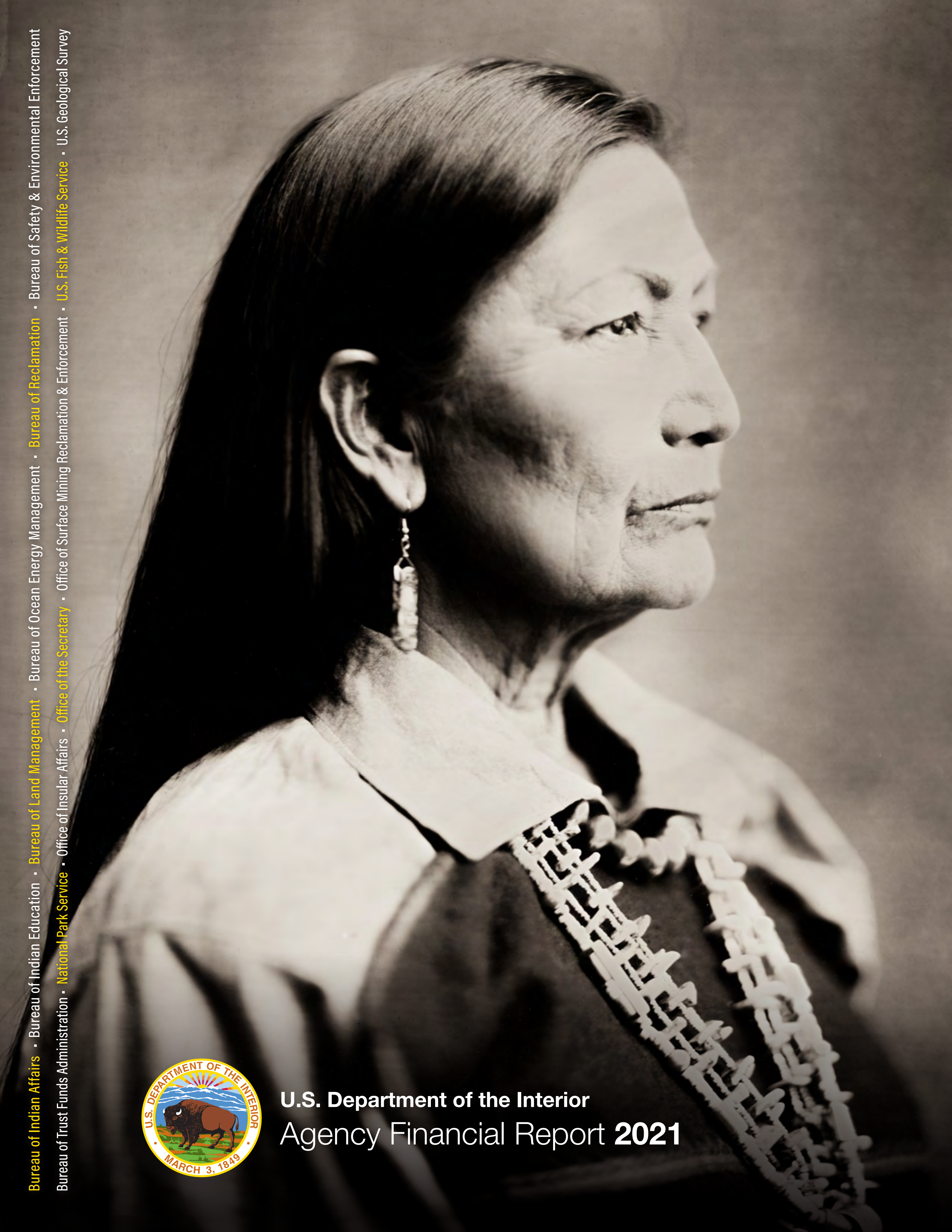


Bureau of Indian Affairs • Bureau of Indian Education • Bureau of Land Management • Bureau of Ocean Energy Management • Bureau of Reclamation • Bureau of Safety & Environmental Enforcement

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 **2021**

U.S. DEPARTMENT OF THE INTERIOR

Agency Financial Report 2021

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

ON THE COVER: "CRUSHED TURQUOISE"
Secretary Deb Haaland, Pueblo of the Laguna *(former Congresswoman of New Mexico's 1st District)*, captured in the historic wet plate collodion process of pure silver on glass for "Northern Plains Native Americans: A Modern Wet Plate Perspective". This image of Secretary Haaland was taken by Shane Balkowitsch on June 23rd, 2019 in his natural light studio in Bismarck, North Dakota. The original plate will be indefinitely archived at the State Historical Society of North Dakota's Heritage Center in Bismarck, North Dakota.

https://nostalgicglasswetplatestudio.zenfolio.com/blog/2019/6/congresswoman-deb-haaland

THE DEPARTMENT OF THE INTERIOR (Department) 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, and affiliated island communities.

The Department plays a central role in how the United States stewards its public lands, increases environmental protections, pursues environmental justice, and honors our Nation-to-Nation relationships with Tribes.

Our mandate from President Joe Biden is clear: we must address the four intersecting challenges of COVID-19, economic recovery, racial equity, and climate change.

We have no time to waste in taking action to protect public lands, the environment, and the lives and futures of Americans. The Department is ready to take the bold action desperately needed to ensure all communities—including communities of color, urban, rural, and Indigenous communities—benefit from an aggressive and whole-of-government response.

To meet the scope of our challenges and the multiple, overlapping crises, we are taking the following actions:

- Identifying steps to accelerate responsible development of renewable energy on public lands and waters. We are investing in climate research and environmental innovation to incentivize the rapid deployment of clean energy solutions, while reviewing existing programs to restore balance to America's public lands and waters to benefit current and future generations.
- Strengthening the government-to-government relationship with sovereign Tribal nations. We understand that Tribal sovereignty and self-governance, as well as honoring the Federal trust responsibility to Tribal nations, must be the cornerstones of Federal Indian policy.
- Making investments to support the administration's goal of creating millions of family-supporting and union jobs. This includes establishing a new Climate Conservation Corps Initiative to put a new generation of Americans to work conserving and restoring public lands and waters; increasing reforestation; increasing carbon sequestration in the agricultural sector; protecting biodiversity; improving access to recreation; and addressing the changing climate.
- Working to conserve at least 30 percent of our lands and waters by 2030. We will work to protect biodiversity, slow extinction rates, and help leverage natural climate solutions by conserving 30 percent of America's lands and waters by 2030. This relies on support for local, State, private, and Tribal-led nature conservation and restoration efforts that are underway across America.
- Centering equity and environmental justice. The impacts of the multiple crises in the United States are not evenly distributed in our society. Communities of color, low-income families, and rural and Indigenous communities have long suffered disproportionate and cumulative harm from air pollution, water pollution, and toxic sites. At every step of the way, the Department will engage diverse stakeholders across the country, as well as conduct formal consultation with Tribes in recognition of the U.S. Government's trust responsibilities.

On behalf of the 65,000 dedicated employees who work diligently across the Nation to carry out our varied mission, I am pleased to present the Department's Agency Financial Report for fiscal year 2021. In addition to providing key financial and performance information, this report demonstrates the Department's commitment to transparency in the use of American taxpayer dollars and to addressing material weaknesses in compliance with relevant laws and regulations.

DEB HAALAND
Secretary of the Interior
November 15, 2021

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, 2020, through September 30, 2021. 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; and financial statements.

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 the process of compiling and documenting factors that quantify an institution's profitability, efficiency and adherence to budget, comparing actual results against original target. 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) 2020 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 nineteenth 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 the Inspector General's Summary of The Most Serious Management and Performance Challenges. The Inspector General's summary identified the FY 2020 challenges regarding how DOI's COVID-19 pandemic needs, and responses relate to the long-standing management and performance challenges.

AGA

Certificate of Excellence in Accountability Reporting®

presented to the

U.S. Department of the Interior

in recognition of outstanding effort in preparing the Agency Financial Report for fiscal year 2020

AGA

Certificate of Excellence in Accountability Reporting®

BEST-IN-CLASS AWARD

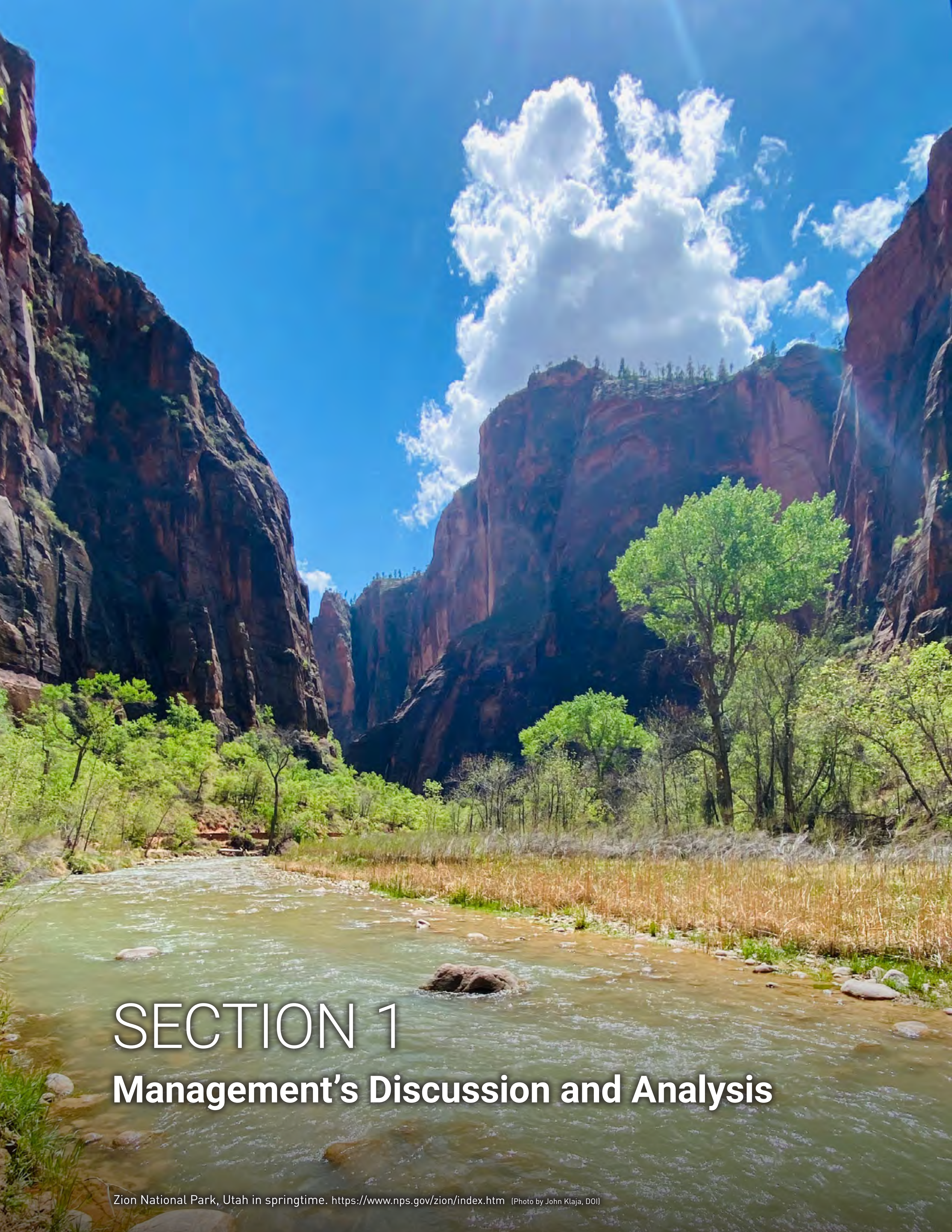
presented to the

U.S. Department of the Interior

in recognition of

the Inspector General's summary of the most serious management and performance challenges

in the Agency Financial Report for fiscal year 2020



SECTION 1

Management's Discussion and Analysis

Zion National Park, Utah in springtime. https://www.nps.gov/zion/index.htm (Photo by John Klaja, DOI)

History

The DOI was established in 1849 and was charged with managing a wide variety of programs, which included overseeing Indian affairs, exploring the western wilderness, directing the District of Columbia jail, constructing the National Capital's water system, managing hospitals and universities, improving historic western emigrant routes, marking boundaries, issuing patents, conducting the census, and researching the geological resources of the United States. As the country matured during the last half of the 19th century, so did 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 20th century, there was an increasing urgency and expanding congressional mandate to protect and more effectively manage the Nation's natural resources. Gifford Pinchot, one of the first employees of the DOI's General Land Office (GLO), was hired as a special forestry agent to make further investigations of the forest reserves and recommend ways to manage them. Through his leadership, the DOI was able to politically appoint superintendents in each state that had forest reserves, forest reserve supervisors, and forest rangers to patrol the reserves. In 1905, the United States Forest Service was created and named Pinchot the first agency chief. As chief, Pinchot was in charge of managing the forest reserves "for the greatest good of the greatest number in the long run". In support of this directive, Congress changed the jurisdiction of the reserves from the GLO in the DOI to the new Division of Forestry within the U.S. Department of Agriculture (USDA).

The U.S. Department of the Interior is Responsible for...

66,000+ dedicated and skilled employees

280,000+ annual volunteers

20% of the Nation's land area

480 million+ surface acres of public lands

700 million acres of subsurface minerals

574 federally recognized Indian Tribes

75% of all federal land

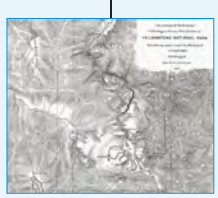
15% of the Nation's hydropower energy

2,400 Operating Locations

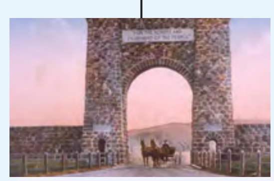
THE DOI TIMELINE

1824
Bureau of Indian Affairs (BIA) formed by Secretary of War John C. Calhoun

1849
Congress created the Department of the Interior



1869
Interior began its geological survey of the western Territories with the Hayden expedition



1872
Congress established Yellowstone as the first National Park

1879
U.S. Geological Survey (USGS) created

History *(Continued)*

During the 20th 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.

FIGURE 1

12 Unified Interior Regions

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

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

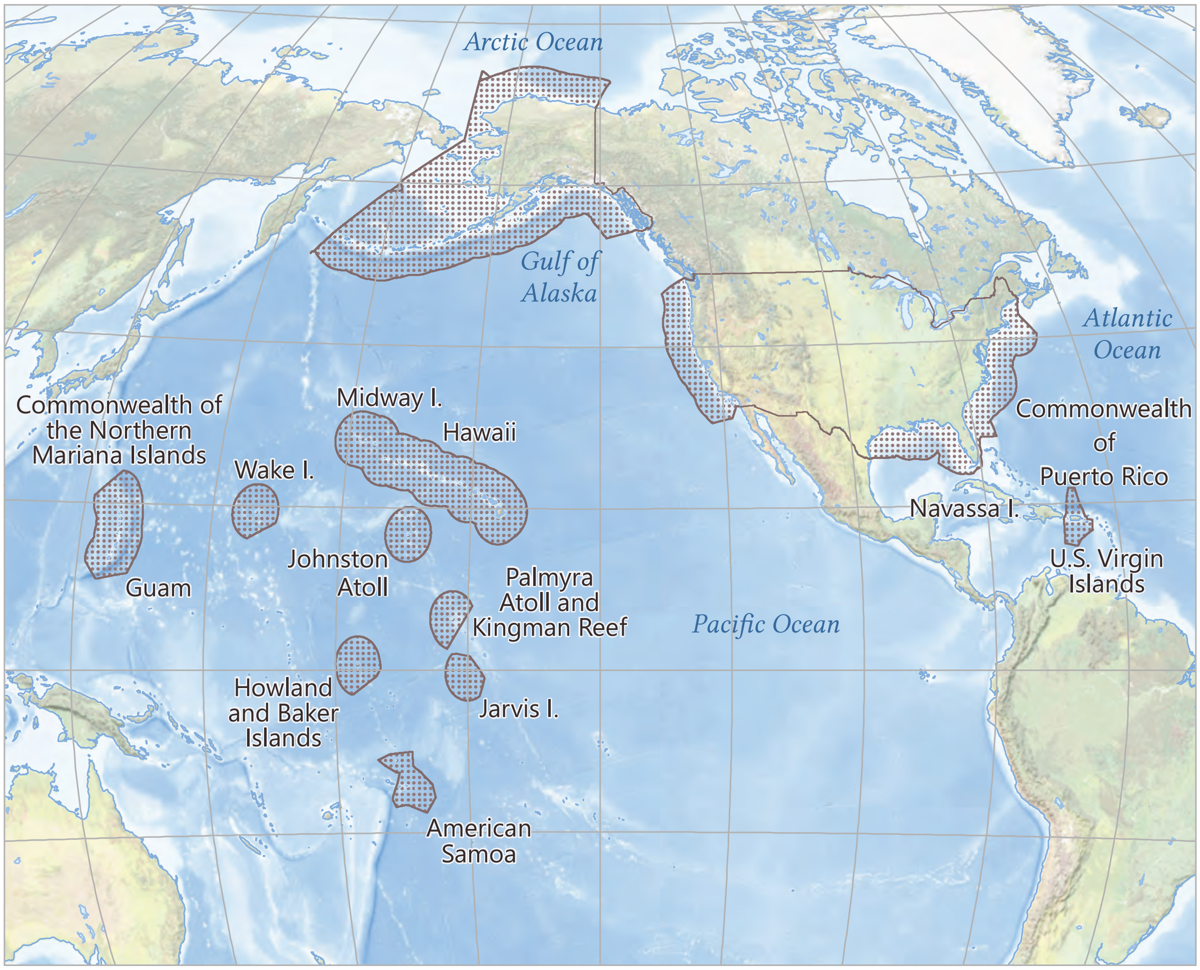
1910
The Bureau of Mines was established

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

The DOI's programs encompassed in this report cover a broad spectrum of activities performed by the 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 the bureaus and offices and the DOI's over 66,000 dedicated and skilled employees. Historically, over 500,000 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.

FIGURE 2



United States Continental Shelf Boundary Areas

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.

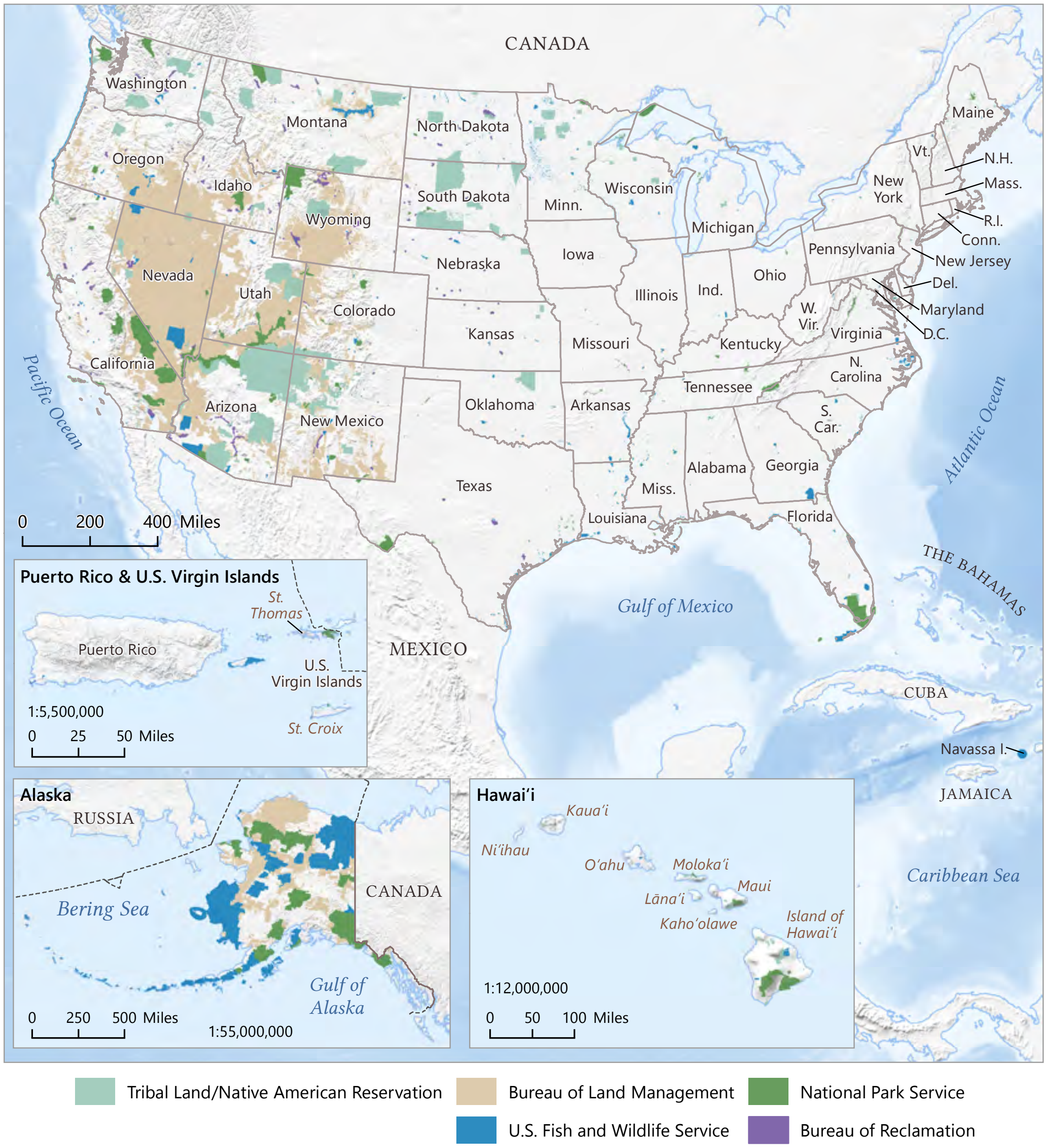
1940
U.S. Fish & Wildlife Service (FWS) created

1946
Bureau of Land Management (BLM) created

1950-1951
The DOI assumed jurisdiction over Guam, American Samoa, and the Trust Territory of the Pacific Islands

1977
Office of Surface Mining Reclamation and Enforcement (OSMRE) created

FIGURE 3



Surface Lands Managed by The Department of the Interior

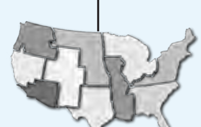
1982
Minerals Management Service (MMS) created

USGS science for a changing world

1996
The DOI science and technology functions were consolidated in the U.S. Geological Survey (USGS) and Bureau of Mines disbanded and abolished with certain functions transferred to agencies including USGS

2001
Gale Norton became the first woman to serve as Secretary of the Interior

2011
MMS divided into Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement and Office of Natural Resources Revenue



2019
DOI adopted 12 standard regional boundaries

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

Vision

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

Mission

Use science and sound management principles to steward our natural and cultural resources while honoring the Nation's responsibilities to the planet, Native peoples, and all Americans.

Guiding Principles

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

DOI Secretarial Priorities

As we have successfully started in FY 2021, and as we advance into FY 2022, we are committed at DOI to implementing the core functions of our mission and achieving the goals of the Secretary and the Biden-Harris Administration on behalf of the American people.

The Secretary has identified priorities in the coming years to:

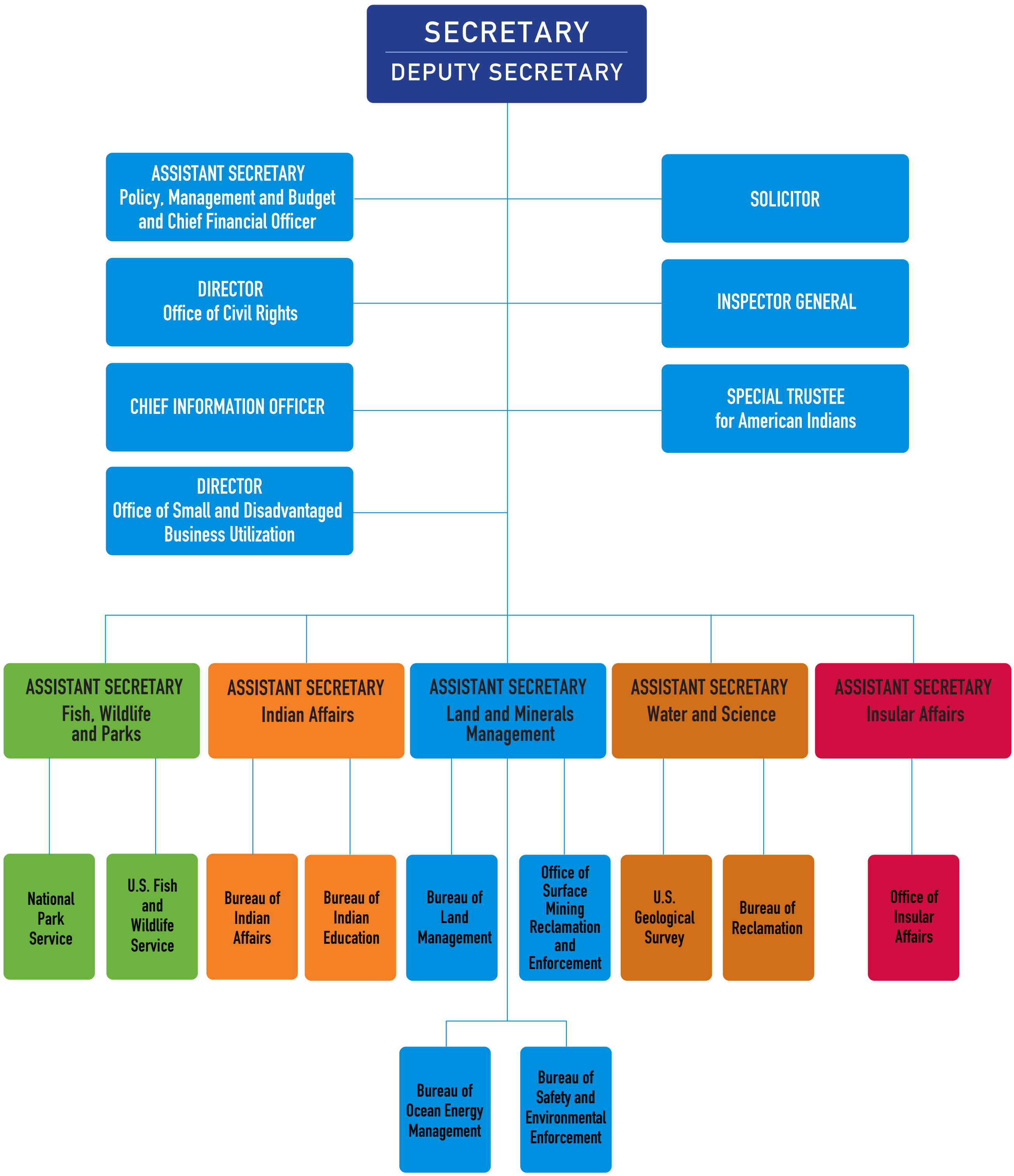
- Promote environmental stewardship and environmental justice;
- Tackle the climate crisis;
- Actively promote diversity, equity, inclusion, and accessibility;
- Support Tribal and Indigenous Communities; and
- Build and strengthen an inclusive outdoor economy.

Photo by Tami A. Heilemann, DOI

Vice President Kamala Harris swears-in Deb Haaland as Secretary of the Interior — the first Native American appointee in the history of the United States — Thursday, March 18, 2021, in the Vice President's Ceremonial Office in the Eisenhower Executive Office Building at the White House. https://www.doi.gov/video/interior-secretary-haalands-introductory-message

Organizational Chart

FIGURE 4



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 Offices.
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 federal education programs that are delivered by Tribal Nations at 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 access to renewable and conventional energy and non-energy mineral resources of the Outer Continental Shelf in an environmentally and economically responsible way.
Bureau of Reclamation (USBR)	The Bureau of Reclamation manages, develops, and protects water and related resources in an environmentally and economically sound manner in the interest of the American public.
Bureau of Safety & Environmental Enforcement (BSEE)	The Bureau of Safety and Environmental Enforcement fosters safe, environmentally sustainable, energy production from the 2.5 billion-acre of the Outer Continental Shelf for America's energy future.

Bureau and Office Summary *(Continued)*

Bureau of Trust Funds Administration (BTFA)	The Bureau of Trust Funds Administration[1] provides banking and investment services to Native American beneficiaries who earn royalty income and other monies from activities on federally-managed land. The Bureau of Trust Funds Administration also maintains the official archive of Native American Records. This program safeguards millions of original, historic documents that detail the Federal government's treaty obligations to Native Americans.
National Park Service (NPS)	The National Park Service maintains and manages a network of 423 natural, cultural, and recreational sites for the benefit and enjoyment of the American people.
Office of Insular Affairs (OIA)	The Office of Insular Affairs oversees federal administration of several United States insular areas including the Federated States of Micronesia, the Republic of the Marshall Islands, the American Samoa, Guam and the U.S. Virgin Islands.
Office of Surface Mining Reclamation and Enforcement (OSMRE)	The Office of Surface Mining Reclamation and Enforcement protects the environment during coal mining through federal programs, grants to states and tribes, and oversight activities, ensures the land is reclaimed after mining is completed, and mitigates the effects of past coal mining by reclaiming abandoned coal mine lands.
U.S. Fish and Wildlife Services (FWS)	The U.S. Fish and Wildlife Service is the premier government agency dedicated to the conservation, protection, and enhancement of fish, wildlife and plants, and their habitats — and is the only agency in the federal government whose primary responsibility is the conservation and management of these important natural resources for the American public.
U.S. Geological Survey (USGS)	The U.S. Geological Survey produces information to increase understanding of natural hazards such as earthquakes, volcanoes, landslides, coastal hazards, and geomagnetic storms, conducts scientific research that supports natural resource decisions, and produces remote sensing imagery, topographic, geologic, hydrographic, biogeographic data, and maps.

[1] Bureau of Trust Funds Administration was previously referred to as Office of the Special Trustee for American Indians (OST).

Photo by BLM

South Central Oregon Fire Management Patrol Guard School in training. The BLM and the U.S. Forest Service work together to manage wildfires. https://scofmp.org/

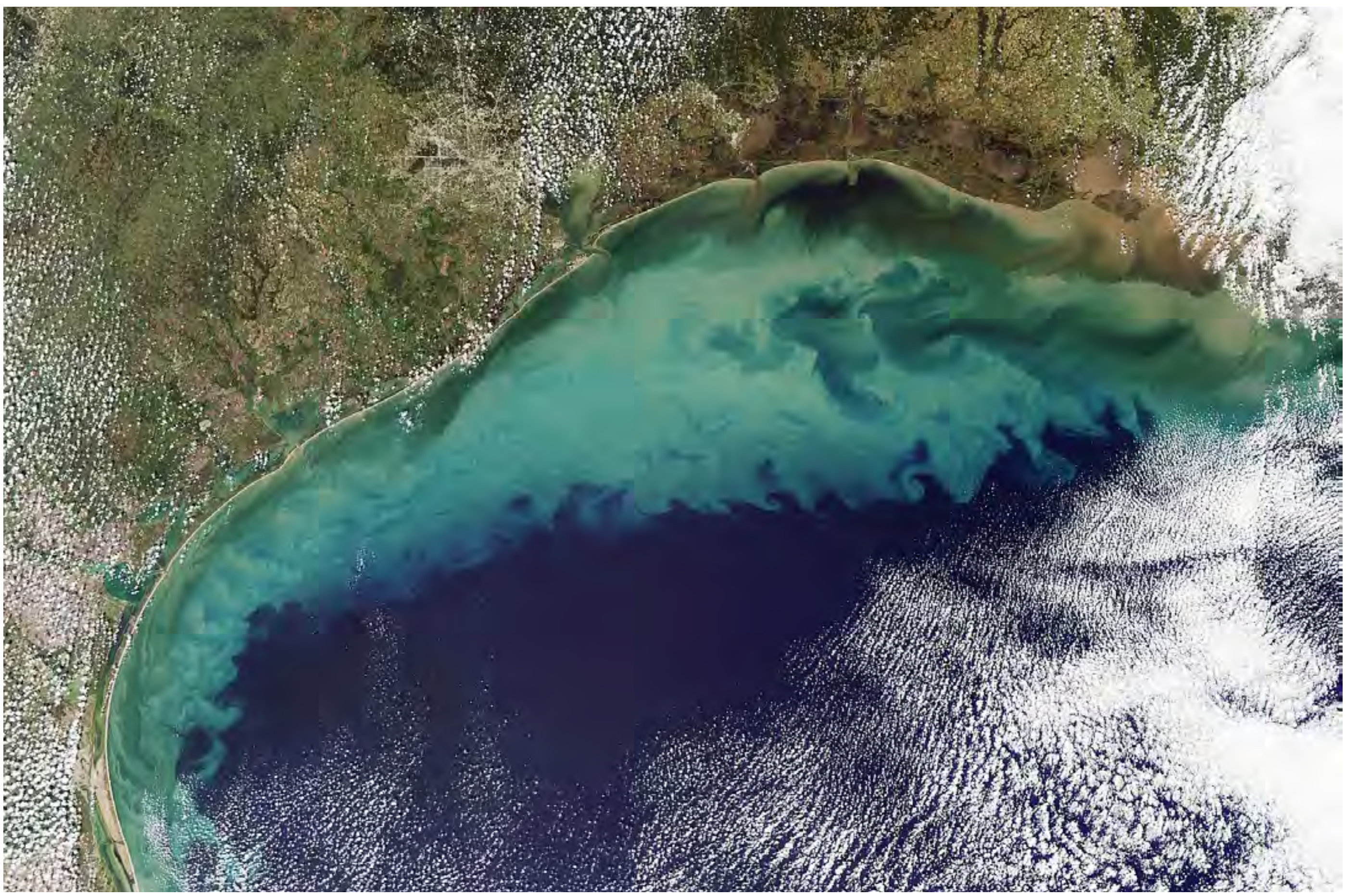


Photo by NASA Earth Observatory

SEDIMENTATION IN THE NORTHWESTERN GULF OF MEXICO IN THE WAKE OF HURRICANE IDA

Much of the dirt that colors the water is likely re-suspended sediment dredged up from the sea floor in shallow waters. The tan-green sediment-colored water transitions to clearer dark blue water near the edge of the continental shelf where the water becomes deeper. The ocean turbulence that brought the sediment to the surface is readily evident in the textured waves and eddies within the tan and green waters. Tropical Storm Ida had come ashore over Alabama and Florida, immediately east of the area shown here, a few hours before the image was acquired. The storm's wind and waves may have churned up waters farther west. https://www.usgs.gov/news/usgs-deploying-storm-tide-sensors-louisiana-mississippi-advance-hurricane-ida

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 February 2022, the DOI will publish a four-year strategic plan which will define the goals, objectives, strategies, and performance measures that support the DOI mission and reflect the priorities of the Secretary and the Biden-Harris Administration.

The DOI FY 2022–2026 Strategic Plan will focus 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 Strategic Plan and a full performance assessment are planned to be released with the President's FY 2023 Congressional Budget Justification in February 2022. The reports will be published on ***www.performance.gov*** and the ***DOI performance website***.

In FY 2021 the Department began a transition to the new Strategic Plan framework focused around four goals:

1. Promoting well-being, equity, and justice for Tribes, Native Americans, Alaskan Natives, and Insular communities
2. Conserving, protecting, managing, and restoring natural and cultural resources
3. Sustainably balancing the use of resources while supporting communities and the economy
4. Serving and honoring the public trust

The Department has been developing strategies, plans, and actions that will make progress on these goals over the next four years.

Photo by Baskin Creative Studios, Pexels.com

CONSERVING AND RESTORING AMERICA THE BEAUTIFUL

President Biden has challenged all of us as Americans to join together in pursuit of a goal of conserving at least **30** percent of our lands and waters by **2030**. The ambition of this goal reflects the urgency of the challenges we face: the need to do more to safeguard the drinking water, clean air, food supplies, and wildlife upon which we all depend; the need to fight climate change with the natural solutions that our forests, agricultural lands, and the ocean provide; and the need to give every child in America the chance to experience the wonders of nature.

PROMOTING WELL-BEING, EQUITY, AND JUSTICE FOR TRIBES, NATIVE AMERICANS, ALASKAN NATIVES, 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 and Alaskan Natives. The U.S. 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. The 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 Native Americans who live on or near reservations. The DOI provides centralized accounting services for trust fund management activities. The DOI's performance indicators track access to education opportunities, career and training opportunities and placement, meaningful tribal consultation, and providing safe water in insular areas.

The DOI 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. Indian Affairs (IA) coordinates development of comprehensive tribal programs with the Departments of Labor (DOL) and Health and Human Services (HHS). The DOI offers programs and financial services that help position

Photo by National Park Service

NATIVE AMERICAN GIRLS AT FORT UNION TRADING POST NATIONAL MONUMENT, MONTANA AND NORTH DAKOTA
All public land was once tribal land. From the Seminole people of the Everglades to the Athabascans who gave Denali its name, Native Americans have a connection to every national park, wildlife refuge and wilderness across the country. American Indians and Alaskan Natives are incredibly diverse, with over 570 federally recognized Tribes and over 5 million members, each with their own cultures and traditions. And while their contributions are often viewed through a historical lens, these traditions and cultures are alive and thriving. They also inform people on the challenges faced by Native Americans in the past and the present: "We are the most underrepresented, misunderstood and forgotten minority group in America. Our culture offers this country a big part of its history." https://www.doi.gov/blog/10-public-lands-powerful-native-american-connections

Official White House Photo by Adam Schultz (left) and photo by BIA (right)

AMERICAN RESCUE PLAN ACT

The Plan commits the largest investment of resources into Indian Country and tribal communities in U.S. history, with **$900 MILLION** to federally recognized tribes and **$850 MILLION** to BIE-funded schools. https://www.doi.gov/pressreleases/interior-department-celebrates-passage-american-rescue-plan

Indian businesses and individuals to compete in today's economy. Our tribal job placement programs have assisted in increasing earnings of individuals who participated; for the past five years, participants in these programs who obtained unsubsidized employment have increased their hourly gain in earnings on average by more than $9.50. While job placement is heavily reliant on economic conditions, the program has been successful in increasing earnings for tribal participants.

The FY 2022–2026 Strategic Plan and performance goals will support improving Indian education while ensuring educational access and opportunities, ensuring consultation in decision making, upholding trust, treaty, and other responsibilities to Native Americans and Alaskan Natives, 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.

Photo by National Park Service

The National Park of American Samoa is located approximately 2,600 miles southwest of Hawai'i. It is one of the most remote national parks in the United States. The Samoan culture is Polynesia's oldest. It is believed that the first people on the Samoan Islands came by sea from southwest Asia some 3,000 years ago. Over the centuries, distinct cultural traits emerged that are now called fa'asamoa, meaning "the Samoan way of life". https://www.nps.gov/npsa/index.htm

CONSERVING, PROTECTING, MANAGING, AND RESTORING NATURAL AND CULTURAL RESOURCES

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 wildlife and plants. Over the past several years, the DOI has been successful in applying resource management practices and achieving desired condition of lands and waters under the Department's stewardship. When the DOI management plans have established known conditions of DOI land acreage, the bureaus responsible for the management of those lands have been able to achieve a desired condition in more than 90 percent of those acres. Achieving a desired condition is critical in protecting species that rely on the health of these ecosystems, and the Department will continue this work under the America the Beautiful initiative in the coming years.

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

A variety of conservation efforts and initiatives have been undertaken by multiple fishery management jurisdictions to restore habitat, remove and modify dams, improve water quality, improve in-streamflow and acquire essential fish habitat for Chinook salmon.
https://www.fws.gov/fisheries/freshwater-fish-of-america/chinook_salmon.html

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 dynamic recovery plans. These plans are critical as they provide a roadmap of actions and guide decisions that can be applied by both the DOI and other stakeholders working with these species in affected areas.

The DOI works to ensure visitors can find enjoyment and take pride in our lands and heritage and that visitors to DOI's 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 Americans to hike, camp, climb, boat, view wildlife, hunt, fish, attend visitor programs, and pursue other outdoor activities. Both the DOI and the public have high standards for programs enabling recreation, education, and awareness of the natural world, historic events, and cultural resources; the DOI has met this challenge, and visitors to public lands have consistently rated their satisfaction with their experiences above 90 percent. Future work includes assessing visitor satisfaction related to improvements that will be made with funding provided by the *Great American Outdoors Act* (GAOA), signed in FY 2020. In the next four years, DOI will focus on building healthy landscapes and watersheds, leveraging climate science and evidence-informed decision making, ensuring species protection and invasive species management, incorporating tribal traditional knowledge in partnership with tribes, and furthering climate science, adaptation, and resiliency.

The Department will also build a Civilian Climate Corps to support an American landscape that is resilient, adaptive, and responsive to the threats of climate change to increase jobs for American youth, increase access to recreational opportunities, build an outdoor economy that supports environmental and cultural heritage education, and promote environmental justice for communities.

America's Bald Eagle Population Continues to Soar

Populations of the American bald eagle — the bold national symbol of the United States — have quadrupled since 2009, according to a new report by the U.S. Fish and Wildlife Service and its partners. Bald eagles once teetered on the brink of extinction, reaching an all-time low of 417 known nesting pairs in 1963 in the lower 48 states. However, after decades of protection, the banning of the pesticide DDT, and conservation efforts with numerous partners, the bald eagle population has flourished, growing to more than 71,400 nesting pairs.

U.S. Fish and Wildlife Service Final Report:
Bald Eagle Population Size: 2020 Update

Photo by Frank Cone, Pexels.com

https://www.doi.gov/news/americas-bald-eagle-population-continues-soar

Photo by USBR

RECLAMATION INVESTS IN GRANTS TO INCREASE WATER SUSTAINABILITY IN THE WEST
Through WaterSMART, Reclamation works cooperatively with states, tribes, and local entities to plan for and implement actions to increase water supply reliability through investments to modernize existing infrastructure and attention to local water conflicts. Since 2010, Reclamation has provided more than $390 million in grants for WaterSMART projects. www.usbr.gov/watersmart

SUSTAINABLY BALANCING THE USE OF RESOURCES WHILE SUPPORTING COMMUNITIES AND THE ECONOMY

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. Water distribution depends on the condition of facilities that manage and distribute the water. Therefore, the DOI assesses water distribution facility reliability as an indicator of being able to achieve this goal. In recent years, many minor water infrastructure problems have been repaired or replaced, and DOI is cognizant that remaining issues require extensive and expensive repairs or replacements.

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.

Photo by BLM Nevada

SALT WELLS POWER PLANT IN FALLON, NEVADA

Nevada BLM has eighteen operating geothermal power plants with federal interest, for a total generating capability of over 600 MW and nearly 400 MW of additional geothermal projects in the permitting, exploration, development and construction phases are expected to greatly increase that capacity in the near future. https://www.blm.gov/programs/energy-and-minerals/renewable-energy/geothermal-energy/regional-information/nevada

Photo by BLM

In September 2017, the Bureau of Land Management's Division of Rangeland Resources announced an initiative known as Outcome-Based Grazing Authorizations (OBGAs). It is designed to offer a more collaborative approach between the BLM and its partners within the livestock grazing community when issuing grazing authorizations. https://www.blm.gov/programs/natural-resources/rangelands-and-grazing/livestock-grazing

Photo by John Klaja, DOI

U.S. BUREAU OF RECLAMATION DECLARES A WATER SHORTAGE AT HOOVER DAM'S LAKE MEAD

As drought persists across more than 95% of the American West, water elevation at the Hoover Dam has sunk to record-low levels (visible by the tan colored exposed mountainsides), endangering a source of hydroelectric power for an estimated 1.3 million people across California, Nevada and Arizona.The water level at Lake Mead, the Colorado River reservoir serving the Hoover Dam, fell to 1,068 ft. above sea level in July, the lowest level since the lake was first filled following the dam's construction in the 1930s. www.usbr.gov/watersmart

SERVING AND HONORING THE PUBLIC TRUST

The DOI has an honor and duty to uphold the public trust. In recent years, the DOI has improved readiness plans, invested in field staff, improved human resource practices, reduced administrative and regulatory burdens, prioritized infrastructure needs, and continued work to modernize information technology. 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, climate change, land use, energy and mineral assessments, environmental health, natural hazards, water resources, and other critical areas. 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. Through a multipronged 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.

The FY 2022–2026 Strategic Plan will focus on science for all, access to data, preparedness, and evidence informed decision making, building diversity, equity, inclusion and accessibility into all that we do so more people benefit from DOI's services, resources, and opportunities, investing in our workforce to achieve mission delivery, and ensuring trust in government and DOI future capacity, improved infrastructure, and safety.

Photo by National Park Service, Photo caption courtesy of *The Guardian*

A PANDEMIC HAS STOKED AMERICANS' LOVE FOR NATIONAL PARKS
As Coronavirus pandemic restrictions were lifted, people began to flock to national parks in search of socially distant outdoor fun. In July, Yellowstone National Park reached a record-breaking 1 million monthly visitors and, over Memorial Day weekend, Zion National Park had a four-hour wait time for its popular hikes."It's no secret that this summer has been one of our busiest summers ever," said Jenny Anzelmo-Sarles, chief spokesperson for the National Park Service (NPS). "We don't have official numbers, but preliminary visitation statistics show that the most popular 12 to 15 national parks are seeing record numbers. https://www.nps.gov/orgs/1207/02-25-21-national-parks-hosted-237-million-visitors-in-2020.htm

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); and the *Inspector General Act of 1978*, as amended.

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.

Management Assurances

The FMFIA requires agencies to assess the effectiveness of internal controls and provide an annual statement of assurance regarding internal accounting and administrative controls, including controls in program, operational, and administrative areas as well as accounting and financial reporting. In addition, FMFIA also requires agencies' accounting systems to conform to the principles, standards, and related requirements and include such assurance in the annual statement.

- During FY 2021, the Office of Financial Management (PFM) continued to deploy a risk-based approach in the evaluation and reporting of the internal control system. Provided oversight regarding risk assessments, fraud management and training, internal control reviews, and progress in implementing audit recommendations. The DOI's FY 2021 annual assurance statement is included in this report. The basis for the assurance statement conclusions follows.

