



Audit of the Federal Bureau of Investigation
Annual Financial Statements
Fiscal Year 2023



AUDIT DIVISION

24-019

JANUARY 2024



COMMENTARY AND SUMMARY

Audit of the Federal Bureau of Investigation Annual Financial Statements Fiscal Year 2023

Objectives

In support of the Department of Justice's annual financial statements audit, the Office of the Inspector General (OIG) contracted with an independent auditor to perform an audit of the Federal Bureau of Investigation's (FBI) annual financial statements.

The objectives of the audit were to opine on the financial statements; report on internal control over financial reporting; and report on compliance and other matters, including compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA).

Results in Brief

KPMG LLP (KPMG) found that the FBI's financial statements are fairly presented as of and for the year ended September 30, 2023, and issued an unmodified opinion. KPMG did not identify any material weaknesses and did not report any instances of non-compliance.

The OIG reviewed KPMG's report 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 FBI's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the FBI's financial management systems substantially complied with FFMIA, or conclusions on compliance and other matters. KPMG is responsible for the attached Independent Auditors' Report dated November 3, 2023, and the conclusions expressed in the report. Our review disclosed no instances where KPMG did not comply, in all material respects, with Government Auditing Standards.

Recommendations

No recommendations were provided in this report.

Audit Results

The fiscal year (FY) 2023 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 2022, the FBI also received an unmodified opinion on its financial statements (OIG Audit Division Report Number 23-038).

KPMG neither identified any material weaknesses, nor reported any significant deficiencies in the FY 2023 Independent Auditors' Report.

No instances of non-compliance or other matters were identified during the audit that are required to be reported under Government Auditing Standards. Additionally, KPMG's tests disclosed no instances in which the FBI's financial management systems did not substantially comply with FFMIA.

Table of Contents

Management's Discussion and Analysis.....	2
Independent Auditors' Report	20
Principal Financial Statements and Related Notes	23
Consolidated Balance Sheets	24
Consolidated Statements of Net Cost	25
Consolidated Statements of Changes in Net Position	26
Combined Statements of Budgetary Resources	27
Notes to the Principal Financial Statements.....	28
Required Supplementary Information	52
Deferred Maintenance and Repairs.....	63
Combining Statement of Budgetary Resources by Major Appropriation.....	64
Land.....	66

U.S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)





Management's Discussion and Analysis

U.S. DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MISSION

The Federal Bureau of Investigation (FBI) is a component of the United States (U.S.) Department of Justice (DOJ or the Department) and a member of the U.S. Intelligence Community (USIC). The mission of the FBI is to protect the American people and uphold the Constitution of the U.S.

The FBI's priorities guide how the organization addresses its wide range of responsibilities. In executing the following priorities, the FBI produces and uses intelligence to protect the nation from threats and to bring to justice those who violate the law. The FBI's mission priorities are to:

- Protect the U.S. from terrorist attack;
- Protect the U.S. against foreign intelligence, espionage, and cyber operations;
- Combat significant criminal cyber activity;
- Combat public corruption at all levels;
- Protect civil rights;
- Combat transnational criminal enterprises;
- Combat significant white-collar crime; and
- Combat significant violent crime.

MAJOR PROGRAMS & OBJECTIVES

The FBI contributes to the achievement of the following DOJ Strategic Goals (SGs)¹:

- SG 1: Uphold the Rule of Law
- SG 2: Keep Our Country Safe
- SG 3: Protect Civil Rights
- SG 4: Ensure Economic Opportunity and Fairness for All

In parallel with the DOJ SGs, the Department, and by extension the FBI, report by five DOJ Major Programs (MPs). These MPs are designed to reflect core mission objectives of the DOJ agencies. The FBI contributes to the achievement of DOJ MP² 1: *Law Enforcement*, which focuses on the role of DOJ law enforcement agencies in protecting and defending the U.S. against foreign and domestic threats by investigating, enforcing, and upholding the laws of the U.S.

The FBI aligns itself within the DOJ strategic framework through several integrated elements: Mission, Vision, the Mission Priorities, and Enterprise Objectives. The mission of the FBI is to *Protect the American People and Uphold the Constitution*. The FBI's vision statement—*Ahead of the Threat*—represents the FBI's desired strategic direction, accomplished by continuously evolving the organization to mitigate existing threats and anticipate future threats. The FBI organizes its Mission Priorities around four guiding principles—People, Partnerships, Process, and Innovation—each with action-oriented Enterprise Objectives, to focus strategic efforts across the enterprise.

¹ The DOJ FY 2022 – 2026 Strategic Plan includes five SGs, however the FBI does not have specific key performance indicators for SG 1 or SG 5: *Administer Just Court and Correctional Systems*.

² The FBI does not have gross costs and earned revenue that align with MP 2: *Litigation and Compensation*, MP 3: *Prisons and Detention*, MP 4: *Grants*, and MP 5: *Executive Oversight and Enterprise Technology*.



Management's Discussion and Analysis

OUR MISSION:
Protect the American People and Uphold the Constitution of the United States

OUR MISSION PRIORITIES:

1. Protect the U.S. from terrorist attack
2. Protect the U.S. against foreign intelligence, espionage, and cyber operations
3. Combat significant cyber criminal activity
4. Combat public corruption at all levels
5. Protect civil rights
6. Combat transnational criminal enterprises
7. Combat significant white-collar crime
8. Combat significant violent crime

OUR CORE VALUES:
Respect • Integrity • Accountability
Leadership • Diversity • Compassion
Fairness • Rigorous Obedience to the Constitution

OUR VISION: AHEAD OF THE THREAT

PEOPLE
• Promote a Culture of Development and Resilience
• Assessable, Diverse Teams
• Cultivate Leadership and Mentorship
• Reinforce the Future

PARTNERSHIPS
• Integrate Meaningful Partnerships
• Increase Information Sharing
• Increase Community Engagement

INNOVATION
• Foster Innovation and Creativity
• Enhance Data Capabilities and Digital Experience
• Promote User-Centric Technology

PROCESS
• Strengthen Confidence and Trust
• Enhance Risk and Accountability
• Align Resources to Priorities

The FBI tracks the execution of its enterprise objectives - via the Enterprise Strategy process - by cascading enterprise objectives and executing strategic initiatives towards these objectives within branch and division strategies. This vertical alignment within the organization ensures the FBI enterprise is strategically focused on the same objectives and working collectively towards the FBI mission and vision. Strategy review meetings are held with the Director and each branch and division to discuss progress towards the enterprise objectives throughout the fiscal year, and the FBI's executive management routinely evaluates the organization's progress.

