secretary, Deputy Secretary, and Assistant Secretaries provide leadership and guidance to support all DOI Bureaus and Departmental Offices (DO)<sup>1</sup>.



### Bureau of Indian Affairs (BIA)

The Bureau of Indian Affairs fulfills Indian trust responsibilities and promotes self-determination and self-governance for federally recognized Indian Tribes and Alaskan Natives.



### Bureau of Indian Education (BIE)

The Bureau of Indian Education supports elementary and secondary schools, dormitories, community colleges, universities, post-secondary schools, and technical colleges.



### Bureau of Land Management (BLM)

The Bureau of Land Management manages public lands for multiple use and sustained yield on nearly 250 million surface acres, as well as 700 million acres of subsurface mineral estate.



### Bureau of Ocean Energy Management (BOEM)

The Bureau of Ocean Energy Management manages development of the Outer Continental Shelf energy, mineral, and geological resources in an environmentally and economically responsible way.



### Bureau of Reclamation (USBR/ Reclamation)

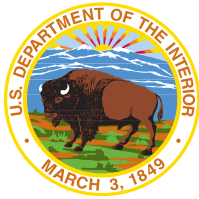
The Bureau of Reclamation manages, develops, and protects water and related resources in an environmentally and economically sound manner.



### Bureau of Safety and Environmental Enforcement (BSEE)

The Bureau of Safety and Environmental Enforcement fosters safe, environmentally sustainable, energy production from the 2.5 billion acres of the Outer Continental Shelf.

<sup>1</sup>Under the [Office of the Assistant Secretary for Policy, Management, and Budget](#) there are many Departmental Offices (DO) that support the entire Department to ensure cross-Departmental coordination. The hyperlink provides a list of offices and their roles and functions.

**Bureau and Office Summary** *(Continued)*

**Bureau of  
Trust Funds  
Administration**  
(BTFA)

The Bureau of Trust Funds Administration manages billions of dollars in financial trust assets of tribes and American Indians held in trust by the DOI.



**National Park  
Service**  
(NPS)

The National Park Service maintains and manages a network of 425 natural, cultural, and recreational sites for the benefit and enjoyment of current and future generations.



**Office of  
Insular Affairs**  
(OIA)

The Office of Insular Affairs coordinates federal policy for the U.S. territories and fulfills the Compacts of Free Association obligations to the freely associated states.



**Office of  
Surface Mining  
Reclamation and  
Enforcement**  
(OSMRE)

The Office of Surface Mining Reclamation and Enforcement administers surface coal mining programs, provides grants to states and tribes, oversees activities that protect the environment during coal mining, ensures the land is reclaimed after active mining concludes, and mitigates the effects of past coal mining by reclaiming abandoned coal mine lands.



**U.S. Fish and  
Wildlife Service**  
(FWS)

The U.S. Fish and Wildlife Service manages 95 million land acres and 755 million marine acres primarily for the benefit of fish and wildlife. FWS is responsible for implementing the Endangered Species Act, Migratory Bird Treaty Act, Marine Mammal Protection Act, Lacey Act, and international agreements like the Convention on International Trade in Endangered Species.



**U.S. Geological  
Survey**  
(USGS)

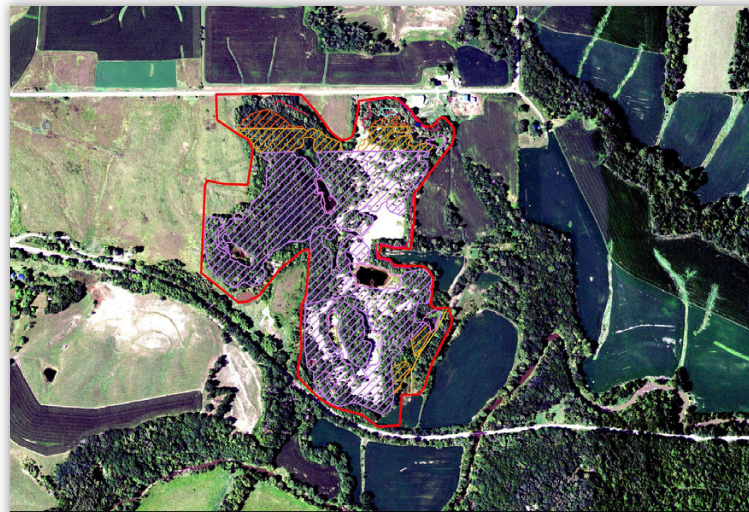
The U.S. Geological Survey monitors, analyzes, and predicts current and evolving Earth-system interactions and delivers actionable information at scales and timeframes relevant to decision makers. USGS provides science about natural hazards, natural resources, ecosystems and environmental health, and the effects of climate and land-use change.



Photo by USBR

**INVESTING IN AMERICA**

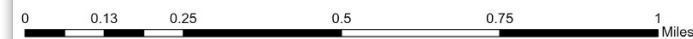
Reclamation Commissioner, Camille Calimlim Touton speaking at the Arkansas Valley Conduit (AVC) groundbreaking ceremony on April 28, 2023. The AVC is a major infrastructure project under President Biden’s Investing in America agenda that will bring clean, reliable drinking water to 39 communities in southeastern Colorado. <https://www.usbr.gov/gp/ecao/avc/>



**Kuiper AML Site IA-024 Township 75 North, Range 18W, Section 2**

**Legend**

- UnReclaimed Boundary
- DPE, 1
- DPE, 2
- HWB, 1
- HWB, 2
- Pits, 3
- SA, 3
- Industrial and Residential Waste, 2
- Haul Road, 3
- Highwall, 1
- Highwall, 2
- Highwall, 3



**INDUSTRIAL OR RESIDENTIAL WASTE (IRW)**  
Any AML impacted area which has been used illegally for residential or industrial waste disposal.

**DANGEROUS PILES AND EMBANKMENTS (DPE)**  
Any AML related waste pile or bank located within close distance to a populated area, public road, or other area of intense visitation which poses a danger to public health and safety.

**HAZARDOUS WATER BODY (HWB)**  
Any impounded water, regardless of depth or surface area, that is considered an attractive nuisance and is located within close proximity to a populated area, public road, or other areas of intense visitation.

**DANGEROUS HIGHWALL (DH)**  
Any AML related unprotected highwall located within close proximity to a populated area, public road, or other area of intense visitation.

**SPOIL AREA (SA)**  
The overburden material removed in gaining access to a coal seam or mineral deposit.

**HAUL ROAD (HR)**  
A road built and used for transporting mined material by truck.

Map courtesy of Ryan Starkey / OSMRE

**IOWA FIELD DAY HIGHLIGHTS NEW RECLAMATION PROJECT FUNDED BY BIPARTISAN INFRASTRUCTURE LAW**

Map of the Kuiper Abandoned Mine Lands (AML) site in Marion County, Iowa. The map shows an aerial view of the site and indicates the locations of different problem areas that will be addressed in the reclamation process. Getting these abandoned mines cleaned up is a massive undertaking which requires significant resources. The *Infrastructure Investment and Jobs Act*, otherwise known as the Bipartisan Infrastructure Law, passed in November of 2021, has allocated \$11.3 billion over 15 years to OSMRE’s AML program. This project is one of the first in the country to use the historic funding. <https://www.osmre.gov/news/stories/iowaFieldDay>

## PERFORMANCE TO REACH OUTCOMES

The *GPRA Modernization Act* of 2010 and the *Foundations for Evidence-Based Policymaking Act* of 2018 require agencies to have a strategic performance framework that is structured to focus on agency priorities with measurable outcomes supported by evidence and data-driven decision making. In June 2022, DOI published a four-year strategic plan which defined the goals, objectives, and strategies that support the DOI mission and reflect the priorities of the Biden-Harris Administration and the Secretary.

The *DOI FY 2022–2026 Strategic Plan* focuses on outcomes and ensure that we are gathering the right data and evidence to measure our progress, address risks to our program operations, and manage our programs effectively.

The FY 2022–2026 Strategic Plan is focused around four strategic goals:

- 1. Promote well-being, equity, and justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and insular communities;**
- 2. Conserve, protect, manage, and restore natural and cultural resources in the face of climate change and other stressors;**
- 3. Sustainably balance the use of resources while supporting communities and the economy; and**
- 4. Serve and honor the public trust.**

The Department is implementing strategies, plans, and actions to make progress on these goals over the next four years to achieve the outcomes in the strategic plan.

The FY 2022–2026 Strategic Plan identifies strategic goals and strategic objectives that align with the priorities of the Biden-Harris Administration and Secretary Haaland to tackle the climate crisis; promote diversity, equity, inclusion, and accessibility; advance environmental justice; support tribal and native communities; and support a strong outdoor recreation economy. The priorities are cross-cutting and support DOI's achievement of the outcomes in the plan.

### Agency Priority Goals

To support measurable improvements in near-term outcomes and advance progress toward the longer-term, outcome-focused strategic goals and strategic objectives, the Department established three Agency Priority Goals, which are two-year goals with milestones that the Department updates quarterly on [www.performance.gov](http://www.performance.gov). The DOI Priority Goals reflect the top implementation-focused, performance improvement priorities of the Biden-Harris Administration and DOI leadership.

#### Improve Tribal Land into Trust Processing

By September 30, 2025, the coordination of Indian Affairs (IA), the Office of the Solicitor, and the Bureau of Land Management (BLM) activities will reduce the average time of processing land into trust applications from 985 days to 365 days to better meet the principles and guidelines established in the *Indian Reorganization Act* and reaffirmed in the *Indian Self-Determination and Education Assistance Act*.

#### Facilitating Safe and Environmentally Responsible Offshore Wind Energy Development

By September 30, 2025, Interior will complete the environmental and technical reviews of construction and operations plans for commercial offshore wind projects capable of generating at least 60 percent of the capacity needed to meet the national goal of deploying 30 gigawatts (GWs) of offshore wind capacity by 2030.

#### Legacy Pollution

By September 30, 2025, DOI will assist states in reclaiming 1,150 abandoned coal mine land problems; and support the plugging of 7,900 identified orphaned oil and gas wells on state, private, tribal, and federal lands. By reducing legacy pollution with BIL investments, DOI is helping to improve community health and safety, create good paying jobs, and address the climate crisis, all of which is transforming a legacy of pollution into a legacy of environmental stewardship.

## STRATEGIC GOALS AND OBJECTIVES

The FY 2022–2026 Strategic Plan identifies strategic goals and strategic objectives that align with the priorities of the Biden-Harris Administration and Secretary Haaland. The priorities are cross-cutting and

support DOI’s achievement of the outcomes in the plan. A detailed breakdown of DOI performance results can be found in the Annual Performance Report at [www.doi.gov/performance](http://www.doi.gov/performance), scheduled for publishing in Spring 2024.

FIGURE 2

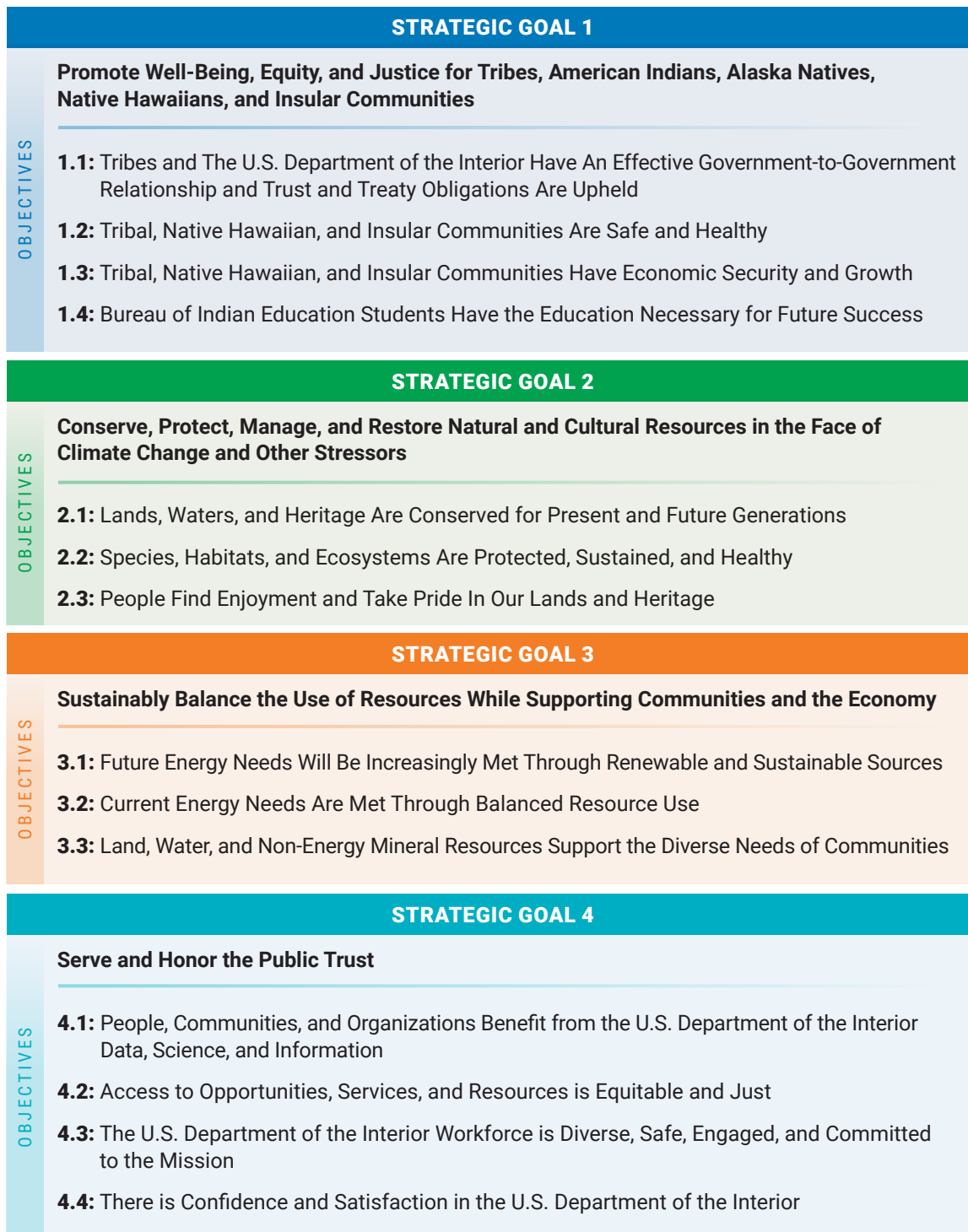
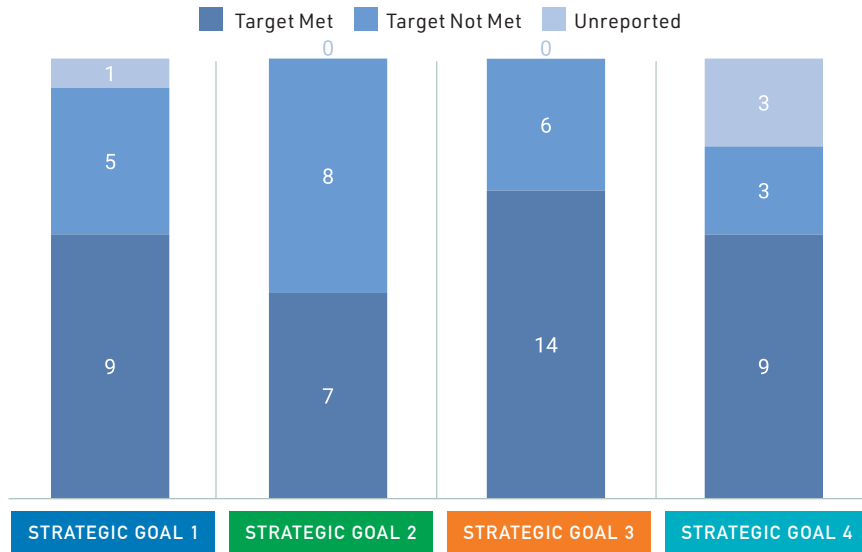




FIGURE 3

### FY 2023 Preliminary Performance Measure Results



The FY 2022–2026 Strategic Plan established many new performance measures that track progress and outcomes in DOI’s goals and objectives. DOI met 60 percent of the targets set for the fiscal year shown in the preliminary results for FY 2023. Of the 65 performance measures; 39 measures met or exceeded their targets, 22 did not meet their targets, and 4 were unreported at the time of publication. DOI was able to meet a high level of performance through efforts that included increased coordination between tribes and the Department, executing sound program and project management, and through availability of grants and

funding that support DOI’s outcomes. There are many reasons why performance measures in FY 2023 did not meet the targets and these range from staffing and hiring issues, policy changes during the year, level of demand for permitting, to construction and contracting issues and delays. The performance results of FY 2023 will inform future planning to ensure that DOI can make better progress on the goals and objectives to deliver results for the American people. Actual performance results are available in DOI’s Annual Performance Plan and Reports on [DOI’s performance website](#).



Columbia Basin Project, Grand Coulee Dam, Washington. A general view of a fireworks celebration on top of the Grand Coulee Dam in Grand Coulee, Washington July 04, 2022. <https://www.usbr.gov/pn/grandcoulee/cbp/index.html>

Photo by Marc J. Sanchez / USBR

## STRATEGIC GOAL 1: Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities

The Department upholds the Nation’s trust responsibilities by fostering relationships between the federal government and federally recognized tribes, and by providing services to individual American Indians, Alaskan Natives, and the Native Hawaiian community. The DOI also has important relationships with the affiliated insular areas including the Territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. DOI administers and oversees federal assistance to three freely associated states: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Many tribes and individual Native Americans use federal trust funds to improve the quality of life for American Indians who live on or near reservations.

One of the primary goals of the Department is to promote equity and justice for tribes, American Indians, Alaska Natives, Native Hawaiians, and insular communities. The scope of the Department’s responsibilities includes fulfilling fiduciary trust responsibilities, supporting tribal self-governance and self-determination, and strengthening the government-to-government relationship between the federal government and tribal nations. Additionally, the Department funds 33 tribal colleges, universities, technical colleges, and post-secondary schools that provide quality education for students to equip them to meet the demands of the future. The Department also provides technical assistance through partnerships with Native Hawaiian and insular communities to efficiently and effectively secure and manage federal funds through planning and program activities.

These benefits have allowed tribes to enhance housing opportunities for their members, realize the energy development capacity on their lands, negotiate the use and sale of the natural resources, and protect tribal ways of life including subsistence hunting and agriculture. One of the DOI Priority Goals for FY 2022–2026 is to improve the processing time of applications for land into trust.

The FY 2022–2026 Strategic Plan and performance goals support Native communities renewing focus on personal and community safety including investigation and prosecution of missing and murdered persons, and ensuring environmental justice for Native and underserved communities. The Department has set goals to reduce crimes against persons by tracking offense clearance rates as an indicator of progress.

The Department assists tribes to develop their capacity to attain economic self-sufficiency and to enhance their quality of life. One critical path is economic development and job creation. BIA coordinates development of comprehensive tribal programs with the Department of Labor (DOL) and the Department of Health and Human Services (HHS). The DOI offers programs and financial services that help position Indian businesses and individuals to compete in today’s economy. The BIA tribal job placement programs have assisted in increasing earnings of individuals who participated. While job placement is heavily reliant on economic conditions, the program has been successful in increasing earnings for tribal participants.

FIGURE 4

STRATEGIC GOAL 1 PERFORMANCE MEASURE HIGHLIGHTS			
<b>Performance Goal: Tribal Communities are Safe</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Offense Clearance Rate of Crimes Against Persons	BIA	52.52%	53.74%
<b>Performance Goal: Communities Benefit from Full and Equitable Participation in the American Economy</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Total Hourly Average Gain in Earnings of Participants that Obtain Unsubsidized Employment Through the Job Placement Training Program	BIA	\$13.50	\$16.60



Photo by Tami A. Heitemann / DOI

**INTERAGENCY GROUP ON INSULAR AREAS (IGIA) ANNUAL CONFERENCE**

Established by Executive Order 13537, the IGIA convenes the leadership of the U.S. territories to advance key issues such as climate change, economic development, energy and infrastructure, health, education, public safety, justice and other issues as prioritized. Secretary Haaland shared updates related to ongoing implementation of the Bipartisan Infrastructure Law and Inflation Reduction Act on February 8, 2023 in Washington, D.C. <https://www.doi.gov/oia/igia>



Photo by DOI

**UNITED NATIONS PERMANENT FORUM ON INDIGENOUS ISSUES**

Secretary Haaland led the U.S. delegation and delivered the national statement at the 22nd Session of the United Nations Permanent Forum on Indigenous Issues. New York, April 17, 2023. <https://www.un.org/development/desa/indigenouspeoples/about-us/permanent-forum-on-indigenous-issues.html>

## STRATEGIC GOAL 2: Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors

The DOI ensures that America’s natural and cultural resources — the lands, waters, and heritage of the United States — are conserved for the benefit, use, and enjoyment of current and future generations. The DOI’s bureaus use the best available science, natural resource management techniques, technology, engineering, and partnerships to inform decisions on the use of land and water resources. These practices help enable balanced stewardship and use of the public lands and resources, including protection and habitat restoration for wildlife and fish species.

DOI-managed lands and waters ensure the safeguarding of habitats for threatened and endangered wildlife and plants. Over the past several years, the DOI has been successful in applying resource management practices and achieving desired condition for healthy ecosystems of lands and waters under the Department’s stewardship. Achieving a desired condition is critical in protecting species. The Department will continue this work under the America the Beautiful initiative, to conserve 30 percent of the Nation’s lands and waters by 2030.

DOI manages over 535 million acres of public and Tribal lands: including the Bureau of Indian Affairs, the Bureau of Land Management, the National Park Service, and the U.S. Fish and Wildlife Service. Wildfire poses a significant risk to DOI-managed lands and local communities and the severity and impacts are growing due to climate change. The Department’s Wildland Fire Management Program includes a suite of activities including preparedness, suppression, fuels management, facilities, and burned area rehabilitation. Wildfire management practices are an integral part of the suite of land management activities necessary to achieve desired habitat conditions.

Threatened and endangered plant and animal species are affected by natural and human-induced pressures including loss of habitat, predation, and other factors. Success in recovery of these species often requires long timeframes to achieve results, and treatments of habitat or adjustments to species management actions may require several years to take effect, especially when adverse factors escalate faster than treatment can be applied.

The DOI uses scientific information to guide development of adaptive recovery plans. These plans provide a needed roadmap of actions to guide decisions that the Department and other stakeholders can use to assist in the recovery of these imperiled species.

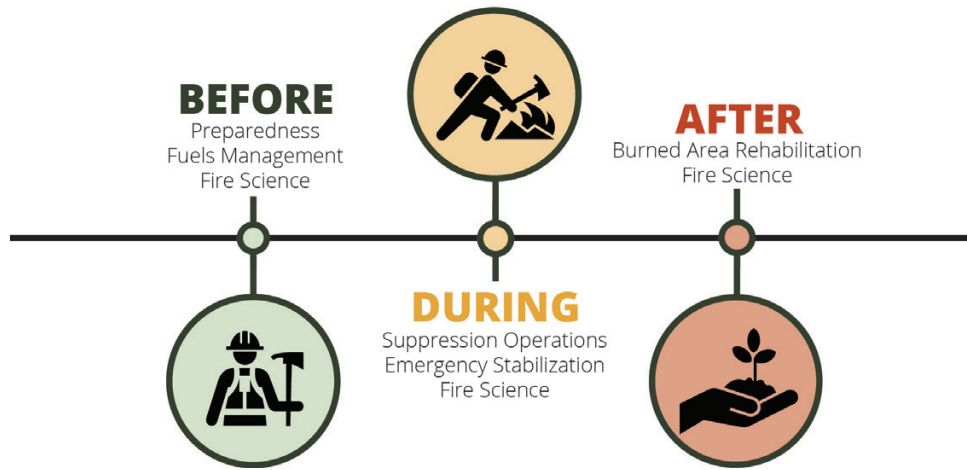
The DOI works to ensure visitors can find enjoyment and take pride in our lands and heritage and that visitors to public lands and waters take advantage of the physical, mental, and social benefits that outdoor recreational experiences provide. The DOI’s policies and programs allow the public to hike, camp, climb, boat, view wildlife, hunt, fish, attend visitor programs, and pursue other outdoor activities. The Department upholds high standards for programs enabling recreation, education, and awareness of the natural world, historic events, and cultural resources. Visitors to public lands have consistently rated their satisfaction with their experiences above 90 percent. DOI continues to assess visitor satisfaction related to improvements that will be made with funding provided by the *Great American Outdoors Act* (GAOA), signed in FY 2020. The Department will continue its focus on improving the health of lands and waters, leveraging climate science and evidence-informed decision-making, ensuring imperiled species protection and invasive species management, incorporating Indigenous knowledge in partnership with tribes, and furthering climate science, adaptation, and resiliency.

The Department will continue expanding its youth corps programs to support an American landscape that is resilient, adaptive, and responsive to the threats of climate change. These programs increase jobs for youth, increase access to recreational opportunities, build an outdoor economy that supports environmental and cultural heritage education, and promote environmental justice for communities.

FIGURE 5

STRATEGIC GOAL 2 PERFORMANCE MEASURE HIGHLIGHTS			
Performance Goal: Threatened and Endangered Species and Other Trust Species Are Protected and Are On a Path to Recovery			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Percentage of Threatened or Endangered Species with a Final Recovery Plan	FWS	89%	85%
Percentage of Wild Horse and Burro Populations in Balance with Their Habitats	BLM	70%	37%

WILDLAND FIRE MANAGEMENT  
**Integrated Approach**



**WILDLAND FIRE MANAGEMENT**

The Department's Wildland Fire Management program works to support fire-resilient landscapes, promote fire-adapted communities, and safely and effectively respond to wildfires. The program is administered by the BIA, BLM, NPS and FWS, with budget and policy coordination through the Office of Wildland Fire and support by other Bureaus and Offices.

<https://www.doi.gov/wildlandfire>



Photo by DOI

**SECRETARY HAALAND HIGHLIGHTS VALUE OF PACIFIC NATION ENGAGEMENT IN AUSTRALIA VISIT**

Secretary Haaland visited Australia in February 2023 to highlight the importance of Indigenous Knowledge, collaborative conservation and international partnerships to inform the global effort to fight the climate crisis and preserve our land and marine environments for future generations. The trip showcased the interconnectedness of the Interior Department's mission and priorities with those of our international counterparts, including the U.S. relationship with key allies in the Indo-Pacific region. At an event hosted by the Perth USAsia Centre, she noted how intensifying wildfires, historic droughts, and disastrous flooding threaten the futures and national security of every country on earth. She discussed efforts in the U.S. to conserve and restore public lands through the America the Beautiful initiative, and reaffirmed the United States' commitment to fostering and upholding international partnerships that will help us all bolster our resilience to the impacts of the climate crisis. Above: Secretary Haaland visiting Tidbinbilla Nature Preserve on February 17, 2023. <https://www.doi.gov/pressreleases/secretary-haaland-highlights-value-pacific-nation-engagement-australia-visit>

### STRATEGIC GOAL 3: Sustainably Balance the Use of Resources While Supporting Communities and the Economy

The DOI is focused on the development of clean energy sources, restoring the balance to energy development, addressing greenhouse gas emissions to combat climate effects, and being responsive and using data-driven management of water resources.

The DOI is working to ensure that future energy needs will be increasingly met through clean and sustainable sources. To achieve this, the DOI is committed to the development of renewable energy through onshore and offshore wind development, solar power, hydroelectric power, and other renewable sources. Alongside this effort, the DOI is seeking a balanced approach to oil, coal, and natural gas development on public lands that takes into consideration the harmful impacts of greenhouse gas emissions for America's future.

In recent years, the DOI has increased new megawatt hydropower capabilities. By continuing to invest and develop renewable energy sources, the Nation will have access to clean energy that is less reliant on non-renewable sources that contribute to greenhouse gas emissions, a major contributor to climate change.

DOI also ensures there is a balanced use of resources to ensure the health of the ecosystems. Balanced use of grazing, timber, and non-energy mineral development are key to the health of the environment and the U.S. economy.

The DOI plays a significant role in managing water resources in the western states, with activities ranging from collection to storage to distribution. The Department is marshalling existing resources and working in partnership with State, local, and Tribal governments to address the needs of communities suffering from drought-related impacts. The Department is identifying and disbursing financial and technical assistance for impacted irrigators and Tribes and developing longer-term measures to respond to climate change, including building more resilient communities and protecting the natural environment. Investments made available under the Bipartisan Infrastructure Law will improve water efficiency and recycling programs and dam safety to address the western drought crisis. DOI is supporting the western United States as it combats extreme drought through water storage and delivery, ensuring a sustainable supply of water.

The DOI will remain focused on the development of clean energy sources, restoring the balance to energy development, addressing greenhouse gas emissions to combat climate effects, and responsive and data-driven management of water resources.

FIGURE 6

STRATEGIC GOAL 3 PERFORMANCE MEASURE HIGHLIGHTS			
<b>Performance Goal: The Public Benefits from an Electrical Grid that Has Access to 30 GW of Offshore Wind Renewable Energy Capacity by 2030</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Cumulative GW of Approved Construction and Operations Plans for Offshore Wind Projects (Agency Priority Goal)	BOEM	14.8 GW	0.93 GW <sup>2</sup>
<b>Performance Goal: Residents of the Western United States Have a Sustainable Water Supply to Address Impacts of Drought and Climate Change</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Annual Increase in Acre Feet of Water Conservation Capacity Enabled to Help Address Drought (Agency Priority Goal)	USBR	55,236	63,152

<sup>2</sup>Data is from FY 2023 Quarter 3 Agency Priority Goal reporting. Full year FY 2023 data will be updated in the Annual Performance Plan and Report, published in February 2024.



Photo by USBR

### FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT

The Friant-Kern Canal delivers water to more than 1 million acres of highly productive farmland and 250,000 residents in San Joaquin Valley. Phase 1 of the multi-phased construction project began in January 2022 and is anticipated to be completed and fully operational by January 2024.

<https://www.usbr.gov/mp/sccao/fkc-fr.html>



Photo by Bobby Nash / BSEE

### BSEE OVERSEES TWO SUCCESSFUL CAPPING STACK DRILLS IN THE GULF OF MEXICO

Paul Barbre, right, a senior well operations engineer with BSEE's New Orleans District, reviews testing procedures with a Beacon Offshore Energy contractor during a capping stack drill in Houston on May 8, 2023. The drill is designed to test industry's ability to safely deploy source control equipment in case of an emergency. <https://www.bsee.gov/newsroom/latest-news/statements-and-releases/press-releases/bsee-oversees-two-successful-capping>

## STRATEGIC GOAL 4: Serve and Honor the Public Trust

The DOI has an honor and duty to uphold the public trust. In recent years, the DOI has improved readiness plans, staffing, and human resource practices, reduced administrative and regulatory burdens, prioritized infrastructure needs, and continued work to modernize information technology (IT). Upholding the public trust requires that the Department provide the American public with credible, applicable, and unbiased information used to inform decisions related to ecosystems, land use, energy and mineral development, environmental health, natural hazards, water resources, and other critical areas. Through its FY 2022-2026 Agency Strategic Plan, the Department has prioritized equity and efficiency as key drivers to improve public trust in DOI operations.

Through a multi-pronged approach with an emphasis on efficiency, investment, and portfolio rightsizing, the Department will pursue excellence in business practices, improve accountability to our stakeholders, and deliver better service to our customers. This includes providing opportunities for meaningful engagement, service, and benefits for all, especially individuals from underrepresented groups and underserved communities. The DOI workforce must support these efforts by attracting the best talent and ensuring that workers are fully engaged and committed to carrying out the Department’s mission. And as the DOI carries out programs, all work is conducted with a lens on advancing diversity, equity, accessibility, and inclusion.

FIGURE 7

STRATEGIC GOAL 4 PERFORMANCE MEASURE HIGHLIGHTS			
<b>Performance Goal: DOI Facilities Are Well Maintained and Available to Serve the American Public</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Maintain 85% of Water Infrastructure Facilities in Acceptable Condition	USBR	85%	97%
<b>Performance Goal: Communities, Property, and DOI-Managed Physical and Digital Resources are Safe and Resilient</b>			
Performance Measure	Bureau	2023 Target	2023 Preliminary Results
Percentage of DOI Information Systems with a Business Continuity/Contingency Plan that Has Been Tested Within the Past Year	CIO	50%	93%

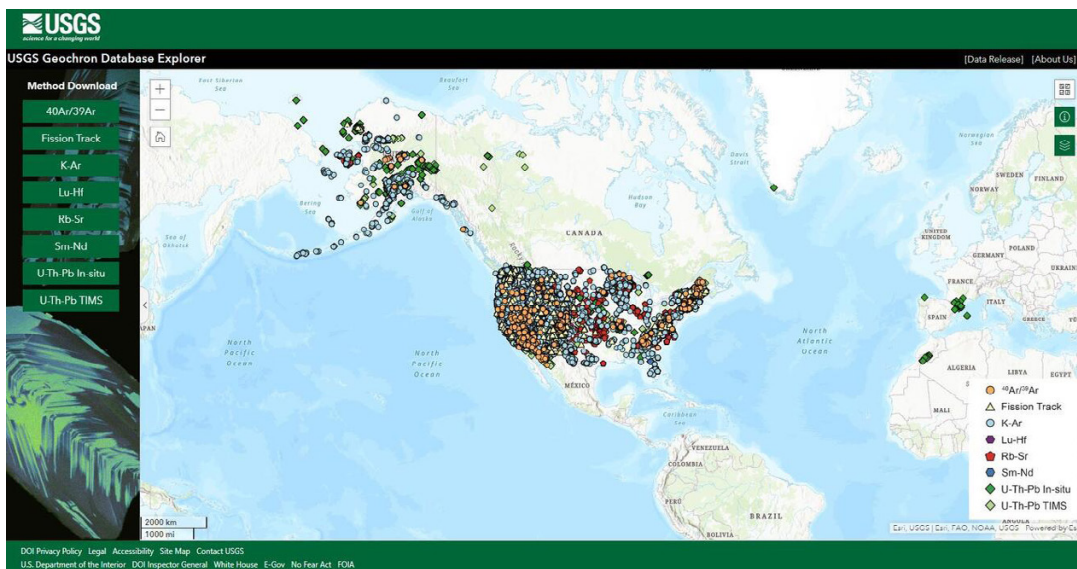


Photo by USGS

### NEW ONLINE TOOL SERVES USGS GEOCHRONOLOGY DATA IN STATE-OF-THE-ART WAY

The U.S. Geological Survey has developed an updated, point and click web application for accessing a geochronology database with sample summary and analytical data for the United States spanning billions of years prior to present day. Screenshot of newly released USGS Geochron Database Explorer web application. [https://apps.usgs.gov/geochron\\_database\\_explorer/](https://apps.usgs.gov/geochron_database_explorer/)





Photo by Iami A. Heilemann / DOI

### AVI KWA AME NATIONAL MONUMENT

On March 21, 2023, President Joe Biden designated Avi Kwa Ame National Monument in southern Nevada. Located at the confluence of the Mojave and Sonoran Deserts, the national monument protects innumerable objects of historic and scientific interest, including its namesake Avi Kwa Ame – or Spirit Mountain – and the surrounding arid valleys and mountain ranges that are historically important and sacred places for several Tribal Nations. <https://www.blm.gov/avi-kwa-ame-national-monument>



Photo by Stephanie Hauge / FWS

### A PARTNERSHIP THAT BRINGS THE BLACK-FOOTED FERRET BACK HOME

Standing Rock Sioux Tribe and FWS partner to bring the black-footed ferret back to Tribal lands. The black-footed ferret once roamed the landscape of the Standing Rock Sioux Tribe's reservation in North and South Dakota. The first black-footed ferret was reintroduced onto Standing Rock Sioux lands in October 2021 and a new release took place on October 26, 2022 to continue building the population. <https://fws.gov/story/2023-05/partnership-brings-black-footed-ferret-back-home>

## Tracking Progress and Annual Updates

The *GPRA Modernization Act of 2010* established the need for agencies to identify performance goals, report progress against targets, and conduct data-driven reviews. These practices serve two key purposes for stakeholders within and outside of the organization: (1) to assess the organization's health and impact; and (2) to inform decision making, resource allocation, and strategy. The Department will review strategic objectives and performance goals and measures annually, and agency priority goals quarterly, to continuously learn and improve as we advance our outcomes in the Department's strategic plan. The DOI organizational performance reviews provide a regular forum for open dialogue and coordination between Department, bureau, and office leadership, bringing together different perspectives to set and align priorities, identify and solve problems, review agency performance goals, and drive evidence-informed decisions and results. The annual and quarterly cycles integrate statutory requirements to conduct organizational performance reviews of agency strategic objectives, agency priority goals, and cross-agency priority goals.

Along with reviews of strategic objectives, agency priority goals, and cross-agency priority goals, DOI assesses the past year's performance and sets targets for the next fiscal year. The results of these reviews are published in the DOI Annual Performance Plan and Report and published on the *DOI performance management website*. The Department ensures the accuracy and reliability of the performance data in its performance plans and reports and the performance data tables in accordance with the *GPRA Modernization Act of 2010* five data quality specifications for:

### Means Used to Verify and Validate Measured Values:

All performance data reported in the performance plans and reports and on <http://www.performance.gov/> by the Department is subject to the data verification and validation standards initially published in 2003 and reissued in 2007 (see <https://www.doi.gov/performance/data-validation-and-verification>). Implementing organization heads or chief officials confirm in writing the validity of the data and present the data on a quarterly basis to the Deputy Secretary.

**Sources for the Data:** Program managers provide performance data based on their observations that can include extrapolations of selected representative samples or history adjusted for estimates of changing conditions. The data is tracked and maintained in separate systems. Following review by the providing bureau or office, data is collected, reviewed, integrated, and maintained by the Department's Office of Planning and Performance Management (PPP) in its reports available through the Department's Budget and Performance Portal ([www.doi.gov/performance](http://www.doi.gov/performance)), and [www.performance.gov](http://www.performance.gov).

### Level of Accuracy Required for the Intended Use of the

**Data:** Performance data reported in the performance reports and on <http://www.performance.gov/> is used for management purposes, as a representative indicator of progress in relation to a target or goal established by the corresponding implementing organization. The accuracy of the information is that which is considered necessary to provide a reasonable representation of the progress made relative to a target or goal for discussion purposes, to help:

- a. determine if the progress is considered adequate;
- b. provide understanding of the ability for the processes and methods being implemented to achieve the goal;
- c. indicate if any further exploration or evaluation is needed to better ensure achievement of the goal; and
- d. whether alternative action, including adjusting funding levels, facilities, workforce, IT capabilities, etc., is needed to help better ensure achievement of the goal.

### Limitations to the Data at the Required Level of Accuracy:

Performance data is subject to potential errors from the use of estimations and extrapolations (especially where direct measurement is impractical and/or too costly), individual observation, miscommunication, and/or failure to effectively employ the guidance described in the performance measure template or the "Indicator" description in <http://www.performance.gov/>. However, based on multiple review levels and accuracy certifications, these limitations are not significant.

### How the Agency Has Compensated for Such Limitations if Needed, to Reach the Required Level of Accuracy:

The measurement procedures for each performance measure used in the APR are described and documented in data measurement templates posted on the OMB MAX website, or described in the "Indicator" block for each Agency Priority Goal (APG) on <http://www.performance.gov/>. Along with the implementing organization's official assurance of faithfully employing the data verification and validation standards, submitted data are reviewed within the context of the scope and nature of the activity, plans, and experience to help confirm accuracy. Following review and verification by the submitting bureau or office, the data is reviewed again (within corresponding trends and programmatic context) by PPP to determine if further consultation with the data provider is necessary to adjust or correct the reported data before publication. Senior management and leadership consider this level of accuracy to be acceptable for their use of the data. Experience in using the data, historical trend and programmatic context assessments, and bureau data quality certifications indicate that the limitations are considered minor and compensating measures are not considered necessary.

## ANALYSIS OF PERFORMANCE GOALS AND RESULTS

In addition to employing the Department's data validation and verification standards, and internal reviews of submitted data, the best "test" of the data's accuracy is in its use. APG updates are reviewed during quarterly status reviews where senior officials report their data directly to the Deputy Secretary and are made publicly available

through <http://www.performance.gov/>. Performance information is provided with historical, organizational, and supporting context to provide the reader with a fuller perspective of the data and is reviewed annually at the strategic objective level.



Photo by Lisa B. Kuffner, Ph.D. / USGS

### COASTAL AND MARINE HAZARDS AND RESOURCES PROGRAM DECADAL SCIENCE STRATEGY

Don Hickey finishes installing ocean chemistry monitoring equipment on Sombrero Reef, Florida Keys.

<https://geonarrative.usgs.gov/cmhrp/>



Photo by Tami A. Heilemann / DOI

### CORAL RESTORATION PARTNERSHIP

Secretary Haaland and Assistant Secretary Cantor visited The Nature Conservancy (TNC) Coral Innovation Lab. The NPS has invested \$1.1 million in a coral restoration partnership with TNC, which has provided support for the first land-based nursery on St. Croix.

## DOI Enterprise Risk Management (ERM) Program

In FY 2022, the Department Manual (112 DM 9) formally assigned responsibilities for the ERM program to PPP and established the role of the Chief Risk Officer. The DOI Chief Risk Officer's roles include:

- Acts as the principal ERM advisor to the Assistant Secretary for Policy, Management and Budget
- Reports to the Director of PPP
- Serves as the principal senior staff member in carrying out ERM responsibilities
- Leads the central coordinating office for the Department's ERM program.

Specific PPP responsibilities are to:

- Develop the Department's ERM Framework, implementation plan, and policy
- Chair or facilitate appropriate ERM workgroups at the Departmental level
- Develop and maintain the Department-wide ERM process, handbook, and supporting capabilities
- Incorporate the status of Enterprise Risks in the Department as part of existing reports
- Promote a risk-aware culture and facilitate commitment to ERM
- Create and deliver training, aid bureau staff in creating their frameworks, identifying strategic risks, and supplying tools and methodologies to the bureau and office staffs
- Provide Department leadership, including the Management Improvement Team, with information regarding the status of ERM efforts and management of individual risks



Photo by USGS

### KĪLAUEA SUMMIT ERUPTION IN HALEMA'UMA'U

A summit eruption of Kīlauea volcano, within Halema'uma'u crater, began at approximately 4:44 a.m. on June 7, 2023. The eruption at Kīlauea's summit occurred within a closed area of Hawai'i Volcanoes National Park and high levels of volcanic gas were the primary hazard of concern. Sulfur dioxide released from eruptions will react in the atmosphere to create a visible haze known as vog (volcanic smog).

<https://www.usgs.gov/volcanoes/kilauea/volcano-updates>

- Assist risk owners and subject matter experts in performing further analysis of individual enterprise risks, risk drivers, and risk treatments
- Create, review, and keep current a comprehensive portfolio of enterprise risks in a risk register to include strategic risks, the drivers of those risks, the treatment of those risks, and the evaluation of the effectiveness of those risk treatments
- Establish and maintain the Department Risk Profile and Enterprise Risk Register
- Elevate risk and risk treatment information for key risks to the Management Improvement Team and appropriate DOI leadership

In FY 2023, PPP moved the Department ERM program forward by collaborating with DOI's Office of Financial Management (PFM), Office of Acquisition Management (PAM), Office of Grants Management (PGM), and the Office of the Chief Information Officer (OCIO) to create a single risk register to capture all forms of risks: programmatic, financial, IT, and reporting risks. The Bureaus and Offices built a risk register, to include identification and analysis of the effectiveness of risk treatments and residual risk ratings. Additionally, formal reviews of risk treatments were conducted and captured in the risk register.

For FY 2024, PPP is working with Bureaus and Offices to make the risk register a living document through continuous updates as internal and external conditions dictate. Additionally, PPP will be incorporating more offices into the risk register. The FY 2024 risk register is utilizing new and enhanced tools to make inputs more uniform and accurate. PPP will work with Bureaus and Offices to convert the data in the risk register into information using business intelligence tools and structuring the output products into the desired formats based on stakeholder feedback. PPP is also updating the guidance documents, with the help of teams from the Bureaus and Offices, for the ERM program to codify processes, procedures, and outputs.

As the ERM program continues to mature, Bureaus and Offices will develop their internal risk registers and risk profiles. They will identify the risks to achieving their internal goals and evaluate how they are treating those risks. They will develop evaluation processes and engage in developing enhanced and new risk treatments and use data to plan and budget.

## Management Assurances Compliance with Laws

This section of the report provides the required information on DOI's management assurances and compliance with the *Federal Managers' Financial Integrity Act of 1982* (FMFIA); the *Federal Financial Management Improvement Act of 1996* (FFMIA).

In addition, this section includes summaries of DOI's financial management activities and improvement initiatives regarding:

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

## Federal Managers' Financial Integrity Act of 1982

The FMFIA establishes management's responsibility to assess and report on internal accounting and administrative 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 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 annually assess whether financial management systems conform to related requirements (FMFIA § 4).

In FY 2023, the DOI demonstrated its continued commitment to maintaining strong internal controls. Internal control is an integral component of effective agency management, providing reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of reporting, and compliance with laws and regulations. DOI's management assurances are reflected in the FMFIA Assurance Statement (see page 34) and are detailed below.

## Internal Control Program and Assessments

The DOI's internal control program is designed to comply with the goals, objectives, and requirements of FMFIA and the following OMB Circulars:

- ◆ *U.S. Government Accountability Office (GAO), Standards for Internal Control in the Federal Government, GAO-14-704G*, 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*.

In FY 2023, DOI continued to strengthen management assurances through the development and implementation of an integrated risk management approach across the organization. The enhancements implemented in FY 2023 include:

- ◆ Implementing the Integrated Risk Register to identify areas where internal control assessments were needed to provide reasonable assurance that its internal control over operations, reporting, and compliance were operating effectively.
- ◆ Enhancing the Department's consolidated Entity-Level Control Assessment, by gaining an understanding of how executives implement and promote the 17 principles of the GAO Green Book.
- ◆ Maturing the Independent Validation and Verification (IV&V) program to strengthen management assurances.

The conclusions in the Department's FY 2023 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 or Office's system of internal controls. The Bureau and Office FMFIA assurance statements were developed based on knowledge of the Bureau or Office's daily operations; internal control reviews; and recommendations from audits, investigations and reviews conducted by the DOI Office of Inspector General (OIG) or GAO. 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 (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 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 material weakness existed in FY 2023.

### FMFIA Material Weaknesses

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

DOI is reporting three material weaknesses for FY 2023 related to 1) controls over financial reporting, 2) inadequate review and update of accounting policies and guidance, and 3) inadequate monitoring of assets constructed by other federal agencies.

For more information on the material weaknesses and the corrective actions related to the material weakness reported in FY 2023, please see Figures 8-10 below.

FIGURE 8

FMFIA Material Weakness as of September 30, 2023				
Description	Corrective Actions	FY 2023 Progress	Target Date to Complete	Status
<p><b>Controls over Financial Reporting.</b></p> <p>The Department's controls over the preparation and compilation of its financial statements and related disclosures were not appropriately designed and implemented or operating effectively to prevent, or detect and correct, errors and/or omissions in certain financial statement disclosure. Specifically, within the <i>Reclassification of Financial Statements Line Items for Financial Report Compilation Process</i> disclosure as of June 30, 2023.</p>	<p>The DOI will:</p> <ol style="list-style-type: none"> <li>1) Strengthen process controls over the preparation, compilation, and review of DOI's financial statement and related disclosures to include a thorough review of the annual OMB Circular A-136, <i>Financial Reporting Requirements</i>, and the templates used in the process of generating the financial statements and the related disclosures.</li> </ol>	<p>DOI utilized the official template to correct the misstatements within the <i>Reclassification of Financial Statements Line Items for Financial Report Compilation Process</i> disclosure as of June 30, 2023, and accurately reported the information as of September 30, 2023. DOI will continue to strengthen its controls over the preparation, compilation, and review of its financial statements.</p>	<p>January 31, 2024</p>	<p>In Progress</p>

FIGURE 9

FMFIA Material Weakness as of September 30, 2023				
Description	Corrective Actions	FY 2023 Progress	Target Date to Complete	Status
<p><b>Inadequate Review and Update of Accounting Policies and Guidance.</b></p> <p>The Department did not establish adequate controls over current accounting guidance and policies to ensure compliance with U.S. Generally Accepted Accounting Principles (GAAP) for recorded transactions.</p>	<p>The DOI will:</p> <ol style="list-style-type: none"> <li>1) Strengthen the process for reviewing and evaluating existing accounting guidance and policies, specifically the guidance over unique transactions related to natural disaster events, to ensure the established Department policies clearly comply with GAAP.</li> <li>2) Provide comprehensive training programs for employees, for reviewing and evaluating accounting transactions for compliance with GAAP, specifically the relevant Federal Accounting Standards Advisory Board (FASAB) Statements of Federal Financial Accounting Standards (SFFAS).</li> <li>3) Evaluate the remaining Natural Disaster Liability balance against the relevant SFFAS 5 criteria for a liability and determine the accurate amount to report as a liability of the Department.</li> </ol>	<p>DOI is reviewing the policy to determine the updates needed to provide more detail and clarity to the Bureau on recording Natural Disasters.</p> <p>NOTE: The policy (FMM 2017-024 <i>Natural Disaster Liability Reporting Guidance</i>) was previously written at a summary level with a narrow scope. While the existing policy complies with U.S. GAAP, additional clarity is required to document specific nuances and variations within DOI.</p>	<p>March 31, 2024</p>	<p>In Progress</p>

FIGURE 10

FMFIA Material Weakness as of September 30, 2023				
Description	Corrective Actions	FY 2023 Progress	Target Date to Complete	Status
<p><b>Inadequate Monitoring of Assets Constructed by Other Federal Agencies.</b></p> <p>Controls were not properly designed and implemented to ensure that all transactions and events were completely recorded in the Department’s financial records. Specifically, the Department failed to accurately monitor and record fixed assets constructed by another federal agency on behalf of the Department.</p>	<p>The DOI will:</p> <ol style="list-style-type: none"> <li>1) Develop and implement policy and standardized procedures in conjunction with the Asset Management Council for tracking fixed asset projects constructed by other federal agencies.</li> <li>2) Establish strong communication channels with external federal agencies involved in constructing assets on the Department’s behalf. This should include establishing formal agreements, regular meetings, and periodic reconciliations to ensure all fixed asset transactions are captured and recorded timely and accurately.</li> <li>3) Put in place monitoring controls to regularly review and reconcile fixed asset transactions constructed by other federal agencies within the financial records. This can involve periodic reviews of project documentation, invoices, and payment records to ensure completeness and accuracy.</li> <li>4) Conduct training sessions for relevant personnel involved in financial record-keeping to enhance their understanding of the importance of tracking construction projects performed by other federal agencies. This will help ensure compliance with established procedures and controls.</li> </ol>	<p>DOI adequately addressed the FY 2023 transactions and prevented any material errors from impacting the FY 2023 financial statements.</p> <p>The Department will design and implement policy and standard procedures, foster communication channels with external federal agencies, implement monitoring controls, and facilitate relevant training sessions focused on assets constructed by other federal agencies.</p>	September 30, 2025	In Progress

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

- ◆ Senior management has demonstrated its firm commitment to resolving the material weakness as evidenced by resource deployment and frequent and regular monitoring of corrective action progress,
- ◆ Substantial and timely documented progress exists in completing material weakness 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 material weakness, and
- ◆ Substantial validation of corrective action effectiveness has been performed.

