

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Statement of Financial Position*

As of September 30,

(In Thousands)

1994

1993

**ASSETS**

## Entity Assets:

## Intragovernmental Assets:

Fund Balances with Treasury (Note 2)

\$ 64,186 \$ 53,631

Accounts Receivable, Net

78 73

Investments (Note 3)

1,175,384 1,097,064

## Governmental Assets (from all other sources):

Accounts Receivable, Net- Non-Federal (Note 4)

13,651 12,328

Advances and Prepayments, Non-Federal

4 17

Cash and Other Monetary Assets

38 32

Property, Plant and Equipment, Net (Note 5)

5,558 5,445

Total Entity Assets

1,258,899 1,168,590

## Non-Entity Assets:

## Governmental Assets (from all other sources):

Resources Transferable to Treasury

996 753

Total Non-Entity Assets

996 753

Total Assets

\$ 1,259,895 \$1,169,343**LIABILITIES**

## Liabilities Covered by Budgetary Resources (Funded):

## Intragovernmental Liabilities:

Accounts Payable, Federal

\$ 249 \$ 259

## Governmental Liabilities:

Accounts Payable, Non-Federal

3,702 4,306

Accrued Payroll and Benefits

2,109 1,940

Deferred Revenue, Non-Federal

639 362

Other Governmental Liabilities, Non-Federal

4,420 553

Total Liabilities Covered by Budgetary Resources:

11,119 7,420

## Liabilities Not Covered by Budgetary Resources (Unfunded):

## Governmental Liabilities:

Accrued Leave

4,468 4,499

Other Governmental Liabilities

1,169 304

Total Liabilities Not Covered by Budgetary Resources

5,637 4,803

Total Liabilities

\$ 16,756 \$ 12,223**NET POSITION**

## Balances: (Note 7)

Unexpended Appropriations

\$ 382,474 \$ 391,789

Invested Capital

5,385 5,445

Cumulative Results of Operations

859,748 764,596

Less Future Funding Requirements

(4,468) (4,710)

Net Position

\$ 1,243,139 \$1,157,120

Total Liabilities and Net Position

\$ 1,259,895 \$ 1,169,343

The accompanying notes are an integral part of these statements.

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Statement of Operations and Changes in Net Position*

As of September 30,

(In Thousands)

1994

1993

**REVENUES AND FINANCING SOURCES**

Appropriations Expensed	\$ 299,426	\$ 290,586
Revenues from Sales of Goods and Services (Note 8)		
Governmental	1,070	379
Intragovernmental	188	529
AML Interest, Non-Federal (Note 9)	1,931	1,944
Investment Interest Earned, Federal	40,085	31,751
Revenue from Fees Assessed	249,135	246,056
Other Revenues and Financing Sources (Note 10)	4,408	4,953
Less: Miscellaneous Receipts - Revenue to the US Treasury	(788)	(775)
<b>Total Revenues and Financing Sources</b>	<b>\$ 595,455</b>	<b>\$ 575,423</b>

**EXPENSES**

Grants Provided to States and Tribes	201,537	198,441
Personal Services and Benefits	59,574	57,074
Contractual Services	23,877	20,188
Rent, Communications and Utilities	7,628	6,945
Travel and Transportation	2,506	2,382
Non-capitalized Equipment	1,756	2,052
Supplies	1,318	1,849
Printing and Reproduction	399	396
Other Operating Expenses	(59)	9
<b>Total Program or Operating Expenses (Note 11)</b>	<b>\$ 298,536</b>	<b>\$ 289,336</b>

## Reimbursable Costs

Governmental	1,070	379
Intragovernmental	188	529
Depreciation Expense	842	706
Bad Debt Expense	8,807	13,660
Future Funding Requirements (Note 12)	(242)	(167,563)
Interest for Late Payments	0	7
Other Expenses (Note 13)	0	537
<b>Total Expenses</b>	<b>\$ 309,201</b>	<b>\$ 137,591</b>

## Excess of Revenues and Financing Sources

Over Total Expenses Before Adjustments	286,254	437,832
Plus (Minus) Adjustments		
Prior Period Adjustments	(753)	0
Inter-Fund Transfer	(190,107)	(187,930)
<b>Excess of Revenues and Financing Sources Over Total Expenses</b>	<b>\$ 95,394</b>	<b>\$ 249,902</b>

**CHANGE IN NET POSITION**

Net Position, Beginning Balance	1,157,120	910,878
Prior Period Adjustment Correcting Equity Position	0	0
Net Position, Adjusted Beginning Balance	1,157,120	910,878
Excess of Revenues and Financing Sources Over Total Expenses	95,394	249,902
Plus (Minus) Non-Operating Changes (Note 14)	(9,375)	(3,660)
<b>Net Position, Ending Balance</b>	<b>\$1,243,139</b>	<b>\$1,157,120</b>

The accompanying notes are an integral part of these statements.