The FBI tracks the execution of its mission priorities via national threat strategies across headquarters operational and intelligence programs, field offices, and legal attaché (legat) offices through the Integrated Program Management and Threat Review and Prioritization processes. These processes enable threat issues to be identified across the organization to subsequently develop accompanying threat mitigation strategies. Every two years, headquarters operational divisions prioritize national threats, determine FBI National Threat Priorities, and develop national threat strategies and guidance for threat mitigation. The FBI's 56 field offices and more than 60 legat offices use this national guidance to formulate a field and legat office threat prioritizations and complete their own specific strategies. These threat and program strategies undergo mid-year and end-of-year evaluations, and each individual field and legat office is held accountable to their performance targets. FBI executives and program managers hold regular meetings to review and evaluate field office and legat office effectiveness throughout the fiscal year, providing feedback to offices to align their work with national strategies or platforms.

The FBI's budget strategy, future resource requirements and requests, and resource execution are designed to enable the FBI to address the current range of threats while also focusing on the future needs of the FBI. An increasing number of the FBI's programs and initiatives are multi-year in nature, and require phased development, deployment, and operations or maintenance funding. Moreover, a multiyear planning approach allows FBI management to better understand the implications of proposed initiatives that are sufficiently agile to meet ongoing, emerging, and unknown national security, cyber, and criminal threats.



Management's Discussion and Analysis

ORGANIZATION STRUCTURE

The FBI operates field offices in 56 major U.S. cities and approximately 350 resident agencies (RAs) throughout the country. RAs are satellite offices, typically staffed at fewer than 20 personnel who support the larger field offices and enable the FBI to maintain a presence in and serve a greater number of communities. FBI employees assigned to field offices and RAs perform the majority of the investigative and intelligence work for the FBI. Special Agents in Charge (SACs) and Assistant Directors in Charge (ADICs) of FBI field offices report directly to the Deputy Director.

The FBI also operates more than 60 legat and 30 sub-offices in over 80 countries around the world. These offices are typically staffed with fewer than 10 people who enable the FBI's presence in these countries and liaise with foreign counterparts and partners. These numbers fluctuate based on the global threat environment.

FBI Headquarters (HQ), located in Washington, D.C., provides centralized operational, policy, and administrative support to FBI investigations and programs. Under the direction of the FBI Director and Deputy Director, this support is provided by:

- The National Security Branch (NSB), which includes the Counterterrorism Division (CTD), Counterintelligence Division (CD), the Terrorist Screening Center (TSC), and the Weapons of Mass Destruction Directorate (WMDD).
- The Intelligence Branch (IB), which includes the Directorate of Intelligence (DI), the Office of Partner Engagement (OPE), and the Office of Private Sector (OPS).
- The Criminal, Cyber, Response, and Services Branch (CCRSB), which includes the Criminal Investigative Division (CID), the Cyber Division (CyD), the Critical Incident Response Group (CIRG), the International Operations Division (IOD), and the Victim Services Division (VSD).
- The Science and Technology Branch (STB), which includes the Criminal Justice Information Services (CJIS) Division, the Laboratory Division (LD), and the Operational Technology Division (OTD).

A number of other HQ offices also provide FBI-wide mission support:

- The Information and Technology Branch (ITB) oversees the IT Applications and Data Division (ITADD) and the IT Infrastructure Division (ITID).
- The Human Resources Branch (HRB) includes the Human Resources Division (HRD), the Training Division (TD), and the Security Division (SecD).
- Administrative and Financial Management Support is provided by the Finance and Facilities Division (FFD), the Information Management Division (IMD), the Resource Planning Office (RPO), the Office of Internal Auditing (OIA), the Office of Integrity and Compliance (OIC), the Insider Threat Office (InTO), the Office of the Chief Information Officer (OCIO), and the Inspection Division (INSD).
- Specialized support is provided directly to the Director and Deputy Director through a number of staff offices, including, the Office of Public Affairs (OPA), the Office of Congressional Affairs (OCA), the Office of the General Counsel (OGC), the Office of Equal Employment Opportunity Affairs (OEEOA), the Office of Professional Responsibility (OPR), the Office of Diversity and Inclusion (ODI), and the Office of the Ombudsman.

In Fiscal Year (FY) 2023, the FBI's appropriated position level of 37,000 consisted of 13,606 Special Agents, 3,208 Intelligence Analysts, and 20,186 professional staff along with an additional 2,973 reimbursable and sub-allotment positions.



Management's Discussion and Analysis

FINANCIAL STRUCTURE

The FBI's Salaries and Expenses (S&E) funding is appropriated among four decision units (DU) that are reflective of the FBI's key mission areas:

1. Intelligence
2. Counterterrorism (CT)/Counterintelligence (CI)
3. Criminal Enterprises and Federal Crimes (CEFC)
4. Criminal Justice Services (CJS)

Resources are allocated to these four decision units in one of three ways:

- Based on core mission function: Certain FBI divisions support one mission area exclusively, and thus are allocated entirely to the corresponding DU. For example, all the resources of the DI are allocated to the Intelligence DU, while all the resources of the CJIS Division are allocated to the CJS DU.
- Based on workload: Critical investigative enablers, such as the LD, the IOD, and the OTD, are allocated to the DUs based on workload. For example, if 21 percent of the LD's workload is in support of CT/CI investigations, then, accordingly, 21 percent of LD's resources are allocated to the CT/CI DU. These percentage assignments may be revised upon review of workload.
- Pro-rated across all DUs: Administrative enablers, such as the ITB, the FFD, and the HRD, are pro-rated across all four DUs since these divisions support the entire organization. This pro-rata spread is based on the allocation of operational divisions and critical investigative enablers.

The FBI's Construction (CNST) funding is a separate appropriation.

FY 2023 RESOURCE INFORMATION

Table 1 presents the sources of financing for FBI resources distinguished by Earned Revenue, Budgetary Financing Sources, and Other Financing Sources. Table 2 describes how the FBI spent its resources across DOJ Major Program 1: *Law Enforcement*.

