U.S. DEPARTMENT OF THE INTERIOR

Agency Financial Report **2026**



CELEBRATING THE TRIUMPH OF THE AMERICAN SPIRIT

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Photo by USBR

HOOVER DAM
The towers at the Bureau of Reclamation's Hoover Dam ready for America's 250th anniversary.
https://www.flickr.com/photos/usbr/55368042902/in/album-72177720334501424



ON THE COVER:
FREEDOM 250: CELEBRATING THE TRIUMPH OF THE AMERICAN SPIRIT
A nationwide wave of celebration—from coast to coast—commemorating America's 250th anniversary, featuring a curated collection of images that highlight the nation's diverse landscapes, the Department's energy initiatives and signature events honoring this historic milestone. *https://www.doi.gov/freedom250*

Photo by:
From top to bottom in 2: Interagency Center, photo by Andrew King (*https://www.flickr.com/photos/usinterior/55281468263/*); Design Materials, photo by BOEM (*https://www.flickr.com/photos/boemgov/53868296660/*); Bison with Specimen Ridge Backdrop, photo by Jacob W. Frank (*https://www.flickr.com/photos/yellowstonenps/32149240621/in/album-72157647226010727*)
From top to bottom in 5: Measuring gas emissions during episode 54 at Kilauea summit, Hawaiian Volcano Observatory, photo by USGS (*https://www.usgs.gov/media/images/august-25-2026-measuring-gas-emissions-during-episode-54-kilauea-summit*); Department of the Interior Announces Record Graduation Rates for Bureau of Indian Education Students, photo by BIE (*https://www.bie.edu/news-article/department-interior-announces-record-graduation-rates-bureau-indian-education-students*); Alaska Coal Mine, photo by Andrew King (*https://www.flickr.com/photos/usinterior/55296874317/in/album-72177720333882485*); Stories about Fire Preparedness, photo by NPS (*https://home.nps.gov/subjects/fire/wildfire-prevention-and-preparedness.htm*)
From top to bottom in 0: Fourth of July Flyovers, photo by Andrew King (*https://www.flickr.com/photos/usinterior/55382058263/in/photostream/*); Fourth of July Fireworks, photo by Andrew King (*https://www.flickr.com/photos/usinterior/55382111459/in/album-72177720334596718*); Freedom, Liberty and June, photo by BLM (*https://www.flickr.com/photos/mypubliclands/55116004548/*); USBR America 250 Light Show and Flag Display at Hoover Dam, photo by 2026 Las Vegas Convention and Visitors Authority (*https://www.flickr.com/photos/usbr/55369040858/in/album-72177720334501424/*)
Background: Mount Rushmore Fireworks, photo by Andrew King (*https://www.flickr.com/photos/usinterior/55382323140/in/album-72177720334582852*)



Photo by Andrew King

THEODORE ROOSEVELT PRESIDENTIAL LIBRARY
Theodore Roosevelt Presidential Library Drone Show on the evening of July 2, 2026.
https://www.flickr.com/photos/usinterior/55380200091/in/album-72177720334565500

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JULY 4TH FLYOVERS
https://www.flickr.com/photos/usinterior/55380992477/
Photo by Andrew King

Message from the Secretary



THANKS TO OUR DEDICATED TEAM MEMBERS, the Department of the Interior's (Department or DOI or Interior) Agency Financial Report (AFR) for fiscal year (FY) 2026 demonstrates the Department's enduring commitment to transparency in using American taxpayer dollars to deliver meaningful and measurable outcomes. The report also provides a complete presentation of the Department's financial statements in accordance with generally accepted accounting principles.

This year's report represents DOI's 30th consecutive unmodified audit opinion — a track record that is a proud testament to our team's focus on modern and accountable mission delivery.

That same commitment to accountability guided Interior's work across its mission areas. Interior's team advanced our strategic goals with focus, clarity and discipline — restoring American prosperity while keeping communities beautiful, safe and resilient. At the same time, we expanded access to the outdoors, promoting recreation while protecting our lands and cultural heritage, and productively collaborated with States, Tribes and communities.

Supported by 14 objectives that translate mission priorities into measurable outcomes for the public, our team members simplified processes and removed red tape to uncover innovative ways to steward America's national treasures for public enjoyment and economic benefit.

Interior is proud to steward millions of acres of surface land, millions of acres of subsurface and mineral estate and billions of acres offshore — national treasures that sustain and support our communities. Wise management of these resources requires cutting edge science for improved understanding of how these resources contribute to every facet of America's national wealth, health and long-term stability of the U.S. economy — a priority that our team is advancing on behalf of every citizen.

We applied actionable science and innovative technology to ensure that our public lands and waters generate economic value, strengthen national energy security and improve affordability for citizens, while sustaining local communities.

Our team increased reliable energy and mineral production and streamlined permitting, completing 97 percent of environmental assessments within 1 year and 65 percent of environmental impact statements within 2 years. This measurable improvement is made possible through historic permitting reforms and modernized technologies, and the U.S. Geological Survey's initiative to use super intelligence technology to expand the Cooperative National Geologic Map to cover all 50 States and most U.S. territories, unlocking geology critical to understanding resources and hazards nationwide.

Interior invested in modern infrastructure, law enforcement and emergency response to keep communities safe and resilient. We also expanded access to outdoor recreation, particularly for hunters and anglers.

We hired and onboarded 300 U.S. Park Police personnel; strengthened water data, forecasting and delivery systems and proactively reduced wildfire risk on more than 2 million acres of public land to protect people, property and the environment. Our teams expanded public recreational access — achieving 75 percent of high priority EXPLORE Act provisions identified in FY26 — enhancing health and well-being for visitors to our public lands.

The National Park Service removed 550 instances of graffiti from monuments, historic stonework, trails and other public infrastructure, including along the National Mall. They also removed 162 encampments from public lands and 250 truckloads of debris from Constitution Gardens. In total, Interior cleaned up 10 tons of litter, debris and downed vegetation from public spaces across the District of Columbia. Thus far, we have cleaned and restored 111 monuments, statues and memorials. Major restorations of the Lincoln Memorial Reflecting Pool are complete, and 22 fountains and water features are repaired.

In addition, our U.S. Park Police, as part of the DC Safe and Beautiful Task Force, made more than 3,000 arrests in 2026, including 314 arrests that involved firearms and 466 narcotics arrests. The reason we can all enjoy living in our beautiful Nation's Capital again is due to the hard work of these brave and dedicated law enforcement officers.

Interior proudly supported an 80 percent graduation rate in K-12 Bureau of Indian Education-operated schools. We also leveraged innovative technology to bring transparency to claims made by those who have lost a loved one, while distributing nearly $100 million in funds held in trust. These improved Tribal education outcomes and reduced backlog of Tribal probate cases were made possible by streamlined coordination and access to reliable information that demonstrates our commitment to productive collaboration with States, Tribes and their communities.

Our strength as an agency lies in Interior's team members. Their efforts to challenge the status quo and embrace new technologies and creative methods of working are essential to responsibly stewarding America's public lands and waters. Our goal is to foster a culture of fiscal responsibility, respect for the rule of law and support for American energy development — while always keeping our focus on serving the American people efficiently and effectively.

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

With gratitude,



DOUG BURGUM
Secretary of the Interior
November 16, 2026



BALD EAGLE FISHING

https://www.fws.gov/media/bald-eagle-fishing

Photo by Lane Wintermute

About This Report

The U.S. Department of the Interior's (Department's or Interior's) Agency Financial Report (AFR) provides performance and financial information that enables the President, Congress and the public to assess the performance of Interior relative to its mission and stewardship of the resources entrusted to it for the reporting period October 1, 2025, through September 30, 2026. This report is prepared in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. The AFR consists of three primary sections and supplemental appendices. The primary sections are as follows:

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

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

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

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

Certificate of Excellence in Accountability Reporting

Interior received a Certificate of Excellence in Accountability Reporting (CEAR®) award for the Fiscal Year (FY) 2025 AFR. The AGA CEAR® Program has been helping federal agencies produce high-quality AFRs and PARs since 1997. The program was established in conjunction with the Chief Financial Officers Council and OMB to improve financial and program accountability by streamlining reporting and improving the effectiveness of such reports.

Interior is honored to have received this prestigious award for the 24th consecutive year. Interior is fully committed to excellence in financial reporting and providing a comprehensive understanding of Interior's fiscal and programmatic accomplishments.

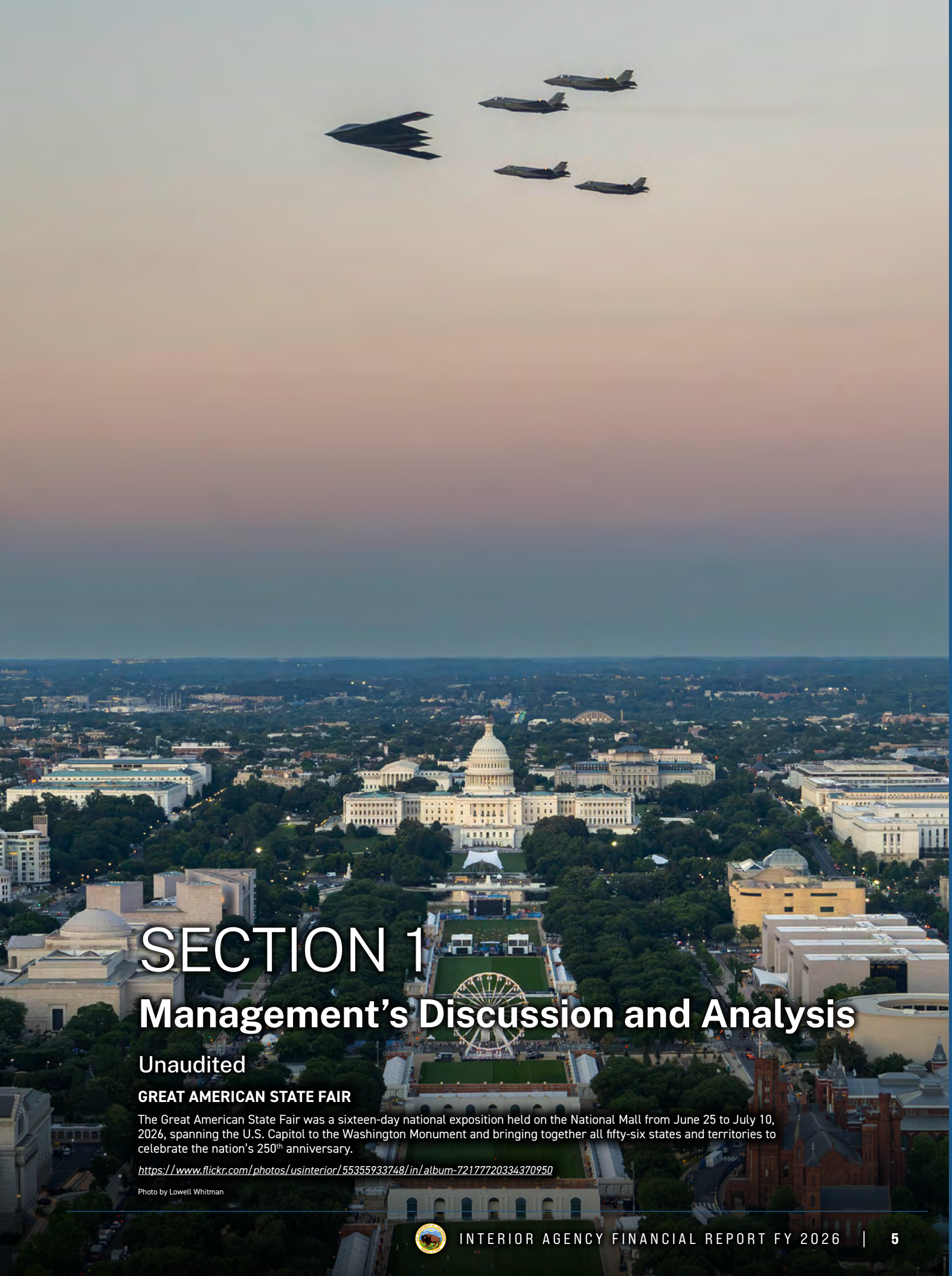
In addition, Interior received the CEAR® Best-in-Class Award for an Outstanding Message from the Agency's Office of the Chief Financial Officer.

Awards









SECTION 1

Management's Discussion and Analysis

Unaudited

GREAT AMERICAN STATE FAIR

The Great American State Fair was a sixteen-day national exposition held on the National Mall from June 25 to July 10, 2026, spanning the U.S. Capitol to the Washington Monument and bringing together all fifty-six states and territories to celebrate the nation's 250th anniversary.

https://www.flickr.com/photos/usinterior/55355933748/in/album-72177720334370950

Photo by Lowell Whitman

Mission and Organizational Structure

Interior: Our Story at a Glance

https://www.doi.gov/about/history

THE EARLY YEARS

Interior was established in 1849 and was charged with managing a wide variety of programs, which included overseeing Indian affairs, exploring the western wilderness, managing public parks, 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. In one way or another, all of these had to do with the internal development of the nation and the welfare of its people. As the country progressed during the last half of the 19th century, so did Interior and its mission began to evolve as some of these functions moved to other agencies and Interior acquired new responsibilities.



THE INTERIOR MUSEUM

Interior Museum opened on March 8, 1938, within the U.S. Department of the Interior's newly constructed headquarters building in the nation's capital. The museum was a first for an Executive-branch Department and was heralded as an innovative approach to making a large, complex federal agency more transparent and publicly accessible.

Interior Museum | U.S. Department of the Interior
https://www.doi.gov/interiormuseum/collections

INTERIOR'S PROGRESSION

During the 20th century, Interior's authorizing statutes shifted to put more emphasis on the preservation, management and use of public lands and natural and cultural resources. Interior is the steward of approximately 20 percent of the nation's land area, including national parks, National Wildlife Refuges (NWR) and the public lands. It manages resources providing roughly 20 percent of the nation's energy; delivers and manages water in the 17 western states and supplies approximately 15 percent of the nation's hydropower energy; and upholds federal trust responsibilities to 575 federally recognized Indian Tribes, Alaska Native communities and Insular areas. Interior also partners with states to manage wildlife; promote healthy forests and suppress fire; manage energy resource development (oil, gas, clean coal, hydroelectric, geothermal, wind, solar and advanced nuclear technologies) 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. This includes management of designated Uncrewed Aircraft Systems (UAS) authorized zones where Interior operates drones for wildlife research missions, cultural resource monitoring, fire management, dam inspections and offshore operations on the Outer Continental Shelf (OCS).

DID YOU KNOW?

More than

565 MILLION VISITS

are made every year to public lands, national parks, national wildlife refuges and fish hatcheries and recreation sites.

Additionally, more than

179,000 VOLUNTEERS

help each year by providing

more than
5.3 MILLION HOURS
of service,

valued at an estimated
$187 MILLION
per year.



WHERE ARE WE NOW?

Interior has seen many changes in recent years. An unparalleled unification that includes human resources, information technology (IT), financial management, training and development, international affairs, contracting, communications, Federal financial assistance and other administrative functions, continues efforts to solidify and increase efficiencies across the Department, Bureaus and Offices.

January 2026 saw the creation of the U.S. Wildland Fire Service (USWFS), representing a historic modernization of federal wildfire management within the Department. By unifying wildland fire management across the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), National Park Service (NPS), Office of Aviation Services (OAS), Office of Wildland Fire (OWF) and U.S. Fish and Wildlife Service (FWS); the Interior Department is building a more efficient, effective wildfire response system that is better equipped to protect lives, communities and ecosystems. The USWFS works to reduce wildfire risk through proactive fuels management; create fire-resilient landscapes; advance wildland fire science and technology; promote fire-adapted communities; and respond to wildfires in collaboration with the U.S. Department of Agriculture (USDA) Forest Service (USFS) and our Tribal, state and local partners.



Fire Prevention Measures



Fire Mitigation Measures



Fire Fighting Measures



Dedicated Wildland Firefighters

Photos obtained from https://www.doi.gov/wildlandfireservice/what-we-do and https://www.doi.gov/wildlandfireservice/our-impact

In July 2026, Interior *Secretary's Order (SO) 3451* established the Marine Minerals Administration (MMA) to begin the reunification of the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE). The MMA is charged with overseeing the responsible development of the nation's offshore energy and marine mineral resources with an integrated focus on safety, environmental protection and efficient oversight. By unifying BOEM and BSEE, Interior aims to: improve coordination and consistency; reduce duplication of efforts; strengthen oversight and environmental safeguards; and modernize organizational structure.



Promoting Safety



Protecting the Environment



Conserving Resources



Critical Minerals

Photos obtained from Home | Bureau of Safety and Environmental Enforcement and Marine Minerals | Bureau of Ocean Energy Management

DEPARTMENT OF THE INTERIOR TIMELINE

1849
Congress created the Department of the Interior.

1872
Congress established Yellowstone as the first National Park.

1879
U.S. Geological Survey (USGS) created.

1902
Reclamation Service, later renamed Bureau of Reclamation (USBR) created to construct dams and aqueducts in the west.

1910
The Bureau of Mines was established to promote mine safety and minerals technology.

1916
President Wilson signed legislation creating NPS.

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

1934
Executive Order 6726 – Signed by President Franklin D. Roosevelt, established the Division of Territories and Island Possessions in the U.S. Department of the Interior on May 29, 1934. This act transferred responsibilities for territories from the Bureau of Insular Affairs, Department of War to Interior.

1940
FWS created by consolidating Bureau of Fisheries and Bureau of Biological Survey.

1946
BLM created by merging Interior's General Land Office and Grazing Service.

1950–1951
Interior assumed jurisdiction over Guam, American Samoa and the Trust Territory of the Pacific Islands.

1977
Office of Surface Mining Reclamation and Enforcement (OSM) created to regulate active coal mines and reclaim abandoned mine lands.

CONTINUED ON NEXT PAGE →

DEPARTMENT OF THE INTERIOR TIMELINE

CONTINUED FROM PREVIOUS PAGE

1996

Interior science and technology functions were consolidated in the USGS and Bureau of Mines disbanded and abolished with certain functions transferred to agencies including USGS.

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

The Minerals Management Service divided into BOEM, BSEE and Office of Natural Resources Revenue (ONRR).

2019

Interior 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 (OST) for American Indians.

2020–2025

Several landmark funding bills positively impacting Interior's missions were passed during this time. The Great American Outdoors Act (GAOA) in 2020 and the One Big Beautiful Bill Act (OBBBA) in 2025.

2026

Establishment of USWFS, unifying wildland fire management across BIA, BLM, NPS, OAS, OWF and FWS.

2026

Interior announced a phased plan to combine the BOEM and BSEE into the MMA.

Mission and Organization







OUR VISION

Manage Resources. Improve Lives. Create Opportunity.

OUR MISSION

Steward America's natural and cultural resources. Deliver actionable science. Honor trust responsibilities to Tribal and Insular communities.

OUR CORE VALUES

GRATITUDE

We should have gratitude for our country, our colleagues and the various people who help us along the way.

HUMILITY

Humility is key to public service. By acknowledging that we have more to learn, we open the door to collaboration.

CURIOSITY

Curiosity gives us the ability to ask good questions and challenge the status quo—creating a culture of continuous improvement.

COURAGE

These values—combined with the courage to take risks and to take action—should define our work on behalf of the American people.

DID YOU KNOW?

The idea of setting up a separate department to handle domestic matters was put forward on numerous occasions. It wasn't until March 3, 1849, the last day of the 30th Congress, that a bill was passed to create the Department of the Interior to take charge of the nation's internal affairs.

ORGANIZATION

The Department's Bureaus and Offices are listed below:

- *Bureau of Land Management (BLM)*
- *Bureau of Reclamation (USBR/Reclamation)*
- *Bureau of Trust Funds Administration (BTFA)*
- *Indian Affairs (IA)*
- *Bureau of Indian Affairs (BIA)*
- *Bureau of Indian Education (BIE)*
- *Marine Minerals Administration (MMA)**
- *National Park Service (NPS)*
- *Office of Insular and International Affairs (OIIA)*
- *Office of Surface Mining Reclamation and Enforcement (OSM)*
- *Office of the Secretary (OS)*
- *U.S. Fish and Wildlife Service (FWS)*
- *U.S. Geological Survey (USGS)*
- *U.S. Wildland Fire Service (USWFS)*

*Per Secretary's Order 3451, the Department has begun the reunification of the Bureaus BOEM and BSEE into the Marine Minerals Administration (MMA). Note, the reader will see Bureaus BOEM/BSEE on the financial statements and throughout the AFR in FY 2026.

FOR ADDITIONAL INFORMATION ON INTERIOR'S BUREAUS AND OFFICES, VISIT THE FOLLOWING WEBSITES:

- *https://www.doi.gov/bureaus*
- *https://www.doi.gov/bureaus/offices*



Photo by Andrew King

ULTIMATE FIGHTING CHAMPIONSHIP (UFC) AT THE WHITE HOUSE
https://www.flickr.com/photos/usinterior/55336878132/in/album-72177720334212080



Photo by NPS

INDEPENDENCE HALL NATIONAL HISTORICAL PARK
https://www.flickr.com/photos/usinterior/49941264723/in/album-72157714476732352



Photo by Lucia Lubanovich

U.S. PARK POLICE (USPP) HORSE MOUNTED PATROL
https://www.flickr.com/photos/usinterior/55416200243/in/album-72177720334848794

Bureau and Office Summary

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

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



Photo by Andrew King

RED ROCK CANYON
https://www.flickr.com/photos/usinterior/55208240522/in/album-72177720333101175

Analysis of Performance Goals and Results

The Secretary of the Interior's strategic goals and objectives provide a Department-wide framework for translating mission priorities into measurable outcomes for the public. The four goals, supported by fourteen objectives, focus Interior's work on American prosperity, safe and resilient communities, recreation on federal lands and productive collaboration with communities. Bureaus and Offices advance these outcomes through specific objectives, Agency Priority Goals and performance measures. FY 2026 performance results will be published following the release of the FY 2028 Budget, expected in Spring 2027. Annual Performance Plans and Reports are available on the Interior *performance website*.

FIGURE 1

Strategic Goals	Strategic Objectives
Goal 1: Expand American Prosperity	**Objective 1.1**: Domestic energy production increases affordability and prosperity for all Americans, grows the American economy and increases national security
	Objective 1.2: Americans benefit from strategic development of the country's natural resources
	Objective 1.3: Our natural resources are managed for the future
Goal 2: Keep Communities Safe, Beautiful and Resilient, and Expand Access to the Outdoors	**Objective 2.1**: Robust, modern infrastructure strengthens American resilience
	Objective 2.2: Interior protects Americans and public lands
	Objective 2.3: Reliable and efficient water supplies in the western United States are supported in an economically and environmentally sound manner
Goal 3: Promote the Enjoyment and Conservation of Our Lands, Waters, Natural Resources and Cultural Heritage	**Objective 3.1**: Recreational opportunities on federal lands and waters are plentiful
	Objective 3.2: Federal lands, waters and American heritage are responsibly managed
	Objective 3.3: Federal land and water resources are restored and reclaimed
	Objective 3.4: Protected species are responsibly managed and supported
	Objective 3.5: Wildland fire management is effective at protecting people, property and the environment
Goal 4: Productively Collaborate and Coordinate with States, Tribes, Communities and People	**Objective 4.1**: Interior upholds trust, treaty and special responsibilities to American Indian Tribes, Alaska Natives and the Native Hawaiian Community
	Objective 4.2: Streamlined and coordinated processes reduce red tape and strengthen collaboration with states, Tribes, local communities and Insular areas
	Objective 4.3: Partners are provided with high quality, reliable and accessible science information

Performance to Track Results

The *GPRA Modernization Act of 2010* requires agencies to have a strategic performance framework that focuses on agency priorities with measurable outcomes supported by evidence and data for decision-making. The Agency Priority Goals (APGs) and performance measures below highlight measures in the four goal areas that show Interior is achieving the strategic plan outcomes. The FY 2026 results presented in this document are preliminary and subject to further analysis and data verification and validation. Interior's full set of performance measures and results will be published in the *Annual Performance Plan and Report*.

GOAL 1: EXPAND AMERICAN PROSPERITY

Interior is working to increase reliable energy and mineral production, streamline permitting, improve resource management and apply science and technology so public lands and waters generate economic value, strengthen supply chains and support long-term national and energy security.

In FY 2026, the Department improved leasing and permitting by reducing Environmental Impact Statements and Environmental Assessments that were beyond their statutory timeframes. The Department also began the identification, assessment and quantification of assets on the Balance Sheet. Through these efforts, Interior is ensuring that permitting and leasing are streamlined and the information about assets are available to ensure reliable energy and mineral production will continue to ensure American prosperity.

FIGURE 2

Performance Measured	FY 2026 Result	FY 2026 Target
APG—Accelerate Leasing & Permitting		
• Percentage of Environmental Impact Statements completed within 2 years	65%	65%
• Percentage of Environmental Assessments completed within 1 year	97%	95%
APG—Build Interior's Balance Sheet		
• Percentage of priority assets identified and quantified	43%	25%
• Percentage of natural capital asset classes evaluated	25%	25%



Photo by Interior

ARENA OIL RIG
https://www.flickr.com/photos/usinterior/54613053417/in/album-72177720327112050

GOAL 2: KEEP COMMUNITIES SAFE, BEAUTIFUL AND RESILIENT, AND EXPAND ACCESS TO THE OUTDOORS

Interior is working to modernize roads, bridges, dams, schools and water systems; expand law-enforcement and emergency-response capacity; reduce wildfire and natural-hazard risks; and provide dependable water data and delivery systems that help communities remain safe and resilient.

In FY 2026, the USPP achieved the goal to hire, onboard and deploy 300 park police officers. These officers are deployed around Washington, D.C., making the city safe. Interior also expanded its water data forecasting and modeling tools. Through improved water data, cities, states and partners can better plan and manage water resources across the country.

FIGURE 3

Performance Measured	FY 2026 Result	FY 2026 Target
APG—U.S. Park Police Force Expansion & Modernization • Number of USPP personnel hired and onboarded	300	300
Provide Water Data and Forecasting and Modeling Tools • Percentage of progress toward updating and delivering water data and forecasting and modeling tools to support resource planning and management	15%	13%



Photo by Idaho Water Science Center

TIME-LAPSE OF MEASURING STREAMFLOW
https://d9-wret.s3.us-west-2.amazonaws.com/assets/palladium/production/s3fs-public/kev1.jpg



Photo by Kelsey Graczyk

USPP ATTEND THE FREEDOM PLAZA RIBBON CUTTING CEREMONY, JUNE 30, 2026
https://www.flickr.com/photos/usinterior/55416475740/in/album-72177720334848794

GOAL 3: PROMOTE THE ENJOYMENT AND CONSERVATION OF OUR LANDS, WATERS, NATURAL RESOURCES AND CULTURAL HERITAGE

Interior is working to increase recreation and hunting and fishing opportunities, improve visitor assets, conserve natural and cultural resources, restore degraded lands and waters, manage protected species and reduce wildfire risk through proactive fuels management and post-fire rehabilitation.

In FY 2026, the Department expanded recreation on federal lands, provided more hunting and fishing opportunities and kicked-off celebrations of America's 250th anniversary. Interior expanded recreational access by completing three of the four high-priority provisions of the Expanding Public Lands Outdoor Recreation Experiences Act (*EXPLORE Act*): (1) Identified shooting range locations on relevant BLM lands; (2) Published a first of its kind combined annual visitation report; and (3) Established a digital National Parks and Federal Recreational Lands Pass. The fourth provision, to develop a list of priority gateway communities for BLM, FWS and NPS, in which to engage relevant stakeholders to identify community needs and economic impacts associated with recreation on federal lands and waters, is well under way.

An Administration priority is addressing wildland fire risk. In 2026, Interior completed the unification of its wildland fire Bureaus into the USWFS. The Service is responsible for extinguishing fires and proactively preventing fires before they start. The Service completed extensive fuels management in the wildland urban interface, the areas where communities and fire-prone areas touch, helping to reduce the chance of future wildland fires.

FIGURE 4

Performance Measured	FY 2026 Result	FY 2026 Target
APG—Expand Public Recreational Access: • Percentage completion of milestones on the four high-priority provisions of the EXPLORE Act	75%	75%
APG—U.S. Wildland Fire Service • Cumulative acres of fuels management projects completed in the wildland urban interface	2.2M acres	1.3M acres

Note: M represents Million



Photo by NPS

NPS, ADAPTIVE HIKERS ON THE UTE TRAIL IN ROCKY MOUNTAIN NATIONAL PARK, COLORADO
https://www.recreation.gov/articles/list/expanding-outdoor-access-for-those-who-served/1414

GOAL 4: PRODUCTIVELY COLLABORATE AND COORDINATE WITH STATES, TRIBES, COMMUNITIES AND PEOPLE

Interior is working to uphold Tribal trust and treaty responsibilities, streamline coordination with states, Tribes, communities and Insular areas. The Department also provides reliable, accessible science and data that strengthen decisions, public safety, economic growth and long-term resource planning.

In FY 2026, the Department worked with Tribes to enhance educational opportunities in BIE schools and to reduce the backlog of probate cases. By providing better services to Tribes and their members, the Department is fulfilling its trust and treaty responsibilities.

FIGURE 5

Performance Measured	FY 2026 Result	FY 2026 Target
Improve Tribal Education • High School Graduation Rate	80%	78%
Reduce the Backlog of Tribal Probate Cases • Percentage of probate packages with zero corrections	97%	95%

Performance Data Verification and Validation

The Department of the Interior measures progress and conducts regular data-driven reviews to assess organizational effectiveness and guide strategy, resource allocation and decision-making. Interior reviews strategic objectives and performance measures annually and agency priority goals quarterly, using collaborative performance reviews to align priorities, address problems, build evidence and improve results. Findings and results are published in the Annual Performance Plan and Report. To ensure data quality, Interior applies established verification and validation standards, requires written certification from responsible officials and conducts multiple levels of review by Bureaus, Offices and the Department.



Photo by BIE

BUREAU OF INDIAN EDUCATION ANNOUNCES MEMBERS OF INAUGURAL STUDENT ADVISORY BOARD PHOTO BY BIE

https://www.bie.edu/news-article/bureau-indian-education-announces-members-inaugural-student-advisory-board

What's Ahead—A Forward Look

Priorities for FY 2027 and Beyond

The Department of the Interior has the great privilege and opportunity to move ahead with clarity, urgency and a commitment to measurable results — managing resources responsibly to improve lives and to create opportunity for the American people. With renewed focus on responsible use and conservation of public lands, waters, resources and wildlife, Interior's team will steward the nation's natural treasures to ensure disciplined and modern mission delivery for the prosperity of the Nation.

Building on the bold reforms of the prior year, Interior's team will harness advanced technology to power efficiency — delivering world-class citizen experiences to advance the Department's greatest opportunities.

FY 2027 has has already opened on strong footing, with the Department delivering its second-largest energy revenue disbursement in history — more than $21.8 billion benefiting states, Tribes and conservation programs nationwide — while advancing new flexibility for America's ranchers through expanded grazing access and by cutting the backlog of permit renewals. At the same time, U.S. Geological Survey science is opening new horizons for domestic energy security, with a fresh assessment identifying 96 trillion cubic feet of undiscovered natural gas potential beneath Alaska's North Slope, underscoring the momentum the Department carries into the year ahead. FY 2027 will bring the full benefit of the largest expansion of hunting and fishing access in U.S. Fish and Wildlife Service history, as hunters and anglers begin taking advantage of nearly 1,500 new opportunities across 111 refuges and hatcheries in 32 states — advancing the Service's conservation mission while strengthening rural economies and sustaining America's outdoor traditions for generations to come.

Improving Affordability for Americans
Efforts to support community-sustaining industries through smart management of public lands will be bolstered by reduced red tape. Identification and elimination of burdensome processes, coupled with the effective use of data and technology will ensure the nation's resources are stewarded for the use and benefit of the American people. Managed with discipline, Interior's commitment to strategically unlocking economic benefits for local communities will also support priorities to improve preparedness and responsiveness to natural events that threaten the lives and livelihoods of citizens.

Securing Reliable, Affordable and Clean Energy
Modern, clean technologies and actionable scientific information will enable the Department to speed permitting decisions — bolstered by streamlined and intelligent processes that challenge the status quo — with confidence that federal lands and waters are responsibly managed for today's benefit and tomorrow's enjoyment. Strengthening critical mineral supply chains and increasing reliable energy sources — oil, gas, clean coal, nuclear, hydropower and geothermal — will reduce reliance on foreign governments and secure the baseload energy required to power American homes. These energy achievements will help secure our national defense.

Supporting Hunters, Anglers and Outdoor Recreation
Leveraging expanded access to our public lands and waters for hunting, fishing, hiking, birdwatching and sightseeing will enhance visitor experiences and increase health and well-being in FY 2027. Positioning Interior's team members closer to the people they serve in our public spaces, and supporting their work by eliminating bureaucratic layers that impede progress, will enable world-class visitor experiences that showcase the best of our national treasures.

Strengthening Public Safety and Preventing Crime
Support for expanded law enforcement in Washington, D.C., and across Interior's Bureaus where national assets and tribal lands are protected (BIA, NPS, BLM, FWS) will improve coordination in directing resources to high-priority needs — allowing Interior's law enforcement teams to operate with the speed and agility of a modern organization. This will also ensure sustained commitment to the safety and security of the public accessing the most beautiful Capital in the world and the most treasured natural places and spaces in the country.

Upholding Trust Responsibilities
The Department will support Tribal sovereignty and uphold special commitments to Insular communities, strengthening collaboration and cutting red tape to unleash economic development that benefits communities. Harnessing technology and leading scientific information to enable faster, smarter and more efficient processing and decisions will empower local leaders to support their communities, strengthen school outcomes, ensure families can claim their rightful inheritance after the loss of a loved one and stimulate local economies in ways that directly benefit their lives and livelihoods.

Enhancing Operational Efficiency
Interior's unification of the administrative workforce will be further enhanced by modernized business processes and infusion of intelligent technologies to ensure top-quality customer service outcomes that enable improved mission delivery to the public. Operational efficiencies achieved through the unification of the newly formed U.S. Wildland Fire Service will continue to strengthen our team's ability to prepare for and respond to wildfires, ensuring the safety of our citizens and of critical infrastructure essential for our communities.

By infusing new ways of thinking, adopting new ways of working and embracing the opportunity to more efficiently and effectively support our missions on behalf of the American people, Interior will be a premier service provider.

In FY 2027 and beyond, Interior's team members will move together with urgency and a commitment to measurable results to responsibly manage the nation's most treasured resources, improve lives and create opportunity.



Photo by Andrew King

FREEDOM 250
https://www.flickr.com/photos/usinterior/55380179256/



Photo by Lucia Lubanovich

GREAT AMERICAN STATE FAIR
The Great American State Fair featured a 110-foot-tall Ferris wheel as its primary centerpiece.
https://www.flickr.com/photos/usinterior/55416725125/



Photo by Lucia Lubanovich

GREAT AMERICAN STATE FAIR - RODEO 250
Rodeo 250—The Evolution of the American Cowboy was a signature, narrative-driven attraction at the Great American State Fair celebration.
https://www.flickr.com/photos/usinterior/55415365072/in/album-72177720334370950

Analysis of Systems, Controls and Legal Compliance

Management Assurances Compliance with Laws

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

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

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

Federal Managers' Financial Integrity Act of 1982

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

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

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

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

Interior's management performs an annual enterprise-wide risk assessment to identify risks that may affect the achievement of its operational, reporting and compliance objectives.

Risks are evaluated and scored based on their likelihood of occurrence and potential impact, including considerations such as fraud, improper payments, cybersecurity vulnerabilities and changes in operations that may affect the control environment. The assessment results inform Interior of the prioritization of risk areas and guide the scope of internal control evaluations. These evaluations focus on determining whether internal controls are properly designed, implemented and operating effectively across the Department. Continuous monitoring throughout the year ensures that emerging risks are identified and incorporated into the Department's overall risk assessment process.

Internal control evaluations, audits, studies, reviews and other oversight activities, provide assurance that Interior's business processes function as intended. These activities further ensure financial and non-financial controls and financial management systems, comply with FMFIA, FFMIA and OMB requirements.

Bureaus and Offices are required to communicate significant deficiencies and material weaknesses (MW) to the Department and disclose any MWs in their annual assurance statement. Bureau and Office assurance statements are reviewed and considered in the development of the Secretary of the Interior's assurance statement. The assurance statement conveys whether Interior can provide reasonable assurance that internal controls over operations, reporting and compliance were operating effectively. The Interior's management assurances are reflected in the FMFIA Assurance Statement (see page 28).

Internal Control Program and Assessments

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

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

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

The conclusions in the Department's FY 2026 Annual FMFIA Assurance Statement reflect analysis drawn from several underlying components. A core component was the FMFIA Assurance Statements provided by the Bureau and Office Heads attesting to the effectiveness of the Bureau's and Office's internal control systems. The Bureau's and Office's FMFIA Assurance Statements were developed based on the results of internal control reviews, audits, investigations and reviews conducted by the Interior Office of Inspector General (OIG) or GAO. Interior considered the information in these statements along with other sources, including, but not limited to, the following:

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

Based on the Bureau's and Office's FMFIA Assurance Statements, the supplemental sources of information described above and the results of the assessment of internal controls over operations, reporting and compliance; Interior analyzed the magnitude of internal control deficiencies, both individually and in aggregate, to determine whether a MW existed during FY 2026.



Photo by BLM

YAQUINA HEAD OUTSTANDING NATURAL AREA IN OREGON
https://www.flickr.com/photos/mypubliclands/18948547600/in/album-72157634691814087



Photo by Andrew King

DC IN THE FALL
https://www.flickr.com/photos/usinterior/54919722214/



Photo by Andrew King



Photo by Andrew King

SIMÓN BOLÍVAR MEMORIAL RIBBON CUTTING
Secretary Burgum celebrated the reopening of the Simón Bolívar Memorial on May 28, 2026.
Image on the left: *https://www.flickr.com/photos/usinterior/55316610338/in/album-72177720334042887*
Image on the right: *https://www.flickr.com/photos/usinterior/55316861940/in/album-72177720334042887*

FMFIA Material Weaknesses

Interior is committed to maintaining effective internal controls and strengthening financial management across the Department. The OMB Circular A-123 requires that each agency identify and report on MWs affecting the agency. Interior has adopted OMB guidelines for MW designations and recognizes the importance of correcting MWs in a timely manner.

The Department acknowledges a principal difference between the FY 2026 FMFIA Assurance Statement and the independent public auditor's opinion on the FY 2026 consolidated financial statements related to federal land acreage. Given the Department's evaluation of federal land, existing federal land records and the estimation considerations established under the Statement of Federal Financial Accounting Standards *(SFFAS) 59, Accounting and Reporting of Government Land*, management does not believe these matters constitute a systemic internal control deficiency or MW in the Department's federal land reporting processes.

Interior values the auditor's recommendations and recognizes opportunities to further strengthen Department-wide policies, procedures and internal controls related to the accounting and reporting of federal land. The Department remains committed to continuous improvement and will continue to evaluate and enhance its processes to support accurate, transparent and reliable reporting.

Prior Year MW - Interior implemented corrective actions and downgraded the FY 2025 MW to financial reporting controls for Note 18 and the Statement of Budgetary Resources (SBR). Actions included; the onboarding of new staff (e.g., Chief of Financial Reporting Branch) and enhancing review procedures to ensure financial statement data and disclosures are accurately categorized and presented. The enhanced review procedures improved accuracy and reliability of financial reporting.



Photo by Andrew King

PARK POLICE AT AMERICA'S NATIONAL INDEPENDENCE DAY PARADE ON JULY 4, 2026
https://www.flickr.com/photos/usinterior/54633693188/in/album-72177720327343188

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

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



Photo by USBR

NATURE BOWL 2025 AT NEW MELONES LAKE
https://www.flickr.com/photos/usbr/54452061053/in/album-72177720325079117

FIGURE 6

FY 2026 ASSURANCE STATEMENT

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

The Department received its 30th 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, 2026.

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



DOUG BURGUM
Secretary of the Interior
November 16, 2026

Management of Reporting and Data Integrity Risk

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

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

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

Each Interior Bureau and Office is responsible for ensuring the accuracy, timeliness and completeness of information provided under DATA Act reporting. As part of the annual A-123 assessment, each Bureau and Office confirmed reasonable assurance over the safeguarding of assets, compliance with laws and regulations and reporting data reliability and timeliness. See the FY 2026 Assurance Statement on page 28. The OMB requirement to assess control over reporting has strengthened the accountability of Interior managers regarding internal controls and has improved the quality and reliability of Interior's financial information and other data reporting.

USAspending is the official open data source of federal spending information, including information about federal awards such as contracts, grants and loans. Refer to *USAspending.gov* to view Interior's balance totals, on obligations, transactions and number of new awards as of September 30, 2026. The amounts can be filtered to individual Bureau or Office and financial instrument type.

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



Photo by Lowell Whitman

FREEDOM 250 GRAND PRIX
https://www.flickr.com/photos/usinterior/55575019434/

Federal Financial Management Improvement Act of 1996

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

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

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

Interior used the FFMIA Compliance Determination Framework to determine whether Interior's financial management system complied with FFMIA. Interior's financial management system substantially complied with FFMIA in FY 2026.

Management of Audit Follow-Up and Resolution

Interior 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 2026, Interior continued to monitor audit follow-ups on GAO, OIG and Single Audit Act audit reports. Audit follow-up actions include analyzing referred audit reports by tracking, reviewing and validating program and financial audit recommendations; developing mutually acceptable and timely resolution of disputed audit findings and recommendations; overseeing the implementation, documentation and closure of audit recommendations; and monitoring the recovery of disallowed costs. The OIG's Semiannual Reports to Congress (issued May and November 2026) provides additional information about OIG activities and the results of their audits at: *https://www.Interioroig.gov/reports*. To further underscore the importance of timely implementation of GAO and OIG audit recommendations, Interior has a performance goal of implementing at least 85 percent of all GAO and OIG recommendations where implementation was scheduled to occur during the current year or in previous years by August 1st, of each year. Interior set its performance goal at 85 percent to allow for impacts, challenges or unforeseeable delays when initial Corrective Action Plans (CAPs) were developed; some corrective actions can span multiple years. For FY 2026, Interior achieved an implementation rate of 99 percent.

Results of Financial Statement Audit

As required by GMRA, Interior prepares financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm. In FY 2026, KPMG LLP issued an unmodified opinion on the Interior consolidated financial statements. One material weakness was reported, as a result of the financial statement audit. See "Summary of Financial Statement Audit" in the Other Information Section (Figure 28).



Photo by FWS

AQUATIC INVASIVE SPECIES
https://www.fws.gov/program/aquatic-invasive-species

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 Interior. A summary of these challenges identified by GAO and the OIG is 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

Interior is required to comply with several other legal and regulatory financial requirements, including the *Prompt Payment Act* (PPA), the *Debt Collection Improvement Act of 1996* (DCIA) and 31 U.S. Code (U.S.C.) 3332, *Required Direct Deposit*, which is enforced under 31 Code of Federal Regulations (CFR) Part 208, *Management of Federal Agency Disbursements*. See Figure 7.

Prompt Pay, Debt Collection and Electronic Funds Transfer

The PPA requires federal agencies to pay their bills on a timely basis, to pay interest penalties when payments are made late and to take discounts. The DCIA requires federal agencies to refer delinquent nontax debts to the U.S. Department of the Treasury (Treasury) for collection. Title 31 CFR 208.3 mandates all recipients of federal vendor payments and salary payments receive their payments electronically, except for tax refunds.

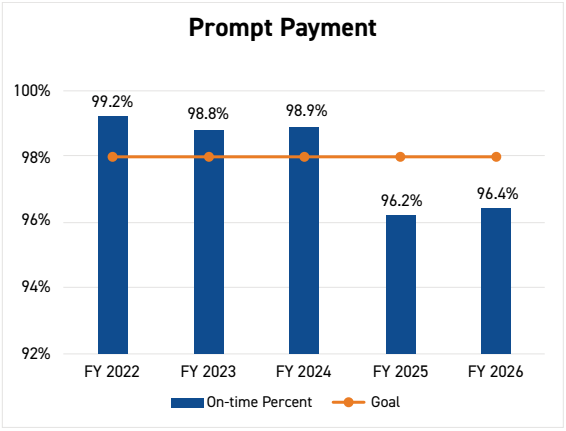
Due to a lapse in appropriations at the beginning of FY 2026, Interior experienced a smaller increase than what was anticipated in the Prompt Payment metric, a slight decrease in the Electronic Funds Transfer (EFT) metric from the previous year, as well as a decrease in the Debt Referral metric, in FY 2026.

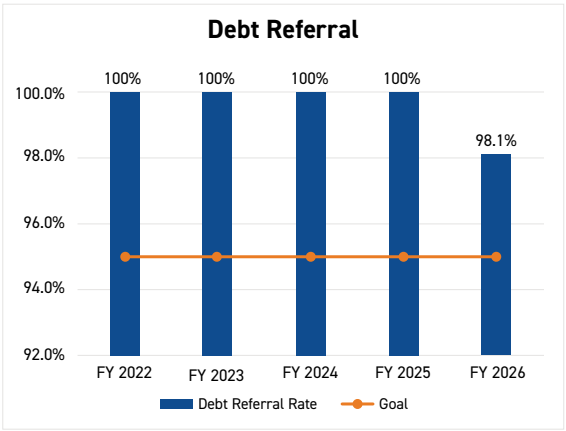
In addition to the lapse in appropriations, the EFT shortfall was also attributed to vendor payments in remote locations with a lack of transportation in isolated communities. There were high volumes of transactions related to tort claims, legal settlements, financial assistance, social service payments to individual Indians and realty payments that are processed with non-EFT mechanisms.

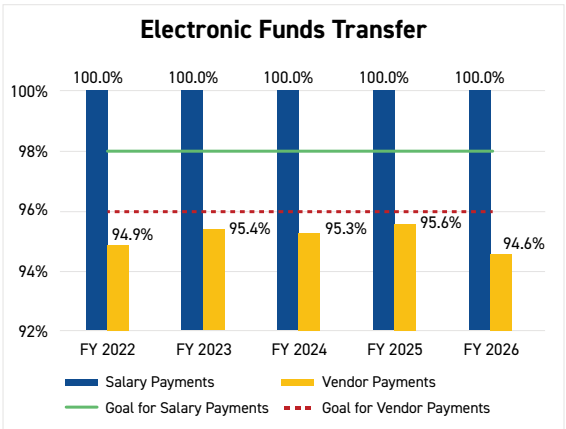
The Department continues to strive to meet the EFT vendor payment goal by utilizing Treasury's Pay.Gov and Online Bill Pay Systems, in addition to the Federal Reserve's FedNow service. FedNow allows individuals and businesses to send and receive money instantly, offering an innovative instant payment solution to Interior's customers.

The Department exceeded its debt referral rate and is committed to improving all performance goals in years to come.

FIGURE 7







Information Management and Technology

The Chief Information Officer (CIO) provides vision and leadership to Departmental Offices (DOs) and Bureaus in all areas of information management and technology (IMT). The Office of the Chief Information Officer (OCIO) works closely with the Senior Procurement Executive to issue policies as needed to control all enterprise-level IMT acquisitions.

In FY 2026, OCIO advanced secure, modern and customer-focused IMT services across the Department. The OCIO strengthened the Department's digital foundation by closing 258 data centers, expanding cloud migration and modernizing enterprise networks. The Department also improved cybersecurity resilience through enhanced identity services, Zero-Trust (ZT)-aligned protections and enterprise-wide modernization of monitoring and risk management tools.

The OCIO further advanced data and Super Intelligence (SI) innovation by improving oversight of SI use, training more than 59,000 employees and piloting automation that accelerated mission processes. Together, these efforts streamlined operations, reduced costs and improved service delivery across Interior.

Looking ahead to FY 2027, OCIO will build on its modernization momentum by accelerating cloud adoption, advancing enterprise network upgrades and completing key system transformations. The OCIO will strengthen cybersecurity through enhanced ZT capabilities and improved visibility across the technology stack. The OCIO will also scale SI adoption, launch enterprise tools and improve data governance to ensure employees can use trusted, high-value data in their daily work.

These efforts will streamline operations, reduce risk and deliver faster, more consistent and more user-centered IMT services across the Department.

FY 2026 Accomplishments

MODERNIZING IMT OPERATIONS AND ENTERPRISE SERVICES

- Assessed 950+ new IT acquisitions against Administration priorities, Department strategy and IT architectural and contract consolidation, in fulfillment of statutory CIO IT acquisition approval responsibilities. Over $20 million in cost avoidance identified and implemented.
- Advanced the development of a structured enterprise intake and engagement model that improved how emerging technology requests were evaluated and coordinated across teams. While still maturing, this evolving framework helped mission programs navigate modernization efforts more predictably, supporting 113 project submissions this year, completing work on 61, keeping 49 actively progressing and monitoring 3 as they transition toward closure. These early gains are giving Bureaus and Offices clearer expectations, earlier alignment with the right experts and a more consistent pathway from initial inquiry to actionable support.
- Assisted Bureau and Office mission programs to navigate complex audit and compliance solution evaluations by providing structured analysis, practical guidance and coordinated support, during an evolving procurement process. This assistance gave the OCIO's customers clearer options, reduced confusion and enabled them to move forward with critical oversight system improvements despite a fast-shifting and sometimes challenging operational environment.
- Advanced the build-out of a Department-wide Research and Development (R&D) environment by establishing the initial cloud landscape, expanding partnerships and launching early technology pilots. This R&D environment helped Bureaus and Offices test emerging tools in controlled settings, giving customers clearer insight into feasibility and improving confidence in modernization decisions.
- Published the updated Information Management and Technology Expectations and Revocation of Prior Delegations policy which supported OCIO's unified IT structure by ensuring direct oversight of IMT functions previously performed by Bureaus and Offices.
- Successfully completed the multi-year transition of all Interior voice services off the Enterprise Infrastructure Solutions Voice contract. The services either migrated to Microsoft Teams, transitioned to Bureau/Office-managed contracts or were discontinued. This transition supported Interior's efforts to reduce costs and modernize its telecommunications infrastructure.
- Completed the transition to the Bison Support System (BSS) for the remaining Interior Bureaus including NPS, FWS and BSEE. The BSS is an enterprise-wide service management platform that centralizes and enhances support for user requests, problems, incidents, changes and assets. The system strengthens customer satisfaction, improves cybersecurity and delivers advanced analytics for Interior decision-making.
- Completed 26 awards against the Section 508 Support Services Blanket Purchase Agreement in FY 2026, for a total cost of $114,778, which

improved Section 508 compliance of information and communication technology developed, procured, maintained or used by Bureaus and Offices.

- Utilized the Accessibility Management Platform to scan 106,340 public-facing web pages in FY 2026, with a website accessibility conformance of 97 percent, which improved from FY 2025. This demonstrates that Bureaus and Offices are maintaining a high standard of compliance for accessibility of content posted on their public-facing websites.
- Dispositioned (deleted) 153 million emails from the email Enterprise Records and Document Management System (eERDMS) archive. This created a reduction of storage in the eERDMS on average of 2.0 terabytes per month, which is projected to continue improving in FY 2027. The Bureaus and Offices continue to see the results and benefits of their time and effort spent classifying and dispositioning email content.
- Closed 258 Interior-owned and operated data centers by consolidating workloads into modern, secure, agile enterprise cloud environments. This initiative reduced the Department's physical footprint and hardware maintenance costs, while enhancing operational resiliency, cybersecurity posture and continuity of mission operations. An estimated $25 million cost avoidance will be realized as a result.
- Accelerated cloud adoption and modernized hosting environments by migrating mission systems to secure cloud platforms and completing major phases of its infrastructure consolidation efforts.
- Advanced Department-wide network modernization by upgrading core gateways, implementing Trusted Internet Connections (TIC) 3.0-aligned protections and expanding wireless modernization across locations. These improvements strengthened reliability, increased bandwidth availability and improved network resilience for mission operations.
- Maintained and expanded the Interior IT Storefront, continuing the Department-wide use of the National Aeronautics and Space Administration's Solutions for Enterprise-Wide Procurement contract vehicle. In FY 2026, Interior responded to component shortages by updating standard laptop configurations, substituting comparable components when necessary and adjusting configuration standards to preserve consistency across Bureaus and Offices. These changes enabled Interior to continue procuring standardized equipment despite market availability constraints.
- The Catalog Review Team (CRT) was reestablished following organizational changes within OCIO. The new CRT provides broader representation across the Department, including two members from USWFS and a dedicated cybersecurity representative. These additions strengthen mission alignment and incorporate dedicated cybersecurity expertise into the review process.