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Statement of Cash Flow*

As of September 30,

(In Thousands)

1994

1993

**CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Excess (Shortage) of Revenues and Financing Sources Over Total Expenses \$ **95,394** \$249,902

**Adjustments Affecting Cash Flow:**

Appropriations Expensed	(299,426)	(290,586)
Decrease (Increase) in Accounts Receivable	(1,317)	2,984
Decrease (Increase) in Other Assets	(243)	(316)
Increase (Decrease) in Accounts Payable	(261)	(3,739)
Increase (Decrease) in Other Liabilities	4,894	(168,188)
Other Adjustments (Prior Year Adjustments)	0	0
Total Adjustments	(296,353)	(459,845)

**Net Cash Provided (Used) by Operating Activities** (\$200,959) (\$209,943)

**CASH PROVIDED (USED) BY INVESTING ACTIVITIES**

Sale of Property, Plant and Equipment	\$ 0	\$ 0
Purchase of Property, Plant and Equipment	(761)	(345)
Sale of Securities	(1,637,510)	4,355,873
Purchase of Securities	1,549,825	(4,431,573)
Other Investing Cash Provided (Used)	9,365	(1,420)

**Net Cash Provided (Used) by Investing Activities** (\$ 79,081) (\$ 77,465)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Appropriations:		
Current Year Appropriations	\$300,659	\$300,604
Appropriated Revenue	519	295
Add:		
Transfers of Cash From Others	7,200	0
Deduct:		
Rescissions	0	958
Withdrawals	4,444	257
Transfers To Others	13,333	13,413
Net Appropriations	\$290,601	\$286,271

**Net Cash Provided (Used) by Financing Activities** \$290,601 \$289,271

Net Cash Provided (Used) by Operating, Non-Operating and Financing Activities **10,561** (1,137)

Fund Balances with Treasury, Cash, and Foreign Currency, Beginning **53,663** 54,800

**Fund Balances with Treasury, Cash, and Foreign Currency, Ending** \$ 64,224 \$ 53,663

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Statement of Budget and Actual Expenses*

(In Thousands)

For the year ended September 30, 1994

Program Name	BUDGET			ACTUAL
	Resources	Obligations		Expenses
		Direct	Reimbursed	
Abandoned Mine Lands	\$324,058	\$264,465	\$1,879	\$199,411
Regulation and Technology	110,681	109,338	129	105,508
Civil Penalties	800	101	0	3,047
Bond Forfeiture	1,204	409	601	635
Other (Receipt/Special Funds)	0	0	0	600
<b>Totals</b>	<b>\$436,743</b>	<b>\$374,313</b>	<b>\$2,609</b>	<b>\$309,201</b>

**Budget Reconciliation:**

<b>Total Expenses</b>	\$309,201
Add:	
Capital Acquisitions	1,431
Unfunded Contingent Liability	211
Unfunded Annual Leave	31
Expenditures Reported for Soil Conservation	12,024
Less:	
Depreciation	842
Bad Debt Expense Unappropriated	8,759
Accrued Expenditures	\$313,297
Less Reimbursements	1,258
<b>Accrued Expenditures, Direct</b>	<b>\$312,039</b>

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Notes to Combined Financial Statements*  
*For the Fiscal Years Ending September 30, 1994 and 1993*

**Note 1. Summary of Significant Accounting Policies:**

**A. Basis of Presentation**

These financial statements have been prepared to report the financial position and results of operations of the Office of Surface Mining Reclamation and Enforcement (OSM), as required by the Chief Financial Officers Act of 1990. They have been prepared from the books and records of OSM using the accrual basis of accounting, which recognizes the financial effects of transactions as they occur. In addition, these statements were prepared in accordance with the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin 94-01, and OSM's accounting policies.