**Table 1. Sources of FBI Resources
(Dollars in Thousands)**

Source	FY 2023	FY 2022	Change%
Earned Revenue	\$ 1,125,236	\$ 1,034,941	9%
Budgetary Financing Sources			
Appropriations Received	11,343,195	10,961,895	3%
Appropriation Transferred-In/Out	(48,382)	2,630	(1940%)
Transfers-In/Out Without Reimbursement	206,598	201,125	3%
Other Adjustments	(748)	(273)	(174%)
Other Financing Sources			
Imputed Financing	554,386	552,821	0%
Other Financing Sources	(13,447)	(11,902)	(13%)
Total FBI Resources	\$ 13,166,838	\$ 12,741,237	3%

**Table 1. How FBI Resources are Spent
(Dollars in Thousands)**

Major Programs (MP)	FY 2023	FY 2022	Change%
MP 1: Law Enforcement			
Gross Cost	\$ 12,534,515	\$ 12,018,304	
Less: Earned Revenue	1,125,236	1,034,941	
<i>Net Cost of Operations</i>	\$ 11,409,279	\$ 10,983,363	4%



Management's Discussion and Analysis

SUMMARY OF PERFORMANCE INFORMATION

The FBI directly supports the Department of Justice's (DOJ) FY 2022 – FY 2026 Strategic Plan across a variety of subjects. Within the strategic plan, the Department has established various goals, some of which the FBI is involved as a contributor. In addition to supporting the Department in developing the strategies set out in the plan, the FBI reports quarterly against a variety of key performance indicators (KPIs) that are reflective of the Department's progress against those goals.

DOJ SG 1: Uphold the Rule of Law

The FBI was not assigned performance measures that significantly led to the managing, budgeting, or overseeing of SG 1.

DOJ SG 2: Keep Our Country Safe

PROGRAM: Counterterrorism / Counterintelligence Decision Unit

Background/Program Objectives:

The FBI's statutory counterintelligence authorities make it the lead U.S. government (USG) agency to address threats to America's national and economic security. Disruptions and dismantlements are high-value outcome accomplishments: measures of the effectiveness of a wide scope of FBI and USG activities. Even a complex network case, with multiple arrests and asset seizures, would qualify as only a single "dismantle" operational outcome. CD seeks a sustained level of counterintelligence disruption and dismantlement accomplishments over time, continuing to make the U.S. operating environment more difficult for foreign intelligence services and their witting and unwitting collaborators despite their technological and tactical innovations. Accordingly, counterintelligence disruptions and dismantlements demonstrate effective loss prevention and proactive disruption of intelligence threats from hostile actors, theft of U.S. assets, violations of export control laws or sanctions, and related crimes. Disruptions and dismantlements are an indicator in how well the USG (and the FBI) is mitigating the negative risks of new technologies, globalization of threat actors and activities, and the emergence of new security vulnerabilities as an integral part of DOJ's risk mitigation strategy.

The expanded scope of sensitive American assets of interest to strategic competitor states coupled with a continually evolving technological environment opens new security vulnerabilities. As such, continual changes to Federal resource allocations must be supported to successfully address constantly evolving threat actors. The amount and type of resources allocated directly to the DOJ and FBI, (leveraged in tandem with a whole-of-government approach to combine USG authorities and resources) has a determinative impact on the ability of the FBI to meet its disruption and dismantlement goals.

Performance Measure: Number of counterintelligence program disruptions or dismantlements (2.1)

FY 2023 Target: 400

FY 2023 Actual Performance: 494

Discussion of FY 2023 Results:

The FBI counterintelligence program effected 494 disruptions and dismantlements in FY 2023. Opportunities to disrupt threat activity are unpredictable, so numbers will fluctuate from year to year. The FY 2023 results include DOJ efforts under Task Force KleptoCapture and the Disruptive Technology Strike Force among the variety of ways the FBI makes significant impact on a wide variety of threat actors. This number demonstrates vigorous effort across the country and is consistent with performance in prior years.



Management's Discussion and Analysis

Background/Program Objectives:

Disrupting terrorist operations is a core priority of the FBI in preserving national security and protecting the American people. CTD streamlines its efforts to thwart terrorist operations with multiple strategic objectives advanced through various initiatives. In support of DOJ Strategic Objective 2.2 *Counter Foreign and Domestic Terrorism*, Strategy 1 *Deter, Disrupt, and Prosecute Terrorist Threats*, CTD focuses on the disruption of financial, weaponry, and material support sources and the prosecution of those who plot or act to threaten our national security. In support of its proactive posture, CTD targets the methods and technologies terrorist networks and organizations rely upon for radicalization and recruitment and uses all available tools to monitor terrorist threats—from developing sources to court-authorized electronic surveillance. CTD iteratively evaluates its ability to meet the threat of terrorism, and will continue to measure progress through the number of terrorism disruptions accomplished.

Performance Measure: Number of terrorism disruptions effected through investigations (2.2)

FY 2023 Target: 600

FY 2023 Actual Performance: 405

Discussion of FY 2023 Results:

The FBI maintained a high operational tempo and accomplished 38 Domestic Terrorism disruptions and 55 International Terrorism disruptions totaling 93 Counterterrorism disruptions during Q4. Counterterrorism remains the number one mission priority for the FBI, and the entire organization remains committed to proactively investigating terrorism actors and plotters. The FBI ensures continuous training of the counterterrorism workforce, effective use of advanced technology, diligent program management, and efficient stewardship of all available resources to successfully disrupt terrorist operations. The FBI, alongside federal, state, and local partners, continue to make every effort to identify and disrupt terrorism threats and exploit the complex networks frequently associated with these threats.

PROGRAM: Intelligence Decision Unit

Background/Program Objectives:

The Intelligence Program's Five-Year Strategy aims to create a more secure nation through an integrated, agile, and innovative Intelligence Program that drives the FBI's ability to address current and emerging threats. The FBI's DI will continue to support the complete integration of Intelligence and Operations through the sharing of intelligence products to enable FBI andUSIC partners to identify and mitigate current and emerging threats. Progress towards this goal is reflected by the increased inclusion of FBI-originated reporting inUSIC Intelligence Products. This increased inclusion drives the development of high-quality intelligence while mitigating risk.

Performance Measure: Percent of Department-issued Intelligence Information Reports used in the development of United States Intelligence Community Intelligence Products (2.2)

FY 2023 Target: 15%

FY 2023 Actual Performance: 18.5%

Discussion of FY 2023 Results:

The metric reflects FBI Intelligence Information Reports (IIRs) cited in the IC. The DI met the Q4 target and exceeded the annual target due to above-target results in Q1 and Q3 based on an integrated, agile, and innovative Intelligence Program that directly bolstered the FBI's ability to address current and emerging threats. By prioritizing the incorporation of intelligence in all FBI undertakings and strengthening of



Management's Discussion and Analysis

partnerships with law enforcement andUSIC partners, the Intelligence Program will further enhancement its successful operating posture.

