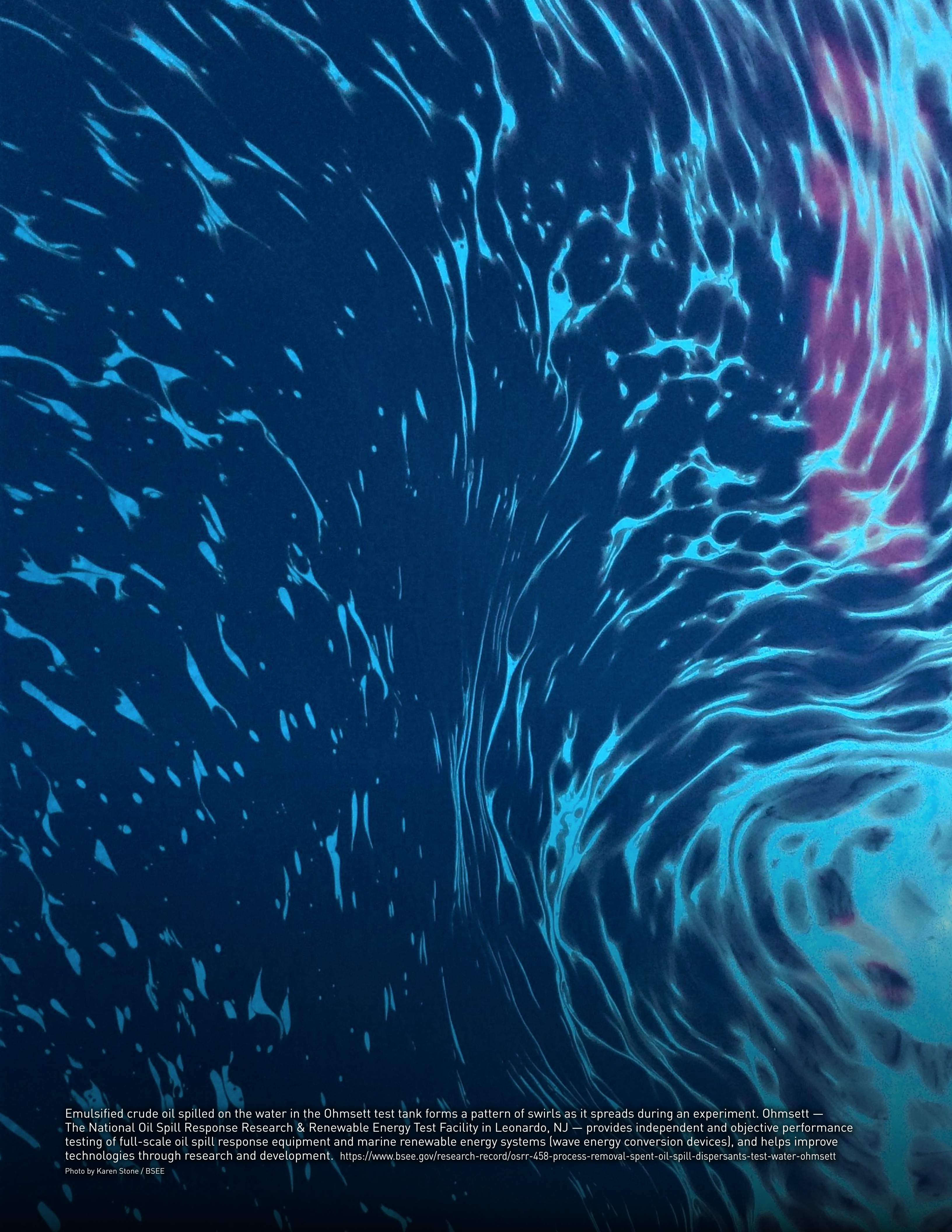
U.S. DEPARTMENT OF THE INTERIOR

Agency Financial Report **2022**

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



Emulsified crude oil spilled on the water in the Ohmsett test tank forms a pattern of swirls as it spreads during an experiment. Ohmsett — The National Oil Spill Response Research & Renewable Energy Test Facility in Leonardo, NJ — provides independent and objective performance testing of full-scale oil spill response equipment and marine renewable energy systems (wave energy conversion devices), and helps improve technologies through research and development. https://www.bsee.gov/research-record/osrr-458-process-removal-spent-oil-spill-dispersants-test-water-ohmsett

Photo by Karen Stone / BSEE

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

ON THE COVER: "BETTY REID SOSKIN"

Betty Reid Soskin, a writer and civil rights activist who found fame later in life as the oldest active National Park Service ranger, retired in April at the age of 100. She spent her last day on the job at the Rosie the Riveter/WWII Home Front National Historical Park in Richmond, California, speaking with the public and visiting with coworkers. The park celebrated her retirement on April 16, 2022.

https://www.nps.gov/rori/learn/historyculture/betty-reid-soskin.htm

Photo by Luther Bailey / National Park Service

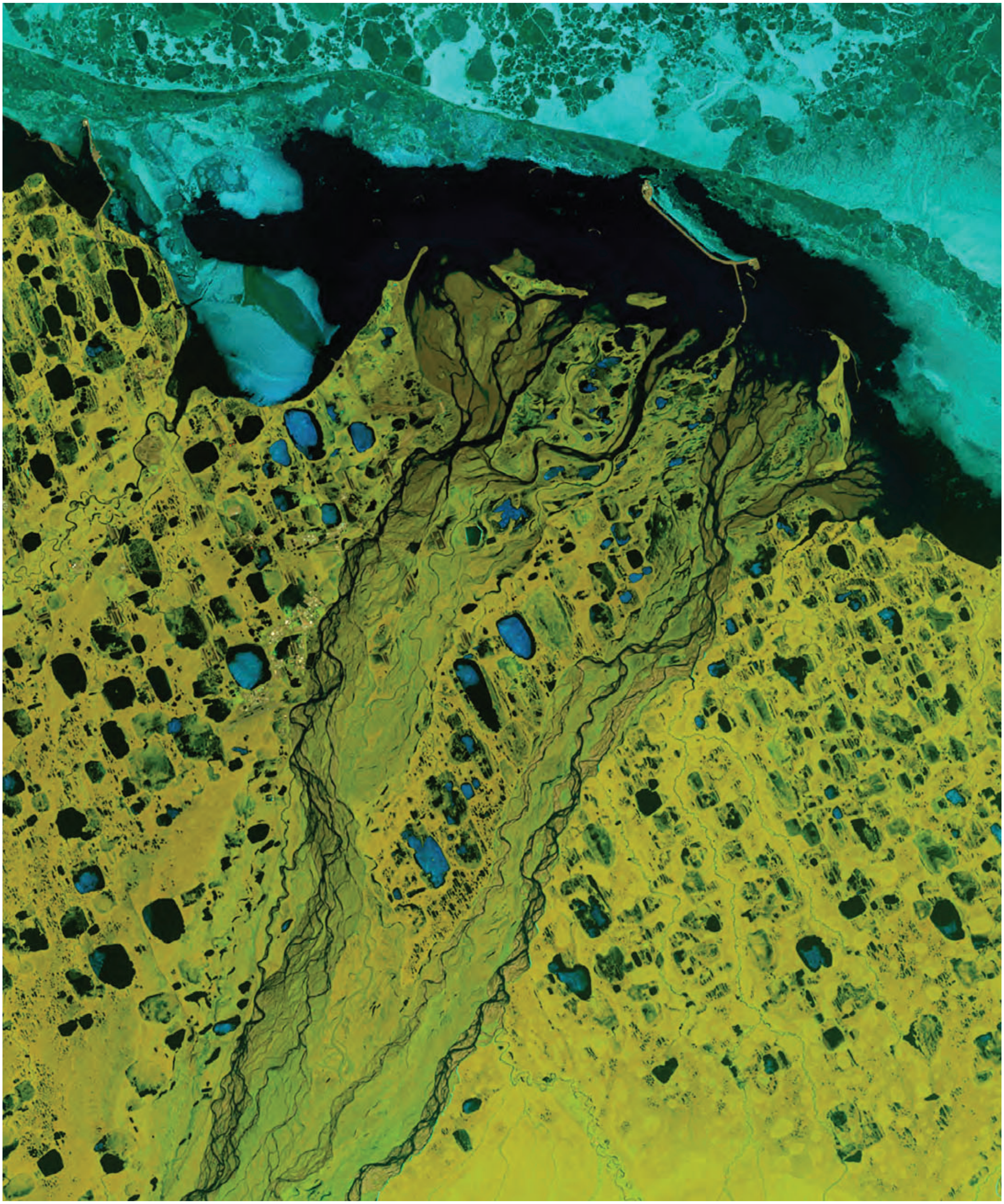


Photo by U.S. Geological Survey

SATELLITES WILL HELP US FIGHT CLIMATE CHANGE

The U.S. Geological Survey will use Landsat 9, which can capture images such as this false-color one of the Sagavanirktok River in Alaska, to help understand and potentially mitigate climate change in the U.S. This satellite helps to monitor Earth's land, water and other natural resources. Landsat missions support environmental sustainability and climate resiliency through high-resolution satellite imaging.
https://www.scientificamerican.com/article/u-s-secretary-of-the-interior-satellites-will-help-us-fight-climate-change/

Photo by Maxim Ermolenko / Alamy Stock Photo

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 of the Interior's (Department) Agency Financial Report for Fiscal Year 2022. 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.

The Department's broad and diverse portfolio makes it essential that we operate in cooperation with many other organizations to achieve our mission. We partner with other Federal agencies in implementing our core mission and carrying out administration priorities. With our partners in State, Tribal, and local governments, we carefully manage the financial, natural, and cultural resources entrusted to us.

At a time when tackling the climate crisis could not be more critical, President Biden's Bipartisan Infrastructure Law (BIL) made a major investment in the conservation and stewardship of America's public lands that will lead to better outdoor spaces and habitats for people and wildlife for generations to come. This transformational law will build on proven, nature-based projects, programs, and partnerships to protect cherished wildlife and nature resources while creating good-paying union jobs to strengthen communities.

The BIL contains several provisions that invest in Department initiatives and benefit the communities and areas we directly serve. The Department received $28.1 billion across our Bureaus and Offices dedicated to restoring critical habitats, addressing the drought crisis, assisting with wildland fire management, and helping communities prepare for extreme weather events. This includes:

- **$16 billion** for plugging orphaned wells and reclaiming abandoned mine lands, to help communities eliminate dangerous conditions and pollution caused by past extraction activities, improve water drainage, and create good-paying jobs to strengthen local economies.
- **$8.3 billion** for water infrastructure programs to minimize the impacts of drought and develop a long-term plan to marshal existing resources and work in partnership with irrigators and State, Tribal, and local governments to address and develop these long-term measures while combatting climate change and restoring lands, water, and wildlife.
- **$1.5 billion** to invest in a more strategic approach to wildland fire management and greater support of wildland firefighters through pay increases and strengthening health and safety resources both on the job and at home, and to support long-term fire preparedness, reducing fire risk across States, and working with partners to increase resilience on lands and communities dealing with the threat of wildfire.
- **$1.4 billion** for ecosystem restoration and resilience, a significant down payment on protecting our shared natural heritage and collaborating with States, Tribes, and local communities to restore habitat connectivity for aquatic species around the country and advance habitat restoration, invasive species control, conservation of at-risk and listed species and benefits to several significant ecosystems.
- **$466 million** to make Tribal communities safer and their infrastructure more resilient to the impacts of climate change, as well as a historic investment of **$2.5 billion** to help the Department fulfill pre-existing settlements of Indian Water Rights claims.

In addition, the newly signed *Inflation Reduction Act* (IRA) is a historic and transformational investment toward achieving President Biden's ambitious goals to tackle the climate crisis while lowering costs for working families and creating good-paying jobs. More than $6.6 billion in IRA funding will help bolster Bureaus and Offices across the Department as we continue our momentum to transition to a clean energy economy, advance key habitat restoration and land resilience projects, and secure environmental justice for historically disadvantaged communities.

This work – as with all of the Department's work – is rooted in equity as we address the barriers to access to the outdoors and how we can close those gaps, create a clean energy economy, and address the legacy of environmental injustice. By embedding equity in our operations, policies, and practices, the Department honors the commitments of the Biden-Harris administration and commits to equitable treatment of all individuals, regardless of race, ethnicity, age, sex, gender identity, sexual orientation, religion, or disability.

DEB HAALAND
Secretary of the Interior
November 15, 2022

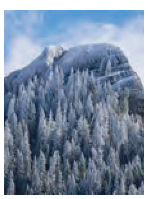
Photo by Tami A. Heilemann, DOI

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, 2021, through September 30, 2022. We prepared this report in accordance with the requirements of Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements. This document consists of three primary sections and supplemental appendices. The AFR consists of the following sections:

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

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



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

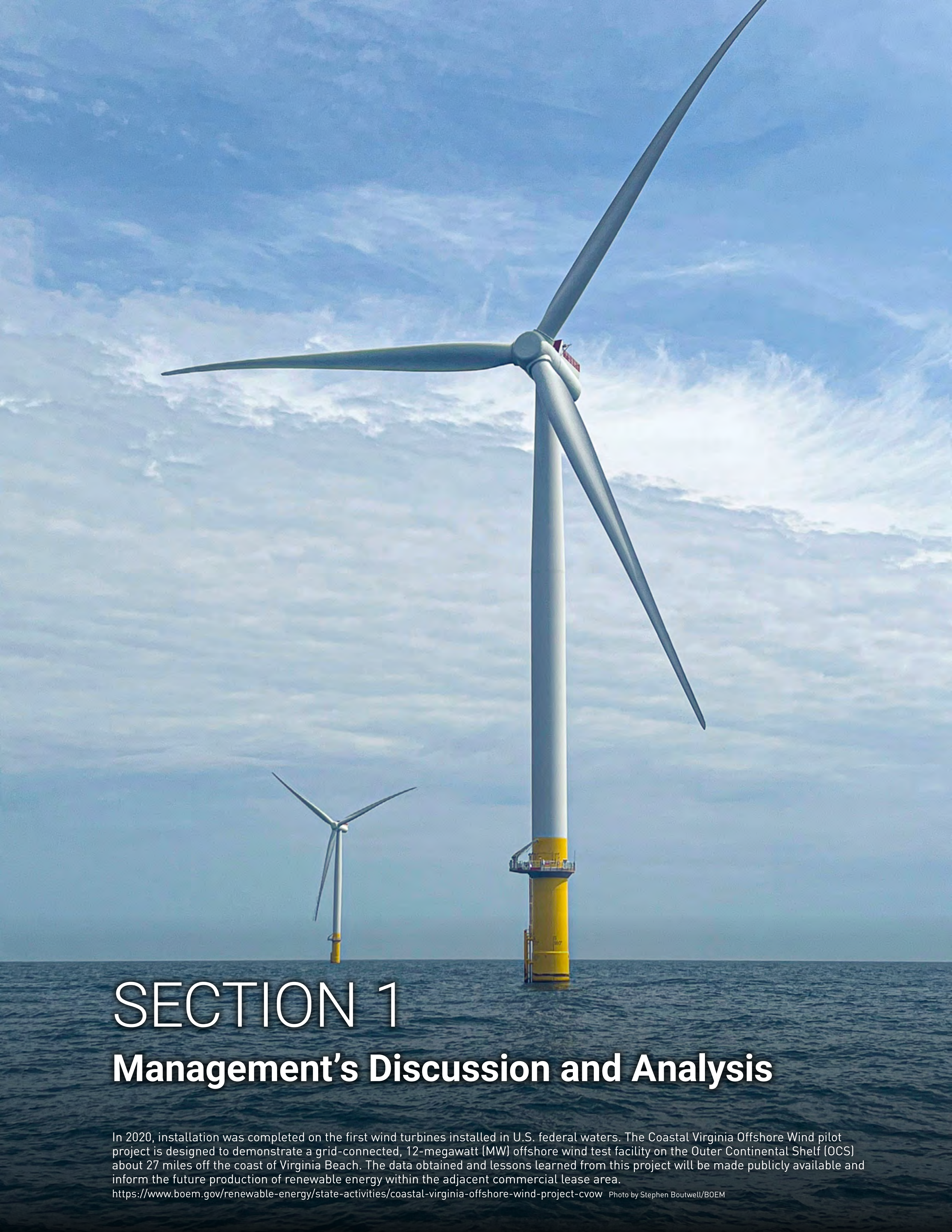
The DOI produces an AFR rather than the alternative Performance and Accountability Report (PAR). The PAR is a report that combines an AFR with performance information required by the Government Performance and Results Act (GRPA). The AFR may be viewed online at ***https://www.doi.gov/pfm/afr***.

Certificate of Excellence in Accountability Reporting

The DOI received a Certificate of Excellence in Accountability Reporting (CEAR®) award for the Fiscal Year (FY) 2021 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 20th 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 informative presentation of What the Agency Does. This section provided an excellent summary of the agency's rich history, vision, mission, guiding principles, and priorities. In many ways it provided a history lesson for all Americans.



SECTION 1

Management’s Discussion and Analysis

In 2020, installation was completed on the first wind turbines installed in U.S. federal waters. The Coastal Virginia Offshore Wind pilot project is designed to demonstrate a grid-connected, 12-megawatt (MW) offshore wind test facility on the Outer Continental Shelf (OCS) about 27 miles off the coast of Virginia Beach. The data obtained and lessons learned from this project will be made publicly available and inform the future production of renewable energy within the adjacent commercial lease area.
https://www.boem.gov/renewable-energy/state-activities/coastal-virginia-offshore-wind-project-cvow Photo by Stephen Boutwell/BOEM

History https://www.doi.gov/whoweare/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).

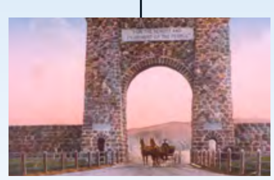
During the 20th century, the DOI's authorizing statutes shifted to put more emphasis on the preservation, management, and use of public lands and natural and cultural resources. Today, the DOI manages the Nation's public lands and minerals, including managing more than 480 million surface acres of public 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.

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



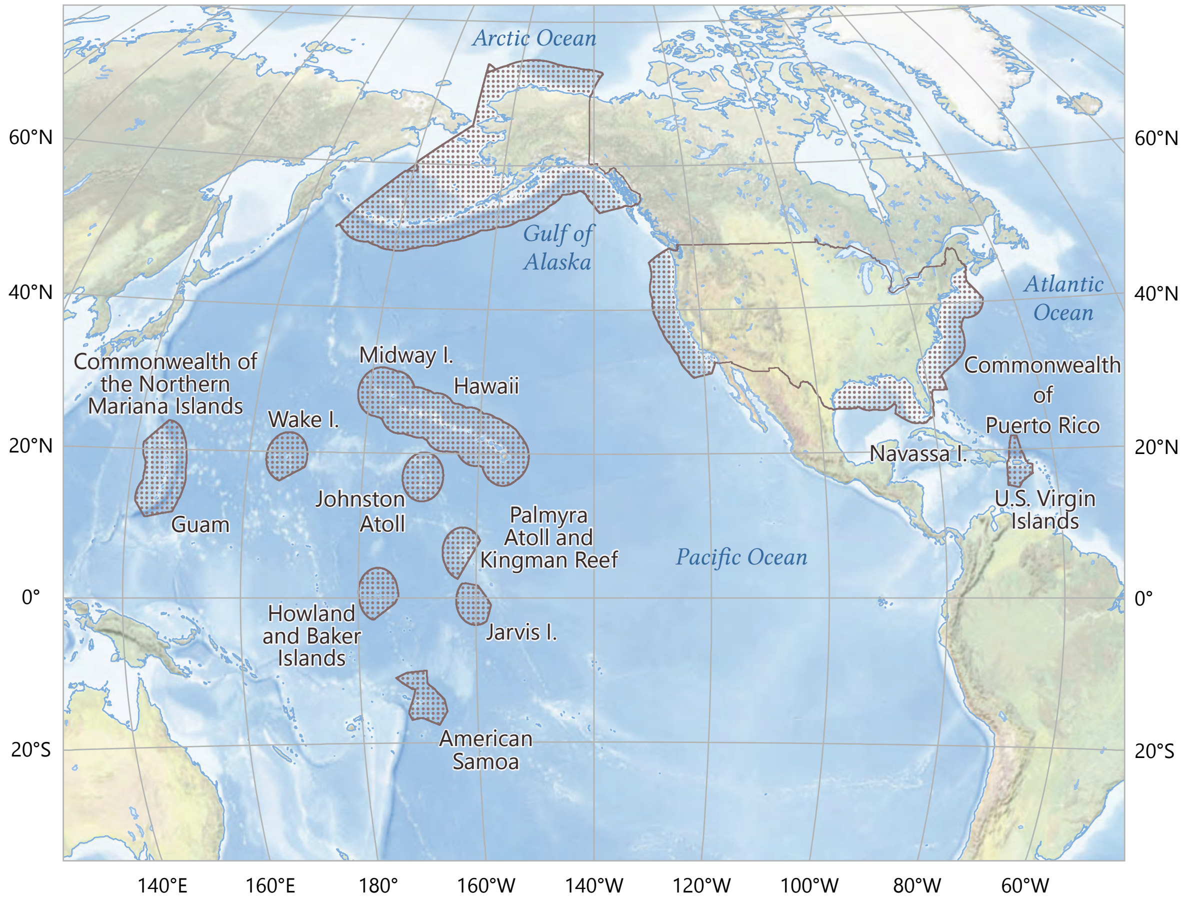
1872
Congress established Yellowstone as the first National Park

1879
U.S. Geological Survey (USGS) created

History *(Continued)*

The DOI's Programs encompassed in this report cover a broad spectrum of activities performed by bureaus and offices and are captured in the following presentation of each entity's unique mission and set of responsibilities. The DOI's mission is carried out by the bureaus in offices and the DOI's over 66,000 dedicated and skilled employees. Historically, hundreds of thousands of volunteers annually contribute their time in support of bureau and office missions, bringing unique local knowledge to park operations, assisting in recovery from natural disasters, and participating in environmental education, among other activities.

FIGURE 1



UNITED STATES CONTINENTAL SHELF BOUNDARY AREAS

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

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

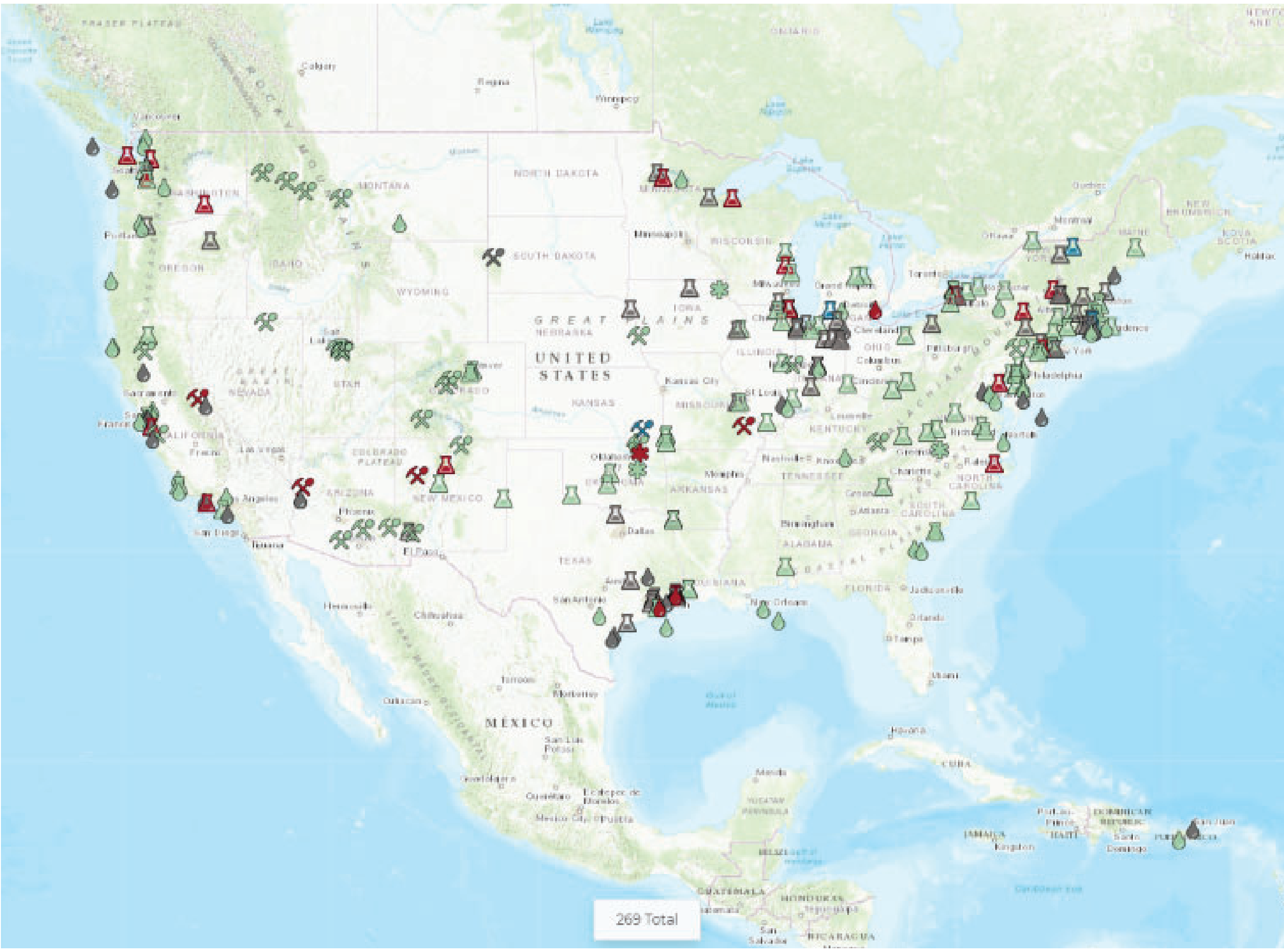
1910
The Bureau of Mines was established

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

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

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

FIGURE 2



NRDAR SITES MAP

The DOI's Natural Resource Damage Assessment and Restoration (NRDAR) Program aims to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. The NRDAR cases/sites map shown above is from our Damage Assessment and Restoration Tracking System (DARTS) – with sites identified by type and current status – provides practitioners and the public the ability to track NRDAR cases from beginning to closure. https://www.doi.gov/restoration

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

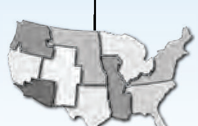
1982
Minerals Management Service (MMS) created

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

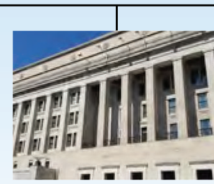
NRDAR DAM REMOVAL PROJECT
A "Before" picture (top) and an "After" picture (bottom) of a dam removal project implemented by DOI and the State of New Jersey (and other partners including The Nature Conservancy). https://www.doi.gov/restoration/stories

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

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



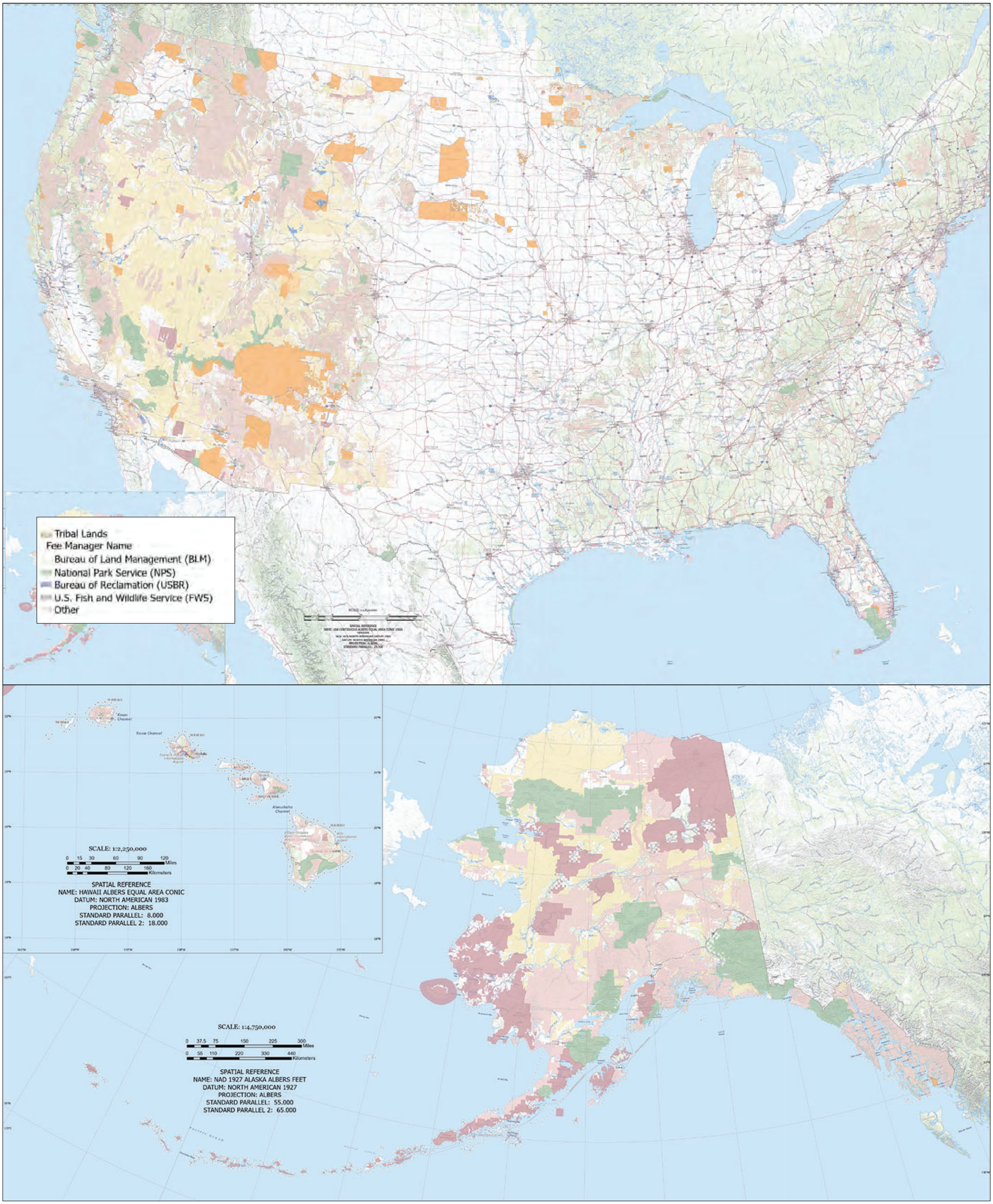
2019
DOI adopted 12 standard regional boundaries



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

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

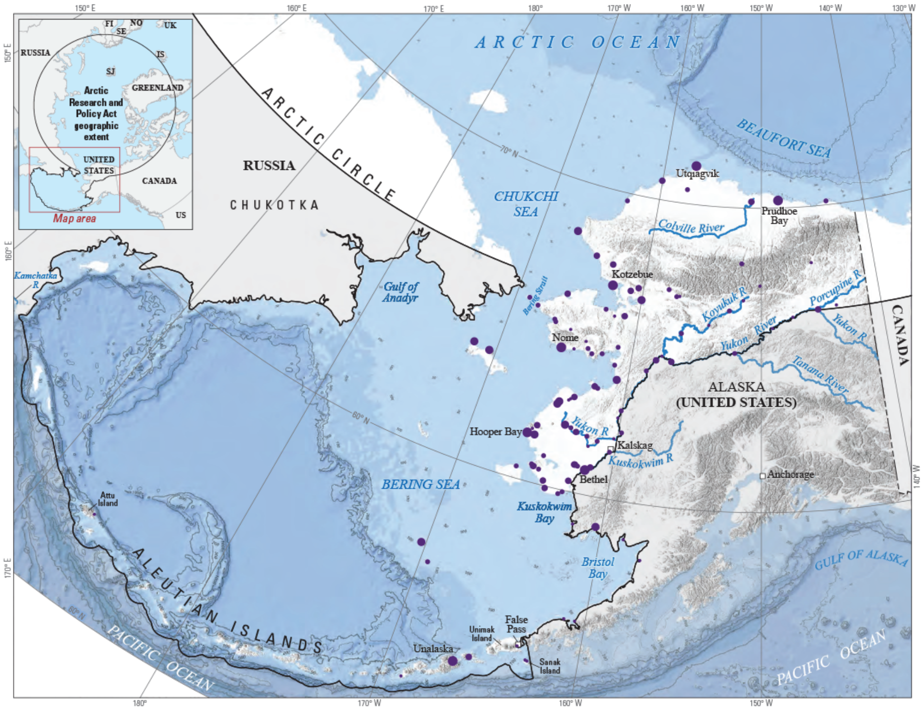
FIGURE 3



Source: U.S. Geological Survey

PUBLIC AND TRIBAL LANDS MAP

FIGURE 4



Source: USGS / Dee M. Williams and Christopher L. Richmond / 2021

THE ARCTIC RESEARCH AND POLICY ACT REGION – BERING SEA

The USGS is the sole science agency for the DOI and provides unbiased, objective, and impartial scientific information the public and other government agencies rely on. As an example, the USGS in November 2021 released a series of updated boundary maps of the U.S. Arctic Research and Policy Act of 1984. This new map series establishes a uniform geospatial reference framework and will help facilitate opportunities for enhanced situational awareness and research coordination in the Arctic region.https://pubs.usgs.gov/sim/3484/sim3484_pamphlet.pdf

FIGURE 5

Source: USGS / Dee M. Williams and Christopher L. Richmond / 2021

THE ARCTIC RESEARCH AND POLICY ACT REGION – CIRCUMPOLAR PERSPECTIVE

Vision

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

Mission

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

Guiding Principles

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

DOI Secretarial Priorities

As we have successfully started in FY 2022, and as we advance into FY 2023, we are committed at DOI to implementing the core functions of our mission and achieving the goals of the Biden-Harris Administration and the Secretary on behalf of the American people.

The Secretary has identified priorities in the coming years to:

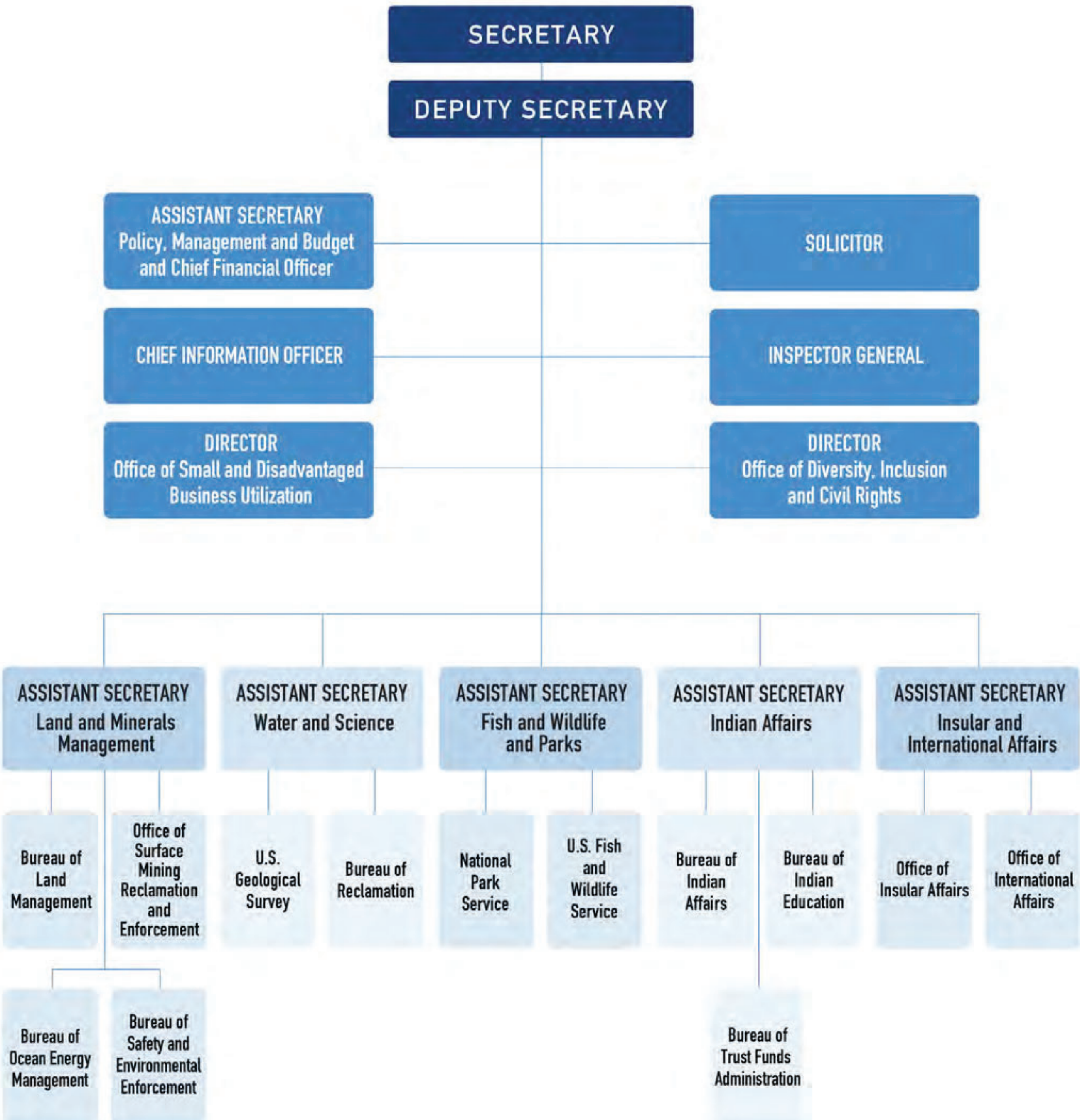
- Tackle the impacts of climate change.
- Actively promote diversity, equity, inclusion, and accessibility.
- Ensure environmental justice and environmental stewardship.
- Support tribal and indigenous communities.
- Build and strengthen an inclusive outdoor economy.
- Invest in DOI infrastructure and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

Photo by Tami A. Heilemann, DOI

CAMILLE TOUTON SWORN IN AS BUREAU OF RECLAMATION COMMISSIONER
Maria Camille Calimlim Touton has been sworn in as Bureau of Reclamation Commissioner by Secretary Deb Haaland. Camille has served as the Bureau of Reclamation's Deputy Commissioner since January. In her capacity overseeing the Bureau of Reclamation, Camille will help manage the Bipartisan Infrastructure Law's $8.3 billion investments in drought and water resiliency, including funding for water efficiency and recycling programs, rural water projects, WaterSMART grants, and dam safety to ensure that irrigators, Tribes, and adjoining communities receive adequate assistance and support.
https://www.doi.gov/pressreleases/camille-touton-sworn-bureau-reclamation-commissioner

Organizational Chart

FIGURE 6



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 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 energy and mineral resources of the Outer Continental Shelf in an environmentally and economically responsible way.
Bureau of Reclamation (USBR/ Reclamation)	The Bureau of Reclamation manages, develops, and protects water and related resources in an environmentally and economically sound manner.
Bureau of Safety and Environmental Enforcement (BSEE)	The Bureau of Safety and Environmental Enforcement fosters safe, environmentally sustainable, energy production from the 2.5 billion acres of the Outer Continental Shelf.

Bureau and Office Summary *(Continued)*

Bureau of Trust Funds Administration (BTFA)	The Bureau of Trust Funds Administration manages the financial trust assets of tribes and American Indians held in trust by the U.S. Department of the Interior, disbursing more than $1 billion annually and managing more than $8 billion in financial trust assets.
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 current and future generations.
Office of Insular Affairs (OIA)	The Office of Insular Affairs coordinates federal policy for the U.S. territories and fulfills the Compacts of Free Association obligations to the freely associated states.
Office of Surface Mining Reclamation and Enforcement (OSMRE)	The Office of Surface Mining Reclamation and Enforcement employs federal programs, grants to states and tribes, and oversight activities that protect the environment during coal mining, ensure the land is reclaimed after active mining concludes, and mitigate the effects of past coal mining by reclaiming abandoned coal mine lands.
U.S. Fish and Wildlife Service (FWS)	The U.S. Fish and Wildlife Service manages 837 million acres of land and water primarily for the benefit of fish and wildlife. FWS is responsible for implementing the Endangered Species Act, Migratory Bird Treaty Act, Marine Mammal Protection Act, Lacey Act, and international agreements like the Convention on International Trade in Endangered Species (CITES).
U.S. Geological Survey (USGS)	The U.S. Geological Survey monitors, analyzes, and predicts current and evolving Earth-system interactions and delivers actionable information at scales and timeframes relevant to decision makers. USGS provides science about natural hazards, natural resources, ecosystems and environmental health, and the effects of climate and land-use change.