FIGURE 11

## FY 2023 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, entitled "Management's Responsibility for Enterprise Risk Management and Internal Control." As required by appendix B to the OMB Circular No. A-123, entitled "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 27th 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, 2023, except for three material weaknesses as follows:

- **Controls over Financial Reporting.** Roles and responsibilities within the financial reporting area recently changed. This led to process breakdown in certain areas. Deficiencies included data mapping errors at the Bureau and the financial management system level and presentation and misclassification errors in two financial statement areas. The Department will work to strengthen its process controls over the preparation, compilation, and review of its financial statement.
- **Inadequate Review and Update of Accounting Policies and Guidance.** Bureaus within the Department utilized a policy dated May 12, 2017, related to natural disasters and incorrectly booked natural disaster events over the past several years. The policy is written at a high level with a narrow scope and does not clarify the nuances and variations of the Department's transactions. Moving forward, the policy will be updated to provide more details.
- **Inadequate Monitoring of Assets Constructed by Other Federal Agencies.** On August 11, 2023, a reporting issue with another Federal agency was brought to the Department's attention identifying potential gaps/weaknesses with the accounting treatment of fixed assets. The Department adequately addressed the fiscal year 2023 (FY23) transactions and prevented any material errors from impacting the FY23 financial statements; however, prior-year transactions related to this issue need to be assessed, and policy and procedures regarding fixed asset projects constructed by other Federal agencies need to be strengthened. The Financial Management Division and Asset Management Council will work together to develop policy and implement changes over the next 2 years to track and standardize the Department's fixed assets recording procedure, including developing a standardized process for how the Department communicates with respective external agencies.

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.



**DEB HAALAND**

Secretary of the Interior  
November 15, 2023



## Management of Reporting and Data Integrity Risk

The OMB Circular A-123, Appendix A, updated in June 2018, includes requirements for agencies to manage risk in relation to achievement of reporting objectives. The Circular includes a requirement for agencies to develop a data quality plan to achieve the objectives of the *Digital Accountability and Transparency Act of 2014* (DATA Act). The DOI updated the Data Quality Plan which considers the risks to data quality in federal spending data and the controls that would manage the risks. DOI is developing an implementation strategy to communicate and implement the requirements within the updated Data Quality Plan throughout DOI. In implementing the DATA Act, DOI has not only made it easier to understand how taxpayer dollars are spent but also serves as a tool for better oversight, data-centric decision-making, and innovation both inside and outside of DOI.

In FY 2023, DOI completed its annual assessment of the effectiveness of internal control over reporting. Deficiencies were found in some reporting processes, but compensating controls and corrective actions offset these deficiencies. The DOI can reasonably provide assurance over the safeguarding of assets from waste, loss and mismanagement, as well as compliance with laws and regulations pertaining to reporting. See FY 2023 Assurance Statement on the previous page.

The DOI policy makers and program managers continuously seek ways to achieve missions, meet program goals, enhance operational processes, and implement innovative technological solutions. The OMB requirement to assess control over reporting has strengthened the accountability of DOI managers regarding internal control and has improved the quality and reliability of DOI's financial information and other data reporting, notwithstanding current challenges.

## Federal Financial Management Improvement Act of 1996

The FFMIA builds upon and complements the *Chief Financial Officer's Act of 1990* (CFO Act), *Government Performance and Results Act of 1993* (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.

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. DOI used the FFMIA Compliance Determination Framework issued in the updated guidance to determine whether DOI's financial management system complied with FFMIA. DOI's financial management system substantially complied with FFMIA in FY 2023.

## 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 2023, DOI monitored a substantial number of new GAO, OIG and Single Audit Act audit reports. Audit follow-up actions include analyzing referred audit reports 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 (March and November 2023) provides additional information about OIG activities and the results of their audits at: <https://www.doi.gov/reports>. To further underscore the importance of timely implementation of GAO and OIG audit recommendations, the 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 1 of each year. The DOI set its performance goal at 85 percent to allow for impacts, challenges, or unforeseeable delays when initial CAPs were developed; some corrective actions can span multiple years. For FY 2023, DOI achieved an implementation rate of 95 percent.

## Results of Financial Statement Audit

As required by GMRA, the DOI prepares financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm. In FY 2023, KPMG LLP issued an unmodified opinion on the DOI consolidated financial statements. Three material weaknesses were reported, as a result of the financial statement audit. See "Summary of Financial Statement Audit" in the Other Information Section (Figure 35).

## 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 the 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 criteria for Electronic Funds Transfers (EFT). See Figure 12.

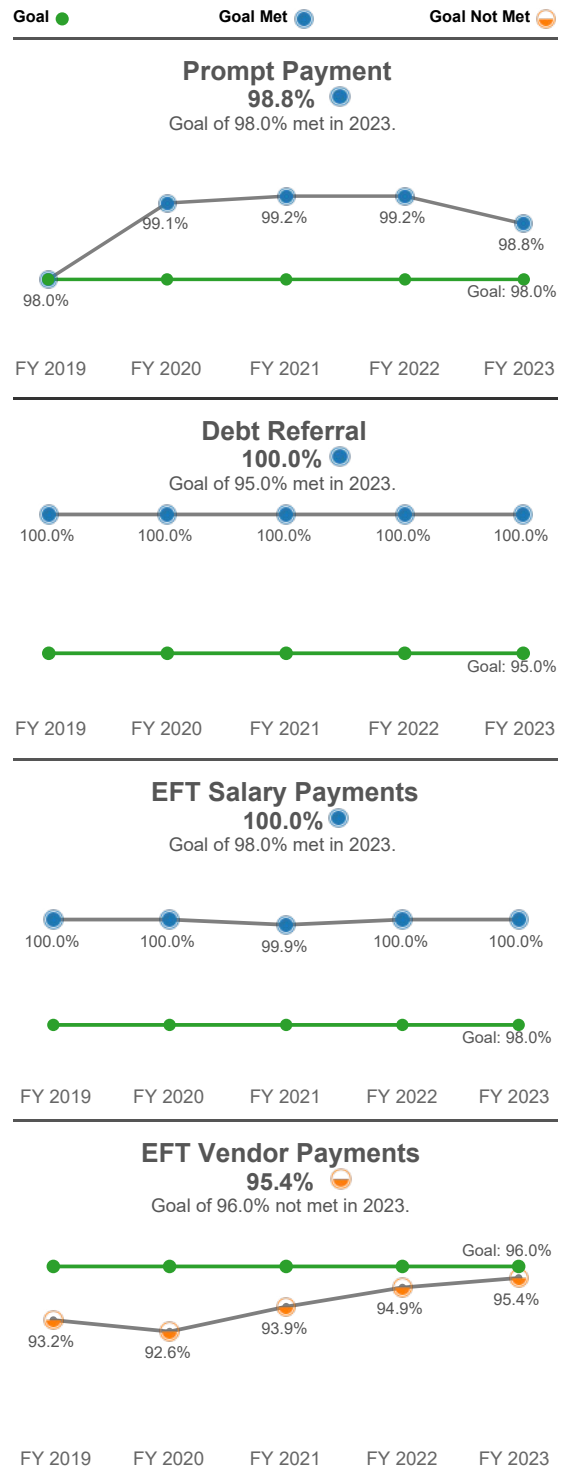
#### Prompt Pay, Debt Collection, and Electronic Funds Transfer

The PPA requires that eligible payments be made within 30 days of receipt of invoice; otherwise, the federal government is required to pay interest. The DCIA requires any non-tax debt owed to the United States that has been delinquent for a period of over 120 days be referred to the U.S. Department of the Treasury (Treasury). In FY 2023, DOI exceeded its PPA performance goal of 98 percent and its DCIA debt referral performance goal of 95 percent.

The EFT provision of the DCIA mandates all recipients of federal vendor payments and salary payments receive their payments electronically, except for tax refunds. In FY 2023, the DOI exceeded its 98 percent performance goal for EFT salary payments but did not meet its performance goal for vendor payments. The shortfall of the EFT vendor payments performance goal of 96 percent has been carried over from previous years and continues to be attributed to a high volume of transactions that the DOI has for tort claims, legal settlements, financial assistance, social service payments to individual Indians, and realty payments that are processed with non-EFT mechanisms. Logistical issues, such as the remote proximity of vendors to banks and the lack of transportation in isolated communities are contributing factors to the EFT vendor payment shortfall.

As the DOI continues to strive to meet the EFT vendor payment goal, the rating has continued to increase over the past several years which can be attributed to an increased use of Treasury’s Pay.Gov and Online Bill Pay systems, which includes, identifying customers who were paying with paper checks, initiating outreach to customers and providing assistance to leverage current electronic payment tools.

FIGURE 12



## Information Management and Technology

The Chief Information Officer (CIO) leads the Information Management and Technology (IMT) Leadership Team comprised of Deputy CIOs and Bureau and Office Associate CIOs. Through this cross-bureau governance body, the CIO drives strategy, alignment, and accountability for IMT. The DOI Information Resources Management (IRM) Strategic Plan 2020–2025 identifies six strategic goals:

- ◆ Responsible Stewardship of the IT Landscape,
- ◆ A Skilled IRM Workforce,
- ◆ Customer-Centric IT Services,
- ◆ Effective Enterprise Portfolio Management,
- ◆ Data as a Strategic Asset for Public and Organizational Use, and
- ◆ Seamless Integration of Cybersecurity and Privacy.

The 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.

## FY 2023 Accomplishments

### RESPONSIBLE STEWARDSHIP OF THE IT LANDSCAPE

- ◆ Promoted Diversity, Equity, Inclusion and Accessibility in DOI's IT community through its leadership of the DOI Women in Information Management and Technology group, coordination of the IRM Strategic Workforce Plan, and membership in the Federal Cyber Workforce Working Group.
- ◆ Provided Section 508 compliant electronic documents training to hundreds of individuals across DOI bureaus and offices. This updated, recurring training improves accessibility of electronic documents for employees and members of the public with disabilities and develops workforce skills and knowledge.
- ◆ Established a data management program and maintained a Department-wide Enterprise Data Inventory, which allows analysts and the public to find and use DOI data.
- ◆ Required that data assets be available to be shared for authorized use unless prohibited by statute or regulation while also ensuring they are protected as required by statute or regulation.
  - ◆ Data sharing permits DOI and its bureaus and offices to provide access to data in a controlled manner within federal agencies, among and outside of DOI bureaus and offices, research institutions, and with mission related stakeholders to help achieve mission requirements.
- ◆ Successfully addressed and closed 22 OCIO audit recommendations and facilitated closure of an additional 22 bureau and office audit recommendations.

- ◆ Coordinated DOI IT Sustainability goals under Executive Order (EO)14057 *Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability* and established IT Sustainability working group to support DOI's IT Sustainability goals to reach net zero carbon emissions buildings by 2045 including 50 percent reduction by 2032 by increasing energy efficiency and the using renewable energy to operate DOI facilities including data centers.

### TRANSITION TO THE CLOUD

- ◆ Implemented a new cloud-based enterprise-wide Document Review and Production platform that enables DOI to respond to congressional oversight, litigation and Freedom of Information Act requests.
- ◆ Deployed the Accessibility Management Platform, a cloud-based accessibility evaluation tool, that scans thousands of DOI bureau and office web pages to improve accessibility of electronic content for customers and provide enhanced analytics to DOI decision makers.
- ◆ Provided cloud acquisition planning support, communications outreach and enterprise security to hundreds of DOI personnel representing a variety of mission and technical backgrounds facilitating more than 200 bureau and office meetings for more than 100 different cloud services and applications.
- ◆ Provided enterprise level cloud acquisition and migration support which served to increase DOI's cloud adoption rate and promoted cloud adoption consistency across Bureaus. As a result, \$9 million in cloud IT Systems were added to enterprise environment and OCIO is now governing cloud IT investments valued at over \$220 million annually.
- ◆ Closed 29 data centers, resulting in nearly \$380,000 in cost avoidance.

### CUSTOMER-CENTRIC IT SERVICES

- ◆ Deployed the Bison Support System (BSS) to the Bureau of Reclamation and the OCIO. BSS is an enterprise-level, IT service management system to improve user support for IT user problems and technical incidents. This system will increase customer satisfaction, improve cybersecurity, and provide enhanced analytics to DOI decision makers.
- ◆ Piloted and began onboarding early adopters to the Secure Access Service Edge (SASE) solution. This capability allows DOI End Users to securely connect users, systems, and endpoints to applications and services from any location.
- ◆ Maintained and expanded the DOI IT Storefront, which established a Department-wide catalog on National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP). This simplified the procurement process and reduced the overall cost of computer devices. In addition, the Storefront catalog standardized device configurations to improve IT support processes and reduce cyber

risk. In calendar year (CY) 2022, the DOI IT Storefront provided \$11.4 million in cost avoidance, which represents an average savings of 23 percent versus the previous process which required bidding within NASA SEWP.

- ◆ Began a phased deployment of a new “soft” phone system for OCIO employees at the Udall building in Washington, DC and the Powell building in Reston, VA, allowing employees to place and receive internal and external phone calls from Microsoft Teams. This technology maintains all of the functionality of the current phone system but is significantly more reliable. Soft phones will integrate the phone system with existing email and collaboration solutions, providing users with a seamless set of functions for chat, conferencing, voice, and other collaboration requirements.
- ◆ Deployed a new Customer Support Help Desk phone system, which offers the option for a customer callback, reducing inconvenient and potentially long hold times waiting to speak with a customer support analyst. The best-in-class system holds a customer’s place in queue and allows the customer to disconnect and receive a support call back to resolve customer issues.
- ◆ Updated the password policy so that users no longer need to update their password. This dramatically reduced the number of helpdesk requests for

password resets; a lower volume of help desk requests allows for a reduction to contract labor.

- ◆ The new password policy will improve network security and user experiences. It requires a minimum of 17 characters and the password be strong/complex. The updates also check against known compromised passwords for additional security. Once a new password is created, users are not required to reset the password again.

**SEAMLESS INTEGRATION OF CYBERSECURITY AND PRIVACY**

- ◆ Met the OMB deadline to make FISMA Moderate system securely available to the internet, ensuring access based on phishing resistant credentials.
- ◆ DOI selected QuickTime, a time and attendance system.
- ◆ A FISMA Moderate system is one that, if compromised, would have a serious adverse impact on organizational operations, individuals, or government entities.
- ◆ Required all applications which formerly used user accounts and passwords to use multi-factor authentication (MFA). Required plans of action and milestones for systems that do not have MFA in place by the end of fiscal year 2023.
- ◆ Issued updated Security and Privacy Control Standards that integrate Department-wide



Photo by Kyle Sullivan / BLM

**CADIZ DUNES 29 PALMS TOUR**

At nearly 20,000 acres, the Cadiz Dunes Wilderness area in Mojave Trails National Monument preserves some of the most pristine sand dune features in California’s desert region, and offers visitors an incredible opportunity to experience true desert solitude.

<https://visit29.org/explore/mojave-trails-national-monument/cadiz-dunes/>

requirements for implementing controls to protect the security and privacy of agency information. This brings DOI's security policies into alignment with current Federal standards and establishes a framework for greater coordination between privacy and security analysts in the development of systems protections.

- ◆ De-duplicated cybersecurity tools; increasing cybersecurity service delivery while lowering costs. For example, utilizing security tools already available through existing software suites rather than acquiring separately.
- ◆ Established high-level strategic Zero Trust (ZT) goals and foundational capabilities in order to achieve an advanced state of maturity by the end of FY 2025.
  - ◆ ZT is a security framework requiring all users, whether in or outside the organization's network, to be authenticated, authorized, and continuously validated before being granted or keeping access to applications and data.
  - ◆ OMB has established a ZT strategy that requires agencies to meet specific cybersecurity standards and objectives.
- ◆ Implemented DOI policy so that bureau and office purchases of ZT tools and capabilities align with DOI's enterprise approach to ZT.
- ◆ Provided ZT training to 200 IT professionals across DOI to mature and enhance the knowledge and skills needed for implementation of DOI's ZT architecture.

## Future Planned Activities

### RESPONSIBLE STEWARDSHIP OF THE IT LANDSCAPE

- ◆ Update the DOI IRM Strategic Plan, ensuring that goals, objectives and strategies reflect the rapidly evolving IT environment and support the Department's goals and strategies.
- ◆ Identify gaps in recruiting, retaining, reskilling, and rewarding employees to prioritize IRM workforce development and retention.
- ◆ Decrease overall costs to our customers by consolidating OCIO office space into two locations, the Denver Federal Center in Lakewood, CO and the Udall Building in Washington, DC.
- ◆ Establish yearly IT Sustainability goals and plans to support overall sustainability goals in EO 14057 by developing plans to increase energy and water efficiency and the use of renewable energy and water in data centers.
- ◆ Educate bureaus and offices about the ethical use of Artificial Intelligence to accomplish DOI strategic objectives.
- ◆ Support the development of publicly available data assets that will provide senior leaders with the data they need to make informed policy decisions and accurately evaluate performance and risk. Making data assets publicly available increases transparency into DOI's decision making process.

- ◆ Develop an IT acquisition plan that details how OCIO will leverage data to identify potential shared services opportunities, propose cost savings and avoidance activities, and ensure IT spending that aligns with DOI's strategic goals. The plan will include an analysis with insights and recommendations for DOI IT leadership.
- ◆ Establish enterprise program views to track and govern all major IT initiatives, manage resources and track interdependencies between projects and programs. This is part of the Hosting Strategy implementation initiative.
- ◆ Drive the modernization of legacy technology, ensuring DOI's leadership is aware of risks and budgetary resource requirements.
- ◆ Lead efforts to implement the Technology Business Management framework. Expected benefits include improved standardization of business and mission services supported by the IT portfolio, improved cost transparency, and improved decision-making ability for the OCIO.
- ◆ Identify revisions to the Major IT Investment criteria. This proposal will update the criteria used to designate major IT investments to ensure that DOI is accurately tracking and managing its highest value, risk, visibility, and critical investments to provide effective oversight and mission support. Use of this revised criteria will reduce the reporting burden for bureaus and offices.
- ◆ Ensure that DOI electronically manages records, to the fullest extent possible, for eventual transfer and accessioning by the National Archives and Records Administration. Per OMB Memorandum 23-07 *Update to Transition to Electronic Records*, by June 30, 2024, federal agencies must manage all permanent and temporary records in an electronic format or store temporary records in commercial records storage facilities.
- ◆ Issue an update to the DOI Federal Information Technology Acquisition Reform Act Common Baseline and Implementation Plan. The revision will provide an operation and maintenance guide and will identify key leadership roles and detail how DOI continues to comply with OMB Memorandum 15-14 *Management and Oversight of Federal Information Technology*.

### TRANSITION TO THE CLOUD

- ◆ Implement improved governance of cloud purchases through rigorous technical and executive review and policy to reduce the number of duplicative IT systems and applications.
- ◆ Continue to strategically source and consolidate cloud contracts to facilitate an easy transition to the modern technology to enable more secure and efficient mission operations.
- ◆ Develop an enhanced on-line cloud services catalog with automation features to streamline the acquisition process and reduce administrative overhead.

- ◆ Continue to provide outreach and communications to educate bureaus and offices on best practices, lessons learned to accelerate cloud adoption and data center closures.

#### CUSTOMER-CENTRIC IT SERVICES

- ◆ Fully deploy SASE and replace the Virtual Private Network to allow for flexibility, increased security and scalability required for a modern workforce. This will allow IT users to connect to widely distributed resources, such as multiple public clouds, Software as a Service applications and traditional data centers.
- ◆ Deploy the BSS to the remainder of DOI. BSS is an enterprise-level, IT service management system to improve user support for IT user problems and technical incidents. This system will increase customer satisfaction, improve cybersecurity, and provide enhanced analytics to DOI decision makers. Future savings opportunities include a reduction of servers and the number of Information Systems Security Officers with only one platform instead of many.
- ◆ Complete transition of all voice services from existing providers to a new vendor as part of General Services Administration's (GSA) Enterprise Infrastructure Services contract. This multi-year effort will allow DOI to reduce costs and modernize technology.
- ◆ Fully transition to a "soft phone" technology in the Udall building and OCIO office space in the Denver Federal Center. OCIO will encourage its use in other DOI office spaces. This will eliminate the infrastructure requirement of the current system and integrate the phone system with existing email and collaboration solutions, providing users with a seamless set of functions for chat, conferencing, voice, and other collaboration requirements.
- ◆ Continue to provide project management for the DOI Field Communication Modernization project, which will address the challenge of mobile broadband connectivity and provides DOI employees in the field with modern voice, video, and data capabilities.
- ◆ Collaborate with PPP to meet the digital delivery requirements of the *21st Century Integrated Digital Experience Act*, the *Foundations for Evidence-Based Policymaking Act*, and EO 14058, *Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government* to improve customer experience and more directly meet the needs of the people of the United States.
- ◆ Establish a blanket purchase agreement to provide DOI bureaus and offices with Section 508 support services to improve DOI's Section 508 practices and compliance. This will ensure information and communication technology purchased, built, maintained or used by DOI is accessible to employees and members of the public with disabilities.

#### CYBERSECURITY AND PRIVACY INTEGRATION

- ◆ Fully adopt MFA and encryption for encrypting data at rest and data in transit.
- ◆ Implement a cyber Supply Chain Risk Management program to identify, assess, and mitigate the risks associated with the global and distributed nature of information and communications technology product and service supply chains.
- ◆ Achieve a fully operational Security Information and Event Management system, a key enterprise-wide security tool that ties systems together for a comprehensive view of IT security and to protect and mitigate against cyber events.
- ◆ Classify and categorize DOI's most sensitive data, which will be documented in an Enterprise Data Inventory. Sensitive data includes personal information, private information, health information, and high-risk data, among others. Properly categorizing Interior's sensitive data and its flow through the enterprise will enable more automated trusted access to these data as well as more automated means of blocking these data from leaving DOI.
- ◆ Lead efforts to de-duplicate cyber security tools, providing a high level of cybersecurity at a lower cost.
- ◆ Provide DOI perspective to the National Security Council-led effort to review and update EO 13556: *Controlled Unclassified Information* and 32 CFR 2002: *Controlled Unclassified Information (CUI)*. This effort will further standardize the identification and protection of sensitive information across all Executive Branch Agencies and make implementation across DOI more effective.

### 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 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 process, 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-specific reporting capabilities,
- ◆ Increased data consistency, integrity, and transparency, and
- ◆ Retirement of aged, stove-piped, unsupported, and costly legacy systems.

### FY 2023 Accomplishments

The Business Integration Office (BIO) provides continual improvements, operations and maintenance support to FBMS and its users. The FBMS has an average of

approximately 14,000 users with over 4,000 of them using FBMS on an average business day. The BIO manages FBMS hosting through a cloud managed service provider and partners with OCIO to provide help desk support. In FY 2023, the BIO implemented several system improvements to include:

- ◆ Completed a multi-year endeavor to migrate the legacy FBMS cloud hosting infrastructure to an improved solution with a modern delivery model.
- ◆ Continued a multi-phase effort to migrate to the next generation of technology; in-memory computing. This phase of improvements provides improved performance for business processes and transactional data. It also provides for improved report presentation for data analysis. New enhancements included creating additional High-performance Analytic Appliance (HANA) Views, which simplify and accelerate reporting. In FY 2023 the BIO completed a major milestone of the S/4HANA implementation by successfully passing the Design Review Quality Gate and officially entering the Realize phase of the project. The effort to deploy S/4HANA has been a collaborative effort across DOI; the BIO conducted 130 workshops with the bureaus and policy offices to confirm requirements for the migration. In FY 2023 the BIO has also worked on configuration, development, unit testing, and data conversion for the S/4HANA instance. The BIO remains on track for the planned target of a successful go-live on S/4HANA in October 2024.
- ◆ Implemented system-wide upgrades to strengthen the cybersecurity posture, reduce risk, and improve the audit stance of FBMS. In FY 2023, the BIO completed procurement and began 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; monitoring of IT controls including integration with the DOI Security Information and Event Management tool; and demonstrated compliance with security controls applicable to a FISMA moderate system. The BIO also implemented a tool to scramble Personally Identifiable Information and initiated a proof of concept for privileged access management.
- ◆ Participated in the strategic planning sessions for Interior's ZT Architecture mission to ensure alignment of the FBMS security strategy with DOI requirements for this critical cybersecurity initiative.
- ◆ Implemented and began development of Robotic Process Automation (or bots) to:
  - ◆ Perform automatic monthly retrieval Assistance Listings data and consolidation into a single, searchable artifact. This automation greatly increases data integrity and enables efficient DOI-wide listings dissemination for data calls and inquiries.
  - ◆ Automate reconciliation of purchase order data between DOI's financial system (FBMS) and a Treasury managed e-Invoicing solution (Invoice

Processing Platform) to ensure all invoices match the contract and payment history maintained in FBMS, which is the system of record.

- ◆ Automate cybersecurity controls to perform verification that an Emergency Privilege Identification was used for the transaction/ purpose for which the request was approved. This automation strengthens internal controls to prevent the misuse of emergency privileges within FBMS.
- ◆ Improved the Payment in Lieu of Taxes (PILT) Module with new enhancements for Vendor Maintenance functionality and dashboard reporting. The new capabilities implemented in FY 2023, greatly improve the integrity of vendor data and production of annual PILT payment notification letters, which streamlines the notification process and helps avoid errors. These enhancements enable DOI to fully retire the legacy PILT desktop application.
- ◆ Implemented improvements to the Department's Payroll Fixed Cost reporting tool including Work Breakdown Structure enhancements that ensure accurate totals for budgeting across the Department.
- ◆ Improved financial assistance management for all of DOI's Bureaus and Offices by supporting the operations and maintenance of GrantSolutions, a Government-wide shared service solution for grants management;
- ◆ Continued implementation efforts for G-Invoicing. DOI provides on-going leadership across the federal government in support of the development and enhancement of Treasury's SAP G-Invoicing solution. DOI is the leader in the requirements gathering, development, defect resolution, testing, and enhancement of SAP's G-Invoicing framework. This year we spearheaded a number of critical development and testing activities to ensure the quality of a Federal solution.
- ◆ *Great American Outdoors Act (GAOA)* – The GAOA is historic legislation that provides funding to reduce DOI's deferred maintenance backlog and improve the condition of deteriorating assets. 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 2023, the BIO collaborated with the GAOA Program Management Office to develop business analytics and data visualizations needed to meet GAOA reporting requirements, including a project map that includes access to site project pictures for GAOA projects.
- ◆ *Bipartisan Infrastructure Law (BIL)* – The BIL is historic legislation that provides a financial commitment to invest in our Nation's infrastructure and benefit America's public for the next generation. This investment provides an unprecedented opportunity to rebuild America's roads, bridges, and rails; expands access to clean drinking water; tackles the climate crisis; advances environmental justice; and invests in communities. FBMS and GrantSolutions are the systems of record for the Department's financial, property, and grant management activities. Leveraging digital solutions, including FBMS and GrantSolutions, is an important component of DOI's stewardship of BIL funding. In FY 2023 the BIO supported Interior's stewardship of BIL funding through implementation of the following: BIL project map – The BIO led an effort to create a BIL project map that maps over \$7 billion in announced funding across 1,400+ projects. These projects are funded to address drought, ecosystem restoration, legacy pollution, tribal investments including Indian water rights settlements, and wildland fire. The map is used as an authoritative public-facing catalog of DOI's BIL-funded projects.
- ◆ OMB Reporting Improvements - Established a robust and efficient reporting process for PGM to facilitate timely and accurate reporting of BIL activities to the OMB.
- ◆ Dashboards - The BIO designed and implemented a suite of dashboards and reports that visually represent BIL data, including an interactive dashboard to track Purchase Orders, Grants, and Financial Assistance information. These visualizations provide value by enhancing data insights to improve reporting and decision-making.
- ◆ Deputy Assistant Secretary- Budget, Finance, Grants, and Acquisition (DAS-BFGA) IT Roadmap – In FY 2023 the 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 speed, reliability, and flexibility of the FBMS infrastructure and meeting federal mandates. Key planned activities for FY 2024 and beyond include, expanded implementation of robotics process automations; continuation of meaningful security enhancements to strengthen cybersecurity and implement ZT; multi-factor authentication compliance; expansion of data analytics capabilities, end user training improvements leveraging the new Engagement Layer to streamline and automate standard processes.

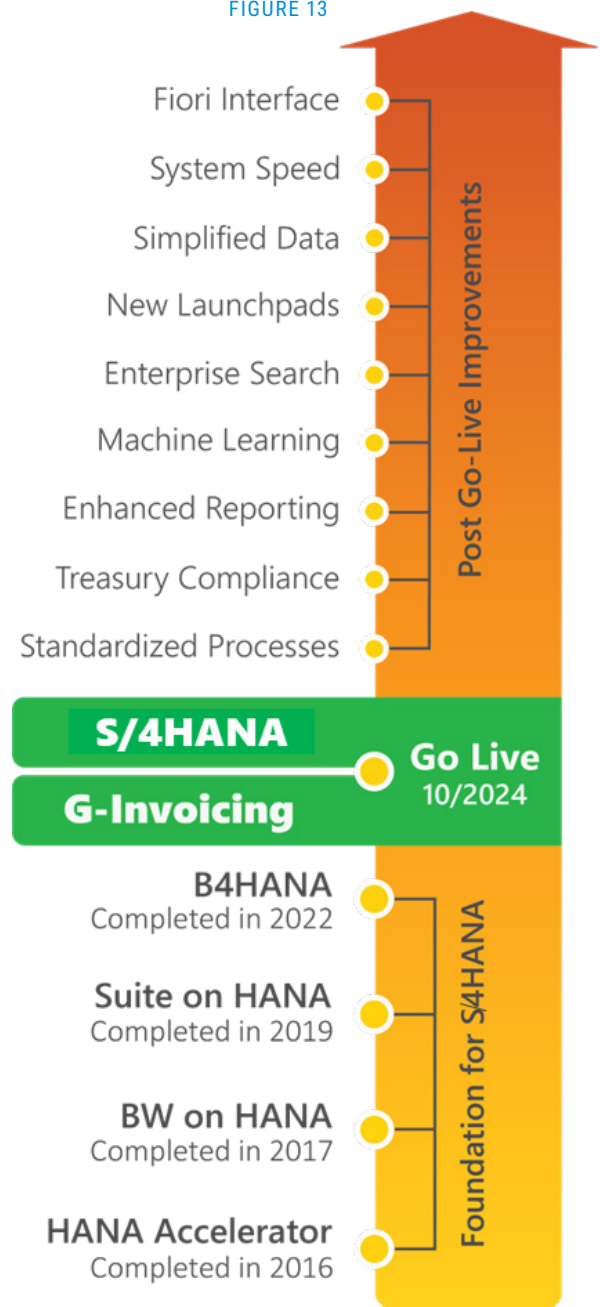
The BIO will also continue to lead the development of the DAS-BFGA IT Roadmap. This effort will identify and prioritize business driven IT initiatives across the entire DAS-BFGA functional area, leading to better plans for improvements for the next three to five years. The DAS-BFGA IT Roadmap is an annual process. The next iteration will build upon the first iteration. The goal of these roadmaps is to 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.

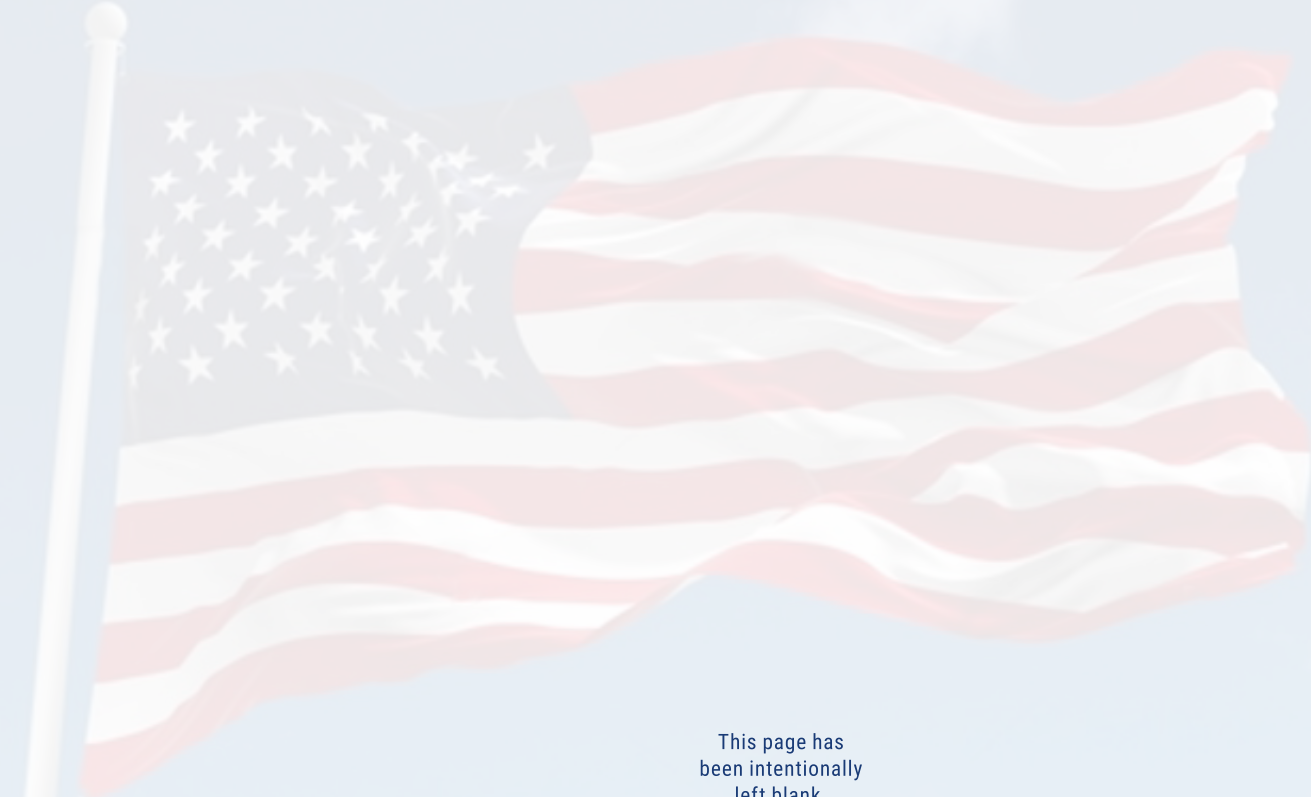
DOI's implementation plan for G-Invoicing is phased. The implementation approach includes extensive system development efforts to enable FBMS, a SAP Enterprise Resource Planning (ERP) based system, to interface directly with Treasury's G-Invoicing solution to the greatest extent possible, thus minimizing the need for dual entry by our end-users and eliminating the potential for Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reconciliation differences between FBMS and G-Invoicing. The implementation of G-Invoicing is dependent upon the software vendor providing a viable product. The BIO will continue close collaboration with SAP on the design and testing of the solution to ensure DOI, and other federal agencies, receive a stable product.

The BIO is leading a change in computing technology through the implementation of in-memory computing. The first phase, which went live in early FY 2017, added the SAP HANA™ Accelerator. The second phase, in FY 2018, moved the data warehouse to HANA™. This update improved system performance and provided timely access to system data to support analysis and visualization of DOI financial information. In FY 2019, DOI implemented Suite on HANA which increased speed across most transactions and enabled several ease-of-use improvements. The next phase was the migration of

our data warehouse to B4HANA. This was accomplished in February 2022. This migration improved the openness of the FBMS data warehouse, enabled FBMS to host data from any source, not only FBMS sources and increased the speed of the FBMS data warehouse. The final phase which includes SAP's S/4HANA implementation, will be a major change for FBMS and our users because it will incorporate changes to the look and feel of the system. These changes will include back-end table structure changes and position DOI to leverage functionality such as machine learning and an improved user interface. S/4HANA will introduce real-time analytics, real-time operational key performance indicators and enterprise search, as well as overall system speed improvements. S/4HANA go-live is scheduled for October 2024.

FIGURE 13





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The DOI received, for the 27th 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 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. The concessioners reported that these Special Accounts balances totaled approximately

\$11.1 million (unaudited) and \$12.3 million (unaudited), as of September 30, 2023 and 2022, 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.

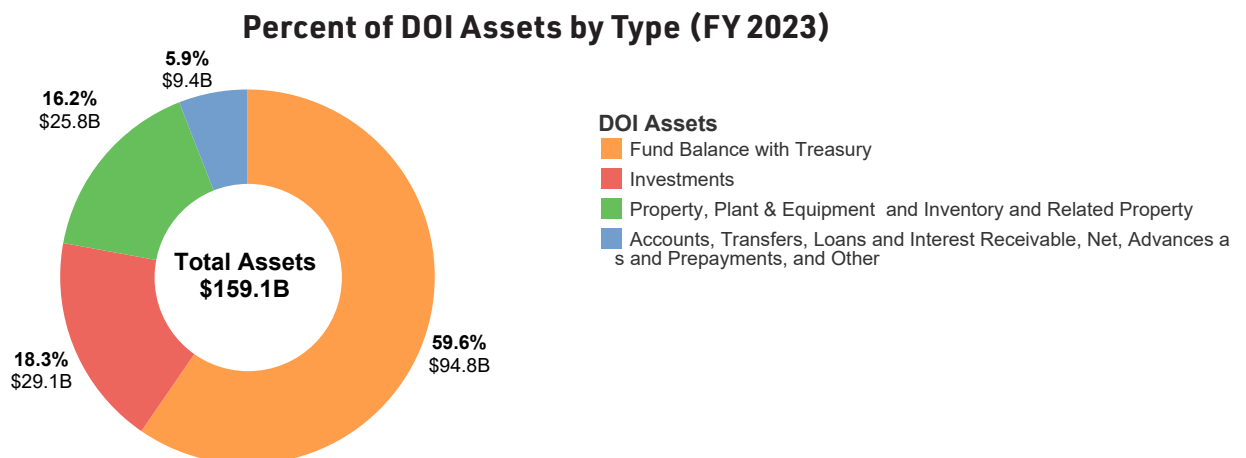
### Analysis of Assets

DOI assets increased by \$10.6 billion and 7.2 percent between FY 2023 and FY 2022 as presented in the following table. This increase is caused by a rise in Fund Balance with Treasury (FBwT), Investments, Net and General Property, Plant, and Equipment, Net (G-PP&E) in FY 2023. The FBwT increase is due to new appropriations related to the IIJA (P.L. 117-58) and increases in revenue in the form of bonuses and rents DOI received in FY 2023. Investments, Net increased with DOI's increased investment activity due to the authority to invest additional funds according to the BIL and the GAOA. The increase in G-PP&E is due to the completion of multiple projects including the Folsom Dam spillway and the San Joaquin River Restoration Project.

FIGURE 14

DOI Assets <i>(line items summarized) (dollars in thousands)</i>	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Fund Balance with Treasury	\$ 94,800,140	\$ 88,288,500	\$ 6,511,640	7.4%
Investments, Net	29,115,803	27,165,168	1,950,635	7.2%
General PP&E, Inventory, and Related Property, Net	25,762,993	23,712,140	2,050,853	8.6%
Accounts, Transfers, Loans and Interest Receivable, Net, Advances and Prepayments, and Other	9,426,063	9,290,975	135,088	1.5%
<b>Assets</b>	<b>\$ 159,104,999</b>	<b>\$ 148,456,783</b>	<b>\$ 10,648,216</b>	<b>7.2%</b>

FIGURE 15



## ANALYSIS OF FINANCIAL STATEMENTS

The DOI is authorized to use FBWT to pay liabilities resulting from operational activity and consists of funds received from direct appropriations, transfers, offsetting receipts, recoveries, and funds held in budget clearing accounts. Property, Plant and Equipment (PP&E) is primarily composed of land, structures, and facilities which are used for general operations, power, wildlife enhancement, and recreation.

The DOI real property portfolio contains more than 42,757 buildings and 90,155 structures, with a replacement value of \$409 billion (unaudited), 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.

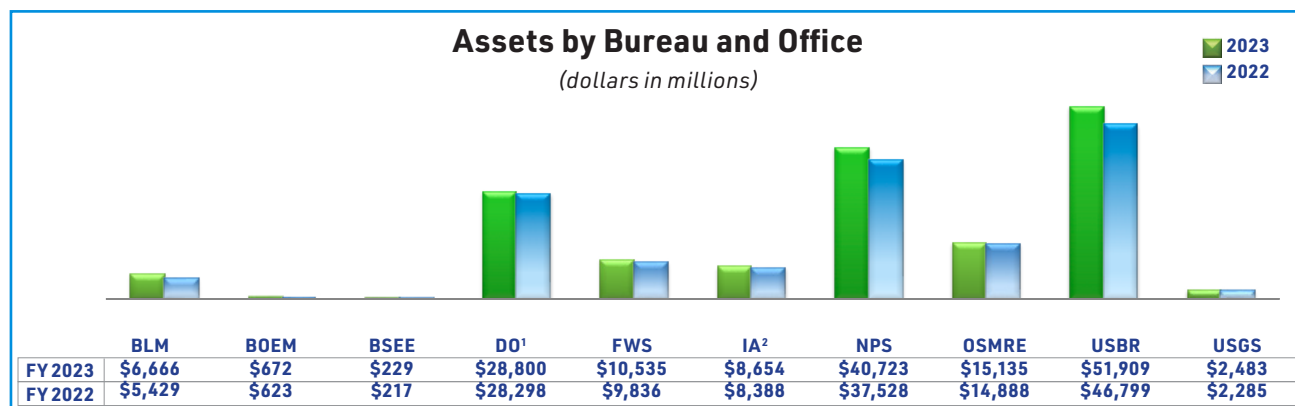
The DOI's reported values for PP&E exclude stewardship PP&E in accordance with accounting standards. Stewardship PP&E benefits the Nation as a whole and is considered priceless.

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, 2023, and 2022, amounts not yet earned under USBR's unmaturing repayment contracts were \$1.7 billion and \$1.7 billion, respectively (unaudited).

Comparative assets by Bureau and Office are displayed in the graph below. 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 16



<sup>1</sup>Bureau of Trust Fund Administration (BTFA) and Office of Insular Affairs (OIA) are included in Departmental Offices (DO).

<sup>2</sup>Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

### Analysis of Liabilities

DOI liabilities by Bureau and Office for FY 2023 and FY 2022 are shown in the table and graph below. DOI's liabilities increased by \$898 million and 5 percent. This is mainly due to an increase in Advances and Deferred Revenue.

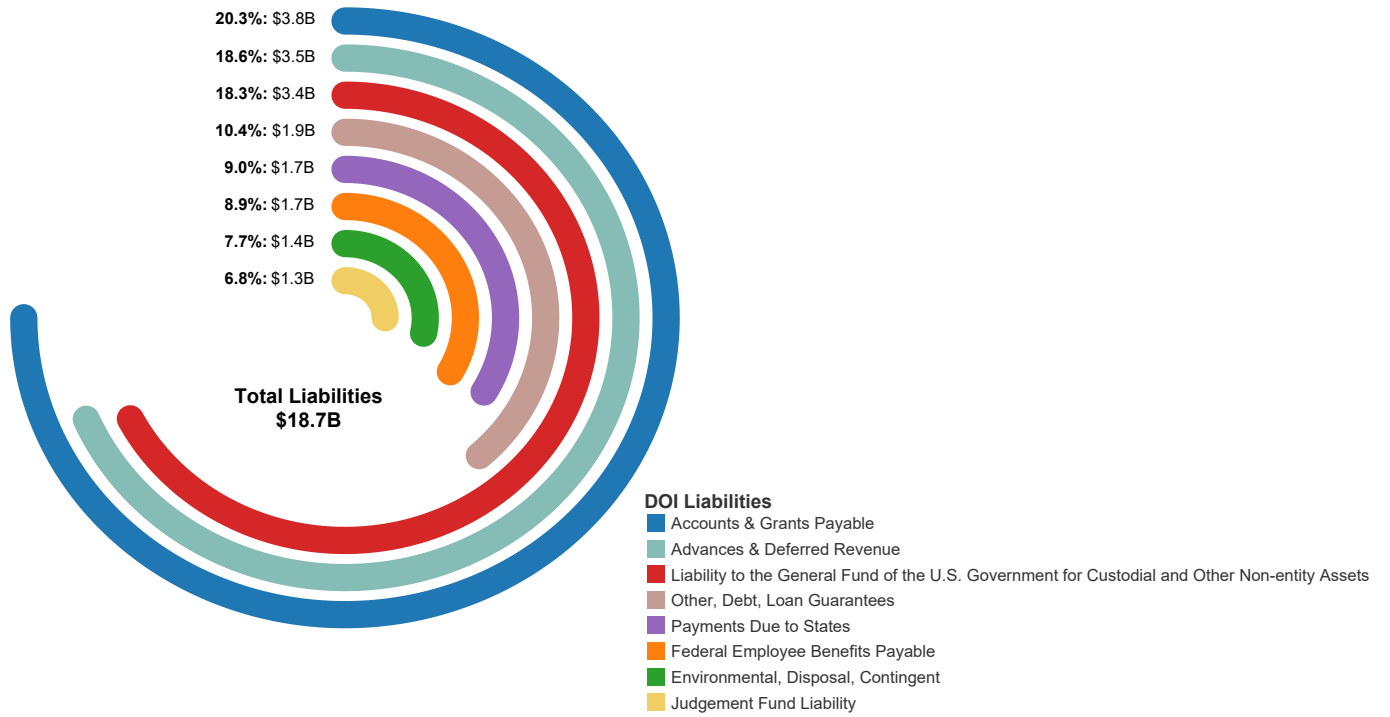
The change in Advances and Deferred Revenue is due to an increase in acquisitions services provided by the Interior Business Center to other agencies, including HHS and USDA.

FIGURE 17

<b>DOI Liabilities</b> <i>(line items summarized)</i> <i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Accounts Payable and Accrued Grant Liabilities	\$ 3,792,020	\$ 3,651,456	\$ 140,564	3.8%
Federal Employee Benefits Payable	1,671,878	1,642,789	29,089	1.8%
Environmental, Disposal, and Contingent Liabilities	1,438,373	1,442,239	(3,866)	(0.3)%
Payments Due to States	1,691,341	1,764,256	(72,915)	(4.1)%
Advances and Deferred Revenue	3,478,766	2,523,066	955,700	37.9%
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	3,419,726	3,475,134	(55,408)	(1.6)%
Judgment Fund Liability	1,275,844	1,275,856	(12)	0.0%
Other, Debt, Loan Guarantees	1,948,019	2,043,218	(95,199)	(4.7)%
<b>Liabilities</b>	<b>\$ 18,715,967</b>	<b>\$ 17,818,014</b>	<b>\$ 897,953</b>	<b>5.0%</b>

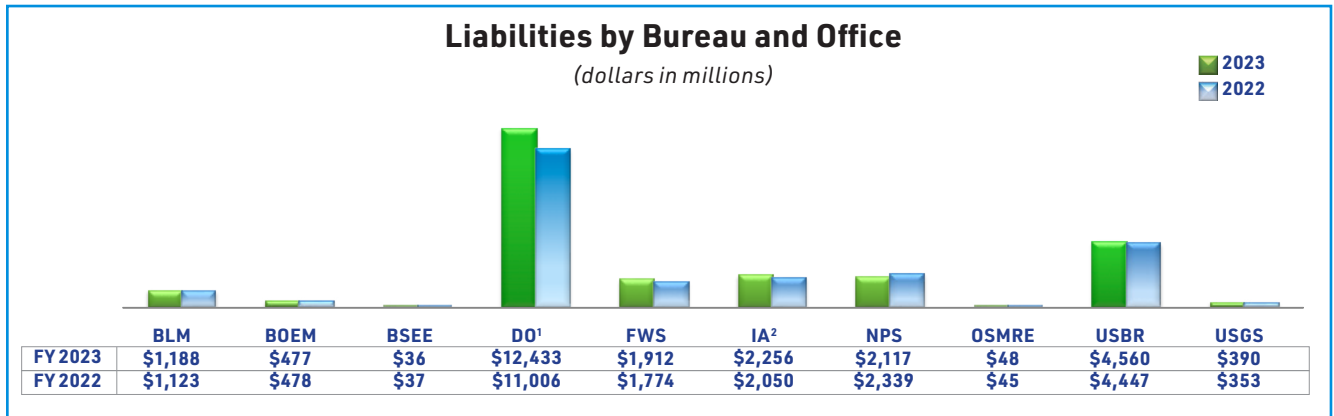
FIGURE 18

**Percent of DOI Liabilities by Type (FY 2023)**



Comparative liabilities by Bureau and Office are displayed in the graph below. 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 19



<sup>1</sup>Bureau of Trust Fund Administration (BTFA) and Office of Insular Affairs (OIA) are included in Departmental Offices (DO).

