

1997 At a Glance

DEPARTMENTAL HIGHLIGHTS

In 1849 Congress created the Department of the Interior. Over time, Interior's role has changed from being a general housekeeper for the Federal Government to becoming the steward for its natural and cultural resources and administrator of its trust responsibilities to American Indians and Alaska Natives. Interior's mission is achieved through hundreds of programs and activities carried out by its bureaus.

Today, the Nation's principal conservation agency has jurisdiction for about 429 million acres of Federal land and 3 billion acres of the Outer Continental Shelf, as well as managing more than 57,000 buildings. The Department employs approximately 66,000 employees who work at more than 4,000 sites across the country.

Interior-managed lands accommodate a high level of recreational use. The National Park System received more than 280 million visits in 1997, and Bureau of Land Management (BLM) public lands received more than 61 million visits in 1997. The National Wildlife Refuge System receives about 30 million visits per year. Bureau of Reclamation (BOR) projects make water-based recreation visits possible for about 80 million visitors per year. The total economic impact of recreation activities on Interior lands exceeds \$28 billion. These recreation activities generate more than 400,000 jobs.

Lands managed by the Department help provide vital commodities for the Nation. The market value of commodities (oil, gas, minerals, timber, livestock, etc.) produced on public lands managed by the BLM is estimated at about \$12.4 billion per year. In 1997, the Minerals Management Service collected over \$6 billion in revenues from minerals produced from offshore and onshore Federal lands. The Fish and Wildlife Service operates 64 National Fish Hatcheries, which annually produce 160 million fish valued at \$5 billion in total economic benefits. The BOR power program is the ninth largest producer of electricity in the United States, generating about \$800 million in annual revenues.

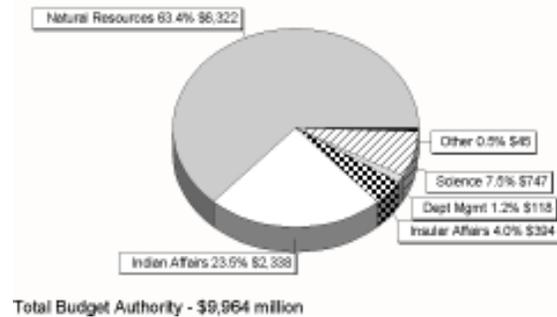
U.S. Department of the Interior <i>"To protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Tribes."</i>				
<u>Bureau of Indian Affairs</u> <ul style="list-style-type: none"> Administers federal Indian policy for more than 550 American Indian and Alaska Native Tribal governments 	<u>National Park Service</u> <ul style="list-style-type: none"> Manages 376 parks, encompassing more than 83 million acres 	<u>Fish and Wildlife Service</u> <ul style="list-style-type: none"> Manages 512 National Wildlife Refuges, encompassing almost 93 million acres 	<u>Bureau of Land Management</u> <ul style="list-style-type: none"> Manages 264 million acres (1/8 of U.S. land mass) and almost 300 million acres of subsurface mineral estate 	<u>Bureau of Reclamation</u> <ul style="list-style-type: none"> Largest supplier of water in the 17 western States
<u>U.S. Geological Survey</u> <ul style="list-style-type: none"> Largest U.S. natural science & mapping agency contributing to public / environmental health & safety 	<u>Minerals Management Service</u> <ul style="list-style-type: none"> Collects over \$6 billion annually from the mineral leasing program 	<u>Office of Surface Mining</u> <ul style="list-style-type: none"> Regulates coal mining to protect the environment 	<u>Office of Insular Affairs</u> <ul style="list-style-type: none"> Assists insular governments in achieving political, economic, and social goals 	<u>Departmental Management</u> <ul style="list-style-type: none"> Provides executive leadership, policy, guidance & coordination to Interior programs

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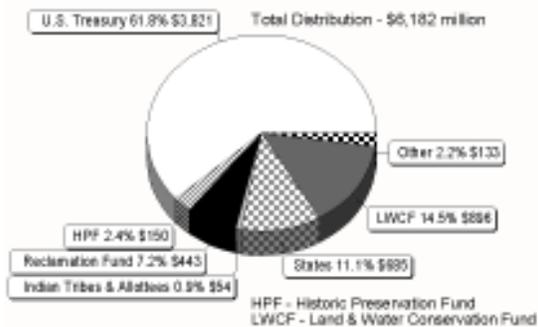
FINANCIAL HIGHLIGHTS

The operations of the Department are funded primarily by the general funds of the U.S. Government, managed by the Treasury Department and appropriated for the Department's use by Congressional action. The Department's 1997 budget authority was almost \$10 billion.