Federal Managers' Financial Integrity Act of 1982

The DOI believes that maintaining governance over all programs and operations: (1) is critical for good government; (2) demonstrates responsible stewardship over assets and resources; (3) promotes high-quality, responsible leadership: (4) ensures the effective delivery of services to customers; and (5) maximizes desired program outcomes. The DOI has developed and implemented management, administrative, and financial system controls that reasonably ensure:

- Federal managers are effectively managing risks which could arise from activities and operations,
- Resources are used in accordance with the mission,
- Programs and resources are protected from waste, fraud, and mismanagement,
- Laws and regulations are followed, and
- Timely, accurate, and reliable data is maintained and used for decision making at all levels.

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

- OMB Circular No. 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 Compliance with the Federal Financial Management Improvement Act of 1996*; and
- OMB Circular No. A-130, *Managing Federal Information as a Strategic Resource*.

Internal Control Assessments

The DOI conducts annual assessments of the effectiveness of management, administrative, and accounting system controls in accordance with FMFIA and OMB guidelines. The conclusions in the Secretary's FY 2021 annual FMFIA assurance statement are based on the results of numerous internal control reviews that bureaus and offices conduct, including assessments focused on the internal controls over reporting. The DOI also considered the results of Office of Inspector General (OIG) audits, Government Accountability Office (GAO) audits, and the financial statement audit conducted by the independent public accounting firm, KPMG LLP. In addition, many of the DOI's internal control reviews and related accountability and integrity program activities focused on areas identified as major management and performance challenges.

FMFIA Material Weaknesses

The OMB Circular No. 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.

FIGURE 5

FMFIA Material Weakness
as of September 30, 2021

Description	Corrective Actions	FY 2021 Progress	Target Completion Date	Status
Office: Office of Grants Management (PGM) The DOI Management of Grants, Cooperative Agreements, and Tribal Awards Program. The DOI must improve management and oversight of financial assistance and Tribal awards made under P.L. 93-638.	**The DOI will:** **1)** Enhance policies and training on requirements and limitations for monitoring and oversight of P.L. 93-638 Tribal awards. **2)** Implement additional controls to improve Department-wide compliance with Government- wide and DOI policies for risk assessments, management, and monitoring of financial assistance and Tribal awards. **3)** Require Indian Affairs (IA) and other affected Bureaus to continue to work with the Tribes to enforce the requirements under the audit requirements under 2 Code of Federal Regulation (CFR) Part 200 Subpart F. .	DOI evaluated the FY 2020 internal controls targeted assessment reports for financial assistance submitted by the IA and the Bureau for Indian Education (BIE). No existing material weaknesses for the financial assistance function or for the Tribal awards made under P.L. 93.638 were reported by IA, BIE, or any other DOI bureau that would support maintaining this material weakness originally declared in FY 2014. All the DOI Bureaus and Offices that administer P.L. 93-638 tribal awards have implemented adequate training policies for monitoring and providing oversight. Bureaus and offices have implemented policies to enforce audit requirements for Tribes. Therefore, PGM reported this material weakness resolved in the FY 2020 AFR. The efforts taken to resolve Corrective Actions 1 and 3 have been completed. Below is an update on the remaining efforts implemented to resolve Corrective Action 2: • DOI continues to work on finalizing the Department-wide financial assistance internal controls assessment tool and draft internal controls for financial assistance policy. The implementation was delayed due to changes in PGM leadership in FY 2020. PGM anticipates finalizing these documents by September 30, 2022. • The Department has migrated all discretionary awards into the GrantSolutions award management system as of April 19, 2021. GrantSolutions has added systemic controls to ensure compliance with the requirements provided in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.	**Corrective Action 1:** November 30, 2020 **Corrective Action 2:** September 30, 2022 **Corrective Action 3:** December 31, 2020	**Completed** **In Process** **Completed**

Photo by National Park Service

Signage at Yellowstone National Park provides visitors information to help them have a safe experience when in the park.
https://www.nps.gov/orgs/1207/02-25-21-national-parks-hosted-237-million-visitors-in-2020.htm

Photo by Tami A. Heilemann, DOI

Secretary of the Interior Deb Haaland visited the U.S. Fish and Wildlife Service's (Service) San Diego National Wildlife Refuge in September to discuss the important conservation work of urban wildlife refuges, highlight the *America the Beautiful* initiative, and honor Hispanic Heritage Month. Secretary Haaland high-fives with students after an afternoon of planting native plants, and meeting with officials managing the refuge.
https://www.doi.gov/pressreleases/secretary-haaland-highlights-biden-administration-conservation-efforts-visit-national

At the beginning of FY 2021, DOI had one Department-level FMFIA non-financial material weakness pending corrective actions that was carried forward from the previous year and one new internal control over financial reporting material weakness reported in FY 2020. The non-financial material weakness was related to the Management of Grants, Cooperative Agreements, and Tribal Awards. The PGM implemented several Corrective Actions Plans (CAP) that included closure of CAP #1 and CAP #3, and CAP #2 will be completed by the end of FY 2022. During FY 2021, PFM remediated the internal control over financial reporting material weakness through a collaborative effort with the BIO. This effort included the identification of key reporting attributes, a deep-dive analysis of existing data sets, implementation of a new validation table within the Financial Business and Management System (FBMS), and deployment of PFM hosted training events across the Department emphasizing the latest OMB Circular A-136 requirements. For more information on the specific corrective actions related to the non-financial material weakness reported in FY 2021, please see Figure 5 on the previous page.

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.

The DOI's Summary of Financial Statement Audit and Management Assurances is presented in Section 3, Other Information, of this report.

FIGURE 6

FY 2021 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 Circular No. A-123, entitled "Management's Responsibility for Enterprise Risk Management and Internal Control." The Department received its 25th 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, 2021, except for the following section 2 material weakness: (1) management of grants, cooperative agreements, and (2) Tribal awards. The Department is continuing the management and oversight of the financial assistance awards plan to remediate this material weakness by September 30, 2022.

Our financial management systems conformed to 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, 2021

Photo by John Klaja, DOI

Creative signage promoting social distancing at Zion National Park in Utah. https://www.nps.gov/zion/index.htm

Management of Reporting and Data Integrity Risk

The OMB Circular No. 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 Plan must be reviewed and assessed annually beginning in FY 2019.

In FY 2021, 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 2021 Assurance Statement.

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 substantially comply 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. With regard to DOI's financial management systems, no lack of substantial compliance was identified.

Inspector General Act of 1978, as Amended

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 2021, DOI monitored a substantial number of new OIG, GAO, and *Single Audit Act* audit reports. Audit follow-up actions include analyzing referred audit reports; advising grantors of single audit findings; 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 (April and October 2021) provides additional information about OIG activities and the results of their audits at: ***https://www.doioig.gov/reports***.

To further underscore the importance of timely implementation of OIG and GAO 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 2021, DOI achieved an implementation rate of 87 percent.

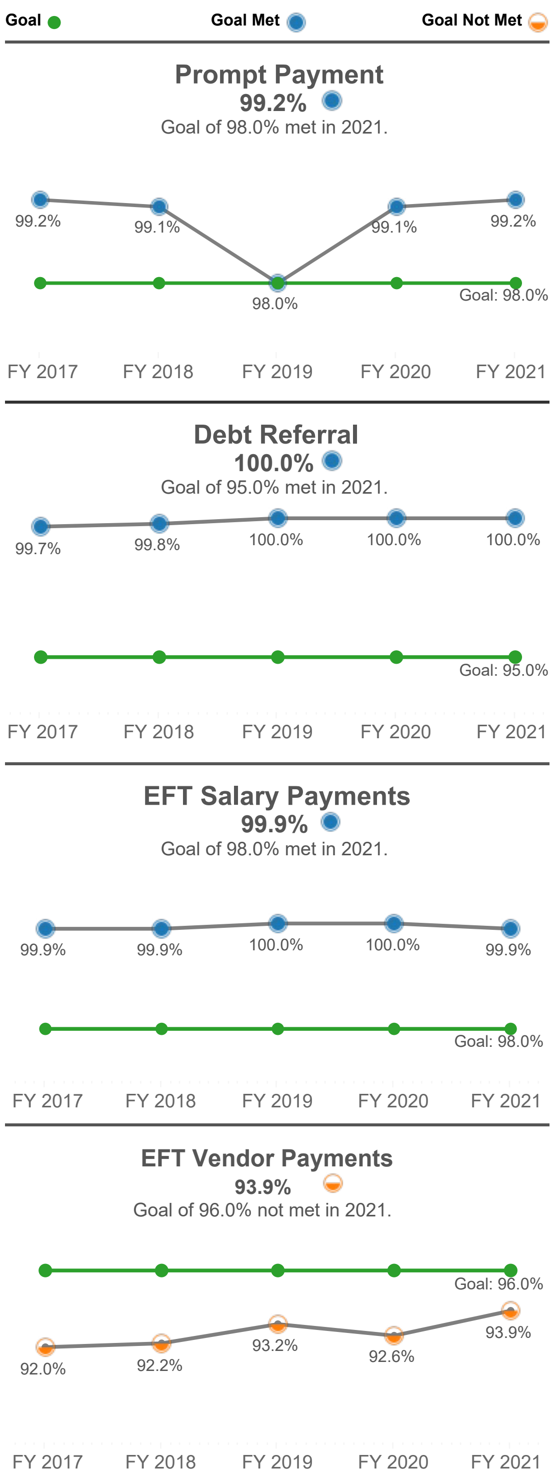
Results of Financial Statement Audit

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 2021, KPMG LLP issued an unqualified opinion on the DOI consolidated financial statements. No material weaknesses were reported, as a result of the financial statement audit.

Major Management and Performance Challenges Confronting The Department of the Interior

The OIG and the GAO annually advise Congress on what are considered to be the major management and performance challenges facing the DOI. A summary of these challenges

FIGURE 7



identified by OIG and GAO 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 21.

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 2021, 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 2021, 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. The DOI continues to strive to meet the goal of EFT vendor payments by increasing the use of various electronic payment methods that could be utilized for the payments of tort claims, legal settlements, financial assistance, social service payments and realty payments.

Information Management and Technology

The Chief Information Officer (CIO) leads the Information Management and Technology (IMT) Leadership Team (IMTLT) comprised of Deputy CIOs and bureau and office Associate CIOs (ACIOs). 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 Information Technology (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 2021 Accomplishments

IMPROVE MANAGEMENT OF THE IT LANDSCAPE

- Strengthened Departmental leadership's visibility into DOI's $1.5 billion in IT spending by implementing quarterly reviews of Bureau and Office IT investments, giving senior leaders insight into how IT funding priorities support the Department's mission.
- Successfully addressed and closed 34 OCIO audit recommendations and facilitated closure of an additional 46 Bureau and Office audit recommendations.
- Developed and issued Chief Data Officer policies to guide the Department's implementation of the *Open Government Data Act*.
- Led the Federal Chief Data Officer's Council Data Inventory Workgroup, assessing the challenges and opportunities agencies face developing and maintaining data inventories.
- Continued to populate and curate a comprehensive enterprise data inventory, which will enable bureaus and offices to use readily available and accurate data to make informed decisions while reducing risk.
- Updated the implementation policy requiring agencies to move to a new Internet Protocol Version 6 (IPv6) by the OMB-mandated date of 2024. Implementing IPv6 supports modernization of DOI's networks to make them more secure. It also will provide increased capacity to accommodate the expansion of the internet of things (IoT), which could be used for supply chain monitoring.
- Awarded the sole source contract for the eMail & Enterprise Records and Document Management System (eERDMS) and continued the transition to Microsoft 365 for as many records management capabilities as possible, with the goal of leveraging current investments while simplifying records management solutions.
- Released four significant Records Management policy updates including digital signature usage, preserving text and instant messages, records loss reporting, and federal records disposal authorization.
- Developed competency models for the IT Workforce and conducted a baseline competency assessment of the DOI IT Workforce.
- With the Office of Human Capital, established an IT workforce planning and governance process.

ENTERPRISE IT SERVICES

- Awarded a Blanket Purchase Agreement for a single ticketing system, the Bison Support System (BSS). The BSS will implement a Department-wide, or enterprise-level, help desk ticketing system to improve user support for IT user problems and technical incidents. This system will increase customer satisfaction and provide relevant data to increase the effectiveness of IT support across DOI.
- Implemented the DOI IT Storefront to streamline acquisition of common IT purchases and save the Department money by using a standard catalogue of IT equipment. This standardization reduced complexity and variability in the computing environment, drove a common desktop image for the Department, standardized replacement lifecycles, and will yield savings through pre-negotiated pricing.

TRANSITION TO THE CLOUD

- Issued the 2021 Hosting Strategy Memo to further the goals of OMB's Cloud Smart strategy; optimizing and consolidating data centers as well as moving toward a more robust commercial Cloud capability.
- Strengthened Cloud acquisitions governance through a new policy, *Registration of Public Cloud Applications/Instances*. The goal of the policy is to maintain an accurate Cloud inventory to better manage risks associated with public Cloud services, improve the Department's ability to manage Cloud investments and reduce duplication of hosting services. OCIO's Cloud Program tracks $275 million worth of Cloud investments.
- Developed and implemented a Cloud inventory database, leveraging existing tools to automate data collection and reporting, reducing manual data calls, and saving more than 1,500 labor hours for bureaus and offices.
- Streamlined enterprise security operations for commercial Cloud instances by implementing enterprise level cybersecurity controls, decreasing the number of required bureau-level controls yielding labor savings for every bureau and office utilizing the Foundations Cloud Hosting Services Cloud contract.

TRANSITION TO ENTERPRISE INFRASTRUCTURE SOLUTIONS (EIS)

- Successfully transitioned the data network to a new vendor as part of GSA's Enterprise Infrastructure Services (EIS) contract, a government-wide vehicle to modernize telecommunications. This multi-year effort will allow DOI to reduce costs for the network and set the foundation for modernization to improve customer satisfaction.
- Successfully awarded the DOI voice services task order, as part of GSA's EIS contract. This award was made to a woman owned-small business.

ENHANCE CYBERSECURITY AND PRIVACY

- Delivered DOI's report as specified in Executive Order (EO) 14028, Improving the Nation's Cybersecurity to OMB. The OCIO confirmed its commitment to take transformative and decisive action in cloud transformation and Zero Trust implementation. In addition, DOI reported significant advances in cloud adaptation, network infrastructure enhancements, encryption, and multi-factor authentication.
- Made expeditious progress in meeting EO 14028 mandates by being the first large agency to complete a Department of Homeland Security (DHS) Continuous Diagnostic and Mitigation (CDM) memorandum of agreement. The agreement renews the partnership between DHS and DOI in building risk-based security solutions designed to automate responses to malicious cyber events.
- Rapidly responded to the DHS Cybersecurity and Infrastructure Security Agency regarding a new cybersecurity incident associated with the commercial tool from Pulse Secure, the Virtual Private Network (VPN). VPN is widely used across DOI to support secure login to DOI services and capabilities. OCIO discovered a compromise on a VPN host located in Reston, VA and completed software patching, configuration hardening, and password resets as corrective actions.
- Successfully mitigated the SolarWinds supply chain cyber-attack. SolarWinds systems monitor the health and welfare of IT infrastructures and is a common solution used within the federal government and commercial companies. DHS, the Federal Bureau of Investigation (FBI), and the National Security Council disclosed nine federal agencies had cybersecurity capability gaps and lost control of sensitive data, user accounts, and IT resources. In DOI, two bureaus were unsuccessfully attacked, and one bureau SolarWinds server was compromised. OCIO worked with the FBI, Microsoft, and Mandiant to quickly stop the cyber-attack, and all SolarWinds systems were restored to production operations.
- Implemented a new, enterprise level endpoint security solution in response to the SolarWinds incident. Its capabilities include risk-based vulnerability management and assessment, endpoint detection and response, automatic investigation and remediation, and unified security management. This solution was indispensable in identifying compromise and securing the network during the SolarWinds attack, reducing the search time for identifying malicious actions from the former range of days or hours to the current minutes or seconds. By implementing it at the enterprise level, it provides all bureaus and offices this capability at a lower integration cost.
- Collaborated with Departmental offices and bureaus to review and approve 163 privacy risk management compliance artifacts: 54 Privacy Impact Assessments, 61 Federal Information Processing Standard 199 forms to categorize the impact level of an information system, 30 system privacy plans, and 18 Privacy Threshold Analyses.

Photo by Simon Griffiths, NPCA.org

Carl Strunk (left) a maintenance specialist at Olympic National Park and his son Michael Strunk, who worked as a backcountry ranger in the park until recently. Carl has been a park employee for 40 years but has no plans to retire anytime soon. "When you think about it, snowshoeing up to check the water system in the winter is pretty great," he says. "You just can't beat it." https://www.nps.gov/olym/index.htm

- Approved and published 15 Department-wide and bureau and office Privacy Act notices in the Federal Register: published four revised System of Records Notices (SORNs) that updated 108 DOI SORNs; nine rescindment notices that retired 20 DOI SORNs; and a proposed rule and final rule that revised DOI Privacy Act regulations to claim exemptions at 43 CFR 2.254.
- Promoted privacy governance by developing the FY 2021–2024 DOI Privacy Program Strategic Plan, revising the DOI Privacy Breach Response Plan, and collaborating with bureaus and offices to establish a chartered Privacy Governance Board.
- Implemented OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*, by leading privacy breach response activities for a breach of probate records that required extensive coordination with nine bureaus and offices, included a comprehensive communication plan for OMB, Congress, tribal leaders, the media, and affected individuals. Conducted the annual privacy breach tabletop exercise that included privacy and security personnel from all bureaus and offices to test the DOI Privacy Breach Response Plan, roles, responsibilities, breach response and major incident procedures.
- Transitioned mandatory IMT Awareness training to the certification function within DOI Talent, providing key IT security training to the Department while reducing administrative efforts.

Future Planned Activities

IMPROVE MANAGEMENT OF THE IT LANDSCAPE

- Be an innovative leader in implementing EO 14028, *Improving the Nation's Cybersecurity* requirements by accelerating use of cloud technology; implementing a sustainable and cost effective Zero Trust approach; and transitioning the entire IT organization to rapidly realize these forward-thinking changes.
- Continue to strengthen IT portfolio management processes by streamlining data collection, using automated tools to collect and analyze information, enhancing the use of visualization tools to support senior leaders' review IT investments, and reducing duplication in IT investments.
- Ensure that, by December 31, 2022, DOI electronically manages all records to the fullest extent possible for eventual transfer and accessioning by the National Archives and Records Administration in an electronic format, consistent with OMB Memorandum M-19-21.
- Continue the records management transition to Microsoft 365 by leveraging its records management capabilities, including search of electronic records for *Freedom of Information Act* (FOIA) requests, and testing other records management capabilities.
- Award the document review and production contract which will replace a significant portion of the current eERDMS solution and provide Department-wide support for administrative record preparation, Congressional oversight responses, FOIA document production, and litigation support.
- Complete the award of a Section 508 Basic Ordering Agreement which will enable bureaus and offices to easily contract for services that will enable them to comply with Section 508 of the Rehabilitation Act.

ENTERPRISE IT SERVICES

- Implement the Seamless Access Initiative across bureau offices, allowing any DOI employee or contractor visiting DOI offices to connect to those office networks without having to first call the help desk or ask for on-site assistance. OCIO plans to complete implementation at all large multi-site DOI locations. This effort was delayed due to limited access to facilities and personnel during the pandemic operating conditions.
- Implement the BSS, an enterprise-level, help desk ticketing system to improve user support for IT user problems and technical incidents. Future savings opportunities include a reduction of servers and the number of Information Systems Security Officers with only one platform instead of many.

TRANSITION TO THE CLOUD

- Replace legacy remote access technologies and migrate to a modern, cloud-based remote access solution. This will allow DOI to improve its security posture for remote workers using any type of connectivity; from home or retail Wi-Fi, as well as on premise government locations.
- Migrate the Denver Data Center to the Albuquerque Data Center to support the DOI hosting strategy and the OMB mandates for data center optimization and the OMB Cloud Smart strategy.
- These actions will free bureaus from having to manage physical servers themselves or run software applications on their own machines.
- Establish Cloud intake/broker function to support hosting modernization efforts in support of EO 14028, *Improving the Nation's Cybersecurity*.
- Perform strategic planning, including acquisition planning, to transition from Foundation Cloud Hosting Services to the next generation of DOI enterprise level services. This will include organizing customer migration plans to the new contract vehicle.

TRANSITION TO ENTERPRISE INFRASTRUCTURE SOLUTIONS (EIS)

- Fully transition all voice services from existing providers to a new vendor as part of GSA's EIS contract. This multi-year effort will allow DOI to reduce costs, modernization technology, and improve customer satisfaction.

ENHANCE CYBERSECURITY AND PRIVACY

- Advance CDM solutions by fully deploying the next generation dashboard, which will collect and display DOI cyber security indicators and will feed the information into a consolidated federal dashboard; begin deployment of identity and access management capabilities; and develop a privilege access management pilot to examine network access control solutions. These actions will reduce threats to DOI, improve response capabilities, and streamline Federal Information Security Modernization Act (FISMA) reporting.
- Collaborate with DOI bureaus and offices to improve FISMA audit preparation and response efficiency, and to explore ways to raise the Council of the Inspectors General on Integrity and Efficiency FISMA maturity score, which measures program effectiveness.
- Achieve fully operational capable enterprise Security Incident and Event Management, Security Orchestration Automation and Response, and User Behavior Analytics solutions to centralize and streamline access to cybersecurity threat data to drive analytics for identifying and managing cyber-attacks.
- Implement the Creating Advanced Streamlined Electronic Services for Constituents Act of 2019 to modernize the process for individuals to request access and consent to disclosure of Privacy Act records by establishing policy, procedures and services through Login.gov for remote identity proofing and authentication and updating the DOI Privacy Program website with access and consent forms and guidance to the public on how to submit electronic requests.

Photo by BOEM

INTERIOR DEPARTMENT TAKES ACTION TO ADVANCE OFFSHORE WIND IN THE ATLANTIC AND GULF OF MEXICO
The Biden-Harris administration has made significant progress to spur responsible offshore wind development. These efforts are driving the establishment of a robust U.S. domestic supply chain and the creation of a resilient clean energy economy.
https://www.boem.gov/renewable-energy/renewable-energy-program-overview

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) improvement of internal controls; (2) elimination of redundant data entry; (3) enabling end-to-end transaction processing; and (4) standardization of data for improved information quality. The DOI consolidated these integrated business process through the implementation of the 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, 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 2021 Accomplishments

The Business Integration Office (BIO) provides continual improvements, operations and maintenance support to FBMS and its users. The FBMS has approximately 12,000 users with over 4,500 of them using FBMS on an average business day. The BIO manages FBMS hosting through a cloud service provider and works with OCIO to provide help desk support. In FY 2021, the BIO implemented several system improvements to include:

- 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. Field Fund Status, Special Ledger Trial Balance and Special Ledger Detail,
- Implemented system-wide upgrades to strengthen the cybersecurity posture and reduce risk,
- Implemented Robotic Process Automation (RPA or bots) to improve contract closeout processes for acquisition and streamline DATA Act file submission and verification of data accuracy,
- Implemented new enhancements to the Payment in Lieu of Taxes (PILT) submission portal and developed a new application to automate PILT calculations and processing,
- Implemented Payroll Fixed Cost (PFC) reporting tool which included a database (for payroll benefits), analytics dashboard and projection model for predictive analytics,
- Improved financial assistance management for all of Interior's bureaus by completing the implementation of GrantsSolutions, a Governmentwide shared service solution,
- Leveraged the true power of having an integrated, enterprise-wide business solution by implementing a new Intra-Departmental Agreement Application (IDA) that standardizes and streamlines the way funding is exchanged between entities within DOI. This also aides in preparing for the difficult and challenging G-Invoicing initiative,
- Improved usability through the automation of user account management (titled FBMS4ALL) to enable read-only access to FBMS for all named DOI Personal Identity Verification (PIV) cardholders and automatically suspend accounts for people who leave or transfer between bureaus and offices; and
- Added multiple improved dashboards for travel management, including Lodging Expenses over Per Diem, Excessive Mileage, Air Travel and Paid to Traveler data.

Photo by Jonathan Hey https://www.flickr.com/photos/palojono/ https://www.jonohey.com

Bison at Grand Prismatic Spring in Yellowstone National Park, Wyoming. The world's first national park, Yellowstone is a fascinating wonderland of geysers, mountains, rivers, wildlife and forests sitting on a massive supervolcano. Grand Prismatic Spring at Midway Geyser Basin paints an incredible picture in vibrant blues, yellows and oranges. https://www.nps.gov/yell/index.htm

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 DOI is also focusing on system improvements, aligning with the S/4HANA implementation, to address financial management concerns, such as journal voucher use and management, customer service gaps, improve usability, and increase the speed, reliability, and flexibility of the FBMS infrastructure. Key future planned activities include continued financial assistance improvements, expanded implementation of robotics process automations, Optical Character Recognition, and continued system security enhancements. The BIO is leading the development of the Deputy Assistant Secretary-Budget, Finance, Grants and Acquisition (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.

DOI's implementation plan for Government Invoicing (G-Invoicing) is estimated to be completed by October 1, 2022. Our implementation approach will include extensive system development efforts to enable our FBMS, a SAP Enterprise Resource Planning (ERP) based system, to interface directly with G-Invoicing to the greatest extent possible, thus minimizing the need for dual entry by our end-users and eliminating the potential for reconciliation differences between FBMS and G-Invoicing.

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, we implemented Suite on HANA which increased speed across most transactions and enabled several ease of use improvements. The next upgrade, which includes SAP's S/4 HANA 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 increased functionality such as machine learning, improved user interface and, help functionality. Additionally, the implementation of S/4 HANA will provide the opportunity for DOI to reexamine the business processes that will be updated because of this technology and those requiring updates due to changing policies and business practices driven by the policy offices.

The DOI received, for the 25th consecutive year, an unmodified audit opinion on its financial statements. The statements were audited by the independent accounting firm KPMG LLP. Information provided on the financial statements and other disclosures provided in this report provide assurance to the public that the information is accurate, reliable, and useful for decision-making. The financial statements and financial data presented in this report have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards prescribed by the Federal Accounting Standards Advisory Board (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, 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 $13.5 million (unaudited) and $11.7 million (unaudited), as of September 30, 2021 and 2020, 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 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

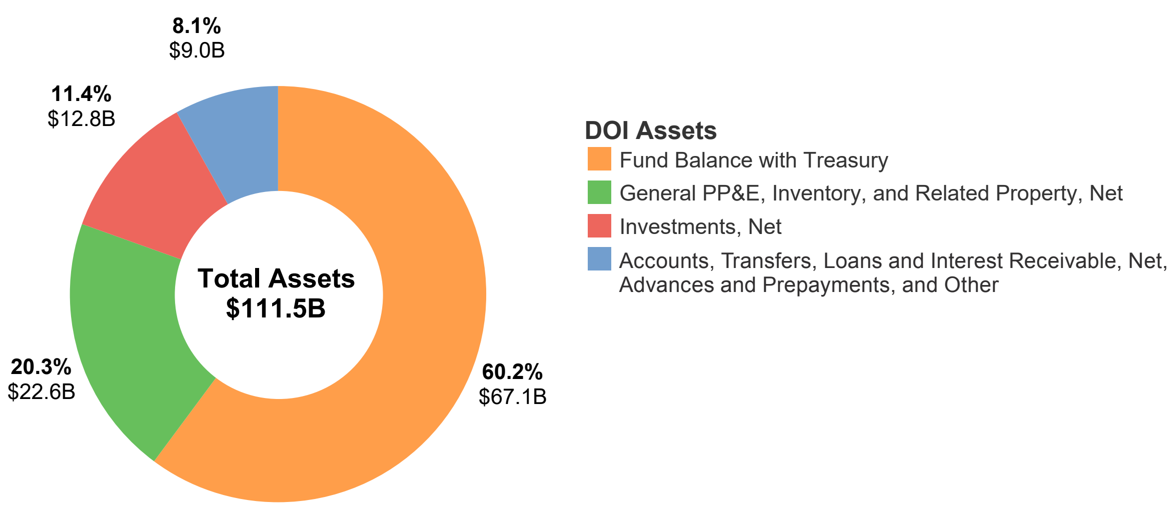
DOI assets increased by $7 billion and almost 7 percent between FY 2021 and FY 2020 as presented in the following table.

FIGURE 8

DOI Assets *(line items summarized) (dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Fund Balance with Treasury	$ 67,077,246	$ 63,066,415	$ 4,010,831	6.4%
Investments, Net	12,755,548	10,271,620	2,483,928	24.2%
General PP&E, Inventory, and Related Property, Net	22,640,608	22,267,847	372,761	1.7%
Accounts, Transfers, Loans and Interest Receivable, Net, Advances and Prepayments, and Other	9,019,838	8,803,351	216,487	2.5%
Assets	**$ 111,493,240**	**$ 104,409,233**	**$ 7,084,007**	**6.8%**

FIGURE 9

Percent of DOI Assets by Type (FY 2021)



The DOI is authorized to use Fund Balance with Treasury (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.

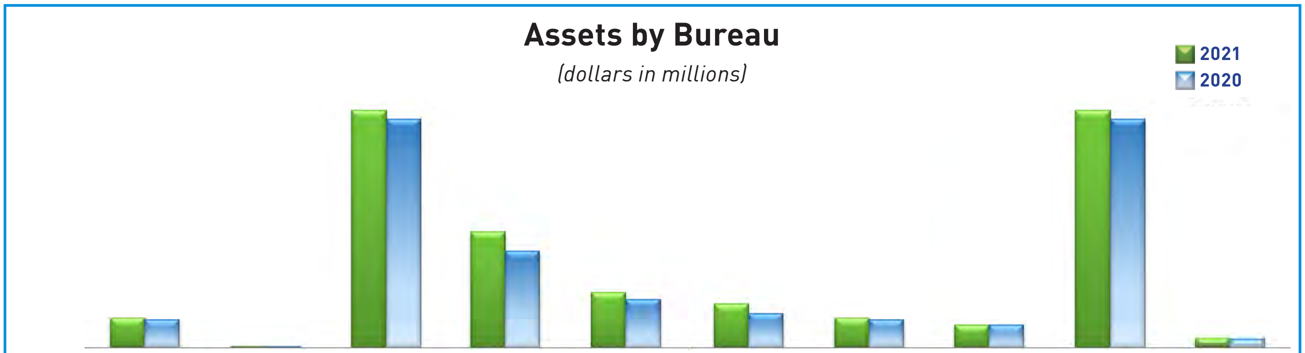
The DOI real property portfolio contains more than 42,733 buildings and 80,974 structures, with a replacement value of more than $311 billion, as well as nearly every type of asset found in a local community. Many of these assets have historic or cultural significance that not only support DOI's mission but are important to our Nation's heritage.

The DOI's reported values for 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. See Notes to the Financial Statements.

The USBR enters into long-term repayment and water service contracts with non-federal entities that allow use of irrigation and municipal and industrial 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, 2021, and 2020, amounts not yet earned under USBR's unmatured repayment contracts were $1.8 billion and $1.9 billion, respectively (unaudited).

Comparative assets by bureau 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 10



	BLM	BOEM	BSEE	DO	FWS	IA[1]	NPS	OSMRE	USBR	USGS
FY 2021	$4,613	$190	$220	$18,083	$8,627	$6,803	$35,017	$3,588	$37,160	$1,448
FY 2020	$4,438	$189	$220	$15,155	$7,575	$5,409	$32,934	$3,613	$35,743	$1,356

[1] Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

Analysis of Liabilities

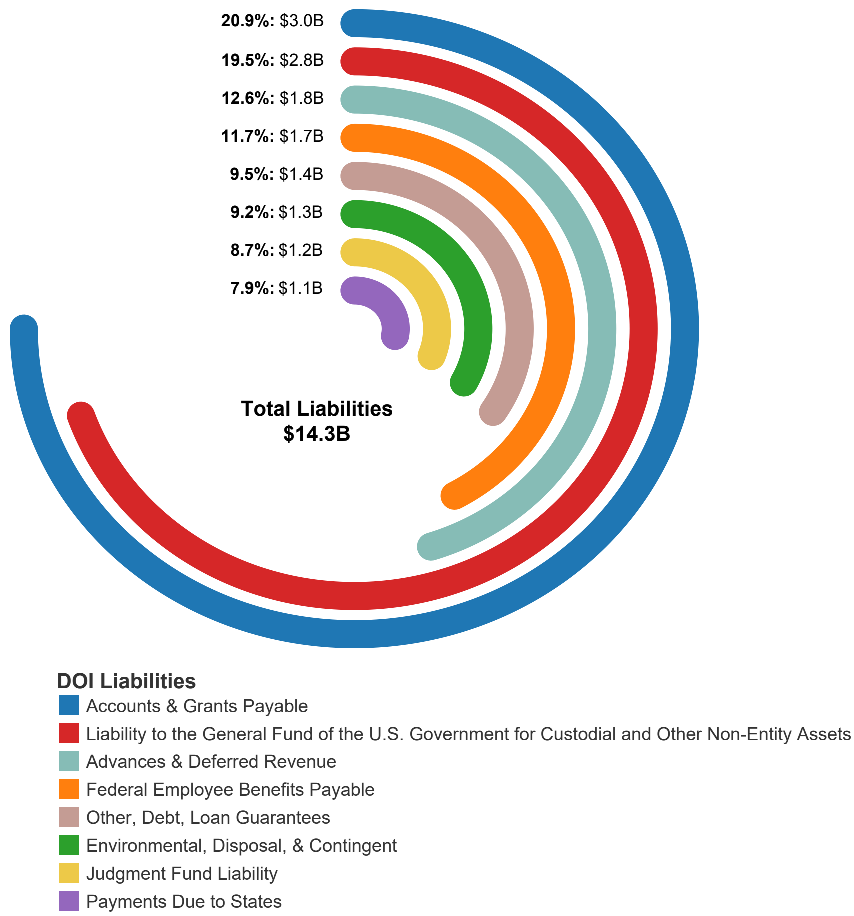
DOI liabilities for and by bureau for FY 2021 and FY 2020, respectively, are shown in the table and chart below.

FIGURE 11

DOI Liabilities *(line items summarized) (dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Accounts & Grants Payable	$ 2,995,780	$ 2,469,241	$ 526,539	21.3%
Federal Employee Benefits Payable	1,684,384	1,705,675	-21,291	-1.2%
Environmental, Disposal, & Contingent	1,316,732	1,142,615	174,117	15.2%
Payments Due to States	1,131,707	711,580	420,127	59.0%
Advances & Deferred Revenue	1,805,399	1,557,034	248,365	16.0%
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	2,789,783	2,412,754	377,029	15.6%
Judgment Fund Liability	1,240,356	1,240,356	-	0.0%
Other, Debt, Loan Guarantees	1,369,075	1,563,362	-194,287	-12.4%
Liabilities	**$ 14,333,216**	**$ 12,802,617**	**$ 1,530,599**	**12%**

FIGURE 12

Percent of DOI Liabilities by Type (FY 2021)

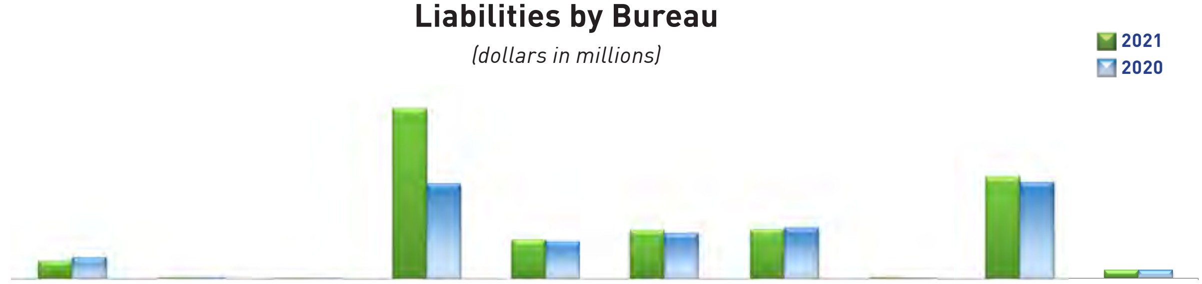


Comparative liabilities by bureau are displayed in the graph below. The sum of bureau liabilities is not equal to DOI consolidated total liabilities as intradepartmental eliminations are excluded from the graph presented.

FIGURE 13

Liabilities by Bureau

(dollars in millions)



	BLM	BOEM	BSEE	DO	FWS	IA[1]	NPS	OSMRE	USBR	USGS
FY 2021	$771	$58	$40	$7,220	$1,647	$2,067	$2,088	$44	$4,303	$350
FY 2020	$874	$63	$34	$4,017	$1,548	$1,902	$2,140	$42	$4,066	$339

[1] Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

Analysis of Net Costs

FIGURE 14

DOI Net Cost *(summarized by Bureau) (dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Bureau of Land Management	$ 1,932,922	$ 1,593,116	$ 339,806	21.3%
Bureau of Ocean Energy Management	141,739	137,670	4,069	3.0%
Bureau of Reclamation	1,236,996	1,390,569	(153,573)	-11.0%
Bureau of Safety and Environmental Enforcement	156,516	136,684	19,832	14.5%
Departmental Offices	4,643,672	3,749,883	893,789	23.8%
Indian Affairs[1]	4,910,318	3,737,682	1,172,636	31.4%
National Park Service	3,236,833	3,337,858	(101,025)	-3.0%
Office of Surface Mining Reclamation and Enforcement	1,094,691	2,389,147	(1,294,456)	-54.2%
U.S. Fish and Wildlife Service	3,077,554	3,067,849	9,705	0.3%
U.S. Geological Survey	1,315,206	1,304,963	10,243	0.8%
Eliminations	(44,266)	(33,899)	(10,367)	30.6%
Net Costs - by Bureau	**$ 21,702,181**	**$ 20,811,522**	**$ 890,659**	**4.3%**

[1] Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

DOI Net Cost of Operations is presented in the chart above. In the chart below, the Consolidated Statement of Net Cost includes DOI's six Mission Areas: Conserving Our Land and Water; Generating Revenue and Utilizing Our Natural Resources; Expanding Outdoor Recreation and Access; Fulfilling Our Trust and Insular Responsibilities; Protecting Our People and the Border; and Modernizing Our Organization and Infrastructure for the Next 100 Years. 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 15

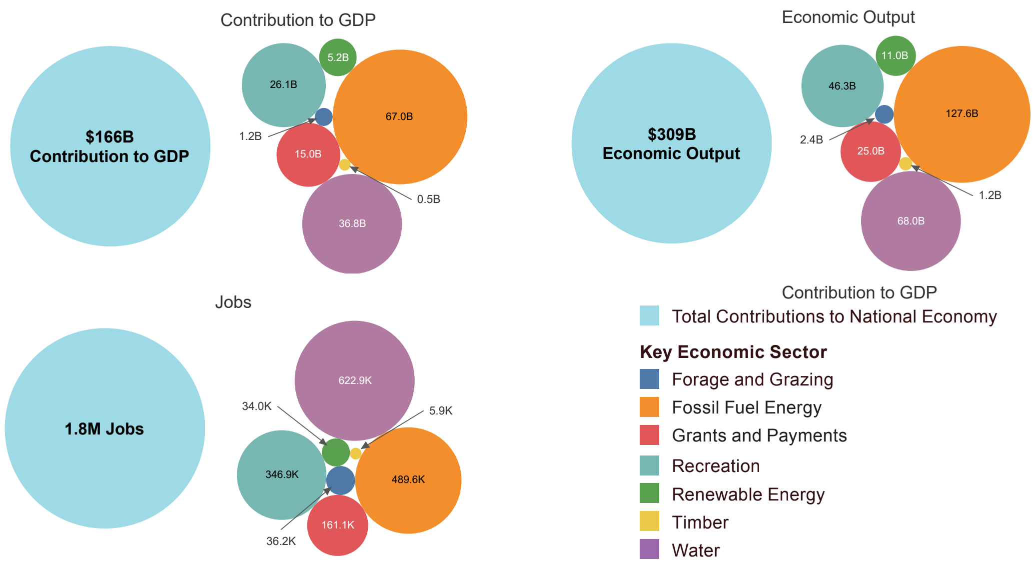
Net Cost by Mission Area

(dollars in millions)

	Conserving our Land and Water	Generating Revenue & Utilizing Our Natural Resources	Expanding Outdoor Recreation & Access	Fulfilling Our Trust & Insular Responsibilities	Protecting Our People & the Border	Modernizing our Organization & Infrastructure for the Next 100 Years	Reimbursable Activity & Other
FY 2021	$6,171	$3,514	$1,324	$4,372	$2,099	$1,271	$2,951
FY 2020	$6,287	$2,393	$1,344	$3,343	$1,975	$1,347	$4,122

FIGURE 16

DOI Economic Contributions (FY 2020)



Analysis of Net Cost – Economic Contributions

According to the DOI's FY 2020 Economic Contributions Report, DOI plays a key role in the U.S. economy, supporting an estimated 1.8 million jobs, and $309 billion in economic output and approximately $166 billion in contributions to the Nation's GDP. The DOI's economic contributions arise as the Department carries out its unique mission, managing federal lands and waters and making investments that conserve and restore natural landscapes and the cultural heritage of the Nation. Management of these resources also facilitates private sector activities that result in economic contributions. For example, DOI grants access to public lands and offshore areas for conventional and renewable energy development, which produced over one-sixth of the Nation's energy in FY 2020. These leasing activities allow the private sector to invest, creating economic output and employment. Similarly, the recreation opportunities provided by DOI's lands and waters promote visitor spending, which contributes to local and regional economies.

Highlights of DOI's economic contributions to key economic sectors are detailed below. Data on DOI's economic contributions are available on our interactive website: *https://doi.sciencebase.gov/doidv*

- **Fossil Fuel Energy:** Oil, gas, and coal produced from DOI- managed lands supported contributions to GDP of approximately $67.0 billion, economic output of $127.6 billion, and an estimated 489,600 jobs.
- **Renewable Energy:** Hydropower, geothermal, wind and solar power projects on DOI lands supported contributions to GDP of approximately $5.2 billion, estimated economic output contribution of $11.0 billion, and over 34,000 jobs.

Note: Economic Contributions not presented in Figure 16 are reported in "Production, Economic Values and Economic Contributions" section of the FY 2020 DOI Economic Contributions Report (which was not published at the time of the FY 2021 AFR publication).

- **Recreation:** In FY 2020 there were an estimated 378 million visits to DOI-managed lands. For FY 2020, visitation to Interior sites supported an estimated $26.1 billion in value added, $46.3 billion in economic output, and about 346,900 jobs.
- **Water:** The DOI stores and delivers water for irrigation, municipal and industrial (M&I), and other uses. The value of water varies widely according to location, type of use, and climatic conditions. DOI's irrigation and M&I water activities are associated with $36.8 billion in contributions to GDP, about $68.0 billion in economic output, and supported an estimated 622,900 jobs. DOI also delivers water to support-in-stream flows, wildlife refuges, and other uses that are difficult to value fully and not typically reflected in economic contribution estimates.
- **Grants and Payments:** The DOI administers numerous grants and payment programs. This financial support helps improve the natural environment, build infrastructure, and provide public and social services. Grant and payment programs administered by DOI supported an estimated $15.0 billion in contributions to GDP, economic output of $25.0 billion, and about 161,100 jobs.
- **Timber:** Sawtimber harvested on tribal lands and DOI-managed lands supported about $0.5 billion in contributions to GDP, $1.2 billion in economic output, and approximately 5,900 jobs. DOI's lands provide various other products including biomass, fuel wood, poles, and posts in addition to sawtimber.
- **Forage and Grazing:** In FY 2020, DOI lands provided access to 10.5 million animal unit months (AUMs) of forage (8.4 million from BLM and 2.1 million from tribal lands). This forage access supported an estimated $1.2 billion in value added, $2.4 billion in economic output and about 36,200 jobs.

Analysis of Net Cost – DOI Workforce

As shown in the chart and table below, DOI workforce costs include $7 billion in payroll and benefit costs for employees executing DOI's mission and programs. The DOI employed 66,425 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 53,047 full-time permanent staff and 13,378 part-time and seasonal staff.

FIGURE 17

Employee Count - Total 66,425
(All employees regardless of work schedule or type of appointment)

FIGURE 18

Work Schedule Information	Full Time Permanent	Other[1]	Total
BIA	3,777	125	3,902
BIE	452	2,647	3,099
BLM	8,900	1,556	10,456
BOEM	584	12	596
BSEE	782	8	790
BTFA	416	4	420
DO	3,547	221	3,768
FWS	7,610	927	8,537
NPS	15,337	5,919	21,256
OSMRE	350	5	355
USBR	5,059	162	5,221
USGS	6,233	1,792	8,025
Total Employees by Bureau	**53,047**	**13,378**	**66,425**

FIGURE 19

Total Payroll and Benefits		
		(dollars in thousands)
BLM	$	1,169,107
BOEM		95,748
BSEE		123,225
DO[2]		684,410
FWS		1,049,460
IA[3]		721,381
NPS		1,958,467
OSMRE		51,610
USBR		699,768
USGS		983,949
Total	**$**	**7,537,125**

[1] Other includes Part-Time and Seasonal Employees
[2] DO includes BTFA
[3] 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 20

Investments in Research & Development *(dollars in thousands)*

Category	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Basic Research	$ 130,887	$ 131,258	$ (371)	-0.3%
Applied Research	880,955	861,675	19,280	2.2%
Developmental Research	190,736	182,601	8,135	4.5%
Total	**$ 1,202,578**	**$ 1,175,534**	**$ 27,044**	**2.3%**

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 21

Investments in Human Capital *(dollars in thousands)*

Category	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Educational Programs	$ 1,810,613	$ 886,911	$ 923,702	104.1%

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

The BIE strives to provide quality education opportunities from early childhood through life in accordance with a tribe's need for cultural and economic well-being. The School Operations Program provides basic education for Indian children in grades K-12 including funding for school staff, textbooks and general supplies at BIE operated and BIE funded schools.