<sup>2</sup>Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

Analysis of Net Costs

FIGURE 20

DOI Net Cost <i>(summarized by Bureau and Office) (dollars in thousands)</i>	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Bureau of Land Management	\$ 1,645,420	\$ 1,818,007	\$ (172,587)	-9.5%
Bureau of Ocean Energy Management	180,168	157,289	22,879	14.5%
Bureau of Reclamation	1,803,749	1,521,117	282,632	18.6%
Bureau of Safety and Environmental Enforcement	174,731	161,490	13,241	8.2%
Departmental Offices <sup>1</sup>	7,537,813	7,071,305	466,508	6.6%
Indian Affairs <sup>2</sup>	4,617,980	5,404,142	(786,162)	-14.5%
National Park Service	3,780,056	3,852,366	(72,310)	-1.9%
Office of Surface Mining Reclamation and Enforcement	1,506,749	1,138,904	367,845	32.3%
U.S. Fish and Wildlife Service	3,996,699	3,477,687	519,012	14.9%
U.S. Geological Survey	1,554,285	1,382,345	171,940	12.4%
Eliminations <sup>3</sup>	(33,540)	(40,585)	7,045	-17.4%
<b>Net Costs - by Bureau and Office</b>	<b>\$ 26,764,110</b>	<b>\$ 25,944,067</b>	<b>\$ 820,043</b>	<b>3.2%</b>

<sup>1</sup>Bureau of Trust Fund Administration (BTFA) and Office of Insular Affairs (OIA) are included in Departmental Offices (DO).

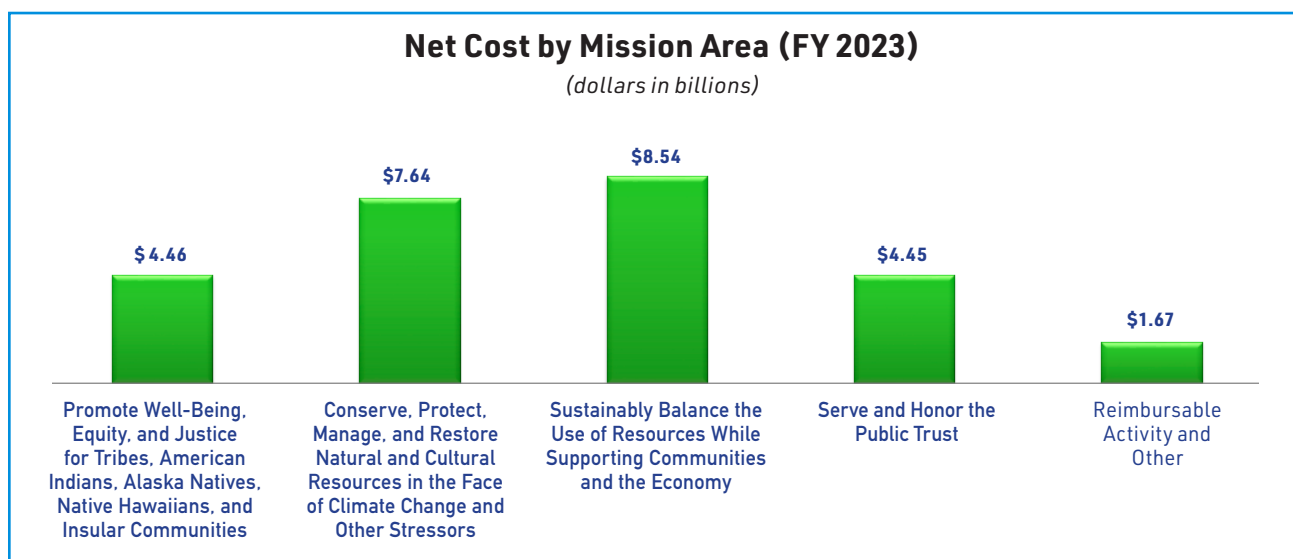
<sup>2</sup>Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

<sup>3</sup>Eliminations represent intra-departmental transactions or balances resulting from business activities conducted between two different DOI entities included in our Agency Financial Report.

DOI Net Cost of Operations is presented in the chart above. DOI's net costs increased \$820 million and 3.2 percent. This increase is due to grants paid out to 23 states for the Energy Community Revitalization Program, Deepwater Horizon payments to the Louisiana Restoration Area, and *Inflation Reduction Act* (IRA) funding awarded to the Lower Colorado Conservation System. In the chart below, the Consolidated Statement of Net Cost includes DOI's four Mission Areas: Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians,

and Insular Communities; Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors; Sustainably Balance the Use of Resources While Supporting Communities and the Economy; and Serve and Honor the Public Trust. The Statement of Net Cost 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 21



### Analysis of Net Cost – DOI Workforce

As shown in the figures below, DOI workforce costs include \$8.3 billion in payroll and benefit costs for employees executing DOI’s mission and programs. The DOI employed 68,327 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 55,751 full-time permanent staff and 12,576 part-time and seasonal staff.

FIGURE 22

Work Schedule Information	Full Time Permanent	Other <sup>1</sup>	Total
BIA	3654	114	3768
BIE	542	2657	3,199
BLM	9,393	1260	10,653
BOEM	591	10	601
BSEE	841	8	849
BTFA	428	3	431
DO <sup>2</sup>	3,811	223	4,034
FWS	8,213	777	8,990
NPS	16,001	5638	21,639
OSMRE	408	3	411
USBR	5,334	159	5,493
USGS	6,535	1724	8,259
<b>Total Employees by Bureau</b>	<b>55,751</b>	<b>12,576</b>	<b>68,327</b>

<sup>1</sup>Other includes Part-Time and Seasonal Employees

<sup>2</sup>DO includes OIA

FIGURE 23

Total Payroll and Benefits	
<i>(dollars in thousands)</i>	
BLM	\$ 1,273,888,753
BOEM	108,305,197
BSEE	142,369,257
DO <sup>1</sup>	775,046,340
FWS	1,185,254,560
IA <sup>2</sup>	756,593,105
NPS	2,118,065,569
OSMRE	60,318,322
USBR	761,040,704
USGS	1,072,910,745
<b>TOTAL</b>	<b>\$ 8,253,792,552</b>

<sup>1</sup>DO includes BTFA and OIA

<sup>2</sup>IA 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 24

Investments in Research and Development <i>(dollars in thousands)</i>				
Category	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Basic Research	\$ 161,256	\$ 139,759	\$ 21,497	15.4%
Applied Research	1,040,618	923,821	116,797	12.6%
Developmental Research	223,769	199,765	24,004	12.0%
<b>Total</b>	<b>\$ 1,425,643</b>	<b>\$ 1,263,345</b>	<b>\$ 162,298</b>	<b>12.8%</b>

Investment 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.

#### Human Capital:

FIGURE 25

Investments in Human Capital <i>(dollars in thousands)</i>				
Category	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Educational Programs	\$ 1,130,274	\$ 1,102,178	\$ 28,096	2.5%

Investment in Human Capital refers to education and training programs financed by the federal government for the benefit of the public; investment in human capital does not include education and training expenses for federal employees. The DOI plays a vital role in providing quality educational opportunities from early childhood throughout life, with consideration given to the mental, physical, emotional, spiritual, and cultural aspects of the people served.

#### Education Programs

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



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 2 Tribal technical colleges, the Navajo Technical University and United Tribes Technical College.

The Early Child and Family Development program provides BIE's Family and Child Education program and implementation of early childhood education, designed to address the achievement gap for American Indian children up to five years of age primarily located on rural reservations by teaching preschoolers and their families the skills needed to begin school. Services are provided to over 3,000 families in the child's home and school centers and include early childhood education, adult education, and parenting education.

BIE incorporates Native language and culture programs in classrooms, supporting expanded preschool and Native language programs to improve American Indian student academic outcomes. BIE prioritizes revitalization and maintenance of Native languages and the expanded use of language immersion programs in its schools. 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 DOI

**HAVASUPAI TRIBAL COUNCIL MEETING**

Secretary Haaland hiked to Supai Village on May 22, 2023 to meet with members of the Havasupai Tribal Council, where she highlighted how the President's Investing in America agenda is making historic investments in Tribal communities, including a historic \$2 billion for Tribal broadband. This is the first time an Interior Secretary has visited the Tribe.

<https://www.doi.gov/pressreleases/secretary-haaland-meets-arizona-tribes-highlight-historic-investments-president-bidens>

The Office of Postsecondary Education funds multiple scholarship programs to improve educational opportunities and serve a larger population of qualified Native American students. BIE post-secondary support includes a Scholarships and Adult Education program that promotes equity through 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 26

Investment in Non-Federal Physical Property (Unaudited)				
<i>(dollars in thousands)</i>				
Category	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Dams and Other Water Structures	\$ 454,675	\$ 279,479	\$ 175,196	62.7%
Land	63,317	70,281	(6,964)	-9.9%
Roads and Bridges	2,182	6,647	(4,465)	-67.2%
Schools and Public Buildings	77,031	63,910	13,121	20.5%
Ranges	1,448	8,398	(6,950)	-82.8%
Not Classified	1,328	882	446	50.6%
<b>Total</b>	<b>\$ 599,981</b>	<b>\$ 429,597</b>	<b>\$ 170,384</b>	<b>39.7%</b>

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.

The increased investment in non-federal physical property is primarily due to IA’s major investment in Tribal Colleges and Universities Facilities and NPS’s increased repairs, restoration and construction projects related to funding provided through the GAOA.

### Analysis of Net Position

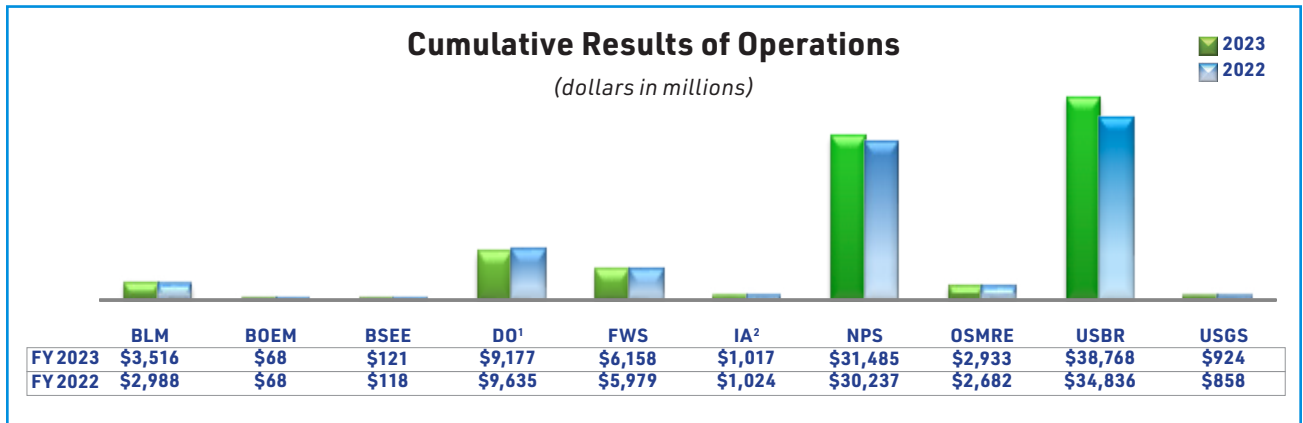
The Net Position of DOI includes Unexpended Appropriations and Cumulative Results of Operations. These two components are displayed on the Statement of Changes in Net Position to provide information regarding the nature of changes to

the Net Position of DOI as a whole. Cumulative Results of Operations is summarized by Bureau and Office in the graph below.

FIGURE 27

<b>Net Position</b> <i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Unexpended Appropriations	\$ 46,221,559	\$ 42,213,640	\$ 4,007,919	9.5%
Cumulative Results of Operations	94,167,473	88,425,129	5,742,344	6.5%
<b>Net Position</b>	<b>\$ 140,389,032</b>	<b>\$ 130,638,769</b>	<b>\$ 9,750,263</b>	<b>7.5%</b>

FIGURE 28



<sup>1</sup>Bureau of Trust Fund Administration (BTFA) and Office of Insular Affairs (OIA) are included in Departmental Offices (DO).

<sup>2</sup>Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

Analysis of Budgetary Resources

FIGURE 29

Key Budgetary Measures <i>(dollars in thousands)</i>	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Unobligated Balance from Prior Year Budget Authority	\$ 46,907,569	\$ 18,644,726	\$ 28,262,843	151.6%
Appropriations (Discretionary and Mandatory)	35,060,224	57,363,168	(22,302,944)	-38.9%
Spending Authority from Offsetting Collections and Borrowing Authority	7,807,327	6,430,309	1,377,018	21.4%
<b>Total Budgetary Resources</b>	<b>\$ 89,775,120</b>	<b>\$ 82,438,203</b>	<b>\$ 7,336,917</b>	<b>8.9%</b>
New Obligations and Upward Adjustments	41,235,318	36,520,461	4,714,857	12.9%
Apportioned, Unexpired	47,961,633	38,952,245	9,009,388	23.1%
Unapportioned, Unexpired and Expired, Unobligated Balance, End of Year	578,169	6,965,497	(6,387,328)	-91.7%
<b>Status of Budgetary Resources</b>	<b>\$ 89,775,120</b>	<b>\$ 82,438,203</b>	<b>\$ 7,336,917</b>	<b>8.9%</b>

The table above 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 Land and Water Conservation Fund and Historic Preservation Fund), 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, 2023, the increase in DOI's total budgetary resources equaled \$7.3 billion, a 9 percent increase from FY 2022.

In FY 2023, unobligated balances from the prior year's budget authority amounted to \$46.9 billion. This amount included \$45.9 billion in unobligated authority carried over

from previous years, \$1.3 billion in recoveries of unpaid obligations from the prior year, and \$271.9 million in other changes in unobligated authority. Compared to FY 2022, this amount increased by \$28.3 billion, representing a 151.6 percent rise. Appropriations of \$35.0 billion decreased by \$22.3 billion or a 38.9 percent reduction when compared to FY 2022. This decrease was mainly due to reduced appropriations received in FY 23. Additionally, spending authority from offsetting collections and borrowing authority amounted to \$7.8 billion, which was an increase of \$1.4 billion, a 21.4 percent rise. These changes are primarily due to regular program activities carried out in various DOI program areas and additional funds received through BIL, IJJA, and IRA in FY 2023 compared to FY 2022.

The increases in the status of budgetary resources were attributed to the similar activities mentioned for total budgetary resources.

FIGURE 30

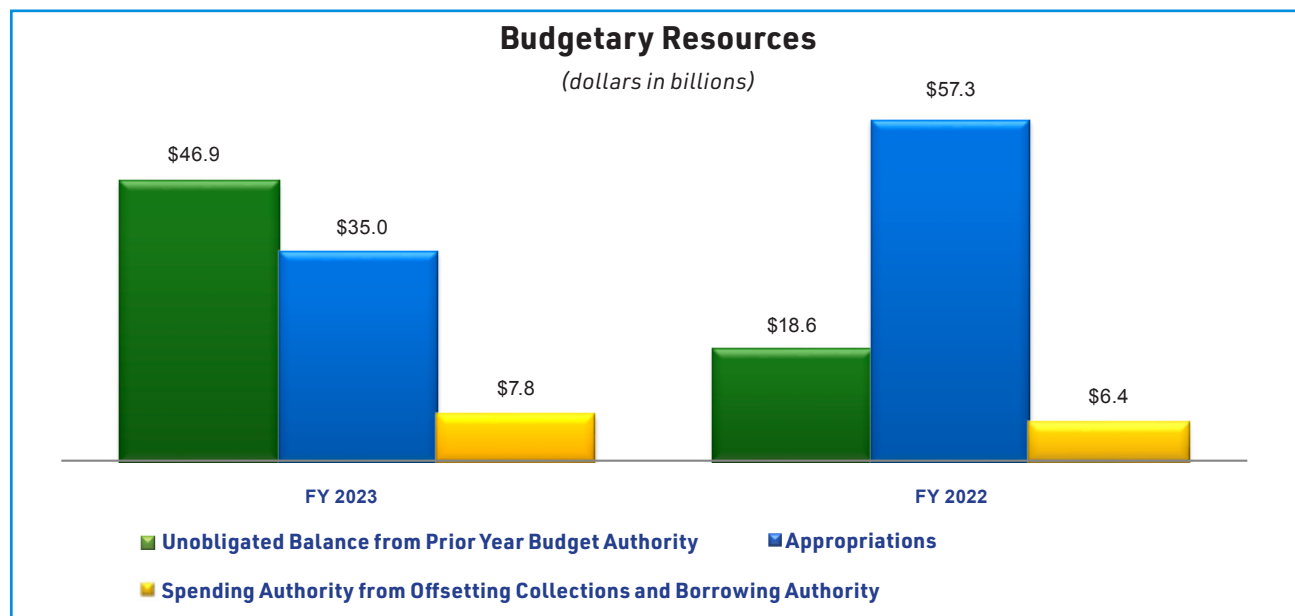
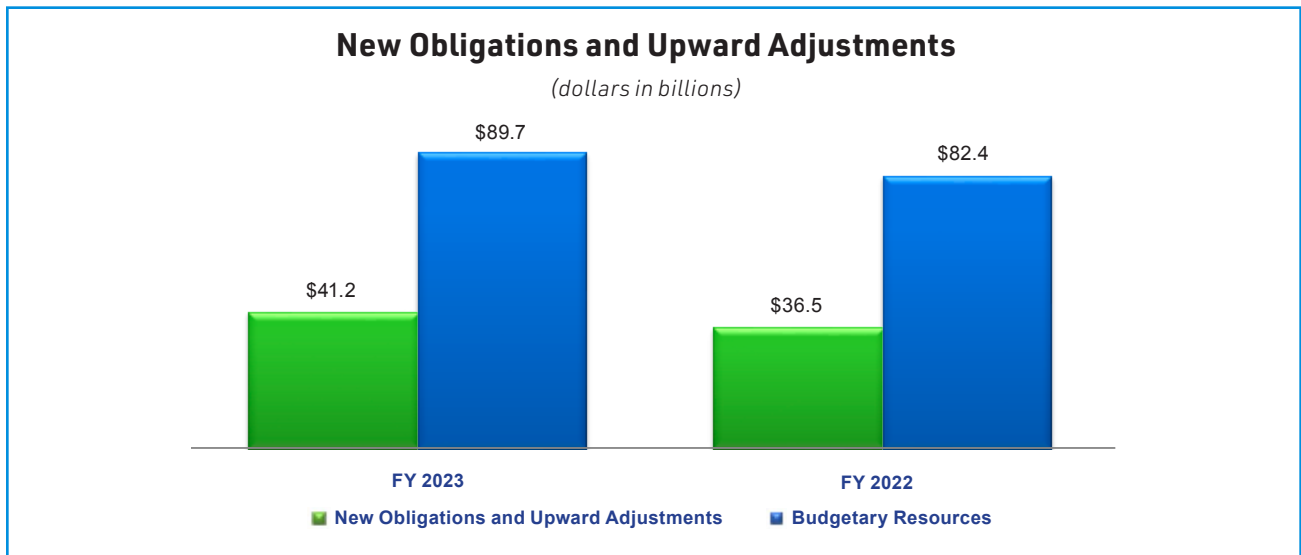


FIGURE 31



Analysis of Custodial Activity

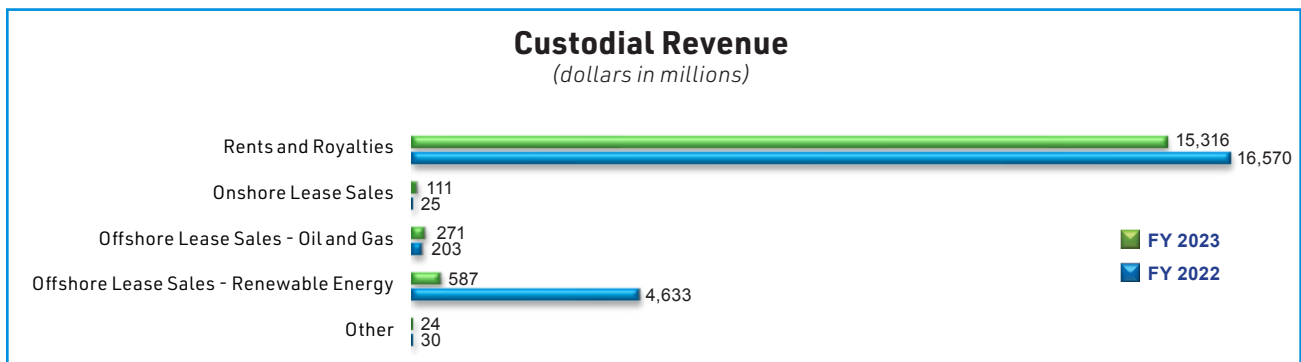
FIGURE 32

Custodial Activity (dollars in thousands)	FY 2023	FY 2022	Increase/ (Decrease)	% Change
Rents and Royalties	\$ 15,316,163	\$ 16,570,143	\$ (1,253,980)	-7.6%
Onshore Lease Sales	111,296	24,621	86,675	352.0%
Offshore Lease Sales - Oil & Gas	271,236	202,822	68,414	33.7%
Offshore Lease Sales - Renewable Energy	587,009	4,632,500	(4,045,491)	-87.3%
Other	24,025	29,736	(5,711)	-19.2%
<b>Total Custodial Revenue</b>	<b>\$ 16,309,729</b>	<b>\$ 21,459,822</b>	<b>\$ (5,150,093)</b>	<b>-24.0%</b>

The DOI custodial activity, as shown in the table above and the graph below, primarily includes revenues from royalties, rents, lease sales, and other receipts for federal oil, gas, renewable energy, and mineral leases that are collected by components within DOI on behalf of other entities. 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 Statement of Net Cost. The \$5.1 billion and 24 percent decrease in custodial revenue is attributable to decreased rents and royalties due to decreases in oil and gas prices in FY 2023 and due to less wind sales activity in FY 2023 as compared to FY 2022.

FIGURE 33



### COVID-19 Summary

President Biden signed the *American Rescue Plan Act of 2021* (ARP Act; P.L. 117-2) into law on March 11, 2021. The ARP Act continues many of the programs started by the *CARES Act (2020)* to address issues related to the continuation of the COVID-19 pandemic. The law provided direct appropriations to the Department as outlined below. These funds provided in FY 2021 are available until expended.

In FY 2023, approximately \$36 million of unobligated funds were rescinded for Fish and Wildlife Resource Management and approximately \$2 million of unobligated funds were rescinded for Bureau of Indian Affairs American Rescue Plan.

The table below summarizes resource availability and obligations incurred through September 30, 2023.

FIGURE 34

COVID-19 Related Funding Received in FY 2021 (Expired Fundings are Excluded)								
<i>(dollars in thousands)</i>	Resources Received (American Rescue Plan - Public Law 117-2) FY2021	Obligations Incurred FY 2021	Unobligated Balance Brought Forward	Obligations Incurred FY 2022	Unobligated Balance, Ending as of FY 2022	Unobligated Balance Brought Forward *	Obligations Incurred FY 2023	Unobligated Balance, Ending FY 2023
<b>BIA</b>								
Operations of Indian Programs - American Rescue Plan	\$ 900,000	\$ 708,401	\$ 191,599	\$ 104,743	\$ 86,856	\$ 85,137	\$ 85,137	\$ -
<b>BIE</b>								
Operations of Indian Education Programs - American Rescue Plan	850,000	563,718	\$286,282	67,893	218,389	218,389	167,041	51,348
<b>FWS</b>								
Resource Management	105,000	36,671	\$68,329	5,671	62,658	25,971	25,971	-
<b>TOTAL</b>	<b>\$ 1,855,000</b>	<b>\$ 1,308,790</b>	<b>\$ 546,210</b>	<b>\$ 178,307</b>	<b>\$ 367,903</b>	<b>\$ 329,497</b>	<b>\$ 278,149</b>	<b>\$ 51,348</b>

\*The difference between the Unobligated Balance, ending as of FY 2022 and Unobligated Balance Brought Forward to the beginning of FY 2023 is due to rescission of \$38M of unobligated balance.

### 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

The Department 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 and special commitments to American Indians, Alaskan Natives, and affiliated island communities.

The DOI will build upon successes of FY 2023 with the FY 2022–2026 Strategic Plan that fully articulates the vision, goals, and objectives of the Secretary and the Biden-Harris Administration. The strategic plan addresses the climate crisis, supports tribal and indigenous communities, restores balanced use of public lands and waters, advances environmental justice, and invests in a clean energy future.

DOI will further:


- ◆ Strengthen climate resilience and conservation partnerships;
- ◆ Advance climate equity;
- ◆ Create jobs and invest in healthy lands, waters, and economies of energy communities across the country;
- ◆ Increase renewable energy production on public lands and waters to support a carbon pollution-free power sector by 2035;
- ◆ Advance science and transparency across the Department and better incorporate scientific information into evidence-driven programmatic decisions;
- ◆ Honor and strengthen commitments to tribal nations by increasing investments in self-determination and self-government programs to bolster tribal sovereignty;
- ◆ Advance equity and racial justice and support underserved communities; and
- ◆ Rebuild core functions and capacities within the Department.

On January 27, 2021, the White House issued EO 14008, *Tackling the Climate Crisis at Home and Abroad*, which requires federal agencies to develop Climate Action Plans that describe their agency's climate vulnerabilities and to develop adaptive steps to take to address the impacts of climate change. The DOI shares the Biden-Harris Administration's concern that climate change poses an existential threat to infrastructures from extreme weather events, and health/safety impacts to employees. The Department is identifying and taking risk management actions to mitigate potential disruptions in these areas. To confront challenges that climate change poses to its mission objectives, the Department, in 2021, developed the [Department of Interior Climate Action Plan](#), which outlines how it will implement a strategy throughout the existing operations and programs. The Department has committed to work with various groups to address the impacts of climate change.

The plan illustrates and acknowledges how climate change is impacting the Department's mission and showcases the efforts to prepare for the associated effects. The plan identifies required actions to foster adaptation, resilience and mitigation to the impacts of climate change. The plan further explains the steps that the Department is taking to implement EO 14008.

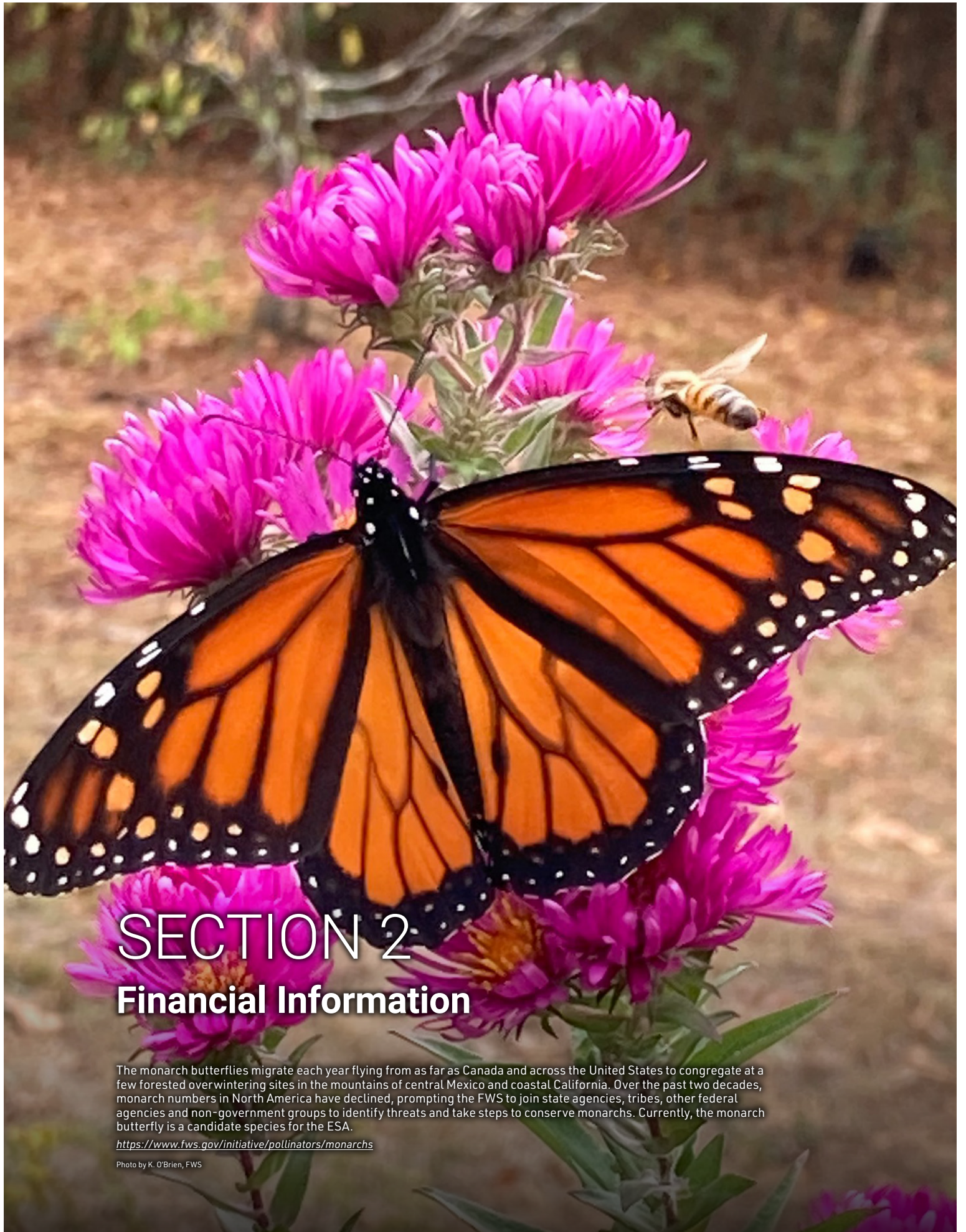
By committing to implementing an approved strategy to keep pace with a changing climate, the Department will play a significant role in how the United States stewards its public lands and waters. In FY 2023, the Department released its inaugural [Climate Adaptation and Resilience Progress Report](#).

DOI is looking to America's future with a focus on adaptive management and increasing resilience to the changing climate; creating jobs and economic development; using science and evidence to inform decisions; strengthening tribal nations' self-determination; expanding inclusion of historically underrepresented communities; promoting environmental justice; delivering DOI's core services; and providing effective stewardship of America's national treasures.

The image features two flags waving against a light blue sky with soft white clouds. The top flag is the United States flag, and the bottom flag is the Bureau of Indian Affairs flag, which includes a central shield with a bison and the text 'DEPARTMENT OF THE INTERIOR' and 'BUREAU OF INDIAN AFFAIRS'.

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## SECTION 2

### Financial Information

The monarch butterflies migrate each year flying from as far as Canada and across the United States to congregate at a few forested overwintering sites in the mountains of central Mexico and coastal California. Over the past two decades, monarch numbers in North America have declined, prompting the FWS to join state agencies, tribes, other federal agencies and non-government groups to identify threats and take steps to conserve monarchs. Currently, the monarch butterfly is a candidate species for the ESA.

<https://www.fws.gov/initiative/pollinators/monarchs>

Photo by K. O'Brien, FWS



JOAN M. MOONEY



TONYA R. JOHNSON-SIMMONS

We are honored to join Secretary Haaland in presenting the U.S. Department of the Interior Agency's Financial Report for fiscal year 2023. DOI's mission is to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities. We demonstrate our unwavering commitment to our mission and the American people through effective financial management and oversight of the resources entrusted to DOI.

We are pleased to report that DOI received its consecutive 27th unmodified audit opinion on the financial statements for FY 2023. Financial statement audits are an integral risk management tool used to improve our financials and oversight. Three material weaknesses (MWs) were reported, as a result of the FY 2023 financial statement audit. Material Weaknesses areas included Assets Constructed by Other Federal Agencies, Review and Update of Accounting Policies and Guidance (related specifically to a unique type of events), and Financial Reporting. For 2024 we will focus our efforts on prioritizing and resolving the material weaknesses noted in the FY 2023 audit. Specifically, we look to establish working groups and strategies to promote accountability in findings substantial remediations to repeat issues.

The Department began FY 2023 with one significant deficiency related to entity-level controls and a principal difference between the Department's FY 2022 FMFIA Assurance Statement, and the independent public auditor's opinion issued on the Department's FY 2022 consolidated financial statements related to a material weakness. To address the entity-level control audit finding noted by the independent public auditor during FY 2022, the Department implemented an Integrated Risk Register which gathered critical risk management data in support of both the Secretary's Annual Assurance Statement and the Entity Risk Profile. This streamlined the reporting of risk management information, supported management assurances from each of the Bureaus/Offices, and improved decision-making capabilities across the Department.

The Department also completed its 2nd annual consolidated entity-level assessment and incorporated for the first time senior executive level interviews as part of the assessment procedures. As we move forward, this will remain a top priority for the Department, as well as the modernization of its entity-level monitoring systems and our ability to scale the use of technology to bolster our existing oversight functions.

This past year, we continued our focus on maturing the audit follow-up program with a risk-based oversight approach. The refined approach has led the Department to substantially address 148 Government Accountability Office (GAO) and Office of Inspector General (OIG) audit recommendations; achieving 100% of its targeted goal base. As of the FY 2023 audit end date, closures of GAO recommendations are at 75% and OIG closures are at 88%. We are pleased to note that 57% of the recommendations addressed included GAO High-Risk Area and OIG designated Management Challenges areas; these included critical areas to DOI mission such as ensuring the Cybersecurity of the Nation, Management of Federal Oil and Gas Resources, Energy, IT Security, responsibility to Native Americans, Contract and Grant Oversight, Data Quality, Deferred Maintenance, and Law Enforcement. The newly implemented corrective action plan and root cause analysis framework to remediate financial statement audit findings also produced encouraging results. The Department successfully implemented corrective action plans to remediate 57% of FY22 Notice of Findings and Recommendations (NFRs) this fiscal year, signifying the sustainability of the corrective actions.

In addition to these accomplishments, we also:

- **Promoted DOI's compliance with the GAO Green Book** by completing the Department's 2nd annual entity-level assessment which included; consolidation of principle-based results (i.e., each of the 17 GAO Green Book principles was identified as either "met" or "partially met"), an extensive review of supporting documentation, and facilitated senior executive interviews with specific questions based on the GAO Green Book principles. As a result, the Office of Financial Management was able to identify organizational strengths and improvement opportunities within the Department's internal control environment.
- **Developed the Department's 1st Fraud Risk Profile**, as required by OMB Circular A-123. This covered areas such as payroll, beneficiary payments, grants, large contracts, information technology, security safeguards, purchase, travel, and fleet cards. The information collected will be used to continuously enhance fraud prevention and detective controls based on data-driven analyses from different reporting mechanisms.

- **Enhanced the Department's Payment Integrity Program** by implementing a risk-based approach. This involved a benchmark analysis, specifically, collaborating across multiple federal agencies to compare risk assessment methodologies, as well as performing data analytics of the Department's supplemental funds (*see Payment Integrity Risk Assessments section of AFR for additional details*). With the influx of supplemental funding to the Department in recent years, it was clear we needed to modify our payment integrity risk assessment approach based on the current federal financial environment. The new approach will enable the Department to perform a comprehensive analysis of potential programs susceptible to improper payments.
- **Training – Fraud and Internal Control Courses** During FY 2023, over 94% of the Bureau/Office financial management staff completed the Fraud Prevention course developed by the Office of Financial Management. In FY 2024, the Office of Financial Management will launch a new required fraud training course department-wide for all Interior staff. The two courses are part of the Department's anti-fraud strategy which is focused on effective communications, proactive fraud risk management, and fraud prevention (i.e., resources, training, tools, etc.).
- **Earned an "A+" rating on our Fiscal Year (FY) 2022 Small Business Procurement** Scorecard released by the U.S. Small Business Administration (SBA). Interior earned an "A" or higher rating for maximizing opportunities for small and disadvantaged businesses over the last 13 years Interior awarded more than \$3.2 billion in products and services to small businesses to support its priorities during FY 2022, representing 63% of contract obligations and showing an increase in contract dollars to small businesses for the second straight year. The scorecard represents the Department's commitment to assisting small and disadvantaged businesses with understanding and participating in DOI contracting opportunities.
- **Designed and implemented the DOI Bureau and Office Performance Metrics SharePoint site.** The Performance Metrics SharePoint is the Department's official tracking mechanism to ensure Bureaus and Offices Prompt Pay, Debt Collection, and Electronic Funds Transfer (EFT) performance is achieved by utilizing different activities and productivity as key metrics. Capturing performance metrics aids in understanding individual Bureau/Office performance and how it contributes to the overall Compliance with Other Key Legal and Regulatory Requirements performance for the Department.
- **The Infrastructure Investment and Jobs Act (IIJA) was passed by Congress in November 2021 and we have set about implementing it through the Department and Bureaus.** The Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act) is a once-in-a-generation investment in our Nation's infrastructure and competitiveness. This IIJA funding is instrumental in rebuilding America's roads, bridges, and rails, expanding access to clean drinking water, ensuring every American has access to high-speed internet, tackling the climate crisis, advancing environmental justice, and investing in communities that have too often been left behind. The Department received \$30.6 billion: Ecosystem Restoration \$1.4b, Wildland Fire \$1.5b, Scientific Innovation \$511m, Tribal Climate Resilience \$466m, Orphaned Wells \$4.7b, Western Water \$8.3b, Indian Water Rights \$2.5b, Abandoned Mine Lands \$11.3b. Of the \$30.6 billion allocated, we have invested \$7.3 billion in approximately 1,300 projects to date. We have strengthened our workforce by hiring more than 450 new staff throughout the department and continue to engage our stakeholders and tribal community to understand where funding is needed most.
- **Phase 2 of our S/4HANA Upgrade of our financial system was kicked off in March 2023.** In August 2023, our Bureaus began Mock 1 testing which is scheduled through April 2024. SAP S/4HANA is an Enterprise Resource Planning (ERP) software package meant to cover all day-to-day processes of our financial system and other core capabilities. It will deliver both processing and reporting improvements with built-in intelligent technologies, including Artificial Intelligence (AI), machine learning, and advanced analytics. We are on schedule for full deployment of S/4HANA in October 2024 (FY 2025).

**Once again, we were recognized** by the AGA, receiving our twenty-first consecutive AGA Certificate of Excellence in Accountability Reporting (CEAR) Award for our FY 2022 AFR and a Best-in-Class Award for 'Inspiring Photographs with Captions'.


Lastly, we are very proud of DOI's achievements over the past year. It speaks to our dedication as public servants and stewards of our Nation's natural resources and our commitment to improving the integrity of our financial reporting.



**JOAN M. MOONEY**  
Principal Deputy Assistant Secretary  
for Policy, Management and Budget  
November 15, 2023



**TONYA R. JOHNSON-SIMMONS**  
Deputy Chief Financial Officer and  
Director, Office of Financial Management  
November 15, 2023

The background of the page features a large, semi-transparent image of the United States flag waving on a pole, with the Department of the Interior seal overlaid on it. The seal depicts a bison in a landscape, surrounded by the text "DEPARTMENT OF THE INTERIOR" and "BUREAU OF LAND MANAGEMENT".

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

NOV 15 2023

Memorandum

To: Deb Haaland  
 Secretary of the Interior

From: Mark Lee Greenblatt   
 Inspector General

Subject: *Independent Auditors' Report on the U.S. Department of the Interior's Financial Statements for Fiscal Years 2023 and 2022*  
 Report No. 2023-FIN-021

This memorandum transmits the KPMG LLP (KPMG) auditors' report of the U.S. Department of the Interior's (DOI's) financial statements for fiscal years (FYs) 2023 and 2022. 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 years that ended September 30, 2023, and September 30, 2022. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget (OMB) audit guidance, and the Government Accountability Office's and Council of the Inspectors General on Integrity and Efficiency's *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.
- Three material weaknesses and one significant deficiency in internal controls over financial reporting:
  - *Material Weakness*—Controls over Financial Reporting.
  - *Material Weakness*—Accounting Policies and Guidance.
  - *Material Weakness*—Monitoring of Assets.
  - *Significant Deficiency*—Entity-Level Controls.

Office of Inspector General | Washington, DC

- 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.

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 make 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 November 15, 2023, 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 nine recommendations to address the identified findings. DOI submitted its response to KPMG on November 15, 2023. 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 regarding this report, please contact me, or your staff may contact Kathleen Sedney, 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 Inspector General  
 U.S. Department of the Interior:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of U.S. Department of the Interior (Department), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of net costs and changes in net position, and combined statements of budgetary resources and custodial activity for the years 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, 2023 and 2022, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits 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. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 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 audits. 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 U.S. 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 a member firm 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. 24-01 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. 24-01, 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.

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*

U.S. 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 audits 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, Other Information, Glossary of Selected Terms, Glossary of Acronyms, We Would Like to Hear from You, and Acknowledgments 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.

#### **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, 2023, 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 Exhibit I, we identified certain deficiencies in internal control that we consider to be material weaknesses and one significant deficiency.

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 deficiencies described in the accompanying Exhibit I as items A, B, and C to be material weaknesses.

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 deficiency described in the accompanying Exhibit I as item D to be a significant deficiency.

#### **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, 2023 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. 24-01.

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. The Department's response, titled Management's Response to Independent Auditors' Report for Fiscal Year (FY) 2023, 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 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. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.  
November 15, 2023

## Exhibit I

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 monitoring activities as part of the normal course of operations to ensure the controls are continuing to operate effectively to mitigate the identified risks.

As in prior years, during fiscal year 2023, the Department initiated the implementation of corrective action plans to address internal control weaknesses and strengthen their internal control. However, deficiencies remain, including in the areas of financial reporting, accounting policies and practices, monitoring of assets, and entity level controls that highlight the need for improved financial management and reporting controls at the Department. Given the increasing number of material weaknesses over the last three fiscal years, additional attention should be given to planned remediation efforts in fiscal year 2024.

**MATERIAL WEAKNESS****A. Controls over Financial Reporting***Condition*

The Department's controls over the preparation and compilation of its financial statements and related disclosures were not appropriately designed and implemented or operating effectively to prevent, or detect and correct, errors and/or omissions in certain financial statements and disclosures. The controls failed to detect and correct that the financial statements and disclosures did not conform to the annual updates made to the OMB Circular No. A-136 *Financial Reporting Requirements*. Specifically:

- Controls over the completeness and accuracy of certain data attributes for the Statement of Net Cost mapping, which are input at the bureau level into the financial management system, were not appropriately designed and implemented; and
- Review controls over the preparation and compilation of the Department's financial statements and related disclosures were not operating effectively.

*Criteria*

- Government Accountability Office (GAO) Standards for Internal Control in the Federal Government (Green Book) Principles 12 and 16 – *Implement Control Activities*; and *Perform Monitoring Activities*; respectively.
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*
- OMB Circular No. A-136, *Financial Reporting Requirements*

*Cause and Effect*

The review of the Department's financial statements and related disclosures did not follow the existing policies and procedures, and the reviewers did not properly complete the Financial Reporting and Note Disclosure Preparation Checklist in the execution of their job responsibilities. Specifically:

- The *Funds from Dedicated Collections* disclosure failed to include new disclosure requirements per OMB A-136, and the reviewer did not perform a thorough review of the disclosure to detect the omission of this required breakout of \$2.11 billion in non-exchange revenue between non-exchange revenue with the public and intragovernmental non-exchange revenue

## Exhibit I

- Certain data attributes for Statement of Net Cost mapping were updated by bureaus but these changes were not identified by the reviewer of the SNC and related *Costs and Exchange Revenue by Responsibility Segment* disclosure. These attributes were not validated for completeness and accuracy and costs were misclassified between programs.
- The *Reclassification of Financial Statements Line Items for Financial Report Compilation Process* disclosure contained material errors, and the reviewer did not perform a thorough review of the disclosure to detect errors of \$3.76 billion across four reported lines of the disclosure.

As a result of these observations, the Department made the necessary corrections to its year-end financial statements to ensure the disclosures were presented fairly, in all material respects, and in accordance with all applicable OMB requirements.

Without properly designed and implemented financial reporting controls that operate effectively, the Department is exposed to increased risk that misstatements, including omissions, in its financial statements and related note disclosures will not be prevented, or detected and corrected, in a timely manner.

*Recommendations:*

We recommend that the Department:

1. Strengthen process controls over the preparation, compilation, and review of its financial statement and related disclosures to include a thorough review of the annual OMB Circular No. A-136 *Financial Reporting Requirements* and the templates used in the process of generating the financial statements and the related disclosures.

**B. Accounting Policies and Guidance**

Due to recent natural disasters impacting the Department's assets, Department bureaus referred to specific Departmental policy and guidance over natural disaster events and reported material Natural Disaster Liability balances in the current fiscal year for damage to agency-owned property.

*Condition*

The Department had not established adequate controls over all current accounting guidance and policies to ensure they complied with U.S. Generally Accepted Accounting Principles (GAAP) for recorded transactions. Specifically, certain Departmental guidance did not clearly articulate the criteria of a liability under U.S. GAAP, as prescribed by the Federal Accounting Standards Advisory Board (FASAB), leading to a misinterpretation of U.S. GAAP and the recording of non-GAAP transactions.

*Criteria*

- Statement of Federal Financial Accounting Standards (SFFAS) 5 – *Accounting for Liabilities of the Federal Government*
- Statement of Federal Financial Accounting Concepts (SFFAC) 5 – *Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements*
- GAO Green Book Principles 4 and 10 – *Demonstrate Commitment to Competence; and Design Control Activities*; respectively.
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*

*Cause and Effect*

A combination of high accounting staff turnover in recent years and inadequate training resulted in management's incorrect interpretation of accounting standards and the publishing of internal accounting directives and policies that did not conform to U.S. GAAP. As a result, the Department's financial statements initially contained non-GAAP transactions that materially misstated liabilities by \$1.575 billion and expenses by \$1.074 billion as of and for the period ended June 30, 2023. In addition, inadequate review and update of accounting policies and guidance increase the risk that invalid transactions in the financial statements and related note disclosures will not be prevented, or detected and corrected, in a timely manner.

As a result of these observations, the Department made certain corrections to its year-end financial statements to ensure the statements and related disclosures were presented fairly, in all material respects.

*Recommendations:*

We recommend that management across the Department:

1. Strengthen the process for reviewing and evaluating existing accounting policies and guidance, specifically the guidance over unique transactions related to natural disaster events, to ensure the established Department policies clearly comply with GAAP.
2. Provide comprehensive training programs for employees for reviewing and evaluating accounting transactions for compliance with GAAP, specifically the relevant FASAB SFFAS.
3. Evaluate the remaining Natural Disaster Liability balance against the relevant SFFAS 5 criteria and determine the accurate amount to report as a liability of the Department.

**C. Monitoring of Assets**

The Department has had a long-standing internal control weakness over accurately reporting Property, Plant, and Equipment (PP&E) balances and, during fiscal year 2023, an internal control deficiency remained in the monitoring of assets, as outlined below.

*Condition*

Controls were not properly designed and implemented to ensure that all transactions and events were completely recorded in the Department's financial records. Specifically, the Department failed to accurately monitor and record fixed assets constructed by another Federal agency on behalf of the Department.

*Criteria*

- SFFAS 6 – *Accounting for Property, Plant, and Equipment*
- SFFAS 7 – *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*
- GAO Green Book Principles 5, 10, and 15 – *Enforce Accountability; Design Control Activities; and Communicate Externally*; respectively.
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*

*Cause and Effect*

The Department did not appropriately assess the risks associated with project-related property transactions performed by other agencies and, therefore, the Department's standardized procedures and controls for capturing and recording such transaction did not account for the added complexity and potential risks.

Insufficient communication and coordination between the Department and external agencies led to a breakdown in the tracking of assets. As a result, the PP&E balances in the Department's financial statements were most likely understated by \$801 million as of September 30, 2023.

If left un-remediated, these conditions present an increased risk that material errors in the reporting of PP&E amounts will not be prevented, or detected and corrected, by the Department's management in the normal course of performing their assigned functions.

