# Financial Section

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# United States Department of the Interior

Office of Inspector General
Washington, D.C. 20240

February 21, 2003

Memorandum

To: Commissioner, Bureau of Reclamation

From: Roger La Rouche Roger LaRoche
Assistant Inspector General for Audits

Subject: Independent Auditors' Report on the Bureau of Reclamation's Financial Statements for Fiscal Years 2002 and 2001 (No. 2003-I-0020)

We contracted with KPMG LLP, an independent certified public accounting firm, to audit the Bureau of Reclamation's (BOR) financial statements as of September 30, 2002 and for the year then ended. The contract required that KPMG conduct its audit in accordance with the Comptroller General of the United States of America's *Government Auditing Standards*, the Office of Management and Budget's Bulletin 01-02 *Audit Requirements for Federal Financial Statements*, and the General Accounting Office/President's Council on Integrity and Efficiency's *Financial Audit Manual*.

In its report (Attachment 1), KPMG issued an unqualified opinion on BOR's financial statements. KPMG identified seven reportable conditions related to the following internal control areas and financial operations: (1) land inventory, (2) security and internal controls over information technology systems, (3) construction-in-progress and structures and facilities accounts, (4) accrued liabilities, (5) revenue cut-off, (6) quality control program, and (7) accounting for intra-Departmental transactions. KPMG considers the reportable condition related to land inventory to be a material weakness. With regard to compliance with laws and regulations, KPMG found BOR noncompliant with portions of the Federal Financial Management Improvement Act (FFMIA). Specifically, BOR's financial management systems did not substantially comply with Federal financial management systems requirements and the Federal accounting standards.

In connection with the contract, we monitored the progress of the audit at key points, reviewed KPMG's report and selected related working papers, and inquired of its representatives. Our review, as differentiated from an audit in accordance with the *Government Audit Standards*, was not intended to enable us to express, and we do not express, an opinion on the BOR's financial statements, conclusions about the effectiveness of internal controls, conclusions on whether BOR's financial management systems substantially complied with the three requirements of FFMIA, or conclusions on compliance with laws and regulations. KPMG is responsible for the auditors' report and for the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply in all material respects with the *Government Auditing Standards*.

In the January 15, 2003 response to the draft report from the Commissioner, BOR, (Attachment 2) BOR concurred with Recommendations A through G. BOR did not concur that it was in noncompliance with the Federal Financial Management Improvement Act of 1996, specifically with the Federal accounting standards. However, BOR has implemented a plan to correct the deficiencies noted. Based on the response, all seven recommendations are considered resolved but not implemented. The seven recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

Section 5(a) of the Inspector General Act (5 U.S.C. App. 3) requires the Office of Inspector General to list this report in its semiannual report to the Congress.

Attachments

KPMG

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## Independent Auditors' Report

Commissioner of the United States Bureau of Reclamation and Inspector General
United States Department of the Interior:

We have audited the accompanying consolidated balance sheets of the U.S. Department of the Interior, Bureau of Reclamation (Reclamation) as of September 30, 2002 and 2001, the related consolidated statements of net costs for the years then ended, and the related consolidated statement of changes in net position, combined statement of budgetary resources, and consolidated statement of financing for the year ended September 30, 2002 (hereinafter referred to as the consolidated financial statements). The objective of our audits was to express an opinion on the fair presentation of these consolidated financial statements. In connection with our audits, we also considered Reclamation's internal control over financial reporting and tested Reclamation's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its consolidated financial statements.

**Summary**

As stated in our opinion on the consolidated financial statements, we concluded that Reclamation's consolidated financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the consolidated financial statements, the September 30, 2001 consolidated balance sheet, consolidated statement of net cost, and consolidated statement of changes in net position have been restated. Also, as discussed in Note 16 to the consolidated financial statements, Reclamation implemented a change in accounting principle related to accounting for budgetary activity for allocation transfers from other federal entities.

Our consideration of internal control over financial reporting resulted in the following conditions being identified as reportable conditions:

A. Reclamation needs improved controls over its land inventory;
B. Reclamation needs improved security and internal control over its information technology systems;
C. Reclamation needs improved controls over its construction-in-progress and structures and facilities accounts;
D. Reclamation needs improved controls over its accrued liabilities;
E. Reclamation needs improved controls over its revenue cut-off;
F. Reclamation needs an improved quality control program; and
G. Reclamation needs improved controls over its accounting for intradepartmental transactions.

We consider reportable condition A, above, to be a material weakness.

The results of our tests of compliance with certain provisions of laws and regulations, exclusive of the *Federal Financial Management Improvement Act of 1996* (FFMIA), disclosed no instances of noncompliance with laws and regulations that are required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States, or Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

The results of our tests of compliance with FFMIA disclosed instances where Reclamation's financial management systems did not substantially comply with federal financial systems requirements and the federal accounting standards.

The following sections discuss our opinion on Reclamation's consolidated financial statements, our consideration of Reclamation's internal control over financial reporting, our tests of Reclamation's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Reclamation as of September 30, 2002 and 2001, the related consolidated statements of net costs for the years then ended, and the related consolidated statement of changes in net position, combined statement of budgetary resources, and consolidated statement of financing for the year ended September 30, 2002.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Reclamation as of September 30, 2002 and 2001, its net costs for the years then ended, and its changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations for the year ended September 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the consolidated financial statements, the September 30, 2001 consolidated balance sheet, consolidated statement of net cost, and consolidated statement of changes in net position have been restated. Also, as discussed in Note 16 to the consolidated financial statements, Reclamation implemented a change in accounting principle related to accounting for budgetary activity for allocation transfers from other federal entities.

The information in the Management Discussion and Analysis, Required Supplementary Stewardship Information, and Required Supplementary Information sections is not a required part of the consolidated financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information, and accordingly, we express no opinion on it.

**Internal Control over Financial Reporting**

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Reclamation's ability to record, process, summarize, and report financial data consistent with the assertions by management in the consolidated financial statements.

Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the consolidated financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

In our fiscal year 2002 audit, we noted the matters below involving internal control over financial reporting and its operation that we consider to be reportable conditions. We believe that the reportable condition A is a material weakness.

**A. Reclamation needs improved controls over its land inventory**

***Condition***

Reclamation's fiscal year 2000 consolidated financial statement audit identified a weakness wherein Reclamation did not have a complete and accurate inventory system to support its $1.9 billion of land and land rights reported in the consolidated financial statements as a component of general property, plant, and equipment. The weakness occurred because Reclamation had not established adequate procedures for maintaining an accurate inventory of land and land rights and for reconciling its subsidiary records with its financial accounting system. Reclamation's financial accounting system support for land and land rights costs is detailed in a cost summary report that did not reconcile with subsidiary records, including individual project plat book maps, which contain data from individual land purchase contracts.

In response to the fiscal year 2000 consolidated financial statement audit finding, Reclamation recognized the need for supporting records and issued a five-year action plan to develop a complete and accurate land inventory that supported the financial accounting system, issued interim guidelines and procedures for reconciling land records, and developed a schedule for completing the reconciliation within the five-year plan period. During fiscal year 2002, Reclamation issued a Reclamation Manual Supplement to provide policies and procedures for the valuation of land and land rights. Also during fiscal year 2002, Reclamation completed and issued the Land Verification and Reconciliation Process Handbook, which provides procedures for verifying and reconciling land and land right balances, and has performed oversight reviews at each of the regional offices on the progress of the reconciliation project. As of September 30, 2002, Reclamation believes that it will complete the plan within the five-year plan period.

***Recommendation***

We recommend that the Commissioner, Bureau of Reclamation:

1. Complete the reconciliation of the financial accounting system support for lands and land rights costs with the subsidiary records, including individual project plat book maps, which contain data from individual land purchase contracts.

2. Include a material land inventory system internal control weakness in Reclamation's Federal Managers' Financial Integrity Act (FMFIA) report to the Department of the Interior until resolved.


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***Management Response***

A.1. Concur. Reclamation will continue the reconciliation of the financial accounting system support for lands and land rights costs with subsidiary records, including individual project plat book maps in accordance with the 5-year corrective action plan. As of September 30, 2002, approximately 40 percent of the projects were reconciled.

The responsible official is the Director, Operations. The target date for completing the reconciliation is September 30, 2005.

A.2. Concur. Reclamation included the land inventory material weakness in Reclamation's Annual Assurance Statements on Management Controls for fiscal years 2000 through 2002, and will continue to report this weakness until all corrective actions are implemented.

The responsible official is the Director, Management Services. This material weakness will be reported each year until it is resolved.

**B. Reclamation needs improved security and internal control over its information technology systems**

***Condition***

Reclamation has made significant progress during the year by implementing and enhancing controls in several areas of information technology (IT) security and governance, including security programs, service continuity, application development, and logical access controls. However, certain IT security and controls over Reclamation's financial management systems have not been fully implemented, and controls need to be improved in the areas described below, as required by OMB Circular A-130, *Management of Federal Information Resources.* These conditions could affect Reclamation's ability to prevent and detect unauthorized changes to financial information, control electronic access to sensitive information, and protect its information resources.

*Segregation of Duties*

Proper segregation of duties should be governed by policies, procedures, and organizational structure to ensure that one individual cannot control key aspects of computer-related operations, and thereby conduct unauthorized actions or gain unauthorized access to assets or records. Reclamation has not fully addressed or maintained appropriate segregation of duties in certain aspects of computer-related operations.

*Access Controls*

Access controls should provide reasonable assurance that computer resources (data files, application programs, and computer-related facilities and equipment) are protected against unauthorized modification, disclosure, loss, or impairment. The objectives of limiting access are to ensure that (1) users have only the access needed to perform their duties; (2) access to very sensitive resources, such as security software programs, is limited to very few individuals; (3) application security configuration settings are sufficient to provide reasonable assurance that access to applications through user log-on cannot be easily compromised; and (4) network security configurations are optimized to provide reasonable assurance that computer resources (data files, application programs, and computer-related facilities and equipment) are protected against unauthorized modification, disclosure, loss, or impairment. Technical and procedural access controls over Reclamation's network and certain financial applications have not been fully developed and implemented to minimize the risks of unauthorized access to network and systems.

***Recommendation***

We recommend that the Commissioner, Bureau of Reclamation:

1. Continue implementation of its formal action plan to improve the security and general controls over the financial management systems. This plan should address each of the areas discussed above.

***Management Response***

B.1. Concur. Reclamation will continue to implement its formal action plan to improve the security and general controls over financial management systems. Information technology security and internal control items identified in this audit will be added to and tracked in this action plan.

The responsible manager is the Chief Information Officer. September 30, 2003 is the target date for addressing the financial system segregation of duties and access control issues identified in this audit.

**C. Reclamation needs improved controls over its construction-in-progress and structures and facilities accounts**

***Condition***

Reclamation did not sufficiently implement internal controls to ensure that the general ledger control account for construction-in-progress (CIP) was accurate. During our audit, we noted that the CIP account included costs that should have been expensed as incurred, and excluded other costs that should have been capitalized, which resulted in an understatement of CIP. These errors also impacted the structures and facilities accounts, which are also reported in the consolidated financial statements as part of general property, plant, and equipment, since CIP costs are transferred to structures and facilities upon completion of a project.

In Reclamation's fiscal year 2000 audit, the Office of Inspector General (OIG) reported a material weakness and a reportable condition related to Reclamation's CIP account. Despite new policies and procedures established in response to the OIG finding, a reportable condition was reported in Reclamation's fiscal year 2001 audit report as Reclamation continued to include in the CIP account $21.2 million in assets that should have been expensed as incurred.

During fiscal year 2002, Reclamation continued the implementation of its policies and procedures to identify substantially complete CIP projects for timely transfer to the structures and facilities accounts. However, we found that of Reclamation's five regions, one region continued to include $56.4 million in the CIP and structures and facilities account that should have been expensed, a portion of which should have been transferred to another federal entity, and improperly tracked contributions from other entities as an offset to CIP, resulting in a $10.8 million understatement. Another region improperly netted $29.8 million in costs against the CIP and structures and facilities accounts, thereby, reducing the balance, and another region did not record CIP of $19.1 million. We also noted that the regions did not consistently utilize the forms for transfer from CIP to structures and facilities, as required by Reclamation policy. Reclamation reviewed the account balances and transactions and made the necessary adjustments.

### *Recommendation*

We recommend that the Commissioner, Bureau of Reclamation:

1. Implement and follow existing Reclamation policies and procedures, including regional quality control procedures, to ensure that the CIP and structures and facilities accounts only include costs for items meeting the definition of capitalizable general property, plant, and equipment, and that costs which should be expensed are reported as such in the proper accounting periods.

### *Management Response*

C.1. Concur. Reclamation will implement and emphasize the need to adhere to Reclamation policies and procedures, including improving regional quality controls over the construction-in-progress processes, to ensure that the construction-in-progress account only includes costs meeting the definition of captializable general property, plant, and equipment, and that costs that should be expenses are reported in the proper accounting period in accordance with the guidance provided in the Reclamation Manual Supplement.

The responsible official is the Director, Operations. The target date for implementing this recommendation is June 30, 2003.

## D. Reclamation needs improved controls over its accrued liabilities

### *Condition*

Reclamation did not sufficiently implement internal controls to ensure that the general ledger control accounts for accrued liabilities were complete and accurate. In response to the prior year reportable condition on controls over accrued liabilities, Reclamation has taken many steps to improve the process to ensure complete and accurate accrued liabilities. Reclamation has conducted regional training on the nature of accruals and the accounting requirements necessary to account for them. Reclamation has also created a standard form to facilitate the reporting of the accruals by the regional offices. The form, if properly completed, facilitates documentation of the necessary information and support. Finally, Reclamation developed procedures and provided them to the regional offices for reporting accruals.

Although these steps are appropriate, they are not sufficient to ensure that the accruals are complete and accurate. During Reclamation's fiscal year 2002 consolidated financial statement audit, we noted exceptions related to improper or incomplete accruals at each regional office. Issues that were identified included: (1) necessary accruals not made in the current fiscal year; (2) necessary accruals not made in prior fiscal years; and (3) improper accruals made for balances relating to subsequent fiscal years. These issues resulted in misstatements of $16.6 million. Improved coordination with the program organization is considered essential, as the program personnel are the most knowledgeable on the status of the current contracts.

We also noted through our testing that supporting documentation for the accrual could be improved. We noted inconsistencies between regional offices in estimating accruals as some were calling vendors and others did trend analysis. While both methods provide acceptable estimates, consistency is important when estimating accrued liabilities.

Additionally, during our testing of employee benefit accruals, we noted the accrued annual leave was understated by approximately $9 million in fiscal year 2002. The understatement related to inadequate accrual calculations for annual leave associated with the working capital fund. Reclamation reviewed the account balances and transactions and made the necessary adjustments.