PROGRAM: Cyber Division (CyD)

Background/Program Objectives:

CyD's strategy to combat cyber-based cyber threats and attacks focuses on imposing risk and consequences on cyber adversaries through the FBI's unique authorities, world-class capabilities, and enduring partnerships. CyD will bring cyber adversaries to justice by increasing: (1) disruptions of malicious cyber actors' use of online infrastructure through proactive FBI cyber operations to slow, frustrate, and stop cyber adversaries' ability to conduct their operations; and, (2) joint, sequenced operations that rely on cooperation and coordination across many public, private, and international stakeholders in order to aid attribution, defend networks, sanction bad behavior, build coalitions of like-minded countries, and otherwise deter or disrupt cyber adversaries overseas.

CyD seeks to combat significant cybercriminal activity and impose risks by making it more difficult for cyber adversaries to conduct operations against US networks, specifically by increasing: (1) the number of threat advisories disseminated to share vital information that the private sector can use to strengthen their cyber defenses and resilience; and (2) reported incidents—for both ransomware and overall—from which cases are opened, added to existing cases, or resolved within 72 hours to encourage the private sector and the public to report suspected criminal and other hostile cyber activity.

CyD aims to combat significant cybercriminal activity by increasing prosecutions of ransomware defendants in which seizures or forfeitures are used to reduce cyber actors' ability and willingness to conduct future operations. CyD's strategy focuses on mitigating enterprise risks of technology, the emergence of new security vulnerabilities, fragmentation and globalization of the threat, coordination challenges, and building trust.

Performance Measure: Percent increase in disruptions of malicious cyber actors' use of online infrastructure through proactive operations and judicial means (2.4)

FY 2023 Target: 5%

FY 2023 Actual Performance: 14%

Discussion of FY 2023 Results:

Disruptions are a key focus of the FBI CyD's mission to impose risk and consequences on our nation-state and criminal cyber adversaries. The metric fluctuates throughout the year based on several factors, including the demands of complex, tailored operational strategies; the capabilities and cooperation of domestic and foreign partners; and the unpredictable number of cyber incidents to which the Bureau responds. Engaging quickly and effectively with victims is not directly reflected in this measurement but is a guiding pillar of the CyD. The FBI continually strives to explore and add new technological and investigative capabilities to its toolkit, and recognizes the debilitating effects inflicted on its adversaries by attributing their cyber incidents. The FBI prioritizes recruitment, training, and capacity building in leveraging previous success to meet the ever-evolving cyber threat landscape.



Management's Discussion and Analysis

Performance Measure: Percent increase in operations conducted jointly with strategic partners (2.4)

FY 2023 Target: 3%

FY 2023 Actual Performance: -38%

Discussion of FY 2023 Results

Joint, sequenced operations with other government agencies, foreign partners, and the private sector have achieved tremendous impact in degrading those cyber actors who wish to do harm – and remain a priority for the FBI moving forward. Quarterly and annual tallies of these operations depend on a variety of factors, including the accumulation of sufficient intelligence, timing, coordination with other agencies, and the actions of targeted actors. This KPI metric considers joint intelligence products, which often inform and lead directly to joint operations. The volume of joint intelligence production can ebb and flow throughout the year based on staffing/personnel changes, the needs and interests of our partners, the number and frequency of significant cyber incidents, the rates of collection and processing of complex and voluminous data, and the FBI's collaboration with other agencies to glean actionable intelligence. The National Cyber Investigative Joint Task Force (NCIJTF) remains the FBI's key liaison in coordinating complex, joint operational efforts among the USG to combat malicious cyber activity. To further our cyber mission, the FBI continues to make great strides in forging deep and cooperative relationships with both foreign and domestic partners as well as with the private sector, including academia and critical infrastructure entities. The FBI is renewing its guidance to Field Offices for tracking and claiming appropriate accomplishments for this important measure.

Performance Measure: Percent increase of threat advisories disseminated to the private sector (2.4)

FY 2023 Target: 5% increase (nominal values not reported publicly)

FY 2023 Actual Performance: -33%

Discussion of FY 2023 Results:

This KPI measures the dissemination of four types of advisories from FBI's Cyber Division: Private Industry Notifications, FBI Liaison Alert System reports, Joint Cybersecurity Advisories, and Public Service Announcements. The combined figure can fluctuate widely on a quarterly and annual basis based on a myriad of factors, including but not limited to professional staffing levels; contract cycles and associated personnel; the unpredictable rhythm of cyber incidents, operations, and intelligence gathering that can prompt, necessitate, and inform threat advisories; and whether threat information has already been disseminated by partner agencies or private companies. Additionally, this metric does not reflect the FBI's delivery of crucial cyber-threat information through other means, such as but not limited to: intelligence sharing and collaboration with other government agencies; ongoing dialogues with foreign law enforcement and intelligence agencies; briefings, speeches, and panel participation at private-sector conferences and other gatherings; the distribution of slicksheets to the private sector by its field offices; the FBI's social media presence; and media engagement by FBI staff (or the media's force-multiplying coverage of FBI threat advisories).

Performance Measure: Percent of reported ransomware incidents from which cases are opened, added to existing cases, or resolved within 72 hours (2.4)

FY 2023 Target: 65%

FY 2023 Actual Performance: 47%

Discussion of FY 2023 Results:

The FY 2023 target was based on the upward trend of ransomware incidents being opened, closed, or actioned within a 72-hour period. When ransomware incidents are reported, the FBI takes immediate action



Management's Discussion and Analysis

to assess the situation, to include contacting the victim, notifying the appropriate field offices and relevant IC agencies, running database checks, reaching out to the representing law firms, and documenting attempts to contact victims. Despite not meeting the 65% annual target, the FY 2023 actual of 47% is a marked increase from the FY 2022 actual of 39%.

Performance Measure: Increasing the number of instances of financial actions against cyber-criminal actors by 10%. (Agency Priority Goal)

By FY 2026 Target: 10% increase

FY 2023 Actual Performance: -47%

Discussion of FY 2023 Results:

CyD obtained the FBI asset forfeiture and seizures accomplishments data from FBI's CID Financial Crime Section, Money Laundering, Forfeiture and Bank Fraud Unit. FBI CID maintains access to the DOJ's Consolidated Asset Tracking Systems (CATS), a standalone system. CyD provided CID the Ransomware pending case list derived from Sentinel reporting. The Ransomware pending case list is queried against the DOJ's CATs to retrieve the quarterly metrics. For FY 2023, the total number of seizures and forfeitures accomplished is eight, compared to 15 in FY 2022.

PROGRAM: Criminal Enterprises / Federal Crimes Decision Unit

Background/Program Objectives:

The FBI's CID addresses numerous criminal threats, to include violent crimes, violent gangs, transnational organized crime, violent crimes against children, Indian Country crimes, human trafficking, complex financial crimes, fraud, money laundering, public corruption, and civil rights.