**B. Reporting Entity**

The Office of Surface Mining was established as a regulatory agency in the Department of the Interior by Public Law 95-87, also known as the Surface Mining Control and Reclamation Act of 1977 (SMCRA). SMCRA was passed by Congress on August 3, 1977, and has since undergone several revisions; the most recent being the Energy Policy Act of 1992 (Public Law 102-486). Although SMCRA initially empowered OSM with the authority to collect a statutory coal reclamation fee through fiscal year (FY) 1992, the 1992 revision extended this authority through the year 2004.

The purpose of this fee is to fund, among other things, the reclamation of coal mines abandoned prior to August 3, 1977. OSM's mission is further defined by SMCRA to include administering programs designed to (1) protect society and the environment from the effects of coal mining operations, (2) reclaim existing and future mined areas which pose both a hazard to public health and safety and affect the quality of the nation's natural resources, and (3) provide technical and financial assistance to states with primary regulatory authority over jurisdictional coal mining activities.

Budget authority of funds appropriated for SMCRA is vested to OSM, which is also responsible for administrative oversight and policy direction of the program. It is required to report on the accounting of SMCRA funds by the U.S. Department of the Treasury (U.S. Treasury), the General Accounting Office (GAO), and OMB. The U.S. Treasury acts as custodian over all monies appropriated and collected by OSM, except for imprest funds.

The Office of Surface Mining is responsible for segregating accounting entries by category of source or use, otherwise known as funds. For reporting purposes, OSM has consolidated accounting data into three types:

**Regulation and Technology** -- These funds consist of expenditure accounts used to record financial transactions arising from congressional appropriations to spend general revenue: Regulation and Technology (R&T) and India. These funds support the financing of state administrative grants, research and development facilitating the transfer of reclamation expertise to India, and the partial financing of all OSM operations and maintenance costs. Trust Fund appropriations finance the remaining portion of OSM's operations and maintenance cost.

**Reclamation Programs** -- Funds for these programs come from revenues collected from excise taxes (Trust Fund), civil penalty assessments, and performance bond forfeitures for the purpose of reclamation projects.

**Trust Funds** -- These funds were established by SMCRA for the deposit of coal reclamation fees, related late payment interest, and administrative charges recovered in pursuing collections. Available reclamation fees are used solely to finance the Abandoned Mine Lands (AML) Reclamation program. However, before AML funds can be utilized, a congressional appropriation is necessary to authorize yearly spending limits.

**Investment Fund** -- Available Trust Fund balances, in excess of current cash requirements, are regularly invested in non-marketable federal securities as authorized under Public Law 101-508.

**Other** -- These are temporary holding accounts for resources pending distribution. Also, included in this category are OSM's unfunded contingencies and capitalized assets.

**Deposit Funds** -- These funds account for receipts awaiting proper classification, amounts held in escrow, and proceeds from the sale of vehicles. Vehicle proceeds, which are reserved exclusively for the purchase of replacement vehicles, are not treated as earned until replacement vehicles are acquired.

**Receipt Funds** -- The Office of Surface Mining's financial statements include accounts receivable attributable to six funds (not to include trust funds): miscellaneous judicial service fees, fines, administrative fees,

## Notes to Combined Financial Statements (Continued)

miscellaneous receipts, interest, and unclaimed monies which are credited annually to the U.S. Treasury's general government fund. In the billing and collection of these funds, OSM is merely acting as a collection agent for the U.S. Treasury. The Statement of Financial Position includes receivables and an offsetting liability to the U.S. Treasury.

### C. Financing Sources

#### 1. Realized Operating Revenue

*Appropriations* Financing sources are provided through congressional appropriations on both an annual and no-year basis. They are realized each fiscal year to the extent the funds have been expended. In FY 1993, accounting policy changed to include depreciation as an appropriation expenditure.

*Other Revenue* Revenue is also realized when earned but not collected based on recorded accounts receivable. Therefore, the only noncash expenses not funded by revenue are those requiring future funding, such as earned but unused annual leave. This example would be funded with future appropriations.

#### 2. Assessments

The Bond Forfeiture Fund receives operating authority based on revenue provided from forfeited performance bonds. The monies received in this fund are used to reclaim lands that are site-specific to the forfeited bond.

The Civil Penalty Fund receives appropriated revenue from assessments levied against permittees who violate any permit condition or any other provision of Title 30 U.S.C. 1268. The monies received in this fund are used to reclaim lands adversely affected by coal mining practices *on or after* August 3, 1977.