***Recommendation***

We recommend that the Commissioner, Bureau of Reclamation:

1. Implement additional controls to ensure that accruals are complete, exist, are accurately recorded, and are adequately supported by documentation.
2. Implement oversight procedures to ensure compliance with current Reclamation policies and procedures to improve coordination within Reclamation's finance and program organizations.
3. Improve Reclamation's policies and procedures for accruals to specify additional procedures necessary to ensure complete and accurate accruals.

***Management Response***

D.1. Concur. Reclamation will implement additional quality controls to ensure the completeness, existence, and accuracy of accruals. To improve the complete and accurate reporting of accrued liabilities, Reclamation has formed a multi-disciplinary "Accrual Team" to identify and define the essential steps that need to be taken to improve the accrual process.

The responsible official is the Director, Operations. The target date for developing additional quality controls is April 30, 2003. The target date for implementing the additional quality controls is September 30, 2003.

D.2. Concur. Reclamation will implement oversight procedures to ensure compliance with current Reclamation policies and procedures. Reclamation will analyze and modify, as necessary, its current post-closing automated program to test disbursements made subsequent to year-end, for which a liability had not been recorded.

The responsible official is the Director, Management Services. The target date for developing additional oversight procedures is April 30, 2003. The target date for implementing oversight procedures is September 30, 2003.

D.3. Concur. Reclamation will improve its policies and procedures for accruals to specify additional procedures, as necessary, to ensure complete and accurate accruals.

The responsible official is the Director, Management Services. The target date for implementing additional procedures is September 30, 2003.


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## E. Reclamation needs improved controls over its revenue cut-off

### *Condition*

Reclamation did not have sufficient internal controls to ensure that the general ledger control account for revenue was complete. During our audit, we noted that Reclamation made entries in fiscal year 2003 for $9.7 million of revenue that should have been made for fiscal year 2002. These errors are a result of insufficient regional quality control reviews and management oversight. Reclamation reviewed the account balances and transactions and made the necessary adjustments.

### *Recommendation*

We recommend that the Commissioner, Bureau of Reclamation:

1. Establish and implement sufficient internal controls, including regional quality control reviews and management oversight, to ensure that the revenue cut-off entries are complete.

### *Management Response*

E.1. Concur. Reclamation will implement sufficient internal controls, including regional quality control reviews and management oversight, to ensure the revenue cut-off entries are complete.

The responsible official is the Director, Operations and the Director, Management Services. The target date for developing additional revenue control procedures is April 30, 2003. The target date for implementing these procedures is September 30, 2003.

## F. Reclamation needs an improved quality control program

### *Condition*

Reclamation's fiscal year 2001 consolidated financial statement audit identified a control weakness wherein Reclamation did not have a sufficient quality control program to ensure that Reclamation Manual Supplements were completely and consistently implemented by the regional offices. Reclamation Manual Supplements establish accounting policies and procedures based on authoritative criteria, and are created by the Finance and Accounting Division, of the Management Services Office of Reclamation. However, the Finance and Accounting Division did not have procedures to ensure that the Reclamation Manual Supplements were fully and consistently implemented.

During fiscal year 2002, in response to the fiscal year 2001 consolidated financial statement audit finding, the Finance and Accounting Division started making compliance reviews of the regional office's progress on the land inventory reconciliation discussed in reportable condition A. Additionally, Reclamation has developed a plan for implementation of additional reviews and other procedures to be completed by the Finance and Accounting Division to address this weakness during fiscal year 2003.

***Recommendation***

We recommend that the Commissioner, Bureau of Reclamation:

1. Continue to implement a practice whereby Reclamation's policymaking body has authority to ensure compliance with the Reclamation Manual Supplements among the regions.

2. Continue to establish procedures to address the completeness, accuracy, and consistency of implementation of Reclamation Manual Supplements among the various regional offices.

***Management Response***

F.1. Complied. Reclamation's Finance and Accounting Division was authorized and delegated responsibility for the financial oversight function in fiscal year 2002. Reclamation developed a Financial Management Plan that provides a process for continuously improving the accountability, efficiency, and effectiveness of Reclamation's financial processes and has among its objectives ensuring financial policy is developed, implemented, and applied consistently.

F.2. Concur. A draft Financial Oversight Plan was developed in fiscal year 2002 and will be finalized in fiscal year 2003. The Financial Oversight Plan establishes a process to evaluate the effectiveness of internal controls for financial management, the reliability and validity of Reclamation's financial information, and implementation of Reclamation Manual Supplements. Fiscal year 2002 improvements included a review of the land inventory reconciliation process, quarterly variance analyses of general ledger accounts, and reviews of construction-in-progress, investigations and development, accruals, undelivered orders, and allowance for doubtful accounts.

The responsible official is the Director, Management Services. The target date for finalizing the Financial Oversight Plan is April 30, 2003. The target date for implementing the Financial Oversight Plan is September 30, 2003.

**G. Reclamation needs improved controls over its accounting for intradepartmental transactions**

***Condition***

As part of its reporting process, Reclamation is required to reconcile intradepartmental transactions between other Department of the Interior bureaus (referred to as "trading partners"). As of November 5, 2002, Reclamation had differences with other Department of the Interior bureaus totaling $81.4 million. Reclamation made correcting entries to its consolidated financial statements for $30.7 million subsequent to November 5, 2002 to reconcile with other bureaus. Differences within Reclamation accounts and with trading partners indicate misstatements in financial reporting at both the bureau and department levels.



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Differences within Reclamation accounts and between trading partners are currently identified through a manual process, which includes entering transaction data into the Department of the Interior's financial reporting system (Hyperion). This information is accessible by all Department of the Interior bureaus. Although the information is entered into Hyperion throughout the year, differences are not reconciled and resolved in a timely manner, with the majority of reconciliations occurring at year-end and requiring a significant amount of accounting staff resources. As timelines for financial reporting continue to be expedited, manual processes and lack of accurate and timely trading partner data may impact Reclamation's ability to prepare reliable consolidated financial statements in a timely manner.

During the year, Reclamation has devoted additional resources to identify and correct out of balance intragovernment differences, and it has improved its processes to standardize the data provided to other bureaus, provide detail more frequently, and request more information as needed from other bureaus. However, the process continues to be informal, manual, and dependent on the cooperation of other agencies.

***Recommendation***

We recommend that the Commissioner, Bureau of Reclamation:

1. In conjunction with the Department and other Department of the Interior bureaus, should automate the process to reconcile and correct differences in intrabureau and trading partner transactions. The process should be governed by formal policies and procedures.

2. Until formal and automated processes are implemented, Reclamation should continue to improve its manual process to reconcile and resolve differences. The reconciliation process should be completed quarterly and include procedures to resolve and record differences in a timely manner.

***Management Response***

G.1. Concur. Subject to the Department's guidance and direction. Reclamation will participate in the Department's efforts to automate the process for accounting for intra-departmental transactions and to develop formal policies and procedures for reconciling and correcting intrabureau and trading partner variances.

The responsible official is the Director, Management Services. The target date is subject to the Department's timeframes for developing and implementing an automated process and formal policies and procedures for accounting for intradepartmental transactions.

G.2. Concur. Reclamation will continue to improve the process for reconciling and resolving intradepartmental differences.

The responsible official is the Director, Management Services. The target date for implementing an improved process is April 30, 2003.

A summary of the status of prior year reportable conditions is included as Exhibit I. We also noted other matters involving internal control over financial reporting and its operation that we have reported to the management of Reclamation in a separate letter dated December 6, 2002.

## Compliance with Laws and Regulations

Our tests of compliance with certain laws and regulations, as described in the Responsibilities section of this report, exclusive of the FFMIA, disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 01-02.

The results of our tests of the FFMIA disclosed instances in which Reclamation's financial management systems did not substantially comply with the federal financial management systems requirements and with the federal accounting standards, and are described below.

***Condition***

Reclamation is not in compliance with OMB Circular A-130, *Management of Federal Information Resources*. As discussed in reportable condition B above, we noted weaknesses in Reclamation's computer security controls, including segregation of duties, access controls, and network security.

***Recommendation***

Our recommendations are addressed in the reportable condition discussed in the Internal Control over Financial Reporting section of our report.

***Condition***

Reclamation is required to prepare its consolidated financial statements in accordance with federal accounting standards. As discussed in reportable condition A above, we identified material weaknesses that affected Reclamation's ability to prepare its consolidated financial statements and related disclosures in accordance with federal accounting standards. Specifically, we determined that Reclamation needs improved controls over its land inventory.

***Recommendation***

Our recommendations are addressed in the reportable condition discussed in the Internal Control over Financial Reporting section of our report.

The results of our tests of FFMIA disclosed no instances in which Reclamation's financial management systems did not substantially comply with the United States Standard General Ledger at the transaction level.

## Responsibilities

***Management's Responsibilities***

The *Government Management Reform Act of 1994* (GMRA) requires each federal agency to report annually to Congress on its financial status and any other information needed to fairly present its financial position and results of operations. To assist the Department of the Interior in meeting the GMRA reporting requirements, Reclamation prepares annual consolidated financial statements.

Management is responsible for:

- Preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America;
- Establishing and maintaining internal controls over financial reporting, and preparation of the Management's Discussion and Analysis (including the performance measures), required supplementary information, and required supplementary stewardship information; and
- Complying with laws and regulations, including FFMIA.



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In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies. Because of inherent limitations in internal control, misstatements, due to error or fraud, may nevertheless occur and not be detected.

**Auditors' Responsibilities**

Our responsibility is to express an opinion on the consolidated financial statements of Reclamation based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* and OMB Bulletin No. 01-02. Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In planning and performing our fiscal year 2002 audit, we considered Reclamation's internal control over financial reporting by obtaining an understanding of Reclamation's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02 and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. The objective of our audit was not to provide assurance on internal control over financial reporting. Consequently, we do not provide an opinion thereon.

As required by OMB Bulletin No. 01-02, we considered Reclamation's internal control over required supplementary stewardship information by obtaining an understanding of Reclamation's internal control, determining whether these internal controls had been placed in operation, assessing control risk, and performing tests of controls. Our procedures were not designed to provide assurance on internal control over required supplementary stewardship information, and accordingly, we do not provide an opinion thereon.

As further required by OMB Bulletin No. 01-02, with respect to internal control related to performance measures determined by management to be key and reported in the Management Discussion and Analysis, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions. Our procedures were not designed to provide assurance on internal control over performance measures, and accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether Reclamation's fiscal year 2002 consolidated financial statements are free of material misstatement, we performed tests of Reclamation's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 01-02, including certain provisions referred to in FFMIA. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws and regulations applicable to Reclamation. Providing an opinion on compliance with laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

Under OMB Bulletin No. 01-02 and FFMIA, we are required to report whether Reclamation's financial management systems substantially comply with (1) federal financial management systems requirements, (2) applicable federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA Section 803(a) requirements.

**Distribution**

This report is intended for the information and use of Reclamation's management, Department of the Interior's Office of the Inspector General, OMB, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 11, 2003

**U.S. Department of the Interior – Bureau of Reclamation**
**Summary of the Status of Fiscal Year 2001 Findings and Recommendations**
**As of September 30, 2002**

| Ref | Condition Area | Status |
|---|---|---|
| A | Reclamation needs improved security and internal control over its information technology systems. | Reclamation has made significant progress in addressing this condition and as a result, although the condition is repeated in FY 2002, it is no longer considered a material weakness. |
| B | Reclamation needs improved controls over its land inventory. | Reclamation is in the second year of implementing a five-year corrective action plan, which is scheduled for completion in FY 2005. As a result, this condition has not been corrected and is considered a repeat condition in FY 2002. |
| C | Reclamation needs improved controls over its construction-in-progress. | This condition has not been corrected and is repeated in FY 2002. |
| D | Reclamation needs improved controls over accounting for investigations and development costs. | This condition has been corrected. |
| E | Reclamation needs an improved financial reporting process related to its allowance for doubtful loans receivable account. | This condition has been corrected. |
| F | Reclamation needs improved controls over its allowance for doubtful accounts receivable account. | This condition has been corrected. |
| G | Reclamation needs improved controls over its accrued liabilities. | This condition has not been corrected and is repeated in FY 2002. |

| Ref | Condition Area | Status |
|---|---|---|
| H | Reclamation needs improved controls over trust revenue recognition. | This condition has been corrected. |
| I | Reclamation needs an improved quality control program. | In response to the FY 2001 finding, Reclamation set a target date of September 30, 2003 for implementation of its oversight program. As a result, this condition has not been corrected and is repeated in FY 2002. |
| J | Reclamation needs improved controls over its accounting for undelivered orders. | This condition has been corrected. |



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**ATTACHMENT 2**

# United States Department of the Interior

BUREAU OF RECLAMATION
PO Box 25007
Denver, Colorado 80225-0007

IN REPLY REFER TO:
D-5600
ADM-1.00

JAN 15 2003

MEMORANDUM

To: Office of the Inspector General
Attention: Assistant Inspector General for Audits

From: John W. Keys, III
Commissioner, Bureau of Reclamation

John W. Keys, III

Subject: Response to Draft Independent Auditors' Report on the Bureau of Reclamation's Financial Statements for Fiscal Years 2002 and 2001

We appreciate the opportunity to review and comment on the draft report titled Independent Auditors' Report on the Bureau of Reclamation's Financial Statements for Fiscal Years 2002 and 2001. Enclosed for your consideration is Reclamation's response to the recommendations as stated in the report.

Overall, we concur with the findings and recommendations and have provided information on planned corrective actions. However, Reclamation disagrees with KPMG's finding that Reclamation did not substantially comply with Federal accounting standards as required by the Federal Financial Management Improvement Act (FFMIA). Reclamation believes that it is in substantial compliance with accounting standards as required by FFMIA and in accordance with guidance provided in the Office of Management and Budget (OMB) Memorandum, Revised Implementation Guidance for the Federal Financial Management Improvement Act, dated January 4, 2001. Specifically, Reclamation prepares its financial statements in compliance with OMB's Form and Content Bulletin (OMB 01-09) and the financial information used for internal management is accurate and consistent with Federal accounting standards.

If you have any questions or require additional information, please contact Reclamation's Audit Liaison Officer, Sandie Simons, at (303) 445-2902.

Attachment

cc: Assistant Secretary - Water and Science
Attention: Olivia Ferriter
w/attachment

A Century of Water for the West
1902-2002

Bureau of Reclamation
KPMG, LLP Draft Audit Report
Response to Audit Report Recommendations
January 2003

Recommendation A.1

Complete the reconciliation of the financial accounting system support for land and land rights costs with the subsidiary records, including individual project plat book maps, which contain data from individual land purchase contracts.

Response

Concur. Reclamation will continue the reconciliation of the financial accounting system support for lands and land rights costs with subsidiary records, including individual project plat book maps in accordance with the 5-year corrective action plan. As of September 30, 2002, approximately 40 percent of the projects were reconciled.

The responsible official is the Director, Operations. The target date for completing the reconciliation is September 30, 2005.