The BIE funded 183 schools that serve 44,795 students per year. For School Year 2020–2021, the four year graduation cohort rate is 65.55 percent.

The Post-Secondary Education Programs support grants and supplemental funds for 29 tribal colleges and universities, two BIE operated universities: Haskell and Southwest Polytechnic Institute (SIPI), and two technical schools.

The goals of the Early Child and Family Development Program is to support parents/primary caregivers in their role as their child's first and most influential teacher; to increase family literacy; to strengthen family-school-community connections. In SY 2018–2019 (most recent published data) the program served 2,199 children, and their families each year.

Additional programs such as American Indian Graduate Center's (AIGC) Special Higher Education Scholarship Program and Science Post Graduate Scholarship Programs benefit American Indian students.

Through BIE's focus on improving teachers' skills, teachers from various schools completed National Board Certification components towards National Board Certification.

BIE received additional funding for its educational programs from *American Rescue Plan Act of 2021* (ARP Act; P.L. 117-2) and was able to significantly increase its investments in Human Capital in FY 2021.

Photo by Alan Cressler, USGS

Water cascades down Gibbon Falls in Yellowstone National Park, where resource managers use decision-making frameworks such as RAD to incorporate climate data into their management strategies. https://www.usgs.gov/media/images/gibbons-falls

Non-Federal Physical Property

FIGURE 22

Investment in Non-Federal Physical Property

(dollars in thousands)

Category	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Dams and Other Water Structures	$ 267,427	$ 303,165	$ (35,738)	-11.8%
Land	61,162	71,667	(10,505)	-14.7%
Roads and Bridges	1,016	568	448	78.9%
Schools and Public Buildings	46,689	169,522	(122,833)	-72.5%
Ranges	6,583	9,822	(3,239)	-33.0%
Not Classified	3,561	3,561	-	0.0%
Total	**$ 386,438**	**$ 558,305**	**$ (171,867)**	**-30.8%**

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 decrease in investment in non-federal physical property is primarily due to the completion of investments in tribal schools made in FY 2020, in comparison to FY 2021.

Photo by BOEM

OCEAN CURRENT ENERGY (Hydrokinetic) The relatively constant flow of ocean currents moves large amounts of water across the Earth's oceans. Researchers are developing new technologies that can extract energy from ocean currents and convert it into usable power. https://www.doi.gov/priorities/clean-energy-future

Photo courtesy of Tom Brewster Photography

Solar energy is the most abundant energy resource on Earth. Within an hour and a half, the amount of sunlight that strikes the Earth's surface is enough to handle the entire world's energy consumption for a full year. https://www.doi.gov/priorities/clean-energy-future

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 Operation by bureau is summarized in the chart and tables below.

FIGURE 23

Net Position *(dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Unexpended Appropriations	$ 13,603,562	$ 10,494,432	$ 3,109,130	29.6%
Cumulative Results of Operations	83,556,462	81,112,184	2,444,278	3.0%
Net Position	**$ 97,160,024**	**$ 91,606,616**	**$ 5,553,408**	**6.1%**

FIGURE 24

	BLM	BOEM	BSEE	DO	FWS	IA	NPS	OSMRE	USBR	USGS
FY 2021	$2,743	$68	$126	$9,699	$5,457	$875	$29,449	$2,638	$32,108	$393
FY 2020	$2,559	$67	$136	$9,949	$4,746	$1,005	$28,666	$2,660	$30,914	$410

[1] Indian Affairs (IA) includes the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

Analysis of Budgetary Resources

FIGURE 25

Key Budgetary Measures *(dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Unobligated Balance Brought Forward, October 1	$ 15,716,700	$ 14,485,090	$ 1,231,610	8.5%
Appropriations (Discretionary and Mandatory)	27,025,076	24,502,514	2,522,562	10.3%
Offsetting Collections, Borrowing and Contract Authority	5,725,810	5,438,350	287,460	5.3%
Total Budgetary Resources	**$ 48,467,586**	**$ 44,425,954**	**$ 4,041,632**	**9.1%**
New Obligations and Upward Adjustments	30,480,523	29,162,852	1,317,671	4.5%
Apportioned, Unexpired	17,606,386	14,974,450	2,631,936	17.6%
Unapportioned, Unexpired and Expired, Unobligated Balance, End of Year	380,677	288,652	92,025	31.9%
Status of Budgetary Resources	**$ 48,467,586**	**$ 44,425,954**	**$ 4,041,632**	**9.1%**

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* (SFRBTF). These funds are administered in accordance with applicable laws and regulations.

FIGURE 26

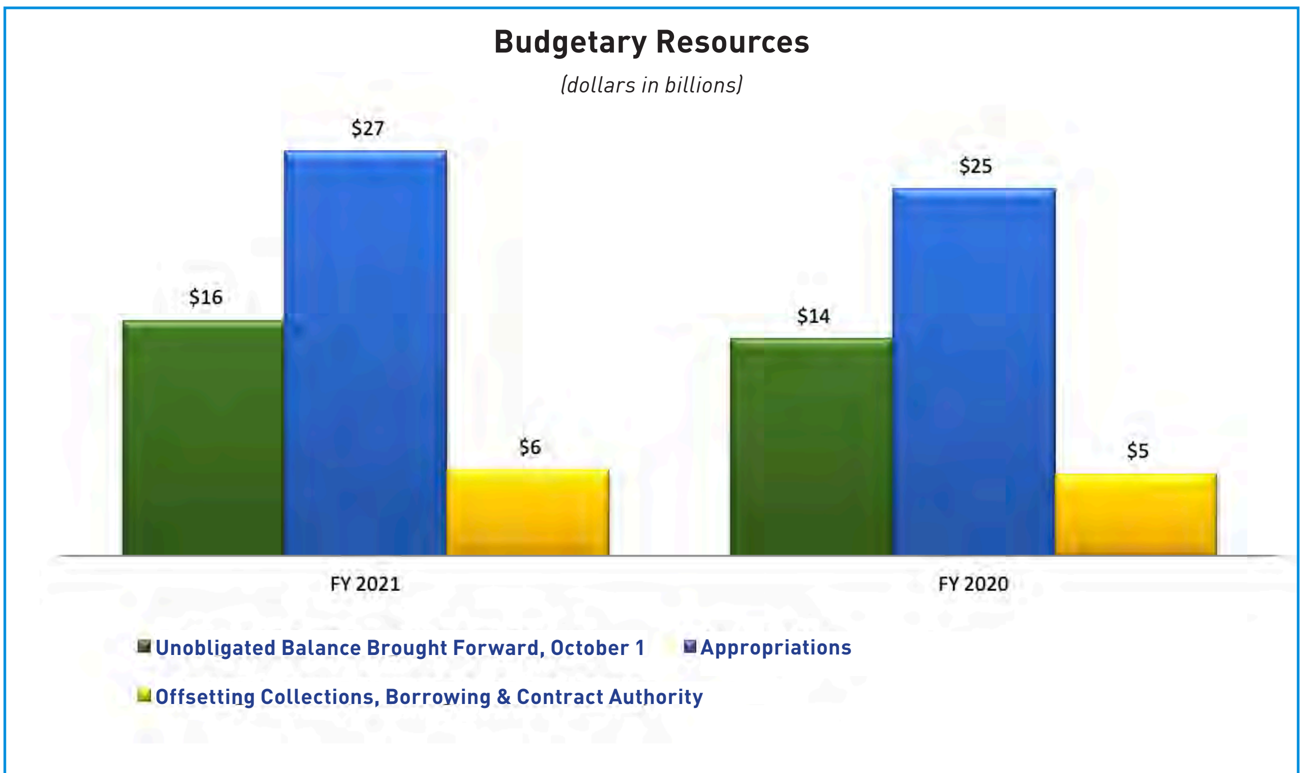
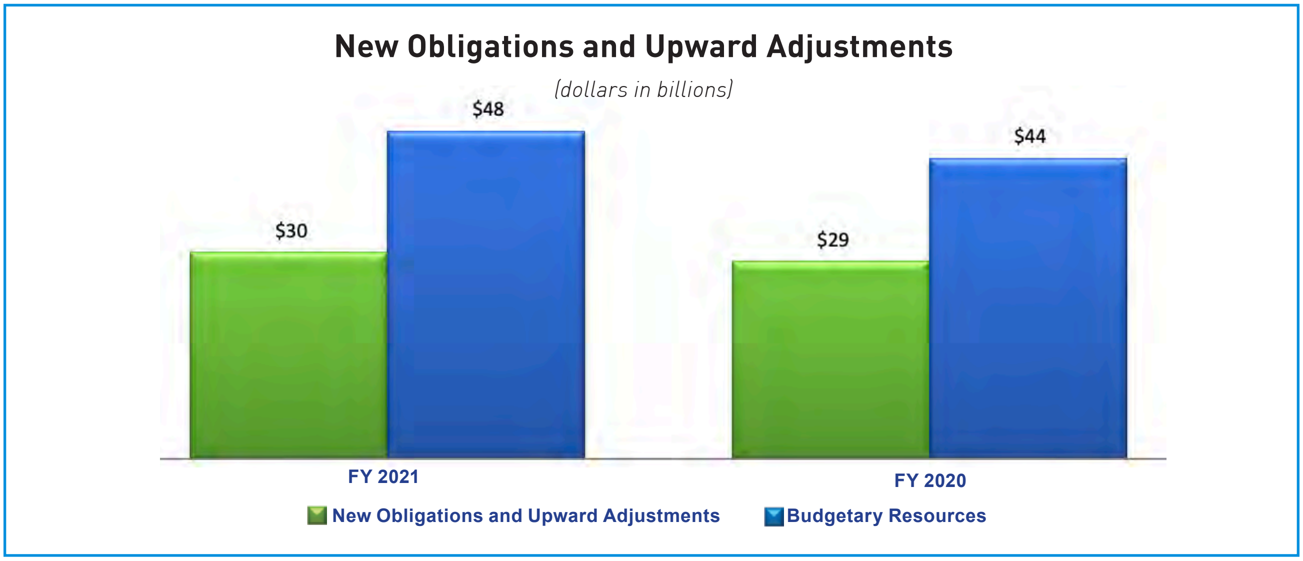


FIGURE 27



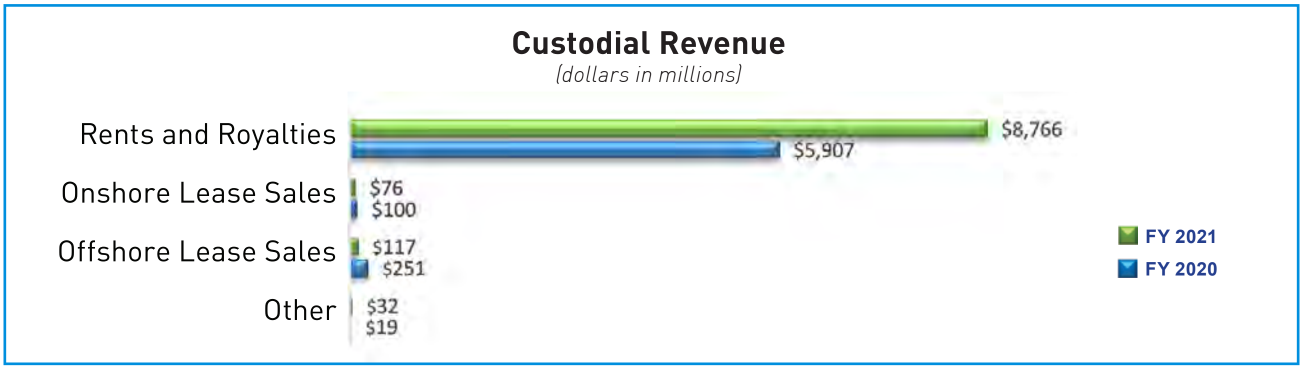
Analysis of Custodial Activity

FIGURE 28

Custodial Activity *(dollars in thousands)*	FY 2021	FY 2020	Increase/ (Decrease)	% Change
Rents and Royalties	$ 8,766,413	$ 5,907,280	$ 2,859,133	48.4%
Onshore Lease Sales	76,115	100,102	(23,987)	-24.0%
Offshore Lease Sales	116,602	251,380	(134,778)	-53.6%
Other	32,059	19,011	13,048	68.6%
Total Custodial Revenue	**$ 8,991,189**	**$ 6,277,773**	**$ 2,713,416**	**43.2%**

The DOI custodial activity, as shown in the table above and the chart below, primarily includes revenues from royalties rents, lease sales, and other receipts for Federal oil, gas, 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. Increase in custodial activity is attributable to increased rents and royalties due to significant increases in oil and gas prices in FY 2021, as COVID restrictions eased, offset by decrease in onshore and offshore lease sales, due to a halt on oil and gas lease sales in FY 2021.

FIGURE 29



Limitations of Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 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.

COVID-19 Summary

In FY 2021, President Biden signed the *American Rescue Plan Act of 2021* (ARP Act; P.L. 117-2) into law on March 11, 2021. The ARP 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.

An additional $409 million was transferred from the Department of Education (DoED) to the Bureau of Indian Education (BIE) as provided in the *Consolidated Appropriations Act*, 2021 (P.L. 116-260). These funds provided are available until September 30, 2022.

The table below summarizes resource availability and obligations incurred through September 30, 2021.

FIGURE 30

COVID-19 Related Funding Received in FY 2021

(dollars in thousands)	Resources Received (American Rescue Plan - Public Law 117-2) FY 2021	Resources Received (Omnibus - Public Law 116-260) FY 2021	Total Resources Received FY 2021	Obligations Incurred FY 2021	Unobligated Balance, Ending
BIA					
Operations of Indian Programs	$ 900,000	$ -	$ 900,000	$ 708,401	$ 191,599
BIE					
Operations of Indian Education Programs	850,000	-	850,000	563,718	286,282
Operations of Indian Education Programs (Transfer from Education)	-	409,400	409,400	310,434	98,966
FWS					
Resource Management	105,000	-	105,000	36,671	68,329
TOTAL	**$ 1,855,000**	**$ 409,400**	**$ 2,264,400**	**$ 1,619,224**	**$ 645,176**

In FY 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (*CARES Act*; P.L. 116-136) was signed into law on March 27, 2020. Division B of the Act provided the Department $909.7 million. Unobligated funds brought forward into FY 2021 were reallocated among bureaus as needed.

The remaining $457,000 in unobligated *CARES Act* funds expired and are no longer available for obligation as of September 30, 2021. The table below summarizes current year activity through September 30, 2021.

FIGURE 31

COVID-19 Related Funding Received in FY 2020

(dollars in thousands)	CARES Act Resources Received (Public Law 116-136) FY 2020	Obligations Incurred FY 2020	Unobligated Balance Brought Forward	Allocations FY 2021	Obligations Incurred FY 2021	Unobligated Balance, Ending
BIA						
Operations of Indian Programs	$ 453,000	$ 420,174	$ 32,826	$ -	32,721	$ 105
BIE						
Operations of Indian Education Programs	69,000	60,063	8,937	-	8,937	-
Operations of Indian Education Programs (Transfer from Education)	153,750	121,321	32,429	-	32,421	8
Departmental Offices						
Central Utah Project	500	28	472	-	472	-
Office of the Inspector General	1,000	623	377	-	360	17
Office of Insular Affairs	55,000	42,628	12,372	-	12,372	-
Office of the Secretary	144,480	2,066	142,414	(134,657)	7,755	2
BLM *Allocation from Office of the Secretary*	3,753	1,388	2,365	459	2,824	-
FWS *Allocation from Office of the Secretary*	3,585	1,332	2,253	62,715	64,968	-
NPS *Allocation from Office of the Secretary*	5,317	1,858	3,459	39,810	43,259	10
USGS *Allocation from Office of the Secretary*	-	-	-	19,547	19,254	293
Other Allocations from Office of the Secretary	265	241	24	12,126	12,148	2
USBR						
Policy and Administration	8,100	1,689	6,411	-	6,407	4
Water and Related Resources	12,000	5,079	6,921	-	6,905	16
TOTAL	**$ 909,750**	**$ 658,490**	**$ 251,260**	**$ -**	**$ 250,803**	**$ 457**

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 2021 with the publication of 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 will address the climate crisis, support tribal and indigenous communities, restore balanced use of public lands and waters, advance environmental justice, and invest in a clean energy future. DOI will further:

- Strengthen climate resilience and conservation partnerships;
- 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 Interior.

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 Interior's core services; and providing effective stewardship of America's national treasures.

Photo by Ethan Sees, Pexels.com

FIND A NATIONAL PARK NEAR YOU https://www.nps.gov/findapark/index.htm

SECTION 2
Financial Information

Navajo Bridge spans the Colorado River in Marble Canyon, Arizona. https://www.nps.gov/glca/learn/historyculture/navajobridge.htm (Photo by John Klaja, DOI)

AS THE DEPUTY CHIEF FINANCIAL OFFICER for the Department of the Interior, I am pleased to present the fiscal year (FY) 2021 Department of the Interior (DOI, the Department) Agency Financial Report. DOI's mission is vast in both economic and physical terms. We embrace the fact that sound financial management is a cornerstone of effective and efficient stewardship over the resources for which we are responsible. Only through effective financial management can DOI accomplish its mission and goals and ensure the American public that we are effectively utilizing the resources entrusted to the Department.

The Department began FY 2021 with two material weaknesses: 1) controls over financial reporting reported in the FY 2020 Independent Audit Report and 2) a department-level non-financial material weakness related to the management of grants, cooperative agreements, and tribal awards. In FY 2021, we were able to successfully remediate the material weakness over financial reporting by identifying key reporting attributes, taking a deep-dive analysis of existing data sets, implementation of a new validation table within FBMS (our accounting system), and through the deployment of the Office of Financial Management hosted training events across the Department emphasizing the new OMB Circular A-136 requirements. The Department also resolved two of the three corrective actions related to the non-financial material weakness management of grants, cooperative agreements, and tribal awards. The last and final corrective action plan is expected to be fully implemented by the end of FY 2022. As a result of our hard work, the Department is pleased to receive its 25th unmodified audit opinion. I also would like to highlight some of our major accomplishments during the FY 2021 period:

- **To ensure the success of the Department** through monitoring and oversight of audit remediation, effective internal controls, risk management, and fraud, we restructured the Office of Financial Management's Internal Control and Audit Follow-up Division (ICAF). On June 14, 2021, the Secretary of the Interior approved the creation of two new divisions: the Audit Management (AM) Division and the Internal Control and Evaluation (ICE) Division. The AM Division is responsible for providing audit guidance and governance, recommendations, effective corrective action plans, and audit follow-up. The ICE Division is responsible for internal control testing and assessments throughout the Department, fraud training, fraud awareness, and managing and evaluating financial reporting risks.
- **We partnered with Treasury's Financial Management** (FM) Quality Service Management Office (QSMO), to begin the transition of our Financial and Business Management System (FBMS) solution to a more modern platform that will increase efficiency, simplify business processes, improve user experience, and enable real-time access to data. This partnership aligns with the FM QSMO core financial system baseline solution capability framework and identifies opportunities to inform future offerings in the FM QSMO Marketplace.
- **We launched our first fraud risk management course** "Preventing, Detecting, and Responding to Fraud" on April 12, 2021. More than 70 percent of our financial practitioners, an estimated 1100 employees have completed the course. Looking ahead, we plan to expand our training efforts in the FY 2022 by implementing a new course focusing on OMB Circular A-123.
- **Through the *American Rescue Plan Act of 2021***; Section 4001, referred to as Emergency Paid Leave (EPL), which authorized EPL to Federal employees to reduce the impact of COVID-19, we were able to process $167,597.03 for a total of 5,325.25 hours in reimbursement to DOI employees.

- **Implemented new data elements and validations** in our financial system and reporting module to meet updated requirements prescribed in the Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements". These enhancements ensures that DOI is reporting accurately and supports the compilation of the Financial Report of the United States Government.

- **Designed and instituted a "Financial Matters" Newsletter.** The financial newsletter provides relevant, valuable, and timely financial information to more than 60,000 Departmental staff. This form of communication allows us to share engaging content including updates on training, workshops, audits, and financial laws in a quick but concise matter. It has proven to be instrumental in providing important and timely information in support of our financial community.

- **In early FY 2021, we received funding** for the *Great American Outdoors Act*, P.L. 116-152, which established the National Parks and Public Land Legacy Restoration Fund (LRF) to address the maintenance backlog of the National Park Service, U.S. Fish and Wildlife Service, Bureau of Land Management and the Bureau of Indian Education. The Act requires Congress to provide funding for the LRF in each of fiscal years 2021 through 2025 with up to $1.9 billion, or an amount equal to 50 percent of all energy development revenues due and payable to the U.S. government from oil, gas, coal, or alternative or renewable energy development on federal land and water in the preceding fiscal year. The Office of Financial Management worked with bureaus to determine the impacts of an increased capitalization threshold. This analysis revealed the need to increase the real-property capitalization threshold from $100,000 to $250,000. An official Department-wide policy was issued to reflect the decision. This initiative modernizes real-property capitalization threshold levels, aligning the Department with other Federal agency counterparts.

- **Once again, we were recognized** by the Association of Government Accountants (AGA), receiving our nineteenth consecutive AGA Certificate of Excellence in Accountability Reporting (CEAR©) award for our FY 2020 Agency Financial Report.

Lastly, I am very proud of our employees' achievements over the past year. It speaks to their dedication as public servants and stewards of our Nation's natural resources and commitment to continuing to improve the integrity of our financial reporting.

TONYA R. JOHNSON
Deputy Chief Financial Officer and
Director, Office of Financial Management
November 15, 2021

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

Memorandum

NOV 15 2021

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 2021 and 2020*
Report No. 2021-FIN-036

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) 2021 and 2020. The Chief Financial Officers Act of 1990 (Public L. No. 101-576), as amended, requires the DOI Inspector General, or an independent external auditor as determined by the Inspector General, to audit the DOI's financial statements.

Under a contract issued by the DOI and monitored by the Office of Inspector General, KPMG, an independent public accounting firm, audited the DOI's financial statements for the FYs that ended September 30, 2021, and September 30, 2020. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the Government Accountability Office and Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual.*

In its audit of DOI financial statements, KPMG reported:

- The financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles

- Four significant deficiencies in internal controls over financial reporting:

    1. Controls over financial reporting

    2. Controls over construction in progress

    3. Controls over journal entries

    4. Entity-level controls

- No instances in which the 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 the DOI financial statements, conclusions about the effectiveness of internal control over financial reporting, or conclusions about whether the DOI's financial management systems substantially complied with the three FFMIA requirements or whether the DOI complied with laws and other matters. KPMG is responsible for the attached auditors' report dated November 15, 2021, 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 offers 11 recommendations to address the identified deficiencies. The DOI submitted its response to KPMG on November 15, 2021. We will notify Congress of our findings in our next semiannual report, as required by law. We will also post a public version of this report on our website.

We appreciate the courtesies and cooperation extended to KPMG and our staff during this audit. 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.

KPMG

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 Financial Statements

We have audited the accompanying consolidated financial statements of the U.S. Department of the Interior (the Department), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, and the related consolidated statements of net cost, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04 require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of the Interior as of September 30, 2021 and 2020, 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.

Other Matters

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 basic 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.

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, 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 auditing standards generally accepted in the United States of America, 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

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. *The Introduction, Office of Inspector General's Transmittal, Other Information,* and *We Would Like to Hear From You* are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

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, 2021, 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*.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Exhibit I as items A, B, C and D, that we consider to be significant deficiencies.

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, 2021 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. 21-04.

We also performed tests of its 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 Responses to Findings

The Department's responses to the findings identified in our audit are described as a separate attachment dated November 15, 2021 titled *Management's Response to Independent Auditors' Report for Fiscal Year (FY) 2021*. The Department's responses were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the responses.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section 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, 2021

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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 shifting environments, evolving demands, changing risks, and new priorities. As programs change 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 its 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 to mitigate the identified risks.

During fiscal year (FY) 2021, the Department initiated the implementation of corrective action plans to address internal control weaknesses and strengthen internal control. Although the Department made some progress in certain financial management and reporting areas, deficiencies remain in certain areas of financial reporting, construction in progress, journal entries, and entity level controls that highlighted the need for improved financial management and reporting review at the Department. Additional remediation efforts are scheduled to continue in FY 2022.

SIGNIFICANT DEFICIENCIES

A. Controls over Financial Reporting

Conditions

The Department's controls over the preparation and compilation of its financial statement disclosures were not designed, implemented or operating effectively to appropriately prevent, or detect and correct errors in certain financial statements disclosures. Specifically, we noted the following:

- Bureau review controls over the completeness and accuracy of specific bureau schedules that are consolidated into total the Department's financial statement disclosures, were not operating effectively; and
- Department review controls over the compilation and preparation 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) Principle 12, 16, 17 – *Implement Control Activities; Perform Monitoring Activities; and Evaluate Issues and Remediate Deficiencies*.
- Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control*.
- OMB Circular No. A-136, *Financial Reporting Requirements*.

Cause and Effect

Bureaus did not prepare complete and accurate supporting schedules and did not perform a thorough review over such schedules before providing for consolidation into the Department's financial statement disclosures. Furthermore, the Department's overall review of the financial statements and related disclosures was not performed at the appropriate level of precision to prevent, detect and correct errors. As a result of our observations, the Department made the necessary corrections to its' year-end financial statement to ensure the disclosures were presented fairly, in all material respects, and in accordance with all applicable OMB requirements.

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

Exhibit I

Recommendations

We recommend that the Department and the bureaus enhance internal control over financial reporting as follows:

1. Strengthen review controls over the preparation of financial statements and the related supporting schedules.
2. Perform proper monitoring procedures to ensure that Department-wide controls over financial reporting are effective.

B. Controls over Construction in Progress

Fixed assets under construction represent Construction in Progress (CIP) and are recorded in a similar named general ledger account. They remain in such an account until the assets are put in service, at which time the costs of the assets are transferred into respective property, plant and equipment (PP&E) accounts and depreciation of the asset is recognized on a predetermined schedule.

Condition

The Department reported $2.7 billion as CIP, as of September 30, 2021. Controls were not properly designed, implemented or operating effectively to ensure that completed CIP projects were transferred to property, plant, and equipment (PP&E) in a timely manner. Specifically, we noted the Department failed to transfer approximately $14.1 million of completed projects from CIP into the associated completed PP&E account in a timely manner. Furthermore, controls over reporting CIP related activity within relevant disclosures were not properly designed Specifically, the Department did not consider the accounting impacts of reclassifying project amounts between CIP and expense accounts which lead to the understatement of capitalized acquisitions reported in the PP&E rollforward within Note 7, *General Property Plant and Equipment, Net*.

Criteria

- GAO Green Book Principles 4 and 10 – *Demonstrate Commitment to Competence and Design Control Activities*.
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control, Section IV, Assessing Internal Control*.
- Reclamation Manual Directives and Standards FIN 07-24, *Assets Under Construction.*

Cause and Effect

Project managers were not held accountable to accurately report on the "in service" status of construction projects/assets and, as such, were not providing consistent and timely status updates for certain projects.

In addition, the Department's existing process for recording reclassifications between CIP and expense accounts creates an abundance of activity that needs to be properly analyzed to allow for the appropriate presentation of PP&E capital acquisitions within the disclosures of the Department's consolidated financial statements. If left un-remediated, these conditions continue to present an increased risk that 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 continue to recommend that the Department and bureaus enhance internal control over CIP as follows:

1. Enhance oversight processes to ensure that project managers are adequately documenting and communicating the status of construction projects and are adhering to accounting policies and procedures.

I-2

Exhibit I

2. Improve training and supervision for all project managers and property accountants on matters affecting the financial statements, including adhering to accounting policies and procedures.

3. Enhance CIP regional and corporate accounting oversight processes to ensure adequate monitoring and documentation of project costs and key data elements to mitigate the risk of untimely transfer of service assets.

4. Enhance existing processes and controls over the quarterly review of CIP activity to ensure reclassification adjustments are processed timely and presented accurately and fairly in the financial statements.

C. Controls over Journal Entries

Conditions

During FY 2021, the Department undertook several corrective actions to resolve conditions surrounding its manual journal entry framework which, in previous fiscal years, delegated bureaus the responsibility to determine which transactions are manual in nature. Although a new journal entry framework was developed and implemented to address prior year control gaps and deficiencies, the updated policy was not effective until halfway through the fiscal year. Therefore, for at least the period of October 1, 2020 through March 31, 2021, prior year conditions were still present including:

- The policy does not describe the Department-wide risks which need to be addressed by each bureau;
- The policy does not describe what specific transactions would require segregation of duties; and
- Each bureau performs the control scoping differently.

Additionally, there was no evidence provided to confirm the newly enacted policies, procedures, and configuration settings were retroactively applied to transactions occurring before April 1, 2021.

Criteria

- GAO Green Book Principles 7, 10,16 and 17 – *Identify, Analyze, and Respond to Risks; Design Control Activities; Perform Monitoring Activities; and Evaluate Issues and Remediate Deficiencies*, respectively.

Cause and Effect

The completion of the Department's root cause analysis along with the development and deployment of updated policies, procedures, and configuration settings took additional time in FY 2021 to design and implement. Insufficiently designed, implemented, and operated journal entry policies and procedures increase the risk that manual entries will not be appropriately prepared, reviewed, approved and/or recorded within the Department's financial management system.

Recommendations

We recommend that management complete internal testing of the new implemented policies to allow management to accurately provide the detailed summary of management assurances required by OMB Circular A-123.

D. Entity-Level Controls

Conditions

The control environment sets the tone of an organization by influencing the control consciousness of its personnel. It is also the foundation for all components of internal control, providing discipline and structure. The GAO *Standards of Internal Control for Federal Government* state that an effective internal control system

Exhibit I

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.

During fiscal year 2021, the Department worked on implementing corrective action plans to address internal control weaknesses and strengthen its entity level controls, however, the Department needs to continue to address deficiencies in its entity-wide control environment components of Risk Assessment and Monitoring. As we reported in previous fiscal years, we continued to observe entity-wide control environment conditions, which contributed to the deficiencies noted above, as follows:

- The Department operated with several outdated policies and procedures related to financial reporting and accounting operations (Risk Assessment).
- The Department failed to monitor key controls to ensure effectiveness throughout the financial reporting process including reviews of journal vouchers and property, plant, and equipment (PP&E) as outlined in our findings B and C above (Monitoring).
- The Department continued to experience repeat control deficiencies, highlighting the need to strengthen controls over the preparation and evaluation of corrective action plans to ensure the successful evaluation and remediation of control deficiencies (Monitoring).
- Controls over the planning and execution of Department-wide monitoring control program and processes needed to be strengthen (Monitoring).

Criteria

- GAO Green Book Principles 7, 16 and 17 – *Identify, Analyze, and Respond to Risks; Perform Monitoring Activities; and Evaluate Issues and Remediate Deficiencies*, respectively.

Recommendations

We continue to recommend that the Department perform an assessment of its entity level controls, and improve controls over risk assessment and monitoring as follows:

1. Provide assurance that newly enacted policies and procedures have been implemented and the related internal controls have been properly designed, implemented and are operating effectively for the entire period under audit.

2. Complete a comprehensive risk assessment for certain financial reporting and accounting processes to address all potential identified risks and develop the appropriate testing plans.

3. Enforce the independence and objectivity concepts when performing internal OMB A-123 test work.

4. Ensure all internal control functions, in support of financial reporting, are adhering to appropriate accounting policies and procedures.

5. Continually monitor and reevaluate whether corrective action plans applied were effective. The Department should consider whether implementing financial auditors' recommendations is enough to close a corrective action plans, or if there is a need to employ additional remedies to fix a control deficiency. As such, the Department should perform an independent root cause analysis during the corrective action plans development process to gain an in-depth understanding of what caused the control deficiency and to ensure corrective actions are complete and will fully remediate the issues. Furthermore, require CAPs to assist in tracking, evaluating, and correcting internal control findings and recommendations from all audits and reviews (i.e., from the OIG, GAO or their own internal control monitoring framework).

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Exhibit I

6. Perform an evaluation of the Department's entity level controls and determine if each of the GAO Green Book components and principles have been addressed by the entity level controls that have been put in place by the Department.

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

November 15, 2021

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 Tonya R. Johnson
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) 2021 (Assignment No. 2021-FIN-036)

We appreciate the opportunity to respond to the Independent Auditors' Report on the U.S. Department of the Interior (the Department) Fiscal Year (FY) 2021 consolidated financial statements. We are pleased to have achieved an unmodified audit opinion for the 25th consecutive year.

For FY 2021, the Department received four significant deficiencies. Management is resolute on taking necessary corrective actions to address each of the issues. As noted in the report, the Department has already made progress with implementing several significant policies relating to entity-level controls and journal entry framework during the year and will continue to strengthen department-wide controls over financial reporting.

In closing, we are committed to making continuous improvements to our financial management activities 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 No. A-136. The statements have been prepared in accordance with GAAP as outlined by FASAB.

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

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

▶ Consolidated Balance Sheet

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

▶ Consolidated Statement of Net Cost

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

▶ Consolidated Statement of Changes in Net Position

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

▶ Combined Statement of Budgetary Resources

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

▶ Combined Statement of Custodial Activity

The Statement of Custodial Activity identifies revenues collected by DOI on behalf of other entities. Custodial Revenue is comprised of royalties, rents, lease sales, and other receipts for Federal oil, gas, 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.

FIGURE 32

Consolidated Balance Sheet

as of September 30, 2021 and 2020

	FY 2021	FY 2020
ASSETS (Note 8)		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 67,077,246	$ 63,066,415
Investments, Net (Note 3)	12,755,548	10,271,620
Accounts Receivable, Net:		
Accounts Receivable, Net	261,147	265,554
Transfers Receivable, Net	1,573,227	1,394,663
Advances and Prepayments	92,169	21,187
Total Intragovernmental	**81,759,337**	**75,019,439**
With the Public:		
Cash and Other Monetary Assets	351	372
Accounts Receivable, Net (Note 4)	6,884,754	6,859,431
Loans Receivable, Net (Note 5)	40,463	43,620
Inventory and Related Property, Net (Note 6)	39,828	43,079
General Property, Plant and Equipment, Net (Note 7)	22,600,780	22,224,768
Advances and Prepayments	156,993	208,282
Other Assets	10,734	10,242
Total With the Public	**29,733,903**	**29,389,794**
TOTAL ASSETS	**$ 111,493,240**	**$ 104,409,233**
Stewardship PP&E (Note 9)		
LIABILITIES (Note 14)		
Intragovernmental:		
Accounts Payable:		
Accounts Payable	$ 167,158	$ 155,725
Judgment Fund Payable	1,240,356	1,240,356
Transfers Payable	967,951	645,467
Debt (Note 10)	34,716	37,163
Advances from Others and Deferred Revenue	592,755	554,733
Other Liabilities:		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	2,789,783	2,412,754
Benefit Program Contributions Payable	188,514	191,634
Other	49,014	50,779
Total Intragovernmental	**6,030,247**	**5,288,611**
With the Public:		
Accounts Payable	1,225,956	1,141,922
Federal Employee Benefits Payable (Note 12)	1,684,384	1,705,675
Environmental and Disposal Liabilities (Note 13)	965,715	988,111
Loan Guarantee Liabilities (Note 5)	54,866	63,881
Advances from Others and Deferred Revenue	1,212,644	1,002,301
Other Liabilities:		
Accrued Grant Liabilities	634,715	526,127
Deposit Fund Liability	155,466	192,238
Contingent Liabilities (Note 13)	351,017	154,504
Payments Due to States	1,131,707	711,580
Natural Disaster Liability	388,024	456,253
Other	498,475	571,414
Total With the Public	**8,302,969**	**7,514,006**
TOTAL LIABILITIES	**$ 14,333,216**	**$ 12,802,617**
Commitments and Contingencies (Notes 13 and 15)		
NET POSITION (NOTE 16)		
Unexpended Appropriations - Funds from Dedicated Collections (Note 16)	$ 1,245,760	$ 1,199,276
Unexpended Appropriations - Funds from Other Than Dedicated Collections	12,357,802	9,295,156
Total Unexpended Appropriations	**13,603,562**	**10,494,432**
Cumulative Results of Operations - Funds from Dedicated Collections (Note 16)	69,100,663	71,736,459
Cumulative Results of Operations - Funds from Other Than Dedicated Collections	14,455,799	9,375,725
Total Cumulative Results of Operations	**83,556,462**	**81,112,184**
TOTAL NET POSITION	**97,160,024**	**91,606,616**
TOTAL LIABILITIES AND NET POSITION	**$ 111,493,240**	**$ 104,409,233**

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

FIGURE 33

Consolidated Statement of Net Cost
for the years ended September 30, 2021 and 2020

(dollars in thousands)	FY 2021	FY 2020
Conserving Our Land and Water		
Gross Costs	$ 7,176,913	$ 7,320,142
Less: Earned Revenue	1,005,470	1,033,569
Net Cost	**6,171,443**	**6,286,573**
Generating Revenue & Utilizing Our Natural Resources		
Gross Costs	4,093,424	3,041,800
Less: Earned Revenue	579,378	648,370
Net Cost	**3,514,046**	**2,393,430**
Expanding Outdoor Recreation and Access		
Gross Costs	1,825,551	1,755,568
Less: Earned Revenue	501,606	411,376
Net Cost	**1,323,945**	**1,344,192**
Fulfilling Our Trust & Insular Responsibilities		
Gross Costs	4,694,720	3,696,702
Less: Earned Revenue	323,164	353,355
Net Cost	**4,371,556**	**3,343,347**
Protecting Our People and the Border		
Gross Costs	2,160,970	2,131,175
Less: Earned Revenue	62,267	156,524
Net Cost	**2,098,703**	**1,974,651**
Modernizing Our Organization & Infrastructure for the Next 100 Years		
Gross Costs	1,436,543	1,484,642
Less: Earned Revenue	165,439	137,314
Net Cost	**1,271,104**	**1,347,328**
Reimbursable Activity and Other		
Gross Costs	4,908,803	6,025,608
Less: Earned Revenue	1,957,419	1,903,607
Net Cost	**2,951,384**	**4,122,001**
TOTAL		
Gross Costs	26,296,924	25,455,637
Less: Earned Revenue	4,594,743	4,644,115
Net Cost of Operations (Notes 17 and 19)	**$ 21,702,181**	**$ 20,811,522**

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

FIGURE 34

Consolidated Statement of Changes in Net Position

for the years ended September 30, 2021 and 2020

(dollars in thousands)	FY 2021 Combined Funds from Dedicated Collections (Note 16)	FY 2021 Combined All Other	FY 2021 Eliminations	FY 2021 Consolidated	FY 2020 Combined Funds from Dedicated Collections (Note 16)	FY 2020 Combined All Other	FY 2020 Eliminations	FY 2020 Consolidated
UNEXPENDED APPROPRIATIONS								
Beginning Balance	$ 1,198,856	$ 9,295,853	$ (277)	$ 10,494,432	$ 1,227,812	$ 8,110,360	$ (277)	$ 9,337,895
Appropriations Received, General Funds	375,176	18,991,211	-	19,366,387	402,777	16,869,390	-	17,272,167
Appropriations Transferred In/(Out)	867	116,301	-	117,168	(500)	198,868	-	198,368
Appropriations - Used	(328,692)	(15,875,250)	-	(16,203,942)	(431,233)	(15,778,022)	-	(16,209,255)
Other Adjustments	-	(170,483)	-	(170,483)	-	(104,743)	-	(104,743)
Net Change in Unexpended Appropriations	47,351	3,061,779	-	3,109,130	(28,956)	1,185,493	-	1,156,537
Total Unexpended Appropriations - Ending	1,246,207	12,357,632	(277)	13,603,562	1,198,856	9,295,853	(277)	10,494,432
CUMULATIVE RESULTS OF OPERATIONS								
Beginning Balance	76,814,133	4,297,774	277	81,112,184	75,802,267	4,203,966	277	80,006,510
Appropriations - Used	328,692	15,875,250	-	16,203,942	431,233	15,778,022	-	16,209,255
Royalty, Rents, and Lease Sales Retained	5,486,891	-	-	5,486,891	3,627,075	-	-	3,627,075
Non-Exchange Revenue	1,590,558	66,952	-	1,657,510	1,104,556	43,784	-	1,148,340
Transfers In/(Out) without Reimbursement	198,573	229,465	-	428,038	432,193	172,513	-	604,706
Donations and Forfeitures of Cash and Cash Equivalents	65,665	-	-	65,665	53,978	-	-	53,978
Donations and Forfeitures of Property	23,227	44,218	-	67,445	42,319	32,628	-	74,947
Imputed Financing	89,863	503,825	(44,266)	549,422	73,389	497,745	(33,899)	537,235
Other Financing Sources/(Uses)	1,064	(313,518)	-	(312,454)	1,104	(339,444)	-	(338,340)
Net Cost of Operations	(5,625,545)	(16,120,902)	44,266	(21,702,181)	(4,753,981)	(16,091,440)	33,899	(20,811,522)
Net Change in Cumulative Results of Operations	2,158,988	285,290	-	2,444,278	1,011,866	93,808	-	1,105,674
Cumulative Results of Operations - Ending	78,973,121	4,583,064	277	83,556,462	76,814,133	4,297,774	277	81,112,184
TOTAL NET POSITION	**$ 80,219,328**	**$ 16,940,696**	**$ -**	**$ 97,160,024**	**$ 78,012,989**	**$ 13,593,627**	**$ -**	**$ 91,606,616**

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

FIGURE 35

Combined Statement of Budgetary Resources

for the years ended September 30, 2021 and 2020

(dollars in thousands)	Budgetary Accounts FY 2021	Non-Budgetary Credit Program Financing Accounts FY 2021	Budgetary Accounts FY 2020	Non-Budgetary Credit Program Financing Accounts FY 2020
Budgetary Resources:				
Unobligated Balance from Prior Year Budget Authority, Net	$ 15,620,746	$ 95,954	$ 14,426,876	$ 58,214
Appropriations (discretionary and mandatory)	27,025,076	-	24,502,514	-
Borrowing Authority (discretionary and mandatory)	-	262	-	176
Spending Authority from Offsetting Collections (discretionary and mandatory)	5,705,997	19,551	5,393,665	44,509
Total Budgetary Resources	**$ 48,351,819**	**$ 115,767**	**$ 44,323,055**	**$ 102,899**
Status of Budgetary Resources:				
New Obligations and Upward Adjustments	$ 30,452,604	$ 27,919	$ 29,155,907	$ 6,945
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts	17,518,538	87,848	14,878,496	95,954
Unapportioned, Unexpired Accounts	168,017	-	87,248	-
Unexpired, Unobligated Balance, End of Year	17,686,555	87,848	14,965,744	95,954
Expired, Unobligated Balance, End of Year	212,660	-	201,404	-
Unobligated Balance, End of Year	17,899,215	87,848	15,167,148	95,954
Total Budgetary Resources	**$ 48,351,819**	**$ 115,767**	**$ 44,323,055**	**$ 102,899**
Outlays, Net:				
Outlays, Net (total) (discretionary and mandatory)	21,963,011	-	21,730,741	-
Distributed Offsetting Receipts (-)	(6,196,289)	-	(5,220,508)	-
Agency Outlays, Net (discretionary and mandatory)	**$ 15,766,722**	**$ -**	**$ 16,510,233**	**$ -**
Disbursements, Net (mandatory)	**$ -**	**$ 5,058**	**$ -**	**$ (41,324)**

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

FIGURE 36

Combined Statement of Custodial Activity

for the years ended September 30, 2021 and 2020

(dollars in thousands)	FY 2021	FY 2020
Revenues on Behalf of the Federal Government		
Rents and Royalties	$ 8,766,413	$ 5,907,280
Onshore Lease Sales	76,115	100,102
Offshore Lease Sales	116,602	251,380
Other	32,059	19,011
Total Revenue	**$ 8,991,189**	**$ $6,277,773**
Disposition of Revenue		
Distribution to Department of the Interior		
Bureau of Land Management	7,211	8,505
Bureau of Ocean Energy Management	44,301	43,583
Bureau of Safety and Environmental Enforcement	52,720	50,237
Departmental Offices	2,215,827	1,647,192
Fish and Wildlife Service	1,930	2,452
National Park Service	1,150,660	1,144,939
U.S. Bureau of Reclamation	1,491,808	1,050,298
Distribution to Other Federal Agencies		
Army Corps of Engineers	902	556
Department of Agriculture	201,936	105,776
General Fund of the Treasury	2,704,062	2,878,426
Distribution to States and Others	6,560	5,883
Change in Untransferred Revenue	1,113,272	(660,074)
Total Disposition of Revenue	**$ 8,991,189**	**$ 6,277,773**
Net Custodial Activity (Note 22)	**$ -**	**$ -**

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

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. 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 assts 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)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Bureau of Trust Funds Administration (BTFA)
- Departmental Offices (DO)
- Indian Affairs (IA), includes Bureau of Indian Affairs (BIA) and Bureau of Indian Education (BIE)
- 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 No. A-136. The GAAP for Federal entities are the standards prescribed by FASAB, which is the designated standard-setting body for the Federal Government.

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

Fund Balance with Treasury 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 Fund Balance with Treasury, 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 Fund Balance with Treasury 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.

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 a helium stockpile inventory which is stored in a partially depleted natural gas reservoir. The inventory is valued at historical cost and the volume of helium is accounted for on a perpetual basis. Annually, the volume is verified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume. The values shown for stockpile helium are net of the estimated unrecoverable amount. Gas and storage rights for the storage of helium are recorded at historical cost.

On September 24, 2021, the BLM declared the Federal Helium System, including federal reserve helium, as excess in accordance with the *Helium Stewardship Act of 2013*, which required the declaration of excess by September 30, 2021. The GSA will now work to complete its disposal process, which is estimated to take one to two years. The BLM will continue to deliver privately owned helium also stored in the Federal Helium System until the final disposal of the Federal Helium System. The remaining government balance of federal reserve helium is available only to Federal users for the remainder of FY 2022 through the In-Kind Program.