#### 3. Abandoned Mine Land Fees (AML)

The Abandoned Mine Land program is funded by a reclamation fee assessed on coal mine operators. The fee is based on the type and volume of coal produced for sale, transfer, or use. As appropriated by Congress, monies received and deposited in this trust fund are used to reclaim lands adversely affected by coal mining that took place prior to August 3, 1977.

Since its inception, SMCRA has required that half of the AML reclamation fees be distributed to the state of origin as the state share. The distribution formula has historically been based on each state's portion of the AML reclamation fees, late payment interest, and post-judgement interest. However, effective with FY 1992, legislation altered the state-share distribution formula. The revised state-share distribution is based on AML reclamation fees alone. All the remaining funds are designated as the federal share.

#### 4. Transfers In/Transfers Out

The Office of Surface Mining annually transfers a portion of its AML appropriations to the Department of Agriculture's Soil Conservation Service for administering the Rural Abandoned Mine Program. The transfer of OSM's appropriated funding authority to another federal agency is reported on the Statement of Cash Flow as a deduction from Financing Activities.

The Office of Surface Mining also administers and accounts for financial activity affecting no-year funds which, in earlier years, had been transferred to the bureau from the U.S. Department of State (India Fund). The purpose of the India transfer was to fund research and development of India's reclamation program within the framework of SMCRA.

#### D. Centralized Federal Financing Activities

The Office of Surface Mining's financial activities interact with and are dependent on the financial activities of the centralized management functions of the federal government that are undertaken for the benefit of the whole federal government. These activities include public debt and employee retirement, life insurance, and health benefit programs. Accordingly, OSM's financial statements do not contain the results of centralized financial decisions and activities performed for the benefit of the whole government.

These statements are not intended to report OSM's proportionate share of the federal deficit. The Office of Surface Mining funds its operations and maintenance from the R&T and AML appropriations. While financing for the AML program is provided by appropriated Abandoned Mine Land fee collections held in trust, financing for the R&T program may be from tax revenue, public borrowing, or a combination of both.

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Notes to Combined Financial Statements (Continued)*  
For the Fiscal Years Ending September 30, 1994 and 1993

#### E. Allowance for Doubtful Accounts

The Office of Surface Mining uses two different methodologies to recognize bad debts arising from uncollectible accounts receivable. The net of the allowance method, which was revised effective the fourth quarter of FY 1992, is used for trust fund and civil penalty accounts receivable. Under this method, an allowance for doubtful accounts is calculated quarterly based upon OSM's past experience in successfully collecting delinquent accounts receivables by aging category. OSM's allowance methodology is representative of the collectability of delinquent debt.

For all other fund types, the allowance is based on an analysis of each accounts receivable.

#### F. Grant Advances

The Office of Surface Mining awards grants to states and Indian tribes to facilitate the accomplishment of the overall mission. These grants are funded by OSM on an advance basis by means of an automated grant request payment system. Upon receiving approval from OSM, grantees draw down funds disbursed through an automated payment system to meet immediate cash needs. All disbursements are made by the U.S. Treasury. Generally, either semiannually or annually, grantees report costs incurred to OSM, which is the basis for liquidation of grant advances by OSM. Because grantee cost reporting dates do not coincide with OSM's needs for financial reporting purposes, OSM accrued all FY 1994 outstanding grant advances as expenditures. It is anticipated that the number of outstanding grantee cost reports will increase significantly.

#### G. Administrative Expenses

Executive and general administrative expenses incurred by OSM benefit both the R&T and AML funds. Since there is no reasonable means to direct charge shared expenses, both R&T and AML receive an equitable reallocation of indirect costs based on a budget-based formula.

#### H. Distribution of AML Appropriation for Reclamation Grants

It is OSM's policy to distribute the state-share portion of the current AML appropriation based upon each state's percent-

age of their balances in the AML Trust Fund. Additional grants are distributed from the federal-share portion of the AML appropriation based upon state historical coal production prior to 1978. OSM also supports a \$2 million minimum program for states with high-priority projects that would not otherwise receive this base amount through the normal distribution process. State emergency program funds also come from the federal share portion of the appropriation.

#### I. Principal Financial Statements

The Office of Surface Mining's principal financial statements were prepared in accordance with *OMB Bulletin No. 94-01, Form and Content of Agency Financial Statements*. The overall financial condition of the bureau, as presented, consists of four statements:

- Statement of Financial Position
- Statement of Operations and Changes in Net Position
- Statement of Cash Flow
- Statement of Budget and Actual Expenses

Additional supplemental statements are also presented after these notes.