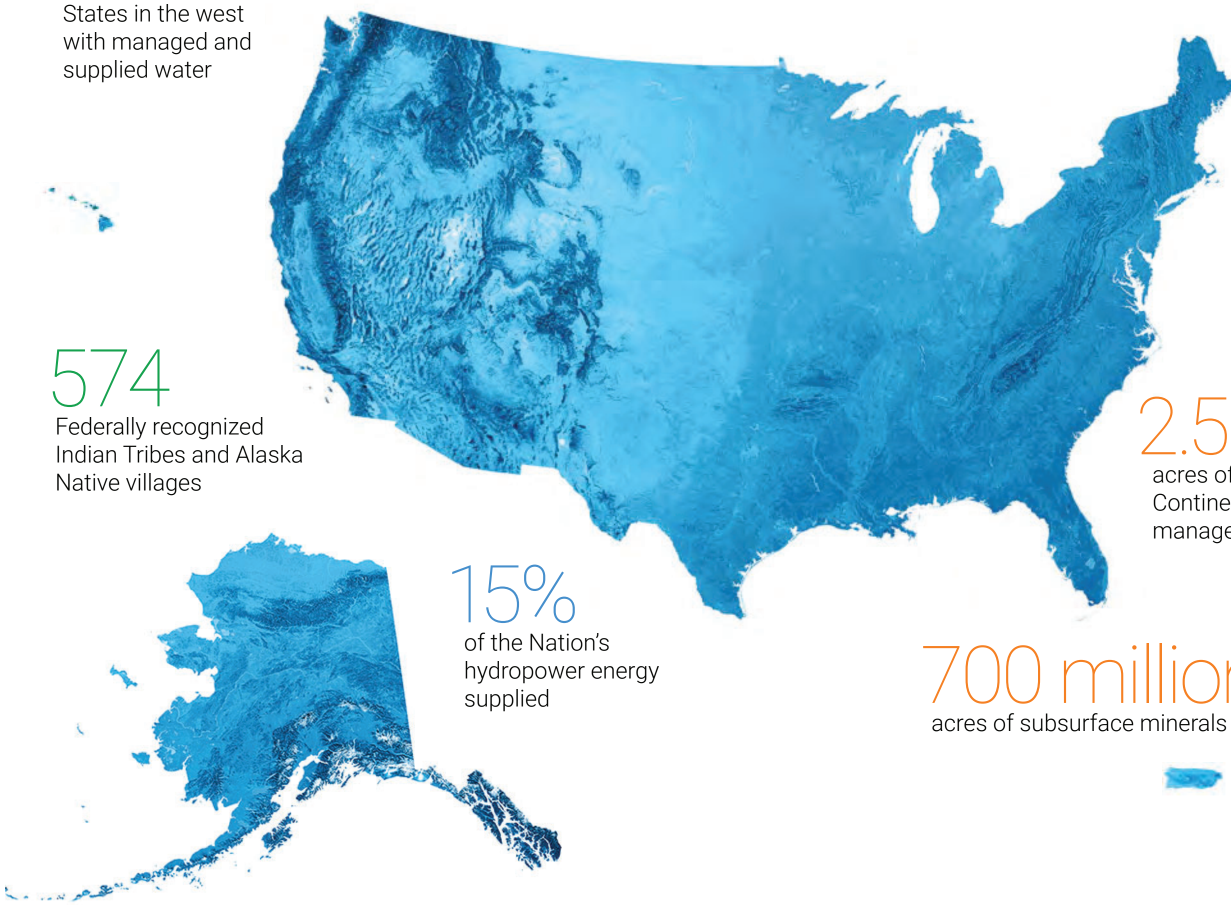
DOI at-a-Glance

480 million
acres of public lands for access

532 million
visitors to DOI lands and waters in 2021

20%
of the Nation's land stewarded

17
States in the west with managed and supplied water



574
Federally recognized Indian Tribes and Alaska Native villages

2.5 billion
acres of the Outer Continental Shelf managed

15%
of the Nation's hydropower energy supplied

700 million
acres of subsurface minerals managed

PERFORMANCE TO REACH OUTCOMES

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

Cover photo by Dave Bruner / NPS

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

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

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

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

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

Agency Priority Goals

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

Improve Tribal Land into Trust Processing

By September 30, 2023, the coordination of Indian Affairs (IA), the Office of the Solicitor, and the Bureau of Land Management activities will reduce the average time of processing land into trust applications from 985 days to 365 days to better meet the principles and guidelines established in the Indian Reorganization Act and reaffirmed in the Indian Self-Determination and Education Assistance Act.

Facilitating Safe and Environmentally Responsible Offshore Wind Energy Development

By September 30, 2023, the Department of the Interior will complete plan reviews and environmental analyses for projects capable of cumulatively generating 14.8 gigawatts (GWs) of commercial offshore wind energy capacity and hold five renewable energy lease sales to support the national goal of deploying 30 GWs of offshore wind capacity by 2030.

Water Conservation and Supply Enhancement

By September 30, 2023, the Bureau of Reclamation will facilitate water conservation capacity of 55,236 acre-feet[1] to help reduce the impact of drought.

[1] One acre-foot is the volume of water that would cover an area of one acre to a depth of one foot.

STRATEGIC GOALS AND OBJECTIVES

The FY 2022–2026 Strategic Plan identifies strategic goals and strategic objectives that align with the priorities of the Biden-Harris Administration and Secretary Haaland. The priorities are cross-cutting and support DOI's achievement of the outcomes in the plan. A detailed breakdown of DOI performance results can be found in the Annual Performance Report at ***www.doi.gov/performance***, scheduled for publishing in Spring 2023.

FIGURE 7

STRATEGIC GOAL 1

OBJECTIVES

Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities

1.1: Tribes and The U.S. Department of the Interior Have An Effective Government-to-Government Relationship and Trust and Treaty Obligations Are Upheld

1.2: Tribal, Native Hawaiian, and Insular Communities Are Safe and Healthy

1.3: Tribal, Native Hawaiian, and Insular Communities Have Economic Security and Growth

1.4: Bureau of Indian Education Students Have the Education Necessary for Future Success

STRATEGIC GOAL 2

OBJECTIVES

Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors

2.1: Lands, Waters, and Heritage Are Conserved for Present and Future Generations

2.2: Species, Habitats, and Ecosystems Are Protected, Sustained, and Healthy

2.3: People Find Enjoyment and Take Pride In Our Lands and Heritage

STRATEGIC GOAL 3

OBJECTIVES

Sustainably Balance the Use of Resources While Supporting Communities and the Economy

3.1: Future Energy Needs Will Be Increasingly Met Through Renewable and Sustainable Sources

3.2: Current Energy Needs Are Met Through Balanced Resource Use

3.3: Land, Water, and Non-Energy Mineral Resources Support the Diverse Needs of Communities

STRATEGIC GOAL 4

OBJECTIVES

Serve and Honor the Public Trust

4.1: People, Communities, and Organizations Benefit from the U.S. Department of the Interior Data, Science, and Information

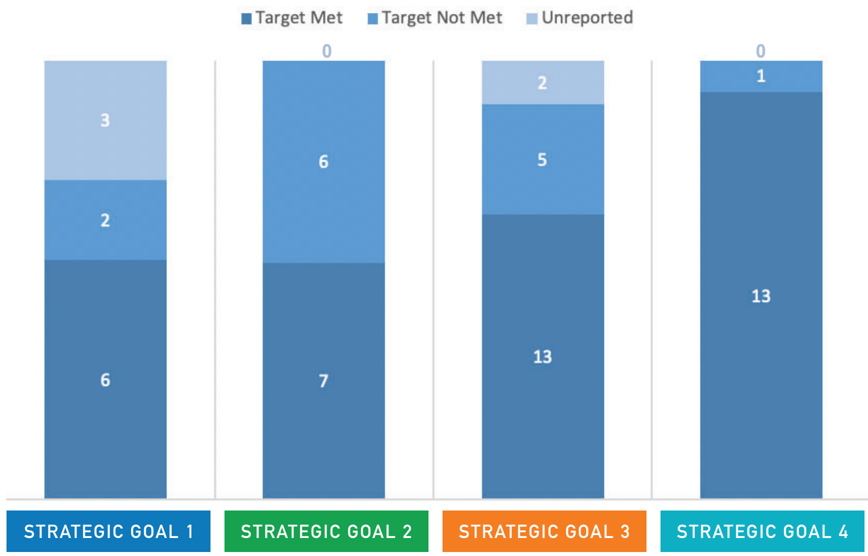
4.2: Access to Opportunities, Services, and Resources is Equitable and Just

4.3: The U.S. Department of the Interior Workforce is Diverse, Safe, Engaged, and Committed to the Mission

4.4: There is Confidence and Satisfaction in the U.S. Department of the Interior

FIGURE 8

FY 2022 Preliminary Performance Measure Results



The FY 2022–2026 Strategic Plan established many new performance measures that track progress and outcomes in DOI's goals and objectives. DOI met 74 percent of the targets set for the fiscal year shown in the preliminary results for FY 2022. Of the 53 performance measures; 39 measures met or exceeded their targets, 14 did not meet their targets, and five were unreported. There are many reasons why performance measures in FY 2022 did not meet the targets and these range from staffing and hiring issues, policy changes during the year, level of demand for permitting, to constructing and contracting issues and delays. The performance results of FY 2022 will inform future planning to ensure that DOI can make better progress on the goals and objectives to deliver results for the American people. Actual performance results are available in DOI's Annual Performance Plan and Reports on ***DOI's performance website***.

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

The Department upholds the Nation's trust responsibilities by fostering relationships between the federal government and federally recognized Tribes, and by providing services to individual American Indians, Alaskan Natives, and the Native Hawaiian community. The DOI also has important relationships with the affiliated insular areas including the Territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. 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 American Indians 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 health outcomes in insular areas.

Placing tribal land into a trust is the process where the Department of the Interior acquires the title to a land and holds it for the benefit of a tribe or individual tribal members. By placing land into Trust, Tribes may benefit from:

- New Market Tax Credits
- Indian Employment Tax Credits
- Tax-Exempt Financing
- Discounted Leasing Rates
- Federal Contracting Preferences
- Foreign Trade Zone Customs Duty Deferral, Elimination or Reduction
- State/County Land Use Exemption
- Accelerated Depreciation for Business Property on Indian Reservations

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

The 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 Department of Labor (DOL) and the Department of Health and Human Services (HHS). The DOI offers programs and financial services that help position Indian businesses and individuals to compete in today's economy. The DOI tribal job placement programs have assisted in increasing earnings of individuals who participated. While job placement is heavily reliant on economic conditions, the program has been successful in increasing earnings for tribal participants.

The FY 2022–2026 Strategic Plan and performance goals support improving Indian education while ensuring educational access and opportunities, ensuring consultation in decision making, upholding trust, treaty, and other responsibilities to Native communities renewing focus on personal and community safety including investigation and prosecution of missing and murdered persons, and ensuring environmental justice for Native and underserved communities.

FIGURE 9

STRATEGIC GOAL 1 PERFORMANCE MEASURE HIGHLIGHTS

Performance Goal: Tribal Communities are Safe

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Offense Clearance Rate of Crimes Against Persons	BIA	51.56%	52.52%

Performance Goal: Communities Benefit from Full and Equitable Participation in the American Economy

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Total Average Gain in Earnings of Participants that Obtain Unsubsidized Employment Through the Job Placement Training Program	BIA	$9.50	$10.29

Photo by Tami A. Heilemann / U.S. Department of the Interior

WHITE HOUSE TRIBAL NATIONS SUMMIT
Secretary Deb Haaland speaks as President Joe Biden, Vice President Kamala Harris and members of the administration participate in the 2021 White House Tribal Nations Summit, November 15-16, 2021. https://www.youtube.com/watch?v=RRCSPvYmb20
https://www.whitehouse.gov/wp-content/uploads/2021/11/WH-Tribal-Nations-Summit-Progress-Report.pdf

Photo by Janet Delaney / Courtesy of Vogue Magazine

MISSING AND MURDERED INDIGENOUS PEOPLES INITIATIVE
American Indian and Alaska Native people are at a disproportionate risk of experiencing violence, murder, or going missing, and make up a significant portion of the missing and murdered cases. The Missing and Murdered Unit within the Bureau of Indian Affairs Office of Justice Services (BIA-OJS) investigates missing and murdered cases in pursuit of justice for those impacted by violence. Brothers, models, and indigenous rights activists Haatepah and Nyamuull Clearbear, with event organizer Morning Star Gali – gather for a sunrise ceremony to honor their ancestors, foster community, and raise awareness about current indigenous struggles. Alcatraz Island, San Francisco Bay, California, November 2019.
https://www.doi.gov/priorities/missing-and-murdered-indigenous-peoples https://www.vogue.com/article/unthanksgiving-day-alcatraz-50th-anniversary-2019

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

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

DOI-managed lands and waters ensure the safeguarding of habitats for threatened and endangered wildlife and plants. Over the past several years, the DOI has been successful in applying resource management practices and achieving desired condition 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, to conserve 30 percent of the Nation's lands and waters by 2030, in the coming years.

DOI manages over 535 million acres of public and Tribal lands: including the Bureau of Indian Affairs, the Bureau of Land Management, the National Park Service, and the U.S. Fish and Wildlife Service. Wildfire poses a significant risk to DOI-managed lands and local communities and the severity and impacts are growing due to climate change. DOI's Wildland Fire Management Program includes a suite of activities including preparedness, suppression, fuels management, facilities, burned area rehabilitation, and science. Through these actions DOI is working to ensure that DOI-managed landscape acres where Wildland Fire Management actions occurred have helped achieve desired conditions.

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

The DOI uses scientific information to guide development of 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 traditional ecological 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.

FIGURE 10

STRATEGIC GOAL 2 PERFORMANCE MEASURE HIGHLIGHTS

Performance Goal: Threatened and Endangered Species and Other Trust Species Are Protected and Are On a Path to Recovery			
Performance Measure	**Bureau**	**2022 Target**	**2022 Preliminary Results**
Percentage of Threatened or Endangered Species with a Final Recovery Plan	FWS	72%	73%
Percentage of Wild Horse and Burro Populations in Balance with Their Habitats	BLM	41%	53%

Photo by Lavonda Walton / USFWS

CHILDREN BIRDWATCH AT JOHN HEINZ REFUGE AT TINICUM

John Heinz National Wildlife Refuge at Tinicum is part of the U.S. Fish and Wildlife Service's National Wildlife Refuge System, a network of lands set aside for the benefit of native wildlife and plants. Established in 1972 through local activism, the refuge protects habitat for the benefit of both people and wildlife. Visitors to the refuge may observe hundreds of species of plants, trees, birds, insects and mammals.

https://www.fws.gov/office/pacific/migbirds https://www.fws.gov/refuge/john-heinz-tinicum

Photo by Laura Howes / National Marine Fisheries Service

BOEM AND NOAA ANNOUNCE FIRST-EVER SUCCESSFUL DRONE-BASED TAGGING OF ENDANGERED SEI WHALES IN U.S.

The Bureau of Ocean Energy Management (BOEM) and the National Oceanic and Atmospheric Administration's (NOAA) Stellwagen Bank National Marine Sanctuary announced the successful digital acoustic tagging of 14 sei whales in waters offshore Massachusetts. This is the first time researchers have successfully tagged an endangered species in the United States using an uncrewed aerial vehicle (UAV), or drone. The collected data will shed important light on the whales' acoustic behavior and help protect this endangered species from the potential impacts of offshore wind energy activities.

https://www.boem.gov/newsroom/press-releases/boem-and-noaa-announce-first-ever-successful-drone-based-tagging-endangered

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

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

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

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

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

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

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

FIGURE 11

STRATEGIC GOAL 3 PERFORMANCE MEASURE HIGHLIGHTS

Performance Goal: The Public Benefits from an Electrical Grid that Has Access to 30 GW of Offshore Wind Renewable Energy Capacity by 2030

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Cumulative GW of Approved Construction and Operations Plans for Offshore Wind Projects (Agency Priority Goal)	BOEM	0.93 GW	0.93 GW

Performance Goal: Residents of the Western United States Have a Sustainable Water Supply to Address Impacts of Drought and Climate Change

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Annual Increase in Acre Feet of Water Conservation Capacity Enabled to Help Address Drought (Agency Priority Goal)	USBR	45,494	93,449

Photo by Tami A. Heilemann / DOI

SECRETARY HAALAND WRAPS "BUILDING A BETTER AMERICA" TOUR

Secretary Haaland visited Palm Springs, California, and Las Vegas, Nevada, to highlight how the Bipartisan Infrastructure Law will help communities across the nation tackle the climate crisis by investing in a clean energy economy and addressing the worsening drought crisis. Secretary Haaland and Representative Raul Ruiz visited Palm Springs, California, where they toured onshore renewable energy projects in line with the Biden-Harris Administration's ambitious renewable energy goals. They visited the Desert Sunlight Solar Farm and saw other lands with the potential to be sited for future clean energy projects. https://www.doi.gov/pressreleases/secretary-haaland-wraps-building-better-america-tour-highlighting-clean-energy-drought

Photo by BOEM

OFFSHORE WIND LEASING PATH FORWARD 2021–2025

In the U.S., Interior's Bureau of Ocean Energy Management (BOEM) develops offshore renewable energy to meet the demands of a clean energy future. Our path forward will help achieve the first ever national offshore wind goal to deploy 30 gigawatts of offshore wind capacity by 2030, which could create nearly 80,000 jobs. "Offshore wind energy is an ocean-based solution that can help us tackle the many climate challenges we're facing," said Secretary Haaland. https://www.boem.gov/renewable-energy-research-completed-studies

STRATEGIC GOAL 4: Serve and Honor the Public Trust

The DOI has an honor and duty to uphold the public trust. In recent years, the DOI has improved readiness plans, invested in field staff, improved human resource practices, reduced administrative and regulatory burdens, prioritized infrastructure needs, and continued work to modernize information technology (IT). Upholding the public trust requires that the Department provide the American public with credible, applicable, and unbiased information used to inform decisions related to ecosystems, 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 focuses 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.

FIGURE 12

STRATEGIC GOAL 4 PERFORMANCE MEASURE HIGHLIGHTS

Performance Goal: DOI Facilities Are Well Maintained and Available to Serve the American Public

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Maintain 85% of Water Infrastructure Facilities in Acceptable Condition	USBR	85%	97%

Performance Goal: Communities, Property, and DOI-Managed Physical and Digital Resources are Safe and Resilient

Performance Measure	Bureau	2022 Target	2022 Preliminary Results
Percentage of DOI Information Systems with a Business Continuity/Contingency Plan that Has Been Tested Within the Past Year	CIO	45%	47%

Photo by U.S. Bureau of Reclamation

USBR COLUMBIA-PACIFIC NORTHWEST REGION PILOTS PLAY VALUABLE ROLE
Bureau of Reclamation Columbia-Pacific Northwest Region pilots play a valuable role by providing aerial imagery to assist water managers with daily operations and decision making. These annual snow surveys gather data that communities depend on. The information is shared with federal and state partners and water users to use when forecasting the amount of run-off expected to fill reservoirs and supply irrigation water when the snow melts.
https://www.usbr.gov/pn/index.html

Photo by Brett Sayles / Pexels.com

USGS WORKS WITH PARTNERS IN 15 CITIES TO IMPROVE URBAN WATERWAYS

The U.S. Geological Survey announced on September 15, 2022 that nearly $4 million is being invested in improving urban lands and waters thanks to existing and expanded partnerships in 15 cities across the nation. The USGS will provide $1.5 million in funding with an additional $2.5 million in matching funds coming from local partners that are part of the Urban Waters Federal Partnership. The funds will benefit 22 urban waters projects critical for citizen health and safety, recreation, and economic development in these 15 cities. The work leverages USGS water science through the Urban Waters Federal Partnership for a direct impact on urban waterways.
https://www.usgs.gov/news/national-news-release/usgs-works-partners-15-cities-improve-urban-waterways

Photo by J.M. Chang / USGS

VOLCANOES AND USGS VOLCANO SCIENCE

USGS scientist takes video of the erupting west vent within Halemaʻumaʻu crater, at the summit of Kilauea from the northwest rim of Halemaʻumaʻu on October 8, 2021. Since the eruption, technology and the scientific study of volcanoes have made significant advances. @USGSVolcanoes monitors and assesses volcano hazards and works with communities to prepare for volcanic eruptions. https://twitter.com/USGSVolcanoes
https://www.usgs.gov/news/featured-story/volcanoes-and-usgs-volcano-science-just-facts

Tracking Progress and Annual Updates

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

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

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

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

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

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

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

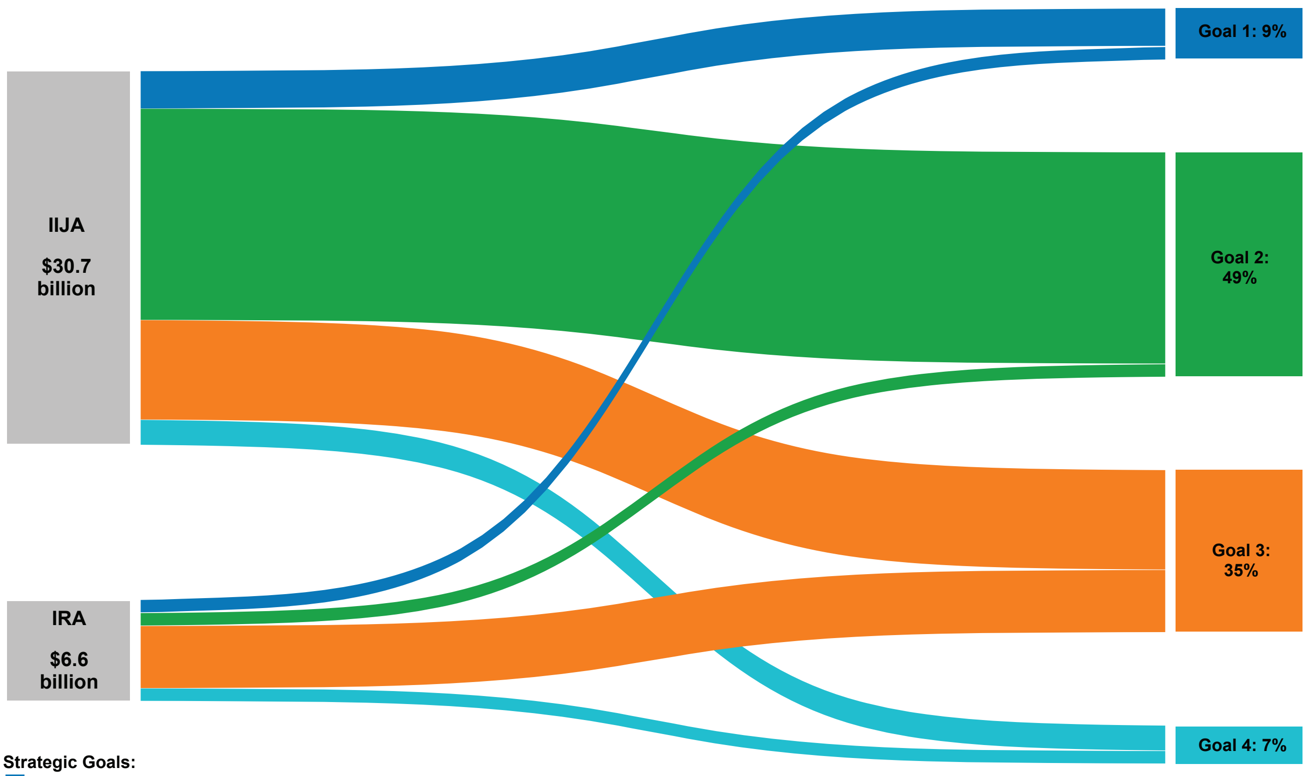
How the Agency Has Compensated for Such Limitations if Needed, to Reach the Required Level of Accuracy: The measurement procedures for each performance measure used in the APR are described and documented in data measurement templates posted on the OMB MAX website, or described in the "Indicator" block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

In addition to employing the Department's data validation and verification standards, and internal reviews of submitted data, the best "test" of the data's accuracy is in its use. APG updates are reviewed during quarterly status reviews where senior officials report their data directly to the Deputy Secretary and are made publicly available through ***http://www.performance.gov/***. Performance information is provided with historical, organizational, and supporting context to provide the reader with a fuller perspective of the data and is reviewed annually at the strategic objective level.

Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA)

The *Infrastructure Investment and Jobs Act* (IIJA) and the *Inflation Reduction Act* (IRA) represent the largest investments in climate resilience in the nation's history. The Department will invest more than **$37.3 billion** toward our strategic goals and ensure a healthy planet for current and future generations.

FIGURE 13



Strategic Goals:
- Goal 1: Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities
- Goal 2: Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors
- Goal 3: Sustainably Balance the Use of Resources While Supporting Communities and the Economy
- Goal 4: Serve and Honor the Public Trust

DOI Enterprise Risk Management (ERM) Program

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

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

Specific PPP responsibilities are to:

- Develop the Department's ERM Framework, implementation plan, and policy
- Chair or facilitate appropriate ERM workgroups at the Departmental level
- Develop and maintain the Department-wide ERM process, handbook, and supporting capabilities
- Incorporate the status of Enterprise Risks in the Department as part of existing reports
- Promote a risk-aware culture and facilitate commitment to ERM
- Work with the bureaus and offices to shift the focus of their internal control programs to one of ERM
- Create and deliver training, aid bureau staff in creating their frameworks, identifying strategic risks, and supplying tools and methodologies to the bureau and office staffs
- Provide Department leadership, including the Management Improvement Team (MIT), with information regarding the status of ERM efforts and management of individual risks
- Assist risk owners and subject matter experts in performing further analysis of individual enterprise risks, risk drivers, and risk treatments
- Create, review, and keep current a comprehensive portfolio of enterprise risks in a risk register to include strategic risks, the drivers of those risks, the treatment of those risks, and the evaluation of the effectiveness of those risk treatments
- Establish and maintain the Department Risk Profile and Enterprise Risk Register
- Elevate risk and risk treatment information for key risks to the Management Improvement Team and appropriate DOI leadership

In FY 2022, PPP started the Department-wide ERM program. The program involved all DOI Bureaus and major Offices. The focus of the first DOI risk register was aligned to the new FY 2022–2026 Strategic Plan strategic goals and objectives. Each Bureau and Office that were identified to contribute to achieving the new goals and objectives identified associated risks accomplishing those goals and objectives. The Bureaus and Offices identified the risks and conducted an assessment of the inherent risk levels for each risk. The Bureau and Office risk data was placed on a consolidated DOI risk register providing an analysis of risk levels based on a variety of criteria.

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

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

Photo by Austin Catlin / BLM

BLM HIGH DESERT DISTRICT CONDUCTS PRESCRIBED BURNS
Firefighter using a Terra Torch to assist with fuels treatment. Because of its range of 40 feet, a Terra Torch is useful to firefighters who are working in small groups or in steep terrain. Fuels treatments are conducted to reduce fuel loads. Fuel loading can be caused by dead and down trees as well as an overgrown understory. Through fuels treatments firefighters address the problem of excessive ground fuels while using terrain and optimal weather conditions to their advantage. The fuels treatment project captured here took place on the West Desert District in northwestern Utah, a 7.7-million-acre district managed by BLM.
https://www.blm.gov/press-release/blm-high-desert-district-plans-conduct-prescribed-burns

Photo by Chris Watt / U.S. Bureau of Reclamation

INTERIOR DEPARTMENT ANNOUNCES STEPS TO ADDRESS DROUGHT CRISIS GRIPPING THE COLORADO RIVER BASIN
Image of Lone Rock at Lake Powell depicting the ongoing drought along the Colorado River, seen here in September 2022. As the worsening drought crisis continues to impact communities across the West, senior leaders from the Department of the Interior are outlining new and urgent actions to improve and protect the long-term sustainability of the Colorado River System.
https://www.doi.gov/pressreleases/interior-department-announces-next-steps-address-drought-crisis-gripping-colorado

Photo by U.S. Bureau of Reclamation

MAJOR INFRASTRUCTURE PROJECT WILL SUPPLY WATER TO SOUTHWEST NEW MEXICO
Aerial photo of the construction of the Bahastł'ah Pumping Plant (7) in the Twin Lakes/Mexican Springs Chapter area along the San Juan Lateral, part of the Navajo-Gallup Water Supply Project, September 2022. https://www.usbr.gov/uc/progact/navajo-gallup/index.html

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

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

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

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 2022, The PFM completed the Department's first consolidated Entity-Level Control Assessment, furthered the maturity of the ERM program, and established an Independent Verification and Validation monitoring systems.
- Provided oversight regarding risk assessments, fraud management and training, internal control reviews, and progressed on implementing audit recommendations.
- The DOI's FY 2022 annual assurance statement is included in this report.

Federal Managers' Financial Integrity Act of 1982

The DOI believes that maintaining governance over all programs and operations: (1) is vital for management of government resources and assets; (2) safeguards funds, property and other assets against waste, loss, unauthorized use or misappropriation; (3) promotes high-quality, responsible leadership; (4) ensures programs are effective and efficient while meeting the intended mission; and (5) provides assurance obligations and costs are in compliance with applicable law. 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:

- *U.S. Government Accountability Office, Standards for Internal Controls in the Federal Government, GAO-14-704G*, also known as the "Green Book"
- 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 2022 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 acknowledges a principal difference between the Department's FY 2022 FMFIA Assurance Statement, and the independent public auditor's opinion issued on the Department's FY 2022 consolidated financial statements related to a material weakness. Specifically, the Department's position on the accounting treatment applied to an asset under a Joint Federal Project construction-in-progress. The Department's accounting treatment of the subject asset has been based on the terms of the Memorandum of Agreement (MOA) between the Department and the Joint Federal Project partner federal agency. Based on the available information to the Department, a change in accounting treatment is not required at this time for the subject asset. During FY 2023, the Department will remain committed to partnering with key stakeholders to determine the validity of the audit finding issued to the Department.

Photo by Jacob W. Frank / NPS

RUSH HOUR TRAFFIC IN YELLOWSTONE NATIONAL PARK CAN BE A BEAST

Yellowstone preserves the most important bison herd in the United States. Yellowstone bison are exceptional because they comprise the nation's largest bison population on public land. Unlike most other herds, this population has thousands of individuals that are allowed to roam relatively freely over the expansive landscape of Yellowstone National Park and some nearby areas of Montana. https://www.nps.gov/yell/learn/nature/bison.htm

Photo by Sam Jezak / NPS

SO MUCH MORE THAN THE TALLEST TREES

Most people know Redwood as home to the tallest trees on Earth. But the Parks also protect vast prairies, oak woodlands, wild rivers, and 40 miles of rugged coastline. People have lived in this verdant landscape since time immemorial. Together, the National Park Service and California State Parks are managing and restoring these lands for the inspiration, enjoyment, and education of all. Redwood National and State Parks, California. https://www.nps.gov/redw/index.htm

At the beginning of FY 2022, DOI had one Department-level FMFIA non-financial material weakness pending corrective action that was carried forward from the previous year. The non-financial material weakness was related to the Management of Grants, Cooperative Agreements, and Tribal Awards. The PGM implemented the Corrective Actions Plan (CAP) that resulted in the closure of CAP #2. PGM remediated the non-financial material weakness by 1) migrating DOI discretionary grant award processes to a single award management system, GrantSolutions, 2) streamlining the Department-wide assessment and reporting requirement for financial assistance, 3) collaborating with PFM to issue FY 2022 Internal Control Guidance for Financial Assistance, and 4) coordinating with the PPP to develop PGM's Enterprise Risk Register.

The DOI will report a material weakness as remediated 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 (page 175).

FIGURE 14

FY 2022 ASSURANCE STATEMENT

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

The Department received its 26th 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, 2022.

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

DEB HAALAND
Secretary of the Interior
November 15, 2022

Hikers at Cut Bank Pass in Glacier National Park, Montana. A showcase of melting glaciers, alpine meadows, carved valleys, and spectacular lakes. With over 700 miles of trails, Glacier is a paradise for adventurous visitors seeking wilderness steeped in human history. https://www.nps.gov/glac/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 DOI developed a Data Quality Plan which considers the risks to data quality in federal spending data and the controls that would manage the risks. In implementing the DATA Act, DOI has not only made it easier to understand how taxpayer dollars are spent but also serves as a tool for better oversight, data-centric decision-making, and innovation both inside and outside of DOI.

In FY 2022, 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 2022 Assurance Statement (Page 32).

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.

Management of Audit Follow-Up and Resolution

The DOI has instituted a comprehensive audit follow-up program to ensure that audit recommendations are implemented in a timely and cost-effective manner and that disallowed costs and other funds due from contractors and grantees are collected or offset. In FY 2022, DOI monitored a substantial number of new GAO, OIG and Single Audit Act audit reports. Audit follow-up actions include analyzing referred audit reports tracking, reviewing, and validating program and financial audit recommendations; developing mutually acceptable and timely resolution of disputed audit findings and recommendations; overseeing the implementation, documentation, and closure of audit recommendations; and monitoring the recovery of disallowed costs. The OIG's Semiannual Reports to Congress (April and October 2022) 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 GAO and OIG audit recommendations, the DOI has a performance goal of implementing at least 85 percent of all GAO and OIG recommendations where implementation was scheduled to occur during the current year or in previous years by August 1 of each year. The DOI set its performance goal at 85 percent to allow for impacts, challenges, or unforeseeable delays when initial CAPs were developed; some corrective actions can span multiple years. For FY 2022, DOI achieved an implementation rate of 93 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 2022, KPMG LLP issued an unqualified opinion on the DOI consolidated financial statements. A material weakness related to the controls over construction in progress was reported, as a result of the financial statement audit.

Major Management and Performance Challenges Confronting The Department of the Interior

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

Compliance with Other Key Legal and Regulatory Requirements

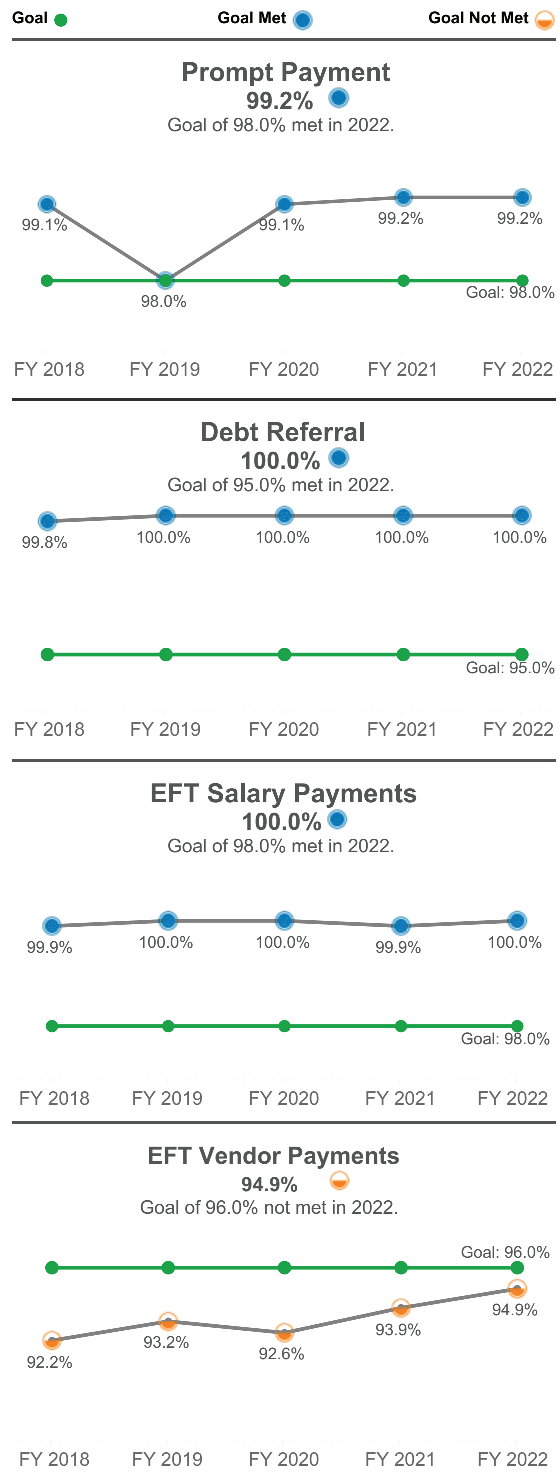
The DOI is required to comply with several other legal and regulatory financial requirements, including the *Prompt Payment Act of 2002* (PPA), the *Debt Collection Improvement Act of 1996* (DCIA), and the criteria for Electronic Funds Transfers (EFT). See Figure 15.

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 2022, 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 2022 , 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.

FIGURE 15



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 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 (APAC), which reviews all major acquisitions.

FY 2022 Accomplishments

MANAGEMENT OF THE IT LANDSCAPE

- Developed a Zero Trust Strategy Implementation Plan in response to OMB directive M-22-09; *Moving the U.S. Government Toward Zero Trust (ZT) Cybersecurity Principles.* A ZT model will:
    - Ensure users and devices can safely connect to the internet.
    - Provide secure application access for employees and partners.
    - Reduce complexity and save IT resources.
- Strengthened Departmental leadership's visibility into DOI's $1.8 billion in IT spending through quarterly reviews of Bureau and Office IT investments. These give senior leaders insight into how IT funding priorities support the Department's mission and emphasize strategic priorities and opportunities for collaboration.
- Revised DOI's IT investment evaluation methodology to improve oversight and visibility into the risk, strategy, performance, and budget of DOI IT investments. Successfully implemented the revised process for all investments in DOI's IT investment portfolio, providing added visibility into the state of DOI's IT investments to DOI leadership and the public.
- Created an executive dashboard to monitor and ensure compliance with Executive Orders (EO), OMB requirements and all other legal requirements imposed by statute or other regulation. The executive dashboard was adopted for use by all of the Office of Policy, Management and Budget.
- Successfully addressed and closed 12 OCIO audit recommendations and facilitated closure of an additional 43 Bureau and Office audit recommendations.

TRANSITION TO THE CLOUD

- Enhanced the Agency's Cloud Inventory by adding a reporting and analysis module along with a systematic approach to cloud acquisitions. Improvements provide a higher quality of information going into the inventory and a broader reporting and analysis capacity to better view and determine cloud adoption trends.
- Sponsored FedRAMP authorization for three new cloud service providers to protect federal data sources and contribute OCIO expertise to prepare much needed cloud services to benefit the Agency and federal-wide community as a whole.
- Closed 70 data centers, yielding nearly $5.8 million in cost avoidance.
- Significantly improved data quality and efficiency by consolidating all past data center inventories into a relational database in the cloud while updating the cost savings and avoidance calculation methodology to improve the accuracy while streamlining the process for deriving the Annual Strategic Plan to OMB.
- Achieved an A rating in the Data Center Optimization Initiative (DCOI) component of the Federal Information Technology Acquisition Reform Act (FITARA) score card rating. Streamlined reporting; significantly improving data quality.

CUSTOMER-CENTRIC IT SERVICES

- Realized significant savings ($5.4 million) by acquiring Microsoft Office 365 licenses through the Email and Collaboration (E&C) contract.
- Consolidated the Denver Data Center to the Albuquerque Data Center to achieve greater IT service efficiencies in alignment with the DOI Hosting Strategy, DCOI, and Cloud Smart strategy.
- Deployed the Bison Support System (BSS), an Enterprise IT Service Management system for the Bureau of Indian Education Learning Management System (eLMS) to increase customer satisfaction, improve cybersecurity, and provide enhanced analytics to DOI decision makers.

CYBERSECURITY AND PRIVACY INTEGRATION

- De-duplicated cybersecurity tools; increasing cybersecurity service delivery while lowering costs. For example, implementing a more advanced endpoint detection tool eliminated the need for an older endpoint monitoring tool.
- Identified and remediated Log4j vulnerabilities, allowing Interior to instantly identify the vulnerabilities of over 95,000 devices located in over 2,600 geographically dispersed locations. Log4j is an extremely common section of code that hackers used to insert malicious code and take control of servers running Log4j.

- Developed an initial inventory of critical software used across DOI, consistent with EO 14028, *Improving the Nation's Cybersecurity.*
- Successfully customized and conducted IT Systems (including cloud) Privacy Act Training to hundreds of targeted individuals across DOI. This updated recurring training curriculum reduces review backlog and gaps in Privacy Impact Assessment (PIA) submittals and strengthens workforce skills.
- Collaborated with Departmental Bureaus and Offices to review and approve 100 privacy risk management compliance artifacts: 31 Privacy Impact Assessments, 48 Federal Information Processing Standard 199 forms to categorize the impact level of an information system with personally identifiable information, 14 system privacy plans, and seven Privacy Threshold Analyses.
- Approved and published six Department-wide and bureau and office Privacy Act notices in the Federal Register, published three new System of Records Notices (SORN), one revised SORN, one rescindment notice that retired one DOI SORNs, and one final rule that revised DOI Privacy Act regulations.
- Provided privacy support to the Department COVID-19 Task Force to implement a vaccination and testing program consistent with EOs and OMB policy. Provided guidance on privacy requirements for notice, collecting vaccinations records, and a COVID-19 testing program.

Future Planned Activities

MANAGEMENT OF THE IT LANDSCAPE

- Implement EO 14028, *Improving the Nation's Cybersecurity* requirements by accelerating use of cloud technology, implementing a sustainable and cost effective ZT approach, and transition the entire DOI IT organization to rapidly realize these forward-thinking changes.
- Refine initial Zero Trust Strategy Implementation Plan cost estimates, define metrics for measuring progress against the DOI ZT Strategy, and develop ZT technical standards in partnership with bureaus and offices.
- Establish a data management program to improve Interior's data management practices, including organizing high-quality data to inform policy decisions, seeking public input, and analyzing programs' impact on diversity and inclusion.
- Ensure that, by December 31, 2022, DOI electronically manages records to the fullest extent possible for eventual transfer and accessioning by the National Archives and Records Administration in a format, consistent with OMB Memorandum M-19-21. Continue migration and digitization of records until DOI achieves 100 percent electronic records management.
- Identify gaps in recruiting, retaining, reskilling, and rewarding employees to prioritize IRM workforce development and maintenance.