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.

In FY 2021, the DOI law enforcement programs reported seizures of 835,000 mature marijuana plants, mostly as a result of a joint task force investigation in California. In FY 2020, the DOI law enforcement programs reported seizures of 618,000 mature marijuana plants as a result of the same task force investigation. The majority of the plants were destroyed, with the exception of court required representative samples. The DOI law enforcement programs did not report significant forfeited property in either FY 2021 or 2020.

Note 6 provides more information on inventory and related property.

I. General Property, Plant, & Equipment, Net

General Purpose Property, Plant, & Equipment. General purpose 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 general purpose 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 increased the capitalization threshold from $100,000 to $250,000 in FY 2021. 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 general purpose PP&E.

In accordance with the standards, DOI recorded certain general 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 substantially completed.

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 general 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.

General property, plant and equipment values are presented in Note 7.

J. Stewardship PP&E

Stewardship PP&E consists of public domain land, Indian Trust 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 has 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 General 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.

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.

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.

Benefit Program Contributions Payable. Liabilities due to other federal entities for payroll and benefit costs such as the employer's portion of payroll taxes and benefit contributions not yet paid, unfunded *Federal Employees' Compensation Act* (FECA) liability billed by the Department of Labor 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 consists of the liability owed under the U.S. Park Police (USPP) Pension Plan, unfunded annual leave, as well as the FECA actuarial liability. Amounts associated with the payment of annual leave are accrued while leave i s being earned by employees. 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.

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. 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.

Natural Disaster Liability. Natural disasters such as hurricanes, tornados, floods, and earthquakes may have a significant impact on DOI's financial position. After a natural disaster has occurred, there may be costs associated with clean up and damage to DOI-owned or DOI managed real property and personal property to return the assets and facilities to an acceptable operating condition. These costs are Government-related events that require liability recognition if the future outflow of resources or other sacrifice is probable and the liability is measurable.

Other Miscellaneous Public Liabilities.

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

Trust Land Consolidation Program. The Trust Land Consolidation Program (TLCP) was established in FY 2013 as part of the *Claims Resolution Act of 2010*, which resolved a class action lawsuit regarding the U.S. Government's trust management and accounting of Native American trust accounts and resources. The Program designates DOI with the responsibility to use the Trust Land Consolidation Fund within a 10-year period to acquire fractional interest in trust or restricted land that individuals are willing to sell to DOI. A liability for the settlement amount was initially recorded and is drawn down through the execution of the program.

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 Budgetary Financing Source on the Statement of Changes in Net Position.

Custodial Revenue. The Office of Natural Resources Revenue (ONRR), a component of DO, collects royalties, rents, lease sales, and other receipts for Federal oil, gas, 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, claims settled by the Treasury Judgment Fund, and business-type activities when applicable. Unreimbursed costs other than those identified in this paragraph are not included in DOI's financial statements.

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 2020, the methodology used for billable projected liabilities was revised by DOL to include, 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 2021 methodology remained the same, but included adjustments to normalize the levels of payments in chargeback years 2021 and 2020 because payment levels in these years were not representative of what could be expected to occur absent the pandemic.

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 Office of Personnel Management

(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, a basic FERS annuity, and the Thrift Savings Plan. Employees under FERS are covered by full Social Security taxes. Employees may contribute a portion of their pay to the Thrift Savings Plan, 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 Thrift Savings Plan 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 Thrift Savings Plan. 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 Statement of Federal Financial Accounting Standard (SFFAS) No. 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 No. 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 No. 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 allocated funds, as a parent, to the USDA, the Department of Transportation (DOT), and the Army Corps of Engineers. The DOI receives allocation transfers, as the child, from USDA, HHS, DOL, DOT, the Army Corps of Engineers, 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" and was effective beginning in the FY 2019 reporting period. The DOI performed an extensive assessment of agreements with the public 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 that as of September 30, 2021 there are no public-private partnerships that meet the criteria for disclosure.

U. Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation. The format of the Balance Sheet has changed to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this Report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government. The presentation of the fiscal year 2020 Balance Sheet was modified to be consistent with the fiscal year 2021 presentation. Accompanying current year and prior year footnotes have been updated as well.

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 Fund Balance with Treasury 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 but 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 Fund Balance with Treasury do not agree with obligated and unobligated balances reported in the Combined Statement of Budgetary Resources. The budgetary balances are also supported by amounts other than Fund Balance with Treasury, such as investments in Treasury securities.

The Fund Balances with Treasury 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 2021 and FY 2020, $58 million 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 Fund Balance with Treasury in accordance with Treasury guidelines.

Additional discussion of Fund Balance with Treasury is presented in Note 1(D).

Status of Fund Balance with Treasury as of September 30, 2021 and 2020, consist of the following:

(dollars in thousands)	FY 2021	FY 2020
Budgetary Fund Balance with Treasury		
Unobligated		
Available	$ 9,643,031	$ 8,989,941
Unavailable	792,158	724,307
Obligated Not Yet Disbursed	12,732,442	10,534,279
Total Budgetary Fund Balance with Treasury	$ 23,167,631	$ 20,248,527
Non-Budgetary Fund Balance with Treasury		
Clearing, Deposit, and Unavailable General Fund Receipt Accounts	$ 1,728,009	$ 1,124,972
Unavailable Special Receipt Accounts	42,181,606	41,692,916
Total Non-Budgetary Fund Balance with Treasury	$ 43,909,615	$ 42,817,888
Total Fund Balance with Treasury Status	**$ 67,077,246**	**$ 63,066,415**

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/or nonmarketable, market-based securities issued by the Federal Investment Branch of the Bureau of the 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, 2021, consist of the following:

(dollars in thousands)	Cost	Net Amortized (Premium)/ Discount	Investments, Net	Market Value Disclosure
U.S. Treasury Securities				
Marketable	$ 398,890	$ 110	$ 399,000	$ 399,013
Nonmarketable, market-based	12,333,375	11,827	12,345,202	12,458,624
Total U.S. Treasury Securities	12,732,265	11,937	12,744,202	12,857,637
Accrued Interest	11,346	-	11,346	-
Total Federal Investments	**$ 12,743,611**	**$ 11,937**	**$ 12,755,548**	**$ 12,857,637**

Investments as of September 30, 2020, consist of the following:

(dollars in thousands)	Cost	Net Amortized (Premium)/ Discount	Investments, Net	Market Value Disclosure
U.S. Treasury Securities				
Marketable	$ 333,221	$ 111	$ 333,332	$ 333,373
Nonmarketable, market-based	9,917,371	5,044	9,922,415	10,161,088
Total U.S. Treasury Securities	10,250,592	5,155	10,255,747	10,494,461
Accrued Interest	15,873	-	15,873	-
Total Federal Investments	**$ 10,266,465**	**$ 5,155**	**$ 10,271,620**	**$ 10,494,461**

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. (BPXP), et al. This case resolved civil claims against BP entities arising from the April 20, 2010, Macondo well blowout and the massive oil spill 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, 2021, DOI has recorded over $5.1 billion in accounts receivable and approximately $258 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, 2021 and 2020:

(dollars in thousands)	FY 2021	FY 2020
Accounts and Interest Receivable from the Public		
Accounts and Interest Receivable from the Public	$ 7,036,415	$ 7,015,601
Allowance for Doubtful Accounts	(151,661)	(156,170)
Total Accounts and Interest Receivable from the Public, Net	**$ 6,884,754**	**$ 6,859,431**

NOTE 5. LOANS RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES

A. Direct Loan and Loan Guarantee Program Names: (dollars in thousands)	FY 2021	FY 2020
Indian Affairs - Direct Loans (Pre-Credit Reform)	$ 397	$ 478
Indian Affairs - Direct Loans (Credit Reform)	337	969
Indian Affairs - Guaranteed Loans (Credit Reform)	84	97
Bureau of Reclamation - Direct Loans (Pre-Credit Reform)	5,778	6,495
Bureau of Reclamation - Direct Loans (Credit Reform)	26,486	27,739
Departmental Offices - American Samoa Government (Credit Reform)	7,381	7,842
Total Loans and Interest Receivable, Net	**$ 40,463**	**$ 43,620**

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) 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.

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 loan balances, as of September 30, 2021 and 2020, are summarized as follows:

B. Direct Loans Obligated Prior to FY 1992 (Allowance for Loss Method):				(dollars in thousands)
Direct Loan Programs (Pre-Credit Reform)	**Loans Receivable Gross**	**Interest Receivable**	**Allowance For Loan Losses**	**Direct Loans, Net**
Indian Affairs	$ 506	$ 23	$ (132)	**$ 397**
Bureau of Reclamation	13,033	-	(7,255)	**5,778**
FY 2021 Total	**$ 13,539**	**$ 23**	**$ (7,387)**	**$ 6,175**
Indian Affairs	$ 611	$ 26	$ (159)	**$ 478**
Bureau of Reclamation	13,750	-	(7,255)	**6,495**
FY 2020 Total	**$ 14,361**	**$ 26**	**$ (7,414)**	**$ 6,973**

Direct loans and loan guarantees made after FY 1991 are accounted for in accordance with FCRA. The FCRA prescribes the presentation of loans receivable and loan guarantees at the net present value of the expected future cash flows. This is accomplished by netting the subsidy against loans receivable gross or against loan guarantees payable gross. The tables that follow provide a breakdown of the components supporting the Loans Receivable, Net and Loan Guarantee Payable, Net as presented on the Balance Sheet. The asset and liability are jointly disclosed due to the common requirements under FCRA. Loans receivable gross is representative of the outstanding principal distributed to the recipient. This principal is funded with amounts that DOI borrows from the Treasury with interest. As the customer makes payments against the loan, these repayments are applied against the Treasury borrowings and associated interest, resulting in a reduction to the amount DOI owes to Treasury (Note 10, Debt).

C. Direct Loans Obligated After FY 1991:								*(dollars in thousands)*
Direct Loan Programs (Credit Reform)		**Loans Receivable Gross**		**Interest Receivable**		**Allowance for Subsidy Cost**		**Value of Assets Related to Direct Loans**
Indian Affairs	$	178	$	7	$	152	**$**	**337**
Bureau of Reclamation		27,356		-		(870)		**26,486**
Departmental Offices - American Samoa Government		8,552		-		(1,171)		**7,381**
FY 2021 Total	**$**	**36, 086**	**$**	**7**	**$**	**(1,889)**	**$**	**34,204**
Indian Affairs	$	242	$	12	$	715	**$**	**969**
Bureau of Reclamation		29,081		-		(1,342)		**27,739**
Departmental Offices - American Samoa Government		9,068		-		(1,226)		**7,842**
FY 2020 Total	**$**	**38,391**	**$**	**12**	**$**	**(1,853)**	**$**	**36,550**

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.

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 2021 or in FY 2020 and therefore does not have any subsidy rates or administrative expenses to disclose.

D. Subsidy Expense for Direct Loans by Program and Component:			(dollars in thousands)
Modifications and Re-estimates	**Interest Rate Re-estimates**	**Technical Re-estimates**	**Total Re-estimates**
Direct Loan Programs (Credit Reform)			
Indian Affairs	$ (166)	$ 718	$ 552
Bureau of Reclamation	-	113	113
FY 2021 Total	**$ (166)**	**$ 831**	**$ 665**
Indian Affairs	$ (152)	$ 730	$ 578
Bureau of Reclamation	-	(27)	(27)
FY 2020 Total	**$ (152)**	**$ 703**	**$ 551**

Total Direct Loan Subsidy Expense	**FY 2021**	**FY 2020**
Direct Loan Programs (Credit Reform)		
Indian Affairs	$ 552	$ 578
Bureau of Reclamation	113	(27)
Total	**$ 665**	**$ 551**

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):		(dollars in thousands)
	FY 2021	**FY 2020**
Beginning balance of the subsidy cost allowance	$ 1,853	$ 1,994
Adjustments:		
(a) Subsidy allowance amortization	(489)	(490)
(b) Other	(140)	(202)
Ending balance of the subsidy cost allowance before reestimates	1,224	1,302
Add or subtract total subsidy reestimates as shown in Schedule D	665	551
Ending balance of the subsidy cost allowance	**$ 1,889**	**$ 1,853**

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):				*(dollars in thousands)*
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 2021	$ 832	$ 34	$ (782)	**$ 84**
FY 2020	$ 933	$ 79	$ (915)	**$ 97**

Table G. Guaranteed Loans Outstanding

The following table details the outstanding principal for loan guarantees as of September 30, 2021 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 2021 and FY 2020 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, 2021:		*(dollars in thousands)*
Loan Guarantee Programs	**Outstanding Principal of Guaranteed Loans, Face Value**	**Amount of Outstanding Principal Guaranteed**
FY 1992-2019	$ 565,327	$ 508,704
FY 2020	114,478	103,030
FY 2021	15,213	13,691
Total	**$ 695,018**	**$ 625,425**
New Guaranteed Loans Disbursed (Current reporting year):		
Amount Paid in Current FY for Prior Years	$ 82,874	$ 74,586
Amount Paid in Current FY for Current FY Guarantees	37,072	33,365
FY 2021 Total	**$ 119,946**	**$ 107,951**
Amount Paid in Prior FY for Prior Years	28,480	25,632
Amount Paid in Prior FY for Prior FY Guarantees	59,704	53,734
FY 2020 Total	**$ 88,184**	**$ 79,366**

Table H. Liability for Loan Guarantees

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

H. Liability for Loan Guarantees:	(dollars in thousands)
Guaranteed Loans (Pre-Credit Reform)	**Liabilities for Loan Guarantees, for Post-1991 Guarantees, Present Value**
Liability for Loan Guarantees:	
FY 2021	$ 54,866
FY 2020	$ 63,881

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

The subsidy expense for guaranteed loans is the sum of interest supplements and defaults, offset by fees and other collections. The total loan guarantee program subsidy expense is the sum of the new loan guarantees and the modifications and re-estimates. There were no other changes in economic conditions, other risk factors, legislation, or credit policies that have had a significant and measurable effect on subsidy rates, subsidy expense, and subsidy re-estimates.

I. Subsidy Expense for Loan Guarantees by Program and Component:				(dollars in thousands)
Guaranteed Loans (Credit Reform)	**Interest Supplements**	**Defaults**	**Fees and Other Collections**	**Total**
Subsidy Expense for New Loan Guarantees:				
FY 2021	$ 3,944	$ 7,286	$ (2,104)	$ 9,126
FY 2020	$ 2,876	$ 3,481	$ (1,513)	$ 4,844

Guaranteed Loans (Credit Reform)	Interest Rate Reestimates	Technical Reestimates	Total
Modifications and Reestimates:			
FY 2021	$ (6,830)	$ (14,799)	$ (21,629)
FY 2020	$ 1,229	$ 29,692	$ 30,921

Total Loan Guarantee Program Subsidy Expense	FY 2021	FY 2020
Indian Affairs	$ (12,503)	$ 35,765

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

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 reestimates. The following subsidy rates are applicable only to new loan guarantees issued in FY 2021 and FY 2020.

J. Subsidy Rates for Loan Guarantees by Program and Component:

Guaranteed Loans (Credit Reform)	Interest Supplements	Defaults	Fees and Other Collections	Other	Total
Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts:					
FY 2021	3.3%	10.8%	-1.8%	0.0%	**12.3%**
FY 2020	3.3%	4.0%	-1.8%	0.0%	**5.5%**

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: *(dollars in thousands)*

	FY 2021	FY 2020
Beginning Balance of the Loan Guarantee Liability	$ 63,881	$ 133,379
Less claim payment to lenders	-	(160)
Add fees received	2,137	2,912
Less interest suplements paid	(364)	(501)
Less interest revenue on uninvested funds	(1,596)	(2,073)
Add interest expense on entity borrowing	-	22
Add subsidy expense reestimates	9,126	4,844
Add upward reestimates	2,930	34,271
Less downward reestimates	(24,559)	(3,350)
Other	3,311	(105,463)
Ending Balance of the Loan Guarantee Liability	**$ 54,866**	**$ 63,881**

Table L. Loan Guarantee Administrative Expenses

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

L. Administrative Expense: *(dollars in thousands)*

Guaranteed Loans Program	
FY 2021	$ 1,488
FY 2020	$ 1,230

NOTE 6. INVENTORY AND RELATED PROPERTY

Inventory and Related Property as of September 30, 2021 and 2020, consist of the following:

(dollars in thousands)	FY 2021	FY 2020
Inventory		
Published Maps and Other Inventory Held for Current Sale	$ 9,494	$ 8,796
Gas and Storage Rights held for Current Sale	207	776
Operating Materials		
Working Capital Fund: Inventory Held for Use	84	105
Operational Land Imager. Inventory Held for Use	1,369	1,369
Airplane Parts and Fuel Held for Use	1,969	2,059
Stockpile Materials		
Recoverable Below-Ground Crude Helium Held in Reserve	26,705	29,974
Total Inventory and Related Property	**$ 39,828**	**$ 43,079**

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 PP&E categories with corresponding acquisition cost and accumulated depreciation as of September 30, 2021, are shown in the following table:

(dollars in thousands)	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land and Land Improvements	$ 2,488,312	$ (255,208)	$ 2,233,104
Buildings	6,126,249	(2,964,258)	3,161,991
Structures and Facilities	26,740,461	(13,714,436)	13,026,025
Leasehold Improvements	85,486	(50,732)	34,754
Construction in Progress			
Construction in Progress - General	2,715,419	-	2,715,419
Construction in Progress in Abeyance	317,951	-	317,951
Equipment, Vehicles, and Aircraft	3,252,919	(2,285,159)	967,760
Internal Use Software			
In Use	587,379	(564,110)	23,269
In Development	120,507	-	120,507
Total Property, Plant, and Equipment	**$ 42,434,683**	**$ (19,833,903)**	**$ 22,600,780**

The PP&E categories with corresponding acquisition cost and accumulated depreciation as of September 30, 2020, are shown in the following table:

(dollars in thousands)	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land and Land Improvements	$ 2,488,430	$ (239,284)	$ 2,249,146
Buildings	5,924,809	(2,836,412)	3,088,397
Structures and Facilities	26,218,530	(13,328,386)	12,890,144
Leasehold Improvements	75,720	(46,780)	28,940
Construction in Progress			
Construction in Progress - General	2,512,184	-	2,512,184
Construction in Progress in Abeyance	317,951	-	317,951
Equipment, Vehicles, and Aircraft	3,224,027	(2,191,090)	1,032,937
Internal Use Software			
In Use	579,337	(558,071)	21,266
In Development	83,803	-	83,803
Total Property, Plant, and Equipment	**$ 41,424,791**	**$ (19,200,023)**	**$ 22,224,768**

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

The following table displays the PP&E roll-forward as of September 30, 2021 and 2020.

General PP&E Rollforward Report				
(dollars in thousands)	**September 30, 2021 PP&E (Net)**		**September 30, 2020 PP&E (Net)**	
Balance, Beginning of Year	$	22,224,768	$	21,941,591
Capitalized Acquisitions		1,233,878		1,151,985
Dispositions		(84,599)		(118,669)
Transfer In/(Out) Without Reimbursement, Net		(367)		(175)
Depreciation / Amortization		(774,264)		(769,526)
Donations		1,364		19,562
Balance, End of Year	**$**	**22,600,780**	**$**	**22,224,768**

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, 2021, are summarized into the following categories:

(dollars in thousands)	Entity	Non-Entity	FY 2021
ASSETS: Intragovernmental Assets			
Fund Balance with Treasury	$ 65,502,329	$ 1,574,917	$ 67,077,246
Investments, Net	12,748,955	6,593	12,755,548
Accounts Receivable, Net			
Accounts Receivable, Net	261,147		261,147
Transfers Receivable, Net	855,276	717,951	1,573,227
Advances and Prepayments	92,169	-	92,169
Total Intragovernmental Assets	**$ 79,459,876**	**$ 2,299,461**	**$ 81,759,337**
With the Public:			
Cash and Other Monetary Assets	$ 351	$ -	$ 351
Accounts Receivable, Net	5,703,729	1,181,025	6,884,754
Loans Receivable, Net	40,463	-	40,463
Inventory and Related Property, Net	39,828	-	39,828
General Property, Plant, and Equipment, Net	22,600,780	-	22,600,780
Advances and Prepayments	156,993	-	156,993
Other Assets	10,734	-	10,734
Total With the Public	**$ 28,552,878**	**$ 1,181,025**	**$ 29,733,903**
TOTAL ASSETS	**$ 108,012,754**	**$ 3,480,486**	**$ 111,493,240**

The DOI's assets as of September 30, 2020, are summarized into the following categories:

(dollars in thousands)	Entity	Non-Entity	FY 2020
ASSETS: Intragovernmental Assets			
Fund Balance with Treasury	$ 62,100,643	$ 965,772	$ 63,066,415
Investments, Net	10,265,340	6,280	10,271,620
Accounts Receivable, Net			
Accounts Receivable, Net	265,554	-	265,554
Transfers Receivable, Net	749,196	645,467	1,394,663
Advances and Prepayments	21,187	-	21,187
Total Intragovernmental Assets	$ 73,401,920	$ 1,617,519	$ 75,019,439
With the Public:			
Cash and Other Monetary Assets	372	-	372
Accounts Receivable, Net	6,100,825	758,606	6,859,431
Loans Receivable, Net	43,620	-	43,620
Inventory and Related Property, Net	43,079	-	43,079
General Property, Plant, and Equipment, Net	22,224,768	-	22,224,768
Advances and Prepayments	208,282	-	208,282
Other Assets	10,242	-	10,242
Total With the Public	**$ 28,631,188**	**$ 758,606**	**$ 29,389,794**
TOTAL ASSETS	**$ 102,033,108**	**$ 2,376,125**	**$ 104,409,233**

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 Executive Order 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 2021 and FY 2020, the costs associated with acquiring, constructing, and renovating heritage assets were $322 million and $301 million, respectively, and the costs associated with acquiring and improving stewardship lands were $203 million and $167 million, respectively.

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

Indian Affairs

The IA is in a unique position in that the land managed is tribal/reservation land that has been administratively designated to IA for a specific purpose that will benefit Native Americans and Alaskan Natives. The land or land rights could be withdrawn/returned to the tribe based on the terms of an initial agreement or subsequent agreements. Although the structures constructed on these lands may be considered operational in nature, the lands on which these structures reside are managed in a stewardship manner to provide services to the tribe/reservation.

Regional Offices. Land owned by IA generally consists of parcels located within the boundaries of Indian reservations which have been temporarily withdrawn for administrative uses and are held for the welfare of the Indian Nation to be preserved and protected. The IA has stewardship responsibility for the multiple use management of lands held for the benefit of Native Americans and Alaskan Natives. The IA manages its stewardship land through 12 administrative regional offices whose boundaries largely follow one or more state lines. Two exceptions that do not follow state lines are the Navajo region, which includes parts of Arizona, Utah, and New Mexico; and the Eastern Oklahoma region, which includes the eastern section of Oklahoma.

Bureau of Land Management

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

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

Bureau of Reclamation

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

U.S. Fish and Wildlife Service

Lands are acquired through a variety of methods, including withdrawal from the public domain, fee title purchase, transfer of jurisdiction, donation, or gift. The FWS purchases land through two primary sources of funding: the Migratory Bird Conservation Fund and the 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.

Primary Land Management Categories		As of 9/30/2019	Additions	Withdrawals	As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021
BLM	Geographic Management Areas	127	-	-	127	-	-	127
FWS	National Wildlife Refuges	567	1	-	568	-	1	567
FWS	Wetland Management Districts	38	-	-	38	-	-	38
FWS	Coordination Areas	50	-	-	50	-	-	50
FWS	National Fish Hatcheries	67	-	-	67	1	-	68
FWS	Fish Technology Centers	5	-	-	5	-	-	5
FWS	Associated Fish Facilities	15	-	-	15	-	-	15
IA	Regional Offices	12	-	-	12	-	-	12
NPS	Park Units	408	2	-	410	2	-	412
OS	Commission Lands	1	-	-	1	-	-	1
USBR	Federal Water and Related Projects	135	-	-	135	-	-	135
Total Number of Units		**1,425**	**3**	**-**	**1,428**	**3**	**1**	**1,430**

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.

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

National Battlefields. A national battlefield is an area of land on which a single historic battle or multiple historic battles took place during varying lengths of time. This general title includes national battlefields, national battlefield parks, national battlefield sites, and national military parks. National Battlefields are managed by NPS.

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

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

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

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

Special Areas. The BLM manages five Secretarially-designated Special Areas in Alaska. 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.

Non Collectible Heritage Asset Categories	As of 9/30/2019	Additions	Withdrawals	As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021
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/ Conservation Areas	18	-	-	18	-	-	18
National Historic Landmarks (NHL)	224	7	-	231	3	-	234
National Historic Sites	76	-	-	76	-	2	74
National Historic Trails	13	-	-	13	-	-	13
National Historical Parks	57	-	-	57	4	-	61
National Lakeshores	3	-	-	3	-	-	3
National Memorials	30	3	-	33	-	-	33
National Military Parks	9	-	-	9	-	-	9
National Monuments	119	1	1	119	1	1	119
National Natural Landmarks (NNL)	115	-	-	115	1	-	116
National Parks	61	1	-	62	1	-	63
National Parkways	4	-	-	4	-	-	4
National Preserves	19	-	-	19	-	-	19
National Recreation Areas	21	-	-	21	-	-	21
National Recreation Trails	114	1	-	115	10	-	125
National Reserves	2	-	-	2	-	-	2
National Rivers	5	-	-	5	-	1	4
National Scenic Areas	1	-	-	1	-	-	1
National Scenic Trails	8	-	-	8	-	-	8
National Seashores	10	-	-	10	-	-	10
National Wild and Scenic Rivers	95	10	-	105	-	-	105
National Wildlife Refuges	567	1	-	568	-	1	567
Outstanding Natural Areas	3	-	-	3	-	-	3
International Historic Site	1	-	-	1	-	-	1
Wilderness Areas	397	1	-	398	-	-	398
Research Natural Area	1	-	-	1	-	-	1
Archaeological Protection Areas	2	-	-	2	-	-	2
Special Areas	5	-	-	5	-	-	5
Other	11	-	-	11	-	-	11
Total	**2,010**	**25**	**1**	**2,034**	**20**	**5**	**2,049**

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.

Library Collections	As of 9/30/2019	Additions	Withdrawals	As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021
Departmental Library	1	-	-	1	-	-	1
National Park Service Library	2	-	-	2	-	-	2
U.S. Geological Survey Library	4	-	1	3	-	-	3
Total	**7**	**-**	**1**	**6**	**-**	**-**	**6**

Interior Museum Collections	As of 9/30/2019	Additions	Withdrawals	As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021
Held at Interior Facilities	595	10	5	600	4	3	601
Held at Non-Interior Facilities	419	6	16	409	7	2	414
Total	**1,014**	**16**	**21**	**1,009**	**11**	**5**	**1,015**

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 2023–2025. Interest rates for these securities range from 6.65 percent to 7.46 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 1992–2000 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, 2021 and 2020, is summarized as follows:

(dollars in thousands)	FY 2020 Beginning Balance	Borrowing / (Repayments), Net	FY 2020 Ending Balance	Borrowing / (Repayments), Net	FY 2021 Ending Balance
Credit Reform Borrowings	$ 41,767	$ (4,604)	$ 37,163	$ (2,447)	$ 34,716

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 reestimate 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, 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, 2021 and 2020, are summarized in the table below:

Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets *(dollars in thousands)*	FY 2021	FY 2020
Capital Transfers Liability	$ 1,515,183	$ 1,534,805
Capital Transfers for Loans Liability	25,314	25,150
Custodial Liability	1,141,169	674,326
Miscellaneous Receipts Liability	108,117	178,473
Total Liability to the General Fund of the U.S. Government	**$ 2,789,783**	**$ 2,412,754**

NOTE 12. FEDERAL EMPLOYEE BENEFITS

Federal Employee Benefits as of September 30, 2021 and 2020, consist of the following:

(dollars in thousands)	FY 2021	FY 2020
Federal Employee Benefits		
U.S. Park Police Pension Actuarial Liability	$ 579,517	$ 594,288
U.S. Park Police Pension Current Liability	39,583	40,312
Federal Employees Compensation Actuarial Liability	571,739	575,024
Unfunded Leave	483,623	487,346
Employer Contributions and Payroll Taxes Payable	9,922	8,705
Total Federal Employee Benefits	**$ 1,684,384**	**$ 1,705,675**

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 2021 and 2.7 percent in FY 2020 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' (SOA's) Retirement Plans Experience Committee (RPEC) and based on data collected from public pension systems. The longevity scale for this mortality table was updated from MP-2019 to MP-2020 for FY 2021.

Additionally, the USPP Pension Plan inflation rates of 1.3 percent in FY 2021 and 1.2 percent in FY 2020 differed from the 1.7 percent in FY 2021 and 1.7 percent in FY2020 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 and Veteran Benefits.

Economic Assumptions Used (expressed in percentages)	FY 2021	FY 2020
Interest Rate	2.4	2.7
Inflationary Rate	1.3	1.2
Projected Salary Increase	1.3	1.2

USPP Pension Plan Liability (dollars in thousands)	FY 2021	FY 2020
Beginning Balance	$ 634,600	$ 629,700
Pension Expenses		
Interest on liability	16,600	17,700
Actuarial (gains) or losses from experience	(8,917)	11,712
Actuarial (gains) or losses from assumption changes	16,400	15,800
Total Pension Expenses	24,083	45,212
Less Benefit Payments	(39,583)	(40,312)
Ending Balance	**$ 619,100**	**$ 634,600**

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. The ultimate outcomes in these matters 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, 2021 and 2020, are summarized in the table below:

FY 2021: Contingent Liabilities *(dollars in thousands)*	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	$ 351,017	$ 351,016	$ 498,778
Reasonably Possible	$ -	$ 722,452	$ 3,186,609

FY 2020: Contingent Liabilities *(dollars in thousands)*	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	$ 154,504	$ 154,504	$ 228,605
Reasonably Possible	$ -	$ 836,041	$ 3,082,625

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.*

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.

The accrued and potential Environmental and Disposal Liabilities as of September 30, 2021 and 2020, are summarized in the tables below:

FY 2021: Environmental & Disposal Liabilities (dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Environmental Remediation Liability			
Probable	$ 418,538	$ 418,537	$ 4,469,943
Reasonably Possible	-	$ 266,513	$ 336,508
Asbestos Related Cleanup Liability	547,177		
Total Environmental & Disposal Liability	**$ 965,715**		

FY 2020: Environmental & Disposal Liabilities (dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Environmental Remediation Liability			
Probable	$ 374,761	$ 374,761	$ 4,372,626
Reasonably Possible	-	$ 176,634	$ 233,234
Asbestos Related Cleanup Liability	613,350		
Total Environmental & Disposal Liability	**$ 988,111**		

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.

The DOI's liabilities not covered by budgetary resources as of September 30, 2021 and 2020 are as follows:

Liabilities Not Covered by Budgetary Resources *(dollars in thousands)*	FY 2021	FY 2020
Intragovernmental Liabilities:		
Accounts Payable	$ 1,348,567	$ 1,339,130
Other Intragovernmental Liabilities	139,801	154,492
Total Intragovernmental Liabilities	**$ 1,488,368**	**$ 1,493,622**
With the Public:		
Federal Employee Benefits	$ 1,634,878	$ 1,656,659
Environmental and Disposal Liabilities	965,715	988,111
Other Liabilities With the Public	1,538,001	948,439
Total Liabilities With the Public	**4,138,594**	**3,593,209**
Total Liabilities Not Covered by Budgetary Resources	**5,626,962**	**5,086,831**
Total Liabilities Not Requiring Budgetary Resources	**3,899,745**	**3,363,661**
Total Liabilities Covered by Budgetary Resources	**4,806,509**	**4,352,125**
Total Liabilities	**$ 14,333,216**	**$ 12,802,617**

The DOI's Other Liabilities as of September 30, 2021 and 2020 are as follows:

Other Liabilities *(dollars in thousands)*	FY 2021	FY 2020
Other Intragovernmental Liabilities:		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	$ 2,789,783	$ 2,412,754
Benefit Program Contributions Payable	188,514	191,634
Other	49,014	50,779
Total Other Intragovernmental Liabilities	**$ 3,027,311**	**$ 2,655,167**
Other Public Liabilities:		
Accrued Grant Liabilities	$ 634,715	$ 526,127
Deposit Fund Liability	155,466	192,238
Contingent Liabilities	351,017	154,504
Payments Due to States	1,131,707	711,580
Natural Disaster Liability	388,024	456,253
Accrued Funded Payroll	310,244	279,608
Trust Land Consolidation Program Liability	91,065	165,501
Other	97,166	126,305
Total Other Public Liabilities	**$ 3,159,404**	**$ 2,612,116**

NOTE 15. LEASES

OPERATING LEASES

Most of DOI's 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 2022 and after is applied. The inflationary factor is applied against the actual FY 2021 rental expense.

Future payments due under non-cancellable operating leases as of September 30, 2021, consist of the following:

Future Operating Leases *(dollars in thousands)*	Real Property		Totals
	Federal	Non-Federal	
FY 2022	$ 34,300	$ 22,524	$ **56,824**
FY 2023	33,245	20,654	**53,899**
FY 2024	29,762	15,878	**45,640**
FY 2025	28,732	12,547	**41,279**
FY 2026	27,226	5,686	**32,912**
Thereafter	205,791	15,015	**220,806**
Total Future Operating Lease Payments	**$ 359,056**	**$ 92,304**	**$ 451,360**

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* (NHPA), 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 SMCRA Amendments of 2006, which were enacted as part of the *Tax Relief and Health Care Act of 2006* (P.L. 109-432), extended the statutory reclamation fee through September 30, 2021. 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 2006 (P.L. 109-432), 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.

Southern Nevada Public Land Management. The *Southern Nevada Public Land Management Act of 1998* (SNPLMA), enacted in October 1998, authorizes BLM to sell public land tracts that are interspersed with or adjacent to private land in the Las Vegas Valley. The BLM is authorized to deposit the proceeds as follows: 85 percent in the SNPLMA; 10 percent to the Southern Nevada Water Authority; and 5 percent to the State of Nevada's Education Fund. The revenue generated by SNPLMA is used for the acquisition of environmentally sensitive land in the State of Nevada, capital improvement projects at designated sites in Nevada, Lake Tahoe Restoration projects and conservation initiatives on federal lands. In addition, funds are provided to local entities for the development of multi-species habitat conservation plans and parks, trails and natural areas in Clark County. 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.

Sport Fish Restoration and Boating Trust Fund (SFRBTF). The DOI's component of the SFRBTF (previously referred to as Aquatic Resources Trust Fund) receives funding from excise tax receipts collected from manufacturers of equipment used in fishing, hunting, and sport shooting, and on motorboat fuels. SFRBTF provides funding to three components: DOI's Sport Fish Restoration Account; the U.S. Coast Guard's Boat Safety Program; and the U.S. Army Corps of Engineers' Coastal Wetlands Program. The SFRBTF encompasses the programs of these three components. The funds are considered inflows of resources to the Government.

Environmental Improvement and Restoration Fund (EIRF). The EIRF was created from one-half of the principal and one-half of the interest from the Alaska Escrow Fund. The remaining one-half principal and one-half interest were deposited into the General Fund of the U.S. Treasury. Monies from the EIRF are invested in Treasury Securities and earn interest. Congress permanently appropriates and ONRR transfers 20 percent of prior fiscal year interest earned by EIRF to the Department of Commerce for marine research activities. The remaining 80 percent earns interest and can be appropriated by Congress to other agencies, as provided by the law. Assets are not available to DOI unless appropriated by Congress. 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 No. 43, Funds from Dedicated Collections: Amending SFFAS No. 27, Identifying and Reporting Earmarked Funds*, and are presented in the following list.

Indian Affairs

- Operation & Maintenance of Quarters
- Natural Resource Damage Assessment and Restoration Fund – Exxon Valdez Restoration
- Operation & Maintenance – Indian Irrigation Projects
- Alaska Resupply Program
- Indian Water Rights and Habitat Acquisition Program
- Power Revenues, Indian Irrigation Projects
- Gifts & 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 & 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, 5% 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%
- 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

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
- Corp of Engineers On Shore State Share
- Payments to States, National Forest Fund
- *Gulf of Mexico Energy Security Act* (GOMESA) State Share
- Geothermal Lease Revenues, Payments to Counties

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
- Private Stewardship Grants
- Landowner Incentive Program
- Community Partnership Enhancement
- Coastal Impact Assistance Program
- Contributed Funds
- Federal Land Transactions
- Filming and Photography Fee Program
- North American Wetlands Conservation Fund, from Land and Water
- Exotic Bird Conservation Fund
- Energy Permit Processing Improvement

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

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The DOI's funds from dedicated collections as of and for the year ended September 30, 2021, consist of the following:

(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources and Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Southern Nevada Public Land Mgmt Fund	Federal Aid in Wildlife Restoration	Sport Fish Restoration & Boating Trust Fund	Environmental Improvement & Restoration Fund	Other Funds from Dedicated Collections	FY 2021 Combined Dedicated Collections
BALANCE SHEET													
ASSETS													
Intragovernmental:													
Fund Balance with Treasury	$ 22,469,284	$ 3,760,528	$ 15,116,240	$ 2,994,251	$ 2,836	$ 449,238	$ 484,390	$ 38,139	$ 46,412	$ 55,156	$ 6,596	$ 5,410,582	$ 50,833,652
Investments, Net	-	-	-	-	326,294	-	2,571,869	1,060,193	2,537,863	-	1,572,350	2,569,770	10,638,339
Accounts Receivable, Net	-	-	453,983	20,788	18,979	166	6	-	10,993	1,551,685	-	719,495	2,776,095
Advances and Prepayments	-	-	-	5	-	-	-	-	-	-	-	2,438	2,443
Total Intragovernmental	$ 22,469,284	$ 3,760,528	$ 15,570,223	$ 3,015,044	$ 348,109	$ 449,404	$ 3,056,265	$ 1,098,332	$ 2,595,268	$ 1,606,841	$ 1,578,946	$ 8,702,285	$ 64,250,529
With the Public:													
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	-	-	-	1
Accounts Receivable, Net	-	-	11,749	6,157	9,279	1,037	9,427	-	-	23	-	5,463,628	5,501,300
Inventory and Related Property, Net	-	-	-	-	-	-	-	-	-	-	-	26,912	26,912
General Property, Plant, and Equipment, Net	-	-	-	9,269,315	2,434,981	2,859,607	1,273	81,029	-	-	-	885,238	15,531,443
Advances and Prepayments	-	-	-	18,179	59,723	2,772	-	-	23	50	-	2,641	83,388
Other Assets	-	-	-	112	8,648	-	-	-	-	(1)	-	1	8,760
Total With the Public	-	-	11,749	9,293,764	2,512,631	2,863,416	10,700	81,029	23	72	-	6,378,420	21,151,804
TOTAL ASSETS	**$ 22,469,284**	**$ 3,760,528**	**$ 15,581,972**	**$ 12,308,808**	**$ 2,860,740**	**$ 3,312,820**	**$ 3,066,965**	**$ 1,179,361**	**$ 2,595,291**	**$ 1,606,913**	**$ 1,578,946**	**$ 15,080,705**	**$ 85,402,333**
LIABILITIES													
Intragovernmental:													
Accounts Payable	$ -	$ -	$ -	$1,262,146	$142	$48,817	$210	$ 141	$ -	$717,951	$ -	$ 13,047	$ 2,042,454
Advances from Others and Deferred Revenue	-	-	-	7,444	-	-	-	-	-	-	-	-	7,444
Other Liabilities	-	-	-	16,040	60	571	797	81	107	99	-	3,688	21,443
Total Intragovernmental	$ -	$ -	$	$ 1,285,630	$ 202	$ 49,388	$ 1,007	$ 222	$ 107	$ 718,050	$ -	$ 16,735	$ 2,071,341
With the Public:													
Accounts Payable	-	-	-	114,925	2,712	12,510	176	430	236	153	-	67,177	198,319
Federal Employee Benefits Payable	-	-	-	89,560	355	3,078	5,544	30	16	15	-	13,624	112,222
Environmental and Disposal Liabilities	-	-	-	139,515	-	-	-	-	-	-	-	-	139,515
Advances from Others and Deferred Revenue	-	-	102,742	468,211	22,941	196,709	-	2,570	-	-	-	249,316	1,042,489
Other Liabilities	-	28,210	-	154,594	262	57,729	20,483	4,076	84,708	51,229	-	1,217,828	1,619,119
Total With the Public	-	28,210	102,742	966,805	26,270	270,026	26,203	7,106	84,960	51,397	-	1,547,945	3,111,664
TOTAL LIABILITIES	**$ -**	**$ 28,210**	**$ 102,742**	**$ 2,252,435**	**$ 26,472**	**$ 319,414**	**$ 27,210**	**$ 7,328**	**$ 85,067**	**$ 769,447**	**$ -**	**$ 1,564,680**	**$ 5,183,005**
NET POSITION													
Unexpended Appropriations	-	43,493	-	187,630	161,014	108,429	472,824	-	-	-	-	272,817	1,246,207
Cumulative Results of Operations	22,469,284	3,688,825	15,479,230	9,868,743	2,673,254	2,884,977	2,566,931	1,172,033	2,510,224	837,466	1,578,946	13,243,208	78,973,121
TOTAL NET POSITION	**22,469,284**	**3,732,318**	**15,479,230**	**10,056,373**	**2,834,268**	**2,993,406**	**3,039,755**	**1,172,033**	**2,510,224**	**837,466**	**1,578,946**	**13,516,025**	**80,219,328**
TOTAL LIABILITIES AND NET POSITION	**$ 22,469,284**	**$ 3,760,528**	**$ 15,581,972**	**$ 12,308,808**	**$ 2,860,740**	**$ 3,312,820**	**$ 3,066,965**	**$ 1,179,361**	**$ 2,595,291**	**$ 1,606,913**	**$ 1,578,946**	**$ 15,080,705**	**$ 85,402,333**
NET COST OF OPERATIONS													

The DOI's funds from dedicated collections as of and for the year ended September 30, 2021 (Continued)

(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources and Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Southern Nevada Public Land Mgmt Fund	Federal Aid in Wildlife Restoration	Sport Fish Restoration & Boating Trust Fund	Environmental Improvement & Restoration Fund	Other Funds from Dedicated Collections	FY 2021 Combined Dedicated Collections
Gross Costs	$ -	$ 80,950	$ (3,604)	$ 1,443,495	$ 120,904	$ 192,587	$ 236,436	$ 49,166	$ 728,796	$ 430,421	$ -	$ 4,122,057	$ 7,401,208
Earned Revenue	-	-	(147,301)	(187,352)	(75,559)	(135,901)	(87)	(91,920)	-	-	-	(1,137,543)	(1,775,663)
TOTAL NET COST OF OPERATIONS	**$ -**	**$ 80,950**	**$ (150,905)**	**$ 1,256,143**	**$ 45,345**	**$ 56,686**	**$ 236,349**	**$ (42,754)**	**$ 728,796**	**$ 430,421**	**$ -**	**$ 2,984,514**	**$ 5,625,545**
CHANGES IN NET POSITION													
UNEXPENDED APPROPRIATIONS													
Beginning Balance	$ -	$ 43,676	$ -	$ 166,937	$ 162,222	$ 147,812	$ 413,852	$ -	$ -	$ -	$ -	$ 264,357	$ 1,198,856
Appropriations Received, General Funds	-	-	-	242,271	-	-	115,000	-	-	-	-	17,905	375,176
Appropriations Transferred In/(Out)	-	-	-	(70,266)	5,584	38,800	-	-	-	-	-	26,749	867
Appropriations-Used	-	(183)	-	(151,312)	(6,792)	(78,183)	(56,028)	-	-	-	-	(36,194)	(328,692)
Net Change in Unexpended Appropriations	**-**	**(183)**	**-**	**20,693**	**(1,208)**	**(39,383)**	**58,972**	**-**	**-**	**-**	**-**	**8,460**	**47,351**
Total Unexpended Appropriations - Ending	**$ -**	**$ 43,493**	**$ -**	**$ 187,630**	**$ 161,014**	**$ 108,429**	**$ 472,824**	**$ -**	**$ -**	**$ -**	**-**	**$272,817**	**$ 1,246,207**
CUMULATIVE RESULTS OF OPERATIONS													
Beginning Balance	$ 22,481,994	$ 3,619,592	$ 14,905,016	$ 9,458,964	$ 2,723,061	$ 2,816,343	$2,631,821	$ 1,130,004	$ 2,048,978	$ 752,760	$ 1,553,160	$ 12,692,440	$ 76,814,133
Appropriations-Used	-	183	-	151,312	6,792	78,183	56,028	-	-	-	-	36,194	328,692
Royalty, Rents, and Lease Sales Retained	975,993	150,000	1,641,999	-	-	-	-	-	-	-	-	2,718,899	5,486,891
Non-Exchange Revenue	13,789	-	10,940	-	-	294	122,482	-	1,190,042	-	32,707	220,304	1,590,558
Transfers In/(Out) without Reimbursement	(1,002,492)	-	(1,229,635)	1,449,036	(11,254)	2,288	(10,000)	(725)	-	515,127	(6,921)	493,149	198,573
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	65,665	65,665
Donations and Forfeitures of Property	-	-	-	17,779	-	5,211	-	-	-	-	-	237	23,227
Imputed Financing	-	-	5	46,575	-	39,344	2,949	-	-	-	-	990	89,863
Other Financing Sources/(Uses)	-	-	-	1,220	-	-	-	-	-	-	-	(156)	1,064
Net Cost of Operations	**-**	**(80,950)**	**150,905**	**(1,256,143)**	**(45,345)**	**(56,686)**	**(236,349)**	**42,754**	**(728,796)**	**(430,421)**	**-**	**(2,984,514)**	**(5,625,545)**
Net Change in Cumulative Results of Operations	**(12,710)**	**69,233**	**574,214**	**409,779**	**(49,807)**	**68,634**	**(64,890)**	**42,029**	**461,246**	**84,706**	**25,786**	**550,768**	**2,158,988**
Cumulative Results of Operations - Ending	**22,469,284**	**3,688,825**	**15,479,230**	**9,868,743**	**2,673,254**	**2,884,977**	**2,566,931**	**1,172,033**	**2,510,224**	**837,466**	**1,578,946**	**13,243,208**	**78,973,121**
TOTAL NET POSITION	**$ 22,469,284**	**$ 3,732,318**	**$ 15,479,230**	**$ 10,056,373**	**$ 2,834,268**	**$ 2,993,406**	**$ 3,039,755**	**$ 1,172,033**	**$ 2,510,224**	**$ 837,466**	**$ 1,578,946**	**$ 13,516,025**	**$ 80,219,328**

