

Appendix C—Required Supplementary Information

Deferred Maintenance
Statement of Budgetary Resources by Segment
Intragovernmental Amounts



Deferred Maintenance

Overview

Deferred maintenance is maintenance that was scheduled to be performed and was delayed until a future period. Deferred maintenance represents a cost that the Government has elected not to fund, and therefore, the costs are not reflected in the financial statements. Maintenance is defined to include preventative maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable service and achieve its expected life. It excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to service needs different from, or significantly greater than, those originally intended. Deferred maintenance is reported for general Property, Plant and Equipment (PP&E), stewardship assets, and heritage assets. It is also reported separately for critical and noncritical amounts of maintenance needed to return each class of asset to its acceptable operating condition.

As of September 30, 2002, Deferred Maintenance Totals by Asset Class
\$ In Thousands

Asset Class	Overall Condition (1)	Cost to Return to Acceptable Condition	Critical Maintenance (2)	Noncritical Maintenance (3)
Buildings and Administration Facilities	Varies	\$ 518,153	\$ 189,342	\$ 328,811
Dams	Varies	29,975	9,438	20,536
Heritage	Varies	73,187	42,090	31,097
Range Improvements	Varies	491,062	490,899	163
Recreation Facilities ^{a/}	Varies	291,071	99,224	191,847
Roads and Bridges	Varies	4,954,964	1,161,371	3,793,594
Trails ^{a/}	Varies	137,888	51,316	86,573
Wildlife, fish, threatened & endangered species	Varies	4,287	3,017	1,270
Totals^{b/}		\$ 6,500,586	\$ 2,046,697	\$ 4,453,890

Total USDA Forest Service “system” road mileage is 382,300 miles as of September 30, 2002.

^{a/}The USDA Forest Service used the Fiscal Year (FY) 2001 Deferred Maintenance values for General Forest Area under the recreation facilities component and for trails under the trails component. These components were in a computer application transition at the time of collection and the process for collecting data was not operational.

^{b/}Overall agency indirect cost of managing the program is 19 percent (not included in the figures above).

(1)Overall Condition: Condition of major classes of property range from poor to good depending on location, age, and type of property. There is currently no comprehensive national assessment of USDA Forest Service property. The current deferred maintenance estimates were based on statistical and random sampling. The USDA Forest Service is working on a long-range plan to make condition assessments on all major classes of property.

(2)Critical Maintenance: A requirement that addresses a serious threat to public health or safety, a natural resource, or the ability to carry out the mission of the organization.

(3)Noncritical Maintenance: A requirement that addresses potential risk to the public or employee safety or health (e.g., compliance with codes, standards, or regulations). Addresses potential adverse consequences to natural resources or mission accomplishment.

The USDA Forest Service uses condition surveys to estimate deferred maintenance on all major classes of PP&E. There is no deferred maintenance for fleet vehicles and computers that are managed through the agency's working capital fund. Each fleet vehicle is maintained according to schedule. The cost of maintaining the remaining classes of equipment is expensed.

Condition of Administrative Facilities: The condition of administrative facilities is summarized by the following:

- 22 percent of buildings are obsolete, over 50 years old,
- 27 percent of buildings are in poor condition needing major alterations and renovations,
- 24 percent of buildings are in fair condition needing minor alterations and renovations, and
- 27 percent of buildings are in good condition needing only routine maintenance and repairs.

Condition of Dams: The overall condition of dams is below acceptable. The condition of a dam is acceptable when the dam meets current design standards and does not have any deficiencies that threaten the safety of the structure or public, or are needed to restore functional use, correct unsightly conditions, or prevent more costly repairs.

Condition of General Property, Plant and Equipment: The standards for acceptable operating condition for various classes of general PP&E, stewardship and heritage assets are as follows:

- **Buildings:** Comply with the National Life Safety Code, the Forest Service Health and Safety Handbook, and the Occupational Safety Health Administration as determined by condition surveys.
- **Dams:** Managed according to Forest Service Manual (FSH) 7500, Water Storage and Transmission, and Forest Service Handbook (FSH) 7509.11, Dams Management, as determined by condition surveys.
- **Heritage Assets:** These assets include archaeological sites that require determinations of National Register of Historic Places status, National Historic Landmarks, and significant historic properties. Some heritage assets may have historical significance, but their primary function within the agency is as visitation or recreation sites and, therefore, may not fall under the management responsibility of the heritage program.
- **Range Structures:** The condition assessment was based on: 1) a determination by knowledgeable range specialists or other district personnel of whether or not the structure would perform the originally intended function, and 2) a determination through the use of a protocol system to assess conditions based on age. A long-range methodology is used to gather this data.
- **Developed Recreation Sites:** This category that includes campgrounds, trailheads, trails, wastewater facilities, interpretive facilities, and visitor centers. All developed sites are managed in accordance with Federal laws and regulations (CFR 36). Detailed management guidelines are contained in FSM 2330, Publicly Managed Recreation Opportunities and regional and forest level user guides. Standards of quality for developed recreation sites were developed under the meaningful measures system and established for the following categories: health and cleanliness, settings, safety and security, responsiveness, and the condition of facility.