CID's measures, as identified by DOJ and FBI strategic priorities, provide a snapshot of the FBI's work within the Criminal Program. As such, the measures cannot adequately demonstrate all of the work performed within CID's budget or resources, which is allocated across all criminal threats. Gangs, criminal enterprises, criminal organizations engaging in white-collar crime and money laundering, and drug-trafficking organizations remain some of the highest priority threats, as identified by DOJ and FBI. Performance will continue to be measured by the magnitude of the disruptions and dismantlements of these criminal groups, as such actions effectively hinder or eliminate their ability to commit crimes.

Performance Measure: Percent of FBI Crimes Against Children FBI cases that address abductions, hands-on offenders, sextortion, or enticement (2.6)

FY 2023 Target: 46%

FY 2023 Actual Performance: 65%

Discussion of FY 2023 Results:

During FY 2023, CID worked diligently to meet this KPI by aggressively pursuing crimes-against-children cases and working closely with state and local law enforcement partners. In FY 2024, CID will ensure its efforts meet its targets by proactively countering threats of child exploitation, abduction, and abuse and strengthening relationships with local and state law enforcement partners.



Management's Discussion and Analysis

DOJ SG 3: Protect Civil Rights

PROGRAM: All Decisions Unit

Background/Program Objectives:

In support of DOJ Strategic Goal 3: *Protect Civil Rights*, TD provides Use of Force training to all new agents at the FBI Academy, which teaches proper use of force for escalation and de-escalation of force. To ensure continued adherence to use of force protocols, and in support of FBI's mission priority, Protect Civil Rights, TD provides, at minimum, mandatory annual training on Use of Force to all field agents. This training is typically organized and offered by field legal program personnel, in coordination with FBI's OGC. FBI's continued prioritization of civil rights, equity, and justice is also in direct support of DOJ Strategic Objective 3.3: *Reform and Strengthen the Criminal and Juvenile Justice Systems*, to include training on DOJ's *Guidance for Federal Law Enforcement Agencies Regarding the use of Race, Ethnicity, Gender, National Origin, Religion, Sexual Orientation, Gender Identity, and Disability* issued in May 2023. Additionally, this training supports the goals of FBI enterprise objective: *Strengthen Confidence and Trust*.

Performance Measure: Percent of federal law enforcement officers who receive Use of Force Sustained Training within a 3-year period (3.3)

FY 2023 Target: 95%

FY 2023 Actual Performance: 98%

Discussion of FY 2023 Results:

A total of 14,327 out of 14,686 Special Agents and FBI Police were trained during FY 2023. During FY 2023, Training Division met the goal of the KPI by teaching all New Agent Trainees during their time at the FBI Academy as well as all onboard FBI Special Agents and FBI Police Officers on the Use of Force, including deadly force. The FBI has a long-standing policy requiring Annual training on Use of Force. While not mandated, an additional 256 Task Force Officers (TFOs) also completed this course. Training Division will continue to perform this training in FY 2024, monitor progress, and ensure the Department's FY 2024 goal is met for the FBI Special Agent and Police FSL.

Background/Program Objectives:

The FBI Body Worn Camera (BWC) program initiated in FY 2022 in response to the June 6, 2021, mandate from the Deputy Attorney General to devise, construct and implement a BWC capability within the FBI. During FY 2023, the BWC Program achieved its multi-phase roll-out strategy designed to deliver a fully operational, enterprise-wide BWC capability. This aligns with the FBI enterprise objective to *Strengthen Confidence and Trust* by allowing for more transparency in interactions with the public.

The FBI pioneered a secure in-house solution that eliminates any risk of data loss, spillover, or exploitation. The BWC initiative involves the coordinated efforts of stakeholders throughout the FBI, including representatives from OTD, ITADD, CIRG, CID, TD, RPO, OGC, and FFD, as well as multiple field offices. In FY 2023, the BWC program met or exceeded multiple benchmarks relating to the selection and procurement of BWC hardware, the development of BWC policy and software/data storage solutions, the creation and implementation of both virtual and in-person training platforms, and the effective launch of the BWC program to the entire FBI enterprise.

Performance Measure: Percent of federal law enforcement officers equipped with body-worn cameras and associated training (3.3)

FY 2023 Target: 38%

FY 2023 Actual Performance: 33%



Management's Discussion and Analysis

Discussion of FY 2023 Results:

During FY 2023, the BWC Program onboarded 12 additional field offices. Along with the five previously onboarded field offices, the program conducted extensive training of the agent population, totaling 3,774 Agents trained as of September 30, 2023. In FY 2024, the number of Agents trained will more than double, as more field offices are onboarded.

DOJ SG 4: Ensure Economic Opportunity and Fairness for All

PROGRAM: Criminal Enterprises / Federal Crimes Decision Unit

Background/Program Objectives:

The prioritization of CID's strategy into elder financial investigations, outreach, training events, awareness briefings, and using Internet Crime Complaint Center data to disseminate investigative referrals directly supports the DOJ Elder Justice Initiative (EJI) and Elder Fraud Strike Force Initiative. These strategies help the FBI achieve its mission priority of combatting transnational/national criminal organizations and enterprises and significant white-collar crime while supporting federal, state, local and international partners. CID will continue to allocate resources towards EJI investigations and expanding awareness of the threat streams to citizens, the private and public sectors, and law enforcement partners in effort to detect, deter, disrupt and dismantle transnational and national threat actors.

Performance Measure: Number of criminal disruptions or dismantlements in public corruption and fraud against the government (4.2)

FY 2023 Target: 487

FY 2023 Actual Performance: 320

Discussion of FY 2023 Results:

The Public Corruption (PC) program continued to proactively and rigorously investigate corruption to keep Americans safe in FY 2023. CID's threat measures changed from a granular, accomplishment-specific approach to a more holistic evaluation encompassing multiple activities to interrupt the PC threats. An analysis of accomplishments identified a marginal decline in accomplishments in FY 2023, though the PC program stayed focused on existing relationships with established partners. The PC program remains very active and engaged in addressing the threat and the PC program continued to further cultivate partnerships with local, state, and federal agencies and leads over 50 active task forces.

Performance Measure: Percent of new contacts by the FBI with foreign anti-corruption agencies that progress to mutual sharing of information or assistance or result in a new international corruption case (4.2)

FY 2023 Target: 60%

FY 2023 Actual Performance: 47%

Discussion of FY 2023 Results:

During FY 2023, the CID worked diligently in attempts to meet this KPI by building relationships with its international partners. In FY 2024, CID will ensure its efforts meet its targets through continued meaningful liaison efforts with its foreign partners.



