Office of the Inspector General
U.S. Department of Justice

Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2015

Updated November 2016

Audit Division 16-01 December 2015

U.S. DEPARTMENT OF JUSTICE
ANNUAL FINANCIAL STATEMENTS
FISCAL YEAR 2015*

OFFICE OF THE INSPECTOR GENERAL
COMMENTARY AND SUMMARY

This audit report contains the Annual Financial Statements of the U.S. Department of Justice (Department) for the fiscal years (FY) ended September 30, 2015, and September 30, 2014. Under the direction of the Office of the Inspector General (OIG), KPMG LLP performed the Department's audit in accordance with auditing standards generally accepted in the United States of America. The FY 2015 audit resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in accordance with U.S. generally accepted accounting principles. For FY 2014, the Department also received an unmodified opinion on its financial statements (OIG Audit Report No. 15-02).

KPMG LLP's FY 2015 auditors' report refers to the report of an other auditor who audited a Department component, the Federal Bureau of Prisons (BOP). During the FY 2016 audit of the BOP, management identified an error in the BOP's FY 2015 financial statements, and the BOP auditor withdrew its FY 2015 auditor's report. The BOP's FY 2015 financial statements were subsequently restated, and the BOP auditor issued its auditor's report on the restated FY 2015 financial statements on November 4, 2016. The error was not material to, and therefore was not corrected in, the Department's FY 2015 financial statements. Due to the withdrawal of the other auditor's FY 2015 auditors' report and the subsequent issuance of the auditor's report on the FY 2015 restated financial statements on November 4, 2016, KPMG LLP updated its auditors' report on the Department's FY 2015 financial statements.

KPMG LLP also updated its reports on internal control over financial reporting and on compliance and other matters. The auditors identified one significant deficiency in the FY 2015 *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. The significant deficiency related to inadequate financial statement preparation and review controls. The auditors detected several reporting errors that were similar and pervasive indicating the Department and certain components need to enhance their existing risk assessment processes to ensure transactions with a higher risk of error are adequately monitored and process-level controls are designed at a level of precision to identify significant errors.

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* This report initially was posted to www.oig.justice.gov/ in December 2015. It was updated and re-posted to www.oig.justice.gov/ in November 2016, as explained in this updated Commentary and Summary.

During FYs 2009 through 2015, the Department made measurable progress toward implementing the Unified Financial Management System, which replaced four of five major non-integrated legacy accounting systems. During FY 2015, the Department's planning efforts focused on ensuring the smooth migration of three additional components within the Offices, Boards and Divisions, which occurred in October 2015. However, it is important to note that the Department does not yet have a unified financial management system to readily support ongoing accounting operations and preparation of financial statements, and achieve the economies of scale that it originally envisioned. As discussed in past years, we believe the most important challenge facing the Department in its financial management is to fully implement an integrated financial management system to replace the remaining major non-integrated legacy accounting system used by three of the Department's nine reporting components.

No instances of non-compliance or other matters were identified during the audit that are required to be reported under *Government Auditing Standards*, in the FY 2015 *Independent Auditors' Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. Additionally, KPMG LLP's tests disclosed no instances in which the Department's financial management systems did not substantially comply with the *Federal Financial Management Improvement Act of 1996*.

The Department's financial statements are comprised of nine reporting entities as described in Note 1.A. to the financial statements. Four of these entities (Assets Forfeiture Fund and Seized Asset Deposit Fund, Federal Bureau of Investigation, Federal Bureau of Prisons, and Federal Prison Industries, Inc.) prepare separate audited annual financial statements, which are available on the OIG's website shortly after issuance.

The OIG reviewed KPMG LLP's reports and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with *Government Auditing Standards*, was not intended to enable us to express, and we do not express, an opinion on the Department's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the Department's financial management systems substantially complied with the *Federal Financial Management Improvement Act of 1996*, or conclusions on compliance with laws and regulations and other matters. KPMG LLP is responsible for the attached auditors' reports dated November 10, 2016, and the conclusions expressed in the reports. However, our review disclosed no instances where KPMG LLP did not comply, in all material respects, with auditing standards generally accepted in the United States of America.

AUDIT OF THE U.S. DEPARTMENT OF JUSTICE ANNUAL FINANCIAL STATEMENTS FISCAL YEAR 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

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Management's Discussion and Analysis
(Unaudited)

Established July 1, 1870 (28 U.S.C. § 501 and 503), the Department of Justice (DOJ or the Department) is headed by the Attorney General of the United States. The Department was created to control federal law enforcement, and all criminal prosecutions and civil suits in which the United States has an interest. The structure of the Department has changed over the years, with the addition of a Deputy Attorney General, Associate Attorney General, Assistant Attorneys General, and the formation of Divisions and components; however, unchanged is the commitment and response to securing equal justice for all, enhancing respect for the rule of law, and making America a safer and more secure Nation.

Mission

The mission of the Department of Justice, as reflected in the Strategic Plan for fiscal years (FY) 2014-2018, is as follows:

> *To enforce the law and defend the interests of the United States according to the law, to ensure public safety against threats foreign and domestic, to provide federal leadership in preventing and controlling crime, to seek just punishment for those guilty of unlawful behavior, and to ensure fair and impartial administration of justice for all Americans.*

In carrying out the Department's mission, we are guided by the following core values:

Equal Justice Under the Law. Upholding the laws of the United States is the solemn responsibility entrusted to us by the American people. We enforce these laws fairly and uniformly to ensure that all Americans receive equal protection and justice under the law.

Honesty and Integrity. We adhere to the highest standards of ethical behavior.

Commitment to Excellence. We seek to provide the highest levels of service to the American people. We are effective and responsible stewards of the taxpayers' dollars.

Respect for the Worth and Dignity of Each Human Being. We treat each other and those we serve with fairness, dignity, and compassion. We value differences in people and ideas. We are committed to the well-being of our employees and to providing opportunities for individual growth and development.

Strategic Goals and Objectives

From our mission and core values stem the Department's strategic and annual planning processes. The Department embraces the concepts of performance-based management. At the heart of these concepts is the understanding that improved performance is realized through greater focus on mission, agreement on goals and objectives, and timely reporting of results. In the Department, strategic planning is the first step in an iterative planning and implementation cycle. This cycle, which is the center of the Department's efforts to implement performance-based management, involves setting long-term goals and objectives, translating these goals and objectives into budgets and program plans, implementing programs, monitoring performance, and evaluating results. In this cycle, the Department's FY 2014 – 2018 Strategic Plan provides the overarching framework for component and function-specific plans as well as annual performance plans, budgets, and reports. The Strategic Plan is available electronically on the Department's website at: http://www.justice.gov/jmd/strategic2014-2018/index.html.

The table below provides an overview of the Department's FY 2014 - 2018 strategic goals and objectives.

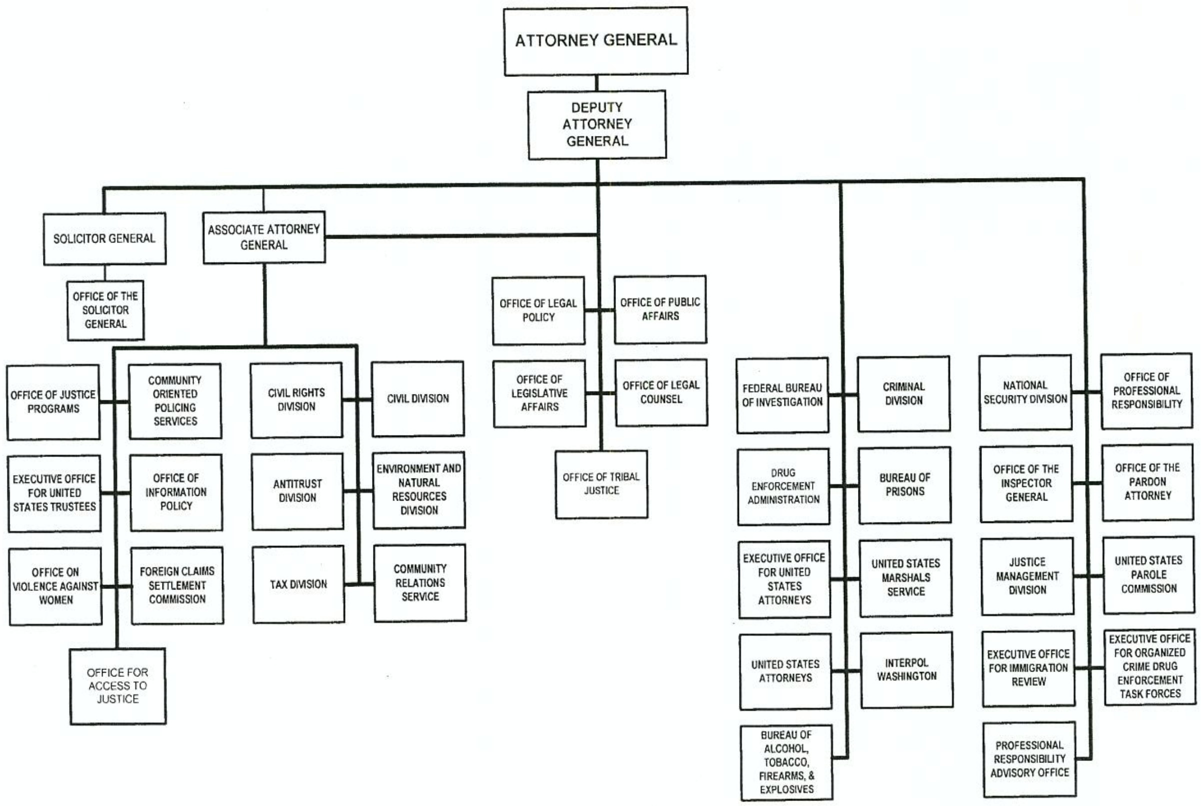
Strategic Goal		Strategic Objectives
1	Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law	**1.1** Prevent, disrupt, and defeat terrorist operations before they occur by integrating intelligence and law enforcement efforts to achieve a coordinated response to terrorist threats **1.2** Prosecute those involved in terrorists acts **1.3** Investigate and prosecute espionage activity against the United States, strengthen partnerships with potential targets of intelligence intrusions, and proactively prevent insider threats **1.4** Combat cyber-based threats and attacks through the use of all available tools, strong public-private partnerships, and the investigation and prosecution of cyber threat actors
2	Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law	**2.1** Combat the threat, incidence, and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest, and prosecute violent offenders and illegal firearms traffickers **2.2** Prevent and intervene in crimes against vulnerable populations and uphold the rights of, and improve services to, America's crime victims **2.3** Disrupt and dismantle major drug trafficking organizations to combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs **2.4** Investigate and prosecute corruption, economic crimes, and transnational organized crime **2.5** Promote and protect American civil rights by preventing and prosecuting discriminatory practices **2.6** Protect the federal fisc and defend the interests of the United States
3	Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels	**3.1** Promote and strengthen relationships and strategies for the administration of justice with law enforcement agencies, organizations, prosecutors, and defenders through innovative leadership and programs **3.2** Protect judges, witnesses, and other participants in federal proceedings by anticipating, deterring, and investigating threats of violence **3.3** Provide safe, secure, humane, and cost-effective confinement and transportation of federal detainees and inmates **3.4** Reform and strengthen America's criminal justice system by targeting the most serious offenses for federal prosecution, expanding the use of diversion programs, and aiding inmates in reentering society **3.5** Apprehend fugitives to ensure their appearance for federal judicial proceedings or confinement **3.6** Prevent and respond to genocide and mass atrocities and ensure that perpetrators of such crimes are held accountable in the United States, and if appropriate, their home countries **3.7** Adjudicate all immigration cases promptly and impartially in accordance with due process **3.8** Strengthen the government-to-government relationship between tribes and the United States, improve public safety in Indian Country, and honor treaty and trust responsibilities through consistent, coordinated policies, activities, and litigation

Organizational Structure

Led by the Attorney General, the Department is comprised of forty one separate component organizations. More than 114,000 employees ensure that the Department carries out the individual missions of its components. These include the U.S. Attorneys (USAs) who prosecute offenders and represent the United States government in court; the major investigative agencies – the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), which deter and investigate crimes and arrest criminal suspects; the U.S. Marshals Service (USMS), which protects the federal judiciary, apprehends fugitives, and detains persons in federal custody; the Bureau of Prisons (BOP), which confines convicted offenders; and the National Security Division (NSD), which brings together national security, counterterrorism, counterintelligence, and foreign intelligence surveillance operations under a single authority.

The Department's litigating divisions represent the rights and interests of the American people and enforce federal criminal and civil laws. The litigating divisions are comprised of the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Criminal (CRM), Environment and Natural Resources (ENRD), and Tax (TAX) Divisions. The Office of Justice Programs (OJP), the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS) provide leadership and assistance to state, local, and tribal governments. Other major Departmental components include the Executive Office for U.S. Trustees (UST), the Justice Management Division (JMD), the Executive Office for Immigration Review (EOIR), the Community Relations Service (CRS), the Office of the Inspector General (OIG), and several offices that advise the Attorney General on policy, law, legislation, tribal justice matters, external affairs, and oversight. Headquartered in Washington, D.C., the Department conducts its work in offices located throughout the country and overseas.

U.S. DEPARTMENT OF JUSTICE



Approved by: Loretta E. Lynch Date: 6/5/2015
LORETTA E. LYNCH
Attorney General

Financial Structure

The Department's financial reporting structure is comprised of nine principal components.

Components:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Bureau of Prisons (BOP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Federal Prison Industries, Inc. (FPI)
- Office of Justice Programs (OJP)
- Offices, Boards and Divisions (OBDs)*
- U.S. Marshals Service (USMS)

OBDs*

Offices

Office of the Attorney General
Office of the Deputy Attorney General
Office of the Associate Attorney General
Community Relations Service
Executive Office for Immigration Review
Executive Office for U.S. Attorneys
Executive Office for U.S. Trustees
Executive Office for Organized Crime Drug Enforcement Task Forces
INTERPOL Washington
Office for Access to Justice
Office of Community Oriented Policing Services
Office of Information Policy
Office of Legal Counsel
Office of Legal Policy
Office of Legislative Affairs
Office of Professional Responsibility
Office of Public Affairs
Office of the Inspector General
Office of the Pardon Attorney
Office of the Solicitor General
Office of Tribal Justice
Office on Violence Against Women
Professional Responsibility Advisory Office
U.S. Attorneys

Boards

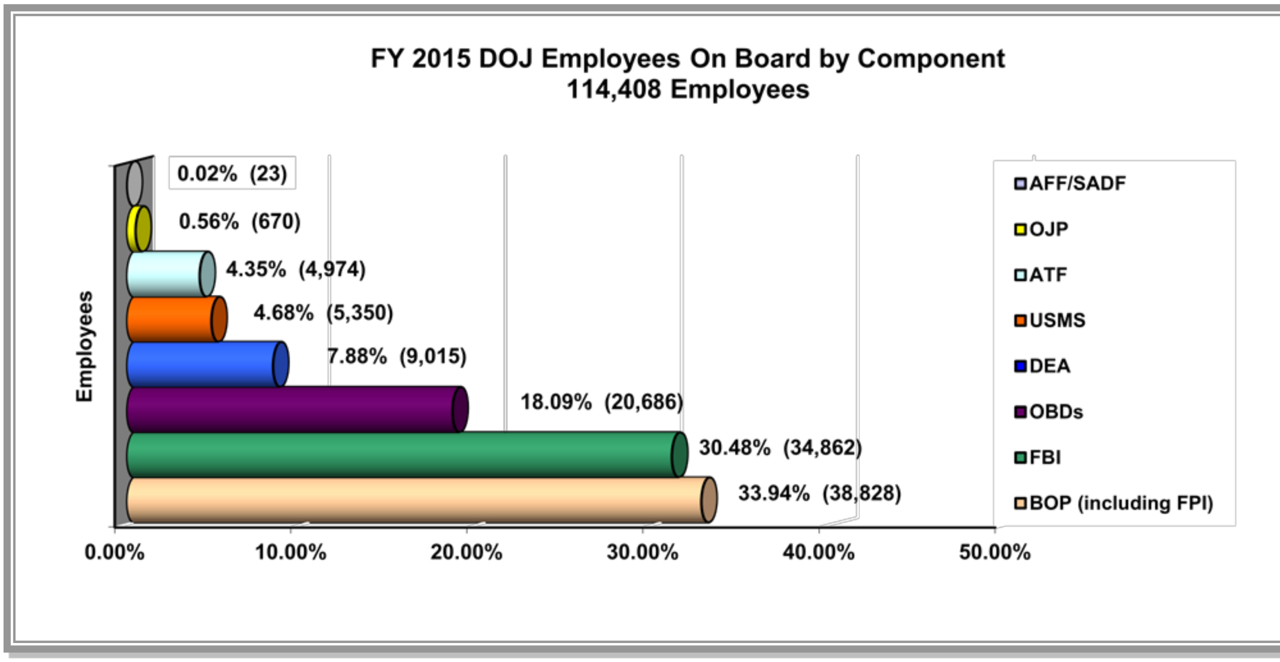
Foreign Claims Settlement Commission
U.S. Parole Commission

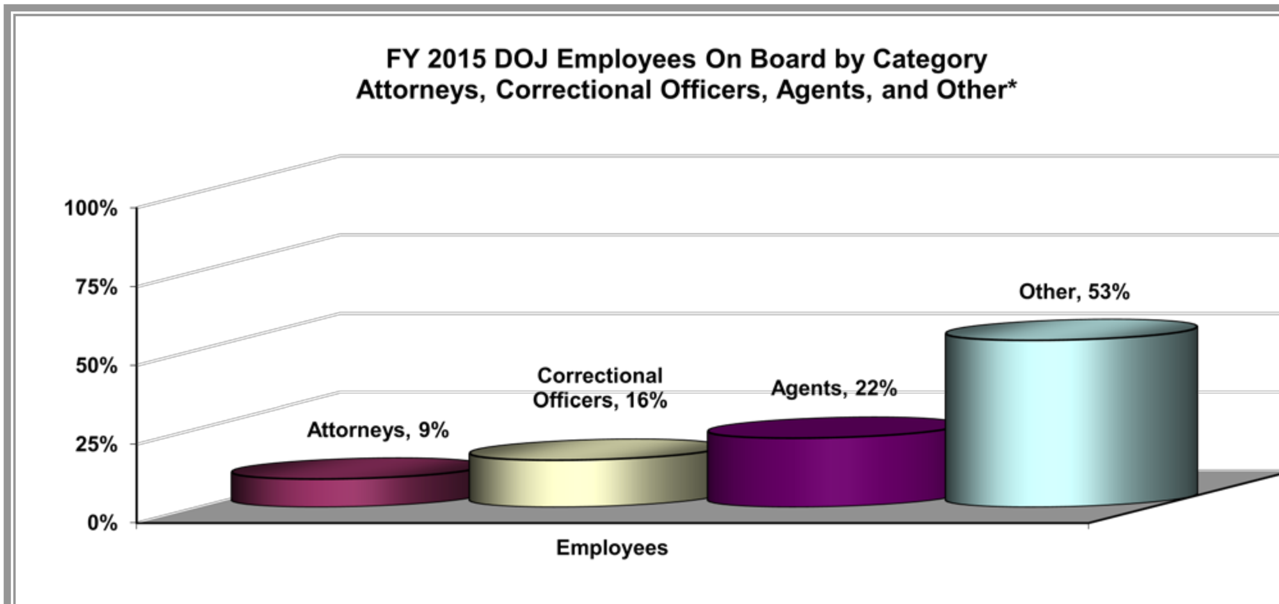
Divisions

Antitrust Division
Civil Division
Civil Rights Division
Criminal Division
Environment and Natural Resources Division
Justice Management Division
National Security Division
Tax Division

FY 2015 Resource Information

The following pages provide summary-level resource and performance information regarding the Department's operations for FY 2015. The charts on this page reflect employees on board as of September 19, 2015.





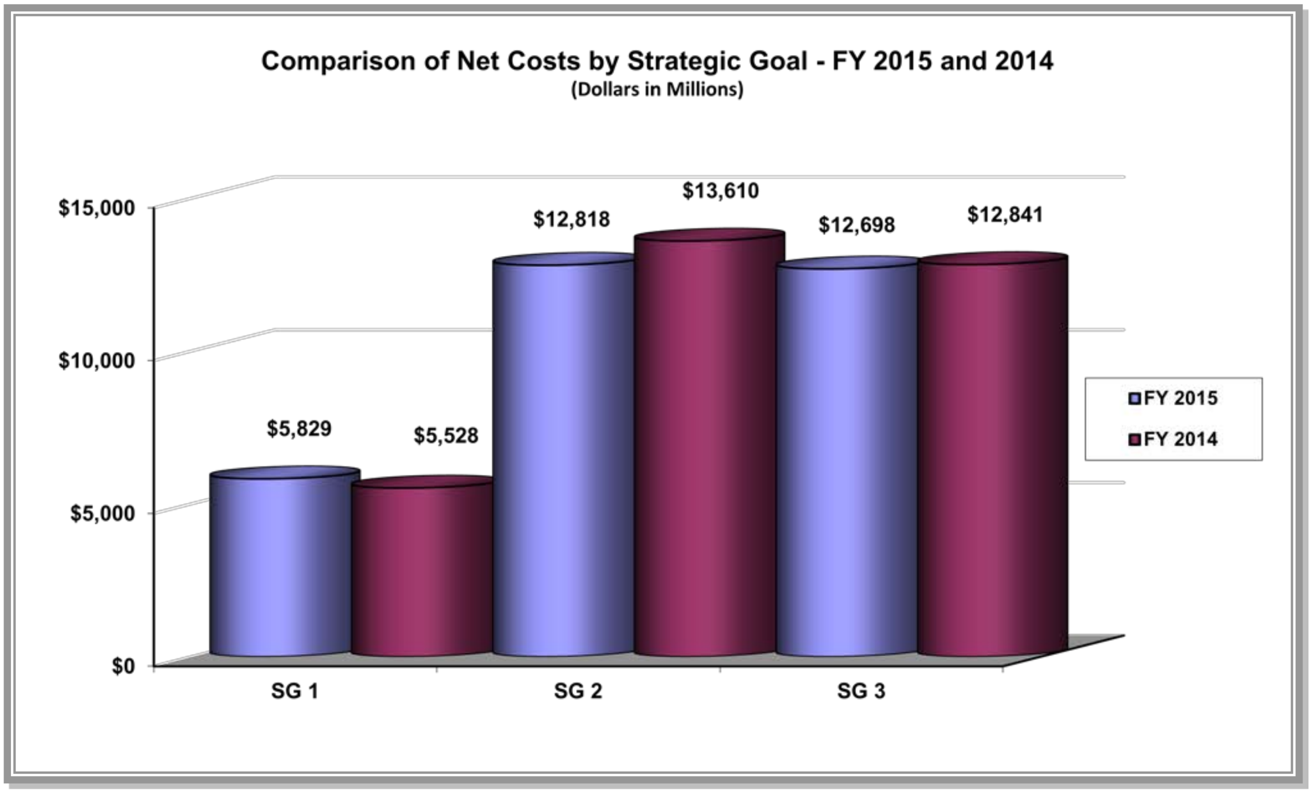
*"Other" includes pay class categories such as paralegals, intelligence analysts, financial managers, procurement officers, evidence technicians, and security specialists.

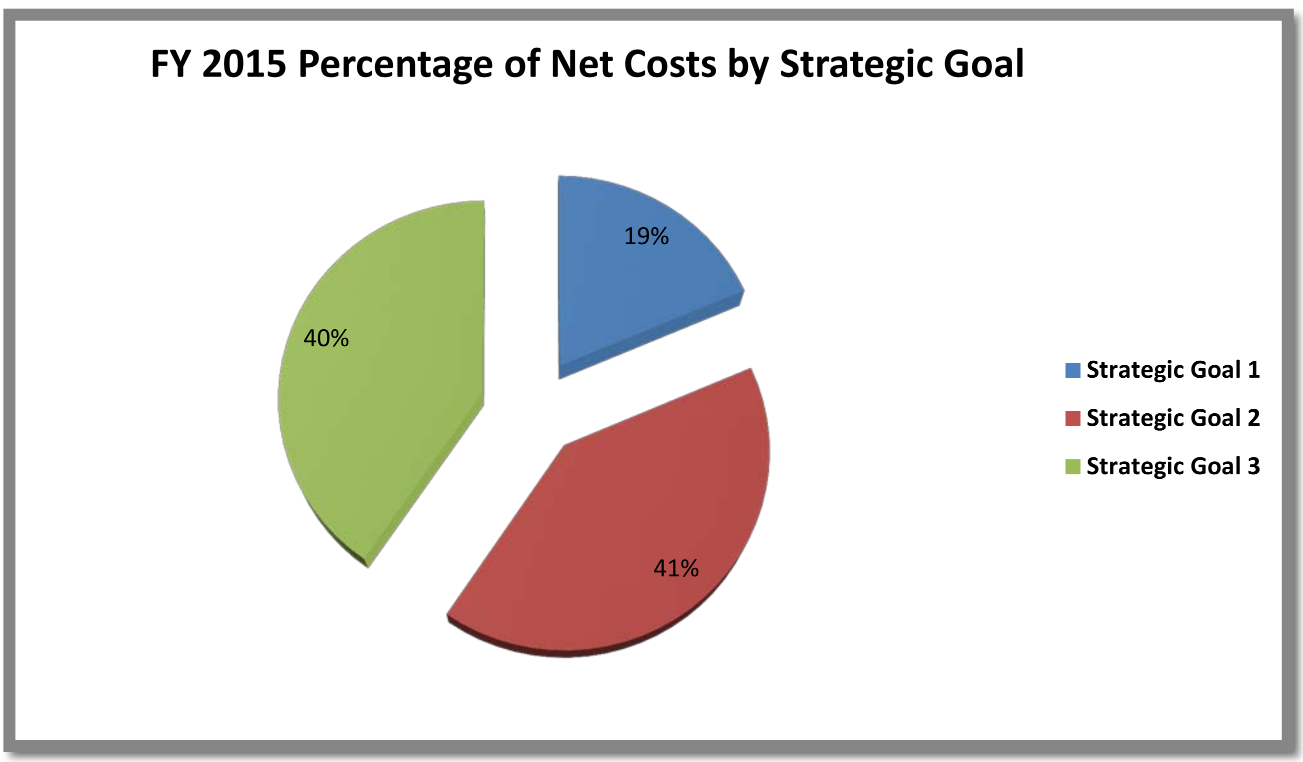
Table 1. Sources of DOJ Resources
(Dollars in Thousands)

Source	FY 2015	FY 2014	% Change
Earned Revenue:	$3,204,126	$3,251,190	**(1.45%)**
Budgetary Financing Sources:			
Appropriations Received	27,469,971	27,997,724	**(1.88%)**
Appropriations Transferred-In/Out	360,483	345,106	**4.46%**
Nonexchange Revenues	2,647,335	3,598,993	**(26.44%)**
Donations and Forfeitures of Cash and Cash Equivalents	1,285,294	4,158,820	**(69.09%)**
Transfers-In/Out Without Reimbursement	1,199,292	(595,090)	**301.53%**
Other Adjustments	(888,767)	(302,829)	**193.49%**
Other Financing Sources:			
Donations and Forfeitures of Property	337,358	308,307	**9.42%**
Transfers-In/Out Without Reimbursement	6,980	3,635	**92.02%**
Imputed Financing from Costs Absorbed by Others	830,074	939,382	**(11.64%)**
Other Financing Sources	(10,836)	(8,193)	**32.26%**
Total DOJ Resources	**$36,441,310**	**$39,697,045**	**(8.20%)**

Table 2. How DOJ Resources Are Spent
(Dollars in Thousands)

	Strategic Goal (SG)	FY 2015	FY 2014	% Change
1	Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law			
	Gross Cost	$6,124,370	$5,872,293	
	Less: Earned Revenue	295,555	344,635	
	Net Cost	5,828,815	5,527,658	**5.45%**
2	Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law			
	Gross Cost	14,299,789	15,247,564	
	Less: Earned Revenue	1,481,475	1,637,361	
	Net Cost	12,818,314	13,610,203	**(5.82%)**
3	Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels			
	Gross Cost	14,125,262	14,110,427	
	Less: Earned Revenue	1,427,096	1,269,194	
	Net Cost	12,698,166	12,841,233	**(1.11%)**
	Total Gross Cost	**34,549,421**	**35,230,284**	
	Less: Total Earned Revenue	**3,204,126**	**3,251,190**	
	Total Net Cost of Operations	**$31,345,295**	**$31,979,094**	**(1.98%)**


Comparison of Net Costs by Strategic Goal - FY 2015 and 2014
(Dollars in Millions)
$15,000
$10,000
$5,000
$0
$5,829
$5,528
$12,818
$13,610
$12,698
$12,841
SG 1
SG 2
SG 3
FY 2015
FY 2014


FY 2015 Percentage of Net Costs by Strategic Goal
19%
41%
40%
Strategic Goal 1
Strategic Goal 2
Strategic Goal 3

Analysis of Financial Statements

The Department's financial statements received an unmodified audit opinion for the fiscal years ended September 30, 2015 and 2014. These statements were prepared from the accounting records of the Department in accordance with the accounting principles generally accepted in the United States and Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These principles are the standards promulgated by the Federal Accounting Standards Advisory Board (FASAB).

The following information highlights the Department's financial position and results of operations in FY 2015. The complete set of financial statements, related notes, and the opinion of the Department's auditors are provided in pages 33 through 101 of this document.

Assets: The Department's Consolidated Balance Sheet as of September 30, 2015, shows $50.8 billion in total assets, an increase of $3.8 billion over the previous year's total assets of $47.0 billion. Fund Balance with U.S. Treasury (FBWT) was $31.2 billion, which represented 61 percent of total assets.

Liabilities: Total Department liabilities were $18.6 billion as of September 30, 2015, an increase of $2.0 billion from the previous year's total liabilities of $16.6 billion. The increase is related to Collections for federal entities by DOJ/Debt Collection Management (DCM) as required by the Federal Debt Recovery Act of 1986, which have not been disbursed and a large deposit recorded in the Seized Asset Deposit Fund by the DOJ prior to September 2015.

Net Cost of Operations: The Consolidated Statement of Net Cost presents Department's gross and net cost by strategic goal. The net cost of the Department's operations totaled $31.3 billion for the fiscal year ended September 30, 2015, a decrease of $ 0.7 billion from the previous year's net cost of operations of $32.0 billion. The decrease is related to unpaid obligations established for third party restitution payments established in the previous fiscal year.

Brief descriptions of some of the major costs for each Strategic Goal are as follows:

Strategic Goal	Description of Major Costs
1	Includes resources dedicated to counterterrorism initiatives for ATF, CRM, DEA, FBI, NSD, USAs, and USMS
2	Includes resources for the AFF/SADF, ATF, BOP, COPS, CRS, DEA, FBI, Foreign Claims Settlement Commission (FCSC), Organized Crime Drug Enforcement Task Forces (OCDETF), OJP, Office of Legal Counsel (OLC), Office of the Pardon Attorney (OPA), Office of the Solicitor General (OSG), OVW, USAs, USMS, INTERPOL Washington, UST, ATR, CIV, CRT, CRM, ENRD,TAX and services to America's crime victims
3	Includes resources for BOP, EOIR, Fees and Expenses of Witnesses, FBI, FPI, OJP, USMS, and U.S. Parole Commission

Management and administrative costs, including the costs for the Department's leadership offices, JMD, and others, are allocated to each strategic goal based on full-time equivalent (FTE) employment.[1]

Budgetary Resources: The Department's FY 2015 Combined Statement of Budgetary Resources shows $46.4 billion in total budgetary resources, an increase of $2.3 billion from the previous year's total budgetary

[1] FTE employment means the total number of regular straight-time hours (i.e., not including overtime or holiday hours) worked by employees, divided by the number of compensable hours applicable to each fiscal year. Annual leave, sick leave, compensatory time off, and other approved leave categories are considered "hours worked" for purposes of defining FTE employment.

resources of $44.1 billion. The increase shown on the Other Adjustment line in Table 1 is primarily attributed to large asset forfeitures and a $1.1 billion expenditure transfer.