Recommendation A.2

Include a material land inventory system internal control weakness in Reclamation's Federal Managers' Financial Integrity Act (FMFIA) report to the Department of the Interior until resolved.

Response

Concur. Reclamation included the land inventory material weakness in Reclamation's Annual Assurance Statements on Management Controls for fiscal years 2000 through 2002, and will continue to report this weakness until all corrective actions are implemented.

The responsible official is the Director, Management Services. This material weakness will be reported each year until it is resolved.

Recommendation B.1

Continue implementation of its formal action plan to improve the security and general controls over the financial management systems. This plan should address each of the areas discussed above.

Response

Concur. Reclamation will continue to implement its formal action plan to improve the security and general controls over financial management systems. Information technology security and internal control items identified in this audit will be added to and tracked in this action plan.

The responsible manager is the Chief Information Officer. September 30, 2003, is the target date for addressing the financial system segregation of duties and access control issues identified in this audit.

Recommendation C.1

Implement and follow existing Reclamation policies and procedures, including regional quality control procedures, to ensure that the CIP and structures and facilities accounts only include costs for items meeting the definition of capitalizable general property, plant, and equipment, and that costs which should be expensed are reported as such in the proper accounting periods.

Response

Concur. Reclamation will implement and emphasize the need to adhere to Reclamation policies and procedures, including improving regional quality controls over the construction-in-progress processes, to ensure that the construction-in-progress account only includes costs meeting the definition of capitalizable general property, plant, and equipment, and that costs that should be expensed are reported in the proper accounting period in accordance with the guidance provided in the Reclamation Manual Supplement.

The responsible official is the Director, Operations. The target date for implementing this recommendation is June 30, 2003.

Recommendation D.1

Implement additional controls to ensure that accruals are complete, exist, are accurately recorded, and are adequately supported by documentation.

Response

Concur. Reclamation will implement additional quality controls to ensure the completeness, existence, and accuracy of accruals. To improve the complete and accurate reporting of accrued liabilities, Reclamation has formed a multi-disciplinary "Accrual Team" to identify and define the essential steps that need to be taken to improve the accrual process.

The responsible official is the Director, Operations. The target date for developing additional quality controls is April 30, 2003. The target date for implementing the additional quality controls is September 30, 2003.

Recommendation D.2

Implement oversight procedures to ensure compliance with current Reclamation policies and procedures to improve coordination within Reclamation's finance and program organizations.

Response

Concur. Reclamation will implement oversight procedures to ensure compliance with current Reclamation policies and procedures. Reclamation will analyze and modify, as necessary, its current post-closing automated program to test disbursements made subsequent to year-end, for which a liability had not been recorded.

The responsible official is the Director, Management Services. The target date for developing additional oversight procedures is April 30, 2003. The target date for implementing oversight procedures is September 30, 2003.

Recommendation D.3

Improve Reclamation's policy and procedures for accruals to specify additional procedures necessary to ensure complete and accurate accruals.

Response

Concur. Reclamation will improve its policies and procedures for accruals to specify additional procedures, as necessary, to ensure complete and accurate accruals.

The responsible official is the Director, Management Services. The target date for implementing additional procedures is September 30, 2003.

Recommendation E.1

Establish and implement sufficient internal controls, including regional quality control reviews and management oversight, to ensure that the revenue cut-off entries are complete.

Response

Concur. Reclamation will implement sufficient internal controls, including regional quality control reviews and management oversight, to ensure the revenue cut-off entries are complete.

The responsible officials are the Director, Operations and the Director, Management Services. The target date for developing additional revenue control procedures is April 30, 2003. The target date for implementing these procedures is September 30, 2003.

Recommendation F.1

Continue to implement a practice whereby Reclamation's policymaking body has authority to ensure compliance with the Reclamation Manual Supplements among the regions.

Response

Complied. Reclamation's Finance and Accounting Division was authorized and delegated responsibility for the financial oversight function in fiscal year 2002. Reclamation developed a Financial Management Plan that provides a process for continuously improving the accountability, efficiency, and effectiveness of Reclamation's financial processes and has among its objectives ensuring financial policy is developed, implemented, and applied consistently.

Recommendation F.2

Continue to establish procedures to address the completeness, accuracy, and consistency of implementation of Reclamation Manual Supplements among the various regional offices.

Response

Concur. A draft Financial Oversight Plan was developed in fiscal year 2002 and will be finalized in fiscal year 2003. The Financial Oversight Plan establishes a process to evaluate the effectiveness of internal controls for financial management, the reliability and validity of Reclamation's financial information, and implementation of Reclamation Manual Supplements. Fiscal year 2002 improvements included a review of the land inventory reconciliation process, quarterly variance analyses of general ledger accounts, and reviews of construction-in-progress, investigations and development, accruals, undelivered orders, and allowance for doubtful accounts.

The responsible official is the Director, Management Services. The target date for finalizing the Financial Oversight Plan is April 30, 2003. The target date for implementing the Financial Oversight Plan is September 30, 2003.

Recommendation G.1

In conjunction with the Department and other Department of the Interior bureaus, should automate the process to reconcile and correct differences in intrabureau and trading partner transactions. The process should be governed by formal policies and procedures.

Response

Concur, subject to the Department's guidance and direction. Reclamation will participate in the Department's efforts to automate the process for accounting for intra-departmental transactions and to develop formal policies and procedures for reconciling and correcting intra-bureau and trading partner variances.



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The responsible official is the Director, Management Services. The target date is subject to the Department's timeframes for developing and implementing an automated process and formal policies and procedures for accounting for intra-departmental transactions.

Recommendation G.2

Until formal and automated processes are implemented, Reclamation should continue to improve its manual process to reconcile and resolve differences. The reconciliation process should be completed quarterly and include procedures to resolve and record differences in a timely manner.

Response

Concur. Reclamation will continue to improve the process for reconciling and resolving intra-departmental differences.

The responsible official is the Director, Management Services. The target date for implementing an improved process is April 30, 2003.

Compliance with Laws and Regulations

Reclamation does not concur that its financial management systems do not substantially comply with Federal accounting standards as required by the Federal Financial Management Improvement Act (FFMIA). Reclamation asserts that its financial management systems are substantially in compliance with accounting standards as required by FFMIA. Specifically, Reclamation meets the FFMIA compliance requirements as provided in the Office of Management a Budget (OMB) Memorandum, "Revised Implementation Guidance for the Federal Financial Management Improvement Act," dated January 4, 2001. For example, Reclamation prepares financial statements in compliance with Form and Content of Agency Financial Statements, OMB Bulletin No. 01-09, and Reclamation's financial information produced for internal management is accurate and consistent with Federal accounting standards.

The OMB FFMIA Implementation Guidance recognizes three indicators of compliance with accounting standards, (1) receiving an unqualified opinion, which Reclamation has received, (2) producing managerial cost information consistent with Financial Accounting Standards Advisory Board Standard No. 4, which Reclamation has achieved, and (3) receiving an internal control audit report that disclosed no material weaknesses in internal controls that affect the agency's ability to prepare financial statements and related disclosures that are consistent with Federal accounting standards, budget reports, or other financial information for management decisionmaking purposes. KPMG's finding focuses primarily on Reclamation's land and land rights material internal control weakness as their basis for determination of non-compliance with accounting standards. Reclamation does not dispute the land inventory



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internal control weakness and has taken corrective action in accordance with a 5-year corrective action plan. However, Reclamation does not agree that the land inventory material weakness has significantly affected the ability to prepare financial statements and related disclosures that are consistent with Federal accounting standards, budget reports, or other financial information for management decisionmaking purposes. Taken as a whole, Reclamation's financial management systems provide financial information which is complete, accurate, reliable, and consistently in accordance with Federal accounting standards.

**U.S. Department of the Interior**
**Bureau of Reclamation**
**Consolidated Balance Sheet**
**As of September 30, 2002, and 2001**

| (In Thousands) | FY 2002 | FY 2001 (As Restated) |
|---|---|---|
| **ASSETS (Note 2)** | | |
| Intragovernmental Assets: | | |
| Fund Balance With Treasury (Note 3) | $ 4,307,839 | $ 3,926,743 |
| Advances and Prepayments | 19,307 | 15,247 |
| Accounts Receivable, Net (Note 4) | 329,123 | 211,846 |
| Total Intragovernmental Assets | 4,656,269 | 4,153,836 |
| Cash | 124 | 107 |
| Advances and Prepayments | 13,663 | 4,515 |
| Accounts Receivable, Net (Note 4) | 23,508 | 41,703 |
| Loans Receivable, Net (Note 5) | 150,630 | 140,968 |
| Other Assets, Net (Note 6) | 215,970 | 229,712 |
| Assets Constructed for Others (Note 7) | 110,968 | 110,295 |
| General Property, Plant, and Equipment, Net (Notes 8, 14) | 12,841,152 | 12,783,812 |
| Total Assets | $ 18,012,284 | $ 17,464,948 |
| **LIABILITIES (Notes 9, 14)** | | |
| Intragovernmental Liabilities: | | |
| Accounts Payable | $ 13,737 | $ 28,542 |
| Accrued Payroll Benefits | 20,487 | 17,716 |
| Debt (Note 10) | 96,674 | 85,331 |
| Judgment Fund Liability | 48,797 | 4,605 |
| Deferred Credits | 1,616 | 481 |
| Other Intragovernmental Liabilities | 9,334 | 5,248 |
| Total Intragovernmental Liabilities | 190,645 | 141,923 |
| Accounts Payable | 212,487 | 188,584 |
| Accrued Payroll and Benefits | 48,823 | 46,242 |
| Environmental Cleanup Costs and Other Contingent Liabilities (Note 11) | 115,856 | 30,664 |
| Actuarial Liability - Federal Employees Compensation Act | 83,377 | 93,729 |
| Deferred Credits | 166,691 | 165,461 |
| Other Liabilities | 111,971 | 102,568 |
| Total Liabilities | 929,850 | 769,171 |
| **NET POSITION (Note 14)** | | |
| Unexpended Appropriations | 338,509 | 168,397 |
| Cumulative Results of Operations | 16,743,925 | 16,527,380 |
| Total Net Position | 17,082,434 | 16,695,777 |
| Total Liabilities and Net Position | $ 18,012,284 | $ 17,464,948 |

The accompanying notes are an integral part of these statements.



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**U.S. Department of the Interior**
**Bureau of Reclamation**
**Consolidated Statement of Net Cost**
**For the Years Ended September 30, 2002, and 2001**

| (In Thousands) | FY 2002 | FY 2001 (As Restated) |
|---|---|---|
| **Water and Energy Management and Development:** | | |
| Segment Expenses | $ 624,581 | $ 856,793 |
| Segment Exchange Revenues | (340,850) | (514,418) |
| Segment Net Cost of Operations | 283,731 | 342,375 |
| **Land Management and Development**: | | |
| Segment Expenses | 35,561 | 34,701 |
| Segment Exchange Revenues | (886) | (1,015) |
| Segment Net Cost of Operations | 34,675 | 33,686 |
| **Fish and Wildlife Management and Development:** | | |
| Segment Expenses | 209,538 | 174,357 |
| Segment Exchange Revenues | (74,233) | (59,706) |
| Segment Net Cost of Operations | 135,305 | 114,651 |
| **Facilities Operations:** | | |
| Segment Expenses | 490,549 | 425,300 |
| Segment Exchange Revenues | (278,839) | (275,935) |
| Segment Net Cost of Operations | 211,710 | 149,365 |
| **Facilities Maintenance and Rehabilitation:** | | |
| Segment Expenses | 96,717 | 93,691 |
| Segment Exchange Revenues | (22,962) | (13,115) |
| Segment Net Cost of Operations | 73,755 | 80,576 |
| **Policy and Administration:** | | |
| Segment Expenses | 45,647 | 58,860 |
| Segment Exchange Revenues | – | – |
| Segment Net Cost of Operations | 45,647 | 58,860 |
| **Non-Program Activities:** | | |
| Segment Expenses | 57,441 | 60,344 |
| Segment Exchange Revenues | (52,306) | (36,368) |
| Segment Net Cost of Operations | 5,135 | 23,976 |
| **Total Expenses** | 1,560,034 | 1,704,046 |
| **Total Exchange Revenues** | (770,076) | (900,557) |
| **Total Net Cost of Operations (Notes 13, 14)** | $ 789,958 | $ 803,489 |

The accompanying notes are an integral part of these statements.

**U.S. Department of the Interior**
**Bureau of Reclamation**
**Consolidated Statement of Changes in Net Position**
**For the Year Ended September 30, 2002**

| (In Thousands) | Cumulative Results of Operations | Unexpended Appropriations |
|---|---|---|
| **Beginning Balances, As Restated (Note 14)** | $ 16,527,380 | $ 168,397 |
| **Budgetary Financing Sources:** | | |
| Appropriations Received, General Funds | – | 88,569 |
| Appropriations Transferred In/Out | – | 250,528 |
| Appropriations Used | 168,941 | (168,941) |
| Non-Exchange Revenue | 2,814 | – |
| Royalties and Other Revenue Transfers | 661,686 | – |
| Budgetary Transfers In/Out Without Reimbursement | 118,539 | – |
| Other Budgetary Financing Sources | – | (44) |
| **Other Financing Sources:** | | |
| Donations of Property | 42 | – |
| Other Transfers In/Out Without Reimbursement | (69,456) | – |
| Imputed Financing From Costs Absorbed by Others | 123,937 | – |
| **Total Financing Sources** | 1,006,503 | 170,112 |
| **Net Cost of Operations** | (789,958) | – |
| **Ending Balances** | $ 16,743,925 | $ 338,509 |

The accompanying notes are an integral part of these statements.