Management's Discussion and Analysis

ANALYSIS OF FINANCIAL STATEMENTS

The FBI's financial statements received unmodified audit opinions for FYs 2023 and 2022. These financial statements were prepared from the accounting records of the FBI in conformity with U.S. generally accepted accounting principles (U.S. GAAP) 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*.

Assets: Total Assets was \$10.38 billion as of September 30, 2023, an increase of \$718.75 million, or seven percent, from the previous fiscal year's Total Assets of \$9.66 billion. The net change in Total Assets is primarily related to an increase in Fund Balance with Treasury and General Property, Plant, and Equipment, Net. Fund Balance with Treasury increased in FY 2023 by \$611.17 million, or 10 percent, which is primarily due to an increase in Appropriations Received and not yet disbursed. General Property, Plant, and Equipment increased in FY 2023 by \$97.75 million, or three percent, which is primarily due to construction activity to build or renovate FBI facilities. The remaining assets reflect a net increase of \$9.83 million.

Liabilities: Total Liabilities was \$1.82 billion as of September 30, 2023, an increase of \$86.43 million, or five percent, from the previous fiscal year's Total Liabilities of \$1.73 billion. The net change in Total Liabilities is primarily related to increases in Accounts Payable and Other Liabilities which increased \$50.10 million and \$31.76 million, respectively. The increase in Accounts Payable was mainly due to increased contractual activity with both federal and non-federal vendors. The activity behind the increase in Other Liabilities can be found in Footnote 13. The remaining liabilities reflect a net increase of \$4.57 million.

Net Position: Total Net Position was \$8.57 billion as of September 30, 2023, an increase of \$632.32 million, or eight percent, from the previous fiscal year's Total Net Position of \$7.93 billion. The net increase is primarily due to increases in Unexpended Appropriations – Beginning Balances of \$605.10 million, or 14 percent and Appropriations Received of \$381.30 million, or three percent. This is offset by an increase in Net Cost of Operations of \$425.92 million. The remaining changes in Net Position reflect a net increase of \$71.84 million across multiple categories, such as Appropriations Transferred-In/Out and Imputed Financing.

Net Cost of Operations: Total Net Cost of Operations was \$11.41 billion for FY 2023, an increase of \$425.92 million, or four percent, from Total Net Cost of Operations of \$10.98 billion for FY 2022. The increase is attributed to a net increase of \$516.21 million, or four percent, in Gross Costs. This is offset by an increase of \$90.29 million, or nine percent, in Earned Revenue.

Budgetary Resources: Total Budgetary Resources was \$15.79 billion for FY 2023, an increase of \$870.64 million, or six percent, from Total Budgetary Resources of \$14.92 billion in FY 2022. The change is related to increases in Appropriations of \$351.84 million, Unobligated Balance from Prior Year Budget Authority of \$420.50 million, and Spending Authority from Offsetting Collections of \$98.30 million.

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

The statements are prepared from records of Federal entities in accordance with U.S. GAAP and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records.

Users of the statements are advised that the statements are for a component of the U.S. Government.



Management's Discussion and Analysis

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

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 Section 2) and whether financial management systems conform to related requirements (FMFIA Section 4).

Internal Controls Program

FBI's 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, *Management's Responsibility for Enterprise Risk Management and Internal Control*, revised July 15, 2016, the FBI 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 Section 2). The FBI also assessed whether its financial management systems conform to financial systems requirements (FMFIA Section 4). Based on the results of the assessments, the FBI provided reasonable assurance that its internal controls and financial management systems met the objectives of the FMFIA, except for the reportable condition summarized below. A Corrective Action Plan was established to institute programs and/or controls to eliminate these conditions.

FMFIA Section 2 – Reportable Conditions

Information Systems: The FBI's information systems audit scope includes a test of controls for the FBI Asset Management System (AMS), the Unified Financial Management System (UFMS), and the network on which these systems reside. The results of the assessment disclosed no material weaknesses in the FBI's information systems as of June 30, 2023.

OMB Circular A-123, Appendix A – Management of Reporting and Data Integrity

In FY 2023, the FBI documented and assessed its significant business processes according to the requirements of DOJ's Implementation Plan for compliance with OMB Circular A-123. The revised Circular A-123 re-examined internal control requirements for federal agencies in light of the requirements for publicly-traded companies implemented by the Sarbanes-Oxley Act of 2002. The full Circular A-123, *Appendix A: Management of Reporting and Data Integrity Risk* assessment covered all business processes deemed to be significant to the FBI and the DOJ. These processes included: Budget and Funds Management; Revenue and Receivables Management; Procurement; Property Management; Treasury; Human Resources; Seized and Forfeited Property; Financial Reporting; and Information Systems. The results of the assessment disclosed no material weaknesses in the FBI's internal control over financial reporting as of June 30, 2023.

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's Discussion and Analysis

management systems that substantially comply with federal financial management system requirements, applicable federal accounting standards, and the application of the U.S. Government Standard General Ledger at the transaction level. Furthermore, the FFMIA requires independent auditors to report on agency compliance with the three requirements in the financial statements audit report.

FFMIA Compliance Determination

During FY 2023, the FBI assessed its financial management systems for compliance with the FFMIA and determined that, when taken as a whole, they substantially complied with the FFMIA. This determination is based on the results of the Federal Information Security Management Act (FISMA) reviews and testing performed for OMB Circular A-123, Appendix A. Consideration was also given to any issues identified during the FY 2023 FBI financial statements audit.

Analysis of Legal Compliance

In the FBI's update to the FY 2019 Assurance Statement and Sub-certification, FBI management reported deficiencies for the Digital Accountability and Transparency Act (DATA Act) compliance because the preliminary results of the OIG's statistical sample of the FBI's 2019 2nd Quarter spending data on USASpending.gov identified deficiencies. FBI management reviewed the OIG's findings and took action to improve data quality and compliance. In FY 2023, the FBI continued to work with the Department's DATA Act Team to strengthen the controls for which additional focus was needed.

FORWARD LOOKING INFORMATION

Threats to the U.S. and its Interests

The U.S. continues to face a multitude of serious and evolving threats ranging from homegrown violent extremists to hostile foreign intelligence services and operatives; from sophisticated cyber-based attacks to Internet facilitated sexual exploitation of children; from violent gangs and criminal organizations to public corruption and corporate fraud. While these threats are not new, the means and ways by which our adversaries—terrorists, foreign intelligence services, and criminals—take advantage of modern technology, including the Internet and social media, to facilitate illegal activities, recruit followers, encourage terrorist attacks and other illicit actions, to spread misinformation, and to disperse information on building improvised explosive devices and other means to attack the U.S. have evolved significantly. The breadth of these threats and challenges are as complex as any time in our history and the consequences of not responding to and countering threats and challenges have never been greater.