Net Outlays: The Department's FY 2015 Combined Statement of Budgetary Resources shows $29.9 billion in net outlays, an increase of $ 0.9 billion from the previous year's total net outlays of $29.0 billion. This increase is primarily related to large asset forfeitures and a $1.1 billion expenditure transfer.

Summary of Performance Information

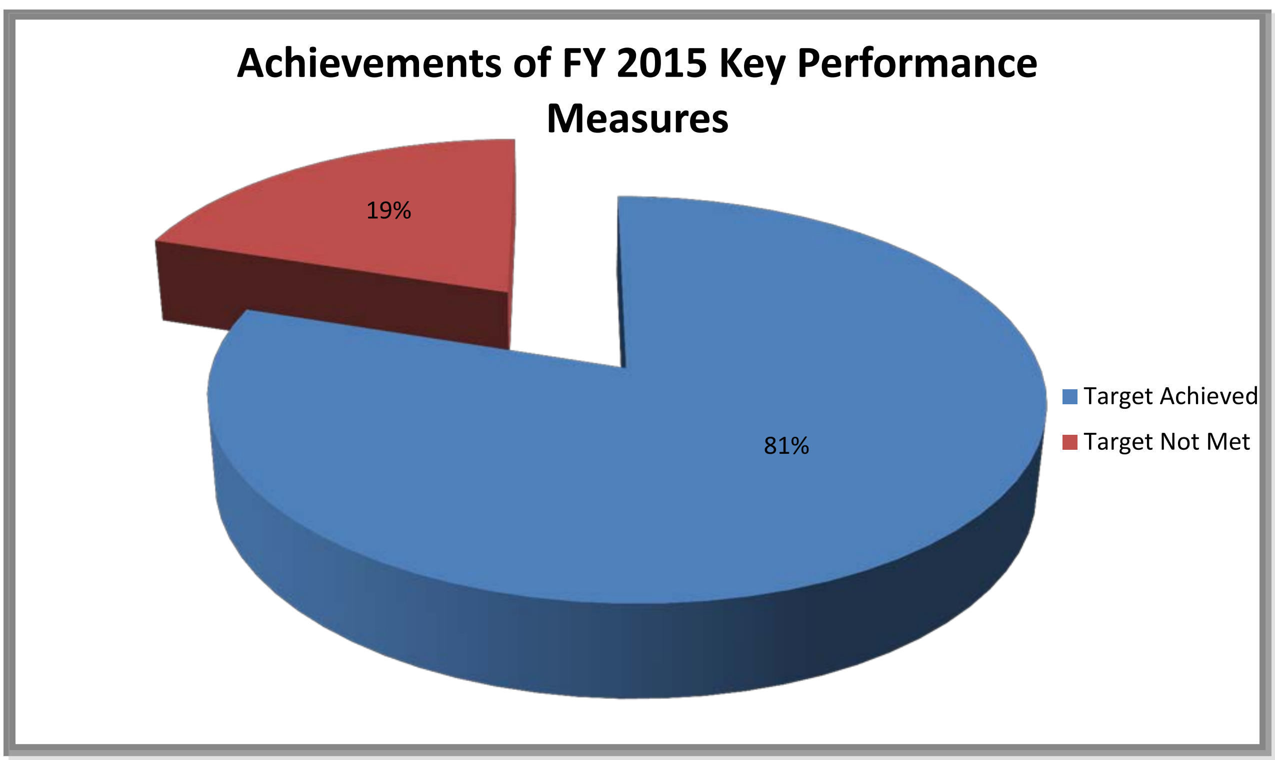
The Government Performance and Results Act Modernization Act of 2010 (GPRAMA) requires an agency's Strategic Plan to be updated every four years and cover a period of not less than four years forward from the fiscal year in which it is submitted.

The Department's FY 2014-2018 Strategic Plan, which contains three strategic goals, is used for this report. The Department's Plan includes 30 key performance measures addressing DOJ's priorities toward achieving its long-term outcome goals. The performance measures are summarized in this document. The Department's full Performance Report for these measures will be reported in the Department's FY 2015 Annual Performance Report/FY 2017 Annual Performance Plan and submitted with the President's Budget in February 2016. The Department strives to present the highest-level outcome-oriented measures available.

During FY 2015, Departmental leadership continued to display a clear commitment to performance management through the reliance on formal quarterly status reviews. Additionally, Departmental components have worked to improve the quality and timeliness of financial and performance information that inform quarterly status reporting and operating plans.

For this summary report, 86 percent of the performance measures have actual data for FY 2015. The Department achieved 81 percent of its key measures that had data available as of September 30, 2015. For some of the performance measures, the actual data will not be available until early 2016. The Department continues to emphasize long-term and annual performance measure development, placement of key performance indicators on cascading employee work plans, and Department-wide quarterly status reporting.

The chart below and the table that follows summarize the Department's achievement of its FY 2015 long-term outcome goals (key performance measures).



FY 2015 Long-term Outcome Goals

(Key Performance Measures)

	[ ] Designates the reporting entity	FY 2014 Revised Actual	FY 2015 Target	FY 2015 Actual	Target Achieved/ Not Achieved
Strategic Objective	**Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law**				
1.1	Number of terrorism disruptions [FBI]	214	125	440	Met
1.2	Percentage of counterterrorism defendants whose cases were favorably resolved [NSD]	92%	90%	98%	Met
1.3	Percentage of counterespionage actions and disruptions against national counterintelligence priorities that result from FBI outreach [FBI]	7.3%	10%	14%	Met
	Percentage of counterespionage defendants whose cases were favorably resolved [NSD]	98%	90%	100%	Met
1.4	Number of computer intrusion program disruptions and dismantlements [FBI]	2,492	500	479	Not Met
	Percentage of cyber defendants whose cases were favorably resolved [NSD]	N/A*	90%	N/A*	N/A

*There were no cyber cases resolved during FYs 2014 and 2015.

	[ ] Designates the reporting entity	FY 2014 Revised Actual	FY 2015 Target	FY 2015 Actual	Target Achieved/ Not Achieved
Strategic Objective	**Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law**				
2.1	Number of gangs/criminal enterprise dismantlements (non-CPOT) [FBI]	167	150	153	Met
	Percent of criminal cases favorably resolved [USA, CRM]	93%	90%	93%	Met
2.2	Number of communities with improved capacity for a coordinated response to domestic violence, dating violence, sexual assault, and stalking [OVW]	5,426	5,158	5,176	Met
	Percent of children recovered within 72 hours of an issuance of an AMBER alert [OJP]	96%	90%	94%	Met
2.3	Consolidated Priority Organizations Target (CPOT)-linked drug trafficking organizations [DEA, FBI (Consolidated data-OCDETF)]				
	Dismantled	208	150	194	Met
	Disrupted	431	350	422	Met
2.4	Number of criminal enterprises engaging in white collar crime dismantled [FBI]	464	368	416	Met
	Percentage of dollar amounts sought by the government recovered [CIV]	85%	85%	85%	Met
2.5	Percent of civil rights cases favorably resolved: criminal cases [CRT]	90%	85%	99%	Met
	Percent of civil rights cases favorably resolved: civil cases [CRT]	99%	85%	86%	Met
2.6	Case resolution for DOJ litigating divisions – percent of criminal cases favorably resolved [ATR, CIV, CRM, ENRD, TAX, USA]	95%	90%	97%	Met
	Case resolution for DOJ litigating divisions – percent of civil cases favorably resolved [ATR, CIV, CRM, ENRD, TAX, USA]	96%	80%	85%	Met

Strategic Objective	[ ] Designates the reporting entity	FY 2014 Revised Actual	FY 2015 Target	FY 2015 Actual	Target Achieved/ Not Achieved
	Strategic Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels				
3.1	Percent of grantees implementing one or more evidence-based programs [OJP/OJJDP]	64%	53%	TBD**	TBD
3.2	Assaults against protected court members [USMS]	0	0	0	Met
3.3	Percent of system-wide crowding in federal prisons [BOP]	30%	24%	23%	Met
3.4	Number of inmate participants in the Residential Drug Abuse Program [BOP]	18,102	18,229	18,304	Met
	Percent of youths who exhibit a desired change in the targeted behavior [OJP]	80%	72%	TBD**	TBD
3.5	Percent and number of USMS federal fugitives apprehended or cleared [USMS]	63%/30,792	58%/31,018	63%/31,202	Met
	Number of red and green notices published on U.S. fugitives and sex offenders [IPOL]	Red-431 Green-655	Red-501 Green-816	Red-402 Green-521	Not Met
3.6	Number of training sessions or presentations given with the goal of building the capacity of foreign law enforcement, prosecutors, and judicial systems regarding the investigation and prosecution of serious criminal offenses, including genocide and mass atrocities [CRM]	1,237	3,675	4,023	Met
3.7	Percent of Institutional Hearing Program cases completed before release [EOIR]	79%	85%	79%	Not Met
	Percent of detained cases completed within 60 days [EOIR]	74%	80%	71%	Not Met
	Percent of detained appeals completed within 150 days [EOIR]	93%	90%	95%	Met
3.8	Number of meetings conducted with the Tribal Nations Leadership Council and the OTJ to further the government-to-government relationship between tribes and the Department, obtain perspective on the Department's activities in Indian Country, and raise issues that have tribal implications [OTJ]	12	14	11	Not Met
	Number of individuals in Indian Country that are receiving substance abuse treatment services (in-patient or out-patient), including Healing-to-Wellness Court [OJP]	1,124	1,200	TBD***	TBD

**Final actual figure will be available in early 2016.
***Final actual figure will be available at the end of calendar year 2015.

FY 2014 – 2015 Priority Goals

Federal agencies are required to identify a limited number of Priority Goals that are considered priorities for both the Administration and the agency; have high relevance to the public or reflect the achievement of key agency missions; and would produce significant results over a 12 to 24 month timeframe. The Priority Goals represent critical elements of a federal agency's strategic plan and are linked to the larger DOJ policy framework and strategic plan goals.

The Priority Goals align with the FY 2014-2018 Strategic Plan, and are reported on a quarterly basis via http://www.performance.gov. The FY 2014-2015 Priority Goals are:

Priority Goal 1, National Security: Protect Americans from terrorism and other threats to National Security, including cyber security threats.
By September 30, 2015, the Department of Justice will:

- Disrupt 175 terrorist threats and groups and disrupt and dismantle 600 cyber threat actors

Terrorism is the most significant national security threat that the country faces. Accordingly, the number one priority of the Department is, and will continue to be, protecting the security of this Nation's citizens. The Administration has recognized that terrorism cannot be defeated by military means alone and the Department is at the forefront of the fight against terrorism. DOJ provides a broad spectrum of tools and skills to combat terrorists. Specifically, DOJ's agents, analysts, and prosecutors will use every available resource and appropriate tool to detect, deter, and disrupt terrorist plots, investigate and prosecute terrorists, and aid in developing rule of law programs in post-conflict countries to help prevent terrorism abroad. The Department will aggressively pursue emerging threats around the world and at home, enhance the ability to gather and analyze actionable intelligence, and engage in outreach efforts to all communities in order to prevent terrorism before it occurs.

Status: The Department of Justice surpassed its 2-year targets for the National Security Priority Goal. The FBI substantially exceeded its 2-year target of disrupting 175 terrorist threats and groups, disrupting a total of 654 in FY 2014-2015 due to several factors: external plotting directed at the homeland and U.S. interests abroad, and increasing threats in other regions. The Department remains proactively positioned to combat a constantly evolving threat landscape.

As part of this goal, the FBI expanded the level of access to the Guardian intelligence-sharing system employed at the classified levels to allow external partners of the United States Intelligence Community (IC) to directly interface with the FBI to share information of value to investigations. The Guardian threat and incident tracking system is now being leveraged by all six federal Cybersecurity Centers and numerous select agencies including the Department of Homeland Security, Department of Defense, and the National Security Agency, for the purpose of coordinating and tracking cyber incidents and for all contact with victim entities. During FY 2014-2015, the total number of Guardian and eGuardian incidents shared between the FBI, IC, and law enforcement community partners was 20,646. The reported numbers underscore the value of Guardian and eGuardian in raising awareness of threats and disrupting terrorist activity before it occur

Throughout FY 2014, the FBI executed its cyber mission by identifying, pursuing, and defeating cyber adversaries targeting global U.S. interests. The FBI surpassed its 2-year target of 600 computer intrusion program disruptions and dismantlements, conducting 2,971 disruptions and dismantlements in FY 2014 - FY 2015 because of significant, coordinated operational activity. A particular case success occurred in May 2014, when the FBI New York Field Office announced the results of the largest law enforcement cyber action in U.S. history. This takedown was of a particularly insidious computer malware known as Blackshades, was sold and distributed to thousands of people in more than 100 countries and used to infect more than half a million computers worldwide.

Priority Goal 2, Violent Crime: Protect our Communities by Reducing Gun Violence using smart prevention and investigative strategies in order to prevent violent acts from occurring.
By September 30, 2015, the Department will:

- Increase the number of records submitted to the National Instant Criminal Background Check System (NICS) Index by states and federal agencies by 10%;
- Increase the number of records entered into the National Integrated Ballistic Information Network (NIBIN) by 3%; and
- Increase the number of NIBIN "hits", that is, the linkage of two or more separate crime scene investigations, based upon comparisons of the markings made on fired ammunition recovered from crime scenes by 3%.

Gun-related violence continues to constitute a serious threat to public safety throughout the United States. While data shows that overall violent crime in the United States has decreased in the past thirty years, many communities continue to experience high levels of gun violence. The Department recognizes that the challenges confronting each community are different and require solutions tailored to each community's needs. The Department focused its actions and resources on 1) gun-violence prevention, by effecting an increase in the number of records submitted to NICS Index, which in turn supports the Department's efforts to accurately and expeditiously identify persons who are legally prohibited from possessing firearms and 2) enhanced and more effective investigation by substantially increasing the number of records entered into NIBIN that contribute to investigative leads. Collectively, accomplishment of these goals will demonstrate and facilitate our progress in preventing and investigating gun-related violent crime.

Status: The Department exceeded its 2-year targets for all three performance measures for the Violent Priority Goal. For the second measure, "Number of entries in NIBIN," the Department was successful in exceeding its FY 2014 and FY 2015 targets by 64,993 records or 37% over its target of 176,248 records. The Department also achieved success in its third performance measure, "Number of "hits" in NIBIN". FY 2014 and FY 2015 targets for this measure were exceeded by 7,691 hits or 31% over its target of 5,884 "hits." As a result of these efforts, 100,719 identified persons in FY 2015 were legally prohibited from possessing firearms due to the expeditious and accurate NICS background check and denial process. In addition during this period, 6,190 federal, state, and local users were trained in NIBIN and 4,527 investigators and analysts were trained to identify how NIBIN can assist them in the investigation process.

An example of a Departmental success in this area is the results achieved by an ATF-led law enforcement operation targeting violent crime. The operation, initiated in Connecticut in 2014, utilized the NIBIN to analyze ballistics evidence in order to target violent criminals and illegal firearm possession and trafficking. Over 80 individuals are expected to or have been charged with various firearms, narcotics, and robbery violations and 74 defendants were charged, or are expected to be charged with various state offenses. In addition, 73 illegal firearms and a large amount of narcotics were removed from the community.

Priority Goal 3, Financial and Healthcare Fraud: Reduce financial and healthcare fraud.
By September 30, 2015, the Department of Justice will:

- Reduce by 3%, the number of financial and healthcare fraud investigations pending longer than 2 years to efficiently and effectively drive those investigations to resolution.

Criminals who commit financial fraud, be it mortgage fraud, securities, and commodities fraud, or insider trading, victimize the American public by undermining the fairness that is critical to all who participate in our economy – from homeowners and private investors to major business leaders. Similarly, those who defraud Medicare, Medicaid, and other government health care programs defraud every American. Fraudsters take critical resources out of our health care system—thus contributing to the rising cost of healthcare for all Americans and endangering the short-term and long-term solvency of these essential healthcare programs. The Department will continue to address these critical problems by vigorously investigating and prosecuting both healthcare fraud and financial fraud, in order to protect American businesses, consumers, and taxpayers.

Status: The Department made significant progress in reducing the number of financial and healthcare fraud investigations pending longer than 2 years during the FY 2014-2015 time period. Through the end of 4th quarter FY 2015, the number of pending investigations was 4,801. The goal for this measure is to be at or below the annual target. The FY 2015 4th quarter actual figure is 4% below the FY 2015 annual target of 4,997. Moreover, the FY 2015 end-of-year actual is 7% below the FY 2013 baseline figure of 5,152 investigations. Over the past two years, the numbers of investigations pending longer than 24 months have trended downward due to a greater awareness of the "aging matters" by United States Attorney Offices (USAOs). Data concerning health care fraud and financial fraud matters pending for 24 months or more are now posted on each USAO's internal data page. The data page is updated on a quarterly basis.

The Department will continue to vigorously investigate and prosecute both financial fraud and health care fraud related cases, in order to protect American businesses, consumers, and taxpayers. In September 2015, the Department issued new policy guidance to all Department prosecutors and civil litigators to require that, if a company wants any credit for cooperation, it must identify all individuals involved in the wrongdoing, regardless of their position, status, or seniority in the company, and provide all relevant facts about their misconduct. Fundamentally, this guidance ensures that all Department attorneys are consistent in using the best efforts to hold individual wrongdoers accountable.

Priority Goal 4, Vulnerable People: Protect vulnerable populations by increasing the number of investigations and litigation matters concerning child exploitation, human trafficking, and non-compliant sex offenders; and by improving programs to prevent victimization, identify victims, and provide services. By September 30, 2015, working with federal, state, local, and tribal partners, protect potential victims from abuse and exploitation through three sets of key indicators:

- Open investigations concerning non-compliant sex offenders (4% over average of FYs 2012, 2013), sexual exploitation of children (3% over average of FYs 2011, 2012, 2013), and human trafficking (2% over FY 2013**)**
- Open litigation matters concerning sexual exploitation of children and human trafficking (5% increase over baseline)
- Percent of children recovered within 72 hours of issuance of an AMBER alert (90%)

The abuse, neglect, exploitation, and trafficking, including sexual abuse of children, the elderly, and other vulnerable populations, causes irrevocable harm to victims and society. Ensuring that our children, seniors, and all citizens can live without being disturbed by sexual trauma, exploitation, or human trafficking are more than criminal justice issues, they are societal and moral issues. Despite efforts to date, the threat of these crimes remains very real. In the broadest terms, the goal of the Department is to prevent child sexual exploitation, elder abuse, hate crimes, and human trafficking from occurring in the first place, in order to protect every person from the physical and mental traumas associated with these crimes.

Status: The Department exceeded its 2-year targets for five out of its six performance measures. "Opened investigations concerning non-compliant sex offenders" exceeded its two-year target (1,841) by 26 or 1.4%. "Open investigations concerning the sexual exploitation of children" exceeded its two-year target (3,051) by 5,680 or 86%. "Opened investigations concerning human trafficking" exceeded its two-year target (218) by 47 or 22%. "Opened litigation matters concerning the sexual exploitation of children" exceeded its two year target (5,424) by 360 or 7%. "Within 72 hours of an issuance of an AMBER alert, recover at least 90% of the children missing" exceeded its two-year target (90%) by attaining an average recovery rate of 94.6%.) For "Opened litigation matters concerning human trafficking" the Department achieved 89%, or 152, of its two-year target (171). The missed target reflects the temporary fluctuation due to a delay in transitioning duties to newly hired investigators. However, the temporary decline has been offset by subsequent increases.

To address the mistreatment of elderly persons, during FY 2014-2015 the Department launched its Elder Justice website, developed an Elder Justice Research Agenda and a strategy for its implementation. The Office of Justice Program/Bureau of Justice Statistics also began a pilot assessment of criminal victimization of the elderly and disabled adults living in institutionalized group quarters. To continue its efforts to improve federal response to the needs of American Indian and Alaska Native children, the Department completed an assessment of federally-provided services for child victims. The Department also began working with the White House-led Generation Indigenous (GenI) initiative. To serve victims of human trafficking, the Department's Office for Victims of Crime worked with the Office on Violence Against Women and the Department of Health and Human Services to align Victims of Crime Act grantee reporting with the reporting required by these two agencies.

Analysis of Systems, Controls, and Legal Compliance

Internal Control Program in the Department of Justice

The objective of the Department of Justice's internal control program is to provide reasonable assurance that operations are effective, efficient, and comply with applicable laws and regulations; financial reporting is reliable; and assets are safeguarded against waste, loss, and unauthorized use. The Department identifies issues of concern through a strong network of oversight councils and internal review teams. These include the Department's Senior Assessment Team, the Justice Management Division's Internal Review and Evaluation Office and Quality Control and Compliance Group, and Departmental component internal review teams. In addition, the Department considers reports issued by the Office of the Inspector General (OIG) and Government Accountability Office (GAO) when assessing internal control.

The Department's internal control continues to improve through the corrective actions implemented by management. The Department's commitment to management excellence, accountability, and compliance with applicable laws and regulations is evidenced in our continuing actions to establish effective controls, make sound determinations on corrective actions, and verify and validate the results. This commitment is further evidenced by the many control improvements and actions taken by Departmental management in response to new legislation, OMB initiatives, and OIG and GAO recommendations, as discussed later in this section and in Appendix B of the Agency Financial Report (AFR).

Departmental management continued in FY 2015 to further strengthen and maximize the effectiveness of its annual assessment of internal control over financial reporting. Examples of such actions include:

- Refining the assessment framework,
- Enhancing the oversight process to ensure prompt implementation of corrective actions,
- Providing direct assistance to components with previously identified reportable conditions, and
- Continuing to support and commit resources to Departmental component internal review programs.

Management Assurances

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA or Integrity Act) provides the statutory basis for management's responsibility for and assessment of internal accounting and administrative controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management. The Integrity Act requires federal agencies to establish controls that reasonably ensure obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to maintain accountability over the assets. The Integrity Act also requires agencies to annually assess and report on the internal controls that protect the integrity of federal programs (FMFIA § 2) and whether financial management systems conform to related requirements (FMFIA § 4).

Guidance for implementing the Integrity Act is provided through OMB Circular A-123, *Management's Responsibility for Internal Control.* In addition to requiring agencies to provide an assurance statement on the effectiveness of programmatic internal controls and conformance with financial system requirements, the Circular requires agencies to provide an assurance statement on the effectiveness of internal control over financial reporting.

FMFIA Assurance Statement

Department of Justice management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the FMFIA. In accordance with OMB Circular A-123, the Department conducted its annual assessment of the effectiveness of internal controls to support effective and efficient programmatic operations, reliable financial reporting, and compliance with applicable laws and regulations (FMFIA § 2). The Department also assessed whether its financial management systems conform to financial system requirements (FMFIA § 4). Based on the results of the assessments, we can provide qualified assurance that the Department's internal controls and financial management systems meet the objectives of the FMFIA. The assessment of systems did not identify any non-conformances required to be reported under FMFIA § 4; however, the assessment of internal controls identified one programmatic material weakness required to be reported under FMFIA § 2. This weakness involves the need to reduce crowding in Federal Bureau of Prisons (BOP) institutions. Details of the weakness are provided in the Summary of Material Weakness and Corrective Actions. Other than the exception noted, the internal controls were operating effectively as of September 30, 2015, and the assessment identified no other material weaknesses in the design or operation of the controls.

In accordance with Appendix A of OMB Circular A-123, the Department conducted its assessment of the effectiveness of internal control over financial reporting, which included the safeguarding of assets and compliance with applicable laws and regulations. Based on the results of this assessment, we can provide reasonable assurance that the Department's internal control over financial reporting was operating effectively as of June 30, 2015. The assessment did not identify any material weaknesses in the design or operation of the controls.

The Department of Justice is committed to maintaining strong program and financial management as we continue our mission of fighting terrorism and protecting our communities from crime. We take our program and financial accountability seriously and are dedicated to ensuring that the funds we receive are used in a responsible and transparent manner. We will continue to strengthen our controls in areas identified through the Department's internal review activities and by the Office of the Inspector General and Government Accountability Office. We look forward in FY 2016 to building on our achievements as we continue the important work of the Department.

Loretta E. Lynch
Attorney General
November 12, 2015

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) was designed to advance federal financial management by ensuring that federal financial management systems provide accurate, reliable, and timely financial management information to the government's managers. Compliance with the FFMIA provides the basis for the continuing use of reliable financial management information by program managers, as well as by the President, Congress, and public. The FFMIA requires agencies to have financial management systems that comply substantially with federal financial management system requirements, applicable federal accounting standards, and the application of the U.S. Government Standard General Ledger (USSGL) at the transaction level. Furthermore, the Act requires independent auditors to report on agency compliance with the three requirements in the financial statement audit report. Guidance for implementing the FFMIA is provided through OMB Circular A-123, Appendix D, *Compliance with the Federal Financial Management Improvement Act of 1996.*

FFMIA Compliance Determination

During FY 2015, the Department assessed its financial management systems for compliance with the FFMIA and determined that, when taken as a whole, they comply substantially with the FFMIA. This determination is based on the results of FISMA reviews and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to issues identified during the Department's financial statement audit. A summary of the Department's compliance with the specific requirements of the FFMIA is provided at the end of this sub-section.

Financial Management Systems Strategy, Goals, and Framework

The Department's financial management systems strategy is to ultimately replace the one remaining major non-integrated legacy accounting system in use in the Department with the single, integrated financial management system the Department is deploying – the Unified Financial Management System (UFMS). UFMS delivers standard, core accounting processes, as well as the data needed for effective financial and budget management. In FYs 2009 through 2015, the Department made measurable progress in implementing UFMS. In FY 2009, the DEA successfully migrated to UFMS and, importantly, obtained an unqualified audit opinion on its financial statements produced from UFMS. As expected, the DEA project was a large, complex, and difficult migration, but one that helped to lay the foundation for the migrations of the ATF, USMS, Asset Forfeiture Management Staff (AFMS), and FBI that occurred in FYs 2011 through 2014. In FY 2015, the Department continued planning efforts to ensure the smooth migrations of three additional components in FY 2016 – the Executive Office for Immigration Review, Office of the Inspector General, and Office of the Pardon Attorney – all of which occurred in October 2015. The UFMS implementation goals leverage lessons learned from previous migrations and are based on and aligned with operational risks and requirements unique to each component.

The Department's UFMS implementation has enabled components to improve financial and budget management and realize increased efficiencies. For example, UFMS has standardized and integrated financial processes to more effectively support accounting operations, provide accurate and timely financial information throughout the year, facilitate preparation of financial statements, and streamline audit processes.

Summary of Financial Statement Audit and Management Assurances

The following table summarizes the results of the Department's financial statement audit. The table on the following page summarizes the management assurances regarding the effectiveness of internal control over programmatic operations and financial reporting (FMFIA § 2), conformance with financial system requirements (FMFIA § 4), and compliance with the FFMIA.

Table 3. Summary of Financial Statement Audit

Financial Statement Audit Opinion and Material Weaknesses					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
None	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**

Table 4. Summary of Management Assurances

Effectiveness of Internal Control over Programmatic Operations (FMFIA § 2)						
Statement of Assurance	Qualified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Prison Crowding	1	0	0	0	0	1
Total Material Weaknesses	**1**	**0**	**0**	**0**	**0**	**1**

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**

Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems Conform					
Non-conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Non-conformances	**0**	**0**	**0**	**0**	**0**	**0**

Compliance with Federal Financial Management Improvement Act (FFMIA)		
Compliance with Specific Requirements		
Specific Requirements	**Agency**	**Auditor**
System Requirements	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
Accounting Standards	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
USSGL at Transaction Level	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted

Summary of Material Weakness and Corrective Actions

A summary of the material weakness identified in the Department's FY 2015 assessment of the effectiveness of internal control over programmatic operations (FMFIA § 2) follows, along with details regarding corrective actions. The associated Corrective Action Plan is provided in Section III of the AFR.

Programmatic Material Weakness and Corrective Actions – Prison Crowding

As of September 30, 2015, the inmate population housed in BOP operated institutions exceeded the rated housing capacity by 23 percent, down from the 30 percent overcapacity rate as of the end of FY 2014. The impact of the Department's Smart on Crime initiative, legislative changes, and Clemency have all contributed to reducing the inmate population; nonetheless, the BOP continues to experience dangerously high levels of crowding particularly at higher-security institutions.

Crowding presents critical safety challenges for both staff and inmates. In addition, crowding has a negative impact on the ability of the BOP to promptly provide inmate treatment and training programs that promote effective re-entry and reduce recidivism. For example, because of years of high overcapacity rates and understaffing, a significant number of inmates are on waiting lists for most inmate programs, to include the GED program with approximately 16,000 inmates on the waiting list. While every effort is being made by the BOP to address the backlog, it will take several years due to limited classroom size and teaching staff, as well as the rising costs associated with offering the program in multiple languages and regularly upgrading computer equipment and training content to ensure the program is aligned with community standards. The FY 2015 budget for the BOP was essentially flat from the FY 2014 level. The proposed FY 2016 budget takes into account the declining inmate population but includes investments in additional staffing and inmate treatment and training programs that promote effective re-entry and reduce recidivism.

To address this material weakness, the BOP will continue implementing its Long Range Capacity Plan, making enhancements and modifications to the plan, as needed, commensurate with funding received through enacted budgets.[2] The BOP's formal Corrective Action Plan includes utilizing contract facilities; expanding existing institutions; and acquiring, constructing, and activating new institutions as funding permits. The BOP will continue to validate progress on construction projects at new and existing facilities through on-site inspections or by reviewing monthly construction progress reports.

This material weakness was first reported in 2006. Remediation of the weakness through increasing prison capacity is primarily dependent on funding. Other correctional reforms and alternatives will require policy and/or statutory changes. Other initiatives notwithstanding, if the acquisition, expansion, construction, and activation plans detailed in the BOP's Long Range Capacity Plan are funded as proposed, the overcapacity rates for FYs 2016 and 2017 are projected to be 12 percent and 11 percent, respectively.

The Department's corrective action efforts are not limited to the BOP alone. The Department continues to consider and implement an array of crime prevention, sentencing, and corrections management improvements that focus on accountability and rehabilitation, while protecting public safety. The Department recognizes that the BOP's capacity management efforts must be teamed with targeted programs that are proven to promote effective re-entry and reduce recidivism. The BOP will continue to work with the Department on these programs.

[2] The BOP's Long Range Capacity Plan relies on multiple approaches to house the federal inmate population, such as contracting with the private sector and state and local facilities for certain groups of low-security inmates; expanding existing institutions where infrastructure permits, programmatically appropriate, and cost effective to do so; and acquiring, constructing, and activating new facilities as funding permits.

Improper Payments Information Act of 2002, as Amended

The Department recognizes the importance of maintaining adequate internal controls to ensure proper payments and is committed to the continuous improvement of the overall disbursement management process. A summary follows of actions taken by Departmental management in FY 2015 for continuous implementation of the Improper Payments Information Act of 2002 (IPIA), as amended.[3] Additional details, as well as the Department's submission of the required improper payments reporting, are provided in Appendix B of the AFR.

Risk Assessment

The IPIA, as amended, and OMB implementing guidance, OMB Circular A-123, Appendix C, *Requirements for Effective Estimation and Remediation of Improper Payments*, require agencies to review all programs and activities they administer to identify those that are susceptible to significant improper payments. OMB defines significant improper payments as gross annual improper payments (i.e., the total amount of overpayments plus underpayments) in a program exceeding (1) both 1.5 percent of program outlays and $10 million of all program or activity payments made during the fiscal year reported or (2) $100 million, regardless of the improper payment percentage of total program outlays. The Department's top-down approach for assessing the risk of significant improper payments allows the reporting of results by the Department's five mission-aligned programs – Law Enforcement; Litigation; Prisons and Detention; State, Local, Tribal, and Other Assistance; and Administrative, Technology, and Other.

In accordance with the IPIA, as amended, and OMB implementing guidance, the Department assessed its programs and activities for susceptibility to significant improper payments. Based on the results of the risk assessment for the period ended September 30, 2015, the Department concluded there were no programs susceptible to significant improper payments.