#### Note 2. Fund Balances with Treasury:

##### Fund Balances with Treasury (in thousands):

	*Net Obligated	Unobligated Available	*Restricted	Total
Reclamation Programs	\$ 283,266	\$ 58,453	\$ 846,105	\$ 1,187,824
Regulation and Technology	35,157	0	12,207	47,364
Other	0	0	4,420	4,420
Total	\$318,423	\$ 58,453	\$ 862,732	\$ 1,239,608
Less Investments	272,429	56,850	846,105	1,175,384
Fund Balances in Cash	\$ 45,994	\$ 1,603	\$ 16,627	\$ 64,224

\* The Net Obligated figures are net of Accounts Receivable and Accounts Payable as reported on the FY 1994 Yearend Closing Statement filed with the U.S. Treasury. The Restricted Column includes Unappropriated Available Receipts, Expired Regulation and Technology Funds, and Deposited Suspense Funds.

## Notes to Combined Financial Statements (Continued)

### Note 3. Investments:

Effective October 1, 1991, Public Law 101-508 authorized the Office of Surface Mining to invest available AML trust funds in non-marketable federal securities. The Bureau of Public Debt is the sole issuer of authorized non-marketable federal securities which are available for purchase by OSM through the U.S. Treasury. OSM may invest in bills, notes, bonds, par value special issues, and one-day certificates. There are no restrictions on Federal agencies as to the use or convertibility of non-marketable treasury securities.

Presently, all earnings from AML investments are reinvested, providing a source of continuous funding to further enhance AML Trust Fund equity. However, with the enactment of P. L. 102-486 on October 24, 1992, and effective with the 1996 fiscal year, OSM will be required to transfer annually up to \$70 million in interest earned from the invested AML trust funds to the United Mine Workers Benefit fund. These AML investment proceeds will then be available to provide health benefits for certain eligible retired coal miners and their dependents.

When previously issued Treasury bills are purchased by OSM, the unamortized (discount) or premium is calculated by the U.S. Treasury at the time of purchase. As of September 30, 1994, OSM's outstanding investments in Treasury non-marketable securities consisted of:

Type of Investment	Cost (in thousands)	Unamortized Discount	Net Cost (in thousands)
Treasury Bills	\$ 1,185,795	\$ (10,411)	\$ 1,175,384

### Note 4. Accounts Receivable, Net - Non - Federal:

The Office of Surface Mining is considering a future accounting change impacting the way it identifies accounts receivable. However, any planned policy change will be based on future expected pronouncements to be made by the Federal Accounting Standards Advisory Board (FASAB). This accounting change most likely would impact the way OSM established accounts receivables for Civil Penalty Notices of Proposed Assessments. As shown on the Statement of Financial Position, OSM reported a total of \$13,651 thousand in Accounts Receivable, Net-Non-Federal, for all funds. Of this amount, there are \$3,900 thousand in Civil

Penalty accounts receivable for Notice of Proposed Assessments.

### Note 5. Property, Plant and Equipment, Net:

All property and equipment are valued at cost. Property and equipment are capitalized whenever the initial acquisition cost is \$5,000 or more, and the estimated useful life is two years or longer. There is one exception: computer software is not capitalized unless the acquisition cost is \$25,000 or more.

Fixed Assets (in thousands)	Depreciation Method	Service Life	Acquisition Value	Accumulated Depreciation	Net Book Value
ADP Software	SL	15	\$ 4,520	\$ (1,278)	\$ 3,242
Office Equip.	SL	11-20	1,265	(417)	848
Vehicles	SL	6-10	3,287	(1,819)	1,468
Total			\$ 9,072	\$ (3,514)	\$ 5,558

### Note 6. Pension and Retirement Plans:

The Office of Surface Mining's employees participate in one of two government-sponsored pension and retirement plans. The Civil Service Retirement System (CSRS), the older of the two plans, requires set payroll contributions by participating employees. The Federal Employees Retirement System (FERS) is required for employees hired after December 31, 1983, and offered as optional for employees hired prior to that date. As part of its benefit package, FERS offers both a pension plan and a thrift savings plan which is underwritten by employee contributions that are matched by OSM.

These statements do not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to OSM employees. The administration of government-wide pension and retirement plans rests solely with the Office of Personnel Management (OPM). Pension and retirement data is compiled and reported, in total, by OPM.

The Office of Surface Mining's contributions for FY 1993 to the CSRS and FERS pension plans were \$2.4 million and \$1.7 million, respectively. In addition, OSM's contribution to the FERS thrift savings plan was \$566,000 for FY 1994.