China, Russia, Iran, and North Korea pose the highest threat to the U.S. for cyber espionage, theft, and attacks. The FBI anticipates all U.S. adversaries and strategic competitors will increasingly build and integrate cyber capabilities to influence U.S. policies and advance their national security interests. The FBI's cyber mission is to counter cyber threats through its investigative and intelligence authorities. The FBI's strategy to impose risk and consequences on cyber adversaries focuses on disrupting threats not only through our own actions but also by sharing information and conducting joint, sequenced operations with partners. The FBI is implementing a strategy to impose risk and consequences on cyber adversaries through unique authorities, world-class capabilities, and enduring partnerships. The strategy provides needed human and technical resources to enable FBI partners to defend networks, attribute malicious activity, sanction bad behavior, and attack adversaries overseas. The FBI's jurisdiction is not defined by network boundaries; rather, it includes all territory governed by U.S. law, whether domestic or overseas, and spans individual citizens, private industry, critical infrastructure, U.S. Government, and other interests alike. As a federal law enforcement agency and member of the USIC, the FBI is uniquely positioned to bridge the gaps. Collectively, the FBI and its federal partners take a whole-of-government approach to help deter future threats and bring closure to current threats that would otherwise continue to infiltrate and harm network defenses.



Management's Discussion and Analysis

The foreign intelligence threat to the U.S. continues to increase as foreign powers seek to establish economic, military, and political preeminence and to position themselves to compete with the U.S. in economic and diplomatic arenas. The most desirable U.S. targets are political and military plans, technology, and economic institutions, both governmental and non-governmental. Foreign intelligence services continue to target and recruit U.S. travelers abroad to acquire intelligence and information. Foreign adversaries are increasingly employing non-traditional collectors—for example, students and visiting scientists, scholars, and business executives—as well as cyber-based tools to target, penetrate, and influence U.S. institutions.

A significant terrorism threat to the U.S. homeland is posed by lone actors or small cells who typically radicalize online and look to attack soft targets with easily accessible weapons. The FBI sees these threats manifested within both domestic violent extremists (DVEs) and homegrown violent extremists (HVEs), two distinct threats, both of which are located primarily in the United States and typically radicalize and mobilize to violence on their own. The FBI continues to work to identify individuals who seek to join the ranks of foreign fighters traveling in support of the ISIS, as well as HVE who may aspire to attack the U.S. from within. These terrorism threats remain among the highest priorities for the FBI and the USIC. HVEs aspire to carry out attacks in the U.S. or travel overseas to participate in terrorist activity. Countering the HVE threat is especially challenging for law enforcement because HVEs often act with little to no warning. The FBI has HVE cases that span all 56 FBI field offices across all 50 states and territories.

The U.S. faces many criminal threats, from complex white-collar fraud in the financial, health care, and housing sectors to transnational and regional organized criminal enterprises to violent crime and public corruption. Criminal organizations, domestic and international, and individual criminal activity represent a significant threat to our security and safety in communities across the nation.

The FBI will meet these threats head-on, while steadfastly adhering to its mission to protect the American people and uphold the Constitution of the U.S. and realizing its vision to be ahead of the threat. These threats require the FBI to strategically assess current and prospective operations to ensure it meets mission requirements at the lowest possible cost to the U.S. taxpayer.

Budget Environment

The foundation of the FBI's budget strategy is the FBI's mission, vision, and mission priorities as discussed in previous sections. At the heart of the FBI's strategy is the vision statement: *Ahead of the Threat*. By understanding the threat-based landscape to the U.S. and its interests and identifying critical enterprise-wide capabilities needed to perform its mission, the FBI crafts its budget strategy to maximize the effectiveness of resources to address the current range of threats while also focusing on the future needs of the FBI. This strategic planning of resources is imperative given the number of FBI programs and initiatives that are multi-year in nature, and require phased development, deployment, and operations and maintenance funding. This approach allows FBI management to better understand the implications and impacts of proposed initiatives on FBI resources.

First and foremost, in this strategic planning approach, the FBI prioritizes core operational needs, to include resources necessary to sustain Special Agents, Intelligence Analysts, and critical enabling personnel. The FBI also ensures that funding decisions are designed to promote capabilities and strategies that are sufficiently agile to meet ongoing, emerging, and unknown national security, cyber, and criminal threats. In addition to operational funding, the FBI requires a robust physical and IT infrastructure that meets the needs of the workforce of the future, as well as a threat environment that is increasingly impacted by the digital revolution. In FY 2023, the FBI continued to invest in and seek resources for future operational capacity through its 21st Century Facilities Plan. This plan focuses on ensuring the FBI workforce has access to modern facilities with the space, technical bandwidth, and power necessary to achieve the organization's current and future law enforcement and intelligence missions.



Management's Discussion and Analysis

FBI's 21st Century Facilities Plan

The FBI continued to work towards consolidating and improving its operations through the construction of modern facilities. The largest investment in the FBI's 21st Century Facilities plan is ongoing at Redstone Arsenal (RSA) in Huntsville, Alabama at the Richard Shelby Center for Innovation and Advanced Training. The FBI has maintained a presence in RSA for over 50 years, and the FBI is expanding its footprint across the base, positioned among some of the nation's top defense, law enforcement, and technology organizations. These new facilities will continue to drive a new era of innovation in a city deemed the "Silicon Valley of the South."

The FBI's presence on the RSA North Campus now features a 307,000-square-foot operations building that accommodates approximately 1,300 personnel across 12 different operational and administrative FBI divisions. A nearby 87,000-square-foot technology building accommodating 330 personnel to monitor the FBI's networks 24/7/365, provides network monitoring and insider threat detection essential to the protection of sensitive intelligence and information for the entire organization. Expected to be completed in FY 2024, the FBI Innovation Center is an approximately 250,000 square foot office building and central utility plant, that will come online as a training center of excellence for the FBI. The Innovation Center is a state-of-the-art facility dedicated to training, cyber threat intelligence, data analytics, and combatting the rapidly changing 21st century threats. The facility will house approximately 330 permanent personnel plus an additional 300 students per week for training. The building will also have a 22,000-square-foot indoor smart city (kinetic cyber range) and a virtual and augmented reality classroom with distance learning management systems. By FY 2024, the FBI will be responsible for maintaining a footprint of over 1,000,000 square feet across its entire RSA portfolio.