In FY 2013, the Department received approximately $20 million of funding under the Disaster Relief Appropriations Act of 2013 (Disaster Relief Act). The Disaster Relief Act provides that all programs and activities receiving funds under the Act shall be deemed to be susceptible to significant improper payments for purposes of IPIA reporting, regardless of any previous improper payment risk assessment results. The OMB implementing guidance required agencies to report on the funding received under the Act beginning in FY 2014. In accordance with the requirements, the Department's IPIA reporting in Appendix B addresses the funding received under the Disaster Relief Act as susceptible to significant improper payments.

Payment Recapture Audits

The IPIA, as amended, and OMB implementing guidance require agencies to conduct payment recapture audits (also known as recovery audits) for each program and activity that expends $1 million or more annually – including contracts, grants, and benefit payments – if conducting such audits would be cost-effective. The OMB implementing guidance also requires agencies to establish annual targets for their payment recapture audit programs – based on the rate of recapture – to drive performance. Agencies have the discretion to set their own payment recapture rate targets for review and approval by OMB.

In FY 2015, as required by the IPIA, as amended, and OMB implementing guidance, the Department measured payment recapture performance and updated its payment recapture rate targets through FY 2017. Based on performance through the period ended September 30, 2015, the Department achieved an annual

[3] The IPIA was amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

payment recapture rate of 93 percent. Additional details, to include the annual recapture rate by type of payment (e.g., contracts and grants), are provided in Appendix B of the AFR.

Possible Effects of Existing, Currently Known Demands, Risks, Uncertainties, Events, Conditions, and Trends

The Department's leadership is committed to ensuring its programs and activities will continue to be focused on meeting the dynamic demands of the changing legal, economic, and technological environments of the future.

Budget Constraints and Uncertainties

- The Department's mission and its employees are inextricably linked; we cannot fulfill our mission without our employees. As of September 19, 2015, DOJ had nearly 3,548 fewer staff than in January 2011, primarily due to budget constraints and limitations. The Department has fewer staff to conduct investigations, address legal matters, adjudicate immigration cases, and support state, local, and tribal partners. Budget constraints and uncertainties affect not only the Department, but also the Courts and other key participants in the criminal justice system, resulting in delayed access to justice.

- While the Bipartisan Budget Act of 2013 enacted by Congress halted sequestration for FY 2014 and FY 2015 discretionary accounts, continued uncertainty remains for the years beyond. Budget cuts through sequestration or appropriation limitations in FY 2016 could be detrimental to the Department and could result in significant operating challenges.

Technology

- Advances in high-speed telecommunications, computers, and other technologies are creating new opportunities for criminals, new classes of crimes, and new challenges for law enforcement.

- Growing dependence on technology is creating an increasing vulnerability to illegal acts, especially white collar crime and terrorism.

Economy

- Amount of regulation and the pace of economic growth and globalization are changing the volume and nature of anti-competitive behavior.

- The interconnected nature of the world's economy is increasing opportunities for criminal activity, including money laundering, white collar crime, and alien smuggling, as well as the complexity and scope of civil justice matters.

Government

- Changes in the fiscal posture or policies of state and local governments could have dramatic effects on their capacity to remain effective law enforcement partners, e.g., the ability and willingness of these governments to allow federal use of their jail space affects achievement of detention goals.

Globalization

- Issues of criminal and civil justice increasingly transcend national boundaries, requiring the cooperation of foreign governments and involving treaty obligations, multinational environment and trade agreements, and other foreign policy concerns.

Social-Demographic

- The numbers of adolescents and young adults, now the most crime-prone segment of the population, are expected to grow rapidly over the next several years.

Unpredictable

- Responses to unanticipated natural disasters and their aftermath require the Department to divert resources to deter, investigate, and prosecute disaster-related federal crimes, such as charity fraud, insurance fraud and other crimes.

- Changes in federal laws may affect responsibilities and workload.

- Much of the litigation caseload is defensive. The Department has little control over the number, size, and complexity of the civil lawsuits it must defend.

Other Management Information, Initiatives, and Issues

American Recovery and Reinvestment Act

- The Department received $4.0 billion in funding for programs, under the American Recovery and Reinvestment Act (Recovery Act) of 2009. In addition, $2.0 million was provided for the Department's Office of the Inspector General oversight activities related to Recovery Act funding.

- In September 2011, OMB directed agencies to complete Recovery Act activities by September 30, 2013. For the majority of the Department's programs, funds were expended and programmatic activities came to an end by that date. However, the Department received a waiver from this directive for a few of its inherently long-term assistance efforts, such as increasing tribal prison capacity and adding to the number of officers on the streets.

- Unobligated balances were rescinded and transferred using the year-end closing module in Treasury by the end of October 2015.

- Reporting of performance and financial activity was suspended by the Recovery Accountability and Transparency Board in January 2014.
    - Historical information regarding the Department's Recovery Act activities can be found on: http://www.justice.gov/recovery/.

- The following table summarizes appropriations, obligations, and outlays by component, as of September 30, 2015:

(Dollars in Thousands)

Component	Appropriation Amount	Obligations*	Outlays	Expired Unobligated Balances**
OJP	$2,761,930	$2,735,931	$2,735,931	$25,999
OVW	$225,564	$215,021	$215,021	$10,543
COPS	$1,002,506	$927,880	$927,880	$74,626
ATF	$10,000	$9,365	$9,365	$635
OIG	$2,000	$2,000	$2,000	$0
DOJ Total	**$4,002,000**	**$3,890,197**	**$3,890,197**	**$111,803**

*Reductions in obligations from previous year are due to unspent funds returned upon closeout of award.
**Balances reflect Recoveries.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the Department of Justice, pursuant to the requirements of 31 U.S.C. § 3515(b).

While the statements have been prepared from the books and records of the Department in accordance with U.S. generally accepted accounting principles for federal entities and the formats prescribed by the OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the United States Government, a sovereign entity.

INDEPENDENT AUDITOR'S REPORT

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

Independent Auditors' Report on the Financial Statements

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited the accompanying consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the following components of the Department: the Federal Bureau of Investigation (FBI), and the Bureau of Prisons (BOP), of which statements reflect total assets constituting 15% and 13%, respectively, of consolidated total assets at September 30, 2015, and total net costs constituting 28% and 24%, respectively, of consolidated total net costs for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors. 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* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 15-02, require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Financial Statements

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Department of Justice as of September 30, 2015 and 2014, and its net costs, changes in net position, budgetary resources, and custodial activity for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Management has elected to reference to information on websites or other forms of interactive data outside the *Agency Financial Report* to provide additional information for the users of its financial statements. Such information is not a required part of the basic consolidated financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis, Required Supplementary Information, and Required Supplementary Stewardship Information sections be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The consolidating information, Combined Schedule of Spending, Freeze the Footprint, and the Civil Monetary Penalty Adjustment for Inflation is presented for purposes of additional analysis, and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied by us and the other auditors in the audits of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016 on our consideration of the Department’s internal control over financial reporting, and our report dated November 11, 2016 on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department’s internal control over financial reporting and compliance.

KPMG LLP

Washington, D.C.
November 11, 2016

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

Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*, the consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 11, 2016. We did not audit the financial statements of the following components of the Department: the Federal Bureau of Investigation (FBI), and the Federal Bureau of Prisons (BOP), as of and for the year ended September 30, 2015. Those financial statements were audited by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those components, is based solely on reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2015, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

As stated above, we did not audit the fiscal year 2015 financial statements of the FBI and the BOP. Those financial statements were audited by other auditors whose reports thereon, including the other auditors' *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*, have been furnished to us. Accordingly our report on the Department's internal control over financial reporting, insofar as it relates to those components, is based solely on the reports and findings of the other auditors.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our and the other auditors' audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying Exhibit, that we consider to be a significant deficiency.

The Department's Responses to Findings

The Department's response to the significant deficiency identified in our audit and presented in the Exhibit was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our and the other auditors' testing of internal control and the result of that testing, and not to provide an opinion on the effectiveness of the Department's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington D.C.
November 11, 2016

EXHIBIT

SIGNIFICANT DEFICIENCY

Improvements Needed in Financial Statement Preparation and Review Controls

The Department and its components make investments in the people, processes, and technology that enable the timely and accurate accounting of the Department's daily operational activities. These operational activities include the personnel, payroll, procurement, grants, budgetary, and funds management activities of the Department and its components. No significant matters came to our attention during our fiscal year (FY) 2015 audit to indicate these operational controls were not operating as designed. However, we did note that the emphasis placed on the Department's financial statement preparation and review processes had not achieved the level of rigor that is required to prepare timely and accurate financial statements in accordance with generally accepted accounting principles, and OMB Circulars A-136 (*Financial Reporting Requirements*) and A-11 (*Preparation, Submission, and Execution of the Budget*).

During our FY 2015 audit, we detected and brought to the attention of the Department and certain components the following reporting errors, for which the underlying causes were similar and pervasive:

- Presentation of sources and disposition of custodial activities: Offices, Boards and Divisions (OBDs) management reported certain sources of collections and the disposition of custodial activities within the incorrect captions on the FY 2014 and draft FY 2015 Statements of Custodial Activities. These errors totaled over $7 billion between the captions of sources of custodial collections, and $5.7 billion between certain trading partners, but did not misstate the total collections or disposition of custodial activities of the OBDs or of the Department.

- Allocation of costs between strategic goals in the Statement of Net Cost: Management of the OBDs, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and the Office of Justice Programs (OJP) incorrectly reported certain costs between the strategic goals on the FY 2014 and interim FY 2015 Statements of Net Cost. These errors totaled over $1 billion, but did not misstate the total net cost of any component or the net costs of the Department.

- Accounting for and reporting certain budgetary activity by apportionment category: Management of ATF, the Drug Enforcement Administration (DEA), and the Federal Bureau of Investigation (FBI) incorrectly accounted for and reported the apportionment status of $1 billion in budgetary resources apportioned for obligation in future years (known as Category C apportionments) in the Department's draft FY 2015 Statement of Budgetary Resources. In addition, OBDs' management incorrectly reported obligations incurred between time-based apportionments (known as Category A apportionments) and project-based apportionments (known as Category B apportionments) by $725 million in its FY 2014 footnotes and $600 million in its interim FY 2015 footnotes. These errors did not misstate the total budgetary resources of any individual component or of the Department.

- Accounting for certain transferred budgetary financing sources: Management of the U.S. Marshals Service (USMS) incorrectly accounted for the execution of budgetary financing sources transferred from the Assets Forfeiture Fund/Seized Asset Deposit Fund (AFF/SADF), and misstated its unexpended appropriations by $862 million in its draft FY 2015 financial statements. The amount was recorded and reported in the incorrect component of the USMS' and the Department's net position.

- <u>Accounting for and reporting of unreconciled differences with the U.S. Department of the Treasury (Treasury):</u> ATF management did not perform timely reconciliations of $540 million of its Fund Balance with Treasury during FY 2015, and did not evaluate the impact of unreconciled differences in its financial reports. These amounts were recorded and reported properly in the final FY 2015 financial statements.

Our observations indicate that the Department and certain components need to enhance their existing risk assessment processes to identify and assess the accounting and reporting risks for certain cost allocation methodologies, and for certain complex or unusual classes of transactions. As a result, events and transactions that have a greater likelihood of error are not always receiving an appropriate level of attention, on a proactive basis, for proper or consistent reporting in the Department's or components' financial statements. Further, the Department and certain component have not implemented sufficient monitoring controls to ensure transactions with a higher risk of error are adequately monitored, and process-level controls, such as management's review controls of the financial statements, are not always designed at a level of precision to identify significant errors. Consequently, errors or a combination of errors in the financial statements could go undetected.

Recommendations:

We recommend that the Department and its component management:

1. Periodically assess the treatment of any new or significant cash collections based on legal proceedings to ensure proper classification of these amounts in the Statement of Custodial Activities. *(New)*

   Management Response:

   Management concurs with this recommendation and is in the process of establishing procedures to identify new or significant cash collections and ensuring that the program and financial management offices are in agreement with the proper classification. The format of the statement of custodial activity will also undergo a thorough review as part of the annual review of the financial statement preparation guide.

2. Periodically review and align the defined cost allocation methodology against the mission-driven program objectives to ensure proper assignment of costs among strategic goals. *(New)*

   Management Response:

   Management concurs with the recommendation and is in the process of establishing a formal annual review of all cost allocation methodologies to ensure proper reporting of costs by strategic goal.

3. Critically analyze the accounting and reporting of complex or unusual transactions to ensure proper, accurate, and consistent reporting in the financial statements and footnotes. *(New)*

   Management Response:

   Management concurs with the recommendation and is in the process of establishing a formal annual review process involving budget formulation, budget execution and financial reporting to ensure proper, accurate and consistent reporting in the financial statements.

4. Assess reconciliation, financial reporting review, and other monitoring controls at certain components, and identify those areas where the components' management could increase the rigor and precision of those controls. *(New)*

   Management Response:

   Management concurs with the recommendation and will implement additional controls to increase the rigor and precision over financial reporting in the Department.

Enhancements made to the Department's annual internal control assessment process should take into consideration the revisions made by the Government Accountability Office's *Standards for Internal Control in the Federal Government*, which was reissued in September 2014 and is effective beginning in FY 2016.

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Independent Auditors' Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Inspector General
U.S. Department of Justice

United States Attorney General
U.S. Department of Justice

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*, the consolidated financial statements of the U.S. Department of Justice (Department), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources and custodial activity for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 11, 2016. We did not audit the financial statements of the following components of the Department: the Federal Bureau of Investigation (FBI) and the Federal Bureau of Prisons (BOP) as of and for the year ended September 30, 2015. Those financial statements were audited by other auditors whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for those components, is based solely on the reports of the other auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 15-02.

As stated above, we did not audit the fiscal year 2015 financial statements of the FBI and the BOP. Those financial statements were audited by other auditors whose reports thereon, including the other auditors' *Independent Auditors' Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, have been furnished to us. Accordingly, our report on the Department's compliance and other matters, insofar as it relates to those components, is based solely on the reports and findings of the other auditors.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the Department's compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
November 11, 2016

Principal Financial Statements and Related Notes

See Independent Auditor's Report on the Financial Statements

U. S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2015 and 2014

Dollars in Thousands		2015		2014
ASSETS (Note 2)				
Intragovernmental				
Fund Balance with U.S. Treasury (Note 3)	$	31,234,522	$	26,878,549
Investments, Net (Note 5)		7,824,789		8,940,208
Accounts Receivable, Net (Note 6)		498,539		507,672
Other Assets (Note 10)		57,453		74,062
Total Intragovernmental		39,615,303		36,400,491
Cash and Monetary Assets (Note 4)		1,146,230		190,965
Accounts Receivable, Net (Note 6)		83,490		93,326
Inventory and Related Property, Net (Note 7)		169,336		127,349
Forfeited Property, Net (Note 8)		132,420		138,265
General Property, Plant and Equipment, Net (Note 9)		9,269,415		9,678,390
Advances and Prepayments		397,218		379,236
Other Assets (Note 10)		2,069		5,138
Total Assets	**$**	**50,815,481**	**$**	**47,013,160**
LIABILITIES (Note 11)				
Intragovernmental				
Accounts Payable	$	320,091	$	341,756
Accrued Federal Employees' Compensation Act Liabilities		280,176		270,102
Custodial Liabilities (Note 21)		1,490,600		679,965
Other Liabilities (Note 15)		331,895		297,637
Total Intragovernmental		2,422,762		1,589,460
Accounts Payable		6,349,078		5,879,495
Accrued Grant Liabilities		487,492		485,533
Actuarial Federal Employees' Compensation Act Liabilities		1,654,318		1,679,245
Accrued Payroll and Benefits		352,289		310,667
Accrued Annual and Compensatory Leave Liabilities		845,755		823,263
Environmental and Disposal Liabilities (Note 12)		79,802		78,799
Deferred Revenue		680,641		662,462
Seized Cash and Monetary Instruments (Note 14)		2,258,815		1,410,443
Contingent Liabilities (Note 16)		52,413		58,125
Radiation Exposure Compensation Act Liabilities (Note 25)		433,760		561,661
September 11th Victim Compensation Fund (Note 25)		2,579,175		2,700,584
Other Liabilities (Note 15)		440,736		365,753
Total Liabilities	**$**	**18,637,036**	**$**	**16,605,490**
NET POSITION				
Unexpended Appropriations - Funds from Dedicated Collections (Note 17)	$	31,274	$	32,750
Unexpended Appropriations - All Other Funds		9,131,425		9,585,702
Cumulative Results of Operations - Funds from Dedicated Collections (Note 17)		16,328,785		15,511,728
Cumulative Results of Operations - All Other Funds		6,686,961		5,277,490
Total Net Position	**$**	**32,178,445**	**$**	**30,407,670**
Total Liabilities and Net Position	**$**	**50,815,481**	**$**	**47,013,160**

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

U. S. Department of Justice
Consolidated Statements of Net Cost
For the Fiscal Years Ended September 30, 2015 and 2014

Dollars in Thousands

	FY	Gross Costs: Intra-governmental	Gross Costs: With the Public	Gross Costs: Total	Less: Earned Revenues: Intra-governmental	Less: Earned Revenues: With the Public	Less: Earned Revenues: Total	Net Cost of Operations (Note 18)
Goal 1	**2015**	$ 1,660,919	$ 4,463,451	$ 6,124,370	$ 284,542	$ 11,013	$ 295,555	$ 5,828,815
	2014	$ 1,816,233	$ 4,056,060	$ 5,872,293	$ 336,845	$ 7,790	$ 344,635	$ 5,527,658
Goal 2	**2015**	3,406,947	10,892,842	14,299,789	462,630	1,018,845	1,481,475	12,818,314
	2014	3,345,479	11,902,085	15,247,564	504,561	1,132,800	1,637,361	13,610,203
Goal 3	**2015**	2,853,285	11,271,977	14,125,262	795,805	631,291	1,427,096	12,698,166
	2014	2,676,758	11,433,669	14,110,427	663,325	605,869	1,269,194	12,841,233
Total	**2015**	**$ 7,921,151**	**$ 26,628,270**	**$ 34,549,421**	**$ 1,542,977**	**$ 1,661,149**	**$ 3,204,126**	**$ 31,345,295**
	2014	**$ 7,838,470**	**$ 27,391,814**	**$ 35,230,284**	**$ 1,504,731**	**$ 1,746,459**	**$ 3,251,190**	**$ 31,979,094**

Goal 1 Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law
Goal 2 Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law
Goal 3 Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels

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

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands

	2015			
	Funds from Dedicated Collections	All Other Funds	Eliminations	Total
Unexpended Appropriations				
Beginning Balances	**$ 32,750**	**$ 9,585,702**	**$ -**	**$ 9,618,452**
Budgetary Financing Sources				
Appropriations Received	43,306	27,426,665	-	27,469,971
Appropriations Transferred-In/Out	(137)	360,620	-	360,483
Other Adjustments	(6,000)	(783,767)	-	(789,767)
Appropriations Used	(38,645)	(27,457,795)	-	(27,496,440)
Total Budgetary Financing Sources	**(1,476)**	**(454,277)**	**-**	**(455,753)**
Unexpended Appropriations	**$ 31,274**	**$ 9,131,425**	**$ -**	**$ 9,162,699**
Cumulative Results of Operations				
Beginning Balances	**$ 15,511,728**	**$ 5,277,490**	**$ -**	**$ 20,789,218**
Adjustments (Note 26)				
Changes in Accounting Principles	(2,135)	(118,979)	-	**(121,114)**
Beginning Balances, as Adjusted	**15,509,593**	**5,158,511**	**-**	**20,668,104**
Budgetary Financing Sources				
Other Adjustments	-	(99,000)	-	(99,000)
Appropriations Used	38,645	27,457,795	-	27,496,440
Nonexchange Revenues	2,647,093	242	-	2,647,335
Donations and Forfeitures of Cash and Cash Equivalents	1,285,294	-	-	1,285,294
Transfers-In/Out Without Reimbursement	(1,100,099)	2,299,391	-	1,199,292
Other Financing Sources				
Donations and Forfeitures of Property	337,357	1	-	337,358
Transfers-In/Out Without Reimbursement	(4,890)	11,870	-	6,980
Imputed Financing from Costs Absorbed by Others (Note 19)	16,388	833,166	(19,480)	830,074
Other Financing Sources	-	(10,836)	-	(10,836)
Total Financing Sources	**3,219,788**	**30,492,629**	**(19,480)**	**33,692,937**
Net Cost of Operations	**(2,400,596)**	**(28,964,179)**	**19,480**	**(31,345,295)**
Net Change	819,192	1,528,450	-	2,347,642
Cumulative Results of Operations	**$ 16,328,785**	**$ 6,686,961**	**$ -**	**$ 23,015,746**
Net Position	**$ 16,360,059**	**$ 15,818,386**	**$ -**	**$ 32,178,445**

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

U. S. Department of Justice
Consolidated Statements of Changes in Net Position
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands

	2014			
	Funds from Dedicated Collections	**All Other Funds**	**Eliminations**	**Total**
Unexpended Appropriations				
Beginning Balances	**$ 35,768**	**$ 8,649,121**	**$ -**	**$ 8,684,889**
Budgetary Financing Sources				
Appropriations Received	41,680	27,956,044	-	27,997,724
Appropriations Transferred-In/Out	-	345,106	-	345,106
Other Adjustments	317	(273,146)	-	(272,829)
Appropriations Used	(45,015)	(27,091,423)	-	(27,136,438)
Total Budgetary Financing Sources	**(3,018)**	**936,581**	**-**	**933,563**
Unexpended Appropriations	**$ 32,750**	**$ 9,585,702**	**$ -**	**$ 9,618,452**
Cumulative Results of Operations				
Beginning Balances	**$ 11,932,799**	**$ 5,323,221**	**$ -**	**$ 17,256,020**
Budgetary Financing Sources				
Other Adjustments	-	(30,000)	-	(30,000)
Appropriations Used	45,015	27,091,423	-	27,136,438
Nonexchange Revenues	3,598,671	322	-	3,598,993
Donations and Forfeitures of Cash and Cash Equivalents	4,158,820	-	-	4,158,820
Transfers-In/Out Without Reimbursement	(693,000)	97,910	-	(595,090)
Other Financing Sources				
Donations and Forfeitures of Property	308,307	-	-	308,307
Transfers-In/Out Without Reimbursement	(4,930)	8,565	-	3,635
Imputed Financing from Costs Absorbed by Others (Note 19)	19,656	939,517	(19,791)	939,382
Other Financing Sources	-	(8,193)	-	(8,193)
Total Financing Sources	**7,432,539**	**28,099,544**	**(19,791)**	**35,512,292**
Net Cost of Operations	**(3,853,610)**	**(28,145,275)**	**19,791**	**(31,979,094)**
Net Change	**3,578,929**	**(45,731)**	**-**	**3,533,198**
Cumulative Results of Operations	**$ 15,511,728**	**$ 5,277,490**	**$ -**	**$ 20,789,218**
Net Position	**$ 15,544,478**	**$ 14,863,192**	**$ -**	**$ 30,407,670**

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

U. S. Department of Justice
Combined Statements of Budgetary Resources
For the Fiscal Years Ended September 30, 2015 and 2014

Dollars in Thousands		2015		2014
Budgetary Resources:				
Unobligated Balance, Net, Brought Forward, October 1	$	5,824,731	$	3,994,967
Recoveries of Prior Year Unpaid Obligations		798,481		746,225
Other Changes in Unobligated Balance		(125,949)		(2,421)
Unobligated Balance from Prior Year Budget Authority, Net		6,497,263		4,738,771
Appropriations (discretionary and mandatory)		33,043,262		33,649,891
Spending Authority from Offsetting Collections (discretionary and mandatory)		6,894,350		5,709,511
Total Budgetary Resources	**$**	**46,434,875**	**$**	**44,098,173**
Status of Budgetary Resources:				
Obligations Incurred (Note 20)	$	40,357,528	$	38,273,442
Unobligated Balance, End of Year:				
Apportioned		4,773,397		4,712,942
Exempt from Apportionment		175,949		250,958
Unapportioned		1,128,001		860,831
Total Unobligated Balance - End of Year		6,077,347		5,824,731
Total Status of Budgetary Resources	**$**	**46,434,875**	**$**	**44,098,173**
Change in Obligated Balance:				
Unpaid Obligations:				
Unpaid obligations, Brought Forward, October 1	$	17,217,457	$	14,798,020
Obligations Incurred		40,357,528		38,273,442
Outlays, Gross (-)		(37,403,081)		(35,107,780)
Recoveries of Prior Year Unpaid Obligations (-)		(798,481)		(746,225)
Unpaid Obligations, End of Year		19,373,423		17,217,457
Uncollected Payments:				
Uncollected Payments from Federal Sources, Brought Forward, October 1 (-)		(1,789,405)		(1,666,905)
Change in Uncollected Customer Payments from Federal Sources		(24,247)		(122,500)
Uncollected Customer Payments from Federal Sources, End of Year		(1,813,652)		(1,789,405)
Memorandum (non-add) Entries:				
Obligated balance, Start of Year	$	15,428,052	$	13,131,115
Obligated balance, End of Year	$	17,559,771	$	15,428,052
Budgetary Authority and Outlays, Net:				
Budgetary Authority, Gross (discretionary and mandatory)	$	39,937,612	$	39,359,402
Less: Actual Offsetting Collections (discretionary and mandatory)		6,875,287		5,590,273
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)		(24,247)		(122,500)
Budget Authority, Net (discretionary and mandatory)	**$**	**33,038,078**	**$**	**33,646,629**
Outlays, Gross (discretionary and mandatory)	$	37,403,081	$	35,107,780
Less: Actual Offsetting Collections (discretionary and mandatory)		6,875,287		5,590,273
Outlays, Net (discretionary and mandatory)		30,527,794		29,517,507
Less: Distributed Offsetting Receipts		629,088		495,904
Agency Outlays, Net (discretionary and mandatory)	**$**	**29,898,706**	**$**	**29,021,603**

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

U. S. Department of Justice
Combined Statements of Custodial Activity
For the Fiscal Years Ended September 30, 2015 and 2014

Dollars in Thousands	2015	2014
Revenue Activity		
Sources of Cash Collections		
Federal Debts, Fines, Penalties and Restitution	$ 16,856,861	$ 13,894,225
Fees and Licenses	58,215	47,847
Miscellaneous	1,162	6,162
Total Cash Collections	16,916,238	13,948,234
Accrual Adjustments	(242)	1,875
Total Custodial Revenue	16,915,996	13,950,109
Disposition of Collections		
Transferred to Federal Agencies		
Library of Congress	(119)	(356)
U.S. Department of Agriculture	(256,014)	(156,297)
U.S. Department of Commerce	(1,840)	(731)
U.S. Department of the Interior	(104,501)	(35,177)
U.S. Department of Justice	(36,290)	(17,064)
U.S. Department of Labor	(8,842)	(2,245)
U.S. Postal Service	(1,352)	(23,457)
U.S. Department of State	(8)	(4,528)
U.S. Department of the Treasury	(811,596)	(1,301,974)
Office of Personnel Management	(5,024)	(48,872)
National Credit Union Administration	(1)	(1,375,000)
Federal Communications Commission	(345)	6
Social Security Administration	(1,241)	(554)
Smithsonian Institution	(1,711)	(1,277)
U.S. Department of Veterans Affairs	(8,007)	(78,350)
Equal Employment Opportunity Commission	(291)	-
General Services Administration	(36,820)	(29,173)
Securities and Exchange Commission	(135,843)	(3)
Federal Deposit Insurance Corporation	(1,000,355)	(702,050)
Railroad Retirement Board	(335)	(286)
Tennessee Valley Authority	(60)	(438)
Environmental Protection Agency	(1,975,823)	(265,167)
U.S. Department of Transportation	(10,312)	(17,363)
U.S. Department of Homeland Security	(56,750)	(101,451)
Agency for International Development	(812)	(4,101)
Small Business Administration	(17,535)	(12,163)
U.S. Department of Health and Human Services	(960,690)	(1,253,387)
National Aeronautics and Space Administration	(572)	(44)
Export-Import Bank of the United States	(7,653)	(1,908)
U.S. Department of Housing and Urban Development	(1,185,772)	(470,875)
National Archives & Records Administration	(126)	-
U.S. Department of Energy	(4,089)	(6,040)
U.S. Department of Education	(20,364)	(22,929)
Independent Agencies	(61,443)	(78,277)
Treasury General Fund	(8,107,129)	(7,259,668)
U.S. Department of Defense	(159,664)	(88,859)
Transferred to the Public	(668,627)	(502,684)
(Increase)/Decrease in Amounts Yet to be Transferred	(853,578)	562,796
Refunds and Other Payments	(20,682)	(124,378)
Retained by the Reporting Entity	(393,780)	(525,785)
Total Disposition of Collections	(16,915,996)	(13,950,109)
Net Custodial Activity (Note 21)	$ -	$ -

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

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Department of Justice (Department) has a wide range of responsibilities which include: detecting, apprehending, prosecuting, and incarcerating criminal offenders; operating federal prison factories; upholding the civil rights of all Americans; enforcing laws to protect the environment; ensuring healthy competition of business in the United States' free enterprise system; safeguarding the consumer from fraudulent activity; carrying out the immigration laws of the United States; and representing the American people in all legal matters involving the U.S. Government. Under the direction of the Attorney General, these responsibilities are discharged by the components of the Department.

For purposes of these consolidated/combined financial statements, the following components comprise the Department's reporting entity:

- Assets Forfeiture Fund and Seized Asset Deposit Fund (AFF/SADF)
- Offices, Boards and Divisions (OBDs)
- U.S. Marshals Service (USMS)
- Office of Justice Programs (OJP)
- Drug Enforcement Administration (DEA)
- Federal Bureau of Investigation (FBI)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
- Bureau of Prisons (BOP)
- Federal Prison Industries, Inc. (FPI)

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

B. Basis of Presentation

These financial statements have been prepared from the books and records of the Department in accordance with United States generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) and presentation guidelines in the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*. These financial statements are different from the financial reports prepared pursuant to OMB directives which are used to monitor and control the use of the Department's budgetary resources. The accompanying financial statements include the accounts of all funds under the Department's control. To ensure that the Department financial statements are meaningful at the entity level and to enhance reporting consistency within the Department, Inventory and Related Property, Other Assets, and Other Liabilities, as defined by OMB Circular A-136, have been disaggregated on the Consolidated Balance Sheets. These include Forfeited Property, Net; Advances and Prepayments; Accrued Grant Liabilities; Accrued Federal Employees' Compensation Act (FECA) Liabilities; Custodial Liabilities; Accrued Payroll and Benefits; Accrued Annual and Compensatory Leave Liabilities; Deferred Revenue; Seized Cash and Monetary Instruments; Contingent Liabilities; Radiation Exposure Compensation Act (RECA) Liabilities; and September 11th Victim Compensation Fund Liabilities.

C. Basis of Consolidation

The consolidated/combined financial statements of the Department include the accounts of the AFF/SADF, OBDs, USMS, OJP, DEA, FBI, ATF, BOP, and FPI. All significant proprietary intra-departmental transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources and Statements of Custodial Activity are combined statements for FYs 2015 and 2014, and as such, intra-departmental transactions have not been eliminated.

D. Basis of Accounting

Transactions are recorded on the accrual and budgetary bases of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred, regardless of when cash is exchanged. Under the budgetary basis, however, funds availability is recorded based upon legal considerations and constraints. As a result, certain line items on the proprietary financial statements may not equal similar line items on the budgetary financial statements. FPI is non-appropriated and self-sustaining. While FPI performs budgetary accounting in preparing its financial statements, FPI does not record budgetary information at the transaction level.

Custodial activity reported on the Combined Statements of Custodial Activity is prepared on the modified cash basis. Civil and Criminal Debt Collections are recorded when the Department receives payment from debtors. Accrual adjustments are made related to collections of fees and licenses.

The financial statements should be read with the realization that they are for a component of the U.S. 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.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

E. Non-Entity Assets

Non-entity assets are not available for use by the Department and consist primarily of restricted undisbursed civil and criminal debt collections, seized cash, accounts receivable, and other monetary assets.