- *Roads and Bridges:* Conditions of the NFS road system are measured by various standards that include applicable regulations of the Highway Safety Act developed by the Federal Highway Administration, best management practices for road construction and maintenance developed by the Environmental Protection Agency and States to implement the nonpoint source provisions of the Clean Water Act, road management objectives developed through the forest planning process prescribed by the National Forest Management Act, and the requirements of Forest Service manuals and handbooks.
- *Trails:* Trails are managed according to Federal law and regulations (CFR 36). More specific direction is contained in FSM 2350, Trail, River, and Similar Recreation Opportunities and the Forest Service Trails Management Handbook (FSH 2309.18).
- *Wildlife, Fish, and Threatened and Endangered Species Structure:* Field biologists at the forest used their professional judgment to determine deferred maintenance. Deferred maintenance was considered as upkeep that had not occurred on a regular basis. The amount was considered critical if resource damage or species endangerment would likely occur if maintenance was deferred much longer.

**U. S. Department of Agriculture
Forest Service
Combined Statement of Budgetary Resources by Responsibility Segment
For the Year Ended September 30, 2002
(In Thousands)**

	National Forests and Grasslands	Forest and Rangeland Research	State and Private Forestry	Working Capital Fund	Fire and Aviation Management	Total
Budgetary Resources:						
Budget Authority:						
Appropriations Received	\$ 2,727,573	\$ 241,368	\$ 292,250	\$ -	\$ 1,834,496	\$ 5,095,687
Borrowing Authority	-	-	-	-	-	-
Contract Authority	-	-	-	-	-	-
Net Transfers	36,485	(16)	5,524	-	(144,400)	(102,407)
Other	-	-	-	-	-	-
Unobligated Balance:						
Beginning of Period (Note 15)	1,022,324	76,605	32,933	23,221	96,268	1,251,351
Net Transfers, Actual	6	-	-	-	110,000	110,006
Anticipated Transfers Balances	-	-	-	-	-	-
Spending Authority from Offsetting Collections:						
Earned						
Collected	150,080	23,290	7,782	228,439	474,381	883,972
Receivable from Federal Sources	(55,902)	(82,528)	(7,544)	(2,184)	(8,981)	(157,139)
Change in Unfilled Customers' Orders						
Advance Received	(32,219)	3,987	2,687	26	(16,661)	(42,179)
Without Advance from Federal Sources	9,930	14,852	(370)	-	1,967	26,379
Anticipated for the Rest of Year, Without Advances	-	-	-	-	-	-
Transfers from Trust Funds	-	-	-	-	-	-
Subtotal	71,890	(40,399)	2,555	26,281	450,706	11,034
Recoveries of Prior Year Obligations	37,880	2,255	418	8,160	19,576	68,289
Temporarily not Available Pursuant to Public Law	-	-	-	-	-	-
Permanently not Available	(11,747)	(2,013)	(663)	-	(4,146)	(18,568)
Total Budgetary Resources	\$ 3,884,412	\$ 277,800	\$ 333,017	\$ 257,662	\$ 2,362,502	\$ 7,115,392

See Independent Auditor's Report

U. S. Department of Agriculture
Forest Service
Combined Statement of Budgetary Resources by Responsibility Segment
For the Year Ended September 30, 2002
(In Thousands)

	National Forests and Grasslands	Forest and Rangeland Research	State and Private Forestry	Working Capital Fund	Fire and Aviation Management	Total
Status of Budgetary Resources:						
Obligations Incurred (Note 14)	\$ 3,057,093	\$ 279,869	\$ 285,613	\$ 161,695	\$ 2,118,736	\$ 5,903,006
Unobligated Balance:						
Apportioned	657,232	14,675	51,213	(163,160)	337,986	897,946
Exempt from Apportionment	(4,817)	-	-	-	-	(4,817)
Other Available	-	-	-	-	-	-
Unobligated Balance Available	174,904	(16,744)	(3,809)	259,126	(94,220)	319,258
Total Status of Budgetary Resources	3,884,412	277,800	333,017	257,662	2,362,502	7,115,392
Relationship of Obligations to Outlays:						
Obligated Balance, Net, Beginning of Period (Note 15)	776,562	37,858	375,413	129,445	176,789	1,496,066
Obligated Balance Transferred, Net	-	-	-	-	-	-
Obligated Balance, Net, End of Period:						
Accounts Receivable	(14,545)	38,349	3,509	(3,953)	(115,234)	(91,873)
Unfilled Customers Orders from Federal Sources	(98,738)	(41,114)	(1,510)	-	(4,726)	(146,088)
Undelivered Orders	307,360	83,678	355,475	16,397	222,016	984,926
Accounts Payable	311,170	24,842	(11,760)	19,271	83,187	426,709
Outlays:						
Disbursements	3,336,500	277,394	322,808	253,449	2,097,719	6,287,869
Collections	(117,862)	(27,277)	(10,468)	(228,465)	(457,720)	(841,793)
Subtotal	3,218,638	250,117	312,339	24,984	1,639,998	5,446,076
Less: Offsetting Receipts	534,067	23,246	6,293	218,409	69,448	851,463
Net Outlays	\$ 2,684,571	\$ 226,871	\$ 306,046	\$ (193,425)	\$ 1,570,550	\$ 4,594,613