TRANSFORMING THE DIGITAL CUSTOMER EXPERIENCE

- Released MAPLand Viewer, a new public-facing mapping tool which makes information about public land and water access more consistent, easier to find and more useful for Americans planning trips on public lands and waters.
- Led the Digital Recreation Assessment Project, a comprehensive review and analysis of the interagency digital recreation ecosystem, including *Recreation.gov*, to uncover opportunities to streamline product governance, design new features for the public and save taxpayer money by adopting new technologies.
- Partnered with IA on product and technology planning to modernize its probate program by replacing manual, paper-based processing with an integrated, cloud-based Electronic Probate System. The system was designed to reduce case-preparation time, improve the completeness and accuracy of case files submitted to the Office of Hearings and Appeals and give families a direct channel to participate in their cases and utilizes automation and SI.

STRENGTHENING CYBERSECURITY AND RISK MANAGEMENT

- Transitioned 85 percent of Windows systems to the Department's Entra ID Platform with the remaining systems documented with Plans of Action and Milestones. Microsoft Entra ID is a cloud-based identity and access management service.
- Closed 41 GAO, OIG and FISMA audit recommendations, mitigating key risks and findings, strengthening internal controls and advancing the Department's cybersecurity maturity and overall security posture.
- Completed security assessments for three High Value Asset systems in alignment with Cybersecurity and Infrastructure Security Agency (CISA) Binding Operational Directive (BOD)-18-02, *Securing High Value Assets* and OMB M-19-03, ***Strengthening the Cybersecurity of Federal Agencies by enhancing the High Value Asset Program***, requirements.

- Completed supply chain risk assessments for 1,434 IT hardware, software and service providers using the risk profiles created in the Interior Cybersecurity Supply Chain Risk Management and Monitoring tools.
- Completed a pilot cybersecurity workforce assessment focused on OCIO cybersecurity staff, establishing current baselines for roles, spans of control and skill readiness. Implemented the first cycle of the Cyber Workforce Assessment and Training Process (AT-2/AT-3), launching the assessment, publishing updated training catalogs and scaling initial implementation across OCIO Directorates. This work created a repeatable, role-based framework for continuous workforce development and compliance with federal requirements.
- Improved the Department's cybersecurity maturity with the implementation of the *Palo Alto Network's* Security Information and Event Management Extended Security Intelligence and Automation Management (XSIAM) solution. The XSIAM agent was deployed to more than 50,000 workstations and servers. In addition, the tool collected 7.4 petabytes of log data and 9.2 trillion cumulative events were processed.
- Initiated the consolidation of cybersecurity processes into a unified, department-wide framework that leveraged Bureau and Office expertise. Vulnerability scanning migrated from network scans to agent-based scans, which improved accuracy and reliability of vulnerability tracking and patching status.
- Published the U.S. Department of the Interior Privacy Threshold Analysis and Privacy Impact Assessment Policy and Implementation Guidance, which established a unified, risk-based privacy compliance framework for identifying, assessing, documenting and mitigating privacy risks associated with Interior systems, programs, information collections, SI-enabled capabilities and data management activities.

HARNESSING DATA AND SI FOR MISSION IMPACT

- The Chief Data Officer and the Data Stakeholder Council collaborated to enhance data usage for decision-making across Interior Bureaus and Offices. Through the Interior Data Inventory project, they identified over 54,000 datasets, surpassing OMB requirements. The Sensitive Data Categorization project successfully classified data elements in more than 40 application databases linked to major investment systems. These initiatives ensured proper metadata documentation, assessed data sensitivity and established consistent data categorization practices, resulting in improved data visibility and comprehensive usage.
- Reviewed all 280 SI use cases in the Department's inventory from Bureaus and Offices, against OMB Memorandum M-25-21, *Accelerating Federal Use of AI through Innovation, Governance and Public Trust*. The Chief SI Officer identified 21 high impact use cases and gave each one a named owner and a due date for its safeguards. The review also found two uses running outside the inventory and brought them under oversight.
- Gave employees pilot access to generative SI tools (ChatGPT, Claude, Gemini and Perplexity) through no-cost General Services Administration (GSA) OneGov 1.0 agreements, alongside Microsoft 365 Copilot. Over 40,000 employees explored the SI tools.
- Built and completed initial user testing of a new enterprise-wide SI portal, built on GSA's USAi platform that allows Interior employees to access six SI models from four vendors in one application. This tool also allows Interior to easily swap SI models when new models are released.
- Trained 59,666 employees, about 93 percent of the active workforce, through at least one SI course or live session. The OCIO ran Microsoft 365 Copilot immersion sessions with FWS, USGS, BLM, IBC and OIG, then opened a 6-week Copilot series to all employees.
- Used SI inside a sealed Amazon Web Services (AWS) GovCloud environment to analyze over 6 million lines of mainframe code. This analysis was completed in just four days, for only $823. The work pulled 34,752 business rules and 150 database entities out of 1980s-era code, while always remaining in government control.
- Published the Interior Policy on Use of Generative Super Intelligence, which established guidelines for the responsible use of Generative SI in the Department.

Future Planned Activities

MODERNIZING IMT OPERATIONS AND ENTERPRISE SERVICES

- Capitalize on Interior's IT unification by conducting comprehensive portfolio reviews of systems and investments. Incorporate systems knowledge from OCIO teams to objectively measure performance and risk at the enterprise level and to leverage unified resources to track and resolve interdependencies between programs and projects.
- Continue to accelerate cloud adoption while standardizing and optimizing the Interior environment to simplify hosting operations.
- Modernize the Department's Document Tracking System by implementing a new platform and introducing SI-assisted workflow and search capabilities, improving document routing efficiency, enhancing transparency and reducing processing time for enterprise-wide policy and correspondence reviews.

- Integrate Section 508 accessibility requirements into Interior's Authority to Operate process. This will ensure that Interior systems are secure and usable by all individuals.
- Continue Department-wide network modernization by completing enterprise gateway upgrades, expanding Wi-Fi upgrades and implementing TIC 3.0 protections to strengthen reliability and bandwidth for mission operations.
- Continue advancing Department-wide contract consolidation efforts to streamline procurement, reduce administrative burden and improve consistency of services across Bureaus and Offices. Unify multiple Bureau/Office-level agreements for enterprise functions such as service desk support, IT operations and licensing and subscription management into coordinated enterprise acquisitions. Centralizing these common services will enhance performance oversight, strengthen buying power and enable more predictable cost management.
- Transition the Interior IT Storefront Catalog from its current web-based format to a SharePoint-hosted platform. This change is expected to streamline catalog governance, enable more efficient updates and better integrate with existing OCIO workflows.
- Leverage a rigorous workforce planning process that delivers the competencies for today and tomorrow and updates the IMT workforce plan to meet IMT strategic priorities.

TRANSFORMING THE DIGITAL CUSTOMER EXPERIENCE

- Continue leading the development of enterprise-wide design and delivery standards including accessibility, agile development, feedback and measurement and product management for reuse across Bureaus and Offices.
- Continue website and web application consolidation to reduce the number of outdated and duplicative websites and content that are maintained by Bureaus and Offices.

STRENGTHENING CYBERSECURITY AND RISK MANAGEMENT

- Continue to mature Interior enterprise security capabilities to provide a Departmental-level view of operations, governance, risk and compliance.
- Advance the maturity of Interior's enterprise security toolset to better support Departmental strategic objectives by ensuring secure, consistent and efficient access to tools, applications, data and technology. This includes establishing clear visibility into existing cybersecurity tools, eliminating redundancies and aligning future investments with corporate mission needs.
- Reduce duplicative cybersecurity tools, providing a high level of cybersecurity at a lower cost. Ensure integration of the Interior technology stack with ZT architecture.
- Strengthen cybersecurity capabilities by leveraging SI, such as threat detection, risk analysis, cyber intelligence collection and engineering.
- Complete the transition of Windows systems to the Department's Entra ID Platform.
- Streamline and modernize the authorization processes for IT systems by building a skilled, adaptable cybersecurity workforce capable of supporting a ZT and shared services model. This includes enhancing staff competencies, reducing administrative burden and improving compliance with federal requirements through targeted training, structured skill assessments and strengthened cross-team collaboration.
- Expand the cybersecurity workforce assessment to all OCIO cybersecurity staff, followed by all OCIO staff, with future optional inclusion of Bureau and Office IMT participants.

HARNESSING DATA AND SI FOR MISSION IMPACT

- Expand the inventory, metadata documentation and sensitive data categorization of data in Interior systems.
- Ensure that Interior employees can easily find priority data assets to help inform their decisions and that Interior employees have data and SI literacy, in addition to evidence-based decision-making skills, appropriate for their roles and responsibilities.
- Launch the enterprise SI portal Department-wide, as Interior's primary generative SI portal and grow monthly active users. Connect the system to governed Interior data in the Department's enterprise data platform, so answers draw on Interior's own checked data and cite their sources.

Financial Management Systems Improvement Strategy

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

Financial Systems Modernization

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

The FBMS enables Interior 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 Interior-wide and Bureau/Office-specific reporting capabilities,
- Increased data consistency, integrity and transparency and
- Retirement of aged, stove-piped, unsupported and costly legacy systems.

FY 2026 Accomplishments

The OCIO Business Integration Office (BIO) Directorate provides continual improvements and operations and maintenance support to FBMS and its users. The FBMS has an average of approximately 12,500 users with over 3,100 of them using FBMS on an average business day. The BIO manages FBMS hosting through a cloud managed service provider and partners with other Directorates of the OCIO to provide help desk support. In FY 2026, BIO implemented several system and business management improvements:

- Continued responsible stewardship of Interior's Enterprise Resource Planning (ERP) by beginning upgrade of the core platform onto SAP's S/4HANA 2023 version to ensure stability, avoid technical obsolescence and enable compliance and alignment with federal security and financial management system requirements.
- Delivered a solution for archiving FBMS financial data that resided in the legacy solution, SAP ECC, including providing a platform for the standardization of retention practices, resolving a critical known cybersecurity vulnerability and preserving all legacy ECC data in a secure, read-only environment with full attachment access. This archiving approach reduces technical risk, avoids duplicative hosting cost and strengthens Interior's unified, modern financial data landscape.
- Achieved 99.98 percent overall application availability for FBMS in FY 2026. Experienced only a single 50-minute unplanned outage across the entire year (December 2025 during a virtual machine live migration), addressed by comprehensive Root Cause Analysis (RCA) and implementing preventive infrastructure controls.
- Continued FBMS vulnerability management and Known Exploitable Vulnerabilities ensuring that 100 percent of critical findings have a remediation plan within 10 days of discovery.
- Expanded its security toolset to include data masking and continued deployment of a suite of security tools that provide improved security and controls in the following areas: patch and vulnerability management; continuous monitoring of FBMS for evidence of exploitation; and demonstrated compliance with security controls applicable to a FISMA moderate system. The BIO continues the use of a tool to scramble Personally Identifiable Information.
- The BIO continued collaboration with other Directorates in OCIO and our managed service provider regarding compliance with Interior's cybersecurity initiatives such as Multi-Factor Authentication (MFA) and Data at Rest. The BIO also established a repeatable, FBMS-specific, data exfiltration testing process and continued to refine the application's outbound network traffic flows.

- Continued participation in the strategic planning sessions for Interior's ZT Architecture mission to ensure alignment of the FBMS security strategy with Interior requirements for this critical cybersecurity initiative.
- Implemented the following Robotic Process Automation (or bots):
  - Contract Closeout – Bob the Closer, automates contract close-out actions by capturing, analyzing, drafting modifications and emailing Contracting Officers (CO) a list of expired contracts for potential closure. Bob also accomplishes human-initiated contract close-outs with $0.00 remaining, without the CO having to enter PRISM. As of FY 2026, Bob has helped with over 93,300 zero-dollar simplified contract closeouts.
  - Contract Modifications – Bobbie the Modifier, automates contract modifications actions by drafting and routing modifications to COs in PRISM. The BIO partnered with Interior's Office of Property and Acquisition Management to successfully deploy an enhanced automation capability on an accelerated timeline to achieve compliance with *Executive Order (EO) 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity*; *EO 14168, Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government*; *EO 14148, Initial Rescissions of Harmful Executive Orders and Actions*; *EO 14208, Ending Procurement and Forced Use of Paper Straws* and *EO 14398, Addressing DEI Discrimination by Federal Contractors* and *FAR Council memorandum, Agency Implementation of EO 14398*. As of FY 2026, Bobbie the Modifier successfully modified over 14,549 contracts.
- Enhanced financial assistance management for all of Interior's Bureaus and Offices by supporting the operations and maintenance of GrantSolutions (GS), a Government-wide shared service solution for grants management, including the development of improved reporting capabilities to assist with tracking.
- Continued implementation efforts for Government-Invoicing (G-Invoicing). The adoption of G-Invoicing across government creates a common platform for government agencies to negotiate agreements, broker orders and data exchanges for performance and settlement with government-wide data standards and process transparency. Additionally, it helps automate intragovernmental eliminations and reduces buy/sell discrepancies during financial reporting. Interior provides ongoing leadership across the federal government in support of the development and enhancement of Treasury's SAP G-Invoicing solution. Interior is the leader in the requirements gathering, development, defect resolution, testing and enhancement of SAP's G-Invoicing framework.
- In FY 2026, BIO developed system-to-system integrations that eliminate dual data entry, automatically validate intragovernmental orders and performance and reduce Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reconciliation differences between FBMS and Treasury's platform. These automated reconciliation capabilities streamline historically manual, error-prone processes and strengthen Interior's financial integrity by ensuring faster, more accurate intragovernmental transaction settlement.
- Supported Interior system compliance with the Federal Accounting Standards Advisory Board (FASAB) SFFAS through the implementation and delivery of system improvements required for *SFFAS 54: Leases* and *SFFAS 59: Accounting and Reporting of Government Land*. In support of lease account requirements, BIO implemented SFFAS 54 in December 2025 and led Bureaus and Offices through complex onboarding processes. The implementation included the conversion of roughly 450 leases valued at $175 million and a number of system improvements to meet requirements including new general ledger accounts, role updates, defect resolution and tailored reporting, all of which created a stable, standardized operational baseline for enterprise-wide lease accounting. The BIO also deployed FBMS enhancements in support of SFFAS 59 for enterprise-wide land accounting modernization to meet Treasury's FY 2026 reporting mandates. These system improvements enabled the Department to retire over 52,000 legacy land records, implement new accounting controls preventing activity against retired assets and introduced a mass retirement batch process that saved an estimated 150 labor hours across Bureaus and Offices. The BIO also completed essential crosswalks supporting SFFAS 59 acreage reporting and partnered closely with all Interior Bureaus to coordinate data readiness, cutover tasks and the successful transition into Operations & Maintenance.
- Provided support for Interior's transition to *GO.gov*. GO.gov is a mandated government-wide solution that modernizes how federal agencies prepare, manage and transact official travel. In FY 2026, BIO, in partnership with the Office of Financial Management (PFM), advanced Interior's transition to GO.gov through planning and preparation activities such as defining current-state processes; identification of manual pain points; development of automated approaches to extract and validate profiles for migration; and connectivity testing and validation preparation activities.

- Executive and Secretary's Order Support: The BIO, in collaboration with other entities within Interior's Office of Policy, Management and Budget (PMB), leveraged FBMS functionality to meet high-priority needs outlined in multiple Executive and Secretary's Orders, contributing to Interior's compliance with *EO 14247, Modernizing Payments To and From America's Bank Account*; *EO 14249, Protecting America's Bank Account Against Fraud, Waste and Abuse*; *EO 14222, Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative*; *EO 14208, Ending Procurement and Forced Use of Paper Straws*; *EO 14275, Restoring Common Sense to Federal Procurement*; *EO 14192, Unleashing Prosperity Through Deregulation*; *SO 3429, Consolidation, Unification and Optimization of Administrative Functions*; and *SO 3443, Elevating and Unifying Interior's Wildland Fire Management Program*. Highlights of BIO's EO/SO support include:
  - Continuing the integration of Treasury "Do Not Pay" (DNP) services into FBMS. In FY 2026, BIO strengthened Interior's payment-integrity capabilities by expanding Departmental use of Treasury's DNP and deploying enhanced pre-and post-payment verification controls in FBMS. The BIO implemented Death Master File-Full, Taxpayer Identification Number (TIN) and bank-account verification functionality, ensuring all schedule payments were screened under Treasury's new requirements and fully integrated with payment-integrity monitoring dashboards. These improvements built on other DNP controls such as previously deployed death-master screening, System for Award Management real-time validation, portal access and robust vendor-management processes. In addition, Interior completed technical connections to Treasury's DNP solutions at the end of FY 2026.
  - In FY 2026, BIO also provided program management support for Interior's unification efforts including the development of milestone plans and coordination across functional areas to assist the Assistant Secretary-PMB with the identification and complex sequencing of system, Human Resources and communication tasks required to accomplish unification. The BIO also created an automation that will support the transfer of roughly 44,000 legacy-Bureau assets into unified organizations, eliminating manual entry and is expected to save over 400 full-time equivalent days accelerating Interior's unification through delivery of an accurate, consolidated property asset inventory.
- The *Great American Outdoors Act Legacy Restoration Fund* (GAOA LRF) – is historic legislation that provides funding to address Interior's deferred maintenance backlog and improve the condition of deteriorating assets. Digital solutions, including FBMS, support Interior's stewardship of GAOA LRF funding. In FY 2026, BIO collaborated with the GAOA LRF Office to automate data collection processes, to provide real-time data quality checks and to improve Departmental reporting to the public.
- Deputy Assistant Secretary-Budget, Finance and Acquisition (DAS-BFA) IT Roadmap – In FY 2026, BIO continued facilitation of business-driven DAS-BFA IT Roadmaps. These roadmaps identify technology needed to support emerging business drivers and improve Interior operations by streamlining and standardizing business processes and implementing innovative technologies.

Future Planned Activities

Future plans include the continued optimization of the existing FBMS functional footprint and leveraging the investment to support the President's Management Agenda and Executive/Secretary's Orders, including increasing management efficiency, effectiveness, transparency and accountability and advancing the integration of SI in FBMS.

The Department will also focus on system improvements to achieve Interior's consolidation and efficiency goals; achieve compliance with federal mandates; strengthen financial management; address customer service gaps; improve usability; and increase the security, speed, reliability and flexibility of the FBMS infrastructure. Key planned outyear activities, dependent on approval and funding, include: implementation of government-wide business management mandates and solutions (e.g., G-Invoicing, GO.gov); expanded implementation of robotics process automations and use of SI; continuation of meaningful security enhancements to strengthen cybersecurity, including ZT; implementation expansion of business data analytics capabilities; end user training improvements; and leveraging low-code/no code development to streamline and automate standard processes. In addition, outyear activities will prioritize the continued implementation of G-Invoicing requirements; government-wide solution deployment and integration such as GO.gov and Human Capital Management; and compliance with mandatory FASAB SFFAS 54 (Leases) and SFFAS 59 (Accounting and Reporting of Government Land); and other Federal mandates.

The BIO will also continue to lead the development of the DAS-BFA IT Roadmap. This effort will identify and prioritize business-driven IT initiatives across the entire DAS-BFA

functional area to produce deliberate, strategic plans for how IT can best be leveraged to improve Interior business management under unified operations. The DAS-BFA IT Roadmap is an annual, iterative process. These roadmaps inform outyear plans to expand the utilization of Interior's modern enterprise business management solution, FBMS.

The BIO will also prioritize avoiding technical obsolescence of the FBMS platform by continuing efforts to modernize the S/4HANA platform and support upgrades necessary to remain on supported versions. Additionally, consistent with executive direction to prioritize IT modernization and system consolidation, BIO will also analyze the value and feasibility of transitioning the platform to a secure cloud-based Software-as-a-Service solution and explore opportunities to leverage FBMS to consolidate Interior's business system landscape.

Together, these forward-looking priorities position BIO to continue to strengthen Interior's enterprise business capabilities, help Interior achieve the President's Management Agenda and expand the value of FBMS as a unified, modern ERP. By continuing to optimize the platform, embrace emerging technologies such as SI and low-code/no-code development and advance government-wide mandates; BIO will help ensure Interior's business operations stand ready to meet the Department's evolving mission and the business demands of a modern federal enterprise.

DID YOU KNOW?

FBMS by the Numbers

FBMS unifies finance and mission support across the Department's Bureaus, Offices and functional areas, allowing Interior to operate as a single enterprise, rather than a collection of loosely connected organizations.

29.5 MILLION Transactions Processed

724,000 Fleet Utilization Measurement

953,000 Fuel Transactions

608,000 Invoices Paid, valued at $19.6B

190,000 Vehicles & Equipment Managed

$741 MILLION In Charge Card Transactions

37,000 Financial Assistance Awards valued at $10.7B

48,000 Acquisition Awards Valued at $7.2B

53,000 Maintenance - Work Orders Opened

Interior, Business Integration Office — *Averages of FY22 - FY25 Transactions*

Through sustained modernization of the Financial and Business Management System, Interior has decommissioned 87 legacy systems.



THEODORE ROOSEVELT NATIONAL PARK

https://www.flickr.com/photos/usinterior/54761026373/in/album-72177720328770712

Photo by Andrew King

Analysis of Financial Statements

Interior received, for the 30th consecutive year, an unmodified audit opinion on its financial statements. The statements were audited by the independent accounting firm KPMG LLP. The financial statements and other disclosures included in this report provide the public with assurance that the information presented is accurate, reliable and relevant for informed decision-making. All financial statements and related financial data have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the standards established by FASAB.

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

Special Account Funds

The NPS has concession agreements which contain provisions that provide for the establishment of escrow type accounts to be used to develop, improve and maintain visitor facilities. The concessioner periodically deposits a percentage of gross revenue in the account as provided in the concessioner agreement. These Special Account funds are maintained in separate interest-bearing bank accounts for the concessioners; they are not assets of the NPS and may not be used in NPS operations. Therefore, the balances, inflows and outflows of these concessioner Special Accounts are not recognized in the financial information of the NPS or Interior. The concessioners reported that these Special Account balances totaled approximately $10.8 million and $14.3 million, as of September 30, 2026 and 2025, respectively.

The Balance Sheet

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

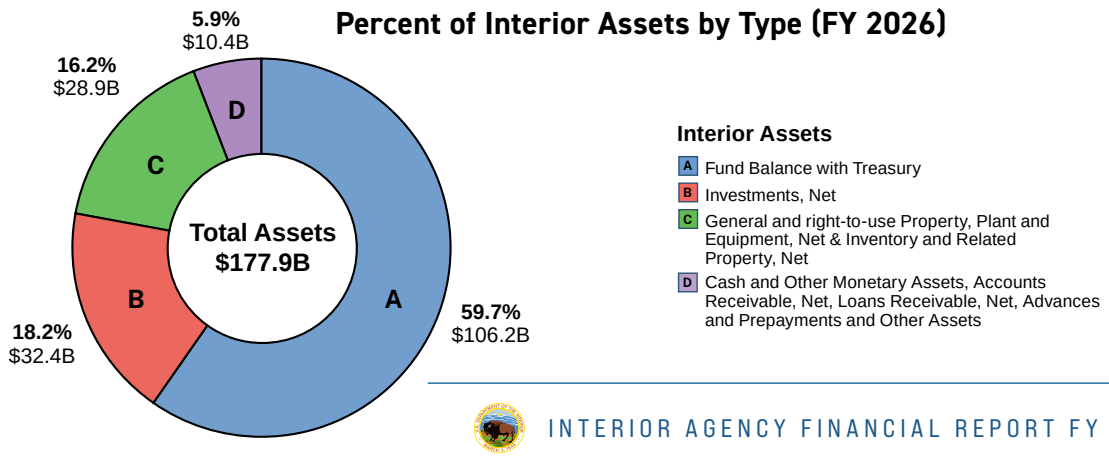
Analysis of Assets

Figure 8 presents Interior assets by type for FY 2026 and FY 2025. Total assets increased by $5.3 billion, or 3.0 percent, primarily due to changes in Fund Balance with Treasury (FBwT), combined with increases in advances and prepayments and transfers and accounts receivable. FBwT represents amounts authorized for use in paying liabilities arising from operations and consists of funds from direct appropriations, transfers, offsetting receipts, recoveries and balances held in budget clearing accounts.

FIGURE 8

Interior Assets *(line items summarized) (dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Fund Balance with Treasury	$ 106,237,638	$ 102,309,135	$ 3,928,503	3.8%
Investments, Net	32,403,296	32,227,175	176,121	0.5%
General and right-to-use Property, Plant and Equipment, Net & Inventory and Related Property, Net	28,859,798	29,114,224	(254,426)	(0.9%)
Cash and Other Monetary Assets, Accounts Receivable, Net, Loans Receivable, Net, Advances and Prepayments and Other Assets	10,402,743	8,996,861	1,405,882	15.6%
Total Assets	**$ 177,903,475**	**$ 172,647,395**	**$ 5,256,080**	**3.0%**

FIGURE 9



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

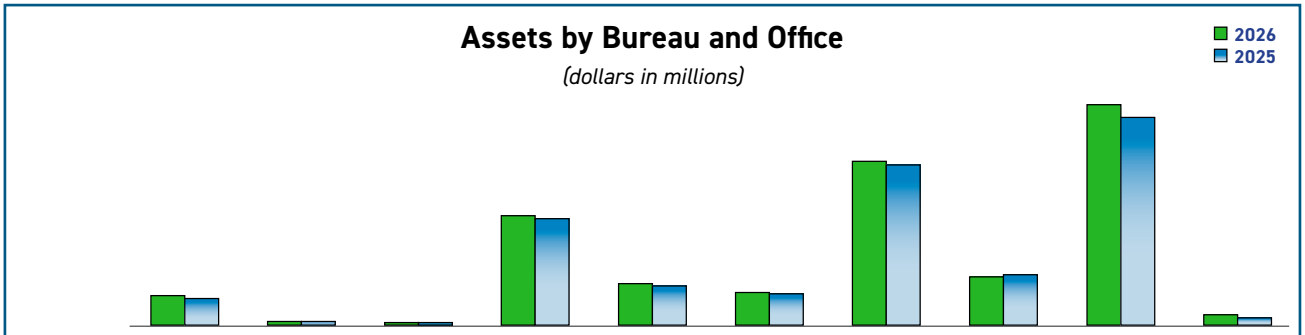
Interior's reported values for General and right-to-use-Property, Plant and Equipment (GRTU-PP&E) exclude Stewardship Property, Plant and Equipment (PP&E) in accordance with accounting standards. Stewardship PP&E benefits the nation as a whole and is considered priceless.

It is not possible to assign an identifiable value to these assets. An in-depth discussion of Stewardship PP&E is presented in Note 10.

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, 2026 and 2025, these amounts were estimated at $1.5 billion and $1.6 billion, respectively.

Comparative assets by Bureau and Office are displayed in Figure 10. The sum of assets by Bureau is not equal to Interior consolidated total assets as intra-departmental eliminations are excluded from the chart presentation.

FIGURE 10



	BLM	BOEM	BSEE	DO[1]	FWS	IA[2]	NPS	OSM	USBR	USGS
FY 2026	$8,629	$606	$216	$31,061	$11,713	$9,402	$46,690	$13,755	$62,312	$2,587
FY 2025	$7,989	$651	$224	$30,397	$11,368	$9,199	$45,599	$14,622	$58,849	$2,446

[1] DO includes the BTFA and the OIA.
[2] IA includes the BIA and the BIE.

Analysis of Liabilities

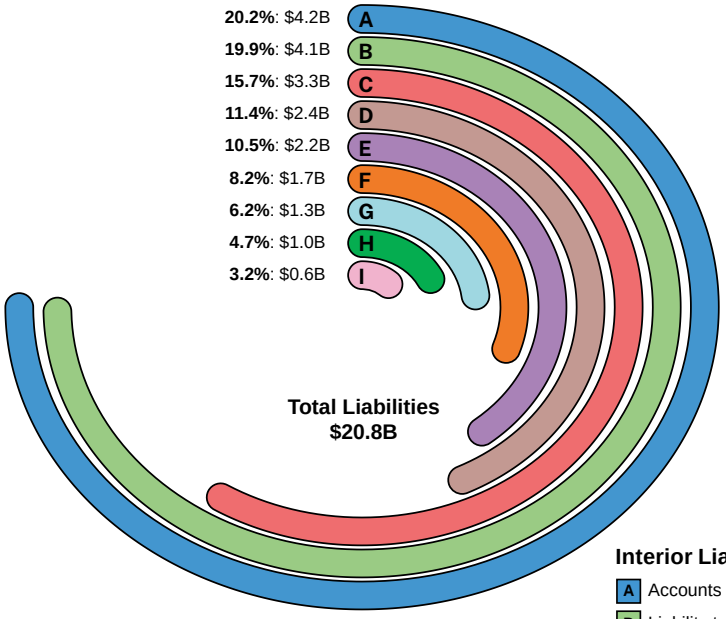
Figure 11 presents Interior liabilities by type for FY 2026 and FY 2025. Total liabilities increased by $1 billion, or 4.9 percent, primarily due to an increase in liability to the General Fund of the U.S. Government for Custodial revenue and in payments due to states.

FIGURE 11

Interior Liabilities *(line items summarized) (dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Accounts Payable, Transfers Payable and Accrued Grant Liabilities	$ 4,206,735	$ 4,714,605	$ (507,870)	(10.8%)
Federal Employee Salary, Leave and Benefits Payable	659,379	741,763	(82,384)	(11.1%)
Pension and Post-Employment Benefits Payable	988,700	1,079,193	(90,493)	(8.4%)
Environmental, Disposal and Contingent Liabilities	2,175,860	2,106,932	68,928	3.3%
Payments Due to States	2,367,216	1,726,229	640,987	37.1%
Advances From Others and Deferred Revenue	3,269,258	3,316,758	(47,500)	(1.4%)
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	4,159,517	3,617,172	542,345	15.0%
Judgment Fund Payable	1,285,570	1,283,868	1,702	0.1%
Other, Debt, Benefit Contributions Payable, Benefits Due and Payable, Loan Guarantee Liabilities, Deposit Fund Liability, Unearned Lessor Revenue, Lessee Lease Liability and Unfunded Lessee Lease Liability	1,698,910	1,250,590	448,320	35.8%
Total Liabilities	**$ 20,811,145**	**$ 19,837,110**	**$ 974,035**	**4.9%**

FIGURE 12

Percent of Interior Liabilities by Type (FY 2026)



Interior Liabilities

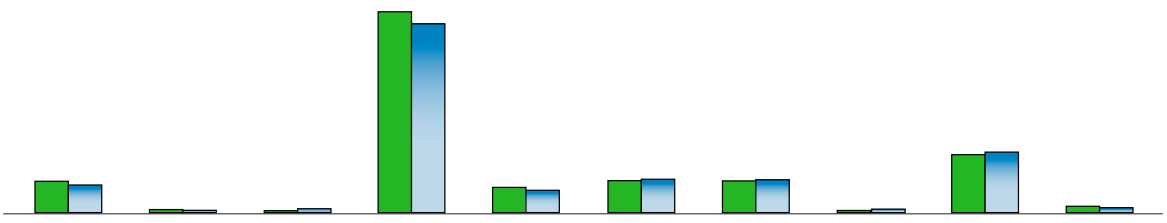
- A Accounts Payable, Transfers Payable and Accrued Grant Liabilities
- B Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets
- C Advances From Others and Deferred Revenue
- D Payments Due to States
- E Environmental, Disposal and Contingent Liabilities
- F Other, Debt, Benefit Contributions Payable, Benefits Due and Payable, Loan Guarantee Liabilities, Deposit Fund Liability, Unearned Lessor Revenue, Lessee Lease Liability and Unfunded Lessee Lease Liability
- G Judgment Fund Payable
- H Pension and Post-Employment Benefits Payable
- I Federal Employee Salary, Leave and Benefits Payable

Comparative liabilities by Bureau and Office are displayed in Figure 13. The sum of Bureau and Office liabilities is not equal to Interior consolidated total liabilities as intradepartmental eliminations are excluded from the graph presented.

FIGURE 13

Liabilities by Bureau and Office

(dollars in millions)



	BLM	BOEM	BSEE	DO[1]	FWS	IA[2]	NPS	OSM	USBR	USGS
FY 2026	$2,465	$25	$23	$15,703	$1,877	$2,445	$2,421	$59	$4,497	$364
FY 2025	$2,037	$23	$29	$14,727	$1,691	$2,487	$2,479	$78	$4,642	$341

[1] DO includes the BTFA and the OIA.
[2] IA includes the BIA and the BIE.

Analysis of Net Costs

FIGURE 14

Interior Net Cost *(summarized by Bureau and Office) (dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Bureau of Land Management	$ 2,581,260	$ 3,054,791	$ (473,531)	(15.5%)
Bureau of Ocean Energy Management	3,315,731	(301,690)	3,617,421	1,199.1%
Bureau of Reclamation	2,192,314	2,844,373	(652,059)	(22.9%)
Bureau of Safety and Environmental Enforcement	199,829	208,109	(8,280)	(4.0%)
Departmental Offices[1]	10,535,817	7,277,226	3,258,591	44.8%
Indian Affairs[2]	4,413,276	4,780,538	(367,262)	(7.7%)
National Park Service	4,263,576	5,079,891	(816,315)	(16.1%)
Office of Surface Mining Reclamation and Enforcement	1,924,504	2,071,213	(146,709)	(7.1%)
U.S. Fish and Wildlife Service	3,653,945	4,225,047	(571,102)	(13.5%)
U.S. Geological Survey	1,454,894	1,637,274	(182,380)	(11.1%)
Eliminations[3]	(29,017)	(29,797)	780	2.6%
Net Costs - by Bureau and Office	**$ 34,506,129**	**$ 30,846,975**	**$ 3,659,154**	**11.9%**

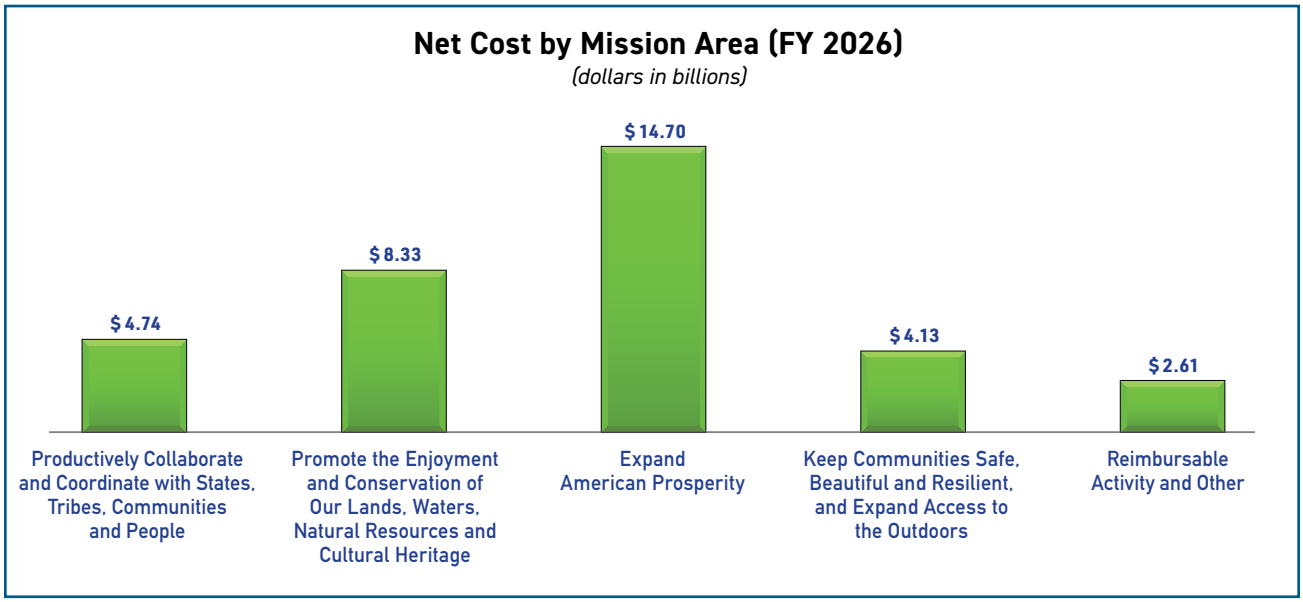
[1] DO includes the BTFA and the OIA.

[2] IA includes the BIA and the BIE.

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

Interior Net Cost of Operations is presented in Figure 14. Interior net costs increased $3.7 billion, or 11.9 percent. The increase is attributable to several factors, including imputed costs associated with offshore wind lease cancellation payments, substantially higher bonuses from onshore lease sales and higher oil prices driven by changes in commodity prices and production volumes. Additionally, increased wildfire suppression costs reflect the growing frequency and severity of wildfire incidents. Overall, Net Costs exceeded the corresponding increases in revenue. In Figure 15, the Consolidated Statement of Net Cost (SNC) includes Interior's four Mission Goals: Productively Collaborate and Coordinate with States, Tribes, Communities and People; Promote the Enjoyment and Conservation of Our Lands, Waters, Natural Resources and Cultural Heritage; Expand American Prosperity; and Keep Communities Safe, Beautiful and Resilient, and Expand Access to the Outdoors. The SNC also includes Reimbursable Activity and Other, which predominantly represents the intragovernmental acquisition of goods and services through the Interior Working Capital Fund and Franchise Fund.

FIGURE 15



Analysis of Net Cost – Interior Workforce

Interior workforce costs include $8.5 billion in payroll and benefit costs for employees executing Interior's mission and programs. The Department employed 59,496 people in approximately 2,400 locations with offices across the United States, Puerto Rico, U.S. territories and Freely Associated States. The total Interior employees count includes 47,481 full-time permanent staff and 12,015 part-time and seasonal staff as shown in Figures 16 and 17.

FIGURE 16

Work Schedule Information	Full Time Permanent	Other[1]	Total
BIA	2,685	38	2,723
BIE	457	2,272	2,729
BLM	5,400	378	5,778
BOEM	438	11	449
BSEE	529	-	529
BTFA	286	-	286
DO[2]	6,732	250	6,982
FWS	5,682	582	6,264
NPS	12,477	6,516	18,993
OSM	254	4	258
USBR	3,511	53	3,564
USGS	4,960	924	5,884
USWFS	4,070	987	5,057
Total Employees by Bureau	**47,481**	**12,015**	**59,496**

[1] Other includes Part-Time and Seasonal Employees
[2] DO includes OIA

FIGURE 17

Total Payroll and Benefits	
BLM	$ 959,900,472
BOEM	100,265,690
BSEE	107,695,724
DO[1]	1,965,903,992
FWS	995,020,405
IA[2]	741,230,019
NPS	1,979,301,602
OSM	43,686,076
USBR	637,514,443
USGS	935,115,919
TOTAL	**$ 8,465,634,342**

[1] DO includes BTFA and OIA
[2] IA includes BIA and BIE

DID YOU KNOW?

"LEADERSHIP IS A CHOICE.

Everyone has the opportunity to lead, regardless of level or position. The hardest person to lead is yourself. Leadership requires sacrifice and discipline. Leading requires caring about people, a commitment to the greater good and daily courage. Leadership done well — with our values at the core — inspires people to achieve their very best."

— Secretary Doug Burgum



Analysis of Net Cost – Stewardship Investments

Interior 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 18

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

Category	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Basic Research	$ 52,834	$ 57,645	$ (4,811)	(8.3%)
Applied Research	732,657	724,478	8,179	1.1%
Developmental Research	50,663	56,728	(6,065)	(10.7%)
Total	**$ 836,154**	**$ 838,851**	**$ (2,697)**	**(0.3%)**

Investments in Research and Development provide 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.

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

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

FIGURE 19

Investments in Human Capital *(dollars in thousands)*

Category	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Educational Programs	$ 1,168,613	$ 1,186,559	$ (17,946)	(1.5%)

Human Capital

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

Education Programs

The BIE serves the school system for American Indian students, delivering educational services to students from their earliest years through college. The BIE supports 169 elementary and secondary schools, 14 dormitories and 33 Tribal Colleges and Universities, supporting Tribal Nations in educating their youth and delivering a culturally appropriate education. The BIE serves approximately 40,000 elementary and secondary students in 23 states and nearly 25,000 post-secondary students in 17 states.

The BIE continues to invest in activities that promote educational self-determination for Tribal communities. Currently, 128 or 70 percent of BIE-funded elementary schools, secondary schools and dormitories are Tribally controlled and operate under the direction of individual Tribal governments.

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

The Early Child and Family Development programs, BIE's Family and Child Education (FACE) program and implementation of early childhood education, are 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 to thousands of families in the child's home and school centers and include early childhood education, adult education and parenting education.

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

Ninety-two percent of American Indian and Alaska Native students attend public schools. Under its Johnson O'Malley Program funding, BIE supports over 320,000 students with the necessary resources designed to meet their unique and specialized educational needs. These funds can provide remedial instruction, counseling, parental involvement, language and other culturally



Photo by BIE

BIE STUDENTS PREPARED FOR A DIGITAL WORKFORCE
https://www.bie.edu/news-article/bie-students-prepared-digital-workforce

relevant programs to Indian students from three years of age through the 12th grade.

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

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

Non-Federal Physical Property

FIGURE 20

Investment in Non-Federal Physical Property

(dollars in thousands)

Category	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Dams and Other Water Structures	$ 569,393	$ 648,538	$ (79,145)	(12.2%)
Land	37,256	73,492	(36,236)	(49.3%)
Roads and Bridges	3,011	5,810	(2,799)	(48.2%)
Schools and Public Buildings	45,947	188,790	(142,843)	(75.7%)
Ranges	17,018	980	16,038	1,637%
Not Classified	19,774	11,329	8,445	74.5%
Total	**$ 692,399**	**$ 928,939**	**$ (236,540)**	**(25.5%)**

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

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

Investments in non-federal physical property decreased by $237 million and 25.5 percent in FY 2026. Most of the fluctuation is attributed to a $135 million decrease in expenditures for schools and public buildings due to the timing of the Advance Acquisition Plan and financial assistance draws, with $104 million executed prior to FY 2026 and $20 million in payments made in FY 2025 for projects now paused in FY 2026. In addition, there was a $79 million decrease for Dams and Other Water Structures relating to reductions to the Navajo–Gallup Water Supply Project, the Metropolitan Water District and the Weber Basin Water Conservancy District's Davis Aqueduct. The NPS investment also declined as GAOA construction activities concluded in FY 2025.

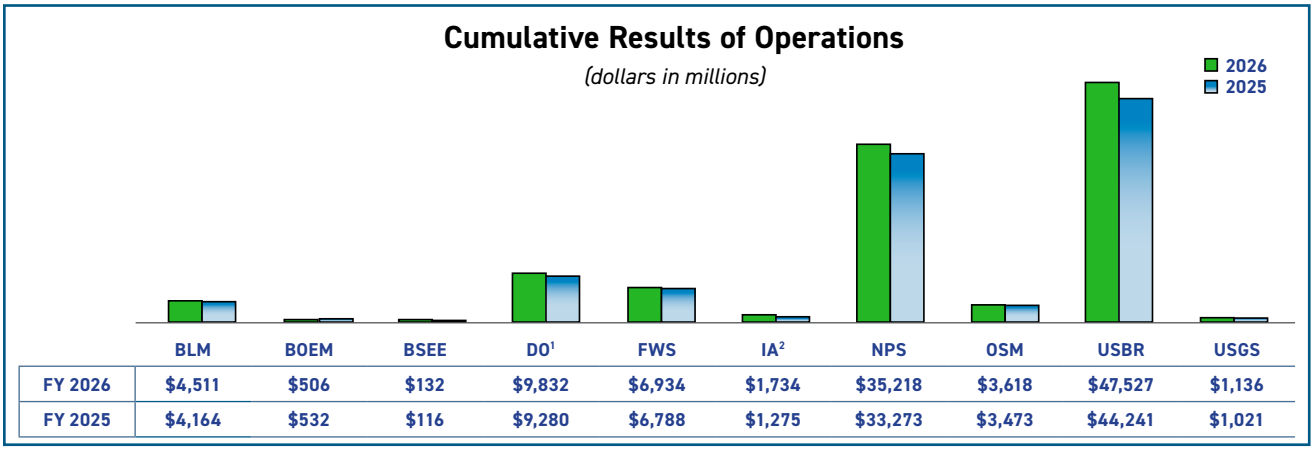
Analysis of Net Position

The Net Position of Interior includes Unexpended Appropriations and Cumulative Results of Operations. These two components are displayed on the Statement of Changes in Net Position (SCNP) to provide information regarding the nature of changes to the Net Position of Interior as a whole as shown in Figure 21. Cumulative Results of Operations is summarized by Bureau and Office in Figure 22.

FIGURE 21

Net Position *(dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Unexpended Appropriations	$ 45,944,498	$ 48,647,071	$ (2,702,573)	(5.6%)
Cumulative Results of Operations	111,147,832	104,163,214	6,984,618	6.7%
Net Position	**$ 157,092,330**	**$ 152,810,285**	**$ 4,282,045**	**2.8%**

FIGURE 22



	BLM	BOEM	BSEE	DO[1]	FWS	IA[2]	NPS	OSM	USBR	USGS
FY 2026	$4,511	$506	$132	$9,832	$6,934	$1,734	$35,218	$3,618	$47,527	$1,136
FY 2025	$4,164	$532	$116	$9,280	$6,788	$1,275	$33,273	$3,473	$44,241	$1,021

[1] DO includes the BTFA and the OIA.
[2] IA includes the BIA and the BIE.

Analysis of Budgetary Resources

FIGURE 23

Key Budgetary Measures *(dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Unobligated Balance from Prior Year Budget Authority	$ 52,229,490	$ 48,968,234	$ 3,261,256	6.7%
Appropriations (Discretionary and Mandatory)	33,441,442	36,721,638	(3,280,196)	(8.9%)
Borrowing & Spending Authority from Offsetting Collections	8,208,001	7,681,695	526,306	6.9%
Total Budgetary Resources	**$ 93,878,933**	**$ 93,371,567**	**$ 507,366**	**0.5%**
New Obligations and Upward Adjustments	45,171,577	42,698,443	2,473,134	5.8%
Apportioned, Unexpired Accounts	47,963,343	49,847,136	(1,883,793)	(3.8%)
Unapportioned, Unexpired Accounts and Expired Unobligated Balance, End of Year	744,013	825,988	(81,975)	(9.9%)
Status of Budgetary Resources	**$ 93,878,933**	**$ 93,371,567**	**$ 507,366**	**0.5%**

Figure 23 provides an overview of the status of budgetary resources. Interior receives funding from general government funds administered by Treasury and appropriated for Interior's use by Congress. Interior also receives a portion of Interior's resources from Special and Trust Funds, such as Conservation Funds (the Land and Water Conservation Fund (LWCF) and Historic Preservation Fund (HPF)), the Reclamation Fund and the Sport Fish Restoration and Boating Trust Fund. These funds are administered in accordance with applicable laws and regulations.

For the year ended September 30, 2026, the increase in Interior's Total Budgetary Resources equaled $507.4 million, a 0.5 percent increase from FY 2025.

As shown in Figure 24, Unobligated Balances from Prior Year Budget Authority totaled $52.2 billion in FY 2026, representing an increase of $3.3 billion, or 6.7 percent. Appropriations of $33.4 billion decreased by $3.3 billion or 8.9 percent, largely due to reduced funding in FY 2026. Spending Authority from Offsetting Collections and Borrowing Authority amounted to $8.2 billion, an increase of $526 million, or 6.9 percent. This fluctuation primarily reflects normal program activity, including unfilled customer orders with advances and reimbursable services across various Interior program areas.

FIGURE 24

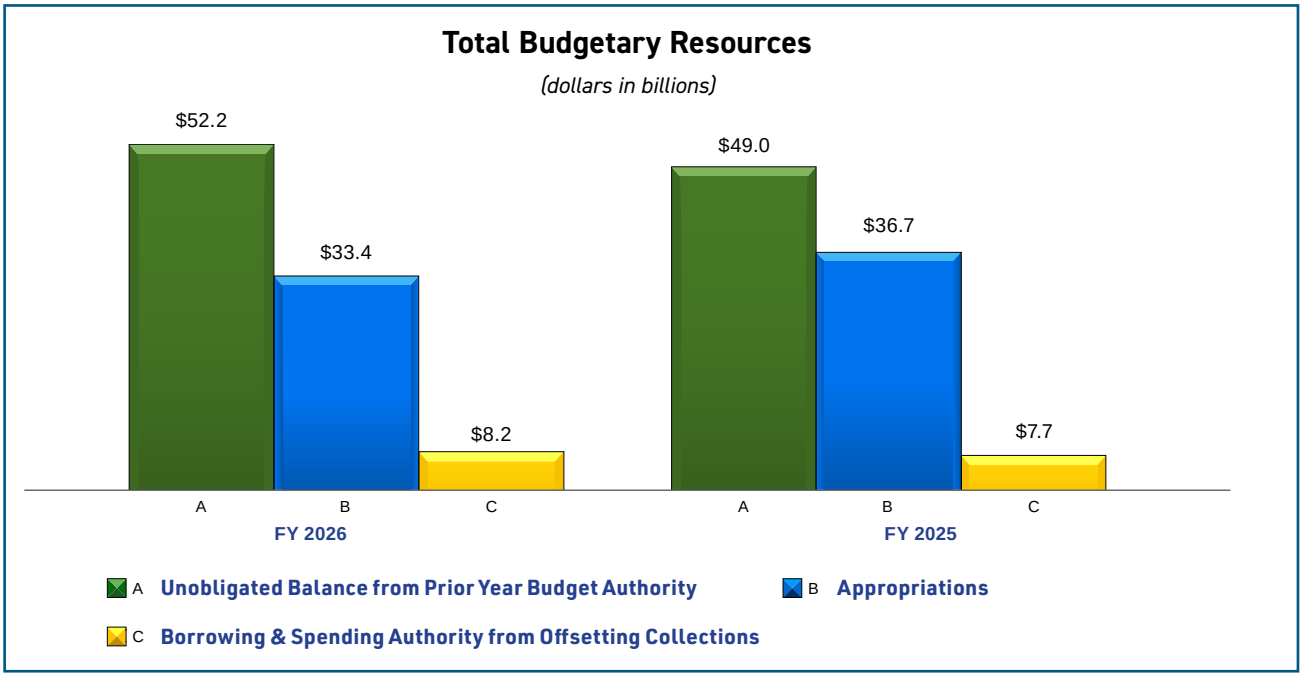
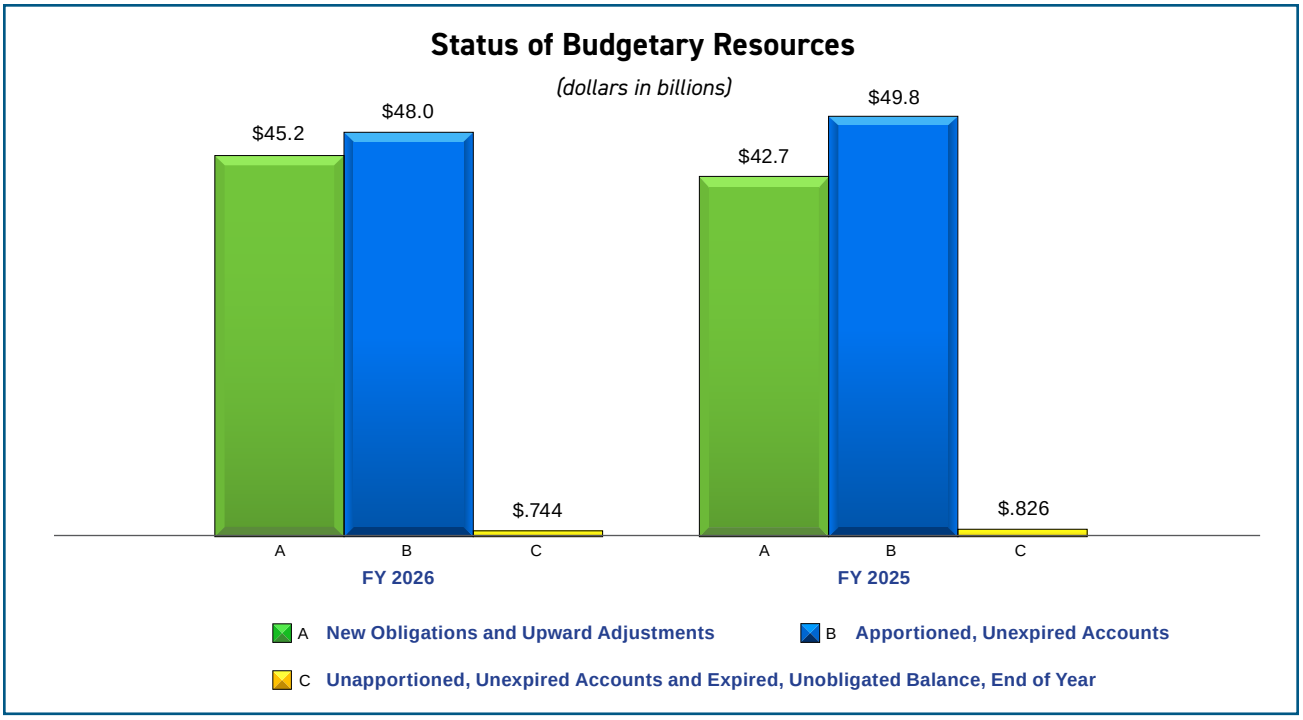


Figure 25 presents the Status of Budgetary Resources for FY 2026 and FY 2025. In FY 2026, New Obligations and Upward Adjustments totaled $45.2 billion, representing an increase of $2.5 billion, or 5.8 percent, compared to FY 2025.