*Recommendations:*

We recommend that management across the Department:

1. Develop and implement policy and standardized procedures in conjunction with the Asset Management Council for tracking fixed asset projects constructed by other Federal agencies.
2. Establish strong communication channels with external Federal agencies involved in constructing assets on the Department's behalf. This should include establishing formal agreements, regular meetings, and periodic reconciliations to ensure all fixed asset transactions are captured and recorded timely and accurately.
3. Put in place monitoring controls to regularly review and reconcile fixed asset transactions constructed by other Federal agencies within the financial records. This can involve periodic reviews of project documentation, invoices, and payment records to ensure completeness and accuracy.
4. Conduct training sessions for relevant personnel involved in financial record-keeping to enhance their understanding of the importance of tracking construction projects performed by other Federal agencies. This will help ensure compliance with established procedures and controls.

**SIGNIFICANT DEFICIENCY**

**D. Entity-Level Controls**

*Conditions*

The GAO Green Book states that an effective internal control system requires each of its five components, including control environment; risk assessment; control activities; information and communications; and monitoring to be effectively designed, implemented, and operating together in an integrated manner.

In the prior year, a deficiency was identified in the Department's entity-wide control environment components of Risk Assessment and Monitoring. During fiscal year 2023, the Department demonstrated progress in addressing and closing the identified prior year deficiencies in its entity-wide control component of Risk Assessment. As we reported in previous fiscal years, we continued to observe entity-wide internal control system conditions, in the component of Monitoring, as follows:

- Management assigned responsibility and delegated authority to remediate prior year internal control deficiencies related to Undelivered Orders; however, the remediation efforts were not completed on a timely basis.

**Exhibit I**

- Management assigned responsibility and delegated authority to remediate prior year internal control deficiencies related to PP&E; however, the remediation efforts were determined not to be the appropriate corrective action.

*Criteria*

- GAO Green Book Principle 17 - *Evaluate Issues and Remediate Deficiencies*

*Cause and Effect*

Management within the Office of Financial Management (PFM), who is tasked with the oversight responsibility of the Department's internal control system at the consolidated level, did not ensure remediation efforts were completed on a timely basis at the bureaus to address the identified risk. As activity at the bureaus rolls up into the consolidated activities of the Department, the ineffective remediation of bureau prior year deficiencies caused continued deficiencies to be reflected in the consolidated Department internal control system.

If not corrected, these deficiencies will expose the Department to an increased risk that misstatements in its financial statements and related disclosures would not be prevented, or detected and corrected, in a timely manner and lead to an increased risk of possible violation of laws and regulations.

*Recommendations*

We recommend that both programmatic and financial management across the Department:

1. Enhance monitoring capabilities related to existing deficiencies to address existing design deficiencies and improve operating effectiveness of the related controls in a timely manner. Specifically, management should consider a baseline (current year) assessment and compare against management's design (future state) of the internal control system to address the objectives and risks of the Department.



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

November 15, 2023

Memorandum

To: Mr. Mark Lee Greenblatt  
 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) 2023 (Assignment No. 2023-FIN-021)

We appreciate the opportunity to respond to the Independent Auditors' Report on the U.S. Department of the Interior (the Department) Fiscal Year (FY) 2023 consolidated financial statements. We are pleased to have achieved an unmodified audit opinion for the 27<sup>th</sup> consecutive year.

Management is resolute on taking necessary corrective actions to address pertinent issues identified during the FY 2023 audit. The DOI Management generally concurs with the auditor-identified weaknesses. With regard to the three material weaknesses noted, corrective actions are already underway.

*Controls over Financial Reporting:* The Controls over Financial Reporting deficiencies broadly include noncomplex data attribute mapping errors at the Bureau and the financial management system level and an internal purpose-only template, which does not impact the external financial report. We anticipate swift remediation of the issues to strengthen process controls over-preparing, compiling, and reviewing the financial statements.

*Accounting Policies and Guidance:* We expect a quick resolution of the Accounting Policies and Guidance findings surrounding the 2017 issued Natural Disaster Liability Reporting Guidance. Since the policy deficiency specifically relates to natural disaster-related transactions, and the magnitude of these transactions generally does not reach a material level (i.e., potentially material only with a high number of natural disasters), misstatements stemming from this issue can be efficiently addressed without much complexity. The policy in question is written at a high level with a narrow scope. It will likely benefit from clarity regarding the nuances and variations of DOI Natural Disaster-related transactions.

*Monitoring of Assets:* The control deficiencies surrounding assets constructed by other federal agencies noted in the Monitoring of Assets finding relate mainly to a specific type of asset group.



As the majority of the assets in this group are heritage assets, the overall impact on the DOI financial statements will likely be not material. The Financial Management Division and Asset Management Council will work together to develop policy and implement changes to track and standardize the Department's fixed assets recording procedure, including setting a standardized process for how the Department communicates with respective external agencies.

The Department is confident in the integrity of its program and financial operations. We remain committed to making continuous improvements to financial management objectives and internal control environment to carry out the Department's mission. We look forward to working collaboratively with the Office of Inspector General and the Independent Auditor in support of future audits.

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 Sheets**

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 Statements 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 Statements 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 Statements 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 Statements 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.

PRINCIPAL FINANCIAL STATEMENTS

<b>Consolidated Balance Sheet</b> as of September 30, 2023 and 2022		
<i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>
<b>ASSETS (Note 8)</b>		
<b>Intragovernmental:</b>		
Fund Balance with Treasury (Note 2)	\$ 94,800,140	\$ 88,288,500
Investments, Net (Note 3)	29,115,803	27,165,168
Accounts Receivable, Net:		
Accounts Receivable, Net	244,244	213,015
Transfers Receivable, Net	1,672,776	1,633,464
Advances and Prepayments	303,879	248,609
<b>Total Intragovernmental</b>	<b>\$ 126,136,842</b>	<b>\$ 117,548,756</b>
<b>With the Public:</b>		
Cash and Other Monetary Assets	255	303
Accounts Receivable, Net (Note 4)	6,872,668	7,019,716
Loans Receivable, Net (Note 5)	35,281	37,338
Inventory and Related Property, Net (Note 6)	43,830	43,899
General Property, Plant and Equipment, Net (Note 7)	25,719,163	23,668,241
Advances and Prepayments	280,713	125,948
Other Assets	16,247	12,582
<b>Total With the Public</b>	<b>\$ 32,968,157</b>	<b>\$ 30,908,027</b>
<b>TOTAL ASSETS</b>	<b>\$ 159,104,999</b>	<b>\$ 148,456,783</b>
Stewardship PP&E (Note 9)		
<b>LIABILITIES (Note 14)</b>		
<b>Intragovernmental:</b>		
Accounts Payable:		
Accounts Payable	\$ 81,536	\$ 79,501
Transfers Payable	1,299,988	1,207,480
Debt (Note 10)	30,311	32,411
Advances from Others and Deferred Revenue	2,195,945	1,180,475
Other Liabilities: (Note 14)		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	3,419,726	3,475,134
Judgment Fund Payable	1,275,844	1,275,856
Benefit Program Contributions Payable	204,895	198,404
Other	196,039	181,979
<b>Total Intragovernmental</b>	<b>\$ 8,704,284</b>	<b>\$ 7,631,240</b>
<b>With the Public:</b>		
Accounts Payable	\$ 1,554,044	\$ 1,661,024
Federal Employee Benefits Payable (Note 12)	1,671,878	1,642,789
Environmental and Disposal Liabilities (Note 13)	1,077,422	978,227
Loan Guarantee Liabilities (Note 5)	42,802	47,989
Advances from Others and Deferred Revenue	1,282,821	1,342,591
Other Liabilities: (Note 14)		
Accrued Grant Liabilities	856,452	703,451
Deposit Fund Liability	673,988	631,733
Contingent Liabilities (Note 13)	360,951	464,012
Payments Due to States	1,691,341	1,764,256
Other	799,984	950,702
<b>Total With the Public</b>	<b>\$ 10,011,683</b>	<b>\$ 10,186,774</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 18,715,967</b>	<b>\$ 17,818,014</b>
Commitments and Contingencies (Notes 13 and 15)		
<b>NET POSITION (Note 16)</b>		
Unexpended Appropriations - Funds from Dedicated Collections	\$ 20,396,493	\$ 19,312,255
Unexpended Appropriations - Funds from Other Than Dedicated Collections	25,825,066	22,901,385
<b>Total Unexpended Appropriations (Consolidated)</b>	<b>46,221,559</b>	<b>42,213,640</b>
Cumulative Results of Operations - Funds from Dedicated Collections	87,823,904	83,069,909
Cumulative Results of Operations - Funds from Other Than Dedicated Collections	6,343,569	5,355,220
<b>Total Cumulative Results of Operations (Consolidated)</b>	<b>94,167,473</b>	<b>88,425,129</b>
<b>TOTAL NET POSITION</b>	<b>\$ 140,389,032</b>	<b>\$ 130,638,769</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 159,104,999</b>	<b>\$ 148,456,783</b>

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

## Consolidated Statement of Net Cost

for the years ended September 30, 2023 and 2022

<i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities</b>		
Gross Costs	\$ 4,822,367	\$ 5,844,805
Less: Earned Revenue	363,179	343,004
<b>Net Cost</b>	<b>4,459,188</b>	<b>5,501,801</b>
<b>Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors</b>		
Gross Costs	8,587,009	7,734,675
Less: Earned Revenue	942,956	776,890
<b>Net Cost</b>	<b>7,644,053</b>	<b>6,957,785</b>
<b>Sustainably Balance the Use of Resources While Supporting Communities and the Economy</b>		
Gross Costs	9,169,521	8,852,631
Less: Earned Revenue	627,447	442,688
<b>Net Cost</b>	<b>8,542,074</b>	<b>8,409,943</b>
<b>Serve and Honor the Public Trust</b>		
Gross Costs	5,257,452	4,278,867
Less: Earned Revenue	806,646	642,939
<b>Net Cost</b>	<b>4,450,806</b>	<b>3,635,928</b>
<b>Reimbursable Activity and Other</b>		
Gross Costs	4,894,569	4,180,831
Less: Earned Revenue	3,226,580	2,742,221
<b>Net Cost</b>	<b>1,667,989</b>	<b>1,438,610</b>
<b>TOTAL</b>		
Gross Costs	32,730,918	30,891,809
Less: Earned Revenue	5,966,808	4,947,742
<b>Net Cost of Operations (Notes 17 and 19)</b>	<b>\$ 26,764,110</b>	<b>\$ 25,944,067</b>

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

PRINCIPAL FINANCIAL STATEMENTS

**Consolidated Statement of Changes in Net Position**

for the years ended September 30, 2023 and 2022

	FY 2023				FY 2022			
	Funds From Dedicated Collections (Consolidated Totals) (Note 16)	Funds From Other Than Dedicated Collections (Consolidated Totals)	Eliminations	Consolidated Total	Funds From Dedicated Collections (Consolidated Totals) (Note 16)	Funds From Other Than Dedicated Collections (Consolidated Totals)	Eliminations	Consolidated Total
<i>(dollars in thousands)</i>								
<b>UNEXPENDED APPROPRIATIONS</b>								
<b>Beginning Balance</b>	\$ 19,312,255	\$ 22,901,385	\$ -	\$ 42,213,640	\$ 1,246,207	\$ 12,357,632	\$ (277)	\$ 13,603,562
Appropriations Received	1,958,733	21,517,135	-	23,475,868	18,191,430	28,742,854	-	46,934,284
Appropriations Transferred In/(Out)	263,724	(750,274)	-	(486,550)	298,594	(582,486)	277	(283,615)
Appropriations - Used	(1,138,219)	(17,615,988)	-	(18,754,207)	(423,976)	(17,427,938)	-	(17,851,914)
Other Adjustments	-	(227,192)	-	(227,192)	-	(188,677)	-	(188,677)
Net Change in Unexpended Appropriations	1,084,238	2,923,681	-	4,007,919	18,066,048	10,543,753	277	28,610,078
<b>Total Unexpended Appropriations - Ending</b>	\$ 20,396,493	\$ 25,825,066	\$ -	\$ 46,221,559	\$ 19,312,255	\$ 22,901,385	\$ -	\$ 42,213,640
<b>CUMULATIVE RESULTS OF OPERATIONS</b>								
<b>Beginning Balance</b>	\$ 83,069,909	\$ 5,355,220	\$ -	\$ 88,425,129	\$ 78,977,990	\$ 4,545,159	\$ 33,313	\$ 83,556,462
Appropriations - Used	1,138,219	17,615,988	-	18,754,207	423,976	17,427,938	-	17,851,914
Royalty, Rents, and Lease Sales Retained	9,139,904	(175)	-	9,139,729	9,787,718	-	-	9,787,718
Non-Exchange Revenue	2,112,962	571,433	-	2,684,395	1,712,048	239,687	-	1,951,735
Transfers In/(Out) without Reimbursement	1,331,649	232,103	-	1,563,752	314,346	695,471	(277)	1,009,540
Donations and Forfeitures of Cash and Cash Equivalents	82,852	-	-	82,852	101,659	-	-	101,659
Donations and Forfeitures of Property	36,294	39,045	-	75,339	23,849	21,244	-	45,093
Imputed Financing	142,091	692,713	118	834,922	46,433	504,102	233	550,768
Other Financing Sources/(Uses)	(14,534)	(614,208)	-	(628,742)	(33,221)	(452,472)	-	(485,693)
Net Cost of Operations	(9,215,442)	(17,548,550)	(118)	(26,764,110)	(8,284,889)	(17,625,909)	(33,269)	(25,944,067)
<b>Net Change in Cumulative Results of Operations</b>	4,753,995	988,349	-	5,742,344	4,091,919	810,061	(33,313)	4,868,667
<b>Cumulative Results of Operations - Ending</b>	87,823,904	6,343,569	-	94,167,473	83,069,909	5,355,220	-	88,425,129
<b>TOTAL NET POSITION</b>	<b>\$ 108,220,397</b>	<b>\$ 32,168,635</b>	<b>\$ -</b>	<b>\$ 140,389,032</b>	<b>\$ 102,382,164</b>	<b>\$ 28,256,605</b>	<b>\$ -</b>	<b>\$ 130,638,769</b>

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

## Combined Statement of Budgetary Resources

for the years ended September 30, 2023 and 2022

	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts
	FY 2023	FY 2023	FY 2022	FY 2022
<i>(dollars in thousands)</i>				
<b>Budgetary Resources:</b>				
Unobligated Balance from Prior Year Budget Authority, Net (Note 18)	\$ 46,834,607	\$ 72,962	\$ 18,556,880	\$ 87,846
Appropriations (discretionary and mandatory)	35,060,224	-	57,363,168	-
Borrowing Authority (discretionary and mandatory)	-	202	-	261
Spending Authority from Offsetting Collections (discretionary and mandatory)	7,789,655	17,470	6,417,297	12,751
<b>Total Budgetary Resources</b>	<b>\$ 89,684,486</b>	<b>\$ 90,634</b>	<b>\$ 82,337,345</b>	<b>\$ 100,858</b>
<b>Status of Budgetary Resources:</b>				
New Obligations and Upward Adjustments	\$ 41,211,103	\$ 24,215	\$ 36,492,567	\$ 27,894
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts	47,895,214	66,419	38,879,281	72,964
Unapportioned, Unexpired Accounts	287,723	-	6,715,959	-
Unexpired, Unobligated Balance, End of Year	48,182,937	66,419	45,595,240	72,964
Expired, Unobligated Balance, End of Year	290,446	-	249,538	-
Unobligated Balance, End of Year	48,473,383	66,419	45,844,778	72,964
<b>Total Budgetary Resources</b>	<b>\$ 89,684,486</b>	<b>\$ 90,634</b>	<b>\$ 82,337,345</b>	<b>\$ 100,858</b>
<b>Outlays, Net and Disbursements, Net:</b>				
Outlays, Net (total) (discretionary and mandatory)	27,781,279	-	25,803,979	-
Distributed Offsetting Receipts (-)	(12,365,958)	-	(11,334,012)	-
<b>Agency Outlays, Net (discretionary and mandatory)</b>	<b>\$ 15,415,321</b>	<b>\$ -</b>	<b>\$ 14,469,967</b>	<b>\$ -</b>
<b>Disbursements, Net (mandatory)</b>	<b>\$ -</b>	<b>\$ 10,287</b>	<b>\$ -</b>	<b>\$ 7,454</b>

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

PRINCIPAL FINANCIAL STATEMENTS

<b>Combined Statement of Custodial Activity</b> for the years ended September 30, 2023 and 2022		
<i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>
<b>Revenues on Behalf of the Federal Government</b>		
Rents and Royalties	\$ 15,316,163	\$ 16,570,143
Onshore Lease Sales	111,296	24,621
Offshore Lease Sales – Oil and Gas	271,236	202,822
Offshore Lease Sales – Renewable Energy	587,009	4,632,500
Other	24,025	29,736
<b>Total Revenue</b>	<b>\$ 16,309,729</b>	<b>\$ 21,459,822</b>
<b>Disposition of Revenue</b>		
<b>Distribution to Department of the Interior</b>		
Bureau of Land Management	7,034	7,203
Bureau of Ocean Energy Management	35,000	40,372
Bureau of Safety and Environmental Enforcement	50,010	52,312
Departmental Offices	4,751,089	4,598,243
Fish and Wildlife Service	2,105	2,938
National Park Service	1,164,926	1,190,946
U.S. Bureau of Reclamation	3,463,829	3,319,098
<b>Distribution to Other Federal Agencies</b>		
Army Corps of Engineers	712	886
Department of Agriculture	289,003	360,310
General Fund of the Treasury	7,091,997	10,642,344
<b>Distribution to States and Others</b>	10,882	11,772
<b>Change in Untransferred Revenue</b>	(556,858)	1,233,398
<b>Total Disposition of Revenue</b>	<b>\$ 16,309,729</b>	<b>\$ 21,459,822</b>
<b>Net Custodial Activity (Note 22)</b>	<b>\$ -</b>	<b>\$ -</b>

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. 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. 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)
- ◆ Indian Affairs (IA), includes Bureau of Indian Affairs (BIA), Bureau of Indian Education (BIE), and Bureau of Trust Funds Administration (BTFA)
- ◆ National Park Service (NPS)
- ◆ Office of Surface Mining Reclamation and Enforcement (OSMRE)
- ◆ U.S. Geological Survey (USGS)
- ◆ U.S. Fish and Wildlife Service (FWS)

### 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.

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 (i.e., bills) and the interest method for longer-term securities (i.e., 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 *Credit Reform Act*, 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 & 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 BLM maintains the Federal Helium Reserve, a helium stockpile inventory which is stored in a partially depleted natural gas reservoir. After the In-Kind program was discontinued at the end of FY 2022, the Federally owned helium volumes contained in the Federal Helium Reserve have remained unchanged throughout FY 2023. In 2019, the volume was certified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume. On September 24, 2021, the BLM declared the Federal Helium System, including Federal Helium Reserve, as excess in accordance with the *Helium Stewardship Act of 2013*.

The GSA is selling the Federal Helium System for the BLM, including helium remaining in the Federal Helium Reserve. After the sale, the BLM will no longer own any helium. The GSA Invitation for Bid was issued on July 26, 2023 and bid openings are currently scheduled for November 15, 2023. On September 7, 2023 a complaint was filed in the United States District Court for the Northern District of Texas, and September 11, 2023, plaintiffs also filed a Motion for Preliminary injunction requesting delay of the sale. At this time, the impacts of this litigation on the sale are unknown. If the sale proceeds as scheduled, all proceeds from the sale of the Federal Helium System will be deposited into the Helium Production Fund. The Fund is a business enterprise revolving fund (no year limitations), which pays for expenditures (labor, maintenance, infrastructure, utilities, etc.) determined to be necessary to carry out all aspects of the Federal Helium Program. Any amounts in the Fund determined to be in excess, shall be paid to the General Fund of the Treasury and used to reduce the annual federal budget deficit.

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. Seized non-valued property is not considered an asset of the DOI and is not reported as such in the DOI's financial statements.

As of October 17, 2023, the following DOI Law Enforcement Programs certified no significant activity for seized and forfeited property during FY 2023: Bureau of Indian Affairs, U.S. Fish and Wildlife Service, National Park Service, and United States Park Police.

The BLM did certify significant activity in FY 2023 based upon the established bureau threshold for narcotics, specifically processed marijuana. During FY 2023, BLM seized 284,109 mature marijuana plants and 12,996 kilograms of processed marijuana, mostly as a result of joint task force investigations and operations across California. Aside from the representative evidentiary samples required by courts for prosecution, all processed marijuana that was seized followed destruction protocols with the United States Attorneys' Office and bureau evidence disposal guidelines. In addition to marijuana seizures, BLM also reported a significant seizure of artifacts, specifically dinosaur fossils, totaling 67,499 pounds.

## I. General Property, Plant, & Equipment, Net

**General Property, Plant, & Equipment.** General Property, Plant & Equipment (G-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; leasehold improvements; and internal use software.

All G-PP&E is 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.

For land, buildings, structures, land improvements, leasehold improvements, and facilities, DOI has established a capitalization threshold of \$250,000. 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 equipment, vehicles, aircraft, and capital leases of 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 G-PP&E.

In accordance with the standards, DOI recorded certain G-PP&E acquired on or before September 30, 1996, at its estimated net book value (i.e., 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.** 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 identified as suspended or terminated and 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 G-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.

G-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 G-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 G-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 the *Federal Credit Reform Act of 1990* (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.

**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 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 Benefits Payable.** The federal employee benefits consist of the liability owed under the U.S. Park Police (USPP) Pension Plan, unfunded annual leave, as well as the FECA actuarial liability. Annual leave amounts earned by employees are accrued as a liability until 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 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 federal employee benefits liability.

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

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 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:**

**Accrued Funded Payroll and Leave.** Accrued payroll and benefits represents salaries and benefits earned by employees but not yet paid.

**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 Statement of Net Cost 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 Statement of Changes in Net Position rather than on the Statement of Net Cost.

**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 Statement of Changes in Net Position.

**Custodial Revenue.** The Office of Natural Resources Revenue (ONRR), a component of DOI, collects royalties, rents, lease sales, and other receipts for federal oil, gas, renewable and mineral 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 Statement of Net Cost and are offset by imputed financing sources in the Statement of Changes in Net Position. 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*.

**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 2022 and FY 2023, 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. The FY 2022 and FY 2023 methodologies omitted pandemic-related adjustments to normalize the levels of payments. The FY 2023 methodology reduced the base factor for medical costs in the FECA Case Reserve Model.

**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 his/her 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, and terminations.

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 Statement of Net Cost, and the Statement of Changes in Net Position. As provided for by OMB Circular A-136, the Statement of Budgetary Resources 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.

**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 concessioner 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, HHS, DOL, DOT, USACE, and the U.S. Agency for International Development.

**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 assets, liabilities, revenues, expenses, 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 2023 and FY 2022.

**U. Reclassifications**

Certain reclassifications have been made to the FY 2023 financial statements, notes, and supplemental information to better align with the Department's policies and procedures effective in FY 2023 and in accordance with Treasury Financial Manuals and OMB Circular A-136.

## 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 Land and Water Conservation Fund 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 Statement of Budgetary Resources 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 2023 and FY 2022, \$59 million and \$48 million, respectively, of unused funds from expired appropriations were returned to Treasury as of September 30th of each 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, 2023 and 2022, consist of the following:		
<i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>
<b>Budgetary Fund Balance with Treasury</b>		
Unobligated		
Available	\$ 25,837,460	\$ 17,811,146
Unavailable	1,389,566	7,715,985
Obligated Not Yet Disbursed	19,139,361	15,459,500
<b>Total Budgetary Fund Balance with Treasury</b>	<b>\$ 46,366,387</b>	<b>\$ 40,986,631</b>
<b>Non-Budgetary Fund Balance with Treasury</b>		
Clearing, Deposit, and Unavailable General Fund Receipt Accounts	\$ 2,240,046	\$ 3,076,688
Unavailable Special Receipt Accounts	46,193,707	44,225,181
<b>Total Non-Budgetary Fund Balance with Treasury</b>	<b>\$ 48,433,753</b>	<b>\$ 47,301,869</b>
<b>Total Fund Balance with Treasury Status</b>	<b>\$ 94,800,140</b>	<b>\$ 88,288,500</b>

### 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, 2023, consist of the following:					
<i>(dollars in thousands)</i>	Cost	Net Amortized (Premium)/ Discount	Interest Receivable	Investments, Net	Market Value Disclosure
U.S. Treasury Securities					
Marketable	\$ 510,229	\$ 9,901	\$ -	\$ 520,130	\$ 519,546
Non-marketable, Market-based	28,362,862	159,393	73,418	28,595,673	28,214,641
<b>Total Intragovernmental Investments</b>	<b>\$ 28,873,091</b>	<b>\$ 169,294</b>	<b>\$ 73,418</b>	<b>\$ 29,115,803</b>	<b>\$ 28,734,187</b>

Investments as of September 30, 2022, consist of the following:					
<i>(dollars in thousands)</i>	Cost	Net Amortized (Premium)/ Discount	Interest Receivable	Investments, Net	Market Value Disclosure
U.S. Treasury Securities					
Marketable	\$ 454,764	\$ 1,778	\$ -	\$ 456,542	\$ 456,135
Non-marketable, Market-based	26,666,747	27,810	14,069	26,708,626	26,379,284
<b>Total Intragovernmental Investments</b>	<b>\$ 27,121,511</b>	<b>\$ 29,588</b>	<b>\$ 14,069</b>	<b>\$ 27,165,168</b>	<b>\$ 26,835,419</b>

## 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 are diverse and include 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. (BXP), et al. This case resolved civil claims against BP entities arising from the April 20, 2010, Macondo well blowout and the massive oil spill that followed in the Gulf of Mexico. 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, 2023, DOI has recorded over \$4.2 billion in accounts receivable and approximately \$328 million in interest receivables. Management considers these receivables to be fully collectible.

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

Accounts Receivable from the Public consist of the following as of September 30, 2023 and 2022:

<i>(dollars in thousands)</i>	FY 2023	FY 2022
Accounts and Interest Receivable from the Public		
Accounts and Interest Receivable from the Public	\$ 7,012,350	\$ 7,138,528
Allowance for Doubtful Accounts	(139,682)	(118,812)
<b>Total Accounts and Interest Receivable from the Public, Net</b>	<b>\$ 6,872,668</b>	<b>\$ 7,019,716</b>

**NOTE 5. LOANS RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES**

A. Direct Loan and Loan Guarantee Program Names: <span style="float: right;">(dollars in thousands)</span>		
	FY 2023	FY 2022
Indian Affairs - Direct Loans (Pre-Credit Reform)	\$ 221	\$ 315
Indian Affairs - Direct Loans (Credit Reform)	3	(409)
Indian Affairs - Guaranteed Loans (Credit Reform)	1	70
Bureau of Reclamation - Direct Loans (Pre-Credit Reform)	4,803	5,289
Bureau of Reclamation - Direct Loans (Credit Reform)	23,875	25,199
Departmental Offices - American Samoa Government (Credit Reform)	6,378	6,874
<b>Total Loans and Interest Receivable, Net</b>	<b>\$ 35,281</b>	<b>\$ 37,338</b>

**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 Acting Division of Capital Investment Chief. Interest is accrued on current and delinquent loans.

The Direct Loans (Credit Reform) is reporting a negative balance as this balance includes FY 2022 subsidy re-estimate accruals. These re-estimates resulted in a negative balance in the Allowance for Subsidy Cost, as presented in Table C. Direct Loans Obligated After FY 1991. The subsidy re-estimates are further explained in Table D. Subsidy Expenses for Direct Loans by Program and Component.

**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, 2023 and 2022, are summarized as follows:

B. Direct Loans Obligated Prior to FY 1992 (Allowance for Loss Method): <span style="float: right;">(dollars in thousands)</span>				
Direct Loan Programs (Pre-Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance For Loan Losses	Direct Loans, Net
Indian Affairs	\$ 282	\$ 13	\$ (74)	\$ 221
Bureau of Reclamation	4,803	-	-	4,803
<b>FY 2023 Total</b>	<b>\$ 5,085</b>	<b>\$ 13</b>	<b>\$ (74)</b>	<b>\$ 5,024</b>
Indian Affairs	\$ 401	\$ 19	\$ (105)	\$ 315
Bureau of Reclamation	5,289	-	-	5,289
<b>FY 2022 Total</b>	<b>\$ 5,690</b>	<b>\$ 19</b>	<b>\$ (105)</b>	<b>\$ 5,604</b>

## NOTES TO PRINCIPAL FINANCIAL STATEMENTS

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:					<i>(dollars in thousands)</i>
Direct Loan Programs (Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance for Subsidy Cost	Direct Loans, Net	
Indian Affairs	\$ -	\$ -	\$ 3	\$ 3	
Bureau of Reclamation	23,911	-	(36)	23,875	
Departmental Offices - American Samoa Government	7,453	-	(1,075)	6,378	
<b>FY 2023 Total</b>	<b>\$ 31,364</b>	<b>\$ -</b>	<b>\$ (1,108)</b>	<b>\$ 30,256</b>	
Indian Affairs	\$ 74	\$ 8	\$ (491)	\$ (409)	
Bureau of Reclamation	25,634	-	(435)	25,199	
Departmental Offices - American Samoa Government	7,996	-	(1,122)	6,874	
<b>FY 2022 Total</b>	<b>\$ 33,704</b>	<b>\$ 8</b>	<b>\$ (2,048)</b>	<b>\$ 31,664</b>	

### 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 tables below. 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.

In FY 2022, IA calculated a large technical upward re-estimate to the Direct Loans due to low projections of recoveries estimated for next fiscal year. The cash flows are updated annually to capture current year cash activity prior to estimating and calculating the interest rate and technical re-estimates. The re-estimate calculations are only estimates and not indicative of actual loan activity.

**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 2023 or in FY 2022 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
<b>Direct Loan Programs (Credit Reform)</b>			
Indian Affairs	\$ (535)	\$ 646	\$ 111
Bureau of Reclamation	-	194	194
<b>FY 2023 Total</b>	<b>\$ (535)</b>	<b>\$ 840</b>	<b>\$ 305</b>
Indian Affairs	\$ (141)	\$ 713	\$ 572
Bureau of Reclamation	-	197	197
<b>FY 2022 Total</b>	<b>\$ (141)</b>	<b>\$ 910</b>	<b>\$ 769</b>

Total Direct Loan Subsidy Expense <i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Direct Loan Programs (Credit Reform)</b>		
Indian Affairs	\$ 111	\$ 572
Bureau of Reclamation	194	197
<b>Total</b>	<b>\$ 305</b>	<b>\$ 769</b>

**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 2023	FY 2022
Beginning balance of the subsidy cost allowance	\$ 2,048	\$ 1,889
Adjustments:		
(a) Subsidy allowance amortization	(440)	(486)
(b) Other	(805)	(124)
Ending balance of the subsidy cost allowance before re-estimates	803	1,279
Add or subtract total subsidy re-estimates as shown in Schedule D	305	769
<b>Ending balance of the subsidy cost allowance</b>	<b>\$ 1,108</b>	<b>\$ 2,048</b>

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 2023	\$ 2	\$ 1	\$ (2)	\$ 1	
FY 2022	\$ 700	\$ 12	\$ (642)	\$ 70	

**Table G. Guaranteed Loans Outstanding**

The following table details the outstanding principal for loan guarantees as of September 30, 2023 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 2023 and FY 2022 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, 2023:			<i>(dollars in thousands)</i>	
Loan Guarantee Programs	Outstanding Principal of Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed		
FY 1992-2021	\$ 569,161	\$ 511,257		
FY 2022	74,735	66,409		
FY 2023	20,691	18,622		
<b>Total</b>	<b>\$ 664,587</b>	<b>\$ 596,288</b>		
New Guaranteed Loans Disbursed (Current reporting year):				
Amount Paid in Current FY for Prior Years	\$ 42,712	\$ 38,441		
Amount Paid in Current FY for Current FY Guarantees	20,926	18,833		
<b>FY 2023 Total</b>	<b>\$ 63,638</b>	<b>\$ 57,274</b>		
Amount Paid in Prior FY for Prior Years	\$ 38,217	\$ 34,395		
Amount Paid in Prior FY for Prior FY Guarantees	71,186	64,067		
<b>FY 2022 Total</b>	<b>\$ 109,403</b>	<b>\$ 98,462</b>		



**Table H. Liability for Loan Guarantees**

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

H. Liability for Loan Guarantees:		<i>(dollars in thousands)</i>	
Guaranteed Loans (Pre-Credit Reform)		Liabilities for Loan Guarantees, for Post-1991 Guarantees, Present Value	
Liability for Loan Guarantees:			
<b>FY 2023</b>		\$	<b>42,802</b>
<b>FY 2022</b>		\$	<b>47,989</b>

**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:					<i>(dollars in thousands)</i>				
Guaranteed Loans (Credit Reform)		Interest Supplements	Defaults	Fees and Other Collections	Total				
Subsidy Expense for New Loan Guarantees:									
<b>FY 2023</b>		\$ 2,174	\$ 4,149	\$ (1,176)	\$ <b>5,147</b>				
<b>FY 2022</b>		\$ 3,599	\$ 8,483	\$ (1,907)	\$ <b>10,175</b>				

Guaranteed Loans (Credit Reform)		Interest Rate Re-estimates	Technical Re-estimates	Total
Modifications and Re-estimates:				
<b>FY 2023</b>		\$ (4,538)	\$ (15,569)	\$ <b>(20,107)</b>
<b>FY 2022</b>		\$ (4,238)	\$ (19,011)	\$ <b>(23,249)</b>

Total Loan Guarantee Program Subsidy Expense	FY 2023	FY 2022
Indian Affairs	\$ <b>(14,960)</b>	\$ <b>(13,074)</b>

**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 2023 and FY 2022.

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:					
<b>FY 2023</b>	3.1%	6.1%	-1.8%	0.0%	<b>7.4%</b>
<b>FY 2022</b>	3.3%	8.3%	-1.8%	0.0%	<b>9.8%</b>

**Table K. Schedule for Reconciling Loan Guarantee Liability Balances**

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

K. Schedule for Reconciling Loan Guarantee Liability Balances:			<i>(dollars in thousands)</i>	
	FY 2023	FY 2022		
Beginning Balance of the Loan Guarantee Liability	\$ 47,989	\$ 54,866		
Less Claim Payment to Lenders	(2)	(105)		
Add Fees Received	800	1,916		
Less Interest Supplements Paid	-	(258)		
Less Interest Revenue on Uninvested Funds	(1,233)	(1,411)		
Add Interest Expense on Entity Borrowing	3	4		
Add Subsidy Expense	5,147	10,175		
Add Upward Re-estimates	1,369	1,639		
Less Downward Re-estimates	(21,476)	(24,888)		
Other	10,205	6,051		
<b>Ending Balance of the Loan Guarantee Liability</b>	<b>\$ 42,802</b>	<b>\$ 47,989</b>		

**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>	
<b>Guaranteed Loans Program</b>			
<b>FY 2023</b>	\$	<b>1,535</b>	
<b>FY 2022</b>	\$	<b>1,459</b>	

**Table M. Loans Receivable**

The following table provides a roll forward of the loans receivable for the current and prior fiscal years.

M. Loans Receivable:		<i>(dollars in thousands)</i>	
	FY 2023	FY 2022	
Beginning Balance of Loans Receivable, Net	\$ 37,338	\$ 40,463	
Add Loan Disbursements	2	109	
Less Principal and Interest Payments Received	(5,017)	(1,601)	
Add Interest Accruals	640	568	
Less Interest Revenue on Uninvested Funds	903	(29)	
Add Interest Expense on Entity Borrowings	10	41	
Less Upward Reestimate	(873)	(919)	
Add Downward Reestimates	568	347	
Other Increase/(Decrease) to the Subsidy Allowance	445	(2,363)	
Allowance for Loan and Interest Loss Adjustments	(371)	519	
Other Non-Cash Reconciling Items	1,636	203	
<b>Ending Balance of Loans Receivable, Net</b>	<b>\$ 35,281</b>	<b>\$ 37,338</b>	

**NOTE 6. INVENTORY AND RELATED PROPERTY, NET**

Inventory and Related Property as of September 30, 2023 and 2022, consist of the following:		
<i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Inventory</b>		
Published Maps and Other Inventory Held for Current Sale	\$ 11,149	\$ 9,905
Gas and Storage Rights Held for Current Sale	201	204
<b>Operating Materials</b>		
Working Capital Fund: Inventory Held for Use	66	67
Operational Land Imager: Inventory Held for Use	7,780	7,780
Airplane Parts and Fuel Held for Use	2,983	1,897
<b>Stockpile Materials</b>		
Recoverable Below-Ground Crude Helium Held for Sale	21,651	24,046
<b>Total Inventory and Related Property</b>	<b>\$ 43,830</b>	<b>\$ 43,899</b>

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

## NOTE 7. GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

The G-PP&E categories with corresponding acquisition cost and accumulated depreciation as of September 30, 2023, consist of the following:

<i>(dollars in thousands)</i>	<b>Acquisition Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Land and Land Improvements	\$ 2,514,831	\$ (287,277)	\$ 2,227,554
Buildings	6,367,936	(3,195,539)	3,172,397
Structures and Facilities	29,235,366	(14,600,403)	14,634,963
Leasehold Improvements	95,932	(61,555)	34,377
Construction in Progress			
Construction in Progress - General	3,772,204	-	3,772,204
Construction in Progress in Abeyance	318,420	-	318,420
Equipment, Vehicles, and Aircraft	3,865,398	(2,521,093)	1,344,305
Internal Use Software			
In Use	471,878	(418,414)	53,464
In Development	161,479	-	161,479
<b>Total Property, Plant, and Equipment</b>	<b>\$ 46,803,444</b>	<b>\$ (21,084,281)</b>	<b>\$ 25,719,163</b>

The G-PP&E categories with corresponding acquisition cost and accumulated depreciation as of September 30, 2022, consist of the following:

<i>(dollars in thousands)</i>	<b>Acquisition Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Land and Land Improvements	\$ 2,498,754	\$ (271,116)	\$ 2,227,638
Buildings	6,243,752	(3,070,389)	3,173,363
Structures and Facilities	27,579,198	(14,133,771)	13,445,427
Leasehold Improvements	87,958	(54,894)	33,064
Construction in Progress			
Construction in Progress - General	2,916,175	-	2,916,175
Construction in Progress in Abeyance	318,420	-	318,420
Equipment, Vehicles, and Aircraft	3,766,310	(2,396,959)	1,369,351
Internal Use Software			
In Use	616,374	(558,196)	58,178
In Development	126,625	-	126,625
<b>Total Property, Plant, and Equipment</b>	<b>\$ 44,153,566</b>	<b>\$ (20,485,325)</b>	<b>\$ 23,668,241</b>

Capitalization criteria and other information regarding general property, plant, and equipment are discussed in Note 1(I).

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The following table displays the G-PP&E roll-forward as of September 30, 2023 and 2022.

<i>(dollars in thousands)</i>	<b>FY 2023</b>	<b>FY 2022</b>
Balance, Beginning of Year	\$ 23,668,241	\$ 22,600,780
Capitalized Acquisitions	2,014,777	1,506,991
Dispositions	(30,527)	(27,017)
Transfer In/(Out) Without Reimbursement, Net	959,653	449,494
Depreciation/Amortization	(861,875)	(804,150)
Donations	1,976	1,099
Other	(33,082)	(58,956)
<b>Balance, End of Year</b>	<b>\$ 25,719,163</b>	<b>\$ 23,668,241</b>

**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.

The DOI's assets as of September 30, 2023, are summarized into the following categories:

<i>(dollars in thousands)</i>	<b>Entity</b>	<b>Non-Entity</b>	<b>FY 2023</b>
<b>ASSETS: Intragovernmental Assets</b>			
Fund Balance with Treasury	\$ 93,134,895	\$ 1,665,245	\$ 94,800,140
Investments, Net	29,050,292	65,511	29,115,803
Accounts Receivable, Net			
Accounts Receivable, Net	244,244	-	244,244
Transfers Receivable, Net	927,452	745,324	1,672,776
Advances and Prepayments	303,879	-	303,879
<b>Total Intragovernmental Assets</b>	<b>\$ 123,660,762</b>	<b>\$ 2,476,080</b>	<b>\$ 126,136,842</b>
<b>With the Public:</b>			
Cash and Other Monetary Assets	\$ 255	\$ -	\$ 255
Accounts Receivable, Net	4,730,455	2,142,213	6,872,668
Loans Receivable, Net	35,281	-	35,281
Inventory and Related Property, Net	43,830	-	43,830
General Property, Plant, and Equipment, Net	25,719,163	-	25,719,163
Advances and Prepayments	280,713	-	280,713
Other Assets	16,247	-	16,247
<b>Total With the Public</b>	<b>\$ 30,825,944</b>	<b>\$ 2,142,213</b>	<b>\$ 32,968,157</b>
<b>TOTAL ASSETS</b>	<b>\$ 154,486,706</b>	<b>\$ 4,618,293</b>	<b>\$ 159,104,999</b>

The DOI's assets as of September 30, 2022, are summarized into the following categories:

<i>(dollars in thousands)</i>	<b>Entity</b>	<b>Non-Entity</b>	<b>FY 2022</b>
<b>ASSETS: Intragovernmental Assets</b>			
Fund Balance with Treasury	\$ 85,755,956	\$ 2,532,544	\$ 88,288,500
Investments, Net	27,102,750	62,418	27,165,168
Accounts Receivable, Net			
Accounts Receivable, Net	213,015	-	213,015
Transfers Receivable, Net	857,477	775,987	1,633,464
Advances and Prepayments	248,609	-	248,609
<b>Total Intragovernmental Assets</b>	<b>\$ 114,177,807</b>	<b>\$ 3,370,949</b>	<b>\$ 117,548,756</b>
<b>With the Public:</b>			
Cash and Other Monetary Assets	\$ 303	\$ -	\$ 303
Accounts Receivable, Net	5,200,270	1,819,446	7,019,716
Loans Receivable, Net	37,338	-	37,338
Inventory and Related Property, Net	43,899	-	43,899
General Property, Plant, and Equipment, Net	23,668,241	-	23,668,241
Advances and Prepayments	125,948	-	125,948
Other Assets	12,582	-	12,582
<b>Total With the Public</b>	<b>\$ 29,088,581</b>	<b>\$ 1,819,446</b>	<b>\$ 30,908,027</b>
<b>TOTAL ASSETS</b>	<b>\$ 143,266,388</b>	<b>\$ 5,190,395</b>	<b>\$ 148,456,783</b>

## 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 2023 and FY 2022, the costs associated with acquiring, constructing, and renovating heritage assets were \$585 million and \$452 million, respectively, and the costs associated with acquiring and improving stewardship lands were \$291 million and \$318 million, respectively. Information concerning deferred maintenance and repairs and estimated land acreage is discussed in unaudited required supplementary information.

### 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, national wildlife refuges, 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.

#### Indian Affairs

In previous years, IA reported stewardship land. SFFAS 59, *Accounting and Reporting of Government Land*, amended the definition of stewardship land and specifically excluded land administered on behalf of Indian tribal governments or individual Indian land. With the FY 2022 implementation of SFFAS 59, IA no longer reports stewardship land.

#### 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

## NOTES TO PRINCIPAL FINANCIAL STATEMENTS

of jurisdiction, donation, or gift. The FWS purchases land through two primary sources of funding: the Migratory Bird Conservation Fund and the Land and Water Conservation Fund. 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.

**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, 2023, are shown in the following table:

Primary Land Management Categories		As of 9/30/2021	Additions	Withdrawals	As of 9/30/2022	Additions	Withdrawals	As of 9/30/2023
<b>BIA</b>	Regional Offices	12	-	12	-	-	-	-
<b>BLM</b>	Geographic Management Areas	127	-	-	127	-	-	127
<b>FWS</b>	National Wildlife Refuges	567	-	-	567	1	-	568
<b>FWS</b>	Wetland Management Districts	38	-	-	38	-	-	38
<b>FWS</b>	Coordination Areas	50	-	-	50	-	-	50
<b>FWS</b>	National Fish Hatcheries	68	-	-	68	-	-	68
<b>FWS</b>	Fish Technology Centers	5	-	-	5	-	-	5
<b>FWS</b>	Associated Fish Facilities	15	-	-	15	1	-	16
<b>NPS</b>	Park Units	412	1	-	413	1	-	414
<b>OS</b>	Commission Lands	1	-	-	1	-	-	1
<b>USBR</b>	Federal Water and Related Projects	135	-	1	134	-	-	134
<b>Total Number of Units</b>		<b>1,430</b>	<b>1</b>	<b>13</b>	<b>1,418</b>	<b>3</b>	<b>-</b>	<b>1,421</b>



## 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 national wildlife refuges. 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 Totdatonten Special Management Area.** Congress authorized the creation of the Lake Totdatonten Special Management Area located in the interior of Alaska. Lake Totdatonten, 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 DOI 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 *Federal Land Policy and Management Act of 1976*.

**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 untrammled 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 Secretariially-designated Special Areas in Alaska. 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 costal fish habitat.

**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.

## NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI units of non-collectible heritage assets by category as of September 30, 2023, are shown in the following table:

Non-Collectible Heritage Asset Categories	As of 9/30/2021	Additions	Withdrawals	As of 9/30/2022	Additions	Withdrawals	As of 9/30/2023
Cooperative Management and Protection Area	1	-	-	1	-	-	1
Headwaters Forest Reserve	1	-	-	1	-	-	1
Lake Todatonten Special Management Area	1	-	-	1	-	-	1
National Battlefield Parks	4	-	-	4	-	-	4
National Battlefield Site	1	-	-	1	-	-	1
National Battlefields	11	-	-	11	-	-	11
National Conservation Areas	18	1	-	19	1	-	20
National Historic Landmarks (NHL)	234	1	-	235	-	-	235
National Historic Sites	74	-	1	73	1	-	74
National Historic Trails	13	-	-	13	1	-	14
National Historical Parks	61	1	-	62	1	-	63
National Lakeshores	3	-	-	3	-	-	3
National Memorials	33	-	-	33	-	-	33
National Military Parks	9	-	-	9	-	-	9
National Monuments	119	-	-	119	3	1	121
National Natural Landmarks (NNL)	116	1	-	117	-	-	117
National Parks	63	-	-	63	-	-	63
National Parkways	4	-	-	4	-	-	4
National Preserves	19	-	-	19	-	-	19
National Recreation Areas	21	-	-	21	-	-	21
National Recreation Trails	125	1	-	126	1	-	127
National Reserves	2	-	-	2	-	-	2
National Rivers	4	-	-	4	-	-	4
National Scenic Area	1	-	-	1	-	-	1
National Scenic Trails	8	-	-	8	-	-	8
National Seashores	10	-	-	10	-	-	10
National Wild and Scenic Rivers	105	-	-	105	-	-	105
National Wildlife Refuges	567	-	-	567	1	-	568
Outstanding Natural Areas	3	-	-	3	-	-	3
International Historic Site	1	-	-	1	-	-	1
Wilderness Areas	398	-	-	398	-	-	398
Research Natural Area	1	-	-	1	-	-	1
Archaeological Protection Areas	2	-	-	2	-	-	2
Special Areas	5	-	-	5	-	-	5
Other	11	-	-	11	-	-	11
<b>Total</b>	<b>2,049</b>	<b>5</b>	<b>1</b>	<b>2,053</b>	<b>9</b>	<b>1</b>	<b>2,061</b>

## COLLECTIBLE HERITAGE ASSETS

The DOI is a steward of a large, unique, and diversified 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.

**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.

**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 three 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; Menlo Park, California; 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, 2023, are shown in the following table:

Interior Library Collections	As of 9/30/21	Additions	Withdrawals	As of 9/30/2022	Additions	Withdrawals	As of 9/30/2023
Departmental Library	1	-	-	1	-	-	1
National Park Service Library	2	-	-	2	-	-	2
U.S. Geological Survey Library	3	-	-	3	-	-	3
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>

The DOI units of museum collections as of September 30, 2023, are shown in the following table:

Interior Museum Collections	As of 9/30/21	Additions	Withdrawals	As of 9/30/2022	Additions	Withdrawals	As of 9/30/2023
Held at Interior Facilities	601	1	3	599	2	4	597
Held at Non-Interior Facilities	414	1	2	413	11	3	421
<b>Total</b>	<b>1,015</b>	<b>2</b>	<b>5</b>	<b>1,012</b>	<b>13</b>	<b>7</b>	<b>1,018</b>

### 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 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 issues such as climate change, 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 2025–2029. Interest rates for these securities range from 5.87 percent to 7.28 percent.