**U.S. Department of the Interior**
**Bureau of Reclamation**
**Combined Statement of Budgetary Resources**
**For the Year Ended September 30, 2002**

| (In Thousands) | Budgetary | Non-Budgetary Credit Program Financing Account |
|---|---|---|
| **Budgetary Resources:** | | |
| Budget Authority: | | |
| Appropriations Received | $ 950,384 | $ – |
| Borrowing Authority | – | 11,944 |
| Net Transfers, Current Year Authority | 251,590 | – |
| Unobligated Balance: | | |
| Beginning of Fiscal Year | 314,048 | – |
| Net Transfers, Unobligated Balance | 2,230 | – |
| Spending Authority From Offsetting Collections: | | |
| Earned: | | |
| Collected | 707,943 | (5,687) |
| Receivable From Federal Sources | (20,612) | – |
| Change in Unfilled Customer Orders: | | |
| Advance Received | (9,236) | – |
| Without Advance From Federal Sources | 6,624 | – |
| Recoveries of Prior Year Obligations | 51,073 | 195 |
| Permanently Not Available | (6,869) | (642) |
| Total Budgetary Resources | $ 2,247,175 | $ 5,810 |
| **Status of Budgetary Resources:** | | |
| Obligations Incurred: | | |
| Direct | $ 1,025,951 | $ 5,803 |
| Reimbursable | 704,234 | – |
| Total Obligations Incurred | 1,730,185 | 5,803 |
| Unobligated Balance: | | |
| Apportioned | 470,116 | 7 |
| Exempt From Apportionment | 46,874 | – |
| Total Status of Budgetary Resources | $ 2,247,175 | $ 5,810 |
| **Relationship of Obligations to Outlays:** | | |
| Obligations Incurred | $ 1,730,185 | $ 5,803 |
| Obligated Balance, Net, Beginning of Fiscal Year | 543,739 | 15,501 |
| Obligated Balance, Net, End of Fiscal Year: | | |
| Accounts Receivable | 39,114 | – |
| Unfilled Customer Orders From Federal Sources | 38,235 | – |
| Undelivered Orders | (432,867) | (8,941) |
| Accounts Payable | (262,758) | – |
| Less: Spending Authority Adjustments | (37,085) | (195) |
| Outlays: | | |
| Disbursements | 1,618,563 | 12,168 |
| Less: Offsetting Collections | (698,707) | 5,687 |
| Net Outlays Before Offsetting Receipts | 919,856 | 17,855 |
| Less: Offsetting Receipts | (1,143,348) | – |
| **Net Outlays** | $ (223,492) | $ 17,855 |

The accompanying notes are an integral part of these statements.

**U.S. Department of the Interior**
**Bureau of Reclamation**
**Consolidated Statement of Financing**
**For the Year Ended September 30, 2002**

(In Thousands)

| | | |
|---|---|---|
| **Resources Used to Finance Activities:** | | |
| Budgetary Resources Obligated: | | |
| Obligations Incurred | $ 1,735,988 | |
| Less: Spending Authority From Offsetting Collections and Adjustments | (730,301) | |
| Obligations Net of Offsetting Collections and Adjustments | 1,005,687 | |
| Less: Offsetting Receipts | (1,143,348) | |
| Net Obligations | (137,661) | |
| Other Resources: | | |
| Donations of Property | 42 | |
| Other Transfers In/Out Without Reimbursement | (69,456) | |
| Imputed Financing From Costs Absorbed by Others | 123,937 | |
| Net Other Resources Used to Finance Activities | 54,523 | |
| Total Resources Used to Finance Activities | | $ (83,138) |
| **Resources Used to Finance Items Not Part of the Net Cost of Operations:** | | |
| Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided | (44,377) | |
| Resources That Fund Expenses Recognized in Prior Periods | (29) | |
| Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations: | | |
| Offsetting Receipts Not Part of the Net Cost of Operations | 741,980 | |
| Resources That Finance the Acquisition of Assets | (236,584) | |
| Other Resources or Adjustments to Net Obligated Resources That Do Not Affect Net Cost of Operations | 47,408 | |
| Total Resources Used to Finance Items Not Part of the Net Cost of Operations | | 508,398 |
| Total Resources Used to Finance the Net Cost of Operations | | 425,260 |
| **Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period:** | | |
| Components Requiring or Generating Resources in Future Periods: | | |
| Increase (Decrease) in Annual Leave Liability | (716) | |
| Increase (Decrease) in Exchange Revenue Receivable From the Public | (514) | |
| Other | 141,971 | |
| Total Components of Net Cost of Operations That Will Require or Generate Resources in Future Periods | 140,741 | |
| Components Not Requiring or Generating Resources: | | |
| Depreciation and Amortization | 181,145 | |
| Revaluation of Assets | 1,474 | |
| Components of Net Cost of Operations Related to Transfer Accounts Where Budgetary Activity Is Reported by Other Federal Entities (Note 16) | 46,324 | |
| Other | (4,986) | |
| Total Components of Net Cost of Operations That Will Not Require or Generate Resources | 223,957 | |
| Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period | | 364,698 |
| **Net Cost of Operations** | | $ 789,958 |

The accompanying notes are an integral part of these statements.



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# U.S. Department of the Interior Bureau of Reclamation Notes to the Financial Statements for the Years Ended September 30, 2002, and 2001

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *A. Reporting Entity*

The U.S. Bureau of Reclamation (Reclamation) was created June 17, 1902, by the Reclamation Act (32 Statute [Stat.] 388), to reclaim the arid and semiarid lands in the Western United States and to provide economic stability in the newly annexed portion of the United States. Since 1902, Reclamation's mission has expanded to include such activities as providing water for municipal and industrial (M&I) uses, controlling floods, and supplying energy through the operation of hydroelectric generating facilities. Today, Reclamation's original mission has essentially been completed, and the agency is evolving to accommodate a redefined role. Its focus is shifting from building new structures to improving the management and environmental integrity of resources already developed. Reclamation is one of eight programmatic bureaus administratively housed within the U.S. Department of the Interior.

### *B. Basis of Accounting and Presentation*

These financial statements have been prepared to report the financial position, net cost of operations, changes in net position, budgetary resources, and reconciliation of net cost of operations to budgetary obligations of Reclamation as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. The financial statements have been prepared from Reclamation's books and records in accordance with the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin 01-09, dated September 25, 2001, as required for fiscal year (FY) 2002. Furthermore, the financial statements have been prepared in accordance with Reclamation's accounting policies that are summarized in this note.

The books are kept, and these financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP), as prescribed by the Federal Accounting Standards Advisory Board (FASAB), recognized by the American Institute of Certified Public Accountants (AICPA) as the entity to establish GAAP for the Federal Government under Rule 203 of the AICPA's Code of Professional Conduct. Transactions are recorded on an accrual accounting basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The accounts are maintained in accordance with the Department of Treasury's (Treasury) U.S. Standard General Ledger. Certain prior year balances have been reclassified to conform to current year financial statement presentation.

The financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so. Intragovernmental assets and liabilities arise from transactions with other Federal agencies.

The Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Financing are presented on a consolidated basis. Accordingly, all intrabureau transactions and balances have been eliminated. These transactions pertain to intrabureau use of Reclamation's Working Capital Fund, which provides support services and equipment for Reclamation programs and activities, as well as for other Federal agencies.

### *C. Budgets and Budgetary Accounting*

Reclamation receives the majority of its required funding to support its programs through appropriations authorized by the Congress. Additional FY 2002 budgetary resources have been provided by permanent authority, contributed funds, revolving funds, operation and maintenance (O&M) reimbursements from water users, and transfers from other agencies. These financial statements include all funds and accounts under the control of Reclamation except for allocation transfers from other Federal agency appropriations. These allocations are transferred to Reclamation under specific legislative authority and are not included in the Statement of Budgetary Resources. Effective for FY 2002, the budget activity for these transfers is reported by the transferring entity. Due to this change in accounting for allocation transfers, the beginning balance amounts on the Statement of

Budgetary Resources have been restated. This change reduced the Unobligated Balance, Beginning of Fiscal Year, by $9.6 million and also reduced the Obligated Balance, Net, Beginning of Fiscal Year, by $20.8 million.

Reclamation is responsible for administering or posting transactions to 44 separate Treasury symbols, excluding miscellaneous receipt accounts managed by Treasury. These funds fall into a variety of classes, including general appropriation, revolving (permanent), contributed funds, working capital, and special receipt accounts. Reclamation finances its activities from several sources: Treasury's General Fund, the Reclamation Fund, and contributed funds. The Reclamation Fund is a restricted, unavailable receipt fund into which a substantial portion of Reclamation's revenues (mostly repayment of capital investment costs) and deposits by other Federal agencies (mostly revenues from certain Federal mineral royalties and hydropower transmission) are made. No expenditures are made directly from the Reclamation Fund; a specific appropriation is required from the Congress to transfer funds out of the Reclamation Fund into expenditure funds. As of September 30, 2002, and 2001, the Reclamation Fund had a balance of $3.1 billion and $2.99 billion, respectively, included in the Fund Balance With Treasury on the Consolidated Balance Sheet.

To facilitate compliance with the reporting requirements of the Government Performance and Results Act (GPRA) of 1993, all funding for Reclamation is allocated to seven major program segments for budget and financial reporting purposes. Five of these major program segments are under the umbrella of Water and Related Resources (i.e., Water and Energy Management and Development, Land Management and Development, Fish and Wildlife Management and Development, Facilities Operations, and Facilities Maintenance and Rehabilitation). The Water and Energy Management and Development segment covers all aspects of decisionmaking processes, including water and energy resource management, utilization, and development of water supplies and energy resources, water conservation, and applied science and technology development. The Land Management and Development segment involves work related to land resource administration, recreation management, and legal compliance. The Fish and Wildlife Management and Development segment includes conservation, enhancement, and restoration of fish and wildlife populations and their habitats. The Facilities Operations segment includes operation of Reclamation projects. The Facilities Maintenance and Rehabilitation segment ensures the reliability and operational readiness of Reclamation's storage reservoirs, distribution systems, powerplants, recreation facilities, and other federally funded investments. The last two major program segments are Policy and Administration and Non-Program Activities. The Policy and Administration segment consists of the development of Reclamation policy and direction of daily operations. The Non-Program

Activities segment is primarily the Working Capital Fund and other incidental activities; the Working Capital Fund provides services for other segments within Reclamation.

### *D. Fund Balance With Treasury*

All Reclamation receipts and disbursements are processed by Treasury. The balance in Treasury represents all undisbursed balances in Reclamation's accounts, including funds awaiting disbursement for goods and services received. Also included in this balance are the Reclamation Fund and other unavailable (restricted) receipt funds.

### *E. Accounts Receivable*

Accounts receivable consist of net amounts owed to Reclamation by other Federal agencies (intragovernmental) and the public. Accounts receivable are stated net of an allowance for uncollectible accounts. The allowance is determined by reviewing accounts receivable aging reports to identify receivables that are considered uncollectible based on various factors, including age, past experience, present market and economic conditions, and characteristics of debtors.

### *F. Loans Receivable*

Reclamation operates loan programs which provide Federal assistance to non-Federal organizations for constructing or improving water resource projects in the West. Reclamation's loan programs are authorized under the Small Reclamation Projects Act of 1956 (Public Law [P.L.] 84-984), the Distribution System Loans Act (P.L. 84-130), and the Rehabilitation and Betterment Act (P.L. 81-335). The loan programs are classified into two major categories. The first category is Credit Reform loans, which are loans made after FY 1991 that have been accounted for under the provisions of the Credit Reform Act of 1990 (Credit Reform) (P.L. 101-508).

The second category is Other Loans, which pertains to those loans made prior to the requirements of Credit Reform and consist primarily of drought relief and repayment loans. The Other Loans receivable balances shown represent amounts due to Reclamation, net of an allowance for estimated uncollectible loan balances. The allowance is determined by reviewing a loans receivable aging report to identify loan balances that are considered uncollectible based on various factors, including age, past experience, present market and economic conditions, value of collateral to loan balance, and characteristics of debtors.


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Loan interest rates vary depending on the applicable legislation; and, 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.

**Credit Reform Loans**

Credit Reform required extensive changes in accounting for loans to the public. Prior to Credit Reform, funding for loans was provided by congressional appropriation from the general or special funds. Under Credit Reform, loans contain two components, the first of which is borrowed from Treasury. These Treasury borrowings, which will be repaid from loan repayments, are authorized by Credit Reform.

The second component represents the subsidized portion of the loan and is funded by a congressional appropriation. This component represents the estimated cost to the Federal Government resulting primarily from the difference between the loan interest rate and the Treasury interest rate, estimated defaults, and fees associated with making a loan.

## *G. Other Assets*

Other Assets consist primarily of costs for power rights. Net power rights represent the original cost less the accumulated amortization of the right or privilege to use the facilities of others or the right to future power generation or power revenues when such rights are not subject to early liquidation. Amortization is calculated by using the straight-line method over the contract life of the agreement.

Also included in this category are costs for preliminary Safety of Dam work studies that may lead to construction.

## *H. General Property, Plant, and Equipment*

General Property, Plant, and Equipment (PP&E) consists of that property which is used in Reclamation's operations. General PP&E includes the following categories: Structures and Facilities, Land, Construction in Abeyance, Construction in Progress, Investigations and Development, Equipment, Buildings, Information Technology Software, and Other General PP&E (which is comprised mainly of unique physical assets such as levee systems).

Structures and facilities, comprised primarily of Reclamation's investment in its multipurpose water facilities, are recorded at acquisition cost, net of accumulated depreciation. Costs include direct labor and materials, payments to contractors, and indirect charges for engineering, supervision, and overhead.  The costs for power and M&I water facilities also include capitalized interest during construction (IDC), charged according to authorizing legislation.

In general, structures and facilities are depreciated based on the composite service life of each project, using the straight-line method of depreciation.  The composite service life is based on the weighted-average estimated useful life of a project's components.  Project composite service lives range from 25 to 100 years.

In accordance with the Statement of Federal Financial Accounting Standards (SFFAS) No. 16, "Measurement and Reporting for Multiuse Heritage Assets," structures and facilities that are included on the National Register of Historic Places are considered multiuse heritage assets.  Reclamation's multiuse heritage assets are included in the balances presented here and are further discussed in the "Supplemental Section" under "Stewardship Assets."

The land balance is comprised of the acquisition cost of land and permanent land rights, as well as the costs of relocating the property of other parties and clearing the land in preparation for its intended use.  Lands which were withdrawn from the public domain do not have an acquisition cost and, accordingly, are not represented in this category.  Such lands are accounted for as stewardship land, discussed in the "Supplemental Section" under "Stewardship Assets."

In past years, Reclamation began the planning of, and construction on, various features included in 11 projects located in Arizona, California, Colorado, North and South Dakota, and Washington, for which activities have either been placed in abeyance or intended benefits have never been provided.  These projects were authorized to provide various benefits, among them irrigation, fish and wildlife conservation and enhancement, recreation, municipal water supplies, and flood control.  Until congressional disposition of these assets is determined, maintenance costs have been, and will continue to be, budgeted and expended to minimize the erosive effects of weather and time and to keep the assets ready for potential completion.

Investigations and development costs represent expended funds appropriated by the Congress for such activities as general engineering studies and surveys that are directly related to project construction.  Reclamation capitalizes investigation and development costs that are incurred after the decision is made to pursue construction or after construction authorization.  Reclamation's accounting treatment for investigation and development costs not related to project construction, incurred prior to the decision to pursue construction, or incurred before construction authorization results in these costs


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being expensed as incurred. Once the engineering studies and surveys are complete and structural construction begins, these costs are transferred from investigations and development to construction in progress.

Project costs are transferred from construction in progress to structures and facilities when a project or feature of a project is deemed to be substantially complete, is providing benefits and services for the intended purpose, and is generating project purpose revenue, where applicable. Until these three criteria are met, accumulated costs are retained in construction in progress.