1997 Interior Budget Authority
(in millions)



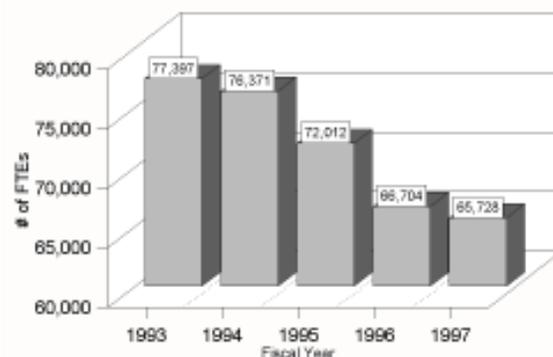
Distribution of 1997 Mineral Leasing Revenues
in millions



Interior collected over \$6 billion in rents, royalties, and bonuses from its mineral lease program. These mineral lease revenues are distributed primarily to Federal and State treasuries, Indian Tribes and allottees, the Land and Water Conservation Fund, and the Historic Preservation Fund.

Departmental employment totaled 65,728 full-time equivalents (FTEs) during 1997. Since 1993, the Department has decreased staffing by 11,669 FTEs, which represents a decline of over 15 percent. Of the domestic Cabinet agencies, only one other agency has reduced its workforce by a greater percentage than Interior.

Interior FTE Staffing Levels



1997 At a Glance

PROGRAM HIGHLIGHTS



Managing and Protecting America's Natural Resources

Over the years, the American people have made enormous investments in the public lands and resources of this Nation, investments that have reflected their conservation values, their recreational preferences, and their reverence for their cultural heritage. Our magnificent National Park System, extensive National Wildlife Refuge System, and the vast expanse of public lands under the stewardship of the Department stand as a tribute to the foresight of generations of Americans.

As the caretaker for America's public lands and natural and cultural resources, the Department is committed to providing the resources necessary to protect and preserve the Nation's national parks, refuges, and public lands for current and future generations. This includes maintaining the health, diversity, and productivity of the millions of acres of public lands entrusted to it. These lands contain a variety of resources, including energy and minerals, timber, forage, wild horse and burro populations, fish and wildlife habitat, recreational opportunities, wilderness areas, and archaeological and historical sites. At the same time, the Department is ex-

panding the opportunities for wildlife-dependent recreation in National Wildlife Refuges, and improving services provided to the people who visit or work on public lands.

These public lands and resources span approximately 429 million acres in all 50 States -- or about one-sixth of the United States land mass.

Restoring the Environment

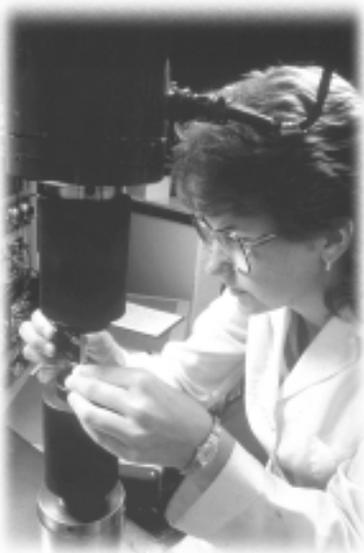
One of the commitments of the Department is to restore America's natural and cultural heritage through regional partnerships with other Federal agencies, State and local governments, community groups, and the private sector. Partnerships are voluntary agreements with state and local governments, corporations, and private citizens that ensure the consideration of divergent interests and the development of consensus solutions to environmental problems, thereby avoiding the time-consuming and expensive litigation that produced gridlock in the past. The partnership approach also enables Interior to leverage its scarce resources with those of other partners to conduct work that might otherwise be unaffordable.



During 1997, the Department continued pursuing partnership efforts to address some of the Nation's most pressing regional environmental problems and challenges. These partnerships included the Everglades Watershed Restoration, the California Bay-Delta Ecosystem Restoration, Habitat Conservation Plans, the Northwest Forest Plan, and the Appalachian Clean Streams Initiative.

1997 At a Glance

PROGRAM HIGHLIGHTS



Using Science and Research to Solve Problems

As a Nation, we face serious questions concerning our global environment. How can we ensure an adequate supply of critical water, energy, and mineral resources in the future? In what way are we irreversibly altering our natural environment when we use these resources? How has the global environment changed over geologic time, and what can the past tell us about the future? How can we predict, prevent, and mitigate the effects of natural hazards? Collecting, analyzing, and disseminating the scientific information needed to answer these questions, and providing the other critical science needed to underpin resource management decisions is a major responsibility of the Department.

The U.S. Geological Survey (USGS) is the Nation's primary provider of earth and biological science information related to natural hazards; certain aspects of the environment; and mineral, energy, water and biological resources. The USGS carries out scientific research that contributes to the improvement of the health and welfare of the American people, helps to resolve the Nation's environmental issues, and formulates sound Federal

land management and natural resource policies. The USGS is also the Federal Government's principal civilian mapping agency and a primary source of data on the quality and quantity of the Nation's water resources.