F. Fund Balance with U.S. Treasury and Cash

Funds with the Department of the Treasury (Treasury) represent primarily appropriated, revolving, and trust funds available to pay current liabilities and finance future authorized purchases. The Treasury, as directed by authorized certifying officers, processes cash receipts and disbursements. The Department does not, for the most part, maintain cash in commercial bank accounts. Certain receipts, however, are processed by commercial banks for deposit into individual accounts maintained at the Treasury. The Department's cash and other monetary assets consist of undeposited collections, imprest funds, cash used in undercover operations, cash held as evidence, and seized cash.

G. Investments

Investments are market-based Treasury securities issued by the Bureau of Public Debt. When securities are purchased, the investment is recorded at face value (the value at maturity). The Department's intent is to hold investments to maturity, unless the invested funds are needed to sustain operations. No provision is made for unrealized gains or losses on these securities because, in the majority of cases, they are held to maturity. The market value of the investments is the current market value at the end of the reporting period. It is calculated by using the "End of Day" price listed in The FedInvest Price File which can be found on the Bureau of Public Debt website. Investments are reported on the Consolidated Balance Sheets at their net value, the face value plus or minus any unamortized premium or discount. Premiums and discounts are amortized over the life of the Treasury security. The interest method is used for the amortization of premium and discount of Treasury notes and the straight-line method is used for Treasury bills. Amortization is based on the straight-line method over the term of the securities.

The AFF, the U.S. Trustee System Fund, and the Federal Prison Commissary Fund are three Funds from Dedicated Collections that invest in Treasury securities. The Treasury does not set aside assets to pay future expenditures associated with funds from dedicated collections. Instead, the cash generated from Funds from Dedicated Collections is used by the Treasury for general government purposes. When these funds redeem their Treasury securities to make expenditures, the Treasury will finance the expenditures in the same manner that it finances all other expenditures.

Treasury securities are issued to the funds as evidence of fund receipts and provide the funds with the authority to draw upon the U.S. Treasury for future authorized expenditures. Treasury securities held by funds from dedicated collections are an asset of the fund and a liability of the Treasury, so they are eliminated in consolidation for the U.S. Government-wide financial statements.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

H. Accounts Receivable

Net accounts receivable includes reimbursement and refund receivables due from federal agencies and the public, less the allowance for doubtful accounts. Generally, most intragovernmental accounts receivable are considered fully collectible. The allowance for doubtful accounts for public receivables is estimated based on past collection experience and analysis of outstanding receivable balances at year end.

I. Inventory and Related Property

Inventory is maintained primarily for the manufacture of goods for sale to customers. This inventory is composed of three categories: Raw Materials, Work in Process, and Finished Goods. Raw material inventory value is based upon moving average costs. Inventories are valued at the lower of average cost or market value (LCM) and include materials, labor and manufacturing overhead. Market value is calculated on the basis of the contractual or anticipated selling price, less allowance for administrative expenses. DOJ values its finished goods and sub-assembly items at a standard cost that is periodically adjusted to approximate actual cost. DOJ has established inventory allowances to account for LCM adjustments, excess, obsolete and/or unserviceable inventory that may not be utilized in future periods.

Additional inventories consist of new and rehabilitated office furniture, equipment and supplies used for the repair of airplanes, administrative supplies and materials, commissary sales to inmates (sundry items), metals, plastics, electronics, graphics, and optics.

J. General Property, Plant and Equipment

DOJ Financial Management Policy Memorandum (FMPM) 13-12, *Capitalization of General Property, Plant, and Equipment and Internal Use Software*, was issued in FY 2013 with an effective date for reporting periods ending after September 30, 2014. Early implementation of the policy's increased capitalization thresholds were encouraged beginning October 1, 2012. Full implementation was required for all DOJ components by the beginning of FY 2015. In FY 2015, the BOP was granted a waiver to DOJ's Policy Statement 1400.06 (which replaced FMPM 13-12) which allows the BOP authority to maintain their real property threshold. The table below illustrates which portions of the new policy were implemented in fiscal year 2015 and which portions were implemented early.

	FY 2015				Early Implementation			
Department Component	Real Property	Personal Property	Aircraft	Internal Use Software	Real Property	Personal Property	Aircraft	Internal Use Software
Assets Forfeiture Fund (AFF)					√	√	√	√
Offices, Boards, and Divisions (OBDs)					√	√	√	√
United States Marshals Service (USMS)					√	√	√	√
Office of Justice Programs (OJP)					√	√	√	√
Drug Enforcement Administration (DEA)					√	√	√	√
Federal Bureau of Investigation (FBI)					√	√	√	√
Alcohol, Tobacco, and Firearms (ATF)					√	√	√	√
Bureau of Prisons (BOP)	N/A	√	√					√
Federal Prison Industries, Inc. (FPI)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

J. General Property, Plant and Equipment (continued)

For financial statement purposes, the primary changes relate to the capitalization thresholds for real property, including leasehold improvements; personal property; and internal use software which results in a decrease to the overall general PP&E balance.

In FY 2015, the BOP was granted a waiver from increasing the capitalization threshold for real property, resulting in the capitalization threshold for real property remaining at $100.

Federal Prison Industries, Inc., as a revolving fund, is exempt from FMPM 13-12, which states that "Revolving Funds, Working Capital Funds, and Trust Fund entities may establish their own thresholds on the capitalization of general PP&E, and IUS projects." These thresholds must not conflict with FMPM 13-12, but may be more restrictive, at the discretion of the entity. Appropriation funded projects must comply with the capitalization thresholds outlined in FMPM 13-12, as listed below.

Type of Property	New Capitalization Threshold	Old Capitalization Threshold
Real Property	$ 250	$ 100
Personal Property	$ 50	$ 25
Aircraft	$ 100	$ 100
Internal Use Software	$5,000	$ 500

Except for land, all general PP&E will be capitalized when the cost of acquiring or improving the property meets the threshold noted in the table above and has a useful life of two or more years. Land is capitalized regardless of the acquisition cost. Except for land, all general PP&E is depreciated or amortized, based on historical cost, using the straight-line method over the estimated useful life of the asset. Land is never depreciated. FPI capitalizes personal property acquisitions over $10.

K. Advances and Prepayments

Advances and prepayments, classified as assets on the Consolidated Balance Sheets, consist primarily of funds disbursed to grantees in excess of total expenditures made by those grantees to third parties, funds advanced to state and local participants in the DEA Domestic Cannabis Eradication and Suppression Program, and travel advances issued to federal employees for official travel. Travel advances are limited to meals and incidental expenses expected to be incurred by the employees during official travel. Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of payment and are recognized as expenses when the goods and services are received.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

L. Forfeited and Seized Property

Forfeited property is property for which the title has passed to the U.S. Government. This property is recorded at the estimated fair market value at the time of forfeiture and is not adjusted for any subsequent increases and decreases in estimated fair market value. The value of the property is reduced by the estimated liens of record.

Seized property is property that the government has taken possession of in consequence of a violation of public law. Seized property can include monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the custodial agency. Most non-cash property is held by the USMS from the point of seizure until its disposition. This property is recorded at the estimated fair market value at the time of seizure and is not adjusted for any subsequent increases and decreases in estimated fair market value.

M. Liabilities

Liabilities represent the monies or other resources that are likely to be paid by the Department as the result of a transaction or event that has already occurred. However, no liability can be paid by the Department absent proper budget authority. Liabilities that are not funded by the current year appropriation are classified as liabilities not covered by budgetary resources in Note 11. Accrued payroll and benefits are accrued based on the number of days in a pay period earned but not paid to employees at the end of the fiscal year.

N. Accrued Grant Liabilities

Disbursements of grant funds are recognized as expenses at the time of disbursement. However, some grant recipients incur expenditures prior to initiating a request for disbursement based on the nature of the expenditures. The OBDs and OJP accrue a liability for expenditures incurred by grantees prior to receiving grant funds for expenditures. The amount to be accrued is determined through an analysis of historic grant expenditures. These estimates are based on the most current information available at the time the financial statements are prepared.

Estimates for the grant accrual contain assumptions that have an impact on the financial statements. The key assumptions used in the grant accrual are: grantees have consistent spending patterns throughout the life of the grant, grantees will drawdown throughout the life of the grant, and the grant has a determined end date. The primary elements of these assumptions include, but are not limited to, type of grant that has been awarded, grant period, accounting basis used by the grantees, and the grant expenditure rate.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

O. Contingencies and Commitments

The Department is involved in various administrative proceedings, legal actions, and claims. The Consolidated Balance Sheets include an estimated liability for those legal actions where management and the Chief Counsel consider adverse decisions "probable" and amounts are reasonably estimable. Legal actions where management and the Chief Counsel consider adverse decisions "probable" or "reasonably possible" and the amounts are reasonably estimable are disclosed in Note 16. However, there are cases where amounts have not been accrued or disclosed because the amounts of the potential loss cannot be estimated or the likelihood of an unfavorable outcome is considered "remote".

P. Annual, Sick, and Other Leave

Annual and compensatory leave is expensed with an offsetting liability as it is earned and the liability is reduced as leave is taken. Each year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual and compensatory leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of nonvested leave are expensed as taken.

Q. Interest on Late Payments

Pursuant to the Prompt Payment Act, 31 U.S.C. § 3901-3907, the Department pays interest on payments for goods or services made to business concerns after the due date. The due date is generally 30 days after receipt of a proper invoice or acceptance of the goods or services, whichever is later.

R. Retirement Plan

With few exceptions, employees of the Department are covered by one of the following retirement programs:

1) Employees hired before January 1, 1984, are covered by the Civil Service Retirement System (CSRS). The Department contributes 7% of the gross pay for regular employees and 7.5% for law enforcement officers.

2) Employees hired January 1, 1984 or later, are covered by the Federal Employees Retirement System (FERS).

    a. Employees hired January 1, 1984 through December 31, 2012, are covered by the FERS. The Department contributes 13.2% of the gross pay for regular employees and 28.8% for law enforcement officers.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

R. Retirement Plan (continued)

b. Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE). The Department contributes 11.1% of the gross pay for regular employees and 26.5% for law enforcement officers.

c. Employees hired January 1, 2014 or later are covered by the Federal Employees System-Further Revised Annuity Employees (FERS-FRAE). The Department contributes 11.1% of the gross pay for regular employees and 26.5% for law enforcement officers.

All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For those employees covered by the FERS, FERS-RAE and FERS-FRAE, a TSP account is automatically established to which the Department is required to contribute an additional 1% of gross pay and match employee contributions up to 4%. No government contributions are made to the TSP accounts established by the CSRS employees. The Department does not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to its employees. Such reporting is the responsibility of the Office of Personnel Management (OPM). Statement of Federal Financial Accounting Standards (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. Refer to Note 19, Imputed Financing from Costs Absorbed by Others, for additional details.

S. Federal Employee Compensation Benefits

The FECA provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The total FECA liability consists of an actuarial and an accrued portion as discussed below.

Actuarial Liability: The Department of Labor (DOL) calculates the liability of the federal government for future compensation benefits, which includes the expected liability for death, disability, medical, and other approved costs. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments are discounted to present value. The resulting federal government liability is then distributed by agency. The Department's portion of this liability includes the estimated future cost of death benefits, workers' compensation, medical, and miscellaneous cost for approved compensation cases for the Department employees. The Department liability is further allocated to component reporting entities on the basis of actual payments made to the FECA Special Benefits Fund (SBF) for the three prior years as compared to the total Department payments made over the same period.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

S. Federal Employee Compensation Benefits (continued)

The FECA actuarial liability is recorded for reporting purposes only. This liability constitutes an extended future estimate of cost, which will not be obligated against budgetary resources until the fiscal year in which the cost is actually billed to the Department. The cost associated with this liability cannot be met by the Department without further appropriation action.

Accrued Liability: The accrued FECA liability is the amount owed to the DOL for the benefits paid from the FECA SBF directly to Department employees.

T. Intragovernmental Activity

Intragovernmental costs and exchange revenue represent transactions made between two reporting entities within the federal government. Costs and earned revenues with the public represent exchange transactions made between the reporting entity and a non-federal entity. With the exception of certain accruals, the classification of revenue or cost as “intragovernmental” or “with the public” is defined on a transaction-by-transaction basis. The purpose of this classification is to enable the federal government to prepare consolidated financial statements, not to match public and intragovernmental revenue with the costs incurred to produce public and intragovernmental revenue.

U. Revenues and Other Financing Sources

The Department receives the majority of funding needed to support its programs through Congressional appropriations. The Department receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional funding is obtained through exchange revenues, nonexchange revenues, and transfers-in.

Appropriations Used are recognized as budgetary financing sources at the time the related program or administrative expenses are incurred. Exchange revenues are recognized when earned, for example, when goods have been delivered or services rendered. Nonexchange revenues are resources that the Government demands or receives, for example, forfeiture revenue and fines and penalties.

The Department’s exchange revenue consists of the following activities: licensing fees to manufacture and distribute controlled substances; services rendered for legal activities; space management; data processing services; sale of merchandise and telephone services to inmates; sale of manufactured goods and services to other federal agencies; and other services. Fees are set by law and are periodically evaluated in accordance with OMB guidance.

The Department’s nonexchange revenue consists of forfeiture income resulting from the sale of forfeited property, penalties in lieu of forfeiture, recovery of returned asset management cost, judgment collections, and other miscellaneous income. Other nonexchange revenue includes the OJP Crime Victims Fund receipts, ATF fees from firearms and ammunition industries, and AFF/SADF interest on investments with the Treasury.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

U. Revenues and Other Financing Sources (continued)

The Department's deferred revenue includes licenses with DEA that are valid for multiple years. These monies are recorded as liabilities in the financial statements. Deferred revenue also includes forfeited property held for sale. When the property is sold, deferred revenue is reversed and forfeiture revenue in the amount of the gross proceeds of the sale is recorded.

V. Funds from Dedicated Collections

SFFAS No. 27, *Identifying and Reporting Earmarked Funds*, as amended by SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds* (SFFAS No. 27, as amended), defines 'Funds from Dedicated Collections' as being financed by specifically identified revenues, provided to the government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits or purposes, and must be accounted for separately from the Government's general revenues. The three required criteria for a fund from dedicated collections are:

1. A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes;
2. Explicit authority for the funds to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
3. A requirement to account for and report on the receipt, use, and retention of the revenues and other financing sources that distinguishes the fund from the federal government's general revenues.

The following funds meet the definition of a fund from dedicated collections: AFF, U.S. Trustee System Fund, Antitrust Division, Crime Victims Fund, Diversion Control Fee Account, and Federal Prison Commissary Fund.

W. Allocation Transfer of Appropriation

The Department is a party to allocation transfers with other federal agencies as a transferring (parent) entity and/or a receiving (child) entity. Allocation transfers are legal delegations by one department of its authority to obligate budget authority and outlay funds to another department. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. Two exceptions to this general rule affecting the Department include the funds transferred from the Judicial Branch to the USMS, and funds transferred from the Executive Office of the President to OJP. Per OMB's guidance, USMS and OJP report all activity relative to these allocation transfers in the respective financial statements.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

W. Allocation Transfer of Appropriation (continued)

The activity related to these transfers, included as part of these financial statements, is highlighted below:

OJP, as the parent, transfers funds from the Crime Victims Fund to the Department of Health and Human Services (HHS). This transfer is required by 42 U.S.C. §10603a {Sec. 14-4A} for *Child Abuse Prevention and Treatment Grants.* Amounts made available by section §10601(d) (2) of this title, for the purposes of this section, are to be obligated and expended by the Secretary of HHS for grants under section §5106c of this title.

OJP receives, as a child entity, allocation transfers of appropriations from the Executive Office of the President. This transfer is authorized by P.L. 111-117 and P.L. 112-74. Per OMB guidance OJP reports all budgetary and proprietary activity for *Do Right by Youth Pilot* transferred from the Executive Office of the President to OJP.

The Department also allocated funds from BOP, as the parent, to the Public Health Service (PHS), a primary division of the Department of Health and Human Services. PHS provides a portion of medical treatment for federal inmates. The money is designated and expended for current year obligation of PHS staff salaries, benefits, and applicable relocation expenses.

USMS, as the child, receives allocation transfers of appropriation from the Administrative Office of the U.S. Courts. The allocation transfers are used for costs associated with protective guard services - Court Security Officers at United States courthouses and other facilities housing federal court operations. These costs include their salaries (paid through contracts), equipment, and supplies. This transfer is performed on an annual basis. Per OMB guidance, the USMS reports all budgetary and proprietary activity transferred from the Administrative Office of the U.S. Courts to the USMS.

X. Tax Exempt Status

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

Y. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Z. Reclassifications

The FY 2014 financial statements were reclassified to conform to the FY 2015 Departmental financial statement presentation requirements. The reclassifications have no material effect on total assets, liabilities, net position, change in net position, budgetary resources, or custodial activity as previously reported.

AA. Subsequent Events

Subsequent events and transactions occurring after September 30, 2015 through the date of the auditors' opinion have been evaluated for potential recognition or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued. On December 18, 2015, the U.S. Congress passed the Consolidated Appropriations Act of 2016. Two significant provisions of this law were: (1) the creation of the Victims of State Sponsored Terrorism Fund, funded primarily by a $1.025 billion appropriation beginning in FY 2017, that provides compensation to individuals who are injured as a result of an international act of terrorism by a state sponsor of terrorism, and (2) the reauthorization of the September 11th Victim Compensation Fund of 2011 that extended the September 11th Victim Compensation Fund for five years, extended the claim filing deadline to December 18, 2020, and increased the total funding amount provided by Congress to cover claims by an additional $4.6 billion, available in FY 2017.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 2. Non-Entity Assets

As of September 30, 2015 and 2014

	2015	2014
Intragovernmental		
Fund Balance with U.S. Treasury	$ 1,649,177	$ 798,033
Investments, Net	1,267,045	1,357,972
Total Intragovernmental	2,916,222	2,156,005
With the Public		
Cash and Monetary Assets	1,104,136	152,693
Accounts Receivable, Net	4,400	5,079
Total With the Public	1,108,536	157,772
Total Non-Entity Assets	4,024,758	2,313,777
Total Entity Assets	46,790,723	44,699,383
Total Assets	$ 50,815,481	$ 47,013,160

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 3. Fund Balance with U.S. Treasury

The Fund Balances with U.S. Treasury represent the unexpended balances on the Department's books for the entire Department's Treasury Symbols.

As of September 30, 2015 and 2014

	2015	2014
Fund Balances		
Trust Funds	$ 110,820	$ 115,441
Special Funds	15,382,757	13,355,637
Revolving Funds	1,110,897	930,885
General Funds	14,556,369	12,399,905
Other Fund Types	73,679	76,681
Total Fund Balances with U.S. Treasury	$ 31,234,522	$ 26,878,549
Status of Fund Balances		
Unobligated Balance - Available	$ 3,933,234	$ 4,963,900
Unobligated Balance - Available in Subsequent Periods	1,016,112	-
Unobligated Balance - Unavailable	1,128,001	860,831
Obligated Balance not yet Disbursed	17,559,771	15,428,052
Other Funds (With)/Without Budgetary Resources	7,592,221	5,625,766
Total Status of Fund Balances	$ 31,229,339	$ 26,878,549

Annual and multi-year budget authority expires at the end of its period of availability. During the first through the fifth expired years, the unobligated balance is unavailable and may only be used to adjust obligations and disbursements that were recorded before the budgetary authority expired or to meet a legitimate or bona fide need arising in the fiscal year for which the appropriation was made. The unobligated balance for no-year budget authority may be used to incur obligations indefinitely for the purpose specified by the appropriation act. No-year budget authority unobligated balances are still subject to the annual apportionment and allotment process.

Unobligated Balance - Available in Subsequent Periods includes amounts apportioned for future fiscal years that are available for obligation in a subsequent period (apportioned as Category C).

Unobligated Balance - Unavailable includes amounts appropriated in prior fiscal years that are no longer available to fund new obligations, but can be used for upward adjustments for existing obligations. Other restricted funds include the collections of fees in excess of amounts budgeted for administering the Diversion Control Program. These collections may not be used until authorized by Congress.

Other Funds (With)/Without Budgetary Resources primarily represent the net of 1) investments in short-term securities with budgetary resources, 2) resources temporarily not available pursuant to public law, 3) custodial liabilities, and 4) miscellaneous receipts.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 4. Cash and Monetary Assets

As of September 30, 2015 and 2014

	2015	2014
Cash		
Undeposited Collections	$ 258	$ (74)
Imprest Funds	41,825	38,335
Seized Cash Deposited	1,023,825	79,675
Other Cash	26,012	13,887
Total Cash	1,091,920	131,823
Monetary Assets		
Seized Monetary Instruments	54,310	59,142
Total Monetary Assets	54,310	59,142
Total Cash and Monetary Assets	$ 1,146,230	$ 190,965

The majority of Other Cash consists of project-generated proceeds from undercover operations.

Note 5. Investments, Net

	Face Value	Unamortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value
As of September 30, 2015					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 7,828,448	$ (4,019)	$ 360	$ 7,824,789	$ 7,826,210
As of September 30, 2014					
Intragovernmental					
Non-Marketable Securities					
Market Based	$ 8,941,967	$ (1,946)	$ 187	$ 8,940,208	$ 8,940,675

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 6. Accounts Receivable, Net

As of September 30, 2015 and 2014

	2015	2014
Intragovernmental		
Accounts Receivable	$ 499,316	$ 508,008
Allowance for Uncollectible Accounts	(777)	(336)
Total Intragovernmental	498,539	507,672
With the Public		
Accounts Receivable	98,455	109,424
Allowance for Uncollectible Accounts	(14,965)	(16,098)
Total With the Public	83,490	93,326
Total Accounts Receivable, Net	$ 582,029	$ 600,998

Intragovernmental accounts receivable consists mainly of amounts due under reimbursable agreements with federal entities for services and goods provided.

The accounts receivable with the public primarily consists of OBDs U.S. Trustee Chapter 11 quarterly fees, FBI Non-Federal User Fee Program, FBI National Name Check Program, court mandated restitution, and refunds due from the public.

Note 7. Inventory and Related Property, Net

As of September 30, 2015 and 2014

	2015	2014
Inventory		
Raw Materials	$ 56,842	$ 23,777
Work in Process	29,510	22,673
Finished Goods	47,264	32,976
Inventory Purchased for Resale	19,034	18,410
Excess, Obsolete, and Unserviceable	19,463	27,006
Inventory Allowance	(22,241)	(27,804)
Operating Materials and Supplies		
Held for Current Use	19,464	30,311
Total Inventory and Related Property, Net	$ 169,336	$ 127,349

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net

Analysis of Change in Forfeited Property:

The number of items represents quantities calculated using many different units of measure. If necessary, the adjustments column includes property status and valuation changes received after, but properly credited to a prior fiscal year. The valuation changes include updates and corrections to an asset's value recorded in a prior year.

Method of Disposition of Forfeited Property:

During FYs 2015 and 2014, $122,951 and $162,038 of forfeited property were sold, $599 and $6,268 were destroyed or donated, $9,714 and $4,892 were returned to owners, and $204,900 and $127,091 were disposed of by other means, respectively. Other means of disposition include property transferred to other federal agencies for official use or equitable sharing, or property distributed to a state or local agency.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

For the Fiscal Year Ended September 30, 2015

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	284	469	577	(981)	349	-	349
	Value	$ 4,907	$ 9,819	$ 188,277	$ (198,617)	$ 4,386	$ -	$ 4,386
Real Property	Number	458	(15)	384	(364)	463	-	463
	Value	$ 88,679	$ (4,585)	$ 88,425	$ (80,903)	$ 91,616	$ (3,200)	$ 88,416
Personal Property	Number	3,232	78	5,305	(4,769)	3,846	-	3,846
	Value	$ 48,915	$ (4,162)	$ 53,858	$ (58,644)	$ 39,967	$ (349)	$ 39,618
Non-Valued Firearms	Number	25,965	3,956	15,639	(21,413)	24,147	-	24,147
Total	Number	29,939	4,488	21,905	(27,527)	28,805	-	28,805
	Value	$ 142,501	$ 1,072	$ 330,560	$ (338,164)	$ 135,969	$ (3,549)	$ 132,420

For the Fiscal Year Ended September 30, 2014

Forfeited Property Category		Beginning Balance	Adjust-ments	Forfeitures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Financial Instruments	Number	212	278	444	(650)	284	-	284
	Value	$ 2,417	$ 6,389	$ 129,203	$ (133,102)	$ 4,907	$ -	$ 4,907
Real Property	Number	526	26	390	(484)	458	-	458
	Value	$ 98,773	$ 6,739	$ 81,133	$ (97,966)	$ 88,679	$ (2,223)	$ 86,456
Personal Property	Number	3,422	285	4,809	(5,284)	3,232	-	3,232
	Value	$ 41,770	$ 17,132	$ 59,234	$ (69,221)	$ 48,915	$ (2,013)	$ 46,902
Non-Valued Firearms	Number	24,001	(58)	15,430	(13,408)	25,965	-	25,965
Total	Number	28,161	531	21,073	(19,826)	29,939	-	29,939
	Value	$ 142,960	$ 30,260	$ 269,570	$ (300,289)	$ 142,501	$ (4,236)	$ 138,265

Note 8. Forfeited and Seized Property, Net (continued)

Analysis of Change in Seized Property:

Property seized for any purpose other than forfeiture and held by the seizing agency or a custodial agency should be disclosed by the seizing agency. All property seized for forfeiture, including property with evidentiary value, will be reported by the AFF/SADF. The Department has established a reporting threshold of $1 or more for Personal Property seized for evidentiary purposes.

A seizure is the act of taking possession of goods in consequence of a violation of public law. Seized property consists of seized cash, monetary instruments, real property and tangible personal property in the actual or constructive possession of the seizing and the custodial agencies. The Department, until judicially or administratively forfeited, does not legally own such property. Seized evidence includes cash, financial instruments, non-monetary valuables, firearms, and drugs. The AFF/SADF reports property seized for forfeiture and the FBI, DEA, and ATF report property seized for evidence.

Adjustments include property status, asset group, and valuation changes that occurred during the current year for assets that were already on hand at the start of the year. Asset group changes occur primarily when cash is substituted for a different asset category. Valuation changes occur primarily due to changes in appraisals.

The DEA, FBI, and ATF have custody of drugs taken as evidence for legal proceedings. In accordance with Federal Financial Accounting and Auditing Technical Release No. 4, *Reporting on Non-Valued Seized and Forfeited Property*, the Department reports the total amount of seized drugs by quantity only, as drugs have no value and are destroyed upon resolution of legal proceedings.

Analyzed drug evidence includes cocaine, heroin, marijuana and methamphetamine and represents actual laboratory tested classification and weight in kilograms (KG). Since enforcing the controlled substances laws and regulations of the United States is a primary mission of the DEA, the DEA reports all analyzed drug evidence regardless of seizure weight. However, the enforcement of these laws and regulations is incidental to the missions of the FBI and ATF and therefore they only report those individual seizures exceeding 1 KG in weight.

"Other" primarily consists of substances, both controlled and non-controlled as defined per the Controlled Substances Act, other than those discussed above. "Bulk Drug Evidence" is comprised of controlled substances housed by the DEA in secured storage facilities of which only a sample is taken for laboratory analysis. The actual bulk drug weight may vary from seizure weight due to changes in moisture content over time.

Unanalyzed drug evidence is qualitatively different from analyzed and bulk drug evidence because unanalyzed drug evidence includes the weight of packaging and drug categories are based on the determination of Special Agents instead of laboratory chemists. For these reasons, unanalyzed drug evidence is not reported by the Department. Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drug above.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

"Disposals" occur when seized property is forfeited, returned to parties with a bona fide interest, or destroyed in accordance with federal guidelines.