The DOI’s funds from dedicated collections as of and for the year ended September 30, 2020, consist of the following:

(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources and Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Southern Nevada Public Land Mgmt Fund	Federal Aid in Wildlife Restoration	Sport Fish Restoration & Boating Trust Fund	Environmental Improvement & Restoration Fund	Other Funds from Dedicated Collections	FY 2020 Combined Dedicated Collections
BALANCE SHEET													
ASSETS													
Intragovernmental:													
Fund Balance with Treasury	$ 22,481,994	$ 3,690,250	$ 14,763,443	$ 2,577,073	$ 1,910	$ 436,113	$ 433,498	$ 45,310	$ 47,277	$ 66,354	$ 6,927	$ 4,656,568	$ 49,206,717
Investments, Net	-	-	-	-	322,572	-	2,633,084	1,013,185	2,063,650	-	1,546,233	2,286,334	9,865,058
Accounts Receivable, Net	-	-	183,493	24,847	3,705	166	-	-	6,955	1,369,374	-	304,014	1,892,554
Advances and Prepayments	-	-	-	22	-	-	-	-	-	-	-	1,628	1,650
Total Intragovernmental	$ 22,481,994	$ 3,690,250	$ 14,946,936	$ 2,601,942	$ 328,187	$ 436,279	$ 3,066,582	$ 1,058,495	$ 2,117,882	$ 1,435,728	$ 1,553,160	$ 7,248,544	$ 60,965,979
With the Public:													
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	-	-	-	1
Accounts Receivable, Net	-	-	11,928	1,534	37,035	858	2,698	-	-	-	-	5,889,034	5,943,087
Inventory and Related Property, Net	-	-	-	-	-	-	-	-	-	-	-	30,750	30,750
General Property, Plant, and Equipment, Net	-	-	-	9,167,473	2,471,947	2,769,764	1,266	79,026	-	-	-	859,877	15,349,353
Advances and Prepayments	-	-	-	13,907	68,363	2,703	-	-	-	7	-	2,676	87,656
Other Assets	-	-	-	112	8,748	-	-	-	-	-	-	1	8,861
Total With the Public	-	-	11,928	9,183,027	2,586,093	2,773,325	3,964	79,026	-	7	-	6,782,338	21,419,708
TOTAL ASSETS	**$ 22,481,994**	**$ 3,690,250**	**$ 14,958,864**	**$ 11,784,969**	**$ 2,914,280**	**$ 3,209,604**	**$ 3,070,546**	**$ 1,137,521**	**$ 2,117,882**	**$ 1,435,735**	**$ 1,553,160**	**$ 14,030,882**	**$ 82,385,687**
LIABILITIES													
Intragovernmental:													
Accounts Payable	$ -	$ -	$ -	$ 1,285,606	$ 988	$ 51,440	$ 156	$ 42	$ -	$ 645,467	$ -	$ 6,351	$ 1,990,050
Advances from Others and Deferred Revenue	-	-	-	3,711	-	-	-	-	-	-	-	-	3,711
Other Liabilities	-	-	-	16,728	62	546	807	94	91	77	-	3,427	21,832
Total Intragovernmental	$ -	$ -	$ -	$ 1,306,045	$ 1,050	$ 51,986	$ 963	$ 136	$ 91	$ 645,544	$ -	$ 9,778	$ 2,015,593
With the Public:													
Accounts Payable	-	87	-	98,200	6,657	10,896	245	911	705	(66)	-	63,378	181,013
Federal Employee Benefits Payable	-	-	-	91,923	311	2,996	5,812	11	13	11	-	12,773	113,850
Environmental and Disposal Liabilities	-	-	-	119,147	-	-	-	-	-	-	-	-	119,147
Advances from Others and Deferred Revenue	-	-	53,848	427,243	20,683	122,400	-	-	-	-	-	203,148	827,322
Other Liabilities	-	26,895	1	116,510	296	57,171	17,853	6,459	68,095	37,486	-	785,007	1,115,773
Total With the Public	-	26,982	53,849	853,023	27,947	193,463	23,910	7,381	68,813	37,431	-	1,064,306	2,357,105
TOTAL LIABILITIES	**$ -**	**$ 26,982**	**$ 53,849**	**$ 2,159,068**	**$ 28,997**	**$ 245,449**	**$ 24,873**	**$ 7,517**	**$ 68,904**	**$ 682,975**	**$ -**	**$ 1,074,084**	**$ 4,372,698**
NET POSITION													
Unexpended Appropriations	-	43,676	-	166,937	162,222	147,812	413,852	-	-	-	-	264,357	1,198,856
Cumulative Results of Operations	22,481,994	3,619,592	14,905,015	9,458,964	2,723,061	2,816,343	2,631,821	1,130,004	2,048,978	752,760	1,553,160	12,692,441	76,814,133
TOTAL NET POSITION	**22,481,994**	**3,663,268**	**14,905,015**	**9,625,901**	**2,885,283**	**2,964,155**	**3,045,673**	**1,130,004**	**2,048,978**	**752,760**	**1,553,160**	**12,956,798**	**78,012,989**
TOTAL LIABILITIES AND NET POSITION	**$ 22,481,994**	**$ 3,690,250**	**$ 14,958,864**	**$ 11,784,969**	**$ 2,914,280**	**$ 3,209,604**	**$ 3,070,546**	**$ 1,137,521**	**$ 2,117,882**	**$ 1,435,735**	**$ 1,553,160**	**$ 14,030,882**	**$ 82,385,687**
NET COST OF OPERATIONS													

The DOI's funds from dedicated collections as of and for the year ended September 30, 2020 (Continued)

(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources and Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Southern Nevada Public Land Mgmt Fund	Federal Aid in Wildlife Restoration	Sport Fish Restoration & Boating Trust Fund	Environmental Improvement & Restoration Fund	Other Funds from Dedicated Collections	FY 2020 Combined Dedicated Collections
Gross Costs	$ -	$ 74,110	$ 728	$ 1,589,403	$ 186,081	$ 198,263	$ 269,636	$ 54,896	$ 746,604	$ 422,067	$ -	$ 3,074,410	$ 6,616,198
Earned Revenue	-	-	(187,434)	(193,840)	(123,280)	(137,296)	(118)	(180,958)	-	-	-	(1,039,291)	(1,862,217)
TOTAL NET COST OF OPERATIONS	**$ -**	**$ 74,110**	**$ (186,706)**	**$ 1,395,563**	**$ 62,801**	**$ 60,967**	**$ 269,518**	**$ (126,062)**	**$ 746,604**	**$ 422,067**	**$ -**	**$ 2,035,119**	**$ 4,753,981**
CHANGES IN NET POSITION													
UNEXPENDED APPROPRIATIONS													
Beginning Balance	$ -	$ 50,000	$ -	$ 231,435	$ 163,831	$ 222,819	$ 353,389	$ -	$ -	$ -	$ -	$ 206,338	$ 1,227,812
Appropriations Received, General Funds	-	-	-	260,965	-	-	115,000	-	-	-	-	26,812	402,777
Appropriations Transferred In/(Out)	-	-	-	(119,455)	5,023	69,932	-	-	-	-	-	44,000	(500)
Appropriations-Used	-	(6,324)	-	(206,008)	(6,632)	(144,939)	(54,537)	-	-	-	-	(12,793)	(431,233)
Net Change in Unexpended Appropriations	**-**	**(6,324)**	**-**	**(64,498)**	**(1,609)**	**(75,007)**	**60,463**	**-**	**-**	**-**	**-**	**58,019**	**(28,956)**
Total Unexpended Appropriations - Ending	**$ -**	**$ 43,676**	**$ -**	**$ 166,937**	**$ 162,222**	**$ 147,812**	**$ 413,852**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 264,357**	**$ 1,198,856**
CUMULATIVE RESULTS OF OPERATIONS													
Beginning Balance	$ 22,111,811	$ 3,537,378	$ 15,075,309	$ 9,110,754	$ 2,868,148	$ 2,703,225	$ 2,677,730	$ 1,003,942	$ 2,058,898	$ 717,421	$ 1,525,873	$ 12,411,778	$ 75,802,267
Appropriations-Used	-	6,324	-	206,008	6,631	144,939	54,537	-	-	-	-	12,794	431,233
Royalty, Rents, and Lease Sales Retained	979,728	150,000	847,908	-	-	-	-	-	-	-	-	1,649,439	3,627,075
Non-Exchange Revenue	3,184	-	7,296	-	-	207	166,174	-	736,680	-	34,382	156,633	1,104,556
Transfers In/(Out) without Reimbursement	(612,729)	-	(1,212,358)	1,440,631	(88,917)	13,970	5	-	-	457,406	(7,095)	441,280	432,193
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	53,978	53,978
Donations and Forfeitures of Property	-	-	-	35,965	-	5,669	-	-	-	-	-	685	42,319
Imputed Financing	-	-	154	60,063	-	9,300	2,893	-	-	-	-	979	73,389
Other Financing Sources/(Uses)	-	-	-	1,106	-	-	-	-	4	-	-	(6)	1,104
Net Cost of Operations	**-**	**(74,110)**	**186,706**	**(1,395,563)**	**(62,801)**	**(60,967)**	**(269,518)**	**126,062**	**(746,604)**	**(422,067)**	**-**	**(2,035,119)**	**(4,753,981)**
Net Change in Cumulative Results of Operations	**370,183**	**82,214**	**(170,294)**	**348,210**	**(145,087)**	**113,118**	**(45,909)**	**126,062**	**(9,920)**	**35,339**	**27,287**	**280,663**	**1,011,866**
Cumulative Results of Operations - Ending	**22,481,994**	**3,619,592**	**14,905,015**	**9,458,964**	**2,723,061**	**2,816,343**	**2,631,821**	**1,130,004**	**2,048,978**	**752,760**	**1,553,160**	**12,692,441**	**76,814,133**
TOTAL NET POSITION	**$ 22,481,994**	**$ 3,663,268**	**$ 14,905,015**	**$ 9,625,901**	**$ 2,885,283**	**$ 2,964,155**	**$ 3,045,673**	**$ 1,130,004**	**$ 2,048,978**	**$ 752,760**	**$ 1,553,160**	**$ 12,956,798**	**$ 78,012,989**

Total Dedicated Collections.

FY 2021 and FY 2020 funds from dedicated collections are presented on a combined basis. The tables below summarize the elimination of intradepartmental activity between dedicated collection funds and all other fund types to arrive at the consolidated net position totals as presented on the balance sheet.

FY 2021 **Consolidating Net Position** *(dollars in thousands)*	Combined	Consolidating Eliminations	Consolidated
Unexpended Appropriations - Funds from Dedicated Collections	$ 1,246,207	$ (447)	$ 1,245,760
Unexpended Appropriations - Funds From Other Than Dedicated Collections	12,357,632	170	12,357,802
Cumulative Results of Operations - Funds from Dedicated Collections	78,973,121	(9,872,458)	69,100,663
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	4,583,064	9,872,735	14,455,799
Total Net Position	**$ 97,160,024**	**$ -**	**$ 97,160,024**

FY 2020 **Consolidating Net Position** *(dollars in thousands)*	Combined	Consolidating Eliminations	Consolidated
Unexpended Appropriations - Funds from Dedicated Collections	$ 1,198,856	$ 420	$ 1,199,276
Unexpended Appropriations - Funds From Other Than Dedicated Collections	9,295,853	(697)	9,295,156
Cumulative Results of Operations - Funds from Dedicated Collections	76,814,133	(5,077,674)	71,736,459
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	4,297,774	5,077,951	9,375,725
Total Net Position	**$ 91,606,616**	**$ -**	**$ 91,606,616**

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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, 2021, consists of the following:

(dollars in thousands)	Indian Affairs	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other	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 2021
Conserving Our Land and Water												
Total Costs	$ 374,016	$ 877,824	$ 1,389,898	$ 231,369	$ -	$ -	$ 1,029,570	$ 347,604	$ 3,078,144	$ 555,322	$ (706,834)	$ 7,176,913
Total Earned Revenue	114,091	324,083	344,808	1,343	-	-	88,108	1,252	285,849	61,532	(215,596)	1,005,470
Net Costs	$ 259,925	$ 553,741	$ 1,045,090	$ 230,026	$ -	$ -	$ 941,462	$ 346,352	$ 2,792,295	$ 493,790	$ (491,238)	$ 6,171,443
Generating Revenue & Utilizing Our Natural Resources												
Total Costs	$ 58,245	$ 648,259	$ 423,733	$ 2,735,095	$ 188,923	$ 213,727	$ 18,138	$ -	$ -	$ 83,893	$ (276,589)	$ 4,093,424
Total Earned Revenue	85	356,728	315,028	1,479	47,184	57,151	-	-	-	442	(198,719)	579,378
Net Costs	$ 58,160	$ 291,531	$ 108,705	$ 2,733,616	$ 141,739	$ 156,576	$ 18,138	$ -	$ -	$ 83,451	$ (77,870)	$ 3,514,046
Expanding Outdoor Recreation Areas												
Total Costs	$ -	$ 177,444	$ 23,539	$ -	$ -	$ -	$ 1,407,698	$ -	$ 301,573	$ -	$ (84,703)	$ 1,825,551
Total Earned Revenue	-	74,777	4	-	-	-	461,275	-	25,462	-	(59,912)	501,606
Net Costs	$ -	$ 102,667	$ 23,535	$ -	$ -	$ -	$ 946,423	$ -	$ 276,111	$ -	$ (24,791)	$ 1,323,945
Fulfilling Our Trust & Insular Responsibilities												
Total Costs	$ 3,965,371	$ -	$ -	$ 818,300	$ -	$ -	$ 16,148	$ -	$ -	$ -	$ (105,099)	$ 4,694,720
Total Earned Revenue	297,447	-	-	38,863	-	-	-	-	-	-	(13,146)	323,164
Net Costs	$ 3,667,924	$ -	$ -	$ 779,437	$ -	$ -	$ 16,148	$ -	$ -	$ -	$ (91,953)	$ 4,371,556
Protecting Our People and the Border												
Total Costs	$ 731,988	$ 814,520	$ 40,517	$ 22,386	$ -	$ -	$ 662,128	$ -	$ -	$ 256,660	$ (367,229)	$ 2,160,970
Total Earned Revenue	5,154	54,081	342	658	-	-	9,868	-	-	13,013	(20,849)	62,267
Net Costs	$ 726,834	$ 760,439	$ 40,175	$ 21,728	$ -	$ -	$ 652,260	$ -	$ -	$ 243,647	$ (346,380)	$ 2,098,703
Modernizing Our Organization & Infrastructure for the Next 100 Years												
Total Costs	$ 201,349	$ 357,142	$ 762	$ -	$ -	$ -	$ 727,419	$ -	$ 9,148	$ 237,703	$ (96,980)	$ 1,436,543
Total Earned Revenue	3,874	132,598	-	-	-	-	65,017	-	-	7,577	(43,627)	165,439
Net Costs	$ 197,475	$ 224,544	$ 762	$ -	$ -	$ -	$ 662,402	$ -	$ 9,148	$ 230,126	$ (53,353)	$ 1,271,104
Reimbursable Activity and Other												
Total Costs	$ -	$ -	$ 639,514	$ 3,099,559	$ -	$ 44,889	$ -	$ 748,437	$ -	$ 819,775	$ (443,371)	$ 4,908,803
Total Earned Revenue	-	-	620,785	2,220,694	-	44,949	-	98	-	555,583	(1,484,690)	1,957,419
Net Costs	$ -	$ -	$ 18,729	$ 878,865	$ -	$ (60)	$ -	$ 748,339	$ -	$ 264,192	$ 1,041,319	$ 2,951,384
Total												
Total Costs	$ 5,330,969	$ 2,875,189	$ 2,517,963	$ 6,906,709	$ 188,923	$ 258,616	$ 3,861,101	$ 1,096,041	$ 3,388,865	$ 1,953,353	$ (2,080,805)	$ 26,296,924
Total Earned Revenue	420,651	942,267	1,280,967	2,263,037	47,184	102,100	624,268	1,350	311,311	638,147	(2,036,539)	4,594,743
Net Cost of Operations	**$ 4,910,318**	**$ 1,932,922**	**$ 1,236,996**	**$ 4,643,672**	**$ 141,739**	**$ 156,516**	**$ 3,236,833**	**$ 1,094,691**	**$ 3,077,554**	**$ 1,315,206**	**$ (44,266)**	**$ 21,702,181**

Costs and exchange revenue by responsibility segment for the year ended September 30, 2020, consists of the following:

(dollars in thousands)	Indian Affairs	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other	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 2020
Conserving Our Land and Water												
Total Costs	$ 262,077	$ 699,766	$ 1,537,953	$ 429,007	$ -	$ -	$ 1,005,793	$ 392,242	$ 3,060,583	$ 554,252	$ (621,531)	$ 7,320,142
Total Earned Revenue	114,047	272,303	408,292	3,364	-	-	79,577	198	266,430	55,206	(165,848)	1,033,569
Net Costs	$ 148,030	$ 427,463	$ 1,129,661	$ 425,643	$ -	$ -	$ 926,216	$ 392,044	$ 2,794,153	$ 499,046	$ (455,683)	$ 6,286,573
Generating Revenue & Utilizing Our Natural Resources												
Total Costs	$ 55,603	$ 703,615	$ 445,545	$ 1,664,290	$ 184,084	$ 191,934	$ 18,130	$ -	$ -	$ 86,905	$ (308,306)	$ 3,041,800
Total Earned Revenue	116	478,647	279,890	1,161	46,414	54,518	-	-	-	5	(212,381)	648,370
Net Costs	$ 55,487	$ 224,968	$ 165,655	$ 1,663,129	$ 137,670	$ 137,416	$ 18,130	$ -	$ -	$ 86,900	$ (95,925)	$ 2,393,430
Expanding Outdoor Recreation Areas												
Total Costs	$ -	$ 124,709	$ 23,151	$ -	$ -	$ -	$ 1,388,781	$ -	$ 297,541	$ -	$ (78,614)	$ 1,755,568
Total Earned Revenue	-	49,101	3,562	-	-	-	374,476	-	23,845	-	(39,608)	411,376
Net Costs	$ -	$ 75,608	$ 19,589	$ -	$ -	$ -	$ 1,014,305	$ -	$ 273,696	$ -	$ (39,006)	$ 1,344,192
Fulfilling Our Trust & Insular Responsibilities												
Total Costs	$ 2,957,005	$ -	$ -	$ 824,840	$ -	$ -	$ 15,541	$ -	$ -	$ -	$ (100,684)	$ 3,696,702
Total Earned Revenue	326,200	-	-	38,840	-	-	-	-	-	-	(11,685)	353,355
Net Costs	$ 2,630,805	$ -	$ -	$ 786,000	$ -	$ -	$ 15,541	$ -	$ -	$ -	$ (88,999)	$ 3,343,347
Protecting Our People and the Border												
Total Costs	$ 666,430	$ 834,548	$ 63,361	$ 18,664	$ -	$ -	$ 631,063	$ -	$ -	$ 246,990	$ (329,881)	$ 2,131,175
Total Earned Revenue	17,285	160,544	343	4	-	-	9,855	-	-	12,112	(43,619)	156,524
Net Costs	$ 649,145	$ 674,004	$ 63,018	$ 18,660	$ -	$ -	$ 621,208	$ -	$ -	$ 234,878	$ (286,262)	$ 1,974,651
Modernizing Our Organization & Infrastructure for the Next 100 Years												
Total Costs	$ 254,425	$ 290,967	$ 937	$ -	$ -	$ -	$ 800,672	$ -	$ -	$ 230,660	$ (93,019)	$ 1,484,642
Total Earned Revenue	210	99,894	-	-	-	-	58,214	-	-	5,804	(26,808)	137,314
Net Costs	$ 254,215	$ 191,073	$ 937	$ -	$ -	$ -	$ 742,458	$ -	$ -	$ 224,856	$ (66,211)	$ 1,347,328
Reimbursable Activity and Other												
Total Costs	$ -	$ -	$ 656,469	$ 2,958,678	$ -	$ 42,952	$ -	$ 1,997,111	$ -	$ 808,509	$ (438,111)	$ 6,025,608
Total Earned Revenue	-	-	644,760	2,102,227	-	43,684	-	8	-	549,226	(1,436,298)	1,903,607
Net Costs	$ -	$ -	$ 11,709	$ 856,451	$ -	$ (732)	$ -	$ 1,997,103	$ -	$ 259,283	$ 998,187	$ 4,122,001
Total												
Total Costs	$ 4,195,540	$ 2,653,605	$ 2,727,416	$ 5,895,479	$ 184,084	$ 234,886	$ 3,859,980	$ 2,389,353	$ 3,358,124	$ 1,927,316	$ (1,970,146)	$ 25,455,637
Total Earned Revenue	457,858	1,060,489	1,336,847	2,145,596	46,414	98,202	522,122	206	290,275	622,353	(1,936,247)	4,644,115
Net Cost of Operations	**$ 3,737,682**	**$ 1,593,116**	**$ 1,390,569**	**$ 3,749,883**	**$ 137,670**	**$ 136,684**	**$ 3,337,858**	**$ 2,389,147**	**$ 3,067,849**	**$ 1,304,963**	**$ (33,899)**	**$ 20,811,522**

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, 2021 and 2020

	FY 2021		FY 2020	
(dollars in thousands)	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts	Budgetary Accounts	Non-Budgetary Credit Program Financing Accounts
Prior Year Unobligated Balance, End of Year	$ 15,167,148	$ 95,954	$ 13,850,882	$ 58,214
Recoveries of Prior year Unpaid Obligations	773,831	-	746,731	-
Other Changes in Unobligated Balance	(320,233)	-	(170,737)	-
Current Year Unobligated Balance from Prior Year Budget Authority, Net	**$ 15,620,746**	**$ 95,954**	**$ 14,426,876**	**$ 58,214**

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, 2021 and 2020.

Undelivered Orders

(dollars in thousands)	FY 2021	FY 2020
Undelivered Orders		
Federal:		
Paid	$ 148,141	$ 75,062
Unpaid	1,881,868	1,357,067
Total Undelivered Orders, Federal	$ 2,030,009	$ 1,432,129
Non-Federal:		
Paid	$ 144,177	$ 195,931
Unpaid	11,337,097	9,997,473
Total Undelivered Orders, Non-Federal	11,481,274	10,193,404
Total Undelivered Orders	**$ 13,511,283**	**$ 11,625,533**

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 the Bureau of the 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 No. 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, 2021, and 2020, are disclosed in the table below.

Legal Arrangements Affecting Use of Unobligated Balances

(dollars in thousands)	FY 2021	FY 2020
Unapportioned Amounts Unavailable for Future Apportionments	$ 168,017	$ 87,248
Expired Authority	212,660	201,404
Unapportioned	**$ 380,677**	**$ 288,652**

Available Borrowing, End of the Period. The DOI did not have any available budgetary borrowing for the years ended September 30, 2021 and 2020. 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 2021, DOI exercised $262 thousand in new borrowing authority, with repayments of $2.7 million. In FY 2020, DOI exercised $176 thousand in new borrowing authority, with repayments of $4.8 million.

For the years ended September 30, 2021 and 2020, 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 2021 has not been published at the time these financial statements were prepared. The Budget of the United States actual FY 2020 amounts was released in March 2021. The FY 2023 Budget of the United States Government will include the FY 2021 actual amounts, and is estimated to be released in February 2022. 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 2020 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				
(dollars in millions)	**Budgetary Resources**	**Obligations Incurred**	**Distributed Offsetting Receipts***	**Net Outlays**
FY 2020 Combined Statement of Budgetary Resources	$ 44,426	$ 29,163	$ 5,221	$ 21,690
Office of the Special Trustee for American Indians[1] Fiduciary activity included in the Budget of the U.S. Government that is excluded from the SBR	635	437	532	437
National Park Service Concessionaire activity included in the Budget of the U.S. Government that is excluded from the SBR	19	8	8	8
Expired resources included in the SBR that are excluded from the Budget of the U.S. Government	(221)	(19)		
Other activity	(4)	2		(2)
Subtotal	$ 429	$ 428	$ 540	$ 443
Budget of the U.S. Government	**$ 44,855**	**$ 29,591**	**$ 5,761**	**$ 22,133**

[1] Office of the Special Trustee for American Indians is now referred to as the Bureau of Trust Funds Administration. (BTFA)

NOTE 19. RECONCILIATION OF NET COST TO NET OUTLAYS

As required by SFFAS No. 7, amended by SFFAS No. 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 three sections to reconcile to net outlays.

- The Components of Net Cost Not Part of Net Outlays section accounts for proprietary net cost transactions that did not result in budgetary net outlays during the current fiscal year. This includes depreciation, changes to assets and liabilities, transfers, and imputed financing that did not affect current year net outlays.
- The Components of Net Outlays Not Part of Net Cost section accounts for budgetary net outlays that did not result in proprietary net cost transactions for the current fiscal year. This includes acquisition of capital assets and collections that did not affect current year net cost.
- The Other Temporary Timing Differences section accounts for other differences between budgetary and proprietary reporting that amount to temporary timing differences and are not captured in the prior section. DOI did not have any activity to report for this section in FY 2021 or in FY 2020; therefore it is not included in the following schedules.

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2021, is presented below.

(dollars in thousands)	Intra-Governmental FY 2021	Public FY 2021	Total FY 2021
Net Cost	**$ 960,898**	**$ 20,741,283**	**$ 21,702,181**
Components of Net Cost Not Part of Net Outlays			
Property, Plant and Equipment Depreciation	$ -	$ (774,363)	$ (774,363)
Property, Plant and Equipment Disposal and Re-valuation	-	(78,153)	(78,153)
Other	(454)	47,747	47,293
Increase/(Decrease) in Assets not affecting Net Outlays			
Accounts Receivable	640,539	(463,338)	177,201
Loans Receivable	-	(2,052)	(2,052)
Other Assets	73,139	(51,287)	21,852
Investments	1,015	-	1,015
(Increase)/Decrease in Liabilities not affecting Net Outlays			
Accounts Payable	(7,078)	(64,927)	(72,005)
Federal Employee Benefits Payable	-	21,291	21,291
Advances from Others and Deferred Revenue	(40,179)	(209,109)	(249,288)
Environmental and Disposal Liabilities	-	22,396	22,396
Other Liabilities	111,028	(545,925)	(434,897)
Other Financing Sources not affecting Net Outlays			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(442,222)	-	(442,222)
Transfers (in)/out without Reimbursement	(247,128)	-	(247,128)
Other Imputed Financing	(107,200)	-	(107,200)
Total Components of Net Cost Not Part of Net Outlays	**$ (18,540)**	**$ (2,097,720)**	**$ (2,116,260)**
Components of Net Outlays that are Not Part of Net Cost			
Acquisition of Capital Assets	$ 55	$ 1,234,585	$ 1,234,640
Acquisition of Inventory	-	8,742	8,742
Non-Exchange Revenue and Other	(2,580,148)	(2,482,433)	(5,062,581)
Total Components of Net Outlays that are Not Part of Net Cost	**$ (2,580,093)**	**$ (1,239,106)**	**$ (3,819,199)**
Net Outlays (Calculated)	**$ (1,637,735)**	**$ 17,404,457**	**$ 15,766,722**

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2020, is presented below.

(dollars in thousands)	Intra-Governmental FY 2020	Public FY 2020	Total FY 2020
Net Cost	**$ 982,113**	**$ 19,829,409**	**$ 20,811,522**
Components of Net Cost Not Part of Net Outlays			
Property, Plant and Equipment Depreciation	$ -	$ (769,624)	$ (769,624)
Property, Plant and Equipment Disposal and Re-valuation	-	(110,447)	(110,447)
Other	(1)	30,367	30,366
Increase/(Decrease) in Assets not affecting Net Outlays			
Accounts Receivable	(144,341)	(380,299)	(524,640)
Loans Receivable	-	(820)	(820)
Other Assets	19,043	31,853	50,896
Investments	(31,766)	-	(31,766)
(Increase)/Decrease in Liabilities not affecting Net Outlays			
Accounts Payable	(229,243)	(161,069)	(390,312)
Salary and Benefits	(18,632)	(48,780)	(67,412)
Environmental and Disposal Liabilities	-	(67,226)	(67,226)
Other Liabilities	14,005	45,604	59,609
Other Financing Sources not affecting Net Outlays			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(421,342)	-	(421,342)
Transfers (in)/out without Reimbursement	(214,333)	-	(214,333)
Other Imputed Financing	(115,893)	-	(115,893)
Total Components of Net Cost Not Part of Net Outlays	**$ (1,142,503)**	**$ (1,430,441)**	**$ (2,572,944)**
Components of Net Outlays that are Not Part of Net Cost			
Acquisition of Capital Assets	$ 1,776	$ 1,158,834	$ 1,160,610
Acquisition of Inventory	-	11,871	11,871
Non-Exchange Revenue and Other	(286,703)	(2,614,123)	(2,900,826)
Total Components of Net Outlays that are Not Part of Net Cost	**$ (284,927)**	**$ (1,443,418)**	**$ (1,728,345)**
Net Outlays (Calculated)	**$ (445,317)**	**$ 16,955,550**	**$ 16,510,233**

NOTE 20. FIDUCIARY ACTIVITIES

Fiduciary activities are the collection or receipt, and the subsequent 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 that the Federal Government must uphold. Fiduciary cash and other assets are not assets of the Federal Government and are not recognized on the financial statements.

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 BTFA and ONRR, both components of DO, and IA 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**	
(dollars in thousands)	**FY 2021**	**FY 2020**
Fiduciary Net Assets, Beginning	$ 5,909,779	$ 5,702,447
Contributions	1,551,426	1,527,248
Investment Earnings	112,032	130,749
Gain (Loss) on Disposition of Investments, Net	7,870	6,777
Administrative and Other Expenses	1	(1)
Disbursements to and on Behalf of Beneficiaries	(1,205,947)	(1,457,441)
Increase/(Decrease) Net Assets	465,382	207,332
Fiduciary Net Assets, End	**$ 6,375,161**	**$ 5,909,779**

Fiduciary Net Assets	**Fiduciary Funds**	
(dollars in thousands)	**FY 2021**	**FY 2020**
Cash and Cash Equivalents	$ 1,132,634	$ 1,135,699
Investments		
Investments in Treasury Securities	5,936	5,605
Investments in Non-Treasury Securities	5,030,524	4,611,675
Accrued Interest Receivable	25,803	26,775
Other Income Receivable	180,553	130,314
Less: Accounts Payable	(289)	(289)
Total Fiduciary Net Assets	**$ 6,375,161**	**$ 5,909,779**

Non Valued Fiduciary Assets	**Fiduciary Assets**	
Regions	**FY 2021**	**FY 2020**
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, 2021, and 2020. 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 2021 report not published at time of FY 2021 AFR publication.

NOTE 21. RELATED PARTIES

SFFAS 47, *Reporting Entity* standard defines Federal Reporting entity as inclusive of the consolidation entity, disclosure entities, and related parties.

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 2020 and 2021. Likewise, Consolidation accounts reported in FY 2020 are consistent with accounts reported in FY 2021. Disclosure entities are similar to consolidation entities; however, they have a greater degree of autonomy with the Federal Government than a consolidation entity. 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.

The NFWF is an independent, incorporated 501(c)3 non-profit 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 in order to generate new resources for conservation. The founding legislation requires that the Secretary of DOI approve board membership for NFWF. For period ending September 30, 2021, DOI had expenses of $45.1 million with the NFWF to support conservation focused programs.

The NPF is an independent, incorporated 501(c)3 non-profit 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 $73.6 million in FY 2020 (the FY 2021 data is not available at the time of publishing this AFR). For the period ending September 30, 2021, DOI had expenses of $16.2 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.

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 United States Army Corps of Engineers. USGS does not retain any portion of these revenues to offset custodian administrative costs.

In order 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 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 $105.0 million to the Department's U.S. Fish and Wildlife Service, $900.0 million to the BIA, and $850.0 million to the BIE. All funds provided in FY 2021 are available until expended. As of September 30, 2021, DOI obligated approximately $1.3 billion of the total $1.9 billion in total resources available, leaving approximately $546 million to carry over into FY 2022.

An additional $409.0 million was transferred from the DoED to BIE as provided in P.L. 116-260. The majority of the funding provides resources for BIA and BIE programs to support Tribal government services, public safety, child welfare assistance and schools, including colleges and universities. These funds provided in FY 2021 are available until September 30, 2022. As of September 30, 2021, DOI obligated approximately $310.0 million of the total resources available, leaving approximately $99 million to carry over into FY 2022.

In FY 2020, the *CARES Act* was signed into law on March 27, 2020. Division B of the Act provided the U.S. Department of the Interior $909.7 million, which included direct appropriations of $756.0 million to support the needs of DOI programs, bureaus, Indian Country, and Insular Affairs. The additional $153.7 million was transferred from the DoED to BIE as provided in Section 18001 of P.L. 116-136. $251.2 million in unobligated funds was brought forward into FY 2021 and reallocated among bureaus as needed to address issues related to the ongoing COVID-19 pandemic. The remaining $457 thousand of unobligated *CARES Act* funding has expired and is no longer available for obligation as of September 30, 2021.

NOTE 24. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, AND STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS

To prepare the *Financial Report of the U.S. Government (FR)*, the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Department of the Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS.

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, 2021. A copy of the 2020 FR can be found here: ***https://www.fiscal.treasury.gov/reports-statements/*** and a copy of the 2021 FR will be posted to this site as soon as it is released.

FY 2021 Department of the Interior Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
ASSETS							**ASSETS**
Intragovernmental Assets:							**Intragovernmental Assets:**
Fund Balance with Treasury	$ 67,077,246	$ 50,833,652	$ -	$ 16,243,594	$ -	$ 67,077,246	Fund Balance with Treasury
Investments, Net	12,755,548	10,627,953	-	2,116,248	-	12,744,201	Federal Investments
		10,386	-	961	-	11,347	Interest Receivable - Investments
Total Investments, Net	12,755,548	10,638,339	-	2,117,209	-	12,755,548	Total Investments, Net
Accounts Receivable, Net							Accounts Receivable, Net
Accounts Receivable,Net	261,147	1,199,333	-	-	(1,117,867)	81,466	Asset for Agency's Custodial and Non-entity Liabilities - Other Than the General Fund of the U.S. Government.
		-	-	1,126,273	(1,126,273)	-	Accounts Receivable, Capital Transfers
		6,954	(309)	208,953	(35,917)	179,681	Accounts Receivable, Net
Total Accounts Receivable,Net	261,147	1,206,287	(309)	1,335,226	(2,280,057)	261,147	Total Accounts Receivable
Transfers Receivable,Net	1,573,227	1,569,808	-	3,419	-	1,573,227	Transfers Receivable
Advances and Prepayments	92,169	2,443	(2,435)	96,853	(4,692)	92,169	Advances and Prepayments
Total Intragovernmental Assets	**$ 81,759,337**	**$ 64,250,529**	**$ (2,744)**	**$ 19,796,301**	**$ (2,284,749)**	**$ 81,759,337**	**Total Intragovernmental Assets**
With the Public:							**With the Public:**
Cash and Other Monetary Assets	$ 351	$ 1	$ -	$ 350	$ -	$ 351	Cash and Other Monetary Assets
Accounts Receivable, Net	6,884,754	5,501,300	-	1,383,454	-	6,884,754	Accounts Receivable, Net
Loans Receivable, Net	40,463	-	-	40,463	-	40,463	Loans Receivable, Net
Inventory and Related Property, Net	39,828	26,912	-	12,916	-	39,828	Inventory and Related Property, Net
General Property, Plant, and Equipment, Net	22,600,780	15,531,443	-	7,069,337	-	22,600,780	General Property, Plant, and Equipment, Net
Advances and Prepayments	156,993	83,388	-	73,605	-	156,993	Advances and Prepayments
Other Assets	10,734	8,760	-	1,974	-	10,734	Other Assets
Total With the Public	**$ 29,733,903**	**$ 21,151,804**	**$ -**	**$ 8,582,099**	**$ -**	**$ 29,733,903**	**Total With the Public**
TOTAL ASSETS	**$ 111,493,240**	**$ 85,402,333**	**$ (2,744)**	**$ 28,378,400**	**$ (2,284,749)**	**$ 111,493,240**	**TOTAL ASSETS**

(Continued)

FY 2021 Department of the Interior Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
LIABILITIES							**LIABILITIES**
Intragovernmental Liabilities:							**Intragovernmental Liabilities:**
Accounts Payable:							
Accounts Payable, Capital Transfers	$ -	$ 1,126,275	$ -	$ -	$ (1,126,275)	$ -	Accounts Payable, Capital Transfers
Accounts Payable	167,158	150,278	303	53,536	(36,959)	167,158	Accounts Payable
Judgment Fund Payable	1,240,356	47,950	-	1,192,406	-	1,240,356	Accounts Payable
Tranfers Payable	967,951	717,951	-	250,000	-	967,951	Tranfers Payable
Debt	34,716	-	-	34,716	-	34,716	Loans Payable
Advances from Others and Deferred Rebvenue	592,755	7,444	(2,239)	592,484	(4,934)	592,755	Advances from Others and Deferred Credits
Other Liabilities:							
Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets (Note 11)	2,789,783	-	-	2,789,783	-	2,789,783	Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets
Benefit Program Contributions Payable	188,514	16,141	-	172,373	-	188,514	Benefit Program Contributions Payable
Other	49,014	5,302	-	43,587	-	48,889	Other Liabilities (Without Reciprocals)
	-	-	-	1,113,767	(1,113,642)	125	Liability to Agency Other than the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets
Total Other	49,014	5,302	-	1,157,354	(1,113,642)	49,014	Total Reclassified Other
Total Intragovernmental Liabilities	**$ 6,030,247**	**$ 2,071,341**	**$ (1,936)**	**$ 6,242,652**	**$ (2,281,810)**	**$ 6,030,247**	**Total Intragovernmental Liabilities**
With the Public:							
Accounts Payable	$ 1,225,956	$198,319	$ -	$ 1,027,637	$ -	$ 1,225,956	Accounts Payable
Federal Employee Benefits Payable	1,684,384	112,222	-	1,572,162	-	1,684,384	Federal Employee and Veteran Benefits Payable
Environmental and Disposal Liabilities	965,715	139,515	-	826,200	-	965,715	Environmental and Disposal Liabilities
Loan Guarantee Liabilities	54,866	-	-	54,866	-	54,866	Loan Guarantee Liability
Advances from Others and Deferred Revenue	1,212,644	1,042,489	-	170,155	-	1,212,644	Advances from Others and Deferred Revenue
Other Liabilities:							
Grants Payable	634,715	371,899	-	262,816	-	634,715	Other Liabilities
Deposit Fund Liability	155,466	-	-	155,466	-	155,466	Other Liabilities
Contingent Liabilities	351,017	40,000	-	311,017	-	351,017	Other Liabilities
Payments due to States	1,131,707	1,131,707	-	-	-	1,131,707	Other Liabilities
Natural Disaster Liability	388,024	-	-	388,024	-	388,024	Other Liabilities
Other	498,475	75,513	-	422,962	-	498,475	Other Liabilities
Total With the Public	**$ 8,302,969**	**$ 3,111,664**	**$ -**	**$ 5,191,305**	**$ -**	**$ 8,302,969**	**Total With the Public**
TOTAL LIABILITIES	**$ 14,333,216**	**$ 5,183,005**	**$ (1,936)**	**$ 11,433,957**	**$ (2,281,810)**	**$ 14,333,216**	**TOTAL LIABILITIES**

(Continued)

FY 2021 Department of the Interior Balance Sheet		Line Items Used to Prepare FY 2021 Government-wide Balance Sheet					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
NET POSITION							
Unexpended Appropriations - Funds from Dedicated Collections	$ 1,245,760	$ 1,246,207	$ -	$ -	$ (447)	$ 1,245,760	Unexpended Appropriations - Funds from Dedicated Collections
Unexpended Appropriations - Funds From Other Than Dedicated Collections	12,357,802	-	-	12,357,632	170	12,357,802	Unexpended Appropriations - Funds From Other Than Dedicated Collections
Total Unexpended Appropriations	13,603,562	1,246,207	-	12,357,632	(277)	13,603,562	**Total Unexpended Appropriations**
Cumulative Results of Operations - Funds from Dedicated Collections	69,100,663	78,973,121	4,869	-	(9,877,327)	69,100,663	Cumulative Results of Operations - Funds from Dedicated Collections
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	14,455,799	-	-	4,545,159	9,910,640	14,455,799	Cumulative Results of Operations - Funds From Other Than Dedicated Collections
Total Cumulative Results of Operations	83,556,462	78,973,121	4,869	4,545,159	33,313	83,556,462	**Total Cumulative Results of Operations**
TOTAL NET POSITION	**$ 97,160,024**	**$ 80,219,328**	**$4,869**	**$ 16,902,791**	**$ 33,036**	**$ 97,160,024**	**TOTAL NET POSITION**
TOTAL LIABILITIES AND NET POSITION	**$ 111,493,240**	**$ 85,402,333**	**$2,933**	**$ 28,336,748**	**$ (2,248,774)**	**$ 111,493,240**	**TOTAL LIABILITIES AND NET POSITION**

FY 2021 Department of the Interior Consolidated Statement of Net Cost		Line Items Used to Prepare FY 2021 Government-wide Statement of Net Cost					
Financial Statement Line (dollars in thousands)	Amounts	Dedicated Collections Combined	Dedicated Collections Eliminations	All Other Amounts (with Eliminations)	Eliminations Between Dedicated and All Other	Total	Reclassified Financial Statement Line
Gross Costs	$ 26,296,924	$ 6,439,641	$ -	$ 16,570,436	$ -	$ 23,010,077	Non-Federal Gross Cost
		-	-	16,400	-	16,400	Gains/Losses from Changes in Actuarial Assumpions
		131,759	-	1,335,193	-	1,466,952	Benefit Program Costs
		89,863	(46,481)	506,040	-	549,422	Imputed Costs
		698,732	(41,091)	752,358	(548,155)	861,844	Buy/Sell Cost
		-	-	55	-	55	Purchase of Assets
		-	-	(55)	-	(55)	Purchase of Assets Offset
		372	-	2,421	(372)	2,421	Borrowing and Other Interest Expense
		40,841	-	348,967	-	389,808	Other Expenses (Without Reciprocals)
Total Gross Cost	**$ 26,296,924**	**$ 7,401,208**	**$ (87,572)**	**$ 19,531,815**	**$ (548,527)**	**$ 26,296,924**	**Total Reclassified Gross Cost**
Earned Revenues	4,594,743	1,443,349	-	841,850	-	2,285,199	Non-Federal Earned Revenue
		75,949	(36,091)	2,599,320	(557,177)	2,082,001	Buy/Sell Revenue
		1,814	-	1,343	-	3,157	Federal Securities Interest Revenue Including Associated Gains and Losses (Exchange)
		-	-	2,266	(372)	1,894	Borrowing and Other Interest Revenue (Exchange)
		-	-	(31,557)	26,472	(5,085)	Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		198,969	-	-	(26,472)	172,497	Collections Transferred in to a TAS Other Than the General Fund of the U.S. Government
		-	-	(502)	438	(64)	Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		55,582	-	-	(438)	55,144	Accrual for Agency Amounts to be collected in TAS Other Than the General Fund of the U.S. Government - Exchange
Total Earned Revenues	**4,594,743**	**1,775,663**	**(36,091)**	**3,412,720**	**(557,549)**	**4,594,743**	**Total Reclassified Earned Revenues**
Total Net Cost of Operations	**$ 21,702,181**	**$ 5,625,545**	**$ (51,481)**	**$ 16,119,095**	**$ 9,022**	**$ 21,702,181**	**Total Reclassified Net Cost of Operations**

FY 2021 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Operations and Changes in Net Position					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
UNEXPENDED APPROPRIATIONS							**UNEXPENDED APPROPRIATIONS**
Beginning Balance	**$ 10,494,432**	**$ 1,198,856**	**$ -**	**$ 9,295,853**	**$ (277)**	**$ 10,494,432**	**Net Position, Beginning of Period (1 of 2)**
Appropriations Received, General Funds	19,366,387	375,176	-	18,991,211	-	19,366,387	Appropriations Received As Adjusted (1 of 2)
Appropriations Transferred In/(Out)	117,168	219,917	(219,050)	413,541	(867)	413,541	Non-expenditure Transfers-In of Unexpended Appropriations and Financing Sources (1 of 2)
	-	(219,050)	219,050	(297,240)	867	(296,373)	Non-expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (1 of 2)
Total Appropriations Transferred In/(Out)	117,168	867	-	116,301	-	117,168	Total Reclassified Appropriations Transferred In/(Out)
Appropriations Used	(16,203,942)	(328,692)	-	(15,875,250)	-	(16,203,942)	Appropriations Used
Other Adjustments	(170,483)	-	-	(170,483)	-	(170,483)	Appropriations Received As Adjusted (2 of 2)
Net Change	3,109,130	47,351	-	3,061,779	-	3,109,130	Net Change
Ending Balance - Unexpended Appropriations	**$ 13,603,562**	**$ 1,246,207**	**$ -**	**$ 12,357,632**	**$ (277)**	**$ 13,603,562**	**Net Position, End of Period (1 of 2)**
CUMULATIVE RESULTS OF OPERATIONS							**CUMULATIVE RESULTS OF OPERATIONS**
Beginning Balance	**$ 81,112,184**	**$ 76,814,133**	**$ -**	**$ 4,297,774**	**$ 277**	**$ 81,112,184**	**Net Position, Beginning of Period (2 of 2)**
Appropriations Used	16,203,942	328,692	-	15,875,250	-	16,203,942	Appropriations Expended
Royalties, Rents, and Lease Sales Retained	5,486,891	-	-	8,862,109	-	8,862,109	Miscellaneous Earned Revenues
		-	-	(6,560)	-	(6,560)	Other Taxes and eceipts (1 of 5)
		-	-	(5,038,717)	4,840,964	(197,753)	Collections Transferred to a TAS Other Than the General Fund of the U.S. Government
		4,840,964	-	-	(4,840,964)	-	Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Nonexchange (Part 1 of 2)
		-	-	(645,927)	645,927	-	Accruals for entity amounts to be collected in a TAS other than the General Fund of the U.S. Government - Nonexchange (Part 1 of 2)
		645,927	-	-	(645,927)	-	Non-entity collections transferred to the General Fund of the U.S. Government (1 of 2)
		-	-	(2,970,046)	-	(2,970,046)	Accrual of Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government
		-	-	(200,859)	-	(200,859)	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	5,486,891	5,486,891	-	-	-	5,486,891	Total Royalties, Rents, and Lease Sales Retained

(Continued)

FY 2021 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Operations and Changes in Net Position					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
Non-Exchange Revenues	1,657,510	(296,903)	-	64,804	-	(232,099)	Other Taxes and Receipts (2 of 5)
	-	74,684	-	683	-	75,367	Federal Securities Interest Revenue Including Associated Gains/Losses (Non-exchange)
	-	1,808,739	-	722	-	1,809,461	Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Nonexchange (2 of 2)
	-	4,038	-	-	-	4,038	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)
	-	-	-	28	-	28	Borrowings and Other Interest Revenue - Nonexchange (1 of 2)
	-	-	-	715	-	715	Other Non-Budgetary Financing Sources
Total Non-Exchange Revenue	1,657,510	1,590,558	-	66,952	-	1,657,510	Total Reclassified Non-Exchange Revenue
Transfers In/(Out) without Reimbursement	428,038	2,337,559	(2,228,717)	-	-	108,842	Appropration of unavailable special or trust fund receipts transfers-in
		(2,446,857)	2,228,717	-	-	(218,140)	Appropration of unavailable special or trust fund receipts transfers-out
	-	3,094,083	(2,312,611)	66,068	(67,830)	779,710	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources (2 of 2)
	-	(2,825,779)	2,312,611	(1,762)	67,830	(447,100)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (2 of 2)
	-	175,543	-	29,541	-	205,084	Expenditure Transfers-In of Financing Sources
	-	(79,704)	14,733	-	64,971	-	Non-Expenditure Transfers-Out of Financing Sources - Capital Transfers
	-	(39,874)	(11,216)	30,237	22,012	1,159	Transfers-In Without Reimbursement
	-	(31,131)	11,085	(1,517)	20,046	(1,517)	Transfers-Out Without Reimbursement
	-	14,733	(14,733)	64,971	(64,971)	-	Non-Expenditure Transfer-In of Financing Sources - Capital Transfers
Total Transfers In/(Out) without Reimbursement	428,038	198,573	(131)	187,538	42,058	428,038	Total Transfers In/Out without Reimbursement

(Continued)

FY 2021 Department of the Interior Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide Statement of Operations and Changes in Net Position					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
Donations and Forfeitures of Cash and Cash Equivalents	65,665	65,665	-	-	-	65,665	Other Taxes and Receipts (3 of 5)
Donations and Forfeitures of Property	67,445	23,227	-	44,218	-	67,445	Other Taxes and Receipts (4 of 5)
Imputed Financing	549,422	89,863	(46,481)	506,040	-	549,422	Imputed Financing Sources
Other Financing Sources/(Uses)	(312,454)	(157)	-	(3,453)	-	(3,610)	Other Taxes and Receipts (5 of 5)
	-	-	-	(369,586)	-	(369,586)	Non-entity collections transferred to the General Fund of the U.S. Government (2 of 2)
	-	1,221	-	59,521	-	60,742	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)	(312,454)	1,064	-	(313,518)	-	(312,454)	Total Other Financing Sources
Net Cost of Operations	(21,702,181)	(5,625,545)	51,481	(16,119,095)	(9,022)	(21,702,181)	**Net Cost of Operations**
Net Change	2,444,278	2,158,988	4,869	247,385	33,036	2,444,278	**Net Change**
Ending Balance - Cumulative Results of Operations	**$ 83,556,462**	**$ 78,973,121**	**$ 4,869**	**$ 4,545,159**	**$ 33,313**	**$ 83,556,462**	**Ending Balance - Cumulative Results of Operations**
Total Net Position	**$ 97,160,024**	**$ 80,219,328**	**$ 4,869**	**$ 16,902,791**	**$ 33,036**	**$ 97,160,024**	**Total Net Position**

FY 2021 Department of the Interior Combined Statement of Custodial Activity		Line Items Used to Prepare FY 2021 Government-wide Statement of Operations and Changes in Net Position and Statement of Net Cost	
Financial Statement Line *(dollars in thousands)*	**Amounts**	**All Other Amounts**	**Reclassified Financial Statement Line**
Revenues on Behalf of the Federal Government	$ 8,991,189	$ $8,862,109	Statement of Operations and Changes in Net Position – Miscellaneous Earned Revenues
		9	Statement of Net Cost – Buy/Sell Revenue
		129,071	Statement of Net Cost – Non-Federal Earned Revenue
Total Revenues	**$ 8,991,189**	**$ 8,991,189**	**Total Revenues**
Disposition of Revenue	8,991,189	6,560	Statement of Operations and Changes in Net Position – Other Taxes and Receipts
		5,038,717	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
		645,927	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
		2,970,046	Statement of Operations and Changes in Net Position – Non-Entity Collections Transferred to the General Fund of the U.S. Government
		200,859	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
		502	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
		128,578	Statement of Net Cost – Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
Total Disposition of Revenue	**$ 8,991,189**	**$ 8,991,189**	**Total Disposition of Revenue**
Net Custodial Activity	**$ -**	**$ -**	**Net Custodial Activity**

Unaudited, See Accompanying Auditor's Report

This section includes the Combining Statement of Budgetary Resources by major budget account (Budgetary Accounts), deferred maintenance and repair information, custodial activity compliance assessments and pre-assessment work in process. The DOI Required Supplementary Information includes the disclosures required by SFFAS No. 38, *Accounting for Federal Oil and Gas Resources*. The SFFAS No. 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.