Promoting and Supporting Tribal Sovereignty

Today there are more than 550 federally recognized American Indian and Alaska Native Tribal governments in the United States. All share one thing in common: each possesses inherent governmental authority deriving from its original sovereignty, a recognized principle of U.S. Constitutional law. The Federal Indian trust responsibility is a legal duty on the part of the United States to protect Indian land and resources, fulfill treaty obligations, and carry out the mandates of Federal law for the benefit of American Indian and Native Alaskan tribal members.

Under the self-determination and self-governance policies, tribes are assuming more and more of day-to-day management responsibilities over trust assets. Achievement of self-determination demands a Federal commitment to investing sufficient resources over the long term to assist Tribes in developing self-government, an economic base, and social and educational institutions while preserving the tribal culture that is an integral part of the American character. In 1997, more than \$820 million was made available to tribal governments for operating programs and construction projects under contracts, grants and compacts.



In 1997, the Office of the Special Trustee was established to improve the overall effectiveness of the Department in carrying out its Federal Indian trust responsibility. This Office is responsible for assisting Interior offices and bureaus in actions or proposals related to American Indian trust resources, and it supports the Secretary's trust responsibilities and implementation of Indian trust protection policies and procedures. In 1997, a comprehensive strategic plan to reform the trust fund management system was submitted for Congressional approval.

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PERFORMANCE HIGHLIGHTS

On September 30, 1997, the Department of the Interior published its first strategic plan under the Government Performance and Results Act (GPRA) of 1993 which requires all federal agencies to develop strategic plans with measurable goals and objectives linked to their budgets. Interior's strategic plan, covering the period from 1997 through 2002, consists of individual bureau strategic plans for Interior's eight bureaus that are focused on discrete missions and functions, along with a Departmental overview linking individual bureau plans with the Departmental mission statement and goals. Interior's plan was developed through a process of coordination and consultation within the Department with other Federal, State, and local agencies; tribes; Congress; and a variety of stakeholders and customers.

Interior's strategic plan includes 10 overarching commitments that encompass the Department's major programs and key statutory requirements. These commitments are:

- 1. We will restore and maintain the health of federally managed lands, waters, and renewable resources.*
- 2. We will preserve our Nation's natural and cultural heritage for future generations.*
- 3. We will provide recreational opportunities for the public to enjoy natural and cultural resources.*
- 4. We will provide for appropriate commercial use and development of federally managed natural resources in an environmentally sound manner.*
- 5. We will encourage the preservation of diverse plant and animal species and protect habitat critical to their survival.*
- 6. We will work to transfer Federal program operations to tribal governments through Indian self-determination and self-governance agreements.*
- 7. We will protect and conserve the trust resources of American Indians and Alaskan Native Tribes and work with these tribes to enhance education, economic opportunities, and the quality of life for their members.*
- 8. We will advance scientific research and monitoring to improve our understanding of the interaction of natural and human systems and to reduce the impact of hazard caused by natural processes and human actions.*
- 9. We will provide useful scientific information for sound resource decision-making.*
- 10. We will apply laws and regulations fairly and effectively, placing priority on compliance and enforcement, prevention, and problem-solving.*

Beginning with the report for fiscal year 1999, within six months after the close of each fiscal year, Interior will be required to submit to the President and the Congress a report on program performance for the fiscal year that has just closed. This performance report will review the Department's success in achieving the performance goals for the fiscal year being reported.

1997 At a Glance

ACCOUNTABILITY HIGHLIGHTS

The Department believes that by maintaining integrity and accountability in all programs and operations, it can promote good government, responsible leadership, sound management in the delivery of services to customers, and achieve desired program outcomes. As a result, the Department has developed and implemented sound management, administrative, and financial system controls which reasonably ensure that:

- Programs and operations achieve their intended results efficiently and effectively;
- Resources are used in accordance with the Departmental mission;
- Programs and resources are protected from waste, fraud, and mismanagement;
- Laws and regulations are followed; and,
- Reliable, complete, and timely data are maintained and used for decision-making at all levels.

The Department conducts annual assessments of the effectiveness of its management, administrative and accounting system controls in accordance with the Federal Managers' Financial Integrity Act (FMFIA) and guidelines established by the Office of Management and Budget. The Department conducted internal reviews and evaluations of controls in 59 programs and administrative functions. The Department also relied upon the results of the independent bureau financial statement audits conducted by the Office of the Inspector General (OIG) under the auspices of the Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994 during the assessment process, as well as OIG and GAO program audits.

The Department has made substantial progress in obtaining "unqualified audit opinions" on the financial statements of its bureaus and offices. In 1992, only three of its ten bureaus received unqualified (clean) audit opinions. In 1997, nine of the ten bureaus and offices received unqualified audit opinions.

The Department's Inspector General audited the 1997 financial statements of each bureau and the consolidated Department financial statements. The audit opinion on the Department's consolidated financial statements and accompanying notes, along with a summary of bureau audited financial statement results, are presented in the following sections of this report.



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