Method of Disposition of Seized Property:

During FYs 2015 and 2014, $1,307,559 and $3,891,912 of seized property were forfeited, $112,889 and $84,256 were returned to parties with a bonafide interest, and $22,943 and $52,107 were either released to a designated party or transferred to the appropriate federal entity under forfeiture or abandonment procedures. Non-valued property was primarily disposed of through destruction.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

For the Fiscal Year Ended September 30, 2015

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash and Monetary Instruments	Value	$1,373,316	$ 39,752	$2,064,442	$(1,255,240)	$2,222,270	$ (156,523)	$ 2,065,747
Financial Instruments	Number	357	(70)	345	(255)	377	-	377
	Value	$ 124,376	$ (79,070)	$ 193,711	$ (52,253)	$ 186,764	$ (491)	$ 186,273
Real Property	Number	131	9	98	(158)	80	-	80
	Value	$ 52,586	$ (3,112)	$ 30,738	$ (46,354)	$ 33,858	$ (11,451)	$ 22,407
Personal Property	Number	7,293	526	4,184	(6,516)	5,487	-	5,487
	Value	$ 147,805	$ (11,498)	$ 73,400	$ (81,281)	$ 128,426	$ (35,847)	$ 92,579
Non-Valued Firearms	Number	24,394	6,481	14,725	(20,349)	25,251	-	25,251

For the Fiscal Year Ended September 30, 2014

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Forfeiture								
Seized Cash and Monetary Instruments	Value	$1,435,283	$ 54,898	$3,733,392	$(3,850,257)	$1,373,316	$ (205,829)	$ 1,167,487
Financial Instruments	Number	404	(79)	248	(216)	357	-	357
	Value	$ 46,013	$ (13,413)	$ 123,443	$ (31,667)	$ 124,376	$ (1,726)	$ 122,650
Real Property	Number	140	5	129	(143)	131	-	131
	Value	$ 63,783	$ (669)	$ 31,697	$ (42,225)	$ 52,586	$ (11,887)	$ 40,699
Personal Property	Number	7,136	246	6,222	(6,311)	7,293	-	7,293
	Value	$ 144,422	$ (12,623)	$ 103,667	$ (87,661)	$ 147,805	$ (32,364)	$ 115,441
Non-Valued Firearms	Number	30,281	1,122	12,719	(19,728)	24,394	-	24,394

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 8. Forfeited and Seized Property, Net (continued)

For the Fiscal Year Ended September 30, 2015

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Evidence								
Seized Monetary Instruments	Value	$ 37,127	$ (6,338)	$ 12,097	$ (6,341)	$ 36,545	$ -	$ 36,545
Personal Property	Number	408	(36)	94	(115)	351	-	351
	Value	$ 7,907	$ (2,597)	$ 2,613	$ (1,922)	$ 6,001	$ -	$ 6,001
Non-Valued								
Firearms	Number	56,014	(664)	11,101	(10,681)	55,770	-	55,770
Drug Evidence								
Cocaine	KG	50,264	1,496	67,547	(54,873)	64,434	-	64,434
Heroin	KG	3,849	95	1,435	(877)	4,502	-	4,502
Marijuana	KG	12,892	304	1,972	(3,339)	11,829	-	11,829
Bulk Drug Evidence	KG	147,626	1,301	722,808	(745,344)	126,391	-	126,391
Methamphetamine	KG	12,106	91	5,073	(3,641)	13,629	-	13,629
Other	KG	20,367	(257)	1,506	(2,535)	19,081	-	19,081
Total Drug Evidence	KG	247,104	3,030	800,341	(810,609)	239,866	-	239,866

For the Fiscal Year Ended September 30, 2014

Seized Property Category		Beginning Balance	Adjust-ments	Seizures	Disposals	Ending Balance	Liens and Claims	Ending Balance, Net of Liens
Seized for Evidence								
Seized Monetary Instruments	Value	$ 50,404	$ (16,539)	$ 17,173	$ (13,911)	$ 37,127	$ -	$ 37,127
Personal Property	Number	1,206	(726)	47	(119)	408	-	408
	Value	$ 28,468	$ (19,143)	$ 1,136	$ (2,554)	$ 7,907	$ -	$ 7,907
Non-Valued								
Firearms	Number	61,612	(3,176)	9,760	(12,182)	56,014	-	56,014
Drug Evidence								
Cocaine	KG	51,614	(2,777)	26,854	(25,427)	50,264	-	50,264
Heroin	KG	3,661	(425)	1,394	(781)	3,849	-	3,849
Marijuana	KG	16,440	(2,245)	2,478	(3,781)	12,892	-	12,892
Bulk Drug Evidence	KG	256,871	(449)	794,697	(903,493)	147,626	-	147,626
Methamphetamine	KG	10,707	(407)	4,232	(2,426)	12,106	-	12,106
Other	KG	22,239	(1,011)	7,031	(7,892)	20,367	-	20,367
Total Drug Evidence	KG	361,532	(7,314)	836,686	(943,800)	247,104	-	247,104

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 9. General Property, Plant and Equipment, Net

As of September 30, 2015

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 184,715	$ -	$ 184,715	N/A
Improvements to Land	4,989	(2,185)	2,804	15 yrs
Construction in Progress	443,885	-	443,885	N/A
Buildings, Improvements and Renovations	10,991,441	(5,386,892)	5,604,549	2-50 yrs
Other Structures and Facilities	926,432	(593,812)	332,620	10-50 yrs
Aircraft	545,798	(197,220)	348,578	5-30 yrs
Boats	15,216	(5,625)	9,591	5-25 yrs
Vehicles	364,747	(243,003)	121,744	2-25 yrs
Equipment	1,319,621	(876,461)	443,160	2-25 yrs
Assets Under Capital Lease	90,451	(60,506)	29,945	2-30 yrs
Leasehold Improvements	1,704,063	(1,059,965)	644,098	2-20 yrs
Internal Use Software	1,989,253	(1,013,392)	975,861	2-10 yrs
Internal Use Software in Development	123,088	-	123,088	N/A
Other General Property, Plant and Equipment	5,378	(601)	4,777	10-20 yrs
Total	$ 18,709,077	$ (9,439,662)	$ 9,269,415	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2015	$ 173,762	$ 494,098	$ 667,860

Based upon early implementation of DOJ Financial Management Policy Memorandum (FMPM) 13-12, *Capitalization of General Property, Plant and Equipment and Internal Use Software*, the Department revised its method for reporting the capitalization of real property, personal property, and internal use software, which caused a decrease in the PP&E balance by $121,114 as described in Note 26.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 9. General Property, Plant and Equipment, Net (continued)

As of September 30, 2014

	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	$ 184,838	$ -	$ 184,838	N/A
Improvements to Land	4,990	(1,853)	3,137	15 yrs
Construction in Progress	483,475	-	483,475	N/A
Buildings, Improvements and Renovations	10,657,621	(5,025,075)	5,632,546	2-50 yrs
Other Structures and Facilities	928,014	(556,114)	371,900	10-50 yrs
Aircraft	517,753	(184,308)	333,445	5-30 yrs
Boats	14,674	(5,029)	9,645	5-25 yrs
Vehicles	455,384	(300,705)	154,679	2-25 yrs
Equipment	1,483,753	(931,733)	552,020	2-25 yrs
Assets Under Capital Lease	90,400	(57,514)	32,886	2-30 yrs
Leasehold Improvements	1,583,085	(944,162)	638,923	2-20 yrs
Internal Use Software	1,870,969	(694,731)	1,176,238	2-10 yrs
Internal Use Software in Development	104,658	-	104,658	N/A
Total	$ 18,379,614	$ (8,701,224)	$ 9,678,390	

	Federal	Public	Total
Sources of Capitalized Property, Plant and Equipment Purchases for FY 2014	$ 153,443	$ 551,444	$ 704,887

These notes are an integral part of the financial statements.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 10. Other Assets

As of September 30, 2015 and 2014

	2015	2014
Intragovernmental		
Advances and Prepayments	$ 57,330	$ 74,043
Other Intragovernmental Assets	123	19
Total Intragovernmental	57,453	74,062
Other Assets With the Public	2,069	5,138
Total Other Assets	$ 59,522	$ 79,200

Note 11. Liabilities not Covered by Budgetary Resources

As of September 30, 2015 and 2014

	2015	2014
Intragovernmental		
Accrued FECA Liabilities	$ 276,599	$ 267,054
Other Unfunded Employment Related Liabilities	1,189	1,350
Other	2,879	3,612
Total Intragovernmental	280,667	272,016
With the Public		
Actuarial FECA Liabilities	1,654,318	1,679,245
Accrued Annual and Compensatory Leave Liabilities	839,485	816,376
Environmental and Disposal Liabilities (Note 12)	79,802	78,799
Deferred Revenue	546,938	522,045
Contingent Liabilities (Note 16)	52,413	58,125
Capital Lease Liabilities (Note 13)	129	161
RECA Liabilities (Note 25)	433,760	561,661
September 11th Victim Compensation Fund (Note 25)	2,579,175	2,700,584
Other	144,225	128,773
Total With the Public	6,330,245	6,545,769
Total Liabilities not Covered by Budgetary Resources	6,610,912	6,817,785
Total Liabilities Covered by Budgetary Resources	12,026,124	9,787,705
Total Liabilities	$ 18,637,036	$ 16,605,490

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 11. Liabilities not Covered by Budgetary Resources (continued)

Generally, liabilities not covered by budgetary resources are liabilities for which Congressional action is needed before budgetary resources can be provided. However, some liabilities do not require appropriations and will be liquidated by the assets of the entities holding these liabilities. Such assets include civil and criminal debt collections, seized cash and monetary instruments, and revolving fund operations.

Other Liabilities with the Public consists primarily of future funded energy savings performance contracts and utilities.

Note 12. Environmental and Disposal Liabilities

As of September 30, 2015 and 2014	2015	2014
Firing Ranges		
Beginning Balance, Brought Forward	$ 29,236	$ 27,820
Future Funded Expenses	495	831
Inflation Adjustment	190	585
Firing Range Liability	29,921	29,236
Asbestos		
Beginning Balance, Brought Forward	$ 49,563	$ 48,856
New Asbestos	31	26
Abatements	(208)	(356)
Inflation Adjustment	262	804
Future Funded Expenses	233	233
Asbestos Liability	$ 49,881	$ 49,563
Total Environmental and Disposal Liabilities	$ 79,802	$ 78,799

Per SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, Technical Release No. 2 *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*, Technical Release No. 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, and Technical Release No. 11, *Implementation Guidance on Cleanup Costs Associated with Equipment,* federal agencies are required to recognize liabilities for environmental clean-up costs when the future outflow or sacrifice of resources is probable and reasonably estimable.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 12. Environmental and Disposal Liabilities (continued)

Firing Ranges

The BOP operates firing ranges on 67 of the sites where its institutions are located. Use of these firing ranges generates waste consisting primarily of lead shot and spent rounds from rifles, shotguns, pistols, and automatic weapons. At operational firing ranges, lead-containing bullets are fired and eventually fall to the ground at or near the range. As of September 30, 2014, BOP determined their estimated clean-up liability to be $28,405. In FY 2015, BOP adjusted the estimated clean-up liability by the current U.S. inflation rate as determined by the U.S. Treasury and as such determined that an estimated firing range clean-up liability of $28,595, based on an inflation rate of 0.7 percent, should be recorded. In FY 2015, the liability cost for firing ranges increased by $190.

The FBI-owned range in Quantico and El Toro contain possible contamination. Since no remedial investigation/feasibility study (RI/FS) has been completed and there are no comparable sites, remediation costs are not considered reasonably estimable at this time. For FY 2015, the FBI estimated total firing range liability of $1,326 based on the estimated costs to conduct a RI/FS, site sampling, and sample analysis at both range facilities in order to determine if contamination is present and what the potential future environmental impacts would be. As of September 30, 2015 and 2014, the FBI reported the estimated firing range clean up liability of $1,326 and $831, respectively

Asbestos

BOP conducted a review of 46 institutions that were built prior to 1980; the review provided an estimate of the extent of friable and non-friable Asbestos Containing Materials (ACM) remaining in each of the institutions as of October 30, 2009. The estimated asbestos clean-up liability as of September 30, 2014 was $38,987. In FY 2015, BOP decreased the clean-up liability in the amount of $208 for the abatement of asbestos at 13 locations. In addition, BOP increased the clean-up liability in the amount of $31 due to additional asbestos found at two locations and in the amount of $260 by the current U.S. inflation rate of 0.7 percent as determined by the Treasury. In FY 2015, BOP recorded a clean-up liability in the amount of $39,070, a $83 increase in liability cost for asbestos from the previous year.

The FBI operates facilities in Quantico, Virginia that contain friable and non-friable ACM. The facilities have a useful life of 50 years. The estimated total liability of $11,614 is based on the square footage of the facilities that may be contaminated. This value, divided by the useful life and multiplied by the number of years in service, less current year abatements and adjusted for inflation, is the estimated cleanup liability. As of September 30, 2015 and 2014, the FBI recognized the estimated cleanup liability of $10,811 and $10,576 respectively. The estimated asbestos cleanup liability is increased each quarter by recording future funded expenses for the asbestos clean-up costs.

There are no other potentially responsible parties to the environmental liability and there are no unrecognized amounts to disclose as of September 30, 2015.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 13. Leases

Capital leases include a Federal Transfer Center (25 year lease term) in Oklahoma City, Oklahoma; and other machinery and equipment that expire over future periods.

As of September 30, 2015 and 2014

Capital Leases	2015	2014
Summary of Assets Under Capital Lease		
Land and Buildings	$ 89,625	$ 89,625
Machinery and Equipment	826	775
Accumulated Amortization	(60,506)	(57,514)
Total Assets Under Capital Lease (Note 9)	$ 29,945	$ 32,886

Future Capital Lease Payments Due

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2016	$ 33	$ 58	$ 91
2017	32	38	70
2018	32	36	68
2019	32	35	67
2020	-	12	12
Total Future Capital Lease Payments	$ 129	$ 179	$ 308
Less: Imputed Interest	-	(16)	(16)
Less: Executory Costs	-	(84)	(84)
FY 2015 Net Capital Lease Liabilities	$ 129	$ 79	$ 208
FY 2014 Net Capital Lease Liabilities	$ 161	$ 30	$ 191

	2015	2014
Net Capital Lease Liabilities Covered by Budgetary Resources	$ 79	$ 30
Net Capital Lease Liabilities not Covered by Budgetary Resources	$ 129	$ 161

The net capital lease liability not covered by budgetary resources primarily represents the capital lease of the Federal Transfer Center for which the Department received Congressional authority to fund with annual appropriations.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 13. Leases (continued)

Future Noncancelable Operating Lease Payments

Fiscal Year	Land and Buildings	Machinery and Equipment	Total
2016	$ 299,938	$ 145	$ 300,083
2017	338,536	407	338,943
2018	341,351	351	341,702
2019	336,847	8	336,855
2020	327,682	2	327,684
After 2020	2,649,607	-	2,649,607
Total Future Noncancelable Operating Lease Payments	$ 4,293,961	$ 913	$ 4,294,874

Note 14. Seized Cash and Monetary Instruments

The Seized Cash and Monetary Instruments represent liabilities for seized assets held by the Department pending disposition.

As of September 30, 2015 and 2014

	2015	2014
Investments, Net	$ 1,180,680	$ 1,271,626
Seized Cash Deposited	1,023,825	79,675
Seized Monetary Instruments	54,310	59,142
Total Seized Cash and Monetary Instruments	$ 2,258,815	$ 1,410,443

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 15. Other Liabilities

As of September 30, 2015 and 2014

	2015	2014
Intragovernmental		
Other Accrued Liabilities	-	(119)
Employer Contributions and Payroll Taxes Payable	$ 120,720	$ 97,534
Other Post-Employment Benefits Due and Payable	770	784
Other Unfunded Employment Related Liabilities	1,190	1,352
Advances from Others	192,216	196,582
Liability for Clearing Accounts	59	(3,488)
Other Liabilities	16,940	4,992
Total Intragovernmental	331,895	297,637
With the Public		
Other Accrued Liabilities	8,353	8,013
Advances from Others	14,076	11,324
Liability for Nonfiduciary Deposit Funds and Undeposited Collections	76,315	79,152
Liability for Clearing Accounts	182	761
Custodial Liabilities	175,619	132,676
Capital Lease Liabilities	129	161
Other Liabilities	166,062	133,666
Total With the Public	440,736	365,753
Total Other Liabilities	$ 772,631	$ 663,390

The majority of Intragovernmental Other Liabilities are composed of tenant allowances for operating leases, monies received from prisoner funds, and certain receipts of cash that are in suspense, clearing, deposit, or general fund accounts that are owed to the Treasury.

Most of the Other Liabilities with the Public are composed of future funded energy savings performance contracts and utilities. In addition, Other Liabilities with the Public consists of project-generated proceeds from undercover operations. The proceeds not subject to forfeiture will be returned to the Department of Treasury General Fund at the conclusion of the project.

The majority of Total Other Liabilities are current with the exception of a portion that consists of capital leases and those liabilities related to future employee related expenses, such as accrued retirement contributions, life insurance, and retiree health benefits.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 16. Contingencies and Commitments

	Accrued Liabilities	Estimated Range of Loss: Lower	Estimated Range of Loss: Upper
As of September 30, 2015			
Probable	$ 52,413	$ 52,413	$ 90,648
Reasonably Possible		111,472	172,921
As of September 30, 2014			
Probable	$ 58,125	$ 58,125	$ 108,530
Reasonably Possible		94,714	154,658

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections

Funds from Dedicated Collections are financed by specifically identified revenues and are required by statute to be used for designated activities or purposes, and must be accounted for separately from the Government's general revenues. See SFFAS No. 27, as amended, for the required criteria for funds from dedicated collections.

As of September 30, 2015

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 153,034	$ 8,183	$ 37,988	$ 14,979,212	$ 240,724	$ 86,602	$ 15,505,743
Investments, Net	6,223,642	138,968	-	-	-	-	6,362,610
Other Assets	136,455	35,458	5,507	4,866	13,819	23,911	220,016
Total Assets	$ 6,513,131	$ 182,609	$ 43,495	$ 14,984,078	$ 254,543	$ 110,513	$ 22,088,369
Liabilities							
Accounts Payable	$ 4,827,689	$ 10,312	$ 8,331	$ 31,648	$ 9,793	$ 12,402	$ 4,900,175
Other Liabilities	135,523	16,800	11,611	90,514	562,361	11,327	828,136
Total Liabilities	$ 4,963,212	$ 27,112	$ 19,942	$ 122,162	$ 572,154	$ 23,729	$ 5,728,311
Net Position							
Unexpended Appropriations	$ -	$ (82)	$ 31,356	$ -	$ -	$ -	$ 31,274
Cumulative Results of Operations	1,549,919	155,579	(7,803)	14,861,917	(317,611)	86,784	16,328,785
Total Net Position	$ 1,549,919	$ 155,497	$ 23,553	$ 14,861,917	$ (317,611)	$ 86,784	$ 16,360,059
Total Liabilities and Net Position	$ 6,513,131	$ 182,609	$ 43,495	$ 14,984,079	$ 254,543	$ 110,513	$ 22,088,370

For the Fiscal Year Ended September 30, 2015

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
Statement of Net Cost							
Gross Cost of Operations	$ 1,551,414	$ 219,656	$ 158,403	$ 749,568	$ 342,247	$ 380,274	$ 3,401,562
Less: Earned Revenues	14,557	148,709	120,218	-	348,248	369,234	1,000,966
Net Cost of Operations	$ 1,536,857	$ 70,947	$ 38,185	$ 749,568	$ (6,001)	$ 11,040	$ 2,400,596
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 2,560,848	$ 225,513	$ 24,188	$ 12,971,522	$ (332,973)	$ 93,245	$ 15,542,343
Budgetary Financing Sources	191,890	438	37,251	2,639,963	(85)	-	2,869,457
Other Financing Sources	334,038	493	299	-	9,446	4,579	348,855
Total Financing Sources	525,928	931	37,550	2,639,963	9,361	4,579	3,218,312
Net Cost of Operations	(1,536,857)	(70,947)	(38,185)	(749,568)	6,001	(11,040)	(2,400,596)
Net Change	(1,010,929)	(70,016)	(635)	1,890,395	15,362	(6,461)	817,716
Net Position End of Period	$ 1,549,919	$ 155,497	$ 23,553	$ 14,861,917	$ (317,611)	$ 86,784	$ 16,360,059

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

As of September 30, 2014

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
Balance Sheet							
Assets							
Fund Balance with U. S. Treasury	$ 124,255	$ 2,024	$ 41,003	$ 13,040,986	$ 185,756	$ 90,639	$ 13,484,663
Investments, Net	7,062,680	207,954	-	-	-	-	7,270,634
Other Assets	148,175	41,356	882	3,616	25,823	26,105	245,957
Total Assets	$ 7,335,110	$ 251,334	$ 41,885	$ 13,044,602	$ 211,579	$ 116,744	$ 21,001,254
Liabilities							
Accounts Payable	$ 4,633,169	$ 9,804	$ 6,753	$ 14,867	$ 8,029	$ 9,805	$ 4,682,427
Other Liabilities	141,093	16,017	10,944	58,213	536,523	11,559	774,349
Total Liabilities	$ 4,774,262	$ 25,821	$ 17,697	$ 73,080	$ 544,552	$ 21,364	$ 5,456,776
Net Position							
Unexpended Appropriations	$ -	$ 288	$ 32,462	$ -	$ -	$ -	$ 32,750
Cumulative Results of Operations	2,560,848	225,225	(8,274)	12,971,522	(332,973)	95,380	15,511,728
Total Net Position	$ 2,560,848	$ 225,513	$ 24,188	$ 12,971,522	$ (332,973)	$ 95,380	$ 15,544,478
Total Liabilities and Net Position	$ 7,335,110	$ 251,334	$ 41,885	$ 13,044,602	$ 211,579	$ 116,744	$ 21,001,254

For the Fiscal Year Ended September 30, 2014

	Assets Forfeiture Fund	U.S. Trustee System Fund	Antitrust Division	Crime Victims Fund	Diversion Control Fee Account	Federal Prison Commissary Fund	Total Funds from Dedicated Collections
Statement of Net Cost							
Gross Cost of Operations	$ 3,086,298	$ 210,583	$ 145,571	$ 677,613	$ 340,008	$ 371,677	$ 4,831,750
Less: Earned Revenues	14,065	175,685	105,690	-	314,357	368,343	978,140
Net Cost of Operations	$ 3,072,233	$ 34,898	$ 39,881	$ 677,613	$ 25,651	$ 3,334	$ 3,853,610
Statement of Changes in Net Position							
Net Position Beginning of Period	$ 1,855,767	$ 258,593	$ 22,038	$ 10,057,641	$ (319,165)	$ 93,693	$ 11,968,567
Budgetary Financing Sources	3,472,100	1,214	41,680	3,591,494	-	-	7,106,488
Other Financing Sources	305,214	604	351	-	11,843	5,021	323,033
Total Financing Sources	3,777,314	1,818	42,031	3,591,494	11,843	5,021	7,429,521
Net Cost of Operations	(3,072,233)	(34,898)	(39,881)	(677,613)	(25,651)	(3,334)	(3,853,610)
Net Change	705,081	(33,080)	2,150	2,913,881	(13,808)	1,687	3,575,911
Net Position End of Period	$ 2,560,848	$ 225,513	$ 24,188	$ 12,971,522	$ (332,973)	$ 95,380	$ 15,544,478

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 17. Funds from Dedicated Collections (continued)

The Comprehensive Crime Control Act of 1984 established the AFF to receive the proceeds of forfeiture and to pay the costs associated with such forfeitures, including the costs of managing and disposing of property, satisfying valid liens, mortgages, and other innocent owner claims, and costs associated with accomplishing the legal forfeiture of the property. Authorities of the fund have been amended by various public laws enacted since 1984. Under current law, authority to use the fund for certain investigative expenses shall be specified in annual appropriation acts. Expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure are funded through a permanent, indefinite appropriation. In addition, beginning in FY 1993, other general expenses of managing and operating the Asset Forfeiture Program are paid from the permanent, indefinite portion of the fund. Once all expenses are covered, the balance is maintained to meet ongoing expenses of the program. Excess unobligated balances may also be allocated by the Attorney General in accordance with 28 U.S.C. §524(c)(8)(E).

The United States Trustees (UST) supervises the administration of bankruptcy cases and private trustees in the Federal Bankruptcy Courts. The Bankruptcy Judges, UST, and Family Farmer Bankruptcy Act of 1986 (Public Law 99–554) expanded the pilot trustee program to a 21 region, nationwide program encompassing 88 judicial districts. The UST System Fund collects user fees assessed against debtors, which offset the annual appropriation.

The Antitrust Division administers and enforces antitrust and related statutes. This program primarily involves the investigation of suspected violations of the antitrust laws, the conduct of civil and criminal proceedings in the federal courts, and the maintenance of competitive conditions. The Antitrust Division collects filing fees for pre-merger notifications and retains these fees for expenditure in support of its programs.

The Crime Victims Fund is financed by collections of fines, penalty assessments, and bond forfeitures from defendants convicted of federal crimes. This fund supports victim assistance and compensation programs around the country and advocates, through policy development, for the fair treatment of crime victims. The Office for Victims of Crime administers formula and discretionary grants for programs designed to benefit victims, provides training for diverse professionals who work with victims, develops projects to enhance victims' rights and services, and undertakes public education and awareness activities on behalf of crime victims.

The Diversion Control Fee Account is established in the General Fund of the Treasury as a separate account. Fees charged by the DEA under the Diversion Control Program are set at a level that ensures the recovery of the full costs of operating this program. The program’s purpose is to prevent, detect, and investigate the diversion of controlled substances from legitimate channels, while ensuring an adequate and uninterrupted supply of controlled substances required to meet legitimate needs.

The Federal Prison Commissary Fund was created in the early 1930s to allow inmates a means to purchase additional products and services above the necessities provided by appropriated federal funds, e.g., personal grooming products, snacks, postage stamps, and telephone services. The Trust Fund is a self-sustaining trust revolving fund account that is funded through sales of goods and services to inmates.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 18. Net Cost of Operations by Suborganization

For the Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost	$ -	$ 427,470	$ -	$ 98,050	$ 5,310,342	$ -	$ 210,360	$ -	$ 106,924	$ (28,776)	$ 6,124,370
Less: Earned Revenues	-	-	-	29,898	274,532	-	19,901	-	-	(28,776)	295,555
Net Cost of Operations	-	427,470	-	68,152	5,035,810	-	190,459	-	106,924	-	5,828,815
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost	1,551,414	908,372	9,217	2,889,617	3,555,518	-	5,467,814	1,143,294	43,841	(1,269,298)	14,299,789
Less: Earned Revenues	14,557	84,896	-	828,185	306,527	-	1,509,658	6,950	-	(1,269,298)	1,481,475
Net Cost of Operations	1,536,857	823,476	9,217	2,061,432	3,248,991	-	3,958,156	1,136,344	43,841	-	12,818,314
Goal 3: Ensure and Support the Fair, Impartial , Efficient and Transparent Administration of Justice at the Federal, State, Local, Tribal and International Levels											
Gross Cost	-	-	7,832,948	-	960,334	608,192	851,705	1,158,146	2,955,417	(241,480)	14,125,262
Less: Earned Revenues	-	-	419,292	-	582,682	564,172	11,651	16,970	54,329	(222,000)	1,427,096
Net Cost of Operations	-	-	7,413,656	-	377,652	44,020	840,054	1,141,176	2,901,088	(19,480)	12,698,166
Net Cost of Operations	$ 1,536,857	$ 1,250,946	$ 7,422,873	$ 2,129,584	$ 8,662,453	$ 44,020	$ 4,988,669	$ 2,277,520	$ 3,051,853	$ (19,480)	$ 31,345,295

For the Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost	$ -	$ 395,846	$ -	$ 115,289	$ 5,091,986	$ -	$ 198,486	$ -	$ 98,613	$ (27,927)	$ 5,872,293
Less: Earned Revenues	-	-	-	44,969	310,145	-	17,448	-	-	(27,927)	344,635
Net Cost of Operations	-	395,846	-	70,320	4,781,841	-	181,038	-	98,613	-	5,527,658
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost	3,086,298	881,076	8,717	2,864,381	3,047,534	-	5,185,262	1,079,188	295,178	(1,200,070)	15,247,564
Less: Earned Revenues	14,065	80,692	-	775,537	302,436	-	1,658,542	6,159	-	(1,200,070)	1,637,361
Net Cost of Operations	3,072,233	800,384	8,717	2,088,844	2,745,098	-	3,526,720	1,073,029	295,178	-	13,610,203
Goal 3: Ensure and Support the Fair, Impartial , Efficient and Transparent Administration of Justice at the Federal, State, Local, Tribal and International Levels											
Gross Cost	-	-	7,843,468	-	918,839	543,495	848,381	1,518,908	2,672,976	(235,640)	14,110,427
Less: Earned Revenues	-	-	418,509	-	495,701	478,099	17,621	17,259	57,854	(215,849)	1,269,194
Net Cost of Operations	-	-	7,424,959	-	423,138	65,396	830,760	1,501,649	2,615,122	(19,791)	12,841,233
Net Cost of Operations	$ 3,072,233	$ 1,196,230	$ 7,433,676	$ 2,159,164	$ 7,950,077	$ 65,396	$ 4,538,518	$ 2,574,678	$ 3,008,913	$ (19,791)	$ 31,979,094

Immaterial errors were identified in the FY 2014 Consolidated Statement of Net Cost. The allocation between strategic goals was reclassified to reflect an increase/decrease of $392 million, ($590) million, and $198 million, within strategic goals 1, 2, and 3, respectively. The allocation between strategic goals by component was reclassified to reflect an increase/decrease of $392 million for ATF in goal 1; ($392) million for ATF, ($288) million for OBDs and $90 million for OJP in goal 2; and $288 million for OBDs and ($90) million for OJP in goal 3.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing from Costs Absorbed by Others

Imputed Inter-Departmental Financing Sources are the unreimbursed (i.e., non-reimbursed and under-reimbursed) portion of the full costs of goods and services received by the Department from a providing entity that is not part of the Department. In accordance with SFFAS No. 30, *Inter-Entity Cost Implementation Amending SFFAS No.4, Managerial Cost Accounting Concepts and Standards*, the material Imputed Inter-Departmental financing sources currently recognized by the Department include the cost of benefits for the Federal Employees Health Benefits Program (FEHB), the Federal Employees' Group Life Insurance Program (FEGLI), and the Federal Pension plans that are paid by other federal entities, and any un-reimbursed payments made from the Treasury Judgment Fund on behalf of the Department. The Treasury Judgment Fund was established by the Congress and funded at 31 U.S.C. §1304 to pay in whole or in part the court judgments and settlement agreements negotiated by the Department on behalf of agencies, as well as certain types of administrative awards. Interpretation of Federal Financial Accounting Standards Interpretation No. 2, *Accounting for Treasury Judgment Fund Transactions*, requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated and will be paid by the Treasury Judgment Fund.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, requires that employing agencies recognize the cost of pensions and other retirement benefits during their employees' active years of service. SFFAS No. 5 requires OPM to provide cost factors necessary to calculate the cost. OPM actuaries calculate the value of pension benefits expected to be paid in the future, and then determine the total funds to be contributed by and for covered employees, such that the amount calculated would be sufficient to fund the projected pension benefits. The cost factors are as follows:

	Category	Cost Factor (%)
Civil Service Retirement System (CSRS)	Regular Employees	33.4%
	Regular Employees Offset	24.5%
	Law Enforcement Officers	57.7%
	Law Enforcement Officers Offset	49.5%
Federal Employees Retirement System (FERS)	Regular Employees	14.8%
	Regular Employees – Revised Annuity Employees (RAE)	15.4%
	Regular Employees – Further Revised Annuity Employees (FRAE)	15.5%
	Law Enforcement Officers	32.8%
	Law Enforcement Officers – RAE	33.5%
	Law Enforcement Officers – FRAE	33.6%

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 19. Imputed Financing from Costs Absorbed by Others (continued)

The cost to be paid by other agencies is the total calculated future costs, less employee and employer contributions. In addition, other retirement benefits, which include health and life insurance that are paid by other federal entities, must also be recorded.

For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014
Imputed Inter-Departmental Financing		
U.S. Treasury Judgment Fund	$ 25,296	$ 33,107
Health Insurance	528,947	499,434
Life Insurance	2,081	2,057
Pension	273,750	404,784
Total Imputed Inter-Departmental	$ 830,074	$ 939,382

Imputed Intra-Departmental Financing Sources as defined in SFFAS No. 4, *Managerial Cost Accounting Standards and Concepts*, are the unreimbursed portion of the full costs of goods and services received by a Department component from a providing entity that is part of the Department. Recognition is required for those transactions determined to be material to the receiving entity. The determination of whether the cost is material requires considerable judgment based on the specific facts and circumstances of each type of good or service provided. SFFAS No. 4 also states that costs for broad and general support need not be recognized by the receiving entity, unless such services form a vital and integral part of the operations or output of the receiving entity. Costs are considered broad and general if they are provided to many, if not all, reporting components and not specifically related to the receiving entity's output. The FPI imputed $19,480 and $19,791 for FYs 2015 and 2014, respectively of unreimbursed costs for BOP warehouse space used in the production of goods by the FPI and for managerial and operational services BOP provided to FPI. These imputed costs have been eliminated from the consolidated financial statements.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources

Apportionment Categories of Obligations Incurred:

	Direct Obligations Incurred	Reimbursable Obligations Incurred	Total Obligations Incurred
For the Fiscal Year Ended September 30, 2015			
Apportioned Under			
Category A	$ 31,967,586	$ 4,314,680	$ 36,282,266
Category B	3,203,671	244,288	3,447,959
Exempt from Apportionment	-	627,303	627,303
Total	$ 35,171,257	$ 5,186,271	$ 40,357,528
For the Fiscal Year Ended September 30, 2014			
Apportioned Under			
Category A	$ 29,645,620	$ 4,351,073	$ 33,996,693
Category B	3,541,940	240,728	3,782,668
Exempt from Apportionment	-	494,081	494,081
Total	$ 33,187,560	$ 5,085,882	$ 38,273,442

The apportionment categories are determined in accordance with the guidance provided in Part 4 "Instructions on Budget Execution" of OMB Circular A-11, *Preparation, Submission and Execution of the Budget.* Category A obligations represent resources apportioned for calendar quarters. Category B obligations represent resources apportioned for other time periods; for activities, projects, and objectives or for a combination thereof.

An immaterial error was identified in the Apportionment Categories of Obligations Incurred section of the FY 2014 Note 20, Information Related to the Statement of Budgetary Resources. The allocation between direct and total obligations apportioned under category A and category B authority were reclassified to reflect an increase/(decrease) of $725 million and ($725) million, respectively.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Status of Undelivered Orders:

Undelivered Orders (UDO) represent the amount of goods and/or services ordered, which have not been actually or constructively received. This amount includes any orders which may have been prepaid or advanced but for which delivery or performance has not yet occurred.

As of September 30, 2015 and 2014

	2015	2014
UDO Obligations Unpaid	$ 11,161,325	$ 9,457,991
UDO Obligations Prepaid/Advanced	443,927	486,644
Total UDO	$ 11,605,252	$ 9,944,635

Permanent Indefinite Appropriations:

A permanent indefinite appropriation is open-ended as to both its period of availability (amount of time the agency has to spend the funds) and its amount. Following are the Department's permanent indefinite appropriations.

- 28 U.S.C. §524(c)(4) authorized the Attorney General to retain AFF receipts to pay operations expenses, equitable sharing to state and local law enforcement agencies who assist in forfeiture cases, and lien holders.

- On October 5, 1990, Congress passed the Radiation Exposure Compensation Act ("RECA" or "the Act"), 42 U.S.C. §2210, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department of Justice and published in the Federal Register on April 10, 1992. These regulations established procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award. On July 10, 2000, P.L. 106-245, the Radiation Exposure Compensation Act Amendments of 2000 ("the 2000 Amendments") were passed. On November 2, 2002, the President signed the "21st Century Department of Justice Appropriation Authorization Act" (P.L. 107-273). Contained in the law were several provisions relating to RECA. While most of these amendments were "technical" in nature, some affected eligibility criteria and revised claims adjudication procedures. The Consolidated Appropriations Act, 2005 provides a permanent indefinite appropriation for the OBDs' Radiation Exposure Compensation Act program beginning FY 2006.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Permanent Indefinite Appropriations (continued):

- Congress established the Federal Prison Commissary Fund (Trust Fund) in 1932 to allow inmates a means to purchase additional products and services above the necessities provided by appropriated federal funds. The BOP Trust Fund is now a self-sustaining revolving account that is funded through the sales of goods and services, rather than annual or no-year appropriations.