#### 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 disbursement-weighted average discount rate is used for FY 1995–2000 cohort years and ranges from 5.81 percent to 7.39 percent. A single effective rate 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, 2023 and 2022, is summarized as follows:

<i>(dollars in thousands)</i>	FY 2022 Beginning Balance	Borrowing / (Repayments), Net	FY 2022 Ending Balance	Borrowing / (Repayments), Net	FY 2023 Ending Balance
Debt Owed to Treasury Other than the Federal Financing Bank	\$ 34,716	\$ (2,305)	\$ 32,411	\$ (2,100)	\$ 30,311

## 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 *Federal Credit Reform Act of 1990*.

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, 2023 and 2022, are summarized as follows:

<i>(dollars in thousands)</i>	FY 2023	FY 2022
Capital Transfers Liability	\$ 1,541,938	\$ 1,524,836
Capital Transfers for Loans Liability	15,543	21,840
Custodial Liability	1,351,303	1,679,766
Miscellaneous Receipts Liability	510,942	248,692
<b>Total Liability to the General Fund of the U.S. Government</b>	<b>\$ 3,419,726</b>	<b>\$ 3,475,134</b>

## NOTE 12. FEDERAL EMPLOYEE BENEFITS

Federal Employee Benefits as of September 30, 2023 and 2022, consist of the following:		
<i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Federal Employee Benefits</b>		
U.S. Park Police Pension Actuarial Liability	\$ 612,227	\$ 591,520
U.S. Park Police Pension Current Liability	40,673	39,580
Federal Employees Compensation Actuarial Liability	529,054	539,193
Unfunded Leave	477,664	461,511
Employer Contributions and Payroll Taxes Payable	12,260	10,709
Other	-	276
<b>Total Federal Employee Benefits</b>	<b>\$ 1,671,878</b>	<b>\$ 1,642,789</b>

**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, and terminations.

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 2.4 percent in FY 2023 and 2.3 percent in FY 2022 match the rates established by OPM for the CSRS plan, which has similar demographic characteristics and keeps NPS consistent in its reporting. The NPS used the PUB2010 Safety Above Median Mortality Table, released in

January 2019, 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 2023.

Additionally, the USPP Pension Plan inflation rates of 2.1 percent in FY 2023 and 1.6 percent in FY 2022 differed from the 2.6 percent in FY 2023 and 2.0 percent in FY 2022 used by OPM for the CSRS plan. The USPP Pension inflation rate is a computational shortcut 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.

<b>Economic Assumptions Used</b> <i>(expressed in percentages)</i>	FY 2023	FY 2022
Interest Rate	2.4	2.3
Inflationary Rate	2.1	1.6
Projected Salary Increase	2.1	1.6

<b>USPP Pension Plan Liability</b> <i>(dollars in thousands)</i>	FY 2023	FY 2022
Beginning Balance	\$ 631,100	\$ 619,100
Pension Expenses		
Interest on liability	14,100	14,400
Actuarial (gains) or losses from experience	21,973	9,880
Actuarial (gains) or losses from assumption changes	26,400	27,300
Total Pension Expenses	62,473	51,580
Less Benefit Payments	(40,673)	(39,580)
<b>Ending Balance</b>	<b>\$ 652,900</b>	<b>\$ 631,100</b>

## 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, 2023, are summarized as follows:

<i>(dollars in thousands)</i>	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	\$ 360,951	\$ 360,951	\$ 827,759
Reasonably Possible	\$ -	\$ 711,350	\$ 1,069,047

The accrued and potential Contingent Liabilities as of September 30, 2022, are summarized as follows:

<i>(dollars in thousands)</i>	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	\$ 464,012	\$ 464,012	\$ 719,316
Reasonably Possible	\$ -	\$ 706,745	\$ 2,866,733



**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 (i.e., 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, 2023, are summarized as follows:

<i>(dollars in thousands)</i>	<b>Accrued Liabilities</b>	<b>Estimated Range of Loss</b>	
		<b>Lower End of Range</b>	<b>Upper End of Range</b>
Environmental Remediation Liability			
Probable	\$ 530,022	\$ 530,022	\$ 4,692,289
Reasonably Possible	\$ -	\$ 314,236	\$ 458,883
Asbestos Related Cleanup Liability	\$547,400		
<b>Total Environmental &amp; Disposal Liability</b>	<b>\$ 1,077,422</b>		

The accrued and potential Environmental and Disposal Liabilities as of September 30, 2022, are summarized as follows:

<i>(dollars in thousands)</i>	<b>Accrued Liabilities</b>	<b>Estimated Range of Loss</b>	
		<b>Lower End of Range</b>	<b>Upper End of Range</b>
Environmental Remediation Liability			
Probable	\$ 430,444	\$ 430,444	\$ 4,533,631
Reasonably Possible	\$ -	\$ 282,512	\$ 365,706
Asbestos Related Cleanup Liability	547,783		
<b>Total Environmental &amp; Disposal Liability</b>	<b>\$ 978,227</b>		

## 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.

Pursuant to SFFAS 1, paragraph 86, the amount of other current liabilities that are not covered by budgetary resources for September 30, 2023 and 2022 are \$1.8 billion and \$1.9 billion, respectively.

The DOI's liabilities not covered by budgetary resources as of September 30, 2023 and 2022 are as follows:

<i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Intragovernmental Liabilities:</b>		
Other Intragovernmental Liabilities	\$ 1,559,447	\$ 1,545,891
<b>Total Intragovernmental Liabilities</b>	<b>\$ 1,559,447</b>	<b>\$ 1,545,891</b>
<b>With the Public:</b>		
Federal Employee Benefits	\$ 1,618,946	\$ 1,592,500
Environmental and Disposal Liabilities	1,077,422	978,227
Other Liabilities With the Public	2,090,554	2,294,755
<b>Total Liabilities With the Public</b>	<b>4,786,922</b>	<b>4,865,482</b>
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>6,346,369</b>	<b>6,411,373</b>
<b>Total Liabilities Not Requiring Budgetary Resources</b>	<b>4,979,598</b>	<b>5,288,494</b>
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>7,390,000</b>	<b>6,118,147</b>
<b>Total Liabilities</b>	<b>\$ 18,715,967</b>	<b>\$ 17,818,014</b>

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The DOI's Other Liabilities as of September 30, 2023 and 2022 are as follows:		
<i>(dollars in thousands)</i>	FY 2023	FY 2022
<b>Other Intragovernmental Liabilities:</b>		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	\$ 3,419,726	\$ 3,475,134
Judgment Fund Payable	1,275,844	1,275,856
Benefit Program Contributions Payable	204,895	198,404
Other	196,039	181,979
<b>Total Other Intragovernmental Liabilities</b>	<b>\$ 5,096,504</b>	<b>\$ 5,131,373</b>
<b>Other Liabilities With the Public:</b>		
Accrued Grant Liabilities	\$ 856,452	\$ 703,451
Deposit Fund Liability	673,988	631,733
Contingent Liabilities	360,951	464,012
Payments Due to States	1,691,341	1,764,256
Accrued Funded Payroll and Leave	366,363	340,381
Other	433,621	610,321
<b>Total Other Liabilities With the Public</b>	<b>\$ 4,382,716</b>	<b>\$ 4,514,154</b>
<b>Total Other Liabilities</b>	<b>\$ 9,479,220</b>	<b>\$ 9,645,527</b>

## NOTE 15. LEASES

### OPERATING LEASES

Many DOI facilities are obtained through the GSA, which charges an amount that approximates commercial rental rates. The terms of DOI's agreements with GSA vary according to whether the underlying assets are owned by GSA (or another federal agency) or rented by GSA from the private sector. For federally owned property, DOI either periodically executes an agreement with GSA or enters into cancellable agreements, some of which do not have a formal expiration date.

DOI can vacate these properties after giving 120 to 180 days notice of the intent to vacate. For non-federally owned property, the leases may be cancellable or non-cancellable depending on the terms of the leases.

For non-cancellable federal and non-federal operating leases, future payments are calculated based on the terms of the agreement or an annual inflationary factor of 2.00 percent for FY 2024 and after is applied. The inflationary factor is applied against the actual FY 2023 rental expense.

Future payments due under non cancellable operating leases as of September 30, 2023, consist of the following:

Future Operating Leases <i>(dollars in thousands)</i>	Real Property		Totals
	Federal	Non-Federal	
FY 2024	\$ 36,460	\$ 14,091	\$ 50,551
FY 2025	35,673	14,191	49,864
FY 2026	33,468	7,623	41,091
FY 2027	32,416	5,433	37,849
FY 2028	31,014	5,296	36,310
Thereafter	211,315	13,247	224,562
<b>Total Future Operating Lease Payments</b>	<b>\$ 380,346</b>	<b>\$ 59,881</b>	<b>\$ 440,227</b>

## 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 *National 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 sustainability 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 Surface Mining Control and Reclamation Act of 1977 (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 BIL (P.L. No. 117-58), signed into law on November 15, 2021, amended section 402 of SMCRA to reduce reclamation fee rates by 20 percent and extend OSMRE'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 P.L. 95-87, OSMRE invests the funds in U.S. Treasury Securities. Beginning in fiscal year 2007, in accordance with provisions of the SMCRA Amendments of 2022 (P.L. 117-58), the interest earned by the fund is transferred to the United Mine Workers of America Combined Benefit Fund. 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

**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

**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
- ▶ National Park Passport 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
- ▶ Federal Highways Construction Trust Fund
- ▶ 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



The background of the page features a large, semi-transparent image of the United States flag waving on a pole. Below it, the Great Seal of the United States is also visible, featuring a bison and the text "E PLURIBUS UNUM" and "1789".

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The DOI's funds from dedicated collections as of and for the year ended September 30, 2023, consist of the following:

											FY 2023	FY 2023	FY 2023
	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)	Total Funds from Dedicated Collections (Combined)	Eliminations between Dedicated Collection Funds	Total Funds from Dedicated Collections (Consolidated)
<i>(dollars in thousands)</i>													
<b>BALANCE SHEET</b>													
<b>ASSETS</b>													
<b>Intragovernmental:</b>													
Fund Balance with Treasury	\$ 22,568,927	\$ 3,831,662	\$ 18,944,056	\$ 10,797,739	\$ 2,410	\$ 404,351	\$ 29,954	\$ 152,188	\$ 8,189,368	\$ 64,920,655	\$ -	\$ -	\$ 64,920,655
Investments, Net	-	-	-	-	469,010	-	14,656,139	3,030,193	6,170,135	24,325,477	-	-	24,325,477
Accounts Receivable, Net	-	-	653,906	26,340	2,635	-	32	16,158	2,589,914	3,288,985	(266)	-	3,288,719
Advances and Prepayments	-	-	-	73	-	-	-	-	2,843	2,916	(2,263)	-	653
<b>Total Intragovernmental</b>	<b>\$ 22,568,927</b>	<b>\$ 3,831,662</b>	<b>\$ 19,597,962</b>	<b>\$ 10,824,152</b>	<b>\$ 474,055</b>	<b>\$ 404,351</b>	<b>\$ 14,686,125</b>	<b>\$ 3,198,539</b>	<b>\$ 16,952,260</b>	<b>\$ 92,538,033</b>	<b>\$ (2,529)</b>	<b>\$ -</b>	<b>\$ 92,535,504</b>
<b>With the Public:</b>													
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	1	-	-	1
Accounts Receivable, Net	-	-	8,973	546	1,885	1,249	14,967	-	4,515,800	4,543,420	-	-	4,543,420
Inventory and Related Property, Net	-	-	-	-	-	-	-	-	21,852	21,852	-	-	21,852
General Property, Plant, and Equipment, Net	-	-	-	10,829,818	2,318,775	2,908,988	1,380	-	1,114,731	17,173,692	-	-	17,173,692
Advances and Prepayments	-	-	-	11,818	27,835	2,810	-	-	3,971	46,434	-	-	46,434
Other Assets	-	-	-	-	8,451	-	-	-	-	8,451	-	-	8,451
<b>Total With the Public</b>	<b>-</b>	<b>-</b>	<b>8,973</b>	<b>10,842,183</b>	<b>2,356,946</b>	<b>2,913,047</b>	<b>16,347</b>	<b>-</b>	<b>5,656,354</b>	<b>21,793,850</b>	<b>-</b>	<b>-</b>	<b>21,793,850</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,568,927</b>	<b>\$ 3,831,662</b>	<b>\$ 19,606,935</b>	<b>\$ 21,666,335</b>	<b>\$ 2,831,001</b>	<b>\$ 3,317,398</b>	<b>\$ 14,702,472</b>	<b>\$ 3,198,539</b>	<b>\$ 22,608,614</b>	<b>\$ 114,331,883</b>	<b>\$ (2,529)</b>	<b>\$ -</b>	<b>\$ 114,329,354</b>
<b>LIABILITIES</b>													
<b>Intragovernmental:</b>													
Accounts Payable	\$ -	\$ 4	\$ -	\$ 1,165,261	\$ 372	\$ 3,363	\$ 614	\$ -	\$ 757,097	\$ 1,926,711	\$ (266)	\$ -	\$ 1,926,445
Advances from Others and Deferred Revenue	-	-	-	5,548	-	-	-	-	-	5,548	(2,263)	-	3,285
Other Liabilities	-	-	-	164,487	71	43,824	1,014	129	5,079	214,604	-	-	214,604
<b>Total Intragovernmental</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 1,335,296</b>	<b>\$ 443</b>	<b>\$ 47,187</b>	<b>\$ 1,628</b>	<b>\$ 129</b>	<b>\$ 762,176</b>	<b>\$ 2,146,863</b>	<b>\$ (2,529)</b>	<b>\$ -</b>	<b>\$ 2,144,334</b>
<b>With the Public:</b>													
Accounts Payable	-	-	-	187,459	9	4,955	445	1,096	89,447	283,411	-	-	283,411
Federal Employee Benefits Payable	-	-	-	67,100	173	1,445	5,966	18	13,649	88,351	-	-	88,351
Environmental and Disposal Liabilities	-	-	-	171,804	-	-	-	-	-	171,804	-	-	171,804
Advances from Others and Deferred Revenue	-	-	90,664	551,466	23,221	191,535	-	-	262,013	1,118,899	-	-	1,118,899
Other Liabilities	-	36,852	-	216,816	175	51,045	26,589	97,866	1,872,815	2,302,158	-	-	2,302,158
<b>Total With the Public</b>	<b>-</b>	<b>36,852</b>	<b>90,664</b>	<b>1,194,645</b>	<b>23,578</b>	<b>248,980</b>	<b>33,000</b>	<b>98,980</b>	<b>2,237,924</b>	<b>3,964,623</b>	<b>-</b>	<b>-</b>	<b>3,964,623</b>
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 36,856</b>	<b>\$ 90,664</b>	<b>\$ 2,529,941</b>	<b>\$ 24,021</b>	<b>\$ 296,167</b>	<b>\$ 34,628</b>	<b>\$ 99,109</b>	<b>\$ 3,000,100</b>	<b>\$ 6,111,486</b>	<b>\$ (2,529)</b>	<b>\$ -</b>	<b>\$ 6,108,957</b>
<b>NET POSITION</b>													
Unexpended Appropriations	\$ -	\$ 34,584	\$ -	\$ 6,934,158	\$ 244,531	\$ 97,104	\$ 11,796,000	\$ -	\$ 1,290,116	\$ 20,396,493	\$ -	\$ -	\$ 20,396,493
Cumulative Results of Operations	22,568,927	3,760,222	19,516,271	12,202,236	2,562,449	2,924,127	2,871,844	3,099,430	18,318,398	87,823,904	-	-	87,823,904
<b>TOTAL NET POSITION</b>	<b>22,568,927</b>	<b>3,794,806</b>	<b>19,516,271</b>	<b>19,136,394</b>	<b>2,806,980</b>	<b>3,021,231</b>	<b>14,667,844</b>	<b>3,099,430</b>	<b>19,608,514</b>	<b>108,220,397</b>	<b>-</b>	<b>-</b>	<b>108,220,397</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 22,568,927</b>	<b>\$ 3,831,662</b>	<b>\$ 19,606,935</b>	<b>\$ 21,666,335</b>	<b>\$ 2,831,001</b>	<b>\$ 3,317,398</b>	<b>\$ 14,702,472</b>	<b>\$ 3,198,539</b>	<b>\$ 22,608,614</b>	<b>\$ 114,331,883</b>	<b>\$ (2,529)</b>	<b>\$ -</b>	<b>\$ 114,329,354</b>

The DOI's funds from dedicated collections as of and for the year ended September 30, 2023 (Continued)

											FY 2023	FY 2023	FY 2023
	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)	
<i>(dollars in thousands)</i>													
<b>NET COST OF OPERATIONS</b>													
Gross Costs	\$ -	\$ 126,018	\$ (485)	\$ 2,145,152	\$ 112,495	\$ 154,552	\$ 586,099	\$ 899,846	\$ 7,520,699	\$ 11,544,376	\$ (47,582)	\$ 11,496,794	
Earned Revenue	-	-	(170,102)	(266,709)	(119,608)	(121,523)	(161)	-	(1,620,678)	(2,298,781)	17,429	(2,281,352)	
<b>TOTAL NET COST OF OPERATIONS</b>	<b>\$ -</b>	<b>\$ 126,018</b>	<b>\$ (170,587)</b>	<b>\$ 1,878,443</b>	<b>\$ (7,113)</b>	<b>\$ 33,029</b>	<b>\$ 585,938</b>	<b>\$ 899,846</b>	<b>\$ 5,900,021</b>	<b>\$ 9,245,595</b>	<b>\$ (30,153)</b>	<b>\$ 9,215,442</b>	
<b>CHANGES IN NET POSITION</b>													
<b>UNEXPENDED APPROPRIATIONS</b>													
Beginning Balance	\$ -	\$ 38,266	\$ -	\$ 6,513,510	\$ 232,978	\$ 129,978	\$ 11,784,923	\$ -	\$ 612,600	\$ 19,312,255	\$ -	\$ 19,312,255	
Appropriations Received	-	-	-	1,805,627	-	-	135,000	-	18,106	1,958,733	-	1,958,733	
Appropriations Transferred In/(Out)	-	-	-	(587,536)	70,311	21,449	-	-	759,500	263,724	-	263,724	
Appropriations-Used	-	(3,682)	-	(797,443)	(58,758)	(54,323)	(123,923)	-	(100,090)	(1,138,219)	-	(1,138,219)	
<b>Net Change in Unexpended Appropriations</b>	<b>-</b>	<b>(3,682)</b>	<b>-</b>	<b>420,648</b>	<b>11,553</b>	<b>(32,874)</b>	<b>11,077</b>	<b>-</b>	<b>677,516</b>	<b>1,084,238</b>	<b>-</b>	<b>1,084,238</b>	
<b>Total Unexpended Appropriations - Ending</b>	<b>\$ -</b>	<b>\$ 34,584</b>	<b>\$ -</b>	<b>\$ 6,934,158</b>	<b>\$ 244,531</b>	<b>\$ 97,104</b>	<b>\$ 11,796,000</b>	<b>\$ -</b>	<b>\$ 1,290,116</b>	<b>\$ 20,396,493</b>	<b>\$ -</b>	<b>\$ 20,396,493</b>	
<b>CUMULATIVE RESULTS OF OPERATIONS</b>													
Beginning Balance	\$ 22,561,360	\$ 3,732,558	\$ 17,711,392	\$ 10,380,551	\$ 2,537,133	\$ 2,892,109	\$ 2,586,133	\$ 2,929,406	\$ 17,739,267	\$ 83,069,909	\$ -	\$ 83,069,909	
Appropriations Received	-	3,682	-	797,443	58,758	54,323	123,923	-	100,090	1,138,219	-	1,138,219	
Royalty, Rents, and Lease Sales Retained	995,461	150,000	3,225,990	-	-	-	-	-	4,768,453	9,139,904	-	9,139,904	
Non-Exchange Revenue With the Public:													
Miscellaneous Taxes and Receipts	29,622	-	53	-	-	1	94,479	-	(438,635)	(314,480)	-	(314,480)	
Intragovernmental Non-Exchange Revenue	-	-	7,630	-	-	189	648,865	1,069,870	700,888	2,427,442	-	2,427,442	
Transfers In/(Out) without Reimbursement	(1,017,516)	-	(1,599,386)	2,733,892	(40,555)	(6,617)	-	-	1,261,831	1,331,649	-	1,331,649	
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	82,852	82,852	-	82,852	
Donations and Forfeitures of Property	-	-	-	29,608	-	6,686	-	-	-	36,294	-	36,294	
Imputed Financing	-	-	5	153,713	-	10,465	4,382	-	3,679	172,244	(30,153)	142,091	
Other Financing Sources/(Uses)	-	-	-	(14,528)	-	-	-	-	(6)	(14,534)	-	(14,534)	
Net Cost of Operations	-	(126,018)	170,587	(1,878,443)	7,113	(33,029)	(585,938)	(899,846)	(5,900,021)	(9,245,595)	30,153	(9,215,442)	
<b>Net Change in Cumulative Results of Operations</b>	<b>7,567</b>	<b>27,664</b>	<b>1,804,879</b>	<b>1,821,685</b>	<b>25,316</b>	<b>32,018</b>	<b>285,711</b>	<b>170,024</b>	<b>579,131</b>	<b>4,753,995</b>	<b>-</b>	<b>4,753,995</b>	
<b>Cumulative Results of Operations - Ending</b>	<b>22,568,927</b>	<b>3,760,222</b>	<b>19,516,271</b>	<b>12,202,236</b>	<b>2,562,449</b>	<b>2,924,127</b>	<b>2,871,844</b>	<b>3,099,430</b>	<b>18,318,398</b>	<b>87,823,904</b>	<b>-</b>	<b>87,823,904</b>	
<b>TOTAL NET POSITION</b>	<b>\$ 22,568,927</b>	<b>\$ 3,794,806</b>	<b>\$ 19,516,271</b>	<b>\$ 19,136,394</b>	<b>\$ 2,806,980</b>	<b>\$ 3,021,231</b>	<b>\$ 14,667,844</b>	<b>\$ 3,099,430</b>	<b>\$ 19,608,514</b>	<b>\$ 108,220,397</b>	<b>\$ -</b>	<b>\$ 108,220,397</b>	

The DOI's funds from dedicated collections as of and for the year ended September 30, 2022, consist of the following:

											FY 2022	FY 2022	FY 2022
	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)	
(dollars in thousands)													
<b>BALANCE SHEET</b>													
<b>ASSETS</b>													
<b>Intragovernmental:</b>													
Fund Balance with Treasury	\$ 22,561,360	\$ 3,801,840	\$ 17,031,748	\$ 9,786,487	\$ 1,911	\$ 432,882	\$ 19,945	\$ 157,756	\$ 6,614,545	\$ 60,408,474	\$ -	\$ 60,408,474	
Investments, Net	-	-	-	-	427,494	-	14,367,914	2,852,955	6,147,909	23,796,272	-	23,796,272	
Accounts Receivable, Net	-	-	771,529	23,267	2,417	10	14	10,813	2,660,854	3,468,904	(312)	3,468,592	
Advances and Prepayments	-	-	-	9	-	-	-	-	2,149	2,158	(2,171)	(13)	
<b>Total Intragovernmental</b>	<b>\$ 22,561,360</b>	<b>\$ 3,801,840</b>	<b>\$ 17,803,277</b>	<b>\$ 9,809,763</b>	<b>\$ 431,822</b>	<b>\$ 432,892</b>	<b>\$ 14,387,873</b>	<b>\$ 3,021,524</b>	<b>\$ 15,425,457</b>	<b>\$ 87,675,808</b>	<b>\$ (2,483)</b>	<b>\$ 87,673,325</b>	
<b>With the Public:</b>													
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	1	-	1	
Accounts Receivable, Net	-	-	9,761	1,317	301	1,631	11,338	-	4,965,195	4,989,543	-	4,989,543	
Inventory and Related Property, Net	-	-	-	-	-	-	-	-	24,251	24,251	-	24,251	
General Property, Plant, and Equipment, Net	-	-	-	9,510,982	2,317,594	2,889,759	1,138	-	1,032,294	15,751,767	-	15,751,767	
Advances and Prepayments	-	-	-	12,089	34,482	2,841	-	-	2,799	52,211	-	52,211	
Other Assets	-	-	-	112	8,550	-	-	-	1	8,663	-	8,663	
<b>Total With the Public</b>	<b>-</b>	<b>-</b>	<b>9,761</b>	<b>9,524,501</b>	<b>2,360,927</b>	<b>2,894,231</b>	<b>12,476</b>	<b>-</b>	<b>6,024,540</b>	<b>20,826,436</b>	<b>-</b>	<b>20,826,436</b>	
<b>TOTAL ASSETS</b>	<b>\$ 22,561,360</b>	<b>\$ 3,801,840</b>	<b>\$ 17,813,038</b>	<b>\$ 19,334,264</b>	<b>\$ 2,792,749</b>	<b>\$ 3,327,123</b>	<b>\$ 14,400,349</b>	<b>\$ 3,021,524</b>	<b>\$ 21,449,997</b>	<b>\$ 108,502,244</b>	<b>\$ (2,483)</b>	<b>\$ 108,499,761</b>	
<b>LIABILITIES</b>													
<b>Intragovernmental:</b>													
Accounts Payable	\$ -	\$ 3	\$ -	\$ 1,162,307	\$ 271	\$ 4,854	\$ 200	\$ -	\$ 785,309	\$ 1,952,944	\$ (312)	\$ 1,952,632	
Advances from Others and Deferred Revenue	-	-	-	6,120	-	-	-	-	-	6,120	(2,171)	3,949	
Other Liabilities	-	-	-	152,533	49	43,919	860	112	4,119	201,592	-	201,592	
<b>Total Intragovernmental</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 1,320,960</b>	<b>\$ 320</b>	<b>\$ 48,773</b>	<b>\$ 1,060</b>	<b>\$ 112</b>	<b>\$ 789,428</b>	<b>\$ 2,160,656</b>	<b>\$ (2,483)</b>	<b>\$ 2,158,173</b>	
<b>With the Public:</b>													
Accounts Payable	-	-	-	147,318	5	12,420	275	351	86,172	246,541	-	246,541	
Federal Employee Benefits Payable	-	-	-	77,696	257	2,202	5,532	16	12,268	97,971	-	97,971	
Environmental and Disposal Liabilities	-	-	-	141,487	-	-	-	-	-	141,487	-	141,487	
Advances from Others and Deferred Revenue	-	-	101,646	583,517	21,961	194,141	-	-	285,146	1,186,411	-	1,186,411	
Other Liabilities	-	31,013	-	169,225	95	47,500	22,426	91,639	1,925,116	2,287,014	-	2,287,014	
<b>Total With the Public</b>	<b>-</b>	<b>31,013</b>	<b>101,646</b>	<b>1,119,243</b>	<b>22,318</b>	<b>256,263</b>	<b>28,233</b>	<b>92,006</b>	<b>2,308,702</b>	<b>3,959,424</b>	<b>-</b>	<b>3,959,424</b>	
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 31,016</b>	<b>\$ 101,646</b>	<b>\$ 2,440,203</b>	<b>\$ 22,638</b>	<b>\$ 305,036</b>	<b>\$ 29,293</b>	<b>\$ 92,118</b>	<b>\$ 3,098,130</b>	<b>\$ 6,120,080</b>	<b>\$ (2,483)</b>	<b>\$ 6,117,597</b>	
<b>NET POSITION</b>													
Unexpended Appropriations	\$ -	\$ 38,266	\$ -	\$ 6,513,510	\$ 232,978	\$ 129,978	\$ 11,784,923	\$ -	\$ 612,600	\$ 19,312,255	\$ -	\$ 19,312,255	
Cumulative Results of Operations	22,561,360	3,732,558	17,711,392	10,380,551	2,537,133	2,892,109	2,586,133	2,929,406	17,739,267	83,069,909	-	83,069,909	
<b>TOTAL NET POSITION</b>	<b>22,561,360</b>	<b>3,770,824</b>	<b>17,711,392</b>	<b>16,894,061</b>	<b>2,770,111</b>	<b>3,022,087</b>	<b>14,371,056</b>	<b>2,929,406</b>	<b>18,351,867</b>	<b>102,382,164</b>	<b>-</b>	<b>102,382,164</b>	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 22,561,360</b>	<b>\$ 3,801,840</b>	<b>\$ 17,813,038</b>	<b>\$ 19,334,264</b>	<b>\$ 2,792,749</b>	<b>\$ 3,327,123</b>	<b>\$ 14,400,349</b>	<b>\$ 3,021,524</b>	<b>\$ 21,449,997</b>	<b>\$ 108,502,244</b>	<b>\$ (2,483)</b>	<b>\$ 108,499,761</b>	

The DOI's funds from dedicated collections as of and for the year ended September 30, 2022 (Continued)

											FY 2022	FY 2022	FY 2022
	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)	
<i>(dollars in thousands)</i>													
<b>NET COST OF OPERATIONS</b>													
Gross Costs	\$ -	\$ 111,494	\$ (569)	\$ 1,595,537	\$ 171,879	\$ 137,863	\$ 235,420	\$ 833,966	\$ 7,245,295	\$ 10,330,885	\$ (69,760)	\$ 10,261,125	
Earned Revenue	-	-	(112,492)	(222,984)	(72,641)	(93,132)	(78)	-	(1,510,244)	(2,011,571)	35,335	(1,976,236)	
<b>TOTAL NET COST OF OPERATIONS</b>	<b>\$ -</b>	<b>\$ 111,494</b>	<b>\$ (113,061)</b>	<b>\$ 1,372,553</b>	<b>\$ 99,238</b>	<b>\$ 44,731</b>	<b>\$ 235,342</b>	<b>\$ 833,966</b>	<b>\$ 5,735,051</b>	<b>\$ 8,319,314</b>	<b>\$ (34,425)</b>	<b>\$ 8,284,889</b>	
<b>CHANGES IN NET POSITION</b>													
<b>UNEXPENDED APPROPRIATIONS</b>													
Beginning Balance	\$ -	\$ 43,493	\$ -	\$ 187,630	\$ 161,014	\$ 108,429	\$ 472,824	\$ -	\$ 272,817	\$ 1,246,207	\$ -	\$ 1,246,207	
Appropriations Received	-	-	-	6,757,813	-	-	11,415,500	-	18,117	18,191,430	-	18,191,430	
Appropriations Transferred In/(Out)	-	-	-	(209,432)	138,878	70,717	(56,465)	-	354,896	298,594	-	298,594	
Appropriations-Used	-	(5,227)	-	(222,501)	(66,914)	(49,168)	(46,936)	-	(33,230)	(423,976)	-	(423,976)	
<b>Net Change in Unexpended Appropriations</b>	<b>-</b>	<b>(5,227)</b>	<b>-</b>	<b>6,325,880</b>	<b>71,964</b>	<b>21,549</b>	<b>11,312,099</b>	<b>-</b>	<b>339,783</b>	<b>18,066,048</b>	<b>-</b>	<b>18,066,048</b>	
<b>Total Unexpended Appropriations - Ending</b>	<b>\$ -</b>	<b>\$ 38,266</b>	<b>\$ -</b>	<b>\$ 6,513,510</b>	<b>\$ 232,978</b>	<b>\$ 129,978</b>	<b>\$ 11,784,923</b>	<b>\$ -</b>	<b>\$ 612,600</b>	<b>\$ 19,312,255</b>	<b>\$ -</b>	<b>\$ 19,312,255</b>	
<b>CUMULATIVE RESULTS OF OPERATIONS</b>													
Beginning Balance	\$ 22,469,284	\$ 3,688,825	\$ 15,479,230	\$ 9,868,743	\$ 2,673,254	\$ 2,884,977	\$ 2,566,931	\$ 2,510,224	\$ 16,831,653	\$ 78,973,121	\$ 4,869	\$ 78,977,990	
Appropriations Received	-	5,227	-	222,501	66,914	49,168	46,936	-	33,230	423,976	-	423,976	
Royalty, Rents, and Lease Sales Retained	1,016,718	150,000	3,516,326	-	-	-	-	-	5,104,674	9,787,718	-	9,787,718	
Non-Exchange Revenue With the Public:													
Miscellaneous Taxes and Receipts	8,516	-	(574)	-	-	-	100,843	-	(450,077)	(341,292)	-	(341,292)	
Intragovernmental Non-Exchange Revenue	-	-	7,416	-	-	49	103,577	1,253,148	689,150	2,053,340	-	2,053,340	
Transfers In/(Out) without Reimbursement	(933,158)	-	(1,404,072)	1,602,327	(103,797)	(8,194)	-	-	1,161,240	314,346	-	314,346	
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	101,659	101,659	-	101,659	
Donations and Forfeitures of Property	-	-	-	23,847	-	2	-	-	-	23,849	-	23,849	
Imputed Financing	-	-	5	68,907	-	10,838	3,188	-	2,789	85,727	(39,294)	46,433	
Other Financing Sources/(Uses)	-	-	-	(33,221)	-	-	-	-	-	(33,221)	-	(33,221)	
Net Cost of Operations	-	(111,494)	113,061	(1,372,553)	(99,238)	(44,731)	(235,342)	(833,966)	(5,735,051)	(8,319,314)	34,425	(8,284,889)	
<b>Net Change in Cumulative Results of Operations</b>	<b>92,076</b>	<b>43,733</b>	<b>2,232,162</b>	<b>511,808</b>	<b>(136,121)</b>	<b>7,132</b>	<b>19,202</b>	<b>419,182</b>	<b>907,614</b>	<b>4,096,788</b>	<b>(4,869)</b>	<b>4,091,919</b>	
<b>Cumulative Results of Operations - Ending</b>	<b>22,561,360</b>	<b>3,732,558</b>	<b>17,711,392</b>	<b>10,380,551</b>	<b>2,537,133</b>	<b>2,892,109</b>	<b>2,586,133</b>	<b>2,929,406</b>	<b>17,739,267</b>	<b>83,069,909</b>	<b>-</b>	<b>83,069,909</b>	
<b>TOTAL NET POSITION</b>	<b>\$ 22,561,360</b>	<b>\$ 3,770,824</b>	<b>\$ 17,711,392</b>	<b>\$ 16,894,061</b>	<b>\$ 2,770,111</b>	<b>\$ 3,022,087</b>	<b>\$ 14,371,056</b>	<b>\$ 2,929,406</b>	<b>\$ 18,351,867</b>	<b>\$ 102,382,164</b>	<b>\$ -</b>	<b>\$ 102,382,164</b>	

## 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, 2023, consists of the following:												
<i>(dollars in thousands)</i>	Indian Affairs <sup>1</sup>	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other <sup>2</sup>	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 2023
<b>Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities</b>												
Total Costs	\$ 3,868,436	\$ 134,666	\$ -	\$ 837,305	\$ -	\$ -	\$ 43,458	\$ -	\$ 29,816	\$ -	\$ (91,314)	\$ 4,822,367
Total Earned Revenue	297,304	32,737	-	63,877	-	-	-	-	3,406	-	(34,145)	363,179
Net Costs	\$ 3,571,132	\$ 101,929	\$ -	\$ 773,428	\$ -	\$ -	\$ 43,458	\$ -	\$ 26,410	\$ -	\$ (57,169)	\$ 4,459,188
<b>Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors</b>												
Total Costs	\$ 319,452	\$ 1,182,135	\$ 390,211	\$ 965,796	\$ -	\$ 526	\$ 2,316,354	\$ 136,246	\$ 3,565,590	\$ 123,556	\$ (412,857)	\$ 8,587,009
Total Earned Revenue	5,472	369,221	62,238	3,831	-	523	430,498	48	274,747	23,319	(226,941)	942,956
Net Costs	\$ 313,980	\$ 812,914	\$ 327,973	\$ 961,965	\$ -	\$ 3	\$ 1,885,856	\$ 136,198	\$ 3,290,843	\$ 100,237	\$ (185,916)	\$ 7,644,053
<b>Sustainably Balance the Use of Resources While Supporting Communities and the Economy</b>												
Total Costs	\$ 298,269	\$ 754,113	\$ 904,704	\$ 5,384,953	\$ 218,371	\$ 229,388	\$ 4,608	\$ 1,365,942	\$ 18,974	\$ 420,100	\$ (429,901)	\$ 9,169,521
Total Earned Revenue	162,840	234,398	320,555	2,089	38,203	54,870	1,205	162	2,168	30,743	(219,786)	627,447
Net Costs	\$ 135,429	\$ 519,715	\$ 584,149	\$ 5,382,864	\$ 180,168	\$ 174,518	\$ 3,403	\$ 1,365,780	\$ 16,806	\$ 389,357	\$ (210,115)	\$ 8,542,074
<b>Serve and Honor the Public Trust</b>												
Total Costs	\$ 619,381	\$ 124,229	\$ 1,268,195	\$ 49,050	\$ -	\$ -	\$ 2,170,528	\$ -	\$ 748,107	\$ 941,105	\$ (663,143)	\$ 5,257,452
Total Earned Revenue	21,942	26,189	363,594	-	-	-	323,189	-	85,467	57,959	(71,694)	806,646
Net Costs	\$ 597,439	\$ 98,040	\$ 904,601	\$ 49,050	\$ -	\$ -	\$ 1,847,339	\$ -	\$ 662,640	\$ 883,146	\$ (591,449)	\$ 4,450,806
<b>Reimbursable Activity and Other</b>												
Total Costs	\$ -	\$ 754,300	\$ 714,420	\$ 3,257,079	\$ -	\$ 51,043	\$ -	\$ 4,909	\$ -	\$ 784,870	\$ (672,052)	\$ 4,894,569
Total Earned Revenue	-	641,478	727,394	2,886,573	-	50,833	-	138	-	603,325	(1,683,161)	3,226,580
Net Costs	\$ -	\$ 112,822	\$ (12,974)	\$ 370,506	\$ -	\$ 210	\$ -	\$ 4,771	\$ -	\$ 181,545	\$ 1,011,109	\$ 1,667,989
<b>Total</b>												
Total Costs	\$ 5,105,538	\$ 2,949,443	\$ 3,277,530	\$ 10,494,183	\$ 218,371	\$ 280,957	\$ 4,534,948	\$ 1,507,097	\$ 4,362,487	\$ 2,269,631	\$ (2,269,267)	\$ 32,730,918
Total Earned Revenue	487,558	1,304,023	1,473,781	2,956,370	38,203	106,226	754,892	348	365,788	715,346	(2,235,727)	5,966,808
<b>Net Cost of Operations</b>	<b>\$ 4,617,980</b>	<b>\$ 1,645,420</b>	<b>\$ 1,803,749</b>	<b>\$ 7,537,813</b>	<b>\$ 180,168</b>	<b>\$ 174,731</b>	<b>\$ 3,780,056</b>	<b>\$ 1,506,749</b>	<b>\$ 3,996,699</b>	<b>\$ 1,554,285</b>	<b>\$ (33,540)</b>	<b>\$ 26,764,110</b>

<sup>1</sup>IA includes BIA and BIE

<sup>2</sup>DO includes BTFA and OIA

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

Costs and exchange revenue by responsibility segment for the year ended September 30, 2022, consists of the following:

<i>(dollars in thousands)</i>	Indian Affairs <sup>1</sup>	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other <sup>2</sup>	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 2022
<b>Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities</b>												
Total Costs	\$ 5,004,929	\$ 97,916	\$ -	\$ 769,057	\$ -	\$ -	\$ 37,740	\$ -	\$ 24,322	\$ -	\$ (89,159)	\$ 5,844,805
Total Earned Revenue	301,972	24,147	-	42,109	-	-	-	-	2,943	-	(28,167)	343,004
Net Costs	\$ 4,702,957	\$ 73,769	\$ -	\$ 726,948	\$ -	\$ -	\$ 37,740	\$ -	\$ 21,379	\$ -	\$ (60,992)	\$ 5,501,801
<b>Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors</b>												
Total Costs	\$ 368,971	\$ 1,330,147	\$ 262,558	\$ 299,213	\$ -	\$ 14,962	\$ 2,440,010	\$ 141,117	\$ 3,153,311	\$ 111,920	\$ (387,534)	\$ 7,734,675
Total Earned Revenue	2,604	272,988	43,748	903	-	14,962	393,755	-	247,030	21,989	(221,089)	776,890
Net Costs	\$ 366,367	\$ 1,057,159	\$ 218,810	\$ 298,310	\$ -	\$ -	\$ 2,046,255	\$ 141,117	\$ 2,906,281	\$ 89,931	\$ (166,445)	\$ 6,957,785
<b>Sustainably Balance the Use of Resources While Supporting Communities and the Economy</b>												
Total Costs	\$ 268,911	\$ 836,647	\$ 648,979	\$ 5,679,783	\$ 199,978	\$ 219,164	\$ 4,469	\$ 994,625	\$ 15,478	\$ 384,947	\$ (400,350)	\$ 8,852,631
Total Earned Revenue	149,665	174,231	199,387	1,664	42,689	57,223	1,459	-	1,872	28,577	(214,079)	442,688
Net Costs	\$ 119,246	\$ 662,416	\$ 449,592	\$ 5,678,119	\$ 157,289	\$ 161,941	\$ 3,010	\$ 994,625	\$ 13,606	\$ 356,370	\$ (186,271)	\$ 8,409,943
<b>Serve and Honor the Public Trust</b>												
Total Costs	\$ 233,556	\$ 83,546	\$ 1,076,191	\$ 434	\$ -	\$ -	\$ 2,080,536	\$ -	\$ 610,249	\$ 848,920	\$ (654,565)	\$ 4,278,867
Total Earned Revenue	17,984	19,317	252,687	-	-	-	315,175	-	73,828	48,436	(84,488)	642,939
Net Costs	\$ 215,572	\$ 64,229	\$ 823,504	\$ 434	\$ -	\$ -	\$ 1,765,361	\$ -	\$ 536,421	\$ 800,484	\$ (570,077)	\$ 3,635,928
<b>Reimbursable Activity and Other</b>												
Total Costs	\$ -	\$ 686,404	\$ 673,671	\$ 2,673,501	\$ -	\$ 47,069	\$ -	\$ 3,300	\$ -	\$ 707,587	\$ (610,701)	\$ 4,180,831
Total Earned Revenue	-	725,970	644,460	2,306,007	-	47,520	-	138	-	572,027	(1,553,901)	2,742,221
Net Costs	\$ -	\$ (39,566)	\$ 29,211	\$ 367,494	\$ -	\$ (451)	\$ -	\$ 3,162	\$ -	\$ 135,560	\$ 943,200	\$ 1,438,610
<b>Total</b>												
Total Costs	\$ 5,876,367	\$ 3,034,660	\$ 2,661,399	\$ 9,421,988	\$ 199,978	\$ 281,195	\$ 4,562,755	\$ 1,139,042	\$ 3,803,360	\$ 2,053,374	\$ (2,142,309)	\$ 30,891,809
Total Earned Revenue	472,225	1,216,653	1,140,282	2,350,683	42,689	119,705	710,389	138	325,673	671,029	(2,101,724)	4,947,742
<b>Net Cost of Operations</b>	<b>\$ 5,404,142</b>	<b>\$ 1,818,007</b>	<b>\$ 1,521,117</b>	<b>\$ 7,071,305</b>	<b>\$ 157,289</b>	<b>\$ 161,490</b>	<b>\$ 3,852,366</b>	<b>\$ 1,138,904</b>	<b>\$ 3,477,687</b>	<b>\$ 1,382,345</b>	<b>\$ (40,585)</b>	<b>\$ 25,944,067</b>

<sup>1</sup>IA includes BIA and BIE

<sup>2</sup>DO includes BTFA and OIA

## NOTE 18. STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources 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 years ended September 30, 2023 and 2022				
	FY 2023		FY 2022	
	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts
<i>(dollars in thousands)</i>				
Prior Year Unobligated Balance, End of Year	\$ 45,844,778	\$ 72,964	\$ 17,899,215	\$ 87,848
Recoveries of Prior year Unpaid Obligations	1,261,728		812,230	-
Other Changes in Unobligated Balance	(271,899)	(2)	(154,565)	(2)
<b>Current Year Unobligated Balance from Prior Year Budget Authority, Net</b>	<b>\$ 46,834,607</b>	<b>\$ 72,962</b>	<b>\$ 18,556,880</b>	<b>\$ 87,846</b>

**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 years ended September 30, 2023 and 2022.

Undelivered Orders			
	<i>(dollars in thousands)</i>		
	FY 2023	FY 2022	
Undelivered Orders			
Federal:			
Paid	\$ 359,754	\$ 302,926	
Unpaid	1,710,801	1,828,863	
Total Undelivered Orders, Federal	\$ 2,070,555	\$ 2,131,789	
Non-Federal:			
Paid	\$ 267,857	\$ 112,351	
Unpaid	18,981,103	14,558,367	
Total Undelivered Orders, Non-Federal	19,248,960	14,670,718	
<b>Total Undelivered Orders</b>	<b>\$ 21,319,515</b>	<b>\$ 16,802,507</b>	

**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 the *Credit Reform Act of 1990* 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 1995. Borrowings arising from direct loans made between 1992 and 1995 are still outstanding.



These borrowings are being 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 Statement of Budgetary Resources will not necessarily agree with Appropriations Received as reported on the Statement of Changes in Net Position. This is due to differences in budgetary and proprietary accounting concepts and reporting requirements. Some receipts are recorded as appropriations on the Statement of Budgetary Resources, but are recognized as exchange or non-exchange revenue and reported on the Statement of Changes in Net Position in accordance with SFFAS 7.

**Legal Arrangements Affecting Use of Unobligated Balances.** Unobligated balances, whose period of availability has expired (i.e., 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, 2023, and 2022, are disclosed in the table below.

Legal Arrangements Affecting Use of Unobligated Balances		
<i>(dollars in thousands)</i>	FY 2023	FY 2022
Unapportioned Amounts Unavailable for Future Apportionments	\$ 287,723	\$ 6,715,959
Expired Authority	290,446	249,538
<b>Unapportioned</b>	<b>\$ 578,169</b>	<b>\$ 6,965,497</b>

**Available Borrowing, End of the Period.** The DOI did not have any available budgetary borrowing for the years ended September 30, 2023 and 2022. The DOI does have permanent indefinite borrowing authority for the execution of direct loan and loan guarantee programs in accordance with the *Credit Reform Act of 1990*. 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 2023, DOI exercised \$202 thousand in new borrowing authority, with repayments of \$2.3 million. In FY 2022, DOI exercised \$261 thousand in new borrowing authority, with repayments of \$2.6 million.

For the years ended September 30, 2023 and 2022, DOI had no available contract authority.

**Explanation of Differences between the Combined Statement of Budgetary Resources and the Budget of the United States Government.** The Statement of Budgetary Resources 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 2023 has not been published at the time these financial statements were prepared. The Budget of the United States actual FY 2022 amounts were released in March 2023. The FY 2025 Budget of the United States Government will include the FY 2023 actual amounts, and is estimated to be released in February 2024. The Budget of the United States Government is available on the OMB website.

There are legitimate reasons for differences between balances reported in the Statement of Budgetary Resources and the actual balances reported in the Budget of the United States Government. The FY 2022 differences are explained in the Reconciliation of the Statement of Budgetary Resources to the Budget of the United States Government table on the following page.

Reconciliation of the Statement of Budgetary Resources to the Budget of the United States Government				
<i>(dollars in millions)</i>	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
<b>FY 2022 Combined Statement of Budgetary Resources</b>	\$ 82,438	\$ 36,520	\$ 11,334	\$ 25,811
Bureau of Trust Funds Administration Fiduciary activity included in the Budget of the US Government that is excluded from the SBR	1,839	1,104	1,660	1,104
National Park Service Concessionaire activity included in the Budget of the US Government that is excluded from the SBR	23	7	10	11
Expired resources included in the SBR that are excluded from the Budget of the US Government	(311)	(62)	-	-
Other activity	(12)	(1)	-	(2)
Subtotal	\$ 1,539	\$ 1,048	\$ 1,670	\$ 1,113
<b>Budget of the U.S. Government</b>	<b>\$ 83,977</b>	<b>\$ 37,568</b>	<b>\$ 13,004</b>	<b>\$ 26,924</b>

## 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 Statement of Net Cost, to the net outlays, reported on the Statement of Budgetary Resources.

In FY 2021, OMB Circular A-136 published updated guidance to exclude financing account activity. Outlays related to this activity are presented as Disbursements in the Statement of Budgetary Resources as Non-Budgetary Credit Program Financing Accounts.

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.

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2023, is presented below.			
<i>(dollars in thousands)</i>	<b>Intra-Governmental FY 2023</b>	<b>Public FY 2023</b>	<b>Total FY 2023</b>
<b>Net Cost</b>	<b>\$ 861,918</b>	<b>\$ 25,902,192</b>	<b>\$ 26,764,110</b>
<b>Components of Net Cost Not Part of Net Outlays</b>			
Property, Plant and Equipment Depreciation	\$ -	\$ (861,973)	\$ (861,973)
Property, Plant and Equipment Disposal and Re-valuation	-	(18,274)	(18,274)
Other	(1,860)	68,904	67,044
<b>Increase/(Decrease) in Assets not affecting Net Outlays</b>			
Accounts Receivable	(182,503)	(208,931)	(391,434)
Loans Receivable	-	(579)	(579)
Other Assets	56,830	154,651	211,481
Investments	191,608	-	191,608
<b>(Increase)/Decrease in Liabilities not affecting Net Outlays</b>			
Accounts Payable	(14,556)	(161,669)	(176,225)
Federal Employee Benefits Payable	-	(29,089)	(29,089)
Advances from Others and Deferred Revenue	(1,017,030)	72,953	(944,077)
Environmental and Disposal Liabilities	-	(99,195)	(99,195)
Other Liabilities	(299,037)	165,076	(133,961)
<b>Other Financing Sources not affecting Net Outlays</b>			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(613,439)	-	(613,439)
Transfers (in)/out without Reimbursement	(248,345)	-	(248,345)
Other Imputed Financing	(221,484)	-	(221,484)
<b>Total Components of Net Cost Not Part of Net Outlays</b>	<b>\$ (2,349,816)</b>	<b>\$ (918,126)</b>	<b>\$ (3,267,942)</b>
<b>Components of Net Outlays that are Not Part of Net Cost</b>			
Acquisition of Capital Assets	\$ 30	\$ 1,989,166	\$ 1,989,196
Acquisition of Inventory	-	14,273	14,273
Non-Exchange Revenue and Other	(2,870,188)	(7,214,128)	(10,084,316)
<b>Total Components of Net Outlays that are Not Part of Net Cost</b>	<b>\$ (2,870,158)</b>	<b>\$ (5,210,689)</b>	<b>\$ (8,080,847)</b>
<b>Net Outlays (Calculated)</b>	<b>\$ (4,358,056)</b>	<b>\$ 19,773,377</b>	<b>\$ 15,415,321</b>

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2022, is presented below.