Apportioned, Unexpired balances totaled $48 billion in FY 2026, a decrease of $1.8 billion, or 3.8 percent, compared to FY 2025. The decrease was primarily driven by decreased funding in FY 2026, along with the obligation and expenditure of funds across various Interior programs.

At the end of FY 2026, Unapportioned, Unexpired and Expired Unobligated balances totaled $744 million. The decrease was largely attributable to expired authority in various Interior programs and represents an $82 million, or 9.9 percent, decrease compared to FY 2025.

FIGURE 25



Analysis of Custodial Activity

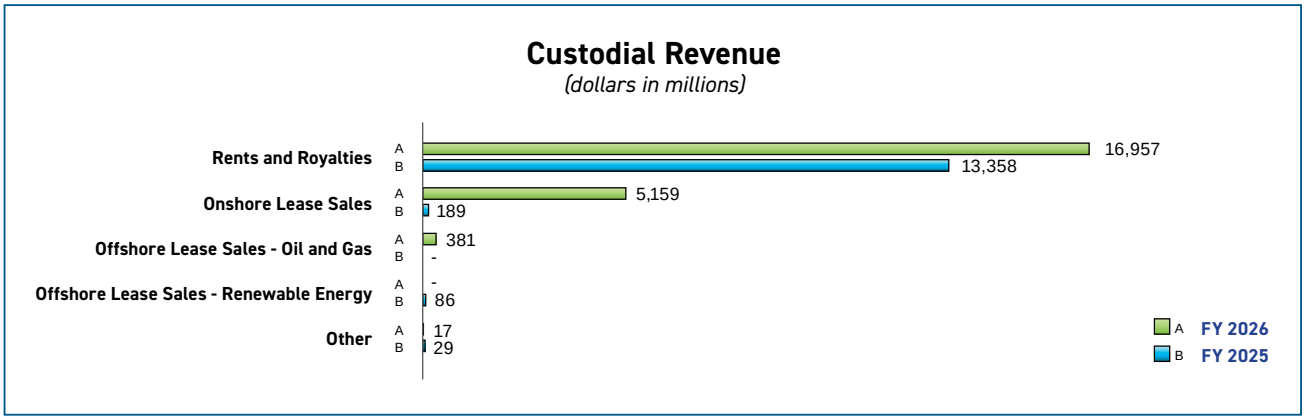
FIGURE 26

Custodial Activity *(dollars in thousands)*	FY 2026	FY 2025	Increase/ (Decrease)	% Change
Rents and Royalties	$ 16,957,060	$ 13,358,394	$ 3,598,666	26.9%
Onshore Lease Sales	5,158,525	188,565	4,969,960	2,635.7%
Offshore Lease Sales - Oil & Gas	380,637	-	380,637	100.0%
Offshore Lease Sales - Renewable Energy	-	85,955	(85,955)	(100.0%)
Other	17,007	28,534	(11,527)	(40.4%)
Total Custodial Revenue	**$ 22,513,229**	**$ 13,661,448**	**$ 8,851,781**	**64.8%**

Figures 26 and 27 display Interior custodial activity, that are collected by components within Interior on behalf of other entities. Custodial activity primarily includes revenues from royalties, rents, lease sales and other receipts for federal oil, gas, renewable energy and mineral leases. This activity is distributed to other Interior 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 Interior's SNC. The $8.9 billion and 64.8 percent increase in custodial revenue is attributable to offshore and onshore oil and gas leasing activities, which generated $5.5 billion in total revenue and increased oil production, natural gas production and increased oil prices in FY 2026.

FIGURE 27



Limitations of Financial Statements

The principal financial statements are prepared to report the financial position, financial condition and results of operations, consistent with the requirements of 31 U.S.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.



LINCOLN MEMORIAL

https://www.flickr.com/photos/usinterior/54767475461/in/album-72177720328854568

Photo by Andrew King

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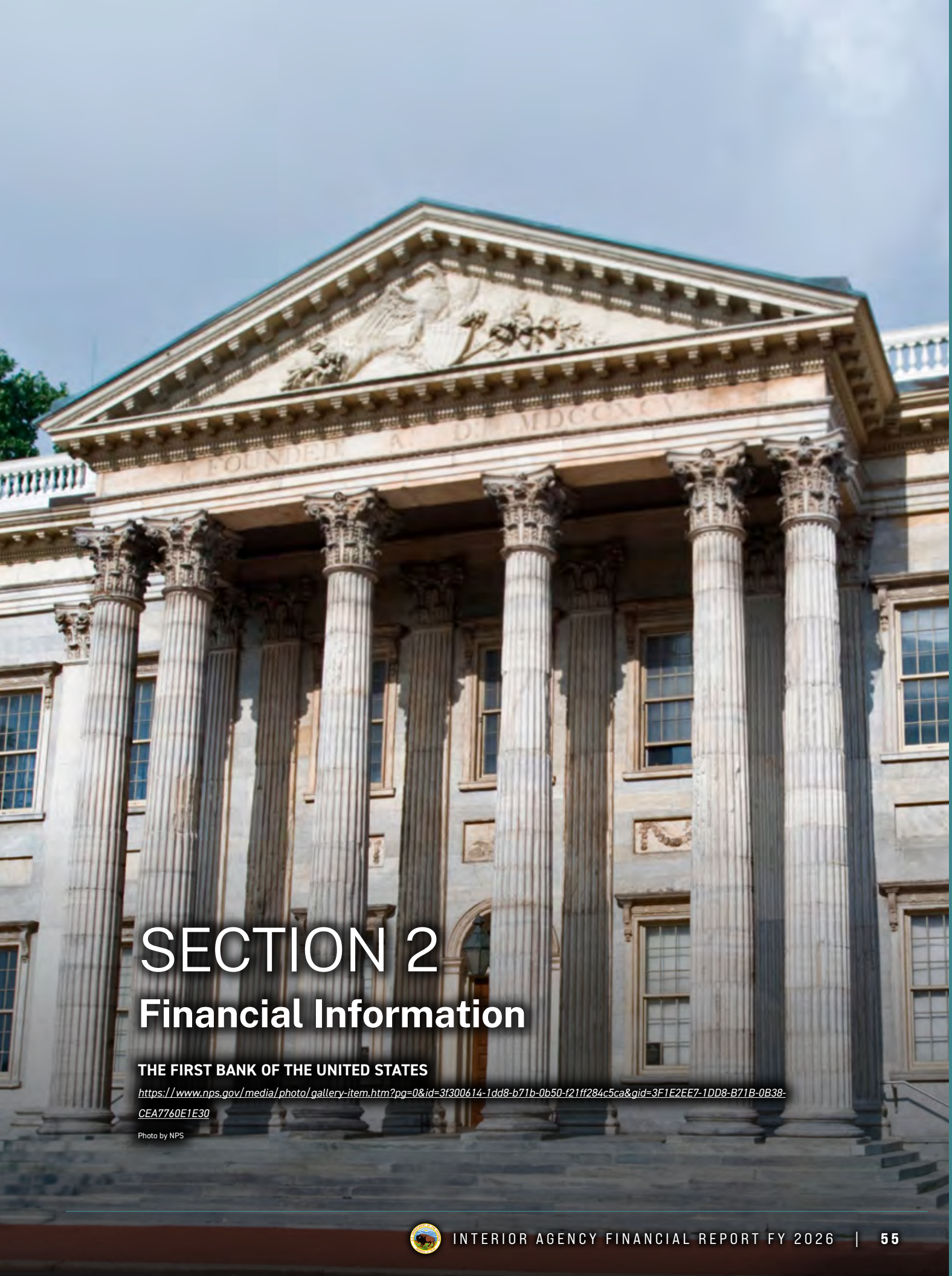

SECTION 2
Financial Information

THE FIRST BANK OF THE UNITED STATES

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Photo by NPS

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

On behalf of the Office of Financial Management (PFM), I am honored to present the U.S. Department of the Interior's FY 2026 AFR. It is a privilege to collaborate with the Department's dedicated financial management professionals, whose commitment and expertise support the diverse mission areas that make Interior uniquely valuable to the American people.

The Department stewards America's natural and cultural resources, delivers actionable science and honors trust responsibilities to Tribal and Insular communities. The PFM provides oversight of financial operations and financial reporting within the Department, as well as overall responsibility for internal control assessments and creating financial management policy.

During FY 2026, PFM achieved several significant milestones that strengthened the Department's financial stewardship, internal controls and operational efficiency:

- **Financial Management Unification**: Completed unification and transition of core financial management responsibilities that spanned across Bureaus and Offices into a centralized model. Unification provides the opportunity for greater consistency and standardization in financial operations. Unification also creates a centralized audit capability to provide direct portfolio management support to Bureaus and Offices for GAO, OIG, CFO and other audits. A centralized audit capability strengthens Department-wide audit readiness, while establishing standardized processes, clear accountability and consistent tracking to ensure effective and timely audit support. The PFM will continue to mature the unified model to achieve further efficiencies for the Department.
- **Do Not Pay (DNP) Initialization**: Led the Department-wide implementation of Treasury's Do Not Pay initiative in support of EO 14249. This effort involved extensive coordination with Treasury, OMB, Bureaus, Offices and external partners to implement new enterprise-wide DNP requirements. Successful onboarding enhances Interior's ability to prevent improper payments and strengthens safeguards against fraud, waste and abuse before payments are issued.
- **Corrective Actions Closed**: The Department closed 99 percent of GAO and OIG audit recommendations targeted for closure during FY 2026 and continues to mitigate risk and improve the Department's posture.



BRENT STEVENSON
(Acting) Deputy Chief Financial Officer and Director, Office of Financial Management

The Office of Financial Management Mission:

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

- **AGA Certificate of Excellence in Accountability Reporting (CEAR) Award for FY 2025 AFR**: The AGA recognized the Department for excellence in FY 2025, with the Department's 24th consecutive AGA CEAR Award.
- **Interior Achieved its 30th Consecutive Unmodified Audit Opinion**: Interior's independent financial statement audit for FY 2026, resulted in another unmodified audit opinion for the 30th consecutive year. We are proud of our Office of Financial Management staff and Bureau/Office partners that made this possible. With Interior staff balancing competing priorities while ensuring individual Bureau and Office mission success, this is truly an accomplishment worth celebrating and a huge thanks to all of the Interior team members whose dedication and effort made this possible.

The Department also made measurable progress by addressing prior-year audit findings. In FY 2026, Interior remediated a significant deficiency related to environmental liabilities-asbestos, demonstrating our commitment to improving the accuracy and reliability of our financial reporting. While three additional findings-General Property, Plant, Equipment (control deficiency), Lessor Leases and Financial Reporting (significant deficiencies)-repeated from the prior year, independent auditors acknowledged Interior's progress toward addressing these deficiencies. Interior continues to evaluate and implement new tools, guidance and process improvements to further remediate these outstanding findings.

In FY 2026, Interior received a material weakness related to SFFAS 59 land acreage reporting, which is being reported and audited for the first time this year. As the largest landholder in the United States, with substantial acreage in rural or unsurveyed regions such as Alaska, the Department's reporting of land holdings involves significant complexity. Interior partially concurred with this finding and in response to this audit recommendation, Interior will strengthen policies and procedures, refine internal controls and work closely with Bureaus to ensure compliance with the standard.

The Department will continue to advance our mission by ensuring strong financial stewardship, modern and secure systems and a foundation of trust in the financial information that supports decision-making at every level. Specifically, PFM is focused on several key priorities in the upcoming year, including:

- Exploring the use of super intelligence and automation to streamline business processes, enhance data quality and promote greater standardization.
- Continuing to align and mature the unified financial management function to most efficiently support Bureau and Office unique mission areas.
- Expanding and maturing our internal control framework to further strengthen the Department's control posture, reduce audit risks and promote continuous improvement.

We are proud of our FY 2026 accomplishments and excited about the opportunities to build on this progress to advance the Department's mission in the year ahead.



BRENT STEVENSON
(Acting) Deputy Chief Financial Officer and Director,
Office of Financial Management
November 16, 2026

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

November 16, 2026

Memorandum

To: Doug Burgum
Secretary of the Interior

From: Caryl N. Brzymialkiewicz, Ph.D.
Acting Inspector General

Subject: *Independent Auditors' Report on the U.S. Department of the Interior's Financial Statements for Fiscal Years 2026 and 2025*
Report No. 2026-FIN-015

This memorandum transmits the KPMG LLP auditors' report of the U.S. Department of the Interior's (DOI's) financial statements for fiscal years 2026 and 2025. The Chief Financial Officers Act of 1990 (Pub. L. No. 101-576), as amended, requires the DOI Inspector General, or an independent external auditor as determined by the Inspector General, to audit DOI's financial statements.

Under a contract issued by DOI and monitored by the Office of Inspector General, KPMG, an independent public accounting firm, audited DOI's financial statements for the fiscal years that ended September 30, 2026, and September 30, 2025. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the U.S. Government Accountability Office and Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual.*

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

- The financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles.
- One material weakness and two significant deficiencies in internal controls over financial reporting:
  - Material Weakness – "Inadequate Controls over Land Acreage Reporting"
  - Significant Deficiency – "Inadequate Financial Reporting Review Controls"
  - Significant Deficiency – "Inadequate Controls over SFFAS 54 Lessor Leases"[1]
- No instances in which DOI's financial management systems did not comply substantially with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA).
- No reportable noncompliance with provisions of laws tested or other matters.

In connection with the contract, we reviewed KPMG's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on DOI's financial statements or conclusions about the effectiveness of internal control

[1] Federal Accounting Standards Advisory Board, Statement of Federal Financial Accounting Standards 54: Leases.

over financial reporting. We also do not express conclusions about whether DOI's financial management systems substantially complied with the three FFMIA requirements or whether DOI complied with laws and other matters. KPMG is responsible for the attached auditors' report dated November 16, 2026, and the conclusions expressed therein. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

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

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

Attachment

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

Independent Auditors' Report

Secretary and Acting 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, 2026 and 2025, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources and custodial activity for the 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, 2026 and 2025, and its net cost, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Department adopted the remaining provisions of the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land* in fiscal year (FY) 2026. This included derecognizing capitalized land and permanent land rights from the balance sheet, and transitioning land and land rights information from Required Supplementary Information (RSI) to a financial statement note. Our opinion is not modified with respect to this matter.

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 FASAB. 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.

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

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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Required Supplementary Information

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 FASAB who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2026, we considered the Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

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

Department management did not report the material weakness, Inadequate Controls over Land Acreage Reporting, in its FY 2026 Assurance Statement, included in the Management's Discussion and Analysis 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 deficiencies described in **Exhibit I** as items B and C to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements as of and for the year ended September 30, 2026 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

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

Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Department's response to the findings identified in our audit and described in **Exhibit I**. The Department's response in **Exhibit II** was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

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

KPMG LLP

Washington, DC
November 16, 2026

Exhibit I – Schedule of Findings

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

During FY 2026, the Department continued efforts to implement corrective action plans to address previously identified internal control deficiencies over financial reporting and leases. We identified a significant deficiency for inadequate financial reporting review controls and a significant deficiency for inadequate controls over SFFAS 54 lessor leases. Remediation efforts are scheduled to continue in FY 2027. In addition, we identified a new material weakness for inadequate controls over land acreage reporting. These persistent and newly identified deficiencies underscore the need for the Department to strengthen its financial management oversight and internal control environment.

MATERIAL WEAKNESS

A. Inadequate Controls over Land Acreage Reporting

For periods beginning after September 30, 2025 (i.e., FY 2026), FASAB's SFFAS 59: *Accounting and Reporting of Government Land* required entities to reclassify general property, plant, and equipment (G-PP&E) land and permanent land rights as a non-capitalized asset, report estimated acres of G-PP&E land and stewardship land (SL) using three predominant use sub-categories, and report estimated acres of land held for disposal or exchange.

The Department manages a substantial portfolio of land across the three predominant use sub-categories of conservation and preservation, operational, and commercial use land. The Department's portfolio includes land that was obtained by the Federal government over 200 years ago. This poses a unique challenge for the Department in recording estimated land acreage across its land portfolio. The Department maintains historical records – such as legal descriptions, deeds, and enacted laws – along with modern Geographic Information System (GIS) databases, to serve as the source documentation supporting its land portfolio.

Conditions

The Department did not have sufficient controls to support the reported land acreage when implementing SFFAS 59 in FY 2026. Specifically, the Department:

- Did not sufficiently assess the relevance and reliability of the documentation maintained to support the accuracy of the reported land acreage.
- Did not effectively review and validate the Department's rights to certain land units.
- Did not effectively review and validate the completeness, existence, and accuracy of the Bureau subledgers utilized for land acreage reporting, including land additions and deletions.
- Did not effectively review the Bureau standard operating policies and procedures to ensure they met the requirements of SFFAS 59, such as policies for predominant use categorization, submerged land, and land held for disposal or exchange.

Exhibit I – Schedule of Findings

Criteria

- FASAB SFFAS 59: *Accounting and Reporting of Government Land*
- Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (Green Book):
  - Principle 9 – *Identify, Analyze, and Respond to Change*;
  - Principle 10 – *Design Control Activities*; and
  - Principle 13 – *Use Quality Information*.

Cause and Effect

The Department's risk assessment process was not sufficient to timely and effectively respond to the change that resulted from the newly effective accounting standard (i.e., SFFAS 59). In addition, the Department did not allocate sufficient personnel to design and implement effective financial reporting controls over estimated land acreage.

There is a reasonable possibility that material misstatements in the land disclosures will not be prevented, or detected and corrected, on a timely basis. We identified total factual and projected overstatements of approximately three million acres and total factual and projected understatements of approximately ten million acres, for a net understatement of approximately seven million acres.

Recommendations

We recommend the Department:

1. Perform and document robust risk assessments for the land acreage disclosure and design procedures to respond to the risks identified.
2. Enhance written policies and procedures that outline relevant and reliable measurement methods and data-hierarchy protocols. Where Bureau policies, procedures, and supporting documentation do not sufficiently address the requirements of SFFAS 59, update the Bureau policies, procedures, and supporting documentation to ensure relevant and reliable information is maintained to support the reported land acreage.
3. Design and implement controls based on the results of the risk assessment procedures, such as review and validation of the Bureau subledgers utilized in the land acreage.

Exhibit I – Schedule of Findings

SIGNIFICANT DEFICIENCIES

B. Inadequate Financial Reporting Review Controls

During FY 2025, the Department initiated a comprehensive unification of the administrative functions across the Department. This initiative realigned key financial process areas, streamlined reporting structures, and required cross-functional collaboration to support department-wide priorities. The Department continued to advance its realignment to centralize financial management and oversight responsibilities in FY 2026.

In the prior year, a deficiency was identified and reported related to the Department's controls over the review of its financial statements and the related notes. In response, the Department designed corrective actions to remediate the underlying control deficiency and implemented certain corrective actions as of September 30, 2026.

Conditions

During FY 2026, corrective actions were not fully implemented and operating effectively for the identified prior-year deficiency. As a result, the Department did not have sufficient controls over the review of its financial statements and the related notes.

Criteria

- GAO Green Book:
  - Principle 4 – *Demonstrate Commitment to Competence*;
  - Principle 12 – *Implement Control Activities*;
  - Principle 16 – *Perform Monitoring Activities*;
  - Principle 17 – *Evaluate Issues and Remediate Deficiencies*.
- OMB Circular No. A-136, *Financial Reporting Requirements*

Cause and Effect

Due to ongoing personnel changes and competing priorities amidst the unification of financial management activities, the Department did not remediate the deficiency identified in the prior year.

The control deficiency resulted in the following presentation errors in the Department's financial statement *Note 20. Reconciliation of Net Cost to Net Outlays* as of June 30, 2026:

- *Total Components of Net Cost Not Part of Net Outlays* was overstated by $184 million
- *Total Components of Net Outlays that are Not Part of Net Cost* was understated by $184 million

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

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

Exhibit I – Schedule of Findings

Recommendations

We recommend the Department:

1. Implement comprehensive training for new control operators, focusing on accurate completion and review of financial statement templates and related disclosures. Training should emphasize understanding control objectives, consistent application of policies and procedures, and thorough review practices to detect and correct errors.

2. Periodically assess the effectiveness of training and update materials as needed to reflect changes in personnel, processes, or reporting requirements.

3. Assign experienced personnel as the reviewer or a second review by a different employee when new employees are performing the control.

C. Inadequate Controls over SFFAS 54 Lessor Leases

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

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

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

Conditions

During FY 2026, the Department demonstrated progress in addressing the identified prior-year deficiency, such as establishing a governance structure with defined roles and responsibilities and beginning the process of designing and implementing updated reporting functionalities; however, remediation efforts were not completed. The Department's controls were not designed, through documented policies and procedures, and implemented to respond to the risks of noncompliance with the lessor reporting requirements of SFFAS 54, and related amendments.

Specifically, we noted the Department lacked controls related to:

- The review of new or modified contracts and agreements to determine whether they met the definition of a lease under SFFAS 54 to ensure completeness of the lease population in instances where the Department may be a lessor.

- The validation of the population of agreements for completeness and accuracy when estimating the lease related account balances for right of way agreements in which the Department was the lessor.

- The reconciliation of lease receivable account balances to underlying support to ensure the accuracy of amounts reported.

Exhibit I – Schedule of Findings

Criteria

- SFFAS 54: *Leases*

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

Cause and Effect

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

The conditions increased the overall risk of misstatement of lessor lease receivables and related accounts within the financial statements. As the Department seeks prospective new and additional public uses of federal lands, the risk of misstatement has the potential to increase.

Recommendations

We recommend the Department:

1. Finalize the design and implementation of policies to perform and document a risk assessment of new or revised accounting standards.

2. Provide ongoing guidance and training to process owners to ensure compliance with the standards.

3. Enhance risk assessment procedures to identify and implement changes needed to internal processes and controls to ensure ongoing compliance with SFFAS 54.

MANAGEMENT'S RESPONSE

See **Exhibit II** for the Department's response to the findings described above.

AUDITORS' RESPONSE

We considered management's partial concurrence with the material weakness, Inadequate Controls over Land Acreage Reporting, and maintain that there was insufficient evidence demonstrating the effective operations of controls to validate the relevance and reliability of land acreage supporting documentation. Therefore, we stand by our conclusion that the deficiencies constitute a material weakness due to the reasonable possibility that a material misstatement would not be prevented, or detected and corrected, on a timely basis.

Exhibit II - Management's Response

United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

November 16, 2026

Memorandum

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

From: Brent A. Stevenson
Acting 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) 2026 (Assignment No. 2026-FIN-015)

We appreciate the opportunity to respond to the Independent Auditors' Report on the Department of Interior's (DOI) Fiscal Year (FY) 2026 Consolidated Financial Statements. I am pleased to note that DOI achieved a milestone this year in receiving its 30th consecutive unmodified audit opinion, as reported by our independent auditors, KPMG. We are proud of our financial management team members and bureau partners whose dedicated support to DOI's mission made this achievement possible.

In FY 2026, the Department received one material weakness related to internal controls over land acreage reporting resulting from the implementation of the new Statement of Federal Financial Accounting Standards (SFFAS) 59: Accounting and Reporting of Government Land. Additionally, the auditors reissued significant deficiencies related to the implementation of SFFAS 54, Leases, and the review of financial reporting. Notably, the financial reporting finding was downgraded from a material weakness to a significant deficiency in FY 2026, reflecting the Department's progress in strengthening its internal controls over financial reporting.

The financial statement audit is a vital tool to independently review our financial information and reporting. We view the audit as an opportunity for continuous improvement and a means to strengthen financial management while promoting the prudent, effective, and efficient use of resources across the Department. DOI remains committed to strengthening controls and

Exhibit II - Management's Response

processes and will continue to implement corrective actions as appropriate to address this year's audit recommendations.

Regarding the material weakness associated with land acreage reporting, the Department partially concurs with the auditor's finding. Specifically, DOI arrived at a different conclusion for the first condition relating to assessing the relevance and reliability of documentation maintained to support accuracy of reported land acreage. The Department agrees with the auditor's remaining three conditions, including the observation regarding the review and validation of land ownership records for certain sampled land units. Accordingly, DOI partially concurred with the overall finding and does acknowledge opportunities to strengthen Department-wide and Bureau-level policies, procedures, and internal controls governing federal land accounting and reporting.

DOI appreciates the professionalism and constructive engagement of KPMG and the Office of Inspector General throughout the audit. The Department will continue to use the audit and its recommendations as tools to build upon and improve existing processes, procedures, and internal controls, thereby supporting reliable financial reporting, accountability, and responsible stewardship of public resources.

Principal Financial Statements

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

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

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

Consolidated Balance Sheets

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

Consolidated Statements of Net Cost

The Statements of Net Cost present the net cost of operations according to the Administration's priority categories. Although the priority categories were renamed in FY 2026, the underlying mapping of the data remained the same as FY 2025.

Consolidated Statements of Changes in Net Position

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

Combined Statements of Budgetary Resources

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

Combined Statements of Custodial Activity

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

Department of the Interior
Consolidated Balance Sheets
as of September 30, 2026 and 2025

(dollars in thousands)	FY 2026	FY 2025
ASSETS (Note 8)		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 106,237,638	$ 102,309,135
Investments, Net (Note 3)	32,403,296	32,227,175
Accounts Receivable, Net (Note 4):		
Accounts Receivable, Net	240,013	239,320
Transfers Receivable, Net	1,939,912	1,764,432
Advances and Prepayments	474,510	188,120
Total Intragovernmental	**$ 141,295,369**	**$ 136,728,182**
With the Public:		
Cash and Other Monetary Assets	$ 151	$ 160
Accounts Receivable, Net (Note 4)	6,023,511	5,780,215
Loans Receivable, Net (Note 5)	28,567	30,578
Inventory and Related Property, Net (Note 6)	27,350	24,742
General and right-to-use PP&E, Net (Note 7)	28,832,448	29,089,482
Advances and Prepayments	1,149,207	593,386
Other Assets: (Note 8)		
Lease Receivable	522,574	355,541
Other	24,298	45,109
Total With the Public	**$ 36,608,106**	**$ 35,919,213**
TOTAL ASSETS	**$ 177,903,475**	**$ 172,647,395**
Land and Stewardship PP&E (Notes 9 and 10)		
LIABILITIES (Note 15)		
Intragovernmental:		
Accounts Payable:		
Accounts Payable	$ 62,705	$ 69,290
Transfers Payable	1,678,516	1,676,339
Debt (Note 11)	25,428	26,928
Advances from Others and Deferred Revenue	2,075,380	2,150,295
Other Liabilities: (Note 15)		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets (Note 12)	4,159,517	3,617,172
Judgment Fund Payable	1,285,570	1,283,868
Benefit Contributions Payable	152,719	157,617
Other	150,438	165,120
Total Intragovernmental	**$ 9,590,273**	**$ 9,146,629**
With the Public:		
Accounts Payable	$ 1,346,837	$ 1,759,145
Federal Employee Salary, Leave and Benefits Payable (Note 13)	659,379	741,763
Pension and Post-Employment Benefits Payable (Note 13)	988,700	1,079,193
Environmental and Disposal Liabilities (Note 14)	1,752,300	1,741,878
Benefits Due and Payable	-	3,334
Loan Guarantee Liabilities (Note 5)	48,423	38,835
Advances from Others and Deferred Revenue	1,193,878	1,166,463
Other Liabilities: (Note 15)		
Accrued Grant Liabilities	1,118,677	1,209,831
Deposit Fund Liability	512,211	262,378
Contingent Liabilities (Note 14)	423,560	365,054
Payments Due to States	2,367,216	1,726,229
Unearned Lessor Revenue	488,511	361,900
Lessee Lease Liability	777	-
Unfunded Lessee Lease Liability	131,491	118,481
Other	188,912	115,997
Total With the Public	**$ 11,220,872**	**$ 10,690,481**
TOTAL LIABILITIES	**$ 20,811,145**	**$ 19,837,110**
Commitments and Contingencies (Notes 14 and 16)		
NET POSITION (Note 17)		
Unexpended Appropriations - Funds from Dedicated Collections	$ 20,055,321	$ 20,747,747
Unexpended Appropriations - Funds from Other Than Dedicated Collections	25,889,177	27,899,324
Total Unexpended Appropriations (Consolidated)	**45,944,498**	**48,647,071**
Cumulative Results of Operations - Funds from Dedicated Collections	100,844,465	95,636,143
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	10,303,367	8,527,071
Total Cumulative Results of Operations (Consolidated)	**111,147,832**	**104,163,214**
TOTAL NET POSITION	**$ 157,092,330**	**$ 152,810,285**
TOTAL LIABILITIES AND NET POSITION	**$ 177,903,475**	**$ 172,647,395**

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

Department of the Interior
Consolidated Statements of Net Cost
for the fiscal years ended September 30, 2026 and 2025

(dollars in thousands)	FY 2026	*(dollars in thousands)*	FY 2025
Productively Collaborate and Coordinate with States, Tribes, Communities and People		**Promote Well-Being for Tribes, American Indians, Alaska Natives, Native Hawaiians and Insular Communities**	
Gross Costs	$ 5,168,298	Gross Costs	$ 5,485,074
Less: Earned Revenue	432,083	Less: Earned Revenue	367,149
Net Program Cost	**4,736,215**	**Net Program Cost**	**5,117,925**
Promote the Enjoyment and Conservation of Our Lands, Waters, Natural Resources and Cultural Heritage		**Conserve, Protect, Manage and Restore Natural and Cultural Resources in the Face of Multiple Stressors**	
Gross Costs	9,478,921	Gross Costs	9,746,403
Less: Earned Revenue	1,147,289	Less: Earned Revenue	1,065,953
Net Program Cost	**8,331,632**	**Net Program Cost**	**8,680,450**
Expand American Prosperity		**Balance the Use of Resources While Supporting Communities and the Economy**	
Gross Costs	15,307,073	Gross Costs	9,326,031
Less: Earned Revenue	605,322	Less: Earned Revenue	1,062,555
Net Program Cost	**14,701,751**	**Net Program Cost**	**8,263,476**
Keep Communities Safe, Beautiful and Resilient, and Expand Access to the Outdoors		**Serve and Honor the Public Trust**	
Gross Costs	4,917,780	Gross Costs	6,722,376
Less: Earned Revenue	788,022	Less: Earned Revenue	814,865
Net Program Cost	**4,129,758**	**Net Program Cost**	**5,907,511**
Reimbursable Activity and Other		**Reimbursable Activity and Other**	
Gross Costs Not Assigned to Programs	6,054,297	Gross Costs Not Assigned to Programs	6,563,723
Less: Earned Revenue Not Attributable to Programs	3,447,524	Less: Earned Revenue Not Attributable to Programs	3,686,110
Net Cost Not Assigned to Programs	**2,606,773**	**Net Cost Not Assigned to Programs**	**2,877,613**
TOTAL		**TOTAL**	
Gross Costs	40,926,369	Gross Costs	37,843,607
Less: Earned Revenue	6,420,240	Less: Earned Revenue	6,996,632
Net Cost of Operations (Notes 18 and 20)	**$ 34,506,129**	**Net Cost of Operations (Notes 18 and 20)**	**$ 30,846,975**

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

Department of the Interior
Consolidated Statements of Changes in Net Position
for the fiscal years ended September 30, 2026 and 2025

(dollars in thousands)	FY 2026				FY 2025			
	Funds From Dedicated Collections (Consolidated Totals) (Note 17)	Funds From Other Than Dedicated Collections (Consolidated Totals)	Eliminations	Consolidated Total	Funds From Dedicated Collections (Consolidated Totals) (Note 17)	Funds From Other Than Dedicated Collections (Consolidated Totals)	Eliminations	Consolidated Total
UNEXPENDED APPROPRIATIONS								
Beginning Balance	$ 20,747,747	$ 27,899,324	$ -	$ 48,647,071	$ 20,378,587	$ 25,510,260	$ -	$ 45,888,847
Appropriations Received	2,054,518	16,744,533	-	18,799,051	3,158,121	23,244,421	-	26,402,542
Appropriations Transferred In/(Out)	(500,000)	486,979	-	(13,021)	66,574	(338,246)	-	(271,672)
Other Adjustments	(98)	(227,082)	-	(227,180)	-	(819,681)	-	(819,681)
Appropriations - Used	(2,246,846)	(19,014,577)	-	(21,261,423)	(2,855,535)	(19,697,430)	-	(22,552,965)
Net Change in Unexpended Appropriations	(692,426)	(2,010,147)	-	(2,702,573)	369,160	2,389,064	-	2,758,224
Total Unexpended Appropriations - Ending	**$ 20,055,321**	**$ 25,889,177**	**$ -**	**$ 45,944,498**	**$ 20,747,747**	**$ 27,899,324**	**$ -**	**$ 48,647,071**
CUMULATIVE RESULTS OF OPERATIONS								
Beginning Balance	$ 95,636,143	$ 8,527,071	$ -	$ 104,163,214	$ 92,096,814	$ 7,855,393	$ -	$ 99,952,207
Change in Accounting Principles	(2,060,186)	(91,580)	-	(2,151,766)	-	-	-	-
Beginning Balance, as Adjusted	$ 93,575,957	$ 8,435,491	$ -	$ 102,011,448	$ 92,096,814	$ 7,855,393	$ -	$ 99,952,207
Changes in Cumulative Results of Operations								
Appropriations - Used	2,246,846	19,014,577	-	21,261,423	2,855,535	19,697,430	-	22,552,965
Royalty, Rents and Lease Sales Retained	13,902,373	(7)	-	13,902,366	8,417,239	(17)	-	8,417,222
Non-Exchange Revenue	2,422,498	635,864	-	3,058,362	1,956,154	960,952	-	2,917,106
Donations and Forfeitures of Cash and Cash Equivalents	748,438	-	-	748,438	75,404	-	-	75,404
Transfers In/(Out) Without Reimbursement	441,858	308,706	-	750,564	460,322	265,905	-	726,227
Donations and Forfeitures of Property	53,052	26,885	-	79,937	49,051	20,487	-	69,538
Imputed Financing	60,938	4,007,125	(88)	4,067,975	92,084	1,078,815	(14)	1,170,885
Other Financing Sources/(Uses)	24,594	(251,146)	-	(226,552)	(5,649)	(865,716)	-	(871,365)
Net Cost of Operations	(12,632,089)	(21,874,128)	88	(34,506,129)	(10,360,811)	(20,486,178)	14	(30,846,975)
Net Change in Cumulative Results of Operations	7,268,508	1,867,876	-	9,136,384	3,539,329	671,678	-	4,211,007
Cumulative Results of Operations - Ending	100,844,465	10,303,367	-	111,147,832	95,636,143	8,527,071	-	104,163,214
TOTAL NET POSITION	**$ 120,899,786**	**$ 36,192,544**	**$ -**	**$ 157,092,330**	**$ 116,383,890**	**$ 36,426,395**	**$ -**	**$ 152,810,285**

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

Department of the Interior
Combined Statements of Budgetary Resources
for the fiscal years ended September 30, 2026 and 2025

(dollars in thousands)	FY 2026 Budgetary Accounts	FY 2026 Non-Budgetary Credit Reform Financing Accounts	FY 2025 Budgetary Accounts	FY 2025 Non-Budgetary Credit Reform Financing Accounts
Budgetary Resources:				
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory) (Note 19)	$ 52,168,793	$ 60,697	$ 48,901,933	$ 66,301
Appropriations (Discretionary and Mandatory)	33,441,442	-	36,721,638	-
Borrowing Authority (Discretionary and Mandatory)	-	681	-	179
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	8,194,534	12,786	7,663,432	18,084
Total Budgetary Resources	**$ 93,804,769**	**$ 74,164**	**$ 93,287,003**	**$ 84,564**
Status of Budgetary Resources:				
New Obligations and Upward Adjustments (Total)	$ 45,156,425	$ 15,152	$ 42,674,576	$ 23,867
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts	47,904,331	59,012	49,786,439	60,697
Unapportioned, Unexpired Accounts	367,039	-	455,617	-
Unexpired, Unobligated Balance, End of Year	48,271,370	59,012	50,242,056	60,697
Expired, Unobligated Balance, End of Year	376,974	-	370,371	-
Unobligated Balance, End of Year (Total)	48,648,344	59,012	50,612,427	60,697
Total Budgetary Resources	**$ 93,804,769**	**$ 74,164**	**$ 93,287,003**	**$ 84,564**
Outlays, Net and Disbursements, Net:				
Outlays, Net (Total) (Discretionary and Mandatory)	33,785,315	-	33,624,509	-
Distributed Offsetting Receipts (-)	(18,144,959)	-	(11,580,767)	-
Agency Outlays, Net (Discretionary and Mandatory)	**$ 15,640,356**	**$ -**	**$ 22,043,742**	**$ -**
Disbursements, Net (Total) (Mandatory)	**$ -**	**$ 1,014**	**$ -**	**$ 11,009**

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

Department of the Interior
Combined Statements of Custodial Activity
for the fiscal years ended September 30, 2026 and 2025

(dollars in thousands)	FY 2026	FY 2025
Revenues on Behalf of the Federal Government		
Rents and Royalties	$ 16,957,060	$ 13,358,394
Onshore Lease Sales	5,158,525	188,565
Offshore Lease Sales - Oil & Gas	380,637	-
Offshore Lease Sales – Renewable Energy	-	85,955
Other	17,007	28,534
Total Revenue	**$ 22,513,229**	**$ 13,661,448**
Disposition of Revenue		
Distributions to Department of the Interior		
Bureau of Land Management	5,807	5,855
Bureau of Ocean Energy Management	42,245	47,964
Bureau of Reclamation	5,102,819	2,979,624
Bureau of Safety and Environmental Enforcement	44,977	48,933
Departmental Offices	6,854,661	4,197,936
Fish and Wildlife Service	1,681	1,752
National Park Service	1,205,628	1,224,953
Distributions to Others		
Army Corps of Engineers	500	841
Department of Agriculture	295,986	250,633
General Fund of the Treasury	7,527,669	5,007,256
Distributions to States and Others	4,998	5,761
Change in Untransferred Revenue	1,426,258	(110,060)
Total Disposition of Revenue	**$ 22,513,229**	**$ 13,661,448**
Net Custodial Activity (Note 23)	**$ -**	**$ -**

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Interior 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. Interior 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, Alaska Natives and affiliated Island Communities to help them prosper.

The accompanying financial statements include all federal funds under Interior's control or which are a component of the reporting entity. Reporting Entity is an organization that issues its own financial statements because either there is a statutory or administrative requirement to prepare financial statements, or they choose to prepare one. A Consolidation Entity is an organization that should be consolidated in the financial statements of a reporting entity. Interior prepares the consolidated financial statements consolidating the financial information of its Bureaus and Offices. Disclosure Entities are not consolidation entities, but information about the entity is needed for accountability purposes and to meet the federal financial reporting objectives. Related Parties are individuals or entities where an existing relationship provides either Interior or the other party the ability to exercise significant influence over the other party's policy decisions. Interior Disclosure Entities and Related Parties are presented in Note 22. A summary of fiduciary activities managed by Interior is included in Note 21. Fiduciary Assets are not assets of Interior 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 Interior.

Interior is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by Interior 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 Interior

Interior is composed of the following operating Bureaus and Offices:

- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (USBR/Reclamation)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Departmental Offices (DO)
  - Bureau of Trust Funds Administration (BTFA)
  - Office of Insular Affairs (OIA)
  - Office of Inspector General (OIG)
  - Office of Solicitor (SOL)
  - U.S. Wildland Fire Service (USWFS)
- Indian Affairs (IA)
  - Bureau of Indian Affairs (BIA)
  - Bureau of Indian Education (BIE)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSM)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

C. Basis of Accounting and Presentation

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

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

These financial statements present proprietary and budgetary information. Interior, pursuant to OMB directives, prepares additional financial reports that are used to monitor and control Interior'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 Interior for making expenditures and paying liabilities. Balances held by Interior on behalf of the Government or other entities are included in FBwT, such as general funds, revolving funds, special funds, trust, deposit, clearing and miscellaneous receipt accounts. Imprest funds are not held by Treasury.

Further details on FBwT are contained in Note 2.

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

E. Investments, Net

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

Treasury estimates market value by multiplying the par value of each security by its end-of-day price percentage.

Note 3 provides investment details.

F. Accounts Receivable, Net

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

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

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

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

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

G. Loans Receivable, Net

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

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

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

See Note 5 for additional information on loans receivable.

H. Inventory and Related Property, Net

Inventory. Interior's inventories are categorized based on Interior's major activities and the services Interior 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.

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.

Interior'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 Interior's standard forms functions.

Seized and Forfeited Property. The Interior Law Enforcement Program 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 Interior thresholds. The following thresholds are applicable to each Bureau for reporting non-valued property: 6,000 kilograms for narcotics; 48,000 for mature marijuana plants; and 6,000 in the applicable unit of measurement for wildlife/wildlife parts, artifacts or non-valued firearms; $30 million for cash and monetary instruments, real property, personal property with open market or black market value and firearms. Seized non-valued property is not considered an asset of Interior and is not reported as such in Interior's financial statements.

The Bureau law enforcement programs (IA, FWS, NPS, BLM, USBR and USPP) certified there was no significant activity for seized and forfeited property during FY 2026.

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

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

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

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

In leases where Interior is the lessee, RTU lease assets are recognized when Interior enters into a lease agreement that meets the criteria outlined in SFFAS 54 for RTU lease agreements. In addition, Interior will record corresponding lease liabilities that represent the present value of future lease payments owed under contractual agreements and are recorded as obligations on the Balance Sheet. The RTU lease assets are amortized over the length of the lease term, including any renewal options that are reasonably certain to be exercised. The amortization is recognized on a straight-line basis to align with the lease liability, reflecting the systematic and rational allocation of the lease asset's cost over its useful life. Interior elected to utilize the transitional accommodation period allowed by SFFAS 62, *Transitional Amendment to SFFAS 54*, to treat contracts or agreements containing potential embedded leases as non-lease contracts or agreements through FY 2026.

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

For equipment, vehicles, aircraft and other personal property, Interior 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 Interior PP&E. For Personal Property RTU assets, Interior deemed these to be immaterial and are expensed in the period in which they occur. Reference Note 16 for further information.

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

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

The CIP also includes construction in abeyance. Construction in abeyance represents construction activities

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

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

Impairment. Interior identifies potential impairment to PP&E through the periodic asset condition assessment processes, as part of response actions for disasters or through other facilities management activities. Interior 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, Interior will measure the impairment loss using a method that reasonably reflects the diminished service utility.

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

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

J. Land

In FY 2026, the Department adopted the remaining provisions of SFFAS 59, *Accounting and Reporting of Government Land*, establishing accounting and reporting requirements for all government land and land rights, including General Property, Plant and Equipment (G-PP&E) Land, permanent and temporary land rights, Stewardship Land (SL) and land held for disposal or exchange. It requires federal entities to: (1) derecognize G-PP&E Land and permanent land rights from the Balance Sheet beginning in FY 2026; (2) report estimated acreage and predominant use for G-PP&E Land and SL; and (3) report estimated acreage of land held for disposal or exchange in the notes to the financial statements.

Effect of adoption. As a result of adopting SFFAS 59, the Department derecognized approximately $2.2 billion of G-PP&E Land and permanent land rights from General Property, Plant and Equipment, Net on the Balance Sheet as of October 1, 2025. The derecognition decreased the beginning balance of Cumulative Results of Operations on the Statement of Changes in Net Position by $2 billion, from approximately $104.2 billion, as previously reported, to approximately $102 billion, as adjusted. The adoption had no effect on Net Cost of Operations for FY 2026. Prior period amounts were not restated.

For Interior, SFFAS 59 does not apply to land held in trust for or administered on behalf of Indian Tribal governments, individual Indian land or the OCS.

Submerged lands. The Department determined that submerged lands, that are not associated with a legally defined terrestrial land unit and extend seaward from the shoreline of the Continental U.S., to the OCS, are excluded from the reported land acreage.

For purposes of SFFAS 59 reporting, Interior will report the acreage of the entire legally defined land unit as maintained in each Bureau's authoritative land records and will not require Bureaus to separately identify or estimate submerged acreage contained within those land units. This determination is based on the fact that deeds, land patents, surveys and other legal acquisition documents generally describe the entire land unit conveyed to the U.S. and do not distinguish or separately identify lakes, rivers, streams, swamps, sloughs, wetlands or other water bodies adjacent uplands.

K. 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 Interior to be maintained in perpetuity for the benefit of current and future generations.

The majority of public lands presently under the management of Interior 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. Interior 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 Interior are considered priceless and irreplaceable. As such, Interior assigns no financial value to them and the PP&E capitalized and reported on the Balance Sheet excludes these assets.

Additional information concerning stewardship land is provided in Note 9 and Stewardship PP&E in Note 10.

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 Interior GRTU-PP&E balances.

L. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by Interior 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. Interior 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. Interior has borrowed funds from Treasury in accordance with FCRA to fund loans under various loan programs.

See Note 5 for additional information on loans and Note 11 for additional information on debt.

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

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 Interior on behalf of others that have not yet been distributed.

See Note 12 for additional information on liabilities due to the General Fund.

See Note 15 and Note 16 for additional information on liabilities due to RTU liabilities.

Judgment Fund Payable. Most legal judgments against Interior are paid from the Judgment Fund maintained by Treasury. Interior 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 Interior.

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

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

PUBLIC LIABILITIES

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

Accrued funded payroll and leave benefits represents salaries and benefits earned by employees but not yet paid. Unfunded Leave refers to annual leave earned by employees but not yet funded. These amounts are accrued as a liability until the leave is used by the employee. Each year the balance is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

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

See Note 13 for additional information regarding the federal employee salary, leave and benefits liability.

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

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

See Note 13 for additional information regarding the pension and post-employment benefits liability.

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

Interior 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 Interior 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 Interior reports the related liability as an environmental remediation liability. Non-friable asbestos does not pose an immediate health threat and Interior 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. Interior 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 14 and Note 15.

Note 14 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. Interior 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. Interior's contingent liabilities primarily relate to legal actions.

Interior recognizes contingent liabilities when the liability is probable and reasonably estimable. Environmental and disposal liabilities related to litigation are included in Contingent Liabilities. Interior discloses contingent liabilities in the notes to the financial statements when the conditions for liability recognition are not met and when the outcome of future events is more than remote. In some cases, once losses are certain, payments may be made from the Judgment Fund maintained by the Treasury rather than from amounts appropriated to Interior. Interior will record an intragovernmental liability and future funded expense in the instances where Interior 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 14 has additional information on contingent liabilities.

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

Other Miscellaneous Public Liabilities.

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

M. Revenues and Financing Sources

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

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

In certain cases, the prices charged for goods and services by Interior 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.

Interior transfers a portion of royalty collections from the custodial fund to the operating funds for distribution to certain states. Interior reports these state amounts as Royalties Retained on the SCNP rather than on the SNC. Interior also transfers a portion of royalty collections to other Interior Bureaus and those are retained by Interior (See Note 23).

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

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

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

Note 23 has additional information on custodial revenues.

Imputed Financing Sources. Interior 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 Interior are recognized as imputed costs in the SNC and are offset by imputed financing sources in the SCNP. Interior 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 Interior's financial statements, in accordance with SFFAS 55, *Amending Inter-Entity Cost Provisions*.

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

Note 16 has additional information about lessor leases.

N. 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 Interior 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 Interior 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 Interior. Interior 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 Interior. As a result, Interior recognizes a liability for the actual claims paid by DOL and to be reimbursed by Interior.

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. Interior recognizes an unfunded liability to the public for these estimated future payments.

In FY 2026, the methodology for billable projected liabilities included, among other things: (1) an algorithmic model that relies on individual case characteristics and benefit payments (the FECA Case Reserve Model); and; (2) incurred but not reported claims were estimated using the patterns of incurred benefit liabilities in addition to those of payments.

Federal Employees' Group Life Insurance Program (FEGLI). Most of Interior'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 Interior 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. Interior has recognized the entire service cost of the post-retirement portion of basic life coverage as an imputed cost and imputed financing source, as Interior's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage.

Retirement Programs. Interior'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 Interior participants. Interior has recognized an imputed cost and imputed financing source for the difference between the sum of actual CSRS and FERS participant withholdings and agency contributions, less the estimated OPM service cost.

FERS. Employees hired after December 31, 1983, are covered by FERS. The FERS is a three-tiered plan consisting of Social Security, the Thrift Savings Plan (TSP) and a

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

The third tier of FERS is the basic annuity. The basic FERS annuity is based on the employee's length of service and the "high-3" average pay. For most employees, the formula for computing the annual annuity is 1 percent of average pay for each year of creditable service. Employees are required to contribute to this annuity plan. The contribution rate required by an employee to this plan is dependent upon the date of initial hire. Employees first hired on or after January 1, 2014, are covered by FERS-FRAE (Further Revised Annuity Employees) and must contribute 4.4 percent of gross pay to the plan. Employees first hired between January 1 and December 31, 2013, are covered by FERS-RAE (Revised Annuity Plan) and must contribute 3.1 percent of gross pay to the plan. Employees hired prior to January 1, 2013 and after December 31, 1983, are covered by FERS and must contribute 0.8 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). Interior matches the employee's CSRS contributions. Employees may contribute up to 5 percent of pay to the TSP. There is no government contribution.

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

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

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

O. Federal Government Transactions

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

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

Interior 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 Interior 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.

Interior 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, Interior 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, Interior does record a liability at the time that Interior decides to discontinue a concession operation or take possession of the assets.

Interior 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 Interior and may not be used in Interior operations. Therefore, the balances, inflows and outflows of these concessioner special accounts are not recognized in the financial statements.

Q. Allocation Transfers

Interior 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.

Interior allocates funds, as a parent, to the USDA, the Department of Transportation (DOT) and the U.S. Army Corps of Engineers (USACE). Interior receives allocation transfers, as the child, from the USDA, the Department of Health and Human Services (HHS), the DOL, DOT, USACE, the U.S. Agency for International Development (USAID), the Department of Justice (DOJ) and the Department of Education (ED).

R. Income Taxes

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

S. Estimates

Interior has made certain estimates and assumptions related to the reporting of accrued grant liabilities, lease receivables, unearned revenue, land acreage, environmental liabilities, USPP pension liabilities, depreciation and the associated financial statement balances and note disclosures. These estimates and assumptions are based on management's best judgments and available information. Actual results could differ from these estimates and assumptions.

T. 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 Interior's financial statements.

Note 21, Fiduciary Activities, provides additional information.

U. Public Private Partnerships

SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, defines public-private partnerships as "risk-sharing arrangements or transactions with expected lives greater than five years between public and private sector entities." Interior 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. Interior determined there are no public-private partnerships that meet the criteria for disclosure in FY 2026.

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NOTE 2. FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all federal agencies. The net activity represents FBwT. The FBwT represents the right of Interior 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 royalties, rent and bonus payments from the public for leases on federal lands that are awaiting distribution. The balance also includes payroll withholdings to be distributed, as well as other collections awaiting classification. The unavailable special receipt accounts include the LWCF and the Reclamation Fund, which are not available to Interior for use unless appropriated by Congress.