- The Public Safety Officers' Benefits Act of 1976 (the "PSOB Act") is generally codified at 42 U.S.C. § 46 Subchapter XII.

  OJP's PSOB appropriation supports one mandatory and two discretionary programs that provide benefits to public safety officers who are severely injured in the line of duty and to the families and survivors of public safety officers killed or mortally injured in the line of duty. The PSOB Program offers three types of benefits:

  1. Death Benefits, a one-time financial benefit to survivors of public safety officers whose deaths resulted from injuries sustained in the line of duty. Under the Hometown Heroes Survivors Benefit Act of 2003, survivors of public safety officers who die of a heart attack or stroke within 24 hours of stressful, non-routine public safety activities may also qualify for death benefits.

  2. Disability Benefits, a one-time financial benefit to public safety officers permanently disabled by catastrophic injuries sustained in the line of duty.

  3. Education Benefits, which provide financial support for higher education expenses (such as tuition and fees, books, supplies, and room and board) to the eligible spouses and children of public safety officers killed or permanently disabled in the line of duty.

Legal Arrangements Affecting Use of Unobligated Balances:

Unobligated balances represent the cumulative amount of budget authority that is not obligated and that remains available for obligation under law, unless otherwise restricted or apportioned under Category C. The use of unobligated balances is restricted based on annual legislation requirements and other enabling authorities. Funds are appropriated on an annual, multi-year, no-year, and subsequent year basis. Appropriated funds shall expire on the last day of availability and are no longer available for new obligations. Unobligated balances in unexpired fund symbols are available in the next fiscal year for new obligations unless some restrictions had been placed on those funds by law. Amounts in expired fund symbols are unavailable for new obligations, but may be used to adjust previously established obligations.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 20. Information Related to the Statement of Budgetary Resources (continued)

Statement of Budgetary Resources vs. Budget of the United States Government:

The reconciliation as of September 30, 2014 is presented below. The reconciliation as of September 30, 2015 is not presented, because the submission of the Budget of the United States (Budget) for FY 2017, which presents the execution of the FY 2015 Budget, occurs after publication of these financial statements. The Department of Justice Budget Appendix can be found on the OMB website and will be available in early February 2016.

For the Fiscal Year Ended September 30, 2014 (Dollars in Millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources (SBR)	$ 44,098	$ 38,273	$ 496	$ 29,022
Funds not Reported in the Budget				
Expired Funds: OBDs, USMS, DEA, OJP, FBI, ATF & BOP	(830)	(122)	-	-
AFF/SADF Forfeiture Activity	26	(4)	-	8
USMS Court Security Funds	(447)	(428)	-	(395)
Distributed Offsetting Receipts	-	-	141	(142)
Special and Trust Fund Receipts	-	-	-	632
Other	(8)	(5)	(1)	-
Budget of the United States Government	$ 42,839	$ 37,714	$ 636	$ 29,125

Other differences represent financial statement adjustments, timing differences and other immaterial differences between amounts reported in the Department SBR and the Budget of the United States Government.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 21. Net Custodial Revenue Activity

Custodial revenue activity represents those collections of non-exchange revenue on behalf of other recipient entities. These collections are not recorded as revenue by the Department but as activity on the Statements of Custodial Activity. The custodial liabilities presented on the Consolidated Balance Sheets and Note 15 represent funds held by the Department that have yet to be disbursed to the appropriate Federal agency or individual.

The primary source of the Department's Office of Debt Collection Management (DCM) collections consists of civil litigated matters, e.g., student loan defaults, and health care fraud. DCM also processes certain payments on criminal debts as an accommodation for the BOP and the Clerks of the U.S. District Courts. The BOP aggregates collections of inmate criminal debt by correction facility, and the DCM sorts the collections by judicial district and disburses payments to the respective Clerks of the U.S. Court. DCM may accept wire transfers or other payments on a criminal debt, in rare cases, if a Clerk of the U.S. Court is unable to do so. In addition, other negligible custodial collections occur for interest, fines, and penalties. Lastly, the DCM processes collections of criminal funds related to the Department's Swiss Bank Program. These proceeds from the Swiss Bank Program are deposited to the Treasury General Fund.

The USAOs' collect civil fines, penalties, and restitution payments that are incidental to its mission. Specific to the "French bank Credit Lyonnais and French company Artemis settlement fund", the USAOs, by court order were given the investment authority and the settlement funds collected must be invested. The EOUSA invest these funds with the Treasury, Bureau of the Public Debt. Overall, the OBDs custodial collections totaled $16,820,920 and $13,879,953 for the fiscal years ended September 30, 2015 and 2014, respectively. As of September 30, 2015 and 2014, the custodial assets and liabilities recorded by the OBDs on the Consolidated Balance Sheets are $1,661,979 and $807,904, respectively.

For the fiscal years ended September 30, 2015 and 2014, DEA collected $46,394 and $28,284, respectively. DEA's collections include $15 million of the total fees collected for the Diversion Control Program and civil monetary penalties related to violations of the Controlled Substances Act that were incidental to DEA's mission. Since DEA has no statutory authority to use these excess funds, DEA transmits them to the Treasury General Fund. The DEA has a custodial liability for funds that have not yet been transmitted to the Treasury General Fund. As of September 30, 2015 and 2014 balances for custodial liabilities were $4,221 and $4,737, respectively.

As an agent of the federal government and as authorized by 26 U.S.C. § 6301, ATF collects fees from firearms and explosives industries, as well as import, permit and license fees. Special Occupational Taxes are collected from certain firearms businesses. Miscellaneous collections include project-generated proceeds. As ATF is unable to use these collections in its operations, ATF also has the authority to transfer these collections to the Treasury General Fund. The ATF custodial collections totaled $43,669 and $34,548 for the fiscal years ended September 30, 2015 and 2014, respectively. As of September 30, 2015 and 2014, ATF did not have any custodial liabilities.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 21. Net Custodial Revenue Activity (continued)

The FBI collected $5,214 and $5,405, for the fiscal years ended September 30, 2015 and 2014, respectively, in restitution payments, seized abandoned cash, and project generated proceeds. These collections were incidental to the FBI's mission. Since the FBI does not have statutory authority to use these funds, the FBI remits these funds upon receipt to the U.S. Treasury's General Fund. As of September 30, 2015 and 2014 balances for custodial liabilities were $19 and $0, respectively.

For the fiscal years ended September 30, 2015 and 2014, the BOP collected $41 and $44, respectively, in collections of fines and penalties, confiscated funds, found money on institution grounds, inmate's funds whose whereabouts are unknown and excess meal ticket collections. These collections were incidental to the BOP's mission. Since the BOP does not have statutory authority to use these funds, the BOP remits these funds to the Treasury's General Fund. As of September 30, 2015 and 2014, BOP did not have any custodial liabilities.

An immaterial error was identified in the Dispositions of Collections section of the FY 2014 Statement of Custodial Activities. The Dispositions of Collections to the Department of the Treasury was misstated by $5.7 billion and the Treasury General Fund was misstated by ($5.7) billion.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 22. OMB Circular A-136 Consolidated Balance Sheet Presentation

U.S. Department of Justice
Consolidated Balance Sheets
As of September 30, 2015 and 2014

Dollars in Thousands	2015	2014
ASSETS		
Intragovernmental		
Fund Balance with U.S. Treasury	$ 31,234,522	$ 26,878,549
Investments, Net	7,824,789	8,940,208
Accounts Receivable, Net	498,539	507,672
Other Assets	57,453	74,062
Total Intragovernmental	39,615,303	36,400,491
Cash and Other Monetary Assets	1,146,230	190,965
Accounts Receivable, Net	83,490	93,326
Inventory and Related Property, Net	301,756	265,614
General Property, Plant and Equipment, Net	9,269,415	9,678,390
Other Assets	399,287	384,374
Total Assets	**$ 50,815,481**	**$ 47,013,160**
LIABILITIES		
Intragovernmental		
Accounts Payable	$ 320,091	$ 341,756
Other Liabilities	2,102,671	1,247,704
Total Intragovernmental	2,422,762	1,589,460
Accounts Payable	6,349,078	5,879,495
Federal Employee and Veteran Benefits	1,654,318	1,679,245
Environmental and Disposal Liabilities	79,802	78,799
Other Liabilities	8,131,076	7,378,491
Total Liabilities	**$ 18,637,036**	**$ 16,605,490**
NET POSITION		
Unexpended Appropriations - Funds from Dedicated Collections	$ 31,274	$ 32,750
Unexpended Appropriations - All Other Funds	9,131,425	9,585,702
Cumulative Results of Operations - Funds from Dedicated Collections	16,328,785	15,511,728
Cumulative Results of Operations - All Other Funds	6,686,961	5,277,490
Total Net Position	**$ 32,178,445**	**$ 30,407,670**
Total Liabilities and Net Position	**$ 50,815,481**	**$ 47,013,160**

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 23. Reconciliation of Net Cost of Operations (proprietary) to Budget

For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014
Resources Used to Finance Activities		
Budgetary Resources Obligated		
Obligations Incurred	$ 40,357,528	$ 38,273,442
Less: Spending Authority from Offsetting Collections and Recoveries	7,698,014	6,458,998
Obligations Net of Offsetting Collections and Recoveries	32,659,514	31,814,444
Less: Offsetting Receipts	629,088	495,904
Net Obligations	32,030,426	31,318,540
Other Resources		
Donations and Forfeitures of Property	337,358	308,307
Transfers-In/Out Without Reimbursement	6,980	3,635
Imputed Financing from Costs Absorbed by Others (Note 19)	830,074	939,382
Other	(10,836)	(8,193)
Net Other Resources Used to Finance Activities	1,163,576	1,243,131
Total Resources Used to Finance Activities	33,194,002	32,561,671
Resources Used to Finance Items not Part of the Net Cost of Operations		
Net Change in Budgetary Resources Obligated for Goods, Services and Benefits Ordered but not Yet Provided	(1,590,405)	(346,775)
Resources That Fund Expenses Recognized in Prior Periods (Note 24)	(280,142)	(161,335)
Budgetary Offsetting Collections and Receipts That do not Affect Net Cost of Operations	780,657	(440,426)
Resources That Finance the Acquisition of Assets	(716,915)	(694,913)
Other Resources or Adjustments to Net Obligated Resources That do not Affect Net Cost of Operations	(1,205,872)	(31,852)
Total Resources Used to Finance Items not Part of the Net Cost of Operations	(3,012,677)	(1,675,301)
Total Resources Used to Finance the Net Cost of Operations	$ 30,181,325	$ 30,886,370

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 23. Reconciliation of Net Cost of Operations (proprietary) to Budget (continued)

For the Fiscal Years Ended September 30, 2015 and 2014	2015	2014
Components of Net Cost of Operations That Did Not Require or Generate Resources in the Current Period		
Components That will Require or Generate Resources in in Future Periods (Note 24)	$ 84,718	$ 139,051
Depreciation and Amortization	1,050,318	957,904
Revaluation of Assets or Liabilities	31,287	14,897
Other	(2,353)	(19,128)
Total Components of Net Cost of Operations That Did Not Require or Generate Resources in the Current Period	$ 1,163,970	$ 1,092,724
Net Cost of Operations	$ 31,345,295	$ 31,979,094

These notes are an integral part of the financial statements.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 24. Explanation of Differences Between Liabilities not Covered by Budgetary Resources and Components of Net Cost of Operations Requiring or Generating Resources in Future Periods

Liabilities that are not covered by realized budgetary resources and for which there is no certainty that budgetary authority will be realized, such as the enactment of an appropriation, are considered liabilities not covered by budgetary resources. These liabilities totaling $6,610,912 and $6,817,785 as of September 30, 2015 and 2014, respectively, are discussed in Note 11, *Liabilities not Covered by Budgetary Resources.* Decreases in these liabilities result from current year budgetary resources that were used to fund expenses recognized in prior periods. Increases in these liabilities represent unfunded expenses that were recognized in the current period. These increases along with the change in the portion of exchange revenue receivables from the public, which are not considered budgetary resources until collected, represent components of current period net cost of operations that will require or generate budgetary resources in future periods. The changes in liabilities not covered by budgetary resources and receivables generating resources in future periods are comprised of the following:

For the Fiscal Years Ended September 30, 2015 and 2014

	2015	2014
Resources that Fund Expenses Recognized in Prior Periods		
Decrease in Liabiltites Not Covered by Budgetary Resources:		
Decrease in Accrued Annual and Compensatory Leave Liabilities	$ -	$ (2,656)
Decrease in Actuarial FECA Liabilities	(24,927)	-
Decrease in Contingent Liabilities	(5,712)	-
Decrease in Unfunded Capital Lease Liabilities	(32)	(8,555)
Decrease in RECA Liabilities	(127,901)	(98,804)
Decrease in September 11th Victim Compensation Act Liabilities	(121,409)	(51,128)
Decrease in Other Unfunded Employment Related Liabilities	(161)	(192)
Total Decrease in Liabilities Not Covered by Budgetary Resources	(280,142)	(161,335)
Total Resources that Fund Expenses Recognized in Prior Periods	$ (280,142)	$ (161,335)
Components That Will Require or Generate Resources in Future Periods		
(Increase)/Decrease in Exchange Revenue Receivable from the Public	$ 7,908	$ 6,350
(Increase)/Decrease in Surcharge Revenue Receivable from the Public	3,541	(9,474)
Increase in Liabilities Not Covered by Budgetary Resources:		
Increase in Accrued Annual and Compensatory Leave Liabilities	23,109	-
Increase in Actuarial FECA Liabilities	-	46,629
Increase in Accrued FECA Liabilities	9,545	3,192
Increase in Deferred Revenue	24,893	44,155
Increase in Contingent Liabilities	-	31,554
Increase in Other Liabilities	14,719	14,522
Increase in Environmental and Disposal Liabilities	1,003	2,123
Total Increase in Liabilities Not Covered by Budgetary Resources	73,269	142,175
Total Components that Will Require or Generate Resources in Future Periods	$ 84,718	$ 139,051

Note 25. Compensation Funds

Radiation Exposure Compensation Act

On October 15, 1990, Congress passed the Radiation Exposure Compensation Act (RECA), 42 U.S.C. § 2210, providing for compassionate payments to individuals who contracted certain cancers and other serious diseases as a result of their exposure to radiation released during above-ground nuclear weapons tests or as a result of their exposure to radiation during employment in underground uranium mines. Implementing regulations were issued by the Department and published in the Federal Register on April 10, 1992, establishing procedures to resolve claims in a reliable, objective, and non-adversarial manner, with little administrative cost to the United States or to the person filing the claim. Revisions to the regulations, published in the Federal Register on March 22, 1999, served to greater assist claimants in establishing entitlement to an award.

On July 10, 2000, the Radiation Exposure Compensation Act Amendments of 2000, P.L. 106-245, was enacted. Some of the widespread changes include new claimant populations, additional compensable diseases, lower radiation exposure thresholds, modified medical documentation requirements, and removal of certain disease restrictions. Pursuant to the 2000 Amendments, the Department was directed to issue implementing regulations. The Department published two related rulemakings in the Federal Register to implement the legislation.

Subsequent action by Congress required modification to those rulemakings. Therefore, the Department published a “final” rule in the Federal Register on March 23, 2004, which went into effect on April 22, 2004.

There are now five categories of claimants: uranium miners, uranium millers, ore transporters, downwinders, and on-site participants. Each category requires similar eligibility criteria: if claimants can demonstrate that they contracted a compensable disease after working or residing in a designated location for a specified period of time, they qualify for compensation.

The enactment of two pieces of legislation changed the funding sources for RECA claimants. The National Defense Authorization Act for FY 2005 requires that RECA Section 5 claimants (uranium miners, millers, and ore transporters) be paid out of the Department of Labor’s (Labor) Energy Employees Occupational Illness Compensation Fund. The RECA Fund began exclusively paying RECA Section 4 claimants (downwinders and on-site participants) in FY 2005. The Consolidated Appropriations Act, 2005, contains language that made funding for the RECA Trust Fund mandatory and indefinite beginning in FY 2006.

The OBDs recognized liabilities of $433,760 and $561,661 for estimated future benefits payable by the Department as of September 30, 2015 and 2014, respectively, to eligible individuals under the Act through FY 2023. The estimated liability is based on activity between FYs 2007 - 2012. Key factors in determining future liability are trends in the number of claims filed, trends in the percentage of claims adjudicated, and trends in the percentage of claims approved. In FY 2015, based on the approach used in the FY 2014, DOJ refined the approach for selecting the interest rate assumptions. For FY 2015, projected payments were discounted to present value based on nominal discount rates. For FY 2014, projected payments were discounted to present value based on OMB’s real interest rate assumptions.

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 25. Compensation Funds (continued)

September 11th Victim Compensation Fund

Title II of the *James Zadroga 9/11 Health and Compensation Act of 2010 (Zadroga Act)* P.L. 111-347, reactivated the September 11th Victim Compensation Fund of 2001 and requires a Special Master, appointed by the Attorney General, to provide compensation to any individual (or a personal representative of a deceased individual) who suffered physical harm or was killed as a result of the terrorist-related aircraft crashes of September 11, 2001, or the debris removal efforts that took place in the immediate aftermath of those crashes. The Zadroga Act amends the Air Transportation Safety and System Stabilization Act of 2001, by among other things: Expanding the geographic zone recognized as a 9/11 crash site and providing greater consistency with the World Trade Center Health Program by adding additional forms of proof that may be used to establish eligibility.

The Zadroga Act requires that the total amount of Federal funds paid including compensation with respect to claims filed on or after October 3, 2011, shall not exceed $2,775,000. Furthermore, the total amount of Federal funds expended during the period from October 3, 2011, through October 3, 2016, may not exceed $875,000. As of September 30, 2015, the Department of Justice received appropriations of $366,907, which included rescissions of $28,893. Based on OMB's guidance, DOJ should return all apportioned unobligated funds at the end of each fiscal year via Treasury's FMS 2108, Year-End Closing Statement. Summarized financial information about appropriated funds received, donations received from the public, benefit payments disbursed and payable, and the Fund balance is presented below:

As of September 30, 2015 and 2014

		2015	2014
Appropriated Funds Received - Current Year		$ 395,800	$ 200,000
Appropriated Funds Received - Carryforward		10,632	8,728
Rescission		(8,863)	(3,715)
Total Funds Received		$ 397,569	$ 205,013
Less:	Adjudicated Benefit Claims Disbursements	$ 101,472	$ 32,168
	Salaries and Expenses Disbursements	19,950	17,056
	Funds Returned to Treasury	265,528	145,157
	Total Disbursements	386,950	194,381
Fund Balance with Treasury		$ 10,619	$ 10,632
Federal Funds Available for September 11th Victim Compensation Fund		$ 2,700,584	$ 2,751,712
Less:	Change in Unpaid Obligations	347	1,904
	Adjudicated Benefit Claims Disbursements	101,472	32,168
	Salaries and Expenses Disbursements	19,590	17,056
	Total Funded Liabilities	121,409	51,128
Unfunded Liability for September 11th Victim Compensation Fund		$ 2,579,175	$ 2,700,584

Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

Note 26. Changes in Accounting Principles

DOJ Financial Management Policy Memorandum, (FMPM) 13-12, Capitalization of General Property, Plant, and Equipment (PP&E) and Internal Use Software (IUS), requires DOJ Components to apply the revised increases to capitalization thresholds for PP&E and IUS. The application of this policy increases efficiency and cost effectiveness of DOJ's property management efforts while maintaining a system of internal controls. The majority of the Department exercised the early implementation option. With the exception of BOP, all other DOJ Components fully implemented FMPM 13-12 by September 30, 2014.

The primary impact of this policy change increased the thresholds for capitalizing and reporting real property, including leasehold improvements; personal property; and internal use software. This change in accounting principle caused a $121,114 reduction in the overall PP&E balance for FY 2015. The pre-FY 2015 effect is recognized in the beginning balances of cumulative results of operations on the Consolidated Statements of Changes in Net Position.

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REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	OJP	DEA	FBI	FPI	OBDs	USMS	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	$ 1,915,572	$ 30,803	$ 300,243	$ 171,614	$ 242,484	$ 1,321,242	$ 182,959	$ 1,361,657	$ 298,157	$ 5,824,731
Recoveries of Prior Year Unpaid Obligations	69,845	32,980	25,438	66,975	94,549	225,535	-	226,270	56,889	798,481
Other Changes in Unobligated Balance	-	(8,752)	(11,498)	(28,526)	(2,984)	(39,791)	-	(20,068)	(14,330)	(125,949)
Unobligated Balance from Prior Year Budget Authority, Net	1,985,417	55,031	314,183	210,063	334,049	1,506,986	182,959	1,567,859	340,716	6,497,263
Appropriations (discretionary and mandatory)	1,742,356	1,430,158	6,919,615	3,977,171	2,712,338	8,989,686	-	5,278,783	1,993,155	33,043,262
Spending Authority from Offsetting Collections (discretionary and mandatory)	16,118	87,115	414,282	210,351	522,716	1,204,903	564,172	2,692,556	1,182,137	6,894,350
Total Budgetary Resources	$ 3,743,891	$ 1,572,304	$ 7,648,080	$ 4,397,585	$ 3,569,103	$ 11,701,575	$ 747,131	$ 9,539,198	$ 3,516,008	$ 46,434,875
Status of Budgetary Resources:										
Obligations Incurred (Note 20)	$ 2,727,406	$ 1,310,541	$ 7,311,483	$ 4,277,964	$ 3,014,317	$ 9,704,484	$ 627,303	$ 8,186,222	$ 3,197,808	$ 40,357,528
Unobligated Balance, End of Year:										
Apportioned	796,822	251,958	160,498	108,713	518,558	1,609,687	-	1,056,504	270,657	4,773,397
Exempt from Apportionment	-	-	56,121	-	-	-	119,828	-	-	175,949
Unapportioned	219,663	9,805	119,978	10,908	36,228	387,404	-	296,472	47,543	1,128,001
Total Unobligated Balance - End of Year	1,016,485	261,763	336,597	119,621	554,786	1,997,091	119,828	1,352,976	318,200	6,077,347
Total Status of Budgetary Resources:	**$ 3,743,891**	**$ 1,572,304**	**$ 7,648,080**	**$ 4,397,585**	**$ 3,569,103**	**$ 11,701,575**	**$ 747,131**	**$ 9,539,198**	**$ 3,516,008**	**$ 46,434,875**
Change in Obligated Balance:										
Unpaid Obligations:										
Unpaid obligations, Brought Forward, October 1	$ 4,813,200	$ 253,938	$ 725,928	$ 3,904,697	$ 577,616	$ 2,783,840	$ 171,461	$ 3,519,630	$ 467,147	$ 17,217,457
Obligations Incurred	2,727,406	1,310,541	7,311,483	4,277,964	3,014,317	9,704,484	627,303	8,186,222	3,197,808	40,357,528
Outlays, Gross (-)	(2,433,174)	(1,291,086)	(7,350,897)	(2,380,418)	(2,903,919)	(9,427,102)	(665,653)	(7,862,521)	(3,088,311)	(37,403,081)
Recoveries of Prior Year Unpaid Obligations (-)	(69,845)	(32,980)	(25,438)	(66,975)	(94,549)	(225,535)	-	(226,270)	(56,889)	(798,481)
Unpaid Obligations, End of Year	5,037,587	240,413	661,076	5,735,268	593,465	2,835,687	133,111	3,617,061	519,755	19,373,423
Uncollected Payments:										
Uncollected Payments from Federal Sources, Brought Forward, October 1 (-)	(11,503)	(56,712)	(5,007)	(118,571)	(149,568)	(606,615)	(22,485)	(800,576)	(18,368)	(1,789,405)
Change in Uncollected Customer Payments from Federal Sources	5,927	4,969	(1,423)	(196)	(7,717)	69,389	(15,272)	(90,187)	10,263	(24,247)
Uncollected Customer Payments from Federal Sources, End of Year	$ (5,576)	$ (51,743)	$ (6,430)	$ (118,767)	$ (157,285)	$ (537,226)	$ (37,757)	$ (890,763)	$ (8,105)	$ (1,813,652)
Memorandum (non-add) Entries:										
Obligated balance, Start of Year	$ 4,801,697	$ 197,226	$ 720,921	$ 3,786,126	$ 428,048	$ 2,177,225	$ 148,976	$ 2,719,054	$ 448,779	$ 15,428,052
Obligated balance, End of Year	$ 5,032,011	$ 188,670	$ 654,646	$ 5,616,501	$ 436,180	$ 2,298,461	$ 95,354	$ 2,726,298	$ 511,650	$ 17,559,771

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	OJP	DEA	FBI	FPI	OBDs	USMS	Combined
Budgetary Authority and Outlays, Net:										
Budgetary Authority, Gross (discretionary and mandatory)	$ 1,758,474	$ 1,517,273	$ 7,333,897	$ 4,187,522	$ 3,235,054	$ 10,194,589	$ 564,172	$ 7,971,339	$ 3,175,292	$ 39,937,612
Less: Actual Offsetting Collections (discretionary and mandatory)	22,045	92,085	418,042	210,155	514,999	1,274,292	548,900	2,602,369	1,192,400	6,875,287
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)	5,927	4,969	(1,423)	(196)	(7,717)	69,389	(15,272)	(90,187)	10,263	(24,247)
Budget Authority, Net (discretionary and mandatory)	$ 1,742,356	$ 1,430,157	$ 6,914,432	$ 3,977,171	$ 2,712,338	$ 8,989,686	$ -	$ 5,278,783	$ 1,993,155	$ 33,038,078
Outlays, Gross (discretionary and mandatory)	$ 2,433,174	$ 1,291,086	$ 7,350,897	$ 2,380,418	$ 2,903,919	$ 9,427,102	$ 665,653	$ 7,862,521	$ 3,088,311	$ 37,403,081
Less: Actual Offsetting Collections (discretionary and mandatory)	22,045	92,085	418,042	210,155	514,999	1,274,292	548,900	2,602,369	1,192,400	6,875,287
Outlays, Net (discretionary and mandatory)	2,411,129	1,199,001	6,932,855	2,170,263	2,388,920	8,152,810	116,753	5,260,152	1,895,911	30,527,794
Less: Distributed Offsetting Receipts	6,610	454	988	-	375,125	(1,153)	-	247,064	-	629,088
Agency Outlays, Net (discretionary and mandatory)	$ 2,404,519	$ 1,198,547	$ 6,931,867	$ 2,170,263	$ 2,013,795	$ 8,153,963	$ 116,753	$ 5,013,088	$ 1,895,911	$ 29,898,706

U. S. Department of Justice
Combining Statement of Budgetary Resources
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	OJP	DEA	FBI	FPI	OBDs	USMS	Combined
Budgetary Resources										
Unobligated Balance, Net, Brought Forward, October 1	886,738	33,497	273,674	180,633	232,812	1,124,439	198,941	907,841	156,392	3,994,967
Recoveries of Prior Year Unpaid Obligations	71,239	24,952	25,649	74,255	92,113	197,730	-	203,380	56,907	746,225
Other Changes in Unobligated Balance	-	(752)	(15,832)	(6,082)	(42)	(38,515)	-	59,185	(383)	(2,421)
Unobligated Balance from Prior Year Budget Authority, Net	957,977	57,697	283,491	248,806	324,883	1,283,654	198,941	1,170,406	212,916	4,738,771
Appropriations (discretionary and mandatory)	4,079,273	1,179,332	6,859,000	2,345,103	2,392,785	8,345,443	-	5,310,067	3,138,888	33,649,891
Spending Authority from Offsetting Collections (discretionary and mandatory)	14,242	81,307	418,509	206,118	508,288	1,178,873	478,099	2,724,304	99,771	5,709,511
Total Budgetary Resources	5,051,492	1,318,336	7,561,000	2,800,027	3,225,956	10,807,970	677,040	9,204,777	3,451,575	44,098,173
Status of Budgetary Resources:										
Obligations Incurred (Note 20)	3,135,920	1,287,533	7,260,757	2,628,413	2,983,472	9,486,728	494,081	7,843,120	3,153,418	38,273,442
Unobligated Balance, End of Year:										
Apportioned	1,836,188	16,466	102,538	126,569	169,185	1,110,032	-	1,098,150	253,814	4,712,942
Exempt from Apportionment	-	-	67,999	-	-	-	182,959	-	-	250,958
Unapportioned	79,384	14,337	129,706	45,045	73,299	211,210	-	263,507	44,343	860,831
Total Unobligated Balance - End of Year	1,915,572	30,803	300,243	171,614	242,484	1,321,242	182,959	1,361,657	298,157	5,824,731
Total Status of Budgetary Resources:	5,051,492	1,318,336	7,561,000	2,800,027	3,225,956	10,807,970	677,040	9,204,777	3,451,575	44,098,173
Change in Obligated Balance:										
Unpaid Obligations:										
Unpaid obligations, Brought Forward, October 1	3,131,775	194,661	711,297	3,914,916	506,378	2,425,794	118,487	3,335,991	458,721	14,798,020
Obligations Incurred	3,135,920	1,287,533	7,260,757	2,628,413	2,983,472	9,486,728	494,081	7,843,120	3,153,418	38,273,442
Outlays, Gross (-)	(1,383,256)	(1,203,304)	(7,220,477)	(2,564,377)	(2,820,121)	(8,930,952)	(441,107)	(7,456,101)	(3,088,085)	(35,107,780)
Recoveries of Prior Year Unpaid Obligations (-)	(71,239)	(24,952)	(25,649)	(74,255)	(92,113)	(197,730)	-	(203,380)	(56,907)	(746,225)
Unpaid Obligations, End of Year	4,813,200	253,938	725,928	3,904,697	577,616	2,783,840	171,461	3,519,630	467,147	17,217,457
Uncollected Payments:										
Uncollected Payments from Federal Sources, Brought Forward, October 1 (-)	(7,177)	(56,039)	(5,508)	(88,979)	(180,761)	(617,526)	(35,383)	(655,863)	(19,669)	(1,666,905)
Change in Uncollected Customer Payments from Federal Sources	(4,326)	(673)	501	(29,592)	31,193	10,911	12,898	(144,713)	1,301	(122,500)
Uncollected Customer Payments from Federal Sources, End of Year	(11,503)	(56,712)	(5,007)	(118,571)	(149,568)	(606,615)	(22,485)	(800,576)	(18,368)	(1,789,405)
Memorandum (non-add) Entries:										
Obligated balance, Start of Year	3,124,598	138,622	705,789	3,825,937	325,617	1,808,268	83,104	2,680,128	439,052	13,131,115
Obligated balance, End of Year	4,801,697	197,226	720,921	3,786,126	428,048	2,177,225	148,976	2,719,054	448,779	15,428,052

U. S. Department of Justice
Combining Statement of Budgetary Resources - Continued
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	OJP	DEA	FBI	FPI	OBDs	USMS	Combined
Budgetary Authority and Outlays, Net:										
Budgetary Authority, Gross (discretionary and mandatory)	$ 4,093,515	$ 1,260,639	$ 7,277,509	$ 2,551,221	$ 2,901,073	$ 9,524,316	$ 478,099	$ 8,034,371	$ 3,238,659	$ 39,359,402
Less: Actual Offsetting Collections (discretionary and mandatory)	9,916	80,634	419,010	176,526	539,481	1,189,784	490,997	2,582,853	101,072	5,590,273
Change in Uncollected Customer Payments from Federal Sources (discretionary and mandatory)	(4,326)	(673)	501	(29,592)	31,193	10,911	12,898	(144,713)	1,301	(122,500)
Budget Authority, Net (discretionary and mandatory)	$ 4,079,273	$ 1,179,332	$ 6,859,000	$ 2,345,103	$ 2,392,785	$ 8,345,443	$ -	$ 5,306,805	$ 3,138,888	$ 33,646,629
Outlays, Gross (discretionary and mandatory)	$ 1,383,256	$ 1,203,304	$ 7,220,477	$ 2,564,377	$ 2,820,121	$ 8,930,952	$ 441,107	$ 7,456,101	$ 3,088,085	$ 35,107,780
Less: Actual Offsetting Collections (discretionary and mandatory)	9,916	80,634	419,010	176,526	539,481	1,189,784	490,997	2,582,853	101,072	5,590,273
Outlays, Net (discretionary and mandatory)	1,373,340	1,122,670	6,801,467	2,387,851	2,280,640	7,741,168	(49,890)	4,873,248	2,987,013	29,517,507
Less: Distributed Offsetting Receipts	6,280	1,617	7,956	-	358,985	3,360	-	117,706	-	495,904
Agency Outlays, Net (discretionary and mandatory)	$ 1,367,060	$ 1,121,053	$ 6,793,511	$ 2,387,851	$ 1,921,655	$ 7,737,808	$ (49,890)	$ 4,755,542	$ 2,987,013	$ 29,021,603

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REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

(UNAUDITED)

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U.S. Department of Justice
Required Supplementary Stewardship Information
Consolidated Stewardship Investments
For Fiscal Years Ended September 30, 2015, 2014, 2013, 2012 and 2011

The Bureau of Justice Assistance administers the Correctional Systems and Correctional Alternatives for Tribal Lands (CSCATL) and the Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) incentive grant programs. Both programs provide grants for the purposes of building and expanding correctional facilities and jails to increase secure confinement space for violent offenders and implementing correctional alternatives to reduce reliance on incarceration. VOI/TIS funds are available to any of the 50 United States, the District of Columbia, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, and recognized Tribal governments; while CSCATL funds are available to tribes within the 50 states. The Tribal Law and Order Act of 2010 (Public Law 111-211) expanded the CSCATL grant program scope to include multi-purpose justice centers. The facilities built or expanded with these funds constitute non-federal physical property. Upon completion, the Bureau of Indian Affairs of the Department of Interior, and/or tribal grantees are responsible for supporting, operating, and maintaining the correctional facilities.