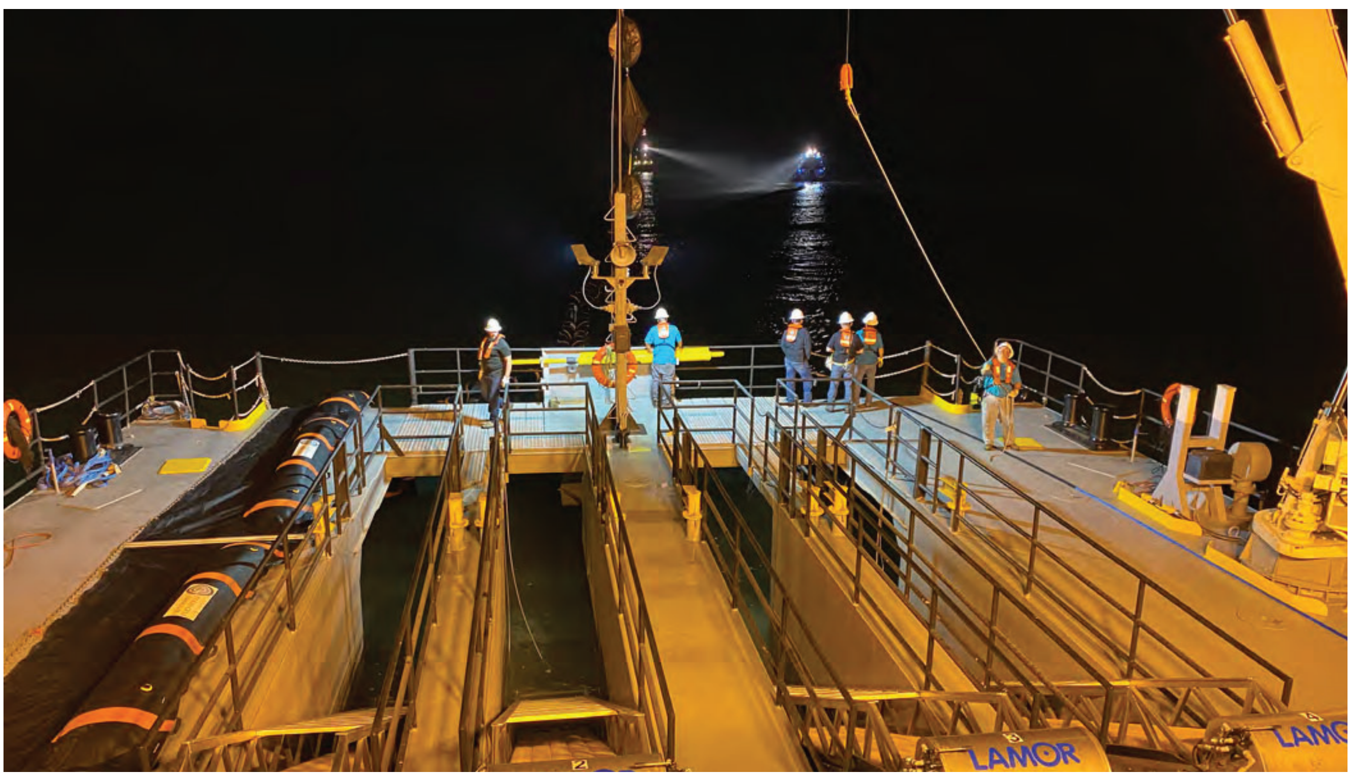


Photo by Cullen Jones / BSEE

HOSS BARGE DEPLOYMENT – BELT BRUSH SKIMMERS, BRETON SOUND, GULF OF MEXICO
In support of a BSEE Government Initiated Unannounced Exercise (GIUE), the oil spill response organization (OSRO) Clean Gulf Associates deployed their High Volume Open Sea Skimming System (HOSS) Oil Spill Recovery Barge (OSRB). This 174-foot vessel is equipped with four brush belt skimmers and other support equipment that are used to recover and store up to 4,000 barrels of spilled oil. The HOSS OSRB is an example of the major oil spill response equipment that could be listed in an offshore facility Oil Spill Response Plan overseen by the bureau.
https://cleangulfassoc.com/equipment/hoss-barge-cga-200/

- Promote an Enterprise IT Investment Review Board (IRB) that will oversee the Department's enterprise investments, consistent with OMB guidance, DOI's strategic goals, industry best practices, and other governing standards and requirements as appropriate. The Enterprise IRB will focus on enterprise-wide strategy, risk, and mission goals.
- Leverage Bureau and Office IT acquisition forecasts to identify potential shared services opportunities, identify opportunities for cost savings and avoidance ideas, and ensure IT spending aligns with DOI's strategic goals.

TRANSITION TO THE CLOUD

- Bureaus and Offices will migrate workloads, applications, and data to one of two DOI target data centers or to a DOI-approved Cloud Service Provider (CSP) to standardize and consolidate IT services to achieve greater efficiency and security.
- Improve cloud smart implementation strategy by establishing an automated cloud acquisition intake process, aligned with the DOI Strategic Plan and to ensure acquired cloud services are aligned with EO 14028 modernization efforts to improve 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 to facilitate the implementation of DOI Hosting Services.
- Develop and implement Bureaus and Office Strategic plans in alignment with DOI Hosting Strategy (memo).
- Maintain a database of data center inventory leveraging automated tools to assist in the planning and implementation of DOI Hosting Strategy.
- Improve accuracy and reliability of IT performance data in accordance with GPRA and aligned with the DOI FY 2022–2026 Strategic Plan, by initiating 10-year mandatory use cloud acquisition contracts that include privacy and security objectives and Service Level Agreements that protect federal assets.

CUSTOMER-CENTRIC IT SERVICES

- Continue to implement the BSS, an enterprise-level, IT service management 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.
- Complete transition of all voice services from existing providers to a new vendor as part of General Services Administration's (GSA) Enterprise Infrastructure Services (EIS) contract. This multi-year effort will allow DOI to reduce costs, modernize technology, and facilitate mission accomplishment.
- Participate in the DOI Field Communications Modernization (DIFCOM) project, which will address the challenge of mobile broadband connectivity and provides Interior employees in the field with modern voice, video, and data capabilities.
- 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. These actions will free bureaus from having to manage physical servers themselves or run software applications on their own machines.

CYBERSECURITY AND PRIVACY INTEGRATION

- Implement an enterprise identity system that has the flexibility to provide authentication services to all applications within the agency.
- Reduce the number of accounts that do not have phishing-resistant Multi-Factor Authentication (MFA) credentials through further development of the enterprise identity system.
    - The goal of MFA is to create a layered defense that makes it more difficult for an unauthorized person to access a target such as a physical location, computing device, network or database.
- Implement automated data categorization, focusing on tagging and managing access to sensitive documents.
- Make at least one Federal Information Security Management Act (FISMA) Moderate system securely available to the internet; ensuring access is based on phishing resistant credentials.
    - Moderate impact indicates that the loss of confidentiality, integrity, or availability is expected to have a serious adverse effect on organizational operations, organizational assets, or individuals.
- Achieve a fully operational Security Information and Event Management (SIEM) system, a key enterprise-wide security tool that ties systems together for a comprehensive view of IT security and to protect and mitigate against cyber events.
- Initiate a cyber Supply Chain Risk Management (SCRM) program to identify, assess, and mitigate risks associated with the global and distributed nature of information and communications technology assets.
- Continue efforts to de-duplicate cyber security tools, providing a high level of cybersecurity at a lower cost.

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 Financial and Business Management System (FBMS) which has been used by DOI since 2013. The DOI relies upon the integration of financial and business management information in FBMS to support program and financial managers and continuously collaborate across DOI to improve these business processes.

Financial Systems Modernization

The FBMS is an operational, integrated suite of software applications that enables DOI to manage a variety of business functions to include core financials, budget execution, acquisition, personal property, fleet management, real property, travel financial data, 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 2022 Accomplishments

The Business Integration Office (BIO) provides continual improvements, operations and maintenance support to FBMS and its users. The FBMS has approximately 13,500 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 2022, 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. In FY 2022, the BIO completed the migration, testing and go-live of B/4HANA, the business warehouse component of the overall 4HANA migration. The migration to B/4HANA improves the ability of the FBMS community of approximately 13,500 users to analyze their data on budget execution, finance, acquisition, financial assistance, and property management, and enables Interior to leverage this state-of-the-art data warehouse for any data managed by the Department. This is a significant improvement in Interior's ability to mix mission and mission support data. B/4HANA went live on February 22, 2022.
- Implemented system-wide upgrades to strengthen the cybersecurity posture and reduce risk, including the implementation of numerous IT and internal controls in the Process Control module which has improved the control monitoring and testing capabilities of FBMS, which in turn improves the audit stance of FBMS;
- Implemented and improved Robotic Process Automation (RPA or bots) to:
  - automate mass contract closeout processes;
  - automate fleet processes to include the GSA vehicle interface process, the monthly GSA fuel transaction retrieval process and the resolution of fleet process status report errors;
  - automate daily retrieval of Small Business goaling data to enable daily monitoring and inform small business set-aside decision making; and
  - automate the drafting and routing of contract modification actions;
- 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 enhancements to the 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 DOI's Bureaus and Offices by supporting the operations and maintenance of GrantsSolutions, a Government-wide shared service solution for grants management;
- Leveraged the true power of having an integrated, enterprise-wide business solution by enhancing Intra-Departmental Agreement (IDA) functionality. IDA standardizes and streamlines the way funding is exchanged between entities within DOI. IDA assisted in helping DOI prepare for the Government Invoicing (G-Invoicing) mandate. IDA was enhanced in December 2021 providing additional checks for IDA data (7600A and 7600B) and achieved 508 compliance;
- **Great American Outdoors Act (GAOA)** – The GAOA is historic legislation that provides funding to reduce DOI's deferred maintenance backlog and improve the condition of deteriorating assets. FBMS is the system of record for the Department's financial and property management activities. Leveraging digital solutions, including FBMS, is an important component of DOI's stewardship of GAOA funding. The BIO collaborated with the GAOA Program Management Office (PMO) to develop business analytics and data visualizations needed to meet GAOA reporting requirements. In FY 2022, the BIO collaborated with the GAOA PMO to develop business analytics and data visualizations needed to carefully manage this important funding.
- **Bipartisan Infrastructure Law (BIL)** – The BIL is historic legislation that provides a financial commitment to invest in our Nation's infrastructure and benefit America's public for the next generation. This investment provides an unprecedented opportunity to rebuild America's roads, bridges, and rails; expand access to clean drinking water; tackle the climate crisis; advance environmental justice; and invest in communities. FBMS and GrantSolutions (GS) are the systems of record for the Department's financial, property, and grant management activities. Leveraging digital solutions, including FBMS and GS, is an important component of DOI's stewardship of BIL funding. In FY 2022, the BIO collaborated with the BIL PMO to develop business analytics and data visualizations needed to carefully manage this important funding.
- **Deputy Assistant Secretary- Budget, Finance, Grants, and Acquisition (DAS-BFGA) IT Roadmap** – The BIO facilitated the completion of the first ever DAS-BFGA IT Roadmap. This effort resulted in business-driven IT Roadmaps for each DAS Office and a DAS level IT Roadmap. This identified IT Initiatives that support emerging business drivers. IT Initiatives were categorized into one of four categories:
    - Act now = "Just Work": Initiatives that are well enough defined to identify the required resources and those resources are available to immediately begin work on the initiative. These initiatives are either incorporated in current scope of the BIO, Policy Office or the appropriate solution provider.
    - Defined and resourced = Scope: Initiatives that are well enough defined to identify the required resources and those resources are or will be available at the appropriate time, even if that timing is multiple years on the future. These initiatives are either incorporated in future scope of the BIO, Policy Office, or the appropriate solution provider.
    - Defined, but not resourced = Business Case: Initiatives that are well enough defined to identify the required resources, but those resources are not available at the appropriate time. These initiatives are then documented as budget justification cases to help secure funding and resources.
    - Conceptual – Initiatives that are not well enough defined to identify the required resources. These initiatives are either transitioned to a research project or retained on the initiative list but allowed to lay fallow for future development.
- The DAS-BFGA IT Roadmap is an annual iterative process that will continue to groom the DAS-BFGA IT Initiative backlog.

Future Planned Activities

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

The Department is also focusing on system improvements, aligning with the S/4HANA implementation, to address financial management concerns, customer service gaps, improve usability, and increase the speed, reliability, and flexibility of the FBMS infrastructure. Key planned activities for FY 2023 and beyond include, migration to a modernized cloud hosting solution, expanded implementation of robotics process automations, automation of data quality analysis and remediation, and meaningful security enhancements to strengthen cybersecurity, expansion of data analytics capabilities and enhancement of the new Engagement Layer.

The BIO continues to lead the development of the DAS-BFGA IT Roadmap. This effort will identify and prioritize business driven IT initiatives across the entire DAS-BFGA functional area, leading to better plans for improvements for the next three to five years. The DAS-BFGA IT Roadmap is an annual process. The next iteration will build up the first iteration. The goal of these roadmaps is to create a plan to expand support for the kinds of benefits being realized from FBMS, such as common business and data standards; modern and unified platforms; transparent reporting using modern analytical tools; increased automated controls and information security; and support for Government-wide initiatives (e.g., G-Invoicing) across other areas of DOI's business operations. The goals of the next iteration include expanding innovative technologies, such as RPA, and to build upon cross-cutting initiatives identified in the first iteration, such as the need to manage professional certifications and automate the linkage of these professional certifications with system roles.

DOI's implementation plan for G-Invoicing is phased. The implementation approach will include extensive system development efforts to enable 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 Government-wide Treasury Account Symbol (GTAS) reconciliation differences between FBMS and G-Invoicing. The implementation of G-Invoicing is dependent upon the software vendor providing a minimally viable product. The current plan is for initial implementation with functionality for new orders to go-live in FY 2023.

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

The DOI received, for the 26th 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; they are not assets of the NPS and may not be used in NPS operations. Therefore, the balances, inflows, and outflows of these concessioner Special Accounts are not recognized in the financial information of the NPS. The concessioners reported that these Special Accounts balances totaled approximately $12.3 million (unaudited) and $13.5 million (unaudited), as of September 30, 2022 and 2021, respectively.

The Balance Sheet

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

Analysis of Assets

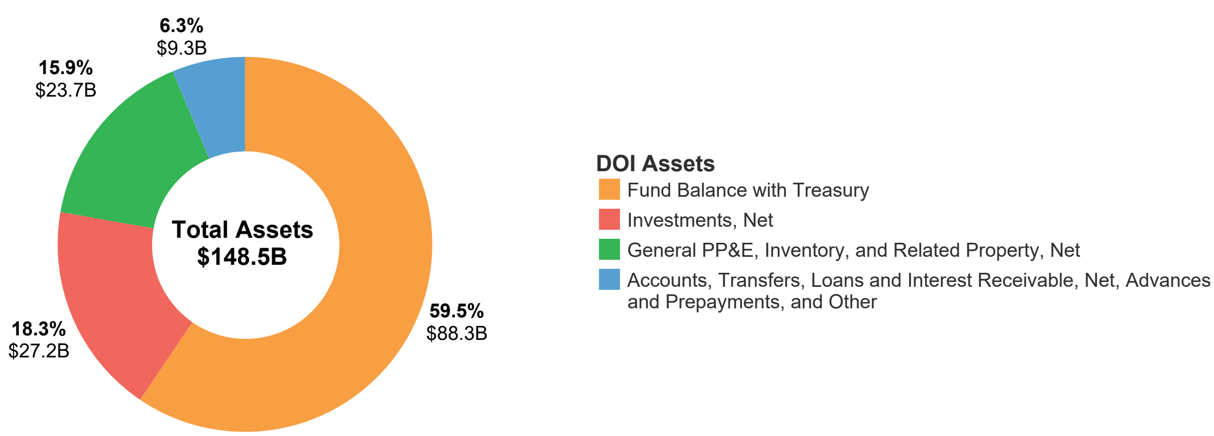
DOI assets increased by almost $37 billion and 33 percent between FY 2022 and FY 2021 as presented in the following table. This increase is caused by a rise in Fund Balance with Treasury (FBwT) and Investments, Net in FY 2022. The FBwT increase is due to new appropriations related to the IIJA (Pub. L. 117-58) and the IRA (Pub. L. 117-169) funding DOI received in 2022. Investments, Net increased with DOI's authority to invest additional funds according to the Bipartisan Infrastructure Law (BIL) in 2022.

FIGURE 16

DOI Assets *(line items summarized) (dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Fund Balance with Treasury	$ 88,288,500	$ 67,077,246	$ 21,211,254	31.6%
Investments, Net	27,165,168	12,755,548	14,409,620	113.0%
General PP&E, Inventory, and Related Property, Net	23,712,140	22,640,608	1,071,532	4.7%
Accounts, Transfers, Loans and Interest Receivable, Net, Advances and Prepayments, and Other	9,290,975	9,019,838	271,137	3.0%
Assets	**$ 148,456,783**	**$ 111,493,240**	**$ 36,963,543**	**33.2%**

FIGURE 17

Percent of DOI Assets by Type (FY 2022)



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

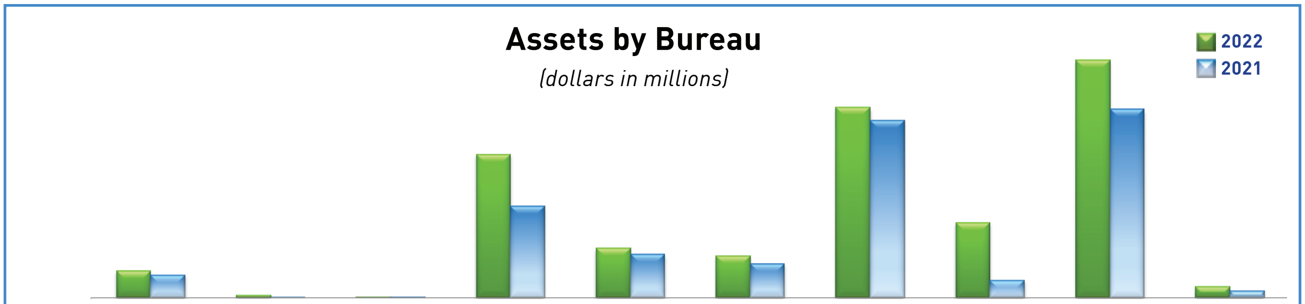
The DOI real property portfolio contains more than 43,037 buildings and 83,156 structures, with a replacement value of more than $420 billion (unaudited), as well as nearly every type of asset found in a local community. Many of these assets have historic or cultural significance that not only support DOI's mission but are important to our Nation's heritage.

The DOI's reported values for PP&E exclude stewardship PP&E in accordance with accounting standards. Stewardship PP&E benefits the Nation as a whole and is considered priceless. It is not possible to assign an identifiable value to these assets. An in-depth discussion of stewardship PP&E is presented in Section 2: Financial Information. 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 (M&I) water facilities in exchange for annual payments that are used to repay a portion of the federal investment. Unmatured repayment contracts are not recognized on the Balance Sheet as a receivable until the annual payment amount is earned. As of September 30, 2022, and 2021, amounts not yet earned under USBR's unmatured repayment contracts were $1.7 billion and $1.8 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 18



	BLM	BOEM	BSEE	DO	FWS	IA[1]	NPS	OSMRE	USBR	USGS
FY 2022	$5,429	$623	$217	$28,298	$9,836	$8,388	$37,528	$14,888	$46,799	$2,285
FY 2021	$4,613	$190	$220	$18,083	$8,627	$6,803	$35,017	$3,588	$37,160	$1,448

[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 2022 and FY 2021, respectively, are shown in the table and chart below. DOI's liabilities increased to almost $3.5 billion and 24.3 percent. This is mainly due to higher Accounts Payable and Accrued Grant Liabilities, Advances from Other and Deferred Revenue, Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets, and Payments Due to States.

The change in Accounts Payable and Accrued Grant Liabilities is mostly due to the timing of payroll from 4th quarter FY 2022, in comparison to 4th quarter FY 2021, which resulted in a increase in accounts payable. All of the Department's payroll flows through the Department's payroll clearing accounts, which are part of DO's funds. DO collects payroll, taxes, and other benefits from each of the Bureaus then

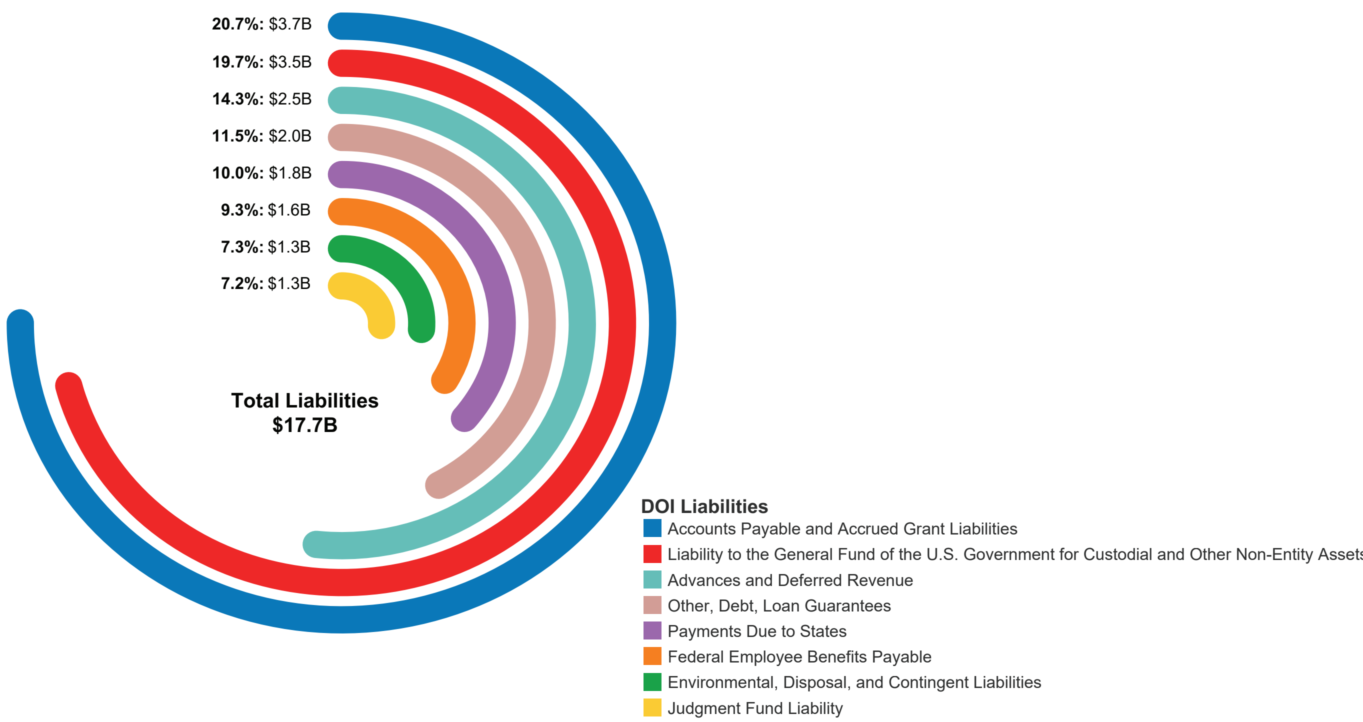
FIGURE 19

DOI Liabilities *(line items summarized) (dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Accounts Payable and Accrued Grant Liabilities	$ 3,651,456	$ 2,887,570	$ 763,886	26.5%
Federal Employee Benefits Payable	1,642,789	1,684,384	(41,595)	-2.5%
Environmental, Disposal, and Contingent Liabilities	1,287,239	1,316,732	(29,493)	-2.2%
Payments Due to States	1,764,256	1,131,707	632,549	55.9%
Advances and Deferred Revenue	2,523,066	1,805,399	717,667	39.8%
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	3,475,134	2,789,783	685,351	24.6%
Judgment Fund Liability	1,275,856	1,240,356	35,500	2.9%
Other, Debt, Loan Guarantees	2,043,218	1,477,285	565,933	38.3%
Liabilities	**$ 17,663,014**	**$ 14,333,216**	**$ 3,329,798**	**23.2%**

subsequently pays Treasury, the Internal Revenue Service (IRS), Office of Personnel Management (OPM), as well as state and local governments. The timing of collections coming in and payments going out is dependent upon the payroll schedule. The increase is also due to additional GAOA transfer funding from DOI to Forest Service and increased grant liabilities related to the Infrastructure Investment and Jobs Act (Pub. L. 117-58). Increases in Advances & Deferred Revenue is primarily due to new agreements with Health and Human Services' Training and Technical Assistance program in FY 2022, to provide Head Start grantees with high level training to deliver quality services to children and families and advances received from the Idaho Water Resource Board for their portion of the Anderson Ranch Dam Raise Project. Increases in Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets were attributed to BLM's Federal Land Policy and Management Act (FLPMA), to protect federal lands. There was a significant increase in fines in FY 2022 related to fines/penalties/fees related to non-compliance, production, handling, trespass, and abandonment. Increases in Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets and Payments Due to States are due to significant increases in oil and gas prices which increases custodial collections to be distributed to the General Fund of the Treasury, federal agencies, states, and coastal political subdivisions.

FIGURE 20

Percent of DOI Liabilities by Type (FY 2022)

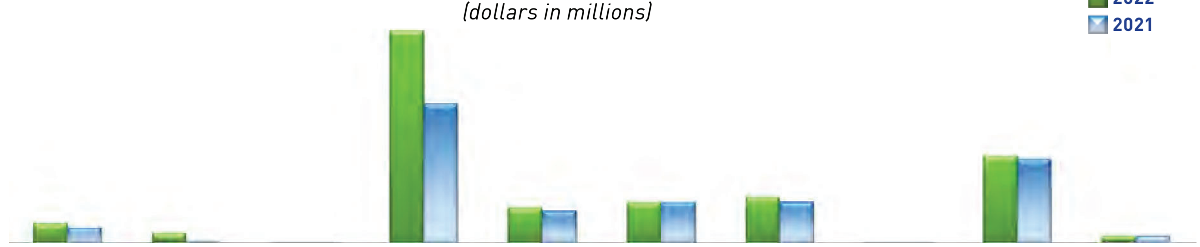


Comparative liabilities by bureau are displayed in the graph below. The sum of bureau liabilities is not equal to DOI consolidated total liabilities as intradepartmental eliminations are excluded from the graph presented.

FIGURE 21

Liabilities by Bureau

(dollars in millions)



	BLM	BOEM	BSEE	DO	FWS	IA[1]	NPS	OSMRE	USBR	USGS
FY 2022	$967	$478	$37	$11,006	$1,774	$2,050	$2,339	$45	$4,447	$353
FY 2021	$771	$58	$40	$7,220	$1,647	$2,067	$2,088	$44	$4,303	$350

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

Analysis of Net Costs

FIGURE 22

DOI Net Cost *(summarized by Bureau) (dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Bureau of Land Management	$ 1,818,007	$ 1,932,922	$ (114,915)	-5.9%
Bureau of Ocean Energy Management	157,289	141,739	15,550	11.0%
Bureau of Reclamation	1,521,117	1,236,996	284,121	23.0%
Bureau of Safety and Environmental Enforcement	161,490	156,516	4,974	3.2%
Departmental Offices	7,071,305	4,643,672	2,427,633	52.3%
Indian Affairs[1]	5,404,142	4,910,318	493,824	10.1%
National Park Service	3,852,366	3,236,833	615,533	19.0%
Office of Surface Mining Reclamation and Enforcement	1,138,904	1,094,691	44,213	4.0%
U.S. Fish and Wildlife Service	3,477,687	3,077,554	400,133	13.0%
U.S. Geological Survey	1,382,345	1,315,206	67,139	5.1%
Eliminations[2]	(40,585)	(44,266)	3,681	-8.3%
Net Costs - by Bureau	**$ 25,944,067**	**$ 21,702,181**	**$ 4,241,886**	**19.5%**

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

[2] Eliminations represents intra-departmental transactions or balances resulting from business activities conducted between two different DOI entities included in our Annual Financial Report.

DOI Net Cost of Operations is presented in the chart above. DOI's net costs increased $4.2 billion and 19.5 percent. This increase is due to higher distributions to states caused by the increase in oil and gas prices. It is also due to increases in operating expenses related to the new Infrastructure projects established in 2022. In the chart below, the Consolidated Statement of Net Cost includes DOI's four Mission Areas: Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities; Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors; Sustainably Balance the Use of Resources While Supporting Communities and the Economy; and Serve and Honor the Public Trust. The Statement of Net Cost also includes Reimbursable Activity and Other, which predominately represents the intragovernmental acquisition of goods and services through the DOI Working Capital Fund and Franchise Fund. DOI implemented a new Strategic Plan in FY 2022 and, as such, the FY 2021 DOI mission areas are not comparable to the FY 2022 mission areas. The following table presents the Statement of Net Cost by mission area for FY 2022 only.

FIGURE 23

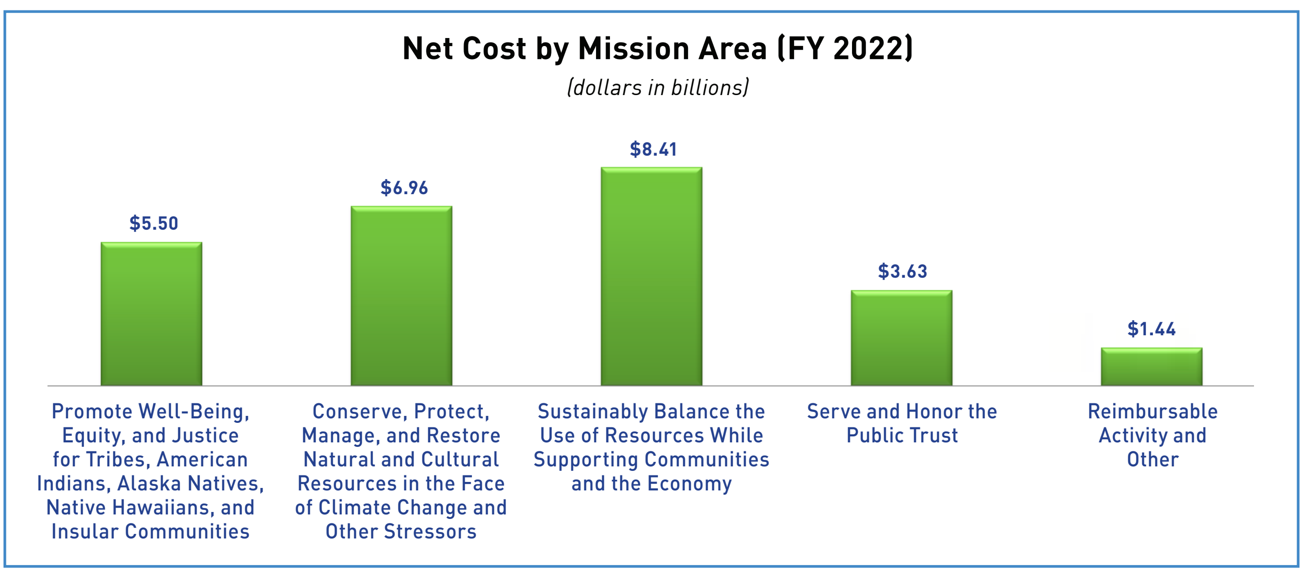
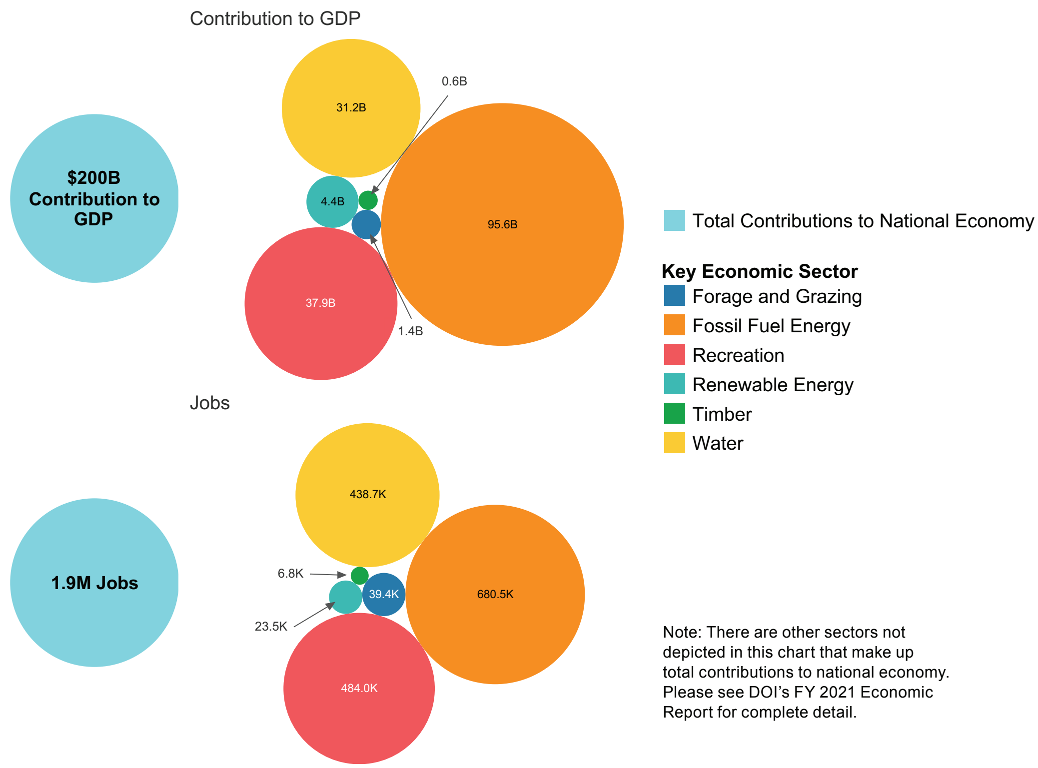


FIGURE 24

DOI Economic Contributions (FY 2021)



Economic Contributions

According to the DOI's FY 2021 Economic Report, DOI plays a key role in the U.S. economy, supporting an estimated 1.9 million jobs, and approximately $200 billion in contributions to the Nation's Gross Domestic Product (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 2021. 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.

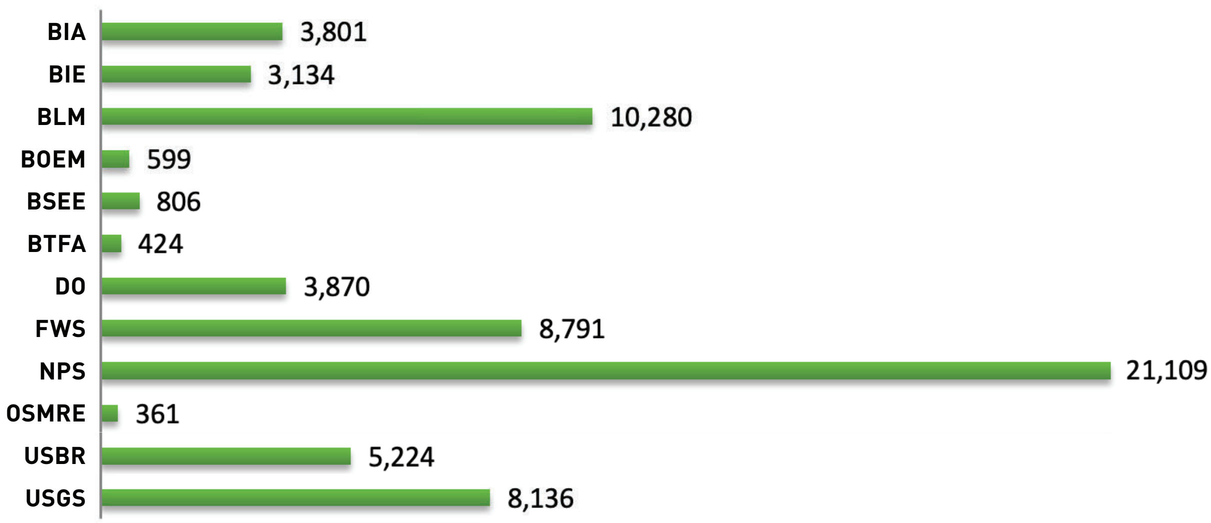
- **Fossil Fuel Energy:** Oil, gas, and coal produced from DOI-managed lands supported contributions to GDP of approximately $95.6 billion, and an estimated 680,500 jobs.
- **Renewable Energy:** Hydropower, geothermal, wind and solar power projects on DOI lands supported contributions to GDP of approximately $4.4 billion and over 23,500 jobs.
- **Recreation:** In FY 2021 there were an estimated 494 million visits to DOI-managed lands. For FY 2021, visitation to Interior sites supported an estimated $37.9 billion in value added, and about 484,000 jobs.
- **Water:** The DOI stores and delivers water for irrigation, 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 $31.2 billion in contributions to GDP, and supported an estimated 438,700 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.
- **Timber:** Sawtimber harvested on tribal lands and DOI-managed lands supported about $0.6 billion in contributions to GDP, and approximately 6,800 jobs. DOI's lands provide various other products including biomass, fuel wood, poles, and posts in addition to sawtimber.
- **Forage and Grazing:** In FY 2021, DOI lands provided access to 9.2 million animal unit months (AUMs) of forage. This forage access supported an estimated $1.4 billion in value added, and about 39,400 jobs.

Analysis of Net Cost – DOI Workforce

As shown in the figures below, DOI workforce costs include $7.7 billion in payroll and benefit costs for employees executing DOI's mission and programs. The DOI employed 66,535 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 53,686 full-time permanent staff and 12,849 part-time and seasonal staff.

FIGURE 25

Employee Count FY 2022



Employee Count – Total 66,535
(All employees regardless of work schedule or type of appointment)

FIGURE 26

Work Schedule Information	Full Time Permanent	Other[1]	Total
BIA	3,691	110	3,801
BIE	484	2,650	3,134
BLM	8,944	1,336	10,280
BOEM	589	10	599
BSEE	798	8	806
BTFA	419	5	424
DO	3,654	216	3,870
FWS	7,943	848	8,791
NPS	15,360	5,749	21,109
OSMRE	360	1	361
USBR	5,061	163	5,224
USGS	6,383	1,753	8,136
Total Employees by Bureau	**53,686**	**12,849**	**66,535**

FIGURE 27

Total Payroll and Benefits		
		(dollars in thousands)
BLM	$	1,205,409
BOEM		101,689
BSEE		131,695
DO[2]		717,875
FWS		1,110,618
IA[3]		737,656
NPS		2,003,257
OSMRE		53,991
USBR		710,447
USGS		1,016,653
TOTAL	**$**	**7,789,290**

[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 28

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

Category	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Basic Research	$ 139,759	$ 130,887	$ 8,872	6.8%
Applied Research	923,821	880,955	42,866	4.9%
Developmental Research	199,765	190,736	9,029	4.7%
Total	**$ 1,263,345**	**$ 1,202,578**	**$ 60,767**	**5.1%**

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 29

Investments in Human Capital *(dollars in thousands)*

Category	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Educational Programs	$ 1,102,178	$ 1,810,613	$ (708,435)	-39.1%

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

BIE serves a school system of 183 schools and 33 Tribal Colleges and Universities (TCUs), delivering educational services to over 40,000 elementary and secondary students in 23 States and approximately 12,000 post-secondary students in 17 States. BIE operates two post-secondary schools, Haskell Indian Nations University and Southwestern Indian Polytechnic Institute and provides technical assistance and grants administration for 29 tribally controlled colleges and universities and two Tribal technical colleges, the Navajo Technical University and United Tribes Technical College.

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

The Office of Postsecondary Education develops contract proposals, awards and provides oversight of a $7.9 million contract that provides scholarships to American Indian Alaskan Native students at the associate, bachelor, master's and doctorate level; and identifies tribal priority areas for building educational capacity to align BIE funding with these needs. Current recipients include Native Forward (formerly the American Indian Graduate Center) and the American Indian Law Center.

BIE received $1.5 billion in supplemental funding in 2020 and 2021 from the *Coronavirus Aid, Relief, and Economic Security Act*, the *American Rescue Plan Act*, and the 2021 *Consolidated Appropriations Act*, which directed the DoED to transfer funds to BIE from the Education Stabilization Fund. More than 90 percent of this supplemental funding was distributed by formula directly to individual schools and TCUs. These funds are helping school communities improve educational operations with ongoing safety, mitigation, personal protective equipment needs, mental and behavioral health services, and online learning capabilities. The decreased investment in educational programs is a result of the supplemental funding tapering off in FY 2022.

Photo by Tami A. Heilemann / DOI

HASKELL INDIAN NATIONS UNIVERSITY COMMENCEMENT POW WOW
Secretary Haaland delivered the commencement speech for the graduating class of 2022 at Haskell Indian Nations University, a Bureau of Indian Education-operated post-secondary Tribal institution, May 13, 2022. In her remarks, the Secretary championed culturally relevant education and called on students to carry forward the legacy of their ancestors. She also discussed the Department's recent announcement on next steps for the Federal Indian Boarding School Initiative, standing on the campus that was originally opened under the federal government's assimilationist policies in the 1880s.
https://www.doi.gov/pressreleases/secretary-haaland-highlights-biden-harris-administrations-commitment-strengthening

Non-Federal Physical Property

FIGURE 30

Investment in Non-Federal Physical Property (Unaudited)

(dollars in thousands)

Category	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Dams and Other Water Structures	$ 279,479	$ 267,427	$ 12,052	4.5%
Land	70,281	61,162	9,119	14.9%
Roads and Bridges	6,647	1,016	5,631	554.2%
Schools and Public Buildings	63,910	46,689	17,221	36.9%
Ranges	8,398	6,583	1,815	27.6%
Not Classified	882	3,561	(2,679)	-75.2%
Total	**$ 429,597**	**$ 386,438**	**$ 43,159**	**11.2 %**

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

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

The Office of Facility Management and Construction provides funds for buildings with historic and architectural significance. The Utah Reclamation Mitigation & Conservation Commission invests in habitat improvements for fish and wildlife on non-federal properties to mitigate the impact of reclamation projects in Utah on wildlife resources beyond the boundaries of those projects.

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

Photo by Nathan Kostegian / NPS

ASK A RANGER Your safety is your responsibility while hiking in national parks. Planning is an important step in being prepared and ready for your adventure. If you are going to the backcountry, know how to be self-sufficient in case you encounter an unexpected hazard or an emergency occurs. https://www.nps.gov/articles/hiking-safety.htm

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. DOI's net position increased almost $34 billion and 34.5 percent. This is primarily due to an increase in unexpended appropriations received through the IIJA (Pub. L. 117-58) and IRA (Pub. L. 117-169) in FY 2022.