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

The FBwT is 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 2026 and FY 2025, $129 million and $71 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, 2026 and 2025 consists of the following:

(dollars in thousands)	FY 2026	FY 2025
Budgetary Fund Balance with Treasury		
Unobligated Balance	$ 26,743,645	$ 27,615,796
Obligated Balance Not Yet Disbursed	23,203,181	22,875,302
Total Budgetary Fund Balance with Treasury	$ 49,946,826	$ 50,491,098
Non-Budgetary Fund Balance with Treasury		
Clearing, Deposit and Unavailable General Fund Receipt Accounts	$ 2,682,203	$ 2,227,477
Unavailable Special Receipt Accounts	53,608,609	49,590,560
Total Non-Budgetary Fund Balance with Treasury	$ 56,290,812	$ 51,818,037
Total Fund Balance with Treasury	**$ 106,237,638**	**$ 102,309,135**

NOTE 3. INVESTMENTS, NET

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

Investments are purchased using various sources of funding such as funds from dedicated collections and appropriated monies received from the General Fund of the Treasury that have specific legislative authority. The federal government does not set aside assets to pay future expenditures associated with funds from dedicated collections. The cash generated from funds from dedicated collections is used by the Treasury for general government purposes. Treasury securities are issued to funds from dedicated collections as evidence of designated receipts and provide the funds from dedicated collections with the authority to draw upon Treasury for future authorized expenditures. These securities are an asset to the funds from dedicated collections and are presented as investments in the table accompanying Note 17, Funds from Dedicated Collections.

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

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

Investments as of September 30, 2026, consist of the following:

(dollars in thousands)	Cost	Net Amortized (Premium)/ Discount	Interest Receivable	Investments, Net	Market Value
U.S. Treasury Securities					
Marketable	$ 805,091	$ 2,452	$ -	$ 807,543	$ 806,828
Non-marketable, Market-based	31,431,768	98,272	65,713	31,595,753	31,282,634
Total Intragovernmental Investments	**$ 32,236,859**	**$ 100,724**	**$ 65,713**	**$ 32,403,296**	**$ 32,089,462**

Investments as of September 30, 2025, consist of the following:

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

NOTE 4. ACCOUNTS RECEIVABLE, NET

Due From the Public, Net. Accounts receivable due to Interior 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 Interior 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. 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 Interior will continue through year 2031. As of September 30, 2026, Interior has recorded over $2.7 billion in accounts receivable and approximately $408 million in interest receivable. This is compared to September 30, 2025, when Interior reported over $3.2 billion accounts receivable and approximately $385 million in interest receivable. Management considers these receivables to be fully collectible.

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

Accounts Receivable from the Public consists of the following as of September 30, 2026 and 2025:

(dollars in thousands)	FY 2026	FY 2025
Intragovernmental:		
Accounts Receivable	$ 240,013	$ 239,320
Transfers Receivable	1,939,912	1,764,432
Total Intragovernmental Accounts Receivable, Net	**$ 2,179,925**	**$ 2,003,752**
With the Public:		
Accounts and Interest Receivable	6,405,035	6,158,990
Allowance for Doubtful Accounts	(381,524)	(378,775)
Total Accounts and Interest Receivable Net, With the Public	**$ 6,023,511**	**$ 5,780,215**

NOTE 5. LOANS RECEIVABLE, NET AND LOAN GUARANTEE LIABILITIES

A. Direct Loan and Loan Guarantee Program Names:	*(dollars in thousands)*	
	FY 2026	**FY 2025**
Indian Affairs - Defaulted Guaranteed Loans (Credit Reform)	$ 396	$ 114
Bureau of Reclamation - Direct Loans (Pre-Credit Reform)	3,317	3,817
Bureau of Reclamation - Direct Loans (Credit Reform)	19,656	21,107
Departmental Offices - Direct Loans (Credit Reform)	5,198	5,540
Total Loans and Interest Receivable, Net	**$ 28,567**	**$ 30,578**

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

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

Bureau of Reclamation. The USBR operates loan programs that provide federal assistance to non-federal organizations for constructing or improving water resource projects in the western states. The USBR loan programs are authorized under the *Small Reclamation Projects Act of 1956, the Distribution System Loans Act, the Rural Development and Policy Act of 1980 and the Rehabilitation and Betterment Act*. Direct loans under both the pre-credit reform and FCRA programs 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, 2026 and 2025, are summarized as follows:

B. Direct Loans Obligated Prior to FY 1992 (Allowance for Loss Method):				*(dollars in thousands)*
Direct Loan Programs (Pre-Credit Reform)	**Loans Receivable Gross**	**Interest Receivable**	**Allowance For Loan Losses**	**Direct Loans, Net**
Bureau of Reclamation	$ 3,317	$ -	$ -	**$ 3,317**
FY 2026 Total	**$ 3,317**	**$ -**	**$ -**	**$ 3,317**
Bureau of Reclamation	$ 3,817	$ -	$ -	**$ 3,817**
FY 2025 Total	**$ 3,817**	**$ -**	**$ -**	**$ 3,817**

Direct loans and loan guarantees made after FY 1991 are accounted for in accordance with FCRA. The FCRA prescribes the presentation of loans receivable and loan guarantees at the net present value of the expected future cash flows. This is accomplished by presenting loans receivable and loan guarantee liabilities net of the related subsidy. 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 borrower. Interior funds these loans through borrowings from the Treasury that accrue interest. As borrowers make loan payments, the repayments are applied to Interior's Treasury borrowings and related interest, thereby reducing Interior's outstanding debt to the Treasury (see Note 11, Debt).

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

Direct Loan Programs (Credit Reform)	Loans Receivable Gross	Interest Receivable	Allowance for Subsidy Cost	Direct Loans, Net
Bureau of Reclamation	$ 18,721	$ -	$ 935	**$ 19,656**
Departmental Offices - American Samoa Government	6,190	-	(992)	**5,198**
FY 2026 Total	**$ 24,911**	**$ -**	**$ (57)**	**$ 24,854**
Bureau of Reclamation	$ 20,453	$ -	$ 654	**$ 21,107**
Departmental Offices - American Samoa Government	6,565	-	(1,025)	**5,540**
FY 2025 Total	**$ 27,018**	**$ -**	**$ (371)**	**$ 26,647**

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

The subsidy expense represents the cost of the loan to the federal government. The current and prior year subsidy expense is disclosed in the following tables. This amount includes the cost of new loans disbursed in the current year plus the cost of changes to the subsidy resulting from the annual reestimate 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 borrower. The reestimated or modified subsidy rate is then automatically appropriated in the following fiscal year in accordance with FCRA.

Subsidy Reestimates. Reestimates 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 reestimated subsidy rate (factors that this calculator considers are detailed in Note 1(G)). There are two types of reestimates, an interest rate reestimate and a technical reestimate. Interest rate reestimates are the result of a reduction to projected interest costs associated with the loans and guarantees over the repayment period. Technical reestimates are the result of a change to projected cash flows associated with the loans.

Subsidy Rates. The FCRA requires that the cash flows associated with like loans and guarantees are monitored by cohort year. The cohort year is the year in which the loans are initially disbursed, or the guarantees are initially made. Loans and guarantees within a like cohort share similar characteristics that enable them to be assigned a like net present value subsidy rate. These rates cannot be applied to the loans or guarantees to yield the subsidy expense. Interior did not disburse any new direct loans in FY 2026 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 Reestimates **Direct Loan Programs (Credit Reform)**	**Interest Rate Reestimates**	**Technical Reestimates**	**Total Reestimates**
Indian Affairs	$ (324)	$ 307	$ (17)
Bureau of Reclamation	-	206	206
FY 2026 Total	**$ (324)**	**$ 513**	**$ 189**
Indian Affairs	$ (336)	$ 306	$ (30)
Bureau of Reclamation	-	147	147
FY 2025 Total	**$ (336)**	**$ 453**	**$ 117**

Total Direct Loan Subsidy Expense *(dollars in thousands)* **Direct Loan Programs (Credit Reform)**	**FY 2026**	**FY 2025**
Indian Affairs	$ (17)	$ (30)
Bureau of Reclamation	206	147
Total	**$ 189**	**$ 117**

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

The subsidy cost allowance is a cumulative amount that represents the difference between expected repayments from the loan borrower 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 reestimates 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 reestimates.

E. Schedule for Reconciling Direct Loan Subsidy Cost Allowance Balances (Post-1991 Direct Loans):	*(dollars in thousands)*	
	FY 2026	**FY 2025**
Beginning balance of the subsidy cost allowance	$ 371	$ 698
Adjustments:		
(a) Subsidy allowance amortization	(372)	(306)
(b) Other	(131)	(138)
Ending balance of the subsidy cost allowance before reestimates	(132)	254
Add or subtract total subsidy reestimates as shown in Schedule D	189	117
Ending Balance of the Subsidy Cost Allowance	**$ 57**	**$ 371**

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

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

Interior 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 Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Subsidy Cost (Present Value)	Value of Assets Related to Defaulted Guaranteed Loans Receivable, Net
FY 2026	$ 3,690	$ 528	$ (3,822)	**$ 396**
FY 2025	$ 1,028	$ 235	$ (1,149)	**$ 114**

Table G. Guaranteed Loans Outstanding

The following table details the outstanding principal for loan guarantees as of September 30, 2026, 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 2026, 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). There were no cohort year 2026 Guaranteed loans disbursed as of September 30, 2026.

G. Guaranteed Loans Outstanding as of September 30, 2026 and 2025: *(dollars in thousands)*

Loan Guarantee Programs	Outstanding Principal of Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
FY 1992-2024	$ 699,146	$ 630,495
FY 2025	70,656	63,590
Total	**$ 769,802**	**$ 694,085**
New Guaranteed Loans Disbursed (Current reporting year):		
Amount Paid in Current FY for Prior Years	$ 74,627	$ 67,164
FY 2026 Total	**$ 74,627**	**$ 67,164**
Amount Paid in Prior FY for Prior Years	$ 50,006	$ 45,005
Amount Paid in Prior FY for Prior FY Guarantees	14,244	12,820
FY 2025 Total	**$ 64,250**	**$ 57,825**

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**
Guarantees (Estimated Future Default Claims for pre-1992 guarantees):	
FY 2026	**$ 48,423**
FY 2025	**$ 38,835**

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

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

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 2026	$ 2,083	$ 3,181	$ (1,343)	**$ 3,921**
FY 2025	$ 1,838	$ 3,052	$ (1,156)	**$ 3,734**

Guaranteed Loans (Credit Reform)	**Interest Rate Reestimates**	**Technical Reestimates**	**Total**
Modifications and Reestimates:			
FY 2026	$ (661)	$ (5,129)	**$ (5,790)**
FY 2025	$ (2,888)	$ (16,034)	**$ (18,922)**

Total Loan Guarantee Program Subsidy Expense	**FY 2026**	**FY 2025**
Indian Affairs	**$ (1,869)**	**$ (15,188)**

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

The subsidy rates disclosed pertain only to the current year's cohorts. These rates cannot be applied to the guarantees of loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loan guarantees reported in the current year results from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates. The following subsidy rates are applicable only to new loan guarantees issued in FY 2026.

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 2026	3.2%	3.5%	(1.8%)	0.0%	**4.9%**
FY 2025	2.8%	4.1%	(1.8%)	0.0%	**5.1%**

Table K. Schedule for Reconciling Loan Guarantee Liability Balances

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

K. Schedule for Reconciling Loan Guarantee Liability Balances: *(dollars in thousands)*

	FY 2026	FY 2025
Beginning Balance of the Loan Guarantee Liability	$ 38,835	$ 39,309
Less Claim Payment to Lenders	(3,466)	(145)
Add Fees Received	1,341	1,151
Less Interest Supplements Paid	(84)	(89)
Less Interest Revenue on Uninvested Funds	(1,259)	(1,158)
Add Interest Expense on Entity Borrowing	20	6
Add Subsidy Expense	3,921	3,734
Add Upward Reestimates	3,679	2,453
Less Downward Reestimates	(9,469)	(21,375)
Other	14,905	14,949
Ending Balance of the Loan Guarantee Liability	**$ 48,423**	**$ 38,835**

Table L. Loan Guarantee Administrative Expenses

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

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

Guaranteed Loans Program	
FY 2026	**$ 1,413**
FY 2025	**$ 1,510**

Table M. Loans Receivable

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

M. Loans Receivable:		*(dollars in thousands)*
	FY 2026	**FY 2025**
Beginning Balance of Loans Receivable, Net	$ 30,578	$ 33,358
Add Loan Disbursements/Defaulted Loan Claim Payments	3,528	374
Less Principal and Interest Payments Received	(4,046)	(4,455)
Add Interest Accruals	917	536
Less Interest Revenue on Uninvested Funds/Add Interest Expense on Borrowings	773	866
Less Subsidy Expense/Add Negative Subsidy	(147)	(182)
Less Upward Reestimates/Add Downward Reestimates	(76)	4
Other Increase/(Decrease) to the Subsidy Allowance	374	307
Allowance for Loan and Interest Loss Adjustments	9	(444)
Other Non-Cash Reconciling Items	(3,343)	214
Ending Balance of Loans Receivable, Net	**$ 28,567**	**$ 30,578**

NOTE 6. INVENTORY AND RELATED PROPERTY, NET

Inventory and Related Property as of September 30, 2026 and 2025, consists of the following:		
(dollars in thousands)	**FY 2026**	**FY 2025**
Inventory		
Published Maps and Other Inventory Held for Current Sale	$ 15,992	$ 13,617
Operating Materials		
Working Capital Fund: Held for Use	66	67
Operational Land Imager: Held for Use	7,978	7,978
Airplane Parts and Fuel Held for Use	3,314	3,080
Total Inventory and Related Property	**$ 27,350**	**$ 24,742**

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

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

The GRTU-PP&E categories with corresponding acquisition cost and accumulated depreciation/amortization as of September 30, 2026, are shown in the following table:

(dollars in thousands)	Acquisition Cost	Accumulated Depreciation/ Amortization	Net Book Value
Temporary Land Rights and Land Improvements	$ 434,672	$ (327,866)	$ 106,806
Buildings	7,287,511	(3,620,296)	3,667,215
Structures and Facilities	32,235,511	(16,031,335)	16,204,176
Leasehold Improvements	138,437	(86,880)	51,557
Lessee right-to-use Assets	165,199	(36,141)	129,058
Construction in Progress			
Construction in Progress - General	6,715,404	-	6,715,404
Construction in Progress in Abeyance	319,992	-	319,992
Equipment, Vehicles and Aircraft	4,037,966	(2,660,181)	1,377,785
Internal Use Software			
In Use	607,019	(447,255)	159,764
In Development	100,691	-	100,691
Total General and Right-to-use Property, Plant and Equipment, Net	**$ 52,042,402**	**$ (23,209,954)**	**$ 28,832,448**

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

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

Note: GRTU-PP&E other than lessee right-to-use assets are depreciated based on depreciable life; whereas, lessee right-to-use assets are amortized based on the lease amortization schedule. For further information regarding the lease related details, please refer to Note 16, Leases. For further information regarding land, please refer to Note 9, Land.

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

The following table displays the GRTU-PP&E roll-forward as of September 30, 2026 and 2025.

(dollars in thousands)	**FY 2026**	**FY 2025**
Balance, Beginning of Year, Unadjusted	$ 29,089,482	$ 27,584,652
Effects of Implementation of SFFAS 59 (FY 2026 only)	(2,151,766)	-
Balance, Beginning of Year, Adjusted	26,937,716	27,584,652
Capitalized Acquisitions	2,466,172	2,498,791
Right-to-use Lease Assets	(1,514)	26,254
Amortization of right-to-use Lease Assets	16,404	(26,960)
Dispositions	(40,998)	(48,589)
Transfer In/(Out) Without Reimbursement, Net	313,667	33,340
Depreciation/Amortization Expense	(979,837)	(938,895)
Donations	1,535	17,623
Other	119,303	(56,734)
Balance, End of Year	**$ 28,832,448**	**$ 29,089,482**

Note: Table above presents the changes in property, plant and equipment balances during the reporting period by asset category. The table reconciles beginning balances to ending balances and identifies the activity contributing to the changes in each category. For further information regarding land, please refer to Note 9, Land. Information concerning deferred maintenance and repairs is discussed in unaudited RSI.

NOTE 8. ASSETS ANALYSIS

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

Non-entity assets, restricted by nature, consist of Interior'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.

Interior's assets as of September 30, 2026, are summarized into the following categories:

(dollars in thousands)	Entity	Non-Entity	FY 2026
ASSETS: Intragovernmental Assets			
Fund Balance with Treasury	$ 103,647,654	$ 2,589,984	$ 106,237,638
Investments, Net	32,315,187	88,109	32,403,296
Accounts Receivable, Net:			
Accounts Receivable, Net	240,013	-	240,013
Transfers Receivable, Net	1,019,607	920,305	1,939,912
Advances and Prepayments	474,510	-	474,510
Total Intragovernmental Assets	**$ 137,696,971**	**$ 3,598,398**	**$ 141,295,369**
With the Public:			
Cash and Other Monetary Assets	$ 151	$ -	$ 151
Accounts Receivable, Net	3,451,844	2,571,667	6,023,511
Loans Receivable, Net	28,567	-	28,567
Inventory and Related Property, Net	27,350	-	27,350
General and right-to-use Property, Plant and Equipment, Net	28,832,448	-	28,832,448
Advances and Prepayments	1,149,207	-	1,149,207
Other Assets:			
Lease Receivable	141,649	380,925	522,574
Other	24,298	-	24,298
Total With the Public	**$ 33,655,514**	**$ 2,952,592**	**$ 36,608,106**
Total Assets	**$ 171,352,485**	**$ 6,550,990**	**$ 177,903,475**

Note: As of September 30, 2026, Interior has a total of $546.9 million Other Assets. Included in Other Assets are Interior's Lease Receivable of $523 million with $549 thousand of Allowance for Uncollectible Amounts. For further information regarding the lease related details, please refer to Note 16, Leases.

Interior's assets as of September 30, 2025, are summarized into the following categories:

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

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

NOTE 9. LAND

The Department is a steward for much of America's public lands and ensures that these resources are conserved for the benefit, use and enjoyment of current and future generations.

Interior uses these lands to support our mission areas including access to National Parks, Refuges, Monuments and Natural Resources.

Interior reports estimated land acres following the guidance of SFFAS 59, *Accounting and Reporting of Government Land*.

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

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

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.

Typically, Stewardship Land is held by the Department to facilitate its mission of promoting the enjoyment and conservation of our lands, waters, natural resources and cultural heritage. These lands include land within the various Interior entities, such as the national park system, NWR, etc.

Interior-administered stewardship lands encompass a wide range of activities, including recreation; conservation; resource extraction such as mining and oil and gas leasing; wilderness protection; and other functions vital to the health of the economy and of the American people. These include national parks, NWR, public lands and many other lands of national and historical significance.

Each Bureau within Interior 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, stewardship land areas are added or deleted through Presidential, Congressional, or Secretarial action. However, boundaries of individual areas 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 areas occurs to enhance the purpose for which the unit exists.

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. During FY 2026 and FY 2025, the costs associated with acquiring and improving stewardship lands were $256 million and $340 million, respectively.

The guidance also requires reporting estimated acres of G-PP&E Land and Stewardship Land using three predominant use subcategories:

- Conservation and Preservation Land
- Operational Land
- Commercial Use Land

Estimated Acreage by Predominant Use									
	Beginning Balance FY 2026				Ending Balance FY 2026				
(in thousands of acres)	Conservation and Preservation Land	Operational Land	Commercial Use Land	FY 2025 Ending Balance	Conservation and Preservation Land	Operational Land	Commercial Use Land	FY 2026 Ending Balance	Explanatory Comments
G-PP&E Land	-	2,651	-	2,651	-	2,652	-	2,652	1
Stewardship Land	229,540	4,403	189,428	423,371	226,740	4,403	190,554	421,697	2
Total Estimated Acreage	**229,540**	**7,054**	**189,428**	**426,022**	**226,740**	**7,055**	**190,554**	**424,349**	

Note: Land includes land and permanent land rights. Temporary land rights are not included pursuant to SFFAS 59, paragraphs 4 and 5 and the OCS is not included pursuant to SFFAS 59, paragraph 3.

Explanatory Comment Highlights

G-PP&E Land (Explanatory Comment 1) – BLM and USBR collectively classified acres as operational land within the G-PP&E category.

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

- **Conservation and Preservation Land:** BLM, FWS and NPS
- **Operational Land:** BLM, USBR and FWS
- **Commercial Use Land:** BLM
  These acres are to be used to benefit the needs of future generations through proper management, administration and protection.

BUREAU LANDS

Bureau of Land Management

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

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

Bureau of Reclamation

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

U.S. Fish and Wildlife Service

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

National Wildlife Refuges (NWR). The NWR land areas are 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. The Coordination land areas are 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. The National Fish Hatchery land areas are 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. The land areas are 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 areas 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.

Land Held for Disposal or Exchange

The Department does not acquire land for the purpose of disposing or exchanging it in the near future and generally the Department does not hold land for disposal or exchange as defined by SFFAS 59, "Land is considered held for disposal or exchange when the entity has satisfied the statutory disposal authority requirements specific to the land in question." However, if authorized or directed by Congress to either dispose of or exchange interests in land, the Department would proceed according to the legislation.

Land Rights

The majority of the land rights held by the Department are classified as permanent land rights. These land rights include mineral, water, right of way, scenic easements and conservation easements. The Department accounts for temporary land rights that meet the definition of a lease in accordance with SFFAS 54 as a RTU asset. These temporary rights are immaterial to the Department and are not accounted for under SFFAS 59 if they do not meet the recognition requirements of SFFAS 54 or other applicable federal accounting standards.

Marine National Monuments

Interior's FWS manages significant submerged lands within Marine National Monuments (MNM) for wildlife conservation purposes. These monument units are administered by FWS under the authority of National Wildlife Refuge System Administration Act (16 U.S.C. 668dd-668ee, NWRSAA) and were protected by Presidential Proclamations 8031, 8335, 8336, 8337, 8112, 9173, 9478 and Secretary's Order 3284, as amended.

These submerged lands include the Pacific Remote Islands MNM, Papahanaumokuakea MNM, Marianas Trench MNM, Rose Atoll MNM and the Northeast Canyons and Seamounts MNM. The MNM are reported in Interior Stewardship information below per SFFAS 29 and are not included in the Interior land acres above.

NOTE 10. STEWARDSHIP PP&E

Interior'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 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, Interior strives to preserve and manage 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 Interior policy and guidance, whereby continuous program management evaluations and technical reviews ensure compliance.

During FY 2026 and FY 2025, the costs associated with acquiring, constructing and renovating heritage assets were $595 million and $527 million, respectively. Information concerning deferred maintenance and repairs (DM&R) is discussed in unaudited RSI.

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

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

NON-COLLECTIBLE HERITAGE ASSETS

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

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

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

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

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

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

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

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

National Historic Sites. Usually, a national historic site contains a single historical feature that was directly associated with its subject. Derived from the *Historic Sites Act of 1935*, some historic sites were established by Secretaries of Interior; 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 Interior, 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. On October 20, 2026, the Chiricahua National Park Act was signed into law redesignating Chiricahua National Monument to a National Park. The redesignation does not impact the overall acres reported in Note 9.

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

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

National Recreation Areas. A national recreation area is an area designated by Congress to both assure the conservation and protection of natural, scenic, historic, pastoral and fish and wildlife values and to provide for the enhancement of recreational values. National recreation areas are generally centered on large reservoirs and

emphasize water-based recreation with some located near major population centers. National Recreation Areas are managed by BLM and NPS.

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

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

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

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

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

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

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

National Wildlife Refuges. The NWR land is used for the fish, wildlife, 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.

Interior units of non-collectible heritage assets by category as of September 30, 2026, are shown in the following table:

Non-Collectible Heritage Asset Categories	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025	Additions	Withdrawals	As of 9/30/2026
Cooperative Management and Protection Area	1	-	-	1	-	-	1
Headwaters Forest Reserve	1	-	-	1	-	-	1
Lake Todatonten Special Management Area	1	-	-	1	-	-	1
National Battlefield Parks	4	-	-	4	-	-	4
National Battlefield Site	1	-	-	1	-	-	1
National Battlefields	11	-	-	11	-	-	11
National Conservation Areas	24	-	-	24	-	-	24
National Historic Landmarks (NHL)	238	4	-	242	-	-	242
National Historic Sites	76	-	1	75	-	-	75
National Historic Trails	14	-	-	14	-	-	14
National Historical Parks	63	1	-	64	-	-	64
National Lakeshores	3	-	-	3	-	-	3
National Memorials	33	-	-	33	-	-	33
National Military Parks	9	-	-	9	-	-	9
National Monuments	123	3	-	126	-	-	126
National Natural Landmarks (NNL)	117	-	-	117	-	-	117
National Parks	63	-	-	63	-	-	63
National Parkways	4	-	-	4	-	-	4
National Preserves	19	-	-	19	-	-	19
National Recreation Areas	22	-	-	22	-	-	22
National Recreation Trails	128	-	-	128	1	-	129
National Reserves	2	-	-	2	-	-	2
National Rivers	4	-	-	4	-	-	4
National Scenic Area	1	-	-	1	-	-	1
National Scenic Trails	11	-	-	11	-	-	11
National Seashores	10	-	-	10	-	-	10
National Wild and Scenic Rivers	105	-	-	105	-	-	105
National Wildlife Refuges	568	1	-	569	-	-	569
Outstanding Natural Areas	3	-	-	3	-	-	3
International Historic Site	1	-	-	1	-	-	1
Wilderness Areas	401	-	-	401	-	-	401
Research Natural Area	1	-	-	1	-	-	1
Archaeological Protection Areas	2	-	-	2	-	-	2
Special Areas	6	-	-	6	-	-	6
Other	11	-	-	11	-	-	11
Total	**2,081**	**9**	**1**	**2,089**	**1**	**-**	**2,090**

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.

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

Special Areas. The BLM manages five Secretarially-designated Special Areas in Alaska and one in Nevada. The Utukok River Uplands contains critical habitat for caribou. Teshekpuk Lake and its watershed are an important habitat for a large number of ducks, geese and swans. Colville River provides critical nesting habitat for the arctic peregrine falcon. Kasegaluk Lagoon was designated as a Special Area where special precautions are necessary to control activities which would disrupt resource values. Peard Bay is an area of Western Alaska which provides protections for numerous subsistence species including caribou herds, tens of thousands of birds and lake and coastal fish habitat. Finally, The Numu Newe Cultural Center, a project in Northern Nevada, aims to support the culture, language and knowledge of the Fallon Paiute Shoshone Tribe. The center is part of a defense bill compromise that also includes funding for environmental justice concerns. The compromise was the result of years of negotiations between the U.S. Navy, Congress, local Tribes and affected counties in Nevada.

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

COLLECTIBLE HERITAGE ASSETS

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

Library Collections

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

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

Departmental Offices. The DO manages the Interior Library. This library was created by Secretary's Order and the collections represent a national resource in the disciplines vital to the missions of Interior. 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 Interior personnel and other researchers to access needed information from their computers. Interior 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 Secretary's Order that founded USGS decreed that copies of reports published by USGS should be given to the library in exchange for publications of state and national geological surveys and societies. The USGS's two library collections provide scientific information needed by Interior researchers, as well as researchers of other Government agencies, universities and professional communities. Besides providing resources for USGS scientific investigations, the library collections provide access to geographical, technical and historical literature in paper and electronic formats for the general public and the industry. These libraries are housed in Reston, Virginia; and Denver, Colorado.

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

Interior units of library collections as of September 30, 2026, are shown in the following table:

Interior Library Collections	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025	Additions	Withdrawals	As of 9/30/2026
Bureau of Land Management Library	-	1	-	1	-	-	1
Departmental Library	1	-	-	1	-	-	1
National Park Service Library	2	-	-	2	-	-	2
U.S. Geological Survey Library	2	-	-	2	-	-	2
Total	**5**	**1**	**-**	**6**	**-**	**-**	**6**

Interior units of museum collections as of September 30, 2026, are shown in the following table:

Interior Museum Collections	As of 9/30/2024	Additions	Withdrawals	As of 9/30/2025	Additions	Withdrawals	As of 9/30/2026
Held at Interior Facilities	596	4	3	597	1	5	593
Held at Non-Interior Facilities	421	31	3	449	9	6	452
Total	**1,017**	**35**	**6**	**1,046**	**10**	**11**	**1,045**

Museum Collections

Interior's museum property is intimately associated with the lands and cultural and natural resources for which Interior Bureaus and Offices have significant stewardship responsibilities. Interior 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-Interior facilities and collections consolidation.

Museum collections are housed in both Interior and non-Interior facilities in an effort to maximize awareness of and accessibility to the collections by the public and Interior Bureau employees. Interior museum collections are important for their intrinsic scientific, cultural and artistic values, their usefulness in supporting Interior's mission of managing Interior land, cultural resources and natural resources and their research potential to study current issues such as biodiversity and health. Housing museum collections in non-Interior facilities also allows for cost effective care by professionals in those facilities, which are often non-federal.

Stewardship PP&E as reported in FY 2025

As discussed in Note 1(J) - Land and disclosed in Note 9 above regarding the implementation of SFFAS 59, all current FY 2026 stewardship land is reported in acres. In FY 2025, the stewardship land was reported by units as shown below.

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

NOTE 11. DEBT

Intragovernmental Debt to Treasury Under Credit Reform

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

Departmental Offices

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

Indian Affairs

Maturity dates for the amounts borrowed from Treasury range from 2028–2040. Interest rates for these securities range from 1.86 percent to 6.20 percent and are based on the disbursement-weighted average discount rate (DWADR) and Single Effective Rate (SER). Cohorts utilizing the DWADR are 1998–1999 and those rates range from 5.87 percent to 6.20 percent. Cohorts utilizing the SER are 2010, 2011, 2015, 2017 and 2019 and those rates range from 1.86 percent to 2.85 percent. The DWADR and SER varies by cohort year. A security having a 2.00 percent interest rate was paid off in FY 2026. There were new borrowings executed this FY in cohorts 2010, 2011, 2015, 2017 and 2019.

Bureau of Reclamation

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

Intragovernmental Debt to Treasury activity as of September 30, 2026 and 2025, is summarized as follows:

(dollars in thousands)	FY 2025 Beginning Balance	Borrowing / (Repayments), Net	FY 2025 Ending Balance	Borrowing / (Repayments), Net	FY 2026 Ending Balance
Debt Owed to Treasury Other than the Federal Financing Bank	$ 28,769	$ (1,841)	$ 26,928	$ (1,500)	$ 25,428
Total Debt Due to Treasury	**$ 28,769**	**$ (1,841)**	**$ 26,928**	**$ (1,500)**	**$ 25,428**

NOTE 12. LIABILITY TO THE GENERAL FUND OF THE U.S. GOVERNMENT FOR CUSTODIAL AND OTHER NON-ENTITY ASSETS

Interior 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 to associated financing accounts when there is a downward reestimate pursuant to the FCRA.

The Custodial Liability represents amounts collected by Interior 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, 2026 and 2025, are summarized as follows:

(dollars in thousands)	FY 2026	FY 2025
Capital Transfers Liability	$ 1,577,153	$ 1,589,293
Capital Transfers for Loans Liability	5,396	9,851
Custodial Liability	1,833,323	1,153,486
Miscellaneous Receipts Liability	743,645	864,542
Total Liability to the General Fund of the U.S. Government	**$ 4,159,517**	**$ 3,617,172**

NOTE 13. FEDERAL EMPLOYEE SALARY, LEAVE, BENEFITS AND PENSIONS PAYABLE

Federal Employee Salary, Leave, Benefits and Pensions Payable as of September 30, 2026 and 2025, consists of the following:

(dollars in thousands)	FY 2026	FY 2025
Federal Employee Salary, Leave and Benefits Payable		
Accrued Funded Payroll and Leave	$ 201,867	$ 224,739
Unfunded Leave	448,902	507,484
Employer Contributions and Payroll Taxes Payable	8,610	9,540
Total Federal Employee Salary, Leave and Benefits Payable	**$ 659,379**	**$ 741,763**
Pension and Post-Employment Benefits Payable		
U.S. Park Police Pension Actuarial Liability	$ 537,079	$ 567,839
U.S. Park Police Pension Current Liability	41,321	41,161
Federal Employees Compensation Actuarial Liability	410,300	470,193
Total Pension and Post-Employment Benefits Payable	**$ 988,700**	**$ 1,079,193**

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

The following table represents the significant economic assumptions used to estimate the USPP Plan liability and the changes in the USPP Pension Plan liability balances. The USPP Pension Plan discount rates of 2.9 percent in FY 2026 and 2.7 percent in FY 2025, match the rates established by OPM for the CSRS plan for FY 2026, which has similar demographic characteristics and keeps NPS consistent in its reporting. The NPS used the PUB2016 Safety Above-Median Gender Distinct Mortality Base Table, released on May 7, 2025, by the Society of Actuaries' Retirement Plans Experience Committee and based on data collected from public pension systems. The longevity scale for this mortality table is MP-2021 for FY 2026.

Additionally, the USPP Pension Plan used inflation rates of 2.6 percent for both FY 2026 and FY 2025, compared with OPM's CSRS rates of 3.2 percent and 2.9 percent, respectively. The USPP rate is a computational shortcut that assumes future inflation equals future salary increases. Since the plan's cost-of-living adjustment is based on basic-pay increases rather than general inflation, the rate reflects the 10-year average increase in the Federal General Schedule.

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

Economic Assumptions Used *(expressed in percentages)*	FY 2026	FY 2025
Interest Rate	2.90	2.70
Inflationary Rate	2.60	2.60
Projected Salary Increase	2.60	2.60

USPP Pension Plan Liability *(dollars in thousands)*	FY 2026	FY 2025
Beginning Balance	$ 609,000	$ 658,300
Pension Expenses		
Interest on liability	15,900	15,900
Actuarial (gains) or losses from experience	5,321	(7,439)
Actuarial (gains) or losses from assumption changes	(10,500)	(16,600)
Total Pension Expenses	**10,721**	**(8,139)**
Less Benefit Payments	(41,321)	(41,161)
Ending Balance	**$ 578,400**	**$ 609,000**

NOTE 14. CONTINGENT LIABILITIES AND ENVIRONMENTAL AND DISPOSAL LIABILITIES

Interior 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 Interior 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 Interior. In suits brought through the *Contract Disputes Act of 1978* and awards under *Federal Antidiscrimination and Whistleblower Protection Acts,* Interior 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 Interior 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 Interior-managed land, general management activities on Interior 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 Interior's financial position or results of operations.

The accrued and potential Contingent Liabilities as of September 30, 2026, are summarized as follows:

(dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Contingent Liabilities			
Probable	$ 423,560	$ 423,560	$ 1,498,203
Reasonably Possible	$ -	$ 772,782	$ 1,123,269

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

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

Environmental and Disposal Liabilities

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

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

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

The accrued and potential Environmental and Disposal Liabilities as of September 30, 2026, are summarized as follows:

(dollars in thousands)	Accrued Liabilities	Estimated Range of Loss	
		Lower End of Range	Upper End of Range
Environmental Remediation Liability			
Probable	$ 571,752	$ 571,752	$ 5,325,669
Reasonably Possible	$ -	$ 294,310	$ 420,367
Asbestos Related Cleanup Liability	$ 1,180,548		
Total Environmental & Disposal Liability	**$ 1,752,300**		

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

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

NOTE 15. 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. Interior recognizes RTU lease assets that correspond to its lease liabilities, including both operating and financing leases. These RTU lease assets are recorded at the present value of future lease payments, adjusted for any lease incentives received, initial direct costs incurred and any leasehold improvements. The total liabilities associated with these lease obligations are disclosed under "Liabilities Not Covered by Budgetary Resources" to reflect the Agency's commitment to lease payments in future periods. Refer to Note 1 and Note 16 for reference.

Pursuant to SFFAS 1, paragraph 86, the amount of other current liabilities that are not covered by budgetary resources for September 30, 2026 and 2025, are $2.5 billion and $1.8 billion, respectively.

Interior's liabilities not covered by budgetary resources as of September 30, 2026 and 2025 are as follows:

(dollars in thousands)	FY 2026	FY 2025
Intragovernmental Liabilities:		
Other Intragovernmental Liabilities	$ 1,533,956	$ 1,557,121
Total Intragovernmental Liabilities	**$ 1,533,956**	**$ 1,557,121**
With the Public:		
Federal Employee Salary, Leave and Benefits Payable	$ 448,902	$ 507,485
Pensions and Post Employment-related Benefits	947,379	1,038,032
Environmental and Disposal Liabilities	1,752,300	1,741,878
Benefits Due and Payable	-	3,334
Other Liabilities With the Public	3,079,651	2,652,785
Total Liabilities With the Public	**6,228,232**	**5,943,514**
Total Liabilities Not Covered by Budgetary Resources	**7,762,188**	**7,500,635**
Total Liabilities Not Requiring Budgetary Resources	**5,729,530**	**4,970,205**
Total Liabilities Covered by Budgetary Resources	**7,319,427**	**7,366,270**
Total Liabilities	**$ 20,811,145**	**$ 19,837,110**

Interior's Other Liabilities as of September 30, 2026 and 2025 are as follows:

(dollars in thousands)	FY 2026	FY 2025
Other Intragovernmental Liabilities:		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-entity Assets	$ 4,159,517	$ 3,617,172
Judgment Fund Payable	1,285,570	1,283,868
Benefit Contributions Payable	152,719	157,617
Other	150,438	165,120
Total Other Intragovernmental Liabilities	**$ 5,748,244**	**$ 5,223,777**
Other Liabilities With the Public:		
Accrued Grant Liabilities	$ 1,118,677	$ 1,209,831
Deposit Fund Liability	512,211	262,378
Contingent Liabilities	423,560	365,054
Payments Due to States	2,367,216	1,726,229
Unearned Lessor Revenue	488,511	361,900
Lessee Lease Liability	777	-
Unfunded Lessee Lease Liability	131,491	118,481
Other	188,912	115,997
Total Other Public Liabilities	**$ 5,231,355**	**$ 4,159,870**
Total Other Liabilities	**$ 10,979,599**	**$ 9,383,647**

NOTE 16. LEASES

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

INTERIOR AS LESSEE

Intragovernmental Leases

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

For FY 2026 and FY 2025, Interior's annual intragovernmental lease expense was $90 million and $83 million for personal property leases and $313 million and $321 million for real property leases, respectively.

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

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

Interior recognized total lease assets of $165 million in FY 2026 and $167 million in FY 2025. These lease assets represent the RTU assets under our lease agreements and are subject to amortization over the lease term. The accumulated amortization of the lease assets amounted to $36 million in FY 2026 and $53 million in FY 2025.

Lessee Future Lease Payments for Leases Other Than Short-Term, Contracts or Agreements That Transfer Ownership and Intragovernmental *(dollars in thousands)*	**Principal**	**Interest**	**Totals**
2027	$ 26,084	$ 5,284	**$ 31,368**
2028	24,868	4,327	**29,195**
2029	22,338	3,268	**25,606**
2030	14,034	2,333	**16,367**
2031	5,425	1,905	**7,330**
2032–2036	16,638	6,855	**23,493**
2037–2041	11,830	3,637	**15,467**
2042–2046	5,726	1,605	**7,331**
2047–2051	3,270	640	**3,910**
2052–2056	1,052	138	**1,190**
Thereafter	226	51	**277**
Total Future Lease Payments	**$ 131,491**	**$ 30,043**	**$ 161,534**

Interior recognized an annual lease expense of $42 million under our lease agreements in FY 2026 and $29 million in FY 2025. The lease liability was calculated using a discount rate that varies based on the lease commencement date and lease term. Interior used the Treasury incremental borrowing rate. This discount rate was applied to determine the present value of the lease payments over the remaining lease term.

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

INTERIOR AS LESSOR

Intragovernmental Leases

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

The lease amounts are consistent year to year, with no additional leases from FY 2025 to FY 2026.

Intragovernmental Future Lease Payments to be Received (Lessor) *(dollars in thousands)*	Amount
2027	$ 46
2028	46
2029	46
2030	46
2031	46
2032–2036	230
2037–2041	230
2042–2046	230
Thereafter	-
Total Intragovernmental Future Lease Payments to be Received	**$ 920**

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

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

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

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

Interior had several assets under lease, including land and buildings. The carrying amount of buildings under lease was $49 million for FY 2026 and $52 million for FY 2025. The accumulated depreciation on these buildings was $549 thousand for both FY 2026 and FY 2025. Depreciation is calculated based on the straight-line method over the estimated useful life of each building, considering the lease term and any renewal options that are reasonably certain to be exercised.

Interior recognized $125 million in lease revenue in FY 2026 and $73 million in FY 2025. This includes fixed payments received from lessees under the terms of the leases, such as regular rent payments, as well as interest revenue as appropriate.

Interior recognized variable payments from Grazing and Concessionaire agreements for the amount of $205 million in FY 2026 and $206 million in FY 2025. The BLM authorizes third-party use of public lands for communication facilities through ROWs and leases, with rental payments based on authorized communication uses and applicable rental schedules. During FY 2026, Interior recognized $3.4 million in variable lease revenue from these arrangements.

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

The Department's commitments related to leases are also outlined within Notes 7, 8 and 15, of the financial statements. Note 7 provides acquisition cost and accumulated depreciation for RTU lessee net book value, illustrating some of the Department's financial commitments across a portfolio of leases. Included in Other Assets within Note 8, are Interior's Lease Receivable of $523 million and $356 million for FY 2026 and FY 2025 respectively and allowances for uncollectible amounts of $549 thousand for both years. Note 15 provides amounts related to lessee lease liability and the lessor unearned revenue liability within other liabilities with the public.

NOTE 17. FUNDS FROM DEDICATED COLLECTIONS

Funds from dedicated collections are 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.

In FY 2026, an updated analysis was conducted to identify Interior's significant dedicated collection funds. The analysis identified one new fund for the FY 2026 table presentation, while four others were reclassified to *Other Funds from Dedicated Collections* when compared to the FY 2025 presentation.

Interior's significant funds from dedicated collections for FY 2026 are:

The Land and Water Conservation Fund. The LWCF was enacted by the *Land and Water Conservation Fund Act of 1965* (Public Law (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 Interior and the rest to the USFS. These funds are considered inflows of resources to the Government and are reported as a restricted asset.

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

Some of USBR's projects are funded from the General Fund of the Treasury and are required to be repaid to the General Fund. Whether some or all of a project's costs are subject to cost recovery and how and when repayment is due to USBR and subsequently to the General Fund is determined based upon either the language in the authorizing legislation or the language in other Reclamation law, as amended.

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

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

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

Abandoned Mine Reclamation Fund. The Surface Mining Control and Reclamation Act (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 Infrastructure Investment and Jobs Act (IIJA), signed into law on November 15, 2021, amended section 402 of SMCRA to reduce reclamation fee rates by 20 percent and extend OSM's fee collection authority through September 30, 2034. The fees are deposited in the Abandoned Mine Reclamation Fund, which is used primarily to fund projects for the reclamation and restoration of land and water resources adversely affected by past coal mining. Under the authority of SMCRA (section 401 (e)), OSM invests the funds in U.S. Treasury securities. In accordance with provisions of the SMCRA (as amended), the interest earned by the fund is transferred to the United Mine Workers of America Combined Benefit Fund, the 1992 UMWA Benefit Plan and the 1993 UMWA Benefit Plan (section 402 (h)). The funds are considered inflows of resources to the Government.

Natural Resource Damage Assessment and Restoration Fund (NRDAR). In FY 2025, NRDAR was presented as *Other Funds from Dedicated Collections*, however due to an analysis in FY 2026, this fund was moved to a significant dedicated collection fund for footnote presentation. The NRDAR Fund is used to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. The program conducts damage assessment(s), the first step toward resource restoration, which are used to provide the basis for determining restoration needs.

Once the damages are assessed, the NRDAR Program negotiates legal settlements or takes other legal actions against the responsible parties for the spill or release. Funds from these settlements are then used to restore the injured resources at no expense to the taxpayer. Settlements often include the recovery of the costs incurred in assessing the damages. These funds may also be used to fund damage assessments in future incidents. All actions taken by the NRDAR Program on behalf of citizens of the United States are done with the goal of restoring injured natural resources.

The four Interior significant funds from dedicated collections for FY 2025, that were moved to *Other Funds from Dedicated Collections* for FY 2026 are:

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

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

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.

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. Interior 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 Interior's net position attributable to funds from dedicated collections. All other funds from dedicated collections have been aggregated in accordance with SFFAS 43, *Funds from Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds* and are presented in the following list.

Indian Affairs

- Operation and Maintenance of Quarters
- 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
- Water and Related Resources Reclamation Fund
- San Gabriel Restoration Fund
- San Joaquin River Restoration Fund
- Reclamation Water Settlement Fund
- Colorado River Dam Fund –Boulder Canyon Project
- Reclamation Trust Funds
- Recreation Enhancement Fee Program
- Blackfeet Water Settlement Implementation Fund
- Water Storage Enhancement Receipts

Bureau of Safety and Environmental Enforcement

- Oil Spill Research
- Decommissioning Activities, Allocation Transfers

Office of Surface Mining Reclamation and Enforcement

- Regulation and Technology, Civil Penalties

Departmental Offices

- Indian Arts and Craft Receipts
- 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
- Recreational Fee Enhancement Program
- Landowner Incentive Program
- Community Partnership Enhancement
- Coastal Impact Assistance Program
- Contributed Funds
- Federal Land Transactions
- Filming and Photography Fee Program
- Exotic Bird Conservation Fund
- Energy Permit Processing Improvement
- Southern Nevada Public Land Management
- Sport Fish Restoration and Boating Trust Fund

Bureau of Ocean Energy Management

- Decommissioning Activities, Parent

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
- National Maritime Heritage
- Filming and Photography Fee Program
- Glacier Bay Cruise and Boat Fees
- Parks Concession Franchise Fees
- Land and Water Conservation Fund, *GOMESA*
- Grand Teton National Park
- Donations
- Birthplace of Abraham Lincoln
- Visitor Experience Improvement Authority
- Educational Expenses, Children of Employees, Yellowstone National Park
- Medical Services Fund, National Park Service

U. S. Geological Survey

- Operation and Maintenance of Quarters
- Contributed Funds

NOTE 17 continues on page 128

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Interior's funds from dedicated collections as of and for the year ended September 30, 2026, consist of the following:

(dollars in thousands)	Land and Water Conservation Fund	Reclamation Fund	Water and Related Resources & Recovery Act	Abandoned Mine Land Fund	Natural Resource Damage Assessment and Restoration Fund	Other Funds from Dedicated Collections	FY 2026 Total Funds from Dedicated Collections (Combined)	FY 2026 Eliminations between Dedicated Collection Funds	FY 2026 Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET									
ASSETS									
Intragovernmental:									
Fund Balance with Treasury	$ 22,630,266	$ 26,179,331	$ 11,432,277	$ 19,979	$ 197,637	$ 16,331,879	$ 76,791,369	$ -	$ 76,791,369
Investments, Net	-	-	-	13,302,851	3,845,009	8,419,255	25,567,115	-	25,567,115
Accounts Receivable, Net:									
Accounts Receivable, Net	-	869,494	3,557	-	-	1,347,924	2,220,975	(518)	2,220,457
Transfers Receivable, Net	-	-	25,435	-	-	1,911,225	1,936,660	-	1,936,660
Advances and Prepayments	-	-	9,529	20	-	332,117	341,666	(1,934)	339,732
Total Intragovernmental	$ 22,630,266	$ 27,048,825	$ 11,470,798	$ 13,322,850	$ 4,042,646	$ 28,342,400	$ 106,857,785	$ (2,452)	$ 106,855,333
With the Public:									
Cash and Other Monetary Assets	-	-	1	-	-	-	1	-	1
Accounts Receivable, Net	-	21,330	1,680	86,637	3,125,145	36,706	3,271,498	-	3,271,498
General and Right-to-use Property, Plant and Equipment, Net	-	-	10,892,939	2,741	2,248	6,243,629	17,141,557	-	17,141,557
Advances and Prepayments	-	-	533,993	-	-	188,299	722,292	-	722,292
Other Assets	-	-	-	-	-	64,782	64,782	-	64,782
Total With the Public	-	21,330	11,428,613	89,378	3,127,393	6,533,416	21,200,130	-	21,200,130
TOTAL ASSETS	**$ 22,630,266**	**$ 27,070,155**	**$ 22,899,411**	**$ 13,412,228**	**$ 7,170,039**	**$ 34,875,816**	**$ 128,057,915**	**$ (2,452)**	**$ 128,055,463**
LIABILITIES									
Intragovernmental:									
Accounts Payable:									
Accounts Payable, Capital Transfers	$ -	$ -	$ 1,126,819	$ -	$ -	$ -	$ 1,126,819	$ -	$ 1,126,819
Accounts Payable	-	-	37,044	729	33	14,897	52,703	(518)	52,185
Transfers Payable	-	-	-	-	-	920,306	920,306	-	920,306
Advances from Others and Deferred Revenue	-	-	5,341	-	-	1	5,342	(1,934)	3,408
Other Liabilities	-	-	127,516	665	72	49,904	178,157	-	178,157
Total Intragovernmental	$ -	$ -	$ 1,296,720	$ 1,394	$ 105	$ 985,108	$ 2,283,327	$ (2,452)	$ 2,280,875
With the Public:									
Accounts Payable	-	-	207,488	278	1,363	164,373	373,502	-	373,502
Federal Employee Salary, Leave and Benefits Payable	-	-	30,635	3,204	243	25,003	59,085	-	59,085
Pension and Post Employment-related Benefits	-	-	34,301	1,231	-	374	35,906	-	35,906
Environmental and Disposal Liabilities	-	-	209,408	-	-	-	209,408	-	209,408
Advances from Others and Deferred Revenue	-	71,875	560,921	-	-	398,514	1,031,310	-	1,031,310
Other Liabilities	-	-	242,926	42,810	1,723	2,878,132	3,165,591	-	3,165,591
Total With the Public	-	71,875	1,285,679	47,523	3,329	3,466,396	4,874,802	-	4,874,802
TOTAL LIABILITIES	**$ -**	**$ 71,875**	**$ 2,582,399**	**$ 48,917**	**$ 3,434**	**$ 4,451,504**	**$ 7,158,129**	**$ (2,452)**	**$ 7,155,677**
NET POSITION									
Unexpended Appropriations	-	-	7,262,778	9,756,519	-	3,036,024	20,055,321	-	20,055,321
Cumulative Results of Operations	22,630,266	26,998,280	13,054,234	3,606,792	7,166,605	27,388,288	100,844,465	-	100,844,465
TOTAL NET POSITION	**22,630,266**	**26,998,280**	**20,317,012**	**13,363,311**	**7,166,605**	**30,424,312**	**120,899,786**	**-**	**120,899,786**
TOTAL LIABILITIES AND NET POSITION	**$ 22,630,266**	**$ 27,070,155**	**$ 22,899,411**	**$ 13,412,228**	**$ 7,170,039**	**$ 34,875,816**	**$ 128,057,915**	**$ (2,452)**	**$ 128,055,463**

Interior's funds from dedicated collections as of and for the year ended September 30, 2026 (Continued)