<i>(dollars in thousands)</i>	<b>Intra-Governmental FY 2022</b>	<b>Public FY 2022</b>	<b>Total FY 2022</b>
<b>Net Cost</b>	<b>\$ 1,183,345</b>	<b>\$ 24,760,722</b>	<b>\$ 25,944,067</b>
<b>Components of Net Cost Not Part of Net Outlays</b>			
Property, Plant and Equipment Depreciation	\$ -	\$ (804,248)	\$ (804,248)
Property, Plant and Equipment Disposal and Re-valuation	-	(17,663)	(17,663)
Other	21,174	48,029	69,203
<b>Increase/(Decrease) in Assets not affecting Net Outlays</b>			
Accounts Receivable	679,730	(363,360)	316,370
Loans Receivable	-	(572)	(572)
Other Assets	154,873	(31,045)	123,828
Investments	19,991	-	19,991
<b>(Increase)/Decrease in Liabilities not affecting Net Outlays</b>			
Accounts Payable	(103,347)	(213,608)	(316,955)
Federal Employee Benefits Payable	-	41,595	41,595
Advances from Others and Deferred Revenue	(586,153)	(155,377)	(741,530)
Environmental and Disposal Liabilities	-	(12,512)	(12,512)
Other Liabilities	(166,998)	(874,221)	(1,041,219)
<b>Other Financing Sources not affecting Net Outlays</b>			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(472,376)	-	(472,376)
Transfers (in)/out without Reimbursement	(230,943)	-	(230,943)
Other Imputed Financing	(78,392)	-	(78,392)
<b>Total Components of Net Cost Not Part of Net Outlays</b>	<b>\$ (762,441)</b>	<b>\$ (2,382,982)</b>	<b>\$ (3,145,423)</b>
<b>Components of Net Outlays that are Not Part of Net Cost</b>			
Acquisition of Capital Assets	\$ -	\$ 1,452,583	\$ 1,452,583
Acquisition of Inventory	-	11,637	11,637
Non-Exchange Revenue and Other	757,923	(10,550,820)	(9,792,897)
<b>Total Components of Net Outlays that are Not Part of Net Cost</b>	<b>\$ 757,923</b>	<b>\$ (9,086,600)</b>	<b>\$ (8,328,677)</b>
<b>Net Outlays (Calculated)</b>	<b>\$ 1,178,827</b>	<b>\$ 13,291,140</b>	<b>\$ 14,469,967</b>

## 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. 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.

Schedule of Fiduciary Activity	Fiduciary Funds	
	<i>(dollars in thousands)</i>	
	FY 2023	FY 2022
Fiduciary Net Assets, Beginning	\$ 8,538,727	\$ 6,375,161
Contributions	1,820,080	3,648,993
Investment Earnings	317,887	146,097
Gain (Loss) on Disposition of Investments, Net	(102)	(581)
Administrative and Other Expenses	79	70
Disbursements to and on Behalf of Beneficiaries	(1,670,986)	(1,631,013)
Increase/(Decrease) Net Assets	466,958	2,163,566
<b>Fiduciary Net Assets, End</b>	<b>\$ 9,005,685</b>	<b>\$ 8,538,727</b>

Fiduciary Net Assets	Fiduciary Funds	
	<i>(dollars in thousands)</i>	
	FY 2023	FY 2022
Cash and Cash Equivalents	\$ 1,374,699	\$ 1,543,888
Investments		
Investments in Treasury Securities	373,300	390,716
Investments in Non-Treasury Securities	7,024,175	6,340,542
Accrued Interest Receivable	50,387	36,219
Other Income Receivable	183,286	227,579
Less: Accounts Payable	(162)	(217)
<b>Total Fiduciary Net Assets</b>	<b>\$ 9,005,685</b>	<b>\$ 8,538,727</b>

Non-Valued Fiduciary Assets	Fiduciary Assets	
	<i>Regions</i>	
	FY 2023	FY 2022
Non-Valued Fiduciary Assets	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, 2023, and 2022. 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.

For more information, see separately issued auditors' reports and financial statements on BTFA's website: <https://www.doi.gov/ost/publications>. FY 2023 report is not published at time of FY 2023 AFR publication.

## 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 the OMB to DOI in the Budget of the U.S. Government. The DOI consolidation entity did not change between fiscal years 2022 and 2023.

### Disclosure Entities:

#### **Foundation for America's Public Lands**

The Foundation for America's Public Lands 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, 2023, BLM allocated \$3.5 million to the foundation 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, 2023, DOI had expenses of \$222 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. The program expenses in support of the parks paid by NPF were around \$94.8 million in FY 2022 (the FY 2023 data is not available at the time of

publishing this AFR). For the period ending September 30, 2023, DOI had expenses of \$21.8 million with NPF to support parks programs.

## NOTE 22. CUSTODIAL ACTIVITY

Custodial Revenues reported on the Combined Statement of Custodial Activity (SCA) are revenues collected by components within DOI on behalf of other entities. 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. ONRR does not retain any portion of these revenues to offset custodian administrative costs.

In FY 2023, a wind energy auction was held totaling \$757.1 million in winning bids. The California offshore wind auction included a credit totaling \$170.1 million, for bidders that committed to a qualifying monetary contribution to programs or initiatives that support workforce training programs. The net winning bids of \$587 million, which include the application of the bidding credits, is presented on the SCA as Offshore Lease Sales – Renewable Energy. In FY 2022, renewable energy sales netted winning bids of \$4.63 billion (\$4.685 billion less \$52.5 million in credits). ONRR rents and royalties slightly decreased due to overall decrease oil and gas prices in FY 2023.

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, the USDA, and the USACE. 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

(i.e. ONRR and USGS). The recipient of the custodial revenue distributions may subsequently disburse to other entities. For example, distributions shown on the SCA to Departmental Offices 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 (i. e. ONRR and USGS) on behalf of others, that have not yet been disbursed. Departmental Offices 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 Statement of Net Cost. 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. COVID-19 ACTIVITY

On March 11, 2021, President Biden signed the *American Rescue Plan Act of 2021* (ARP Act; P.L. 117-2) into law. The ARP Act continues many of the programs started by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act; P.L. 116-136) (2020), by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. The law provided direct appropriations of \$105 million to DOI's FWS, \$900 million to the BIA, and \$850 million to the BIE. All funds provided in FY 2021 are available until expended.

In FY 2023, approximately \$36 million of unobligated funds were rescinded for Fish and Wildlife Resource Management and approximately \$2 million of unobligated funds were rescinded for Bureau of Indian Affairs American Rescue Plan.

COVID-19 Activity		
(dollars in thousands)	FY 2023	FY 2022
Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from PY	\$ 367,903	\$ 645,176
New Budget Authority (+)	-	-
Rescissions (-)/Other Changes (+/-) to Budgetary Resources	(38,406)	-
Budgetary Resources Obligated (-)	(278,149)	(277,273)
Budgetary Resources: Ending Unobligated (and unexpired) Balance to be Carried Forward	\$ 51,348	\$ 367,903
Outlays, Net (Total)	\$ 250,009	\$ 271,624

## NOTE 24. 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 the DOI's financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS), to prepare governmentwide reclassified financial statements.

Treasury's Reclassified Balance Sheet and Reclassified Statement of Changes in Net Position resemble DOI's financial statement presentation; therefore, a separate reconciliation is not required for the Balance Sheet. The Statement of Changes in Net Position 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, 2023.

A copy of the 2022 FR can be found here: <https://www.fiscal.treasury.gov/reports-statements/> and a copy of the 2023 FR will be posted to this site as soon as it is released.



NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2023 Department of the Interior Consolidated Statement of Net Cost		Line Items Used to Prepare FY 2023 Government-wide Statement of Net Cost					
Financial Statement Line <i>(dollars in thousands)</i>	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Consolidated Total	Reclassified Financial Statement Line
Gross Cost	\$ 32,730,918	\$ 10,370,115	-	\$ 18,333,023	-	\$ 28,703,138	Non-Federal Gross Cost
		-	-	26,400	-	26,400	Gains/Losses from Changes in Actuarial Assumptions
		152,997	-	1,483,541	-	1,636,538	Benefit Program Costs
		172,244	(30,153)	692,713	118	834,922	Imputed Costs
		803,235	(17,429)	934,492	(622,529)	1,097,769	Buy/Sell Cost
		0	-	30	-	30	Purchase of Assets
		0	-	(30)	-	(30)	Purchase of Assets Offset
		334	-	1,967	(334)	1,967	Borrowing and Other Interest Expense
		45,451	-	384,733	-	430,184	Other Expenses (Without Reciprocals)
<b>Total Gross Costs</b>	<b>\$ 32,730,918</b>	<b>\$ 11,544,376</b>	<b>\$ (47,582)</b>	<b>\$ 21,856,869</b>	<b>\$ (622,745)</b>	<b>\$ 32,730,918</b>	<b>Total Gross Costs</b>
Earned Revenues	\$ 5,966,808	\$ 1,885,806	-	\$ 941,541	-	\$ 2,827,347	Non-Federal Earned Revenue
		90,016	(17,429)	3,388,109	(622,529)	2,838,167	Buy/Sell Revenue
		130,499	-	1,019	-	131,518	Federal Securities Interest Revenue Including Associated Gains and Losses (Exchange)
		-	-	1,675	(334)	1,341	Borrowing and Other Interest Revenue (Exchange)
		-	-	(24,229)	20,889	(3,340)	Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		188,373	-	-	(20,889)	167,484	Collections Transferred into a TAS Other Than the General Fund of the U.S. Government
		-	-	204	(171)	33	Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		4,087	-	-	171	4,258	Accrual for Agency Amounts to be Collected in TAS Other Than the General Fund of the U.S. Government - Exchange
<b>Total Earned Revenue</b>	<b>\$ 5,966,808</b>	<b>\$ 2,298,781</b>	<b>\$ (17,429)</b>	<b>\$ 4,308,319</b>	<b>\$ (622,863)</b>	<b>\$ 5,966,808</b>	<b>Total Earned Revenue</b>
<b>Net Cost of Operations</b>	<b>\$ 26,764,110</b>	<b>\$ 9,245,595</b>	<b>\$ (30,153)</b>	<b>\$ 17,548,550</b>	<b>\$ 118</b>	<b>\$ 26,764,110</b>	<b>Net Cost of Operations</b>

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2023 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2023 Government-wide Statement of Operations and Changes in Net Position	
Financial Statement Line <i>(dollars in thousands)</i>	Amounts	Total	Reclassified Financial Statement Line
<b>UNEXPENDED APPROPRIATIONS</b>			<b>UNEXPENDED APPROPRIATIONS</b>
<b>Beginning Balance</b>	\$ 42,213,640	\$ 42,213,640	<b>Net Position, Beginning of Period (1 of 2)</b>
Appropriations Received, General Funds	23,475,868	23,475,868	Appropriations Received As Adjusted (1 of 2)
Appropriations Transferred In/(Out)	(486,550)	23,665	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources (1 of 2)
		(510,215)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (1 of 2)
Total Appropriations Transferred In/(Out)	(486,550)	(486,550)	Total Reclassified Appropriations Transferred In/(Out)
Appropriations Used	(18,754,207)	(18,754,207)	Appropriations Used
Other Adjustments	(227,192)	(227,192)	Appropriations Received As Adjusted (2 of 2)
Net Change	4,007,919	4,007,919	Net Change
<b>Ending Balance - Unexpended Appropriations</b>	\$ 46,221,559	\$ 46,221,559	<b>Net Position, End of Period (1 of 2)</b>
<b>CUMULATIVE RESULTS OF OPERATIONS</b>			<b>CUMULATIVE RESULTS OF OPERATIONS</b>
<b>Beginning Balance</b>	\$ 88,425,129	\$ 88,425,129	<b>Net Position, Beginning of Period (2 of 2)</b>
Appropriations Used	18,754,207	18,754,207	Appropriations Expended
Royalties, Rents, and Lease Sales Retained	9,139,729	16,200,520	Miscellaneous Earned Revenues
		(10,882)	Miscellaneous Taxes and Receipts (1 of 5)
		(286,374)	Collections Transferred to a TAS Other than the General Fund of the U.S. Government
		(6,797,842)	Non-Entity Collections Transferred to the General Fund of the U.S. Government (1 of 2)
		34,307	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	9,139,729	9,139,729	Total Royalties, Rents, and Lease Sales Retained
Non-Exchange Revenues	2,684,395		<b>Non-Federal Non-Exchange Revenues</b>
	-	81,811	Miscellaneous Taxes and Receipts (2 of 5)
	-	1,022,865	<b>Federal Non-Exchange Revenues</b>
	-	1,573,911	Federal Securities Interest Revenue Including Associated Gains/Losses (Non-exchange)
	-	5,345	Collections Transferred into a TAS Other than the General Fund of the U.S. Government - Nonexchange (2 of 2)
	-	28	Accruals for Entity Amounts to be Collected in a TAS other than the General Fund of the U.S. Government - Nonexchange (Part 2 of 2)
	-	40	Borrowings and Other Interest Revenue - Nonexchange (1 of 2)
			Other Budgetary Financing Sources


NOTES TO PRINCIPAL FINANCIAL STATEMENTS

continued

FY 2023 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2023 Government-wide Statement of Operations and Changes in Net Position	
Financial Statement Line <i>(dollars in thousands)</i>	Amounts	Total	Reclassified Financial Statement Line
	-	395	Other Non-Budgetary Financing Sources
		2,602,584	<b>Total Federal Non-Exchange Revenues</b>
Total Non-Exchange Revenue	2,684,395	2,684,395	Total Non-Exchange Revenue
Transfers In/(Out) without Reimbursement	1,563,752	118,717	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-In
	-	(214,815)	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-Out
	-	804,632	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources (2 of 2)
	-	(332,208)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (2 of 2)
	-	227,774	Expenditure Transfers-In of Financing Sources
	-	963,962	Transfers-In Without Reimbursement
	-	(4,310)	Transfers-Out Without Reimbursement
Total Transfers In/(Out) without Reimbursement	1,563,752	1,563,752	Total Transfers In/Out without Reimbursement
Donations and Forfeitures of Cash and Cash Equivalents	82,852	82,852	Miscellaneous Taxes and Receipts (3 of 5)
Donations and Forfeitures of Property	75,339	75,339	Miscellaneous Taxes and Receipts (4 of 5)
Imputed Financing	834,922	834,922	Imputed Financing Sources
Other Financing Sources/(Uses)	(628,742)	(7,994)	Miscellaneous Taxes and Receipts (5 of 5)
	-	(332,205)	Non-Entity Collections Transferred to the General Fund of the U.S. Government (2 of 2)
	-	(288,543)	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)	(628,742)	(628,742)	Total Other Financing Sources
<b>Net Cost of Operations</b>	(26,764,110)	(26,764,110)	<b>Net Cost of Operations</b>
<b>Net Change</b>	5,742,344	5,742,344	<b>Net Change</b>
<b>Ending Balance - Cumulative Results of Operations</b>	<b>\$ 94,167,473</b>	<b>\$ 94,167,473</b>	<b>Ending Balance - Cumulative Results of Operations</b>
<b>Total Net Position</b>	<b>\$ 140,389,032</b>	<b>\$ 140,389,032</b>	<b>Total Net Position</b>

NOTES TO PRINCIPAL FINANCIAL STATEMENTS

FY 2023 Department of the Interior Combined Statement of Custodial Activity		Line Items Used to Prepare FY 2023 Government-wide Statement of Operations and Changes in Net Position and Statement of Net Cost	
Financial Statement Line <i>(dollars in thousands)</i>	Amounts	All Other Amounts	Reclassified Financial Statement Line
Revenues on Behalf of the Federal Government	\$ 16,309,729	\$ 16,200,519	Statement of Operations and Changes in Net Position - Miscellaneous Earned Revenues
		178	Statement of Net Cost - Buy/Sell Revenue
		109,032	Statement of Net Cost - Non-Federal Earned Revenue
<b>Total Revenues</b>	<b>\$ 16,309,729</b>	<b>\$ 16,309,729</b>	<b>Total Revenues</b>
Disposition of Revenue	16,309,729	10,882	Statement of Operations and Changes in Net Position - Other Taxes and Receipts
		9,654,469	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
		(228,191)	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
		6,797,841	Statement of Operations and Changes in Net Position - Non-Entity Collections Transferred to the General Fund of the U.S. Government
		(34,307)	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
		(204)	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
		109,239	Statement of Net Cost - Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
<b>Total Disposition of Revenue</b>	<b>\$ 16,309,729</b>	<b>\$ 16,309,729</b>	<b>Total Disposition of Revenue</b>
<b>Net Custodial Activity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Net Custodial Activity</b>

The background of the page features a large, semi-transparent American flag waving in the upper half, and a semi-transparent seal of the Department of the Interior in the lower half. The seal depicts a bison in a landscape, surrounded by the text "DEPARTMENT OF THE INTERIOR" and "MARCH 3, 1849". The entire scene is set against a light blue sky with soft, white clouds.

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REQUIRED SUPPLEMENTARY INFORMATION

Unaudited, See Accompanying Auditor's Report

This section includes the Combining Statement of Budgetary Resources by major budget account (Budgetary Accounts), Deferred Maintenance and Repairs (DM&R) information, custodial activity compliance assessments and pre-assessment work in process. The DOI Required Supplementary Information 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.

Combined Statement of Budgetary Resources

Combining Statement of Budgetary Resources for the Year Ended September 30, 2023 <i>(dollars in thousands)</i>	Abandoned Mine Reclamation Fund	BLM Permanent Operations Funds	Energy Community Revitalization Program	Fish and Wildlife Resource Management	Great American Outdoors Act	Interior Franchise Fund	Management of Land and Resources	Mineral Leasing and Associated Payments	National Park Service Operations	Operation of Indian Programs	Survey, Investigation and Research	Water and Related Resources	Wildland Fire Management	Other Budgetary Accounts	Total Budgetary Accounts
<b>Budgetary Resources:</b>															
Unobligated Balance from Prior Year Budget Authority, Net	\$ 11,494,029	\$ 1,642,144	\$ 4,055,292	\$ 847,651	\$ 1,792,547	\$ 529,732	\$ 264,263	\$ 2,493	\$ 730,870	\$ 1,086,932	\$ 1,135,960	\$ 7,832,850	\$ 615,338	\$ 14,804,506	\$ 46,834,607
Appropriations (Discretionary and Mandatory)	607,851	358,708	5,000	1,659,958	1,687,130	-	1,699,491	4,266,417	3,116,668	2,043,458	1,606,933	2,669,825	1,430,949	13,907,836	35,060,224
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	97	-	-	445,504	-	2,776,313	73,341	-	74,199	87,942	738,895	422,100	93,732	3,077,532	7,789,655
<b>Total Budgetary Resources</b>	<b>\$ 12,101,977</b>	<b>\$ 2,000,852</b>	<b>\$ 4,060,292</b>	<b>\$ 2,953,113</b>	<b>\$ 3,479,677</b>	<b>\$ 3,306,045</b>	<b>\$ 2,037,095</b>	<b>\$ 4,268,910</b>	<b>\$ 3,921,737</b>	<b>\$ 3,218,332</b>	<b>\$ 3,481,788</b>	<b>\$ 10,924,775</b>	<b>\$ 2,140,019</b>	<b>\$ 31,789,874</b>	<b>\$ 89,684,486</b>
<b>Status of Budgetary Resources:</b>															
New Obligations and Upward Adjustments	\$ 1,348,568	\$ 272,637	\$ 54,534	\$ 2,032,944	\$ 986,991	\$ 2,406,221	\$ 1,549,589	\$ 4,265,982	\$ 3,036,028	\$ 2,188,627	\$ 2,368,262	\$ 3,565,729	\$ 1,556,371	\$ 15,578,620	\$ 41,211,103
Unobligated Balance, End of Year															
Apportioned, Unexpired Accounts	10,753,409	1,728,215	4,005,758	899,415	2,420,012	899,824	460,757	2,928	768,009	992,698	1,095,604	7,359,025	583,648	15,925,912	47,895,214
Unapportioned, Unexpired Accounts	-	-	-	-	72,674	-	35	-	-	-	-	-	-	215,014	287,723
Unexpired, Unobligated Balance, End of Year	10,753,409	1,728,215	4,005,758	899,415	2,492,686	899,824	460,792	2,928	768,009	992,698	1,095,604	7,359,025	583,648	16,140,926	48,182,937
Expired, Unobligated Balance, End of Year	-	-	-	20,754	-	-	26,714	-	117,700	37,007	17,922	21	-	70,328	290,446
<b>Unobligated Balance, End of Year (Total)</b>	<b>\$ 10,753,409</b>	<b>\$ 1,728,215</b>	<b>\$ 4,005,758</b>	<b>\$ 920,169</b>	<b>\$ 2,492,686</b>	<b>\$ 899,824</b>	<b>\$ 487,506</b>	<b>\$ 2,928</b>	<b>\$ 885,709</b>	<b>\$ 1,029,705</b>	<b>\$ 1,113,526</b>	<b>\$ 7,359,046</b>	<b>\$ 583,648</b>	<b>\$ 16,211,254</b>	<b>\$ 48,473,383</b>
<b>Total Budgetary Resources</b>	<b>\$ 12,101,977</b>	<b>\$ 2,000,852</b>	<b>\$ 4,060,292</b>	<b>\$ 2,953,113</b>	<b>\$ 3,479,677</b>	<b>\$ 3,306,045</b>	<b>\$ 2,037,095</b>	<b>\$ 4,268,910</b>	<b>\$ 3,921,737</b>	<b>\$ 3,218,332</b>	<b>\$ 3,481,788</b>	<b>\$ 10,924,775</b>	<b>\$ 2,140,019</b>	<b>\$ 31,789,874</b>	<b>\$ 89,684,486</b>
<b>Outlays Net:</b>															
Outlays Net (Discretionary and Mandatory)	\$ 580,107	\$ 124,484	\$ 189,109	\$ 1,533,945	\$ 562,198	\$ (1,024,808)	\$ 1,332,593	\$ 4,265,982	\$ 2,815,370	\$ 2,031,542	\$ 1,489,053	\$ 1,849,736	\$ 1,292,530	\$ 10,739,438	\$ 27,781,279
Distributed Offsetting Receipts	(575,342)	(348,056)	-	-	(72,674)	-	-	(4,276,405)	-	-	(60)	1,099	-	(7,094,520)	(12,365,958)
<b>Agency Outlays, Net (Discretionary and Mandatory)</b>	<b>\$ 4,765</b>	<b>\$ (223,572)</b>	<b>\$ 189,109</b>	<b>\$ 1,533,945</b>	<b>\$ 489,524</b>	<b>\$ (1,024,808)</b>	<b>\$ 1,332,593</b>	<b>\$ (10,423)</b>	<b>\$ 2,815,370</b>	<b>\$ 2,031,542</b>	<b>\$ 1,488,993</b>	<b>\$ 1,850,835</b>	<b>\$ 1,292,530</b>	<b>\$ 3,644,918</b>	<b>\$ 15,415,321</b>

## 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 that were not performed when they should have been or were scheduled and delayed for a future period are considered DM&R.

Broad methodologies for estimating and reporting DM&R are defined by DOI and implemented across bureaus with real property portfolios. Estimates include real property assets that are active, inactive, or have been identified as excess to mission needs.

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.

The following is DOI's DM&R as of September 30, 2023:

Deferred Maintenance and Repairs as of September 30, 2023			
PP&E Category <i>(dollars in thousands)</i>	Beginning DM&R Balance	Ending DM&R Balance	
General PP&E	\$ 18,447,751	\$	21,131,767
Heritage Assets	10,838,031		10,687,993
Stewardship Land	810,918		974,726
<b>Total</b>	<b>\$ 30,096,700</b>	<b>\$</b>	<b>32,794,486</b>

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.

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. Increases in the DM&R estimates from FY 2022 were due to funding constraints impacting maintenance priorities; updated requirements on transportation infrastructure, levees, and water control structures; inflation; and continued implementation of more efficient assessment methods.

DOI policy requires that condition assessments be performed on all constructed assets. 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 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, the U.S. FWS, the BLM, the Forest Service (USDA), and the 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, National Wildlife Refuge System, on public land administered by the BLM, for the 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.

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 diverse portfolio of assets. The methodology is executed through an annual process in which bureaus 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 EOs.

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*

## 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, 2023 is \$61.6 million. This estimate is comprised of approximately \$258 thousand in audit and compliance management, approximately \$52.1 million state and Tribal audit, and approximately \$9.3 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, providing access for renewable energy development, and appropriate environmental reviews and studies to ensure that 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 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; all in accordance with

the *Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA)* and *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, the 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.

The BLM staff performs onshore inspections and BSEE staff performs offshore inspections to confirm that activities are conducted in an environmentally and physically safe manner. Similar inspections also occur during the production and post-production activities to help ensure the federal



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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 (<https://www.usgs.gov/centers/nmic>), BLM's Energy and Minerals webpage (<https://www.blm.gov/programs/energy-and-minerals>), and BOEM's Resource Evaluation Program webpage (<http://www.boem.gov/oil-gas-energy/resource-evaluation>).

<b>Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves</b>						
<b>Asset Present Value as of September 30, 2023</b>						
<i>(in thousands)</i>						
Offshore <sup>1</sup>	Gulf of Mexico	Pacific <sup>2</sup>				Total
Oil and Lease Condensate	\$ 31,793,625	\$ 1,488,854				\$ 33,282,479
Natural Gas, Wet After Lease Separation	1,681,734	105,813				1,787,547
<b>Total Offshore</b>	<b>\$ 33,475,359</b>	<b>\$ 1,594,667</b>				<b>\$ 35,070,026</b>

<sup>1</sup> Offshore royalties include OCSLA Section 8(g) royalties

<sup>2</sup> Pacific 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	\$ 42	\$ 2,703,316	\$ 21,097,102	\$ 4,526,810	\$ 1,075,177	\$ 29,402,447
Natural Gas, Wet After Lease Separation	1,247	530,973	6,918,763	6,575,972	215,963	14,242,918
<b>Total Onshore</b>	<b>\$ 1,289</b>	<b>\$ 3,234,289</b>	<b>\$ 28,015,865</b>	<b>\$ 11,102,782</b>	<b>\$ 1,291,140</b>	<b>\$ 43,645,365</b>

<b>Total Offshore and Onshore 2023</b>	
Total Oil and Lease Condensate	\$ 62,684,926
Total Natural Gas, Wet After Lease Separation	16,030,465
<b>Total Offshore and Onshore</b>	<b>\$ 78,715,391</b>

Onshore Regions are reported consistent with 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

## REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves Asset Present Value as of September 30, 2022 (in thousands)

Offshore <sup>1</sup>	Gulf of Mexico	Pacific <sup>2</sup>			Total
Oil and Lease Condensate	\$ 33,294,228	\$ 1,365,869			\$ 34,660,097
Natural Gas, Wet After Lease Separation	1,950,630	90,535			2,041,165
<b>Total Offshore</b>	<b>\$ 35,244,858</b>	<b>\$ 1,456,404</b>			<b>\$ 36,701,262</b>

<sup>1</sup> Offshore royalties include OCSLA Section 8(g) royalties

<sup>2</sup> Pacific 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	\$ 109	\$ 4,541,179	\$ 17,569,211	\$ 5,852,812	\$ 1,110,055	\$ 29,073,366
Natural Gas, Wet After Lease Separation	2,446	603,512	7,334,344	14,262,902	178,420	22,381,624
<b>Total Onshore</b>	<b>\$ 2,555</b>	<b>\$ 5,144,691</b>	<b>\$ 24,903,555</b>	<b>\$ 20,115,714</b>	<b>\$ 1,288,475</b>	<b>\$ 51,454,990</b>

### Total Offshore and Onshore 2022

Total Oil and Lease Condensate	\$ 63,733,463
Total Natural Gas, Wet After Lease Separation	24,422,789
<b>Total Offshore and Onshore</b>	<b>\$ 88,156,252</b>

The previous tables present the estimated present value of future federal royalty receipts on estimated proved reserves as of September 30, 2023 and September 30, 2022. 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) Energy Information Administration (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 CY 2021, 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 2024 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 2022) 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

## REQUIRED SUPPLEMENTARY INFORMATION

gas royalties, and natural gas liquids royalties. For onshore gas price projections, data was used for the most recently completed FY 2022 with updated ONRR sales year data as of March 1, 2023. 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 2022), 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 curve<sup>1</sup> from trading dates for the most recently completed fiscal year for onshore. For onshore, the discount rate used was 1.94 percent. The OMB rates used for offshore are 11-year estimates prepared for the Administration's FY 2024 budget. The rates begin at 3.97 percent for FY 2023 and decrease to 3.70 percent for FY 2033. The rates were assumed to remain at 3.70 percent beyond FY 2033, 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.

<sup>1</sup> 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, 2023 and 2022 (in thousands)

	FY 2023	FY 2022
Other Federal Bureaus and Agencies		
Department of the Treasury	\$ 37,326,581	\$ 40,296,855
Interior - Reclamation Fund	16,013,056	19,131,236
Other Federal Bureaus and Agencies	2,129,159	2,786,949
States and Others	23,246,595	25,941,212
<b>Total Estimated Petroleum Royalties to be Distributed to Others</b>	<b>\$ 78,715,391</b>	<b>\$ 88,156,252</b>

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 12 months.

### Revenue Reported by Category FY 2023 and FY 2022 (in thousands)

	FY 2023			FY 2022		
	Federal Offshore	Federal Onshore	Total	Federal Offshore	Federal Onshore	Total
Royalties from Oil & Lease Condensate	\$ 5,993,971	\$ 5,548,047	\$ 11,542,018	\$ 5,780,656	\$ 5,377,682	\$ 11,158,338
Accrual Adjustment - Oil & Lease Condensate	(158,709)	(125,564)	(284,273)	309,379	402,865	712,244
Royalties from Natural Gas	\$ 462,776	\$ 2,907,977	\$ 3,370,753	\$ 531,658	\$ 2,684,580	\$ 3,216,238
Accrual Adjustment - Natural Gas	(11,497)	(7,463)	(18,960)	(5,070)	186,729	\$ 181,659
<b>Subtotal</b>	<b>\$ 6,286,541</b>	<b>\$ 8,322,997</b>	<b>\$ 14,609,538</b>	<b>\$ 6,616,623</b>	<b>\$ 8,651,856</b>	<b>\$ 15,268,479</b>
Rent	\$ 82,539	\$ 22,290	\$ 104,829	\$ 78,878	\$ 24,137	\$ 103,015
Bonus Bid	271,236	107,632	378,868	202,822	22,003	224,825
<b>Subtotal</b>	<b>\$ 353,775</b>	<b>\$ 129,922</b>	<b>\$ 483,697</b>	<b>\$ 281,700</b>	<b>\$ 46,140</b>	<b>\$ 327,840</b>
<b>Total</b>	<b>\$ 6,640,316</b>	<b>\$ 8,452,919</b>	<b>\$ 15,093,235</b>	<b>\$ 6,898,323</b>	<b>\$ 8,697,996</b>	<b>\$ 15,596,319</b>

The above table of revenue reported by category presents royalty revenue reported to DOI in fiscal years 2023 and 2022 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) End of FY 2023 and FY 2022 (in thousands)						
Oil and Lease Condensate (Bbl)						
Federal Offshore	FY 2023			FY 2022		
	Quantity (in thousands)	Average Purchase Price (\$) <sup>1</sup>	Average Royalty Rate (%)	Quantity (in thousands)	Average Purchase Price (\$) <sup>1</sup>	Average Royalty Rate (%)
Gulf of Mexico <sup>2</sup>	4,269,024	\$ 78.60	13.33%	4,010,961	\$ 92.86	13.20%
Pacific (including Alaska Federal OCS)	164,960	76.40	16.43%	131,405	89.11	16.16%
<b>Subtotal Federal Offshore</b>	<b>4,433,984</b>			<b>4,142,366</b>		
Federal Onshore						
East Coast (PADD 1)	7	\$ 78.63	12.50%	11	\$ 81.55	12.50%
Midwest (PADD 2)	447,641	78.91	11.75%	475,608	93.56	11.98%
Gulf Coast (PADD 3)	3,315,968	78.76	12.40%	1,762,635	94.23	12.51%
Rocky Mountain (PADD 4)	721,988	76.03	12.22%	601,178	90.92	12.22%
West Coast (PADD 5)	159,718	80.26	12.90%	107,225	93.66	12.99%
<b>Subtotal Federal Onshore</b>	<b>4,645,322</b>			<b>2,946,657</b>		
<b>Total Federal Offshore and Onshore (Bbl)</b>	<b>9,079,306</b>			<b>7,089,023</b>		

Natural Gas, Wet After Lease Separation (Mcf)						
Federal Offshore	FY 2023			FY 2022		
	Quantity (in thousands)	Average Purchase Price (\$) <sup>1</sup>	Average Royalty Rate (%)	Quantity	Average Purchase Price (\$) <sup>1</sup>	Average Royalty Rate (%)
Gulf of Mexico <sup>2</sup>	3,996,710	\$ 4.76	10.97%	3,772,618	\$ 6.87	12.33%
Pacific (Alaska Federal OCS has no proved gas reserves)	206,419	12.87	15.55%	138,746	8.15	14.48%
<b>Subtotal Federal Offshore</b>	<b>4,203,129</b>			<b>3,911,364</b>		
Federal Onshore						
East Coast (PADD 1)	3,355	\$ 3.59	12.60%	3,664	\$ 5.96	12.60%
Midwest (PADD 2)	1,841,445	3.96	9.74%	1,056,474	7.16	10.79%
Gulf Coast (PADD 3)	21,195,992	4.23	10.98%	12,196,132	6.82	11.35%
Rocky Mountain (PADD 4)	19,947,441	7.42	11.06%	24,152,221	7.03	11.15%
West Coast (PADD 5)	554,923	5.88	13.67%	254,612	6.50	13.70%
<b>Subtotal Federal Onshore</b>	<b>43,543,156</b>			<b>37,663,103</b>		
<b>Total Federal Offshore and Onshore (Mcf)</b>	<b>47,746,285</b>			<b>41,574,467</b>		

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 2023 and FY 2022. 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. (Definitions: Bbl is defined as One Barrel, Mcf is defined as One Thousand Cubic Feet, Mbbbl is defined as One Thousand Barrels, and MMcf is defined as One Million Cubic Feet)

<sup>1</sup> 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.

<sup>2</sup> Gulf of Mexico Proved Reserves are royalty bearing volumes. In the Gulf of Mexico, an additional 503,478 Mbbbl of proved oil reserves and 426,231 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 Mexico is estimated to be \$3,833,073,591.

REQUIRED SUPPLEMENTARY INFORMATION

Federal Regional Oil and Gas Information FY 2023 and FY 2022 (in thousands)								
Oil and Lease Condensate Information - Offshore								
Region	FY 2023				FY 2022			
	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
Gulf of Mexico	569,871	\$ 44,693,803	\$ 5,954,751	\$ 922,492	477,657	\$ 44,033,933	\$ 5,736,807	\$ 1,168,798
Pacific	3,070	234,209	39,220	n/a	3,340	290,590	43,849	n/a
<b>Total</b>	<b>572,941</b>	<b>\$ 44,928,012</b>	<b>\$ 5,993,971</b>	<b>\$ 992,492</b>	<b>480,997</b>	<b>\$ 44,324,523</b>	<b>\$ 5,780,656</b>	<b>\$ 1,168,798</b>

Natural Gas Information - Offshore								
Region	FY 2023				FY 2022			
	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
Gulf of Mexico	845,558	\$ 4,067,489	\$ 460,225	\$ 52,958	767,227	\$ 4,476,738	\$ 530,070	\$ 102,332
Pacific	1,354	17,665	2,551	n/a	1,711	13,203	1,588	n/a
<b>Total</b>	<b>846,912</b>	<b>\$ 4,085,154</b>	<b>\$ 462,776</b>	<b>\$ 52,958</b>	<b>768,938</b>	<b>\$ 4,489,941</b>	<b>\$ 531,658</b>	<b>\$ 102,332</b>

Oil and Lease Condensate Information - Onshore								
Region	FY 2023				FY 2022			
	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
East Coast (PADD 1)	0.7	\$ 53	\$ 7	\$ n/a	0.6	\$ 50	\$ 6	\$ n/a
Midwest (PADD 2)	39,517	3,122,130	368,708	n/a	42,123	3,845,289	459,059	n/a
Gulf Coast (PADD 3)	436,534	35,037,298	4,356,131	n/a	351,418	31,963,420	3,978,476	n/a
Rocky Mountain (PADD 4)	70,223	5,401,467	660,418	n/a	72,215	6,310,774	768,179	n/a
West Coast (PADD 5)	15,559	1,254,226	162,783	n/a	13,834	1,310,426	171,962	n/a
<b>Total</b>	<b>561,834</b>	<b>\$ 44,815,174</b>	<b>\$ 5,548,047</b>	<b>\$ -</b>	<b>479,591</b>	<b>\$ 43,429,959</b>	<b>\$ 5,377,682</b>	<b>\$ -</b>

Natural Gas Information - Onshore								
Region	FY 2023				FY 2022			
	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
East Coast (PADD 1)	224	\$ 994	\$ 125	\$ n/a	232	\$ 1,129	\$ 142	\$ n/a
Midwest (PADD 2)	251,449	1,001,554	102,772	n/a	198,187	1,194,371	128,432	n/a
Gulf Coast (PADD 3)	2,934,030	14,022,711	1,575,786	n/a	2,342,222	13,897,582	1,634,145	n/a
Rocky Mountain (PADD 4)	1,260,821	10,312,475	1,195,405	n/a	1,279,293	7,931,706	890,709	n/a
West Coast (PADD 5)	40,585	247,291	33,889	n/a	35,797	225,134	31,152	n/a
<b>Total</b>	<b>4,487,109</b>	<b>\$ 25,585,025</b>	<b>\$ 2,907,977</b>	<b>\$ -</b>	<b>3,855,731</b>	<b>\$ 23,249,922</b>	<b>\$ 2,684,580</b>	<b>\$ -</b>

REQUIRED SUPPLEMENTARY INFORMATION

Federal Regional Oil and Gas Information (Continued)								
<i>(in thousands)</i>								
Oil and Lease Condensate Information - Offshore and Onshore								
Region	FY 2023				FY 2022			
	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Bbl)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
<b>Total</b>	<b>1,134,775</b>	<b>\$ 89,743,186</b>	<b>\$ 11,542,018</b>	<b>\$ 922,492</b>	<b>960,588</b>	<b>\$ 87,754,482</b>	<b>\$ 11,158,338</b>	<b>\$ 1,168,798</b>

Natural Gas Information - Offshore and Onshore								
Region	FY 2023				FY 2022			
	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)	Sales Volume (Mcf)	Sales Value (\$)	Royalty Revenue Earned (\$)	Estimated Value for Royalty Relief (\$)
<b>Total</b>	<b>5,334,021</b>	<b>\$ 29,670,179</b>	<b>\$ 3,370,753</b>	<b>\$ 52,958</b>	<b>4,624,669</b>	<b>\$ 27,739,863</b>	<b>\$ 3,216,238</b>	<b>\$ 102,332</b>

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 2023 and FY 2022.

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#overview>.

## 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 19.5 percent of the Nation's electricity generation in 2022 with federal lands supplying approximately 44.2 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, and 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, national wildlife refuges, 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, 2023 (in thousands)					
	Powder River Basin <sup>1</sup>	Colorado	Utah	All Other <sup>2</sup>	Total
<b>Total Coal</b>	\$ 6,488,817	\$ 821,453	\$ 617,777	\$ 572,555	\$ 8,500,602

Schedule of Estimated Federal Coal Royalties Asset Present Value as of September 30, 2022 (in thousands)					
	Powder River Basin <sup>1</sup>	Colorado	Utah	All Other <sup>2</sup>	Total
<b>Total Coal</b>	\$ 7,022,066	\$ 701,798	\$ 445,123	\$ 1,326,603	\$ 9,495,590

<sup>1</sup> Contains federal leases in Wyoming and Montana

<sup>2</sup> 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 tables present the estimated present value of future federal royalty receipts on estimated recoverable reserves as of September 30, 2023 and September 30, 2022. 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, 2023 and 2022 (in thousands)		
	FY 2023	FY 2022
<b>Other Federal Bureaus and agencies</b>		
Department of the Treasury	\$ 935,066	\$ 1,044,515
Interior – Reclamation Fund	3,400,241	3,798,236
States and Others	4,165,295	4,652,839
<b>Total Estimated Coal Royalties to be Distributed to Others</b>	<b>\$ 8,500,602</b>	<b>\$ 9,495,590</b>

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.

Revenue Reported by Category FY 2023 and FY 2022 (in thousands)		
	Coal Totals FY 2023	Coal Totals FY 2022
Coal Royalties	\$ 483,277	\$ 491,649
Accrual Adjustment - Coal Royalties	1,385	7,141
<b>Subtotal</b>	<b>\$ 484,662</b>	<b>\$ 498,790</b>
Rent	1,045	1,107
Bonus Bid	-	-
<b>Subtotal</b>	<b>\$ 1,045</b>	<b>\$ 1,107</b>
<b>Total</b>	<b>\$ 485,707</b>	<b>\$ 499,897</b>

The above table of revenue reported by category represents royalty revenue reported to ONRR in FY 2023 and FY 2022 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) End of FY 2023 and FY 2022 (in thousands)						
Area	FY 2023			FY 2022		
	Quantity (in tons)	Average Purchase Price (\$) per ton	Average Royalty Rate (%)	Quantity (in tons)	Average Purchase Price (\$) per ton	Average Royalty Rate (%)
<b>Federal Coal</b>						
Powder River Basin <sup>1</sup>	4,418,296	\$ 14.57	11.82%	4,608,007	\$ 13.57	11.77%
Colorado	270,125	58.88	6.44%	272,941	44.99	4.88%
Utah	256,131	37.84	6.11%	277,315	42.98	3.18%
All Other <sup>2</sup>	388,931	20.27	9.23%	383,639	50.93	6.23%
<b>Total Federal</b>	<b>5,333,483</b>			<b>5,541,902</b>		

<sup>1</sup> Contains federal leases in Wyoming and Montana

<sup>2</sup> 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 2023 and FY 2022. 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 2023 and FY 2022 (in thousands)						
Area	FY 2023			FY 2022		
	Sales Volume (in tons)	Sales Value (\$)	Royalty Revenue Earned (\$)	Sales Volume (in tons)	Sales Value (\$)	Royalty Revenue Earned (\$)
<b>Federal Coal</b>						
Powder River Basin <sup>1</sup>	215,040	\$ 3,287,397	\$ 389,707	238,279	\$ 3,369,170	\$ 396,590
Colorado	5,697	364,697	25,015	7,203	405,457	20,496
Utah	7,011	311,832	17,894	11,554	535,980	18,263
All Other <sup>2</sup>	23,464	568,987	50,661	15,679	914,234	56,300
<b>Total Federal</b>	<b>251,212</b>	<b>\$ 4,532,913</b>	<b>\$ 483,277</b>	<b>272,715</b>	<b>\$ 5,224,841</b>	<b>\$ 491,649</b>

<sup>1</sup> Contains federal leases in Wyoming and Montana

<sup>2</sup> 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 2023 and FY 2022.

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 2023, the BLM, in collaboration with the ONRR, estimated the remaining recoverable coal reserves on currently authorized federal coal leases to be approximately 5.3 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, 2023, the estimated net present value of future royalties from trona from the Green River Basin is \$722 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, 2023, the estimated net present value of future royalties from potash (including the muriates of potash and langbeinite phosphate) is \$292 million.

## Land

The Department has complied with the requirements of SFFAS 59, *Accounting and Reporting of Government Land*. This requirement focuses on ensuring that federal land holding agencies report the consistent accounting treatment and reporting of federal land. This standard has established guidance for federal agencies to follow during the implementation and execution periods.

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 climate change and other stressors. 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, national wildlife refuges, 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 SFFAS 59 implementation period (FY's 2022-2025) requires federal land holding agencies to report supplemental information of estimated acres of G-PP&E Land and Stewardship Land using three predominant use subcategories:

- ◆ Conservation and Preservation Land
- ◆ Operational Land
- ◆ Commercial-use Land

Beginning in FY 2026, the disclosures will be reported as basic information in the notes to the principal financial statements.

The Department chartered a land reporting workgroup consisting of land experts and financial professionals from each land holding Bureau to develop a structured method of recording land holdings. The Department established a consistent method of classifying and reporting land by acreage totals. 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									
(in thousands of acres)	As of September 30, 2022				As of September 30, 2023				Explanatory Comments
	Conservation and Preservation Land	Operational Land	Commercial Use Land	FY 2022 Ending Balance	Conservation and Preservation Land	Operational Land	Commercial Use Land	FY 2023 Ending Balance	
<b>G-PP&amp;E Land</b>	-	3,642	-	3,642	-	3,644	-	3,644	1
<b>Stewardship Land</b>	886,681	7,205	192,400	1,086,286	887,310	7,205	192,000	1,086,515	2
<b>Total Estimated Acreage</b>	<b>886,681</b>	<b>10,847</b>	<b>192,400</b>	<b>1,089,928</b>	<b>887,310</b>	<b>10,849</b>	<b>192,000</b>	<b>1,090,159</b>	

### Explanatory Comment Highlights

**G-PP&E Land (Explanatory Comment 1)** – BLM and USBR collectively classified 3,644 thousand acres as operational land within the G-PPE category. Acquired land to contain buildings, structures or improvements to facilitate operations were identified.

**Stewardship Land (Explanatory Comment 2)** – BLM, FWS, NPS and USBR contributed to the total acreage counts of 1,086,515 thousand acres 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, FWS and USBR
- ◆ **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.

The Department does not make a practice of holding land for disposal, nor does it have any material expenditures to report for the maintenance of temporary land rights for FY 2023.



# SECTION 3

## Other Information

### Unaudited

In 50 years, the endangered Florida panther has made a long journey back from the brink of extinction. The population has rebounded from an estimated low of 10 animals to over 200 animals since it was put on the first Endangered Species List in 1967. Panthers, historically, roamed the entire southeastern United States. Development badly fractured their habitat. Hunting nearly eliminated them. Genetic defects affected their health and survival. Eight female panthers were brought in from Texas in the 1990s and released in Florida to breed. It worked.

<https://www.fws.gov/story/2022-04/florida-panther>

Photo by Rodney Cammauf, NPS



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

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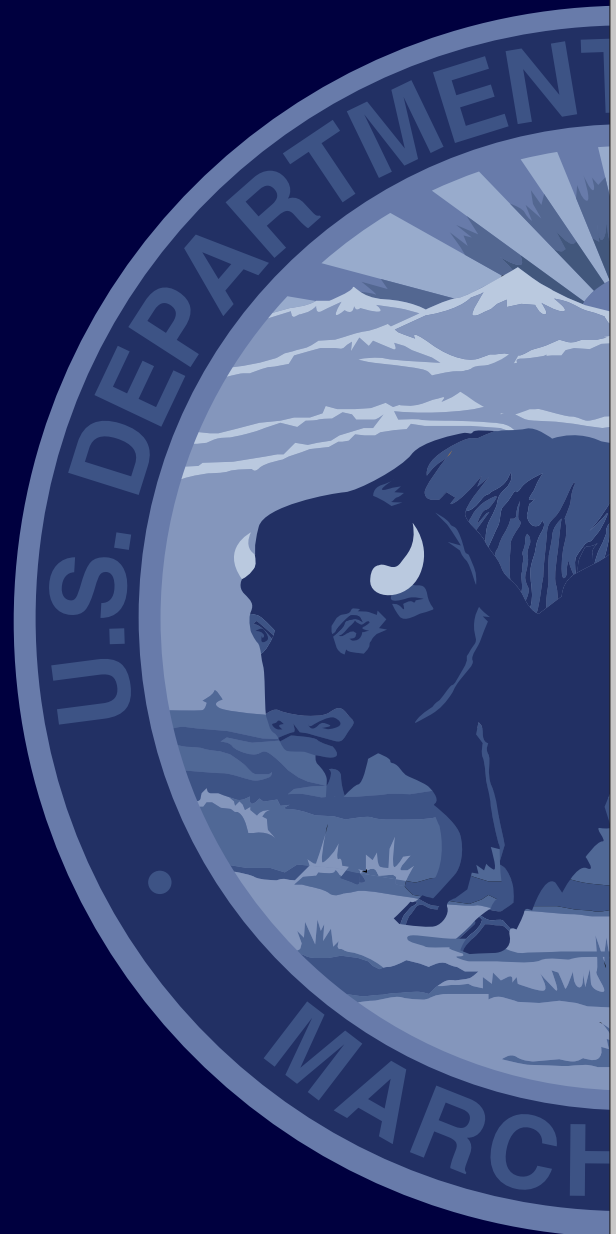
# INSPECTOR GENERAL'S STATEMENT

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Summarizing  
the Major  
Management  
and Performance  
Challenges Facing  
the U.S. Department  
of the Interior

**FISCAL YEAR 2023**

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**REPORT NO.: 2023-ER-012**

**NOVEMBER 2023**



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

NOV 02 2023

Memorandum

To: Deb Haaland  
Secretary of the Interior

From: Mark Lee Greenblatt   
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 2023*  
Report No. 2023–ER–012

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 the DOI’s *Agency Financial Report* for fiscal year 2023. We have organized this report around three main challenge areas—“Managing Spending,” “Delivering Core Services,” and “Ensuring Health and Safety”—but note that some topics span multiple challenge areas.