FIGURE 31

Net Position *(dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Unexpended Appropriations	$ 42,213,640	$ 13,603,562	$ 28,610,078	210.3%
Cumulative Results of Operations	88,425,129	83,556,462	4,868,667	5.8%
Net Position	**$ 130,638,769**	**$ 97,160,024**	**$ 33,478,745**	**34.5%**

FIGURE 32

	BLM	BOEM	BSEE	DO	FWS	IA	NPS	OSMRE	USBR	USGS
FY 2022	$2,988	$68	$118	$9,635	$5,979	$1,024	$30,237	$2,682	$34,836	$858
FY 2021	$2,743	$68	$126	$9,699	$5,457	$875	$29,449	$2,638	$32,108	$393

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

Photos by B. Torrey / NPS

FLIGHT 93 NATIONAL MEMORIAL Dibble bars stand in the sunrise (left), before being used by the volunteers to plant trees at the 'Plant a Tree at Flight 93' event at the Flight 93 National Memorial, Somerset County, Pennsylvania, April 22, 2022 (right). The event highlighted more than 10 years of work and events to plant over 150,000 trees, across 214 acres of former coal mine land. OSMRE's Appalachian Regional Reforestation Initiative hosts several volunteer tree planting opportunities every year. OSMRE provided more than $300,000 to the Flight 93 National Memorial. The grant was used to clean up acid mine drainage from an underground coal mine near the Flight 93 crash site. https://www.osmre.gov/news/stories/10-years-plant-tree-flight-93 https://www.nps.gov/flni/index.htm

Analysis of Budgetary Resources

FIGURE 33

Key Budgetary Measures *(dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Unobligated Balance from Prior Year Budget Authority	$ 18,644,726	$ 15,716,700	$ 2,928,026	18.6%
Appropriations (Discretionary and Mandatory)	57,363,168	27,025,076	30,338,092	112.3%
Spending Authority from Offsetting Collections and Borrowing Authority	6,430,309	5,725,810	704,499	12.3%
Total Budgetary Resources	**$ 82,438,203**	**$ 48,467,586**	**$ 33,970,617**	**70.1%**
New Obligations and Upward Adjustments	36,520,461	30,480,523	6,039,938	19.8%
Apportioned, Unexpired	38,952,245	17,606,386	21,345,859	121.2%
Unapportioned, Unexpired and Expired, Unobligated Balance, End of Year	6,965,497	380,677	6,584,820	1,729.8%
Status of Budgetary Resources	**$ 82,438,203**	**$ 48,467,586**	**$ 33,970,617**	**70.1%**

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.

For the year ended September 30, 2022, the increase in DOI's total budgetary resources equaled $34 billion, a 70 percent increase from FY 2021.

The increase in budgetary resources is primarily due to a significant increase in normal program activities during FY 2022, additional funding received from the IIJA and IRA for FY 2022 legislation, and significant oil and gas prices increases compared to the previous year.

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

FIGURE 34

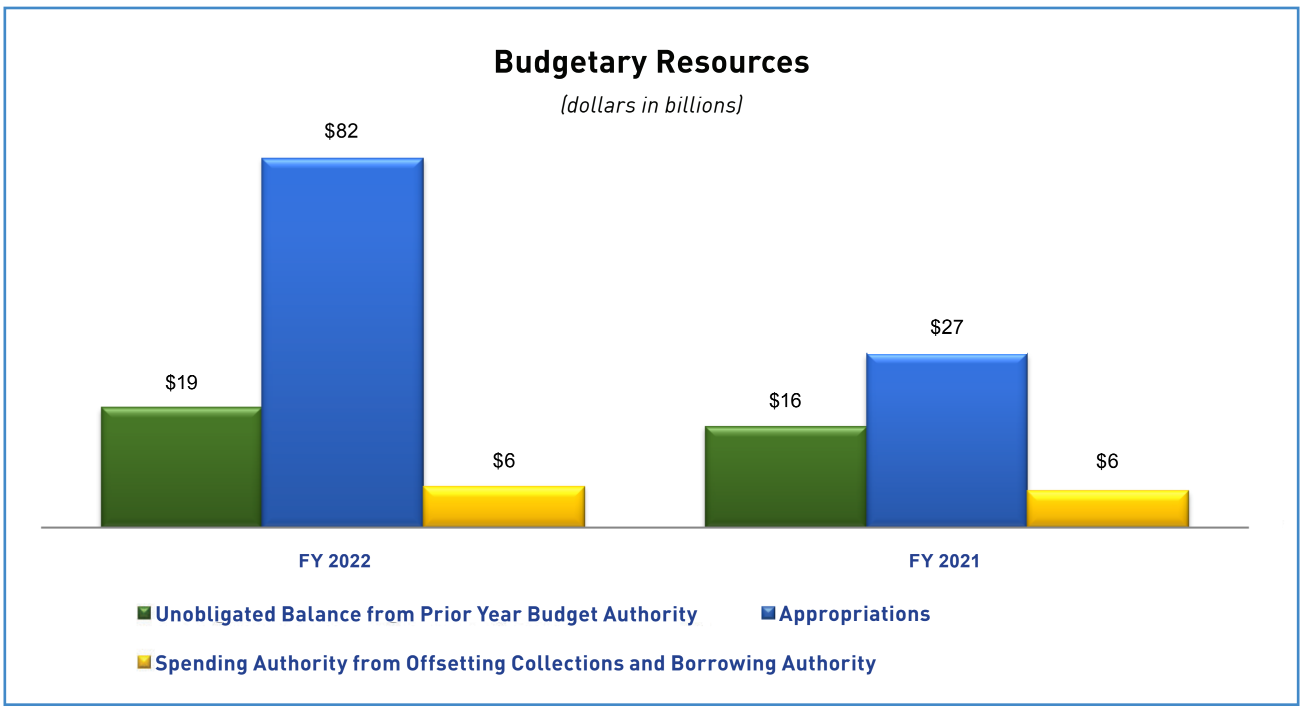
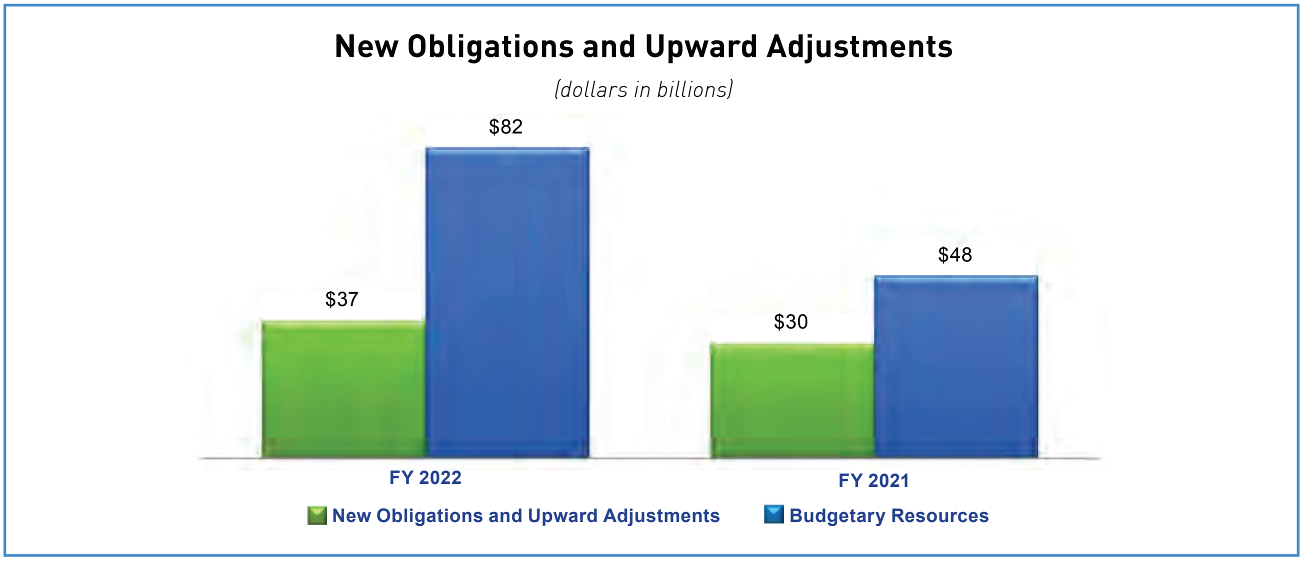


FIGURE 35



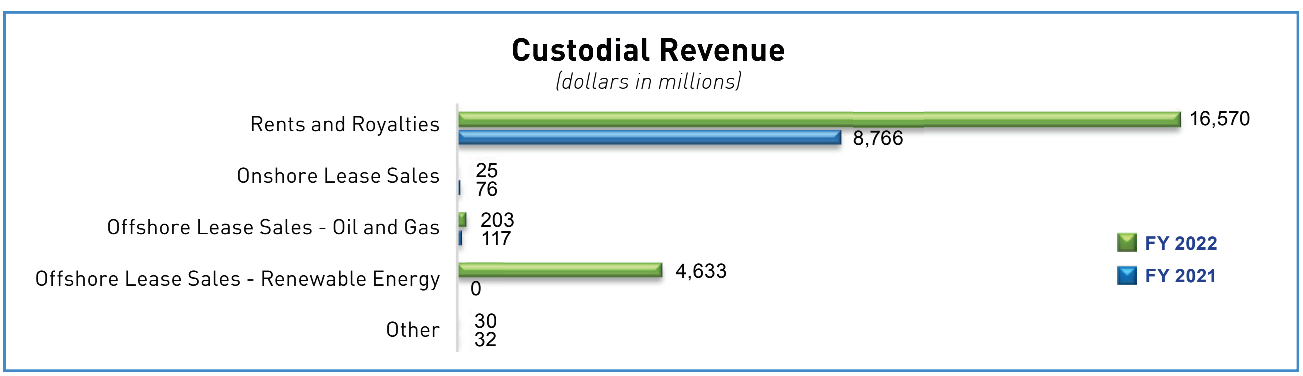
Analysis of Custodial Activity

FIGURE 36

Custodial Activity *(dollars in thousands)*	FY 2022	FY 2021	Increase/ (Decrease)	% Change
Rents and Royalties	$ 16,570,143	$ 8,766,413	$ 7,803,730	89.0%
Onshore Lease Sales	24,621	76,115	(51,494)	-67.7%
Offshore Lease Sales - Oil & Gas	202,822	116,602	86,220	73.9%
Offshore Lease Sales - Renewable Energy	4,632,500	-	4,632,500	100%
Other	29,736	32,059	(2,323)	-7.2%
Total Custodial Revenue	**$ 21,459,822**	**$ 8,991,189**	**$ 12,468,633**	**138.7%**

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, renewable energy, and mineral leases that are collected by components within DOI on behalf of other entities. This activity is distributed to other DOI bureaus, other federal entities, states, and others. This activity is considered to be revenue of the federal government as a whole and is therefore excluded from DOI's Statement of Net Cost. The $12.5 billion and 138.7 percent increase in custodial revenue is attributable to increased rents and royalties due to significant increases in oil and gas prices in FY 2022 and due to large wind sales activity in fiscal year 2022, with no sales in fiscal year 2021.

FIGURE 37



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 Act* continues many of the programs started by the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act; P.L. 116-136) (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 DoED to the Bureau of Indian Education (BIE) as provided in the *Consolidated Appropriations Act,* 2021 (P.L. 116-260). As of September 30, 2022, DOI has fully obligated these resources.

As of September 30, 2022, DOI's expenditures of COVID-19 related funding totaled approximately $2.5 billion. The majority of the funding was expended in FY 2021, with $760 million in *CARES Act* and $1.3 billion in *ARP Act* funding spent. Expenditures in FY 2022 were significantly lower with $77 million in *CARES Act* and $371 million in *ARP Act* funding. The table below summarizes resource availability and obligations incurred through September 30, 2022.

FIGURE 38

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 Brought Forward	Obligations Incurred FY 2022	Unobligated Balance, Ending
BIA							
Operations of Indian Programs - American Rescue Plan	$ 900,000	$ -	$ 900,000	$ 708,401	$ 191,599	$ 104,743	$ 86,856
BIE							
Operations of Indian Education Programs - American Rescue Plan	850,000	-	850,000	563,718	286,282	67,893	218,389
Operations of Indian Education Programs (Transfer from Education)	-	409,400	409,400	310,434	98,966	98,966	-
FWS							
Resource Management	105,000	-	105,000	36,671	68,329	5,671	62,658
TOTAL	**$ 1,855,000**	**$ 409,400**	**$ 2,264,400**	**$ 1,619,224**	**$ 645,176**	**$ 277,273**	**$ 367,903**

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.

Photo by NPS

PARK SHARES HIGHLIGHTS OF 'SMOKIES HIKES FOR HEALING' PROGRAM
A group participating in one of the 'Smokies Hikes for Healing' at the Great Smoky Mountains National Park, North Carolina and Tennessee, 2020.
https://www.smokieshikesforhealing.org/about https://www.nps.gov/grsm/index.htm

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 2022 with the FY 2022–2026 Strategic Plan that fully articulates the vision, goals, and objectives of the Secretary and the Biden-Harris Administration. The strategic plan addresses the climate crisis, 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.

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

In this document, focus on the following areas have been made to prepare for the effects of climate change:

- Promote Climate-Resilient Lands, Waters, and Cultural Resources
- Advance Climate Equity
- Transition to a Resilient Clean Energy Economy
- Support Tribal and Insular Community Resilience
- Empower the Next Generation of Conservation and Resilience Workers

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.

SECTION 2

Financial Information

Reaching nearly 12,000 feet, Lone Eagle Peak is a mountain summit in the Indian Peaks Wilderness area, just northeast of the town of Fraser, Colorado. Lone Eagle Peak is a jaw-dropping sight, and is one of the most awe-inspiring peaks in the state. The drastic, pointy summit of Lone Eagle Peak can be intimidating to the average hiker, but to an adventurous climber, Lone Eagle is a rugged, beautiful playground. https://www.visitgrandcounty.com/explore/mountains-and-vistas/lone-eagle-peak Photo by N. Reid Neureiter

WE ARE PLEASED TO PRESENT the fiscal year (FY) 2022 Department of the Interior (DOI, the Department) AFR. DOI's mission is vast in both economic and physical terms. We embrace 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 DOI.

In March 2022, Joan Mooney assumed the role of the Principal Deputy Assistant Secretary Exercising the Delegated Authority of the Assistant Secretary for Policy, Management, and Budget. Joan has three decades of senior leadership experience in the public and nonprofit sectors, including as an Assistant Secretary of Veterans Affairs, and, most recently, as president and CEO of a non-profit. She earned degrees from the University of Pennsylvania and George Mason University.

DOI began FY 2022 with one Department-level FMFIA non-financial material weakness, pending corrective action from the previous year. The non-financial material weakness was related to the management of Grants, Cooperative Agreements, and Tribal Awards. The Office of Grants Management (PGM) implemented the Corrective Actions Plan (CAP) which resulted in the closure. PGM remediated the non-financial material weakness by:

1. Migrating DOI discretionary grant award processes to a single award management system, GrantSolutions, and
2. Streamlining the Department-wide assessment and reporting requirement for financial assistance,
3. Collaborating with PFM to issue FY 2022 Internal Control Guidance for Financial Assistance, and
4. Coordinating with the Office of Planning and Performance Management (PPP) to develop PGM's Enterprise Risk Register.

We also took on a new initiative at the Department by implementing a corrective action plan and, root causes analysis framework across all DOI Bureaus and Offices. This new framework assisted with guiding the maturation of the Department's ability to sustain effective and efficient business process operations and compliance with applicable laws and regulations. We made substantial improvements by conducting a baseline reconciliation of the Government Accountability Office (GAO) and Office of Inspector General (OIG) open recommendations for the fiscal year. We enhanced our focus on defining and developing progress metrics to provide more meaningful insight into the progress and achievements of DOI's GAO and OIG open recommendations. We are pleased to report that the Department implemented 93 percent of its FY 2022 fiscal year-targeted GAO and OIG recommendations.

In addition to these accomplishments, we also:

- **Launched our first internal control course training** "Overview of OMB Circular A-123, Internal Control Assessment Framework". This course was developed to strengthen DOI's internal control and standardize key information associated with the Departmental Assurance Statement. Similar to ethics, this is a required training that must be taken each year.
- **Built upon our FY 2021 efforts to prevent and combat fraud** by implementing a required training course, "Preventing, Detecting, and Responding to Fraud," for the Department. Approximately 85 percent of the DOI financial community has completed the training.
- **Promoted DOI's compliance with the GAO Green Book** by developing the Department's first consolidated Entity Level Assessment. The Office of Financial Management reviewed submissions and evidence from Bureaus and Offices, identified controls and evidence at the Departmental level to address the 17 GAO Green Book Principles, identified strengths, and developed areas for addressing the GAO Green Book Principles.

- **Completed comprehensive market research** of potential software solutions and vendors in support of a Governance, Risk, and Compliance tool that will be used to integrate the Department's risk management capabilities across the Department of the Interior. The new system will cover Audit Management, Internal Controls and Fraud, and Enterprise Risk Management.
- **Designed and implemented the Financial Management Handbook and the DOI Travel Policies SharePoint sites.** The Financial Management Handbook (FMH) is the Department's official publication of financial management policies and guidance, and the DOI Travel Policies is the Department of the Interior's official site concerning travel management established by PFM. The FMH and Travel Policies sites provide relevant, valuable, and timely financial management guidance to more than 66,000 Departmental staff. It has proven to be instrumental in delivering important and timely information to support our financial community.
- **Implemented the Department-wide Donations Management Portal** to enhance oversight responsibilities, document internal control review, and gather data to improve management reporting capabilities. The Donations SharePoint's Management Reporting portal supports DOI in its efforts to build donations reporting capacity across the Department by facilitating the documentation and reporting of financial and non-financial contributions.
- **The *Infrastructure Investment and Jobs Act* (IIJA) was passed by Congress.** The Bipartisan Infrastructure Law (*Infrastructure Investment and Jobs Act*) is a once-in-a-generation investment in our Nation's infrastructure and competitiveness. This Bipartisan Infrastructure Law will rebuild America's roads, bridges, and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, tackle the climate crisis, advance environmental justice, and invest in communities that have too often been left behind. The legislation will help ease inflationary pressures and strengthen supply chains by making long overdue improvements for our nation's ports, airports, rail, and roads. Combined with the President's ***Build Back Framework***, it will add, on average, ***1.5 million jobs per year*** for the next 10 years. Ensured efforts to record $36 billion of IIJA and all transactions associated with the IIJA are reflected in the Department's Consolidated Financial Statements.
- **Completed Phase 1 of our S/4HANA Upgrade** with the implementation of BW/4HANA in February 2022. SAP S/4HANA is an Enterprise Resource Planning (ERP) software package meant to cover all day-to-day processes of our financial system and other core capabilities. It will deliver both processing and reporting improvements with built-in intelligent technologies, including Artificial Intelligence (AI)I, machine learning, and advanced analytics. Phase 2 kickoff will take place in FY 2023.
- **Once again, we were recognized** by the Association of Government Accountants (AGA), receiving our 20th consecutive AGA CEAR® award for our FY 2021 AFR and a Special/Best-in-Class Award for *Informative Presentation of "What the Agency Does"*.

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

JOAN M. MOONEY
Principal Deputy Assistant Secretary
for Policy, Management and Budget
November 15, 2022

TONYA R. JOHNSON
Deputy Chief Financial Officer and
Director, Office of Financial Management
November 15, 2022

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

NOV 15 2022

Memorandum

To: Deb Haaland
Secretary of the Interior

From: Mark Lee Greenblatt
Inspector General

Subject: *Independent Auditors' Report on the U.S. Department of the Interior's Financial Statements for Fiscal Years 2022 and 2021*
Report No. 2022–FIN–029

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) 2022 and 2021. 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, 2022, and September 30, 2021. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget (OMB) audit guidance, and the Government Accountability Office and Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual.*

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

- The financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles.
- One material weakness and one significant deficiency in internal controls over financial reporting:
  - *Material Weakness* - Controls over construction in progress.[1]
  - *Significant Deficiency* - Entity-level controls.

[1] The DOI did not report the material weakness in its FY 2022 Assurance Statement, included in the Management's Discussion and Analysis section of the *FY 2022 Agency Financial Report.* This is allowable per Section II.4.1., of OMB Circular A-136 *Financial Reporting Requirements*, dated June 3, 2022.

Office of Inspector General | Washington, DC

- 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, 2022, 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 five recommendations to address the identified findings. The DOI submitted its response to KPMG on November 15, 2022. We will notify Congress of these findings and will summarize this work in our next *Semiannual Report to Congress*, as required by law. We will also post a public version of this audit 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.

Attachment

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

Independent Auditors' Report

Secretary and Inspector General
U.S. Department of the Interior:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the U.S. Department of the Interior (Department), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of net costs and changes in net position, and combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Department as of September 30, 2022 and 2021, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - Interactive Data

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

Responsibilities of Management for the Consolidated Financial Statements

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

KPMG

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 22-01 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 22-01, we:

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

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

Required Supplementary Information

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

Other Information

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

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2022, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

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

Department management did not report the material weakness, *Controls over Construction in Progress*, in its *FY 2022 Assurance Statement*, included in the Management's Discussion and Analysis section of the accompanying Agency Financial Report.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2022 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. 22-01.

We also performed tests of the Department's compliance with certain provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which the Department's financial management systems did not substantially

KPMG

comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the findings identified in our audit and described as a separate attachment dated November 15, 2022 titled *Management's Response to Independent Auditors' Report for Fiscal Year (FY) 2022*. The Department's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response. We have reviewed management's response and have determined that the material weakness in internal control over financial reporting is appropriate based on the audit evidence obtained that conflicts with the terms of the Memorandum of Agreement (MOA) between the Department and the Joint Federal Project partner federal agency.

Purpose of the Reporting Required by Government Auditing Standards

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

KPMG LLP

Washington, D.C.
November 15, 2022

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 effectively to mitigate the identified risks.

During fiscal year (FY) 2022, the Department initiated the implementation of corrective action plans to address internal control weaknesses and strengthen its internal control over financial reporting. Although the Department made some progress in certain financial management and reporting areas, deficiencies remain in the areas of construction in progress 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 2023.

MATERIAL WEAKNESS

A. Controls over Construction in Progress

Fixed assets under construction represent Construction in Progress (CIP) and the related costs are recorded in a similar named general ledger account. Those costs remain in such an account until the assets are put into 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 based on its estimated useful life.

The Department has had a long standing internal control weakness over accurately reporting CIP balances and during fiscal year 2022, an internal control deficiency remained in the accounting and reporting of CIP, as outlined below.

Condition

Controls were not properly designed and implemented to ensure that fixed assets under construction were properly reflected in the accounting records. Specifically:

The Department has entered into a partnership to construct a Joint Federal Project. Under the partnership agreement, a significant portion of the Joint Federal Project was being funded and constructed by a separate Federal agency; however, agreement was not reached on which Federal agency would capitalize the costs associated with the fixed asset under construction. This results in a potential $814 million understatement in the Department's construction in progress balance.

The Department has not timely transferred fixed assets under construction to PP&E. Specifically, we noted the untimely transfer of $154 million of completed projects into the respective PP&E accounts and depreciation of the assets were not recognized based on the assets' placed in service date.

Criteria

- Statement of Federal Financial Accounting Standards (SFFAS) 6 – *Accounting for Property, Plant, and Equipment*
- SFFAS 7 – *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*

Exhibit I

- Government Accountability Office (GAO) Standards for Internal Control in the Federal Government (Green Book) Principle 4, 5, 10 and 15 – *Demonstrate Commitment to Competence; Enforce Accountability; and Design Control Activities,* respectfully.
- Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control, Section IV.*

Cause and Effect

Property accountants at the Department did not establish or maintain proper communication channels with a separate Federal agency to ensure the construction in progress balances were completely recorded as an asset of the Federal Government for a Joint Federal Project. Project engineers and program managers at the Department and other Federal agency meet periodically on the status of construction and the two parties executed a transfer of property agreement implying the asset was transferred to the Department.

In addition, property accountants rely on program managers' expertise as the property accountants do not have the qualifications to perform an independent review of an engineer's, program manager's, etc. conclusions and this information is not always received and processed timely.

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

Recommendations:

We continue to recommend that the Department and bureaus enhance the policies, procedures, and internal controls over CIP as follows:

1. Establish and maintain up front communications when commencing joint construction projects with other Federal and/or State agencies and include property accountants in the recurring communication protocols.
2. Ensure that project managers and property accountants are timely and effectively communicating with each other the status of construction projects and are adhering to accounting policies and procedures for assets placed in service during the quarter to allow for complete and accurate reporting/certification of assets.
3. Continue training of project managers and properly accountants to ensure reliable and accurate reporting by project managers to drive the consistent application of applicable accounting standards, policy, and guidance across the Department's various construction in process assets.

SIGNIFICANT DEFICIENCY

B. Entity-Level Controls

Conditions

The GAO *Standards of Internal Control for Federal Government* state that an effective internal control system requires each of its five components, including control environment; risk assessment; control activities; information and communications; and monitoring to be effectively designed, implemented, and operating together in an integrated manner.

During fiscal year 2022, 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

I-2

Exhibit I

we reported in previous fiscal years, we continued to observe entity-wide internal control system conditions, which contributed to the deficiency noted above, as follows:

- The Department was unable to complete a full entity risk profile, only finishing three of the seven requirements by the OMB due date (Risk Assessment).
- 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).

Criteria

- GAO Green Book Principles 16 and 17- *Perform Monitoring Activities; and Evaluate Issues and Remediate Deficiencies*, respectively.
- OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control, Section II.c.*

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. Complete a full entity risk profile and provide to OMB by the required due date.
2. Continually monitor and reevaluate whether corrective action plans applied were effective and implemented timely. The Department should consider whether implementing financial auditors' recommendations is enough to close a corrective action plan, 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.

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

November 15, 2022

Memorandum

To: Mr. Mark Lee Greenblatt
Inspector General
U.S. Department of the Interior
Office of 1nspector General
1849 C Street, NW
Washington, DC 20240

From: 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) 2022 (Assignment No. 2022-FIN-029)

We appreciate the opportunity to respond to the Independent Auditors' Report on the U.S. Department of the Interior (the Department) Fiscal Year (FY) 2022 consolidated financial statements. We are pleased to have achieved an unmodified audit opinion for the 26th consecutive year.

Management is resolute on taking necessary corrective actions to address pertinent issues identified during the FY 2022 audit. The DOI acknowledges a principal difference between the Department's FY 2022 FMFIA Assurance Statement, and the independent public auditor's opinion issued on the Department's FY 2022 consolidated financial statements related to a material weakness. Specifically, the Department's position on the accounting treatment applied to an asset under a Joint Federal Project construction-in-progress. The Department's accounting treatment of the subject asset has been based on the terms of the Memorandum of Agreement (MOA) between the Department and the Joint Federal Project partner federal agency. Based on the available information to the Department, a change in accounting treatment is not required at this time for the subject asset. During FY 2023, the Department will remain committed to partnering with key stakeholders to determine the validity of the audit finding issued to the Department of Interior.

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.

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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. The DOI implemented a new Strategic Plan in FY 2022 with entirely new mission areas. Balances as presented by mission area in the FY 2021 Statement of Net Cost are not comparable to the FY 2022 Statement of Net Cost mission area presentation. The current and prior year presentation of this statement are separately provided.

Consolidated Statement of Changes in Net Position

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

Combined Statement of Budgetary Resources

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

Combined Statement of Custodial Activity

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

FIGURE 39

Consolidated Balance Sheet
as of September 30, 2022 and 2021

(dollars in thousands)	FY 2022	FY 2021
ASSETS (Note 8)		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 88,288,500	$ 67,077,246
Investments, Net (Note 3)	27,165,168	12,755,548
Accounts Receivable, Net:		
Accounts Receivable, Net	213,015	261,147
Transfers Receivable, Net	1,633,464	1,573,227
Advances and Prepayments	248,609	92,169
Total Intragovernmental	**$ 117,548,756**	**$ 81,759,337**
With the Public:		
Cash and Other Monetary Assets	303	351
Accounts Receivable, Net (Note 4)	7,019,716	6,884,754
Loans Receivable, Net (Note 5)	37,338	40,463
Inventory and Related Property, Net (Note 6)	43,899	39,828
General Property, Plant and Equipment, Net (Note 7)	23,668,241	22,600,780
Advances and Prepayments	125,948	156,993
Other Assets	12,582	10,734
Total With the Public	**$ 30,908,027**	**$ 29,733,903**
TOTAL ASSETS	**$ 148,456,783**	**$ 111,493,240**
Stewardship PP&E (Note 9)		
LIABILITIES (Note 14)		
Intragovernmental:		
Accounts Payable:		
Accounts Payable	$ 79,501	$ 58,948
Transfers Payable	1,207,480	967,951
Debt (Note 10)	32,411	34,716
Advances from Others and Deferred Revenue	1,180,475	592,755
Other Liabilities: (Note 14)		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	3,475,134	2,789,783
Judgment Fund Payable	1,275,856	1,240,356
Benefit Program Contributions Payable	198,404	188,514
Other	181,979	157,224
Total Intragovernmental	**$ 7,631,240**	**$ 6,030,247**
With the Public:		
Accounts Payable	$ 1,661,024	$ 1,225,956
Federal Employee Benefits Payable (Note 12)	1,642,789	1,684,384
Environmental and Disposal Liabilities (Note 13)	978,227	965,715
Loan Guarantee Liabilities (Note 5)	47,989	54,866
Advances from Others and Deferred Revenue	1,342,591	1,212,644
Other Liabilities: (Note 14)		
Accrued Grant Liabilities	703,451	634,715
Deposit Fund Liability	631,733	155,466
Contingent Liabilities (Note 13)	464,012	351,017
Payments Due to States	1,764,256	1,131,707
Natural Disaster Liability	500,372	388,024
Other	450,330	498,475
Total With the Public	**$ 10,186,774**	**$ 8,302,969**
TOTAL LIABILITIES	**$ 17,818,014**	**$ 14,333,216**
Commitments and Contingencies (Notes 13 and 15)		
NET POSITION (Note 16)		
Unexpended Appropriations - Funds from Dedicated Collections	$ 19,312,255	$ 1,246,207
Unexpended Appropriations - Funds from Other Than Dedicated Collections	22,901,385	12,357,632
Unexpended Appropriations - Eliminations Between Dedicated and Other Funds	-	(277)
Total Unexpended Appropriations (Consolidated)	**42,213,640**	**13,603,562**
Cumulative Results of Operations - Funds from Dedicated Collections	83,069,909	78,977,990
Cumulative Results of Operations - Funds from Other Than Dedicated Collections	5,355,220	4,545,159
Cumulative Results of Operations - Eliminations Between Dedicated and Other Funds	-	33,313
Total Cumulative Results of Operations (Consolidated)	**88,425,129**	**83,556,462**
TOTAL NET POSITION	**$ 130,638,769**	**$ 97,160,024**
TOTAL LIABILITIES AND NET POSITION	**$ 148,456,783**	**$ 111,493,240**

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

FIGURE 40

Consolidated Statement of Net Cost
for the year ended September 30, 2022

(dollars in thousands)	FY 2022
Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities	
Gross Costs	$ 5,844,805
Less: Earned Revenue	343,004
Net Cost	**5,501,801**
Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors	
Gross Costs	7,734,675
Less: Earned Revenue	776,890
Net Cost	**6,957,785**
Sustainably Balance the Use of Resources While Supporting Communities and the Economy	
Gross Costs	8,852,631
Less: Earned Revenue	442,688
Net Cost	**8,049,943**
Serve and Honor the Public Trust	
Gross Costs	4,278,867
Less: Earned Revenue	642,939
Net Cost	**3,635,928**
Reimbursable Activity and Other	
Gross Costs	4,180,831
Less: Earned Revenue	2,742,221
Net Cost	**1,438,610**
TOTAL	
Gross Costs	30,891,809
Less: Earned Revenue	4,947,742
Net Cost of Operations (Notes 17 and 19)	**$ 25,944,067**

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

FIGURE 41

Consolidated Statement of Net Cost
for the year ended September 30, 2021

(dollars in thousands)	FY 2021
Conserving Our Land and Water	
Gross Costs	$ 7,176,913
Less: Earned Revenue	1,005,470
Net Cost	**6,171,443**
Generating Revenue and Utilizing Our Natural Resources	
Gross Costs	4,093,424
Less: Earned Revenue	579,378
Net Cost	**3,514,046**
Expanding Outdoor Recreation and Access	
Gross Costs	1,825,551
Less: Earned Revenue	501,606
Net Cost	**1,323,945**
Fulfilling Our Trust & Insular Responsibilities	
Gross Costs	4,694,720
Less: Earned Revenue	323,164
Net Cost	**4,371,556**
Protecting Our People and the Border	
Gross Costs	2,160,970
Less: Earned Revenue	62,267
Net Cost	**2,098,703**
Modernizing Our Organization and Infrastructure for the Next 100 Years	
Gross Costs	1,436,543
Less: Earned Revenue	165,439
Net Cost	**1,271,104**
Reimbursable Activity and Other	
Gross Costs	4,908,803
Less: Earned Revenue	1,957,419
Net Cost	**2,951,384**
TOTAL	
Gross Costs	26,296,924
Less: Earned Revenue	4,594,743
Net Cost of Operations (Notes 17 and 19)	**$ 21,702,181**

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

FIGURE 42

Consolidated Statement of Changes in Net Position

for the years ended September 30, 2022 and 2021

(dollars in thousands)	FY 2022 Funds From Dedicated Collections (Consolidated Totals) [Note 16]	FY 2022 Funds From Other Than Dedicated Collections (Consolidated Totals)	FY 2022 Eliminations	FY 2022 Consolidated Total	FY 2021 Funds From Dedicated Collections (Consolidated Totals) [Note 16]	FY 2021 Funds From Other Than Dedicated Collections (Consolidated Totals)	FY 2021 Eliminations	FY 2021 Consolidated Total
UNEXPENDED APPROPRIATIONS								
Beginning Balance	$ 1,246,207	$ 12,357,632	$ (277)	$ 13,603,562	$ 1,198,856	$ 9,295,853	$ (277)	$ 10,494,432
Appropriations Received	18,191,430	28,742,854	-	46,934,284	375,176	18,991,211	-	19,366,387
Appropriations Transferred In/(Out)	298,594	(582,486)	277	(283,615)	867	116,301	-	117,168
Appropriations - Used	(423,976)	(17,427,938)	-	(17,851,914)	(328,692)	(15,875,250)	-	(16,203,942)
Other Adjustments	-	(188,677)	-	(188,677)	-	(170,483)	-	(170,483)
Net Change in Unexpended Appropriations	18,066,048	10,543,753	277	28,610,078	47,351	3,061,779	-	3,109,130
Total Unexpended Appropriations - Ending	$ 19,312,255	$ 22,901,385	$ -	$ 42,213,640	$ 1,246,207	$ 12,357,632	$ (277)	$ 13,603,562
CUMULATIVE RESULTS OF OPERATIONS								
Beginning Balance	$ 78,977,990	$ 4,545,159	$ 33,313	$ 83,556,462	76,814,133	4,297,774	277	81,112,184
Appropriations - Used	423,976	17,427,938	-	17,851,914	328,692	15,875,250	-	16,203,942
Royalty, Rents, and Lease Sales Retained	9,787,718	-	-	9,787,718	5,486,891	-	-	5,486,891
Non-Exchange Revenue	1,712,048	239,687	-	1,951,735	1,590,558	66,952	-	1,657,510
Transfers In/(Out) without Reimbursement	314,346	695,471	(277)	1,009,540	198,442	187,538	42,058	428,038
Donations and Forfeitures of Cash and Cash Equivalents	101,659	-	-	101,659	65,665	-	-	65,665
Donations and Forfeitures of Property	23,849	21,244	-	45,093	23,227	44,218	-	67,445
Imputed Financing	46,433	504,102	233	550,768	43,382	506,040	-	549,422
Other Financing Sources/(Uses)	(33,221)	(452,472)	-	(485,693)	1,064	(313,518)	-	(312,454)
Net Cost of Operations	(8,284,889)	(17,625,909)	(33,269)	(25,944,067)	(5,574,064)	(16,119,095)	(9,022)	(21,702,181)
Net Change in Cumulative Results of Operations	4,091,919	810,061	(33,313)	4,868,667	2,163,857	247,385	33,036	2,444,278
Cumulative Results of Operations - Ending	83,069,909	5,355,220	-	88,425,129	78,977,990	4,545,159	33,313	83,556,462
TOTAL NET POSITION	**$ 102,382,164**	**$ 28,256,605**	**$ -**	**$ 130,638,769**	**$ 80,224,197**	**$ 16,902,791**	**$ 33,036**	**$ 97,160,024**

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

FIGURE 43

Combined Statement of Budgetary Resources

for the years ended September 30, 2022 and 2021

(dollars in thousands)	Budgetary Accounts FY 2022	Non-Budgetary Credit Program Financing Accounts FY 2022	Budgetary Accounts FY 2021	Non-Budgetary Credit Program Financing Accounts FY 2021
Budgetary Resources:				
Unobligated Balance from Prior Year Budget Authority, Net (Note 18)	$ 18,556,880	$ 87,846	$ 15,620,746	$ 95,954
Appropriations (discretionary and mandatory)	57,363,168	-	27,025,076	-
Borrowing Authority (discretionary and mandatory)	-	261	-	262
Spending Authority from Offsetting Collections (discretionary and mandatory)	6,417,297	12,751	5,705,997	19,551
Total Budgetary Resources	**$ 82,337,345**	**$ 100,858**	**$ 48,351,819**	**$ 115,767**
Status of Budgetary Resources:				
New Obligations and Upward Adjustments	$ 36,492,567	$ 27,894	$ 30,452,604	$ 27,919
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts	38,879,281	72,964	17,518,538	87,848
Unapportioned, Unexpired Accounts	6,715,959	-	168,017	-
Unexpired, Unobligated Balance, End of Year	45,595,240	72,964	17,686,555	87,848
Expired, Unobligated Balance, End of Year	249,538	-	212,660	-
Unobligated Balance, End of Year	45,844,778	72,964	17,899,215	87,848
Total Budgetary Resources	**$ 82,337,345**	**$ 100,858**	**$ 48,351,819**	**$ 115,767**
Outlays, Net and Disbursements, Net:				
Outlays, Net (total) (discretionary and mandatory)	25,803,979	-	21,963,011	-
Distributed Offsetting Receipts (-)	(11,334,012)	-	(6,196,289)	-
Agency Outlays, Net (discretionary and mandatory)	**$ 14,469,967**	**$ -**	**$ 15,766,722**	**$ -**
Disbursements, Net (mandatory)	**$ -**	**$ 7,454**	**$ -**	**$ 5,058**

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

FIGURE 44

Combined Statement of Custodial Activity
for the years ended September 30, 2022 and 2021

(dollars in thousands)	FY 2022	FY 2021
Revenues on Behalf of the Federal Government		
Rents and Royalties	$ 16,570,143	$ 8,766,413
Onshore Lease Sales	24,621	76,115
Offshore Lease Sales – Oil and Gas	202,822	116,602
Offshore Lease Sales – Renewable Energy	4,632,500	-
Other	29,736	32,059
Total Revenue	**$ 21,459,822**	**$ 8,991,189**
Disposition of Revenue		
Distribution to Department of the Interior		
Bureau of Land Management	7,203	7,211
Bureau of Ocean Energy Management	40,372	44,301
Bureau of Safety and Environmental Enforcement	52,312	52,720
Departmental Offices	4,598,243	2,215,827
Fish and Wildlife Service	2,938	1,930
National Park Service	1,190,946	1,150,660
U.S. Bureau of Reclamation	3,319,098	1,491,808
Distribution to Other Federal Agencies		
Army Corps of Engineers	886	902
Department of Agriculture	360,310	201,936
General Fund of the Treasury	10,642,344	2,704,062
Distribution to States and Others	11,772	6,560
Change in Untransferred Revenue	1,233,398	1,113,272
Total Disposition of Revenue	**$ 21,459,822**	**$ 8,991,189**
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 assets and liabilities reported by DOI may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

B. Organization and Structure of DOI

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

- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (USBR)
- 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

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

Further details on FBwT are contained in Note 2.

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

E. Investments, Net

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

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

Note 3 provides investment details.

F. Accounts Receivable, Net

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

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

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

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

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

G. Loans Receivable, Net

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

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

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

See Note 5 for additional information on loans receivable.

H. Inventory & Related Property, Net

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

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

The BLM maintains the Federal Helium Reserve, a helium stockpile inventory which is stored in a partially depleted natural gas reservoir. The volume of the Federal Helium Reserve decreased as helium was sold to federal users through the In-Kind program through the end of FY 2022. In 2019, the volume was certified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume.

On September 24, 2021, the BLM declared the Federal Helium System, including Federal Helium Reserve, as excess in accordance with the Helium Stewardship Act of 2013. The GSA will now work to complete its disposal process, which is estimated to take one to two years.

The remaining government balance of the Federal Helium Reserve was available only to federal users through the end of FY 2022 through the In-Kind Program. The GSA plans to sell the Federal Helium System, including the Federal Helium Reserve. At that point, the BLM will no longer own any helium.

All proceeds from the sale of the Federal Helium System will be deposited into the Helium Production Fund. The Fund is a business enterprise revolving fund (no year limitations), which pays for expenditures (labor, maintenance, infrastructure, utilities, etc.) determined to be necessary to carry out all aspects of the Federal Helium Program. Any amounts in the Fund determined to be in excess, shall be paid to the General Fund of the Treasury and used to reduce the annual federal budget deficit.