Combining Statement of Budgetary Resources for the Year Ended September 30, 2021 *(dollars in thousands)*	BLM Permanent Operations Funds	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	Natural Resource Damage Assessment	Operation of Indian Programs	Survey, Investigation and Research	Water and Related Resources	Wildland Fire Management	Working Capital Fund	Other Budgetary Accounts	Total Budgetary Accounts
Budgetary Resources:															
Unobligated Balance from Prior Year Budget Authority, Net	$ 1,140,904	$ 421,850	$ –	$ 183,827	$ 292,143	$ 1,557	$ 245,117	$ 1,804,165	$ 432,466	$ 837,547	$ 1,511,321	$ 380,405	$ 294,874	$ 8,074,570	$ 15,620,746
Appropriations (Discretionary and Mandatory)	205,478	1,484,828	1,615,321	–	1,207,555	1,858,055	2,677,884	575,732	2,568,115	1,315,598	1,455,773	1,024,626	60,735	10,975,376	27,025,076
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	–	341,615	–	1,095,797	66,457	–	34,001	–	65,897	602,594	431,973	56,933	1,010,056	2,000,674	5,705,997
Total Budgetary Resources	**$ 1,346,382**	**$ 2,248,293**	**$1,615,321**	**$1,279,624**	**$ 1,566,155**	**$ 1,859,612**	**$ 2,957,002**	**$ 2,379,897**	**$ 3,066,478**	**$ 2,755,739**	**$ 3,399,067**	**$ 1,461,964**	**$ 1,365,665**	**$ 21,050,620**	**$ 48,351,819**
Status of Budgetary Resources:															
New Obligations and Upward Adjustments	$ 105,344	$ 1,681,936	$ 750,721	$1,223,300	$ 1,391,037	$ 1,857,566	$ 2,749,450	$ 245,253	$ 2,475,384	$ 1,842,001	$ 1,762,456	$ 1,329,979	$ 1,099,632	$ 11,938,545	$30,452,604
Unobligated Balance, End of Year															
Apportioned, Unexpired Accounts	1,241,038	551,011	864,600	56,324	175,083	2,046	119,321	2,134,644	557,328	901,849	1,595,287	131,985	266,033	8,921,989	17,518,538
Unapportioned, Unexpired Accounts	–	-	–	–	35	–	–	–	–	–	41,324	–	–	126,658	168,017
Unexpired, Unobligated Balance, End of Year	1,241,038	551,011	864,600	56,324	175,118	2,046	119,321	2,134,644	557,328	901,849	1,636,611	131,985	266,033	9,048,647	17,686,555
Expired, Unobligated Balance, End of Year	–	15,346	–	–	–	–	88,231	–	33,766	11,889	–	–	–	63,428	212,660
Unobligated Balance, End of Year (Total)	**$ 1,241,038**	**$ 566,357**	**$ 864,600**	**$ 56,324**	**$ 175,118**	**$ 2,046**	**$ 207,552**	**$ 2,134,644**	**$ 591,094**	**$ 913,738**	**$ 1,636,611**	**$ 131,985**	**$ 266,033**	**$ 9,112,075**	**$ 17,899,215**
Total Budgetary Resources	**$ 1,346,382**	**$ 2,248,293**	**$ 1,615,321**	**$ 1,279,624**	**$ 1,566,155**	**$ 1,859,612**	**$ 2,957,002**	**$ 2,379,897**	**$ 3,066,478**	**$ 2,755,739**	**$ 3,399,067**	**$ 1,461,964**	**$ 1,365,665**	**$ 21,050,620**	**$ 48,351,819**
Outlays, Net:															
Outlays, Net (Discretionary and Mandatory)	$ 136,271	$ 1,291,842	$ 99,322	$ (105,355)	$ 1,189,193	$ 1,857,566	$ 2,559,624	$ 259,833	$ 2,105,066	$ 1,227,963	$ 1,034,510	$ 1,238,960	$ 23,038	$ 9,045,178	$ 21,963,011
Distributed Offsetting Receipts	(200,667)	–	(321)	–	–	(1,886,345)	–	(573,364)	–	(71)	(76,359)	–	–	(3,459,162)	(6,196,289)
Agency Outlays, Net (Discretionary and Mandatory)	**$ (64,396)**	**$ 1,291,842**	**$ 99,001**	**$ (105,355)**	**$ 1,189,193**	**$ (28,779)**	**$ 2,559,624**	**$ (313,531)**	**$ 2,105,066**	**$ 1,227,892**	**$ 958,151**	**$ 1,238,960**	**$ 23,038**	**$ 5,586,016**	**$ 15,766,722**

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 support its mission. The maintenance and repairs needs of these assets are identified primarily through the condition assessment process. Maintenance and repairs that were not performed when they should have been or were scheduled and delayed for a future period are considered deferred maintenance and repairs (DM&R). Broad methodologies for estimating and reporting DM&R are defined by DOI and implemented across bureaus with real property portfolios.

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 determined by the Facility Condition Index (FCI), which is the ratio of the DM&R to the Current Replacement Value. 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 play 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.

The following is DOI's DM&R as of September 30, 2021:

Deferred Maintenance and Repairs as of September 30, 2021				
PP&E Category *(dollars in thousands)*	**Beginning DM&R Balance**		**Ending DM&R Balance**	
General PP&E	$	13,738,855	$	18,550,509
Heritage Assets		7,781,836		11,647,707
Stewardship Land		537,193		676,740
Total	**$**	**22,057,884**	**$**	**30,874,956**

Current DOI policy requires that comprehensive condition assessments be performed on all constructed assets with a current replacement value of $50,000 or more at least once every five years, regardless of whether the asset is capitalized, non-capitalized, or fully depreciated. Assets with replacement values less than $50,000 are also assessed for inventory updates, general maintenance needs, and overall condition. 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 have 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.

The DOI has a five-year capital planning process that provides a framework for improved planning and management of maintenance, repair, and construction programs. The DOI's guidance for the five-year plan provides a corporate methodology for implementing investment priorities across the diverse portfolio of capital assets. The methodology is executed through an annual process in which bureaus analyze, prioritize, and select capital investment projects that best support bureau missions, DOI goals and objectives, and the Administration's emphasis areas. Bureau five-year plans are updated annually to reflect the most current five-year picture of DOI's priority maintenance and capital 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 Executive Orders.

The DOI presents DM&R as beginning and ending balances by categories of PP&E in accordance with *SFFAS No. 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32.* Categories of PP&E include general PP&E, Heritage Assets, and Stewardship Land per SFFAS No. 6, *Accounting for Property, Plant, and Equipment. The SFFAS No. 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 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.

The *Great American Outdoors Act* (GAOA) (P.L. 116-152) was passed by congress on August 4, 2020. The Act establishes the National Parks and Public Land Legacy Restoration Fund (NPPLLRF) to address the multibillion dollar maintenance backlog of the National Park Service (DOI), the United States Fish and Wildlife Service (DOI), the Bureau of Land Management (DOI), the Forest Service (USDA), and the Bureau of Indian Education (DOI). The Act states that for each of the fiscal years 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 million. 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 Bureau of Land Management, for the Bureau of Indian Education Schools, and in the National Forest System. The Act also authorizes the Secretary of the Interior to accept donations, and gives investment authority to the Secretary of the Interior to invest any portion of the fund that is not required to meet the current disbursement needs.

Custodial Activity, Compliance Assessments and Pre-Assessment Work in Process

Management's best estimate of additional custodial revenues that may potentially be collected from compliance assessments and pre-assessment work in process as of September 30, 2021 is $49.4 million. This estimate is comprised of approximately $20.2 million in audit and compliance management, approximately $25.7 million state and Tribal audit, and approximately $3.5 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 below 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 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 1920's, 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 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 (FMV) 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)*.

Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves
Asset Present Value as of September 30, 2021
(in thousands)

Offshore[1]	Gulf of Mexico	Pacific[2]				Total
Oil and Lease Condensate	$ 29,525,972	$ 1,297,848				$ $30,823,820
Natural Gas, Wet After Lease Separation	2,237,548	91,502				2,329,050
Total Offshore	**$ 31,763,520**	**$ 1,389,350**				**$ 33,152,870**

[1] Offshore royalties include OCSLA Section 8(g) royalties
[2] 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	$ 74	$ 3,213,158	$ 11,791,043	$ 4,028,905	$ 823,942	$ 19,857,122
Natural Gas, Wet After Lease Separation	1,934	782,593	7,073,608	11,931,734	265,083	20,054,952
Total Onshore	**$ 2,008**	**$ 3,995,751**	**$ 18,864,651**	**$ 15,960,639**	**$ 1,089,025**	**$ 39,912,074**

Total Offshore and Onshore 2021	
Total Oil and Lease Condensate	$ 50,680,942
Total Natural Gas, Wet After Lease Separation	22,384,002
Total Offshore and Onshore	**$ 73,064,944**

Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves
Asset Present Value as of September 30, 2020
(in thousands)

Offshore[1]	Gulf of Mexico	Pacific[2]				Total
Oil and Lease Condensate	$ 30,197,274	$ 1,790,603				$ 31,987,877
Natural Gas, Wet After Lease Separation	2,089,383	86,751				2,176,134
Total Offshore	**$ 32,286,657**	**$ 1,877,354**				**$ 34,164,011**

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	$ 91	$ 3,158,300	$ 10,587,352	$ 4,628,318	$ 788,566	$ 19,162,627
Natural Gas, Wet After Lease Separation	1,947	652,125	6,088,810	10,251,068	275,249	17,269,199
Total Onshore	**$ 2,038**	**$ 3,810,425**	**$ 16,676,162**	**$ 14,879,386**	**$ 1,063,815**	**$ 36,431,826**

[1]Offshore royalties include OCSLA Section 8(g) royalties.
[2]Pacific royalties include royalties from Alaska Federal OCS proved reserves.

Total Offshore and Onshore 2020	
Total Oil and Lease Condensate	$ 51,150,504
Total Natural Gas, Wet After Lease Separation	19,445,333
Total Offshore and Onshore	**$ 70,595,837**

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

The previous tables present the estimated present value of future Federal royalty receipts on estimated proved reserves as of September 30, 2021, and September 30, 2020. 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 DOE's 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 calendar year 2019, 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 2021 Annual Energy Outlook (AEO 2021), and effective royalty rates. The OMB price estimates are 11-year estimates prepared for the Administration's FY 2022 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 4.5 percent per year for 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 2021) during the 11-year window to forecast prices for the remaining period.

Offshore gas price projections were calculated for each region based on the proportion of gas-related revenue received over the last three years from wet gas royalties, dry gas royalties, and natural gas liquids royalties. For onshore gas price projections, data was used for the most recently completed FY 2020 with updated ONRR sales year data as of March 1, 2021. 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 2020), 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[1] from trading dates for the most recently completed fiscal year for onshore. For onshore, the discount rate used was 2.58 percent. The OMB rates used for offshore are 11-year estimates prepared for the Administration's FY 2022 budget. The rates begin at 1.83 percent for FY 2021 and rise to 2.98 percent for FY 2031. The rates were assumed to remain at 2.98 percent beyond FY 2031, as regional production estimates vary in amount by year and may last longer or shorter than the 30-year maturity period. The 30-year Treasury Bill rates were chosen because this maturity life most closely approximates the productive lives of the offshore proved reserves estimates, and therefore, the Government's "cost of capital" for investments with this length of maturity.

[1] Comprised of 1-month, 2-month, 3-month, 6-month, 1-year, 2-year, 3-year, 5-year, 7-year, 10-year, 20-year, and 30-year U.S. Treasury yields, listed on ***https://www.treasury.gov/resource-center/data-chart-center/interest-rates/pages/textview.aspx?data=yield.***

Schedule of Estimated Federal Oil and Gas Petroleum Royalties to be Distributed to Others as of September 30, 2021 and 2020 *(in thousands)*	FY 2021	FY 2020
Other Federal Bureaus and agencies		
Department of the Treasury	$ 34,746,007	$ 34,682,904
Interior - Reclamation Fund	14,529,825	12,642,700
Other Federal Bureaus and agencies	2,937,584	2,054,234
States and Others	20,851,528	21,215,999
Total Estimated Petroleum Royalties to be Distributed to Others	**$ 73,064,944**	**$ 70,595,837**

The above table presents an estimate of Federal oil and gas petroleum royalties to be distributed to others, based upon a historical percentage of distributions of royalties to others over the preceding twelve months.

Revenue Reported by Category FY 2021 and FY 2020
(in thousands)

	FY 2021			FY 2020		
(dollars in thousands)	Federal Offshore	Federal Onshore	Total	Federal Offshore	Federal Onshore	Total
Royalties from Oil & Lease Condensate	$ 3,228,097	$ 2,345,162	$ 5,573,259	$ 3,332,193	$ 1,710,572	$ 5,042,765
Accrual Adjustment - Oil & Lease Condensate	416,754	317,457	734,211	(152,970)	(164,926)	(317,896)
Royalties from Natural Gas	246,952	1,158,499	1,405,451	211,140	626,153	837,293
Accrual Adjustment - Natural Gas	35,696	161,314	197,010	(18,256)	(45,655)	(63,911)
Subtotal	$ 3,927,499	$ 3,982,432	$ 7,909,931	$ 3,372,107	$ 2,126,144	$ 5,498,251
Rent	$ 82,889	$ 21,066	$ 103,955	$ 89,880	$ 20,971	$ 11,851
Bonus Bid	116,602	74,706	191,308	251,380	95,605	346,985
Subtotal	$ 199,491	$ 95,772	$ 295,263	$ 341,260	$ 116,576	$ 457,836
Total	**$ 4,126,990**	**$ 4,078,204**	**$ 8,205,194**	**$ 3,713,367**	**$ 2,242,720**	**$ 5,956,087**

The above table of revenue reported by category presents royalty revenue reported to DOI in fiscal years 2021 and 2020 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.

Estimated Petroleum Royalties (Proved Reserves)
End of FY 2021 and FY 2020
(in thousands)

Oil and Lease Condensate (Bbl)

Federal Offshore	FY 2021 Quantity (in thousands)	FY 2021 Average Purchase Price ($)[1]	FY 2021 Average Royalty Rate (%)	FY 2020 Quantity	FY 2020 Average Purchase Price ($)[1]	FY 2020 Average Royalty Rate (%)
Gulf of Mexico[2]	4,840,076	$ 59.57	13.01%	4,878,488	$ 42.83	12.73%
Pacific (including Alaska Federal OCS)	161,488	55.38	14.50%	248,415	41.09	17.52%
Subtotal Federal Offshore	5,001,564			5,126,904		
Federal Onshore						
East Coast (PADD 1)	14	$ 55.17	12.5%	16	$ 54.76	12.50%
Midwest (PADD 2)	594,139	57.28	11.54%	561,085	39.10	11.05%
Gulf Coast (PADD 3)	2,233,729	58.46	12.52%	1,944,116	41.10	12.57%
Rocky Mountain (PADD 4)	742,195	55.63	12.11%	832,215	38.36	11.98%
West Coast (PADD 5)	132,376	58.80	11.58%	123,840	45.05	11.77%
Subtotal Federal Onshore	3,702,453			3,461,271		
Total Federal Offshore and Onshore (Bbl)	**8,704,017**			**8,588,175**		

Natural Gas, Wet After Lease Separation (Mcf)

Federal Offshore	FY 2021 Quantity (in thousands)	FY 2021 Average Purchase Price ($)[1]	FY 2021 Average Royalty Rate (%)	FY 2020 Quantity	FY 2020 Average Purchase Price ($)[1]	FY 2020 Average Royalty Rate (%)
Gulf of Mexico[2]	5,294,528	$ 3.65	11.52%	5,714,738	$ 2.15	10.78%
Pacific (Alaska Federal OCS has no proved gas reserves)	182,094	5.35	13.62%	220,205	3.04	13.06%
Subtotal Federal Offshore	5,476,622			5,934,943		
Federal Onshore						
East Coast (PADD 1)	3,881	$ 3.04	12.57%	5,783	$ 1.91	12.56%
Midwest (PADD 2)	1,119,147	3.66	9.82%	1,071,048	1.93	9.70%
Gulf Coast (PADD 3)	13,193,565	3.52	10.66%	13,733,426	1.82	9.97%
Rocky Mountain (PADD 4)	25,584,980	3.46	10.62%	30,263,520	2.20	9.82%
West Coast (PADD 5)	269,716	5.35	12.29%	414,499	4.65	12.24%
Subtotal Federal Onshore	40,171,289			45,488,276		
Total Federal Offshore and Onshore (McF)	**45,647,911**			**51,423,219**		

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 2021. The prices and royalty rates are based upon historical averages, include estimates, exclude prior period adjustments, and are affected by such factors as accounting adjustments and transportation allowances, resulting in effective royalty rates. Prices are valued at the lease rather than at the market center, and differ from those used to compute the asset estimated present values, which are forecasted and discounted based upon OMB economic assumptions.

[1] Average Purchase Price ($) represents the average of the regional average, and is generally defined for oil as the First Purchase Price which is the actual amount paid by the first purchaser of crude oil as it leaves the lease on which it was produced. For natural gas it is generally defined as the Wellhead Price which is the value of the purchased natural gas at the mouth of the well for unprocessed gas or for processed gas an imputed wellhead price based on the residue gas and natural gas liquid volumes and values.

[2] Gulf of Mexico Proved Reserves are royalty bearing volumes. In the Gulf of Mexico, an additional **518,803** Mbbl of proved oil reserves and **374,372** 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 **$3,191,506,886.**

Federal Regional Oil and Gas Information FY 2021 and FY 2020
(in thousands)

Oil and Lease Condensate Information - Offshore

Region	FY 2021				FY 2020			
	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	438,110	$ 25,198,343	$ 3,193,106	$ 976,762	555,245	$ 25,908,506	$ 3,291,191	$ 600,144
Pacific	5,034	258,165	34,991	n/a	5,288	234,284	41,002	n/a
Total	**443,144**	**$ 25,456,508**	**$ 3,228,097**	**$ 976,762**	**560,533**	**$ 26,142,790**	**$ 3,332,193**	**$ 600,144**

Natural Gas Information - Offshore

Region	FY 2021				FY 2020			
	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	719,898	$ 2,345,530	$ 245,830	$ 47,007	940,989	$ 2,096,436	$ 210,241	$ 39,637
Pacific	1,874	$ 9,037	$ 1,122	n/a	1,710	$ 6,362	$ 899	n/a
Total	**721,772**	**$ 2,354,567**	**$ 246,952**	**$ 47,007**	**942,699**	**$ 2,102,798**	**$ 211,140**	**$ 39,637**

Oil and Lease Condensate Information - Onshore

Region	FY 2021				FY 2020			
	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)	0.6	$ 29	$ 4	$ n/a	0.1	$ 6	$ 1	$ -
Midwest (PADD 2)	45,868	2,412,856	272,458	n/a	34,805	1,532,981	178,881	-
Gulf Coast (PADD 3)	244,031	12,914,389	1,613,643	n/a	194,427	9,109,067	1,097,494	-
Rocky Mountain (PADD 4)	66,405	3,273,003	394,948	n/a	69,836	2,960,354	356,925	-
West Coast (PADD 5)	10,429	549,359	64,109	n/a	13,413	644,379	77,271	-
Total	**366,734**	**$ 19,149,636**	**$ 2,345,162**	**$ -**	**312,481**	**$ 14,246,787**	**$ 1,710,572**	**$ -**

Natural Gas Information - Onshore

Region	FY 2021				FY 2020			
	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)	250	$ 592	$ 74	$ n/a	306	$ 653	$ 82	$ -
Midwest (PADD 2)	170,899	545,167	50,195	n/a	171,235	347,713	28,235	-
Gulf Coast (PADD 3)	1,990,265	5,942,793	591,714	n/a	1,362,677	2,601,117	250,235	-
Rocky Mountain (PADD 4)	1,509,071	4,721,090	505,808	n/a	1,455,698	3,376,875	338,099	-
West Coast (PADD 5)	17,934	87,196	10,708	n/a	17,990	78,055	9,502	-
Total	**3,688,419**	**$ 11,296,838**	**$ 1,158,499**	**$ -**	**3,007,906**	**$ 6,404,413**	**$ 626,153**	**$ -**

Federal Regional Oil and Gas Information (Continued)
(in thousands)

Oil and Lease Condensate Information - Offshore and Onshore

Region	FY 2021				FY 2020			
	Sales Volume (Bbl)	Sales Value ($)	Royalty Revenue Earned ($)	Estimated Value for Royalty Relief ($)	Sales Volume (Bbl)	Sales Value ($)	Royalty Revenue Earned ($)	Estimated Value for Royalty Relief ($)
Total	809,878	$ 44,606,144	$ 5,573,259	$ 976,762	873,014	$ 40,389,577	$ 5,042,765	$ 600,144

Natural Gas Information - Offshore and Onshore

Region	FY 2021				FY 2020			
	Sales Volume (Mcf)	Sales Value ($)	Royalty Revenue Earned ($)	Estimated Value for Royalty Relief ($)	Sales Volume (Mcf)	Sales Value ($)	Royalty Revenue Earned ($)	Estimated Value for Royalty Relief ($)
Total	4,410,191	$ 13,651,405	$ 1,405,451	$ 47,007	3,950,605	$ 8,507,211	$ 837,293	$ 39,637

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 2021 and FY 2020.

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.

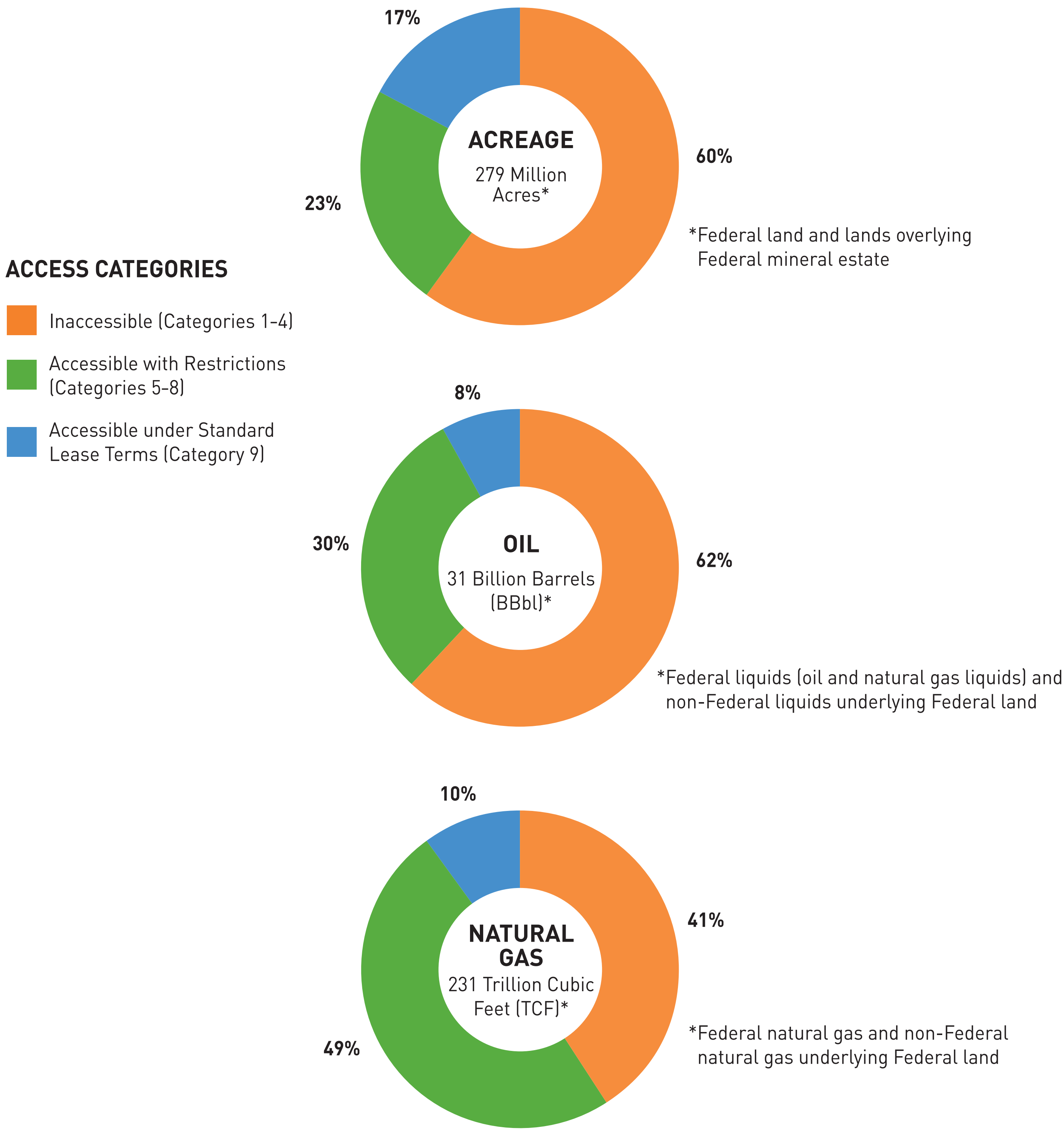
Royalty relief is the reduction, modification, or elimination of any royalty payment due, to promote development, increase production, or encourage production of marginal resources on certain leases or categories of leases. The value for royalty relief is based upon amounts reported to ONRR in accordance 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***.

Section 604 of the *Energy Policy and Conservation Act of 2000* (EPCA), as amended by Section 364 of the *Energy Policy Act of 2005*, required an inventory of all onshore federal lands to identify (1) the United States Geological Survey estimates of the oil and gas resources underlying these lands; and (2) the extent and nature of any restrictions or impediments to the development of the resources. The graphics on the following page depict some of the report's key findings.



The inventory was completed in 2008 and the entire report is available at *https://www.blm.gov/sites/blm.gov/files/EPCA%20Phase%20III%20Questions%20and%20Answers_VR_MF_Final4.pdf*.

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 19.3 percent of the Nation's electricity generation in 2021 with Federal lands supplying approximately 46.5 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 Code of Federal Regulations.

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.

Photo by Dan Clark, USFWS

Four turtles bask on the beach next to the ocean at Papahānaumokuākea Marine National Monument. https://www.papahanaumokuakea.gov

Schedule of Estimated Federal Coal Royalties Asset Present Value as of September 30, 2021 (in thousands)					
	Powder River Basin[1]	Colorado	Utah	All Other[2]	Total
Total Coal	**$ 6,653,550**	**$ 586,483**	**$ 157,569**	**$ 753,692**	**$ 8,151,294**

Schedule of Estimated Federal Coal Royalties Asset Present Value as of September 30, 2020 (in thousands)					
	Powder River Basin[1]	Colorado	Utah	All Other[2]	Total
Total Coal	**$ 6,216,539**	**$ 642,444**	**$ 264,456**	**$ 766,667**	**$ 7,890,106**

[1] Contains Federal Leases in Wyoming and Montana

[2] Contains Federal Leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The above tables present the estimated present value of future federal royalty receipts on estimated recoverable reserves as of September 30, 2021 and September 30, 2020. 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, 2021 and 2020 (in thousands)		
	FY 2021	FY 2020
Other Federal Bureaus and agencies		
Department of the Treasury	$ 896,642	$ 867,912
Interior - Reclamation Fund	3,260,518	3,156,042
States and Others	3,994,134	3,866,152
Total Estimated Coal Royalties to be Distributed to Others	**$ 8,151,294**	**$ 7,890,106**

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 2021 and FY 2020 (in thousands)		
	Coal Totals FY 2021	Coal Totals FY 2020
Coal Royalties	$ 380,251	$ 353,567
Accrual Adjustment - Coal Royalties	(3,921)	($5,167)
Subtotal	**$ 376,330**	**$ 348,400**
Rent	1,183	1,041
Bonus Bid	33	3,442
Subtotal	$ 1,216	$ 4,483
Total	**$ 377,546**	**$ 352,883**

The above table of revenue reported by category represents royalty revenue reported to ONRR in FY 2021 and FY 2020 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.

Estimated Coal Royalties (Recoverable Reserves)
End of FY 2021 and FY 2020
(in thousands)

Area	FY 2021			FY 2020		
	Quantity (in tons)	Average Purchase Price ($) per ton	Average Royalty Rate (%)	Quantity (in tons)	Average Purchase Price ($) per ton	Average Royalty Rate (%)
Federal Coal						
Powder River Basin[1]	4,864,850	$ 11.65	11.96%	5,105,285	$ 11.45	11.90%
Colorado	280,450	35.70	5.70%	392,699	34.75	5.35%
Utah	160,509	32.76	2.72%	163,834	32.19	4.75%
All Other[2]	397,063	$ 35.67	6.16%	395,382	$ 36.87	6.65%
Total Federal	**5,702,872**			**6,057,200**		

[1]Contains Federal Leases in Wyoming and Montana
[2]Contains Federal Leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The table above provides the estimated quantity, average price, and average royalty rate by category of estimated Federal coal recoverable reserves at the end of FY 2021 and FY 2020. 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 2021 and FY 2020
(in thousands)

Area	FY 2021			FY 2020		
	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)
Federal Coal						
Powder River Basin[1]	222,026	$ 2,680,004	$ 321,111	219,264	$ 2,610,884	$ 311,776
Colorado	7,106	331,070	18,173	9,622	413,444	6,074
Utah	11,356	423,705	12,217	11,649	436,214	14,853
All Other[2]	10,818	409,467	28,750	10,785	396,689	20,864
Total Federal	**251,306**	**$ 3,844,246**	**$ 380,251**	**251,320**	**$ 3,857,231**	**$ 353,567**

[1] Contains Federal Leases in Wyoming and Montana
[2] Contains Federal Leases in Wyoming and Montana not located in the Powder River Basin and all leases from the States of Alabama, Kentucky, Oklahoma, New Mexico, North Dakota, Washington, and West Virginia

The above table of Federal coal sales information reflects reported sales volume, sales value, and royalty revenue for FY 2021 and FY 2020.

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 2021, the BLM, in collaboration with the ONRR, estimated the remaining recoverable coal reserves on currently authorized federal coal leases to be approximately 5.7 billion tons of coal. The recoverable coal reserves include all coal that is economically recoverable within areas that are suitable for mining. The recoverable coal reserves do not include coal that is within areas classified as being unsuitable for mining (such as under interstate highways, within alluvial valley floors, or within areas that are determined to be critical habitat for listed threatened or endangered plant or animal species), areas that are not economically minable, or coal that is required to not be mined in order to safeguard the life and safety of the miners.

Other Natural Resources

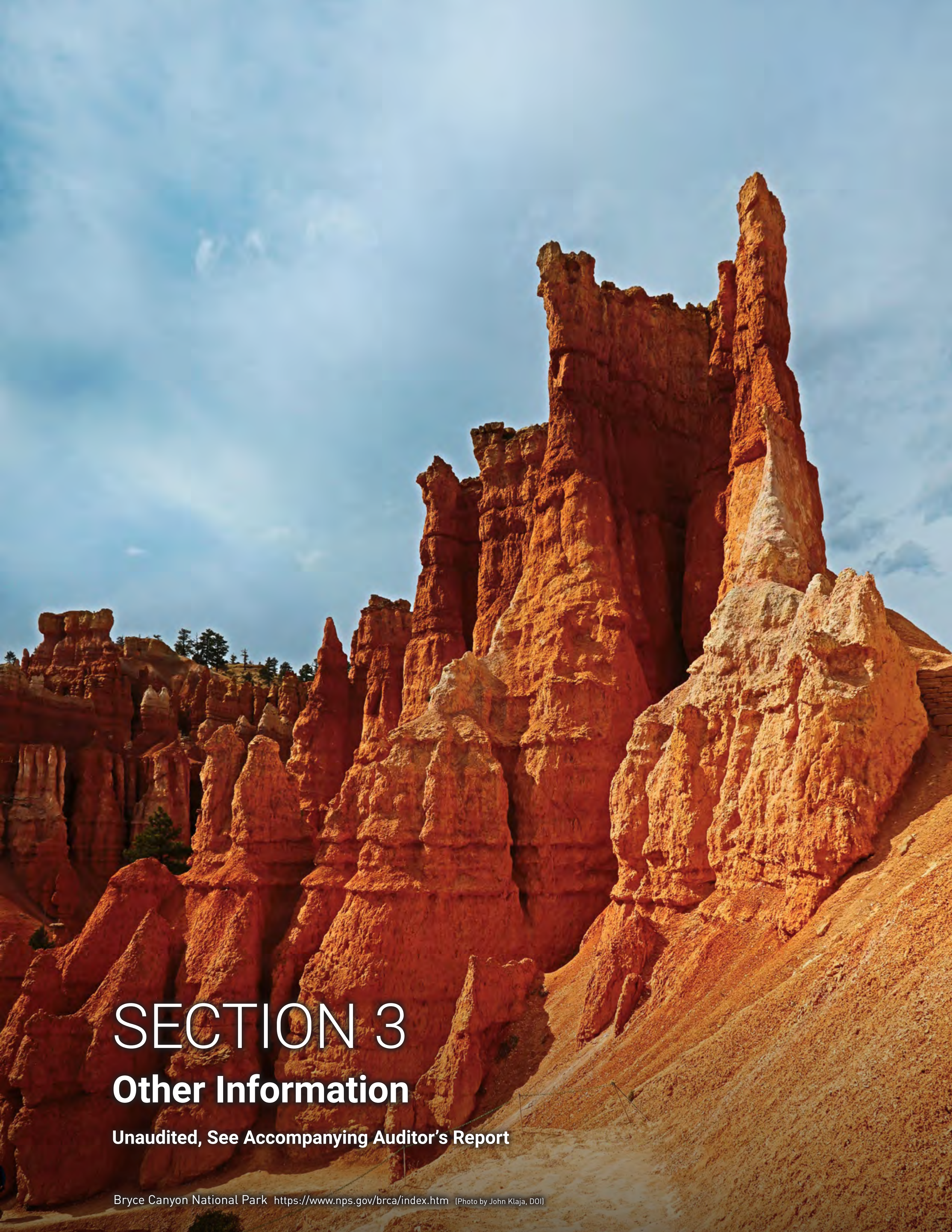
The DOI has other natural resources which are under federal lease whereby the lessee is required to pay royalties on the sale of the natural resource. These natural resources include soda ash, potash (including muriates of potash and langbeinite phosphate), lead concentrate, copper concentrate, and zinc concentrate. Of these, soda ash and potash have the largest estimated present value of future royalties.

Soda ash is obtained from trona and sodium carbonate-rich brines. The world's largest deposit of trona is in the Green River Basin in Wyoming. There are smaller deposits of sodium carbonate mineral in California and Colorado. Underground room and pillar mining, using continuous miner machines, is the primary method of mining Wyoming trona ore. As of September 30, 2021, the estimated net present value of future royalties from trona from the Green River Basin is $679 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, 2021, the estimated net present value of future royalties from potash (including the muriates of potash and langbeinite phosphate is $214 million.

Photo by Craig McCaa, BLM Alaska

Rainy Pipeline, the trans-Alaska pipeline crosses the Dalton Highway near Milepost 159, between the South Fork Koyukuk River and Chapman Lake, Alaska.

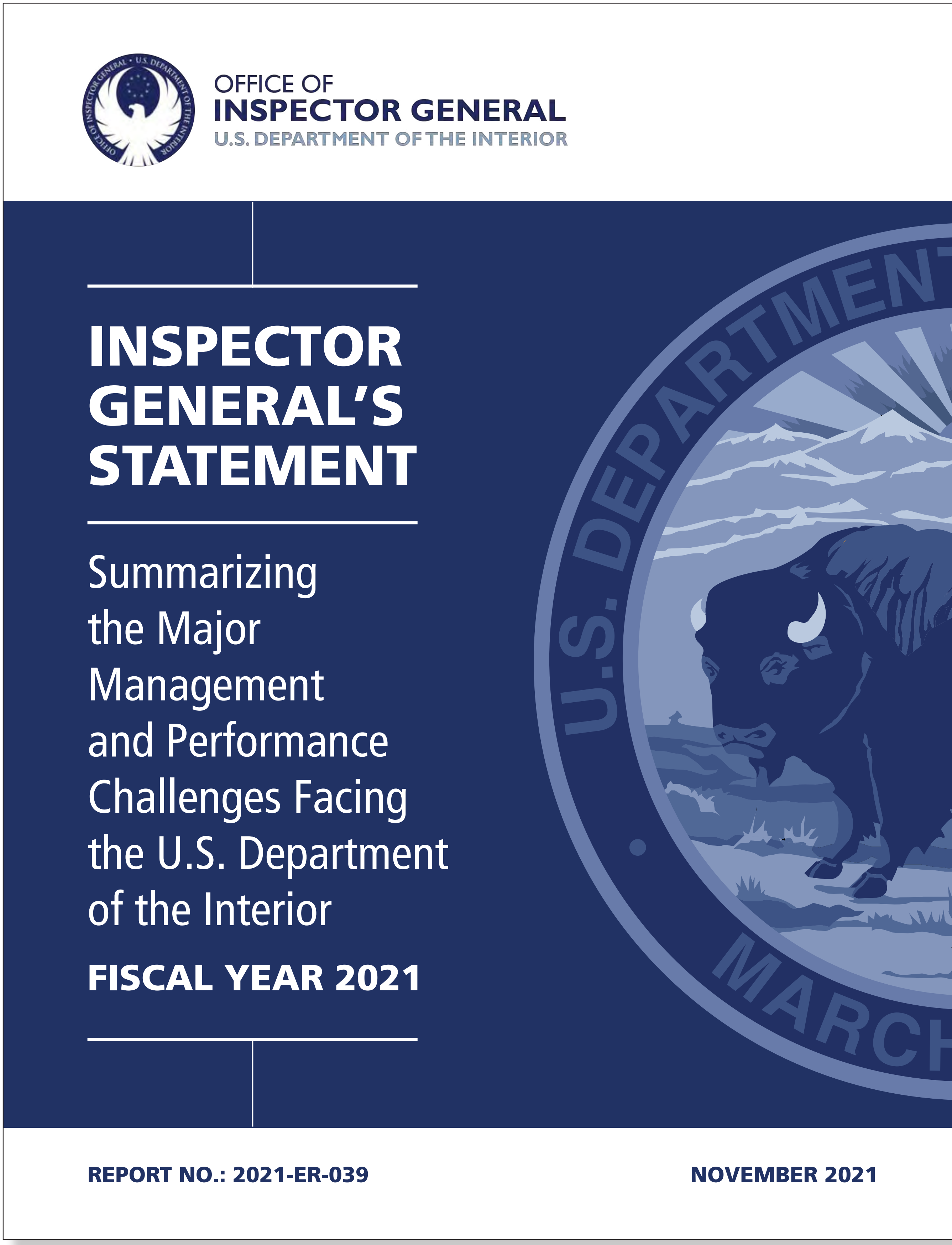


SECTION 3

Other Information

Unaudited, See Accompanying Auditor's Report

Bryce Canyon National Park https://www.nps.gov/brca/index.htm (Photo by John Klaja, DOI)



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

INSPECTOR GENERAL'S STATEMENT

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

FISCAL YEAR 2021

REPORT NO.: 2021-ER-039

NOVEMBER 2021

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

Memorandum

NOV 05 2021

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 2021*
Report No. 2021-ER-039

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 2021. 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: Tommy Beaudreau, Deputy Secretary, DOI
Lawrence Roberts, Chief of Staff, DOI
Mili Gosar, Deputy Chief of Staff, DOI
Richard Cardinale, Director, Office of the Executive Secretariat and Regulatory Affairs, DOI
Preston Heard, Deputy Director, Office of the Executive Secretariat and Regulatory Affairs, DOI
Tonya Johnson, Deputy Chief Financial Officer and Director, Office of Financial Management, DOI
Naznin Rahman, Chief, Audit Management Division, Office of Financial Management, DOI

Office of Inspector General | Washington, DC

Source: iStockphoto

CONTENTS

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

Last year, we focused on the COVID-19 pandemic's cascading effect on the DOI's multiple mission areas and functions. Many of those same challenges continue to affect the DOI, and our work during this fiscal year accordingly addressed these concerns. In this year's report, however, we have returned to the topical framework we used previously and have integrated our analysis of pandemic-related issues into these topics. Our fiscal year (FY) 2021 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 areas of concern span multiple challenge areas, serving as a reminder of the complex nature of the DOI's mission. For example, infrastructure challenges include managing funding availability and accountability as well as ensuring the health and safety of DOI employees and the public. Additionally, we recognize that climate change is a cross-cutting issue that affects the DOI's mission with respect to tribal communities, land use, water resources, wildlife and their habitats, and the frequency and severity of natural disasters.