If you have any questions, please call me at 202–208–5745.

cc: Rachael Taylor, Chief of Staff, DOI  
Mili Gosar, Deputy Chief of Staff, DOI  
Bivan Patnaik, Acting Director, Office of the Executive Secretariat, DOI  
Preston Heard, Deputy Director, Office of the Executive Secretariat, DOI  
Tonya Johnson, Deputy Chief Financial Officer and Director, Office of Financial Management, DOI

Office of Inspector General | Washington, DC



Source: U.S. Department of the Interior

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Source: iStockphoto



## 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). Pursuant to the statute, this report is required to be included in the DOI's *Agency Financial Report*.

As in recent years, our fiscal year (FY) 2023 report is organized in three sections: "Managing Spending," "Delivering Core Services," and "Ensuring Health and Safety." In each section, we summarize topics relevant to the challenge area. Some topics span multiple challenge areas, serving as a reminder of the complex nature of the DOI's mission. For example, the DOI must balance competing priorities—to take one example, it must consider different and potentially competing land uses such as conservation, energy production, recreation, forestry, and habitat protection. These substantive priorities often overlap across multiple DOI bureaus, sometimes leading to a decentralized approach. For example, we continue to recognize the DOI's response to climate change as a cross-cutting issue that presents challenges related to how the DOI fulfills its responsibility to Tribal communities; manages land use, water resources, and wildlife and their habitats; and adapts to the frequency and severity of natural disasters.

This report is primarily based on our work and general knowledge of the DOI's programs and offices as well as the U.S. Government Accountability Office (GAO) reviews, including the GAO's [High Risk List](#). We link to our reports related to the identified challenge areas throughout this document.

The Office of Inspector General's (OIG's) oversight responsibilities are commensurate with the full range of the DOI's own programs and operations. These oversight responsibilities are reflected in the audits, evaluations, inspections, and investigations that we undertake. For example, we set forth our anticipated work in our [Oversight Plan for FYs 2023 and 2024](#). The 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 Natural Resources Revenue, Office of Wildland Fire, Office of Law Enforcement and Security, and Office of Insular Affairs.

## CHALLENGE AREA

# Managing Spending

According to the DOI's FY 2024 budget request, Congress appropriated the DOI \$16.9 billion<sup>1</sup> in FY 2023 to continue carrying out its wide-ranging programs and operations under the following categories: addressing climate challenges and building resilience; creating jobs and meeting energy and environmental challenges; strengthening Tribal Nations; leveraging science across the DOI; promoting equity, diversity, and inclusion of underserved communities; and building agency capacity. In addition to those appropriated funds, in the last several years the DOI has received billions of dollars in supplemental funds from disaster relief appropriations and the Infrastructure Investment and Jobs Act. Additionally, the Great American Outdoors Act and the Inflation Reduction Act established mandatory funding for DOI; a significant portion

of these funds remains available for future use. We discuss these funds in more detail below.

The DOI manages 20 percent of the Nation's lands and waters—many of which have historic or cultural significance—including approximately 43,000 buildings and 83,000 structures valued at more than \$400 billion, such as visitor centers, schools, power generating facilities, housing, campgrounds, fire stations, roads, trails, and water and wastewater treatment plants. To maintain these assets and accomplish its mission, the DOI must manage significant spending, including contracts and financial assistance in the form of grants and cooperative agreements. Below, we summarize the DOI's challenges, plans, and progress in managing spending related to contract and grant oversight, deferred maintenance, and infrastructure.

### Contract and Grant Oversight

One key responsibility for the DOI is managing its significant funding, which is often accomplished through the use of contracts, grants, and cooperative agreements. According to [USAspending.gov](https://www.usaspending.gov), the DOI awarded \$7.8 billion in contracts and approximately \$10.8 billion in financial assistance totaling \$18.6 billion in FY 2023 (through August 30, 2023).

Our FY 2023 work has continued to identify substantial risks regarding contract oversight, pre-award processes, and post-award monitoring. For example, in a recent [audit](#), we found that Indian Affairs did not conduct an adequate

Our previous work has consistently identified inadequate oversight and failure to follow Federal regulations for contracts and grants that were awarded using emergency funds. For example, in our 2022 audit, *The Omaha Tribe Did Not Account for CARES Act Funds Appropriately*, we found that the Tribe did not maintain the required supporting documentation for hazard pay and incurred costs that were unreasonable and not allocable to CARES Act funding. As a result, we questioned a total of \$292,662 (29 percent) of the transactions selected for testing.

<sup>1</sup> U.S. Dep't of the Interior, *Fiscal Year 2024 The Interior Budget in Brief*, at A-18 (Mar. 2023). Specific amount can be found under "2023 Enacted," "Net, Current Authority (w/o transfers, supplementals, and cap adjustment)."

price analysis when adding labor categories and rates to a time-and-materials contract, creating a risk that it may have paid and may continue to pay unreasonably high prices. In addition, our investigative work has also identified instances of [misused grant funds](#), [wire fraud and embezzlement of public funds](#), [major fraud against the United States](#), [money laundering](#), and [procurement fraud](#).<sup>2</sup>

The DOI received \$2.4 billion in disaster relief funding in FY 2023. These funds are available for emergency response activities related to drought, wildfires, hurricanes, and other natural disasters. Financial awards for emergency response activities are generally high risk because they are awarded

quickly and often without competition, therefore requiring enhanced oversight. For example, in a recent [audit](#) of supplemental funds the DOI awarded to the U.S. Virgin Islands' government for hurricane recovery, we identified internal control deficiencies, such as the lack of written procedures for determining cost allowability, inadequate policy for allocating compensation costs, and inadequate controls of information systems. The DOI will continue to face challenges managing its contracts and grants to prevent fraud, waste, and mismanagement, particularly with the significant increase in funding opportunities. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to contract and grant oversight on the next page.



Source: iStockphoto

<sup>2</sup>The U.S. Department of Justice's press releases summarize the results of these investigations and our participation in those matters.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses contract and grant administration throughout the DOI; for example, we are reviewing the administration of the Hurricane Sandy Coastal Resiliency Competitive Grant Program and the contract oversight for guard services at the Statue of Liberty National Monument.

### Selected Published OIG Work FYs 2021–2023

*Internal Control Within the U.S. Virgin Islands' Accounting System for U.S. Department of the Interior Hurricane Supplemental Funds* (Report No. 2020–CGD–003)

*The Bureau of Indian Affairs Can Improve the Closeout Process for Public Law 93–638 Agreements* (Report No. 2020–CGD–060)

*Indian Affairs Acquisitions Can Improve Administration and Oversight of Contract No. 140A1620C0007* (Report No. 2022–CGD–010)

*Issues Identified With Target Range Grant, North Atlantic-Appalachian Regional Office, U.S. Fish and Wildlife Service* (Report No. 2021–ER–029–A)

*The Bureau of Indian Affairs Great Plains Region Did Not Oversee CARES Act Funds Appropriately* (Report No. 2021–FIN–032)

*Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2022* (Report No. 2023–FIN–006)

*Summary: Nonprofit Official Misused \$233,636 in Federal Funds* (Report No. 22–0157)

*The Omaha Tribe Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–B)

*Availability of Administrative Funds for Land and Water Conservation Fund State Side Grants* (Report No. 2021–ER–026–A)

*The Bureau of Indian Education, the Bureau of Indian Affairs, and the Turtle Mountain Band of Chippewa Indians Need To Improve Accountability for Federal Funds* (Report No. 2020–CGD–001)

*The Three Affiliated Tribes Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–C)

*The U.S. Department of the Interior Could Expand Its Use of Contracting Flexibilities and Should Establish an Acquisition Policy for Future Disasters* (Report No. 2020–CGD–006)

*The National Park Service and the U.S. Geological Survey Did Not Consistently Obtain or Maintain Evidence of Management Review and Approval of Modifications Made to Construction Contracts* (Report No. 2020–FIN–007)

*Fulfillment of Purchase Card Orders* (Report No. 2021–FIN–022)

*Pandemic-Related Contract Actions* (Report No. 2021–FIN–010)

*The U.S. Department of the Interior Needs To Improve Support for Price Reasonableness Determinations and Justifications for Sole-Source Awards* (Report No. 2020–FIN–008)

*Summary: Alleged Misappropriation of Grant Funds by the West Virginia Department of Environmental Protection* (Report No. 20–0118)

*Summary: Company Improperly Billed Hours to National Fish and Wildlife Foundation Grant Overseen by the DOI* (Report No. 20–0431)

*Lessons Learned From Oversight of the Coastal Impact Assistance Program Grants* (Report No. 2020–ER–057)

### Recommendation Progress

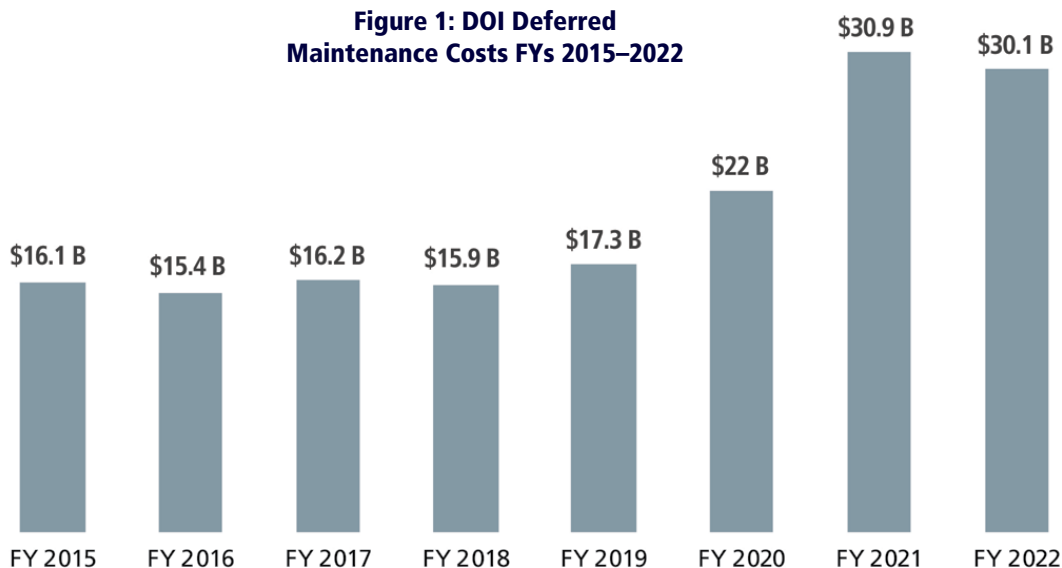
Of the 71 recommendations we made to the DOI and its bureaus and offices, 34 are closed.

 **Deferred Maintenance**

As we have previously reported, DOI officials have stated<sup>3</sup> for years that the DOI has not had sufficient funding for annual maintenance for its varied resources and assets—including national parks, historic sites, and Indian schools—and that this continues to pose a risk to public and employee health and safety. When maintenance

and repairs are not completed on schedule, work may be delayed, or deferred, until later—the DOI refers to this as deferred maintenance. According to the DOI’s *Agency Financial Reports*, the estimated cost of its deferred maintenance has slightly decreased from \$30.9 billion in FY 2021 to \$30.1 billion in FY 2022 (see Figure 1).

**Figure 1: DOI Deferred Maintenance Costs FYs 2015–2022**



In August 2020, the Great American Outdoors Act (GAOA), Pub. L. No. 116–152, was enacted and authorized up to \$1.9 billion per fiscal year from 2021 to 2025 to reduce deferred maintenance on public lands and at Indian schools through the National Parks and Public Land Legacy Restoration Fund. As of June 30, 2023, the DOI had obligated more than \$2.01 billion in GAOA funding and reported that it had initiated 276 projects under the GAOA Legacy Restoration Fund with an estimated budget of \$3.82 billion to address the DOI’s deferred maintenance

and launched a [website](#) with additional project information. In FY 2023, the NPS also stated that it plans to begin or continue work using funding from the Inflation Reduction Act (Pub. L. No. 117–169), which was enacted in August 2022, to address \$200 million of the maintenance backlog that is not otherwise eligible for deferred maintenance funding under the GAOA. For FY 2024, the DOI has proposed 56 GAOA Legacy Restoration Fund projects to address deferred maintenance for the BLM, FWS, NPS, and BIE.

<sup>3</sup>For example, in 2013, the NPS Director testified that the NPS would need to spend nearly \$700 million per year on deferred maintenance to hold the backlog at a steady level. He went on to state that funding in the previous fiscal year fell short of the necessary amount, so every park had to decide “which facilities to repair and which ones to defer.” *Senate Hearing 113–82, Supplemental Funding Options To Support The National Park Service* (2013), at 20. Similarly, the GAO reported in 2022 that officials from the DOI stated that maintenance funding had not kept up with costs and had led to increases in deferred maintenance and repairs. GAO Report [GAO–23–106124, Real Property Deferred Maintenance](#) (2022), at 5.

Our work found that the DOI and its bureaus face challenges accurately and reliably estimating the cost of deferred maintenance. Without accurate estimates, the DOI will not have the quality information required to make informed decisions when addressing deferred maintenance. Further, the GAO [reported](#) on the substantial increases in deferred maintenance across several Federal agencies, including the DOI, in October 2022. It noted that agencies reported several factors that contributed to the increases, such as funding constraints, cost increases, deliberate deferral, and changes to how the estimates are collected or calculated. We expect that the DOI will continue to face challenges ensuring that it can promptly deploy funding, prioritize projects, maintain staffing and resource capacity, and establish sufficient oversight. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to deferred maintenance below.

In our 2023 evaluation, [The National Park Service Faces Challenges in Managing Its Deferred Maintenance](#), we found that the NPS was unable to effectively identify and manage its deferred maintenance, in large part due to inaccurate and unreliable data. The NPS is responsible for some of the Nation's most treasured resources and irreplaceable cultural and historical sites, scenic byways, and monuments. However, the NPS has struggled to keep up with its growing maintenance needs, and its self-identified deferred maintenance has nearly doubled since FY 2016 despite its number of assets remaining relatively unchanged. These findings are particularly pressing given the influx of funding intended to address this issue. We acknowledge the NPS' efforts to make improvements to its approach and that some changes have, in fact, already been implemented.

**OIG OVERSIGHT**

**Selected Ongoing OIG Work**

In addition to the published work below, we are performing work that assesses the NPS' Great American Outdoors Act construction cost estimates, the BIE's deferred maintenance prioritization process, and the NPS' management of biosolids and wastewater deferred maintenance.

**Selected Published OIG Work FYs 2021–2023**

[The National Park Service Faces Challenges in Managing Its Deferred Maintenance](#) (Report No. 2020–CR–066)

[Review of the U.S. Park Police's Communications Recording System in the Washington, DC Metropolitan Area](#) (Report No. OI–SI–21–0171–W)

[The U.S. Department of the Interior Needs a Strategy To Coordinate Implementation of the Great American Outdoors Act](#) (Report No. 2021–CR–031)

[Verification Review – Recommendations 1–15, 19, and 21 From the Evaluation Report Titled Condition of Indian School Facilities \(C–EV–BIE–0023–2014\)](#) (Report No. 2020–CR–026)

**Recommendation Progress**

Of the 15 recommendations we made to the DOI and its bureaus and offices, 2 are closed.

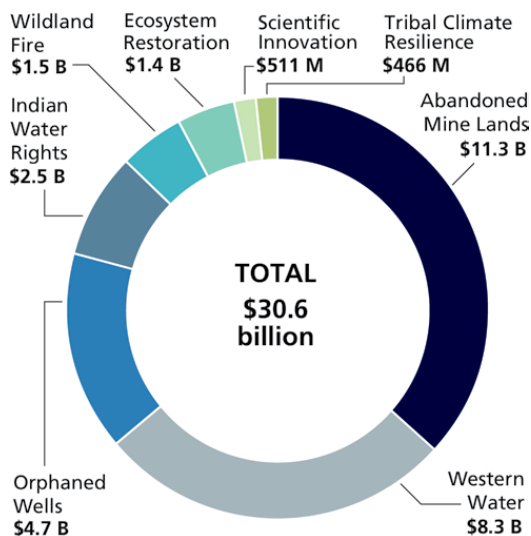
## Infrastructure Spending

As the steward for America's public lands, the DOI manages critical infrastructure that it describes as essential to protect natural resources, support American jobs, and provide water to the Western United States.<sup>4</sup> In November 2021, the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, was enacted with the intent of addressing aging infrastructure. The legislation provides more than \$30 billion (see Figure 2) to the DOI to address legacy pollution, invest in water and drought resilience, assist with wildland fire management, restore critical habitats, and help communities prepare for extreme weather events. The DOI also received funds from the Inflation Reduction Act, which provides an additional \$6.6 billion in similar programs as the IIJA aimed at water management and conservation efforts in high-drought areas.



Source: iStockphoto

**Figure 2: DOI IIJA Appropriations by Major Program<sup>5</sup>**



Since the passage of the IIJA in November 2021, the DOI [reported](#) that it has invested more than \$7.3 billion in over 1,300 projects Nationwide; hired more than 450 staff across bureaus and offices to implement new programming; and hosted stakeholder meetings to hear directly from States, Tribes, and local communities to determine where funding is needed most. Additionally, in FY 2023, the DOI's bureaus and offices submitted spending plans to Congress that covered the major programs shown in Figure 2. These plans included information on the program at issue and on the funding allocation, prior accomplishments, planned efforts, and milestones. In July 2023, the DOI launched an interactive [map](#) to track the IIJA-funded projects across the country. The DOI continues to face challenges in ensuring it can promptly deploy the funding, maintain staffing and resource capacity, produce reliable information, and establish appropriate program controls. For example, in a recent [inspection](#), we reviewed the extent to which the BLM had made progress on implementing recommendations from our 2018 report on the idle well program. We found that the BLM had yet to fully implement six recommendations that would help ensure the program had sufficient internal controls. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to infrastructure spending in the box on the next page.

<sup>4</sup>The BOR considers the following States to be the "Western United States": Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

<sup>5</sup> Numbers rounded.

Abandoned mine lands (AMLs) are lands, waters, and surrounding watersheds where minerals were extracted and reclamation, or restoration of the land, has not occurred. AMLs present serious threats to human health and the environment. The Federal Mining Dialogue, which is a partnership of Federal environmental and land management agencies, estimated that there may be as many as 500,000 abandoned coal mines in the United States. The OSMRE will distribute \$10.9 billion of the \$11.3 billion appropriated IJA funds from the reclamation fund for AML projects. It will do so through grants to 22 eligible States and the Navajo Nation on an annual basis over 15 years, with the remaining funds available for administrative

costs. Our March 2023 report, *The Office of Surface Mining Reclamation and Enforcement Made Progress in Implementing Corrective Actions To Improve Its Oversight of the Abandoned Mine Lands Program, but Some Recommendations Remain Outstanding*, found that the OSMRE addressed 9 of the 11 recommendations we made in our 2017 report but still needs to address 2 recommendations—even though we issued our report more than 5 years ago—regarding the accuracy and reliability of its data entry process and data verification. By overseeing State and Tribal AML reclamation programs, the OSMRE can enhance safety and address the hazards and environmental degradation posed by legacy coal mines.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses the OSMRE's preparedness to expend IJA funds, the Orphaned Wells Office's oversight of State funding, and the Office of Wildland Fire's fuels management program's use of IJA funding.

#### Selected Published OIG Work FYs 2021–2023

*The Bureau of Indian Affairs' and the Office of Insular Affairs' Support for Climate Adaptation Practices* (Report No. 2022–ER–019)

*Flash Report: The U.S. Department of the Interior's Infrastructure Investment for Aging Infrastructure and Dam Safety* (Report No. 2022–INF–049)

*The Bureau of Land Management Made Progress in Implementing Corrective Actions To Improve Its Idle Well Program* (Report No. 2022–CGD–020)

*Flash Report: Orphaned Wells Programs – The U.S. Department of the Interior's Efforts To Collect Data To Meet Annual Orphaned Wells Programs Reporting Requirements* (Report No. 2022–INF–042)

*The Office of Surface Mining Reclamation and Enforcement Made Progress in Implementing Corrective Actions To Improve Its Oversight of the Abandoned Mine Lands Program, but Some Recommendations Remain Outstanding* (Report No. 2022–CR–022)

*Flash Report: Abandoned Mine Lands Program – The U.S. Department of the Interior Prepares to Spend \$11.3 Billion* (Report No. 2022–INF–037)

*Flash Report: Orphaned Wells Programs – Breaking Down Responsibilities for Addressing Orphaned Wells* (Report No. 2022–INF–043)

*Flash Report: Orphaned Wells Program – The U.S. Department of the Interior Prepares to Spend \$4.7 Billion* (Report No. 2022–INF–024)

### Recommendation Progress

Of the 18 recommendations we made to the DOI and its bureaus and offices, 2 are closed.



## CHALLENGE AREA

# Delivering Core Services

Each of the DOI's bureaus and offices serves a unique role and has specific responsibilities to deliver core services in support of the DOI mission. These core services support the DOI's ability to fulfill its responsibilities to external stakeholders—such as managing public lands, protecting the Nation's natural resources and cultural heritage, conserving land and water, and upholding Tribal trust and related responsibilities.

These services also extend to internal DOI customers; for example, the DOI relies on secure information systems and reliable data to accomplish its mission. Below, we summarize the DOI's challenges, plans, and progress in delivering core services related to cybersecurity, data quality, energy, water and power management, and responsibility to Native Americans.

### Cybersecurity

Cybersecurity continues to be a high-risk area for Federal agencies, including the DOI. The DOI relies on complex, interconnected information systems to carry out its daily operations and spent about \$1.8 billion in FY 2023 on its portfolio of IT assets, according to the [Federal IT Portfolio Dashboard](#). In its 2020–2025 [Information Resource Management Strategic Plan](#), the DOI acknowledged the challenges it faces in delivering technology and information resources to mission programs and the public, and it identified six strategic goals that support its complex and diverse mission and geographically dispersed workforce.

Our work likewise has described ongoing challenges in implementing an enterprise cybersecurity program that balances compliance, cost, and risk while enabling bureaus to meet their diverse missions. Additionally, the [FY 2022 annual independent Federal Information Security Modernization Act audit](#) issued by our office identified necessary improvements and made 24 recommendations intended to strengthen the DOI's information security program as well as those of the bureaus and offices. Overall,

In our 2023 inspection, [P@s\\$w0rds at the U.S. Department of the Interior: Easily Cracked Passwords, Lack of Multifactor Authentication, and Other Failures Put Critical DOI Systems at Risk](#), we found the DOI's management practices and password complexity requirements were not sufficient to prevent potential unauthorized access to its systems and data. During this inspection, the team was able to crack 18,174 of 85,944—or 21 percent of active user passwords, including 288 accounts with elevated privileges and 362 accounts of senior U.S. Government employees.

the DOI should remain attentive to ways that it can improve its management of its complex information systems and operation of a secure infrastructure to protect its Federal computer networks and data from cyber threats. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to cybersecurity on the next page.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses the security of DOI data stored in cloud computing services, the DOI's software vulnerability identification and remediation practices, and the DOI's cybersecurity threat-hunting efforts.

### Selected Published OIG Work FYs 2021–2023

*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)

*P@s\$w0rds at the U.S. Department of the Interior: Easily Cracked Passwords, Lack of Multifactor Authentication, and Other Failures Put Critical DOI Systems at Risk* (Report No. 2021-ITA-005)

*The U.S. Department of the Interior's Cyber Threat Detection and Defense Controls* (Report No. 2020-ITA-067)

*Weaknesses in a USGS System Leave Assets at Increased Risk of Attack* (Report No. 2019-ITA-003)

### Recommendation Progress

Of the 27 recommendations we made to the DOI and its bureaus and offices, 7 are closed.

## GAO High-Risk Areas

Ensuring the Cybersecurity of the Nation

Improving the Management of IT Acquisitions and Operations

## Data Quality

As we reported last year, the DOI relies on a wide variety of data to perform its mission, and the quality and accuracy of this data substantially affects how the DOI accomplishes its mission. In its *FY 2022–2026 Strategic Plan*, the DOI acknowledged the importance of reliable data and reliable information to the development and improvement of sound programs and equitable program delivery. The plan also describes the DOI's strategy to fully use the breadth of its data to support planning and decisions and to harness technologies to expand data management to make it searchable, accessible, interoperable, and reusable for staff, collaborators, and the public. These goals are consistent with the GAO's analysis, which states that information such as data, statistics, and studies can provide important insights to Federal agencies and that agencies should use that data and evidence to understand and improve program performance (“[Improving Federal Programs Through Data and Evidence](#)”).

In our *Flash Report: Orphaned Wells Programs – The U.S. Department of the Interior's Efforts To Collect Data To Meet Annual Orphaned Wells Programs Reporting Requirements*, we reported on the DOI's progress in collecting information for the required reporting elements. We found that the DOI did not have data to fully respond to four of five required reporting elements. These reporting elements are (1) descriptions of the orphaned wells programs established, (2) updated inventory of orphaned wells or wells that are at risk of becoming orphaned, (3) estimates of orphaned well emissions of methane and other gases as well as reductions in emissions, (4) number of jobs created and saved, and (5) acreage of habitat restored. As a result, the DOI's first report to Congress on orphaned wells lacked key elements because of the limited availability of data.

Our work, however, continues to identify data reliability issues across a variety of DOI programs. For example, we have identified data concerns related to COVID-19 spending, NPS facilities, the mineral leasing program, royalty reporting, a previous Freedom of Information Act review process, and the compensatory mitigation

program. Without complete, timely, and accurate data, the DOI will continue to face challenges in fostering accountability and accomplishing its mission efficiently. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to data quality below.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses internal controls over scientific integrity and misconduct in USGS labs and the NPS' implementation of the Justice40 Initiative and other applicable equity action priorities in the Land and Water Conservation Fund State Side program.

### Selected Published OIG Work FYs 2021–2023

*The National Park Service Faces Challenges in Managing Its Deferred Maintenance* (Report No. 2020–CR–066)

*Flash Report: Orphaned Wells Programs – The U.S. Department of the Interior's Efforts To Collect Data To Meet Annual Orphaned Wells Programs Reporting Requirements* (Report No. 2022–INF–042)

*The U.S. Department of the Interior Has an Opportunity To Protect Its Research and Development* (Report No. 2022–CGD–023)

*The Bureaus of Indian Affairs and Indian Education Have the Opportunity To Implement Additional Controls To Prevent or Detect Multi-dipping of Pandemic Response Funds* (Report No. 2021–ER–015)

*The U.S. Department of the Interior Needs To Continue To Strengthen Governance Practices To Improve Its Management of Geospatial Data* (Report No. 2022–CGD–026)

*Weaknesses in the BLM's Compensatory Mitigation Program Data Management* (Report No. 2019–FIN–022)

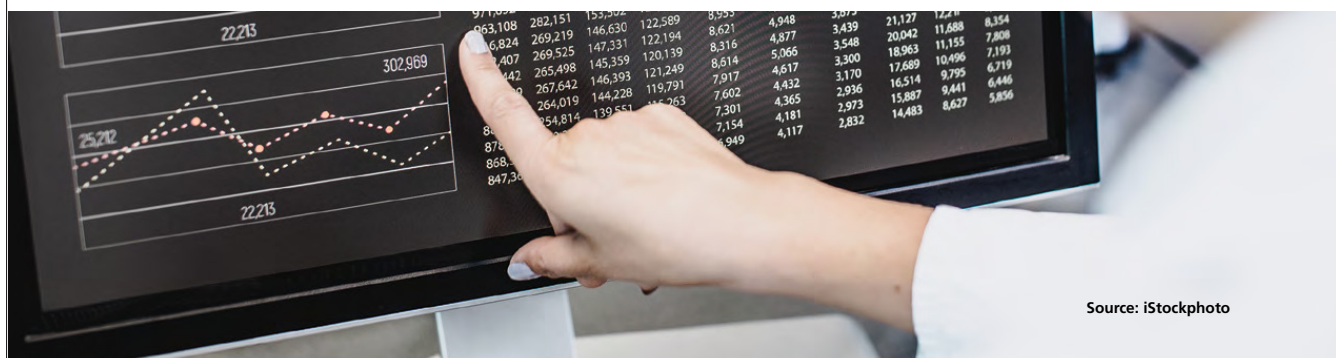
*Lack of Tracking and Unclear Guidance Identified in the U.S. Department of the Interior's Awareness Review Process for Freedom of Information Act Requests* (Report No. 2019–ER–057)

*The Bureau of Land Management Did Not Review the Federal Exclusions List Before Issuing Federal Mineral Leases* (Report No. 2021–CR–007)

*Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments* (Report No. 2020–CR–009)

### Recommendation Progress

Of the 45 recommendations we made to the DOI and its bureaus and offices, 18 are closed.



Source: iStockphoto

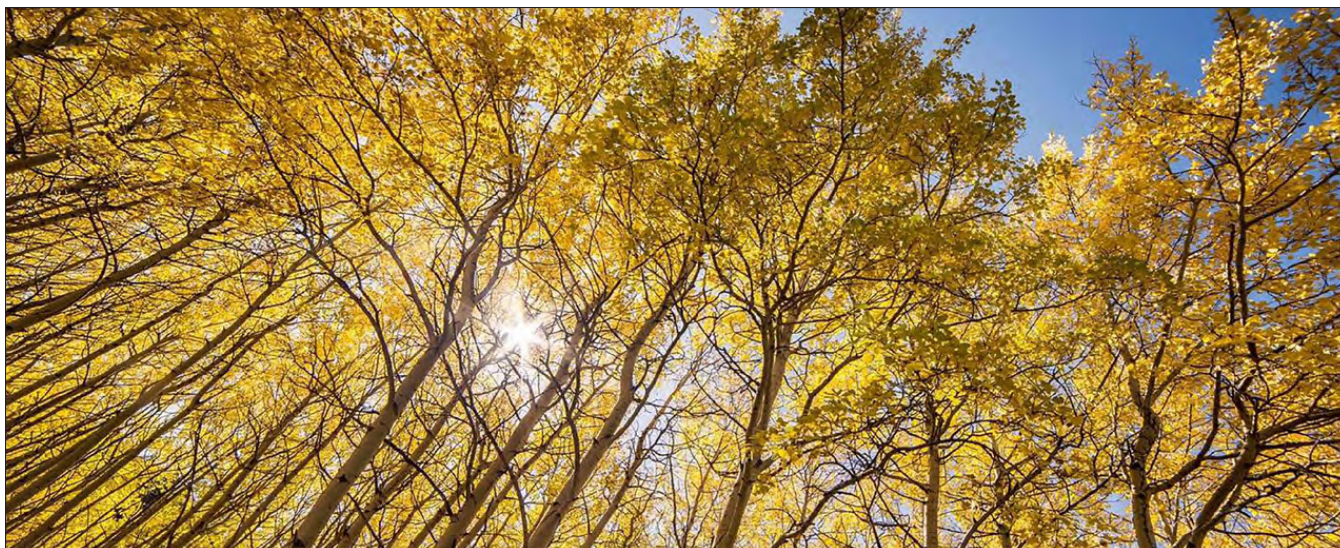


Source: iStockphoto

## Energy

As the manager of one-fifth of the Nation's landmass and 1.7 billion acres off its shores, the DOI is the steward of Federal energy resources. According to the DOI, these resources provide 30 percent of the United States' domestically produced energy—including oil, gas, coal, hydropower, and renewable energy. According to the [Office of Natural Resources Revenue](#), the DOI collects more than \$10 billion in revenues on average annually from leases for energy and natural resource development on the Outer Continental Shelf and onshore Federal and Indian lands. Energy development can also, however, pose significant risks to the environment, including dust and water runoff, methane emissions, and oil spill contamination. As we identified in our previous management challenge reports, the DOI continues to face challenges in managing complex energy operations, including collecting revenues; overseeing leasing; and ensuring that development is safe, efficient, and sustainable.

In a recent management advisory, [Recommendation for the Department's Coordination Concerning Cryptomining Activities Impacting Federal and Tribal Resources](#), we found that that cryptomining units had been placed on or near lands and areas leased for Federal mineral development. We observed these cryptomining operations and learned that operators diverted gas from Federal leases to generators that powered the cryptomining units. Because the operations used federally owned gas on which the leaseholder did not always pay mineral royalties, the Federal or Tribal stakeholders may lose revenues. We recommended that the DOI develop guidance to address mineral revenue collection and land use issues associated with cryptomining operations on leases under Federal jurisdiction.



Source: National Park Service

Our work has also reported on this array of challenges in the area of energy. For example, in a recent [inspection](#), we reported that the DOI's bureaus do not conduct any analyses of effective royalty rates. Although we acknowledge that there is no requirement for them to do so, this information may be useful to the DOI and stakeholders alike to understand the effects that statutorily approved allowances and approved royalty relief have on the return on Federal oil and gas. Further, our own analysis of the effective royalty rates for oil and gas demonstrated significant differences between the minimum lease-stated royalty rates and the effective royalty rates. In addition, our [Energy Investigations Unit](#) has conducted more than 230 investigations in 20 States, resulting in \$209 million in monetary results and 60 criminal convictions or civil settlements in the last 6 years. To take but one example, this group's investigative [work](#) found that an oil producer drilled and then operated a well that removed Federal minerals without first obtaining a Federal lease or drilling permit.

The GAO also [reported](#) in its High Risk List that the DOI may face challenges managing its workforce and collecting what it described as its fair share of revenue from oil and gas produced on Federal lands and waters. The DOI has taken some steps to improve its capacity to address the weaknesses the GAO identified in the

DOI's ability to determine and collect revenue. However, as of February 2023, nine of the GAO's recommendations related to royalty determination and collection remain open.

In addition, increasing renewable energy—including solar, onshore and offshore wind, geothermal, and wave and tidal energy—is a top priority for the DOI, and it has partnered with other Federal agencies to increase renewable energy production on public lands and waters. For example, the DOI has proposed regulations that it states will streamline and facilitate the development and deployment of offshore wind facilities, and the BLM is updating a plan that it intends to guide responsible solar energy development on public lands. In June 2023, the BLM held an [auction](#) for utility-scale solar energy development across four parcels totaling 23,675 acres in the Amargosa Desert that could support nearly 3 gigawatts of renewable energy in Nevada. Additionally, BOEM [announced](#) in July 2023 that it approved an offshore wind project off the coast of New Jersey, which it described as the third major offshore wind project in U.S. waters.

We detail our ongoing and published work and the DOI's progress in implementing recommendations related to energy on the next page.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses the BLM's management of renewable energy projects, the DOI's progress in addressing potential reforms to critical mineral mining since the establishment of its interagency working group, mineral lease bankruptcy controls, and the USGS' efforts to construct an energy and minerals research facility.

### Selected Published OIG Work FYs 2021–2023

*The Bureau of Land Management Made Progress in Implementing Corrective Actions To Improve Its Idle Well Program* (Report No. 2022–CGD–020)

*The U.S. Department of the Interior Does Not Analyze Effective Royalty Rates* (Report No. 2021–CR–042)

*Flash Report: Orphaned Wells Programs – The U.S. Department of the Interior's Efforts To Collect Data To Meet Annual Orphaned Wells Programs Reporting Requirements* (Report No. 2022–INF–042)

*The Office of Surface Mining Reclamation and Enforcement Made Progress in Implementing Corrective Actions To Improve Its Oversight of the Abandoned Mine Lands Program, but Some Recommendations Remain Outstanding* (Report No. 2022–CR–022)

*Recommendation for the Department's Coordination Concerning Cryptomining Activities Impacting Federal and Tribal Resources* (Report No. 22–0897)

*Flash Report: Orphaned Wells Programs – Breaking Down Responsibilities for Addressing Orphaned Wells* (Report No. 2022–INF–043)

*Flash Report: Abandoned Mine Lands Program – The U.S. Department of the Interior Prepares to Spend \$11.3 Billion* (Report No. 2022–INF–037)

*Summary: Oil Producer Trespassed on Federal Land in Colorado* (Report No. 21–0867)

*The Bureau of Safety and Environmental Enforcement Made Progress in Implementing Corrective Actions to Improve Its Oil Spill Preparedness Program* (Report No. 2022–CR–009)

*Improvements Needed in the Bureau of Safety and Environmental Enforcement's Procedures Concerning Offshore Venting and Flaring Record Reviews* (Report No. OI–OG–19–0577–I)

*The Bureau of Safety and Environmental Enforcement Should Implement Policies and Procedures For Any Future Special Case Royalty Relief Programs* (Report No. 2021–CR–006)

*Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments* (Report No. 2020–CR–009)

*The Bureau of Land Management Did Not Review the Federal Exclusions List Before Issuing Federal Mineral Leases* (Report No. 2021–CR–007)

*Allegations of Safety and Employee Health Hazards and Excessive Flaring at the Cliffside Helium Enrichment Unit* (Report No. OI–OG–21–0640–I)

### Recommendation Progress

Of the 26 recommendations we made to the DOI and its bureaus and offices, 19 are closed.

## GAO High-Risk Areas

Management of Federal Oil and Gas Resources

## Water and Power Management

According to the BOR, it is the largest supplier and manager of water in the United States and the second largest producer of hydroelectric power. As the country's largest wholesale water supplier, the BOR maintains 489 dams and operates 338 reservoirs with a total storage capacity of 140 million acre-feet. It also provides 140,000 western farmers—1 out of every 5—with irrigation water for 10 million farmland acres that produce 60 percent of the Nation's vegetables and one quarter of its fresh fruit and nut crops. As the second largest producer of hydropower in the United States, the BOR operates 53 hydroelectric powerplants that annually produced, on average, 40 billion kilowatt-hours for the last 10 years.

In addition to the IJJA funding discussed previously, the BOR received an additional \$4 billion in funding through the Inflation Reduction Act for drought mitigation in the West, with priority given to Colorado River Basin activities, including compensation for reduction in water diversions and funding for system conservation projects and ecosystem restoration to address drought.

In our 2023 *Flash Report: The U.S. Department of the Interior's Infrastructure Investment for Aging Infrastructure and Dam Safety*, we described risks that may strain water supplies, identified how the DOI plans to use IJJA funding, and discussed the BOR's oversight strategy of the funds. The BOR has asset management responsibility for a diverse portfolio of water- and power-related constructed assets, but a number of its facilities are more than 100 years old. Approximately 90 percent of the BOR's dams were built before 1970, with approximately 50 percent of the total dams being built between 1900 and 1950. Pursuant to its spend plan, the BOR intends to provide \$3 billion in funding for major rehabilitation and replacement activities related to aging infrastructure and resources. In addition, the spend plan states that the BOR will coordinate selection criteria and allocate \$500 million for the Dam Safety Program.



Source: iStockphoto



Given ongoing historic drought and low runoff conditions in the Colorado River Basin,<sup>6</sup> the BOR [stated](#) in August 2022 that it would immediately initiate administrative actions in the upper and lower basins, including:

- Accelerating ongoing maintenance actions and studies to determine and enhance projected reliability of the use of the river outlet works, commonly referred to as the bypass tubes.
- Supporting technical studies to ascertain if physical modifications can be made to the dams to allow water to be pumped or released from elevations below critical and “dead pool” elevation—the point where lake levels fall so low that water can no longer flow downstream through dams to users.
- Investing in system conservation and voluntary agreements.

Both the drought mitigation funds and several key reservoir and water management decisional documents and agreements that govern lake operation in the Colorado River Basin are set to expire in 2026.

In addition to the challenges managing spending that we described previously, given the ongoing historic drought, the DOI faces challenges in managing the delivery of water, protection of fish and wildlife habitat, and the generation

of hydroelectric power. We detail our ongoing and published work and the DOI’s progress in implementing recommendations related to water and power management below.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to our published work below, we are focusing our ongoing oversight work on supplemental funding flash reports on ecosystem restoration; drought mitigation; and rural water storage, recycling, and desalination. Along with initiating work examining the BOR’s actions to protect the Colorado River Basin, we are continuing our audit of the BOR’s Central Valley Project internal controls over cost allocation and ratesetting.

### Selected Published OIG Work FYs 2021–2023

*Flash Report: The U.S. Department of the Interior’s Infrastructure Investment for Aging Infrastructure and Dam Safety* (Report No. 2022–INF–049)

*Verification Review – Recommendations for the Evaluation Report Titled Improvements Needed in the Bureau of Reclamation’s Oversight of Tribal Rural Water Projects (2016–WR–026)* (Report No. 2020–WR–061)

### Recommendation Progress

No open recommendations.

<sup>6</sup>According to [Congressional Research Service Report No. IN11982](#), Federal and State Governments originally approved the Colorado River Compact with the assumption that river flows would average 16.4 million acre-feet per year. Actual annual flows from 1906 to 2022 were approximately 14.6 million acre-feet and have dropped to 12.1 million acre-feet per year since the basin’s drought began in 2000.





## Responsibility to Native Americans

The DOI is the primary Federal agency charged with carrying out the United States' trust responsibility to American Indians and Alaska Natives. The DOI's *FY 2022–2026 Strategic Plan* sets forth its policy to fulfill its legal obligations to identify, protect, and conserve Tribal trust resources; carry out its trust relationship with Tribal Nations; and engage in robust, interactive, predecisional, informative, and transparent consultation on a Government-to-Government basis through all bureaus and offices on plans or actions that affect Tribal interests. DOI Indian Affairs—including the BIA, BIE, BTFA, and Office of the Assistant Secretary – Indian Affairs—is responsible for carrying out the DOI's trust responsibilities, which include enhancing quality of life and promoting economic opportunity. It also has the obligation to uphold Tribal sovereignty and provide quality education opportunities in accordance with Tribes' needs for cultural and economic wellbeing.

Our work has identified an array of challenges in this area, specifically in the matters of financial oversight and health and safety. For example, in a recent [inspection](#), we found that the BIA is not actively managing the closeout process for agreements issued under the Indian Self-Determination and Education Assistance Act. Closing these agreements, as appropriate, would ensure that Federal funds are fully spent and would allow Tribal organizations to use unspent restricted funds on agreed-upon Tribal programs and services. As a result of the failure to close out agreements as needed, we identified more than \$5 million in unused funds from 183 agreements that could be put to better use for Tribal programs and services if closed. In addition, for almost 20 years, we have reported on health and safety issues at Indian schools and detention facilities. For example, in a recent [management advisory](#), we reported on significant and longstanding health and safety issues—including structural issues, water

and sewer deficiencies and lack of functional air conditioning—at specific detention facilities. Many of these issues were the same that we identified in 2015 during site visits for our prior evaluation of BIA-funded and/or -operated detention programs.

In our 2023 audit, *The Chemawa Indian School Did Not Account for Its Financial Resources, and the Bureau of Indian Education Did Not Provide Financial Oversight*, we found that the Chemawa Indian School did not accurately account for or use financial resources in accordance with laws and regulations during FYs 2019 through 2021. Accordingly, we questioned \$593,367 in inappropriate and potentially wasteful purchases. We also found that the BIE did not adequately perform financial oversight. Specifically, the BIE did not audit the school's Student Enterprise account in accordance with Federal regulations and did not have adequate policies and procedures to ensure that the school appropriately accounted for and used financial resources.

Additionally, [according to the BIA](#), American Indian and Alaska Native people are at a disproportionate risk of experiencing violence, being murdered, or going missing and make up a significant portion of missing and murdered cases. The [GAO reported](#) that the total number of missing or murdered Indigenous women in particular is unknown because Federal databases do not contain comprehensive national data on all Indigenous women reported missing. The GAO found that this occurred for several reasons, including that Federal law<sup>7</sup> does not require Tribal law enforcement agencies to report missing persons who are 21 or over to the National Crime Information Center database. In addition, the GAO reported that identifying the number of cases

<sup>7</sup>34 U.S.C. §§ 41307(a), 41308(3).

involving missing or murdered Indigenous women is made difficult by “underreporting of cases, misclassifications of race, and misclassifications of the manner of death.”

We detail our ongoing and published work and the DOI’s progress in implementing recommendations related to responsibilities to Native Americans below.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to our published work below, we are currently performing work that assesses the condition of BIA schools and the Missing and Murdered Unit’s efforts to address American Indian and Alaska Native missing persons and murder cases.

### Selected Published OIG Work FYs 2021–2023

*The Bureau of Indian Affairs’ and the Office of Insular Affairs’ Support for Climate Adaptation Practices* (Report No. 2022–ER–019)

*The Chemawa Indian School Did Not Account for Its Financial Resources, and the Bureau of Indian Education Did Not Provide Financial Oversight* (Report No. 2022–CR–012)

*The Bureau of Indian Affairs Can Improve the Closeout Process for Public Law 93–638 Agreements* (Report No. 2020–CGD–060)

*Detention Facility Health and Safety Concerns* (Report No. 2022–WR–040–A)

*Status of the Office of Navajo and Hopi Indian Relocation’s Tribal Consultation Process and Activities* (Report No. 2020–WR–016)

*Status of the Office of Navajo and Hopi Indian Relocation’s Properties and Land Use Agreements* (Report No. 2020–WR–016–H)

*The Bureau of Indian Affairs Great Plains Region Did Not Oversee CARES Act Funds Appropriately* (Report No. 2021–FIN–032)

*The Omaha Tribe Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–B)

*The Bureaus of Indian Affairs and Indian Education Have the Opportunity To Implement Additional Controls To Prevent or Detect Multi-dipping of Pandemic Response Funds* (Report No. 2021–ER–015)

*The Bureau of Indian Education, the Bureau of Indian Affairs, and the Turtle Mountain Band of Chippewa Indians Need To Improve Accountability for Federal Funds* (Report No. 2020–CGD–001)

*The Three Affiliated Tribes Did Not Account for CARES Act Funds Appropriately* (2021–FIN–032–C)

*The Lower Brule Sioux Tribe Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–A)

*Summary: Tribal Administrator Stole Tribal Funds* (Report No. 17–0939)

*Facility Improvements Still Needed at Pine Hill School* (Report No. 2019–CR–062)

*The St. Stephens Indian School Education Association, Inc., Needs to Improve Financial Accountability for Federal Funds* (Report No. 2019–FIN–058)

*The Bureau of Indian Affairs Jeopardized Land Buy-Back Program Accomplishments by Delegating Land Title Authority* (Report No. 2019–WR–024)

*Summary: A Secretary of the Credit and Finance Office Defrauded the Oglala Sioux Tribe* (Report No. 15–0758)

*Recommendation for Identifying, Protecting, and Ensuring Proper Handling of Tribal Data and Information* (Report No. 20–0463)

### Recommendation Progress

Of the 95 recommendations we made to the DOI and its bureaus and offices, 22 are closed.

## GAO High-Risk Areas

Improving Federal Management of Programs That Serve Tribes and Their Members

## CHALLENGE AREA

# Ensuring Health and Safety

The DOI must protect the health and safety of its workforce and the public. According to its FY 2024 [budget request](#), the DOI employs almost 70,000 people and has more than 160,000 volunteers who support and serve more than 560 million visitors to public lands each year at approximately 2,400 locations across the United States, Puerto Rico, and Insular Areas. Ensuring employee and public safety is a complex responsibility that touches on many

different facets of the DOI's mission, including law enforcement; emergency response; public land management; infrastructure and facilities maintenance; and upholding trust responsibilities or commitments to American Indians, Alaska Natives, and Insular Areas. Below, we summarize the DOI's challenges, plans, and progress on health and safety issues related to wildfire management, law enforcement, and climate change response.



### Wildfire Management

Wildfires can have devastating effects on local communities, public resources, ecosystems, life, and personal property. According to [Congressional Research Service Report No. IF10244](#), in FY 2022, approximately 20,000 wildfires burned around 5.8 million acres in the Western United States, compared with more than 48,000 fires that burned more than 1.8 million acres in the Eastern United States. Of these fires, 52 percent—or 4 million acres—were on Federal lands. In 2022, DOI fire suppression costs totaled \$649 million. The DOI's wildfire management program consists of the Office of Wildland Fire (responsible for oversight) and the four bureaus with wildland fire management responsibilities—the 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.



Source: National Forests in Florida

As the length of wildfire seasons has grown to encompass the calendar year, the DOI has stated that there is a need for a year-round firefighting workforce that can respond at any time. A recent [GAO report](#) identified seven barriers to recruitment and retention: (1) low pay, (2) career advancement challenges, (3) poor work-life balance, (4) mental health challenges, (5) remote or expensive duty stations, (6) limited workforce diversity, and (7) hiring process challenges. It also found that in FY 2021, more than half of the Federal firefighters were employed as seasonal firefighters. The DOI has

taken several steps to address workforce challenges. In addition to previous increases to firefighters' pay, the DOI co-hosted a summit to develop a joint wildland firefighter behavioral health program with the U.S. Department of Agriculture. They reported the goals of establishing year-round prevention and mental health training, providing post-traumatic stress care, enhancing capacity for critical incident stress management, and creating a new system of trauma support services with an emphasis on early intervention.