Equipment is recorded at acquisition cost less depreciation which accumulates over its estimated useful life using the straight-line method. The estimated useful lives for calculating depreciation on equipment generally range from 5 to 20 years. The capitalization threshold is currently $15 thousand. All costs under the threshold are expensed as incurred. When equipment is transferred from one project to another, the transfer is made at the net book value of the property.

Buildings consist of houses, garages, and shops owned by Reclamation and used in power, irrigation, M&I, or multipurpose operations and are not included in structures and facilities of a specific project. Buildings are valued at acquisition cost and are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives for calculating depreciation on buildings ranges from 20 to 75 years.

The capitalization threshold for software is currently $100 thousand. Capitalized software includes commercial off-the-shelf (COTS) purchases, contractor-developed software, or internally developed software. For COTS software, the capitalized costs include the amount paid to the vendor for the software; and for contractor-developed software, it includes the amount paid to a contractor to design, program, install, and implement the software. Capitalized costs for internally developed software include the full cost (direct and indirect) incurred during the software development stage. The average estimated useful life for calculating amortization of software is 3.7 years.

### *I. Liabilities*

Liabilities represent the amount of monies or other resources that are likely to be paid by Reclamation as the result of a transaction or event that has already occurred. However, no liability can be paid by Reclamation unless budgetary resources are made available through an appropriation or other funding source. These statements also include liabilities for which an appropriation has not been enacted and, thus, are presented as liabilities not covered by budgetary resources, for there is no certainty that an appropriation will be enacted. Contingent liabilities are recorded in the accounting records when an event leading to the occurrence of a liability is probable, and a reasonable estimate of the potential liability is available. Contingent liabilities involving legal claims and assertions may be paid by Treasury's Judgment Fund. Dependent upon the nature of the claims, certain payments made by Treasury's Judgment Fund may be subject to repayment by Reclamation.

### *J. Accrued Leave*

Annual leave is accrued as earned, and sick leave is recorded when used. Annual and sick leave are funded as used through a surcharge assessment added to direct labor costs. An unfunded liability is recognized for earned but unused annual leave and will be paid from future appropriations when the leave is used in appropriated and available receipt funds.

### *K. Retirement and Other Benefits*

Reclamation employees belong to either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Reclamation and its employees contribute to these systems. Both are contributory pension plans. Although Reclamation funds a portion of pension benefits under CSRS and FERS relating to its employees and makes the necessary payroll withholdings from them, it does not report assets associated with these benefit plans. Such amounts are maintained and reported by the Office of Personnel Management. In accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government," Reclamation recorded the FY 2002 and FY 2001 estimated cost of pension and other future retirement benefits and the associated imputed financing sources which are paid by the Office of Personnel Management on its behalf.

The Department of Labor (DOL) administers the Workers' Compensation Program on behalf of the Federal Government, and all payments to Workers' Compensation Program beneficiaries are made by DOL. Reclamation has two types of liabilities related to workers' compensation. First, Reclamation records a liability to DOL for the amount of actual payments made by DOL but not yet reimbursed by Reclamation. Reclamation reimburses DOL for these payments as funds are appropriated for this purpose. There is generally a 2- to 3-year time period between payment by DOL and receipt of appropriations by Reclamation. Second, Reclamation records a liability for the estimated actuarial liability for future payments of workers' compensation benefits. This actuarial liability represents the present value of the total expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. This unfunded liability is recognized in accordance with SFFAS No. 4, "Managerial Cost Accounting: Concepts and Standards for the Federal Government."



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## *L. Revenues and Financing Sources*

**Exchange Revenues**

Exchange revenues earned by Reclamation are classified according to their appropriate GPRA responsibility segments and are presented on the Statement of Net Cost, in order to match these revenues with their associated costs. Primary examples of exchange revenues are those received from water and power sales, as well as revenue from services provided on a reimbursable basis to governmental and public entities. Exchange revenues are recognized at the time goods or services are provided.

In the case of certain water sales, customers advance funds to Reclamation for their share of the O&M costs pertaining to the facility delivering the water. Generally, a cost allocation process is used to allocate these O&M costs to water customers. As services are provided, revenue related to O&M reimbursements is recognized as these costs are allocated and transfers are made from advance accounts.

**Non-Exchange Revenues and Other Financing Sources**

Non-exchange revenues are presented as financing sources on the Statement of Changes in Net Position. Non-exchange revenues are inflows of resources, both monetary and non-monetary, that the Government demands by its sovereign power or receives by donation or transfer.

Royalties and other revenue transfers are considered financing sources to Reclamation and are presented on the Statement of Changes in Net Position in accordance with SFFAS No. 7, "Accounting for Revenue and Other Financing Sources." These items are accretions to the Reclamation Fund, received due to legislative requirement and for which no matching costs were incurred by Reclamation.

Appropriations used is the current period reduction of unexpended appropriations (component of net position), which is recognized as a financing source when goods and services are received and budgetary expenditures are recorded. This type of financing source is only recorded for activities which are funded by Treasury's General Fund, not those funded by other sources such as the Reclamation Fund, revolving, permanent, or special receipt funds.

Imputed financing sources are a type of non-exchange revenue recognized when operating costs of Reclamation are incurred by funds appropriated to other Federal agencies. For example, by law, certain costs of retirement programs are paid by the Office of Personnel Management, and certain legal judgments against Reclamation are paid from the Judgment Fund maintained by Treasury.


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When costs that are identifiable to Reclamation and directly attributable to Reclamation's operations are paid by other agencies, Reclamation recognizes these amounts as operating expenses of Reclamation. Generally, Reclamation is not obligated to repay these costs. Because some of these costs, namely interest during construction, are capitalized, the total imputed cost, included in the Statement of Net Cost and the Statement of Financing, will not equal the total imputed financing source as shown on the Statement of Changes in Net Position.

**Revenue From Recovery of Reimbursable Capital Costs**

To repay a portion of the Federal investment allocated to the construction of reimbursable irrigation and M&I water facilities, Reclamation enters into long-term repayment contracts and water service contracts with non-Federal (public) water users who receive benefits from these facilities in exchange for annual payments. Also, power marketing agencies enter into agreements with power users, on Reclamation's behalf, to recover capital investment costs allocated to power. 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) through a cost allocation process. 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 can be non-reimbursable. The typical repayment contract term is up to 40 years but may extend to 50 years or more if authorized by the Congress.

Unmatured repayment contracts are not reflected on the Balance Sheet. When the annual amount becomes due each year, a current accounts receivable and a current period exchange revenue are recorded. As of September 30, 2002, and 2001, the amounts owed to Reclamation under unmatured repayment contracts were $2.6 billion each fiscal year.

Under water service contracts and power sales, reimbursable capital costs are recovered through water and power ratesetting processes. Such rates include capital cost factors, among other components, for recovering the reimbursable capital cost over the applicable future payment period. For sales of water and power, a receivable and corresponding exchange revenue is recognized when the water or power has been delivered and billed to the customer.

## *M. Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses during the reporting period. Actual results will invariably differ from those estimates.


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# NOTE 2. ASSET ANALYSIS

Assets of Reclamation include entity, restricted (component of entity assets), and non-entity assets. Entity assets are those currently available for use by Reclamation. Restricted assets consist of the Reclamation Fund and other unavailable receipt accounts. Restricted assets cannot be used until appropriated by the Congress. Non-entity assets are not available to finance Reclamation's operations. These items consist of various receivables due from the public that, when collected, are deposited into Treasury's General Fund. Reclamation's assets as of September 30, 2002, and 2001, are summarized in the tables below.

**Asset Analysis – FY 2002**
**(In Thousands)**

| | Entity | Restricted | Non-Entity | Total |
|---|---|---|---|---|
| Intragovernmental Assets: | | | | |
| Fund Balance With Treasury | $ 1,191,986 | $ 3,115,853 | $ – | $ 4,307,839 |
| Advances and Prepayments | 19,307 | – | – | 19,307 |
| Accounts Receivable, Net | 21,154 | 307,969 | – | 329,123 |
| Total Intragovernmental Assets | 1,232,447 | 3,423,822 | – | 4,656,269 |
| Cash | 124 | – | – | 124 |
| Advances and Prepayments | 13,663 | – | – | 13,663 |
| Accounts Receivable, Net | 13,619 | 9,889 | – | 23,508 |
| Loans Receivable, Net | 87,686 | 39,499 | 23,445 | 150,630 |
| Other Assets, Net | 215,970 | – | – | 215,970 |
| Assets Constructed for Others | 110,968 | – | – | 110,968 |
| General Property, Plant, and Equipment, Net | 12,841,152 | – | – | 12,841,152 |
| Total Assets | $ 14,515,629 | $ 3,473,210 | $ 23,445 | $ 18,012,284 |

**Asset Analysis – FY 2001 (As Restated)**
**(In Thousands)**

| | Entity | Restricted | Non-Entity | Total |
|---|---|---|---|---|
| Intragovernmental Assets: | | | | |
| Fund Balance With Treasury | $ 895,181 | $ 3,031,562 | $ – | $ 3,926,743 |
| Advances and Prepayments | 15,247 | – | – | 15,247 |
| Accounts Receivable, Net | 20,688 | 191,158 | – | 211,846 |
| Total Intragovernmental Assets | 931,116 | 3,222,720 | – | 4,153,836 |
| Cash | 107 | – | – | 107 |
| Advances and Prepayments | 4,515 | – | – | 4,515 |
| Accounts Receivable, Net | 37,594 | 4,107 | 2 | 41,703 |
| Loans Receivable, Net | 80,103 | 40,373 | 20,492 | 140,968 |
| Other Assets, Net | 229,712 | – | – | 229,712 |
| Assets Constructed for Others | 110,295 | – | – | 110,295 |
| General Property, Plant, and Equipment, Net | 12,783,812 | – | – | 12,783,812 |
| Total Assets | $ 14,177,254 | $ 3,267,200 | $ 20,494 | $ 17,464,948 |

# NOTE 3. FUND BALANCE WITH TREASURY

Effective for FY 2002, P.L. 107-66 changed the agency ownership of the San Gabriel Basin Restoration Fund from the U.S. Army Corps of Engineers to the Department of the Interior, Bureau of Reclamation. The fund balance with Treasury in this available receipt (special) fund at the time of the ownership change was $22.9 million, along with a corresponding amount of unobligated available budget authority. For proprietary accounting purposes, this change was treated as a current year transfer; therefore, the FY 2001 fund balance with Treasury amounts presented were not restated. Refer to Note 15 for additional information regarding the budgetary accounting treatment of this fund ownership change. The bureau-wide fund balance with Treasury and the status of fund balance with Treasury as of September 30, 2002, and 2001, are shown in the following table.

**Fund Balance With Treasury**
**(In Thousands)**

| | FY 2002 | FY 2001 |
|---|---|---|
| **Fund Balance With Treasury** | | |
| General Funds | $ 708,106 | $ 498,228 |
| Special Funds | 3,211,261 | 3,096,689 |
| Revolving Funds | 310,635 | 265,603 |
| Trust Funds | 60,561 | 51,618 |
| Other Fund Types | 17,276 | 14,605 |
| Total Fund Balance With Treasury | $ 4,307,839 | $ 3,926,743 |
| **Status of Fund Balance With Treasury** | | |
| Unobligated: | | |
| Available Budget Authority | $ 516,997 | $ 291,023 |
| Expired Budget Authority | – | 35 |
| Obligated Balance Not Yet Disbursed | 627,216 | 559,240 |
| Fund Balance Without Budget Authority: | | |
| Restricted Funds (Unavailable Receipts) | 3,115,853 | 3,031,562 |
| Other Fund Types | 47,773 | 44,883 |
| Total Status of Fund Balance With Treasury | $ 4,307,839 | $ 3,926,743 |

# NOTE 4. ACCOUNTS RECEIVABLE, NET

Intragovernmental and public accounts receivable are recorded net of the allowance for uncollectible (doubtful) accounts. The following tables show the status of accounts receivable as of September 30, 2002, and 2001.

**Accounts Receivable, Net – FY 2002**
**(In Thousands)**

| | | Less: Allowance for Uncollectible Accounts | | | | |
|---|---|---|---|---|---|---|
| | Accounts Receivable, Gross | Beginning Balance | Additions | Reductions/ Collections | Ending Balance | Accounts Receivable, Net |
| Intragovernmental: | | | | | | |
| Accounts Receivable | $ 329,123 | $ 776 | $ – | $ (776) | $ – | $ 329,123 |
| Public: | | | | | | |
| Accounts Receivable | 25,785 | 14,671 | 2,432 | (14,733) | 2,370 | 23,415 |
| Interest Receivable | 462 | – | 369 | – | 369 | 93 |
| Total Public Receivables | 26,247 | 14,671 | 2,801 | (14,733) | 2,739 | 23,508 |
| Total Accounts Receivable | $ 355,370 | $ 15,447 | $ 2,801 | $ (15,509) | $ 2,739 | $ 352,631 |

**Accounts Receivable, Net – FY 2001**
**(In Thousands)**

| | | Less: Allowance for Uncollectible Accounts | | | | |
|---|---|---|---|---|---|---|
| | Accounts Receivable, Gross | Beginning Balance | Additions | Reductions/ Collections | Ending Balance | Accounts Receivable, Net |
| Intragovernmental: | | | | | | |
| Accounts Receivable | $ 212,622 | $ – | $ 776 | $ – | $ 776 | $ 211,846 |
| Public: | | | | | | |
| Accounts Receivable | 55,711 | 11,008 | 3,663 | – | 14,671 | 41,040 |
| Interest Receivable | 663 | – | – | – | – | 663 |
| Total Public Receivables | 56,374 | 11,008 | 3,663 | – | 14,671 | 41,703 |
| Total Accounts Receivable | $ 268,996 | $ 11,008 | $ 4,439 | $ – | $ 15,447 | $ 253,549 |

# NOTE 5. LOANS RECEIVABLE, NET

Entity and non-entity loan balances are combined and presented together here and in the financial statements. Non-entity loans are disclosed in Note 2, "Asset Analysis." The following tables show the status of the loans receivable and associated interest receivable as of September 30, 2002, and 2001.