Throughout the report, we use "action boxes" to highlight examples of plans and progress the DOI has made in addressing specific topics. In the figure below, we summarize the themes that apply within each challenge area.

CROSS-CUTTING THEMES WITHIN EACH CHALLENGE AREA

Challenge Area: Managing Spending

- Financial Management
- Public Safety and Disaster Response
- Responsibility to American Indians
- Infrastructure
- Climate Change

Challenge Area: Delivering Core Services

- Public Safety and Disaster Response
- Infrastructure
- Workplace Culture and Human Capital
- IT Security
- Energy Management
- Water Programs
- Climate Change
- Responsibility to American Indians

Challenge Area: Ensuring Health and Safety

- Public Safety and Disaster Response
- Responsibility to American Indians
- Workplace Culture and Human Capital
- Infrastructure
- Climate Change

This report is primarily based on Office of Inspector General (OIG) and U.S. Government Accountability Office (GAO) reviews (including the GAO's High-Risk List), as well as our general knowledge of the DOI's programs and operations. We link to the OIG reports related to the challenge areas throughout the report—a full list of reports cited is included in the appendix. Additional reports can be viewed on our website. Our analysis generally considers the DOI's challenges and progress as of September 30, 2021, unless otherwise noted.

The DOI is organized into 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, such as the Office of Natural Resources Revenue (ONRR), Office of Wildland Fire, Office of Law Enforcement and Security, and Office of Insular Affairs.

Source: iStockphoto

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CHALLENGE AREA
Managing Spending

The DOI manages significant financial assets, including contracts and financial assistance awards (grants and cooperative agreements), as well as property, buildings, and other resources.

The DOI's FY 2022 budget request includes more than $17 billion to carry out its wide-ranging programs. The budget document articulates a focus on increasing climate resilience and adapting to climate change; creating jobs and economic development; using science to inform decisions; strengthening tribal nations' self-determination; expanding inclusion of historically underserved communities; promoting environmental justice; delivering the DOI's core services; and providing effective stewardship of America's natural resources and cultural heritage.

CROSS-CUTTING THEMES

- Financial Management
- Public Safety and Disaster Response
- Responsibility to American Indians
- Infrastructure
- Climate Change

Below we summarize the DOI's challenges, plans, and progress in managing spending related to emergency funding and infrastructure.

Emergency Funding

Over the years, the DOI has received funding to respond to a variety of emergencies such as hurricanes, wildfires, hazardous spills, and the impacts from COVID-19. As the frequency and severity of extreme weather events increase due in part to climate change, as noted in the *Fourth National Climate Assessment* (a required Federal report prepared every 4 years), the DOI may see increases in emergency funding to respond to these events. In addition, each emergency situation presents its own unique characteristics and has the potential to grow rapidly in size, scope, or complexity.

In March 2020, the COVID-19 pandemic was declared a national emergency. Since then, the

Emergency supplemental funding presents a heightened risk of misuse and vulnerability to fraud.

U.S. Congress enacted several pandemic relief laws that provided funds to Federal agencies, States, tribes, territories, businesses, grantees, and the public for coronavirus preparedness and pandemic response. Together, these laws provided the DOI with $3.2 billion in funding as of September 19, 2021. More than $2.8 billion of the funding appropriated to the DOI was to address pandemic conditions in Indian Country, provide direct aid to tribal nations, fund assistance and social programs, and respond to COVID-19. See Figure 1 for a breakdown of funds the DOI received.

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Figure 1: Snapshot of Pandemic Relief Laws That Have Provided Funding to the DOI*

Coronavirus Aid, Relief, and Economic Security Act (Effective March 27, 2020)

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) included direct apportionments of **$756 million** to support the needs of DOI programs, bureaus, Indian Country, and the Insular Areas, specifically:

BIA $453m

DOI ops $158.4m

BIE $69m

Office of Insular Affairs $55m

BOR $20.1m

DOI ops = DOI operations (Office of the Secretary)

In addition, the U.S. Department of Education transferred **$153.8 million** to the BIA.

BIA $153.8m

The U.S. Department of Health and Human Services transferred **$33 million** to the BIA.

BIA $33m

In a March 2021 report, we reported on the DOI's CARES Act obligations and expenditures through January 31, 2021.

Coronavirus Response and Relief Supplemental Appropriations Act (Effective Dec. 27, 2020)

As part of the 2021 Consolidated Appropriations Act, the Coronavirus Response and Relief Supplemental Appropriations Act provided additional pandemic relief. Specific to the DOI:

The U.S. Department of Health and Human Services transferred **$97 million** to the BIA to support childcare and development via direct childcare, virus mitigation practices, and grants to childcare providers affected by COVID-19.

BIA $97m

The Federal Highway Administration transferred **$66 million** to the BIA to address the significant impacts of COVID-19 on the Nation's transportation systems.

BIA $66m

The U.S. Department of Education transferred **$409 million** from the Education Stabilization Fund to the BIE to support COVID-19 response and recovery at BIE schools and Tribal Colleges and Universities.

BIE $409m

American Rescue Plan Act (Effective March 11, 2021)

The American Rescue Plan Act provided the DOI **$1.75 billion** in emergency funding for American Indian and Alaska Native programs to respond to the COVID-19 pandemic. The Act authorized **$900 million** for Indian Affairs and the BIA and **$850 million** for the BIE to support a wide range of COVID-19 response activities:

$772.5m
for tribal government services, public safety and justice, social services, child welfare assistance, and other related expenses

$535.5m
for the BIE's 183 K-12 schools

$229.5m
for Tribal Colleges and Universities

$100m
for tribal housing improvement

$85m
for investments, such as the buildout of a Learning Management System and facility ventilation improvement projects

$20m
to provide and deliver potable water

$7.5m
for related Federal administrative costs and oversight

TOTAL TO THE DOI

CARES Act	Coronavirus Response and Relief Supplemental Appropriations Act	American Rescue Plan Act
$942.2 million	$572 million	$1.75 billion

* Additional COVID-19 funding may have been provided directly to tribes or to programs outside the DOI's control.

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Our previous work has consistently identified financial management as an overall area in need of improvement. In a recent example, in a March 2021 audit we found that the Interior Business Center had weaknesses in both maintaining pre-award procurement files and monitoring the pre-award process. These weaknesses and related oversight risks are increased for supplemental funding for emergency response because awards are made quickly and often without competition. In another March 2021 audit, we found that the DOI used FY 2019 natural disaster relief funds for purchases that were not associated with permissible purposes and did not always have the required documentation for its purchases. We made eight recommendations to help the DOI and its bureaus resolve questioned costs and strengthen internal controls over disaster relief funds and the Government charge card program.

Our work has found that when recipients face a crisis and receive multiple sources of substantial funding, accountability mechanisms and safeguards may become ineffective because of time and resource constraints. We anticipate that pandemic relief will present these same oversight challenges that we have identified before. In a March 2021 management advisory, we reported that a significant number of transactions related to COVID-19 appeared to be impermissible split purchases and might reflect possible misuse of DOI purchase cards. For example, we found that cardholders at several bureaus conducted multiple transactions on the same day with the same vendors, which might indicate purchases were split to avoid exceeding the micropurchase threshold. We made three recommendations to help the DOI prevent fraud, waste, and mismanagement in its Government purchase card program.

Source: iStockphoto

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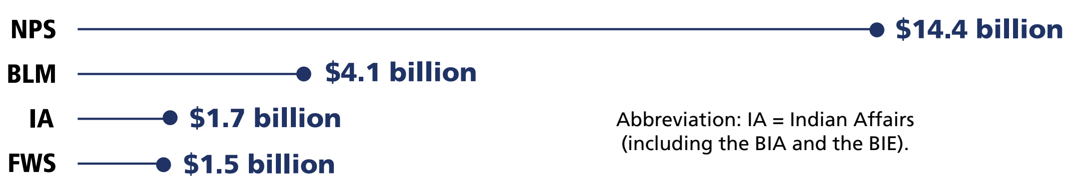
Infrastructure

DOI assets, many of which have historic or cultural significance, include approximately 43,000 buildings and 80,000 structures with a combined replacement value of more than $330 billion. The DOI is responsible for maintaining and repairing diverse and mission-critical assets, such as visitor centers, schools, power generating facilities, housing, campgrounds, fire stations, roads, trails, water and wastewater treatment plants, and more. In addition, many aging facilities and other structures require repair and restoration to mitigate risks to public health and safety. The *Fourth National Climate Assessment* states that as extreme weather events become more common with climate change, maintenance and repair needs will likely increase.

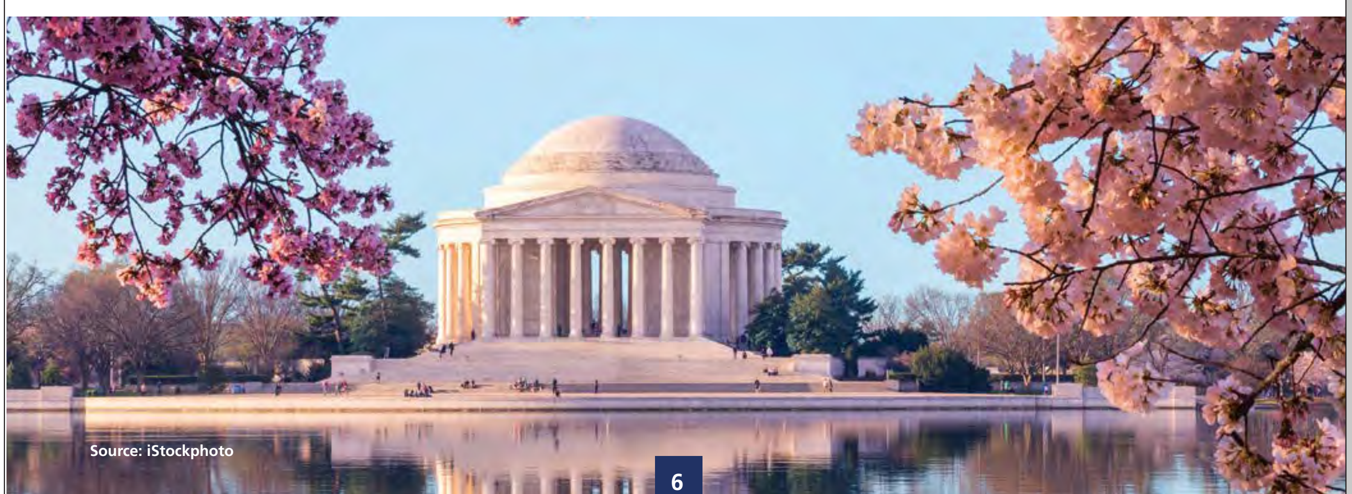
Over the years, the DOI has stated that it has not had sufficient funding for annual maintenance, resulting in a deferred maintenance backlog and posing a risk to public safety. In addition, Congress has at times sought additional information on the level and use of maintenance funds (see Congressional Research Service Report No. R43997). Performing annual maintenance is more cost effective than deferred maintenance, because delayed repairs grow in scope and cost. Approximately half of the total backlog relates to transportation assets—roads, bridges, tunnels, parking areas, trails, and related infrastructure—managed by the DOI's bureaus. In FY 2020 (the most recent data available), the NPS deferred maintenance backlog was reported as the largest among Federal land management agencies and was estimated at nearly $14.4 billion. Figure 2 presents the bureaus with the greatest deferred maintenance backlogs as of FY 2020.

In total, the DOI is responsible for nearly 100,000 miles of roads, nearly 4,000 bridges, 63 tunnels, 123 transit systems, and more than 50,000 miles of trails and primitive roads.

Figure 2: DOI Deferred Maintenance Backlog as of FY 2020



Abbreviation: IA = Indian Affairs (including the BIA and the BIE).



Source: iStockphoto

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In August 2020, the Great American Outdoors Act (GAOA) became law. The Act provides Federal agencies with $9.5 billion over 5 years for deferred maintenance needs via the new National Parks and Public Land Legacy Restoration Fund—85 percent of which will be distributed to the NPS, the FWS, the BLM, and the BIE for maintenance projects. Secretarial Order No. 3383 outlined steps for the DOI to take to oversee the policy, programmatic, and process changes necessary to carry out provisions of the GAOA. We anticipate performing work that assesses the DOI's compliance with this order and the steps it has taken to develop a strategy to maximize the impact of GAOA funding.

Further, Congress is currently considering the draft Infrastructure Investment and Jobs Act, which includes funding for the NPS and the FWS to make infrastructure investments such as roadway improvements and drainage systems, drought relief, and wildfire risk reduction; it also includes tribal-specific funding for transportation, water, and energy infrastructure in Indian Country.

DOI ACTION

National Parks and Public Land Legacy Restoration Fund Projects

In April 2021, the DOI announced plans to invest $1.6 billion from the GAOA's National Parks and Public Land Legacy Restoration Fund for 165 FY 2021 projects across its bureaus to address critical deferred maintenance and improve transportation and recreation infrastructure in national parks, national wildlife refuges and recreation areas, and at Indian Country schools. In that announcement, the DOI estimated that FY 2021 GAOA spending would support about 19,000 jobs and contribute about $2 billion to the national gross domestic product.

In one GAOA project, the DOI will complete the exterior restoration of the Jefferson Memorial in Washington, DC, which includes using specialized lasers to remove black biofilm (a microbial colony of algae, fungi, and bacteria), clean the memorial, and restore its appearance.

Source: NPS.gov

This photo from the Jefferson Memorial shows a stone with black biofilm on the right and the restored stone on the left.

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CHALLENGE AREA
Delivering Core Services

Each DOI bureau and office has a unique mission and set of responsibilities to deliver core services in support of the DOI mission. These services support responsibilities that include managing public lands, protecting the Nation's natural resources and cultural heritage, conserving land and water, addressing the impacts of climate change, and upholding tribal trust and related responsibilities. The DOI must balance competing priorities—for example, balancing different land uses such as conservation, energy production, recreation, forestry, and habitat protection.

The DOI itself has identified climate-related environmental conditions as an issue that will affect its responsibilities as manager of 20 percent of the Nation's lands, and it has emphasized the extent to which this implicates virtually every aspect of its mission, ranging from conserving plants, fish, and wildlife to fulfilling trust responsibilities to American Indians and Alaska Natives. In 2021, the DOI published its *Climate Action Plan*, which emphasizes its commitment to using science to inform understanding of climate change risks, impacts, and vulnerabilities.

CROSS-CUTTING THEMES

- Public Safety and Disaster Response
- Infrastructure
- Workplace Culture and Human Capital
- IT Security
- Energy Management
- Water Programs
- Climate Change
- Responsibility to American Indians

Below we summarize the DOI's challenges, plans, and progress in delivering core services related to wildfire response, IT security, energy and mineral resources, water and power management, and the climate impact on tribal communities.

Wildfire Response

According to a White House fact sheet, this year's wildfire season has outpaced last season in terms of the number of large fires to date. The *Fourth National Climate Assessment* states that the higher temperatures associated with climate change have resulted in drier soils, increased likelihood of

In FY 2020, DOI fire suppression costs totaled $510 million, with 58,950 fires burning more than 10 million acres across the United States.

drought, and a longer fire season. From mid-July through September 2021, the National Interagency Fire Center reported that national wildland fire preparedness was at Level 5 (the highest), which is the longest period at that level since record-keeping began in 1990. The center also reported that although fire activity began to moderate in September across the West, severe drought conditions remain for much of the Northwest and Northern Rockies Geographic Areas as well as northern portions of the Great Basin and Rocky Mountain Geographic Areas, impacting 90 percent of the West. A White House fact sheet stated that these wildfires overwhelm response capabilities, resulting in billions of dollars in economic losses, damage to natural resources, devastation to communities, destruction of wildlife habitat, and the tragic loss of human life.

With fire seasons now extended throughout the calendar year, the DOI has stated that there is a need for a year-round workforce that can respond at any time. The DOI's wildfire management program is composed of the Office of Wildland Fire (responsible for oversight) and the four bureaus with wildland fire management responsibilities—the BIA, the BLM, the FWS, and the NPS. These DOI bureaus deploy firefighters every year to support wildfire response, which requires significant collaboration across a wide range of Federal agencies, States, tribes, local land managers, and other stakeholders. In our FY 2020 management challenges report, we noted formidable challenges that the COVID-19 pandemic posed to firefighter health and safety and the DOI's wildfire response efforts. We recognize that the same challenges have continued into FY 2021, which resulted in the DOI continuing additional precautions—such as using screening programs, disinfectants, quarantine periods, and personal protective equipment when appropriate—to protect firefighters and other personnel at fire camps from COVID-19.

DOI ACTION

DOI Firefighter Hiring Reforms

In August 2021, the Secretary of the Interior announced the implementation of pay initiatives for wildland firefighters, which will increase the amount paid to approximately 3,500 DOI firefighters and ensure all firefighters are paid at least $15 an hour. The Office of Personnel Management also recently approved seasonal DOI wildland fire employees to work additional hours beyond their terms. In FY 2021, the DOI also committed to hiring 210 new employees and converting 575 employees from career seasonal to fulltime to support the wildland fire program. As of September 23, 2021, the DOI reported that 149 new hiring actions and 530 conversions were either completed or in progress.

Source: National Interagency Fire Center

IT Security

The DOI spends about $1.2 billion annually on IT systems to support bureau operations and programs. However, the DOI continues to face challenges in implementing an enterprise IT security program that balances compliance, cost, and risk while enabling bureaus to meet their diverse missions. The FY 2020 annual independent Federal Information Security Modernization Act audit identified weaknesses in the DOI's information security programs related to risk management, configuration management, identity and access management, the data protection and privacy program, the security training program, and contingency planning. The report included 32 recommendations to assist the DOI in strengthening its information security program.

The DOI relies on complex, interconnected IT systems to carry out its daily operations.

In response to the COVID-19 pandemic, the DOI transitioned to a maximum telework posture in March 2020, following the implementation guidance provided by the U.S. Office of Management and Budget. Since that time, demands on IT staff and systems have increased, requiring the DOI to adjust its approach to managing IT systems while prioritizing the demands of a predominantly remote workforce. The resulting widespread use of virtual private networks and other remote-access technologies increases the risk of security breaches of remotely stored and transmitted data.

In previous reports on management challenges, we identified delays in the DOI's implementation of its Continuous Diagnostics and Mitigation (CDM) program, a Governmentwide initiative that provides dynamic capabilities and tools to fortify defenses against cyber threats and to help systems and networks become more resilient against cyber attacks. In an evaluation report issued in March 2021, we reported that the DOI did not provide effective oversight of its CDM program. Our testing revealed control deficiencies for hardware asset management and configuration management that could leave systems exposed to vulnerabilities. We also found the DOI did not implement software blacklists or whitelists to help ensure that unapproved, unsupported, or potentially malicious software was not present. We made eight recommendations to improve monitoring, documentation, and processes. In response to our recommendations, the DOI reported that it is currently working with the U.S. Department of Homeland Security to strengthen the CDM program implementation.

Source: NPS

The DOI and its bureaus rely on geospatial data to accomplish many different missions, and the DOI is a major producer, provider, and buyer of

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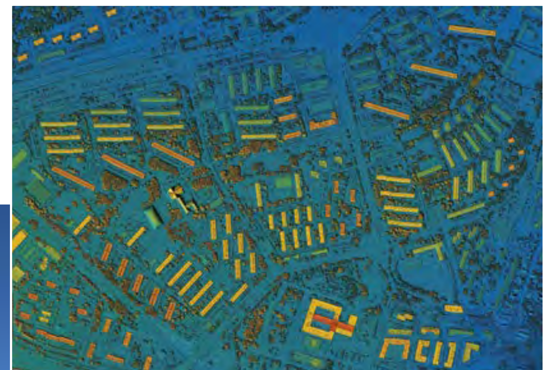
geospatial data—spending more than $100 million per year purchasing geospatial data and services from third parties. Although the DOI has made progress complying with National Geospatial Data Act requirements, it still faces challenges. In an evaluation report issued in October 2020, we found that the DOI did not implement Departmentwide controls to ensure that geospatial data purchased from third-party contractors met Federal quality standards and did not ensure bureaus regularly search available geospatial data before expending Federal funds to purchase geospatial data. As a result, the DOI risks using poor-quality data to support decision making and resource allocation, with the potential to adversely affect mission outcomes, and expending funds for geospatial data that may already be available at no cost. We made two recommendations to strengthen the DOI's governance practices for its geospatial data program. In response to our recommendations, the DOI reported to us that it has hired additional staff to strengthen management and oversight of geospatial data.



Sources: iStockphoto

Energy and Mineral Resources

As the steward of Federal energy resources—including oil, gas, coal, hydropower, and renewable energy—the DOI has responsibility for balancing conservation and energy production. Revenue from energy resources is distributed to several Federal programs, as well as to States, Indian tribes, and Indian mineral owners. However, energy development can pose significant risks to the environment. The DOI is challenged to manage complex energy operations, including collecting revenues, overseeing leasing, and ensuring that development is safe, efficient, and sustainable (see Figure 3 for a breakdown of bureau and office roles).

The DOI manages lands, subsurface rights, and offshore areas that produce approximately 19 percent of the Nation's energy.

ONRR collects lease, sale, and production revenues for natural resources on the Outer Continental Shelf and onshore Federal and tribal lands. All of the collected revenue is deposited into the U.S. Treasury before it is distributed to several Federal land conservation and restoration programs, including the Land and Water Conservation Fund, the Historic Preservation Fund, and the newly established National Parks and Public Land Legacy Restoration Fund, as well as to States, Indian tribes, and Indian mineral owners. ONRR data show that year-to-date revenues (from rents, royalties, penalties, fees, and bonuses) for the period of October to July dropped by 35 percent from FY 2019 to FY 2020. Although revenues can fluctuate from year to year due to factors affecting leasing, prices, and production, the pandemic was a significant factor during FY 2020 and FY 2021. Revenues over the same period for FY 2021 have surpassed the FY 2020 numbers but are still below the FY 2019 amount (see Figure 4). Offshore oil and gas revenues for FY 2020 were sufficient to fund these programs at their specified or maximum amounts; however, any significant decline in revenues in the future may result in underfunded programs.

Figure 3: DOI Bureaus and Offices With Roles in Energy Production and Management

BIA
Oversees leasing of tribal and Indian land for energy development

BLM
Administers onshore energy and subsurface minerals on certain public lands

BOEM
Oversees offshore oil, gas, and wind development

BOR
Produces hydroelectric power in the United States

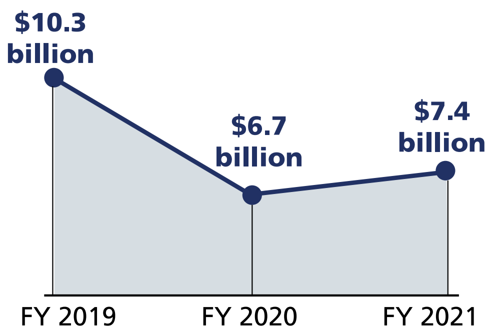
BSEE
Oversees oil and gas activities and environmental protection offshore

ONRR
Collects revenue from energy production and development

OSMRE
Works with States and tribes to oversee coal mining operations

Figure 4: Fluctuations in ONRR Revenues Since FY 2019

Revenues shown reflect the period of October to July for FYs 2019 through 2021.



In a January 2021 Executive Order, the President paused new Federal oil and gas leases, pending a review of Federal leasing and permitting practices and their potential climate impacts. In June 2021, a district court issued a preliminary injunction requiring the Federal onshore and offshore oil and gas leasing program to continue leasing pending the outcome of litigation. The resolution of this matter will likely have an effect on oil and gas leasing revenues and on the programs for which they provide funding.

Further, ONRR faces ongoing challenges in verifying the accuracy of royalty revenue collection. The GAO has included determining and collecting oil and gas revenue on its High-Risk List. For example, the GAO noted that while ONRR has taken steps to improve its compliance activities by creating and documenting procedures related to the case selection process, it lacks a goal for tracking the amount of oil and gas royalties subject to compliance efforts and does not have an effective risk model for improving compliance case assignments. Without a strong process in place to ensure the accuracy of adjustments to royalty reporting, ONRR is at risk of losing revenue owed to the Federal Government.

BSEE oversees oil and gas activities, including design, installation, and operation, as well as decommissioning. When oil and gas infrastructure is no longer in use, the DOI requires lessees to permanently plug all wells, remove all platforms and other structures, remove or bury all pipelines, and clear the seafloor of all obstructions. BSEE develops decommissioning cost estimates and works with BOEM to secure financial assurances from operators in advance of offshore oil and gas exploration and development. This process is intended to protect the Government from incurring additional costs if an operator is unable to perform required pipeline decommissioning. Historically, BSEE has struggled to develop accurate decommissioning cost estimates, which could potentially lead to the Government covering shortages if operators are unable to pay the actual costs of decommissioning.

Decommissioning is the process of ending oil and gas operations across infrastructure (including platforms, wells, and pipelines) and returning the lease or pipeline right-of-way to a condition that meets requirements.

In March 2021, the GAO reported that BSEE does not have a robust process to address the environmental and safety risks posed by leaving decommissioned pipelines in place on the sea floor, due to the cumulative effects of oversight gaps before, during, and after the decommissioning process. The GAO has also reported that since the 1960s, BSEE has allowed the offshore oil and gas industry to leave 97 percent of pipelines, or approximately 18,000 miles of pipeline, on the sea floor when no longer in use. Our investigatory and related work has identified concerns associated with failure to verify that an offshore site was cleared of debris. In addition, passing hurricanes can move pipelines long distances, which may cause habitat damage and create navigational hazards. For example, after Hurricane Katrina, a pipeline segment was found about 4,000 feet from its original location. If pipelines decommissioned-in-place are later found to pose risks, there may be no funding source for removal.

Water and Power Management

The BOR is the largest supplier and manager of water in the Nation and the second largest producer of hydroelectric power. The BOR delivers 10 trillion gallons of water to more than 31 million people each year and provides water to irrigate 10 million acres through the 491 dams and 338 reservoirs it manages. Multiple factors affect water management and use, both short- and long-term, including funding, infrastructure, conservation, and partnerships.

As the largest wholesaler of water in the country, the DOI must reconcile competing demands on its water resources.

The DOI has stated that water flows are at historic lows, including in areas like the Klamath River Basin and the Colorado River Basin. For example, the Colorado River is experiencing the driest 21-year period in more than 100 years of historical records, and water demands have been exceeding natural flows. The Colorado River Basin provides water, power production, fish and wildlife habitats, and recreation, among other uses. A majority (70 percent) of basin water is used to irrigate 5.5 million acres of land; the basin also supplies water to millions of Americans and at least 22 federally recognized tribes, 7 national wildlife refuges, 4 national recreation areas, and 11 national parks.

Lake Mead is one of the main reservoirs on the Colorado River, and at capacity would hold more than 9 trillion gallons of water. Water levels have declined since a high in 2000, and as of August 2021, the lake was filled to just 35 percent of its capacity. Figure 5 shows the conditions at Lake Mead and the upstream face of Hoover Dam in 2001 and 2015.

Figure 5: Water Supply in Lake Mead, in 2001 (left) and in 2015 (right)

Source: DOI

Note: Lake Mead was last full in 2000. Water elevation in 2001 was 1,196 feet (left photo), and in 2015 was 1,075 feet (right photo). On September 30, 2021, the elevation was recorded as 1,068 feet.

In August 2021, the BOR released the results of a 24-month study on the Colorado River Basin. The study found that low runoff conditions will necessitate reduced downstream releases from Glen Canyon Dam and Hoover Dam in 2022. These drought conditions raise concerns about potential decreases in water supplies. As water levels drop, so will the delivery of water to Arizona, Nevada, and even parts of Mexico. Dropping water levels will also affect hydroelectric power generation for parts of Arizona, California, and Nevada. The *Fourth National Climate Assessment* stated that climate change, including warmer temperatures and altered precipitation patterns, may further increase the likelihood of prolonged drought in the basin. The DOI faces challenges in managing the delivery of water, protection of fish and wildlife habitat, and the generation of hydroelectric power during this ongoing historic drought.

DOI ACTION

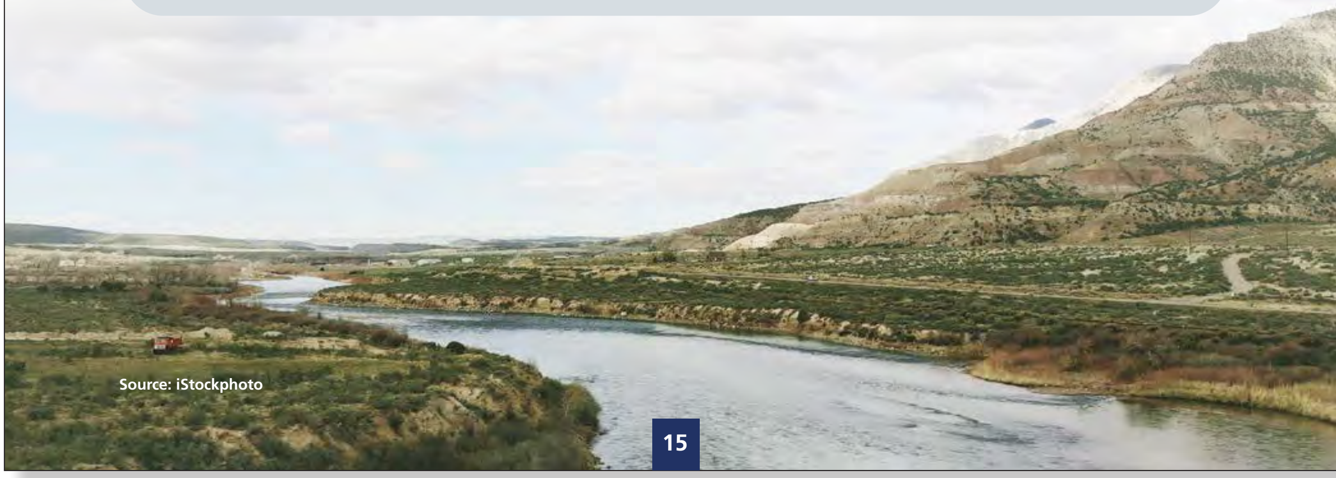
Ongoing DOI Water Projects

In April 2021, the National Climate Advisor asked the Secretaries of the DOI and the U.S. Department of Agriculture to head the newly formed Drought Relief Interagency Working Group to address worsening drought conditions in the West and support farmers, tribes, and communities affected by ongoing water shortages. According to the DOI, the working group will identify and disburse immediate financial and technical assistance for impacted irrigators and tribes.

Source: BOR

In July 2021, the BOR launched a web portal that provides real-time drought-related information and details of drought actions taken to increase public and media understanding.

According to the BOR, it also makes financial assistance awards through its WaterSMART program to support actions that increase water supply. The BOR launched a new WaterSMART grant opportunity for environmental water resources projects in 2022. Projects that have environmental benefits and are developed as part of a collaborative process between a State, tribe, irrigation district, or water district and a nonprofit conservation organization may be eligible for up to 75 percent Federal funding via these grants.



Source: iStockphoto

Addressing Climate Impact on Tribal Communities

In its 2021 *Climate Action Plan*, the DOI recognizes its role in protecting and mitigating impacts to the public and tribal lands and in ensuring that climate adaptation and mitigation strategies are implemented effectively and equitably. Further, the DOI states that as the primary Federal agency charged with carrying out the United States' trust responsibility to American Indians and Alaska Natives, the potential effects of climate change are highly relevant to the DOI's mission.

The intersection of the agency's own mission with the effects of climate change is described in the *Fourth National Climate Assessment*, which emphasizes that the intertwined social and ecological systems that American Indians and Alaska Natives rely on for the health of their communities may be uniquely and disproportionately impacted by rapidly changing climates and extreme weather events. The location of tribal lands and tribes' high dependence on their lands and natural resources to sustain their economic, cultural, and spiritual practices leaves tribes disproportionately affected by climate change. Major vulnerabilities include food insecurity due to decreases in traditional food availability, the loss of traditional knowledge due to changing ecological conditions, changing water availability, and relocation from homelands. Nearly all tribes have economies linked with climate-sensitive resources or are located in (1) coastal and river flood plains, or (2) areas prone to extreme weather events. Most Alaska Native communities fall under all these categories. Climate impact on Alaska Native communities is further exacerbated due to Alaska warming at a rate that is twice as fast as the rest of the country. Alaska is home to 40 percent (or 229) of the federally recognized tribes in the United States.

The GAO has included the management of climate change on its High-Risk List since 2013, highlighting the significant fiscal risk

Source: FWS

Source: NPS

for the Federal Government. In addition, the *Fourth National Climate Assessment* explains that, as climate change continues to harm tribal communities and force relocation, these communities will need to navigate complex issues, including the lack of clearly defined authorities and governmental structures that are typically necessary for Federal, State, and local actors to coordinate effectively. The DOI itself has identified that it has an important role to play in addressing these concerns, and in April 2021, the Secretary of the Interior established a climate task force to address the impacts of climate change. The task force has as its goal ensuring that the DOI appropriately engages with tribes, accelerates renewable energy development, and properly analyzes climate change.

The DOI provides services to 574 federally recognized tribes with a population of about 2 million American Indians and Alaska Natives. The DOI also has trust responsibilities for mineral resources on 56 million surface acres and 59 million subsurface acres of tribal land.

In August 2021, the Institute for Tribal Environmental Professionals Tribes and Climate Program and the BIA Tribal Climate Resilience Program published the *Status of Tribes and Climate Change Report*, which argues that inadequate funding remains one of the greatest barriers for tribes planning for and adapting to climate change, as at least $6.2 billion will be needed over the next 50 years to protect, replace, and move existing tribal infrastructure. The draft Infrastructure Investment and Jobs Act (described previously in the "Infrastructure" section) includes funding for tribes for climate resilience, adaptation, community relocation, and projects that address climate challenges impacting tribal communities.

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CHALLENGE AREA
Ensuring Health and Safety

Carrying out the DOI mission depends on protecting the health and safety of the workforce and the public. The DOI employs almost 70,000 people who support and serve nearly 500 million visitors to public lands per year.

Ensuring employee and public safety is complex and spans many DOI responsibilities, 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. The COVID-19 pandemic has also presented the DOI with challenges in ensuring a safe environment and healthy workforce.

CROSS-CUTTING THEMES

- Public Safety and Disaster Response
- Responsibility to American Indians
- Workplace Culture and Human Capital
- Infrastructure
- Climate Change

Below we summarize the DOI's challenges, plans, and progress on health and safety issues related to law enforcement, Indian Country schools, and the future of work.

Law Enforcement

The DOI's law enforcement responsibilities include Indian Country communities as well as resource protection, visitor safety, special event management, and crowd control across jurisdictions. Among executive branch departments, the DOI has the fourth largest law enforcement component, totaling approximately 4,000 law enforcement officers in five bureaus:

- The BIA works to ensure safety within Indian Country through uniformed police, criminal investigation, and corrections (e.g., detention facilities).
- The BLM works to support emergency response and provide a safe environment for employees and visitors on BLM-managed public lands.
- The BOR provides for the security of dams, facilities, and resources under its jurisdiction.
- The FWS serves National Wildlife Refuge System lands and enforces Federal wildlife laws throughout the United States.
- The NPS' law enforcement rangers protect national parklands and enforce agency regulations. Also under the NPS, the

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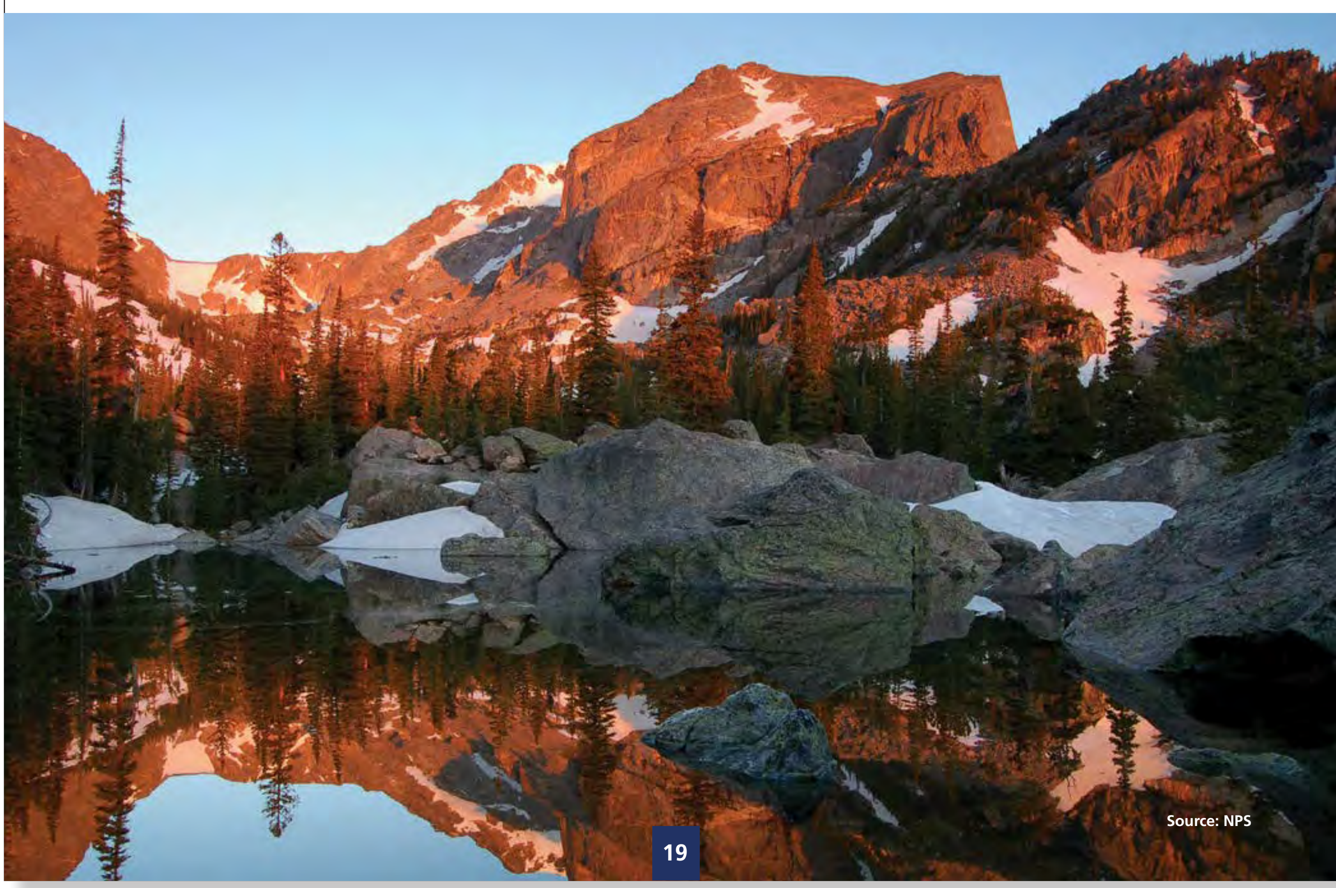
U.S. Park Police (USPP) oversees law enforcement on national parklands, primarily in Washington, DC; New York City; and San Francisco, CA. The USPP also works to ensure public safety during hundreds of First Amendment demonstrations on Federal lands, including the National Mall.

The DOI's law enforcement responsibilities have continued to expand at the same time that law enforcement priorities and accountability have received public attention and congressional interest. In May 2018, the DOI and the U.S. Border Patrol established long-term operations and staffing plans to increase the presence of DOI law enforcement officers on DOI-managed lands along the United States border with Mexico. In addition, the DOI told us that recruiting, hiring, and retaining law enforcement officers can be challenging and time consuming. As of September 2021, the DOI estimated a vacancy rate as high as 20 percent across its law enforcement programs.

The DOI is responsible for the safety of almost 70,000 employees, as well as members of the public who visit or live near more than 500 million acres of DOI-managed lands.

We have devoted considerable resources to overseeing law enforcement-related issues. In a January 2021 inspection report, we outlined the significant challenges detention facilities face in overcoming COVID-19 outbreaks because inmates live, work, eat, and participate in activities in close proximity to each other and detention officials. In a June 2021 special review, we found that the USPP needed detailed policies that defined procedures for law enforcement operations when responding to protests. We made two recommendations to help the USPP improve its policies and communications related to similar operations and to promote operational consistency. We anticipate conducting related work during this fiscal year. In



Source: NPS

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Source: iStockphoto

addition, in July 2021, the Secretary of the Interior established a law enforcement task force to focus on ways to strengthen public trust in DOI law enforcement; improve policy and oversight; recruit and retain an inclusive and diverse workforce; and provide resources for officers' mental health, wellness, and safety.

Maintaining a law enforcement program with policing practices that promote accountability, transparency, and public trust can be a challenge for the DOI. For example, in a January 2018 evaluation, we found that the DOI's draft body camera policy lacked critical industry standards and put implementation of a successful body camera program at risk. The DOI's policy did not include standards for controls over body camera recordings, prohibition of manipulating and sharing recordings, requirements to note recordings in incident reports, requirements to document when a recording is not made or not completed, and requirements for supervisors to review recordings. We are in the process of evaluating the extent to which the agency complied with recommendations from our earlier evaluation of body camera policies.

DOI ACTION

The BIA Office of Justice Services' Missing & Murdered Unit

In April 2021, the Secretary formed a Missing & Murdered Unit in the BIA's Office of Justice Services to address what is described as the longstanding crisis of violence against Indigenous peoples and to build on the multi-agency task force created in November 2019 to enhance the criminal justice system within Indian Country. This unit is intended to provide leadership and direction for cross-departmental and interagency work involving missing and murdered American Indians and Alaska Natives.

The DOI designated new positions to support the investigative needs of the unit, including the collection and analysis of performance data and coordination of services with the families of victims.

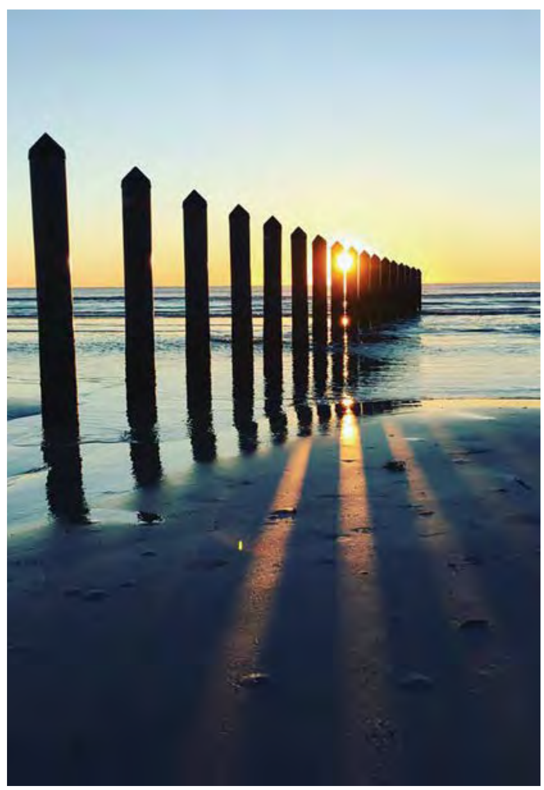
Indian Country Schools

The BIE has faced challenges in providing high-quality education to its students for decades. We have identified and reported on poor conditions at BIE school facilities and provided recommendations to improve educational achievement efforts in our previous work, and other sources such as the GAO have reported on similar issues in recent years. Additionally, since 1969, various witnesses have testified before Congress that schools within Indian Country have been underfunded and have questioned the adequacy of the students' education.

The BIE provides education services to about 46,000 students in 183 Indian Country schools.

According to the BIE, as of October 2021, 71 kindergarten through 12th grade school sites had a facility condition index rating of "poor condition." The BIE also stated that 43 of those 71 school sites are in an active facility improvement program, such as programs under the GAOA or No Child Left Behind Act or programs for capital improvement or facility replacement. The BIE estimated that rebuilding the schools in poor condition would cost on average $62 million per school. Our own work has identified many of these issues and made extensive recommendations for improvement of longstanding concerns. For example, in an April 2021 followup inspection, we found that a school we first inspected in 2016 still had not addressed extensive water damage and mold in the library and kindergarten classroom that we identified in the 2016 report. We also found new safety, health, and security risks, including that portable buildings used regularly by staff and students showed signs of water damage, had odor issues, and had damage that caused a toilet to partially sink into the floor. We made 13 recommendations to address these issues and reiterated two issues from our earlier report. In addition, the GAO has included management weaknesses and facility safety issues at BIE schools on its High-Risk List since 2017.