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

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

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

As of October 7, 2022, the following DOI Law Enforcement Programs certified no significant activity for seized and forfeited property during fiscal year 2022: Bureau of Indian Affairs, U.S. Fish and Wildlife Service, National Park Service, and United States Park Police.

The Bureau of Land Management did certify significant activity in FY 2022 based upon the established bureau threshold for narcotics, specifically processed marijuana. During FY 2022, BLM seized 377,785 mature marijuana plants and 45,483 kilograms of processed marijuana, mostly as a result of joint task force investigations and operations across California. Aside from the representative evidentiary samples required by courts for prosecution, all processed marijuana that was seized followed destruction protocols with the United States Attorneys' Office and bureau evidence disposal guidelines. The DOI law enforcement programs did not report significant forfeited property in either FY 2022 or FY 2021.

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 has established a capitalization threshold of $250,000. Bureaus and Offices have the option to use a lower threshold. This threshold is applicable with the exception of dams and certain related property, which are fully capitalized.

For equipment, vehicles, aircraft, and capital leases of other personal property, DOI has established a capitalization threshold of $25,000. Bureaus and offices have the option to use a lower threshold. There are no restrictions on the use or convertibility of DOI 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.

Other Assets. Other Assets include the assets not otherwise classified on the Balance Sheet. Included are assets representing the net realizable value of general property, plant and equipment that has been permanently removed from service, however not yet disposed.

J. Stewardship PP&E

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

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

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

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

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

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

Debt. The DOI has borrowed funds from Treasury in accordance with the Federal Credit Reform Act of 1990 (FCRA) to fund loans under various loan programs.

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

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

OTHER INTRAGOVERNMENTAL LIABILITIES

Liabilities Due to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets. Liabilities due to the General Fund include Capital Transfers, Custodial Liabilities, and Miscellaneous Receipts Liability.

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

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

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

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

Benefit Program Contributions Payable. Liabilities due to other federal entities for payroll and benefit costs such as the employer's portion of payroll taxes and benefit contributions not yet paid, unfunded *Federal Employees' Compensation Act* (FECA) liability billed by the 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. Annual leave amounts earned by employees are accrued as a liability until used by the employee. Each year the balance is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Each year the balance is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

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

See Note 12 for additional information regarding the federal employee benefits liability.

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

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

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

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

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

Note 13 has additional information on environmental and disposal liabilities.

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

OTHER PUBLIC LIABILITIES

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

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

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

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

Note 13 has additional information on contingent liabilities.

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

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 and Leave. 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.

Other Miscellaneous Public Liabilities.

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

L. Revenues and Financing Sources

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

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

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

Non-exchange revenues result from donations to the Government and from the Government's sovereign right to demand payment, including taxes, fines for violation of environmental laws, and abandoned mine land fees charged per ton of coal mined.

The DOI transfers a portion of royalty collections from the custodial fund to the operating funds for distribution to certain states. The DOI reports these state amounts as Royalties Retained on the Statement of Changes in Net Position rather than on the Statement of Net Cost.

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

Custodial Revenue. The Office of Natural Resources Revenue (ONRR), a component of DO, collects royalties, rents, lease sales, and other receipts for federal oil, gas, renewable and mineral leases.

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

Note 22 has additional information on custodial revenues.

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

M. Personnel Compensation and Benefits

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

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

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

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

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

In FY 2021, the methodology for billable projected liabilities included, among other things: (1) an algorithmic model that relies on individual case characteristics and benefit payments (the FECA Case Reserve Model) and (2) incurred but not reported claims were estimated using the patterns of incurred benefit liabilities in addition to those of payments. The FY 2021 methodology also included adjustments to normalize the levels of payments in chargeback year 2021 because payment levels in 2021 were not representative of what could be expected to occur absent the pandemic. The methodology remained the same in FY 2022, except it omitted the pandemic-related adjustments to normalize the levels of payments.

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

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

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

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

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

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

USPP Pension Plan. Police officers hired by NPS on or before December 31, 1985, participate in the USPP Pension Plan, which is administered by the District of Columbia. Each in-service member contributes seven 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 three 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 U.S. Army Corps of Engineers (USACE). The DOI receives allocation transfers, as the child, from USDA, HHS, DOL, DOT, USACE, and the U.S. Agency for International Development.

Q. Income Taxes

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

R. Estimates

The DOI has made certain estimates and assumptions related to the reporting of assets, liabilities, revenues, expenses, and the associated note disclosures. Actual results could differ from these estimates.

S. Fiduciary Activities

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

Note 20, Fiduciary Activities, provides additional information.

T. Public Private Partnerships

SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements*, defines public-private partnerships as "risk-sharing arrangements or transactions with expected lives greater than five years between public and private sector entities". The DOI performed an extensive assessment of agreements with private entities and reviewed the terms of the arrangements against risk sharing and other criteria for financial statement disclosure as provided in the standard. The DOI determined there are no public-private partnerships that meet the criteria for disclosure in FY 2022 and FY 2021.

U. Reclassifications

The Net Position section of the Balance Sheet and the Statement of Changes in Net Position have changed to present cumulative results of operations and unexpended appropriations attributable to Funds from Dedicated Collections and Funds from Other than Dedicated Collections on a consolidated basis, as required by OMB Circular A-136. See Note 16, Dedicated Collections Net Position, for details regarding the Consolidated Balance Sheet Net Position presentation change.

In addition, minor Balance Sheet reclassifications were made in asset and liability line presentations in accordance with current year guidance provided by OMB and Treasury. Associated prior year amounts have been reclassified to conform with the current year presentation. These changes do not affect asset, liability or net position totals, as the change is intended to reflect the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government. Accompanying current year and prior year notes 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 FBwT may be classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in current operations. The unavailable balance also includes amounts appropriated in prior fiscal years, which are not available to fund new obligations. The obligated not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received; or goods and services received, but for which payment has not yet been made. The clearing, deposit, and unavailable General Fund receipt accounts balance primarily consists of oil, gas, and solid mineral royalty, rent, and bonus payments from the public for leases on federal lands that are awaiting distribution. The balance also includes payroll withholdings to be distributed, as well as other collections awaiting classification. The unavailable special receipt accounts include the Land and Water Conservation Fund and the Reclamation Fund, which are not available to DOI for use unless appropriated by Congress.

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

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

In FY 2022 and FY 2021, $48 million and $58 million, respectively, of unused funds from expired appropriations were returned to Treasury as of September 30th of each fiscal year. Such balances are excluded from the amount reported as FBwT in accordance with Treasury guidelines.

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

Status of Fund Balance with Treasury as of September 30, 2022 and 2021, consist of the following:

(dollars in thousands)	FY 2022	FY 2021
Budgetary Fund Balance with Treasury		
Unobligated		
Available	$ 17,811,146	$ 9,643,031
Unavailable	7,715,985	792,158
Obligated Not Yet Disbursed	15,459,500	12,732,442
Total Budgetary Fund Balance with Treasury	$ 40,986,631	$ 23,167,631
Non-Budgetary Fund Balance with Treasury		
Clearing, Deposit, and Unavailable General Fund Receipt Accounts	$ 3,076,688	$ 1,728,009
Unavailable Special Receipt Accounts	44,225,181	42,181,606
Total Non-Budgetary Fund Balance with Treasury	$ 47,301,869	$ 43,909,615
Total Fund Balance with Treasury Status	**$ 88,288,500**	**$ 67,077,246**

NOTE 3. INVESTMENTS, NET

The DOI invests funds in federal government securities on behalf of various DOI programs and for amounts held in certain escrow accounts. The federal government securities include marketable Treasury securities and nonmarketable, market-based securities issued by the Federal Investment Branch of 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.

DOI's Investments, Net increased significantly in fiscal year 2022 primarily due to increased investment authority received through the Infrastructure Investment and Jobs Act (Pub. L. 117-58), passed on November 15, 2021. It is also attributed to increased investment funding through the Great American Outdoors Act (PL 116-152), passed on August 4, 2020.

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

Investments as of September 30, 2022, consist of the following:

(dollars in thousands)	Cost	Net Amortized (Premium)/ Discount	Interest Receivable	Investments, Net	Market Value Disclosure
U.S. Treasury Securities					
Marketable	$ 454,764	$ 1,778	$ -	$ 456,542	$ 456,135
Non-marketable, Market-based	26,666,747	27,810	14,069	26,708,626	26,379,284
Total Intragovernmental Investments	**$ 27,121,511**	**$ 29,588**	**$ 14,069**	**$ 27,165,168**	**$ 26,835,419**

Investments as of September 30, 2021, consist of the following:

(dollars in thousands)	Cost	Net Amortized (Premium)/ Discount	Interest Receivable	Investments, Net	Market Value Disclosure
U.S. Treasury Securities					
Marketable	$ 398,890	$ 110	$ -	$ 399,000	$ 399,013
Non marketable, Market-based	12,333,375	11,827	11,346	12,356,548	12,458,624
Total Intragovernmental Investments	**$ 12,732,265**	**$ 11,937**	**$ 11,346**	**$ 12,755,548**	**$ 12,857,637**

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, 2022, DOI has recorded over $4.7 billion in accounts receivable and approximately $295 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, 2022 and 2021:

(dollars in thousands)	FY 2022	FY 2021
Accounts and Interest Receivable from the Public		
Accounts and Interest Receivable from the Public	$ 7,138,528	$ 7,036,415
Allowance for Doubtful Accounts	(118,812)	(151,661)
Total Accounts and Interest Receivable from the Public, Net	**$ 7,019,716**	**$ 6,884,754**

NOTE 5. LOANS RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES

A. Direct Loan and Loan Guarantee Program Names: (dollars in thousands)	FY 2022	FY 2021
Indian Affairs - Direct Loans (Pre-Credit Reform)	$ 315	$ 397
Indian Affairs - Direct Loans (Credit Reform)	(409)	337
Indian Affairs - Guaranteed Loans (Credit Reform)	70	84
Bureau of Reclamation - Direct Loans (Pre-Credit Reform)	5,289	5,778
Bureau of Reclamation - Direct Loans (Credit Reform)	25,199	26,486
Departmental Offices - American Samoa Government (Credit Reform)	6,874	7,381
Total Loans and Interest Receivable, Net	**$ 37,338**	**$ 40,463**

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

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

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

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

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

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

Outstanding direct loan balances obligated prior to FY 1992, as of September 30, 2022 and 2021, 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	$ 401	$ 19	$ (105)	**$ 315**
Bureau of Reclamation	5,289	-	-	**5,289**
FY 2022 Total	**$ 5,690**	**$ 19**	**$ (105)**	**$ 5,604**
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**

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

C. Direct Loans Obligated After FY 1991: (dollars in thousands)

Direct Loan Programs (Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance for Subsidy Cost	Direct Loans, Net
Indian Affairs	$ 74	$ 8	$ (491)	**$ (409)**
Bureau of Reclamation	25,634	-	(435)	**25,199**
Departmental Offices - American Samoa Government	7,996	-	(1,122)	**6,874**
FY 2022 Total	**$ 33,704**	**$ 8**	**$ (2,048)**	**$ 31,664**
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**

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

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

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

Subsidy Re-estimates. Re-estimates are calculated annually for loans and loan guarantees using historical, current, and projected cash flows. The cash flow documentation is submitted into the standard OMB credit subsidy calculator to arrive at the re-estimated subsidy rate (Factors that this calculator considers are detailed in Note 1.G). There are two types of re-estimates, an interest rate re-estimate and a technical re-estimate. Interest rate re-estimates are the result of a reduction to projected interest costs associated with the loans and guarantees over the repayment period. Technical re-estimates are the result of a change to projected cash flows associated with the loans.

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

Subsidy Rates. The FCRA requires that the cash flows associated with like loans and guarantees are monitored by cohort year. The cohort year is the year in which the loans are initially disbursed or the guarantees are initially made. Loans and guarantees within a like cohort share similar characteristics that enable them to be assigned a like net present value subsidy rate. These rates cannot be applied to the loans or guarantees to yield the subsidy expense. The DOI did not disburse any new direct loans in FY 2022 or in FY 2021 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	$ (141)	$ 713	$ 572
Bureau of Reclamation	-	197	197
FY 2022 Total	**$ (141)**	**$ 910**	**$ 769**
Indian Affairs	$ (166)	$ 718	$ 552
Bureau of Reclamation	-	113	113
FY 2021 Total	**$ (166)**	**$ 831**	**$ 665**

Total Direct Loan Subsidy Expense *(dollars in thousands)*	**FY 2022**	**FY 2021**
Direct Loan Programs (Credit Reform)		
Indian Affairs	$ 572	$ 552
Bureau of Reclamation	197	113
Total	**$ 769**	**$ 665**

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 2022**	**FY 2021**
Beginning balance of the subsidy cost allowance	$ 1,889	$ 1,853
Adjustments:		
(a) Subsidy allowance amortization	(486)	(489)
(b) Other	(124)	(140)
Ending balance of the subsidy cost allowance before re-estimates	1,279	1,224
Add or subtract total subsidy re-estimates as shown in Schedule D	769	665
Ending balance of the subsidy cost allowance	**$ 2,048**	**$ 1,889**

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 2022	$ 700	$ 12	$ (642)	**$ 70**
FY 2021	$ 832	$ 34	$ (782)	**$ 84**

Table G. Guaranteed Loans Outstanding

The following table details the outstanding principal for loan guarantees as of September 30, 2022 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 2022 and FY 2021 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, 2022:		*(dollars in thousands)*
Loan Guarantee Programs	**Outstanding Principal of Guaranteed Loans, Face Value**	**Amount of Outstanding Principal Guaranteed**
FY 1992-2020	$ 574,993	$ 516,398
FY 2021	46,143	41,529
FY 2022	60,688	52,719
Total	**$ 681,824**	**$ 610,646**
New Guaranteed Loans Disbursed (Current reporting year):		
Amount Paid in Current FY for Prior Years	$ 38,217	$ 34,395
Amount Paid in Current FY for Current FY Guarantees	71,186	64,067
FY 2022 Total	**$ 109,403**	**$ 98,462**
Amount Paid in Prior FY for Prior Years	$ 82,874	$ 74,586
Amount Paid in Prior FY for Prior FY Guarantees	37,072	33,365
FY 2021 Total	**$ 119,946**	**$ 107,951**

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 2022	$	**47,989**
FY 2021	**$**	**54,866**

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 2022	$	3,599	$	8,483	$	(1,907)	**$**	**10,175**
FY 2021	$	3,944	$	7,286	$	(2,104)	**$**	**9,126**

Guaranteed Loans (Credit Reform)	**Interest Rate Re-estimates**		**Technical Re-estimates**		**Total**	
Modifications and Re-estimates:						
FY 2022	$	(4,238)	$	(19,011)	**$**	**(23,249)**
FY 2021	$	(6,830)	$	(14,799)	**$**	**(21,629)**

Total Loan Guarantee Program Subsidy Expense	**FY 2022**		**FY 2021**	
Indian Affairs	**$**	**(13,074)**	**$**	**(12,503)**

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 re-estimates. The following subsidy rates are applicable only to new loan guarantees issued in FY 2022 and FY 2021.

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 2022	3.3%	8.3%	-1.8%	0.0%	**9.8%**
FY 2021	3.3%	10.8%	-1.8%	0.0%	**12.3%**

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 2022	FY 2021
Beginning Balance of the Loan Guarantee Liability	$ 54,866	$ 63,881
Less Claim Payment to Lenders	(105)	-
Add Fees Received	1,916	2,137
Less Interest Supplements Paid	(258)	(364)
Less Interest Revenue on Uninvested Funds	(1,411)	(1,596)
Add Interest Expense on Entity Borrowing	4	-
Add Subsidy Expense	10,175	9,126
Add Upward Re-estimates	1,639	2,930
Less Downward Re-estimates	(24,888)	(24,559)
Other	6,051	3,311
Ending Balance of the Loan Guarantee Liability	**$ 47,989**	**$ 54,866**

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 2022	**$ 1,459**
FY 2021	**$ 1,488**

Table M. Loans Receivable

The following table provides a roll forward of the loans receivable for the current fiscal year. Comparative information is not required per OMB Circular A-136 for FY 2022.

M. Loans Receivable:	*(dollars in thousands)*
	FY 2022
Beginning Balance of Loans Receivable, Net	$ 40,463
Add Loan Disbursements	109
Less Principal and Interest Payments Received	(1,601)
Add Interest Accruals	568
Less Interest Revenue on Uninvested Funds	(29)
Add Interest Expense on Entity Borrowings	41
Less Upward Re-estimate	(919)
Add Downward Re-estimates	347
Less Subsidy Allowance	(2,363)
Allowance for Loan and Interest Loss Adjustments	519
Other Non-Cash Reconciling Items	203
Ending Balance of Loans Receivable, Net	**$ 37,338**

NOTE 6. INVENTORY AND RELATED PROPERTY, NET

Inventory and Related Property as of September 30, 2022 and 2021, consist of the following:

(dollars in thousands)	FY 2022	FY 2021
Inventory		
Published Maps and Other Inventory Held for Current Sale	$ 9,905	$ 9,494
Gas and Storage Rights Held for Current Sale	204	207
Operating Materials		
Working Capital Fund: Inventory Held for Use	67	84
Operational Land Imager: Inventory Held for Use	7,780	1,369
Airplane Parts and Fuel Held for Use	1,897	1,969
Stockpile Materials		
Recoverable Below-Ground Crude Helium Held for Sale	24,046	26,705
Total Inventory and Related Property	**$ 43,899**	**$ 39,828**

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, 2022, are shown in the following table:

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

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**

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, 2022 and 2021.

General PP&E Rollforward Report		
(dollars in thousands)	**FY 2022**	**FY 2021**
Balance, Beginning of Year	$ 22,600,780	$ 22,224,768
Capitalized Acquisitions	1,506,991	1,233,878
Dispositions	(27,017)	(84,599)
Transfer In/(Out) Without Reimbursement, Net	449,494	(367)
Depreciation / Amortization	(804,150)	(774,264)
Donations	1,099	1,364
Other	(58,956)	-
Balance, End of Year	**$ 23,668,241**	**$ 22,600,780**

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, 2022, are summarized into the following categories:

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

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**

NOTE 9. STEWARDSHIP PP&E

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

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

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

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

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

During FY 2022 and FY 2021, the costs associated with acquiring, constructing, and renovating heritage assets were $452 million and $322 million, respectively, and the costs associated with acquiring and improving stewardship lands were $318 million and $203 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

Bureau of Land Management

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

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

Indian Affairs

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

Bureau of Reclamation

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

U.S. Fish and Wildlife Service

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

Conservation Fund and the Land and Water Conservation Fund. The FWS lands are managed and used in accordance with the explicit purpose of the statutes that authorize acquisition or designation and that direct use and management of the land.

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

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

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

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

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

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

National Park Service

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

Office of the Secretary

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

The DOI units of stewardship land by category as of September 30, 2022, are shown in the following table:

Primary Land Management Categories		As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021	Additions	Withdrawals	As of 9/30/2022
BIA	Regional Offices	12	-	-	12	-	12	-
BLM	Geographic Management Areas	127	-	-	127	-	-	127
FWS	National Wildlife Refuges	568	-	1	567	-	-	567
FWS	Wetland Management Districts	38	-	-	38	-	-	38
FWS	Coordination Areas	50	-	-	50	-	-	50
FWS	National Fish Hatcheries	67	1	-	68	-	-	68
FWS	Fish Technology Centers	5	-	-	5	-	-	5
FWS	Associated Fish Facilities	15	-	-	15	-	-	15
NPS	Park Units	410	2	-	412	1	-	413
OS	Commission Lands	1	-	-	1	-	-	1
USBR	Federal Water and Related Projects	135	-	-	135	-	1	134
Total Number of Units		**1,428**	**3**	**1**	**1,430**	**1**	**13**	**1,418**

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 and FWS.

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

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

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

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

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

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

National Military Parks. See National Battlefields section.

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

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

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

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

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

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

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

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

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

National Scenic Areas. The purpose of the National Scenic Area is to conserve, protect, and enhance, for the benefit, use, and enjoyment of present and future generations, the nationally significant scenic, cultural, geological, educational, biological, historical, recreational, cinematographic, and scientific resources of the Scenic Area. National Scenic Areas are managed by BLM in accordance with the *Federal Land Policy and Management Act of 1976.*

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

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

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

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

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

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

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

Wilderness Areas. Wilderness areas are defined as a place where the earth and its community of life are 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.

The DOI units of non-collectible heritage assets by category as of September 30, 2022, are shown in the following table:

Non-Collectible Heritage Asset Categories	As of 9/30/2020	Additions	Withdrawals	As of 9/30/2021	Additions	Withdrawals	As of 9/30/2022
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	1	-	19
National Historic Landmarks (NHL)	231	3	-	234	1	-	235
National Historic Sites	76	-	2	74	-	1	73
National Historic Trails	13	-	-	13	-	-	13
National Historical Parks	57	4	-	61	1	-	62
National Lakeshores	3	-	-	3	-	-	3
National Memorials	33	-	-	33	-	-	33
National Military Parks	9	-	-	9	-	-	9
National Monuments	119	1	1	119	-	-	119
National Natural Landmarks (NNL)	115	1	-	116	1	-	117
National Parks	62	1	-	63	-	-	63
National Parkways	4	-	-	4	-	-	4
National Preserves	19	-	-	19	-	-	19
National Recreation Areas	21	-	-	21	-	-	21
National Recreation Trails	115	10	-	125	1	-	126
National Reserves	2	-	-	2	-	-	2
National Rivers	5	-	1	4	-	-	4
National Scenic Area	1	-	-	1	-	-	1
National Scenic Trails	8	-	-	8	-	-	8
National Seashores	10	-	-	10	-	-	10
National Wild and Scenic Rivers	105	-	-	105	-	-	105
National Wildlife Refuges	568	-	1	567	-	-	567
Outstanding Natural Areas	3	-	-	3	-	-	3
International Historic Site	1	-	-	1	-	-	1
Wilderness Areas	398	-	-	398	-	-	398
Research Natural Area	1	-	-	1	-	-	1
Archaeological Protection Areas	2	-	-	2	-	-	2
Special Areas	5	-	-	5	-	-	5
Other	11	-	-	11	-	-	11
Total	**2,034**	**20**	**5**	**2,049**	**5**	**1**	**2,053**

COLLECTIBLE HERITAGE ASSETS

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

Library Collections

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

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

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

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

The DOI units of library collections as of September 30, 2022, are shown in the following table:

Interior Library Collections	As of 9/30/2020	Additions	Withdrawals	As of 9/30/21	Additions	Withdrawals	As of 9/30/2022
Departmental Library	1	-	-	1	-	-	1
National Park Service Library	2	-	-	2	-	-	2
U.S. Geological Survey Library	3	-	-	3	-	-	3
Total	**6**	**-**	**-**	**6**	**-**	**-**	**6**

The DOI units of museum collections as of September 30, 2022, are shown in the following table:

Interior Museum Collections	As of 9/30/2020	Additions	Withdrawals	As of 9/30/21	Additions	Withdrawals	As of 9/30/2022
Held at Interior Facilities	600	4	3	601	1	3	599
Held at Non-Interior Facilities	409	7	2	414	1	2	413
Total	**1,009**	**11**	**5**	**1,015**	**2**	**5**	**1,012**

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 2023–2029. Interest rates for these securities range from 5.87 percent to 7.28 percent.

Bureau of Reclamation

The maturity dates for these loans range from 2028–2043. Financing accounts must earn and pay interest at the same rate used to discount the credit subsidy cash flows for each cohort. A disbursement-weighted average discount rate is used for FY 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, 2022 and 2021, is summarized as follows:

(dollars in thousands)	FY 2021 Beginning Balance	Borrowing / (Repayments), Net	FY 2021 Ending Balance	Borrowing / (Repayments), Net	FY 2022 Ending Balance
Credit Reform Borrowings	$ 37,163	$ (2,447)	$ 34,716	$ (2,305)	$ 32,411

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

The DOI records Capital Transfers Liability for appropriations determined to be recoverable from project beneficiaries when funds are received, and they meet the requirement for repayment. Capital Transfers for Loans liability include amounts paid for associated financing accounts when there is a downward re-estimate pursuant to the Federal Credit Reform Act of 1990.

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

Liability to the General Fund as of September 30, 2022 and 2021, 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 2022	FY 2021
Capital Transfers Liability	$ 1,524,836	$ 1,515,183
Capital Transfers for Loans Liability	21,840	25,314
Custodial Liability	1,679,766	1,141,169
Miscellaneous Receipts Liability	248,692	108,117
Total Liability to the General Fund of the U.S. Government	**$ 3,475,134**	**$ 2,789,783**

NOTE 12. FEDERAL EMPLOYEE BENEFITS

Federal Employee Benefits as of September 30, 2022 and 2021, consist of the following:

(dollars in thousands)	FY 2022	FY 2021
Federal Employee Benefits		
U.S. Park Police Pension Actuarial Liability	$ 591,520	$ 579,517
U.S. Park Police Pension Current Liability	39,580	39,583
Federal Employees Compensation Actuarial Liability	539,193	571,739
Unfunded Leave	461,511	483,623
Employer Contributions and Payroll Taxes Payable	10,709	9,922
Other	276	-
Total Federal Employee Benefits	**$ 1,642,789**	**$ 1,684,384**

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 2.3 percent in FY 2022 and 2.4 percent in FY 2021 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-2020 to MP-2021 for FY 2022.

Additionally, the USPP Pension Plan inflation rates of 1.6 percent in FY 2022 and 1.3 percent in FY 2021 differed from the 2.0 percent in FY 2022 and 1.7 percent in FY 2021 used by OPM for the CSRS plan. The USPP Pension inflation rate is a computational shortcut where future inflation is assumed equal to future salary increases. The plan's cost of living adjustment is based on increases in basic pay, not general inflation. Therefore, the inflation rate has been set to match the 10-year average of the Federal General Schedule of Salary Increases.

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

Economic Assumptions Used *(expressed in percentages)*	FY 2022	FY 2021
Interest Rate	2.3	2.4
Inflationary Rate	1.6	1.3
Projected Salary Increase	1.6	1.3

USPP Pension Plan Liability *(dollars in thousands)*	FY 2022	FY 2021
Beginning Balance	$ 619,100	634,600
Pension Expenses		
Interest on liability	14,400	16,600
Actuarial (gains) or losses from experience	9,880	(8,917)
Actuarial (gains) or losses from assumption changes	27,300	16,400
Total Pension Expenses	51,580	24,083
Less Benefit Payments	(39,580)	(39,583)
Ending Balance	**$ 631,100**	**$ 619,100**

NOTE 13. CONTINGENT LIABILITIES AND ENVIRONMENTAL AND DISPOSAL LIABILITIES

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

Contingent Liabilities

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

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

The accrued and potential Contingent Liabilities as of September 30, 2022 and 2021, are summarized in the table below:

FY 2022: Contingent Liabilities *(dollars in thousands)*	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	$ 464,012	$ 464,012	$ 719,316
Reasonably Possible	$ -	$ 706,745	$ 2,866,733

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

Environmental and Disposal Liabilities

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

The DOI is subject to environmental laws and regulations regarding air, water, and land use, the storage and disposal of hazardous materials, and the operations and closure of facilities at which environmental contamination may be present. The major federal laws covering environmental response, cleanup, and monitoring include: *Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Oil Pollution Act; Clean Water Act; Clean Air Act; Safe Drinking Water Act;* and *Asbestos Hazard Emergency Response Act.* Under these laws responsible parties, which may include federal agencies under certain circumstances, are required to remove releases of hazardous substances from facilities they own, operate, or at which they arranged for the disposal of such substances. The DOI estimates its environmental remediation liability for future costs of studies necessary to evaluate response requirements, monitoring, and cleanup of hazardous substances. Changes in environmental remediation liability cleanup cost estimates are based on progress made and revision of the cleanup plans.

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

The accrued and potential Environmental and Disposal Liabilities as of September 30, 2022 and 2021, are summarized in the tables below:

FY 2022: Environmental and Disposal Liabilities (dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Environmental Remediation Liability			
Probable	$ 430,444	$ 430,444	$ 4,533,631
Reasonably Possible	-	$ 282,512	$ 365,706
Asbestos Related Cleanup Liability	547,783		
Total Environmental & Disposal Liability	**$ 978,227**		

FY 2021: Environmental and 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**		

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

Liabilities covered by budgetary resources are funded liabilities to be liquidated with existing budgetary resources. Liabilities not covered by budgetary resources represent those unfunded liabilities for which Congressional action is needed before budgetary resources can be provided. Liabilities not requiring budgetary resources are liabilities that have not in the past required and will not in the future require the use of budgetary resources. Current liabilities are expected to be liquidated within one year from the reporting date, while non-current liabilities are not expected to be liquidated within one year.

Pursuant to SFFAS No. 1, paragraph 86, the amount of other current liabilities that are not covered by budgetary resources for September 30, 2022 and 2021 are $1.9 billion and $1.2 billion respectively.

The DOI's liabilities not covered by budgetary resources as of September 30, 2022 and 2021 are as follows:

Liabilities Not Covered by Budgetary Resources *(dollars in thousands)*	FY 2022	FY 2021
Intragovernmental Liabilities:		
Other Intragovernmental Liabilities	$ 1,545,891	$ 1,488,368
Total Intragovernmental Liabilities	**$ 1,545,891**	**$ 1,488,368**
With the Public:		
Federal Employee Benefits	$ 1,592,500	$ 1,634,878
Environmental and Disposal Liabilities	978,227	965,715
Other Liabilities With the Public	2,294,755	1,538,001
Total Liabilities With the Public	**4,865,482**	**4,138,594**
Total Liabilities Not Covered by Budgetary Resources	**6,411,373**	**5,626,962**
Total Liabilities Not Requiring Budgetary Resources	**5,288,494**	**3,899,745**
Total Liabilities Covered by Budgetary Resources	**6,118,147**	**4,806,509**
Total Liabilities	**$ 17,818,014**	**$ 14,333,216**

The DOI's Other Liabilities as of September 30, 2022 and 2021 are as follows:

Other Liabilities *(dollars in thousands)*	FY 2022	FY 2021
Other Intragovernmental Liabilities:		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 11)	$ 3,475,134	$ 2,789,783
Judgment Fund Payable	1,275,856	1,240,356
Benefit Program Contributions Payable	198,404	188,514
Other	181,979	157,224
Total Other Intragovernmental Liabilities	**$ 5,131,373**	**$ 4,375,877**
Other Liabilities With the Public:		
Accrued Grant Liabilities	$ 703,451	$ 634,715
Deposit Fund Liability	631,733	155,466
Contingent Liabilities	464,012	351,017
Payments Due to States	1,764,256	1,131,707
Natural Disaster Liability	500,372	388,024
Accrued Funded Payroll and Leave	340,381	310,244
Trust Land Consolidation Program Liability	4,727	91,065
Other	105,222	97,166
Total Other Liabilities With the Public	**$ 4,514,154**	**$ 3,159,404**

NOTE 15. LEASES

OPERATING LEASES

Many DOI facilities are obtained through the GSA, which charges an amount that approximates commercial rental rates. The terms of DOI's agreements with GSA vary according to whether the underlying assets are owned by GSA (or another federal agency) or rented by GSA from the private sector. For federally owned property, DOI either periodically executes an agreement with GSA or enters into cancellable agreements, some of which do not have a formal expiration date. DOI can vacate these properties after giving 120 to 180 days notice of the intent to vacate. For non-federally owned property, the leases may be cancellable or non-cancellable depending on the terms of the leases.

For non-cancellable federal and non-federal operating leases, future payments are calculated based on the terms of the agreement or an annual inflationary factor of 2.00 percent for FY 2023 and after is applied. The inflationary factor is applied against the actual FY 2022 rental expense.

Future payments due under non-cancellable operating leases as of September 30, 2022, consist of the following:

Future Operating Leases *(dollars in thousands)*	Real Property		Totals
	Federal	Non-Federal	
FY 2023	$ 33,570	$ 21,160	**$ 54,730**
FY 2024	33,074	17,108	**50,182**
FY 2025	32,233	13,699	**45,932**
FY 2026	30,639	6,742	**37,381**
FY 2027	29,577	4,806	**34,383**
Thereafter	204,758	17,005	**221,763**
Total Future Operating Lease Payments	**$ 363,851**	**$ 80,520**	**$ 444,371**

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 Bipartisan Infrastructure Law (Pub. L. No. 117-58), signed into law on November 15, 2021, amended section 402 of SMCRA to reduce reclamation fee rates by 20 percent and extend OSMRE's fee collection authority through September 30, 2034. The fees are deposited in the Abandoned Mine Reclamation Fund, which is used primarily to fund projects for the reclamation and restoration of land and water resources adversely affected by past coal mining. Under the authority of P.L. 95-87, OSMRE invests the funds in U.S. Treasury Securities. Beginning in fiscal year 2007, in accordance with provisions of the SMCRA Amendments of 2022 (P.L. 117-58), the interest earned by the fund is transferred to the United Mine Workers of America Combined Benefit Fund. The funds are considered inflows of resources to the Government.

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

Other Funds from Dedicated Collections. The DOI is responsible for the management of numerous funds from dedicated collections with a variety of purposes. Funds presented on an individual basis represent the majority of DOI's net position attributable to funds from dedicated collections. All other funds from dedicated collections have been aggregated in accordance with *SFFAS 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 and Maintenance of Quarters
- Natural Resource Damage Assessment and Restoration Fund – Exxon Valdez Restoration
- Operation and Maintenance – Indian Irrigation Projects
- Alaska Resupply Program
- Indian Water Rights and Habitat Acquisition Program
- Power Revenues, Indian Irrigation Projects
- Gifts and Donations

Bureau of Land Management

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

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

Bureau of Reclamation

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

Bureau of Safety and Environmental Enforcement

- Oil Spill Research

Office of Surface Mining Reclamation and Enforcement

- Regulation and Technology, Civil Penalties

Departmental Offices

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

U.S. Fish and Wildlife Service

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

- Energy Permit Processing Improvement
- Southern Nevada Public Land Management
- Sport Fish Restoration and Boating Trust Fund
- Federal Aid to Wildlife Restoration

National Park Service

- Centennial Challenge Fund
- Land Acquisitions and State Assistance
- Operation and Maintenance of Quarters
- Delaware Water Gap Route 209 Operations
- Recreational Fee Enhancement Program
- Park Building, Lease, and Maintenance
- National Park Service Transportation Systems Fund
- Natural Resource Damage Assessment Restoration Fund
- National Maritime Heritage
- Filming and Photography Fee Program
- National Park Passport Program
- Glacier Bay Cruise and Boat Fees
- Parks Concession Franchise Fees
- Land and Water Conservation Fund, *Gulf of Mexico Energy Security Act*
- Grand Teton National Park
- Donations
- Birthplace of Abraham Lincoln
- Federal Highways Construction Trust Fund
- Educational Expenses, Children of Employees, Yellowstone National Park
- Medical Services Fund, National Park Service

U. S. Geological Survey

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

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

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

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

(dollars in thousands)	Land and Water Conservation Fund	Historic Preservation Fund	Reclamation Fund	Water and Related Resources & Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Federal Aid in Wildlife Restoration	Other Funds from Dedicated Collections	FY 2022 Total Funds from Dedicated Collections (Combined)	FY 2022 Eliminations between Dedicated Collection Funds	FY 2022 Total Funds from Dedicated Collections (Consolidated)
NET COST OF OPERATIONS												
Gross Costs	$ -	$ 111,494	$ (569)	$ 1,595,537	$ 171,879	$ 137,863	$ 235,420	$ 833,966	$ 7,245,295	$ 10,330,885	$ (69,760)	$ 10,261,125
Earned Revenue	-	-	(112,492)	(222,984)	(72,641)	(93,132)	(78)	-	(1,510,244)	(2,011,571)	35,335	(1,976,236)
TOTAL NET COST OF OPERATIONS	**$ -**	**$ 111,494**	**$ (113,061)**	**$ 1,372,553**	**$ 99,238**	**$ 44,731**	**$ 235,342**	**$ 833,966**	**$ 5,735,051**	**$ 8,319,314**	**$ (34,425)**	**$ 8,284,889**
CHANGES IN NET POSITION												
UNEXPENDED APPROPRIATIONS												
Beginning Balance	$ -	$ 43,493	$ -	$ 187,630	$ 161,014	$ 108,429	$ 472,824	$ -	$ 272,817	$ 1,246,207	$ -	$ 1,246,207
Appropriations Received	-	-	-	6,757,813	-	-	11,415,500	-	18,117	18,191,430	-	18,191,430
Appropriations Transferred In/(Out)	-	-	-	(209,432)	138,878	70,717	(56,465)	-	354,896	298,594	-	298,594
Appropriations-Used	-	(5,227)	-	(222,501)	(66,914)	(49,168)	(46,936)	-	(33,230)	(423,976)	-	(423,976)
Net Change in Unexpended Appropriations	**-**	**(5,227)**	**-**	**6,325,880**	**71,964**	**21,549**	**11,312,099**	**-**	**339,783**	**18,066,048**	**-**	**18,066,048**
Total Unexpended Appropriations - Ending	**$ -**	**$ 38,266**	**$ -**	**$ 6,513,510**	**$ 232,978**	**$ 129,978**	**$ 11,784,923**	**$ -**	**$ 612,600**	**$ 19,312,255**	**$ -**	**$ 19,312,255**
CUMULATIVE RESULTS OF OPERATIONS												
Beginning Balance	$ 22,469,284	$ 3,688,825	$ 15,479,230	$ 9,868,743	$ 2,673,254	$ 2,884,977	$ 2,566,931	$ 2,510,224	$ 16,831,653	$ 78,973,121	$ 4,869	$ 78,977,990
Appropriations Received	-	5,227	-	222,501	66,914	49,168	46,936	-	33,230	423,976	-	423,976
Royalty, Rents, and Lease Sales Retained	1,016,718	150,000	3,516,326	-	-	-	-	-	5,104,674	9,787,718	-	9,787,718
Non-Exchange Revenue	8,516	-	6,842	-	-	49	204,420	1,253,148	239,073	1,712,048	-	1,712,048
Transfers In/(Out) without Reimbursement	(933,158)	-	(1,404,072)	1,602,327	(103,797)	(8,194)	-	-	1,161,240	314,346	-	314,346
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	101,659	101,659	-	101,659
Donations and Forfeitures of Property	-	-	-	23,847	-	2	-	-	-	23,849	-	23,849
Imputed Financing	-	-	5	68,907	-	10,838	3,188	-	2,789	85,727	(39,294)	46,433
Other Financing Sources/(Uses)	-	-	-	(33,221)	-	-	-	-	-	(33,221)	-	(33,221)
Net Cost of Operations	-	(111,494)	113,061	(1,372,553)	(99,238)	(44,731)	(235,342)	(833,966)	(5,735,051)	(8,319,314)	34,425	(8,284,889)
Net Change in Cumulative Results of Operations	**92,076**	**43,733**	**2,232,162**	**511,808**	**(136,121)**	**7,132**	**19,202**	**419,182**	**907,614**	**4,096,788**	**(4,869)**	**4,091,919**
Cumulative Results of Operations - Ending	**22,561,360**	**3,732,558**	**17,711,392**	**10,380,551**	**2,537,133**	**2,892,109**	**2,586,133**	**2,929,406**	**17,739,267**	**83,069,909**	**-**	**83,069,909**
TOTAL NET POSITION	**$ 22,561,360**	**$ 3,770,824**	**$ 17,711,392**	**$ 16,894,061**	**$ 2,770,111**	**$ 3,022,087**	**$ 14,371,056**	**$ 2,929,406**	**$ 18,351,867**	**$ 102,382,164**	**$ -**	**$ 102,382,164**