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Notes to Combined Financial Statements (Continued)*  
For the Fiscal Years Ending September 30, 1994 and 1993

**Note 7. Fund Balances:**

(in thousands)	Reclamation Programs	Regulation & Technology	Other	Total
<b>Unexpended Appropriations:</b>				
<b>Unobligated</b>				
Available	\$ 58,453	\$ 0	\$ 0	\$ 58,453
Unavailable	0	12,206	0	12,206
Undelivered Orders	281,482	31,913	0	313,395
Unfilled Cust Orders	(1,580)	0	0	(1,580)
Invested Capital	0	0	5,385	5,385
<b>Cumulative Results</b>				
of Operations	859,748	0	0	859,748
<b>Future Funding</b>				
Requirements	0	0	(4,468)	(4,468)
<b>Total</b>	<b>\$1,198,103</b>	<b>\$44,119</b>	<b>\$ 917</b>	<b>\$1,243,139</b>

**Note 8. Revenues from Sales of Goods and Services:**

There are some types of receipts (e.g., reimbursable agreements with states and other federal agencies) that are recognized as revenues when earned. These revenues may be used to offset the cost of producing the product or providing the service for which they are received.

**Note 9. AML Interest:**

A financing source is recognized when interest is earned on delinquent AML fees. At a future date, Congress will decide when these funds will be made available for appropriation.

**Note 10. Other Revenues and Financing Sources:**

Accrual-based accounting includes both collected and uncollected revenue as a financing source:

Other Revenue and Financing Sources:	1994	1993
(in thousands)		
Administrative Revenue from AML Fees	\$ 979	\$ 1,040
Civil Penalty Revenue	2,641	2,501
Miscellaneous Receipts Revenue	788	1,412
<b>Total</b>	<b>\$ 4,408</b>	<b>\$ 4,953</b>

**Note 11. Program or Operating Expenses:**

Expenses incurred from funded appropriations by FY:

Operating Expenses by Program (in thousands)	1994	1993
AML	\$ 192,570	\$179,938
R&T	105,359	108,200
Civil Penalty	176	1,026
Bond Forfeiture	431	172
Other	0	0
<b>Total</b>	<b>\$ 298,536</b>	<b>\$289,336</b>

**Note 12. Future Funding Requirements:**

The Department of the Interior has advised OSM that each of its bureaus has an unfunded future liability for workers' compensation benefits covered by the Federal Employees' Compensation Act (FECA). However, the Department was unable to determine OSM's allocation in time for inclusion in the FY 1994 financial statements. To adequately disclose this future funding requirement, we have followed departmental guidance by using FY 1993's estimated allocation for workers' compensation benefits as of September 30, 1994, is estimated to be \$2.4 million.

**Note 13. Other Expenses**

For FY 1994, some other immaterial expenses have been included with reported program or operating expenses. Prompt pay interest expense and discounts lost have been reported in the above operating expenses.

*Notes to Combined Financial Statements (Continued)***Note 14. Non-Operating Changes:**

Non-operating changes in capital occur based on changes in appropriated equity and invested capital as follows:

(in thousands)	1994	1993
<b>Invested Capital</b>		
Capital Acquisition	\$ 1,431	\$ 1,387
Restatement of Beg Bal	85	356
Change in Accumulated Depreciation	0	207
Prior Period Adjustment to Property Book	0	737
Depreciation	(842)	(706)
Net Transfers Out	(721)	(645)
Other Capitalized Expenses	(13)	(336)
Invested Capital Change	\$ (60)	\$ 1,000
<b>Appropriated Capital</b>		
Unobligated Balance	\$ (18,351)	\$ (2,750)
Unliquidated Obligations:		
Undelivered Orders	10,215	(1,930)
Unfilled Cust Orders	(1,179)	20
Unliquidated Obligations	9,036	(1,910)
Appropriated Change	\$ (9,315)	\$ (4,660)
Net Non-Operating Changes	\$ (9,375)	\$ (3,660)

Other capitalized expenses include losses, trade-ins, sales, and deletions.