(dollars in thousands)	Land and Water Conservation Fund	Reclamation Fund	Water and Related Resources & Recovery Act	Abandoned Mine Land Fund	Natural Resource Damage Assessment and Restoration Fund	Other Funds from Dedicated Collections	FY 2026 Total Funds from Dedicated Collections (Combined)	FY 2026 Eliminations between Dedicated Collection Funds	FY 2026 Total Funds from Dedicated Collections (Consolidated)
NET COST OF OPERATIONS									
Gross Costs	$ -	$ 333	$ 2,454,020	$ 1,071,133	$ 80,293	$ 11,266,881	$ 14,872,660	$ (36,071)	$ 14,836,589
Earned Revenue	-	(174,367)	(205,949)	(157)	-	(1,833,600)	(2,214,073)	9,573	(2,204,500)
TOTAL NET COST OF OPERATIONS	**$ -**	**$ (174,034)**	**$ 2,248,071**	**$ 1,070,976**	**$ 80,293**	**$ 9,433,281**	**$ 12,658,587**	**$ (26,498)**	**$ 12,632,089**
CHANGES IN NET POSITION									
UNEXPENDED APPROPRIATIONS									
Beginning Balance	$ -	$ -	$ 7,447,198	$ 10,752,764	$ -	$ 2,547,785	$ 20,747,747	$ -	$ 20,747,747
Appropriations Received	-	-	1,909,060	134,000	-	11,458	2,054,518	-	2,054,518
Appropriations Transferred In/(Out)	-	-	(806,637)	(500,000)	-	806,637	(500,000)	-	(500,000)
Appropriations Used	-	-	(1,286,750)	(630,245)	-	(329,851)	(2,246,846)	-	(2,246,846)
Other Adjustments	-	-	(93)	-	-	(5)	(98)	-	(98)
Net Change in Cumulative Results of Operations	**-**	**-**	**(184,420)**	**(996,245)**	**-**	**488,239**	**(692,426)**	**-**	**(692,426)**
Total Unexpended Appropriations - Ending	**$ -**	**$ -**	**$ 7,262,778**	**$ 9,756,519**	**$ -**	**$ 3,036,024**	**$ 20,055,321**	**$ -**	**$ 20,055,321**
CUMULATIVE RESULTS OF OPERATIONS									
Beginning Balance	$ 22,620,999	$ 22,705,989	$ 13,644,339	$ 3,465,236	$ 6,699,800	$ 26,499,780	$ 95,636,143	$ -	$ 95,636,143
Changes in Accounting Principles	-	-	(1,275,551)	-	-	(784,635)	(2,060,186)	-	(2,060,186)
Correction of Errors	-	-	-	-	-	-	-	-	-
Beginning Balance, as adjusted	22,620,999	22,705,989	12,368,788	3,465,236	6,699,800	25,715,145	93,575,957	-	93,575,957
Appropriations Used	-	-	1,286,751	630,245	-	329,850	2,246,846	-	2,246,846
Royalty, Rents and Lease Sales Retained	1,041,954	5,271,451	-	-	-	7,588,968	13,902,373	-	13,902,373
Miscellaneous Taxes and Receipts	20,551	355	-	81,371	(389,676)	(294)	(287,693)	-	(287,693)
Intragovernmental Non-Exchange Revenue	-	7,644	-	505,364	1,017,737	1,179,446	2,710,191	-	2,710,191
Donations and Forfeitures of Cash and Cash Equivalents	-	-	-	-	-	748,438	748,438	-	748,438
Transfers In/(Out) without Reimbursement	(1,053,238)	(1,161,197)	1,490,082	(330)	(80,963)	1,247,504	441,858	-	441,858
Donations and Forfeitures of Property	-	-	52,168	-	-	884	53,052	-	53,052
Imputed Financing	-	4	74,529	(4,118)	-	17,021	87,436	(26,498)	60,938
Other Financing Sources/(Uses)	-	-	29,987	-	-	(5,393)	24,594	-	24,594
Net Cost of Operations	-	174,034	(2,248,071)	(1,070,976)	(80,293)	(9,433,281)	(12,658,587)	26,498	(12,632,089)
Net Change in Cumulative Results of Operations	9,267	4,292,291	685,446	141,556	466,805	1,673,143	7,268,508	-	7,268,508
Cumulative Results of Operations - Ending	**22,630,266**	**26,998,280**	**13,054,234**	**3,606,792**	**7,166,605**	**27,388,288**	**100,844,465**	**-**	**100,844,465**
TOTAL NET POSITION	**$ 22,630,266**	**$ 26,998,280**	**$ 20,317,012**	**$ 13,363,311**	**$ 7,166,605**	**$ 30,424,312**	**$ 120,899,786**	**$ -**	**$ 120,899,786**

Interior's funds from dedicated collections as of and for the year ended September 30, 2025, 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 2025 Total Funds from Dedicated Collections (Combined)	FY 2025 Eliminations between Dedicated Collection Funds	FY 2025 Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET												
ASSETS												
Intragovernmental:												
Fund Balance with Treasury	$ 22,620,999	$ 3,852,044	$ 22,188,213	$ 11,873,795	$ 2,094	$ 442,739	$ 19,949	$ 323,929	$ 11,015,585	$ 72,339,347	$ -	$ 72,339,347
Investments, Net	-	-	-	2	536,300	-	14,203,126	2,768,283	7,254,404	24,762,115	-	24,762,115
Accounts Receivable, Net:												
Accounts Receivable, Net	-	-	581,160	3,775	2,388	-	-	18,264	848,966	1,454,553	(461)	1,454,092
Transfers Receivable, Net	-	-	-	20,804	-	-	-	-	1,740,116	1,760,920	-	1,760,920
Advances and Prepayments	-	-	-	6,627	-	5,943	63	-	17,239	29,872	(2,513)	27,359
Total Intragovernmental	**$ 22,620,999**	**$ 3,852,044**	**$ 22,769,373**	**$ 11,905,003**	**$ 540,782**	**$ 448,682**	**$ 14,223,138**	**$ 3,110,476**	**$ 20,876,310**	**$ 100,346,807**	**$ (2,974)**	**$ 100,343,833**
With the Public:												
Cash and Other Monetary Assets	-	-	-	1	-	-	-	-	-	1	-	1
Accounts Receivable, Net	-	-	12,668	703	244	1,367	60,026	-	3,598,445	3,673,453	-	3,673,453
General and Right-to-use Property, Plant and Equipment, Net	-	-	-	11,810,530	2,123,598	2,862,114	2,344	-	1,867,448	18,666,034	-	18,666,034
Advances and Prepayments	-	-	-	11,626	36,232	2,354	-	-	65,293	115,505	-	115,505
Other Assets	-	-	-	-	8,255	4,539	-	-	55,453	68,247	-	68,247
Total With the Public	-	-	12,668	11,822,860	2,168,329	2,870,374	62,370	-	5,586,639	22,523,240	-	22,523,240
TOTAL ASSETS	**$ 22,620,999**	**$ 3,852,044**	**$ $22,782,041**	**$ 23,727,863**	**$ 2,709,111**	**$ 3,319,056**	**$ 14,285,508**	**$ 3,110,476**	**$ 26,462,949**	**$ 122,870,047**	**$ (2,974)**	**$ 122,867,073**
LIABILITIES												
Intragovernmental:												
Accounts Payable:												
Accounts Payable, Capital Transfers	$ -	$ -	$ -	$ 1,146,403	$ -	$ -	$ -	$ -	$ -	$ 1,146,403	$ -	$ 1,146,403
Accounts Payable	-	-	-	45,560	791	2,402	578	-	11,336	60,667	(461)	60,206
Transfers Payable	-	-	-	-	-	-	-	-	811,523	811,523	-	811,523
Advances from Others and Deferred Revenue	-	-	-	5,368	-	-	-	-	1	5,369	(2,513)	2,856
Other Liabilities	-	-	-	142,055	29	43,594	763	-	4,426	190,867	-	190,867
Total Intragovernmental	$ -	$ -	$ -	$ 1,339,386	$ 820	$ 45,996	$ 1,341	$ -	$ 827,286	$ 2,214,829	$ (2,974)	$ 2,211,855
With the Public:												
Accounts Payable	-	-	-	211,819	4,492	2,635	452	157	161,264	380,819	-	380,819
Federal Employee Salary, Leave and Benefits Payable	-	-	-	28,988	218	1,694	3,953	-	22,156	57,009	-	57,009
Pension and Post-Employment Benefits Payable	-	-	-	40,719	-	-	1,599	-	455	42,773	-	42,773
Environmental and Disposal Liabilities	-	-	-	201,921	-	-	-	-	-	201,921	-	201,921
Benefits Due and Payable	-	-	-	-	-	-	2,783	-	-	2,783	-	2,783
Advances from Others and Deferred Revenue	-	-	76,052	519,169	14,885	183,217	-	-	213,134	1,006,457	-	1,006,457
Other Liabilities	-	50,752	-	294,324	192	43,097	57,380	91,240	2,042,581	2,579,566	-	2,579,566
Total With the Public	-	50,752	76,052	1,296,940	19,787	230,643	66,167	91,397	2,439,590	4,271,328	-	4,271,328
TOTAL LIABILITIES	**$ -**	**$ 50,752**	**$ 76,052**	**$ 2,636,326**	**$ 20,607**	**$ 276,639**	**$ 67,508**	**$ 91,397**	**$ 3,266,876**	**$ 6,486,157**	**$ (2,974)**	**$ 6,483,183**
NET POSITION												
Unexpended Appropriations	-	69,119	-	7,447,197	220,679	114,812	10,752,764	-	2,143,176	20,747,747	-	20,747,747
Cumulative Results of Operations	22,620,999	3,732,173	22,705,989	13,644,340	2,467,825	2,927,605	3,465,236	3,019,079	21,052,897	95,636,143	-	95,636,143
TOTAL NET POSITION	**22,620,999**	**3,801,292**	**22,705,989**	**21,091,537**	**2,688,504**	**3,042,417**	**14,218,000**	**3,019,079**	**23,196,073**	**116,383,890**	**-**	**116,383,890**
TOTAL LIABILITIES AND NET POSITION	**$ 22,620,999**	**$ 3,852,044**	**$ 22,782,041**	**$ 23,727,863**	**$ 2,709,111**	**$ 3,319,056**	**$ 14,285,508**	**$ 3,110,476**	**$ 26,462,949**	**$ 122,870,047**	**$ (2,974)**	**$ 122,867,073**

Interior's funds from dedicated collections as of and for the year ended September 30, 2025 (Continued)

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

NOTE 18. COSTS AND EXCHANGE REVENUE BY RESPONSIBILITY SEGMENT

The following tables present the Statement of Net Cost by Bureau and priority categories. Refer to the Principal Financial Statements section; Consolidated Statements of Net Cost, for further information.

Costs and exchange revenue by responsibility segment for the year ended September 30, 2026, consists of the following:

(dollars in thousands)	Indian Affairs[1]	Bureau of Land Management	Bureau of Reclamation	Departmental Offices and Other[2]	Bureau of Ocean Energy Management	Bureau of Safety and Environmental Enforcement	National Park Service	Office of Surface Mining Reclamation & Enforcement	U.S. Fish and Wildlife Service	U.S. Geological Survey	Elimination of Intra-Department Activity	FY 2026
Productively Collaborate and Coordinate with States, Tribes, Communities and People												
Gross Costs	$ 3,924,115	$ 193,097	$ -	$ 1,131,099	$ -	$ -	$ 43,257	$ -	$ 8,989	$ -	$ (132,259)	$ 5,168,298
Less: Earned Revenue	365,863	32,928	-	62,411	-	-	1	-	1,297	-	(30,417)	432,083
Net Program Cost	$ 3,558,252	$ 160,169	$ -	$ 1,068,688	$ -	$ -	$ 43,256	$ -	$ 7,692	$ -	$ (101,842)	$ 4,736,215
Promote the Enjoyment and Conservation of Our Lands, Waters, Natural Resources and Cultural Heritage												
Gross Costs	$ 479,481	$ 1,561,987	$ 300,393	$ 992,528	$ 6,200	$ 33,028	$ 2,829,969	$ 402,705	$ 3,399,654	$ 120,585	$ (647,609)	$ 9,478,921
Less: Earned Revenue	108,274	369,125	82,381	14,828	12,730	-	491,907	1,409	299,560	19,040	(251,965)	1,147,289
Net Program Cost	$ 371,207	$ 1,192,862	$ 218,012	$ 977,700	$ (6,530)	$ 33,028	$ 2,338,062	$ 401,296	$ 3,100,094	$ 101,545	$ (395,644)	$ 8,331,632
Expand American Prosperity												
Gross Costs	$ 326,286	$ 978,156	$ 863,898	$ 8,178,835	$ 3,366,506	$ 217,466	$ 4,099	$ 1,533,193	$ 13,483	$ 412,751	$ (587,600)	$ 15,307,073
Less: Earned Revenue	160,666	236,874	302,569	499	44,245	49,326	768	595	1,945	26,889	(219,054)	605,322
Net Program Cost	$ 165,620	$ 741,282	$ 561,329	$ 8,178,336	$ 3,322,261	$ 168,140	$ 3,331	$ 1,532,598	$ 11,538	$ 385,862	$ (368,546)	$ 14,701,751
Keep Communities Safe, Beautiful and Resilient, and Expand Access to the Outdoors												
Gross Costs	$ 327,886	$ 176,570	$ 1,719,922	$ 7,851	$ -	$ -	$ 2,262,933	$ -	$ 624,743	$ 855,385	$ (1,057,510)	$ 4,917,780
Less: Earned Revenue	9,672	26,436	294,275	-	-	-	384,006	-	90,122	43,712	(60,201)	788,022
Net Program Cost	$ 318,214	$ 150,134	$ 1,425,647	$ 7,851	$ -	$ -	$ 1,878,927	$ -	$ 534,621	$ 811,673	$ (997,309)	$ 4,129,758
Reimbursable Activity and Other												
Gross Costs Not Assigned to Programs	$ (17)	$ 987,076	$ 766,193	$ 4,548,556	$ -	$ 46,995	$ -	$ (5,315)	$ -	$ 758,492	$ (1,047,683)	$ 6,054,297
Less: Earned Revenue Not Attributable to Programs	-	650,263	778,867	4,245,314	-	48,334	-	4,075	-	602,678	(2,882,007)	3,447,524
Net Costs Not Assigned to Programs	$ (17)	$ 336,813	$ (12,674)	$ 303,242	$ -	$ (1,339)	$ -	$ (9,390)	$ -	$ 155,814	$ 1,834,324	$ 2,606,773
Total												
Gross Costs	$ 5,057,751	$ 3,896,886	$ 3,650,406	$ 14,858,869	$ 3,372,706	$ 297,489	$ 5,140,258	$ 1,930,583	$ 4,046,869	$ 2,147,213	$ (3,472,661)	$ 40,926,369
Less: Earned Revenue	644,475	1,315,626	1,458,092	4,323,052	56,975	97,660	876,682	6,079	392,924	692,319	(3,443,644)	6,420,240
Net Cost of Operations	**$ 4,413,276**	**$ 2,581,260**	**$ 2,192,314**	**$ 10,535,817**	**$ 3,315,731**	**$ 199,829**	**$ 4,263,576**	**$ 1,924,504**	**$ 3,653,945**	**$ 1,454,894**	**$ (29,017)**	**$ 34,506,129**

[1] IA includes BIA and BIE

[2] DO includes BTFA and OIA

Costs and exchange revenue by responsibility segment for the year ended September 30, 2025, consists of the following:

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

[1] IA includes BIA and BIE

[2] DO includes BTFA and OIA

NOTE 19. STATEMENT OF BUDGETARY RESOURCES

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

The Unobligated balance from prior year budget authority, net amount does not tie to the prior year's Unobligated balance, end of year amount due to adjustments. The adjustments mainly consist of recoveries of prior year obligated balances, cancelled authority and allocation transfers of prior year balances. The following table displays a reconciliation between the prior year's unobligated balance, end of year amount to the current year's unobligated balance from prior year budget authority, net amount.

Reconciliation of Prior Year Ending Unobligated Balance to Current Year Beginning Balance for the years ended September 30, 2026 and 2025

(dollars in thousands)	FY 2026 Budgetary Accounts	FY 2026 Non-Budgetary Credit Reform Financing Accounts	FY 2025 Budgetary Accounts	FY 2025 Non-Budgetary Credit Reform Financing Accounts
Prior Year Unobligated Balance, End of Year	$ 50,612,427	$ 60,697	$ 47,791,175	$ 66,302
Recoveries of Prior Year Unpaid Obligations	1,687,007	-	1,609,805	-
Other Changes in Unobligated Balance	(130,641)	-	(499,047)	(1)
Current Year Unobligated Balance from Prior Year Budget Authority, Net	**$ 52,168,793**	**$ 60,697**	**$ 48,901,933**	**$ 66,301**

Budgetary Resources Obligated for Undelivered Orders. The following table displays the amounts of federal, non-federal, paid and unpaid budgetary resources obligated for undelivered orders for the year ended September 30, 2026 and 2025.

Undelivered Orders

(dollars in thousands)	FY 2026	FY 2025
Undelivered Orders:		
Federal:		
Paid	$ 553,600	$ 273,251
Unpaid	1,705,181	1,750,925
Total Undelivered Orders, Federal	$ 2,258,781	$ 2,024,176
Non-Federal:		
Paid	$ 1,135,420	$ 579,528
Unpaid	24,884,400	23,323,888
Total Undelivered Orders, Non-Federal	26,019,820	23,903,416
Total Undelivered Orders	**$ 28,278,601**	**$ 25,927,592**

Repayment Requirements, Financing Sources for Repayment and other Terms of Borrowing Authority Used. Interior has permanent indefinite borrowing authority for direct and guarantee loan programs in accordance with FCRA and related legislation. The USBR, IA and DO are authorized to borrow the unsubsidized portion of direct loan and loan guarantee default disbursements from Fiscal Service.

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

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

Permanent Indefinite Appropriations. Permanent indefinite appropriations are appropriations given to Interior 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 Interior Bureaus use one or more permanent no-year appropriations to finance operating costs and purchase PP&E. Interior has approximately 100 permanent indefinite appropriations. Most of these appropriations are used for special environmental programs and to carry out obligations of the Secretary of the Interior.

Appropriations Received. Appropriations reported on the SBR will not necessarily agree with Appropriations Received as reported on the SCNP. This is due to differences in budgetary and proprietary accounting concepts and reporting requirements. Some receipts are recorded as appropriations on the SBR, but are recognized as exchange or non-exchange revenue and reported on the SCNP in accordance with SFFAS 7.

Legal Arrangements Affecting Use of Unobligated Balances. Unobligated balances, whose period of availability has expired (e.g., expired authority), are not available to fund new obligations, but are available to pay for adjustments to new obligations and upward adjustments prior to expiration. Interior's unapportioned balances as of September 30, 2026 and 2025, are disclosed in the table below.

Legal Arrangements Affecting Use of Unobligated Balances

(dollars in thousands)	FY 2026	FY 2025
Unapportioned, Unexpired Accounts	$ 367,039	$ 455,617
Expired Authority	376,974	370,371
Unapportioned	**$ 744,013**	**$ 825,988**

Available Borrowing, End of the Period. Interior did not have any available budgetary borrowing for the year ended September 30, 2026 and 2025. The Interior does have permanent indefinite borrowing authority for the execution of direct loan and loan guarantee programs in accordance with FCRA. The amount borrowed will fluctuate dependent upon the actual performance of the borrower as compared to the projected performance and the applicable Treasury interest rate. In FY 2026, Interior exercised $681 thousand in new borrowing authority, with repayments of $2.2 million. In FY 2025, Interior exercised $179 thousand in new borrowing authority, with repayments of $2.0 million.

As of September 30, 2026 and 2025, Interior had no available contract authority or amounts exempt from apportionment for unexpired accounts.

Explanation of Differences between the Combined SBR and the Budget of the United States Government. The SBR has been prepared to coincide with the amounts shown in the Budget of the United States Government. The Budget of the United States Government containing the actual amounts for FY 2026, has not been published at the time these financial statements were prepared. The Budget of the United States actual FY 2025, amounts were released in April 2026. The FY 2028 Budget of the United States Government will include the FY 2026 actual amounts and is estimated to be released in February 2027. The Budget of the United States Government is available on the OMB website.

There are legitimate reasons for differences between balances reported in the SBR and the actual balances reported in the Budget of the United States Government. The FY 2025 differences are explained in the Reconciliation of the SBR to the Budget of the United States Government table on the following page.

Distributed Offsetting Receipts. Distributed offsetting receipts are amounts collected from the public or other federal agencies that are used to offset or reduce budgetary outlays. Agency outlays are measured on both a gross and net basis, with net outlays reflecting reductions for offsetting receipts and other applicable amounts.

Reconciliation of the Statement of Budgetary Resources to the Budget of the United States Government				
(dollars in millions)	**Budgetary Resources**	**New Obligations and Upward Adjustments**	**Distributed Offsetting Receipts**	**Net Outlays**
FY 2025 Combined Statement of Budgetary Resources	**$ 93,372**	**$ 42,698**	**$ 11,581**	**$ 33,636**
Bureau of Trust Funds Administration Fiduciary activity included in the Budget of the U.S. Government that is excluded from the SBR	965	168	253	168
National Park Service Concessionaire activity included in the Budget of the U.S. Government that is excluded from the SBR	22	8	8	8
Expired resources included in the SBR that are excluded from the Budget of the U.S. Government	(503)	(133)	-	-
OMB backdated budget exercises excluded from the Budget of the U.S. Government	-	-	-	438
Other activity	(8)	2	-	2
Subtotal	$ 476	$ 45	$ 261	$ 616
Budget of the U.S. Government	**$ 93,848**	**$ 42,743**	**$ 11,842**	**$ 34,252**

NOTE 20. RECONCILIATION OF NET COST TO NET OUTLAYS

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

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

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

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

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

The reconciliation of net cost of operations to budgetary accounts for the year ended September 30, 2026, is presented below.

(dollars in thousands)	Intra-Governmental FY 2026	Public FY 2026	Total FY 2026
Net Cost	**$ 3,633,707**	**$ 30,872,422**	**$ 34,506,129**
Components of Net Cost Not Part of Net Outlays			
Property, Plant and Equipment Depreciation	$ -	$ (979,837)	$ (979,837)
Property, Plant and Equipment Disposal and Re-valuation	-	(25,866)	(25,866)
Other	(41,513)	22,511	(19,002)
Increase/(Decrease) in Assets not affecting Net Outlays			
Accounts Receivable	782,936	(455,163)	327,773
Loans Receivable	-	(500)	(500)
Other Assets	284,051	555,820	839,871
Investments	(50,097)	-	(50,097)
(Increase)/Decrease in Liabilities not affecting Net Outlays			
Accounts Payable	(52,990)	(44,613)	(97,603)
Federal Employee Benefits Payable	-	176,212	176,212
Advances from Others and Deferred Revenue	77,247	(44,312)	32,935
Environmental and Disposal Liabilities	-	(10,422)	(10,422)
Other Liabilities	154,382	(878,615)	(724,233)
Other Financing Sources not affecting Net Outlays			
Federal Employee Retirement Benefit and Imputed Costs Paid by Office of Personnel Management	(816,816)	-	(816,816)
Other Imputed Financing	(3,251,159)	-	(3,251,159)
Total Components of Net Cost Not Part of Net Outlays	**$ (2,913,959)**	**$ (1,684,785)**	**$ (4,598,744)**
Components of Net Outlays that are Not Part of Net Cost			
Acquisition of Capital Assets	$ -	$ 2,769,549	$ 2,769,549
Acquisition of Inventory	-	31,904	31,904
Transfers (in)/out without Reimbursement	(271,585)	-	(271,585)
Non-Exchange Revenue and Other	(8,461,488)	(8,335,409)	(16,796,897)
Total Components of Net Outlays that are Not Part of Net Cost	**$ (8,733,073)**	**$ (5,533,956)**	**$ (14,267,029)**
Net Outlays (Calculated)	**$ (8,013,325)**	**$ 23,653,681**	**$ 15,640,356**

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

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

NOTE 21. FIDUCIARY ACTIVITIES

Interior maintains accounts for Tribal and Other Trust Funds (including the Alaskan Native Escrow Fund) and Individual Indian Monies (IIM) Trust Funds in accordance with the *American Indian Trust Fund Management Reform Act of 1994*. The fiduciary balances that have accumulated in these funds have resulted from land use agreements, royalties on natural resource depletion, other proceeds derived directly from trust resources, judgment awards, settlements of claims and investment income. The 12 non-valued fiduciary assets represent Tribal land holdings for which IA maintains fiduciary responsibility, often in the capacity of a Trustee. These funds are maintained by IA and ONRR for the benefit of individual Native Americans as well as for designated Indian Tribes. Transactions between these funds have not been fully eliminated and there are no non-monetary assets to report.

Schedule of Fiduciary Activity	Fiduciary Funds	
(dollars in thousands)	FY 2026	FY 2025
Fiduciary Net Assets, Beginning	$ 8,869,208	$ 9,074,938
Contributions	1,587,700	1,339,827
Investment Earnings	266,201	351,425
Gain (Loss) on Disposition of Investments, Net	4,568	2,505
Administrative and Other Expenses	(6)	116
Disbursements to and on Behalf of Beneficiaries	(1,456,123)	(1,899,603)
Increase/(Decrease) Net Assets	402,340	(205,730)
Fiduciary Net Assets, End	**$ 9,271,548**	**$ 8,869,208**

Fiduciary Net Assets	Fiduciary Funds	
(dollars in thousands)	FY 2026	FY 2025
Cash and Cash Equivalents	$ 2,070,355	$ 1,734,351
Investments		
Investments in Treasury Securities	989,331	695,699
Investments in Non-Treasury Securities	5,968,451	6,232,835
Accrued Interest Receivable	39,628	40,895
Other Income Receivable	203,943	165,582
Less: Accounts Payable	(160)	(154)
Total Fiduciary Net Assets	**$ 9,271,548**	**$ 8,869,208**

Non-Valued Fiduciary Assets	Fiduciary Assets	
	FY 2026	FY 2025
IA Regions	12	12

Separately Issued Financial Statements

Interior 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, 2026 and 2025. 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 further information, refer to the Tribal and Other Trust Funds audit opinion and the IIM Trust Funds audit opinion, included in the separately issued financial statements published by BTFA.

NOTE 22. DISCLOSURE ENTITIES AND RELATED PARTIES

SFFAS 47, *Reporting Entity* standard defines the Federal Reporting entity as inclusive of the consolidation entity, disclosure entities and related parties. In accordance with SFFAS 47, the financial position and results of operation of disclosure entities and related parties are not reported in the Interior consolidated financial statements but the information about disclosure entities and related parties is disclosed for accountability purposes and to meet federal financial reporting objectives. Interior consolidation entity includes accounts administratively assigned by OMB to Interior in the Budget of the U.S. Government. Interior consolidation entity did not change between fiscal years 2025 and 2026.

Disclosure Entities:

Foundation for America's Public Lands
The Foundation for America's Public Lands (FPL) is an independent, incorporated 501 (c) 3 nonprofit corporation that was established by Congress in 2017, to encourage, accept, obtain, administer and use private gifts and donations for the benefit of, or in connection with, the activities and services of BLM. The Secretary of the Interior appoints members to serve on the Foundation's Board of Directors and the BLM Director is an ex-officio nonvoting member of the Foundation's Board of Directors. For the period ending, September 30, 2026, Interior had expenses of $3.2 million with FPL to support administrative and program expenses as compared to $2.6 million for the period ending September 30, 2025.

Related Parties:

Interior 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 Interior in the form of expanded partnerships and public outreach.

National Fish and Wildlife Foundation
The NFWF is an independent, incorporated 501(c)3 nonprofit corporation that was established by Congress in 1984, to conserve fish, wildlife and plant species through innovative partnerships with Federal Agencies, corporations, foundations and nonprofit organizations to generate new resources for conservation. The founding legislation requires that the Secretary of the Interior approve board membership for NFWF. For the period ending September 30, 2026, Interior had expenses of $50.6 million with the NFWF to support conservation focused programs as compared to $214.4 million for the period ending September 30, 2025.

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

that will protect and enhance America's National Parks for present and future generations. The Secretary of the Interior (Chair) and NPS Director (Secretary) serve as ex-officio members of NPF board of directors. For the period ending September 30, 2026, Interior had expenses of $104.6 million with NPF to support park programs as compared to $20.4 million for the period ending September 30, 2025. In November 2025, NPF established Freedom 250 LLC, a wholly owned subsidiary, to provide NPS with specialized expertise in planning and executing activities commemorating America's 250th anniversary.

NOTE 23. CUSTODIAL ACTIVITY

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

In FY 2026, lease sale activities generated $5,539 million in total revenue as compared to $275 million in FY 2025, for an increase of $5,264 million. Offshore lease sales held in December, March and August resulted in $381 million in accepted bids, while onshore lease sales conducted during May in New Mexico and Texas, generated $4,008 million. The significant increase in leasing activity is attributable to the implementation of Executive Order 14154 and Secretary's Order 3418, which directed the Department to remove regulatory impediments and advance domestic energy production to strengthen economic and national security.

The revenue values on the SCA do not match ONRR's public website because the SCA is prepared using full accrual accounting, whereas the website does not include accruals.

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

To provide for a comprehensive presentation of custodial revenues collected and distributed, the SCA reflects revenues and distributions of those revenues by the custodial entity (e.g., ONRR and USGS). The recipient of the custodial revenue distributions may subsequently disburse to other entities. For example, distributions shown on the SCA to DO represent custodial revenues that are transferred by the custodian to another Interior 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 Interior. Collections that are disbursed to other Interior Bureaus and Offices, do however, affect net cost and/or net position ending balances reported by Interior.

Custodial liabilities are reported within Other Liabilities on the Balance Sheet and represent amounts collected by Interior custodial entities (e.g., ONRR and USGS) on behalf of others that have not yet been disbursed. The DO manages funds that require additional disbursements to states. A liability is recorded on the Balance Sheet for Payments to States which represents these revenues earned but not yet disbursed from Interior. Legislative action may be required to disburse funds to states. Costs associated with these payments are reported on Interior's SNC. The Balance Sheet also includes accounts receivable balances for royalties earned on September production of oil and gas leases for which ONRR subsequently receives payment in the following fiscal year.

NOTE 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 Interior's financial statements. Treasury uses the trial balance information reported in the GTAS, to prepare governmentwide reclassified financial statements.

Treasury's Reclassified Balance Sheet and Reclassified SCNP resemble Interior's financial statement presentation; therefore, a separate reconciliation is not required for the Balance Sheet. The SCNP must be presented showing only the Entity columns, per OMB Circular A-136, *Financial Reporting Requirements.*

Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows Interior financial statements and Interior reclassified line items prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items as of September 30, 2026. A copy of the 2025 Financial Report can be found at https://fiscal.treasury.gov/reports-statements/financial-report/currentreport.html and a copy of the 2026 Financial Report will be posted to this site as soon as it is released.

FY 2026 Department of the Interior Consolidated Statements of Net Cost		Line Items Used to Prepare FY 2026 Government-wide Statements of Net Cost					
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and All Other**	**Total**	**Reclassified Financial Statement Line**
Gross Cost	$ 40,926,369	$ 13,629,866	$ -	$ 20,145,449	$ -	$ 33,775,315	Non-Federal Gross Cost
		$ 13,629,866	$ -	$ 20,145,449	$ -	$ 33,775,315	**Total Non-Federal Gross Costs**
							Intragovernmental Costs
		149,401	-	1,543,760	-	1,693,161	Benefit program costs
		87,436	(26,498)	4,007,125	(88)	4,067,975	Imputed Costs
		961,195	(9,573)	756,702	(747,361)	960,963	Buy/Sell Cost
		272	-	1,872	(272)	1,872	Borrowing and other interest expense
		44,490	-	393,093	-	437,583	Other expenses (without reciprocals)
		-	-	(10,500)	-	(10,500)	Gains/Losses from Changes in Actuarial Assumptions
		1,242,794	(36,071)	6,692,052	(747,721)	7,151,054	**Total Intragovernmental Gross Costs**
Total Gross Costs	**$ 40,926,369**	**$ 14,872,660**	**$ (36,071)**	**$ 26,837,501**	**$ (747,721)**	**$ 40,926,369**	**Total Reclassified Gross Costs**
Earned Revenues	$ 6,420,240	$ 1,829,079	$ -	$ 1,063,297	$ -	$ 2,892,376	Non-Federal Earned Revenue
							Intragovernmental Revenue
		55,997	(9,573)	3,909,604	(747,361)	3,208,667	Buy/Sell Revenue
		127,689	-	5,761	-	133,450	Federal securities interest revenue including associated gains and losses (exchange)
		-	-	1,618	(272)	1,346	Borrowing and other interest revenue (exchange)
		-	-	(17,016)	14,675	(2,341)	Custodial Collections Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		206,689	-	-	(14,675)	192,014	Collections Transferred in to a TAS Other Than the General Fund of the U.S. Government
		-	-	109	(2)	107	Accrual of Custodial Collections Yet to be Transferred to a TAS Other Than the General Fund of the U.S. Government - Exchange
		(5,381)	-	-	2	(5,379)	Accrual for Agency Amounts to be collected in TAS Other Than the General Fund of the U.S. Government - Exchange
		384,994	(9,573)	3,900,076	(747,633)	3,527,864	**Total Intragovernmental Earned Revenue**
Total Earned Revenue	**$ 6,420,240**	**$ 2,214,073**	**$ (9,573)**	**$ 4,963,373**	**$ (747,633)**	**$ 6,420,240**	**Total Earned Revenue**
Net Cost of Operations	**$ 34,506,129**	**$ 12,658,587**	**$ (26,498)**	**$ 21,874,128**	**$ (88)**	**$ 34,506,129**	**Net Cost of Operations**

FY 2026 Department of the Interior Statements of Changes in Net Position		Line Items Used to Prepare FY 2026 Government-wide Statements of Operations and Changes in Net Position	
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Total**	**Reclassified Financial Statement Line for FR**
Unexpended Appropriations			**Unexpended Appropriations, Beginning Balance**
Beginning Balance	**$ 48,647,071**	**$ 48,647,071**	**Net Position, Beginning of Period (1 of 2)**
Appropriations Received, General Funds	18,799,051	18,799,051	Appropriations Received
Appropriations Transferred In/(Out)	(13,021)	138,820	Non-Expenditure Transfers Into Unexpended Appropriations and Financing Sources (1 of 2)
	-	(151,841)	Non-Expenditures Transfers - Out of Unexpended Appropriations and Financing Sources (1 of 2)
Total Appropriations Transferred In/(Out)	(13,021)	(13,021)	Total Appropriations Transferred In/Out
Other Adjustments	(227,180)	(227,180)	Other Adjustments
Appropriations Used	(21,261,423)	(21,261,423)	Appropriations Used
Net Change	(2,702,573)	(2,702,573)	Net Change
Ending Balance - Unexpended Appropriations	**$ 45,944,498**	**$ 45,944,498**	**Net Position, End of Period (1 of 2)**
Cumulative Results of Operations			**Cumulative Results of Operations**
Beginning Balance	**$ 104,163,214**	**$ 104,163,214**	**Beginning Balance, as adjusted (2 of 2)**
Adj - Changes in Accounting Principles	(2,151,766)	(2,151,766)	Net Position, Beginning of Period (2 of 2)
Beginning Balance, As Adjusted	102,011,448	102,011,448	Net Position, Beginning of Period (2 of 2)
Appropriations Used	21,261,423	21,261,423	Appropriations Used
Royalties, Rents and Lease Sales Retained	13,902,366	22,408,993	Miscellaneous Earned Revenues
		(4,998)	Other
		(294,145)	Collections Transferred to a TAS Other than the General Fund of the U.S. Government
		(7,874,631)	Non-Entity Collections Transferred to the General Fund of the U.S. Government (1 of 2)
		(332,853)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Government (1 of 2)
Total Royalties, Rents and Lease Sales Retained	13,902,366	13,902,366	Total Royalties, Rents and Lease Sales Retained
Non-Exchange Revenues	3,058,362	80,549	Other Taxes and Receipts (2 of 5)
		1,055,653	Federal Securities Interest Revenue Including Associated Gains/Losses (Non-Exchange)(1 of 2)
		1,897,934	Collections transferred into a TAS Other Than the General Fund of the U.S. Government - Non-Exchange (Part 2 of 2)
		22,463	Accruals for entity amounts to be collected in a TAS other than the General Fund of the U.S. Government - Non-Exchange
		21	Borrowings and Other Interest Revenue - Non-Exchange
		1,742	Other Non-Budgetary Financing Sources
Total Non-Exchange Revenue	**$ 3,058,362**	**$ 3,058,362**	**Total Non-Exchange Revenue**

(Continued)

FY 2026 Department of the Interior Statements of Changes in Net Position		Line Items Used to Prepare FY 2026 Government-wide Statements of Operations and Changes in Net Position	
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Total**	**Reclassified Financial Statement Line for FR**
Transfers In/(Out) without Reimbursement	$ 750,564	$ 119,986	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-In
		(236,699)	Appropriation of Unavailable Special or Trust Fund Receipts Transfers-Out
		812,803	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources (2 of 2)
		(381,308)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (2 of 2)
		261,696	Expenditure Transfers-In of financing sources
		174,472	Transfers-In Without Reimbursement
		(386)	Transfers-Out Without Reimbursement
Total Transfers In/(Out) without Reimbursement	750,564	750,564	Total Transfers In/Out without Reimbursement
Donations and Forfeitures of Cash and Cash Equivalents	748,438	748,438	Other Taxes and Receipts (3 of 5)
Donations and Forfeitures of Property	79,937	79,937	Other Taxes and Receipts (4 of 5)
Imputed Financing	4,067,975	4,067,975	Imputed Financing Sources
Other Financing Sources/(Uses)	(226,552)	(9,772)	Other Taxes and Receipts (5 of 5)
		(6,989)	Non-entity collections transferred to the General Fund of the U.S. Government (2 of 2)
		(359,773)	Non-entity collections transferred to the General Fund of the U.S. Government (2 of 2)
		149,982	Accrual for non-entity amounts to be collected and transferred to the General Fund of the U.S. Government (2 of 2)
Total Other Financing Sources/(Uses)	(226,552)	(226,552)	Total Other Financing Sources
Net Cost of Operations	(34,506,129)	(34,506,129)	Net Cost of Operations
Net Change	9,136,384	9,136,384	Net Cost of Operations
Ending Balance - Cumulative Results of Operations	**$ 111,147,832**	**$ 111,147,832**	**Cumulative Results of Operations**
Total Net Position	**$ 157,092,330**	**$ 157,092,330**	**Net Position**

FY 2026 Department of the Interior Combined Statements of Custodial Activity		Line Items Used to Prepare FY 2026 Government-wide Statements of Operations and Changes in Net Position and Statements of Net Cost	
Financial Statement Line *(dollars in thousands)*	**Amounts**	**Other Than Dedicated Collections (with Eliminations)**	**Reclassified Financial Statement Line**
Revenues on Behalf of the Federal Government	$ 22,513,229	$ 22,408,994	Statement of Operations and Changes in Net Position – Miscellaneous Earned Revenues
		6	Statement of Net Cost – Buy/Sell Revenue
		104,229	Statement of Net Cost – Non-Federal Earned Revenue
Total Revenues	**$ 22,513,229**	**$ 22,513,229**	**Total Revenues**
Disposition of Revenue	$ 22,513,229	$ 4,998	Statement of Operations and Changes in Net Position – Other Taxes and Receipts
		13,450,067	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
		746,451	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
		7,874,631	Statement of Operations and Changes in Net Position – Non-Entity Collections Transferred to the General Fund of the U.S. Government
		332,853	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
		(8)	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
		104,237	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	**$ 22,513,229**	**$ 22,513,229**	**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 SBR by major budget account (Budgetary Accounts), DM&R information, custodial activity compliance assessments and pre-assessment work in process. Interior RSI includes the disclosures required by *SFFAS 38, Accounting for Federal Oil and Gas Resources*. The SFFAS 38 disclosure includes the federal government's estimated petroleum royalties from the production of federal oil and gas proved reserves reported in a schedule of federal oil and gas petroleum royalties and a schedule of estimated federal oil and gas petroleum royalties to be distributed to others.

Combining Statement of Budgetary Resources

Combining Statement of Budgetary Resources for the Fiscal Year Ended September 30, 2026 *(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 (Discretionary and Mandatory) (Note 19)	$ 9,117,526	$ 1,875,656	$ 2,840,069	$ 837,233	$ 4,390,276	$ 725,416	$ 456,777	$ 3,283	$ 447,082	$ 950,507	$ 1,183,885	$ 7,313,560	$ 1,099,347	$ 20,928,176	$ 52,168,793
Appropriations (Discretionary and Mandatory)	138,586	345,424	(280,300)	1,541,320	362,221	-	1,259,358	6,148,991	2,902,363	2,040,262	1,484,134	2,358,832	1,790,711	13,349,540	33,441,442
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	140	-	-	355,219	-	2,242,906	57,894	-	194,888	45,748	542,148	450,411	117,644	4,187,536	8,194,534
Total Budgetary Resources	**$ 9,256,252**	**$ 2,221,080**	**$ 2,559,769**	**$ 2,733,772**	**$ 4,752,497**	**$ 2,968,322**	**$ 1,774,029**	**$ 6,152,274**	**$ 3,544,333**	**$ 3,036,517**	**$ 3,210,167**	**$ 10,122,803**	**$ 3,007,702**	**$ 38,465,252**	**$ 93,804,769**
Status of Budgetary Resources:															
New Obligations and Upward Adjustments (Total)	$ 1,489,214	$ 438,255	$ 372,709	$ 1,664,285	$ 699,149	$ 2,417,334	$ 1,300,732	$ 6,148,416	$ 3,148,694	$ 2,271,944	$ 1,980,961	4,252,916	$ 2,439,956	$ 16,531,860	$ 45,156,425
Apportioned, Unexpired Accounts	7,767,038	1,782,814	2,187,060	1,044,755	3,788,882	550,988	407,409	3,124	247,379	720,277	1,202,252	5,869,041	567,746	21,765,566	47,904,331
Unapportioned, Unexpired Accounts	-	11	-	251	264,466	-	2,908	734	768	-	-	723	-	97,178	367,039
Unexpired, Unobligated Balance, End of Year	7,767,038	1,782,825	2,187,060	1,045,006	4,053,348	550,988	410,317	3,858	248,147	720,277	1,202,252	5,869,764	567,746	21,862,744	48,271,370
Expired, Unobligated Balance, End of Year	-	-	-	24,481	-	-	62,980	-	147,492	44,296	26,954	123	-	70,648	376,974
Unobligated Balance, End of Year (Total)	**$ 7,767,038**	**$ 1,782,825**	**$ 2,187,060**	**$ 1,069,487**	**$ 4,053,348**	**$ 550,988**	**$ 473,297**	**$ 3,858**	**$ 395,639**	**$ 764,573**	**$ 1,229,206**	**$ 5,869,887**	**$ 567,746**	**$ 21,933,392**	**$ 48,648,344**
Total Budgetary Resources	**$ 9,256,252**	**$ 2,221,080**	**$ 2,559,769**	**$ 2,733,772**	**$ 4,752,497**	**$ 2,968,322**	**$ 1,774,029**	**$ 6,152,274**	**$ 3,544,333**	**$ 3,036,517**	**$ 3,210,167**	**$ 10,122,803**	**$ 3,007,702**	**$ 38,465,252**	**$ 93,804,769**
Outlays, Net and Disbursements, Net:															
Outlays Net (Discretionary and Mandatory)	$ 1,120,610	$ 213,075	$ 305,944	$ 1,354,933	$ 844,669	$ 48,983	$ 1,226,349	$ 6,148,416	$ 2,884,114	$ 2,046,468	$ 1,470,058	$ 2,761,968	$ 2,158,087	$ 11,201,641	$ 33,785,315
Distributed Offsetting Receipts (-)	(538,537)	(346,333)	-	-	(266,247)	-	-	(6,301,740)	-	-	(145)	(1,505)	-	(10,690,452)	(18,144,959)
Agency Outlays, Net (Discretionary and Mandatory)	**$ 582,073**	**$ (133,258)**	**$ 305,944**	**$ 1,354,933**	**$ 578,422**	**$ 48,983**	**$ 1,226,349**	**$ (153,324)**	**$ 2,884,114**	**$ 2,046,468**	**$ 1,469,913**	**$ 2,760,463**	**$ 2,158,087**	**$ 511,189**	**$ 15,640,356**

Deferred Maintenance and Repairs

Interior owns and manages real property assets such as schools, office buildings, roads, bridges, dams, irrigation systems and reservoirs to enable its mission. The maintenance and repairs needs of these assets are identified primarily through the condition assessment process and related models. Maintenance and repairs as of September 30, 2026, that were not performed when they should have been or were scheduled and delayed for a future period are considered DM&R as reflected in the table below.

Broad methodologies for estimating and reporting DM&R are defined by Interior and implemented across Bureaus and Offices with real property portfolios. Estimates include real property assets that are active, inactive or have been identified as excess to mission needs. This includes capitalized and non-capitalized, as well as, fully depreciated PP&E.

A condition assessment is the periodic inspection of real property to determine its current condition, validate inventory data and identify and provide a cost estimate for necessary maintenance and repairs. The overall condition of the asset is approximated by the FCI, which is the ratio of the DM&R to the Current Replacement Value.

Deferred Maintenance and Repairs as of September 30, 2026

PP&E Category *(dollars in thousands)*	Beginning DM&R Balance	Ending DM&R Balance
General PP&E	$ 21,149,600	$ 25,245,526
Heritage Assets	7,710,491	11,249,733
Stewardship Land	1,156,495	1,555,440
Total	**$ 30,016,586**	**$ 38,050,699**

Assets with a Facility Condition Index (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 Interior, 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.

Interior policy requires that condition assessments be performed on all constructed assets and estimates be adjusted annually for inflation. Certain asset types, such as public bridges, require more frequent assessments due to statutory requirements protecting public safety. Additionally, the operations and maintenance responsibility of some of USBR's assets has been transferred to non-federal operating entities to perform and fund operations and maintenance through user fees. The USBR does not report DM&R on these transferred assets in the AFR.

Interior has a five-year capital planning process that provides a framework for improved planning and management of maintenance, modernization and divestiture programs. Interior's guidance for the five-year plan provides a corporate methodology for implementing investment priorities across the portfolio of assets. The methodology is executed through an annual process in which Bureaus and Offices analyze, prioritize and select lifecycle investment projects that best support Bureau and Office missions, Interior goals and objectives and the Administration's emphasis areas. Bureau and Office five-year plans are updated annually to reflect the most current five-year picture of Interior's priority lifecycle investment projects. In preparing the plan, Interior 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.

Interior presents DM&R in the AFR as beginning and ending balances by categories of PP&E in accordance with *SFFAS 42, Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29 and 32*. Categories of PP&E include general PP&E, Heritage Assets and Stewardship Land per *SFFAS 6, Accounting for Property, Plant and Equipment*. The *SFFAS 29, Heritage Assets and Stewardship Land*, defines "land" as the solid part of the surface of the earth. Interior does not perform periodic or recurring maintenance and repairs on stewardship land. However, there are improvements to stewardship land that are specifically constructed to support and further the stewardship mission of the Bureaus and Offices such as protection, preservation or maintenance of natural or cultural resources. Interior presents DM&R related to these improvements to stewardship land in the Stewardship Land category.

Significant increases in DM&R are attributable to several reporting and policy changes. For the "Roads, Bridges and Trails" Heritage category, the increase reflects ongoing data refinements and validation. The NPS is also working with transportation partners to improve the reporting of DM&R for assets assessed by the Federal Highway Administration. For FWS, revised business rules now require deferred maintenance backlog costs to remain reportable until the associated project is completed, rather than removing those costs when the project is funded.

The *GAOA* (P.L. 116-152) was passed by Congress on August 4, 2020. The Act established the National Parks and Public Land Legacy Restoration Fund to address the multibillion dollar maintenance backlog of NPS, FWS, BLM, USFS and BIE. Until expended, these funds will continue to support priority deferred-maintenance projects in the National Park System, the National Wildlife Refuge System, on public lands administered by BLM, at BIE schools and in the National Forest System.

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, 2026, is $44.1 million. This estimate is comprised of approximately $0.1 million in audit and compliance management, approximately $36.8 million in state and Tribal audits and approximately $7.2 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

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

- The BOEM manages access to and the exploration and development of the nation's offshore resources. It seeks to appropriately balance economic development, energy independence and environmental protection through oil and gas leasing exploration and development activities. It provides access for renewable energy development and appropriate environmental reviews and studies to ensure these activities are in the nation's best interest.
- The BLM is entrusted with managing 13 percent of the nation's surface land and roughly one-third of its mineral resources, including the onshore energy and mineral resources that generate the highest revenue values of any uses of the public lands.
- The ONRR is responsible for the management and collection of revenues associated with federal offshore and onshore mineral leases issued under the *Mineral Leasing Act of 1920* (MLA) and the *Outer Continental Shelf Lands Act of 1953* (OCSLA). The ONRR achieves optimal value by ensuring all natural resource revenues are efficiently and accurately collected and disbursed to recipients in a timely manner and by performing audit and revenue compliance activities, in accordance with the *Federal Oil and Gas Royalty Management Act of 1982* (FOGRMA) and *30 Code of Federal Regulations (CFR) Parts 1201–1290*.
- The BSEE works to ensure the safe and environmentally sustainable exploration, development and production of America's offshore energy resources through regulatory oversight and enforcement. The BSEE pursues this objective through a program of efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections and incident investigations.

Stewardship Policies for Federal Oil and Gas Resources

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

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

Once a lease sale is completed, BLM and BOEM determine whether bids can be accepted and a lease issued. Prior to lease issuance, BLM must adjudicate all protests to any onshore parcels with winning bids. When a lease is assigned to a winning bidder, BLM and BOEM begin post-leasing and pre-production activities. These activities include a permitting and approval process for exploration, development and production plans proposed by the lease operators. The BSEE is responsible for reviewing offshore facility and well permits, deep-water operating plans, pipeline applications, production and development applications and platform applications.

The BLM staff performs onshore inspections and BSEE staff performs offshore inspections confirming activities are conducted in an environmentally and physically safe manner. Similar inspections occur during the production and post-production activities to help ensure the federal government is receiving accurate royalties from production and facilities are decommissioned in a manner that protects the environment.

Before a lease sale is held, BLM and BOEM set lease terms that determine the federal government's share of the value of production from onshore and offshore operations, respectively, subject to provisions of federal oil and gas leasing laws, including MLA, FOGRMA or the OCSLA. Through royalty revenue collection and fund disbursement, ONRR achieves optimal value by ensuring that all revenues from federal oil and gas leases are efficiently, effectively and accurately collected, accounted for and disbursed to states and counties, other federal component entities and Treasury, in accordance with relevant statutory authorities. The ONRR also performs revenue compliance activities to ensure the federal government has received fair market value and that companies comply with applicable laws, regulations and lease terms.

Through this mineral asset management process, Interior 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 Interior's websites. Additional information can be found at *USGS's National Minerals Information Center*, *BLM's Energy and Minerals web page* and *BOEM's Resource Evaluation Program web page*.

Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves
Asset Present Value as of September 30, 2026
(dollars in thousands)

Offshore[1]	Gulf of America	Pacific[2]				Total
Oil and Lease Condensate	$ 34,006,099	$ 463,081				$ 34,469,180
Natural Gas, Wet After Lease Separation	1,294,533	5,924				1,300,457
Total Offshore	**$ 35,300,632**	**$ 469,005**				**$ 35,769,637**

[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	$ 19	$ 1,992,477	$ 22,559,746	$ 3,567,190	$ 795,801	$ 28,915,233
Natural Gas, Wet After Lease Separation	674	310,008	6,806,193	4,189,687	1,911,584	13,218,146
Total Onshore	**$ 693**	**$ 2,302,485**	**$ 29,365,939**	**$ 7,756,877**	**$ 2,707,385**	**$ 42,133,379**

Total Offshore and Onshore 2026
(dollars in thousands)

Total Oil and Lease Condensate	$ 63,384,413
Total Natural Gas, Wet After Lease Separation	14,518,603
Total Offshore and Onshore	**$ 77,903,016**

Onshore Regions are reported consistent with Energy Information Administration (EIA) Petroleum Administration for Defense Districts (PADD): (The underlined states have oil/condensate and/or gas production on Federal lands.)