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 & Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Federal Aid in Wildlife Restoration	Other Funds from Dedicated Collections	FY 2021 Total Funds from Dedicated Collections (Combined)	FY 2021 Eliminations between Dedicated Collection Funds	FY 2021 Total Funds from Dedicated Collections (Consolidated)
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	$ 46,412	$ 5,510,473	$ 50,833,652	$ -	$ 50,833,652
Investments, Net	-	-	-	-	326,294	-	2,571,869	2,537,863	5,202,313	10,638,339	-	10,638,339
Accounts Receivable, Net	-	-	453,983	20,788	18,979	166	6	10,993	2,271,180	2,776,095	(307)	2,775,788
Advances and Prepayments	-	-	-	5	-	-	-	-	2,438	2,443	(2,435)	8
Total Intragovernmental	$ 22,469,284	$ 3,760,528	$ 15,570,223	$ 3,015,044	$ 348,109	$ 449,404	$ 3,056,265	$ 2,595,268	$ 12,986,404	$ 64,250,529	$ (2,742)	$ 64,247,787
With the Public:												
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	1	-	1
Accounts Receivable, Net	-	-	11,749	6,157	9,279	1,037	9,427	-	5,463,651	5,501,300	-	5,501,300
Inventory and Related Property, Net	-	-	-	-	-	-	-	-	26,912	26,912	-	26,912
General Property, Plant, and Equipment, Net	-	-	-	9,269,315	2,434,981	2,859,607	1,273	-	966,267	15,531,443	-	15,531,443
Advances and Prepayments	-	-	-	18,179	59,723	2,772	-	23	2,691	83,388	-	83,388
Other Assets	-	-	-	112	8,648	-	-	-	-	8,760	-	8,760
Total With the Public	-	-	11,749	9,293,764	2,512,631	2,863,416	10,700	23	6,459,521	21,151,804	-	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**	**$ 2,595,291**	**$ 19,445,925**	**$ 85,402,333**	**$ (2,742)**	**$ 85,399,591**
LIABILITIES												
Intragovernmental:												
Accounts Payable	$ -	$ -	$ -	$ 1,149,333	$ 142	$ 48,817	$ 210	$ -	$ 731,139	$ 1,886,294	$ 304	$ 1,886,598
Advances from Others and Deferred Revenue	-	-	-	7,444	-	-	-	-	-	7,444	(2,239)	5,205
Other Liabilities	-	-	-	128,853	60	571	797	107	3,868	177,603	-	177,603
Total Intragovernmental	$ -	$ -	$	$ 1,285,630	$ 202	$ 49,388	$ 1,007	$ 107	$ 735,007	$ 2,071,341	$ (1,935)	$ 2,069,406
With the Public:												
Accounts Payable	-	-	-	114,925	2,712	12,510	176	236	67,760	198,319	-	198,319
Federal Employee Benefits Payable	-	-	-	89,560	355	3,078	5,544	16	13,669	112,222	-	112,222
Environmental and Disposal Liabilities	-	-	-	139,515	-	-	-	-	-	139,515	-	139,515
Advances from Others and Deferred Revenue	-	-	102,742	468,211	22,941	196,709	-	-	251,886	1,042,489	-	1,042,489
Other Liabilities	-	28,210	-	154,594	262	57,729	20,483	84,708	1,273,133	1,619,119	-	1,619,119
Total With the Public	-	28,210	102,742	966,805	26,270	270,026	26,203	84,960	1,606,448	3,111,664	-	3,111,664
TOTAL LIABILITIES	**$ -**	**$ 28,210**	**$ 102,742**	**$ 2,252,435**	**$ 26,472**	**$ 319,414**	**$ 27,210**	**$ 85,067**	**$ 2,341,455**	**$ 5,183,005**	**$ (1,935)**	**$ 5,181,070**
NET POSITION												
Unexpended Appropriations	-	43,493	-	187,630	161,014	108,429	472,824	-	272,817	1,246,207	-	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	2,510,224	16,831,653	78,973,121	4,869	78,977,990
TOTAL NET POSITION	**22,469,284**	**3,732,318**	**15,479,230**	**10,056,373**	**2,834,268**	**2,993,406**	**3,039,755**	**2,510,224**	**17,104,470**	**80,219,328**	**4,869**	**80,224,197**
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**	**$ 2,595,291**	**$ 19,445,925**	**$ 85,402,333**	**$ 2,934**	**$ 85,405,267**

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 & Recovery Act	Lower Colorado River Basin Fund	Upper Colorado River Basin Fund	Abandoned Mine Land Fund	Federal Aid in Wildlife Restoration	Other Funds from Dedicated Collections	FY 2021 Total Funds from Dedicated Collections (Combined)	FY 2021 Eliminations between Dedicated Collection Funds	FY 2021 Total Funds from Dedicated Collections (Consolidated)
NET COST OF OPERATIONS												
Gross Costs	$ -	$ 80,950	$ (3,604)	$ 1,443,495	$ 120,904	$ 192,587	$ 236,436	$ 728,796	$ 4,601,644	$ 7,401,208	$ (87,572)	$ 7,313,636
Earned Revenue	-	-	(147,301)	(187,352)	(75,559)	(135,901)	(87)	-	(1,229,463)	(1,775,663)	36,091	(1,739,572)
TOTAL NET COST OF OPERATIONS	**$ -**	**$ 80,950**	**$ (150,905)**	**$ 1,256,143**	**$ 45,345**	**$ 56,686**	**$ 236,349**	**$ 728,796**	**$ 3,372,181**	**$ 5,625,545**	**$ (51,481)**	**$ 5,574,064**
CHANGES IN NET POSITION												
UNEXPENDED APPROPRIATIONS												
Beginning Balance	$ -	$ 43,676	$ -	$ 166,937	$ 162,222	$ 147,812	$ 413,852	$ -	$ 264,357	$ 1,198,856	$ -	$ 1,198,856
Appropriations Received	-	-	-	242,271	-	-	115,000	-	17,905	375,176	-	375,176
Appropriations Transferred In/(Out)	-	-	-	(70,266)	5,584	38,800	-	-	26,749	867	-	867
Appropriations-Used	-	(183)	-	(151,312)	(6,792)	(78,183)	(56,028)	-	(36,194)	(328,692)	-	(328,692)
Net Change in Unexpended Appropriations	**-**	**(183)**	**-**	**20,693**	**(1,208)**	**(39,383)**	**58,972**	**-**	**8,460**	**47,351**	**-**	**47,351**
Total Unexpended Appropriations - Ending	**$ -**	**$ 43,493**	**$ -**	**$ 187,630**	**$ 161,014**	**$ 108,429**	**$ 472,824**	**$ -**	**$ 272,817**	**$ 1,246,207**	**$ -**	**$ 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	$ 2,048,978	$ 16,128,364	$ 76,814,133	$ -	$ 76,814,133
Appropriations-Used	-	183	-	151,312	6,792	78,183	56,028	-	36,194	328,692	-	328,692
Royalty, Rents, and Lease Sales Retained	975,993	150,000	1,641,999	-	-	-	-	-	2,718,899	5,486,891	-	5,486,891
Non-Exchange Revenue	13,789	-	10,940	-	-	294	122,482	1,190,042	253,011	1,590,558	-	1,590,558
Transfers In/(Out) without Reimbursement	(1,002,492)	-	(1,229,635)	1,449,036	(11,254)	2,288	(10,000)	-	1,000,630	198,573	(131)	198,442
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	-	-	-	65,665	65,665	-	65,665
Donations and Forfeitures of Property	-	-	-	17,779	-	5,211	-	-	237	23,227	-	23,227
Imputed Financing	-	-	5	46,575	-	39,344	2,949	-	990	89,863	(46,481)	43,382
Other Financing Sources/(Uses)	-	-	-	1,220	-	-	-	-	(156)	1,064	-	1,064
Net Cost of Operations	-	(80,950)	150,905	(1,256,143)	(45,345)	(56,686)	(236,349)	(728,796)	(3,372,181)	(5,625,545)	51,481	(5,574,064)
Net Change in Cumulative Results of Operations	**(12,710)**	**69,233**	**574,214**	**409,779**	**(49,807)**	**68,634**	**(64,890)**	**461,246**	**703,289**	**2,158,988**	**4,869**	**2,163,857**
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**	**2,510,224**	**$ 16,831,653**	**$ 78,973,121**	**$ 4,869**	**$ 78,977,990**
TOTAL NET POSITION	**$ 22,469,284**	**$ 3,732,318**	**$ 15,479,230**	**$ 10,056,373**	**$ 2,834,268**	**$ 2,993,406**	**$ 3,039,755**	**$ 2,510,224**	**$ 17,104,470**	**$ 80,219,328**	**$ 4,869**	**$ 80,224,197**

Dedicated Collections Net Position Presentation Change

In accordance with OMB Circular A-136, reporting changes required for FY 2022, the Net Position section of the Balance Sheet was modified to present consolidated by fund type, while separating DOI elimination activity that cross fund types. Dedicated Collections Net Position lines eliminate DOI activity between two DOI dedicated collection funds. Funds from Other than Dedicated Collections Net Position lines eliminate activity between two DOI other funds. Prior to FY 2022, DOI's Balance Sheet Net Position eliminated activity by the fund type where the activity was recorded, regardless of the fund type where the reciprocating activity was recorded.

As recommended by OMB Circular A-136, DOI also modified the presentation of DOI eliminations on the Consolidated Statement of Changes in Net Position for consistency. For FY 2022, DOI's eliminations are now presented similarly by fund type on the Consolidated Balance Sheet, Consolidated Statement of Changes in Net Position, and in Note 16 - Dedicated Collections. No longer will there be a need for explanations and reconciliations between statements and notes due to differences in DOI eliminations presentations.

FY 2021 CONSOLIDATED BALANCE SHEET NET POSITION PRESENTATION CHANGE

Consolidating Net Position:	FY 2021 AFR Presentation	FY 2021 Elimination Activity Between Dedicated and Other Fund Types	FY 2022 New AFR Presentation
Unexpended Appropriations - Funds from Dedicated Collections	$ 1,245,760	$ 447	$ 1,246,207
Unexpended Appropriations - Funds from Other Than Dedicated Collections	12,357,802	(170)	12,357,632
Unexpended Appropriations - Eliminations Between Dedicated and Other Than Dedicated	-	(277)	(277)
Total Unexpended Appropriations (Consolidated)	**13,603,562**	-	**13,603,562**
Cumulative Results of Operations - Funds from Dedicated Collections	69,100,663	9,877,327	78,977,990
Cumulative Results of Operations - Funds from Other Than Dedicated Collections	14,455,799	(9,910,640)	4,545,159
Cumulative Results of Operations - Eliminations Between Dedicated and Other Than Dedicated	-	33,313	33,313
Total Cumulative Results of Operations (Consolidated)	**83,556,462**	-	**83,556,462**
TOTAL NET POSITION	**$ 97,160,024**	**$ -**	**$ 97,160,024**

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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. As discussed in the Principal Financial Statements section, DOI implemented a new Strategic Plan in FY 2022 and, as such, the FY 2021 mission areas by Bureau are not comparable to the FY 2022 mission areas. 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, 2022, 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 2022
Promote Well-Being, Equity, and Justice for Tribes, American Indians, Alaska Natives, Native Hawaiians, and Insular Communities												
Total Costs	$ 5,004,929	$ 97,916	$ -	$ 769,057	$ -	$ -	$ 37,740	$ -	$ 24,322	$ -	$ (89,159)	$ 5,844,805
Total Earned Revenue	301,972	24,147	-	42,109	-	-	-	-	2,943	-	(28,167)	343,004
Net Costs	$ 4,702,957	$ 73,769	$ -	$ 726,948	$ -	$ -	$ 37,740	$ -	$ 21,379	$ -	$ (60,992)	$ 5,501,801
Conserve, Protect, Manage, and Restore Natural and Cultural Resources in the Face of Climate Change and Other Stressors												
Total Costs	$ 368,971	$ 1,330,147	$ 262,558	$ 299,213	$ -	$ 14,962	$ 2,440,010	$ 141,117	$ 3,153,311	$ 111,920	$ (387,534)	$ 7,734,675
Total Earned Revenue	2,604	272,988	43,748	903	-	14,962	393,755	-	247,030	21,989	(221,089)	776,890
Net Costs	$ 366,367	$ 1,057,159	$ 218,810	$ 298,310	$ -	$ -	$ 2,046,255	$ 141,117	$ 2,906,281	$ 89,931	$ (166,445)	$ 6,957,785
Sustainably Balance the Use of Resources While Supporting Communities and the Economy												
Total Costs	$ 268,911	$ 836,647	$ 648,979	5,679,783	$ 199,978	$ 219,164	$ 4,469	$ 994,625	$ 15,478	$ 384,947	$ (400,350)	$ 8,852,631
Total Earned Revenue	149,665	174,231	199,387	1,664	42,689	57,223	1,459	-	1,872	28,577	(214,079)	442,688
Net Costs	$ 119,246	$ 662,416	$ 449,592	$ 5,678,119	$ 157,289	$ 161,941	$ 3,010	$ 994,625	$ 13,606	$ 356,370	$ (186,271)	$ 8,409,943
Serve and Honor the Public Trust												
Total Costs	$ 233,556	$ 83,546	$ 1,076,191	$ 434	$ -	$ -	$ 2,080,536	$ -	$ 610,249	$ 848,920	$ (654,565)	$ 4,278,867
Total Earned Revenue	17,984	19,317	252,687	-	-	-	315,175	-	73,828	48,436	(84,488)	642,939
Net Costs	$ 215,572	$ 64,229	$ 823,504	$ 434	$ -	$ -	$ 1,765,361	$ -	$ 536,421	$ 800,484	$ (570,077)	$ 3,635,928
Reimbursable Activity and Other												
Total Costs	$ -	$ 686,404	$ 673,671	$ 2,673,501	$ -	$ 47,069	$ -	$ 3,300	$ -	$ 707,587	$ (610,701)	$ 4,180,831
Total Earned Revenue	-	725,970	644,460	2,306,007	-	47,520	-	138	-	572,027	(1,553,901)	2,742,221
Net Costs	$ -	$ (39,566)	$ 29,211	$ 367,494	$ -	$ (451)	$ -	$ 3,162	$ -	$ 135,560	$ 943,200	$ 1,438,610
Total												
Total Costs	$ 5,876,367	$ 3,034,660	$ 2,661,399	$ 9,421,988	$ 199,978	$ 281,195	$ 4,562,755	$ 1,139,042	$ 3,803,360	$ 2,053,374	$ (2,142,309)	$ 30,891,809
Total Earned Revenue	472,225	1,216,653	1,140,282	2,350,683	42,689	119,705	710,389	138	325,673	671,029	(2,101,724)	4,947,742
Net Cost of Operations	**$ 5,404,142**	**$ 1,818,007**	**$ 1,521,117**	**$ 7,071,305**	**$ 157,289**	**$ 161,490**	**$ 3,852,366**	**$ 1,138,904**	**$ 3,477,687**	**$ 1,382,345**	**$ (40,585)**	**$ 25,944,067**

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**

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, 2022 and 2021

	FY 2022		FY 2021	
(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	$ 17,899,215	$ 87,848	$ 15,167,148	$ 95,954
Recoveries of Prior year Unpaid Obligations	812,230	-	773,831	-
Other Changes in Unobligated Balance	(154,565)	(2)	(320,233)	-
Current Year Unobligated Balance from Prior Year Budget Authority, Net	**$ 18,556,880**	**$ 87,846**	**$ 15,620,746**	**$ 95,954**

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, 2022 and 2021.

Undelivered Orders

(dollars in thousands)	**FY 2022**	**FY 2021**
Undelivered Orders		
Federal:		
Paid	$ 302,926	$ 148,141
Unpaid	1,828,863	1,881,868
Total Undelivered Orders, Federal	$ 2,131,789	$ 2,030,009
Non-Federal:		
Paid	$ 112,351	$ 144,177
Unpaid	14,558,367	11,337,097
Total Undelivered Orders, Non-Federal	14,670,718	11,481,274
Total Undelivered Orders	**$ 16,802,507**	**$ 13,511,283**

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, 2022, and 2021, are disclosed in the table below.

Legal Arrangements Affecting Use of Unobligated Balances

(dollars in thousands)	FY 2022	FY 2021
Unapportioned Amounts Unavailable for Future Apportionments	$ 6,715,959	$ 168,017
Expired Authority	249,538	212,660
Unapportioned	**$ 6,965,497**	**$ 380,677**

Available Borrowing, End of the Period. The DOI did not have any available budgetary borrowing for the years ended September 30, 2022 and 2021. 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 2022, DOI exercised $261 thousand in new borrowing authority, with repayments of $2.6 million. In FY 2021, DOI exercised $262 thousand in new borrowing authority, with repayments of $2.7 million.

For the years ended September 30, 2022 and 2021, 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 2022 has not been published at the time these financial statements were prepared. The Budget of the United States actual FY 2021 amounts was released in March 2022. The FY 2024 Budget of the United States Government will include the FY 2022 actual amounts, and is estimated to be released in February 2023. 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 2021 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 2021 Combined Statement of Budgetary Resources	$ 48,468	$ 30,481	$ 6,196	$ 21,968
Bureau of Trust Funds Administration Fiduciary activity included in the Budget of the US Government that is excluded from the SBR	436	262	239	262
National Park Service Concessionaire activity included in the Budget of the US Government that is excluded from the SBR	25	11	12	12
Expired resources included in the SBR that are excluded from the Budget of the US Government	(243)	(30)	-	-
Other activity	-	6	-	9
Subtotal	$ 218	$ 249	$ 251	$ 283
Budget of the U.S. Government	**$ 48,686**	**$ 30,730**	**$ 6,447**	**$ 22,251**

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

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

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**

NOTE 20. FIDUCIARY ACTIVITIES

The DOI maintains accounts for Tribal and Other Trust Funds (including the Alaskan Native Escrow Fund) and Individual Indian Monies (IIM) Trust Funds in accordance with the *American Indian Trust Fund Management Reform Act of 1994*. The fiduciary balances that have accumulated in these funds have resulted from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment awards, settlements of claims, and investment income. These funds are maintained by BTFA, ONRR, 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 2022	FY 2021
Fiduciary Net Assets, Beginning	$ 6,375,161	$ 5,909,779
Contributions	3,648,993	1,551,426
Investment Earnings	146,097	112,032
Gain (Loss) on Disposition of Investments, Net	(581)	7,870
Administrative and Other Expenses	70	1
Disbursements to and on Behalf of Beneficiaries	(1,631,013)	(1,205,947)
Increase/(Decrease) Net Assets	2,163,566	465,382
Fiduciary Net Assets, End	**$ 8,538,727**	**$ 6,375,161**

Fiduciary Net Assets	Fiduciary Funds	
(dollars in thousands)	FY 2022	FY 2021
Cash and Cash Equivalents	$ 1,543,888	$ 1,132,634
Investments		
Investments in Treasury Securities	390,716	5,936
Investments in Non-Treasury Securities	6,340,542	5,030,524
Accrued Interest Receivable	36,219	25,803
Other Income Receivable	227,579	180,553
Less: Accounts Payable	(217)	(289)
Total Fiduciary Net Assets	**$ 8,538,727**	**$ 6,375,161**

Non-Valued Fiduciary Assets	Fiduciary Assets	
Regions	FY 2022	FY 2021
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, 2022, and 2021. 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 2022 report is not published at time of FY 2022 AFR publication.

NOTE 21. DISCLOSURE ENTITIES AND RELATED PARTIES

SSFFAS No. 47, *Reporting Entity* standard defines the federal reporting entity as inclusive of the consolidation entity, disclosure entities, and related parties. In accordance with SFFAS No. 47, the financial position, and results of operation of disclosure entities and related parties are not reported in the DOI consolidated financial statements but the information about disclosure entities and related parties is disclosed for accountability purposes and to meet federal financial reporting objectives. The DOI consolidation entity includes accounts administratively assigned by the OMB to DOI in the Budget of the U.S. Government. The DOI consolidation entity did not change between fiscal years 2021 and 2022.

Disclosure Entities:

Foundation for America's Public Lands
The Foundation for America's Public Lands (FPL) is an independent, incorporated 501 (c) 3 nonprofit corporation that was established by Congress in 2017 to encourage, accept, obtain, administer, and use private gifts and donations for the benefit of, or in connection with, the activities and services of the Bureau of Land Management (BLM). The Secretary of the Interior appoints members to serve on the Foundation's Board of Directors and the BLM Director is an ex-officio nonvoting member of the Foundation's Board of Directors. As of the Q4 FY22 reporting period, BLM has allocated $1 million for purposes of supporting the Foundation's startup costs. BLM has authorized the Foundation to incur startup expenses in the interim. FPL is a new disclosure entity for the DOI FY22 AFR since it was incorporated in FY22.

Related Parties:

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

National Fish and Wildlife Foundation
The NFWF is an independent, incorporated 501(c)3 nonprofit corporation that was established by Congress in 1984 to conserve fish, wildlife, and plant species through innovative partnerships with federal agencies, corporations, foundations, and nonprofit organizations in order to generate new resources for conservation. The founding legislation requires that the Secretary of the Interior approve board membership for NFWF. For the period ending September 30, 2022, DOI had expenses of $23.9 million with the NFWF to support conservation focused programs.

National Park Foundation
The NPF is an independent, incorporated 501(c)3 nonprofit corporation that was established by Congress in 1967 to generate private support and build strategic partnerships that

will protect and enhance America's National Parks for present and future generations. The Secretary of the Interior (Chair) and NPS Director (Secretary) serve as ex-officio members of NPF board of directors. The program expenses in support of the parks paid by NPF were around $89.4 million in FY 2021 (the FY 2022 data is not available at the time of publishing this AFR). For the period ending September 30, 2022, DOI had expenses of $15 million with NPF to support parks programs.

NOTE 22. CUSTODIAL ACTIVITY

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

In FY 2022, two wind energy auctions were held totaling $4.685 billion in winning bids. The Carolina Long Bay offshore wind auction included a credit totaling $52.5 million, for bidders that committed to a qualifying monetary contribution to programs or initiatives that support workforce training programs and/or development of the U.S. domestic supply chain for the offshore wind energy industry. Contributions must be verifiable and must be applied in the manner described in the agreement at time of the bid deposit. The net winning bids of $4.63 billion, which include the application of the bidding credits, is presented on the SCA as Offshore Lease Sales – Renewable Energy.

In addition to new lease sales, ONRR rents and royalties almost doubled due to significantly higher oil and gas prices in FY 2022. Oil prices were about 57 percent higher in FY 2022, while gas prices were about 97 percent higher on average.

Other custodial revenue presented on the SCA consists of revenue received by USGS from sales of America the Beautiful – National Parks & Federal Recreational Land passes, Northwest Park passes, and assorted maps. The USGS custodial revenue is distributed to other DOI bureaus, the USDA, and the USACE. USGS does not retain any portion of these revenues to offset custodian administrative costs.

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 Act* continues many of the programs started by the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act*; P.L. 116-136) (2020), by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic. The law provided direct appropriations of $105 million to the Department of the Interior's U.S. Fish and Wildlife Service, $900 million to the Bureau of Indian Affairs (BIA), and $850 million to the Bureau of Indian Education (BIE). All funds provided in FY 2021 are available until expended. As of September 30, 2022, DOI obligated approximately $1.5 billion of the total $1.9 billion in total resources available, leaving approximately $368 million to carry over into FY 2023. As of September 30, 2022, DOI's expenditures of *ARP Act* funding totaled approximately $1.7 billion. $1.3 billion was expended in FY 2021. Expenditures in FY 2022 were $371 million.

In addition, $409 million was transferred from the DoED to BIE as provided in P.L. 116-260 in FY 2021. The majority of the funding provided resources for BIA and BIE programs to support Tribal government services, public safety, child welfare assistance and schools, including colleges and universities. As of September 30, 2022, DOI has fully obligated these resources.

Appropriations received prior to FY 2021 to address the COVID-19 pandemic expired September 30, 2021, and are no longer available for obligation.

NOTE 24. RECLASSIFICATION OF FINANCIAL STATEMENTS LINE ITEMS FOR FINANCIAL REPORT COMPILATION PROCESS

To prepare *The Financial Report of the U.S. Government (FR)*, Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger accounts, that appear in the DOI's financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS), to prepare governmentwide reclassified financial statements.

Treasury's Reclassified Balance Sheet and Reclassified Statement of Changes in Net Position resemble DOI's financial statement presentation; therefore, a separate reconciliation is not required per OMB Circular A-136, "Financial Reporting Requirements".

Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the DOI financial statements and the DOI reclassified line items prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items as of September 30, 2022.

A copy of the 2021 FR can be found here: ***https://www.fiscal.treasury.gov/reports-statements/*** and a copy of the 2022 FR will be posted to this site as soon as it is released.

FY 2022 Department of the Interior Consolidated Statement of Net Cost		Line Items Used to Prepare FY 2022 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**	**Consolidated Total**	**Reclassified Financial Statement Line**
Gross Costs	$ 30,891,809	$ 9,320,244	$ -	$ 18,023,733	$ -	$ 27,343,977	Non-Federal Gross Cost
		-	-	27,300	-	27,300	Gains/Losses from Changes in Actuarial Assumptions
		141,960	-	1,411,126	-	1,553,086	Benefit Program Costs
		85,727	(39,294)	504,102	233	550,768	Imputed Costs
		740,473	(30,466)	829,362	(528,631)	1,010,738	Buy/Sell Cost
		-	-	-	-	-	Purchase of Assets
		-	-	-	-	-	Purchase of Assets Offset
		354	-	2,101	(354)	2,101	Borrowing and Other Interest Expense
		42,127	-	361,712	-	403,839	Other Expenses (Without Reciprocals)
Total Gross Costs	**$ 30,891,809**	**$ 10,330,885**	**$ (69,760)**	**$ 21,159,436**	**$ (528,752)**	**$ 30,891,809**	**Total Gross Costs**
Earned Revenues	$ 4,947,742	$ 1,791,694	$ -	$ 818,860	$ -	$ 2,610,554	Non-Federal Earned Revenue
		81,393	(35,335)	2,742,321	(561,667)	2,226,712	Buy/Sell Revenue
		19,181	-	198	-	19,379	Federal Securities Interest Revenue Including Associated Gains and Losses (Exchange)
		-	-	1,884	(354)	1,530	Borrowing and Other Interest Revenue (Exchange)
		-	-	(30,226)	26,002	(4,224)	Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		181,072	-	-	(26,002)	155,070	Collections Transferred in to a TAS Other Than the General Fund of the U.S. Government
		-	-	490	(435)	55	Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		(61,769)	-	-	435	(61,334)	Accrual for Agency Amounts to be collected in TAS Other Than the General Fund of the U.S. Government - Exchange
Total Earned Revenue	**$ 4,947,742**	**$ 2,011,571**	**$ (35,335)**	**$ 3,533,527**	**$ (562,021)**	**$ 4,947,742**	**Total Earned Revenue**
Net Cost of Operations	**$ 25,944,067**	**$ 8,319,314**	**$ (34,425)**	**$ 17,625,909**	**$ 33,269**	**$ 25,944,067**	**Net Cost of Operations**

FY 2022 Department of the Interior Combined Statement of Custodial Activity		Line Items Used to Prepare FY 2022 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	$ 21,459,822	$ 21,337,401	Statement of Operations and Changes in Net Position – Miscellaneous Earned Revenues
		10	Statement of Net Cost – Buy/Sell Revenue
		122,411	Statement of Net Cost – Non-Federal Earned Revenue
Total Revenues	**$ 21,459,822**	**$ 21,459,822**	**Total Revenues**
Disposition of Revenue	21,459,822	11,772	Statement of Operations and Changes in Net Position – Other Taxes and Receipts
		9,449,398	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
		695,291	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
		10,937,192	Statement of Operations and Changes in Net Position – Non-Entity Collections Transferred to the General Fund of the U.S. Government
		243,748	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
		(490)	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
		122,911	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	**$ 21,459,822**	**$ 21,459,822**	**Total Disposition of Revenue**
Net Custodial Activity	**$ -**	**$ -**	**Net Custodial Activity**

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Unaudited, See Accompanying Auditor's Report

This section includes the Combining Statement of Budgetary Resources by major budget account (Budgetary Accounts), Deferred Maintenance and Repairs (DM&R) information, custodial activity compliance assessments and pre-assessment work in process. The DOI Required Supplementary Information includes the disclosures required by SFFAS 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. This section also includes the disclosures required by SFFAS No. 59, Accounting and Reporting of Government Land. The SFFAS No. 59 disclosure includes estimated acres of G-PP&E Land and Stewardship Land using the three predominant use subcategories of Conservation and Preservation Land, Operational Land and Commercial-use Land.

Combining Statement of Budgetary Resources for the Year Ended September 30, 2022 *(dollars in thousands)*	Abandoned Mine Reclamation Fund	BLM Permanent Operations Funds	Energy Community Revitalization Program	Fish and Wildlife Resource Management	Great American Outdoors Act	Interior Franchise Fund	Management of Land and Resources	Mineral Leasing and Associated Payments	National Park Service Operations	Operation of Indian Programs	Survey, Investigation and Research	Water and Related Resources	Wildland Fire Management	Other Budgetary Accounts	Total Budgetary Accounts
Budgetary Resources:															
Unobligated Balance from Prior Year Budget Authority, Net	$ 228,378	$ 1,247,213	$ -	$ 583,996	$ 865,506	$ 131,006	$ 241,148	$ 2,046	$ 216,193	$ 623,083	$ 926,594	$ 1,709,858	$ 450,705	$ 11,331,154	$ 18,556,880
Appropriations (Discretionary and Mandatory)	11,514,995	521,953	4,652,932	1,801,689	1,526,717	-	1,283,132	3,974,877	3,464,893	2,300,553	1,682,666	7,992,395	1,532,059	15,114,307	57,363,168
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	164	-	-	318,001	-	1,859,119	72,223	-	39,340	31,503	595,477	474,972	78,806	2,947,692	6,417,297
Total Budgetary Resources	**$ 11,743,537**	**$ 1,769,166**	**$ 4,652,932**	**$ 2,703,686**	**$ 2,392,223**	**$ 1,990,125**	**$ 1,596,503**	**$ 3,976,923**	**$ 3,720,426**	**$ 2,955,139**	**$ 3,204,737**	**$ 10,177,225**	**$ 2,061,570**	**$ 29,393,153**	**$ 82,337,345**
Status of Budgetary Resources:															
New Obligations and Upward Adjustments	$ 268,660	$ 131,600	$ 576,237	$ 1,882,423	$ 826,225	$ 1,767,103	$ 1,413,354	$ 3,974,430	$ 2,811,813	$ 1,889,555	$ 2,089,705	$ 2,607,753	$ 1,513,289	$ 14,740,420	$ 36,492,567
Unobligated Balance, End of Year															
Apportioned, Unexpired Accounts	11,474,877	1,637,566	4,076,695	555,704	1,562,177	223,022	171,175	2,493	109,900	641,954	1,077,550	2,981,951	548,281	13,815,936	38,879,281
Unapportioned, Unexpired Accounts	-	-	-	250,000	3,821	-	35	-	700,009	385,000	23,500	4,587,500	-	766,094	6,715,959
Unexpired, Unobligated Balance, End of Year	11,474,877	1,637,566	4,076,695	805,704	1,565,998	223,022	171,210	2,493	809,909	1,026,954	1,101,050	7,569,451	548,281	14,582,030	45,595,240
Expired, Unobligated Balance, End of Year	-	-	-	15,559	-	-	11,939	-	98,704	38,630	13,982	21	-	70,703	249,538
Unobligated Balance, End of Year (Total)	**$ 11,474,877**	**$ 1,637,566**	**$ 4,076,695**	**$ 821,263**	**$ 1,565,998**	**$ 223,022**	**$ 183,149**	**$ 2,493**	**$ 908,613**	**$ 1,065,584**	**$ 1,115,032**	**$ 7,569,472**	**$ 548,281**	**$ 14,652,733**	**$ 45,844,778**
Total Budgetary Resources	**$ 11,743,537**	**$1,769,166**	**$ 4,652,932**	**$ 2,703,686**	**$ 2,392,223**	**$ 1,990,125**	**$ 1,596,503**	**$ 3,976,923**	**$ 3,720,426**	**$ 2,955,139**	**$ 3,204,737**	**$ 10,177,225**	**$ 2,061,570**	**$ 29,393,153**	**$ 82,337,345**
Outlays Net:															
Outlays Net (Discretionary and Mandatory)	$ 232,087	$ 123,272	$ 1,142	$ 1,406,778	$ 410,927	$ (655,776)	$ 1,281,003	$ 3,974,430	$ 2,660,523	$ 1,877,461	$ 1,301,448	$ 1,204,814	$ 1,300,969	$ 10,684,901	$ 25,803,979
Distributed Offsetting Receipts	(98,380)	(541,099)	-	-	(3,820)	-	-	(4,101,131)	-	-	(52)	(6,948)	-	(6,582,582)	(11,334,012)
Agency Outlays, Net (Discretionary and Mandatory)	**$ 133,707**	**$ (417,827)**	**$ 1,142**	**$ 1,406,778**	**$ 407,107**	**$ (655,776)**	**$ 1,281,003**	**$ (126,701)**	**$ 2,660,523**	**$ 1,877,461**	**$ 1,301,396**	**$ 1,197,866**	**$ 1,300,969**	**$ 4,102,319**	**$ 14,469,967**

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 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.

The following is DOI's DM&R as of September 30, 2022:

Deferred Maintenance and Repairs as of September 30, 2022		
PP&E Category *(dollars in thousands)*	**Beginning DM&R Balance**	**Ending DM&R Balance**
General PP&E	$ 18,550,509	$ 18,447,751
Heritage Assets	11,647,707	10,838,031
Stewardship Land	676,740	810,918
Total	**$ 30,874,956**	**$ 30,096,700**

Assets with an FCI closer to zero are considered to be in good condition while those with an FCI closer to 1.0 are considered to be in poor condition. However, the FCI is only one indicator of the overall health of the asset. Professional judgment regarding the severity of the maintenance and repairs plays a critical role in managing DM&R. Due to the location, age, and variety of the assets entrusted to DOI, as well as the nature of DM&R itself, precise cost estimates for DM&R cannot be determined prior to developing the final design and specifications for the repairs. Until that time, estimates are conceptual in nature and are therefore, subject to significant year over year fluctuations.

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 has been transferred to non-federal operating entities to perform and fund operations and maintenance through user fees. The USBR does not report DM&R on these transferred assets.

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 EOs.

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. For FY 2022, BLM saw a significant increase in the Stewardship Land category due to the hiring of additional engineering positions to catch up on a growing backlog of condition assessments of dams.

The GAOA (P.L. 116-152) was passed by Congress on August 4, 2020. The Act established the National Parks and Public Land Legacy Restoration Fund (NPPLLRF) to address the multibillion dollar maintenance backlog of the NPS, the U.S. FWS, the BLM, the Forest Service (USDA), and the BIE. The Act states that for each of the FYs 2021 through 2025, 50 percent of all energy development revenues due and payable to the United States from oil, gas, coal, or alternative or renewable energy development on federal land and water that is identified as a miscellaneous receipt under federal law in the preceding fiscal year be deposited into this fund. According to the Act, the maximum amount that can be deposited into the fund per year is $1.9 billion. These funds will be used for priority deferred maintenance projects in the National Park System, National Wildlife Refuge System, on public land administered by the BLM, for the BIE Schools, and in the National Forest System. The Act also authorizes the Secretary of the Interior to accept donations, and gives investment authority to the Secretary of the Interior to invest any portion of the fund that is not required to meet the current disbursement needs.

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, 2022 is $22.4 million. This estimate is comprised of approximately $13 thousand in audit and compliance management, approximately $15 million state and Tribal audit, and approximately $7.4 million in civil penalties.

The amounts disclosed are subject to significant variability upon final resolution of the compliance work. This variability is due to numerous factors such as the receipt of additional third party documentation which includes volume revisions from pipeline or gas plant statements, pricing changes from purchaser statements, revised transportation invoices, interim imbalance statements with retroactive adjustments, ongoing reconciliations, and other information subsequently received.

Oil and Gas Petroleum Royalties

Management of Federal Oil and Gas Resources

The DOI is responsible for managing the Nation's oil and natural gas resources and the mineral revenues on federal lands, both onshore and on the OCS. This management process can be broken down into six essential analysis components: pre-leasing; post-leasing and pre-production; production and post-production; revenue collection; fund disbursement; and compliance as discussed in the Stewardship Policies for Federal Oil and Gas Resources section.

Within DOI, four primary Bureaus and Offices perform these essential management functions:

- The BOEM manages access to and the exploration and development of the Nation's offshore resources. It seeks to appropriately balance economic development, energy independence, and environmental protection through oil and gas leasing exploration and development activities, providing access for renewable energy development, and appropriate environmental reviews and studies to ensure that these activities are in the Nation's best interest.
- The BLM is entrusted with managing 13 percent of the Nation's surface land and roughly one-third of its mineral resources, including the onshore energy and mineral resources that generate the highest revenue values of any uses of the public lands.
- The ONRR is responsible for the management and collection of revenues associated with federal offshore and onshore mineral leases issued under the *Mineral Leasing Act of 1920* (MLA) and the *Outer Continental Shelf Lands Act of 1953* (OCSLA). The ONRR achieves optimal value by ensuring that all natural resource revenues are efficiently and accurately collected and disbursed to recipients in a timely manner and by performing audit and revenue compliance activities; all in accordance with the *Federal Oil and Gas Royalty Management Act of 1982* (FOGRMA) and Code of Federal Regulations (CFR) Parts 1201–1290.
- The BSEE works to ensure the safe and environmentally sustainable exploration, development, and production of America's offshore energy resources through regulatory oversight and enforcement. The BSEE pursues this objective through a program of efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections, and incident investigations.

Stewardship Policies for Federal Oil and Gas Resources

The DOI's responsibilities as stewards of federal oil and gas resources begin when BLM and BOEM conduct pre-leasing analysis activities, which include the assessment of oil and gas resources that may be offered for lease. For onshore resources, even before an expression of interest by industry, the procedure to determine whether oil and gas leasing is compatible with other uses of the land begins with a land use planning process.

Following the pre-leasing assessment, BLM and BOEM develop plans for offering those resources to developers. Once BLM decides which onshore parcels to offer for lease, those parcels are posted publicly prior to quarterly competitive lease sales. All onshore parcels are evaluated for resource conflicts. Since some form of onshore oil and gas leasing has been in effect since the 1920s, the process of determining mineral ownership is more complex than in the OCS. In some cases, mineral ownership may be divided jointly by more than one federal jurisdictional agency, may be fragmented, or deeds may have shared ownership. In the case of oil and gas development overall, this planning process is designed to consider both the environmental and economic concerns of the Nation by providing opportunities for input from the public, the private sector, states, and Congress. The BLM and BOEM conduct public planning processes for each individual lease sale.

Once a lease sale is completed, BLM and BOEM determine whether bids can be accepted and a lease issued. Prior to lease issuance, 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, 2022
(in thousands)

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

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

Total Offshore and Onshore 2022	
Total Oil and Lease Condensate	$ 63,733,463
Total Natural Gas, Wet After Lease Separation	$ 24,422,789
Total Offshore and Onshore	**$ 88,156,252**

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**

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, 2022, and September 30, 2021. 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 The Department of Energy's (DOE) Energy Information Administration (EIA) estimates of proved reserves. The DOE EIA proved reserves estimates are published annually, covering all offshore and onshore federal areas. The DOE EIA provides such estimates directly for federal offshore areas and are adjusted to extract the federal subset of onshore proved reserves. Key to these adjustments is the assumption that the federal portion of each state's onshore proved reserves corresponds to the fraction of production from federal lands, as compared to total production from the state for Calendar Year (CY) 2020, 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 2022 Annual Energy Outlook (AEO 2022), 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 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 2021 with updated ONRR sales year data as of March 1, 2022. 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 2021), 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 1.94 percent. The OMB rates used for offshore are 11-year estimates prepared for the Administration's FY 2023 budget. The rates begin at 2.75 percent for FY 2022 and rise to 3.64 percent for FY 2032. The rates were assumed to remain at 3.64 percent beyond FY 2032, 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, 2022 and 2021 *(in thousands)*		
	FY 2022	**FY 2021**
Other Federal Bureaus and Agencies		
Department of the Treasury	$ 40,296,855	$ 34,746,007
Interior - Reclamation Fund	19,131,236	14,529,825
Other Federal Bureaus and Agencies	2,786,949	2,937,584
States and Others	25,941,212	20,851,528
Total Estimated Petroleum Royalties to be Distributed to Others	**$ 88,156,252**	**$ 73,064,944**

The above table presents an estimate of federal oil and gas petroleum royalties to be distributed to others, based upon a historical percentage of distributions of royalties to others over the preceding 12 months.

Revenue Reported by Category FY 2022 and FY 2021 *(in thousands)*	FY 2022			FY 2021		
(dollars in thousands)	**Federal Offshore**	**Federal Onshore**	**Total**	**Federal Offshore**	**Federal Onshore**	**Total**
Royalties from Oil & Lease Condensate	$ 5,780,656	$ 5,377,682	$ 11,158,338	$ 3,228,097	$ 2,345,162	$ 5,573,259
Accrual Adjustment - Oil & Lease Condensate	309,379	402,865	712,244	416,754	317,457	734,211
Royalties from Natural Gas	$ 531,658	$ 2,684,580	$ 3,216,238	246,952	1,158,499	1,405,451
Accrual Adjustment - Natural Gas	(5,070)	186,729	$ 181,659	35,696	161,314	197,010
Subtotal	$ 6,616,623	$ 8,651,856	$ 15,268,479	$ 3,927,499	$ 3,982,432	$ 7,909,931
Rent	$ 78,878	$ 24,137	$ 103,015	$ 82,889	$ 21,066	$ 103,955
Bonus Bid	202,822	22,003	224,825	116,602	74,706	191,308
Subtotal	$ 281,700	$ 46,140	$ 327,840	$ 199,491	$ 95,772	$ 295,263
Total	**$ 6,898,323**	**$ 8,697,996**	**$ 15,596,319**	**$ 4,126,990**	**$ 4,078,204**	**$ 8,205,194**

The above table of revenue reported by category presents royalty revenue reported to DOI in fiscal years 2022 and 2021 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 2022 and FY 2021
(in thousands)

Oil and Lease Condensate (Bbl)

Federal Offshore	FY 2022 Quantity (in thousands)	FY 2022 Average Purchase Price ($)[1]	FY 2022 Average Royalty Rate (%)	FY 2021 Quantity	FY 2021 Average Purchase Price ($)[1]	FY 2021 Average Royalty Rate (%)
Gulf of Mexico[2]	4,010,961	$ 92.86	13.20%	4,840,076	$ 59.57	13.01%
Pacific (including Alaska Federal OCS)	131,405	89.11	16.16%	161,488	55.38	14.50%
Subtotal Federal Offshore	4,142,366			5,001,564		
Federal Onshore						
East Coast (PADD 1)	11	$ 81.55	12.50%	14	$ 55.17	12.5%
Midwest (PADD 2)	475,608	93.56	11.98%	594,139	57.28	11.54%
Gulf Coast (PADD 3)	1,762,635	94.23	12.51%	2,233,729	58.46	12.52%
Rocky Mountain (PADD 4)	601,178	90.92	12.22%	742,195	55.63	12.11%
West Coast (PADD 5)	107,225	93.66	12.99%	132,376	58.80	11.58%
Subtotal Federal Onshore	2,946,657			3,702,453		
Total Federal Offshore and Onshore (Bbl)	**7,089,023**			**8,704,017**		

Natural Gas, Wet After Lease Separation (Mcf)

Federal Offshore	FY 2022 Quantity (in thousands)	FY 2022 Average Purchase Price ($)[1]	FY 2022 Average Royalty Rate (%)	FY 2021 Quantity	FY 2021 Average Purchase Price ($)[1]	FY 2021 Average Royalty Rate (%)
Gulf of Mexico[2]	3,772,618	$ 6.87	12.33%	5,294,528	$ 3.65	11.52%
Pacific (Alaska Federal OCS has no proved gas reserves)	138,746	8.15	14.48%	182,094	5.35	13.62%
Subtotal Federal Offshore	3,911,364			5,476,622		
Federal Onshore						
East Coast (PADD 1)	3,664	$ 5.96	12.60%	3,881	$ 3.04	12.57%
Midwest (PADD 2)	1,056,474	7.16	10.79%	1,119,147	3.66	9.82%
Gulf Coast (PADD 3)	12,196,132	6.82	11.35%	13,193,565	3.52	10.66%
Rocky Mountain (PADD 4)	24,152,221	7.03	11.15%	25,584,980	3.46	10.62%
West Coast (PADD 5)	254,612	6.50	13.70%	269,716	5.35	12.29%
Subtotal Federal Onshore	37,663,103			40,171,289		
Total Federal Offshore and Onshore (McF)	**41,574,467**			**45,647,911**		

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 2022 and 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 **522,520** Mbbl of proved oil reserves and **412,028** 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 **$4,610,593,668**.