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Supplemental Statement of Financial Position*  
*For the Year Ended September 30, 1994*

(In Thousands)

	Reclamation Programs	Regulation & Technology	Other	Combined
<b>ASSETS</b>				
Entity Assets:				
Intragovernmental Assets:				
Fund Balances with Treasury	\$ 12,402	\$47,364	\$ 4,420	\$ 64,186
Accounts Receivable, Net	22	56	0	78
Investments	1,175,384	0	0	1,175,384
Governmental Assets (from all other sources):				
Accounts Receivable, Net-Non-Federal	13,643	8	0	13,651
Advances and Prepayments, Non-Federal	0	4	0	4
Cash and Other Monetary Assets	38	0	0	38
Property, Plant and Equipment, Net	0	0	5,558	5,558
<b>Total Entity Assets</b>	<b>1,201,489</b>	<b>47,432</b>	<b>9,978</b>	<b>1,258,899</b>
Non-Entity Assets:				
Governmental Assets (from all other sources):				
Resources Transferable to Treasury	0	0	996	996
<b>Total Non-Entity Assets</b>	<b>0</b>	<b>0</b>	<b>996</b>	<b>996</b>
<b>Total Assets</b>	<b>\$1,201,489</b>	<b>\$47,432</b>	<b>\$10,974</b>	<b>\$1,259,895</b>
<b>LIABILITIES</b>				
Liabilities Covered by Budgetary Resources (Funded):				
Intragovernmental Liabilities:				
Accounts Payable, Federal	\$ 15	\$ 234	\$ 0	\$ 249
Governmental Liabilities:				
Accounts Payable, Non-Federal	2,172	\$1,530	0	3,702
Accrued Payroll and Benefits	560	1,549	0	2,109
Deferred Revenue, Non-Federal	639	0	0	639
Other Governmental Liabilities, Non-Federal	0	0	4,420	4,420
<b>Total Liabilities Covered by Budgetary Resources:</b>	<b>3,386</b>	<b>3,313</b>	<b>4,420</b>	<b>11,119</b>
Liabilities not Covered by Budgetary Resources (Unfunded):				
Governmental Liabilities:				
Accrued Leave	0	0	4,468	4,468
Other Governmental Liabilities	0	0	1,169	1,169
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>0</b>	<b>0</b>	<b>5,637</b>	<b>5,637</b>
<b>Total Liabilities</b>	<b>\$ 3,386</b>	<b>\$ 3,313</b>	<b>\$10,057</b>	<b>\$ 16,756</b>
<b>NET POSITION</b>				
Balances:				
Unexpended Appropriations	\$ 338,355	\$44,119	\$ 0	\$ 382,474
Invested Capital	0	0	5,385	5,385
Cumulative Results of Operations	859,748	0	0	859,748
Less Future Funding Requirements	0	0	(4,468)	(4,468)
<b>Net Position</b>	<b>\$1,198,103</b>	<b>\$44,119</b>	<b>\$ 917</b>	<b>\$1,243,139</b>
<b>Total Liabilities and Net Position</b>	<b>\$1,201,489</b>	<b>\$47,432</b>	<b>\$10,974</b>	<b>\$1,259,895</b>

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Supplemental Statement of Operations and Changes in Net Position*  
For the Year Ended September 30, 1994

(In Thousands)