The CSCATL strategy broadly addresses tribal justice systems and lends support to tribes that:

– Are interested in establishing/enhancing (tribal/non-tribal) multi-agency cooperation and collaborations;
– Are committed to conducting community-wide assessment for purpose of developing a comprehensive master plan that encompasses the design, use, capacity, and cost of adult and/or juvenile justice sanctions and services;
– Wish to explore an array of detention and correctional building options, including prototypical or quasi-prototypical concepts/designs for local correctional facilities, multipurpose justice centers, and regional facilities; and
– Are interested in learning about/applying community-based alternatives to help control and prevent jail overcrowding due to growing problems involving alcohol, substance abuse, and methamphetamine.

CSCATL and VOI/TIS funds from FY 2011 through FY 2015 are as follows:

Dollars in Thousands	2015	2014	2013	2012	2011
Recipients of Non-Federal Physical Property:					
Grants to Indian Tribes	$ 16,118	$ 39,431	$ 52,980	$ 97,553	$ 52,339
Grants to States	(84)	(12)	-	84	(1,139)
Total Non-Federal Physical Property	$ 16,034	$ 39,419	$ 52,980	$ 97,637	$ 51,200

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OTHER INFORMATION

(UNAUDITED)

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 153,034	$ 444,278	$ 1,057,086	$ 1,007,824	$ 4,271,474	$ 20,690	$ 5,620,270	$ 17,816,402	$ 843,464	$ -	$ 31,234,522
Investments, Net	7,404,322	-	-	-	-	195,134	225,333	-	-	-	7,824,789
Accounts Receivable, Net	3,194	27,348	3,932	46,306	335,690	37,428	339,571	9,395	6,807	(311,132)	498,539
Other Assets	89	689	11,539	19,420	6,894	-	29,965	22,470	2,398	(36,011)	57,453
Total Intragovernmental	7,560,639	472,315	1,072,557	1,073,550	4,614,058	253,252	6,215,139	17,848,267	852,669	(347,143)	39,615,303
Cash and Monetary Assets	1,041,590	9,123	449	21,397	73,580	-	91	-	-	-	1,146,230
Accounts Receivable, Net	-	168	6,321	4,720	35,419	4,241	31,373	1,138	110	-	83,490
Inventory and Related Property, Net	-	-	19,034	17,383	-	130,838	-	-	2,081	-	169,336
Forfeited Property, Net	132,420	-	-	-	-	-	-	-	-	-	132,420
General Property, Plant and Equipment, Net	752	157,264	5,657,964	268,690	2,763,048	75,383	105,998	6,184	234,132	-	9,269,415
Advances and Prepayments	-	510	5,085	7,631	77,319	96	1,378	305,199	-	-	397,218
Other Assets	-	-	-	-	1	1,884	-	-	184	-	2,069
Total Assets	**$ 8,735,401**	**$ 639,380**	**$ 6,761,410**	**$ 1,393,371**	**$ 7,563,425**	**$ 465,694**	**$ 6,353,979**	**$ 18,160,788**	**$ 1,089,176**	**$ (347,143)**	**$ 50,815,481**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 128,284	$ 13,570	$ 45,839	$ 30,257	$ 125,860	$ 2,172	$ 221,626	$ 30,563	$ 32,306	$ (310,386)	$ 320,091
Accrued FECA Liabilities	-	20,351	173,376	25,246	33,322	2,400	9,349	12	16,120	-	280,176
Custodial Liabilities	-	-	-	4,221	19	-	1,486,360	-	-	-	1,490,600
Other Liabilities	197	6,249	41,494	22,590	123,437	79,181	47,770	40,946	6,788	(36,757)	331,895
Total Intragovernmental	128,481	40,170	260,709	82,314	282,638	83,753	1,765,105	71,521	55,214	(347,143)	2,422,762
Accounts Payable	4,699,405	51,422	346,989	101,513	440,845	39,060	374,911	71,880	223,053	-	6,349,078
Accrued Grant Liabilities	-	-	-	-	-	-	83,650	403,842	-	-	487,492
Actuarial FECA Liabilities	-	122,750	1,003,179	156,829	193,721	23,657	56,247	165	97,770	-	1,654,318
Accrued Payroll and Benefits	1,006	18,073	87,587	33,425	115,112	3,950	72,291	3,168	17,677	-	352,289
Accrued Annual and Compensatory Leave Liabilities	1,900	49,677	177,589	97,918	283,758	6,270	176,972	6,926	44,745	-	845,755
Environmental and Disposal Liabilities	-	-	67,665	-	12,137	-	-	-	-	-	79,802
Deferred Revenue	132,420	-	1,283	546,938	-	-	-	-	-	-	680,641
Seized Cash and Monetary Instruments	2,222,270	2,861	-	505	33,179	-	-	-	-	-	2,258,815
Contingent Liabilities	-	-	10,920	26,447	2,864	-	12,182	-	-	-	52,413
Radiation Exposure Compensation Act Liabilities	-	-	-	-	-	-	433,760	-	-	-	433,760
9/11 Victim Compensation Fund	-	-	-	-	-	-	2,579,175	-	-	-	2,579,175
Other Liabilities	-	529	218,215	10,334	18,865	79	179,151	-	13,563	-	440,736
Total Liabilities	**$ 7,185,482**	**$ 285,482**	**$ 2,174,136**	**$ 1,056,223**	**$ 1,383,119**	**$ 156,769**	**$ 5,733,444**	**$ 557,502**	**$ 452,022**	**$ (347,143)**	**$ 18,637,036**
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,274	$ -	$ -	$ -	$ 31,274
Unexpended Appropriations - All Other Funds	-	153,807	419,497	393,450	2,631,892	-	2,548,909	2,737,617	246,253	-	9,131,425
Cumulative Results of Operations - Funds from Dedicated Collections	1,549,919	-	86,784	(317,611)	-	-	147,776	14,861,917	-	-	16,328,785
Cumulative Results of Operations - All Other Funds	-	200,091	4,080,993	261,309	3,548,414	308,925	(2,107,424)	3,752	390,901	-	6,686,961
Total Net Position	**$ 1,549,919**	**$ 353,898**	**$ 4,587,274**	**$ 337,148**	**$ 6,180,306**	**$ 308,925**	**$ 620,535**	**$ 17,603,286**	**$ 637,154**	**$ -**	**$ 32,178,445**
Total Liabilities and Net Position	**$ 8,735,401**	**$ 639,380**	**$ 6,761,410**	**$ 1,393,371**	**$ 7,563,425**	**$ 465,694**	**$ 6,353,979**	**$ 18,160,788**	**$ 1,089,176**	**$ (347,143)**	**$ 50,815,481**

U. S. Department of Justice
Consolidating Balance Sheet
As of September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
ASSETS											
Intragovernmental											
Fund Balance with U.S. Treasury	$ 124,255	$ 221,986	$ 1,085,079	$ 686,209	$ 3,479,026	$ 20,434	$ 4,752,671	$ 15,749,752	$ 759,137	$ -	$ 26,878,549
Investments, Net	8,334,306	-	-	-	-	311,602	294,300	-	-	-	8,940,208
Accounts Receivable, Net	9,242	28,825	4,130	36,263	388,269	22,382	307,552	4,446	10,872	(304,309)	507,672
Other Assets	40	1,019	11,089	25,190	14,489	-	29,742	31,855	1,701	(41,063)	74,062
Total Intragovernmental	8,467,843	251,830	1,100,298	747,662	3,881,784	354,418	5,384,265	15,786,053	771,710	(345,372)	36,400,491
Cash and Monetary Assets	101,690	9,472	454	21,752	57,551	-	46	-	-	-	190,965
Accounts Receivable, Net	-	228	5,041	6,204	36,498	5,174	38,338	1,729	114	-	93,326
Inventory and Related Property, Net	-	-	18,410	17,381	9,748	78,628	-	-	3,182	-	127,349
Forfeited Property, Net	138,265	-	-	-	-	-	-	-	-	-	138,265
General Property, Plant and Equipment, Net	628	170,426	5,945,633	282,785	2,852,468	75,156	131,950	5,087	214,257	-	9,678,390
Advances and Prepayments	-	1,057	4,352	8,429	11,887	80	1,306	352,125	-	-	379,236
Other Assets	-	-	4,412	-	42	500	-	-	184	-	5,138
Total Assets	**$ 8,708,426**	**$ 433,013**	**$ 7,078,600**	**$ 1,084,213**	**$ 6,849,978**	**$ 513,956**	**$ 5,555,905**	**$ 16,144,994**	**$ 989,447**	**$ (345,372)**	**$ 47,013,160**
LIABILITIES											
Intragovernmental											
Accounts Payable	$ 108,261	$ 18,603	$ 40,794	$ 37,719	$ 172,566	$ 3,059	$ 186,034	$ 18,297	$ 59,977	$ (303,554)	$ 341,756
Accrued FECA Liabilities	-	20,573	162,818	26,084	32,827	2,161	9,458	17	16,164	-	270,102
Custodial Liabilities	-	-	-	4,737	-	-	675,228	-	-	-	679,965
Other Liabilities	198	4,857	35,316	15,368	90,814	109,620	31,347	46,330	5,605	(41,818)	297,637
Total Intragovernmental	108,459	44,033	238,928	83,908	296,207	114,840	902,067	64,644	81,746	(345,372)	1,589,460
Accounts Payable	4,524,908	54,502	332,795	94,155	298,023	45,689	321,169	45,474	162,780	-	5,879,495
Accrued Grant Liabilities	-	-	-	-	-	-	99,372	386,161	-	-	485,533
Actuarial FECA Liabilities	-	128,126	997,135	167,925	200,670	22,502	59,445	168	103,274	-	1,679,245
Accrued Payroll and Benefits	864	15,330	74,250	29,487	101,066	4,015	60,806	2,693	22,156	-	310,667
Accrued Annual and Compensatory Leave Liabilities	1,766	47,694	175,406	97,326	269,900	6,887	174,729	6,248	43,307	-	823,263
Environmental and Disposal Liabilities	-	-	67,392	-	11,407	-	-	-	-	-	78,799
Deferred Revenue	138,265	-	2,152	522,045	-	-	-	-	-	-	662,462
Seized Cash and Monetary Instruments	1,373,316	3,061	-	450	33,616	-	-	-	-	-	1,410,443
Contingent Liabilities	-	1,500	10,861	28,177	11,147	-	6,440	-	-	-	58,125
Radiation Exposure Compensation Act Liabilities	-	-	-	-	-	-	561,661	-	-	-	561,661
9/11 Victim Compensation Fund	-	-	-	-	-	-	2,700,584	-	-	-	2,700,584
Other Liabilities	-	753	203,041	11,508	7,761	30	130,457	-	12,203	-	365,753
Total Liabilities	**$ 6,147,578**	**$ 294,999**	**$ 2,101,960**	**$ 1,034,981**	**$ 1,229,797**	**$ 193,963**	**$ 5,016,730**	**$ 505,388**	**$ 425,466**	**$ (345,372)**	**$ 16,605,490**
NET POSITION											
Unexpended Appropriations - Funds from Dedicated Collections	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,750	$ -	$ -	$ -	$ 32,750
Unexpended Appropriations - All Other Funds	-	162,725	477,632	416,009	2,640,676	-	2,743,717	2,664,388	480,555	-	9,585,702
Cumulative Results of Operations - Funds from Dedicated Collections	2,560,848	-	95,380	(332,973)	-	-	216,951	12,971,522	-	-	15,511,728
Cumulative Results of Operations - All Other Funds	-	(24,711)	4,403,628	(33,804)	2,979,505	319,993	(2,454,243)	3,696	83,426	-	5,277,490
Total Net Position	**$ 2,560,848**	**$ 138,014**	**$ 4,976,640**	**$ 49,232**	**$ 5,620,181**	**$ 319,993**	**$ 539,175**	**$ 15,639,606**	**$ 563,981**	**$ -**	**$ 30,407,670**
Total Liabilities and Net Position	**$ 8,708,426**	**$ 433,013**	**$ 7,078,600**	**$ 1,084,213**	**$ 6,849,978**	**$ 513,956**	**$ 5,555,905**	**$ 16,144,994**	**$ 989,447**	**$ (345,372)**	**$ 47,013,160**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost - Intragovernmental	$ -	$ 138,135	$ -	$ 30,918	$ 1,426,003	$ -	$ 72,562	$ -	$ 22,077	$ (28,776)	$ 1,660,919
Gross Cost - With the Public	-	289,335	-	67,132	3,884,339	-	137,798	-	84,847	-	4,463,451
Subtotal Gross Costs	-	427,470	-	98,050	5,310,342	-	210,360	-	106,924	(28,776)	6,124,370
Earned Revenues - Intragovernmental	-	-	-	29,895	263,571	-	19,852	-	-	(28,776)	284,542
Earned Revenues - With the Public	-	-	-	3	10,961	-	49	-	-	-	11,013
Subtotal Earned Revenues	-	-	-	29,898	274,532	-	19,901	-	-	(28,776)	295,555
Subtotal Net Cost of Operations	$ -	$ 427,470	$ -	$ 68,152	$ 5,035,810	$ -	$ 190,459	$ -	$ 106,924	$ -	$ 5,828,815
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost - Intragovernmental	$ 578,656	$ 293,536	$ -	$ 958,727	$ 914,346	$ -	$ 1,824,425	$ 98,043	$ 8,512	$ (1,269,298)	$ 3,406,947
Gross Cost - With the Public	972,758	614,836	9,217	1,930,890	2,641,172	-	3,643,389	1,045,251	35,329	-	10,892,842
Subtotal Gross Costs	1,551,414	908,372	9,217	2,889,617	3,555,518	-	5,467,814	1,143,294	43,841	(1,269,298)	14,299,789
Earned Revenues - Intragovernmental	14,557	84,325	-	474,949	299,471	-	851,676	6,950	-	(1,269,298)	462,630
Earned Revenues - With the Public	-	571	-	353,236	7,056	-	657,982	-	-	-	1,018,845
Subtotal Earned Revenues	14,557	84,896	-	828,185	306,527	-	1,509,658	6,950	-	(1,269,298)	1,481,475
Subtotal Net Cost of Operations	$ 1,536,857	$ 823,476	$ 9,217	$ 2,061,432	$ 3,248,991	$ -	$ 3,958,156	$ 1,136,344	$ 43,841	$ -	$ 12,818,314
Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels											
Gross Cost - Intragovernmental	$ -	$ -	$ 1,825,084	$ -	$ 290,555	$ 145,097	$ 166,578	$ 62,306	$ 605,145	$ (241,480)	$ 2,853,285
Gross Cost - With the Public	-	-	6,007,864	-	669,779	463,095	685,127	1,095,840	2,350,272	-	11,271,977
Subtotal Gross Costs	-	-	7,832,948	-	960,334	608,192	851,705	1,158,146	2,955,417	(241,480)	14,125,262
Earned Revenues - Intragovernmental	-	-	28,560	-	410,888	519,032	11,619	16,970	30,736	(222,000)	795,805
Earned Revenues - With the Public	-	-	390,732	-	171,794	45,140	32	-	23,593	-	631,291
Subtotal Earned Revenues	-	-	419,292	-	582,682	564,172	11,651	16,970	54,329	(222,000)	1,427,096
Subtotal Net Cost of Operations	$ -	$ -	$ 7,413,656	$ -	$ 377,652	$ 44,020	$ 840,054	$ 1,141,176	$ 2,901,088	$ (19,480)	$ 12,698,166
Total Net Cost of Operations	**$ 1,536,857**	**$ 1,250,946**	**$ 7,422,873**	**$ 2,129,584**	**$ 8,662,453**	**$ 44,020**	**$ 4,988,669**	**$ 2,277,520**	**$ 3,051,853**	**$ (19,480)**	**$ 31,345,295**

U. S. Department of Justice
Consolidating Statement of Net Cost
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law											
Gross Cost - Intragovernmental	$ -	$ 127,334	$ -	$ 12,857	$ 1,610,242	$ -	$ 72,247	$ -	$ 21,480	$ (27,927)	$ 1,816,233
Gross Cost - With the Public	-	268,512	-	102,432	3,481,744	-	126,239	-	77,133	-	4,056,060
Subtotal Gross Costs	-	395,846	-	115,289	5,091,986	-	198,486	-	98,613	(27,927)	5,872,293
Earned Revenues - Intragovernmental	-	-	-	44,964	302,342	-	17,466	-	-	(27,927)	336,845
Earned Revenues - With the Public	-	-	-	5	7,803	-	(18)	-	-	-	7,790
Subtotal Earned Revenues	-	-	-	44,969	310,145	-	17,448	-	-	(27,927)	344,635
Subtotal Net Cost of Operations	$ -	$ 395,846	$ -	$ 70,320	$ 4,781,841	$ -	$ 181,038	$ -	$ 98,613	$ -	$ 5,527,658
Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law											
Gross Cost - Intragovernmental	$ 508,771	$ 283,421	$ -	$ 950,691	$ 751,137	$ -	$ 1,908,883	$ 77,384	$ 65,262	$ (1,200,070)	$ 3,345,479
Gross Cost - With the Public	2,577,527	597,655	8,717	1,913,690	2,296,397	-	3,276,379	1,001,804	229,916	-	11,902,085
Subtotal Gross Costs	3,086,298	881,076	8,717	2,864,381	3,047,534	-	5,185,262	1,079,188	295,178	(1,200,070)	15,247,564
Earned Revenues - Intragovernmental	14,065	79,447	-	455,799	297,393	-	851,777	6,150	-	(1,200,070)	504,561
Earned Revenues - With the Public	-	1,245	-	319,738	5,043	-	806,765	9	-	-	1,132,800
Subtotal Earned Revenues	14,065	80,692	-	775,537	302,436	-	1,658,542	6,159	-	(1,200,070)	1,637,361
Subtotal Net Cost of Operations	$ 3,072,233	$ 800,384	$ 8,717	$ 2,088,844	$ 2,745,098	$ -	$ 3,526,720	$ 1,073,029	$ 295,178	$ -	$ 13,610,203
Goal 3: Ensure and Support the Fair, Impartial, Efficient, and Transparent Administration of Justice at the Federal, State, Local, Tribal, and International Levels											
Gross Cost - Intragovernmental	$ -	$ -	$ 1,752,810	$ -	$ 284,534	$ 85,469	$ 147,961	$ 108,846	$ 532,778	$ (235,640)	$ 2,676,758
Gross Cost - With the Public	-	-	6,090,658	-	634,305	458,026	700,420	1,410,062	2,140,198	-	11,433,669
Subtotal Gross Costs	-	-	7,843,468	-	918,839	543,495	848,381	1,518,908	2,672,976	(235,640)	14,110,427
Earned Revenues - Intragovernmental	-	-	27,191	-	330,135	432,822	17,592	17,235	54,199	(215,849)	663,325
Earned Revenues - With the Public	-	-	391,318	-	165,566	45,277	29	24	3,655	-	605,869
Subtotal Earned Revenues	-	-	418,509	-	495,701	478,099	17,621	17,259	57,854	(215,849)	1,269,194
Subtotal Net Cost of Operations	$ -	$ -	$ 7,424,959	$ -	$ 423,138	$ 65,396	$ 830,760	$ 1,501,649	$ 2,615,122	$ (19,791)	$ 12,841,233
Total Net Cost of Operations	**$ 3,072,233**	**$ 1,196,230**	**$ 7,433,676**	**$ 2,159,164**	**$ 7,950,077**	**$ 65,396**	**$ 4,538,518**	**$ 2,574,678**	**$ 3,008,913**	**$ (19,791)**	**$ 31,979,094**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Funds from Dedicated Collections	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,750	$ -	$ -	$ -	$ 32,750
All Other Funds	-	162,725	477,632	416,009	2,640,676	-	2,743,717	2,664,388	480,555	-	9,585,702
Budgetary Financing Sources											
Appropriations Received											
Funds from Dedicated Collections	-		-	-	-	-	43,306		-	-	43,306
All Other Funds	-	1,201,000	6,921,000	2,033,320	8,436,569	-	5,420,869	1,713,800	1,700,107	-	27,426,665
Appropriations Transferred-In/Out											
Funds from Dedicated Collections	-	-	-	-	-	-	(137)	-	-	-	(137)
All Other Funds	-	(8,732)	(12,837)	18,355	(35,187)	-	(34,801)	(3,600)	437,422	-	360,620
Other Adjustments											
Funds from Dedicated Collections	-	-	-	-	-	-	(6,000)	-	-	-	(6,000)
All Other Funds	-	(3,200)	(46)	-	-	-	(479,271)	(113,250)	(188,000)	-	(783,767)
Appropriations Used											
Funds from Dedicated Collections	-	-	-	-	-	-	(38,645)	-	-	-	(38,645)
All Other Funds	-	(1,197,986)	(6,966,252)	(2,074,234)	(8,410,166)	-	(5,101,605)	(1,523,721)	(2,183,831)	-	(27,457,795)
Total Financing Sources											
Funds from Dedicated Collections	-	-	-	-	-	-	(1,476)	-	-	-	(1,476)
All Other Funds	-	(8,918)	(58,135)	(22,559)	(8,784)	-	(194,808)	73,229	(234,302)	-	(454,277)
Net Change											
Funds from Dedicated Collections	-	-	-	-	-	-	(1,476)	-	-	-	(1,476)
All Other Funds	-	(8,918)	(58,135)	(22,559)	(8,784)	-	(194,808)	73,229	(234,302)	-	(454,277)
Ending Balances											
Funds from Dedicated Collections	-	-	-	-	-	-	31,274	-	-	-	31,274
All Other Funds	-	153,807	419,497	393,450	2,631,892	-	2,548,909	2,737,617	246,253	-	9,131,425
Total All Funds	$ -	$ 153,807	$ 419,497	$ 393,450	$ 2,631,892	$ -	$ 2,580,183	$ 2,737,617	$ 246,253	$ -	$ 9,162,699

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	**$ 2,560,848**	**$ -**	**$ 95,380**	**$ (332,973)**	**$ -**	**$ -**	**$ 216,951**	**$ 12,971,522**	**$ -**	**$ -**	**$ 15,511,728**
All Other Funds	**-**	**(24,711)**	**4,403,628**	**(33,804)**	**2,979,505**	**319,993**	**(2,454,243)**	**3,696**	**83,426**	**-**	**5,277,490**
Adjustments:											
Changes in Accounting Principles (Note 26)											
Funds from Dedicated Collections	-	-	(2,135)	-	-	-	-	-	-	-	(2,135)
All Other Funds	-	-	(118,979)	-	-	-	-	-	-	-	(118,979)
Beginning Balances, as Adjusted											
Funds from Dedicated Collections	**2,560,848**	**-**	**93,245**	**(332,973)**	**-**	**-**	**216,951**	**12,971,522**	**-**	**-**	**15,509,593**
All Other Funds	**-**	**(24,711)**	**4,284,649**	**(33,804)**	**2,979,505**	**319,993**	**(2,454,243)**	**3,696**	**83,426**	**-**	**5,158,511**
Budgetary Financing Sources											
Other Adjustments											
All Other Funds	-	-	-	-	-	-	(99,000)	-	-	-	(99,000)
Appropriations Used											
Funds from Dedicated Collections	-	-	-	-	-	-	38,645	-	-	-	38,645
All Other Funds	-	1,197,986	6,966,252	2,074,234	8,410,166	-	5,101,605	1,523,721	2,183,831	-	27,457,795
Nonexchange Revenues											
Funds from Dedicated Collections	6,610	-	-	-	-	-	520	2,639,963	-	-	2,647,093
All Other Funds	-	-	-	-	21	-	-	221	-	-	242
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	1,285,294	-	-	-	-	-	-	-	-	-	1,285,294
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(1,100,014)	-	-	(85)	-	-	-	-	-	-	(1,100,099)
All Other Funds	-	232,337	-	286,050	548,515	-	103,193	-	1,129,296	-	2,299,391
Other Financing Sources											
Donations and Forfeitures of Property											
Funds from Dedicated Collections	337,357	-	-	-	-	-	-	-	-	-	337,357
All Other Funds	-	-	1	-	-	-	-	-	-	-	1
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(4,890)	-	-	-	-	-	-	-	-	-	(4,890)
All Other Funds	-	4,807	(6,896)	3,664	25,800	6,905	(24,662)	(325)	2,577	-	11,870
Imputed Financing from Costs Absorbed by Others											
Funds from Dedicated Collections	1,571	-	4,579	9,446	-	-	792	-	-	-	16,388
All Other Funds	-	40,618	248,820	66,750	257,696	26,047	145,220	4,391	43,624	(19,480)	813,686
Other Financing Sources											
All Other Funds	-	-	-	-	(10,836)	-	-	-	-	-	(10,836)
Total Financing Sources											
Funds from Dedicated Collections	**525,928**	**-**	**4,579**	**9,361**	**-**	**-**	**39,957**	**2,639,963**	**-**	**-**	**3,219,788**
All Other Funds	**-**	**1,475,748**	**7,208,177**	**2,430,698**	**9,231,362**	**32,952**	**5,226,356**	**1,528,008**	**3,359,328**	**(19,480)**	**30,473,149**
Net Cost of Operations											
Funds from Dedicated Collections	(1,536,857)	-	(11,040)	6,001	-	-	(109,132)	(749,568)	-	-	(2,400,596)
All Other Funds	-	(1,250,946)	(7,411,833)	(2,135,585)	(8,662,453)	(44,020)	(4,879,537)	(1,527,952)	(3,051,853)	19,480	(28,944,699)
Net Change											
Funds from Dedicated Collections	(1,010,929)	-	(6,461)	15,362	-	-	(69,175)	1,890,395	-	-	819,192
All Other Funds	-	224,802	(203,656)	295,113	568,909	(11,068)	346,819	56	307,475	-	1,528,450
Ending Balances											
Funds from Dedicated Collections	**1,549,919**	**-**	**86,784**	**(317,611)**	**-**	**-**	**147,776**	**14,861,917**	**-**	**-**	**16,328,785**
All Other Funds	**-**	**200,091**	**4,080,993**	**261,309**	**3,548,414**	**308,925**	**(2,107,424)**	**3,752**	**390,901**	**-**	**6,686,961**
Total All Funds	**$ 1,549,919**	**$ 200,091**	**$ 4,167,777**	**$ (56,302)**	**$ 3,548,414**	**$ 308,925**	**$ (1,959,648)**	**$ 14,865,669**	**$ 390,901**	**$ -**	**$ 23,015,746**
Net Position - Funds from Dedicated Collections	**1,549,919**	**-**	**86,784**	**(317,611)**	**-**	**-**	**179,050**	**14,861,917**	**-**	**-**	**16,360,059**
Net Position - All Other Funds	**-**	**353,898**	**4,500,490**	**654,759**	**6,180,306**	**308,925**	**441,485**	**2,741,369**	**637,154**	**-**	**15,818,386**
Net Position - Total	**$ 1,549,919**	**$ 353,898**	**$ 4,587,274**	**$ 337,148**	**$ 6,180,306**	**$ 308,925**	**$ 620,535**	**$ 17,603,286**	**$ 637,154**	**$ -**	**$ 32,178,445**

U. S. Department of Justice
Consolidating Statement of Changes in Net Position
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Unexpended Appropriations											
Beginning Balances											
Funds from Dedicated Collections	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,768	$ -	$ -	$ -	$ 35,768
All Other Funds	-	131,994	437,193	386,251	1,822,476	-	2,602,197	2,969,711	299,299	-	8,649,121
Budgetary Financing Sources											
Appropriations Received											
Funds from Dedicated Collections	-	-	-	-	-	-	41,680	-	-	-	41,680
All Other Funds	-	1,179,000	6,859,000	2,018,000	8,343,284	-	5,169,742	1,659,218	2,727,800	-	27,956,044
Appropriations Transferred-In/Out											
All Other Funds	-	(420)	(15,832)	25,195	(34,706)	-	(33,104)	(6,732)	410,705	-	345,106
Other Adjustments											
Funds from Dedicated Collections	-	-	-	-	-	-	317	-	-	-	317
All Other Funds	-	-	-	-	-	-	(206,664)	(66,482)	-	-	(273,146)
Appropriations Used											
Funds from Dedicated Collections	-	-	-	-	-	-	(45,015)	-	-	-	(45,015)
All Other Funds	-	(1,147,849)	(6,802,729)	(2,013,437)	(7,490,378)	-	(4,788,454)	(1,891,327)	(2,957,249)	-	(27,091,423)
Total Financing Sources											
Funds from Dedicated Collections	-	-	-	-	-	-	(3,018)	-	-	-	(3,018)
All Other Funds	-	30,731	40,439	29,758	818,200	-	141,520	(305,323)	181,256	-	936,581
Net Change											
Funds from Dedicated Collections	-	-	-	-	-	-	(3,018)	-	-	-	(3,018)
All Other Funds	-	30,731	40,439	29,758	818,200	-	141,520	(305,323)	181,256	-	936,581
Ending Balances											
Funds from Dedicated Collections	-	-	-	-	-	-	32,750	-	-	-	32,750
All Other Funds	-	162,725	477,632	416,009	2,640,676	-	2,743,717	2,664,388	480,555	-	9,585,702
Total All Funds	$ -	$ 162,725	$ 477,632	$ 416,009	$ 2,640,676	$ -	$ 2,776,467	$ 2,664,388	$ 480,555	$ -	$ 9,618,452