Federal Regional Oil and Gas Information
FY 2022 and FY 2021
(in thousands)

Oil and Lease Condensate Information - Offshore

Region	FY 2022				FY 2021			
	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	477,657	$ 44,033,933	$ 5,736,807	$ 1,168,798	438,110	$ 25,198,343	$ 3,193,106	$ 976,762
Pacific	3,340	290,590	43,849	n/a	5,034	258,165	34,991	n/a
Total	**480,997**	**$ 44,324,523**	**$ 5,780,656**	**$ 1,168,798**	**443,144**	**$ 25,456,508**	**$ 3,228,097**	**$ 976,762**

Natural Gas Information - Offshore

Region	FY 2022				FY 2021			
	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	767,227	$ 4,476,738	$ 530,070	$ 102,332	719,898	$ 2,345,530	$ 245,830	$ 47,007
Pacific	1,711	$ 13,203	$ 1,588	n/a	1,874	$ 9,037	$ 1,122	n/a
Total	**768,938**	**$ 4,489,941**	**$ 531,658**	**$ 102,332**	**721,772**	**$ 2,354,567**	**$ 246,952**	**$ 47,007**

Oil and Lease Condensate Information - Onshore

Region	FY 2022				FY 2021			
	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	$ 50	$ 6	$ n/a	0.6	$ 29	$ 4	$ n/a
Midwest (PADD 2)	42,123	3,845,289	459,059	n/a	45,868	2,412,856	272,458	n/a
Gulf Coast (PADD 3)	351,418	31,963,420	3,978,476	n/a	244,031	12,914,389	1,613,643	n/a
Rocky Mountain (PADD 4)	72,215	6,310,774	768,179	n/a	66,405	3,273,003	394,948	n/a
West Coast (PADD 5)	13,834	1,310,426	171,962	n/a	10,429	549,359	64,109	n/a
Total	**479,591**	**$ 43,429,959**	**$ 5,377,682**	**$ -**	**366,734**	**$ 19,149,636**	**$ 2,345,162**	**$ -**

Natural Gas Information - Onshore

Region	FY 2022				FY 2021			
	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)	232	$ 1,129	$ 142	$ n/a	250	$ 592	$ 74	$ n/a
Midwest (PADD 2)	198,187	1,194,371	128,432	n/a	170,899	545,167	50,195	n/a
Gulf Coast (PADD 3)	2,342,222	13,897,582	1,634,145	n/a	1,990,265	5,942,793	591,714	n/a
Rocky Mountain (PADD 4)	1,279,293	7,931,706	890,709	n/a	1,509,071	4,721,090	505,808	n/a
West Coast (PADD 5)	35,797	225,134	31,152	n/a	17,934	87,196	10,708	n/a
Total	**3,855,731**	**$ 23,249,922**	**$ 2,684,580**	**$ -**	**3,688,419**	**$ 11,296,838**	**$ 1,158,499**	**$ -**

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

Oil and Lease Condensate Information - Offshore and Onshore

Region	FY 2022				FY 2021			
	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	**960,588**	**$ 87,754,482**	**$ 11,158,338**	**$ 1,168,798**	**809,878**	**$ 44,606,144**	**$ 5,573,259**	**$ 976,762**

Natural Gas Information - Offshore and Onshore

Region	FY 2022				FY 2021			
	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	**4,624,669**	**$ 27,739,863**	**$ 3,216,238**	**$ 102,332**	**4,410,191**	**$ 13,651,405**	**$ 1,405,451**	**$ 47,007**

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 2022 and FY 2021.

Sales volume represents the quantity of a mineral commodity sold during the reporting period. Sales value represents the dollar value of the mineral commodity sold during the reporting period. Royalty revenue earned represents a stated share or percentage of the value of the mineral commodity produced.

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

The sales volume, sales value, royalty revenue earned, and the value for royalty relief are presented on a regional basis,and include adjustments and estimates. The information is presented on a regional basis to provide users of the financial statements with the regional variances in oil and gas activity for decision making purposes, and to reflect the estimated amount of royalty relief granted in the fiscal year.

Other Significant Federal Oil and Gas Resources

For information on Undiscovered Oil and Gas Resources on the Nation's OCS, visit: ***https://www.boem.gov/oil-gas-energy/resource-evaluation/undiscovered-resources***.

For more information on Onshore Undiscovered Oil and Gas Resources visit: ***https://www.usgs.gov/centers/central-energy-resources-science-center/science/united-states-assessments-undiscovered-oil#overview***.

Coal Royalties

Management of Federal Coal Resources

The DOI is responsible for managing the Nation's coal resources and revenues on federal lands. The BLM federal coal leases contribute a large share of total domestic coal production and consumption. The EIA estimated that coal resources accounted for 21.8 percent of the Nation's electricity generation in 2021 with federal lands supplying approximately 45.3 percent of all U.S. coal production.

The ONRR is responsible for the management and collection of revenues associated with federal coal leases. The ONRR achieves optimal value by ensuring that all natural resource revenues are efficiently and accurately collected and disbursed to recipients in a timely manner and by performing audit and revenue compliance activities.

Stewardship Policies for Federal Coal Resources

The MLA, as amended, and the *Mineral Leasing Act for Acquired Lands of 1947,* as amended, gives DOI the responsibility for coal leasing on approximately 700 million acres of federal mineral estate which includes 570 million acres where coal development is allowed. The surface estate of these lands may be under the control of BLM, USFS, private or state landowners, or other federal agencies.

The DOI receives coal leasing revenues from a bonus paid at the time the lease is issued, an annual rent payment of $3.00 per acre, and royalties paid on the value of the coal after it has been mined. The royalty rate for surface-mining methods is 12.5 percent or 8 percent for underground mining, and BLM can approve reduced royalty rates based on maximum economic recovery. Regulations that govern BLM's coal leasing program are contained in Title 43, Groups 3000 and 3400 of the CFR.

Public lands are available for coal leasing after the lands have been evaluated through a multiple-use planning process. The land use planning process encompasses four steps: identification of coal with potential for development; determination if the lands are suitable for coal development; consideration of multiple use conflicts; and surface owner consultation. Leasing federal coal resources is prohibited on some public lands, such as national parks, national wildlife refuges, or military reservations. For more details about coal leasing, visit the following BLM website: ***https://www.blm.gov/programs/energy-and-minerals/coal***.

Through this mineral asset management process, DOI serves as the leading mineral asset manager for the federal government.

Photo by OSMRE

OSMRE INVITES BETA TESTING OF ACID MINE DRAINAGE TOOL
As part of our efforts to protect communities and the environment from the toxic impacts of abandoned coal mines, the Office of Surface Mining Reclamation and Enforcement launched an innovative software tool for industry leaders, environmental groups, states and Tribes that estimates the cost of treating acid mine drainage. https://www.osmre.gov/news/osmre-invites-beta-testing-acid-mine-drainage-tool

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

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**

[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, 2022 and September 30, 2021. 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, 2022 and 2021 *(in thousands)*		
	FY 2022	FY 2021
Other Federal Bureaus and agencies		
Department of the Treasury	$ 1,044,515	$ 896,642
Interior – Reclamation Fund	3,798,236	3,260,518
States and Others	4,652,839	3,994,134
Total Estimated Coal Royalties to be Distributed to Others	**$ 9,495,590**	**$ 8,151,294**

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 2022 and FY 2021 *(in thousands)*		
	Coal Totals FY 2022	Coal Totals FY 2021
Coal Royalties	$ 491,649	$ 380,251
Accrual Adjustment - Coal Royalties	7,141	(3,921)
Subtotal	**$ 498,790**	**$ 376,330**
Rent	1,107	1,183
Bonus Bid	0	33
Subtotal	**$ 1,107**	$ **1,216**
Total	**$ 499,897**	**$ 377,546**

The above table of revenue reported by category represents royalty revenue reported to ONRR in FY 2022 and FY 2021 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 2022 and FY 2021 *(in thousands)*						
Area	FY 2022			FY 2021		
	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]	4,608,007	$ 13.57	11.77%	4,864,850	$ 11.65	11.96%
Colorado	272,941	44.99	4.88%	280,450	35.70	5.70%
Utah	277,315	42.98	3.18%	160,509	32.76	2.72%
All Other[2]	383,639	$ 50.93	6.23%	397,063	$ 35.67	6.16%
Total Federal	**5,541,902**			**5,702,872**		

[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 2022 and FY 2021. 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 2022 and FY 2021 *(in thousands)*						
Area	FY 2022			FY 2021		
	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)
Federal Coal						
Powder River Basin[1]	238,279	$ 3,369,170	$ 396,590	222,026	$ 2,680,004	$ 321,111
Colorado	7,203	405,457	20,496	7,106	331,070	18,173
Utah	11,554	535,980	18,263	11,356	423,705	12,217
All Other[2]	15,679	914,234	56,300	10,818	409,467	28,750
Total Federal	**272,715**	**$ 5,224,841**	**$ 491,649**	**251,306**	**$ 3,844,246**	**$ 380,251**

[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 2022 and FY 2021.

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 2022, the BLM, in collaboration with the ONRR, estimated the remaining recoverable coal reserves on currently authorized federal coal leases to be approximately 5.5 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, 2022, the estimated net present value of future royalties from trona from the Green River Basin is $479 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, 2022, the estimated net present value of future royalties from potash (including the muriates of potash and langbeinite phosphate) is $334 million.

Photo by Kim Hang Dessoliers

DON'T MISTAKE THIS SAND FOR SNOW
The dunes of White Sands National Park in New Mexico are unique because they are made up of about 98 percent pure gypsum sand – this type of sand is rare. This park protects the largest gypsum dunefield in the world and is an oasis for numerous plants and animals.
https://www.nps.gov/whsa/index.htm

Land

The Department has complied with the requirements of FASAB SFFAS No. 59, *Accounting and Reporting of Government Land*. This requirement focuses on ensuring that federal land holding agencies report the consistent accounting treatment and reporting of federal land. This standard has established guidance for federal agencies to follow during the implementation and execution periods.

The reporting guidance requires that entities report information within the categories of 1) G-PP&E Land and 2) Stewardship Land.

G-PP&E Land at the Department is used to facilitate the mission of sustainably balancing the use of resources while supporting communities and the economy. This land is essential to accommodate facilities and waterbodies that deliver water and power resources to states and communities.

Typically, **Stewardship Land** is held by the Department to facilitate its mission of conserving, protecting, managing, and restoring natural and cultural resources in the face of climate change and other stressors. DOI-managed lands and waters are conserved for the benefit, use, and enjoyment of current and future generations. These lands include land within the various DOI entities, such as the national park system, national wildlife refuges, etc.

The Department is responsible for managing all of its land entities and their various resources to ensure that they are used in a manner that will best meet the present and future needs of the nation.

The SFFAS No. 59 implementation period (FY's 2022–2025) requires federal land holding agencies to report supplemental information of estimated acres of G-PP&E Land and Stewardship Land using three predominant use subcategories:

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

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

The Department chartered a land reporting workgroup consisting of land experts and financial professionals from each land holding bureau to develop a structured method of recording land holdings. The Department established a consistent method of classifying and reporting land by acreage totals. For the SFFAS No. 59 Land reporting requirement of estimated acres, amounts will differ from total acreage amounts in the MD&A section due to differences in parameters and reporting cycles. RSI land information is not intended to be comparable with information reported in the MD&A section. The consolidated results for the Department are found on the table below.

Estimated Acreage by Predominant Use

	As of September 30, 2022				
(in thousands of acres)	Conservation and Preservation Land	Operational Land	Commercial Use Land	Total Estimated Acreage	Explanatory Comments
G-PP&E Land	-	3,642	-	3,642	1
Stewardship Land	886,681	7,205	192,400	1,086,286	2
Total Estimated Acreage	**886,681**	**10,847**	**192,400**	**1,089,928**	

Explanatory Comment Highlights

G-PP&E Land (Explanatory Comment 1) – BLM and USBR collectively classified 3,642 thousand acres as operational land within the G-PPE category. Acquired land to contain buildings, structures or improvements to facilitate operations were identified.

Stewardship Land (Explanatory Comment 2) – BLM, FWS, NPS and USBR contributed to the total acreage counts of 1,086,286 thousand in this category. Within the Stewardship land reporting category, contributions to the sub categories are attributed as follows:

- **Conservation and Preservation Land:** BLM, FWS and NPS
- **Operational Land:** FWS, USBR and BLM
- **Commercial Use Land:** BLM

All bureaus reporting in this category consider these acres to be used to benefit the needs of future generations through proper management, administration and protection.

The Department does not make a practice of holding land for disposal, nor does it have any material expenditures to report for the maintenance of temporary land rights for FY 2022.

SECTION 3
Other Information
Unaudited

"Pilot Rock in the Snow". Pilot Rock is a prominent volcanic plug located in the western Cascade Range near the east end of the Siskiyou Mountains, just east of the Siskiyou Summit near Ashland, Oregon. Rising thousands of feet above the Shasta and Rogue valleys, it is a landmark distinguishable from over 40 miles away. At 25.6 million years old, it is one of the oldest formations of the Cascade Range.
https://www.blm.gov/programs/national-conservation-lands/national-monuments/oregon-washington/cascade-siskiyou/plan-your-visit
https://www.blm.gov/or/resources/recreation/csnm/files/pilot-rock.pdf Photo by Kyle Sullivan / BLM

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

INSPECTOR GENERAL'S STATEMENT

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

FISCAL YEAR 2022

REPORT NO.: 2022–ER–027

NOVEMBER 2022

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

Memorandum

NOV 0 4 2022

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 2022*
Report No. 2022–ER–027

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 2022. 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.

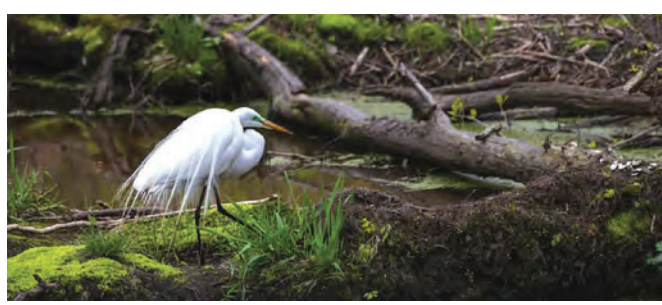
If you have any questions, please call me at 202–208–5745.

cc: Tommy Beaudreau, Deputy Secretary, DOI
Rachael Taylor, Chief of Staff, DOI
Mili Gosar, Deputy Chief of Staff, DOI
Richard Cardinale, Director, Office of the Executive Secretariat, DOI
Preston Heard, Deputy Director, Office of the Executive Secretariat, DOI
Tonya Johnson, Deputy Chief Financial Officer and Director, Office of Financial Management, DOI
Nelson Alvarado, Division Chief, Internal Control and Evaluation, Office of Financial Management, DOI

Office of Inspector General | Washington, DC

Source: iStockphoto

CONTENTS



Source: U.S. Fish and Wildlife Service

INTRODUCTION AND APPROACH

In accordance with the Reports Consolidation Act of 2000, we are reporting what we have determined, in our opinion, 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*.

Our fiscal year (FY) 2022 report is organized in three sections: "Managing Spending," "Delivering Core Services," and "Ensuring Health and Safety." In each section, we summarize topics relevant to the challenge area. Some topics span multiple challenge areas, serving as a reminder of the complex nature of the DOI's mission. For example, infrastructure-related challenges include ensuring accountability and managing funding availability 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 presents challenges related to how the DOI fulfills its responsibility to tribal communities; manages land use, water resources, and wildlife and their habitats; and adapts to the frequency and severity of natural disasters.

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

The Office of Inspector General's (OIG's) oversight responsibilities are commensurate with the full range of the DOI's own programs and operations. These programs and operations are implemented through the DOI's 11 bureaus:

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

In addition to these bureaus, there are a number of offices that fall under the Office of the Secretary and other components, including the Office of Natural Resources Revenue (ONRR), Office of Wildland Fire, Office of Law Enforcement and Security, and Office of Insular Affairs.

Source: iStockphoto

CHALLENGE AREA
Managing Spending

The DOI's FY 2023 budget request includes more than $18 billion to carry out its wide-ranging programs under the following categories: addressing climate challenges and building resilience; creating jobs to meet environmental and energy challenges; strengthening tribal nations; advancing and incorporating science across the DOI; promoting equity, diversity, and inclusion of underserved communities; and building agency capacity.

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

Contract and Grant Oversight

The DOI is charged with managing significant financial assets, including contracts, grants, property, and other resources. According to USAspending.gov, the DOI awarded approximately $5.2 billion in grants and $6.5 billion in contracts, totaling $11.7 billion in FY 2022. Our prior audit work has consistently identified deficiencies in contract oversight, pre-award processes, and post-award monitoring. Additionally, the GAO recently reviewed the DOI's competitive grant award process and found that some grant programs lacked documentation to support certain award decisions.

> Our previous work has consistently identified issues with inadequate oversight and failure to follow Federal regulations for contracts and grants that were awarded using emergency funds. For example, in our 2021 inspection, *Pandemic-Related Contract Actions*, we found eight unfulfilled contract actions because the BIA did not receive goods as contracted. These unfulfilled contract actions resulted in $771,254 in funds that could be put to better use.

The DOI also received $635.9 million in disaster relief funding in FY 2022. These funds are available for emergency response activities related to drought, wildfires, hurricanes, and other natural disasters. Financial awards for emergency response activities are generally high risk because they are awarded quickly and often without competition, therefore requiring enhanced oversight. The DOI will continue to face challenges managing its contracts and grants to prevent fraud, waste, and mismanagement, particularly with the significant increase in funding opportunities.

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OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): CONTRACT AND GRANT OVERSIGHT

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

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

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

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

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

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

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

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

Risk Assessment of the U.S. Department of the Interior's Grant Closeout Process (Report No. 2019–FIN–037)

Recommendation Progress

Of the 32 recommendations we made to the DOI and its bureaus and offices, 21 are closed.

Deferred Maintenance

For years, the DOI has stated that it has not had sufficient funding for annual maintenance for its varied resources and assets—including national parks, historic sites, and Indian schools—and that this can pose a risk to public and employee health and safety. When maintenance and repairs are not completed on schedule, work may be delayed, or deferred, until later—the DOI refers to this as deferred maintenance. According to the DOI's Agency Financial Reports, the estimated cost of its deferred maintenance has increased from $16 billion in FY 2015 to almost $31 billion in FY 2021 (see Figure 1).

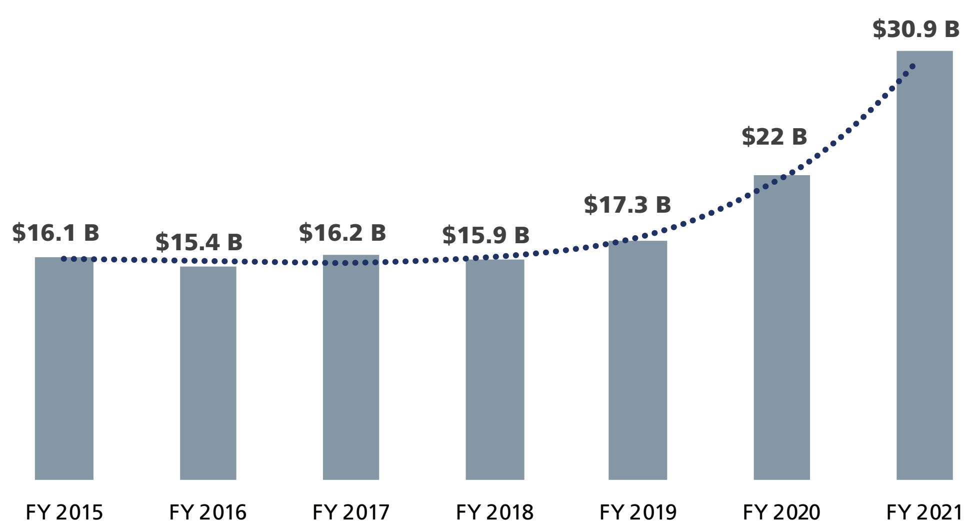
In our 2022 inspection, *The U.S. Department of the Interior Needs a Strategy To Coordinate Implementation of the Great American Outdoors Act*, we found that the DOI completed four of the six steps in Secretary's Order No. 3383. We found that the DOI did not, however, develop a strategy to maximize the impact of the Act or develop best management practices for deferred maintenance projects, which puts the DOI and its bureaus at risk of repeating the same practices that led to the continued increase in deferred maintenance.

In August 2020, the Great American Outdoors Act (Pub. L. No. 116–152) became law and authorized up to $1.9 billion per fiscal year from 2021 to 2025 to reduce deferred maintenance on public lands and at Indian schools through the National Parks and Public Land Legacy Restoration Fund. As of

September 30, 2022, the DOI had obligated more than $1.58 billion in Great American Outdoors Act funding. As of October 3, 2022, the DOI had initiated 222 projects under the Act with an estimated budget of $2.6 billion to address the DOI's deferred maintenance and launched a website with additional project information.

With this additional funding, the DOI will likely face challenges ensuring it can promptly deploy the funding, prioritize projects, maintain staffing and resource capacity, and establish sufficient oversight. We are performing work to assess the NPS and BIE processes for addressing the deferred maintenance.

Figure 1: DOI Deferred Maintenance Increase FYs 2015–2021



OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): DEFERRED MAINTENANCE

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

The U.S. Department of the Interior Needs a Strategy To Coordinate Implementation of the Great American Outdoors Act (Report Number 2021–CR–031)

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

Big Bend National Park Mismanaged More Than $250,000 in Equipment Purchases (Report No. 2019–ER–042)

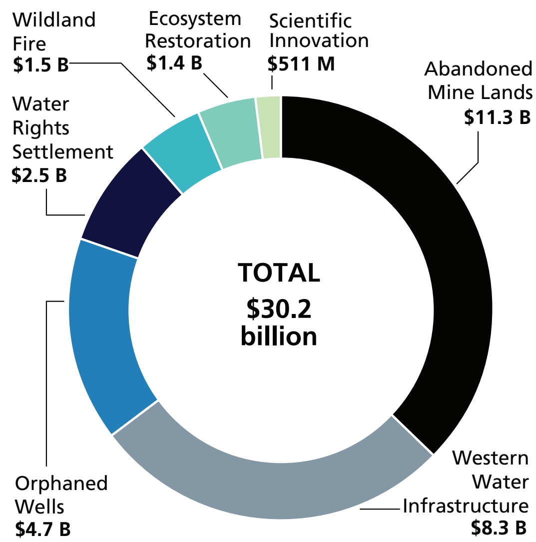
Recommendation Progress

Of the 9 recommendations we made to the DOI and its bureaus and offices, 1 is closed.

Infrastructure

As the steward for America's public lands, the DOI manages critical infrastructure that is instrumental to protecting the Nation's natural resources, supporting American jobs, and providing water to the Western United States. In November 2021, the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117–58, became law and provided an investment to rebuild the Nation's aging infrastructure. The legislation distributes $30.2 billion to the DOI and seven of its bureaus and offices to restore critical habitats, address the drought crisis, assist with wildland fire management, and help communities prepare for extreme weather events. Specifically, the DOI received $11.3 billion for abandoned mine land reclamation, $8.3 billion for Western water infrastructure, $4.7 billion for orphaned well remediation, $2.5 billion for Indian water rights settlement projects, $1.5 billion for wildland fire management, $1.4 billion for ecosystem restoration, and $511 million for scientific innovation (see Figure 2).

Figure 2: DOI IIJA Funding



In 2022, the DOI launched an IIJA website and submitted official bureau and office spend plans to Congress. These plans outlined how they intend to initiate new programs and expand existing work to deliver results by building resilience to the effects of drought and wildfires, creating jobs that address legacy pollution, strengthening tribal water infrastructure and climate resilience, and identifying domestic supplies of mineral resources needed to advance new technologies. With the influx of IIJA funding, the DOI will face challenges ensuring it can promptly deploy the funding, maintain staffing and resource capacity, produce reliable information, and establish appropriate program controls.

Our July 2022 flash report on the orphaned wells program identified risk areas and outlined the DOI's initial spending plan. Oil and gas wells are considered "orphaned" if they are abandoned before required activities were completed (e.g., capping the well, removing and disposing of equipment and wastes, and other site reclamation). Millions of Americans live within a mile of an orphaned well, which can pollute backyards, recreational areas, and public spaces. The IIJA requires the DOI to create and administer a program to plug, remediate, and reclaim orphaned wells on Federal, State, tribal, and private lands. States could apply for an initial $775 million in DOI IIJA grant funding in FY 2022. The DOI has also announced $33 million to fund remediation for 277 high-priority orphaned wells on BLM, FWS, NPS, and U.S. Forest Service lands in FY 2022.

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): INFRASTRUCTURE

Flash Report: Orphaned Wells Program
(Report No. 2022–INF–024)

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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 DOI 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. To accomplish its mission, the DOI relies on secure information systems and reliable data. Below, we summarize the DOI's challenges, plans, and progress in delivering core services related to IT security, data quality, energy, water and power management, and responsibility to Native Americans.

IT Security

The DOI relies on complex, interconnected information systems to carry out its daily operations and spends about $1.7 billion annually on its portfolio of IT assets, according to the Federal IT Portfolio Dashboard. In its 2020–2025 *Information Resource Management Strategic Plan*, the DOI recognized the challenges in delivering technology and information resources to mission programs and the public while relying on an IT landscape that supports a geographically dispersed workforce serving a complex and diverse mission set. Our work has found that 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. Additionally, the FY 2021 annual independent Federal Information Security Modernization Act audit issued by our office identified necessary improvements and made 60 recommendations intended to strengthen the DOI's information security program as well as those of the bureaus and offices. The DOI faces challenges in managing its complex information systems and operating a secure infrastructure to protect Federal computer networks and data from cyber threats.

In our 2020 evaluation, *Evil Twins, Eavesdropping, and Password Cracking: How the Office of Inspector General Successfully Attacked the U.S. Department of the Interior's Wireless Networks*, we found the DOI did not deploy and operate a secure infrastructure across hundreds of wireless networks. Without secure wireless networks, the DOI's high-value IT assets are vulnerable to potential breaches, which could cripple DOI operations and result in the loss of highly sensitive data.

GAO High-Risk Areas

Ensuring the Cybersecurity of the Nation

Improving the Management of IT Acquisitions and Operations

6

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): IT SECURITY

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

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

Evil Twins, Eavesdropping, and Password Cracking: How the Office of Inspector General Successfully Attacked the U.S. Department of the Interior's Wireless Networks (Report No. 2018–ITA–020)

Recommendation Progress

Of the 22 recommendations we made to the DOI and its bureaus and offices, 19 are closed.

Data Quality

The DOI relies on a wide variety of data to perform its mission. For example, according to the DOI, these data range from information about diversity, access, and equity for its decisions on staffing and contracts to geophysical and water quality information needed for its decisions about wetland management, mineral and resource leases, scientific and environmental research, and recreational site maintenance. The quality and accuracy of data substantially affects how effectively the DOI accomplishes its mission.

Our work, however, has identified data reliability issues across a variety of DOI programs. For example, we have identified concerns within the mineral leasing program, royalty reporting, a previous Freedom of Information Act review process, and the compensatory mitigation program. The GAO states that information such as data, statistics, and studies can provide important insights to Federal agencies and that they should use that data and evidence to understand and improve program performance ("Using Data and Evidence to Improve Federal Programs"). In its *FY 2022–2026 Strategic Plan*, the DOI outlined its plans to fully use the breadth of data within the DOI to support planning and decisions and to harness technologies to expand data management to make it searchable, accessible, interoperable, and reusable for staff, collaborators, and the public. Without complete, timely, and accurate data, however, the DOI will face challenges in fostering accountability and accomplishing its mission efficiently.

Source: iStockphoto

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Source: iStockphoto

In a 2022 report, *Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments*, we found that, although ONRR established some internal controls and processes to ensure accurate royalty reporting for adjustments, improvements are needed. Specifically, we found that ONRR did not ensure that reasons for royalty adjustments were accurately identified, was not fully able to identify and monitor royalty reporting risks, and did not have automated processes in place to apply overpayments and reporting adjustments that reduce royalties owed. Federal oil and gas royalty revenue is one of the most significant nontax revenue generators for the Federal Government. Given the significance of these resources, ONRR must ensure that it has accurate data detailing the reasons for adjustments. Correcting the identified deficiencies and enforcing established processes would improve internal controls surrounding royalty adjustment reporting.

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): DATA QUALITY

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

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

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

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

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

Recommendation Progress

Of the 27 recommendations we made to the DOI and its bureaus and offices, 6 are closed.

8

Energy

The DOI is the steward of Federal energy resources—including oil, gas, coal, hydropower, and renewable energy. According to ONRR, the DOI collects more than $10 billion in revenues from leases for energy and natural resource development on the Outer Continental Shelf and onshore Federal and Indian lands on an annual basis. Energy and natural resource revenues benefit every American, either directly through payments to tribes and individual mineral owners or indirectly through contributions to Federal and State programs.

Our work has identified an array of challenges in the area of energy. For example, the GAO specifically stated that the DOI continues to face challenges with ensuring that the Federal oil and gas program provides a "fair return" to taxpayers. Energy development can also pose significant risks to the environment, including dust and water runoff, methane emissions, and oil spill contamination. As Federal mineral leaseholders and operators, energy companies must comply with Federal regulations. BSEE inspects and regulates lease operators' offshore production activities, while the BLM inspects onshore activities. We have previously found issues with BSEE and BLM inspection processes. The DOI faces challenges in managing complex energy operations, including collecting revenues; overseeing leasing; and ensuring that development is safe, efficient, and sustainable.

In a recent management advisory, *Allegations of Safety and Employee Health Hazards and Excessive Flaring at the Cliffside Helium Enrichment Unit,* we investigated serious safety and health allegations from employees and contractors at a BLM helium plant. Multiple witnesses alleged that local BLM management was aware of mismanagement and unsafe operations and, for years, took no action to address concerns. After we briefed BLM leadership, the BLM shut down the plant for an extended period to resolve critical safety issues. The Occupational Safety and Health Administration subsequently issued 21 "notices of unsafe working conditions" to the facility, including 5 "egregious willful violations."

GAO High-Risk Area

Management of Federal Oil and Gas Resources

Source: NPS

9

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): ENERGY

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

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

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

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

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

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

Recommendation Progress

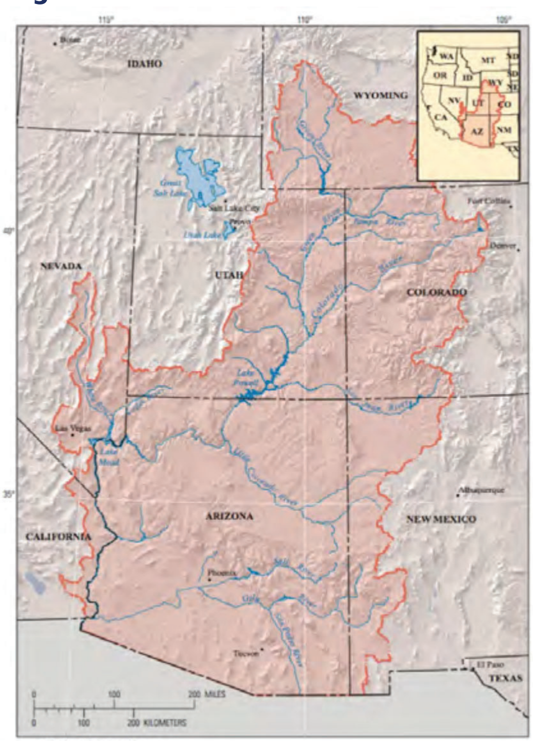
Of the 23 recommendations we made to the DOI and its bureaus and offices, 8 are closed.

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. Recently, the Commissioner testified that most Western watersheds have had successive and compounding years of drought. For example, the Colorado River Basin, which covers more than 246,000 square miles in seven U.S. States and Mexico, provides water, power production, fish and wildlife habitat, and recreation, among other uses (see Figure 3). The Colorado River Basin, however, is experiencing the driest 22-year period in more than 100 years of historical records, and water demands have been exceeding natural flows.

The Inflation Reduction Act (Pub. L. No. 117–169) authorized an additional $4 billion for the BOR for drought mitigation in the West, with priority given to Colorado River Basin activities, including compensation for reduction in water diversions and funding for system conservation projects and ecosystem restoration to address drought.

Figure 3: Colorado River Basin



Source: USGS

10

According to the BOR, in addition to managing water, it owns and operates 53 hydroelectric powerplants, comprising 176 generating units and more than 14 million kilowatts in capacity, which accounts for 23 percent of the hydroelectric generating capacity in the Western United States. The Colorado River hydropower facilities at Lake Mead and Lake Powell, the two largest reservoirs in the United States, can also provide up to 4,200 megawatts of electrical power per year. Revenues from those hydropower facilities are invested in the underlying public infrastructure to ensure continued, reliable operations and benefits throughout the Colorado River Basin. These revenues would be eliminated if water levels in Lake Mead or Lake Powell fall below the minimum elevation needed to run the dams' hydroelectric plants.

During this ongoing historic drought, the DOI faces challenges in managing the delivery of water, protection of fish and wildlife habitat, and the generation of hydroelectric power. We are performing work on the BOR's Central Valley Project, which is a complex, multipurpose network of dams, reservoirs, canals, hydroelectric powerplants, and other facilities that supplies domestic and industrial water to major urban centers in the Greater Sacramento and San Francisco Bay areas and produces electrical power.

Water levels at Lake Mead have declined since a high of 1,200 feet in 2000. As of August 2022, the lake was filled to just 27 percent of its capacity. The BOR projects that Lake Mead could fall below 1,000 feet of elevation in 2024, and researchers worry it could eventually hit "dead pool"—the point where lake levels fall so low that water can no longer flow downstream through Hoover Dam to users in Arizona, California, and Mexico. In response to these conditions, the BOR announced in August 2022 that Lake Mead will operate in its first-ever Level 2 Shortage Condition, which requires a 21-percent reduction in Arizona's apportionment, an 8-percent reduction for Nevada, and a 7-percent reduction for Mexico for calendar year 2023.

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): WATER AND POWER MANAGEMENT

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

Summary: BOR Employee Diverted Water From Federal Canal to Private Ranch
(Report No. 19–0716)

The Bureau of Reclamation Did Not Effectively Manage the San Luis Demonstration Treatment Plant
(Report No. 2017–WR–048–B)

Recommendation Progress

Of the 7 recommendations we made to the DOI and its bureaus and offices, 4 are closed.

Source: iStockphoto

Responsibility to Native Americans

The DOI is the primary Federal agency charged with carrying out the United States' trust responsibility to American Indians and Alaska Natives. The DOI's *FY 2022–2026 Strategic Plan* highlighted its policy to fulfill its legal obligations to identify, protect, and conserve tribal trust resources; carry out its trust relationship with tribal nations; and engage in robust, interactive, predecisional, informative, and transparent consultation on a government-to-government basis through all bureaus and offices on plans or actions that affect tribal interests. DOI Indian Affairs—including the BIA, BIE, BTFA, and Office of the Assistant Secretary – Indian Affairs—carries out the DOI's trust responsibilities.

The BIA's mission is to enhance the quality of life, promote economic opportunity, and carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaska Natives. The BIE's mission is to provide quality education opportunities at 183 BIE-funded elementary and secondary schools, located on 64 reservations in 23 States, which serve approximately 46,000 Indian students. Of these, 53 are BIE-operated, and 130 are tribally controlled under BIE contracts or grants. Our work has, for many years, identified key weaknesses in BIE school facilities and has consistently cited numerous and significant financial management issues at the BIA and BIE that leave federally funded programs and operations in Indian Country susceptible to fraud, waste, mismanagement, and abuse. The DOI faces challenges managing the United States' trust responsibilities while maintaining and overseeing the Federal programs that serve Native Americans.

Over the last decade, Pine Hill School and DOI Indian Affairs have struggled to correct unsafe and poor facility conditions that jeopardize student, staff, and visitor safety. In a 2021 followup inspection, *Facility Improvements Still Needed at Pine Hill School*, we found that the school made progress since our previous visits and that school and Indian Affairs officials implemented 9 of the 12 recommendations from our prior reports. However, we also identified new concerns—for example, the heating and cooling systems had not been inspected by a professional in the past 5 years—that could challenge future efforts to improve conditions.

GAO High-Risk Area

Improving Federal Management of Programs that Serve Tribes and Their Members

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): RESPONSIBILITY TO NATIVE AMERICANS

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

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

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

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

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

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

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

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

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

Summary: Tribe Misapplied More than $12.4 Million and Still Owes More than $4.4 Million (Report No. 18–0132)

Summary: Former President of the Northern Cheyenne Tribe Stole Funds by Forging False Travel Receipts (Report No. 18–0272)

Summary: Oglala Sioux Tribe Member Fraudulently Obtained BIA General Assistance Funds (Report No. 18–0920)

Weaknesses in the Office of the Special Trustee for American Indians' Death Record Process Threaten Proper Distribution of Trust Payments (Report No. 2018–ER–062)

Recommendation Progress

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

Source: iStockphoto

13

CHALLENGE AREA

Ensuring Health and Safety

Carrying out the DOI mission depends on protecting the health and safety of its workforce and the public. According to its FY 2023 *The Interior Budget in Brief*, the DOI employs almost 70,000 people and has more than 130,000 volunteers who support and serve more than 500 million visitors to public lands each year at approximately 2,400 locations across the United States, Puerto Rico, and Insular Areas. Ensuring employee and public safety is 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. Below, we summarize the DOI's challenges, plans, and progress on health and safety issues related to wildfire management, law enforcement, and addressing climate impact.

Wildfire Management

Wildfires have devastating impacts to local communities, public resources, ecosystems, life, and personal property. According to Congressional Research Service Report No. IF10244, in FY 2021, nearly 6,000 structures—60 percent of which were residences—burned in wildfires across the United States. In 2021, DOI fire suppression costs totaled $648 million, with 58,985 fires burning more than 7 million acres across the United States. The DOI's wildfire management program addresses wildfire response for more than 400 million acres of national parks, wildlife refuges and preserves, other public lands, and Indian reservations. The program consists of the Office of Wildland Fire (responsible for oversight) and the four bureaus with wildland fire management responsibilities—the BIA, BLM, FWS, and NPS.

In December 2019, the GAO reported that wildfires have been increasing in size and severity, exacerbated by abnormally dense vegetation, drought, and other climate stressors. The IIJA authorized an additional $1.5 billion to the DOI for wildland fire management over the next 5 years. These funds are to be focused on strengthening the resilience of communities and

> Wildland fire management includes reducing dense vegetation and fuels to lower the potential for severe wildfires, lessen fire damage, and restore and maintain healthy ecosystems. Each year, the DOI receives funding to reduce overgrown vegetation on public lands, but there are significantly more high-risk acres than the DOI can treat. In 2019, the GAO noted that 54 million acres of DOI lands were at high or very high risk from wildfires; however, the DOI's FY 2018 fuel reduction projects treated 1.3 million acres. The IIJA authorized an additional $156.3 million for FY 2023 for the DOI to plan and implement fuels management—e.g., mechanical thinning and prescribed burns—and employ contractors, young adults, veterans, and Native American youth.

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ecosystems by making historic investments in forest and rangeland restoration, hazardous fuels management, science, early wildfire detection technology, post-wildfire restoration activities, and Federal wildland firefighters. Separately, with fire seasons now extended throughout the calendar year, the DOI has stated that there is a need for a year-round workforce. The DOI is continuing its efforts to reform its wildland fire workforce and, in 2022, implemented temporary pay improvements for Federal wildland firefighters. The DOI faces challenges in maintaining and recruiting a firefighting workforce, managing ecosystems to reduce fuels, and responding to active wildfires. We are performing work that assesses the DOI's wildland fire equipment program.

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): WILDFIRE MANAGEMENT

CARES Act Funds for DOI's Wildland Fire Management Program as of June 19, 2020 (Report No. 2020–ER–042)

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 in areas that require multiple agencies to coordinate. Among executive branch departments, the DOI has the fourth largest law enforcement component, totaling approximately 4,000 law enforcement officers in 5 bureaus and offices: the BIA, BLM, FWS, NPS, and U.S. Park Police (a unit of the NPS with jurisdiction in all Federal parks). The DOI's law enforcement responsibilities, policies, and priorities continue to evolve.