	Reclamation Programs	Regulation & Technology	Other	Combined
<b>REVENUES AND FINANCING SOURCES</b>				
Appropriations Expensed	\$ 193,225	\$105,359	\$842	\$ 299,426
Revenues from Sales of Goods and Services				
Governmental	1,068	2	0	1,070
Intragovernmental	41	147	0	188
AML Interest, Non-Federal	1,931	0	0	1,931
Investment Interest Earned, Federal	40,085	0	0	40,085
Revenue from Fees Assessed	249,135	0	0	249,135
Other Revenues and Financing Sources	3,620	0	788	4,408
Less: Miscellaneous Receipts Transferred to the U.S. Treasury	0	0	(788)	((788))
<b>Total Revenues and Financing Sources</b>	<b>\$ 489,105</b>	<b>\$105,508</b>	<b>\$842</b>	<b>\$ 595,455</b>
<b>EXPENSES</b>				
Grants Provided to States and Tribes	153,566	47,971	0	201,537
Personal Services and Benefits	18,964	40,610	0	59,574
Contractual Services	16,358	7,519	0	23,877
Rent, Communications and Utilities	2,505	5,123	0	7,628
Travel and Transportation	707	1,799	0	2,506
Non-capitalized Equipment	683	1,073	0	1,756
Supplies	353	965	0	1,318
Printing and Reproduction	101	298	0	399
Other Operating Expenses	(60)	1	0	(59)
<b>Total Program or Operating Expenses</b>	<b>\$ 193,177</b>	<b>\$105,359</b>	<b>\$ 0</b>	<b>\$ 298,536</b>
Reimbursable Costs				
Governmental	1,068	2	0	1,070
Intragovernmental	41	147	0	188
Depreciation Expense	0	0	842	842
Bad Debt Expense	8,807	0	0	8,807
Future Funding Requirements	0	0	(242)	(242)
Interest for Late Payments	0	0	0	0
Other Expenses	0	0	0	0
<b>Total Expenses</b>	<b>\$ 203,093</b>	<b>\$105,508</b>	<b>\$600</b>	<b>\$ 309,201</b>
Excess of Revenues and Financing Sources				
Over Total Expenses Before Adjustments	286,012	0	242	286,254
Plus (Minus) Adjustments				
Prior Period Adjustments	0	0	(753)	(753)
Inter-Fund Transfer	(190,107)	0	0	(190,107)
<b>Excess of Revenues and Financing Sources Over Total Expenses</b>	<b>\$ 95,905</b>	<b>\$ 0</b>	<b>(\$511)</b>	<b>\$ 95,394</b>
<b>CHANGE IN NET POSITION</b>				
Net Position, Beginning Balance	1,111,442	44,190	1,488	1,157,120
Prior Period Adjustment Correcting Equity Position	0	0	0	0
Net Position, Adjusted Beginning Balance	1,111,442	44,190	1,488	1,157,120
Excess of Revenues and Financing Sources Over Total Expenses	95,905	0	(511)	95,394
Plus (Minus) Non-Operating Changes	(9,244)	(71)	(60)	(9,375)
<b>Net Position, Ending Balance</b>	<b>\$1,198,103</b>	<b>\$44,119</b>	<b>\$917</b>	<b>\$1,243,139</b>

U.S. Department of the Interior  
Office of Surface Mining Reclamation and Enforcement  
*Supplemental Statement of Cash Flow*  
For the Year Ended September 30, 1994

(In Thousands)

	Reclamation Programs	Regulation & Technology	Other	Combined
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	\$ 95,905	\$ 0	(\$ 511)	\$ 95,394
<b>Adjustments Affecting Cash Flow:</b>				
Appropriations Expensed	(193,225)	(105,359)	(842)	(299,426)
Decrease (Increase) in Accounts Receivable	(1,293)	(24)	0	(1,317)
Decrease (Increase) in Other Assets	0	0	(243)	(243)
Increase (Decrease) in Accounts Payable	(703)	442	0	(261)
Increase (Decrease) in Other Liabilities	0	0	4,894	4,894
Other Adjustments (Prior Year Adjustments)	0	0	0	0
Total Adjustments	(195,221)	(104,941)	3,809	(\$296,353)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(\$99,316)</b>	<b>(\$104,941)</b>	<b>\$3,298</b>	<b>(\$200,959)</b>
<b>CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>				
Sale of Property, Plant and Equipment	\$ 0	\$ 0	\$ 0	\$ 0
Purchase of Property, Plant and Equipment	(611)	(819)	669	(761)
Sale of Securities	(1,637,510)	0	0	(1,637,510)
Purchase of Securities	1,549,825	0	0	1,549,825
Other Investing Cash Provided (Used)	9,365	0	0	9,365
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(\$78,931)</b>	<b>(\$ 819)</b>	<b>\$ 669</b>	<b>(\$79,081)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Appropriations:				
Current Year Appropriations	\$190,107	\$110,552	\$ 0	\$300,659
Appropriated Revenue	519	0	0	519
Add:				
Transfers of Cash From Others	7,200	0	0	7,200
Deduct:				
Rescissions	0	0	0	0
Withdrawals	0	4,444	0	4,444
Transfers To Others	13,233	0	100	13,333
Net Appropriations	\$184,593	\$106,108	(\$ 100)	\$290,601
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>\$184,593</b>	<b>\$106,108</b>	<b>(\$ 100)</b>	<b>\$290,601</b>
Net Cash Provided (Used) by Operating, Non-Operating and Financing Activities	6,346	348	3,867	10,561
Fund Balances with Treasury, Cash, and Foreign Currency, Beginning	6,094	47,016	553	53,663
<b>Fund Balances with Treasury, Cash, and Foreign Currency, Ending</b>	<b>\$12,440</b>	<b>\$47,364</b>	<b>\$4,420</b>	<b>\$64,224</b>