Additionally, academic performance at BIE schools often lags behind that of public schools. For example, according to a 2013 GAO report, Indian students who attended public schools were more likely to graduate from high school than Indian students who attended BIE schools. Analysis published by ProPublica in 2021 also found that BIE students performed more than two grade levels below the national average on standardized tests. In a congressional hearing held in 2015 titled "Examining the Challenges Facing Native American Schools," the chairman noted that these challenges are due, in part, to poor



Source: NPS

condition of facilities, poor management, and a lack of resources and services—all of which can negatively impact students' academic performance as well as their overall health. GAO reports have also found that students in BIE schools are not always provided the services and tools needed for a quality education:

- In April 2020, the GAO reported that the BIE needs to improve its management of the Johnson-O'Malley program, which provides assistance to meet the unique educational needs of American Indian and Alaska Native students. Specific oversight issues include a failure to maintain a complete list of contractors who provide services to students, a lack of training for contractors to meet program requirements, and the absence of clearly defined staff roles and responsibilities.
- In a May 2020 report, the GAO found that students with disabilities or health impairments in BIE schools were not always provided with special education and related services.
- In an April 2021 report, the GAO found that most students in distance learning programs during the 2020-2021 school year due to the COVID-19 pandemic did not have laptops at the beginning of the school year, and by March 2021, the schools had not yet distributed 20 percent of the laptops they had ordered.

Furthermore, in yearly evaluations of how the BIE provides services to students with disabilities, since 2014 the U.S. Department of Education has reported that the BIE did not meet the requirements and purposes of the Individuals with Disabilities Education Act and either "needed intervention" or "needed assistance" implementing those requirements.

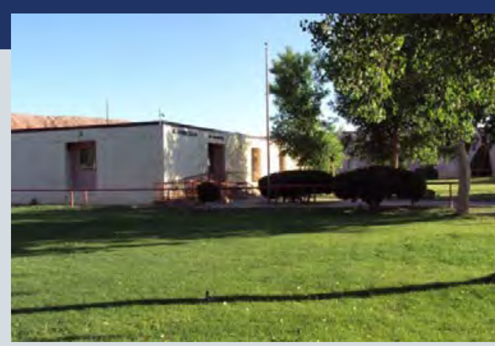
DOI ACTION

BIE School Standardization and Modernization

In April 2020, the BIE established a new rule that is intended to assist in creating a standardized system to hold BIE schools accountable for students' academic achievements by establishing uniform academic standards and assessments.

Additionally, in January 2021, the BIE received funding through the GAOA to address deferred maintenance and deficiencies at its schools. The BIE announced it would use those funds to modernize two schools: Many Farms Community School in Arizona and Cheyenne-Eagle Butte School in South Dakota.

Indian Affairs also established the Education Construction Site Assessment and Capital Investment Program to assess the conditions of BIE schools and to determine a site-by-site solution to address deficiencies, with a goal that all school facilities reach "good" condition rating in accordance with the facility condition index.



Source: BIE

The Many Farms Community School in Arizona is one of two schools the BIE plans to modernize using GAOA funds.

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The Future of Work

As COVID-19 response efforts continue, the DOI workforce will be affected by the DOI's planning for the post-pandemic work environment and reentry plans. In July 2021, the DOI issued a revised *COVID-19 Workplace Safety Plan*, which outlines the DOI's strategy to prepare for and respond to the pandemic. The goals of the plan include halting the spread of COVID-19 by relying on data and science-based public health measures; prioritizing the health and safety of the Federal workforce; and sustaining the DOI's mission. Additionally, the DOI built and maintains an information portal to assist employees and managers with responding to COVID-19. As pandemic conditions fluctuate, the DOI will need to continue to assess risks, adjust plans, and respond to a changing environment.

In May 2021, the DOI conducted a "Future of Work" survey to inform its transition to the post-pandemic workplace. Responses indicated that employees value flexibility, want safe workspaces, and may need additional training or technology.

As the DOI plans to return employees to worksites, it will face challenges in ensuring a safe environment and healthy workforce. On September 9, 2021, the President signed Executive Order No. 14043, which requires COVID-19 vaccination for Federal employees (with some exceptions). The Executive Order states that it is essential that Federal employees take all available steps to protect themselves and avoid spreading COVID-19 to coworkers and the public. Accordingly, the DOI has stated that it is working to implement the Executive Order and other guidance provided by the Safer Federal Workforce Task Force. The guidance established deadlines for vaccinations and the documentation that agencies must collect to verify employee vaccination status. The DOI acknowledged that it is addressing how to ensure that its bureaus and offices consistently apply the vaccination guidance and policies.

The DOI will face challenges in capitalizing on the lessons learned during the pandemic and finding the right balance of telework, remote work, and in-person work to accomplish its mission. As the DOI continues to assess the future of work, many of these same issues will also present challenges

Source: NPS

as it seeks to leverage workplace flexibilities as a strategy to combat the impacts of climate change. The Office of Personnel Management (OPM) specifically drew this connection in its *Climate Action Plan* in September 2021, stating that it "will provide agencies with the tools they need to continue to deliver services to the American people in the face of disruptions caused by climate change." Specifically, the OPM committed to providing robust guidance on strategies to optimize telework, technical assistance for managers, and an examination of HR regulations. The OPM noted that increased telework not only limits Federal employees' commutes and reduces commuting-based carbon emissions but supports continuity of operations so agencies can continue to work even during disruptions that prevent access to the worksite.

Within the DOI, particular bureaus are at the forefront of these issues. We specifically note that the BLM faces challenges in planning for the future of work as it rebuilds its headquarters workforce after experiencing a significant loss in staff in 2019. The GAO reported that the DOI's FY 2019 decision to relocate the BLM headquarters from Washington, DC, to Western States contributed to high vacancy rates among headquarters personnel. Specifically, out of the 328 positions that were relocated, 287 BLM employees opted to leave the bureau. The 41 employees who moved went from working in a single office to working in offices spread across 10 States. The GAO also found that the BLM did not substantially follow key practices for effective agency reforms when relocating employees and recommended that the DOI ensure its bureau leadership incorporate those practices before implementing reorganization activities at other DOI bureaus. The GAO specifically included the BLM's human capital challenges resulting from this relocation in its 2021 High-Risk List, and our own work from a September 2020 investigation concluded that DOI officials made misleading assertions related to the BLM's headquarters relocation to Grand Junction, CO, and other Western States. The DOI announced in September 2021 that it will move the BLM's headquarters and some senior officials back to Washington, DC. As of October 2021, however, approximately 80 headquarters positions remain vacant.

DOI ACTION

The DOI's New Telework and Remote Work Guidance

Source: Shutterstock

In summer 2021, the DOI updated its telework policy and established an agencywide policy for implementing employee-initiated requests for remote work. With these new policies and the move toward a more virtual workplace, a hybrid environment in which some employees report to a worksite and others work remotely has become increasingly likely.

This hybrid work environment will require bureaus and offices to adopt updated HR approaches and use new technologies. For example, the DOI may face challenges in identifying IT systems that can ensure employees are working effectively and feel connected, as well as investing in training and tools that provide managers and employees with the necessary resources to ensure the success of a hybrid work environment.

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APPENDIX: Related OIG Publications

Below we present the Office of Inspector General (OIG) work cited in this report (in order of appearance) related to major management challenges facing the U.S. Department of the Interior for fiscal year 2021. This list includes published final products (not work still in fieldwork or issued in draft).

Prior OIG reports on major management challenges and a database of all OIG reports can be found on the OIG website.

Managing Spending

Report No. 2019-FIN-009, *The Interior Business Center's Procurement Preaward Practices Did Not Always Adhere to Federal Regulations or Internal Control Standards,* issued March 2021

Report No. 2020-FIN-002, *The U.S. Department of the Interior Needs To Strengthen Charge Card Internal Controls When Using Disaster Relief Funds,* issued March 2021

Report No. 2021-FIN-021, *Where's the Money? DOI Use of CARES Act Funds as of January 31, 2021,* issued March 2021

Case No. 20-0436, *Apparent Misuse of and Lack of Internal Controls Over the Government Purchase Card Program During the Coronavirus Pandemic,* issued March 2021

Delivering Core Services

Report No. 2020-ITA-032, *Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Modernization Act for Fiscal Year 2020,* issued March 2021

Report No. 2019-ITA-003, *Weaknesses in a USGS System Leave Assets at Increased Risk of Attack,* issued March 2021

Report No. 2020-ITA-020, *The U.S. Department of the Interior Needs To Strengthen Governance Practices To Improve Its Management of Geospatial Data,* issued October 2020

Ensuring Health and Safety

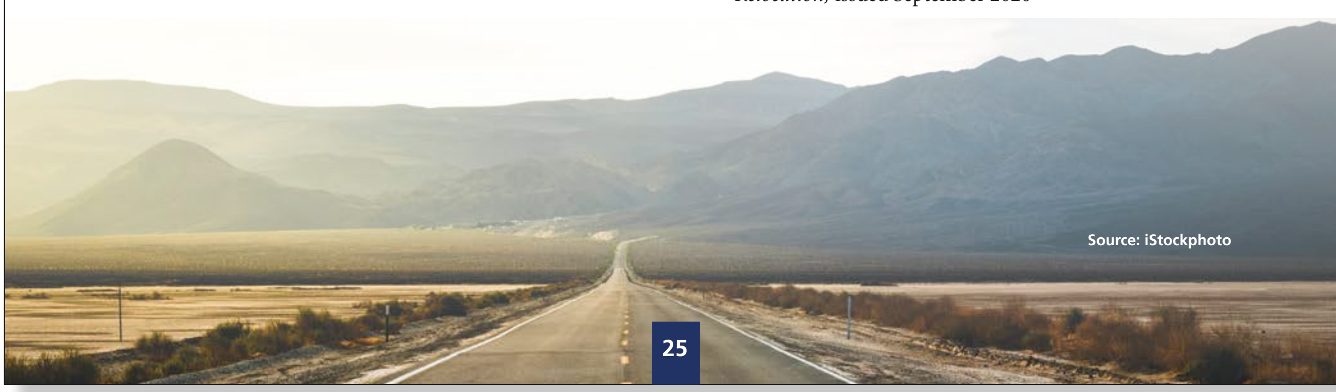
Report No. 2020-WR-044, *The Bureau of Indian Affairs' Coronavirus Response at Indian Country Detention Facilities,* issued January 2021

Case No. 20-0563, *U.S. Park Police Actions at Lafayette Park,* issued June 2021

Report No. 2017-WR-012, *U.S. Department of the Interior Law Enforcement's Body Camera Policy and Practices Are Not Consistent With Industry Standards,* issued January 2018

Report No. 2019-CR-062, *Facility Improvements Still Needed at Pine Hill School,* issued April 2021

Report No. 20-0099, *Statements Made to Congress Regarding the Bureau of Land Management's Office Relocation,* issued September 2020



Source: iStockphoto

Report Fraud, Waste, and Mismanagement

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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 2021 financial statement audit are summarized in Figure 37. As shown in the table, DOI achieved an unmodified audit opinion for DOI's consolidated financial statements.

FIGURE 37

Summary of Financial Statement Audit					
FY 2021					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	1	0	1	0	0

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. During FY 2021, PFM provided oversight with regard to risk assessments, internal control reviews, and progress in implementing audit recommendations. The DOI's FY 2021 Assurance Statement was modified, as indicated in Figure 38, due to a non-financial material weakness related to the Management of Grants, Cooperative Agreements, and Tribal Awards.

FIGURE 38

Summary of Management Assurances						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	1	0	1	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Management of Grants, Cooperative Agreements, and Tribal Awards	1	0	1	0	0	1
Total Material Weaknesses	1	0	1	0	0	1

FIGURE 39

Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems Comply to Financial Management System Requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total of Non-Conformances	0	0	0	0	0	0

FIGURE 40

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	Auditor
1. Federal Financial Management System Requirements	No Lack of Compliance Noted	No Lack of Compliance Noted
2. Applicable Federal Accounting Standards	No Lack of Compliance Noted	No Lack of Compliance Noted
3. U.S. Standard General Ledger at the Transaction Level	No Lack of Compliance Noted	No Lack of Compliance Noted

On March 2, 2020, the President signed into law the *Payment Integrity Information Act of 2019*, Public Law 116-117 (PIIA). The PIIA enhances the Administration's efforts to combat improper payments by consolidating prior improper payment legislation and reinforcing the payment reporting requirements by the Federal Government. The PIIA repeals and replaces the *Improper Payments Information Act of 2002* (IPIA), the *Improper Payments Elimination and Recovery Act of 2010* (IPERA), the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA), and the *Fraud Reduction and Data Analytics Act of 2015* (FRDAA).

Risk Assessments

On March 5, 2021, the Office of Management and Budget (OMB) issued an update to Appendix C of Circular A-123 (Appendix C) in Memorandum M-21-19 *Requirements for Payment Integrity Improvement.* Appendix C requires agencies to review all programs and activities for the risk of improper payment by performing assessments to determine whether those programs are "susceptible to significant improper payments." Due to the DOI's historic low risk of improper payments, the 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 approval, DOI utilizes an alternative assessment period from quarter 4 of the prior fiscal year through quarter 3 of the current fiscal year.

In FY 2018, based upon OIG audit recommendations, the DOI launched a new SharePoint tool to assess the susceptibility of programs to significant improper payments utilizing a qualitative risk analysis. In FY 2021, DOI rebuilt the PIIA SharePoint consistent with OMB's FY 2021 Appendix C update. The new PIIA SharePoint utilizes the following thirteen factors to assess a program's improper payment risk 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. An average of the qualitative factors yields the program's overall score as either high, medium, or low risk of susceptibility to significant improper payments. In addition, DOI considers the results of reviews under the *Single Audit Amendments Act of 1996*, the CFO Act, GAO reviews, and OIG audit reviews when making its assessment.

In FY 2019, DOI performed the agency's most recent comprehensive risk assessment of 86 programs totaling $23.3 billion in expenditures, with none determined to be of high risk for significant improper payments.

In FY 2020, DOI performed out of cycle risk assessment of three "new" programs not assessed in FY 2019. The OIG determined that the Department's FY 2020 risk assessment was partially non-compliant due to the loss of backup documentation resulting from the accidental removal of DOI's legacy improper payment SharePoint in November 2020. The Department's response to the OIG non-compliance finding was the rebuild of the PIIA Sharepoint with improved security, backup, and reporting capabilities; and the successful performance of FY 2021 out of cycle risk assessments.

In FY 2021, DOI performed an out of cycle risk assessment of 25 "new" programs totaling $4,006.46 million in payments for the assessment period of Quarter 4 of FY 2020 through Quarter 3 of FY 2021. Included for FY 2021 risk assessment in the PIIA SharePoint were those "new" programs with greater than $10M in expenditures for (a) the assessment period that were not previously risk assessed in FY 2019, (b) programs funded through the COVID-19 Pandemic Relief legislation including the CARES Act, and (c) those programs funded under the Bi-Partisan Budget Act of 2018 disaster relief special appropriations (DRA) consistent with OMB Memorandum M-18-14. The FY 2021 out of cycle risk assessments found none of the 25 programs at high risk of susceptibility to significant improper payments.

FY 2021 DOI Programs Assessed for Risk of Improper Payments

- Abandoned Mine Reclamation Fund, Office of Surface Mining Reclamation and Enforcement, Interior
- California Bay-Delta Restoration, Bureau of Reclamation, Interior
- Central Utah Project Completion Account, Central Utah Project, Interior
- Colorado River Dam Fund, Boulder Canyon Project, Bureau of Reclamation, Interior
- Construction, National Park Service, Interior
- Construction, United States Fish and Wildlife Service, Interior

- Departmental Operations, Office of the Secretary, Interior
- Indian Guaranteed Loan Program Account, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Land Acquisition and State Assistance, National Park Service, Interior
- Lower Colorado River Basin Development Fund, Bureau of Reclamation, Interior
- Oil Spill Research, Bureau of Safety and Environmental Enforcement, Interior
- Operation of Indian Education Programs, Bureau of Indian Education, Interior
- Operation of Indian Programs, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Outer Continental Shelf Revenues, LWCF Share from Certain Leases, National Park Service, Interior
- Payments to States in Lieu of Coal Fee Receipts, Office of Surface Mining Reclamation and Enforcement, Interior
- Policy and Administration, Bureau of Reclamation, Interior
- Reclamation Trust Funds, Bureau of Reclamation, Interior
- Reclamation Water Settlements Fund, Bureau of Reclamation, Interior
- Regulation and Technology, Office of Surface Mining Reclamation and Enforcement, Interior
- Selis-Qlispe Ksanka Settlement Trust Fund
- Supplemental Payments to UMWA Health Plans, Office of Surface Mining Reclamation and Enforcement, Interior
- Surveys, Investigations, and Research, Geological Survey, Interior
- Upper Colorado River Basin Fund, Bureau of Reclamation, Interior
- Utah Reclamation Mitigation and Conservation Account, Interior
- Working Capital Fund, Bureau of Reclamation, Interior

Sampling and Estimation

Pursuant to Appendix C, DOI are required to design and implement appropriate statistical sampling and estimation methods to produce statistically valid improper payment estimates for al programs and activities determined to be "susceptible to significant improper payments." The DOI employs a testing methodology using statistical sampling to estimate the amount and percentage of improper payments based on the prior year's program expenditures. In developing its sampling and estimation plans, DOI consults with a certified statistician to ensure its testing methodology will produce statistically valid improper payment estimates.

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 $10,000,000 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 testing of the DRA program established a baseline improper payment rate of 0.07 percent for this program, significantly below the statutory threshold required for continued Phase 2 testing of the program, consistent with Section II.C.3. of Appendix C (see Table 2 and page 19 of M-21-19). For FY 2021, the Department moved from Phase 2 stat sample 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 deemed susceptible to significant improper payments pursuant to 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 $565,000 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, testing and other reporting sections under Payment Integrity do not apply to DOI for the *Hurricane Sandy Relief Act* program and are excluded accordingly.

As a result of DOI's FY 2019 comprehensive risk assessment of all Department programs over $10 million, and the out of cycle risk assessment of new programs in FY 2020 through FY 2021, no other programs or activities were determined to be susceptible to significant improper payments requiring sampling and estimation this fiscal year. For additional information regarding the DOI's improper payment PIIA and Appendix C compliance efforts including Phase 1 risk assessments, Phase 2 test results please refer to PaymentAccuracy.gov at: ***https://paymentaccuracy.gov***.

Recapture of Improper Payments Reporting

In FY 2014, the DOI conducted payment recapture audits for payments made in fiscal years 2010 through 2012 that 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. The 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. The 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 2021, the DOI had $37.67 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 $12.52 million or .033 percent in overpayments and recovered $7.39 million. The sources used to identify the overpayments and recovered amounts were self-reported data gathered through Department Office and Bureau internal control reviews. The DOI will continue its efforts to recapture the remaining amounts in FY 2022.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

Pursuant to Executive Order 13520 (November 2009) and Presidential Memorandum-*Enhancing Payment Accuracy Through a "Do Not Pay List"* (June 18, 2010) Treasury established the *Do Not Pay* (DNP) *Initiative* to help Federal agencies' efforts to prevent improper payments. The PIIA and recent update to Appendix C of OMB Circular A-123, (see Section IV.E. The *Do Not Pay Initiative* in OMB Memorandum M-21-19) clarified current agency requirements, citing DNP resources across the Federal Government designed to help verify payment eligibility to identify and prevent improper payments. Under the OMB guidance, each agency is directed to thoroughly review prepayment and pre-award procedures and ensure available databases with relevant information are checked to determine eligibility prior to the release of Federal funds.

The DOI utilizes Treasury's DNP Portal to check data sources including the Death Master File, the Department of State Death Data File and the American Info Source Obituary and Probate Files prior to payment, and to determine if improper payments were made. For FY 2021, two matches for individual payments were deemed improper for the total amount of $1,063, and action has been taken to rectify further payments to these two individuals. All other matches received by DOI have been adjudicated and deemed proper. DOI will continue to utilize the DNP Initiative to reduce improper 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. The reviews are the responsibility of the bureaus and are used to identify inaccurate payments and determine the effectiveness of internal controls over the payment process.
- **Travel Voucher Audits.** The DOI conducts 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 launched a collaborative approach with PICOE in FY 2021 to begin identifying actionable solutions as it relates to the Department's payment integrity challenges.

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 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 to determine a fraud risk profile; implementing control activities to mitigate assessed fraud risks; and evaluation of 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. The DOI's strategy leverages existing activities with planned enhancements to effectively manage and reduce fraud:

- 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 DOI-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 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 fraud risk principles, is completed annually by senior leadership in bureaus and offices. The DOI evaluated this process for opportunities to align the tool for improved fraud management.
- Management evaluated the current organization structure to manage fraud and implemented enhancements such as reiterating travel and charge card policies within DOI and emphasizing the standards of ethical conduct for all employees to ensure proper use of taxpayer dollars.
- Fraud risk training was provided to the bureaus and offices internal control coordinators to their program managers in conjunction with the OIG to enhance skills to prevent, detect, and respond to fraud as well as promote a commitment to fraud prevention and detection throughout DOI.
- The DOI components modified risk assessments conducted by their programs to include specific questions pertaining to fraud risk.
- Under DOI's existing A-123 programmatic and administrative control program, bureaus, and offices: assess program 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.
- The DOI's audit follow-up program tracks corrective action plans to address internally identified deficiencies and 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 the fraud risk profile will be formally tracked and reported in the audit follow-up program.
- As mentioned above, DOI's current A-123 programmatic and administrative control program includes strategic risk responses for testing the design and operating effectiveness of controls.
- Monitoring activities serves as an early warning tool to identify and resolve issues. The DOI will evaluate the outcomes of its entity level fraud risk assessment and adapt activities to counter any deficiencies noted with a particular focus on improved outcomes.
- The FY 2021 PFM reorganization established two new divisions, the Audit Management Division and the Internal Control and Evaluation Division to enhance capabilities and oversight functions for the Department's A-123 and Fraud Management Programs.
- In FY 2021, the DOI OIG reported a total of $29.76 million in confirmed fraud across the Department's Offices and Bureaus.

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 2021, DOI performed annual inflationary adjustments of CMP utilizing a cost of living adjustment multiplier of 1.01182, in accordance with OMB Memorandum M-21-10 *Implementation of Penalty Inflation Adjustments for 2021, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015;* available at ***https://www.whitehouse.gov/wp-content/uploads/2020/12/M-21-10.pdf***. Figure 41 lists the FY 2021 CMP inflation adjustments published in the Federal Register subject to the Act and OMB guidance.

FIGURE 41

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	2021	$10,832	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Bald and Golden Eagle Protection Act - 16 U.S.C. 668(b); 50 CFR 11.33	Any violation	1940	2021	$13,685	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(1) Knowing violation of section 1538	1973	2021	$54,157	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(2) Other knowing violation	1973	2021	$25,995	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(3) Any other violation	1973	2021	$1,368	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Federal Coal Leasing Amendments Act of 1975 - 30 U.S.C. 201(b); 43 CFR 9239.5-3(f)(1)	Coal exploration for commercial purposes without an exploration license	1976	2021	$4,227	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2))	Per day for each violation not corrected	1983	2021	$1,288	Office of Natural Resources Revenue	86 FR 7808 (February 2, 2021) *https://www.federalregister.gov/documents/2021/02/02/2021-01502/inflation-adjustments-to-civil-monetary-penalty-rates-for-calendar-year-2021*
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	2021	$1,288	Bureau of Ocean Energy Management	86 FR 38557 (July 22, 2021) *https://www.federalregister.gov/documents/2021/07/22/2021-15388/maximum-daily-civil-penalty-amounts-for-violations-of-the-federal-oil-and-gas-royalty-management-act* (see footnote 2 on website)
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	2021	$ 1,288	Bureau of Safety and Evironmental Enforcement	86 FR 34132 (June 29, 2021) *https://www.federalregister.gov/documents/2021/06/29/2021-13805/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-maximum-daily-civil-penalty-amounts* (see footnote 2 on website)

(Continued)

FIGURE 41

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(d); 43 CFR 3163.2(f)	Failure to comply	1983	2021	$1,128	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(d	If transporter fails to permit inspection for documentation	1983	2021	$1,128	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(b); 30 CFR 1241.52(b)	Per day for each violation not corrected	1983	2021	$12,891	Office of Natural Resources Revenue	86 FR 7808 (February 2, 2021) *https://www.federalregister.gov/documents/2021/02/02/2021-01502/inflation-adjustments-to-civil-monetary-penalty-rates-for-calendar-year-2021*
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	2021	$11,292	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(c)(3); 30 CFR 1241.60(b)(1)	Per violation for each day that the violation continues	1983	2021	$25,780	Office of Natural Resources Revenue	86 FR 7808 (February 2, 2021) *https://www.federalregister.gov/documents/2021/02/02/2021-01502/inflation-adjustments-to-civil-monetary-penalty-rates-for-calendar-year-2021*
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	2021	$22,584	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(d)(3); 30 CFR 1241.60(b)(2)	Per violation for each day that the violation continues	1983	2021	$64,452	Office of Natural Resources Revenue	86 FR 7808 (February 2, 2021) *https://www.federalregister.gov/documents/2021/02/02/2021-01502/inflation-adjustments-to-civil-monetary-penalty-rates-for-calendar-year-2021*
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	2021	$56,460	Bureau of Land Management	86 FR 30548 (June 9, 2021) *https://www.federalregister.gov/documents/2021/06/09/2021-12053/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Indian Gaming Regulatory Act - 25 U.S.C. 2713(a); 25 CFR 575.4	Per violation	1988	2021	$54,157	National Indian Gaming Commission	86 FR 7646 (February 1, 2021) *https://www.federalregister.gov/documents/2021/02/01/2021-01413/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation*
Lacey Act as amended 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	2021	$27,371	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Lacey Act as amended 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	2021	$684	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*

(Continued)

FIGURE 41

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
Marine Mammal Protection Act of 1972 - 16 U.S.C. 1375; 50 CFR 11.33	Any violation	1972	2021	$27,371	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.12(g)(2)	Failure of museum to comply	1990	2021	$7,037	National Park Service	86 FR 7653 (February 1, 2021) *https://www.federalregister.gov/documents/2021/02/01/2021-01303/civil-penalties-inflation-adjustments*
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	2021	$1,408	National Park Service	86 FR 7653 (February 1, 2021) *https://www.federalregister.gov/documents/2021/02/01/2021-01303/civil-penalties-inflation-adjustments*
Oil Pollution Act of 1990 - 33 U.S.C. 2716(a); 30 CFR 553.51(a)	Failure to comply per day per violation	1990	2021	$48,762	Bureau of Ocean Energy Management	86 FR 19782 (April 15, 2021) *https://www.federalregister.gov/documents/2021/04/15/2021-07722/2021-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer*
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	2021	$46,000	Bureau of Safety and Environmental Enforcement	86 FR 23606 (May 4, 2021) *https://www.federalregister.gov/documents/2021/05/04/2021-09315/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment*
Outer Continental Shelf Lands Act of 1953 - 43 U.S.C. 1350(b)(1); 30 CFR 550.1403	Failure to comply per day per violation	2006	2021	$46,000	Bureau of Ocean Energy Management	86 FR 19782 (April 15, 2021) *https://www.federalregister.gov/documents/2021/04/15/2021-07722/2021-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer*
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(1) Violation involving use of force or violence or threatened use of force or violence	1994	2021	$17,416	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(2) Any other violation	1994	2021	$8,708	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Rhinoceros and Tiger Conservation Act of 1998 - 16 U.S.C. 5305a(b)(2); 50 CFR 11.33	Any violation	1998	2021	$19,053	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Minimum penalty based upon one point assigned under 30 CFR 723.14.	1977	2021	$69	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*

FIGURE 41

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 723.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 723.14.	1977	2021	$17,314	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
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	2021	$2,596	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Minimum penalty based upon one point assigned under 30 CFR 845.14.	1977	2021	$69	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 845.14.	1977	2021	$17,314	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.15(b)	Assessment of separate violations for each day	1977	2021	$2,596	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 724.14(b)	Individual civil penalties	1977	2021	$17,314	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 846.14(b)	Individual civil penalties	1977	2021	$17,314	Office of Surface Mining Reclamation and Enforcement	86 FR 29509 (June 2, 2021) *https://www.federalregister.gov/documents/2021/06/02/2021-11301/civil-monetary-penalty-inflation-adjustments*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(1) Violation of section 4910(a)(1), section 4910(a)(2), or any permit issued under section 4911	1992	2021	$45,907	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(2) Violation of section 4910(a)(3	1992	2021	$22,034	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(3) Any other violation	1992	2021	$919	US Fish & Wildlife Service	86 FR 15427 (March 23, 2021) *https://www.federalregister.gov/documents/2021/03/23/2021-05779/civil-penalties-2021-inflation-adjustments-for-civil-monetary-penalties*

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 of OMB 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, 2021.

A detailed report and summary of challenges and efforts taken to close these awards is provided below.

FIGURE 42

Grants/Cooperative Agreements			
Category	**2 - 3 Years FY 2018 - FY 2019**	**3 - 5 Years FY 2017 - FY 2018**	**More than 5 Years Before FY 2016**
Number of Grants/Cooperative Agreements with Zero Dollar Balances	78	28	1
Number of Grants/Cooperative Agreements with Undisbursed Balances	185	9	0
Total Amount of Undisbursed Balances	$4,071,660	$2,383,175	$-

During FY 2021, the Department made significant strides that improved the administration of discretionary financial assistance. Following a year-long implementation of GrantSolutions, an OMB designated share-service provider for financial assistance, the Department began managing all discretionary awards in the system in April 2021. Bureaus and offices utilized GrantSolutions to administer over 13,000 awards totaling $3.9 billion in funding this fiscal year. The PGM collaborated with other Federal agencies to negotiate future enhancements and upgrades to GrantSolutions, including the new Recipient Data Insight tool that will provide access to data from multiple Federal databases used to determine applicant eligibility and perform risk assessments prior to issuing an award. The tool will be used to streamline the DOI recipient risk assessment process. The GrantSolutions Shared Services Provider plans to make the tool available to all participating Federal agencies in November 2021.

Efforts were made to expand Departmental guidance available to Bureaus and Offices for financial assistance. During FY 2021, PGM issued several policy guidance documents and drafted eleven new policies that are scheduled for issuance during FY 2022. The policies and guidance documents clarify existing regulatory requirements and executive orders impacting the administration of financial assistance awards. PGM also revamped its internal SharePoint website to provide the DOI financial assistance community with access to policies and other regulatory resources, organize internal controls reporting submissions, and streamline policy related requests for assistance. PGM also implemented enhancements to the Department's internal controls assessment and reporting processes for financial assistance, including standard reporting templates to improve reporting of evaluation results. PGM also conducted a risk assessment to identify the high-risk vulnerabilities for financial assistance. PGM also created a new data dashboard that provides information on expired awards that remain open, which allows the Department to monitor progress in closing these awards and simplifies the annual reporting process for expired awards. Additionally, PGM closed its only outstanding recommendation issued by the OIG in 2004 and worked with the PFM to improve the monitoring of outstanding recommendations issued by OIG and the GAO.

PGM collaborated with bureaus and offices to improve the quality of information provided on DOI financial assistance programs. The effort resulted in updates to all of DOI's 297 published Assistance Listings, formerly the Catalog of Federal Domestic Assistance, which improved the quality of information provided to public on DOI programs. PGM accomplished this task by implementing a quality control process for the annual updates submitted from bureaus and offices and a scorecard to monitor compliance for annual assistance listings updates required by the OMB.

The major challenges responsible for delays in closing expired awards include DOI's migration to a new grants management system, GrantSolutions, which began in FY 2020 and was completed in April 2021. The GrantSolutions implementation coupled with the COVID-19 pandemic placed a strain on the staffing resources across the Department. The transition to GrantSolutions required DOI bureaus and offices to dedicate significant staffing resources to modify business processes, train staff, and verify conversion of financial assistance records to the new system. As a result, some bureaus and offices were compelled to prioritize the GrantSolutions transition and issuance of awards over performing award closeout both during and after the transition. Although, the GrantSolutions transition has been a challenge for bureaus and offices, the adoption of a single award system has strengthened the Department's internal controls for administering awards and will improve the Department's award management processes including award closeout. DOI remains committed to reducing the number of expired grants and cooperative agreements despite these challenges. Bureaus and Offices are working to close the majority of awards reported, including 20 of the 38 expired awards for which the period of performance expired as of September 30, 2018. In September 2021, DOI created new tools and reporting capabilities designed to support the Bureaus and Offices' efforts to close expired awards. The PGM worked with the BIO to create a Department-wide dashboard to monitor the number of awards that have expired and are awaiting closure. The Department will also implement periodic internal reporting and monitoring activities beginning in FY 2022 to assist DOI Bureaus and Offices in monitoring the closure of expired awards each year.

ACIO	Associate Chief Information Officers
AFR	Agency Financial Report
AI/RPA	Artificial Intelligence/Robotic Process Automation
AM	Audit Management Division
APD	Applications for Permits to Drill
ARRA	*American Recovery and Reinvestment Act of 2009*
ASG	American Samoa Government
Bbl	Oil Barrel
BBOE	Billion Barrels of Oil Equivalent
BIA	Bureau of Indian Affairs
BIE	Bureau of Indian Education
BIO	Business Integration Office
BLM	Bureau of Land Management
BOEM	Bureau of Ocean Energy Management
BSEE	Bureau of Safety and Environmental Enforcement
BSS	Bison Support System
BTFA	Bureau of Trust Funds Administration
CAP	Corrective Action Plan
CARES Act	*Coronavirus Aid, Relief, and Economic Security Act*
CDM	Continuous Diagnostics and Mitigation
CEAR	Certificate of Excellence in Accountability Reporting
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CIO	Chief Information Officer
CIP	Construction in Progress
COVID-19	Coronavirus Disease 2019
CMP	Civil Monetary Penalties
CSAM	Cyber Security Assets and Management
CSRS	Civil Service Retirement System
CY	Calendar Year
DAS-BFGA	Deputy Assistant Secretary-Budget, Finance, Grants and Acquisition
DATA Act	*Digital Accountability and Transparency Act of 2014*
DCIA	*Debt Collection Improvement Act of 1996*
DCOI	Data Center Optimization Initiative
DHS	Department of Homeland Security
DM	Departmental Manual
DM&R	Deferred Maintenance and Repairs
DNP	Do Not Pay
DO	Departmental Offices
DOED	Department of Education
DOE	Department of Energy
DOI	Department of the Interior
DOL	Department of Labor
DOT	Department of Transportation
eERDMS	Enterprise Records and Document Management System
EFT	Electronic Funds Transfer
EIA	Energy Information Administration
EIS	Enterprise Infrastructure Solutions
EIRF	Environmental Improvement and Restoration Fund
EPCA	*Energy Policy and Conservation Act of 2000*
FASAB	Federal Accounting Standards Advisory Board
FBI	Federal Bureau of Investigation
FBMS	Financial and Business Management System
FBwT	Fund Balance with Treasury
FCI	Facility Condition Index
FCLAA	*Federal Coal Leasing Amendments Act of 1976*
FCRA	*Federal Credit Reform Act of 1990*
FDS	Federal Data Strategy
FECA	*Federal Employees Compensation Act*

FEGLI	Federal Employees' Group Life Insurance
FERS	Federal Employees Retirement System
FFMIA	*Federal Financial Management Improvement Act of 1996*
FISMA	*Federal Information Security Modernization Act of 2004*
FITARA	*Federal Information Technology and Acquisition Reform Act*
FLPMA	*Federal Land Policy and Management Act of 1976*
FMFIA	*Federal Managers' Financial Integrity Act of 1982*
FMV	Fair Market Value
FOGRMA	*Federal Oil and Gas Royalty Management Act of 1982*
FOIA	*Freedom of Information Act*
FR	Financial Report of the U.S. Government
FRDAA	*Fraud Reduction and Data Analytics Act of 2015*
FWS	U.S. Fish and Wildlife Service
FY	Fiscal Year

GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GAOA	*Great American Outdoors Act*
GBL	Government Bill of Lading
GDP	Gross Domestic Product
G-INVOICING	Government-Invoicing
GLO	General Land Office
GMRA	*Government Management Reform Act of 1994*
GPRA	*Government Performance and Results Act of 1993*
GSA	General Services Administration
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System

HANA	High-performance Analytic Appliance
HHS	Department of Health and Human Services
HPF	Historic Preservation Fund
HVA	High Value Asset

IA	Indian Affairs
ICE	Internal Control and Evaluation Division
IIM	Individual Indian Monies
IMT	Information Management and Technology
IMTLT	IMT Leadership Team
IPERA	*Improper Payments Elimination and Recovery Act of 2010*
IPERIA	*Improper Payments Elimination and Recovery Improvement Act of 2012*
IPIA	*Improper Payments Information Act of 2002*
IPv6	Internet Protocol Version 6
IT	Information Technology

LCRBDF	Lower Colorado River Basin Development Fund
LWCF	Land and Water Conservation Fund

M&I	Municipal and Industrial
Mbbl	One Thousand Barrels
MMcf	One Thousand Cubic Feet
MLA	Mineral Leasing Act of 1920

NEPA	*National Environmental Policy Act*
NFWF	National Fish and Wildlife Foundation
NHPF	*National Historic Preservation Act of 1966*
NPF	National Park Foundation
NPS	National Park Service
NWR	National Wildlife Refuge

OCIO	Office of the Chief Information Officer
OCS	Outer Continental Shelf
OCSLA	*Outer Continental Shelf Lands Act of 1953*
OIA	Office of Insular Affairs
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONRR	Office of Natural Resources Revenue
OPM	Office of Personnel Management
OS	Office of the Secretary
OSMRE	Office of Surface Mining Reclamation and Enforcement
OST	Office of the Special Trustee for American Indians
OWF	Office of Wildland Fire
PADD	Petroleum Administration for Defense Districts
PAM	Office of Acquisition and Property Management
PAR	Performance Accountability Report
PfM CoP	IT Portfolio Management Community of Practice
PFM	Office of Financial Management
PGM	Office of Grants Management
PI/LSI	Possessory Interest to Leasehold Surrender Interest
PIIA	*Payment Integrity Information Act of 2019*
PPA	*Prompt Payment Act of 2002*
PP&E	Property, Plant, and Equipment
P. L.	Public Law
PR	Purchase Request
RPA	Robotic Process Automation
RPEC	Retirement Plans Experience Committee
SAOP	Senior Agency Official for Privacy
SBR	Statement of Budgetary Resources
SCRM	Supply Chain Risk Management
SCSS	Single Customer Support System
SFFAS	Statement of Federal Financial Accounting Standard
SFRBTF	Sport Fish Restoration and Boating Trust Fund
SMCRA	*Surface Mining Control and Reclamation Act of 1977*
SNPLMA	*Southern Nevada Public Land Management Act of 1998*
SOA	Society of Actuaries
TAP	Technology Assessment Program
TB	terabytes
TBM	Technology Business Management
TLCP	Trust Land Consolidation Program
Treasury	U.S. Department of the Treasury
USCG	U.S. Coast Guard
USBR	Bureau of Reclamation
USDA	U.S. Department of Agriculture
USDS	U.S. Digital Services
USFS	U.S. Forest Service
USGS	U.S. Geological Survey
USPP	U.S. Park Police
UTRR	Undiscovered Technically Recoverable Resources
UMWA	United Mine Workers of America
WMD	Wetland Management District

We would like to hear from you.

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Did we present information in a way you could use? What did you like best and least about our report? How can we improve our report in the future?
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Office of Financial Management
MS 5530-MIB
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Stay in touch with DOI.

Acknowledgments

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Office of the Chief Financial Officer
Tonya R. Johnson, *Deputy Chief Financial Officer and Director*, Office of Financial Management

Office of Financial Management
Eric. D. Still, *Deputy Director* • Cynthia Snooks-Key, *Chief of Staff* • Clarence Smith, *Senior Advisor*

Financial Reporting Division
Kenneth T. Cason, *Director*
Kimberly Brislin
Dana Mackey
Kimberly Samaroo
Ambika Sapkota
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Carrie Wyatt

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Paul Batlan
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Audit Management Division
Naznin Rahman, *Director*
Cynthia Chapman-Gibbs
Sharon Kirkley
Harinder Singh
Preston Wong

Financial Systems and Data Analytics Division
Misty Foster, *Director*
Doug DeNardo
Katrina Millette
Alyson Yan

Office of Acquisition and Property Management
Megan Olsen, *Director*
Craig Lasser
Robert Rushing

Office of Planning and Performance Management
Patricia Currier, *Director*
Andrew Webb

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Laura Nicholson

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Deborah June Hartley, *Acting CIO*
Cindy Ryberg
Oluwarotimi Abimbola
Jennifer Werner
Kenneth Klinner
Lisa Duggan

Business Integration Office
Martin Quinlan, *Director*
Suzan Corl
Christopher Vansickle

Office of Grants Management
Cara Whitehead, *Director*
Xanthia James

Office of Natural Resources Revenue
Kimbra Davis, *Director*
Chris Bauer
Robert Winter
Robert Kronebusch

Interior Business Center
Michelle Layman

Office of the Executive Secretariat
Richard Cardinale, *Director*
Preston Heard
Ayesha Giles

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Kasheika Minor

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We offer special thanks to our graphic designer, John Klaja within the Office of Facilities and Administrative Services.

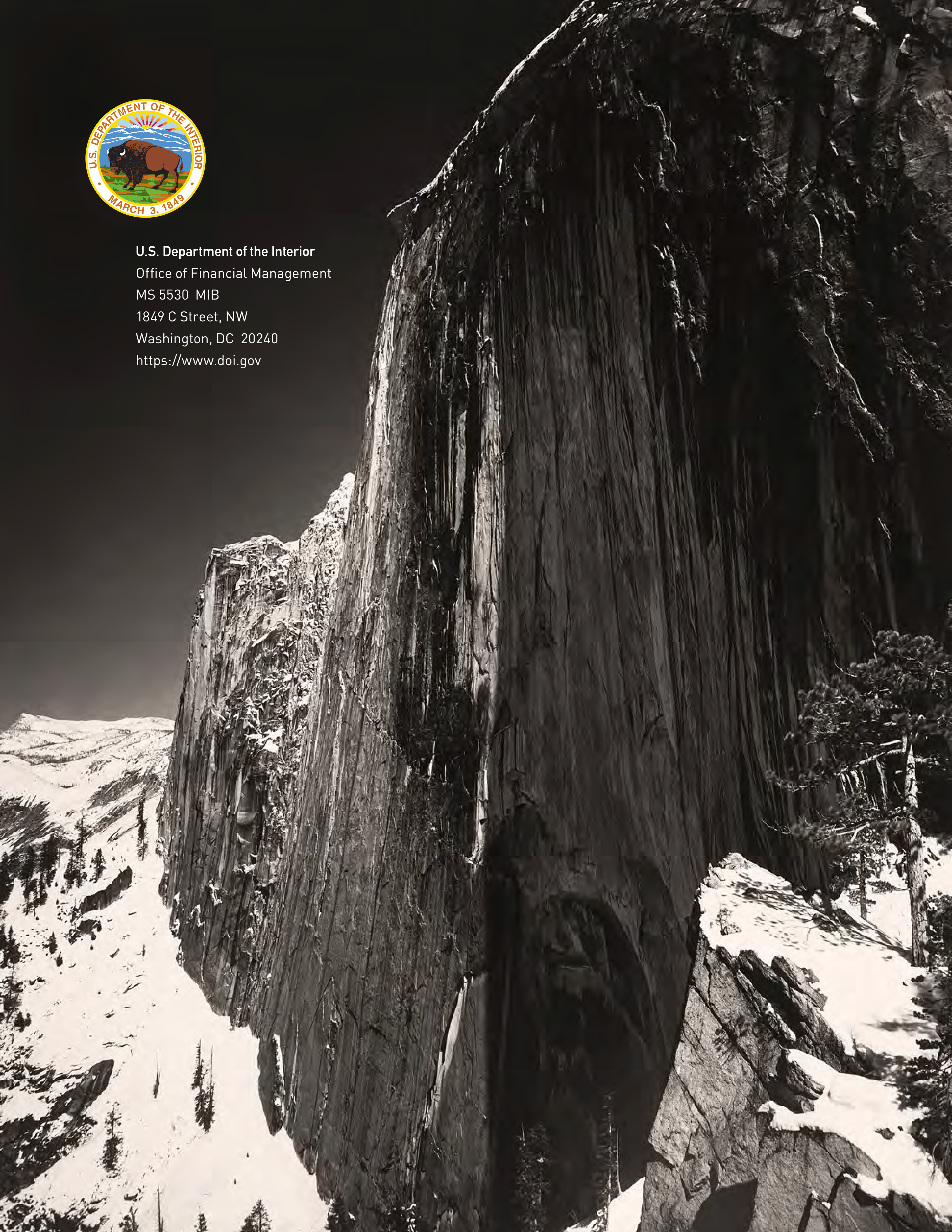
“Redheads” by James Hautman
Image courtesy of USFWS

The winning 2021 Federal Duck Stamp, featuring a pair of Redheads afloat in choppy water was painted by Minnesota artist, James Hautman. He has now won a record-breaking six times—starting with his first win as a 25-year-old with his entry in 1989 that became the 1990–1991 Stamp. At that time, he was the youngest ever to win and he had entered five times before his win. His painting will be made into the 2022–2023 Federal Migratory Bird Hunting and Conservation Stamp, or “Duck Stamp,” which will go on sale in late June 2022. Since 1934, sales of Duck Stamps have raised more than $1.1 billion to protect over 6 million acres of wetlands habitat.

https://www.fws.gov/birds/news/210927duck-stamp.php

BACK COVER: “MONOLITH, THE FACE OF HALF DOME”

On the chilly spring morning of April 10th, 1927, Ansel Adams set out along Yosemite’s LeConte Gully to capture an image of the striking sheer face of Half Dome, one of Yosemite National Park’s most iconic natural features. The gelatin silver print photograph he made, “Monolith, the Face of Half Dome,” shows the mountain rising from an ink-black sky, its face illuminated by a dazzling mid-day sun just out of frame. Though Ansel initially made an exposure using a yellow filter, he immediately swapped that for a dark red filter, which darkened the sky and produced the deep shadows and bright light we recognize in the final image. Today, the image stands as not only one of Adams’ finest works, but as a lasting and iconic depiction of one of the most unique spots in the American wilderness.
https://www.archives.gov/research/ansel-adams https://vimeo.com/303153816



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