In response to what was described as the combination of rising crime rates in communities around the country and law enforcement staffing shortages and low morale since early 2020, the President issued Executive Order No. 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety*, in May 2022. The order includes several law enforcement reforms, including providing Federal law enforcement officers with clear guidance on use-of-force standards, and ensuring body-worn cameras and advanced law enforcement technologies are appropriately used. The Executive Order required issuance of relevant policies within 90 days of its signature. We are performing additional work in this area, but

In our 2022 inspection, *The U.S. Department of the Interior and Its Bureaus Have Not Finalized and Implemented Their Body Camera Policies*, we found that the DOI has never issued a finalized body camera policy, even though its bureaus have been using body cameras since at least 2016. Additionally, three of the four bureaus that had body camera policies at the time of our 2018 report have not updated them to comply with the interim policy the DOI issued in late 2017. As a result, these bureaus continue to operate under policies that are not consistent with minimum standards established in the DOI's interim body camera policy. After we issued our report, the DOI announced several new policies, including one governing body-worn cameras and vehicle-mounted cameras.

work to date identified significant safety concerns and other deficiencies at the USPP's dispatch operations center in Washington, DC, which we described as undermining its ability to achieve its core public safety mission. In addition, the DOI faces challenges in maintaining and recruiting a law enforcement workforce while adapting to changing responsibilities, policies, and priorities.

OIG HIGHLIGHTED WORK (ISSUED FYs 2020–2022): LAW ENFORCEMENT

The U.S. Department of the Interior and Its Bureaus Have Not Finalized and Implemented Their Body Camera Policies (Report No. 2021–WR–019)

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

Safety Concerns and Other Deficiencies at the U.S. Park Police's Dispatch Operations Center in the Washington, DC Metropolitan Area (Report No. 21–0171)

Review of U.S. Park Police Actions at Lafayette Park (Report No. 20–0563)

The Bureau of Indian Affairs' Coronavirus Response at Indian Country Detention Facilities (Report No. 2020–WR–044)

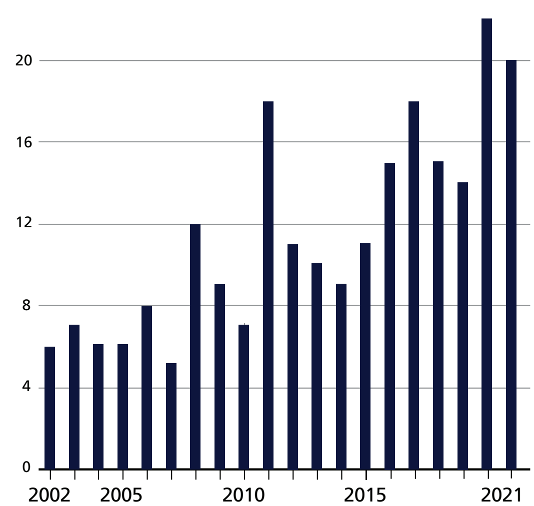
Recommendation Progress

Of the 13 recommendations we made to the DOI and its bureaus and offices, 2 are closed.

Agency Actions To Address Climate Impact

According to the *Fourth National Climate Assessment*, climate change is causing potentially harmful effects on marine and other animal life, increased high temperature extremes and heavy precipitation events, warming and rising seas, more frequent flooding, and increasing wildfires. Natural disasters can expose Federal real property assets—including office buildings, levees, roads, and bridges—to physical damage that can require substantial resources to repair or rebuild. According to the National Oceanic and Atmospheric Administration, climate change is a contributing factor to increasing extreme weather that leads to $1 billion disasters. In 2021, the United States experienced 20 separate weather and climate disasters where overall damages reached or exceeded $1 billion (see Figure 4).

Figure 4: Number of United States Disasters Exceeding $1 Billion in Damage 2002–2021



In its 2021 *Climate Action Plan*, the DOI emphasized its role in protecting and mitigating impacts to public and tribal lands and its goals of ensuring that climate adaptation and mitigation strategies are implemented effectively and equitably. As discussed earlier, the IIJA provides funding to help address climate change and restore ecosystems. The Inflation Reduction Act authorized an additional $5.8 billion for the DOI to address climate issues, such as the drought crisis in the West, climate resilience, and assistance to tribal and Native Hawaiian communities and Insular Areas. The DOI faces challenges in effectively and efficiently implementing its policies that confront the effects of climate change on its mission, programs, operations, and personnel. We are performing work that assesses whether the BIA and Office of Insular Affairs' climate change activities are meeting the DOI's goals for resilience and adaptation.

GAO High-Risk Area

Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks

The Fourth National Climate Assessment notes that tribes can be uniquely and disproportionately affected by rapidly changing climates and extreme weather events due to the location of tribal lands and the tribes' high dependence on their lands and natural resources to sustain their economic, cultural, and spiritual practices. The BIA forecast that Alaska Natives will need $3.45 billion over the next 50 years to address climate-related infrastructure threats. Nearly all tribes have economies linked to climate-sensitive resources or are located in (1) coastal and river flood plains—which are prone to climate-related sea level rise, high-tide flooding, coastal erosion, and high storm surge—or (2) areas prone to extreme weather events.

Source: iStockphoto

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

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.

If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at **www.doioig.gov/hotline** or call the OIG hotline's toll-free number: **1-800-424-5081**

Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.

Results of Financial Statement Audit

As required by the CFO Act and GMRA, DOI prepares consolidated financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm, since FY 2001. The results of the FY 2022 financial statement audit are summarized in Figure 45. As shown in the table, DOI achieved an unmodified audit opinion for DOI's consolidated financial statements.

FIGURE 45

Summary of Financial Statement Audit					
FY 2022					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Controls Over Construction in Progress	0	1	0	0	1
Total Material Weaknesses	0	1	0	0	1

Management Assurances

The FMFIA requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls, including program, operational, and administrative areas as well as financial management and reporting. The DOI acknowledges a principal difference between the Department's FY 2022 FMFIA Assurance Statement, and the independent public auditor's opinion issued on the Department's FY 2022 consolidated financial statements related to a material weakness. Specifically, the Department's position on the accounting treatment applied to an asset under a Joint Federal Project construction-in-progress. The Department's accounting treatment of the subject asset has been based on the terms of the Memorandum of Agreement (MOA) between the Department and the Joint Federal Project partner federal agency. Based on the available information to the Department, a change in accounting treatment is not required at this time for the subject asset. During FY 2023, the Department will remain committed to partnering with key stakeholders to determine the validity of the audit finding issued to the Department. The DOI's FY 2022 Assurance Statement was unmodified, as indicated in Figure 46.

FIGURE 46

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

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

FIGURE 47

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 48

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). On March 5, 2021, the OMB issued an update to Appendix C of OMB Circular A-123 (Appendix C) in Memorandum M-21-19 *Requirements for Payment Integrity Improvement*. Appendix C identifies the requirements for agencies to maintain compliance with the PIIA including Phase 1 Risk Assessments and Phase 2 Statistical Sample Testing of high-risk programs.

Payment Integrity 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 OMB 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 (In Cycle Risk Assessment). With OMB concurrence, DOI utilizes an alternative annual assessment period from Quarter 4 of the prior fiscal year through Quarter 3 of the current fiscal year.

In FY 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 thirteen risk factors identified in Appendix C to assess a program's susceptibility to improper payment including: (1) newness of the program to the agency; (2) complexity of the program with respect to determining correct payment amounts; (3) volume of payments made annually; (4) payment decision authority, (i.e., whether payment eligibility decisions are made outside of the agency); (5) recent major changes in program funding, authorities, practices or procedures; (6) the level, experience, and quality of training for personnel responsible for making program eligibility determinations or certifying payments are accurate; (7) inherent risks due to the nature of agency programs or operations; (8) audit report findings that may hinder accurate payment certification; (9) quality of internal controls; (10) similarity to other programs that have reported improper payment and unknown payment estimates or been deemed susceptible to significant improper payments; (11) the accuracy and reliability of improper payment and unknown payment estimates previously reported for the program, or other indicators of potential susceptibility; (12) lack of information or data systems to confirm eligibility or provide for other payment integrity need; and (13) fraud risk under the GAO's (Green Book) internal controls standards. For FY 2022, the DOI utilized a risk assessment methodology that equally weighs the thirteen Appendix C risk factors to yield each 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 of program risk.

In FY 2021, DOI performed an Out of Cycle risk assessment of twenty-five (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. This year, the OIG determined the Department was compliant with the PIIA and Appendix C reporting requirements including the agency's FY 2021 payment integrity risk assessments. In its report, OIG made two recommendations for the Department including: (1) Reassess the use of an equally weighted qualitative factor approach in its payment integrity risk assessment methodology to determine if it is appropriate and provides reasonable assurance that it will identify programs at high risk of improper or under payment; and (2) Revise the payment integrity risk assessment methodology to include sufficient justification for the approach selected and used. DOI concurred with the OIG recommendations, and in FY 2023 will reassess the Department's equally weighted qualitative risk factor approach to our payment integrity risk assessments, and will implement applicable updates to our Payment Integrity SharePoint site (if necessary).

In FY 2022, DOI completed an In Cycle Appendix C Phase 1 Risk Assessment of all DOI programs with over $10 million in outlays for the assessment period of Quarter 4 of FY 2021 through Quarter 3 of FY 2022 (assessment period). A total of one hundred and ten (110) program risk assessments were performed in the PIIA SharePoint, with a total of $28,109.33 million in outlays for the assessment period. The 110 risk assessments included eight (8) embedded programs funded through Pandemic Relief legislation with a total of $225.95 million in outlays for the assessment period. None of the 110 risk assessments performed in FY 2022 resulted in a program being identified as being at high risk of susceptibility to significant improper payments, with no new programs requiring Appendix C Phase 2 Testing in FY 2023.

FY 2022 DOI Programs Assessed for Risk of Improper Payments

In FY 2022, the Department risk assessed the following programs. Those programs marked with an asterisk also include an embedded program funded through Pandemic Relief legislation that was individually risk assessed for improper payments.

- Abandoned Mine Reclamation Fund, Office of Surface Mining Reclamation and Enforcement, Interior
- Assistance to Territories, Insular Affairs, Interior*
- California Bay-Delta Restoration, Bureau of Reclamation, Interior
- Central Utah Project Completion Account - Recovery Act, Bureau of Reclamation, Interior
- Central Valley Project Restoration Fund, Bureau of Reclamation, Interior
- Child Care Entitlement to States, Administration for Children and Families, Health and Human Services for Bureau of Indian Affairs, Interior
- Colorado River Dam Fund, Boulder Canyon Project, Bureau of Reclamation, Interior
- Compact of Free Association, Insular Affairs, Interior
- Construction, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Construction, National Park Service, Interior
- Construction, U.S. Fish and Wildlife Service, Interior
- Contract Support Costs, Bureau of Indian Affairs and Bureau of Indian Education, Interior*
- Contribution for Annuity Benefits, National Park Service, Interior
- Cooperative Endangered Species Conservation Fund, from Land and Water Conservation Fund, U.S. Fish and Wildlife Service, Interior
- Cooperative Endangered Species Conservation Fund, U.S. Fish and Wildlife Service, Interior
- Departmental Operations, Land and Water Conservation Fund, Departmental Offices, Interior
- Departmental Operations, Office of the Secretary, Interior
- Departmental Operations, Office of the Secretary, National Park Service, Interior*
- Departmental Operations, Office of the Secretary, U.S. Fish and Wildlife Service, Interior*
- Departmental Operations, Office of the Secretary, U.S. Geological Survey, Interior*
- Donations, National Park Service, Interior
- Education Construction, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Federal Aid to Wildlife Restoration, U.S. Fish and Wildlife Service, Interior
- Federal Aid-Highways (Liquidation of Contract Authorization) DOT, U.S. Fish and Wildlife Service, Interior
- Federal Aid-Highways (Liquidation of Contract Authorization), Bureau of Indian Affairs, Interior
- Federal Aid-Highways (Liquidation of Contract Authorization), National Park Service, Interior
- Federal Trust Programs, Bureau of Trust Funds Administration, Interior
- Funds Reserved, Oregon and California Grant Lands, Bureau of Land Management, Interior
- Guaranteed Loan Financing Account, Bureau of Indian Affairs, Interior
- Helium Fund, Bureau of Land Management, Interior
- Highway Infrastructure Programs, Federal Highway Administration, Transportation*
- Historic Preservation Fund, National Park Service, Interior
- Indian Guaranteed Loan Program Account, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians, Bureau of Indian Affairs and Bureau of Indian Education, Interior
- Interior Franchise Fund, Departmental Management, Interior
- Land Acquisition and State Assistance, National Park Service, Interior
- Land Acquisition, Bureau of Land Management, Interior
- Land Acquisition, U.S. Fish and Wildlife Service, Interior
- Land and Resources Management Trust Fund, Bureau of Land Management, Interior
- Lower Colorado River Basin Development Fund, Bureau of Reclamation, Interior
- Management of Lands and Resources, Bureau of Land Management, Interior
- Migratory Bird Conservation Account, U.S. Fish and Wildlife Service, Interior
- National Indian Gaming Commission, Gaming Activity Fees, Interior
- National Parks and Public Land Legacy Restoration Fund, Department-Wide Programs, Bureau of Land Management, Interior
- National Parks and Public Land Legacy Restoration Fund, Department-Wide Programs, National Park Service, Interior
- National Parks and Public Land Legacy Restoration Fund, Department-Wide Programs, U.S. Fish and Wildlife Services, Interior
- National Recreation and Preservation, National Park Service, Interior
- National Wildlife Refuge Fund, U.S. Fish and Wildlife Service, Interior

- Natural Resource Damage Assessment and Restoration Fund, Office of the Secretary, Interior
- Natural Resource Damage Assessment and Restoration Fund, U.S. Fish and Wildlife Service, Interior
- North American Wetlands Conservation Fund, U.S. Fish and Wildlife Service, Interior
- Ocean Energy Management, Bureau of Ocean Energy Management, Interior
- Office of Natural Resources Revenue, Department-Wide Programs, Interior
- Offshore Safety and Environmental Enforcement, Bureau of Safety and Environmental Enforcement, Interior
- Oil Spill Research, Bureau of Safety and Environmental Enforcement, Interior
- Operation and Maintenance of Quarters, National Park Service, Interior
- Operation and Maintenance, Indian Irrigation Systems, Bureau of Indian Affair, 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*
- Operation of the National Park System, National Park Service, Interior
- Oregon and California Grant Lands, Bureau of Land Management, Interior
- Outer Continental Shelf Revenues, Land and Water Conservation Fund, Share from Certain Leases, National Park Service, Interior
- Park Concession Franchise Fees, National Park Service, Interior
- Payment to States for the Child Care and Development Block Grant, Administration for Children and Families, Health and Human Services for Bureau of Indian Affairs, Interior
- Payment to the United States Territories, Fiscal Assistance, Insular Affairs, Interior
- Payments for Tribal Leases, Bureau of Indian Affairs, Interior
- Payments in Lieu of Taxes, Departmental Management, Interior
- Payments to States in Lieu of Coal Fee Receipts, Office of Surface Mining Reclamation and Enforcement, Interior
- Permit Processing Fund, Bureau of Land Management, Interior
- Policy and Administration, Bureau of Reclamation, Interior
- Power Systems, Indian Irrigation Projects, Bureau of Indian Affairs, Interior
- Reclamation Water Settlements Fund, Bureau of Reclamation, Interior
- Recreation Enhancement Fee Program, Bureau of Land Management, Interior
- Recreation Enhancement Fee Program, National Park Service, Interior
- Regulation and Technology, Office of Surface Mining Reclamation and Enforcement, Interior
- Resource Management, U.S. Fish and Wildlife Service, Interior
- Salaries and Expenses, Office of the Inspector General, Interior
- Salaries and Expenses, Office of the Solicitor, Interior
- Selis-Qlispe Ksanka Settlement Trust Fund
- Service Charges, Deposits and Forfeitures, Bureau of Land Management, Interior
- Southern Nevada Public Land Management, Bureau of Land Management, Interior
- Sport Fish Restoration Account, U.S. Fish and Wildlife Service, Interior
- State and Tribal Wildlife Grants, U.S. Fish and Wildlife Service, Interior
- Supplemental Payments to United Mine Workers of America (UMWA) Health Plans, Office of Surface Mining Reclamation and Enforcement, Interior
- Surveys, Investigations, and Research, U.S. Geological Survey, Interior
- Temporary Assistance for Needy Families, Bureau of Indian Affairs, Interior
- Training and Employment Services, Employment and Training Administration, Bureau of Indian Affairs, Interior
- Transportation Systems Fund, National Park Service, Interior
- Trust Land Consolidation Fund, Bureau of Trust Funds Administration, Interior
- Upper Colorado River Basin Fund, Bureau of Reclamation, Interior
- Utah Navajo Settlement Trust Fund - Infrastructure Investment and Jobs Act, Bureau of Indian Affairs, Interior
- Utah Reclamation Mitigation and Conservation Account, Bureau of Reclamation, Interior
- Water and Related Resources, Bureau of Reclamation, Interior
- White Mountain Apache Fund Settlement Fund, Bureau of Indian Affairs, Interior
- Wildfire Management, Bureau of Land Management, Interior
- Wildfire Management, National Park Service, Interior
- Wildland Fire Management, Department-Wide Programs, Interior
- Wildland Fire Management, U.S. Fish and Wildlife Service, Interior
- Wildland Fire, Bureau of Indian Affairs, Interior
- Working Capital Fund, Bureau of Land Management, Interior
- Working Capital Fund, Bureau of Reclamation, Interior
- Working Capital Fund, Departmental Management, Interior
- Working Capital Fund, U.S. Geological Survey, Interior

Sampling and Estimation

DOI is required to design and implement appropriate statistical sampling and estimation methods to produce statistically valid improper payment estimates for all programs and activities determined to be "susceptible to significant improper payments" through Appendix C Phase 2 Testing. DOI employs a testing methodology using statistical sampling to estimate the amount and percentage of improper payments based on the prior year's program expenditures. In developing its sampling and estimation plans, DOI consults with a certified statistician to ensure its testing methodology will produce statistically valid improper payment estimates.

In FY 2020, the *Bipartisan Budget Act of 2018* initiated an improper payment reporting requirement for DOI programs funded under the "emergency supplemental appropriations to respond to and recover from recent hurricanes, wildfires, and other disasters." As described in OMB M-18-14, *Implementation of Internal Controls and Grant Expenditures for the Disaster-Related Appropriations* (DRA), all programs and activities expending more than $10 million in any one fiscal year were deemed to be susceptible to significant improper payments. In FY 2020, the DOI performed statistical sampling of the DRA program's FY 2019 expenditures that resulted in an overall error rate of 0.07 percent with a statistically estimated $.0185 million in improper payments against total program outlays of $27.44 million. These results were achieved with a precision rate of 1.58 percent with a 95 percent confidence level. The 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) in FY 2021 and continuing in FY 2022, the Department moved from Phase 2 Testing of the DRA program to Phase 1 risk assessment of DRA funded programs with greater than $10 million in expenditures for the current assessment period.

The Hurricane Sandy Disaster Relief Act is the only other DOI program currently identified as susceptible to significant improper payments in OMB Memorandum M-13-07. In FY 2016, DOI performed statistical sampling of the Hurricane Sandy FY 2015 program expenditures and projected an improper payment rate of $565 thousand or 0.41 percent out of a total $137 million in program payments. Due to the program's low estimated improper payment rate, with OIG concurrence, DOI requested and was granted relief from OMB reporting requirements including further sampling and estimation. As a result, Phase 2 Testing does not apply to DOI for the Hurricane Sandy Relief Act program and is excluded accordingly.

DOI's FY 2019 In Cycle risk assessment and FY 2020/FY 2021 Out of Cycle risk assessments found no program at high risk of susceptibility to significant improper payments requiring Phase 2 Testing this fiscal year. Further, FY 2022 In Cycle Risk Assessment results of all DOI programs did not identify any high-risk programs requiring Phase 2 Testing in FY 2023.

For additional information regarding the DOI's PIIA and Appendix C payment integrity reporting and compliance efforts including Phase 1 Risk Assessments and prior year Phase 2 Test results please refer to PaymentAccuracy.gov at: ***https://paymentaccuracy.gov***.

Overpayments Identified and Recaptured

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 2022, the DOI had $28,061.41 million in outlays for all programs or activities that expend $1 million or more annually. For efforts conducted outside of payment recapture audits, DOI identified $4.41 million or .02 percent in overpayments and recovered $6.17 million or .02 percent. The sources used to identify the overpayments and recovered amounts were self-reported data gathered through Department Office and Bureau internal control reviews and single audit reports. In FY 2023, DOI will continue its efforts to recapture the balance identified but not recaptured in FY 2022.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

Pursuant to EO 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 and unknown payments. The PIIA and recent update to Appendix C of OMB Circular A-123, (see Section IV.E. The Do Not Pay Initiative on page 31 of 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 and prevent improper payments and unknown payments 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, the Department of Defense Death Data File, and the American Info Source Obituary and Probate Files prior to payment, and to determine if improper payments and/or unknown payments were made. For FY 2022, there were no items that were deemed improper payments or unknown payments. All matches received by DOI have been adjudicated and deemed proper. DOI will continue to utilize the DNP Initiative to reduce improper payments, unknown payments and/or improper awards.

Other Efforts

The following are other efforts that DOI undertakes to identify and recover improper payments agency-wide:

- **Prepayment Audit of Government Bills of Lading (GBL).** The DOI conducts prepayment audits of freight bills via GBL. This effort is required by the Travel and Transportation Reform Act of 1998. Efforts continue with DOI's Bureaus 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 both pre- and post-travel voucher audits. The audits are designed to identify incorrect payment amounts, unauthorized claims, and internal controls over the payment process.
- **Payment Integrity Center of Excellence (PICOE).** The PFM continued its collaborative approach with PICOE in FY 2022 to identifying actionable solutions as it relates to the Department's payment integrity challenges.
- **Government Charge Card.** For the FY 2022 internal control cycle, the PAM required the Department Offices and Bureaus to perform the following charge transaction reviews: Prohibited Purchases; Split Purchases; Tax Exemption; Review Statements and Attached Documentation; Timely Approval of Statements; and Fraud, Abuse, Misuse and Collusion. No significant deficiencies or material weaknesses were identified.
- **Payment Integrity Monitoring Capabilities.** The Department is building its Payment Integrity monitoring capabilities to perform independent assessments and validate results being provided by the Bureaus.

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; implementing control activities to mitigate assessed fraud risks; and evaluating outcomes to improve fraud risk management. Moreover, DOI is evaluating key concepts and implementation strategies outlined in the U.S. Chief Financial Officers Council's Anti-Fraud Playbook.

In FY 2022, the DOI OIG reported a total of $1.32 million in confirmed fraud that was adjudicated this fiscal year across the Department's Offices and Bureaus. Additionally, in FY 2022, the Department enhanced its oversight functions for OMB A-123 (i.e., fraud management) by conducting several independent investigations of programs where potential fraud was suspected. The results of these reviews and recommendations were provided to the PFM's leadership, applicable Bureau and Office leadership, and OIG, if applicable. The DOI's strategy continues to leverage existing activities with planned enhancements to effectively manage and reduce fraud including the following initiatives:

- The DOI uses FBMS, a consolidated, standardized financial and business management system that provides DOI with the ability to view transactions across all organizational units, see trends and anomalies, as well as monitor risk and metrics Department-wide. In addition, transaction processing is more standardized, and automated controls are enhanced (i.e., required purchasing approvals, segregation of duties, etc.). This integrated financial system provides a solid foundation for DOI's fraud risk program.
- The DOI uses several tools to identify and evaluate the risk of fraud, including the entity-level assessment tool, internal control risk assessments and the PIIA risk assessment. The entity-level assessment tool assesses the "tone-at-the-top" to measure leadership's commitment to program integrity, ethical values, and combatting fraud.

  The Entity Level assessment tool, which includes the Green Book's assessment of the fraud risk principle, is completed annually by senior leadership in Bureaus. In FY 2022, DOI created the first Departmental Entity Level assessment by consolidating the results from the Bureaus, identifying and evaluating controls in place at the Departmental level, including departmental controls to mitigate fraud and promote ethical values. The DOI evaluated this process for opportunities to align the tool for improved fraud management.
- Under DOI's existing A-123 internal control program, Bureaus: assess risks to determine the level of inherent risk, including fraud risk, for all DOI programs; evaluate whether internal controls mitigate those risks to acceptable levels; and conduct risk-based internal control reviews to determine whether controls are operating as intended.
- As previously discussed in the Payment Integrity Risk Assessment section on page 177, in FY 2022, DOI performed a PIIA risk assessment to determine the susceptibility to improper payments on one hundred and ten (110) programs, that included programmatic and transactional assessment of each program for fraud risk.
- Management evaluated the current organization structure to manage fraud and implemented enhancements such as travel and charge card policies within DOI and emphasizing the standards of ethical conduct for all employees to ensure proper use of taxpayer dollars.
- In FY 2022, DOI provided online fraud risk training to the Bureau internal control coordinators, program managers, supervisors and the OIG to enhance fraud prevention, detection, and response skills and promote a commitment to fraud prevention and detection throughout DOI.
- The DOI's Audit Management Division (AMD) tracks corrective action plans in place to address external auditor recommendations. The DOI holds senior management accountable for resolving audit recommendations by including a critical element for audit recommendation closure in Senior Executive Service performance plans. Any significant fraud risk deficiencies identified in an audit will be formally tracked and reported in the AMD. The Department implemented over 90 percent of recommendations issued by external auditors in FY 2022.
- Monitoring activities serves as an early warning tool to identify and resolve issues. The DOI will continue to evaluate the outcomes of its fraud risk assessments and adapt activities to counter any deficiencies noted with a particular focus on improved outcomes.

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (collectively "the Act"), requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties (CMP) to maintain their deterrent effect. For FY 2022, DOI performed annual inflationary adjustments of fifty-seven (57) CMP utilizing a cost-of living adjustment multiplier of 1.06222, in accordance with *OMB Memorandum M–22–07 Implementation of Penalty Inflation Adjustments for 2022, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015*. Figure 49 lists the FY 2022 CMP inflation adjustments published in the Federal Register and the CFR subject to the Act and OMB guidance.

FIGURE 49

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	2022	$11,506	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$14,536	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$1,453	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$57,527	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$27,612	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$4,490	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$1,368	Bureau of Ocean Energy Management	See 87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments* Note: The BOEM regulations at 30 CFR 550.1453 cross-reference regulations of the Office of Natural Resources Revenue (ONRR) at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2022	$1,368	Bureau of Safety and Environmental Enforcement	See 87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments* Note: Per 86 FR 34132, BSEE regulations at 30 CFR 250 Subpart N cross-reference regulations of the Office of Natural Resources Revenue (ONRR) at 30 CFR 1241.52 that also set maximum daily civil penalties amounts for FOGRMA violations.

(Continued)

FIGURE 49

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2022	$1,368	Office of Natural Resources Revenue	87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(b)(1)	Failure to comply	1983	2022	$1,198	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$1,198	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$13,693	Office of Natural Resources Revenue	87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments*
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	2022	$11,995	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$27,384	Office of Natural Resources Revenue	87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments*
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	2022	$23,989	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$68,462	Office of Natural Resources Revenue	87 FR 1671 (January 12, 2022) *https://www.federalregister.gov/documents/2022/01/12/2022-00165/2022-civil-monetary-penalty-inflation-adjustments*
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	2022	$59,973	Bureau of Land Management	87 FR 14177 (March 14, 2022) *https://www.federalregister.gov/documents/2022/03/14/2022-05351/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	2022	$57,527	National Indian Gaming Commission	87 FR 2549 (January 18, 2022) *https://www.federalregister.gov/documents/2022/01/18/2022-00835/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation*
Indian Trader Act - 25 U.S.C 264; 25 CFR § 140.3	Penalty for trading in Indian country without a license	1834	2022	$1,453	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 49

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Indian Trader Act 25 USC 261; 25 CFR 141.50	Penalty for trading on Navajo, Hopi or Zuni reservations without a license	1975	2022	$1,453	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(1); 50 CFR 11.33	(1) Violations referred to in 16 U.S.C. 3373(a)(1)	1981	2022	$29,074	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-inflation-adjustments-for-civil-monetary-penalties*
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(2); 50 CFR 11.33	(2) Violations referred to in 16 U.S.C. 3373(a)(2)	1981	2022	$727	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-inflation-adjustments-for-civil-monetary-penalties*
Marine Mammal Protection Act of 1972 - 16 U.S.C. 1375; 50 CFR 11.33	Any violation	1972	2022	$29,074	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$7,475	National Park Service	87 FR 4815 (1/31/2022) *https://www.govinfo.gov/content/pkg/FR-2022-01-31/pdf/2022-01937.pdf#page=1*
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	2022	$1,496	National Park Service	87 FR 4815 (1/31/2022) *https://www.govinfo.gov/content/pkg/FR-2022-01-31/pdf/2022-01937.pdf#page=1*
Oil Pollution Act of 1990 - 33 U.S.C. 2716(a); 30 CFR 553.51(a)	Failure to comply per day per violation	1990	2022	$51,796	Bureau of Ocean Energy Management	87 FR 15333 (March 18, 2022) *https://www.federalregister.gov/documents/2022/03/18/2022-05633/2022-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	2022	$48,862	Bureau of Safety and Environmental Enforcement	87 FR 10306 (February 24, 2022) *https://www.federalregister.gov/documents/2022/02/24/2022-03750/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	2022	$48,862	Bureau of Ocean Energy Management	87 FR 15333 (March 18, 2022) *https://www.federalregister.gov/documents/2022/03/18/2022-05633/2022-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	2022	$18,500	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$9,250	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-inflation-adjustments-for-civil-monetary-penalties*

(Continued)

FIGURE 49

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
Rhinoceros and Tiger Conservation Act of 1998 - 16 U.S.C. 5305a(b)(2); 50 CFR 11.33	Any violation	1998	2022	$20,238	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$73	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/civil-monetary-penalty-inflation-adjustments
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 723.14.	1977	2022	$18,391	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$2,758	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$73	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$18,391	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$2,758	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$18,391	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/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	2022	$18,391	Office of Surface Mining Reclamation and Enforcement	87 FR 15881 (March 21, 2022) https://www.federalregister.gov/documents/2022/03/21/2022-05624/civil-monetary-penalty-inflation-adjustments
Title 25 - Indians Authority: 25 U.S.C. 356; 25 CFR 213.37	Penalty for failure of lessee to comply with lease of restricted lands of members of the Five Civilized Tribes in Oklahoma for mining, operating regulations at part 213, or orders	1920	2022	$1,453	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments

(Continued)

FIGURE 49

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: 25 U.S.C. 396a-g; 25 CFR 211.55	Penalty for violation of leases of Tribal land for mineral development, violation of part 211, or failure to comply with a notice of noncompliance or cessation order	1938	2022	$1,747	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Sat. 599; 25 CFR 243.8	Penalty for non-Native transferees of live Alaskan reindeer who violates part 243, takes reindeer without a permit, or fails to abide by permit terms.	2006	2022	$6,852	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 225.37	Penalty for violation of minerals agreement, regulations at part 225, other applicable laws or regulations, or failure to comply with a notice of noncompliance or cessation order	1994	2022	$1,849	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.42	Penalty for violation of lease of Osage reservation lands for oil and gas mining or regulations at part 226, or noncompliance with the Superintendent's order	2016	2022	$1,037	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(a)	Penalty per day for failure to obtain permission to start operations	2016	2022	$103	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(b)	Penalty per day for failure to file records	2016	2022	$103	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(c)	Penalty for each well and tank battery for failure to mark wells and tank batteries	2016	2022	$103	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 49

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(d)	Penalty each day after operations are commenced for failure to construct and maintain pits	2016	2022	$103	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(e)	Penalty for failure to comply with requirements regarding valve or other approved controlling device	2016	2022	$207	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(f)	Penalty for failure to notify Superintendent before drilling, redrilling, deepening, plugging, or abandoning any well	2016	2022	$414	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(g)	Penalty per day for failure to properly care for and dispose of deleterious fluids	2016	2022	$1,037	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(h)	Penalty per day for failure to file plugging and other required reports	2016	2022	$103	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 227.24	Penalty for failure of lessee of certain lands in Wind River Indian Reservation, Wyoming, for oil and gas mining to comply with lease provisions, operating regulations, regulations at part 227, or orders	1957	2022	$1,453	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub.L. 114-74, 129 Sat. 599; 25 CFR 249.6(b)	Penalty for fishing in violation of regulations at part 249 (Off-Reservation Treaty Fishing).	1967	2022	$1,453	Bureau of Indian Affairs	87 FR 13153 (March 9, 2022) *https://www.federalregister.gov/documents/2022/03/09/2022-04989/civil-penalties-inflation-adjustments-annual-adjustments*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(3) Any other violation	1992	2022	$976	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-inflation-adjustments-for-civil-monetary-penalties*
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	2022	$48,763	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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	2022	$23,405	US Fish & Wildlife Service	87 FR 13948 (March 11, 2022) *https://www.federalregister.gov/documents/2022/03/11/2022-05134/civil-penalties-2022-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.4.9, Grants Programs of the OMB Circular A-136, "Financial Reporting Requirements,". The following table identifies the total number of grant programs and cooperative agreements for which closeouts have not occurred, but for which the period of performance has elapsed by two or more years prior to September 30, 2022.

FIGURE 50

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	158	53	14
Number of Grants/Cooperative Agreements with Undisbursed Balances	105	27	5
Total Amount of Undisbursed Balances	$4,412,976	$3,103,750	$2,264,511

During FY 2022, the Department made significant strides that improved the administration of discretionary financial assistance. Bureaus and offices utilized GrantSolutions to administer over 14,059 financial assistance award transaction totaling $5.077 billion in FY 2022.

Efforts were made to expand Departmental guidance available to Bureaus and Offices for financial assistance. During FY 2022, The PGM drafted a "Financial Assistance Award Closeout" policy requiring Bureau and Offices to monitor award period of performance end dates to ensure a timely closeout of awards and provided guidance for non-compliance and unilateral closeout. This policy will be issued in FY 2023. The PGM also issued several Policy Advisory Notices (PAN) and drafted six new policies that are currently being vetted with DOI Bureaus and Offices. These policies are scheduled for issuance during FY 2023. The policies and PAN's clarify existing regulatory requirements and EOs impacting the administration of financial assistance awards. PGM also made further improvements to 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 improved the 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. PGM worked closely with Bureaus and Offices by coordinating with the BIO to develop a streamlined automated approach to assist with award closeout.

DOI faced major challenges in closing expired awards in FY 2022. The Department received $30.6 billion in direct funding from the IIJA, commonly known as the *Bipartisan Infrastructure Law* (BIL). The additional provisions and requirements in the BIL, including the *Build America Buy America Act* (BABA), resulted in a marked increase in workload to DOI financial assistance personnel and hindered their ability to implement financial assistance policy, internal controls, and issue and monitor awards. The strain to financial assistance staff DOI-wide highlighted the need for additional staff to meet BIL and non-BIL related financial assistance activities. DOI was stretched beyond capacity which impacted its ability to close expired awards in a timely manner. The additional workload to DOI financial assistance staff as a result of BIL funding only served to magnify pre-existing issues faced by many DOI Bureaus and Offices such as shortage of staff and the need for enhanced internal controls.

The GrantSolutions transition remains a challenge for Bureaus and Offices as they continue to reengineer their business processes to adapt to the functionality of the system. However, the adoption of a single award system has strengthened the Department's internal controls for administering awards and have improved the Department's award management processes including award closeout. The system has the functionality to send out automatic reminders to the recipients of financial and performance reporting due dates. The drafted policy for closeout of awards addresses when a recipient fails to timely submit required reports. This policy will allow Awarding Officials to closeout awards after three unsuccessful written attempts to obtain a recipient's final reports.

DOI remains committed to reducing the number of expired grants and cooperative agreements despite these challenges. The PGM will continue to work with Bureau and Offices in monitoring the Department-wide dashboard on expired awards and awards awaiting closure. The Department implemented quarterly internal reporting in FY 2022 to assist DOI Bureaus and Offices in monitoring the closure of expired awards each year.

Energy Information Administration (EIA)

Collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Federal Coal Leasing Amendments Act of 1976

Authorizes the Secretary of the Interior to divide any lands, subject to the Mineral Lands Leasing Act, which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands for leasing and shall award leases thereon by competitive bidding. Requires that not less than 50 percent of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment.

Mineral Leasing Act of 1920

Authorizes and governs leasing of public lands for developing deposits of coal, petroleum, natural gas and other hydrocarbons, in addition to phosphates, sodium, sulfur, and potassium in the United States.

National Historic Preservation Act of 1966

Established permanent institutions and created a clearly defined process for historic preservation in the United States. Historic structures that would be affected by federal projects – or by work that was federally funded – now had to be documented to standards issued by the Secretary of the Interior.

Outer Continental Shelf Lands Act of 1953

An Act to provide among other things that the Longshoremen's and Harbor Workers' Compensation Act be extended to employees working on the Outer Continental Shelf in the exploration and the development of natural resources.

Photo by BLM

TEAMWORK IS KEY FOR FIRE CREWS
Vale Hot Shot Crew members build camaraderie and trust between each other throughout the fire season, since teamwork is key to keeping firefighters safe while on assignments. Wildland firefighters from different types of crews work together to achieve the suppression goals for BLM. Firefighters must be physically fit and highly trained. They work hard to keep you and our public lands safe from the threat of wildfires.
www.nifc.gov/resources/firefighters

ACIO	Associate Chief Information Officers
AFR	Agency Financial Report
AMD	Audit Management Division
ARRA	*American Recovery and Reinvestment Act of 2009*
ASG	American Samoa Government
Bbl	Oil Barrel
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
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
EFT	Electronic Funds Transfer
EIA	Energy Information Administration
EIS	Enterprise Infrastructure Solutions
EO	Executive Order
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
FCRA	*Federal Credit Reform Act of 1990*
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*
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*
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
IA	Indian Affairs
IRA	*Inflation Reduction Act*
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*
IIJA	*Infrastructure Investment and Jobs Act*
IRS	Internal Revenue Service
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
NFWF	National Fish and Wildlife Foundation
NHPA	*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
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	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
RPA	Robotic Process Automation
RPEC	Retirement Plans Experience Committee
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*
SOA	Society of Actuaries
TLCP	Trust Land Consolidation Program
Treasury	U.S. Department of the Treasury
TSP	Thrift Savings Plan
USBR	Bureau of Reclamation
USDA	U.S. Department of Agriculture
USFS	U.S. Forest Service
USGS	U.S. Geological Survey
USPP	U.S. Park Police
UMWA	United Mine Workers of America
WMD	Wetland Management District

VIEW FROM PILOT ROCK – ONE LOCATION, TWO EXTRAORDINARY VIEWS
Standing near Pilot Rock in Cascade-Siskiyou National Monument, one can see Rogue Valley to the north (top) and Mount Shasta to the south (bottom). Mount Shasta is cared for by the U.S. Forest Service, Shasta-Trinity National Forest. https://www.fs.usda.gov/stnf

We would like to hear from you.

What did you think of our FY 2022 Agency Financial Report?
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?
Please, email your comments to: *Agency_Financial_Report@ios.doi.gov*
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We also encourage you to access the links to other documents that describe the Department of the Interior's mission and programs. To request additional copies of this report, please contact the Office of Financial Management at the email address or physical address provided above.

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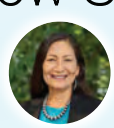
and follow Secretary Haaland.



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GRANDMOTHER AND GRANDSON VISIT 62 NATIONAL PARKS ON ADVENTURE OF A LIFETIME

Joy Ryan, 92, had never seen a mountain. So her grandson decided to take her to every site that has 'national park' in its name. Their trip last August to Gates of the Arctic National Park in Alaska was one of many journeys Ryan has embarked on with his paternal grandmother, Joy Ryan — whom he calls "Grandma Joy." They are on a shared mission to visit 63 U.S. National Parks together. Since they started the effort in 2015, they've made it to 62. "It's beyond anything I could ever have imagined in my life," said Joy, who lives in Duncan Falls, Ohio.

Together, they've marveled at Hawaii Volcanoes National Park and slept beneath the stars at Joshua Tree National Park in California. They did the bridge walk at New River Gorge National Park and Preserve in Lansing, West Virginia, rolled down a dune in Colorado's Great Sand Dunes National Park and Preserve, and watched brown bears catch salmon at Brooks Falls in Katmai National Park in Alaska.

This intergenerational duo has visited every U.S. National Park in the lower 48 United States, Hawaii, Alaska, and the U.S. Virgin Islands by SUV, plane, train, boat, and dogsled. Only one park remains on their 63 U.S. National Parks list: the National Park of American Samoa.

The finish line is so close, and yet so far. One of the most remote places on earth, the National Park of American Samoa is the only U.S. National Park south of the equator. It is located 2,200 miles southwest of Hawaii and 6,780 miles from Grandma Joy's front porch in southeast Ohio.

https://www.instagram.com/grandmajoysroadtrip/ https://www.washingtonpost.com/lifestyle/2022/08/30/national-parks-grandmother-brad-ryan/
https://www.nps.gov/gaar/index.htm

Above: Brad Ryan and Grandma Joy hiking in Gates of the Arctic National Park & Preserve, Alaska, August 2021 / Photo by Tim C. Geoffrion https://www.thiswalkinglife.com

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ROSIE THE RIVETER MEMORIAL
Three years before the Rosie the Riveter/WWII Home Front National Historical Park was created, the City of Richmond initiated the Rosie Memorial to celebrate the important aspect of their community's history. The design uses abstracted forms of Liberty ships in sculptures reminiscent of the prefabricated ships assembled by shipyard workers. Meant to draw parallels between the acts of constructing ships and reconstructing memories, the Memorial's form is that of a vessel in the process of being built. Quotes from "Rosies" and a World War II timeline are incised into the granite walkway of the memorial. This memorial is the touchstone of the national park in Richmond, Virginia and is located in Marina Bay Park. https://www.nps.gov/rori/index.htm Photo by Luther Bailey, National Park Service