PAD District 1 (East Coast) is composed of the following three subdistricts:

- **Subdistrict 1A (New England):** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- **Subdistrict 1B (Central Atlantic):** Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania
- **Subdistrict 1C (Lower Atlantic):** Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia

PAD District 2 (Midwest): Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio, Oklahoma, Tennessee, Wisconsin

PAD District 3 (Gulf Coast): Alabama, Arkansas, Louisiana, Mississippi, New Mexico, Texas

PAD District 4 (Rocky Mountain): Colorado, Idaho, Montana, Utah, Wyoming

PAD District 5 (West Coast): Alaska, Arizona, California, Hawaii, Nevada, Oregon, Washington

Schedule of Estimated Federal Oil and Gas Petroleum Royalties from Proved Reserves
Asset Present Value as of September 30, 2025
(dollars in thousands)

Offshore[1]	Gulf of America	Pacific[2]				Total
Oil and Lease Condensate	$ 29,405,661	$ 354,808				$ 29,760,469
Natural Gas, Wet After Lease Separation	1,705,570	16,603				1,722,173
Total Offshore	**$ 31,111,231**	**$ 371,411**				**$ 31,482,642**

[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	$ 31	$ 1,936,574	$ 21,651,855	$ 3,709,121	$ 401,325	$ 27,698,906
Natural Gas, Wet After Lease Separation	290	417,034	9,410,842	5,358,444	904,931	16,091,541
Total Onshore	**$ 321**	**$ 2,353,608**	**$ 31,062,697**	**$ 9,067,565**	**$ 1,306,256**	**$ 43,790,447**

Total Offshore and Onshore 2025
(dollars in thousands)

Total Oil and Lease Condensate	$ 57,459,375
Total Natural Gas, Wet After Lease Separation	17,813,714
Total Offshore and Onshore	**$ 75,273,089**

Onshore Regions are reported consistent with EIA and 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, 2026 and September 30, 2025. Inputs to these estimates were measured as of this effective date or were extrapolated to this effective date. The federal government's estimated petroleum royalties have as their basis the Department of Energy's (DOE) EIA estimates of proved reserves. The DOE EIA proved reserves estimates are published annually, covering all offshore and onshore federal areas. The DOE EIA provides such estimates directly for federal offshore areas and are adjusted to extract the federal subset of onshore proved reserves. Key to these adjustments is the assumption that the federal portion of each state's onshore proved reserves corresponds to the fraction of production from federal lands, as compared to total production from the state for calendar year 2024, 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 2026 Annual Energy Outlook (AEO 2026) and effective royalty rates. The OMB price estimates are 11-year estimates prepared for the Administration's FY 2027 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 reference forecasts 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 2025, with updated ONRR sales year data as of July 31, 2026. 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 2025), 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 4.82 percent. The OMB rates used for offshore are 11-year estimates prepared for the Administration's FY 2027 budget. The rates begin at 4.82 percent for FY 2026 and decrease to 3.39 percent for FY 2036. The rates were assumed to remain at 3.39 percent beyond FY 2036, 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, 2026 and 2025
(dollars in thousands)

	FY 2026	FY 2025
Other Federal Bureaus and Agencies		
Department of the Treasury	$ 37,365,637	$ 33,329,685
Interior - Reclamation Fund	15,622,469	15,998,534
Other Federal Bureaus and Agencies	2,031,132	2,324,345
States and Others	22,883,778	23,620,525
Total Estimated Petroleum Royalties to be Distributed to Others	**$ 77,903,016**	**$ 75,273,089**

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

Oil and Gas Revenue Reported by Category FY 2026 and FY 2025
(dollars in thousands)

	FY 2026			FY 2025		
	Federal Offshore	Federal Onshore	Total	Federal Offshore	Federal Onshore	Total
Royalties from Oil & Lease Condensate	$ 7,005,627	$ 6,418,072	$ 13,423,699	$ 5,254,950	$ 5,466,318	$ 10,721,268
Accrual Adjustment - Oil & Lease Condensate	434,608	428,149	862,757	(22,378)	28,607	6,229
Royalties from Natural Gas	$ 347,013	$ 1,594,753	$ 1,941,766	$ 266,602	$ 1,609,950	$ 1,876,552
Accrual Adjustment - Natural Gas	20,365	97,178	117,543	133	10,243	$10,376
Subtotal	$ 7,807,613	$ 8,538,152	$ 16,345,765	$ 5,499,307	$ 7,115,118	$ 12,614,425
Rent	81,709	15,452	97,161	106,184	9,695	115,879
Bonus Bid	380,637	5,087,266	5,467,903	-	170,642	170,642
Subtotal	$ 462,346	$ 5,102,718	$ 5,565,064	$ 106,184	$ 180,337	$ 286,521
Total	**$ 8,269,959**	**$ 13,640,870**	**$ 21,910,829**	**$ 5,605,491**	**$ 7,295,455**	**$ 12,900,946**

The above table of revenue reported by category presents royalty revenue reported to Interior in fiscal years 2026 and 2025 for oil and lease condensate and for natural gas, as well as rent revenue and bonus bid revenue by offshore and onshore leases. The revenue accrual adjustments represent activity for current month production for which reporting of volumes and categories occurs in the months following production; and for royalty payments that have been received but have not been matched with related royalty reports and therefore are not yet associated to volumes or categories. Amounts include oil and gas revenue only and do not include revenue in the financial statements for other commodities.

Rent is defined as annual payments, normally a fixed dollar per acre, required to preserve the rights to a lease while the lease is not in production. A rent schedule is established at the time a lease is issued. Bonus Bid is defined as cash consideration paid to the United States by the successful bidder for a mineral lease, awarded through a competitive bidding process. The payment is made in addition to the rent and royalty obligations specified in the lease.

Estimated Petroleum Royalties (Proved Reserves)
FY 2026 and FY 2025
(in thousands)

Oil and Lease Condensate (Bbl)

Federal Offshore	FY 2026 Quantity (in thousands)	FY 2026 Average Purchase Price ($)[1]	FY 2026 Average Royalty Rate (%)	FY 2025 Quantity (in thousands)	FY 2025 Average Purchase Price ($)[1]	FY 2025 Average Royalty Rate (%)
Gulf of America[2]	4,230,220	$ 77.63	13.86%	4,507,746	$ 72.77	14.36%
Pacific (including Alaska Federal OCS)	41,791	70.33	16.80%	40,050	67.12	18.71%
Subtotal Federal Offshore	4,272,011			4,547,796		
Federal Onshore						
East Coast (PADD 1)	4	$ 70.00	11.43%	7	$ 69.56	12.50%
Midwest (PADD 2)	361,713	73.53	11.81%	447,641	69.11	11.62%
Gulf Coast (PADD 3)	3,835,071	75.72	12.62%	3,315,968	71.28	12.40%
Rocky Mountain (PADD 4)	632,959	70.91	12.09%	721,988	66.45	12.11%
West Coast (PADD 5)	131,480	74.66	12.98%	159,719	71.60	12.77%
Subtotal Federal Onshore	4,961,227			4,645,323		
Total Federal Offshore and Onshore (Bbl)	**9,233,238**			**9,193,119**		

Natural Gas, Wet After Lease Separation (Mcf)

Federal Offshore	FY 2026 Quantity (in thousands)	FY 2026 Average Purchase Price ($)[1]	FY 2026 Average Royalty Rate (%)	FY 2025 Quantity (in thousands)	FY 2025 Average Purchase Price ($)[1]	FY 2025 Average Royalty Rate (%)
Gulf of America[2]	3,558,456	$ 3.85	11.41%	4,463,540	$ 3.77	11.89%
Pacific (Alaska Federal OCS has no proved gas reserves)	17,829	3.13	14.30%	31,365	3.02	16.59%
Subtotal Federal Offshore	3,576,285			4,494,905		
Federal Onshore						
East Coast (PADD 1)	2,524	$ 3.91	12.59%	859	$ 2.98	12.56%
Midwest (PADD 2)	1,495,619	3.51	9.77%	1,740,895	0.80	8.92%
Gulf Coast (PADD 3)	29,006,274	2.57	11.06%	34,181,950	0.84	10.25%
Rocky Mountain (PADD 4)	17,679,552	2.73	11.17%	19,082,788	1.69	10.46%
West Coast (PADD 5)	7,015,536	6.29	13.63%	2,938,308	3.86	12.24%
Subtotal Federal Onshore	55,199,505			57,944,800		
Total Federal Offshore and Onshore (Bbl)	**58,775,790**			**62,439,705**		

The tables above provide the estimated quantity, regional average price and regional average royalty rate by category of estimated federal proved reserves at the end of FY 2026 and FY 2025. The prices and royalty rates are based upon historical averages, include estimates, exclude prior period adjustments and are affected by such factors as accounting adjustments and transportation allowances, resulting in effective royalty rates. Prices are valued at the lease rather than at the market center and differ from those used to compute the asset estimated present values, which are forecasted and discounted based upon OMB economic assumptions.

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

[2] Gulf of America Proved Reserves are royalty bearing volumes. In the Gulf of America, an additional **495,826** Mbbl of proved oil reserves and **399,193** MMcf of proved gas reserves are not reflected in these totals as they are estimated to be producible royalty free under various royalty relief provisions. The net present value of the royalty value of the royalty free proved reserves volumes in the Federal Gulf of America is estimated to be **$4.0 billion**.

Federal Regional Oil and Gas Information
FY 2026 and FY 2025
(in thousands)

Oil and Lease Condensate Information - Offshore

Region	FY 2026				FY 2025			
	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 America	663,383	$ 50,223,642	$ 6,908,206	$ 876,031	501,669	$ 36,240,811	$ 5,201,585	$ 952,974
Pacific	8,446	617,132	97,421	N/A	4,314	288,326	53,365	N/A
Total	**671,829**	**$ 50,840,774**	**$ 7,005,627**	**$ 876,031**	**505,983**	**$ 36,529,137**	**$ 5,254,950**	**$ 952,974**

Natural Gas Information - Offshore

Region	FY 2026				FY 2025			
	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 America	859,722	$ 3,281,462	$ 346,906	$ 63,721	615,138	$ 2,314,119	$ 264,966	$ 48,418
Pacific	2,739	8,056	107	N/A	2,717	8,384	1,636	N/A
Total	**862,461**	**$ 3,289,518**	**$ 347,013**	**$ 63,721**	**617,855**	**$ 2,322,503**	**$ 266,602**	**$ 48,418**

Oil and Lease Condensate Information - Onshore

Region	FY 2026				FY 2025			
	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)	0.5	$ 35	$ 4	N/A	0.4	$ 29	$ 4	N/A
Midwest (PADD 2)	35,429	2,605,064	307,748	N/A	38,971	2,608,536	298,754	N/A
Gulf Coast (PADD 3)	563,276	42,649,188	5,380,463	N/A	508,644	35,719,425	4,440,839	N/A
Rocky Mountain (PADD 4)	74,163	5,258,869	635,611	N/A	77,381	5,040,530	613,215	N/A
West Coast (PADD 5)	9,725	726,058	94,246	N/A	12,691	902,695	113,506	N/A
Total	**682,594**	**$ 51,239,214**	**$ 6,418,072**	**$ -**	**637,687**	**$ 44,271,215**	**$ 5,466,318**	**$ -**

Natural Gas Information - Onshore

Region	FY 2026				FY 2025			
	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)	188	$ 735	$ 93	N/A	174	$ 516	$ 65	N/A
Midwest (PADD 2)	228,843	804,279	61,699	N/A	220,556	696,157	59,140	N/A
Gulf Coast (PADD 3)	4,257,121	10,923,798	1,090,581	N/A	3,804,626	11,025,441	1,123,027	N/A
Rocky Mountain (PADD 4)	1,544,477	4,212,420	428,253	N/A	1,236,610	4,027,766	416,520	N/A
West Coast (PADD 5)	18,427	115,993	14,127	N/A	15,290	96,379	11,198	N/A
Total	**6,049,056**	**$ 16,057,225**	**$ 1,594,753**	**$ -**	**5,277,256**	**$ 15,846,259**	**$ 1,609,950**	**$ -**

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

Oil and Lease Condensate Information - Offshore and Onshore

Region	FY 2026				FY 2025			
	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	1,354,423	$ 102,079,988	$ 13,423,699	$ 876,031	1,143,670	$ 80,800,352	$ 10,721,268	$ 952,974

Natural Gas Information - Offshore and Onshore

Region	FY 2026				FY 2025			
	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	6,911,517	$ 19,346,743	$ 1,941,766	$ 63,721	5,895,111	$ 18,168,762	$ 1,876,552	$ 48,418

The above tables of federal regional oil and gas sales information reflect reported sales volume, sales value, royalty revenue less allowances and estimated value for royalty relief for FY 2026 and FY 2025.

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

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

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

Other Significant Federal Oil and Gas Resources

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

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

Coal Royalties

Management of Federal Coal Resources

Interior 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 16.6 percent of the nation's electricity generation in 2025, with federal lands supplying approximately 42.4 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 Interior 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.

Interior receives coal leasing revenues from a bonus paid at the time the lease is issued, an annual rent payment of $3.00 per acre and royalties paid on the value of the coal after it has been mined. The royalty rate for surface-mining methods is 12.5 percent or 8 percent for underground mining. P.L. 119-21, *An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Title V - Committee on Energy and Natural Resources*; lowered the royalty rate for all coal leases issued under section 2 of the Mineral Leasing Act to not more than 7 percent for the period of July 2025 through September 2034. The BLM can approve reduced royalty rates based on maximum economic recovery. Regulations that govern BLM's coal leasing program are contained in Title 43, *Groups 3000* and *3400* of the CFR.

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

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

Schedule of Estimated Federal Coal Royalties
Asset Present Value as of September 30, 2026
(dollars in thousands)

	Powder River Basin[1]	Colorado	Utah	All Other[2]	Total
Total Coal	$ 2,006,683	$ 291,529	$ 392,746	$ 337,714	$ 3,028,672

Schedule of Estimated Federal Coal Royalties
Asset Present Value as of September 30, 2025
(dollars in thousands)

	Powder River Basin[1]	Colorado	Utah	All Other[2]	Total
Total Coal	$ 5,427,643	$ 800,352	$ 579,590	$ 536,507	$ 7,344,092

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

The above tables present the estimated present value of future federal royalty receipts on estimated recoverable reserves as of September 30, 2026 and September 30, 2025. The federal government's estimated coal royalties have as their basis BLM's estimates of recoverable reserves. The federal recoverable reserves are then further adjusted to correspond with the effective date of the analysis and then are projected over time to simulate a schedule of when the reserves would be produced. Future royalties are then calculated by applying future price estimates and effective royalty rates, adjusted for transportation allowances and other allowable deductions. The present value of these royalties are then determined by discounting the revenue stream back to the effective date at a public discount rate assumed to be equal to OMB's estimates of future 30-Year Treasury Bill rates. The 30-year rate was chosen because this maturity life most closely approximates the productive lives of the recoverable reserves estimates.

Schedule of Estimated Federal Coal Royalties to be Distributed to Others as of September 30, 2026 and 2025
(dollars in thousands)

	FY 2026	FY 2025
Other Federal Bureaus and Agencies		
Department of the Treasury	$ 333,154	$ 807,850
Interior – Reclamation Fund	1,211,469	2,937,637
States and Others	1,484,049	3,598,605
Total Estimated Coal Royalties to be Distributed to Others	**$ 3,028,672**	**$ 7,344,092**

The above table presents an estimate of federal coal royalties to be distributed to others, based on the percentage of distributions of coal royalties to others over the preceding 12 months.

Coal Revenue Reported by Category FY 2026 and FY 2025
(dollars in thousands)

	FY 2026	FY 2025
Coal Royalties	$ 257,786	397,935
Accrual Adjustment - Coal Royalties	(11,698)	(674)
Subtotal	**$ 246,088**	**$ 397,261**
Rent	998	1,018
Bonus Bid	47,050	-
Subtotal	**$ 48,048**	**$ 1,018**
Total	**$ 294,136**	**$ 398,279**

The above table of revenue reported by category represents royalty revenue reported to ONRR in FY 2026 and FY 2025 for coal, as well as rent revenue and bonus bid revenue. The revenue accrual adjustments represent activity with no associated reported volumes, such as manual accruals and include estimates.

Estimated Coal Royalties (Recoverable Reserves) FY 2026 and FY 2025
(in thousands)

Area	FY 2026			FY 2025		
	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]	3,725,917	$ 14.00	6.55%	4,078,228	$ 14.24	11.17%
Colorado	139,127	52.09	4.62%	256,364	55.95	6.04%
Utah	120,815	72.72	6.12%	113,315	75.20	7.16%
All Other[2]	274,640	33.39	3.15%	295,818	31.00	5.54%
Total Federal	**4,260,499**			**4,743,725**		

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

The table above provides the estimated quantity, average price and average royalty rate by category of estimated federal coal recoverable reserves at the end of FY 2026 and FY 2025. The prices and royalty rates are based on the average of the most recent 12 sales month's revenue collection activity, include estimates, exclude prior period adjustments and are affected by such factors as accounting adjustments and transportation and processing allowances, resulting in effective royalty rates. Prices are valued at the lease rather than at the market center and differ from those used to compute the asset estimated present values, which are forecasted and discounted based upon OMB economic assumptions.

Federal Area Coal Information
FY 2026 and FY 2025
(in thousands)

Area	FY 2026			FY 2025		
	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)	Sales Volume (in tons)	Sales Value ($)	Royalty Revenue Earned ($)
Federal Coal						
Powder River Basin[1]	203,190	$ 3,047,627	$ 200,935	205,074	$ 3,091,173	341,249
Colorado	8,009	543,314	25,073	6,715	492,581	26,679
Utah	3,255	261,218	17,857	6,062	508,268	27,080
All Other[2]	8,765	415,348	13,921	6,095	165,650	2,927
Total Federal	**223,219**	**$ 4,267,507**	**$ 257,786**	**223,946**	**$ 4,257,672**	**$ 397,935**

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

The above table of federal coal sales information reflects reported sales volume, sales value and royalty revenue for FY 2026 and FY 2025.

Sales volume represents the quantity of a mineral commodity sold during the reporting period. Sales value represents the dollar value of the mineral commodity sold during the reporting period. Royalty revenue earned represents a stated share or percentage of the value of the mineral commodity produced. The sales volume, sales value and royalty revenue earned are presented on an area basis and include adjustments and estimates. The information is presented on an area basis to provide users of the financial statements with area variances in coal activity for decision making purposes.

Other Significant Federal Coal Resources

In 2026, BLM, in collaboration with ONRR, estimated the remaining recoverable coal reserves on currently authorized federal coal leases to be approximately 3.0 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.

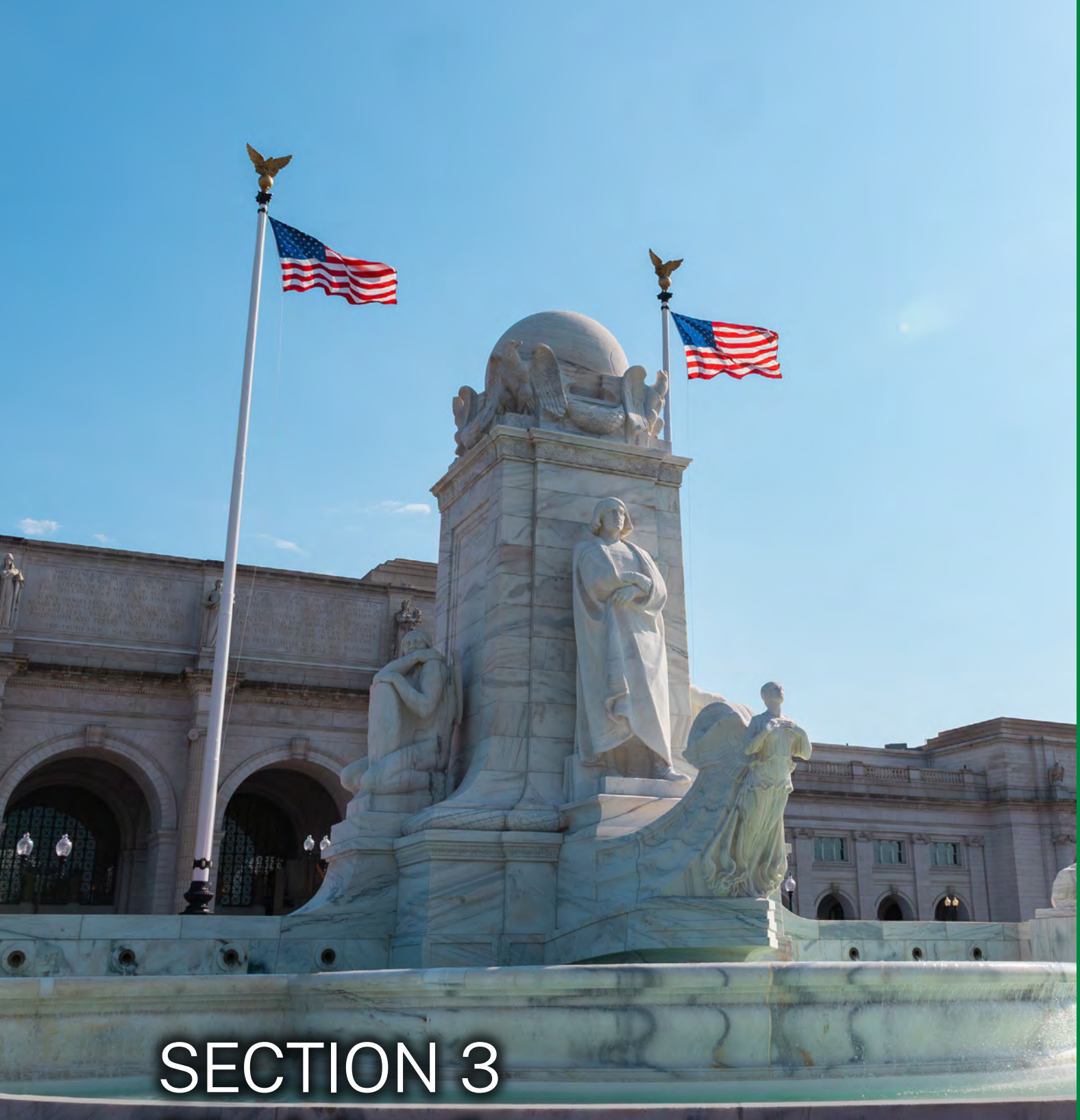
Other Natural Resources

Interior 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, 2026, the estimated net present value of future royalties from trona from the Green River Basin is $607 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, 2026, the estimated net present value of future royalties from potash (including the muriates of potash and langbeinite phosphate) is $228 million.



SECTION 3

Other Information

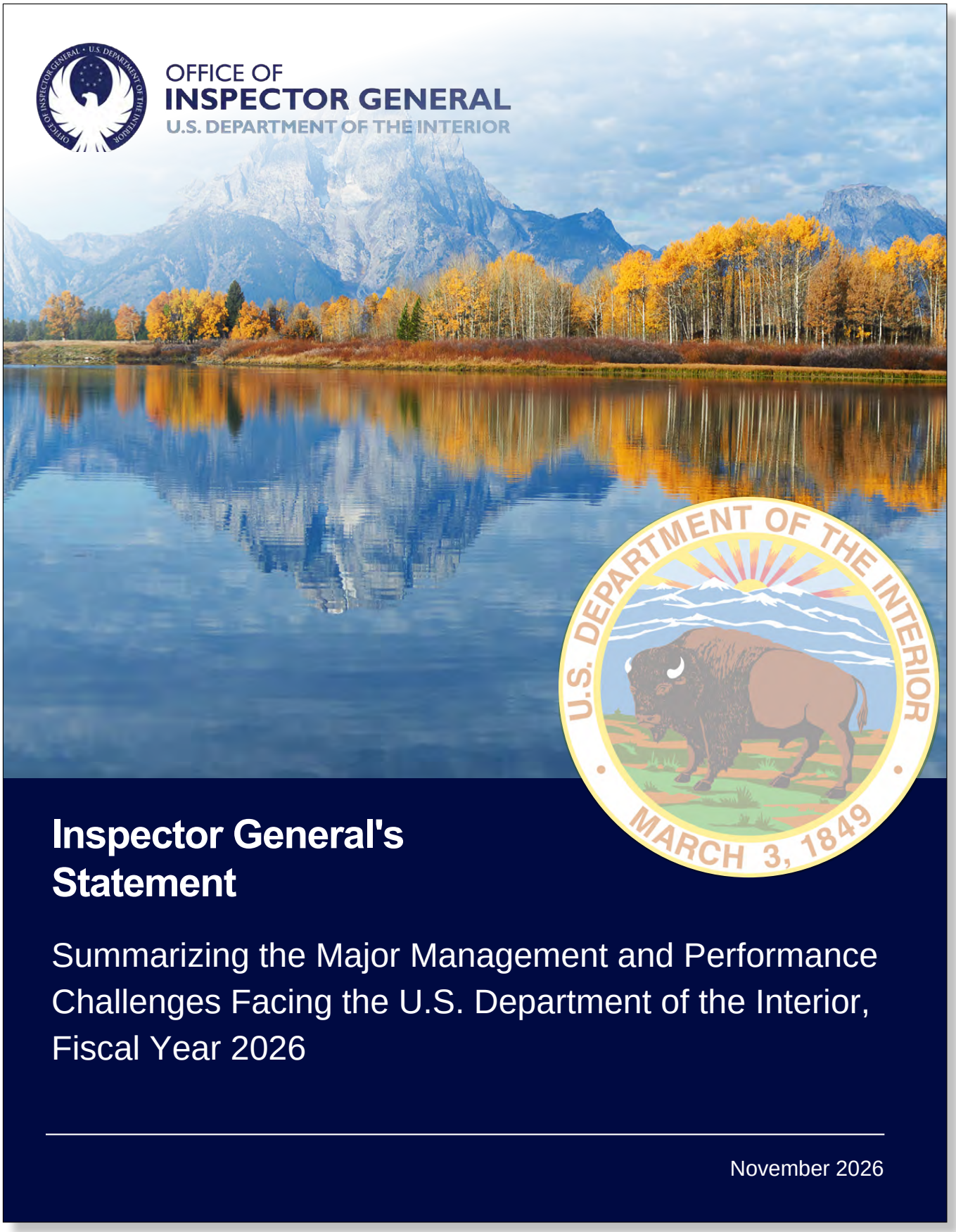
Unaudited

COLUMBUS CIRCLE RESTORATION

Following five months of rehabilitation and preservation work, the restored plaza and the Christopher Columbus Memorial are once again open to the public.

https://www.flickr.com/photos/usinterior/55302204385/in/album-72177720333925286

Photo by Andrew King



Inspector General's Statement

Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2026

November 2026

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

Memorandum

To: Doug Burgum
Secretary of the Interior

From: Caryl N. Brzymialkiewicz, Ph.D.
Acting 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 2026*

In accordance with the Reports Consolidation Act of 2000, we are submitting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI) for inclusion in DOI's *Agency Financial Report* for fiscal year 2026. We have organized this report around three main challenge areas—"Managing Change," "Managing Spending," and "Managing Operations"—but note that some topics span multiple challenge areas.

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

Office of Inspector General | Washington, DC



Blue Ridge Parkway in North Carolina in Fall colors. Source: Adobe Stock

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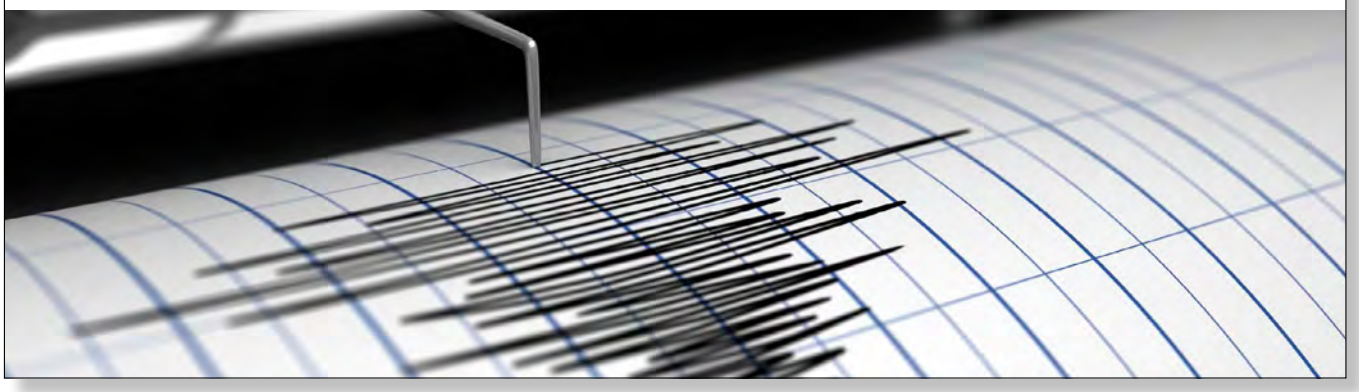
Seismography. Source: Adobe Stock



INTRODUCTION AND APPROACH

In accordance with the Reports Consolidation Act of 2000, we are reporting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI). By statute, a summary of this report is required to be included in DOI's agency financial report.

This year, we highlight a challenge area, "Managing Change," that touches on every aspect of DOI's mission and was previously identified as an emerging challenge in our 2025 report. We also identify two other challenge areas: "Managing Spending" and "Managing Operations." While the names are different from last year's challenge areas—"Managing Spending and Operations" and "Delivering Core Services"—the substance of the challenges we describe remains generally the same.

In this report, we assess DOI's progress in addressing challenges by noting the status of related Office of Inspector General (OIG) recommendations. We consider a recommendation implemented when DOI has completed the agreed-upon corrective actions that we determined were needed to remedy the identified issue. Once implemented, the recommendation changes status from "open" to "closed." We designate specific recommendations as "significant"[1] in accordance with requirements in the Inspector General Act of 1978, and we identify three open recommendations as the top priorities for DOI to address. Our public website hosts a recommendations dashboard and tracker that is updated on the first of every month.[2]

This report is primarily based on our work and U.S. Government Accountability Office (GAO) reviews, as well as our own general knowledge of DOI's programs and operations. In preparing this report, we also took into account DOI's wide-ranging mission, which includes managing our Nation's public lands, natural resources, and cultural heritage; providing scientific and other information about those resources; and fulfilling its trust responsibilities to American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities.

Throughout, we provide links to our reports that are related to the challenge areas. Additional reports can be viewed on our website: https://www.doioig.gov. Our analysis generally considers DOI's challenges and progress as of September 30, 2026, unless otherwise noted.

DOI implements its programs and operations through its 10 bureaus as well as several other offices that fall under the Office of the Secretary and other components.

Bureaus

Bureau of Indian Affairs (BIA)

Bureau of Indian Education (BIE)

Bureau of Land Management (BLM)

Bureau of Reclamation (BOR)

Bureau of Trust Funds Administration (BTFA)

Marine Minerals Administration (MMA)*

National Park Service (NPS)

Office of Surface Mining Reclamation and Enforcement (OSMRE)

U.S. Fish and Wildlife Service (FWS)

U.S. Geological Survey (USGS)

* MMA was established through Secretarial Order 3451 on July 10, 2026, and merged the functions of BSEE and BOEM into one bureau. The transition to MMA is ongoing.

Offices

Office of Insular Affairs (OIA)

Office of Law Enforcement and Security (OLES)

Office of Natural Resources Revenue (ONRR)

Office of the Chief Information Officer (OCIO)

Orphaned Wells Program Office (OWPO)

U.S. Wildland Fire Service (USWFS) †

† In January 2026, DOI established USWFS, which combined and unified the wildfire management operations of BIA, BLM, FWS, NPS, and the Offices of Aviation Services and Wildland Fire.

[1] We consider multiple factors when determining which recommendations to designate as significant, including, for example, whether it (1) affects multiple bureaus, (2) has potential monetary benefits, (3) entails a systemic change to DOI, (4) relates to high-risk areas identified by OIG or GAO, (5) affects vulnerable populations, or (6) involves issues that should be brought to the attention of Congress.

[2] https://www.doioig.gov/reports/recommendations-dashboard-tracker.

CHALLENGE AREA
Managing Change

As highlighted in last year's Major Management Challenges report, DOI continues to experience substantial and accelerating organizational, operational, and policy change. These changes are the result of both internal initiatives and broader Governmentwide policy shifts that are intended to enhance efficiency, streamline administrative processes, and better align resources with evolving mission priorities. As these efforts advance, DOI faces a growing need to intentionally manage change to ensure risks are mitigated and that it can fulfill its broad mission.

Some of the most significant areas of ongoing or anticipated organizational change are described below.

Departmentwide Unification of Administrative Functions

DOI continues its initiative intended to unify and optimize administrative functions across bureaus. While seeking to improve process efficiency, reduce redundancies, and support technology adoption, these efforts introduce risks related to staffing uncertainty and temporary operational disruption. Use of the Deferred Resignation Program and Voluntary Early Retirement Authority to enable restructuring introduces a potential loss of institutional knowledge. Implementing these changes concurrently and on an accelerated timeline potentially amplifies risk. This is particularly true given that there are substantial Governmentwide changes to the processes for hiring, performance management, and related issues.

Implementation of Significant Federal Policy Changes

DOI's internal procurement consolidation is occurring in an environment of significant changes to the Federal Acquisition Regulation (FAR). While the proposed FAR changes aim to streamline procurement and remove nonstatutory rules, DOI must ensure efforts to increase efficiency do not weaken internal controls or result in inconsistent business practices.



The U.S. Department of the Interior building in Washington, DC. Source: Adobe Stock.

Significant Organizational Structure Changes

DOI established USWFS to unify fire operations previously dispersed across bureaus. It also created MMA to reunify regulatory and oversight

responsibilities for the Outer Continental Shelf. In addition to the challenges associated with the Departmentwide consolidation of functions, the merging of these offices requires close coordination with DOI leadership to ensure wildland fire and Outer Continental Shelf regulatory responsibilities are managed effectively.

Adoption and Implementation of Artificial Intelligence[3] (AI) Tools

In support of DOI's mission, it continues to advance the approved use of AI. AI tools provide opportunities for improved efficiency but also create a need for strong internal controls, accountability, and training to reduce risk in areas of cybersecurity and data availability and integrity.

Together, these initiatives reflect an environment of significant, sustained, and increasingly complex change. DOI's ability to manage these transitions and transformations effectively, while simultaneously delivering on the mission areas discussed throughout this report, is essential to its ability to deliver for the American people. We anticipate conducting work on many of these topics over the coming year, including, for example, administrative unification and wildland fire.

Key Orders and Reports

Establishment of the Marine Minerals Administration | Secretary Order (SO) No. 3451 | July 10, 2026

Consolidation, Unification and Optimization of Administrative Functions | SO No. 3429 | April 17, 2026

Establishment of the U.S. Wildland Fire Service | SO No. 3448 | January 12, 2026

Leading Interior's Path to Artificial Intelligence Transformation | SO No. 3444 | September 17, 2025

GOVERNMENT REORGANIZATION: Key Questions to Assess Agency Reform Efforts | Report No. GAO-18-427 | June 2018

[3] Executive Order No. 14434, dated September 29, 2026, directed Federal agencies to use the terms "Super Intelligence" and "SI" in place of "Artificial Intelligence" and "AI" in most executive branch documents, though previously issued regulations and other historical documents were excepted. Because DOI's September 17, 2025 Secretarial Order on the adoption of these tools uses the term "Artificial Intelligence," we continue to use that phrase for the purposes of this document but anticipate updating our terminology as the underlying source materials are updated.



A forest fire over Lewis Lake, Yellowstone National Park. Source: Adobe Stock.

CHALLENGE AREA
Managing Spending

According to USASpending.gov, DOI had $93.7 billion in budgetary resources in fiscal year (FY) 2026. To maintain these assets and accomplish its mission, DOI must manage significant spending, including contracts and financial assistance in the form of grants and cooperative agreements. Below, we summarize DOI's challenges, plans, and progress in managing spending related to contract and financial assistance oversight, deferred maintenance, and Insular Areas.



Nine thousand pounds of surplus steel cages for caissons Kentucky auctioned for just $662. Source: OIG.

Contract and Financial Assistance Oversight

Contracts and Federal financial assistance awards are critical tools that DOI uses to achieve its mission. In FY 2026, DOI obligated $5.2 billion in contracts and $9.3 billion in Federal financial assistance. Risk-based oversight throughout the award cycle, regardless of funding vehicle, is critical for ensuring that objectives are successfully accomplished and financial resources are used appropriately. As discussed below, our work continues to identify significant risks and challenges that DOI faces in this area.

Pre-Award Risk Assessments

DOI is responsible for ensuring contractors and award recipients use taxpayer funds appropriately and that they have adequate systems and controls in place to protect those funds. As noted in recent reports, we repeatedly found that bureaus did not always conduct and adequately document comprehensive risk assessments of applicants before awarding funds. Reviewing all available information, including audit findings, and verifying the information provided before an award is made can help protect Federal funds from fraud or mismanagement. Using this information to customize terms and conditions and monitoring plans based on risk can also help DOI staff prioritize post-award oversight.

In FY 2026, DOI provided sufficient documentation to close a significant recommendation that OSMRE design and implement an updated risk assessment checklist that requires grants management specialists

Supplemental Funding

In recent years, DOI has received significant supplemental funds, including more than $30 billion from the Infrastructure Investment and Jobs Act (IIJA), approximately $8.1 billion from the Great American Outdoors Act's Legacy Restoration Fund plus permanent annual funding for the Land and Water Conservation Fund, $6.6 billion from the Inflation Reduction Act (IRA), and over $3 billion from the American Relief Act.

These significant funding increases compared to historical levels of funding impact DOI, recipient, contractor, and subrecipient staff; each of these stakeholders has to award, oversee, track, and report significantly more funds than they did previously.

DOI relies on contracts, grants, and other financial assistance agreements to achieve its goals for a significant amount of these supplemental funds, and the challenges noted above apply to DOI in this context, as well. Moreover, some of the other challenge areas we have noted—particularly, deferred maintenance and expenditures regarding the Insular Areas—involve supplemental funding.

to document consideration of applicable risk factors and any mitigating measures for each risk factor identified. Other recommendations, however, remain open, and there are opportunities to improve DOI-wide policies as the Office of Grants Management continues to implement the unification process it began in FY 2025.

Pre-award reviews are particularly important in light of recent executive orders stating that fixed price contracts should serve as the Government's default and preferred method of procurement. In fixed price contracts, the Government typically has less visibility into the contractor's actual costs as compared to cost reimbursement contracts. While fixed price contracts reduce administrative burden, the nature of these contracts also limits post-award oversight. A review assessing pre-award procedures for firm-fixed-price contracts is included in our FY 2027 oversight plan.

Agency Monitoring of Awards

After making an award, DOI must also monitor contractors and award recipients to ensure they are appropriately spending taxpayer funds and achieving desired results. DOI must ensure recipients have adequate financial systems to track expenditures and are only requesting payments for allowable, allocable, reasonable, and supported expenses. In the case of cooperative agreements, DOI must also ensure it is meeting the requirement for its substantial involvement. Our work has identified instances where DOI bureaus and offices did not conduct adequate monitoring of recipients and program activities. While DOI has implemented improvements, recommendations for additional corrective action remain open.

Subrecipient and Contractor Oversight

Financial assistance recipients, particularly State recipients, frequently use subawards or subcontracts for significant portions of the work to meet program objectives. In this distributed funding structure, where award decisions are often made by outside entities, DOI must ensure its recipients and contractors are adequately overseeing subrecipients and contractors, as required. Our work has identified challenges with recipients making proper determinations between subawards and contracts, conducting adequate subrecipient risk assessments, undertaking adequate risk-based monitoring of subrecipients, and complying with required subaward reporting.

Clearly Defined Performance Objectives

DOI also faces challenges in including clearly defined performance objectives in its contracts, grants,



An orphaned well-plugging site in the City of Norman in Cleveland County, Oklahoma. Source: OIG.

cooperative agreements, and other Federal financial assistance agreements. Without clear milestones in place, DOI cannot ensure its contractors and recipients are making progress and meeting program goals, such as plugging orphaned wells and modernizing critical geologic and geochemical mapping. Our recent work highlighted a number of instances where DOI did not include sufficiently detailed performance goals and objectives in Federal financial assistance agreements, which prevented it from measuring recipients' progress. DOI has taken action to remedy three of the specific instances we identified, which resulted in the closure of four recommendations, including one significant recommendation.

Timely and Accurate Financial and Performance Reporting

DOI needs timely and accurate financial and performance reports from contractors and recipients to carry out its essential oversight functions. If reports are incomplete, inaccurate, or late, DOI cannot identify potential issues and ask questions to intervene during the award, which can result in unallowable charges to the award, a failure to

meet program objectives, or both. With timely DOI oversight and intervention, however, these problems could be avoided or mitigated.

Progress Made

While challenges in managing its contract and financial assistance portfolio remain, DOI took a number of corrective actions in this area during FY 2026. For example, we found that BOR generally conducted necessary oversight for two water supply project contracts. Additionally, we closed recommendations related to:

- OSMRE designing and implementing an updated risk assessment checklist to ensure thorough pre-award risk assessments;
- NPS monitoring of funding for the Land and Water Conservation Fund State Side Program and BOR monitoring of funding for a drought mitigation program;
- Documenting substantial involvement under USGS cooperative agreements;
- Establishing clear performance milestones for USGS-issued cooperative agreements, a recipient under the Orphaned Wells Program, and a recipient under a drought mitigation program; and
- Multiple recommendations resolving questioned costs.

Key Reports

Wildlife and Sport Fish Restoration Grants Awarded to the State of Rhode Island by the U.S. Fish and Wildlife Service | Report No. 2024-CGD-039 | September 2026

DOI Has Opportunities To Improve Its Financial Assistance Risk Assessments | Report No. 2026-ISP-001 | August 2026

Improvements Needed in OSMRE's Oversight of Kentucky's Reporting and Expenditure of IIJA Abandoned Mine Land Funds | Report No. 2024-CR-004 | March 2026

USGS Can Improve Oversight and Substantial Involvement for IIJA Earth Mapping Resources Initiative Agreements | Report No. 2024-CR-021 | March 2026

The Bureau of Reclamation's Salton Sea Restoration Efforts Incurred Unsupported Costs and Were Not Sufficiently Monitored | Report No. 2024-WR-026 | February 2026

The Orphaned Wells Program Office Must Better Monitor the Osage Nation's Infrastructure Investment and Jobs Act Orphaned Well Program Funding Progress | Report No. 2025-ISP-003 | February 2026

Improvements Needed in the U.S. Department of the Interior's Management and Oversight of Infrastructure Investment and Jobs Act Funding for Fuels Management | Report No. 2023-CR-009 | August 2025



Fallowed field of a water conservation participant in the region of the Upper Colorado River Basin. Source: OIG

Deferred Maintenance

Deferred maintenance is defined as maintenance and repairs that were not performed when they should have been and were put off or delayed for a future period. Total deferred maintenance and repair needs for BIE, BLM, NPS, and FWS were estimated at $35.4 billion as of September 2025. DOI bureaus and offices are responsible for maintaining a vast portfolio of property and facilities—including buildings, roads, trails, and dams—across the country. In particular, our work identified challenges that DOI faces in effectively managing deferred maintenance at NPS and BIA.

Ensuring maintenance of park facilities has health and safety implications for park employees and the more than 300 million members of the American public who visit national parks each year. Management of deferred maintenance at BIE school facilities directly impacts the health, safety, and well-being of students and staff. GAO also made recommendations related to DOI's deferred maintenance, including developing plans to address backlogs, identify timelines, evaluate costs, and provide more information to Congress and the public regarding the deferred maintenance and repair backlog.

Progress Made

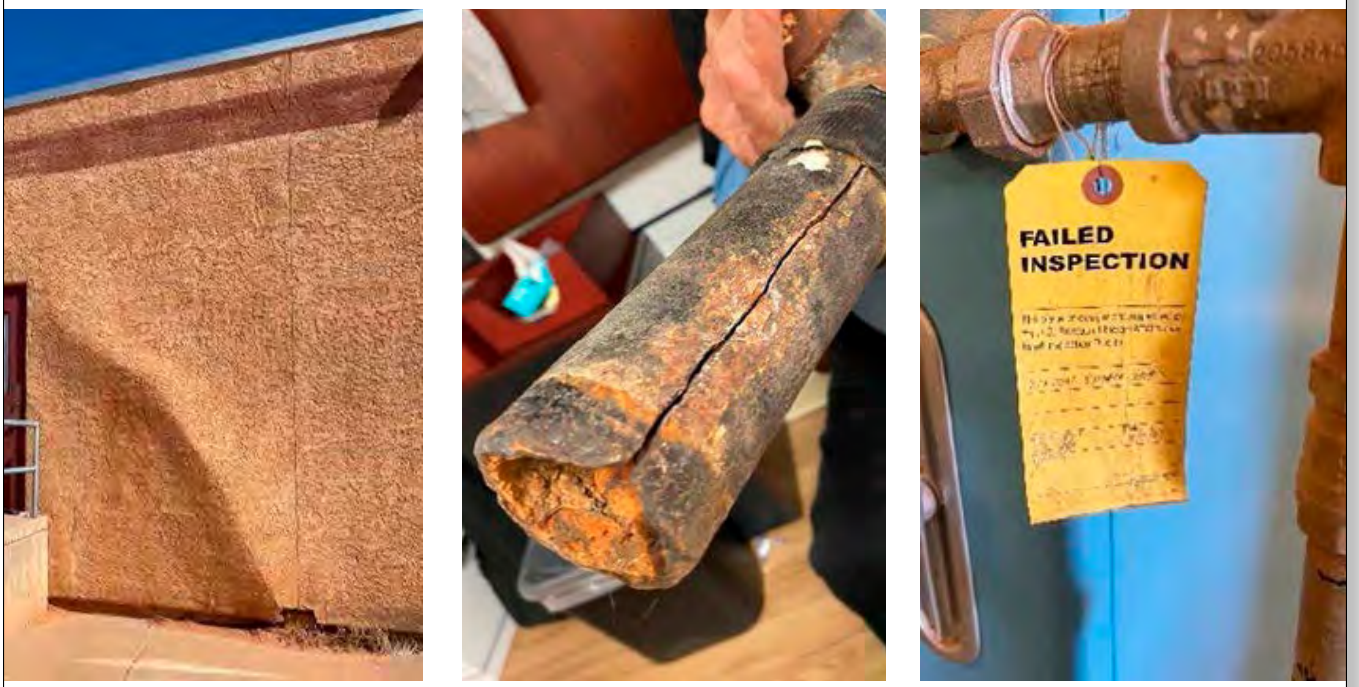
While challenges remain in this area, DOI took corrective action in late FY 2025 to close the final open recommendations from our 2023 report on NPS' management of deferred maintenance.

Key Reports

BIE and Indian Schools Need To Ensure Deficiencies That Could Cause Imminent and Immediate Danger Are Addressed and Resolved Timely | Report No. 2024-ISP-040-A | March 2026

Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities | Report No. 2022-CR-036 | March 2024

The National Park Service Faces Challenges in Managing Its Deferred Maintenance | Report No. 2020-CR-066 | September 2023



Examples of deferred maintenance observed by the OIG during our 2024 evaluation, *Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities.* Source: OIG.



National Park of American Samoa, Tutuila island, American Samoa, South Pacific.
Source: Adobe Stock

Insular Areas

DOI faces unique challenges and risks with respect to the Insular Areas, in particular risks associated with supplemental funding awarded to American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands due to their remote locations and the unique relationships between the Federal Government and the U.S. Territories. For example, DOI must address the lack of robust monitoring capability, late or absent single audits, and the lack of available data regarding environmental and socioeconomic challenges facing the Territories. Multiple audits over the last 10 years have collectively identified weaknesses with grant compliance that DOI must address. GAO also found that DOI faces challenges in issuing timely management decisions on questioned costs identified in single audit reports for the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, which receive millions of dollars in U.S. grants from Federal agencies.

We will continue to provide oversight in this area, including completion of a program fraud review effort. We will also emphasize capacity building to promote efficient and effective governance as the Government comptroller of Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands and to fulfill our oversight responsibilities related to the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Progress Made

DOI implemented corrective action that resulted in closing one significant recommendation for OIA to ensure single audits of the Territories and Insular Areas are conducted and submitted in accordance with Federal grant regulations.

Key Report and Press Release

Mother and Daughter Sentenced to Federal Prison For Defrauding the CNMI Public School System | U.S. Department of Justice (DOJ) Press Release | May 2026

The Office of Insular Affairs Needs To Ensure Insular Areas' Compliance With Federal Regulations Related to Single Audit Submissions | Report No. 2025-FIN-005 | September 2025

CHALLENGE AREA
Managing Operations

Each of DOI's bureaus and offices has specific responsibilities to deliver core services in support of DOI's mission. These operations support DOI's ability to fulfill its responsibilities—such as managing and protecting our Nation's natural resources and cultural heritage, conserving land and water, and upholding Tribal trust and related responsibilities. Below, we summarize DOI's most significant challenges in managing operations related to fraud prevention and detection, cybersecurity, natural resources and energy management, managing water and addressing drought across the West, responsibility to Native Americans, and wildfire management.



Fallowed field of a water conservation participant in the Upper Colorado River Basin region. Source: OIG

Fraud Prevention and Detection

DOI is responsible for mitigating fraud risk in its many and varied programs and operations. Every dollar lost to fraud is a dollar diverted from an intended Federal program, public service, or beneficiary. Fraud reduces the funds available to support DOI's mission, which includes key infrastructure, Tribal services, grants, acquisitions, and conservation efforts. Fraud also negatively impacts DOI's bottom line and its reputation with the American people.

Fraud manifests itself in a myriad of ways. The technical definition of fraud is "obtaining something of value through willful misrepresentation." Our recent work identified many examples of fraud schemes that DOI should be aware of and take steps to mitigate (see Figure 1 on the next page). We also have an ongoing engagement focused on helping DOI improve its fraud risk management.

DOI can address this challenge through appropriate, risk-informed management of its programs and operations; anti-fraud training; strong, life-cycle award certifications; and using other anti-fraud resources, such as the GAO Fraud Risk Framework, which is referenced in DOI's Anti-Fraud Strategy.

As recommended in multiple reports this year, DOI and its prime contractors and grant recipients can also check to ensure funds are not awarded to excluded parties regardless of the funding mechanism used. Additionally, DOI can implement requirements to check the U.S. Department of the Treasury's (U.S. Treasury's) Do Not Pay System before issuing payments to mitigate the risk of fraudulent payments.

DOI staff and leaders play a vital role in mitigating fraud risks. As explained in many outreach presentations and through other materials,

Program Fraud Unit

The OIG established the Program Fraud Unit (PFU) to assess fraud risk and investigate allegations and indications of fraud within DOI. PFU conducts program fraud risk assessments and program fraud reviews.

A program fraud risk assessment covers a broad program area intended to identify targeted areas for a more focused review. A program fraud review targets an entity, program, office, procurement, grant, cooperative agreement, or other financial agreement between DOI and another party. The review is intended to identify fraud indicators and risks through a defined scope.

Figure 1: Examples of Common Fraud Schemes

Employee Theft A former USGS employee concealed fraudulent purchases for years by submitting altered receipts and fictious invoices for IT-related items or services.	**Email Scams** An individual was charged with impersonating an FWS employee and stealing more than $300,000 from victims by promising fake grants.	**Contract Fraud** An FWS contractor employee serving in a comptroller and managerial role stole $30,000 in cash from the contractor and FWS.
Grant Fraud Two individuals used ghost companies to steal payments intended for school educational materials in an Insular Area community, and used the funds for personal expenses.	**Oil and Gas Fraud** A woman failed to report revenue and pay royalties regarding leases on Tribal and Federal lands and falsely reported gas extraction amounts, resulting in a loss of more than $3.55 million.	**Falsified Invoices** A company submitted fraudulent subcontractor invoices to reduce the amount of coal royalties it owed under a Federal mineral lease.
Theft of Funds Three individuals used the identities of Individual Indian Money account holders to steal more than $50,000.	**Resource Theft** A water district manager pleaded guilty to conspiring to steal federally owned water valued between $1.5 and $3.5 million.	**Conflicts of Interest** A former NPS employee represented an outside party before NPS, in violation of 18 U.S.C. § 205.

DOI employees can help prevent and mitigate fraud by disclosing all potential instances of fraud, waste, or abuse to the OIG hotline and by cooperating with the OIG and prosecutors for investigations.

We will continue to conduct outreach to DOI managers, employees, and grantees and other recipients to educate them on preventing, detecting, and responding to fraud. We also have ongoing oversight work of DOI's fraud risk management framework.

Progress Made

While challenges in preventing and detecting fraud remain, DOI took steps to address this challenge during FY 2026. DOI mandated that all employees in the Office of Policy, Management, and Budget (PMB) complete a training course developed by DOI on preventing, detecting, and responding to fraud by September 30, 2026. DOI also issued an updated version of PFM's Internal Control Requirements Guidance, which incorporates DOI's Anti Fraud Strategy and describes DOI's Anti-Fraud Monitoring and Oversight Structure designed around three critical transformation strategy areas: Communications, Managing Fraud Risk, and Fraud Prevention. Additionally, DOI took the following corrective actions in response to our recommendations:

- Developed and implemented policies, procedures, and guidance designed to prevent and detect multi-dipping for funds in Indian Country;
- Developed and implemented policies and processes to document review of the System for Award Management exclusions list before issuing agreements that use Federal funds; and
- Implemented new internal controls to address identified risks related to Federal oil and gas leaseholder bankruptcies.