U. S. Department of Justice
Consolidating Statement of Changes in Net Position - Continued
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Eliminations	Consolidated
Cumulative Results of Operations											
Beginning Balances											
Funds from Dedicated Collections	$ 1,855,767	$ -	$ 93,693	$ (319,165)	$ -	$ -	$ 244,863	$ 10,057,641	$ -	$ -	$ 11,932,799
All Other Funds	-	(22,246)	4,758,682	1,847	3,041,917	357,522	(2,905,923)	4,559	86,863	-	5,323,221
Budgetary Financing Sources											
Other Adjustments											
All Other Funds	-	-	-	-	-	-	(30,000)	-	-	-	(30,000)
Appropriations Used											
Funds from Dedicated Collections	-	-	-	-	-	-	45,015	-	-	-	45,015
All Other Funds	-	1,147,849	6,802,729	2,013,437	7,490,378	-	4,788,454	1,891,327	2,957,249	-	27,091,423
Nonexchange Revenues											
Funds from Dedicated Collections	6,280	-	-	-	-	-	897	3,591,494	-	-	3,598,671
All Other Funds	-	-	-	-	29	-	-	293	-	-	322
Donations and Forfeitures of Cash and Cash Equivalents											
Funds from Dedicated Collections	4,158,820	-	-	-	-	-	-	-	-	-	4,158,820
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(693,000)	-	-	-	-	-	-	-	-	-	(693,000)
All Other Funds	-	-	-	-	(1,651)	-	99,561	-	-	-	97,910
Other Financing Sources											
Donations and Forfeitures of Property											
Funds from Dedicated Collections	308,307	-	-	-	-	-	-	-	-	-	308,307
Transfers-In/Out Without Reimbursement											
Funds from Dedicated Collections	(4,930)	-	-	-	-	-	-	-	-	-	(4,930)
All Other Funds	-	3,169	630	3,900	112,458	-	(111,548)	(21)	(23)	-	8,565
Imputed Financing from Costs Absorbed by Others											
Funds from Dedicated Collections	1,837	-	5,021	11,843	-	-	955	-	-	-	19,656
All Other Funds	-	42,747	271,929	80,525	294,644	27,867	168,952	4,603	48,250	(19,791)	919,726
Other Financing Sources											
All Other Funds	-	-	-	-	(8,193)	-	-	-	-	-	(8,193)
Total Financing Sources											
Funds from Dedicated Collections	3,777,314	-	5,021	11,843	-	-	46,867	3,591,494	-	-	7,432,539
All Other Funds	-	1,193,765	7,075,288	2,097,862	7,887,665	27,867	4,915,419	1,896,202	3,005,476	(19,791)	28,079,753
Net Cost of Operations											
Funds from Dedicated Collections	(3,072,233)	-	(3,334)	(25,651)	-	-	(74,779)	(677,613)	-	-	(3,853,610)
All Other Funds	-	(1,196,230)	(7,430,342)	(2,133,513)	(7,950,077)	(65,396)	(4,463,739)	(1,897,065)	(3,008,913)	19,791	(28,125,484)
Net Change											
Funds from Dedicated Collections	705,081	-	1,687	(13,808)	-	-	(27,912)	2,913,881	-	-	3,578,929
All Other Funds	-	(2,465)	(355,054)	(35,651)	(62,412)	(37,529)	451,680	(863)	(3,437)	-	(45,731)
Ending Balances											
Funds from Dedicated Collections	2,560,848	-	95,380	(332,973)	-	-	216,951	12,971,522	-	-	15,511,728
All Other Funds	-	(24,711)	4,403,628	(33,804)	2,979,505	319,993	(2,454,243)	3,696	83,426	-	5,277,490
Total All Funds	$ 2,560,848	$ (24,711)	$ 4,499,008	$ (366,777)	$ 2,979,505	$ 319,993	$ (2,237,292)	$ 12,975,218	$ 83,426	$ -	$ 20,789,218
Net Position - Funds from Dedicated Collections	2,560,848	-	95,380	(332,973)	-	-	249,701	12,971,522	-	-	15,544,478
Net Position - All Other Funds	-	138,014	4,881,260	382,205	5,620,181	319,993	289,474	2,668,084	563,981	-	14,863,192
Net Position - Total	$ 2,560,848	$ 138,014	$ 4,976,640	$ 49,232	$ 5,620,181	$ 319,993	$ 539,175	$ 15,639,606	$ 563,981	$ -	$ 30,407,670

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2015

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Revenue Activity										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ -	$ 53	$ -	$ 31,394	$ 4,513	$ -	$ 16,820,901	$ -	$ -	$ 16,856,861
Fees and Licenses	-	43,215	-	15,000	-	-	-	-	-	58,215
Miscellaneous	-	401	41	-	701	-	19	-	-	1,162
Total Cash Collections	**$ -**	**$ 43,669**	**$ 41**	**$ 46,394**	**$ 5,214**	**$ -**	**$ 16,820,920**	**$ -**	**$ -**	**$ 16,916,238**
Accrual Adjustments	-	255	-	(516)	19	-	-	-	-	(242)
Total Custodial Revenue	**$ -**	**$ 43,924**	**$ 41**	**$ 45,878**	**$ 5,233**	**$ -**	**$ 16,820,920**	**$ -**	**$ -**	**$ 16,915,996**
Disposition of Collections										
Transferred to Federal Agencies										
Library of Congress	-	-	-	-	-	-	(119)	-	-	(119)
U.S. Department of Agriculture	-	-	-	-	-	-	(256,014)	-	-	(256,014)
U.S. Department of Commerce	-	-	-	-	-	-	(1,840)	-	-	(1,840)
U.S. Department of the Interior	-	-	-	-	-	-	(104,501)	-	-	(104,501)
U.S. Department of Justice	-	-	-	-	-	-	(36,290)	-	-	(36,290)
U.S. Department of Labor	-	-	-	-	-	-	(8,842)	-	-	(8,842)
U.S. Postal Service	-	-	-	-	-	-	(1,352)	-	-	(1,352)
U.S. Department of State	-	-	-	-	-	-	(8)	-	-	(8)
U.S. Department of the Treasury	-	-	-	-	-	-	(811,596)	-	-	(811,596)
Office of Personnel Management	-	-	-	-	-	-	(5,024)	-	-	(5,024)
National Credit Union Administration	-	-	-	-	-	-	(1)	-	-	(1)
Federal Communications Commission	-	-	-	-	-	-	(345)	-	-	(345)
Social Security Administration	-	-	-	-	-	-	(1,241)	-	-	(1,241)
Smithsonian Institution	-	-	-	-	-	-	(1,711)	-	-	(1,711)
U.S. Department of Veterans Affairs	-	-	-	-	-	-	(8,007)	-	-	(8,007)
Equal Employment Opportunity Commission	-	-	-	-	-	-	(291)	-	-	(291)
General Services Administration	-	-	-	-	-	-	(36,820)	-	-	(36,820)
Securities and Exchange Commission	-	-	-	-	-	-	(135,843)	-	-	(135,843)
Federal Deposit Insurance Corporation	-	-	-	-	-	-	(1,000,355)	-	-	(1,000,355)
Railroad Retirement Board	-	-	-	-	-	-	(335)	-	-	(335)
Tennessee Valley Authority	-	-	-	-	-	-	(60)	-	-	(60)
Environmental Protection Agency	-	-	-	-	-	-	(1,975,823)	-	-	(1,975,823)
U.S. Department of Transportation	-	-	-	-	-	-	(10,312)	-	-	(10,312)
U.S. Department of Homeland Security	-	-	-	-	-	-	(56,750)	-	-	(56,750)
Agency for International Development	-	-	-	-	-	-	(812)	-	-	(812)
Small Business Administration	-	-	-	-	-	-	(17,535)	-	-	(17,535)
U.S. Department of Health and Human Services	-	-	-	-	-	-	(960,690)	-	-	(960,690)
National Aeronautics and Space Administration	-	-	-	-	-	-	(572)	-	-	(572)
Export-Import Bank of the United States	-	-	-	-	-	-	(7,653)	-	-	(7,653)
U.S. Department of Housing and Urban Development	-	-	-	-	-	-	(1,185,772)	-	-	(1,185,772)
National Archives & Records Administration	-	-	-	-	-	-	(126)	-	-	(126)
U.S. Department of Energy	-	-	-	-	-	-	(4,089)	-	-	(4,089)
U.S. Department of Education	-	-	-	-	-	-	(20,364)	-	-	(20,364)
Independent Agencies	-	-	-	-	-	-	(61,443)	-	-	(61,443)
Treasury General Fund	-	(41,431)	(41)	(46,394)	(5,214)	-	(8,014,049)	-	-	(8,107,129)
U.S. Department of Defense	-	-	-	-	-	-	(159,664)	-	-	(159,664)
Transferred to the Public	-	-	-	-	-	-	(668,627)	-	-	(668,627)
(Increase)/Decrease in Amounts Yet to be Transferred	-	-	-	516	(19)	-	(854,075)	-	-	(853,578)
Refunds and Other Payments	-	(2,493)	-	-	-	-	(18,189)	-	-	(20,682)
Retained by the Reporting Entity	-	-	-	-	-	-	(393,780)	-	-	(393,780)
Total Disposition Of Collections	-	(43,924)	(41)	(45,878)	(5,233)	-	(16,820,920)	-	-	(16,915,996)
Net Custodial Activity	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

U. S. Department of Justice
Combining Statement of Custodial Activity
For the Fiscal Year Ended September 30, 2014

Dollars in Thousands	AFF/SADF	ATF	BOP	DEA	FBI	FPI	OBDs	OJP	USMS	Combined
Revenue Activity										
Sources of Cash Collections										
Federal Debts, Fines, Penalties and Restitution	$ -	$ 84	$ -	$ 13,284	$ 935	$ -	$ 13,879,922	$ -	$ -	$ 13,894,225
Fees and Licenses	-	32,847	-	15,000	-	-	-	-	-	47,847
Miscellaneous	-	1,617	44	-	4,470	-	31	-	-	6,162
Total Cash Collections	**$ -**	**$ 34,548**	**$ 44**	**$ 28,284**	**$ 5,405**	**$ -**	**$ 13,879,953**	**$ -**	**$ -**	**$ 13,948,234**
Accrual Adjustments	-	(6)	-	1,881	-	-	-	-	-	1,875
Total Custodial Revenue	**$ -**	**$ 34,542**	**$ 44**	**$ 30,165**	**$ 5,405**	**$ -**	**$ 13,879,953**	**$ -**	**$ -**	**$ 13,950,109**
Disposition of Collections										
Transferred to Federal Agencies										
Library of Congress	-	-	-	-	-	-	(356)	-	-	(356)
U.S. Department of Agriculture	-	-	-	-	-	-	(156,297)	-	-	(156,297)
U.S. Department of Commerce	-	-	-	-	-	-	(731)	-	-	(731)
U.S. Department of the Interior	-	-	-	-	-	-	(35,177)	-	-	(35,177)
U.S. Department of Justice	-	-	-	-	-	-	(17,064)	-	-	(17,064)
U.S. Department of Labor	-	-	-	-	-	-	(2,245)	-	-	(2,245)
U.S. Postal Service	-	-	-	-	-	-	(23,457)	-	-	(23,457)
U.S. Department of State	-	-	-	-	-	-	(4,528)	-	-	(4,528)
U.S. Department of the Treasury	-	-	-	-	-	-	(1,301,974)	-	-	(1,301,974)
Office of Personnel Management	-	-	-	-	-	-	(48,872)	-	-	(48,872)
National Credit Union Administration	-	-	-	-	-	-	(1,375,000)	-	-	(1,375,000)
Federal Communications Commission	-	-	-	-	-	-	6	-	-	6
Social Security Administration	-	-	-	-	-	-	(554)	-	-	(554)
Smithsonian Institution	-	-	-	-	-	-	(1,277)	-	-	(1,277)
U.S. Department of Veterans Affairs	-	-	-	-	-	-	(78,350)	-	-	(78,350)
General Services Administration	-	-	-	-	-	-	(29,173)	-	-	(29,173)
Securities and Exchange Commission	-	-	-	-	-	-	(3)	-	-	(3)
Federal Deposit Insurance Corporation	-	-	-	-	-	-	(702,050)	-	-	(702,050)
Railroad Retirement Board	-	-	-	-	-	-	(286)	-	-	(286)
Tennessee Valley Authority	-	-	-	-	-	-	(438)	-	-	(438)
Environmental Protection Agency	-	-	-	-	-	-	(265,167)	-	-	(265,167)
U.S. Department of Transportation	-	-	-	-	-	-	(17,363)	-	-	(17,363)
U.S. Department of Homeland Security	-	-	-	-	-	-	(101,451)	-	-	(101,451)
Agency for International Development	-	-	-	-	-	-	(4,101)	-	-	(4,101)
Small Business Administration	-	-	-	-	-	-	(12,163)	-	-	(12,163)
U.S. Department of Health and Human Services	-	-	-	-	-	-	(1,253,387)	-	-	(1,253,387)
National Aeronautics and Space Administration	-	-	-	-	-	-	(44)	-	-	(44)
Export-Import Bank of the United States	-	-	-	-	-	-	(1,908)	-	-	(1,908)
U.S. Department of Housing and Urban Development	-	-	-	-	-	-	(470,875)	-	-	(470,875)
U.S. Department of Energy	-	-	-	-	-	-	(6,040)	-	-	(6,040)
U.S. Department of Education	-	-	-	-	-	-	(22,929)	-	-	(22,929)
Independent Agencies	-	-	-	-	-	-	(78,277)	-	-	(78,277)
Treasury General Fund	-	(33,951)	(44)	(28,284)	(5,405)	-	(7,191,984)	-	-	(7,259,668)
U.S. Department of Defense	-	-	-	-	-	-	(88,859)	-	-	(88,859)
Transferred to the Public	-	-	-	-	-	-	(502,684)	-	-	(502,684)
(Increase)/Decrease in Amounts Yet to be Transferred	-	-	-	(1,881)	-	-	564,677	-	-	562,796
Refunds and Other Payments	-	(591)	-	-	-	-	(123,787)	-	-	(124,378)
Retained by the Reporting Entity	-	-	-	-	-	-	(525,785)	-	-	(525,785)
Total Disposition Of Collections	-	(34,542)	(44)	(30,165)	(5,405)	-	(13,879,953)	-	-	(13,950,109)
Net Custodial Activity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

U. S. Department of Justice
Combined Schedule of Spending
For the Fiscal Years Ended September 30, 2015 and 2014

Dollars in Thousands			2015		2014
What Money is Available to Spend?					
Total Resources		$	46,434,875	$	44,098,174
Less: Amount Available but Not Agreed to be Spent			4,949,346		4,963,900
Less: Amount Not Available to be Spent			1,128,001		860,832
Total Amounts Agreed to be Spent		**$**	**40,357,528**	**$**	**38,273,442**
How was the Money Spent?					
Personnel Compensation and Benefits					
1100	Personnel Compensation	$	11,424,159	$	10,935,896
1200	Personnel Benefits		4,667,482		4,424,219
1300	Former Personnel		6,873		25,228
Other Program Related Expenses					
2100	Travel & Transportation of Persons		461,115		367,340
2200	Transportation of Things		70,455		66,872
2300	Rent, Communications, and Utilities		3,364,746		3,435,448
2400	Printing and Reproduction		11,699		20,318
2500	Other Contractual Services		12,045,142		13,288,564
2600	Supplies and Materials		1,602,832		1,507,066
3100	Equipment		957,427		1,216,303
3200	Land and Structures		168,366		149,992
4100	Grants, Subsideies, and Contributions		4,162,032		2,614,757
4200	Insurance Claims and Indemnities		302,995		221,318
4300	Interest and Dividends		76		2
4400	Refunds for Forfeited Assets		12,129		119
	Expenditure Transfer to the U.S. Marshals Service		1,100,000		-
Total Amounts Agreed to be Spent		**$**	**40,357,528**	**$**	**38,273,442**
Who did the Money go to?					
For Profit		$	13,690,128	$	13,490,317
Government			9,287,092		9,658,459
Employees			11,389,573		10,909,652
Grants			4,142,032		2,614,757
Other			1,848,703		1,600,257
Total Amounts Agreed to be Spent		**$**	**40,357,528**	**$**	**38,273,442**

U.S. Department of Justice
Freeze the Footprint
For the Fiscal Year Ended September 30, 2015

Under the leadership of the Attorney General, the Department continued its efforts during FY 2015 to freeze its real property footprint and monitor space utilization across the Department. The Department successfully reduced its overall square footage in FY 2014 from the FY 2012 benchmark level. While unique mission related requirements and planned construction projects already in the pipeline for organizations such as the FBI, USMS, DEA, and the EOIR are projected to increase the Department's overall real estate footprint at the end of FY 2015, the vast majority of the Department components have diligently maintained or reduced their footprint. These difficult mission related challenges come with the various law enforcement and litigation assignments of the Department to protect federal courthouses, house and secure prisoners awaiting trial, and continue to enforce drug trafficking, immigration laws, and other direct mission activities. These assignments and related activities require special space usage in buildings classified as office space by the General Services Administration.

One of the primary focuses of the Department is to monitor expiring leases for potential reductions in space as their lifecycle comes to an end. Over time, new build out standards and mobile workplace initiatives will increasingly provide the potential to reduce space. As an example, this year the Department received Congressional approval for a prospectus that will consolidate four existing lease locations into no more than two, and reduce square footage by 30% (approximately 200,000 square feet) for several litigation divisions located in Washington, DC. With adequate funding, these types of projects will further allow the Department to continue reducing the overall square footage to adhere to the Freeze the Footprint goals.

The Department continues its commitment to adhering to a no growth strategy for the majority of the Department, and where feasible, reducing its footprint.

Information for the Department is displayed below:

Freeze the Footprint

Freeze the Footprint Baseline Comparison

For the Fiscal Year Ended September 30, 2015			
	FY 2012 Baseline	FY 2014	Change
Square Footage	48,472,795	48,246,273	-0.4673%

Reporting of Operation and Maintenance Costs - Owned and Directly Leased

For the Fiscal Year Ended September 30, 2015			
	FY 2012 Baseline	FY 2014	Change
Operation and Maintenance Costs (in whole dollars)	$ 35,224,094	$ 37,889,864	7.568%

U.S. Department of Justice
Civil Monetary Penalties Inflation Adjustment
For the Fiscal Year Ended September 30, 2015

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, requires agencies to make regular and consistent inflationary adjustments of civil monetary penalties to maintain their deterrent effect. To improve compliance with the Act, and in response to multiple audits and recommendations, agencies should report annually in the Other Information section the most recent inflationary adjustments to civil monetary penalties to ensure penalty adjustments are both timely and accurate.

Bureau of Alcohol, Tobacco, Firearms, and Explosives

Bureau of Alcohol, Tobacco, Firearms and Explosives				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Transfer of firearm without checking NICS	Brady Law - National Instant Criminal Check System 18 USC 922 (t)(5) PL 103-159 sec. 922(t)	1993	1993	$5,000
Secure gun storage or safety device, violation	Child Safety Lock Act 18 USC 924 (p) PL 109-92 sec. 924(p)	2005	2005	$2,500

Civil Division

Civil Division				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Knowing and willful disclosure, solicitation, or receipt of information with respect to blind trusts	Ethics in Government Act of 1978 5 U.S.C. App. 4 102(f)(6)(C)(i) 28 CFR 85.3(a)(1)	1989	1999	$11,000
Negligent disclosure, solicitation, or receipt of information with respect to blind trusts	Ethics in Government Act of 1978 5 U.S.C. App. 4 102(f)(6)(C)(ii) 28 CFR 85.3(a)(2)	1989	1999	$5,500
Falsification or failure to file required reports	Ethics in Government Act of 1978 5 U.S.C. App. 4 104(a) 28 CFR 85.3(a)(3)	2007	2007	$50,000
Unlawful acquisition or use of public reports	Ethics in Government Act of 1978 5 U.S.C. App. 4 105(c)(2) 28 CFR 85.3(a)(4)	1989	1999	$11,000

Civil Monetary Penalties Inflation Adjustment (continued)

Civil Division (continued)

Civil Division				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Violations of limitations on outside earned income and employment	Ethics Reform Act of 1989 5 U.S.C. App. 4 504(a) 28 CFR 85.3(a)(5)	1989	1999	$11,000
Violation	Financial Institutions Reform, Recovery, and Enforcement Act of 1989 12 U.S.C. 1833a(b)(1) 28 CFR 85.3(a)(6)	1989	1999	$1,100,000
Continuing violations (per day)	Financial Institutions Reform, Recovery, and Enforcement Act of 1989 12 U.S.C. 1833a(b)(2) 28 CFR 85.3(a)(7)(i)	1989	1999	Minimum: $1,100,000 Maximum: $5,500,000
Fraudulent claim for assistance	Foreign Assistance Act of 1961 22 U.S.C. 2399b(a)(3)(A) 28 CFR 85.3(a)(8)	1968	1999	$2,200
Violations	False Claims Act 31 U.S.C. 3729(a) 28 CFR 85.3(a)(9)(i)(ii)	1986	1999	Minimum: $5,500 Maximum: $11,000
Violation involving false claim	Program Fraud Civil Remedies Act 31 U.S.C. 3802(a)(1) 28 CFR 71.3(a)	1986	1999	$5,500
Violation involving false statement	Program Fraud Civil Remedies Act 31 U.S.C. 3802(a)(2) 28 CFR 71.3(f)	1986	1999	$5,500
Violation involving surplus government property	Federal Property and Administrative Services Act of 1949 40 U.S.C. 123(a)(1)(A) formerly: 40 U.S.C. 489(b)(1) 28 CFR 85.3(a)(12) in 1999 rule	1949	1999	$2,200
Violation involving kickbacks	Anti-Kickback Act of 1986 40 U.S.C 8706(a)(1) (B) formerly: 41 U.S.C. 55(a)(1)(B) 28 CFR 85.3 (a)(13) in 1999 rule	1986	1999	$11,000
Prohibition on release and use of certain personal information from State Motor Vehicle Records - Substantial Non-compliance	Driver's Privacy Protection Act of 1994 18 U.S.C 2723(b)	1994	1994	$5,000
Penalties for conflict of interest crimes	Ethics Reform Act of 1989 18 U.S.C 216(b)	1989	1999	$55,000
Violation by an individual	Office of Federal Procurement Policy Act 41 U.S.C 2105(b) formerly: 41 U.S.C 423(e)(2)	1988	1988	$50,000
Violation by an organization	Office of Federal Procurement Policy Act 41 U.S.C 2105(b) formerly: 41 U.S.C 423(e)(2)	1988	1988	$500,000

Civil Monetary Penalties Inflation Adjustment (continued)

Civil Rights Division

Civil Rights Division				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Unfair immigration-related employment practices, per person (First Order)	Immigration Reform and Control Act of 1986 8 USC 1324b(g)(2)(B)(iv)(I) 28 CFR 68.52(d)(1)(viii)	1990	2008	minimum: $375 maximum: $3,200
Unfair immigration-related employment practices, per person (Second Order)	Immigration Reform and Control Act of 1986 8 U.S.C 1324b(g)(2)(B)(iv)(II) 28 CFR 68.52(d)(1)(ix)	1990	2008	minimum: $3,200 maximum: $6,500
Unfair immigration-related employment practices, per person (Subsequent Order)	Immigration Reform and Control Act of 1986 8 U.S.C 1324b(g)(2)(B)(iv)(III) 28 CFR 68.52(d)(1)(x)	1990	2008	minimum: $4,300 maximum: $16,000
Unfair immigration-related employment practices, per person (Document Abuse)	Immigration Reform and Control Act of 1986 8 U.S.C 1324b(g)(2)(B)(iv)(IV) 28 CFR 68.52(d)(1)(xii)	1990	2008	minimum: $110 maximum: $1,100
Nonviolent Physical Obstruction (First Order)	Freedom of Access to Clinic Entrances Act of 1994 18 U.S.C. 248(c)(2)(B)(i) 28 CFR 85.3 (b)(1)(i)	1999	2014	$16,000
Other Violations - Other Than Nonviolent Physical Obstruction (First Order)	Freedom of Access to Clinic Entrances Act of 1994 18 U.S.C. 248(c)(2)(B)	1994	2014	$15,000
Nonviolent Physical Obstruction (Subsequent Order)	Freedom of Access to Clinic Entrances Act of 1994 18 U.S.C. 248(c)(2)(B)(i) 28 CFR 85.3 (b)(2)(i)	1994	2014	$15,000
Other Violations - Other Than Nonviolent Physical Obstruction (Subsequent Order)	Freedom of Access to Clinic Entrances Act of 1994 18 U.S.C. 248(c)(2)(B)	1999	2014	$37,500
Pattern or Practice Violation (First Order)	Fair Housing Act of 1968, as amended in 1988 42 U.S.C. 3614(d)(1)(C)	1999	2014	$75,000
Pattern or Practice Violation (Subsequent Order)	Fair Housing Act of 1968, as amended in 1988 42 U.S.C. 3614(d)(1)(C)	1999	2014	$150,000
Public Accommodations for Individuals with Disabilities (First Order)	Americans With Disabilities Act of 1990 42 USC 12188(b)(2)(C)(i) 28 CFR 36.504(a)(3)(i)	1999	2014	$75,000
Public Accommodations for Individuals with Disabilities (Subsequent Order)	Americans With Disabilities Act of 1990 42 USC 12188(b)(2)(C)(ii) 28 CFR 36.504(a)(3)(ii)	1999	2014	$150,000
First Violation	Servicemembers Civil Relief Act of 2003, as amended 50 U.S.C. App. 597(b)(3)	2010	2014	$60,000
Subsequent Violation	Servicemembers Civil Relief Act of 2003, as amended 50 U.S.C. App. 597(b)(3)	2010	2014	$120,000

Civil Monetary Penalties Inflation Adjustment (continued)

Criminal Division

Criminal Division				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Penalty For Frivolous Assertion of Claim	Civil Asset Forfeiture Reform Act of 2000 PL 106-185 18 U.S.C 983 (h)(1)	2000	2000	minimum: $250 maximum: $5,000
Laundering of Monetary Instruments	Money Laundering Control Act of 1986 PL 99-570, Title I, Subtitle H 18 U.S.C 1956(b)	1986	1986	$10,000
Violation	Ethics Reform Act of 1989 18 U.S.C. 216(b)	1989	1990	$55,000

Drug Enforcement Agency

Drug Enforcement Administration				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Possession of small amounts of controlled substances	Anti-Drug Abuse Act of 1988 21 USC 844a(a) 28 CFR 76.3	1988	1999	$11,000
Drug Abuse, Import or Export	Controlled Substance Import Export Act 21 USC 961(1) 28 CFR 85.3(d)(1)	1970	1999	$27,500
Violations of 842(a)(5) and (10) - Prohibited acts re: controlled substances	Controlled SubstanceAct 21 USC 842(c)(1)(A)	1970	1970	$25,000
Violations of 842(a) - other than (5) and (10) - Prohibited acts re: controlled substances	Controlled SubstanceAct 21 USC 842(c)(1)(B)	1988	1988	$10,000
Violation of 825(e) by importer, exporter, manufacturer, or distributor - False labeling of anabolic steroids	Controlled SubstanceAct 21 USC 842(c)(1)(C)	2014	2014	$500,000
Violation of 825(e) at the retail level - False labeling of anabolic steroids	Controlled SubstanceAct 21 USC 842(c)(1)(D)	2014	2014	$1,000
Violation of 842(a)(11) by a business - Distrubition of laboratory supply with reckless disregard	Controlled SubstanceAct 21 USC 842(c)(2)(C)	1996	1996	$250,000
Maintaining drug-involved premises	Illicit Drug Anti-Proliferation Act of 2003 21 USC 856(d)	2003	2003	$250,000

Civil Monetary Penalties Inflation Adjustment (continued)

Executive Office for Immigration Review

Executive Office for Immigration Review				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Hiring, recruiting and referral employer sanctions (First Order)	Immigration Reform and Control Act of 1986 8 USC 1324a(e)(4)(A)(i) 28 CFR 68.52(c)(1)(i)	1999	2/26/2008	Minimum: $275 Maximum: $2,200
Hiring, recruiting and referral employer sanctions (Second Order)	Immigration Reform and Control Act of 1986 8 USC 1324a(e)(4)(A)(ii) 28 CFR 68.52(c)(1)(ii)	1999	2/26/2008	Minimum: $2,200 Maximum: $5,500
Hiring, recruiting and referral employer sanctions (Subsequent Order)	Immigration Reform and Control Act of 1986 8 USC 1324a(e)(4)(A)(iii) 28 CFR 68.52(c)(1)(iii)	1999	2/26/2008	Minimum: $3,300 Maximum: $11,000
Paperwork Violation	Immigration Reform and Control Act of 1986 8 USC 1324a(e)(5) 28 CFR 68.52(c)(5)	1999	2/26/2008	Minimum: $110 Maximum: $1,100
Violation/Prohibition of Indemnity Bonds	Immigration Reform and Control Act of 1986 8 USC 1324a(g)(2) 28 CFR 68.52(c)(7)	1999	2/26/2008	$1,100
Document Fraud (First Order)	Immigration Reform and Control Act of 1986 8 USC 1324c(d)(3)(A) 28 CFR 68.52(e)(1)(i)	1999	2/26/2008	Minimum: $275 Maximum: $2,200
Document Fraud (Subsequent Order)	Immigration Reform and Control Act of 1986 8 USC 1324c(d)(3)(B) 28 CFR 68.52(e)(1)(ii)	1999	2/26/2008	Minimum: $2,200 Maximum: $5,500

Federal Bureau of Investigation

Federal Bureau of Investigation				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
Violation	National Motor Vehicle Title Identification System 49 USC 30505 PL 103-272(1)(e)	1994	1994	$1,000

Civil Monetary Penalties Inflation Adjustment (continued)

Office of Justice Program

Office of Justice Program				
Penalty (Name of Penalty)	**Authority (Statute)**	**Date of Previous Adjustment**	**Date of Current Adjustment**	**Current Penalty Level ($ Amount)**
State and Local CHRI Systems - Right to Privacy Violation	Omnibus Crime Control and Safe Streets Act of 1968 & The Victims of Crime Act 42 USC 3789g(d) 20 CFR 20.25	1979	1999	$14,000
Revealing Research or Statistical Information	Omnibus Crime Control and Safe Streets Act of 1968 & The Victims of Crime Act 42 USC 10604(d) 20 CFR 22.29	1999	1999	Minimum: $10,000 Maximum: $11,000

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APPENDIX

(UNAUDITED)

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The Office of the Inspector General (OIG) provided a draft of the *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* to the Department of Justice (Department). The Department's response is incorporated in the *Independent Auditors' Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* of this final report. The following provides the report's recommendations, the status of the recommendations, the OIG's analysis of the response, and a summary of actions necessary to close the report.

Recommendation:

1. **Periodically assess the treatment of any new or significant cash collections based on legal proceedings to ensure proper classification of these amounts in the Statement of Custodial Activities.**

   Resolved. The Department concurred with our recommendation. The Department stated in its response that it is in the process of establishing procedures to identify new or significant cash collections and ensuring that the program and financial management offices are in agreement with proper classification. The Department also stated that the format of the statement of custodial activity will also undergo a thorough review as part of the annual review of the financial statement preparation guide.

   This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department has properly implemented procedures to identify new or significant cash collections and proper classification.

2. **Periodically review and align the defined cost allocation methodology against the mission-driven program objectives to ensure proper assignment of costs among strategic goals.**

   Resolved. The Department concurred with our recommendation. The Department stated in its response that it is in the process of establishing a formal annual review of all cost allocation methodologies to ensure proper reporting of costs by strategic goal.

   This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department has implemented a formal process of verifying cost allocation methodologies against strategic goal objectives.

3. Critically analyze the accounting and reporting of complex or unusual transactions to ensure proper, accurate, and consistent reporting in the financial statements and footnotes.

Resolved. The Department concurred with our recommendation. The Department stated in its response that it is in the process of establishing a formal annual review process involving budget formulation, budget execution, and financial reporting to ensure proper, accurate, and consistent reporting in the financial statements.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department adequately reviews the complex or unusual transactions that occur to ensure proper, accurate, and consistent reporting in the financial statements and footnotes.

4. Assess reconciliation, financial reporting review, and other monitoring controls at certain components, and identify those areas where the components' management could increase the rigor and precision of those controls.

Resolved. The Department concurred with our recommendation. The Department stated in its response that it will implement additional controls to increase the rigor and precision over financial reporting.

This recommendation can be closed when subsequent annual financial statement audit testing verifies that the Department has implemented additional controls over certain components to increase the rigor and precision over financial reporting.

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