The 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. The average annual acreage burned since 2000 is more than double the average annual acreage burned in the 1990s. The history of increased costs related to wildland fires is documented in the DOI's wildland fire management [budget request](#). We believe that the DOI is 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. The DOI's FY 2024 budget request includes significant funding increases for wildland fire workforce reforms and hazardous fuels management.

### OIG OVERSIGHT

#### Selected Ongoing OIG Work

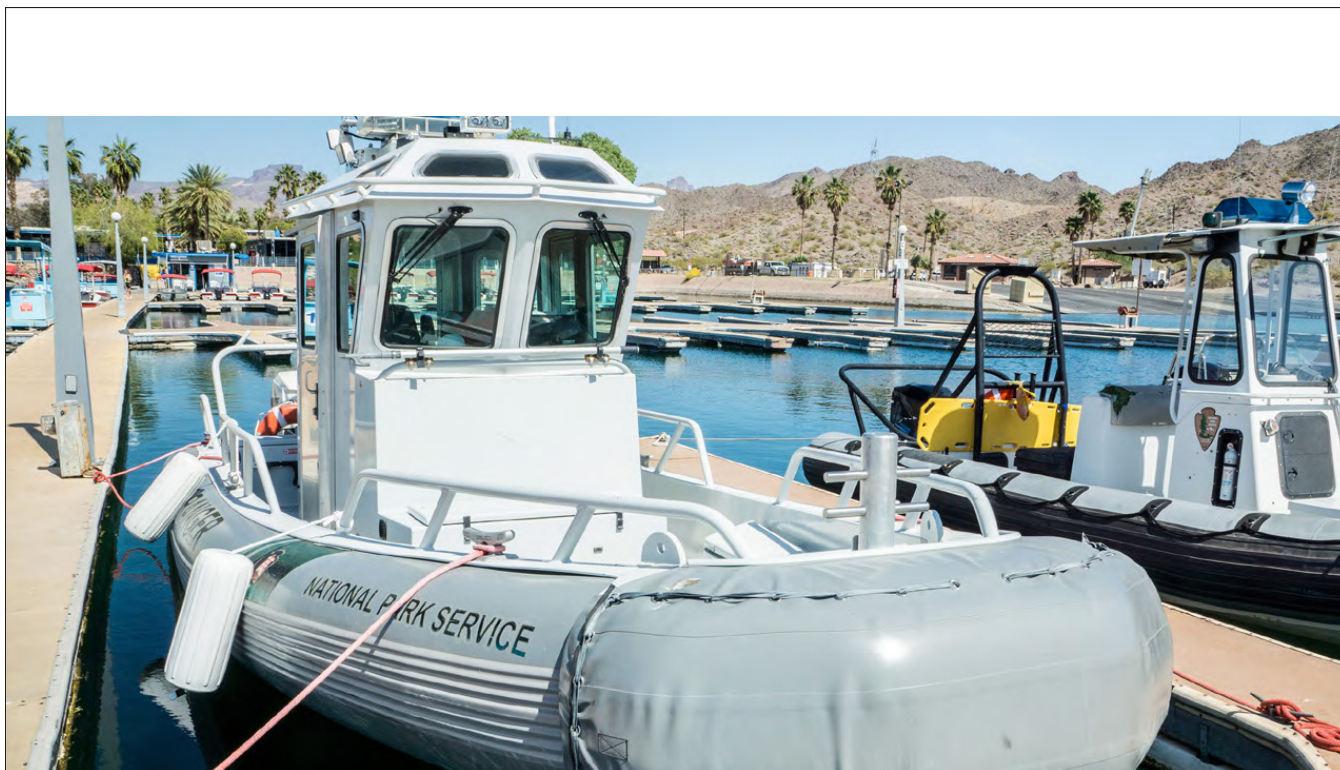
We are performing work that assesses the DOI's wildland fire fuels management and equipment programs.

## Law Enforcement

The DOI's law enforcement responsibilities include Indian Country communities as well as resource protection, public lands visitor safety, special event management, and crowd control in areas that require multiple agencies to coordinate. Among executive branch departments, the DOI has the fourth largest law enforcement component, totaling approximately 3,400 law enforcement officers in 5 bureaus and offices: the BIA, BLM, FWS, NPS, and U.S. Park Police (a unit of the NPS with jurisdiction in all Federal parks). The DOI law enforcement workforce has declined by 600 law enforcement officers since last year's report.

Meanwhile, law enforcement responsibilities, policies, and priorities continue.

In response to what was described as the combination of rising crime rates in communities around the country and law enforcement staffing shortages and low morale since early 2020, the President issued [Executive Order No. 14074](#), *Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety*, in May 2022. The order includes guidance regarding use-of-force standards, no-knock entries, and the use of body-worn



Source: iStockphoto

cameras and advanced law enforcement technologies. The Executive Order required the establishment and issuance of relevant policies within 90 days of its signature. In response, the DOI established a series of new policies that it states are intended to comply with the Executive Order and advance safe, transparent, accountable, and effective policing practices; build public trust; and strengthen public safety.

Additionally, in July 2021, the DOI established a Law Enforcement Task Force focused on strengthening trust in DOI law enforcement programs; ensuring implementation of appropriate policy and oversight; and ensuring supportive resources are available for officer mental health, wellness, and safety. In July 2022, the task force completed a series of 12 listening sessions to receive public comment on issues related to trust and confidence in the DOI's law enforcement programs.

We detail our ongoing and published work and the DOI's progress in implementing recommendations related to law enforcement on the next page.

In our 2023 evaluation, *The U.S. Department of the Interior Can Improve Its Oversight of Tasers*, we found that the DOI had not finalized its DOI-wide taser policy since 2016 and that each bureau had its own policy. However, none of the bureaus had updated their policies to comply with the DOI's 2016 interim policy. Further, the DOI's interim policy did not address supervisory review of incident reports. Additionally, we found that taser recertification training quality varied and that officers did not routinely test tasers. As explained in our report, the DOI should have consistent and clear policies to prevent or minimize officers' misuse of tasers and the chances of taser malfunction. After we issued our report, the DOI stated that it had begun drafting new guidance policies and that it expected to issue them by the end of calendar year 2023.

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are currently performing work assessing the BIA's Indian detention programs and the DOI's radio communications program.

### Selected Published OIG Work FYs 2021–2023

*Summary: Former USPP Employee Violated Post-Government Employment Law*  
(Report No. 19–0669)

*Alleged Excessive Use of Force, NPS, DC*  
(Report No. 21–0009)

*Detention Facility Health and Safety Concerns*  
(Report No. 2022–WR–040–A)

*The U.S. Department of the Interior Can Improve Its Oversight of Tasers*  
(Report No. 2019–WR–026)

*The U.S. Department of the Interior and Its Bureaus Have Not Finalized and Implemented Their Body Camera Policies*  
(Report No. 2021–WR–019)

*U.S. Park Police Supervisor Misused Government Vehicle To Drive to Outside Employment*  
(Report No. 21–0618)

*Review of the U.S. Park Police's Communications Recording System in the Washington, DC Metropolitan Area*  
(Report No. OI–SI–21–0171–W)

*Safety Concerns and Other Deficiencies at the U.S. Park Police's Dispatch Operations Center in the Washington, DC Metropolitan Area*  
(Report No. 21–0171)

*Review of U.S. Park Police Actions at Lafayette Park* (Report No. 20–0563)

*The Bureau of Indian Affairs' Coronavirus Response at Indian Country Detention Facilities*  
(Report No. 2020–WR–044)

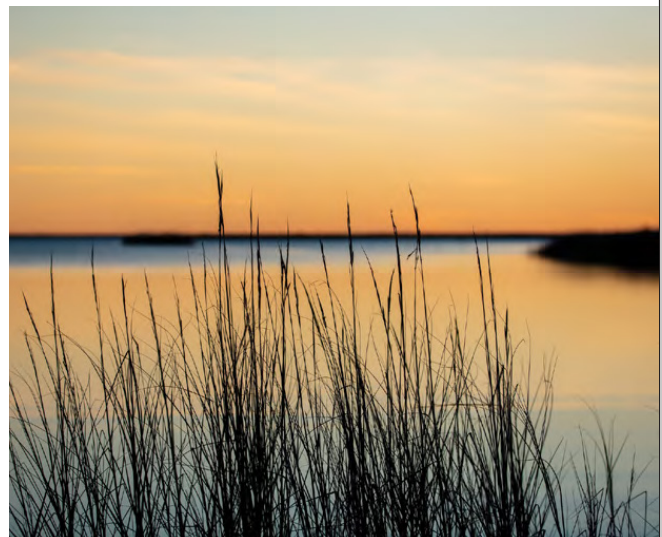
### Recommendation Progress

Of the 24 recommendations we made to the DOI and its bureaus and offices, 5 are closed.



## Climate Change Response

As described in last year's report, according to the *Fourth National Climate Assessment*, climate change is causing potentially harmful effects on marine and other animal life, increased high temperature extremes and heavy precipitation events, warming and rising seas, more frequent flooding, and increasing wildfires. Natural disasters can expose Federal real property assets—including office buildings, levees, roads, and bridges—to physical damage that can require substantial resources to repair or rebuild. According to the *National Oceanic and Atmospheric Administration*, climate change is a contributing factor to increasing extreme weather events. During calendar year 2022, the United States experienced 18 separate weather and climate disasters where overall damages reached

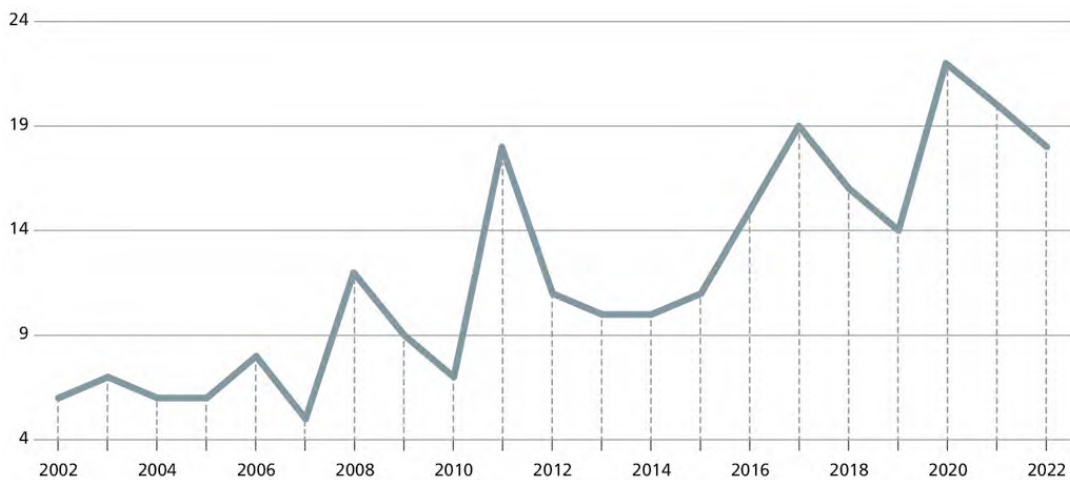


Source: National Park Service

or exceeded \$1 billion (see Figure 3). The DOI continues to face challenges in effectively and efficiently implementing its policies that respond

to the effects of climate change on its mission, programs, operations, and personnel.

**Figure 3: Number of U.S. Weather and Climate Disasters Exceeding \$1 Billion<sup>8</sup> in Damage 2002–2022**



In October 2022, the DOI [reported](#) on its *Climate Action Plan* and provided its assessment of its own progress toward addressing the challenges that climate change poses to its mission, programs, operations, and personnel. In the 2022 progress report, the DOI provided examples and updates on priority actions and initial plan topics. The DOI reported that it had not developed a method for assessing fiscal risk exposure due to climate change; however, it stated that some bureaus are taking proactive measures to reduce that exposure. For example, according to the DOI, the NPS developed a facility investment strategy that specifically directs project proponents to consider and include climate adaptation. In our recent evaluation report highlighted in the callout box on the right, we found that that the performance measures and metrics listed in the plan were not finalized.

Additionally, in May 2023, the DOI awarded \$12 million in Inflation Reduction Act funds to

In our recent evaluation, *The Bureau of Indian Affairs' and the Office of Insular Affairs' Support for Climate Adaptation Practices*, we found that, due to various deficiencies, we cannot determine whether the DOI's, BIA's, Office of Insular Affairs', or grantees' activities are meeting goals designed to respond to climate change and grant objectives. We could not determine whether activities met specific goals because the DOI did not finalize performance measures or set targets to measure those goals. Additionally, the BIA's Branch of Tribal Climate Resilience and the Office of Insular Affairs' Technical Assistance Program did not develop performance measures or targets at the bureau and office level to assess whether the grant programs are achieving their climate mission and the DOI's goals for responding to climate change.

<sup>8</sup>According to the [National Oceanic and Atmospheric Administration](#), these disaster cost assessments were developed using the most comprehensive public and private sector sources and represent the estimated total costs of these events. All cost estimates are adjusted based on the Consumer Price Index.

U.S. territories to address climate change planning, mitigation, adaptation, and resilience. In November 2022, the DOI also granted \$115 million in Inflation Reduction Act funds to assist 11 Tribes in planning and relocating their communities that are affected

by climate-related environmental threats. We detail our ongoing and published work and the DOI's progress in implementing recommendations related to the DOI's efforts to respond to climate

## OIG OVERSIGHT

### Selected Ongoing OIG Work

In addition to the published work below, we are performing work that assesses the BLM's renewable energy administration for wind and solar, the DOI's wildland fire fuels management and equipment programs, the Hurricane Sandy Coastal Resiliency Competitive Grant Program, the DOI's disaster preparedness and response, and the status of supplemental disaster funding.

### Selected Published OIG Work FYs 2021–2023

*The Bureau of Indian Affairs' and the Office of Insular Affairs' Support for Climate Adaptation Practices* (Report No. 2022–ER–019)

*The U.S. Department of the Interior Could Expand Its Use of Contracting Flexibilities and Should Establish an Acquisition Policy for Future Disasters* (Report No. 2020–CGD–006)

### Recommendation Progress

Of the 15 recommendations we made to the DOI and its bureaus and offices, 4 are closed.

## GAO High-Risk Areas

Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks



Source: iStockphoto





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.



If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at [www.doioig.gov/hotline](https://www.doioig.gov/hotline) or call the OIG hotline's toll-free number: **1-800-424-5081**

### Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the 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 the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the 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. Section 7(b) of the Inspector General Act of 1978 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.

### 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 2023 financial statement audit are summarized in Figure 35. As shown in the table, DOI achieved an unmodified audit opinion for DOI's consolidated financial statements.

FIGURE 35

Summary of Financial Statement Audit					
FY 2023					
<b>Audit Opinion</b>	Unmodified				
<b>Restatement</b>	No				
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
<b>Controls Over Financial Reporting</b>	0	1	0	0	1
<b>Inadequate Review and Update of Accounting Policies and Guidance</b>	0	1	0	0	1
<b>Inadequate Monitoring of Assets Constructed by Other Federal Agencies</b>	1	0	0	0	1
<b>Total Material Weaknesses</b>	1	2	0	0	3

### 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 2023 management assurances are summarized in Figure 36.

As shown in the figure below, the DOI's FY 2023 Assurance Statement was modified due to three material weaknesses related to 1) controls over financial reporting, 2) inadequate review and update of accounting policies and guidance, and 3) inadequate monitoring of assets constructed by other federal agencies.

FIGURE 36

Summary of Management Assurances						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
<b>Statement of Assurance</b>	Modified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
<b>Controls over Financial Reporting</b>	0	1	0	0	0	1
<b>Inadequate Review and Update of Accounting Policies and Guidance</b>	0	1	0	0	0	1
<b>Inadequate Monitoring of Assets Constructed by Other Federal Agencies</b>	0	1	0	0	0	1
<b>Total Material Weaknesses</b>	0	3	0	0	0	3

Effectiveness of Internal Control over Operations (FMFIA § 2)						
<b>Statement of Assurance</b>	Modified					
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
<b>Total Material Weaknesses</b>	0	0	0	0	0	0

FIGURE 37

<b>Conformance with Financial Management System Requirements (FMFIA § 4)</b>						
<b>Statement of Assurance</b>	<b>Federal Systems Comply to Financial Management System Requirements</b>					
<b>Non-Conformances</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Reassessed</b>	<b>Ending Balance</b>
<b>Total of Non-Conformances</b>	0	0	0	0	0	0

FIGURE 38

<b>Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)</b>		
	<b>Agency</b>	<b>Auditor</b>
<b>1. Federal Financial Management System Requirements</b>	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
<b>2. Applicable Federal Accounting Standards</b>	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
<b>3. U.S. Standard General Ledger at the Transaction Level</b>	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted

On March 2, 2020, the President signed into law the *Payment Integrity Information Act of 2019*, also known as P.L.116-117 (PIIA). This enhances the Administration's efforts to combat improper payments by consolidating prior improper payment legislation and reinforcing the 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*. This update mandated requirements for improving payment integrity, particularly by specifying the criteria that agencies must follow to stay compliant with PIIA. This includes conducting Phase 1 Risk Assessments and Phase 2 Statistical Sample Testing of high-risk programs.

### **Payment Integrity Risk Assessments**

PIIA requires agencies to review all programs and activities for the risk of improper payment by performing risk assessments to determine whether those programs are susceptible to significant improper payments. Due to DOI's historic low risk of improper payments, DOI conducts comprehensive risk assessments on a three-year cycle of all agency programs with payments greater than \$10 million during the assessment period. With OMB concurrence, DOI utilizes an alternative annual assessment period from Quarter 4 of the prior fiscal year through Quarter 3 of the current fiscal year.

In FY 2022, DOI performed an In-Cycle risk assessment of all DOI programs totaling approximately \$28.1 billion in payments for the assessment period of Quarter 4 of FY 2021 through Quarter 3 of FY 2022. This year, the OIG determined the Department was compliant with the PIIA and Appendix C reporting requirements including the agency's FY 2022 payment integrity risk assessments. In its report, OIG noted that the Department has made progress toward updating its payment integrity risk assessment methodology to address both of recommendations as listed but had not yet implemented them in FY 2022: (1) Reassess the use of an equally weighted qualitative factor approach in its payment integrity risk assessment methodology to determine if it is appropriate and provides reasonable assurance that it will identify programs at high risk of improper or under payment; and (2) Revise the payment integrity risk assessment methodology to include sufficient justification for the approach selected and used. DOI concurred with the OIG recommendations, and in FY 2023 reassessed the Department's equally weighted qualitative risk factor approach and shifted to a risk based approach, as well as implemented applicable updates to our Payment Integrity SharePoint tool.

The Department's Payment Integrity SharePoint tool is utilized to conduct PIIA risk assessments based on the thirteen risk factors identified in Appendix C to assess a program's susceptibility to improper payment including: (1) newness of the program to the agency; (2) complexity of the program with respect to determining correct payment amounts; (3) volume of payments made annually; (4) payment decision authority, (i.e., whether payment eligibility decisions are made outside of the agency); (5) recent major changes in program funding, authorities, practices or procedures; (6) the level, experience, and quality of training for personnel responsible for making program eligibility determinations or certifying payments are accurate; (7) inherent risks due to the nature of agency programs or operations; (8) audit report findings that may hinder accurate payment certification; (9) quality of internal controls; (10) similarity to other programs that have reported improper payment and unknown payment estimates or been deemed susceptible to significant improper payments; (11) the accuracy and reliability of improper payment and unknown payment estimates previously reported for the program, or other indicators of potential susceptibility; (12) lack of information or data systems to confirm eligibility or provide for other payment integrity need; and (13) fraud risk under the GAO's Green Book internal controls standards.

In FY 2023, DOI performed an Off-Cycle risk assessment of new programs, as well as those programs who experienced significant changes (e.g. legislation, changes in funding levels, etc.). This risk assessment also included programs funded through the BIL and the IRA with over \$10 million in outlays for the assessment period of Quarter 4 of FY 2022 through Quarter 3 of FY 2023 (assessment period). A total of 14 programs were risk assessed using the PIIA SharePoint, with a combined total of approximately \$2.1 billion in outlays for the assessment period. None of the 14 risk assessments performed in FY 2023 identified a program as being at high risk of susceptibility to significant improper payments, and no new programs require Appendix C Phase 2 Testing in FY 2024.

**FY 2023 DOI Programs Assessed  
for Risk of Improper Payments**

In FY 2023, the Department risk assessed the following programs listed in the table below:

FIGURE 39

<b>FY 2023 Programs Risk Assessed</b>	
<b>OMB Program Name</b>	
1.	Operation and Maintenance, Indian Irrigation Systems, Bureau of Indian Affairs (T), Interior - BIL 5240-A000
2.	Power Systems, Indian Irrigation Projects, Bureau of Indian Affairs, Interior - BIL 5648-A000
3.	Wildland Fire Management, Department-Wide Programs, Interior - BIL 22XA1125BI, 23XA1125BI
4.	Management of Lands and Resources, Bureau of Land Management, Interior - IRA 221L1109H3, 221L1109H4, 223L1109AF, 226L1109H5, 234L1109AF, 23XL1109A1, 23XL1109HF
5.	National Parks and Public Land Legacy Restoration Fund, Department-Wide Programs, Interior - GAOA 1414X5715.011
6.	Wildland Fire Management, Department-Wide Programs, Interior - BIL 22XL1125DI, 23XL1125DI
7.	Construction, National Park Service, Interior - Disaster Supplement 22XP10395H, 23XP10395H
8.	National Parks and Public Land Legacy Restoration Fund, Department-Wide Programs, Interior - GAOA XXXP571550
9.	Wildland Fire Management, Department-Wide Programs, Interior - BIL 20XP11258C; 21XP11258C; 22XP1125D1, DS, 8C; 23XP1125D1, DS, 8C
10.	Surveys, Investigations, and Research, Geological Survey, Interior - BIL 224G0804ID, 22XG0804ID, 235G0804ID
11.	Energy Community Revitalization Program, Department-Wide Programs, Interior
12.	Water and Related Resources, Bureau of Reclamation, Interior - IRA 226R068081
13.	Water and Related Resources, Bureau of Reclamation, Interior - BIL 22XR06801A, 22XR06801B, 22XR06801F, 22XR06801H, 22XR06801J, 22XR06801K, 22XR06801L, 22XR06801M, 22XR06801N, 22XR06801P, 22XR06801Q, 22XR06801S, 22XR06801T, 22XR06801U, 22XR06801W, 22XR0680Z
14.	San Gabriel Basin Restoration Fund, Department of the Interior, Bureau of Reclamation, Interior

### Sampling and Estimation

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. 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.

In FY 2020, the *Bipartisan Budget Act of 2018* initiated an improper payment reporting requirement 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. In FY 2020, the DOI performed statistical sampling of the DRA program’s FY 2019 expenditures that resulted in an overall error rate of 0.07 percent with a statistically estimated \$.0185 million in improper payments against total program outlays of \$27.44 million. These results were achieved with a precision rate of 1.58 percent with a 95 percent confidence level. The baseline improper payment rate of 0.07 percent for the DRA program significantly below the statutory threshold required for continued Phase 2 Testing of the program. Consistent with Section II.C.3. of Appendix C in FY 2021 and continuing in FY 2023, the Department moved from Phase 2 Testing of the DRA program to Phase 1 risk assessment of DRA funded programs with greater than \$10 million in expenditures for the current assessment period.

*The Hurricane Sandy Disaster Relief Act* is the only other DOI program currently identified as susceptible to significant improper payments in OMB Memorandum M-13-07. In FY 2016, DOI performed statistical sampling of the Hurricane Sandy FY 2015 program expenditures and projected an improper payment rate of \$565 thousand or 0.41 percent out of a total \$137 million in program payments. Due to the program’s low estimated improper payment rate, with OIG concurrence, DOI requested and was granted relief from OMB reporting requirements including further sampling and

estimation. As a result, Phase 2 Testing does not apply to DOI for the *Hurricane Sandy Relief Act* program and is excluded accordingly.

DOI’s FY 2022 In-Cycle risk assessment found no program at high risk of susceptibility to significant improper payments requiring Phase 2 Testing this fiscal year. Also, the FY 2023 Off-Cycle risk assessment results did not identify any high-risk programs requiring Phase 2 Testing in FY 2024.

For additional information regarding the 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](https://paymentaccuracy.gov) at <https://paymentaccuracy.gov>.

### Overpayments Identified and Recaptured

In FY 2014, DOI conducted payment recapture audits for payments made in fiscal years 2010 through 2012, which resulted in a recapture rate of 0.0004 percent. Based on the low rate of improper payments, DOI concluded that the cost of executing a payment recapture audit program outweighed the benefits of finding and recovering erroneous payments. The staff resources needed to conduct the program, sustain the contract, and oversee vendor payments were a significant drain on limited agency resources with minimal benefits to the government. In April 2014, OMB was notified that DOI discontinued the payment recapture audit program. DOI continues to have a low improper payment rate, and circumstances have not changed within our programs to make a payment recapture audit cost effective. As such, DOI did not perform recapture audits for improper payments this fiscal year. DOI will continue complying with PIIA through the OMB Circular A-123 process as a more cost effective and efficient use of agency resources to identify, reduce, and recover improper payments.

In FY 2023, DOI had approximately \$31 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 \$4.49 million or .01 percent in overpayments and recovered \$5.23 million or .02 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. In FY 2024, DOI will continue its efforts to recapture any balances identified.

### Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

In June of 2010, Treasury established the Do Not Pay (DNP) Initiative to help federal agencies' efforts to prevent improper payments and unknown payments. PIIA clarified current agency requirements, citing DNP resources across the federal government designed to help verify payment eligibility to identify and prevent improper payments. Under related OMB guidance, 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.

DOI utilizes Treasury's DNP Portal to check available data sources prior to payment to determine if improper payments and/or unknown payments were made based on updated verification of payee information. For FY 2023, there was one payment of \$113.55 that was confirmed to be an improper payment. All other matches received by DOI have been adjudicated and deemed proper. DOI will continue to utilize the DNP Initiative to reduce improper payments, unknown payments and/or improper awards.

#### Other Efforts

The following are other efforts that DOI undertakes to identify and recover improper payments agency-wide:

- ◆ **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.
- ◆ **Payment Integrity Center of Excellence (PICOE).** The PFM continued its collaborative approach with PICOE in FY 2023 to identifying actionable solutions as it relates to the Department's payment integrity challenges.
- ◆ **Government Charge Card.** For the FY 2023 internal control cycle, the PAM required the Bureaus and Offices to perform the following charge card transaction reviews: Purchase Cards: Split Purchases, Timely Account Closure, Use of Convenience Checks, Training Completion and Fraud, Abuse and Misuse. Travel and Fleet Cards: Timely Account Closure, Training Completion, Review and Approval of Card Statements, and Fraud, Abuse and Misuse. No major issues or material weaknesses were identified.
- ◆ **Payment Integrity Monitoring Capabilities.** The Department continued building its Payment Integrity monitoring capabilities to perform independent assessments and validate results being provided by the Bureaus and Offices.

On March 2, 2020, the 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 of 2015 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 through the use of 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 following key principles within GAO’s Special Publication, *A Framework for Managing Fraud Risks in Federal Programs*: commitment to combating fraud; conducting fraud risk assessments; implementing control activities to mitigate assessed fraud risks; and evaluating outcomes to improve fraud risk management. Moreover, DOI is evaluating key concepts and implementation strategies outlined in the U.S. Chief Financial Officers Council’s *Anti-Fraud Playbook*.

In FY 2023, the DOI OIG reported a total of \$0.86 million in confirmed fraud that was adjudicated this fiscal year across the Department’s Bureaus and Offices. Additionally, in FY 2023, the Department continues to enhance its oversight functions for OMB Circular A-123 (i.e., fraud management) by conducting several independent investigations of programs where potential fraud is suspected. The results of these reviews and recommendations are provided to the PFM’s leadership, applicable Bureau and Office leadership, and OIG, if applicable. The DOI’s anti-fraud strategy continues to leverage existing monitoring activities with an emphasis on the expansion of our systems to effectively manage and reduce fraud including the following initiatives:

- ◆ The DOI uses FBMS, a consolidated, standardized financial and business management system that provides DOI with the ability to view transactions across all organizational units, see trends and anomalies, as well as monitor risk and metrics Department-wide. In addition, transaction processing is more standardized, and automated controls are enhanced (i.e., required purchasing approvals, segregation of duties, etc.). This integrated financial system provides a solid foundation for DOI’s fraud risk program.
- ◆ The DOI uses several tools to identify and evaluate the risk of fraud, including the entity-level assessment tool, internal control risk assessments and the PIIA risk assessment. The entity-level assessment tool assesses the “tone-at-the-top” to measure leadership’s commitment to program integrity, ethical values, and combatting fraud.
- ◆ The Entity Level assessment tool, which includes the Green Book’s assessment of the fraud risk principle, is completed annually by senior leadership in Bureaus and Offices. In FY 2023, DOI continues to enhance the first Departmental Entity Level assessment conducted in FY 2022 by consolidating the results from the Bureaus and Offices, identifying, and evaluating controls in place at the Departmental level, including departmental controls to mitigate fraud and promote ethical values. The DOI evaluated this process for opportunities to align the tool for improved fraud management.
- ◆ Under DOI’s existing A-123 internal control program, Bureaus and Offices: assess risks to determine the level of inherent risk, including fraud risk, for all DOI programs; evaluate whether internal controls mitigate those risks to acceptable levels; and conduct risk-based internal control reviews to determine whether controls are operating as intended.
- ◆ As previously discussed in the Payment Integrity Risk Assessment section, in FY 2023, DOI performed a PIIA risk assessment to determine the susceptibility to improper payments on 14 programs, that included programmatic and transactional assessment of each program for fraud risk.
- ◆ Management evaluated the current organization structure to manage fraud and implemented 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.
- ◆ In FY 2023, DOI provided online fraud risk training to the Bureaus and Offices internal control coordinators, program managers, supervisors and the OIG to enhance fraud prevention, detection, and response skills and promote a commitment to fraud prevention and detection throughout DOI.
- ◆ The Departments Audit Management (AM) Division tracks corrective action plans in place to address external auditor recommendations. The DOI holds senior management accountable for resolving audit recommendations by including a critical element for audit recommendation closure in Senior Executive Service performance plans.
- ◆ Any significant fraud risk deficiencies identified in an audit will be formally tracked and reported in the AM Division. The Department implemented 100 percent of recommendations issued by external auditors in FY 2023.
- ◆ Monitoring activities serves as an early warning tool to identify and resolve issues. The DOI will continue to evaluate the outcomes of its fraud risk assessments and adapt activities to counter any deficiencies noted with a particular focus on improved outcomes.



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 2023, DOI performed annual inflationary adjustments of 57 CMP utilizing a cost-of-living adjustment multiplier of

1.07745, in accordance with OMB Memorandum M-23-05 Implementation of Penalty Inflation Adjustments for 2023, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. Figure 40 lists the FY 2023 CMP inflation adjustments published in the Federal Register and the CFR subject to the Act and OMB guidance.

FIGURE 40

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	2023	\$12,397	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Bald and Golden Eagle Protection Act - 16 U.S.C. 668(b); 50 CFR 11.33	Any violation	1940	2023	\$15,662	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(3) Any other violation	1973	2023	\$1,566	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(1) Knowing violation of section 1538	1973	2023	\$61,982	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(2) Other knowing violation	1973	2023	\$29,751	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
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	2023	\$4,838	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
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	2023	\$1,474	Bureau of Ocean Energy Management	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a> Note: The BOEM regulations at 30 CFR 550.1453 cross-reference regulations of the Office of Natural Resources Revenue (ONRR) at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGPMA 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	2023	\$1,474	Bureau of Safety and Environmental Enforcement	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a> Note: The BSEE regulations at 30 CFR 550.1453 cross-reference regulations of the Office of Natural Resources Revenue (ONRR) at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGPMA violations.

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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	2023	\$1,474	Office of Natural Resources Revenue	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a>
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(b)(1)	Failure to comply	1983	2023	\$1,291	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
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	2023	\$1,291	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
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	2023	\$14,754	Office of Natural Resources Revenue	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$12,924	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
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	2023	\$29,505	Office of Natural Resources Revenue	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$25,847	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
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	2023	\$73,764	Office of Natural Resources Revenue	88 FR 2520 (January 17, 2023) <a href="https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/17/2023-00737/2023-civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$64,618	Bureau of Land Management	88 FR 11818 (February 24, 2023) <a href="https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/02/24/2023-03711/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments</a>
Indian Gaming Regulatory Act - 25 U.S.C. 2713(a); 25 CFR 575.4	Per violation	1988	2023	\$61,983	National Indian Gaming Commission	88 FR 41025 (June 23, 2023) <a href="https://www.federalregister.gov/documents/2023/06/23/2023-12625/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation">https://www.federalregister.gov/documents/2023/06/23/2023-12625/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation</a>
Indian Trader Act - 25 U.S.C. 264; 25 CFR § 140.3	Penalty for trading in Indian country without a license	1834	2023	\$1,566	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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	2023	\$1,566	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
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	2023	\$31,326	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
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	2023	\$783	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Marine Mammal Protection Act of 1972 - 16 U.S.C. 1375; 50 CFR 11.33	Any violation	1972	2023	\$31,326	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.12(g)(2)	Failure of museum to comply	1990	2023	\$8,054	National Park Service	88 FR 3315 (January 19, 2023) <a href="https://www.federalregister.gov/documents/2023/01/19/2023-00982/civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/19/2023-00982/civil-penalties-inflation-adjustments</a>
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.12(g)(3)	Continued failure to comply per day	1990	2023	\$1,612	National Park Service	88 FR 3315 (January 19, 2023) <a href="https://www.federalregister.gov/documents/2023/01/19/2023-00982/civil-penalties-inflation-adjustments">https://www.federalregister.gov/documents/2023/01/19/2023-00982/civil-penalties-inflation-adjustments</a>
Oil Pollution Act of 1990 - 33 U.S.C. 2716(a); 30 CFR 553.51(a)	Failure to comply per day per violation	1990	2023	\$55,808	Bureau of Ocean Energy Management	88 FR 9749 (February 15, 2023) <a href="https://www.federalregister.gov/documents/2023/02/15/2023-03217/2023-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer">https://www.federalregister.gov/documents/2023/02/15/2023-03217/2023-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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	2023	\$52,646	Bureau of Safety and Environmental Enforcement	88 FR 17725 (March 24, 2023) <a href="https://www.federalregister.gov/documents/2023/03/24/2023-05990/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment">https://www.federalregister.gov/documents/2023/03/24/2023-05990/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment</a>
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	2023	\$52,646	Bureau of Ocean Energy Management	88 FR 9749 (February 15, 2023) <a href="https://www.federalregister.gov/documents/2023/02/15/2023-03217/2023-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer">https://www.federalregister.gov/documents/2023/02/15/2023-03217/2023-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer</a>
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	2023	\$19,933	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(2) Any other violation	1994	2023	\$9,966	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
Rhinoceros and Tiger Conservation Act of 1998 - 16 U.S.C. 5305a(b)(2); 50 CFR 11.33	Any violation	1998	2023	\$21,805	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
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	2023	\$79	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$19,815	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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	2023	\$2,972	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$79	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$19,815	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$2,972	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 724.14(b)	Individual civil penalties	1977	2023	\$19,815	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 846.14(b)	Individual civil penalties	1977	2023	\$19,815	Office of Surface Mining Reclamation and Enforcement	88 FR 24330 (April 20, 2023) <a href="https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments">https://www.federalregister.gov/documents/2023/04/20/2023-08371/civil-monetary-penalty-inflation-adjustments</a>
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	2023	\$1,566	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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	2023	\$1,882	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. 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	2023	\$7,383	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. 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	2023	\$1,992	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. 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	2023	\$1,117	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. L. 114-74, 129 Stat. 599; 25 CFR 226.43(a)	Penalty per day for failure to obtain permission to start operations	2016	2023	\$111	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. L. 114-74, 129 Stat. 599; 25 CFR 226.43(b)	Penalty per day for failure to file records	2016	2023	\$111	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. 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	2023	\$111	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P. 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	2023	\$111	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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: P.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	2023	\$223	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P.L. 114-74, 129 Stat. 599; 25 CFR 226.43(f)	Penalty for failure to notify Superintendent before drilling, re-drilling, deepening, plugging, or abandoning any well	2016	2023	\$446	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P.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	2023	\$1,117	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P.L. 114-74, 129 Stat. 599; 25 CFR 226.43(h)	Penalty per day for failure to file plugging and other required reports	2016	2023	\$111	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P.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	2023	\$1,566	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Title 25 - Indians Authority: P.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	2023	\$1,566	Bureau of Indian Affairs	88 FR 13018 (March 2, 2023) <a href="https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments">https://www.federalregister.gov/documents/2023/03/02/2023-03995/civil-penalties-inflation-adjustments-annual-adjustments</a>
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(3) Any other violation	1992	2023	\$1,052	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

(Continued)

FIGURE 40

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
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	2023	\$52,540	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>
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	2023	\$25,218	US Fish & Wildlife Service	88 FR 5796 (January 30, 2023) <a href="https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties">https://www.federalregister.gov/documents/2023/01/30/2023-01726/civil-penalties-2023-inflation-adjustments-for-civil-monetary-penalties</a>



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*. The following table 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, 2023.

FIGURE 41

Grants/Cooperative Agreements			
Category	2–3 Years	3–5 Years	More than 5 Years
<b>Number of Grants/Cooperative Agreements with Zero Dollar Balances</b>	200	98	6
<b>Number of Grants/Cooperative Agreements with Undisbursed Balances</b>	124	70	1
<b>Total Amount of Undisbursed Balances</b>	\$ 17,497,819	\$ 4,132,348	\$ 89,127

During FY 2023, the Department made significant strides that improved the administration of discretionary financial assistance. Bureaus and Offices utilized GrantSolutions, a single award management system, to administer over 15,414 financial assistance award transactions totaling \$7 billion in FY 2023.

PGM significantly increased financial assistance guidance and resources available to the Department's financial assistance community. During FY 2023, the PGM issued 15 new and updated policies to clarify financial assistance regulatory requirements and ensure the Department's resources are managed with integrity to the greatest public benefit. PGM issued several Policy Advisory Notices to alert Bureaus and Offices of new financial assistance internal control requirements, the OMB guidance, and required award terms and conditions for financial assistance agreements. PGM also issued new financial assistance policies in FY 2023 which covered a wide range of financial assistance actions such as the oversight of financial assistance applications, merit review process, budget review and approval, and closeout requirements.

DOI addressed many obstacles in closing expired awards in FY 2023. The Department received \$2.3 billion in direct funding from the IIJA, commonly known as the BIL, in addition to the \$30.6 billion received in FY 2022. *The Build America Buy America Act* provision in the BIL, which applies to any financial assistance program with funding for an infrastructure project, has caused a massive strain to the Department's financial assistance personnel and their ability to administer and award financial assistance. Despite the large increase in funding levels in the last two years, Bureaus and Offices have made a concentrated effort to close awards in a timely manner but continue to face challenges such as the limited number of financial assistance personnel, high staff turnover, and priority to make and obligate new financial assistance awards.

PGM issued new reporting templates to improve the Department's internal controls assessment and reporting processes for financial assistance and continues to work in collaboration with the BIO, Bureaus and Offices to promote a coordinated and streamlined annual reporting process for expired and closed awards. The Department's adoption of GrantSolutions provided enhanced internal controls, but challenges relating to the adaptability and functionality of the system continue to plague Bureaus and Offices. PGM utilized GrantSolutions existing capacity to alert recipients of financial and reporting deadlines and issued a financial assistance closeout policy in FY 2023 which included a provision which allows Bureaus and Offices to close out awards more effectively and efficiently in instances of recipient non-compliance.

The Department is steadfastly committed to decreasing the number of expired grants and cooperative agreements. PGM will continue to diligently monitor the Department-wide dashboard which provides current information on the status of expired awards and awards pending closure. PGM will also continue to coordinate with the Bureaus and Offices to enhance their business practices and develop and utilize resources to close out awards in a timely manner.

## GLOSSARY OF ACRONYMS

<b>AEO</b>	Annual Energy Outlook	<b>DCIA</b>	<i>Debt Collection Improvement Act of 1996</i>
<b>AFR</b>	Agency Financial Report	<b>DDT</b>	Dichlorodiphenyltrichloroethane
<b>AM</b>	Audit Management	<b>DM&amp;R</b>	Deferred Maintenance and Repairs
<b>AML</b>	Abandoned Mine Lands	<b>DNP</b>	Do Not Pay
<b>APG</b>	Agency Priority Goal	<b>DO</b>	Departmental Offices
<b>ARRA</b>	<i>American Recovery and Reinvestment Act of 2009</i>	<b>DOE</b>	Department of Energy
<b>ASG</b>	American Samoa Government	<b>DOI</b>	Department of the Interior
<b>AVC</b>	Arkansas Valley Conduit	<b>DOL</b>	Department of Labor
<hr/>			
<b>Bbl</b>	Oil Barrel	<b>DOT</b>	Department of Transportation
<b>BIA</b>	Bureau of Indian Affairs	<b>DRA</b>	Disaster-Related Appropriations
<b>BIE</b>	Bureau of Indian Education	<hr/>	
<b>BIO</b>	Business Integration Office	<b>EFT</b>	Electronic Funds Transfer
<b>BIL</b>	<i>Bipartisan Infrastructure Law</i>	<b>EIA</b>	Energy Information Administration
<b>BLM</b>	Bureau of Land Management	<b>EO</b>	Executive Order
<b>BOEM</b>	Bureau of Ocean Energy Management	<b>ERM</b>	Enterprise Risk Management
<b>BSEE</b>	Bureau of Safety and Environmental Enforcement	<b>ESA</b>	<i>Endangered Species Act</i>
<b>BSS</b>	Bison Support System	<hr/>	
<b>BTFA</b>	Bureau of Trust Funds Administration	<b>FASAB</b>	Federal Accounting Standards Advisory Board
<hr/>			
<b>CARES Act</b>	<i>Coronavirus Aid, Relief, and Economic Security Act</i>	<b>FBMS</b>	Financial and Business Management System
<b>CEAR</b>	Certificate of Excellence in Accountability Reporting	<b>FBwT</b>	Fund Balance with Treasury
<b>CFO</b>	Chief Financial Officer	<b>FCRA</b>	<i>Federal Credit Reform Act of 1990</i>
<b>CFR</b>	Code of Federal Regulations	<b>FECA</b>	<i>Federal Employees Compensation Act</i>
<b>CIO</b>	Chief Information Officer	<b>FEGLI</b>	Federal Employees' Group Life Insurance
<b>CIP</b>	Construction in Progress	<b>FERS</b>	Federal Employees Retirement System
<b>COVID-19</b>	Coronavirus Disease 2019	<b>FFMIA</b>	<i>Federal Financial Management Improvement Act of 1996</i>
<b>CMP</b>	Civil Monetary Penalties	<b>FISMA</b>	<i>Federal Information Security Modernization Act of 2004</i>
<b>CSRS</b>	Civil Service Retirement System	<b>FLPMA</b>	<i>Federal Land Policy and Management Act of 1976</i>
<b>CY</b>	Calendar Year	<b>FMFIA</b>	<i>Federal Managers' Financial Integrity Act of 1982</i>
<hr/>			
<b>DAS-BFGA</b>	Deputy Assistant Secretary-Budget, Finance, Grants and Acquisition	<b>FOGRMA</b>	<i>Federal Oil and Gas Royalty Management Act of 1982</i>
<b>DATA Act</b>	<i>Digital Accountability and Transparency Act of 2014</i>		

## GLOSSARY OF ACRONYMS

<b>FR</b>	The Financial Report of the U.S. Government	<b>LCRBDF</b>	Lower Colorado River Basin Development Fund
<b>FRDAA</b>	<i>Fraud Reduction and Data Analytics Act of 2015</i>	<b>M&amp;I</b>	Municipal and Industrial
<b>FWS</b>	U.S. Fish and Wildlife Service	<b>Mbbl</b>	One Thousand Barrels
<b>FY</b>	Fiscal Year	<b>Mcf</b>	One Thousand Cubic Feet
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>MFA</b>	Multi-factor Authentication
<b>GAO</b>	Government Accountability Office	<b>MLA</b>	Mineral Leasing Act of 1920
<b>GAOA</b>	<i>Great American Outdoors Act</i>	<b>MMcf</b>	One Million Cubic Feet
<b>GBL</b>	Government Bill of Lading	<b>MW</b>	Material Weakness
<b>G-INVOICING</b>	Government-Invoicing	<b>NFR</b>	Notice of Findings and Recommendations
<b>GLO</b>	General Land Office	<b>NFWF</b>	National Fish and Wildlife Foundation
<b>GMRA</b>	<i>Government Management Reform Act of 1994</i>	<b>NPF</b>	National Park Foundation
<b>GPRA</b>	<i>Government Performance and Results Act</i>	<b>NPS</b>	National Park Service
<b>GSA</b>	General Services Administration	<b>NWR</b>	National Wildlife Refuge
<b>GTAS</b>	Governmentwide Treasury Account Symbol Adjusted Trial Balance System	<b>OCIO</b>	Office of the Chief Information Officer
<b>GW</b>	Gigawatt	<b>OCS</b>	Outer Continental Shelf
<b>HANA</b>	High-performance Analytic Appliance	<b>OCSLA</b>	<i>Outer Continental Shelf Lands Act of 1953</i>
<b>HHS</b>	Department of Health and Human Services	<b>OIA</b>	Office of Insular Affairs
<b>HPF</b>	Historic Preservation Fund	<b>OIG</b>	Office of Inspector General
<b>IA</b>	Indian Affairs	<b>OMB</b>	Office of Management and Budget
<b>IGIA</b>	Interagency Group on Insular Areas	<b>ONRR</b>	Office of Natural Resources Revenue
<b>IRA</b>	<i>Inflation Reduction Act</i>	<b>OPM</b>	Office of Personnel Management
<b>IIM</b>	Individual Indian Monies	<b>OSMRE</b>	Office of Surface Mining Reclamation and Enforcement
<b>IMT</b>	Information Management and Technology	<b>OST</b>	Office of the Special Trustee for American Indians
<b>IJA</b>	<i>Infrastructure Investment and Jobs Act</i>	<b>PADD</b>	Petroleum Administration for Defense Districts
<b>IT</b>	Information Technology	<b>PAM</b>	Office of Acquisition and Property Management
<b>IV&amp;V</b>	Independent Validation and Verification	<b>PAR</b>	Performance Accountability Report
<b>LWCF</b>	Land and Water Conservation Fund	<b>PFM</b>	Office of Financial Management
		<b>PGM</b>	Office of Grants Management

<b>PICOE</b>	Payment Integrity Center of Excellence
<b>PI/LSI</b>	Possessory Interest to Leasehold Surrender Interest
<b>PIIA</b>	<i>Payment Integrity Information Act of 2019</i>
<b>PILT</b>	Payment in Lieu of Taxes
<b>PPA</b>	<i>Prompt Payment Act of 2002</i>
<b>PP&amp;E</b>	Property, Plant, and Equipment
<b>PPP</b>	Office of Planning & Performance Management
<b>P. L.</b>	Public Law
<hr/>	
<b>SASE</b>	Secure Access Service Edge
<b>SBR</b>	Statement of Budgetary Resources
<b>SCA</b>	Statement of Custodial Activity
<b>SEWP</b>	Solutions for Enterprise-Wide Procurement
<b>SFFAS</b>	Statement of Federal Financial Accounting Standard
<b>SMCRA</b>	<i>Surface Mining Control and Reclamation Act of 1977</i>
<hr/>	
<b>TNC</b>	The Nature Conservancy
<b>Treasury</b>	U.S. Department of the Treasury
<b>TSP</b>	Thrift Savings Plan
<hr/>	
<b>USBR</b>	Bureau of Reclamation
<b>U.S.C.</b>	U.S. Code
<b>USDA</b>	U.S. Department of Agriculture
<b>USFS</b>	U.S. Forest Service
<b>USGS</b>	U.S. Geological Survey
<b>USPP</b>	U.S. Park Police
<hr/>	
<b>WMD</b>	Wetland Management District

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# Acknowledgments

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We offer special thanks to our graphic designer, John Klaja and T.J. Ravas within the Office of Facilities and Administrative Services.



## **AFTER THE SUN GOES DOWN, THE SKIES ABOVE AMERICA'S PUBLIC LANDS COME ALIVE**

From its rocky coastline to the top of Cadillac Mountain, Acadia National Park in Maine will take your breath away. Day or night, the sights and sounds of the park give visitors memories they'll cherish for a lifetime. Famous for sunrises, the park is also a terrific place to enjoy the night sky. Don't have a star map? Check out one of the several mobile apps that allow you to locate the Milky Way, planets and constellations on your phone. <https://www.doi.gov/blog/twinkle-twinkle-16-awesome-public-lands-stargazing>

Photo by Joshua Snow / [www.sharetheexperience.org](http://www.sharetheexperience.org)



**THE ENDANGERED SPECIES ACT AT 50:  
MORE IMPORTANT THAN EVER**

2023 marks the 50<sup>th</sup> Anniversary of the Endangered Species Act (ESA). To celebrate this important milestone, the U.S. Fish and Wildlife Service designed a series of commemorative posters featuring federally-listed species that have been put on the road to recovery. The ESA is an incredibly effective law that protects our nation's at-risk species from extinction. To date, 99 percent of species that have received protections under the ESA have avoided extinction.

<https://www.fws.gov/library/collections/esa-50-commemorative-posters> Illustrations by Cal Robinson, FWS, Sacramento Office



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