Key Reports and Press Releases

Three Individuals Sentenced for Scheme to Steal Money from Accounts Managed by the Department of the Interior Bureau of Trust Funds Administration | DOJ Press Release | June 2026

Mother and Daughter Sentenced to Federal Prison For Defrauding the CNMI Public School System | DOJ Press Release | May 2026

Summary: Company Reported False Invoices and Information to ONRR to Reduce Royalty Obligations | Report No. 24-0073 | December 2025

Former National Park Service Employee Sentenced, Ordered to Repay $249,000 Stolen from Camping, Cave Fees | DOJ Press Release | December 2025

Former Federal Employee Sentenced To 41 Months In Prison After Pleading Guilty To Defrauding U.S. Government For More Than $1 Million | DOJ Press Release | December 2025

Summary: FWS Contractor Stole Government Funds for Personal Use | Report No. 24-0012 | October 2025

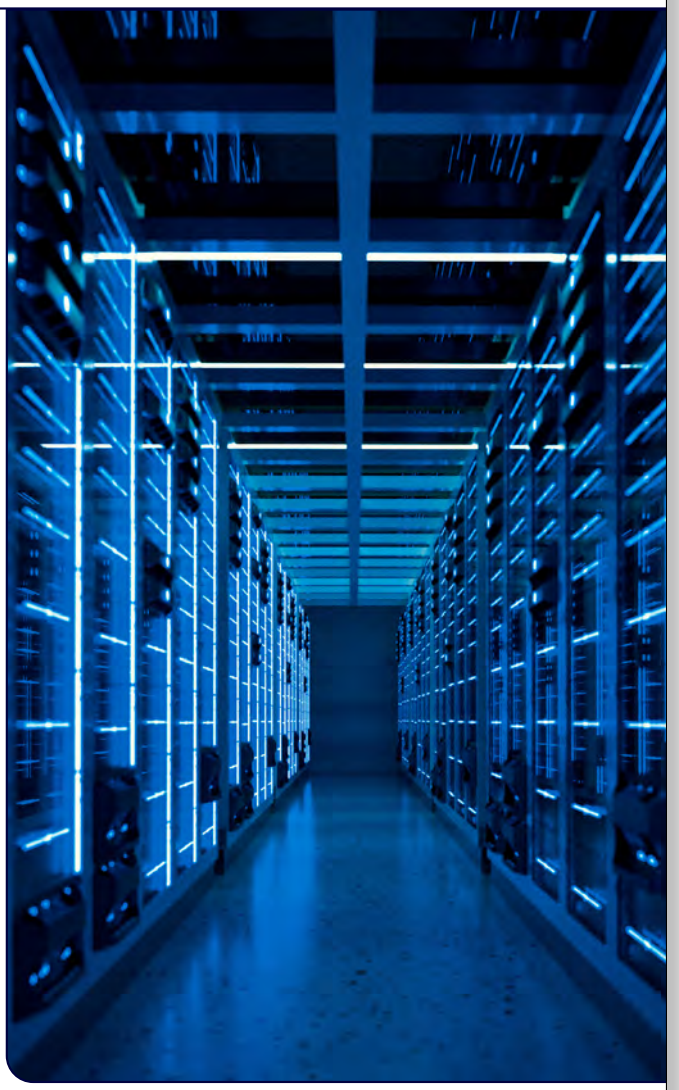
Cybersecurity

Cybersecurity continues to be a high-risk area for Federal agencies, including DOI. GAO first designated information security as a Governmentwide high-risk area in 1997; likewise, we identified IT security as one of DOI's top management challenges for many years. Moreover, risks to Federal technology systems are constantly evolving as attackers use more sophisticated methods driven by rapidly developing AI.

DOI relies on complex, interconnected information systems to carry out its daily operations; cyberattacks and related threats can pose serious risks to DOI operations. Our work described the importance of implementing an enterprise cybersecurity program that balances compliance, cost, and risk while enabling DOI bureaus and offices to meet their diverse missions. We have also detailed many ongoing challenges related to these efforts. For example, the FY 2025 annual independent Federal Information Security Modernization Act (FISMA) audit identified necessary improvements that DOI must undertake in cybersecurity governance, risk and asset management, configuration management, identity and access management, security training, and contingency planning. Also in 2025, we evaluated DOI's cyber threat hunting program and made recommendations for improvement. Finally, we inspected DOI's classification and approval process for IT-related purchases and found that DOI did not fully comply with the Federal Information Technology Acquisition Reform Act and DOI policies. As a result, OCIO was not aware of all of DOI's IT purchases, not all IT purchases received proper approvals, and the OCIO could not accurately track IT spending across DOI. These deficiencies may increase the risk of malicious software and duplicate IT solution purchases across DOI.

While DOI demonstrated progress by implementing many of our recommendations, several significant recommendations in this area remain open. These include recommendations regarding DOI's data loss prevention capability and its ability to remediate software vulnerabilities.

DOI, like all Federal agencies, will continue to face challenges in improving management of its complex information systems and operation of a secure infrastructure to protect its computer networks and data from cyber threats. These challenges may be exacerbated by several ongoing DOI initiatives. OCIO has stated that it is in the process of implementing a series of technology innovations and efficiencies to deliver improved services across DOI at lower costs. As described in the Managing Change challenge area, these initiatives include consolidating and centralizing the IT infrastructure and compliance functions across DOI and working to align IT capabilities with business and mission areas.



A data center. Source: Adobe Stock

DOI's plan to redefine roles, responsibilities, and authorities remains pending. Finally, the increased use of AI, as discussed in the Managing Change challenge area, poses both a challenge and an opportunity. While AI accelerates the speed, scale, and sophistication of cyber threats and has the potential to introduce additional cyber vulnerabilities, it also offers tools for agencies to strengthen cyber defense over time.

We will continue to provide oversight of DOI's cybersecurity posture, including ongoing work related to DOI's public exposure risk and the annual FISMA audit for FY 2026. We also anticipate work on

information system security controls and mobile application security. Additionally, we will continue to monitor and report on DOI's progress implementing our prior recommendations.

Progress Made

DOI has acknowledged many of these challenges, and, as described in the Managing Change challenge area, it has undertaken substantial initiatives intended to address some of them. In addition, over the last year, DOI implemented several significant recommendations that we issued in this area. For example, we recommended that DOI's OCIO develop and implement a process to annually evaluate all systems' Authorizations to Operate for accuracy and completeness to ensure systems are operating with a valid authorization. We designated this recommendation, which was issued in 2023, as one of DOI's three highest priority open recommendations awaiting corrective action. The OCIO fully implemented this recommendation, along with one other significant recommendation from the same evaluation, in July 2026. Significantly, OCIO took immediate action to address recommendations from our review of DOI's active directory configuration and management practices, implementing seven of our eight recommendations before our final report was issued. The OCIO has also taken action that we determined was sufficient to consider 13 of the 18 recommendations from the FY 2025 annual FISMA audit implemented.

GAO High-Risk Areas

Ensuring the Cybersecurity of the Nation

Improving IT Acquisitions and Management

Key Reports

Summary: Active Directory Configurations Place DOI Mission Critical Systems at Serious Risk of Compromise | Report No. 2024-CTD-025 | September 2026

Summary: Independent Auditors' Performance Audit Report on the U.S. Department of the Interior's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2025 | Report No. 2025-CTD-016 | January 2026

The U.S. Department of the Interior Did Not Always Appropriately Classify and Approve Information Technology Purchases | Report No. 2024-ISP-031 | September 2025

The U.S. Department of the Interior Information Systems at Increased Risk Due to Unmitigated Known Vulnerabilities | Report No. 2023-ITA-007 | September 2025

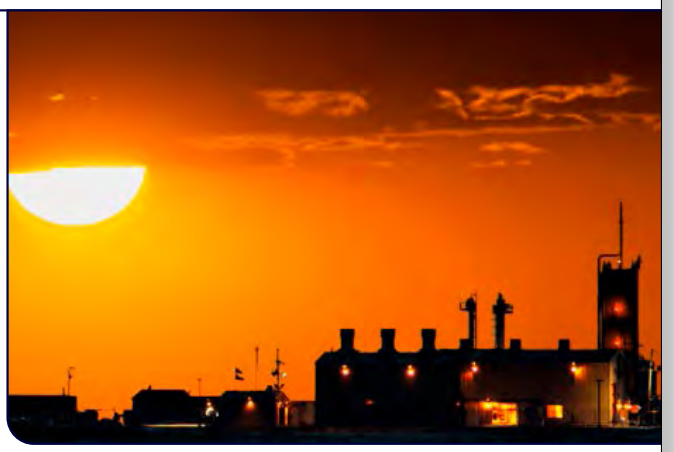
Summary: Evaluation of the U.S. Department of the Interior's Cyber Threat Hunting Program | Report No. 2023-CTD-039 | August 2025

The U.S. Department of the Interior Needs To Better Protect Data Stored in the Cloud From the Risk of Unauthorized Access | Report No. 2022-ITA-025 | February 2024

The U.S. Department of the Interior's Cyber Risk Management Practices Leave Its Systems at Increased Risk of Compromise | Report No. 2020-ITA-030 | February 2023

Natural Resources and Energy Management

DOI oversees one-fifth of the land in the United States and is the steward of Federal energy resources—including oil, natural gas, and coal—that provide 30 percent of the United States' domestically produced energy. DOI disbursed almost $15 billion in oil and gas revenues in FY 2025—including over $5 billion to the U.S. Treasury, over $4 billion to 34 states, and $1 billion to Tribes and individual Indian mineral owners. Energy and natural resource revenues benefit every American, either directly through payments to Tribes and individual mineral owners or indirectly through contributions to Federal and State programs and the U.S. Treasury.



Federal Helium Reserve in Amarillo, Texas. Source: BLM.

As we have identified in prior management challenges reports, DOI faces challenges in managing complex energy operations (including collecting revenues), overseeing leasing, and ensuring that development is safe and efficient. For example, in our audit of ONRR's penalty process, we found that ONRR did not appropriately identify, assess, issue, and collect penalties related to Federal mineral and energy leases during FYs 2021 through 2023. In particular, ONRR's program areas delayed taking formal enforcement actions, due in part to a lack of guidance on when cases should be referred to ONRR Enforcement. Separately, we found that BLM did not always identify, track, collect, and properly oversee Federal Helium Program royalties. Royalties derived from the sale of Federal helium totaled nearly $166 million from FYs 2020 through 2024. However, after 30 years of operation, BLM has not created standard operating procedures to ensure that it is efficiently implementing and managing the program. Without identifying, tracking, collecting, and properly overseeing Federal Helium Program royalties or implementing standard operating procedures, BLM cannot ensure that the Federal Government—and thus the American public—is receiving full compensation for the helium resources extracted from Federal lands.

In addition to our audit, inspection, and evaluation work, we devote considerable resources to energy-related criminal and administrative investigations. Often in these investigations, we are pursuing matters that DOI has identified and referred to us for investigation. Over the last 17 years, our Energy Investigations Unit has conducted more than 275 investigations in 29 States, resulting in almost $240 million in monetary results and 65 criminal convictions or civil settlements. Many of these investigations examined allegations of unpaid or underpaid royalties. For example, we found that a Montana energy company submitted fraudulent invoices to ONRR to reduce the amount of coal royalties it owed under a Federal mineral lease. Similarly, we substantiated allegations received from BLM that a Utah company failed to report production or pay royalties on over $500,000 of oil produced, even after receiving numerous notices of noncompliance from ONRR. We also substantiated allegations that an oil and gas exploration and production company failed to properly maintain its Federal wells, failed to accurately report mineral production, and failed to report royalties. The company ignored incidents of noncompliance and failed to pay over $4 million in civil penalties assessed by BLM; we assessed that it also underpaid approximately $620,000 in Federal royalties. The obligation to properly pay mineral royalties to the American public and other mineral owners is essential to the responsible development of minerals from lands under Federal jurisdiction. As our prior work has demonstrated, DOI will continue to face challenges ensuring that the public receives a fair return for the resources that are extracted from Federal lands and waters.

Progress Made

While challenges in this area have been persistent, DOI has made some progress addressing recommendations from our prior reports on these and related issues. For example, in late 2024, we reported that the bureaus did not maintain complete or accurate Federal oil and gas bankruptcy data, implicating the bureaus' ability to make informed decisions and take appropriate steps to reduce the risks of incurring costs related to decommissioning and reclamation responsibilities should entities not pay their debts to the bureaus. We made 21 recommendations to improve the bureaus' oversight and strengthen their internal controls. Since December 2024, we have closed 18 of our recommendations based on documentation of corrective action provided to us by the bureaus. Similarly, ONRR implemented all recommendations from our 2022 audit of its royalty reporting and adjustment process, where we found that improvements were needed to strengthen its internal controls and processes to ensure accurate royalty reporting for adjustments. This included multiple significant recommendations and a recommendation that ONRR develop and implement a risk-based approach to ensure the accuracy of royalty adjustments, which we considered a top priority for DOI. While improvements have been made, we expect DOI bureaus and offices to continue to face similar challenges as DOI works to increase domestic energy production.

Key Reports

BLM Has Opportunities To Improve Its Helium Royalty Collection Program |
Report No. 2025-ISP-013 | February 2026

ONRR Needs To Consistently Enforce Compliance and Timely Revenue Collection |
Report No. 2024-CR-008 | January 2026

U.S. Department of the Interior Bureaus Must Improve Federal Oil and Gas Internal Controls To Ensure Oversight of Financial Risks to the Government From Bankruptcies |
Report No. 2023-CR-003 | December 2024

Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments |
Report No. 2020-CR-009 | January 2022

GAO High-Risk Area

Management of Federal Oil and Gas Resources



Landscape view of the Lake Mead National Recreation Area during sunset. Source: Adobe Stock.

Managing Water and Addressing Drought Across the West

DOI faces ongoing challenges in managing the delivery and conservation of water. The Western States have experienced ongoing historic drought over the last two decades. Lake Powell and Lake Mead—the two largest reservoirs in the United States—have both dropped to record low levels in 2026. This drought complicates the efforts of BOR to manage, develop, and protect water and related resources.

Our work identified multiple challenges facing BOR. For example, we audited BOR's cost allocation and ratesetting processes for the Central Valley Project in California and determined that BOR did not have internal controls sufficient to ensure the accuracy of those processes, which is necessary to ensure costs are accurately allocated and construction and operations costs are recouped by the Federal Government as appropriate. Of the 20 recommendations we made in this 2024 audit, five remain unimplemented.

In 2022, Congress appropriated $4 billion to DOI for drought mitigation, with priority given to projects in the Colorado River Basin and areas experiencing long-term drought. Congress directed BOR to make the funding available to public entities and Indian Tribes in the form of grants, contracts, or financial assistance agreements. BOR's effective stewardship and proper oversight maximizes how these funds support Congress' intended program goals. To that end, we audited IRA-funded financial assistance agreements that BOR awarded to support drought mitigation efforts for both the Upper and Lower Colorado River Basins. While we concluded that the Upper Colorado River Basin successfully raised awareness and interest in water conversation efforts, we questioned the process that it used to award IRA funds, finding that an alternative method would have resulted in greater public transparency and stronger internal controls and oversight by BOR. Likewise, in our audit of funds awarded by BOR for drought mitigation the Lower Colorado River Basin, we found that while BOR generally complied with the IRA and applicable laws and regulations, its choice of funding mechanism resulted in decreased public transparency regarding the expenditure for over $2 billion in Federal funds. Finally, we audited financial assistance agreements awarded to mitigate the impact of drought in California's Salton Sea and

Water Wholesale and Power Implications

BOR is the country's largest wholesaler of water, bringing water to more than 31 million people. BOR also provides one out of five Western farmers with irrigation water for 10 million acres of farmland that produce 60 percent of the Nation's vegetables and 25 percent of its fruits and nuts.

BOR is also the second largest producer of hydroelectric power in the United States; it operates 53 hydroelectric power plants that annually produce, on average, 40 billion kilowatt-hours, producing enough electricity to serve 3.5 million homes.

found insufficient oversight and monitoring by BOR as well as unsupported costs. Without sufficient oversight and monitoring, BOR's ability to ensure that Federal drought mitigation funds are used efficiently, effectively, and for their intended purposes may be compromised.

Our oversight of these challenges continues with ongoing audits related to BOR's dam safety program, its use of the Aging Infrastructure Account, and its management of domestic water supply IRA-funded projects. We also anticipate oversight work related to over $100 million in American Relief Act and IIJA funds administered by BOR to fund repairs to a diversion dam and canal in Montana.

Progress Made

BOR implemented a number of open recommendations in 2026, including our recommendation that it require the appropriate staff to review the Federal exclusions list before issuing IRA-funded agreements and our recommendation that it resolve questioned costs under a grant award for Salton Sea restoration efforts.

Key Reports

The Bureau of Reclamation Needs To Improve Transparency for Inflation Reduction Act-Funded Water Conservation Efforts in the Upper Colorado River Basin | Report No. 2024-WR-007 | April 2026

The Bureau of Reclamation Should Improve Transparency in Inflation Reduction Act-Funded Drought Mitigation Agreements and Check to Ensure Funds Are Not Awarded to Excluded Parties | Report No. 2023-WR-035 | April 2026

The Bureau of Reclamation's Salton Sea Restoration Efforts Incurred Unsupported Costs and Were Not Sufficiently Monitored | Report No. 2024-WR-026 | February 2026

Stronger Controls Needed Over the Bureau of Reclamation's Central Valley Project Cost Allocation and Ratesetting Processes | Report No. 2022-WR-048 | August 2024

Flash Report: The Bureau of Reclamation's Drought Mitigation Plans and Activities | Report No. 2023-WR-032 | March 2024



Aerial view of Lake Powell near Navjo Mountain, San Juan River in Glen Canyon. Source: Adobe Stock.

Responsibility to Native Americans

DOI is the primary Federal agency charged with carrying out the United States' trust responsibilities to American Indians and Alaska Natives, maintaining the Government-to-Government/Nation-to-Nation relationship with federally recognized Indian Tribes, and promoting and supporting Tribal self-determination. DOI Indian Affairs components, which include BIA, BIE, BTFA, and the Office of the Assistant Secretary for Indian Affairs, support federally recognized American Indian and Alaska Native Governments by directly administering programs or by funding tribally administered programs. Indian Affairs seeks to enhance the quality of life, promote economic opportunities, and to carry out the Federal trust responsibility to American Indians and Alaska Natives, including the protection and improvement of trust assets. Our work has identified an array of challenges in this area.

BIE's mission is to provide quality education opportunities from early childhood through life in accordance with the Tribes' needs for cultural and economic well-being, in keeping with the wide diversity of Indian Tribes and Alaska Native villages as distinct cultural and governmental entities. BIE supports educational opportunities for more than 400,000 American Indian and Alaska Native students across the United States through a comprehensive system of direct services and funding programs spanning early childhood to postsecondary education.

As noted in numerous prior reports, conditions at BIE schools have been a longstanding challenge for Indian Affairs. Both our office and GAO have reviewed BIE schools for decades and found systemic weaknesses in the facilities management program. Since October 2024, we have published the results of safety and health inspections of four Indian schools supported or overseen by BIE. Our most recent report, an August 2026 inspection of the Nay Ah Shing Upper and Lower Schools in central Minnesota, found that BIE did not always ensure that identified safety and health deficiencies were corrected in the required abatement periods, maintain reliable information in its facility management system, or ensure that the schools used safety and health funding at the appropriate location. These findings are consistent with our earlier inspections which found recurring safety and health deficiencies, deficiencies that have gone unaddressed well past abatement deadlines, and numerous errors



Nay Ah Shing Upper School, a tribally controlled school operated by the Mille Lacs Band of Ojibwe in Minnesota. Source: OIG

with data in the Division of Facilities Management and Construction's (DFMC's) facility management system. We also identified a risk that a contractor DFMC hired to assist in resolving inaccuracies in the facility management system instead closed work orders erroneously, thereby allowing safety and health deficiencies to persist. The weaknesses that we identified in this body of work directly affect BIE's ability to effectively meet its mission to provide quality education opportunities for Tribal communities.

As noted previously, we also found that Indian Affairs was not effectively managing deferred maintenance at BIE schools, in part due to unreliable work order data that we have identified in other reviews. In a 2024 report, we found that more than half of sampled deferred maintenance work orders at schools had inaccurate completion data, potentially affecting project prioritization or funding decisions.

DOI's efforts to close significant recommendations on these topics are ongoing. For example, two of our recommendations related to the risks associated with a BIE contractor remain open, including our recommendation that BIE create and implement a plan to verify the accuracy of work orders the contractor has closed in BIE's facility management system.

In September 2026, we published an audit of the internal controls and processes in place at the BIA's Missing and Murdered Unit (MMU). We found a backlog of case referrals; specifically, as of November 2024, MMU had 83 open cases and 384 pending case referrals—72 percent of the pending referrals were

received between 2020 and 2023. We attributed this backlog to MMU agents' unmanageable workloads, a lack of established timeframes for assessing referrals, and staffing and recruitment challenges. In addition, we found MMU did not consistently provide victims the services required under its own standard operating procedures and those that may be required until the Victims' Rights and Restitution Act.

We have also identified concerns with BIA's management of detention facilities funded and operated by Indian Affairs. For decades, detention facilities in Indian Country have been affected by understaffing, overcrowding, and poor facility conditions. Our work in 2025 acknowledged actions by Indian Affairs to correct deficiencies but also identified challenges with issues such as staffing shortages, overcrowding, and incomplete facility condition information. Nineteen of the 24 recommendations in that report remain open, including one identified as a top priority for DOI's implementation.

DOI will continue to face challenges improving its management of programs that serve Tribes and their members. We will accordingly continue to provide oversight of DOI's efforts, including our ongoing series of safety and health inspections at individual BIE schools. We also have ongoing work related to BTFA's process to collect death data and Indian Affairs Education Construction Facilities Improvement and Repair Funds.

Progress Made

DOI has made some progress addressing recommendations related to deferred maintenance and conditions at Indian schools. For example, our pre-2026 safety and health inspection reports contained a total of 29 recommendations; currently, BIE implemented 19 of these recommendations and 10 remain open. Likewise, Indian Affairs has implemented three of the nine recommendations from our 2024 report on its management of deferred maintenance. We have engaged with Indian Affairs regarding its ongoing efforts to close a complex and longstanding recommendation from 2016 related to specific conditions we identified at 13 Indian school facilities, which we have designated as a top priority for DOI's implementation.

Also in FY 2026, BIA implemented five recommendations made during our audit of MMU, including our recommendations to update MMU policies and procedures to incorporate intake and agent workload best practices and to provide training to BIA personnel on the case intake process.

Key Reports

The Bureau of Indian Affairs' Missing and Murdered Unit Must Improve Its Case Intake Process and Victim Services | Report No. 2024-CR-019 | September 2026

BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools | Report No. 2025-AID-030 | August 2026

BIE and Indian Schools Need To Ensure Deficiencies That Could Cause Imminent and Immediate Danger Are Addressed and Resolved Timely | Report. No. 2024-ISP-040-A | March 2026

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness, Security, and Facility Management System Accuracy at Riverside Indian School | Report No. 2024-ISP-040 | July 2025

Indian Affairs Still Needs To Improve Its Management of Bureau of Indian Affairs-Funded and/or -Operated Detention Programs | Report No. 2022-WR-040 | February 2025

Risks Identified With a Bureau of Indian Education Contractor | Report No. 2024-ISP-014-A | February 2025

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tate Topa Tribal School | Report No. 2024-ISP-014 | December 2024

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School | Report No. 2023-ISP-040 | October 2024

Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities | Report No. 2022-CR-036 | March 2024

Detention Facility Health and Safety Concerns | Report No. 2022-WR-040-A | April 2023

GAO High-Risk Area

Improving Federal Management of Programs That Serve Tribes and Their Members



Fire burning and smoldering in a forest, reflected on a nearby lake.
Source: Adobe Stock

Wildfire Management

Wildfires have devastating effects on local communities, public resources, ecosystems, life, and personal property. DOI continues to face challenges that we have previously reported, including recruiting and retaining a firefighting workforce, managing ecosystems to reduce fuels, and responding to active wildfires.

In 2024, we evaluated whether DOI's wildland firefighting bureaus routinely inspected their firefighting vehicles for mechanical and safety issues as required and found that overall, they did not.

As wildfires and suppression costs continue to increase, DOI is also likely to face increased costs associated with responding to wildfire activity, which is exacerbated by abnormally dense vegetation, increased development in or near wildlands, drought, and other climate stressors. Our 2025 audit found that the Office of Wildland Fire (OWF) and the bureaus with firefighting responsibilities did not always comply with the IIJA's directive to prioritize fuels management projects in areas with a "very high" wildfire hazard potential.

In June 2025, the President issued an executive order directing the Secretaries of the Interior and Agriculture to consolidate their wildland fire programs. The FY 2026 enacted budget did not provide funding for the consolidation, and Congress directed the Secretary of Agriculture, in consultation with the Secretary of Interior, to contract with an independent, nonpartisan research organization to conduct a comprehensive study on the feasibility of consolidating wildland fire management operations as proposed. The President's FY 2027 Budget Request proposed unification of the U.S. Department of Agriculture's (USDA's) U.S. Forest Service wildland fire programs under DOI. The consolidation of DOI's and USDA's wildland fire programs potentially presents new challenges with the integration of organizations with currently disparate staff, technologies, and budgets.

In January 2026, DOI established USWFS, which combined and unified the wildfire management operations of BIA, BLM, FWS, NPS, and the Offices of Aviation Services and Wildland Fire. USWFS manages wildfire response for more than 500 million acres of public and Tribal lands and employs 5,780 Federal wildland fire personnel annually. We anticipate conducting oversight work to assess DOI's progress toward consolidating various wildland fire programs under the USWFS and analyzing whether the consolidation has achieved intended outcomes.

Wildfire Impact

According to the National Interagency Fire Center, nearly 78,000 wildfires burned 5.1 million acres in the United States during 2025; about 17 percent of the wildfires in 2025 occurred on federally protected lands, such as those managed by BIA, BLM, FWS, NPS, or the U.S. Forest Service.

Wildfires destroyed 18,385 structures in 2025, including 12,773 residential properties.

Progress Made

Three recommendations from our 2024 report on inspections of wildland firefighting vehicles remain open; we consider two of these recommendations significant and we identified one as a top priority for DOI.

In FY 2026, DOI implemented several recommendations from our 2025 report on fuels management, including five recommendations that we identified as significant. Specifically, USWFS (formerly OWF) issued guidance on the prioritization process, project selection, documentation requirements, and required review of IIJA-funded fuels management projects. Moreover, USWFS implemented policies to track, evaluate, and monitor fuels management program activities to ensure compliance with IIJA requirements. We have had positive engagement with USWFS regarding its efforts to implement the remaining 16 recommendations in this report while it addresses shifting responsibilities related to the centralization of all DOI wildland fire personnel and duties under USWFS.

Key Reports

Improvements Needed in the U.S. Department of the Interior's Management and Oversight of Infrastructure Investment and Jobs Act Funding for Fuels Management | Report No. 2023-CR-009 | August 2025

The U.S. Department of the Interior Did Not Ensure Its Wildland Firefighting Bureaus Conducted Routine Vehicle Inspections | Report No. 2022-ER-021 | March 2024

Data Availability and Quality

Data is critical to DOI's ability to successfully carry out its mission. When data is not up-to-date, accurate, and complete, it can negatively impact DOI's programs and operations. Our recent work identified challenges with timely and accurate data entry in, for example, BIE's facility management system and DOI's national fire plan system, which could affect DOI's ability to effectively oversee important safety and health issues related to Indian Schools and wildland fire preparedness.

We have also emphasized the importance of ensuring data is standardized and conducting reviews to verify previously entered data. This will be even more critical moving forward, as DOI uses AI and other automated technologies to help analyze and review its data. Additionally, public reporting of agency spending data informs taxpayers about how Federal funds are being used. Our work identified areas for potential improvement—for example, we found that DOI did not publicly report over $2 billion in miscellaneous obligation awards made under a drought mitigation program, resulting in reduced public transparency in the award of taxpayer funds.

Key Reports

BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools | 2025-AID-030 | August 2026

BIE and Indian Schools Need to Ensure Deficiencies That Could Case Imminent and Immediate Danger Are Addressed and Resolved Timely | Report No. 2024-ISP-040-A | March 2026

Improvements Needed in the U.S. Department of the Interior's Management and Oversight of Infrastructure Investment and Jobs Act Funding for Fuels Management | Report No. 2024-CR-009 | August 2025

Risks Identified for Inflation Reduction Act Funds Awarded by the U.S. Bureau of Reclamation for Drought Mitigation Projects | Report No. 2023-WR-035-A | July 2025

Risks Identified With a Bureau of Indian Education Contractor | Report No. 2024-ISP-014-A | February 2025

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

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

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WHO CAN REPORT?

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HOW DOES IT HELP?

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Summary of Financial Statement Audit and Management Assurances

Results of Financial Statement Audit

As required by the CFO Act and GMRA, Interior 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 2026 financial statement audit are summarized in Figure 28. Interior achieved an unmodified audit opinion for Interior's consolidated financial statements.

FIGURE 28

Summary of Financial Statement Audit					
FY 2026					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
Financial Reporting Review Controls	1	0	1*	0	0
Land Acreage Reporting Controls	0	1	0	0	1
Total Material Weaknesses	1	1	1*	0	1

Management Assurances

The FMFIA requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls, including program, operational and administrative areas as well as financial management and reporting. The Department acknowledges a principal difference between the FY 2026 FMFIA Assurance Statement, and the independent public auditor's opinion on the FY 2026 consolidated financial statements related to federal land acreage. Given the Department's evaluation of federal land, existing federal land records and the estimation considerations established under SFFAS 59, management does not believe these matters constitute a systemic internal control deficiency or MW in the Department's federal land reporting processes.

Additionally, Interior values the auditor's recommendations and recognizes opportunities to further strengthen Department-wide policies, procedures and internal controls related to the accounting and reporting of federal land. The Department remains committed to continuous improvement and will continue to evaluate and enhance its processes to support accurate, transparent and reliable reporting.

The results of the FY 2026 Management Assurances are summarized in Figures 29, 30 and 31.

FIGURE 29

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

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Modified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Total Material Weaknesses	0	0	0	0	0	0

*In FY 2026, the severity of the Financial Reporting Review Controls was lowered to a significant deficiency from a MW.

FIGURE 30

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 31

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

Payment Integrity

Overview

On March 2, 2020, the *Payment Integrity Information Act of 2019* (PIIA), was enacted into law (P.L.116-117). This law strengthens efforts to combat improper payments by consolidating previous improper payment legislation and reinforcing payment reporting requirements within the federal government. On March 5, 2021, OMB issued an update to Appendix C of Circular A-123 in Memorandum M-21-19, *Requirements for Payment Integrity Improvement*, which established specific requirements for enhancing payment integrity, including the criteria agencies must follow to remain compliant with PIIA. This includes conducting Phase 1 Risk Assessments, and Phase 2 Statistical Sample Testing of high-risk programs.

To further strengthen efforts to prevent improper payments and fraud, *EO 14247, Modernizing Payments to and From America's Bank Account* and *EO 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse*, were signed by the President on March 25, 2025. EO 14249 aims to improve how federal agencies check payments, manage financial systems and share data across the government. EO 14247 directs federal agencies to transition to electronic payments and collections, phasing out most paper checks by September 30, 2025, to enhance security of federal payments, reduce costs and lower the risk of fraud and improper payments.

Payment Integrity Risk Assessments

The PIIA requires agencies to review programs and activities for the risk of improper payment by performing risk assessments to determine whether those programs are susceptible to significant improper payments. In accordance with PIIA, Interior follows an assessment schedule, under which each applicable program is reviewed once every three years. In addition to this regular cycle, Interior performs off-cycle assessments for programs that are newly established or have experienced significant changes, such as new legislation or substantial increases in funding levels, that may increase their potential for improper payments. With OMB concurrence, Interior utilizes an alternative annual assessment period from fourth quarter (Q4) of the prior fiscal year through the third quarter (Q3) of the current fiscal year.

In FY 2025, Interior conducted an in-cycle risk assessment for 103 programs identified within the Federal Account Symbols and Titles (FAST Book). Each of these programs had payments exceeding $10 million during the assessment period, which covered Q4 of FY 2024 through Q3 of FY 2025, with a combined total of approximately $33.3 billion. The assessments determined that none of the programs were at high risk for improper payments, and as a result, all Interior programs remained in Phase 1. Additionally, OIG conducted its annual inspection and determined that the Department was in compliance with PIIA.

As part of the government-wide Do Not Pay onboarding initiative led by the Department of the Treasury in FY 2026, Interior developed a Program Access List (PAL) that identifies more than 500 programs using Federal Program Identifiers (FPIs) and FAST Book IDs. This effort significantly reshaped the set of PIIA programs that Interior assesses and reports on. In consultation with OMB, Interior conducted risk assessments for programs listed in the FAST Book and reported the results on *PaymentAccuracy.gov* in alignment with the PAL.

In FY 2026, Interior completed an off-cycle risk assessment of 16 programs identified in the FAST Book, representing approximately $4.44 billion in payments during the assessment period. None of the assessed programs were identified as high risk for significant improper payments, and no programs were selected for Appendix C Phase 2 testing during the fiscal year. To support reporting based on the PAL, in compliance with OMB reporting requirements, Interior aligned the risk assessment outcomes with the PAL program structure, resulting in reporting across 21 programs. Additional information regarding Interior's PIIA and Appendix C payment integrity reporting and compliance activities — including Phase 1 Risk Assessments and prior-year Phase 2 testing results — is available on *PaymentAccuracy.gov*.

Sampling and Estimation

Interior 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. Interior 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, Interior consults with a certified statistician to ensure its testing methodology will produce statistically valid improper payment estimates.

The *Bipartisan Budget Act of 2018*, initiated an improper payment reporting requirement in FY 2020, for Interior programs funded under the "emergency supplemental appropriations to respond to and recover from recent hurricanes, wildfires and other disasters." As described in OMB M-18-14, *Implementation of Internal Controls and Grant Expenditures for the Disaster-Related Appropriations* (DRA), all programs and activities expending more than $10 million in any one fiscal year were deemed to be susceptible to significant improper payments.

As a result, the DRA program was identified as susceptible in FY 2020. Since then, Interior has not had any programs deemed susceptible during the Phase 1 risk assessment process, as required by PIIA.

Interior's FY 2025 in-cycle risk assessments found no program at high risk of susceptibility to significant improper payments, eliminating the need for Phase 2 testing this fiscal year. Similarly, the 2026 off-cycle risk assessments did not identify any high-risk programs requiring Phase 2 testing.

Overpayments Identified and Recaptured

The Department conducts recovery activities in accordance with OMB Circular A-123 as part of its efforts to strengthen payment integrity and reduce improper payments. These activities include internal control and Single Audit reviews.

Interior will continue to leverage these efforts to address improper payments in a cost-effective and efficient manner while also assessing whether implementing a payment recapture audit program would provide additional value or benefits.

In FY 2026, during the alternative annual assessment period — from the fourth quarter of the prior fiscal year through the third quarter of the current fiscal year — Interior incurred approximately $35.4 billion in outlays for programs with annual expenditures of at least $1 million. Outside of payment recapture audit activities, Interior identified $9.6 million in overpayments, representing 0.03 percent. Of this amount, Interior recovered $6.3 million, which corresponds to 0.02 percent.

The PFM coordinated across Interior to determine the overpayments and recovered amounts. In FY 2027, Interior will continue its efforts to recapture any balances identified.



Photo by Kelsey Graczyk

ACADIA NATIONAL PARK IN AUTUMN
https://www.flickr.com/photos/usinterior/55621732105/in/album-72177720336432369

Agency Improvement of Payment Accuracy with the Do Not Pay (DNP) Initiative

Do Not Pay is a government-wide tool within Treasury's Bureau of the Fiscal Service for federal agencies to check data sources to verify a recipient's identity, eligibility and bank account information before a payment is made.

Interior has worked closely with Treasury throughout FY 2026 to leverage DNP to prevent improper payments, reduce fraud risk and improve overall payment accuracy.

Interior uses various DNP services for its programs.

- **Payment Verification.** Payment Verification is conducted on all payment files at the time they are submitted to Treasury. Treasury began returning payments matched to deceased individuals on May 27, 2026, and payments with missing or invalid TINs and/or invalid bank account information on September 30, 2026. According to Treasury's DNP Portal, Interior screened an estimated 10.5 million payments totaling $40 billion during FY 2026. Treasury's records show that this includes an estimated 9 million payments totaling almost $19 billion made by the Interior Business Center Human Resource Directorate, which processes payroll on behalf of Interior and several other federal entities. Through the use of Payment Verification, 31 Interior payments totaling $111,000 were identified as improper payments that were prevented.
- **Pre-award and Pre-payment Verification.** Various Interior programs use the Web Portal Search on an ad hoc basis. Based on Treasury's reporting, over 3 thousand records were screened through the Web Portal Search in FY 2026. Continuous monitoring was also used weekly and monthly by different Interior programs. Treasury's reporting indicated that over 11 million records were screened through Continuous Monitoring in FY 2026. Through the use of DNP Continuous Monitoring, Interior estimates that it prevented over $8 million from being disbursed improperly.

Interior has established an Application Programming Interface (API) connection to DNP to utilize when performing pre-award and pre-payment verification. To establish the connection, Interior has completed the following tasks in FY 2026:

- Developed the Interior Program Access List with over 500 agency programs to determine which programs must use DNP, what access is needed for each program to comply with OMB M-25-32, *Preventing Improper Payments and Protecting Privacy Through Do Not Pay*, and which matching programs (if any) are eligible for the matching agreement waiver under 5 U.S.C. § 552a(o), *Matching Agreements*, pursuant to OMB M-25-32.
- Reviewed and updated applicable System of Records Notices on the Federal Register.
- Signed data sharing agreement governing the terms and conditions for Interior's access to DNP.
- Maintained department-wide communication to emphasize the importance of using DNP through the payment cycle.

Other Efforts

The following are other efforts that Interior undertakes to identify and recover improper payments agency-wide:

- **Invoice Payment Reviews.** Interior conducts various pre-payment reviews of vendor invoices across the Bureaus and Offices.
- **Travel Voucher Audits.** Interior conducts both pre- and post-travel voucher audits. The audits are designed to identify incorrect payment amounts, unauthorized claims and internal controls over the payment process.
- **Government Charge Card.** To maintain Interior's commitment to identifying and recovering improper payments, the Department requires all charge card transactions for Purchase, Travel and Fleet programs to be audited using Visa Intelli Link. Each month, a designated Agency Organization Program Coordinator (AOPC) in every Bureau and Office conducts these reviews to ensure thorough oversight. Furthermore, the Department required all Bureaus and Offices to document their internal controls and processes for the Purchase, Travel and Fleet Card Programs. This initiative was in response to a recommendation from an internal review aimed at strengthening charge card oversight. To support this effort, a charge card freeze and review process was initiated to align with *EO 14222, Establishing and Implementing the President's "Department of Government Efficiency"* Initiative. As a result, Department-wide purchase card restrictions were enforced as outlined in a March 2025 Interior memorandum.
- **Payment Integrity Monitoring Capabilities.** The Department continues building its Payment Integrity monitoring capabilities to perform independent assessments and validate results being provided by the Bureaus and Offices.

Fraud Reduction

On March 2, 2020, PIIA repealed and replaced the *Fraud Reduction and Data Analytics Act of 2015* (FRDAA). However, pursuant to Section 3357 of the PIIA, the guidelines required to be established under Section 3(a) of the FRDAA, continue to be in effect, including the requirement that agencies conduct an evaluation of fraud risks; use a risk-based approach to design and implement financial and administrative control activities to mitigate identified fraud risks; collect and analyze data from reporting mechanisms on detected fraud to monitor fraud trends and continuously improve fraud detection using data analytics; and use the results of monitoring, evaluation, audits and investigations to improve fraud prevention, detection and response.

To implement these guidelines, Interior is underscoring the significance of the 2025 GAO Green Book and its updated guidance for preventing fraud and improper payments. To put these standards into action, the Department is taking a comprehensive approach to managing fraud risks and strengthening internal controls. The Department is also drawing on guidance from *GAO's Framework for Managing Fraud Risks in Federal Programs*, the U.S. Chief Financial Officers Council's Anti-Fraud Playbook.

Interior is prepared to mitigate the risk of fraudulent activities through the Department Anti-fraud Strategy, consisting of three transformation strategies, as presented in Figure 32, *Department Anti-fraud Strategy*. The Department continuously reviews and implements this strategy to ensure its approach to preventing and addressing fraud remains effective and current.

FIGURE 32



Interior continued advancing its transformation strategies through a range of initiatives. Anti-fraud efforts for FY 2026 included, but were not limited to, the following activities:

Strategy 1: Communications

- Providing effective communications to clearly define goals for all employees, including key stakeholders, to effectively manage fraud risk across Interior.
- Monitoring each of the transformation strategies to ensure effective communication, management of fraud risk and adequate fraud prevention resources are available to the Department.

Strategy 2: Manage Fraud Risks

- Maintaining and refining a listing of pervasive fraud risks to support the identification and mitigation of potential fraud.
- Leveraging department-wide mechanisms to identify, assess and evaluate fraud risks including:
  - Conducting internal control risk assessments and developing Risk and Control Matrices (RCMs) to identify and assess fraud risks and determine whether the existing internal controls mitigate those risks to acceptable levels.
  - Completing PIIA risk assessments to evaluate each program's susceptibility to improper payments, including the risk of fraud.
  - Performing entity-level assessments to evaluate leadership's "tone at the top", commitment to ethical conduct and program integrity and the effectiveness of controls designed to identify and mitigate fraud risks.

- Monitoring CAPs in place to address external auditor recommendations, including recommendations related to fraud risks and holding senior management accountable for resolving audit recommendations by including a critical element for audit recommendation closure in Senior Executive Service performance plans.
- Utilizing confirmed fraud cases reported by the Interior OIG to enhance accountability and guide continuous improvement in fraud risk management.

Strategy 3: Fraud Prevention

- Providing annual anti-fraud training to promote awareness and equip staff with the skills to effectively recognize, detect and respond to fraud, with mandatory participation for employees in designated roles.
- Evaluating the current organization structure to manage fraud and implementing enhancements within Interior, and emphasizing the standards of ethical conduct for all employees to ensure proper use of taxpayer dollars.



Photo by Lowell Whitman

YOSEMITE

https://www.flickr.com/photos/usinterior/55322380613/in/album-72177720334086900

Grants Programs

The information in this section is provided in fulfillment of the reporting requirements on expired awards that remain open as required under Section II.4.9, Grants Programs of the OMB Circular A-136, Financial Reporting Requirements.

Figure 33 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, 2026.

FIGURE 33

Grants/Cooperative Agreements *(dollars in thousands)*			
Category	**2–3 Years**	**4–5 Years**	**More than 5 Years**
Number of Grants/Cooperative Agreements with Zero Dollar Balances	363	34	3
Number of Grants/Cooperative Agreements with Undisbursed Balances	80	17	-
Total Amount of Undisbursed Balances	$7,833,940	$699,170	$-

During FY 2026, the Department continued to make remarkable progress to improve the administration of discretionary financial assistance. Bureaus and Offices utilized GS, a single award management system designated as an OMB shared-service provider for financial assistance, to administer over 20,524 financial assistance award transactions totaling $6.2 billion.

The Office of Grants Management issued financial assistance policies to Bureaus and Offices to clarify financial assistance regulatory requirements to ensure the Department's resources are managed to the greatest public benefit.

To reduce the backlog of expired but unclosed grant awards, the Department has taken significant steps by initiating the implementation of the GS Closeout Module. This centralized tool is designed to streamline and automate the grant closeout process, improving compliance with the OMB's Uniform Guidance and the *Grants Oversight and New Efficiency (GONE) Act*.

The GS Closeout Module enhances efficiency by supporting both individual and bulk closeout actions, integrating with financial systems and automating notices and reminders for grant recipients. These capabilities substantially reduce administrative burden, accelerate processing timelines and increase transparency and accountability.

The GS Closeout Module offers a range of strategic benefits, such as: supporting closeouts at the project, budget period and administrative levels within a single, centralized interface; allowing for both individual and bulk closeout actions; and dramatically increasing operational efficiency for these tasks. The system interfaces with external financial systems such as the Payment Management System, ensuring accurate data integration and seamless financial reconciliation. Additional features include automated Notices of Award at closeout, a centralized dashboard for real-time tracking and automated reminder emails to grant recipients to encourage timely action. The added features promote regulatory compliance and improve the speed and accuracy of the closeout process, aligning Interior practices with federal requirements and improving overall financial transparency.

The impact of this initiative is evident in the progress made by Interior in streamlining the expired awards closeout process. Compared to FY 2025, the Department has improved addressing the *Agreements with Undisbursed Balances*, however, has room to improve *Agreements with Zero Dollar Balances*. For grants with expired periods of performance:

- The number of grants with zero-dollar balances increased from 108 to 400, a 270 percent increase.
- Grants with undisbursed balances increased from 91 to 97.
- The total undisbursed balance decreased from $8,899,700 to $8,533,110, a reduction of approximately 4.1 percent.

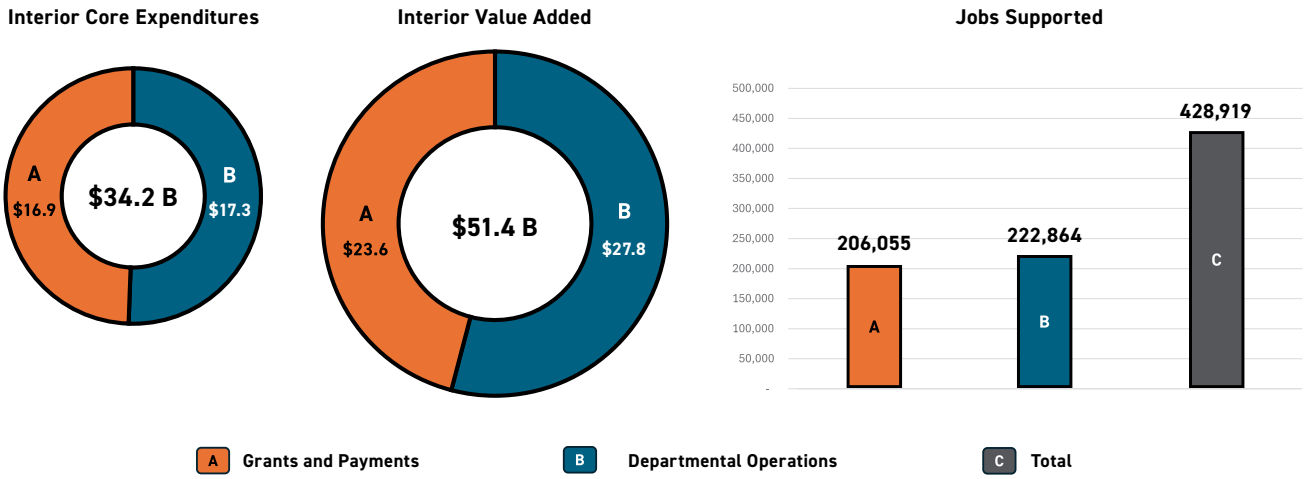
These modest improvements illustrate Interior's successful advancement toward timely grant closeouts and effective financial stewardship.

Economic Contributions from Interior Operations and Grants & Payments

FIGURE 34

Interior Economic Contributions (FY 2025)

2025 Economic Contributions *(dollars in billions)*	Interior Core Expenditures	Interior Value Added	Jobs Supported
Departmental Operations	$17.3	$27.8	222,864
Grants and Payments	$16.9	$23.6	206,055
TOTAL	**$34.2**	**$51.4**	**428,919**



Economic Contributions

Economic contributions are one of several ways that Interior demonstrates transparency in how its activities contribute to the U.S. economy, its people and natural resources. These estimates reflect how the Department's core expenditures (the activities and investments the Department engages in to fulfill its mission) contribute to the economy in terms of jobs and gross domestic product (GDP).

Core expenditures capture a range of Interior's activities including Departmental Operations and Grants and Payments. For purposes of this report, core activities do not include the economic contributions generated by non-Department actors, that is, activities performed by other public or private sector entities on Departmental-managed lands and waters (e.g., recreation, grazing, mineral extraction).

In FY 2025,[1] the Department's core expenditures totaled $34.2 billion, which contributed $51.4 billion to the U.S. economy and supported nearly 429,000 jobs. Of these investments, nearly 50 percent reflected grants and payments directed back to other sectors of the economy, largely through state, local and Tribal governments.

Highlights of Interior's economic contributions to key economic sectors are detailed below.

- **Departmental Operations:** Activities performed and produced by Departmental employees, such as the development of reliable scientific information, supporting law enforcement on federal and Tribal lands and managing resources to achieve Strategic Plan goals; contributed approximately $27.8 billion to GDP and supported nearly 223,000 jobs.
- **Grants and Payments:** Grants and payments, largely to state, local and Tribal governments, supported contributions to GDP of approximately $23.6 billion and an estimated 206,000 jobs.

[1] The best available information for data analysis and economic modeling was used. The latest IMPLAN model year and expenditure data (2024) was used at the time of this analysis. As IMPLAN is a commercial software package, users are dependent on the vendor's data update schedule. The 2025 IMPLAN model will not be released until late 2026.

Civil Monetary Penalty Adjustment for Inflation

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the *Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (collectively "the Act"), requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties (CMP) to maintain their deterrent effect. Due to a lapse in appropriations in FY 2026, the Bureau of Labor Statistics (BLS) was unable to produce the October 2025 data. Based on the lack of the October 2025 Consumer Price Index (CPI-U) data, which is needed to make adjustments to the cost-of-living adjustment multiplier under the 2015 act, OMB issued OMB M-26-11, *Cancellation of Penalty Inflation Adjustments for 2026, Regarding the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015*, on April 27, 2026. Therefore, the 2025 CMP levels are still applicable. Figure 35 lists the FY 2025 CMP inflation adjustments published in the Federal Register and the CFR subject to the Act and OMB guidance.