**Loans Receivable, Net FY 2002**
**(In Thousands)**

| Direct Loan Programs | Loans Receivable, Gross | Interest Receivable | Allowance for Loan Losses | Allowance for Subsidy Cost (Present Value) | Value of Assets Related to Direct Loans |
|---|---|---|---|---|---|
| Direct Loans Obligated Prior to FY 1992: | | | | | |
| Small Reclamation Projects Act | $ 45,241 | $ 933 | $ (8,188) | $ – | $ 37,986 |
| Distribution System Loans Act | 4,462 | – | – | – | 4,462 |
| Rehabilitation and Betterment Act | 19,830 | – | – | – | 19,830 |
| Drought Relief | 696 | – | (30) | – | 666 |
| Total Direct Loans Obligated Prior to FY 1992 | 70,229 | 933 | (8,218) | – | 62,944 |
| Direct Loans Obligated After FY 1991: | | | | | |
| Small Reclamation Projects Act | 121,920 | – | – | (34,234) | 87,686 |
| Total Direct Loans | $ 192,149 | $ 933 | $ (8,218) | $ (34,234) | $ 150,630 |

**Loans Receivable, Net FY 2001**
**(In Thousands)**

| Direct Loan Programs | Loans Receivable, Gross | Interest Receivable | Allowance for Loan Losses | Allowance for Subsidy Cost (Present Value) | Value of Assets Related to Direct Loans |
|---|---|---|---|---|---|
| Direct Loans Obligated Prior to FY 1992: | | | | | |
| Small Reclamation Projects Act | $ 47,611 | $ 933 | $ (13,426) | $ – | $ 35,118 |
| Distribution System Loans Act | 4,695 | – | – | – | 4,695 |
| Rehabilitation and Betterment Act | 20,162 | – | – | – | 20,162 |
| Drought Relief | 880 | 17 | – | – | 897 |
| Total Direct Loans Obligated Prior to FY 1992 | 73,348 | 950 | (13,426) | – | 60,872 |
| Direct Loans Obligated After FY 1991: | | | | | |
| Small Reclamation Projects Act | 117,030 | – | – | (36,934) | 80,096 |
| Total Direct Loans | $ 190,378 | $ 950 | $ (13,426) | $ (36,934) | $ 140,968 |

**Total Amount of Direct Loans Disbursed (Post-1991)**
**(In Thousands)**

| Direct Loan Programs | FY 2002 | FY 2001 |
|---|---|---|
| Small Reclamation Projects Act | $ 12,168 | $ 24,519 |



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**Schedule for Reconciling Subsidy Cost Allowance Balances**
**(Post-1991 Direct Loans)**
**(In Thousands)**

| | FY 2002 | FY 2001 |
|---|---|---|
| Beginning Balance of the Subsidy Cost Allowance | $ 36,934 | $ 41,375 |
| Add: Subsidy Expense for Direct Loans Disbursed During the Reporting Years by Component: | | |
| Interest Rate Differential Costs | 2,493 | 7,413 |
| Fees and Other Collections | – | (10,976) |
| Total of Subsidy Expense | 2,493 | (3,563) |
| Adjustments: | | |
| Subsidy Allowance Amortization | (5,193) | (3,901) |
| Total Subsidy Adjustments | (5,193) | (3,901) |
| Ending Balance of the Subsidy Cost Allowance Before Re-estimates | 34,234 | 33,911 |
| Add or Subtract Subsidy Re-estimates by Component: | | |
| Interest Rate Re-estimate | – | 755 |
| Technical/Default Re-estimate | – | 2,268 |
| Total of Subsidy Re-estimates | – | 3,023 |
| Ending Balance of the Subsidy Cost Allowance | $ 34,234 | $ 36,934 |

Loans made after FY 1991 are accounted for under the provisions of Credit Reform. All Credit Reform loans are categorized under the Small Reclamation Projects Act Loan Program. Reclamation currently has seven Credit Reform loans outstanding, totaling $122 million. Related administrative expenses of $309 thousand were incurred during FY 2002. The budget subsidy rate for FY 2002 and FY 2001 was 26.92 percent and 52.99 percent, respectively, which was entirely comprised of the interest differential rate for both fiscal years. For FY 2001, Reclamation had eight credit reform loans outstanding, totaling $117 million. Related administrative expenses of $216 thousand were incurred during FY 2001.

# NOTE 6. OTHER ASSETS, NET

Total Other Assets primarily include the costs for power rights and the costs for preliminary Safety of Dam work studies that may lead to construction. Net power rights were $162.2 and $173.0 million in FY 2002 and 2001, respectively, whereas Safety of Dam work studies and other were $53.8 and $56.7 million in FY 2002 and 2001, respectively. Power rights were subject to annual amortization amounts of $10.8 million for both FY 2002 and FY 2001. Other Assets, Net, as of September 30, 2002, and 2001, total $216.0 million and $229.7 million, respectively.

## NOTE 7. ASSETS CONSTRUCTED FOR OTHERS

The balances of $111.0 million and $110.3 million as of September 30, 2002, and 2001, respectively, represent capitalized construction costs associated with the Navajo Indian Irrigation Project (NIIP). This project was authorized by P.L. 87-483 (June 13, 1962), and construction began in 1964. Project facilities are being constructed in 11 blocks of approximately 10,000 acres each. As of September 30, 2002, the project is 65 percent complete with eight blocks under irrigation. Completion may require an additional 10 to 15 years of construction and development. Under this law, the Congress appropriated funding for the project to the Bureau of Indian Affairs (BIA), which transferred funding to Reclamation for construction and cost accounting of the facilities. Subsequently, Reclamation and BIA entered into a formal Memorandum of Agreement that provides for the transfer of the book value costs of the project facilities to BIA upon completion. As such, upon completion of construction of designated segments of project facilities, agreed upon by both bureaus, the book value costs of the completed facilities will be transferred to BIA by formal document.

Reclamation transferred $17.5 million during FY 2002 in capitalized costs associated with completed segments of the project to BIA. In FY 2001, no transfers occurred.

## NOTE 8. GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

Reclamation's general PP&E categories, with corresponding accumulated depreciation, as of September 30, 2002, and 2001, are shown in the following tables.

**General Property, Plant, and Equipment, Net – FY 2002**
**(In Thousands)**

| Categories | Acquisition Cost | Accumulated Depreciation | Net Book Value |
|---|---|---|---|
| General PP&E: | | | |
| Structures and Facilities | $ 17,261,335 | $ (7,491,606) | $ 9,769,729 |
| Land | 1,866,478 | – | 1,866,478 |
| Construction in Abeyance | 561,042 | – | 561,042 |
| Construction in Progress | 466,027 | – | 466,027 |
| Investigations and Development | 95,994 | – | 95,994 |
| Equipment | 100,887 | (59,537) | 41,350 |
| Buildings | 54,148 | (22,831) | 31,317 |
| Information Technology Software | 27,994 | (18,779) | 9,215 |
| Total General PP&E | $ 20,433,905 | $ (7,592,753) | $ 12,841,152 |

**General Property, Plant, and Equipment, Net – FY 2001 (As Restated)**
**(In Thousands)**

| Categories | Acquisition Cost | Accumulated Depreciation | Net Book Value |
|---|---|---|---|
| General PP&E: | | | |
| Structures and Facilities | $ 17,119,676 | $ (7,333,725) | $ 9,785,951 |
| Land | 1,847,390 | – | 1,847,390 |
| Construction in Abeyance | 553,906 | – | 553,906 |
| Construction in Progress | 419,437 | – | 419,437 |
| Investigations and Development | 95,271 | – | 95,271 |
| Equipment | 99,879 | (56,980) | 42,899 |
| Buildings | 48,899 | (21,324) | 27,575 |
| Information Technology Software | 28,281 | (17,018) | 11,263 |
| Other General PP&E | 120 | – | 120 |
| Total General PP&E | $ 20,212,859 | $ (7,429,047) | $ 12,783,812 |

## *Construction in Abeyance*

The investment in projects held in abeyance through FY 2002 ranges from $ 59.1 thousand to $277.6 million per project and through FY 2001 ranges from $59.1 thousand to $278.3 million per project, including investigations and development costs, and covers a period from 1965 to the present. Continued planning or construction on these assets has been held in abeyance for various reasons including such concerns as the execution of cost-share agreements with non-Federal entities, environmental, international treaty, and economic issues. The Congress and local interests continue to pursue acceptable alternatives for the completion of those projects in which there has been a substantial investment. For some of these projects, bills have either been recently introduced into, or are under consideration by, the Congress to reformulate the project or provide funding for continued work.

As it is uncertain when construction will resume on or benefits will be provided by these assets, classification into this account provides a more meaningful and accurate status of their disposition. The Congress has not yet deauthorized any of these assets, nor should it be inferred from this classification that the future viability of them is necessarily in doubt.

### *Construction in Progress*

In FY 2002 and FY 2001, $11.6 million and $12 million, respectively, of IDC was capitalized. The authority for charging IDC is included in the authorizing legislation for a particular project or administrative policy established pursuant to the law. Generally, the costs allocated to reimbursable functions, except irrigation, are subject to IDC unless otherwise provided by law. The interest rates used in computing IDC are the rates specified in the authorizing legislation or, if rates are not specified, the rates established by Reclamation laws or administrative policy. Rates used for IDC are based on the rates established for the fiscal year in which construction began. The interest rates applied during the current year ranged from 2.5 percent to 12.375 percent.

### *Deauthorization of Project Features – Garrison Diversion Unit*

On December 21, 2000, P.L. 106-554 enacted the Dakota Water Resources Act of 2000. Among the many provisions of this Act are amendments to P.L. 89-108 (79 Stat. 433; 100 Stat. 418) which deauthorized certain project features and irrigation service areas, including the Taayer Reservoir, Sykeston Canal, and the Lonetree Dam and Reservoir. Accordingly, in FY 2001, $62.2 million of costs were written off from construction in abeyance for these deauthorized features. In FY 2002, no additional write-offs occurred.

### *Transfer of Facilities*

During FY 1995, Reclamation initiated a program to transfer title to, and responsibility for, certain single purpose projects and facilities to non-Federal governmental entities. Before a project can be transferred, Reclamation policy requires that it must meet the following criteria: protect the Treasury's and taxpayers' financial interests; comply with applicable Federal laws; protect interstate compacts and interests; meet Native American trust responsibilities; and protect public aspects of the project. Any proposed transfer would require congressional authorization. The following tables present the status of transfer of facilities for FY 2002 and FY 2001.


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**Transfer of Facilities – FY 2002**
**(In Thousands)**

| Project Name | Net Book Value Including Land Costs | Land Costs Associated With Transfer |
|---|---|---|
| **Pending Transfers** | | |
| Gila Project, Wellton-Mohawk Division, Arizona | $ 2,560 | $ 2,560 |
| Harquahala Valley Irrigation District, Central Arizona Project, Arizona | 29,758 | 2,471 |
| Middle Loup Division, Pick-Sloan Missouri Basin Project, Nebraska | 21,316 | 7,457 |
| Sly Park Dam and Reservoir, Central Valley Project, California | 1,861 | 1,563 |
| Sugar Pine Dam and Reservoir, Central Valley Project, California | 32,217 | 3,523 |
| **Completed Transfers** | | |
| La Feria Division, Lower Rio Grande Rehabilitation Project, Texas | 1,751 | 135 |
| North Poudre Supply Canal and Diversion Works, Colorado-Big Thompson Project, Larimer County, Colorado (Transfer completed November 8, 2002) | 2,121 | 287 |

**Transfer of Facilities – FY 2001**
**(In Thousands)**

| Project Name | Net Book Value Including Land Costs | Land Costs Associated With Transfer |
|---|---|---|
| **Pending Transfers** | | |
| Gila Project, Wellton-Mohawk Division, Arizona | $ 2,557 | $ 2,557 |
| Middle Loup Division, Pick-Sloan Missouri Basin Project, Nebraska | 21,545 | 7,457 |
| North Poudre Supply Canal and Diversion Works, Colorado-Big Thompson Project, Larimer County, Colorado | 2,121 | 287 |
| Sly Park Dam and Reservoir, Central Valley Project, California | 1,836 | 1,563 |
| Sugar Pine Dam and Reservoir, Central Valley Project, California | 32,325 | 3,523 |
| **Completed Transfers** | | |
| Carlsbad Project, New Mexico | 173 | 173 |
| Clear Creek Distribution System, California | 423 | 123 |
| Nampa and Meridian Conveyance, Boise Project, Idaho[1] | 0 | 0 |
| Palmetto Bend Reclamation Project, Texas | 59,991 | 27,600 |
| Robert B. Griffith Water Project, Southern Clark County, Nevada | 97,983 | 3,691 |

[1] These facilities were completed in 1926 and were fully depreciated at the time of title transfer (net book value of zero). Land associated with this project was withdrawn from the public domain and, therefore, does not have an acquisition cost.

# NOTE 9. LIABILITIES

Liabilities covered by budgetary resources and liabilities not covered by budgetary resources are combined and presented together in the Balance Sheet. These categories as of September 30, 2002, and 2001, are detailed in the following tables.

**Liabilities – FY 2002**
**(In Thousands)**

| | Current Liabilities | Non-Current Liabilities | Total |
|---|---|---|---|
| Liabilities Covered by Budgetary Resources | | | |
| Intragovernmental: | | | |
| Accounts Payable | $ 13,737 | $ – | $ 13,737 |
| Accrued Funded Payroll Benefits | 7,598 | – | 7,598 |
| Debt | – | 96,674 | 96,674 |
| Other | 9,334 | – | 9,334 |
| Total Intragovernmental | 30,669 | 96,674 | 127,343 |
| Public: | | | |
| Accounts Payable | 212,487 | – | 212,487 |
| Accrued Funded Payroll and Benefits | 22,321 | – | 22,321 |
| Other | 88,403 | – | 88,403 |
| Total Public | 323,211 | – | 323,211 |
| Total Liabilities Covered by Budgetary Resources | 353,880 | 96,674 | 450,554 |
| Liabilities Not Covered by Budgetary Resources | | | |
| Intragovernmental: | | | |
| Accrued Unfunded Workers' Compensation | 4,662 | 8,227 | 12,889 |
| Treasury Judgment Fund Liability | – | 48,797 | 48,797 |
| Deferred Credits | – | 1,616 | 1,616 |
| Total Intragovernmental | 4,662 | 58,640 | 63,302 |
| Public: | | | |
| Unfunded Payroll Costs | – | 26,502 | 26,502 |
| Environmental Cleanup Costs and Other Contingent Liabilities | – | 115,856 | 115,856 |
| Actuarial Liability – Federal Employees Compensation Act | – | 83,377 | 83,377 |
| Deferred Credits | – | 166,691 | 166,691 |
| Other | – | 23,568 | 23,568 |
| Total Public | – | 415,994 | 415,994 |
| Total Liabilities Not Covered by Budgetary Resources | 4,662 | 474,634 | 479,296 |
| Total Liabilities | $ 358,542 | $ 571,308 | $ 929,850 |

**Liabilities – FY 2001 (As Restated)**
**(In Thousands)**

| | Current Liabilities | Non-Current Liabilities | Total |
|---|---|---|---|
| Liabilities Covered by Budgetary Resources | | | |
| Intragovernmental: | | | |
| Accounts Payable | $ 28,542 | $ – | $ 28,542 |
| Accrued Funded Payroll Benefits | 5,898 | – | 5,898 |
| Debt | – | 85,331 | 85,331 |
| Other | 5,248 | – | 5,248 |
| Total Intragovernmental | 39,688 | 85,331 | 125,019 |
| Public: | | | |
| Accounts Payable | 188,584 | – | 188,584 |
| Accrued Funded Payroll and Benefits | 19,024 | – | 19,024 |
| Other | 81,947 | – | 81,947 |
| Total Public | 289,555 | – | 289,555 |
| Total Liabilities Covered by Budgetary Resources | 329,243 | 85,331 | 414,574 |
| Liabilities Not Covered by Budgetary Resources | | | |
| Intragovernmental: | | | |
| Accrued Unfunded Workers' Compensation | 4,593 | 7,225 | 11,818 |
| Treasury Judgment Fund Liability | – | 4,605 | 4,605 |
| Deferred Credits | – | 481 | 481 |
| Total Intragovernmental | 4,593 | 12,311 | 16,904 |
| Public: | | | |
| Unfunded Payroll Costs | – | 27,218 | 27,218 |
| Environmental Cleanup Costs and Other Contingent Liabilities | – | 30,664 | 30,664 |
| Actuarial Liability – Federal Employees Compensation Act | – | 93,729 | 93,729 |
| Deferred Credits | – | 165,461 | 165,461 |
| Other | – | 20,621 | 20,621 |
| Total Public | – | 337,693 | 337,693 |
| Total Liabilities Not Covered by Budgetary Resources | 4,593 | 350,004 | 354,597 |
| Total Liabilities | $ 333,836 | $ 435,335 | $ 769,171 |

# NOTE 10. DEBT

Reclamation makes loans which are subject to the provisions of Credit Reform. Under Credit Reform, loans consist of two components—the part borrowed from the Treasury and the appropriated part to cover the estimated subsidy. The maturity dates for these loans range from 2012 to 2047. The weighted average interest rate used to calculate interest owed to Treasury ranges from 5.85 percent to 6.86 percent. The liabilities shown in the following tables represent amounts borrowed from Treasury to fund Credit Reform loans as of September 30, 2002, and 2001.

**Debt — FY 2002**
**(In Thousands)**

| | Beginning Balance | New Borrowing | Repayments | Ending Balance |
|---|---|---|---|---|
| Intragovernmental Debt: | | | | |
| Borrowing From Treasury | $ 85,331 | $ 11,986 | $ (643) | $ 96,674 |

**Debt — FY 2001**
**(In Thousands)**

| | Beginning Balance | New Borrowing | Repayments | Ending Balance |
|---|---|---|---|---|
| Intragovernmental Debt: | | | | |
| Borrowing From Treasury | $ 103,332 | $ 13,294 | $ (31,295) | $ 85,331 |

# NOTE 11. ENVIRONMENTAL CLEANUP COSTS AND OTHER CONTINGENT LIABILITIES

Reclamation is currently involved in various environmental cleanup actions and legal proceedings. Disclosure and recognition of these contingent liabilities have been made in accordance with SFFAS No. 5, "Accounting for Liabilities of the Federal Government."

## *A. Environmental Cleanup Costs*

Reclamation has several potential environmental cleanup liabilities associated with hazardous waste removal, containment, or disposal. Reclamation's hazardous waste sites include abandoned mines, vehicle maintenance facilities, and landfills which are Government-related events. These sites have various types of contamination, including heavy metal contamination from acid mine drainage and soil contamination from waste petroleum, heavy metal, and other regulated toxic waste.

Reclamation's cumulative liability for environmental cleanup is estimated from $5.4 million to $25.6 million for seven sites for FY 2002 and was estimated from $5.5 million to $21 million for eight sites in FY 2001. The $5.4 and $5.5 million have been recorded as a liability in Reclamation's financial records in FY 2002 and 2001, respectively. Most of

Reclamation's cleanup sites fall under the purview of the Resources Conservation and Recovery Act of 1976 (four sites) and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 (one site), which created the Superfund Program. The Clean Water Act and the Endangered Species Act each govern one site.

In addition to the 7 sites for which a liability was recognized, there are 16 other cleanup sites that did not meet the criteria for recognizing a liability. For these, either the sufficient probability of loss was not present, or a reasonable estimate of the potential loss could not be determined.

### *B. Other Contingent Liabilities – Legal Claims and Assertions*

Reclamation is party to a number of lawsuits and other actions where monetary amounts are sought from Reclamation, including construction cost claims, lawsuits over repayment of certain project costs, and water rights claims. As of September 30, 2002, Reclamation is a party to 20 legal cases which have potential to exceed $300 thousand each should unfavorable outcomes occur. It is the opinion of Reclamation management and legal counsel that a reasonable estimate of a potential liability resulting from probable adverse outcomes on certain cases would be $110.4 million, which has been recorded as a liability in Reclamation's financial records for FY 2002. Reported contingent liabilities estimated at $22.4 million in FY 2001 were paid by the Judgment Fund in FY 2002 in the actual amount of $43.4 million.

There are five reasonably possible claims with total payments ranging from under a million to approximately $27 million, should all these claims result in adverse outcomes. Additionally, there are six more reasonably possible claims for which an estimated loss cannot be determined at this time.

## NOTE 12. OPERATING LEASES

Most of Reclamation's facilities are leased through the General Services Administration (GSA), which charges rent that is intended to approximate commercial rental rates. For federally owned property leased through GSA, Reclamation generally does not execute an agreement with GSA, nor is there a formal expiration date. Reclamation, however, is normally required to give 120 to 180 days' notice to vacate, and the amount of these leases remains constant from year to year. These leases are included in the estimated future lease for FY 2003 through FY 2007. The FY 2002 amount of these leases is $21.6 million. For non-federally owned property leased through GSA, an occupancy agreement is executed;

and, again, Reclamation may normally cancel these agreements with 120 days' notice. The aggregate of Reclamation's estimated real property lease payments to GSA for FY 2003 through FY 2007 and future years is shown in the following table.

**GSA Operating Leases**
**(In Thousands)**

| Fiscal Year | Lease Payments |
|---|---|
| 2003 | $ 21,245 |
| 2004 | 21,518 |
| 2005 | 21,976 |
| 2006 | 21,987 |
| 2007 | 21,922 |
| After 5 Years | 765 |
| Total Future Lease Payments | $ 109,413 |

In addition to the above leases with GSA, Reclamation had FY 2002 operating lease payments to non-Federal entities which totaled $1.7 million. These leases were primarily for office space and office equipment. Reclamation has an option to renew many of its operating leases at terms similar to the initial terms.

The following is a schedule by year of future minimum lease payments to non-Federal entities required under noncancelable operating leases that have initial or remaining lease terms in excess of 1 year as of September 30, 2002.

**Non-GSA Operating Leases**
**(In Thousands)**

| Fiscal Year | Lease Payments |
|---|---|
| 2003 | $ 1,164 |
| 2004 | 374 |
| 2005 | 30 |
| 2006 | 10 |
| 2007 | 6 |
| Total Future Minimum Lease Payments | $ 1,584 |



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# NOTE 13. NET COST BY GPRA REPORTING SEGMENTS AND REGIONAL ORGANIZATIONS

The Statements of Net Cost by GPRA reporting segments, described in Note 1.C., and by regional organizations as described in the "Supplemental Section" for the years ended September 30, 2002, and 2001, are presented starting on page 88.

# NOTE 14. RESTATEMENTS

Restatements are used to reflect the retroactive impact of correction of errors in prior years. Reclamation restated its FY 2001 financial statements to correct errors from prior years relating to General PP&E and accounts payable as follows:

- $58.1 million net reduction in General PP&E to remove certain projects constructed on behalf of other entities that had been improperly capitalized. These project costs have been reclassified as non-capitalized items and expensed as investments in non-Federal physical property.

- $29.8 million net increase in General PP&E to record the net change to acquisition cost and related accumulated depreciation as the result of adding assets contributed by other entities that should have been recorded in prior years. The contributions by these other entities are considered to be other financing sources.

- $14.2 million net increase in accounts payable and other liabilities to record expenses for costs incurred by Reclamation in prior years but not previously recorded in its consolidated financial statements.

The impact of the above adjustments resulted in a decrease in Cumulative Results of Operations of $42.5 million as of September 30, 2001. The impact of expensing projects previously capitalized and recording additional expense for costs incurred by Reclamation resulted in an adjustment of $22.1 million to FY 2001 Net Cost of Operations, of which $5.3 million related to an increase in liabilities for amounts that should have been accrued in prior years, and $16.8 million related to a decrease in General PP&E for amounts that were capitalized but should have been expensed. This adjustment was between the various program segments on the FY 2001 Statement of Net Cost as follows: $19.6 million, Water and Energy Management and Development; $0.21 million, Land Management and Development; $2.1 million, Fish and Wildlife Management and Development; $0.05 million, Facilities Maintenance and Rehabilitation; and $0.14 million, Non-Program Activities.

Balances as of and for the year ended September 30, 2001, have been restated as follows (in thousands):

| | FY 2001 As Previously Reported | Restatements | FY 2001 As Restated |
|---|---|---|---|
| General Property, Plant, and Equipment | $ 12,812,125 | $ (28,313) | $ 12,783,812 |
| Total Liabilities | 754,975 | 14,196 | 769,171 |
| Cumulative Results of Operations | 16,569,889 | (42,509) | 16,527,380 |
| Unexpended Appropriations | 168,397 | – | 168,397 |
| Total Net Position | 16,738,286 | (42,509) | 16,695,777 |
| Net Cost of Operations | 781,370 | 22,119 | 803,489 |

# NOTE 15. STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources has been prepared to coincide with the amounts shown in the President's Budget (Budget of the United States Government). The actual amounts for FY 2002 in the President's Budget have not been published at the time these financial statements were prepared. The President's Budget with the actual FY 2002 amounts is estimated to be released in February 2003 and can be located at the OMB website: www.whitehouse.gov/omb.

Reclamation has two major budget accounts that are classified as permanent indefinite appropriations, which are available until expended. The Colorado River Dam Fund – Boulder Canyon Project is an available receipt fund into which various operating revenues of the Hoover Dam are covered, mainly from the sale of power generated at the dam. Reclamation Trust Funds include amounts received from public benefactors that are used to finance restoration and other activities.

Reclamation Trust Funds are the only funds in Reclamation that are currently classified as exempt from apportionment. All other Reclamation funds, including those not specifically mentioned here, are classified as Category B and are subject to annual apportionment by OMB. Detailed amounts for each of Reclamation's funds are included in the "Combining Statement of Budgetary Resources" located in the "Supplemental Section" of this report.

Effective for FY 2002, P.L. 107-66 changed the agency ownership of the San Gabriel Basin Restoration Fund from the U.S. Army Corps of Engineers to the Department of the Interior, Bureau of Reclamation. The unobligated available budget authority in this fund at the time of the ownership change was $22.9 million. For budgetary accounting purposes, Treasury and the OMB did not treat this change as a current year transfer of budget authority, but rather accounted for it as though Reclamation owned this fund from the beginning of the year. As a result, the unobligated balance for the beginning of the fiscal year as shown on the Statement of Budgetary Resources has been restated for this amount. Refer to Note 3 for the corresponding proprietary accounting treatment of the fund balance with Treasury associated with this fund ownership change.

## NOTE 16. COMPONENTS OF NET COST OF OPERATIONS RELATED TO TRANSFER ACCOUNTS WHERE BUDGETARY ACTIVITY IS REPORTED BY OTHER FEDERAL ENTITIES

Reclamation receives allocation transfers (funding) from other Federal entities. The activity in these allocation transfer accounts is reported in the Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position, but not in the Statement of Budgetary Resources. The budgetary activity for these allocation transfer accounts is reported by the transferring entities. The adjustment shown in the Statement of Financing for this line represents the reconciliation amount between Reclamation's net cost of operations and the transferring entity's obligations incurred amount for these allocation transfer accounts. Reclamation's major allocation transfer accounts consist of:

- Transfers from the Department of Labor for the operation of five Job Corps Centers in the Western United States to provide comprehensive education and job training for eligible youth.
- Transfers from the Office of the Secretary, Department of the Interior, for natural resource damage assessment and restoration activities.
- Transfers from the Bureau of Indian Affairs, Department of the Interior, to perform construction management activities for the Navajo Indian Irrigation Project.

U.S. Department of the Interior
Bureau of Reclamation
Consolidating Statement of Net Cost
For the Year Ended September 30, 2002

| (In Thousands) | Pacific Northwest Region | Mid-Pacific Region | Lower Colorado Region |
|---|---|---|---|
| **Water and Energy Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | $ 37,789 | $ 130,177 | $ 143,514 |
| Segment Exchange Revenues From the Public | (15,276) | (121,855) | (42,522) |
| Segment Cost of Operations for Services Provided to the Public | 22,513 | 8,322 | 100,992 |
| Segment Expenses for Services Provided to Other Federal Entities | (13,724) | 48,752 | 3,859 |
| Segment Exchange Revenues From Other Federal Entities | 13,469 | (47,846) | (3,788) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | (255) | 906 | 71 |
| *Net Segment Cost of Operations* | 22,258 | 9,228 | 101,063 |
| **Land Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | 7,618 | 7,226 | 3,440 |
| Segment Exchange Revenues From the Public | (38) | (181) | – |
| Segment Cost of Operations for Services Provided to the Public | 7,580 | 7,045 | 3,440 |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | – |
| Segment Exchange Revenues From Other Federal Entities | – | – | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | – |
| *Net Segment Cost of Operations* | 7,580 | 7,045 | 3,440 |
| **Fish and Wildlife Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | 11,929 | 114,426 | 12,567 |
| Segment Exchange Revenues From the Public | 1,156 | (28,967) | (552) |
| Segment Cost of Operations for Services Provided to the Public | 13,085 | 85,459 | 12,015 |
| Segment Expenses for Services Provided to Other Federal Entities | – | 22,859 | – |
| Segment Exchange Revenues From Other Federal Entities | – | (22,434) | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | 425 | – |
| *Net Segment Cost of Operations* | 13,085 | 85,884 | 12,015 |
| **Facilities Operations:** | | | |
| Segment Expenses for Services Provided to the Public | 9,531 | 117,692 | (44,107) |
| Segment Exchange Revenues From the Public | (9,263) | 4,295 | 2,782 |
| Segment Cost of Operations for Services Provided to the Public | 268 | 121,987 | (41,325) |
| Segment Expenses for Services Provided to Other Federal Entities | 68,142 | – | 193,006 |
| Segment Exchange Revenues From Other Federal Entities | (66,876) | – | (189,420) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | 1,266 | – | 3,586 |
| *Net Segment Cost of Operations* | 1,534 | 121,987 | (37,739) |
| **Facilities Maintenance and Rehabilitation:** | | | |
| Segment Expenses for Services Provided to the Public | 10,635 | 14,550 | 29,514 |
| Segment Exchange Revenues From the Public | – | (8,924) | (4,467) |
| Segment Cost of Operations for Services Provided to the Public | 10,635 | 5,626 | 25,047 |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | – |
| Segment Exchange Revenues From Other Federal Entities | – | – | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | – |
| *Net Segment Cost of Operations* | 10,635 | 5,626 | 25,047 |
| **Policy and Administration:** | | | |
| Segment Expenses for Services Provided to the Public | 5,895 | 7,823 | (7,595) |
| Segment Exchange Revenues From the Public | – | – | – |
| Segment Cost of Operations for Services Provided to the Public | 5,895 | 7,823 | (7,595) |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | – |
| Segment Exchange Revenues From Other Federal Entities | – | – | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | – |
| *Net Segment Cost of Operations* | 5,895 | 7,823 | (7,595) |
| **Non-Program Activities:** | | | |
| Segment Expenses for Services Provided to the Public | 10,372 | 11,239 | (25,455) |
| Segment Exchange Revenues From the Public | (10,547) | (11,460) | (2,601) |
| Segment Cost of Operations for Services Provided to the Public | (175) | (221) | (28,056) |
| Segment Expenses for Services Provided to Other Federal Entities | 22,508 | 36,540 | 60,524 |
| Segment Exchange Revenues From Other Federal Entities | (22,090) | (35,861) | (59,400) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | 418 | 679 | 1,124 |
| *Net Segment Cost of Operations* | 243 | 458 | (26,932) |
| **Total Expenses for Services Provided to the Public** | 93,769 | 403,133 | 111,878 |
| **Total Exchange Revenues From the Public** | (33,968) | (167,092) | (47,360) |
| **Total Net Cost of Operations for Services Provided to the Public** | 59,801 | 236,041 | 64,518 |
| **Total Expenses for Services Provided to Other Federal Entities** | 76,926 | 108,151 | 257,389 |
| **Total Exchange Revenues From Other Federal Entities** | (75,497) | (106,141) | (252,608) |
| **Total Net Cost of Operations for Services Provided to Other Federal Entities** | 1,429 | 2,010 | 4,781 |
| **Total Net Cost of Operations** | $ 61,230 | $ 238,051 | $ 69,299 |