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
African Elephant Conservation Act - 16 U.S.C. 4224(b); 50 CFR 11.33	Any violation	1988	2025	$13,132	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Bald and Golden Eagle Protection Act - 16 U.S.C. 668(b); 50 CFR 11.33	Any violation	1940	2025	$16,590	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(1) Knowing violation of section 1538	1973	2025	$65,653	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(2) Other knowing violation	1973	2025	$31,513	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Endangered Species Act of 1973 - 16 U.S.C. 1540(a)(1); 50 CFR 11.33	(3) Any other violation	1973	2025	$1,659	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Federal Coal Leasing Amendments Act of 1975 - 30 U.S.C. 201(b); 43 CFR 9239.5-3(f)(1)	Coal exploration for commercial purposes without an exploration license	1976	2025	$5,125	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	$1,562	Bureau of Ocean Energy Management	90 FR 1878 (January 10, 2025) *https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments* Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	$1,562	Bureau of Safety and Environmental Enforcement	90 FR 44147 (September 12, 2025) *https://www.federalregister.gov/documents/2025/09/12/2025-17607/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a)(2); 30 CFR 1241.52(a)(2)	Per day for each violation not corrected	1983	2025	$1,562	Office of Natural Resources Revenue	90 FR 1878 (January 10, 2025) *https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments* Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(b)(1)	Failure to comply	1983	2025	$1,368	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(a); 43 CFR 3163.2(d)	If transporter fails to permit inspection for documentation	1983	2025	$1,368	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(b); 30 CFR 1241.52(b)	Per day for each violation not corrected	1983	2025	$15,628	Office of Natural Resources Revenue	90 FR 1878 (January 10, 2025) *https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments* Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(b); 43 CFR 3163.2(b)(2)	If corrective action is not taken	1983	2025	$13,690	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(c)(3); 30 CFR 1241.60(b)(1)	Per violation for each day that the violation continues	1983	2025	$31,252	Office of Natural Resources Revenue	90 FR 1878 (January 10, 2025) *https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments* Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(c); 43 CFR 3163.2(e)	Failure to permit inspection, failure to notify	1983	2025	$27,378	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(d)(3); 30 CFR 1241.60(b)(2)	Per violation for each day that the violation continues	1983	2025	$78,134	Office of Natural Resources Revenue	90 FR 1878 (January 10, 2025) *https://www.federalregister.gov/documents/2025/01/10/2025-00358/2025-civil-monetary-penalty-inflation-adjustments* Note: The BOEM Regulations at 30 CFR 550.1453 cross-reference regulations of ONRR at 30 CFR 1241.52 that also set maximum daily civil penalty amounts for FOGRMA violations.
Federal Oil & Gas Royalty Management Act of 1982 - 30 U.S.C. 1719(d); 43 CFR 3163.2(f)	False or inaccurate documents; unlawful transfer or purchase	1983	2025	$68,445	Bureau of Land Management	90 FR 5718 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01073/onshore-oil-and-gas-operations-and-coal-trespass-annual-civil-penalties-inflation-adjustments*
Indian Gaming Regulatory Act - 25 U.S.C. 2713(a); 25 CFR 575.4	Per violation	1988	2025	$65,655	National Indian Gaming Commission	90 FR 5605 (January 17, 2025) *https://www.federalregister.gov/documents/2025/01/17/2025-01060/annual-adjustment-of-civil-monetary-penalty-to-reflect-inflation*
Indian Trader Act - 25 U.S.C 264; 25 CFR § 140.3	Penalty for trading in Indian country without a license	1834	2025	$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 35

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 U.S.C. 261; 25 CFR 141.50	Penalty for trading on Navajo, Hopi or Zuni reservations without a license	1975	2025	$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(1); 50 CFR 11.33	(1) Violations referred to in 16 U.S.C. 3373(a)(1)	1981	2025	$33,181	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Lacey Act Amendments of 1981 - 16 U.S.C. 3373(a)(2); 50 CFR 11.33	(2) Violations referred to in 16 U.S.C. 3373(a)(2)	1981	2025	$829	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Marine Mammal Protection Act of 1972 - 16 U.S.C. 1375; 50 CFR 11.33	Any violation	1972	2025	$33,181	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(c)(1)	Failure of museum to comply	1990	2025	$8,531	National Park Service	90 FR 4671 (January 16, 2025) *https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments*
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(m)(1) Footnote: To accurately adjust the daily civil penalty amount in 43 CFR 10.11(m)(1) that was not updated in 2024 Interior is multiplying 1.02598 by the penalty amount that should be in the CFR had it been updated in 2024.	Continued failure to comply per day	1990	2025	$1,707	National Park Service	90 FR 4671 (January 16, 2025) *https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments*
Native American Graves Protection and Repatriation Act - 25 U.S.C. 3007; 43 CFR 10.11(g)(4)	Continued failure to comply per day	1990	2025	$1,707	National Park Service	90 FR 4671 (January 16, 2025) *https://www.federalregister.gov/documents/2025/01/16/2025-00976/civil-penalties-inflation-adjustments*
Oil Pollution Act of 1990 - 33 U.S.C. 2716(a); 30 CFR 553.51(a)	Failure to comply per day per violation	1990	2025	$59,114	Bureau of Ocean Energy Management	90 FR 2611 (January 13, 2025) *https://www.federalregister.gov/documents/2025/01/13/2025-00257/2025-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Outer Continental Shelf Lands Act of 1953 - 43 U.S.C. 1350(b)(1); 30 CFR 250.1403	Failure to comply per-day, per-violation	2006	2025	$55,764	Bureau of Safety and Environmental Enforcement	90 FR 44147 (September 12, 2025) *https://www.federalregister.gov/documents/2025/09/12/2025-17607/oil-and-gas-and-sulfur-operations-on-the-outer-continental-shelf-civil-penalty-inflation-adjustment*
Outer Continental Shelf Lands Act of 1953 - 43 U.S.C. 1350(b)(1); 30 CFR 550.1403	Failure to comply per day per violation	2006	2025	$55,764	Bureau of Ocean Energy Management	90 FR 2611 (January 13, 2025) *https://www.federalregister.gov/documents/2025/01/13/2025-00257/2025-civil-penalties-inflation-adjustments-for-oil-gas-and-sulfur-operations-in-the-outer*
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(1) Violation involving use of force or violence or threatened use of force or violence	1994	2025	$21,114	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Recreational Hunting Safety Act of 1994 - 16 U.S.C. 5202(b); 50 CFR 11.33	(2) Any other violation	1994	2025	$10,556	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Rhinoceros and Tiger Conservation Act of 1998 - 16 U.S.C. 5305a(b)(2); 50 CFR 11.33	Any violation	1998	2025	$23,097	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Minimum penalty based upon one point assigned under 30 CFR 723.14.	1977	2025	$84	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 723.14.	1977	2025	$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 723.15(b)	Assessment of separate violations for each day	1977	2025	$3,148	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Minimum penalty based upon one point assigned under 30 CFR 845.14.	1977	2025	$84	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.14	Maximum penalty based upon up to 70 points assigned under 30 CFR 845.14.	1977	2025	$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268(a); 30 CFR 845.15(b)	"Assessment of separate violations for each day"	1977	2025	$3,148	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 724.14(b)	Individual civil penalties	1977	2025	$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Surface Mining Control and Reclamation Act of 1977 - 30 U.S.C. 1268; 30 CFR 846.14(b)	Individual civil penalties	1977	2025	$20,988	Office of Surface Mining Reclamation and Enforcement	90 FR 23439 (June 3, 2025) *https://www.federalregister.gov/documents/2025/06/03/2025-10064/civil-monetary-penalty-inflation-adjustments*
Title 25 - Indians Authority: 25 U.S.C. 356; 25 CFR 213.37	Penalty for failure of lessee to comply with lease of restricted lands of members of the Five Civilized Tribes in Oklahoma for mining, operating regulations at part 213 or orders	1920	2025	$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: 25 U.S.C. 396a-g; 25 CFR 211.55	Penalty for violation of leases of Tribal land for mineral development, violation of part 211 or failure to comply with a notice of noncompliance or cessation order	1938	2025	$1,993	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 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	2025	$7,820	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 225.37	Penalty for violation of minerals agreement, regulations at part 225, other applicable laws or regulations or failure to comply with a notice of noncompliance or cessation order	1994	2025	$2,110	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.42	Penalty for violation of lease of Osage reservation lands for oil and gas mining or regulations at part 226 or noncompliance with the Superintendent's order	2016	2025	$1,183	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(a)	Penalty per day for failure to obtain permission to start operations	2016	2025	$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(b)	Penalty per day for failure to file records	2016	2025	$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(c)	Penalty for each well and tank battery for failure to mark wells and tank batteries	2016	2025	$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(d)	Penalty each day after operations are commenced for failure to construct and maintain pits	2016	2025	$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(e)	Penalty for failure to comply with requirements regarding valve or other approved controlling device	2016	2025	$236	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(f)	Penalty for failure to notify Superintendent before drilling, redrilling, deepening, plugging or abandoning any well	2016	2025	$472	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(g)	Penalty per day for failure to properly care for and dispose of deleterious fluids	2016	2025	$1,183	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 226.43(h)	Penalty per day for failure to file plugging and other required reports	2016	2025	$118	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub. L. 114-74, 129 Stat. 599; 25 CFR 227.24	Penalty for failure of lessee of certain lands in Wind River Indian Reservation, Wyoming, for oil and gas mining to comply with lease provisions, operating regulations, regulations at part 227 or orders	1957	2025	$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: 25 CFR 700.725 and Pub. L 99-590; Pub. L. 03-531, 88 Stat. 1712 as amended by Pub. L. 96-305,94 Stat. 929, Pub. L. 100-686,102 Stat. 3929 (25 U.S.C. 640d).	Penalty per head per day for each cow, bull, horse, mule or donkey in trespass	1991	2025	$1.06	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*

(Continued)

FIGURE 35

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
Title 25 - Indians Authority: 25 CFR 700.725 and Pub. L 99-590; Pub. L. 03-531, 88 Stat. 1712 as amended by Pub. L. 96-305,94 Stat. 929, Pub. L. 100-686,102 Stat. 3929 (25 U.S.C. 640d).	Penalty per head per day for each sheep or goat in trespass	1991	2025	27¢	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: 25 CFR 273.182(a) and Secs. 201–203, Pub. L. 93–638, 88 Stat. 2203, 2213–2214 (25 U.S.C. 455–457), unless otherwise noted.	Penalty for misusing funds or property by officer, director, agent or employee of, or connected with, any contractor or subcontractor	2020	2025	$1,059	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: 25 CFR 273.182(b) and Secs. 201–203, Pub. L. 93–638, 88 Stat. 2203, 2213–2214 (25 U.S.C. 455–457), unless otherwise noted.	Penalty for misusing funds or property by officer, director, agent or employee of, or connected with, any contractor or subcontractor	2020	2025	$10,592	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Title 25 - Indians Authority: Pub.L. 114-74, 129 Sat. 599; 25 CFR 249.6(b)	Penalty for fishing in violation of regulations at part 249 (Off-Reservation Treaty Fishing)	1967	2025	$1,659	Bureau of Indian Affairs	90 FR 23855 (June 5, 2025) *https://www.federalregister.gov/documents/2025/06/05/2025-10218/civil-penalties-inflation-adjustments-annual-adjustments*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(1) Violation of section 4910(a)(1), section 4910(a)(2) or any permit issued under section 4911	1992	2025	$55,652	U.S. Fish & Wildlife Service	90 FR 40045 (August 18, 2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(2) Violation of section 4910(a)(3)	1992	2025	$26,711	U.S. Fish & Wildlife Service	90 FR 40045 (August 18,2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*
Wild Bird Conservation Act of 1992 - 16 U.S.C. 4912(a)(1); 50 CFR 11.33	(3) Any other violation	1992	2025	$1,114	U.S. Fish & Wildlife Service	90 FR 40045 (August 18,2025) *https://www.federalregister.gov/documents/2025/08/18/2025-15720/civil-penalties-2025-inflation-adjustments-for-civil-monetary-penalties*

Biennial Review of User Fees

Under 31 U.S.C. § 9701, *Fees and charges for Government services and things of value*, federal agencies have the authority to set user fees for their services, ensuring these fees reflect the actual costs incurred. These fees aim to reduce taxpayer burden by charging specific beneficiaries for services provided, mirroring private market pricing to enhance economic efficiency and fairness. Regular reviews are essential to align fees with program costs and maintain transparency for Congress and other stakeholders.

To support transparency and accountability, the CFO Act of 1990 and OMB Circular A-25, *User charges* mandate that agencies conduct biennial reviews of their fees, royalties, rents and charges. These reviews serve two key purposes: (1) they adjust existing fees in response to changes in costs or market conditions; and (2) assess whether new fees are necessary for additional government-provided services or goods. Such evaluations help inform the public and ensure financial sustainability for government services.

In the Department's FY 2026 review, no significant changes were made to existing user fees, seven new fee-based programs/services were initiated, however, no recommendations for adjustments were necessary, indicating stability in the current fee structures.



Photo by Bob Wick, BLM

PINE FOREST RANGE WILDERNESS AREA, NEVADA
https://www.flickr.com/photos/mypubliclands/30266394775/

FIGURE 36

Bureau of Indian Affairs

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Timber Related Services	25 CFR 163.17 Services Related to Timber Sales	Statute	Per Unit	Unknown	Varies	$ 158	N/A	$ 455	N/A	No Recommendations
Grazing Admin Rights	25 CFR 166.501 Grazing-Administrative Fees	Statute	Per Unit	Unknown	Varies	375,290	N/A	381,272	N/A	No Recommendations
Oil and Gas Admin Fees	25 CFR 211.52 Oil & Gas - Administrative Fees	Statute	Per Unit	Unknown	Varies	49,708	N/A	56,308	N/A	No Recommendations
Agricultural Land Trespass	25 CFR 166.812 - Agricultural Lands Trespass	Statute	Per Unit	Unknown	Varies	1,080	N/A	4,033	N/A	No Recommendations
Trust Real Estate Services	Trust - Real Estate Services	Statute	Per Unit	Unknown	Varies	3,122	N/A	30	N/A	No Recommendations
Administrative Fees - Leases	26 CFR 162.241 Administrative Fees from Leases	Statute	By Lease	Unknown	Varies	564,750	N/A	507,501	N/A	No Recommendations
Conveyance Fees	25 CFR 152.31 Conveyance Fees	Statute	Per Unit	Unknown	Varies	2,024	N/A	4,306	N/A	No Recommendations
Freedom of Information Act (FOIA)	FOIA Collections	Statute	Determined by Statute	Unknown	Varies	3,439	N/A	6,638	N/A	No Recommendations
					Total	$ 999,571		$ 960,543		

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

Bureau of Land Management

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Major ROW	43 U.S.C. 1761-71; 30 U.S.C. 185	Full Cost	Applications processed and grants monitored requiring over 50 hours. The fees are not fixed and there is no minimum-maximum range.	2005	In Advance	$ -	$ 4,535	$ 14,799	$ 14,424	No Recommendations
Minor ROW	P.L. 94-579	Fee Schedule	Applications processed and grants monitored requiring under 50 hours. Fees range from $126-$1,296.	Schedule revised annually	In Advance	1	3,164	9,983	4,344	No Recommendations
ROW Processing - Master Agreement	P.L. 94-579	Fair Market Value (FMV)	Fee varies based on agreement (not less than FMV). The fees are not fixed and there is no minimum-maximum range.	2005	In Advance	-	91	4,086	2,401	No Recommendations
Energy and Minerals Fixed Fee Processing	43 U.S.C. 1734	Full Cost	Fees range from $35 to $495 and are action specifc, per 43 CFR 3000.12	2022	In Advance	-	21	1,992	1,033	No Recommendations
Recreation Cost Recovery	P.L. 108-447	Full Cost	Applications processed and permits monitored requiring over 50 hours. The fees are not fixed and there is no minimum-maximum range.	2011	In Advance	-	1,171	4,378	4,203	No Recommendations
Energy & Minerals Case-by-Case Service Charges	P.L. 94-579, 43 CFR 3000	Full Cost	Fees determined on case by case basis. The fees are not fixed and there is no minimum-maximum range.	N/A	In Advance	-	130	1,521	2,019	No Recommendations
Adopt a Horse	Wild Free-Roaming Horses and Burros Act of 1971 (P.L. 92-195)	Partial Subsidy	Minimum adoption fees are $125 on competitive bids, though some may have higher fees based on a competitive bidding process. However, the fees may be reduced as low as $25 or waived by the BLM Director based on specific criteria.	2012	Simultaneously	1	-	1,324	2,216	No Recommendations

(Continued)

FIGURE 36

Bureau of Land Management

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Conveyance of Federally Owned Mineral Interests	P.L. 94-579	Full Cost	Fee based on federal cost of reviewing land title. The fees are not fixed and there is no minimum-maximum range.	1986	In Advance	$ -	$ 24	$ 25	$ 22	No Recommendations
Recordable Disclaimers of Interest	P.L. 94-579	Full Cost	Fees based on federal cost of reviewing land title. The fees are not fixed and there is no minimum-maximum range.	2003	In Advance	-	1	1	4	No Recommendations
Leases, Permits, Easements	P.L. 94-579	Full Cost	Fee based on federal cost of processing application. The fees are not fixed and there is no minimum-maximum range.	2005	In Advance	-	591	2,261	537	No Recommendations
Film Permit Rental Fees	43 CFR part 2920, Leases Permits and Easements, P.L. 106-206	Full Cost	Fee set by the Department annually based on the number of people involved and the type of equipment used. States set their own rental fees.	2021	In Advance	-	9	31	193	No Recommendations
Repair of Damaged Lands	P.L. 94-579	Full Cost	Fee generated through fines and assessments to public land violators. Fines are determined through appraisal (e.g., double or triple stumpage value of trees stolen). Site rehabilitation is paid for from fines collected.	N/A	In Advance	1,141	14,473	3,648	7,962	No Recommendations
Timber Contract Expense	P.L. 94-579	Full Cost	Specified in timber contract terms. If the operator opts out of a contract requirement (e.g., decommissioning logging roads), the operator pays the cost of the requirement to BLM and BLM gets the work completed either in-house or with a different contractor.	N/A	In Advance	-	388	9	105	No Recommendations
Copy Fees	P.L. 94-579	Full Cost	$0.13 per photocopy up to $10 per mylar plotter page. Research fees range from $23.40–$59.00 per hour.	2015	In Advance	-	288	452	400	No Recommendations

(Continued)

FIGURE 36

Bureau of Land Management

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Road Maintenance	P.L. 94-579	Full Cost	Collections from commercial users of certain roads under BLM's jurisdiction; maintenance fees vary by surface type and public access rights.	2019	Simultaneous	$ -	$ 1,172	$ 4,343	$ 3,931	No Recommendations
Mining Law Recording Fees	General Mining Law 1872; 43 U.S.C. 1744; 2013 Interior Appropriations Act, P.L. 113–6	Full Cost	Various service charges set by schedule. The fees range from $15.00 to $3,340.00.	2020	In Advance	2,184	1,858	1,916	1,858	No Recommendations
Recreation Fees Program	P.L. 108-447 and P.L. 113-46, 127 STAT 563	Full Cost	Variable Fee Assessment based on site visitors.	2011	Simultaneous	31,802	27,533	32,256	29,862	No Recommendations
					Total	$ 35,129	$ 55,449	$ 83,025	$ 75,514	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

Bureau of Ocean Energy Management

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Change in Designation of Operator Application	30 CFR §550.143(d)	Full Cost	$230	2024	Advance	$ 37	$ 37	$ 39	$ 39	No Recommendations
Rights-of-Use and Easement	30 CFR §550.165	Full Cost	$3,601	2024	Advance	4	4	(6)	(6)	No Recommendations
Exploration Plans	30 CFR §550.211(d)	Full Cost	$4,823 per surface location (no fee for revisions)	2024	Advance	204	204	327	327	No Recommendations
Development Operations Coordination Document or DPP	30 CFR §550.241(e)	Full Cost	$5,565 per proposed well (no fee for revisions)	2024	Advance	321	321	735	735	No Recommendations
Conservation information documents (CID)	30 CFR §550.296(a)	Full Cost	$35,914	2024	Advance	291	291	248	248	No Recommendations
Record Title or Assignment of Operating Rights (Transfer) Application	30 CFR §556.701	Full Cost	$260	2024	Advance	115	115	133	133	No Recommendations
Non-Required Filing Fee	30 CFR §556.63	Full Cost	$38	2024	Advance	58	58	34	34	No Recommendations

(Continued)

FIGURE 36

Bureau of Ocean Energy Management

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Geological and Geophysical Exploration or Prospecting	30 CFR 551.5(a)	Full Cost	$2,012	2024	Advance	$ 52	$ 52	$ 76	$ 76	No Recommendations
Required Filing Fee	31 U.S.C. § 9701	Full Cost	$38	2024	Advance	13	13	29	29	No Recommendations
Renewable Energy	31 U.S.C. § 9701	Full Cost	Variable**	2024	Advance	903	903	380	380	**Note: Renewable Energy fees are project specific based on the unique processing costs (UPC) associated with BOEM's contract oversight, review and approval of documents prepared by environmental impact statement contractors. No Recommendations
					Total	$ 1,998	$ 1,998	$ 1,995	$ 1,995	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

Bureau of Reclamation

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Assistance to Foreign Countries*	22 U.S.C. 2357	Actual Costs/ Contractual agreement	Contractual	Contractual	In Advance, Simultaneously with and After-depending on agreement.	$ 315	$ 378	$ 315	$ 349	"*Figures provided for revenue for Assistance to Foreign Countries are cash received including advances for services we may not have provided yet. No Recommendations
Construction Repayment Agreements	32 STAT 388	Contract Repayment Schedule	Contractual	Contractual	After	30,934	30,934	25,925	25,925	No Recommendations
Operation and Maintenance Repayment Contracts (Water User Adv)	32 STAT 388; P.L. 111-5; P.L. 111-11	Actual	Contractual	Contractual	In Advance	44,350	44,350	54,419	54,419	No Recommendations
Use Authorizations	43 U.S.C. 387	FMV and/or Admin Costs	Market Value/ Concession Agreements	Contractual	In Advance or After	7,228	7,228	7,007	7,007	No Recommendations
Quarters Rental	5 U.S.C. 5911	FMV	Based on Cost Price Index published by IBC	IBC reviews a third of the properties yearly so all fees are updated every three years	After	3,392	2,244	3,438	2,578	No Recommendations
Recreation Use Fees (Hoover Dam Tour Fees)	43 U.S.C. 617	43 U.S.C. 617	Power Plant Tour $15-$25/person	FY 2025 Power Plant Tours increased, FY 2025 Visitor Center Admission increased, FY 2025 Dam Tours increased.	Simultaneously	13,454	11,742	13,582	13,130	No Recommendations
			Visitor Center $15/person							No Recommendations
			Dam Tour $40/person							No Recommendations
			Misc. $10 (parking)							No Recommendations
										No Recommendations

(Continued)

FIGURE 36

Bureau of Reclamation

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Recreation Use Fees (Recreation Use Fee Account)	16 U.S.C. 460	FMV	Campground $10–$55/night; Group Use $10–$300/event; Park Use $8/day; Season Passes $50–$350	Various fees. Some were changed in FY 2013.	Simultaneously	$ 3,935	$ 3,935	$ 4,355	$ 4,355	No Recommendations
Sale of Electric Energy	32 STAT 388	Actual	Actual	Contractual	Contractual	8,507	8,507	8,153	8,153	No Recommendations
Sale of Surplus Land	43 U.S.C. 374-375	FMV	Contractual	Contractual	Simultaneously	10,449	10,449	9,450	9,450	No Recommendations
Sale of Water Service	32 STAT 388	Contractual	Contractual	Contractual	After	14,761	14,761	13,510	13,510	No Recommendations
					Total	$ 137,325	$ 134,528	$ 140,154	$ 138,876	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

Bureau of Safety and Environment Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Suspension of Operations / Production	30 CFR 250.171(e)	Full Cost	$2,469	2022	In Advance	$ 101	$ 183	$ 96	$ 161	No Recommendations
Deepwater Operations Plan	30 CFR 250.235	Full Cost	$10,647	2025	In Advance	63	643	19	787	No Recommendations
Application for Permit to Drill (APD; Form MMS-123)	30 CFR 250.410(d); 250.513(b); & 250.1617(a)	Full Cost	$2,458	2022	In Advance	347	2,173	253	2,190	No Recommendations
Application for Permit to Modify (APM; Form MMS-124)	30 CFR 250.465(b); 250.513(b); 250.613(b); 250.1618(a); & 250.1704(g)	Full Cost	$145	2022	In Advance	184	2,294	243	1,967	No Recommendations

(Continued)

FIGURE 36

Bureau of Safety and Environment Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
New Facility Production Safety System Application for Facility with more than 125 Components	30 CFR 250.842	Full Cost	$6,312	2022	In Advance	$ -		$ 6		No Recommendations
New Facility Production Safety System Application for Facility with 25-125 Components	30 CFR 250.842	Full Cost	$1,528	2022	In Advance	-		-		No Recommendations
New Facility Production Safety System Application for Facility with Fewer than 25 Components	30 CFR 250.842	Full Cost	$758	2022	In Advance	1		-		No Recommendations
Production Safety System Application-Modification with more than 125 Components Reviewed	30 CFR 250.842	Full Cost	$704	2022	In Advance	125	$ 2,226	131	$ 2,235	No Recommendations
Production Safety System Application-Modification with 25-125 Components Reviewed	30 CFR 250.842	Full Cost	$252	2022	In Advance	31		38		No Recommendations
Production Safety System Application-Modification with Fewer than 25 Components Reviewed	30 CFR 250.842	Full Cost	$107	2022	In Advance	4		5		No Recommendations

(Continued)

FIGURE 36

Bureau of Safety and Environment Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
New Facility Production Safety System Application for Facility with more than 125 Components - Offshore Visit	30 CFR 250.842	Full Cost	$16,610	2022	In Advance	$ -		$ 17		No Recommendations
New Facility Production Safety System Application for Facility with more than 125 Components - Shipyard Visit	30 CFR 250.842	Full Cost	$8,638	2022	In Advance	9	$ 8	-	$ 45	No Recommendations
New Facility Production Safety System Application for Facility with 25-125 Components - Offshore Visit	30 CFR 250.842	Full Cost	$10,430	2022	In Advance	-		-		No Recommendations
New Facility Production Safety System Application for Facility with 25-125 Components - Shipyard Visit	30 CFR 250.842	Full Cost	$5,980	2022	In Advance	-		-		No Recommendations
Platform Application-Installation-Under the Platform Verification Program	30 CFR 250.905(l)	Full Cost	$26,444	2022	In Advance	26		-		No Recommendations
Platform Application-Installation-Fixed Structure Under the Platform Approval Program	30 CFR 250.905(l)	Full Cost	$3,787	2022	In Advance	4	1,327	-	1,039	No Recommendations
Platform Application-Installation-Caisson/ Well Protector	30 CFR 250.905(l)	Full Cost	$1,927	2022	In Advance	-		-		No Recommendations
Platform Application-Modification/Repair	30 CFR 250.905(l)	Full Cost	$4,518	2022	In Advance	27		81		No Recommendations
Application to Remove a Platform or Other Facility	30 CFR 250.1727	Full Cost	$5,448	2022	In Advance	272		599		No Recommendations

(Continued)

FIGURE 36

Bureau of Safety and Environment Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
New Pipeline Application (Lease Term)	30 CFR 250.1000(b)	Full Cost	$4,119	2022	In Advance	$ 362		$ 222		No Recommendations
Pipeline Application Modification (Lease Term)	31 CFR 250.1000(b)	Full Cost	$2,392	2022	In Advance	120		98		No Recommendations
Pipeline Application-Modification ROW	32 CFR 250.1000(b)	Full Cost	$4,849	2022	In Advance	611		655		No Recommendations
Pipeline Repair Notification	30 CFR 250.1008(e)	Full Cost	$451	2022	In Advance	39		33		No Recommendations
Pipeline ROW Grant Application	30 CFR 250.1015(a)	Full Cost	$3,223	2022	In Advance	45		71		No Recommendations
OCS Pipeline Conversion of Lease Term to ROW Fee	30 CFR 250.1015(a)	Full Cost	$275	2022	In Advance	6	$ 1,120	1	$ 970	No Recommendations
Pipeline ROW Grant Assignment	30 CFR 250.1018(b)	Full Cost	$234	2022	In Advance	7		7		No Recommendations
Application to Decommission a Pipeline (Lease Term)	30 CFR 250.1751(a) or 250.1752(a)	Full Cost	$1,328	2022	In Advance	84		135		No Recommendations
Application to Decommission a Pipeline (ROW)	30 CFR 250.1751(a) or 250.1752(a)	Full Cost	$2,524	2022	In Advance	116		159		No Recommendations
500 FT From Lease / Unit Line Production Request	30 CFR 250.1156(a)	Full Cost	$4,527	2022	In Advance	-	1	-	-	No Recommendations
Gas Cap Production	30 CFR 250.1157(b)	Full Cost	$5,761	2022	In Advance	23	28	52	31	No Recommendations
Downhole Commingling Request	30 CFR 250.1158(a)	Full Cost	$6,722	2022	In Advance	168	344	208	278	No Recommendations

(Continued)

FIGURE 36

Bureau of Safety and Environment Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Complex Surface Commingling and Measurement Application	30 CFR 250.1202(a); 250.1203(b); 250.1204(a)	Full Cost	$4,718	2022	In Advance	$ 179	$ 359	$ 85	$ 343	No Recommendations
Simple Surface Commingling and Measurement Application	30 CFR 250.1202(a); 250.1203(b); 250.1204(a)	Full Cost	$1,595	2022	In Advance	46	153	78	131	No Recommendations
Voluntary Unitization Proposal or Unit Expansion	30 CFR 250.1303(d)	Full Cost	$14,678	2022	In Advance	103	186	73	126	No Recommendations
Unitization Revision	30 CFR 250.1303(d)	Full Cost	$1,042	2022	In Advance	44	104	40	173	No Recommendations
Appeals Process	30 CFR 290.4(b) (1999)	Special	$150		In Advance	5	5	4	4	No Recommendations
OCS Royalty Rate Relief Applications	30 CFR 203.56	Special	Fee schedule established for each type of application		In Advance	8	81	13	82	No Recommendations
Public Information Products	31 U.S.C. 9701; DM 346.1; MMSM 346.1	Full Cost	Fee schedule for each type of publication; Treasury receives all fees collected except Digial Well Log		In Advance	45	45	47	47	No Recommendations
The National Oil Spill Response Test Facility (OHMSETT)	FY93 Approp Language	Full Cost	External customers are billed a 5% user fee		In Advance	15	15	34	34	No Recommendations
					Total	$ 3,220	$ 11,295	$ 3,503	$ 10,643	

(Continued)

FIGURE 36

Bureau of Safety and Environment Enforcement New User Charge Activities (After FY 2023)										
Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
DWOP - Project Conceptual Plan	30 CFR 250.226	Full Cost	$2,697	2025	In Advance	$ -	Cost part of Deepwater Operating Plan (DWOP) above	$ 8	$ 295	No Recommendations
DWOP - New or Unusual Technology Conceptual Plan	30 CFR 250.226	Full Cost	$7,964	2025	In Advance	-		-		No Recommendations
DWOP - New or Unusual Technology Barrier Equipment Conceptual	30 CFR 250.226	Full Cost	$15,104	2025	In Advance	-		287		No Recommendations
Combined Project Conceptual Plan/DWOP	30 CFR 250.245	Full Cost	$13,856	2025	In Advance	-		-		No Recommendations
Revised DWOP	30 CFR 250.246	Full Cost	$963	2025	In Advance	-		7	Cost part of DWOP above	No Recommendations
Supplemental DWOP	30 CFR 250.247	Full Cost	$9,626	2025	In Advance	-		250		No Recommendations
					Total	$ -	-	$ 552	$ 295	

FIGURE 36

National Park Service

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Historic Preservation Tax Incentive Certifications	36 CFR 67	Based on the cost of rehabilitation project	$0–$6,500/Cert	2013	In Advance	$ 3,890	$ 4,495	$ 4,161	$ 4,562	No Recommendations
Commercial Use Authorizations	P.L. 105-391, Section 418	FMV	Cost	12-Nov-15	In Advance	7,494	5,713	8,612	5,233	No Recommendations
Disposal of Diseased Timber	54 U.S.C. 100753	Competitive bidding	Variable	1996	In accordance with terms of contract	1	-	-	-	No Recommendations
Emergency Food and Supplies	54 U.S.C. 102712	Full cost	Variable	1930	Quarterly after the rendering of service	7	7	7	23	No Recommendations
NPS/Interpretation, Education, & Volunteers Interpretive Fee	54 U.S.C. 101702c	FMV	Cost	1996	In Advance	6,712	6,688	6,903	6,835	No Recommendations
Quarters Operation and Maintenance	P.L. 98-473, 98 STAT 1874	Based on an impartial study of comparable private rental housing	Variable	2011	Simutaneously with the rendering of service	30,327	29,103	32,139	27,507	No Recommendations
Recreation Fees	16 U.S.C. 6802 Sec 803	User fee annual comparability process/ entrance fee by policy	Range from $3 to $30 for entrance/user fee range from $.50–$360	Use fee 2020/entrance fee 2018	At time of service, through pay.gov or voucher	377,540	368,089	385,385	395,883	No Recommendations

(Continued)

FIGURE 36

National Park Service

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Sale of Utilities	54 U.S.C. 101901	Market-based rate	Variable	1953	Upon receipt of invoice	$ 29,163	$ 27,552	$ 30,323	$ 28,216	No Recommendations
Special Use Permits/ Rights of Way	54 U.S.C. 103104	Full cost	Cost	2011	All	24,973	23,541	25,284	24,788	No Recommendations
Park Buildings Lease & Maintenance	54 U.S.C. 102102 & 54 U.S.C. 306121	FMV	Variable	19-Dec-14	In accordance with terms of lease	28,219	18,409	27,198	13,385	No Recommendations
Freedom of Information	16 U.S.C. 1460	Full cost	Cost	2011	In Advance or After depending on the specific circumstances	-	-	-	-	No Recommendations
Commercial Filming & Still Photography Location Fee	54 U.S.C. 100905	Schedule	Cost	2011	All	678	907	424	571	No Recommendations
General Fund Proprietary Receipt	31 U.S.C. 9701	Market price	Variable	1951	In Advance	2,351	-	3,754	-	No Recommendations
National Park Medical Services Fund	Section 2404 of P.L. 116-9	Full cost	Variable	2021	In Advance	1,155	1,202	1,382	1,367	No Recommendations
					Total	$ 512,510	$ 485,706	$ 525,572	$ 508,370	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Exchange Sale Authority	40 U.S.C. 503	Market price	Cost	2024	Simultaneously with the rendering of service	$ 2,911	$ 1,122	$ 1,959	$ 3,060	No Recommendations
					Total	$ 2,911	$ 1,122	$ 1,959	$ 3,060	

FIGURE 36

Office of Surface Mining Reclamation and Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Blaster Certification Program	31 U.S.C. 9701	Activity Based Costing	(i) Issuance or reissuance $122	N/A	Collect Simutaneously at the time of application.	$ 610	$ 656	$ 427	$ 384	No Recommendations
			(ii) Reexamination $61							No Recommendations
			(iii) Renewal $61							No Recommendations
			(iv) Replacement $28							No Recommendations
			(v) Reciprocity $61							No Recommendations
Freedom of Information Act/Duplication of Documents	43 U.S.C. 1460	Activity Based Costing	$.15/per page plus Labor	N/A	FOIA staff inform the requestor in the final response letter that they will be billed. Staff sends a copy of the final letter to DFM for billing. Most FOIAs are not billable. For advances, a letter of response is sent from the FOIA office requesting the advance in order to proceed. The payment is then sent to DFM to process. In rare instances, the documents are picked up and paid for at the same time.	-	278,954	-	759,225	No Recommendations
Mine Map Sales	43 U.S.C. 1460	Activity Based Costing	Research Assistance $46/hour @ 15 minute increments	N/A	Collect Simutaneously at time of service.	-	865,223	-	641,554	No Recommendations
			Web Costs (costs associated with map scans over the Internet)							No Recommendations

(Continued)

FIGURE 36

Office of Surface Mining Reclamation and Enforcement

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Mine Permit Application and Mine Plans Processing	30 U.S.C. 1201	Cost Finding/Activity Based Costing	Administrative completeness review...$250	N/A	Collect it in Advance (of the work being done) at the time of application.	$ -	$ 1,204,564	$ 4,242	$ 1,166,195	No Recommendations
			Technical review:							No Recommendations
			Basic fee...$1,350							No Recommendations
			Fee per acre of disturbed area in permit area:							No Recommendations
			First 1,000 acres...$14/acre							No Recommendations
			Second 1,000 acres...$6/acre							No Recommendations
			Third 1,000 acres...$4/acre							No Recommendations
			Additional acres...$3/acre							No Recommendations
			Decision document...$2,000							No Recommendations
					Total	$ 610	$ 2,349,397	$ 4,669	$ 2,567,358	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

U.S. Fish and Wildlife Service

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Reimbursable Projects	31 U.S.C. 6505, P.L. 102-154	Actual Cost + Overhead	Overhead percentage based on type of service provided	2024	In Advance or billed after expenses incurred	$ 37,447	$ 34,128	$ 38,810	$ 33,160	No Recommendations
Wildlife Import/ Export Fees	16 U.S.C. 1540	Fee Schedule	Set fee on Federal Register	1997	Simultaneously or Advance	23,574	24,899	21,359	25,445	No Recommendations
Endangered Species Permits	16 U.S.C. 1540	Fee Schedule	Set fee on Federal Register	1997	Simultaneously or Advance	57	74	61	20	No Recommendations
Cites Permits	16 U.S.C. 1540	Fee Schedule	Set fee on Federal Register	1997	Simultaneously or Advance	300	254	378	304	No Recommendations
Anilca	16 U.S.C. 3147	Actual Direct Costs	Based on actual costs		After	33	25	-	36	No Recommendations
Refuge Revenue Sharing	16 U.S.C. 7158s	FMV	Reasonable Costs	Annually	After	6,086	8,256	7,497	7,210	No Recommendations
Proceeds - Water	16 U.S.C. 460d	FMV	Reasonable Costs		After	347	544	276	90	No Recommendations

(Continued)

FIGURE 36

U.S. Fish and Wildlife Service

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Migratory Bird Hunting & Conservation - Duck Stamps	16 U.S.C. 718	By Statues	Ranges from $5 to $25 depending on type of stamp		Simultaneously	$ 34,572	$ 101,306	$ 35,950	$ 85,794	No Recommendations
Grass Carp Certification	P.L. 104-40	Actual and Indirect Costs	Federal Register		Advance	195	89	153	174	No Recommendations
Vessel Maintenance - Tiglax	P.L. 105-277	Actual and Indirect Costs	Reasonable Costs		After	2,856	7,921	99	157	No Recommendations
Marine Mammal Protection Act	P.L. 90-577	Actual and Indirect Costs	Varies by type		Advance or After	-	12	2	11	No Recommendations
National Conservation & Training Center	P.L. 90-577	Actual and Indirect Costs	Fee per type and length of training		Advance or After	3,943	3,018	2,486	3,154	No Recommendations
Duck Stamp Reproduction	P.L. 105-277	Actual and Indirect Costs	Varies by type		Simultaneously or Advance	175	123	74	119	No Recommendations
Migratory Bird Permits	P.L. 105-277	Actual and Indirect Costs	Cost varies by permit type		Simultaneously or Advance	569	263	530	316	No Recommendations
Midway Atoll Operations	P.L. 106-291	Actual and Indirect Costs	Reasonable Costs		After	370	1,970	476	2,535	No Recommendations
Oil / Gas Mitigation	P.L. 106-113	Actual and Indirect Costs	Reasonable Costs		After	167	320	139	418	No Recommendations
Recycling Program	P.L. 105-628	Actual and Indirect Costs	FMV of recycled items		After	61	87	34	32	No Recommendations

(Continued)

FIGURE 36

U.S. Fish and Wildlife Service

Biennial Inventory of User Charge Activities (through FY 2025)
(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
Renewable Energy Program	P.L. 105-628	Actual and Indirect Costs	FMV		After	$ 5	$ 6	$ 8	$ 41	No Recommendations
Lacey Act Rewards	P.L. 97-79	Varies by case	Assessed fines		After	908	1,328	412	1,576	No Recommendations
Long-Term Eagle Permits	50 CFR 22.26 & .27	Actual and Indirect Costs	Varies by type		Advance or After	584	469	765	970	No Recommendations
Polar Bear Permits	P.L. 105-277	Actual and Indirect Costs	Federal Register		Advance	-	40	-	6	No Recommendations
Fishing for Funds Restitution	16 U.S.C. § 754b	Actual and Indirect Costs	Assessed fines		After	-	200	-	91	No Recommendations
General Eagle Permits	50 CFR 22.26 & .27	Actual and Indirect Costs	Varies by type		Advance or After	775	-	439	87	No Recommendations
Multinational Species Conservation Fund	P.L. 111-241	Actual and Indirect Costs	Fixed		Simultaneously or Advance	538	538	400	253	No Recommendations
Recreation Fee Program	P.L. 108-18/104-134	Actual and Indirect Costs	Federal Register per location		Simultaneously or Advance	7,623	8,098	7,186	7,438	No Recommendations
Quarters Operations/ Maintenance	P.L. 98-473	Actual and Indirect Costs	FMV		Advance or After	4,143	3,075	4,239	3,781	No Recommendations
					Total	$ 125,328	$ 197,043	$ 121,773	$ 173,218	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

FIGURE 36

U.S. Geological Survey

Biennial Inventory of User Charge Activities (through FY 2025)

(Revenue and Costs dollars in thousands)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
FOIA	43 U.S.C. Part 2 and 5 U.S.C. § 552	Scheduled fee	$27–$69 per hr	2016	Some Advance, some After (dependent upon the customer type)	$ 7	$ 7	$ 2	$ 2	No Recommendations
Published Maps and Publications	43 U.S.C. 45	Full cost	$5–$2,024 each	2012	After	518	491	514	506	No Recommendations
Pass Distribution	43 U.S.C. 36c and 50a and 31 U.S.C. 1535a	Full cost	$5–$10 each	2012	After	3,310	3,194	3,240	3,333	No Recommendations
Reactor Services \1	15 U.S.C. 3710A	Full cost	$0–$672 per hr	2022	After	-	-	-	-	\1 Reactor Services. Internal shutdown of operations since August 2023. Due to loss of 75% of staff and facility condition, there is no timeline for return to operations. Charge/fee amounts will be adjusted when return to operations to account for updated facility costs of staff and fuel. (Currently $517 per hour for facility budget and $154 per MWh, respectively.) No Recommendations
Water Data from District Offices	43 U.S.C. 45	Other	Network costs vary by State	2022	Most Advance, some After, dependent upon the customer type	6,584	7,577	7,455	7,967	No Recommendations
EROS Digital Products	43 U.S.C. 45	Full cost	$35 first frame and $30 each additional scan	2011	After the rendering of service	116	116	106	106	No Recommendations
					Total	$ 10,535	$ 11,385	$ 11,317	$ 11,914	

New User Charge Activities (After FY 2023)

Activity Name	Legal Authority	Cost Method Used (full cost, market price or other)	Charge Fee Amount	Year of Last Revision to Charge/Fee Amount	Timing of Collection (in advance, simultaneously with or after the rendering of service)	Revenues FY 2024	Costs FY 2024	Revenues FY 2025	Costs FY 2025	Recommendations/ Comments
No New User Activity										

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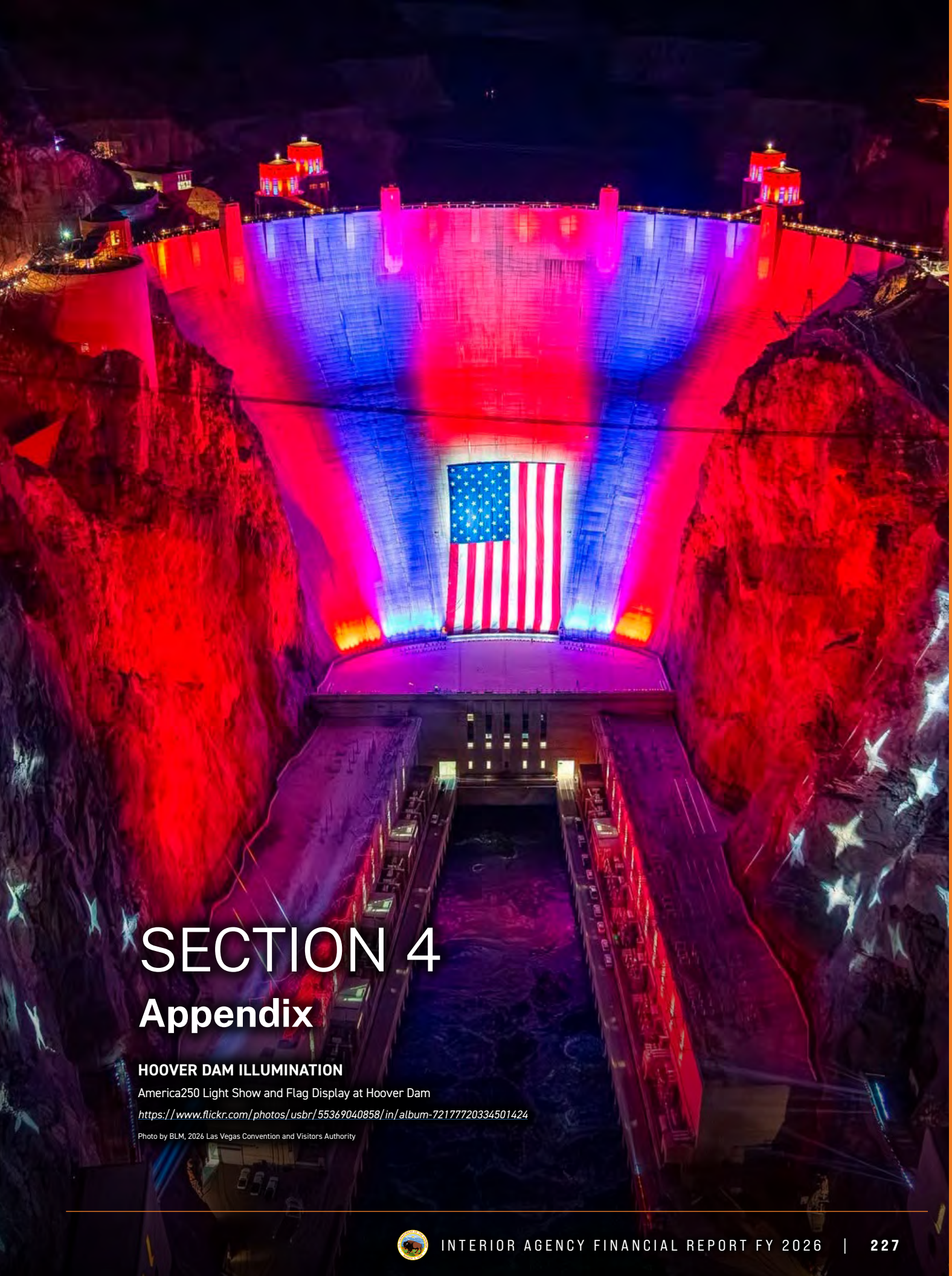

SECTION 4
Appendix

HOOVER DAM ILLUMINATION

America250 Light Show and Flag Display at Hoover Dam

https://www.flickr.com/photos/usbr/55369040858/in/album-72177720334501424

Photo by BLM, 2026 Las Vegas Convention and Visitors Authority

Glossary of Acronyms

A

AEO	Annual Energy Outlook
AFR	Agency Financial Report
AI	Artificial Intelligence
AOPC	Agency Organization Program Coordinator
APGs	Agency Priority Goals
ARRA	*American Recovery and Reinvestment Act of 2009*
ASG	American Samoa Government
AWS	Amazon Web Services

B

Bbl	Oil Barrel
BIA	Bureau of Indian Affairs
BIE	Bureau of Indian Education
BIO	Business Integration Office
BLM	Bureau of Land Management
BLS	Bureau of Labor Statistics
BOD	Binding Operational Directive
BOEM	Bureau of Ocean Energy Management
BSEE	Bureau of Safety and Environmental Enforcement
BSS	Bison Support System
BTFA	Bureau of Trust Funds Administration

C

CAP	Corrective Action Plan
CEAR	Certificate of Excellence in Accountability Reporting
CFO Act	*Chief Financial Officer's Act of 1990*
CFR	Code of Federal Regulations
CID	Conservation Information Documents
CIO	Chief Information Officer
CIP	Construction in Progress
CISA	Cybersecurity and Infrastructure Security Agency
CMP	Civil Monetary Penalties
CO	Contracting Officer
CPI-U	Consumer Price Index
CRT	Catalog Review Team
CSRS	Civil Service Retirement System

D

DAS-BFA	Deputy Assistant Secretary-Budget, Finance and Acquisition
DATA Act	*Digital Accountability and Transparency Act of 2014*
DCIA	*Debt Collection Improvement Act of 1996*
DFMC	Division of Facilities Management and Construction
DM&R	Deferred Maintenance and Repairs
DNP	Do Not Pay
DO	Departmental Offices
DOE	Department of Energy
DOI	Department of the Interior
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DRA	Disaster-Related Appropriations
DWADR	Disbursement-Weighted Average Discount Rate
DWOP	Deepwater Operating Plan

E

ED	Department of Education
eERDMS	email Enterprise Records and Document Management System

(Continued)

EFT	Electronic Funds Transfer
EIA	Energy Information Administration
EO	Executive Order
ERP	Enterprise Resource Planning
EXPLORE	Expanding Public Lands Outdoor Recreation Experiences

F

FACE	Family and Child Education
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FAST	Federal Account Symbols and Titles
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
FERS-FRAE	Federal Employees Retirement System-Further Revised Annuity Employees
FERS-RAE	Revised Annuity Plan
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*
FOIA	*Freedom of Information Act*
FPI	Federal Program Identifiers
FPL	Foundation for America's Public Lands
FR	The Financial Report of the U.S. Government
FRDAA	*Fraud Reduction and Data Analytics Act of 2015*
FWS	U.S. Fish and Wildlife Service
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GAOA	*Great American Outdoors Act*
GAOA LRF	*Great American Outdoors Act Legacy Restoration Fund*
GDP	Gross Domestic Product
G-Invoicing	Government-Invoicing
G-PP&E	General Property, Plant and Equipment
GMRA	*Government Management Reform Act of 1994*
GOMESA	*Gulf of Mexico Energy Security Act*
GONE	*Grants Oversight and New Efficiency Act*
GPRA	*Government Performance and Results Act*
GRTU-PP&E	General and right-to-use Property, Plant and Equipment
GS	GrantSolutions
GSA	General Services Administration
GSDM	Governmentwide Spending Data Model
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System

H

HHS	Department of Health and Human Services
HPF	Historic Preservation Fund

(Continued)

I

IA	Indian Affairs
IBC	Interior Business Center
IIJA	*Infrastructure Investment and Jobs Act*
IIM	Individual Indian Monies
IMT	Information Management and Technology
IT	Information Technology
IV&V	Independent Verification and Validation

L

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

M

M&I	Municipal and Industrial
Mbbl	One Thousand Barrels
Mcf	One Thousand Cubic Feet
MD&A	Management's Discussion and Analysis
MFA	Multi-factor Authentication
MLA	Mineral Leasing Act of 1920
MMA	Marine Minerals Administration
MMcf	One Million Cubic Feet
MMU	Missing and Murdered Unit
MNM	Marine National Monuments
MW	Material Weakness

N

NFR	Notice of Findings and Recommendations
NFWF	National Fish and Wildlife Foundation
NPF	National Park Foundation
NPS	National Park Service
NRDAR	Natural Resource Damage Assessment and Restoration Fund
NWR	National Wildlife Refuge

O

OAS	Office of Aviation Services
OBBBA	One Big Beautiful Bill Act
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
OIIA	Office of Insular and International Affairs
OLES	Office of Law Enforcement and Security
OMB	Office of Management and Budget
ONRR	Office of Natural Resources Revenue
OPM	Office of Personnel Management
OSM	Office of Surface Mining Reclamation and Enforcement
OST	Office of the Special Trustee
OWF	Office of Wildland Fire

P

PADD	Petroleum Administration for Defense Districts
PAL	Program Access List
PAR	Performance Accountability Report
PFM	Office of Financial Management
PFU	Program Fraud Unit

(Continued)

PI/LSI	Possessory Interest to Leasehold Surrender Interest
PIIA	*Payment Integrity Information Act of 2019*
P.L.	Public Law
PMB	Office of Policy, Management and Budget
PPA	*Prompt Payment Act of 2002*
PP&E	Property, Plant and Equipment

Q

Q	Quarter

R

R&D	Research and Development
RCM	Risk and Control Matrices
ROW	Rights of Way
RSI	Required Supplementary Information
RTU	Right-to-use

S

SBR	Statement of Budgetary Resources
SCA	Statement of Custodial Activity
SCNP	Statement of Changes in Net Position
SER	Single Effective Rate
SFFAS	Statement of Federal Financial Accounting Standard
SI	Super Intelligence
SL	Stewardship Land
SMCRA	*Surface Mining Control and Reclamation Act of 1977*
SNC	Statement of Net Cost
SO	Secretary's Order
SOL	Officer of Solicitor

T

TIC	Trusted Internet Connections
TIN	Taxpayer Identification Number
Treasury	U.S. Department of the Treasury
TSP	Thrift Savings Plan

U

UAS	Unmanned Aircraft Systems
UFC	Ultimate Fighting Championship
UMWA	United Mine Workers of America
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USBR	Bureau of Reclamation
U.S.C.	U.S. Code
USDA	U.S. Department of Agriculture
USFS	U.S. Forest Service
USGS	U.S. Geological Survey
USPP	U.S. Park Police
USWFS	U.S. Wildland Fire Service

W

WMD	Wetland Management District

X

XSIAM	Extended Security Intelligence and Automation Management

Z

ZT	Zero Trust

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Agency_Financial_Report@ios.doi.gov

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Photo by Andrew King

Acknowledgments

This AFR was produced with the energies and talents of Interior staff.
To all the dedicated individuals listed below, and countless others, the Office of Financial Management would like to offer sincere thanks and acknowledgment.

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Accounting Services

We would also like to acknowledge KPMG for their objective review of the Agency's Financial Report and audit of the FY 2026 financial statements.

Creative Communications Branch

We offer special thanks to our graphic designers, Isabel Lee and Theodore (T.J.) Ravas within the Office of Facilities and Administrative Services.

Red Rock Canyon, Photos by Andrew King

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NEW YEAR'S EVE

On New Year's Eve 2025, as the nation welcomed 2026, the Washington Monument was illuminated with a large-scale projection and fireworks display that transformed it into the world's tallest birthday candle.

https://www.flickr.com/photos/usinterior/55019690930/







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