| Upper Colorado Region | Great Plains Region | Commissioner's Office | Combined Total | Elimination of Intrabureau Activity | Consolidated Total |
|---|---|---|---|---|---|
| $ 100,800 | $ 76,730 | $ 24,582 | $ 513,592 | $ – | $ 513,592 |
| (20,874) | (24,310) | (7,086) | (231,923) | – | (231,923) |
| 79,926 | 52,420 | 17,496 | 281,669 | – | 281,669 |
| 8,440 | 35,613 | 28,049 | 110,989 | – | 110,989 |
| (8,283) | (34,951) | (27,528) | (108,927) | – | (108,927) |
| 157 | 662 | 521 | 2,062 | – | 2,062 |
| 80,083 | 53,082 | 18,017 | 283,731 | – | 283,731 |
| 10,615 | 5,595 | 1,067 | 35,561 | – | 35,561 |
| (570) | (97) | – | (886) | – | (886) |
| 10,045 | 5,498 | 1,067 | 34,675 | – | 34,675 |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 10,045 | 5,498 | 1,067 | 34,675 | – | 34,675 |
| 38,298 | 5,468 | 3,660 | 186,348 | – | 186,348 |
| (23,110) | – | (1) | (51,474) | – | (51,474) |
| 15,188 | 5,468 | 3,659 | 134,874 | – | 134,874 |
| 331 | – | – | 23,190 | – | 23,190 |
| (325) | – | – | (22,759) | – | (22,759) |
| 6 | – | – | 431 | – | 431 |
| 15,194 | 5,468 | 3,659 | 135,305 | – | 135,305 |
| 8,382 | 76,388 | 25,496 | 193,382 | – | 193,382 |
| 21,785 | (6,792) | – | 12,807 | – | 12,807 |
| 30,167 | 69,596 | 25,496 | 206,189 | – | 206,189 |
| 43,891 | (7,872) | – | 297,167 | – | 297,167 |
| (43,076) | 7,726 | – | (291,646) | – | (291,646) |
| 815 | (146) | – | 5,521 | – | 5,521 |
| 30,982 | 69,450 | 25,496 | 211,710 | – | 211,710 |
| 13,386 | 8,689 | 19,941 | 96,715 | – | 96,715 |
| (9,091) | (478) | – | (22,960) | – | (22,960) |
| 4,295 | 8,211 | 19,941 | 73,755 | – | 73,755 |
| 2 | – | – | 2 | – | 2 |
| (2) | – | – | (2) | – | (2) |
| – | – | – | – | – | – |
| 4,295 | 8,211 | 19,941 | 73,755 | – | 73,755 |
| (1,184) | 1,227 | 39,481 | 45,647 | – | 45,647 |
| – | – | – | – | – | – |
| (1,184) | 1,227 | 39,481 | 45,647 | – | 45,647 |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| (1,184) | 1,227 | 39,481 | 45,647 | – | 45,647 |
| (5,710) | 1,374 | 31,516 | 23,336 | – | 23,336 |
| 736 | 3 | (313) | (24,182) | – | (24,182) |
| (4,974) | 1,377 | 31,203 | (846) | – | (846) |
| 38,586 | 31,390 | 132,397 | 321,945 | (287,840) | 34,105 |
| (37,869) | (30,806) | (129,938) | (315,964) | 287,840 | (28,124) |
| 717 | 584 | 2,459 | 5,981 | – | 5,981 |
| (4,257) | 1,961 | 33,662 | 5,135 | – | 5,135 |
| 164,587 | 175,471 | 145,743 | 1,094,581 | – | 1,094,581 |
| (31,124) | (31,674) | (7,400) | (318,618) | – | (318,618) |
| 133,463 | 143,797 | 138,343 | 775,963 | – | 775,963 |
| 91,250 | 59,131 | 160,446 | 753,293 | (287,840) | 465,453 |
| (89,555) | (58,031) | (157,466) | (739,298) | 287,840 | (451,458) |
| 1,695 | 1,100 | 2,980 | 13,995 | – | 13,995 |
| $ 135,158 | $ 144,897 | $ 141,323 | $ 789,958 | $ – | $ 789,958 |


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U.S. Department of the Interior
Bureau of Reclamation
Consolidating Statement of Net Cost
For the Year Ended September 30, 2001 (As Restated)

| (In Thousands) | Pacific Northwest Region | Mid-Pacific Region | Lower Colorado Region |
|---|---|---|---|
| **Water and Energy Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | $ 39,271 | $ 59,786 | $ 220,058 |
| Segment Exchange Revenues From the Public | (11,926) | (111,970) | (135,018) |
| Segment Cost of Operations for Services Provided to the Public | 27,345 | (52,184) | 85,040 |
| Segment Expenses for Services Provided to Other Federal Entities | 24,946 | 28,987 | 37,714 |
| Segment Exchange Revenues From Other Federal Entities | (24,601) | (28,586) | (37,192) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | 345 | 401 | 522 |
| *Net Segment Cost of Operations* | 27,690 | (51,783) | 85,562 |
| **Land Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | 7,170 | 6,255 | 3,760 |
| Segment Exchange Revenues From the Public | (23) | (196) | (2) |
| Segment Cost of Operations for Services Provided to the Public | 7,147 | 6,059 | 3,758 |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | – |
| Segment Exchange Revenues From Other Federal Entities | – | – | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | – |
| *Net Segment Cost of Operations* | 7,147 | 6,059 | 3,758 |
| **Fish and Wildlife Management and Development:** | | | |
| Segment Expenses for Services Provided to the Public | 6,532 | 107,606 | 13,379 |
| Segment Exchange Revenues From the Public | – | (37,408) | (240) |
| Segment Cost of Operations for Services Provided to the Public | 6,532 | 70,198 | 13,139 |
| Segment Expenses for Services Provided to Other Federal Entities | – | 8,093 | – |
| Segment Exchange Revenues From Other Federal Entities | – | (7,981) | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | 112 | – |
| *Net Segment Cost of Operations* | 6,532 | 70,310 | 13,139 |
| **Facilities Operations:** | | | |
| Segment Expenses for Services Provided to the Public | 27,340 | 91,524 | (26,805) |
| Segment Exchange Revenues From the Public | (9,508) | (1,332) | (18,576) |
| Segment Cost of Operations for Services Provided to the Public | 17,832 | 90,192 | (45,381) |
| Segment Expenses for Services Provided to Other Federal Entities | 53,670 | – | 156,096 |
| Segment Exchange Revenues From Other Federal Entities | (52,928) | – | (153,936) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | 742 | – | 2,160 |
| *Net Segment Cost of Operations* | 18,574 | 90,192 | (43,221) |
| **Facilities Maintenance and Rehabilitation:** | | | |
| Segment Expenses for Services Provided to the Public | 7,445 | 10,835 | 28,982 |
| Segment Exchange Revenues From the Public | – | (838) | (603) |
| Segment Cost of Operations for Services Provided to the Public | 7,445 | 9,997 | 28,379 |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | 3,781 |
| Segment Exchange Revenues From Other Federal Entities | – | – | (3,729) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | 52 |
| *Net Segment Cost of Operations* | 7,445 | 9,997 | 28,431 |
| **Policy and Administration:** | | | |
| Segment Expenses for Services Provided to the Public | 3,847 | 3,862 | 6,041 |
| Segment Exchange Revenues From the Public | – | – | – |
| Segment Cost of Operations for Services Provided to the Public | 3,847 | 3,862 | 6,041 |
| Segment Expenses for Services Provided to Other Federal Entities | – | – | – |
| Segment Exchange Revenues From Other Federal Entities | – | – | – |
| Segment Cost of Operations for Services Provided to Other Federal Entities | – | – | – |
| *Net Segment Cost of Operations* | 3,847 | 3,862 | 6,041 |
| **Non-Program Activities:** | | | |
| Segment Expenses for Services Provided to the Public | (2,105) | (731) | (11,409) |
| Segment Exchange Revenues From the Public | – | (381) | (443) |
| Segment Cost of Operations for Services Provided to the Public | (2,105) | (1,112) | (11,852) |
| Segment Expenses for Services Provided to Other Federal Entities | 31,874 | 43,038 | 54,241 |
| Segment Exchange Revenues From Other Federal Entities | (31,433) | (42,442) | (53,490) |
| Segment Cost of Operations for Services Provided to Other Federal Entities | 441 | 596 | 751 |
| *Net Segment Cost of Operations* | (1,664) | (516) | (11,101) |
| **Total Expenses for Services Provided to the Public** | 89,500 | 279,137 | 234,006 |
| **Total Exchange Revenues From the Public** | (21,457) | (152,125) | (154,882) |
| **Total Net Cost of Operations for Services Provided to the Public** | 68,043 | 127,012 | 79,124 |
| **Total Expenses for Services Provided to Other Federal Entities** | 110,490 | 80,118 | 251,832 |
| **Total Exchange Revenues From Other Federal Entities** | (108,962) | (79,009) | (248,347) |
| **Total Net Cost of Operations for Services Provided to Other Federal Entities** | 1,528 | 1,109 | 3,485 |
| **Total Net Cost of Operations** | $ 69,571 | $ 128,121 | $ 82,609 |

| Upper Colorado Region | Great Plains Region | Commissioner's Office | Combined Total | Elimination of Intrabureau Activity | Consolidated Total |
|---|---|---|---|---|---|
| $ 105,851 | $ 231,540 | $ 28,618 | $ 685,124 | $ – | $ 685,124 |
| (15,526) | (68,043) | (2,642) | (345,125) | – | (345,125) |
| 90,325 | 163,497 | 25,976 | 339,999 | – | 339,999 |
| 5,459 | 42,264 | 32,299 | 171,669 | – | 171,669 |
| (5,383) | (41,679) | (31,852) | (169,293) | – | (169,293) |
| 76 | 585 | 447 | 2,376 | – | 2,376 |
| 90,401 | 164,082 | 26,423 | 342,375 | – | 342,375 |
| 10,535 | 5,577 | 1,404 | 34,701 | – | 34,701 |
| (561) | (233) | – | (1,015) | – | (1,015) |
| 9,974 | 5,344 | 1,404 | 33,686 | – | 33,686 |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 9,974 | 5,344 | 1,404 | 33,686 | – | 33,686 |
| 28,966 | 6,660 | 3,045 | 166,188 | – | 166,188 |
| (14,002) | – | – | (51,650) | – | (51,650) |
| 14,964 | 6,660 | 3,045 | 114,538 | – | 114,538 |
| 76 | – | – | 8,169 | – | 8,169 |
| (75) | – | – | (8,056) | – | (8,056) |
| 1 | – | – | 113 | – | 113 |
| 14,965 | 6,660 | 3,045 | 114,651 | – | 114,651 |
| 13,543 | 66,030 | 2,404 | 174,036 | – | 174,036 |
| 8,300 | (7,033) | – | (28,149) | – | (28,149) |
| 21,843 | 58,997 | 2,404 | 145,887 | – | 145,887 |
| 41,485 | 13 | – | 251,264 | – | 251,264 |
| (40,910) | (12) | – | (247,786) | – | (247,786) |
| 575 | 1 | – | 3,478 | – | 3,478 |
| 22,418 | 58,998 | 2,404 | 149,365 | – | 149,365 |
| 12,582 | 8,642 | 21,424 | 89,910 | – | 89,910 |
| (5,652) | (2,293) | – | (9,386) | – | (9,386) |
| 6,930 | 6,349 | 21,424 | 80,524 | – | 80,524 |
| – | – | – | 3,781 | – | 3,781 |
| – | – | – | (3,729) | – | (3,729) |
| – | – | – | 52 | – | 52 |
| 6,930 | 6,349 | 21,424 | 80,576 | – | 80,576 |
| 3,960 | 3,933 | 37,217 | 58,860 | – | 58,860 |
| – | – | – | – | – | – |
| 3,960 | 3,933 | 37,217 | 58,860 | – | 58,860 |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 3,960 | 3,933 | 37,217 | 58,860 | – | 58,860 |
| (2,972) | (118) | 57,617 | 40,282 | – | 40,282 |
| (643) | (33) | (18,759) | (20,259) | – | (20,259) |
| (3,615) | (151) | 38,858 | 20,023 | – | 20,023 |
| 32,755 | 29,318 | 94,499 | 285,725 | (265,663) | 20,062 |
| (32,302) | (28,913) | (93,192) | (281,772) | 265,663 | (16,109) |
| 453 | 405 | 1,307 | 3,953 | – | 3,953 |
| (3,162) | 254 | 40,165 | 23,976 | – | 23,976 |
| 172,465 | 322,264 | 151,729 | 1,249,101 | – | 1,249,101 |
| (28,084) | (77,635) | (21,401) | (455,584) | – | (455,584) |
| 144,381 | 244,629 | 130,328 | 793,517 | – | 793,517 |
| 79,775 | 71,595 | 126,798 | 720,608 | (265,663) | 454,945 |
| (78,670) | (70,604) | (125,044) | (710,636) | 265,663 | (444,973) |
| 1,105 | 991 | 1,754 | 9,972 | – | 9,972 |
| $ 145,486 | $ 245,620 | $ 132,082 | $ 803,489 | $ – | $ 803,489 |