The RSA South Campus provides tremendous growth opportunities for the FBI and its law enforcement partners. The current and future FBI RSA facilities covered here reflect just a few of the innovative projects designed to ensure FBI agents and operational support personnel have state-of-the-art facilities, equipment, and training to combat increasingly complex global threats. The FBI will continue to expand on RSA with future technology capabilities brought to life through additional technology buildings anticipated to come online in 2026 and thereafter.

FBI's Cyber and Cybersecurity Plan

The FBI is implementing a strategy to impose risk and consequences on cyber adversaries through unique authorities, world-class capabilities, and enduring partnerships. The strategy provides needed human and technical resources to enable FBI partners to defend networks, attribute malicious activity, sanction bad behavior, and attack adversaries overseas. As part of this strategy, and consistent with recommendations of the U.S. Cyberspace Solarium Commission, the FBI has elevated the leadership, engagement, and coordination assets of the FBI-led multiagency NCIJTF, creating new mission centers based on key cyber threat areas. These mission centers are led by senior executives from partner agencies, integrating operations and intelligence across agency lines to sequence actions for maximum impact against cyber adversaries.

Bipartisan Safer Communities Act

The National Instant Criminal Background Check System (NICS) Section serves a critical role to enhance national security and public safety by conducting background checks to determine a person's eligibility to possess firearms or explosives in accordance with Federal and State laws. To meet this mission, the NICS Section must have sufficient resources to meet its no-fail mission. The FBI was appropriated \$100 million (no-year funds), in FY 2022, as part of the Bipartisan Safer Communities Act (BSCA) to support 170 additional positions and key IT investments. To date, the FBI has utilized \$45 million of these funds as part of its multi-year phased investment strategy.



Management's Discussion and Analysis

User Fee Study

Initiated in FY 2022, the FBI conducted an extensive business review of the name-based check and automation portions of the Enterprise Vetting Center (EVC)'s name-based background check user fee rate due to the on-going transformation in the business and operational environments to include changes in technology. The review culminated in FY 2023 and resulted in the FBI increasing the name-based check portion of the fee schedule for noncriminal justice background checks through the EVC to \$21.50, which is an increase of \$2.25 over the previous fee. The fee schedule also includes a \$2.00 automation charge to support updates and improvements to the EVC's technological infrastructure, resulting in a total fee for name-based noncriminal background checks of \$23.50.

A secondary independent user fee study was conducted to determine the costs associated with Continuous Vetting (CV) services on a monthly subscription basis for enrolled personnel. Based on the user fee study a \$0.25 per month fee for each submitted employee was established for noncriminal CV services.

This information for both fee schedules was published in the Notice of the Change in the Federal Register on May 23, 2023 and the fee schedules went into effect on July 1, 2023.

Over the Horizon

As the recent Hamas attack in Israel reminded the world, threats of terrorism are very real and dangerous, both overseas and domestically. The FBI is responding to increased threats to the homeland from terrorist organizations worldwide and from lone actors focused on targeting faith-based communities. Meanwhile, the People's Republic of China (PRC) uses every means at its disposal to target U.S. economic security—blending cyber, human intelligence, corporate transactions, and other means of attacking and exploiting U.S. companies to advance its own economic growth, national power, and military capability. The FBI will continue to focus its investigative and technical capabilities to target foreign intelligence threats seeking to undermine U.S. national and economic security. Each day, the FBI will continue working with law enforcement partners to investigate cartel leadership to thwart efforts to exploit U.S. borders and traffic dangerous drugs into communities across the country. In doing so, the FBI will work to protect the most precious national asset, the American people, from exploitation, drugs, and violence.

At a time when adversaries like China, Russia, cartels, terrorists, and violent criminals are ramping up their brazen attacks, the FBI will continue to work tirelessly each day to provide justice to communities and uphold the Constitution. At the same time, the FBI will ensure it remains a good steward of taxpayer resources given the budgetary constraints facing the federal government. The FBI will continue to implement cost-effective business practices that will maximize the FBI's return on investment to the American taxpayer.

Climate Related Financial Risks

The FBI recognizes that climate-related events could pose risk to FBI operations, facilities, finances, and human capital and continues assessing ways to mitigate these risks by evaluating those most vulnerable to climate change impacts. The FBI continues to work in conjunction with the Department in support of a comprehensive Climate Adaptation and Resilience Plan.

U.S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

INDEPENDENT AUDITORS' REPORT





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

Independent Auditors' Report

Inspector General
U.S. Department of Justice

Director
Federal Bureau of Investigation
U.S. Department of Justice

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the U.S. Department of Justice Federal Bureau of Investigation (FBI), which comprise the consolidated balance sheets as of September 30, 2023 and 2022, and the related consolidated statements of net cost, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the U.S. Department of Justice Federal Bureau of Investigation as of September 30, 2023 and 2022, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the FBI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-01 will always detect a material misstatement when it exists. The risk of



not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-01, we:

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

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2023, we considered the FBI's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the FBI's internal control. Accordingly, we do not express an opinion on the effectiveness of the FBI'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*.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the FBI's consolidated financial statements as of and for the year ended September 30, 2023 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-01.

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

Purpose of the Reporting Required by *Government Auditing Standards*

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the FBI's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
November 3, 2023

U.S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

PRINCIPAL FINANCIAL STATEMENTS AND RELATED NOTES





**U.S. Department of Justice
Federal Bureau of Investigation
Consolidated Balance Sheets
As of September 30, 2023 and 2022**

Dollars in Thousands	2023	2022
ASSETS (Note 2)		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 3)	\$ 6,603,222	\$ 5,992,049
Accounts Receivable, Net (Note 5)	361,488	398,082
Advances and Prepayments	19,736	7,318
Total Intragovernmental Assets	6,984,446	6,397,449
Other than Intragovernmental Assets:		
Cash and Other Monetary Assets (Note 4)	\$ 141,407	\$ 134,795
Accounts Receivable, Net (Note 5)	45,843	43,653
General Property, Plant and Equipment, Net (Note 7)	3,043,060	2,945,310
Advances and Prepayments	167,184	141,979
Other Assets (Note 8)	2	1
Total Other than Intragovernmental Assets	3,397,496	3,265,738
Total Assets	\$ 10,381,942	\$ 9,663,187
LIABILITIES (Note 9)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 160,311	\$ 122,021
Advances from Others and Deferred Revenue	49,313	67,156
Other Liabilities:		
Custodial Liabilities (Note 18)	2,453	3,401
Other (Note 13)	151,918	142,494
Total Intragovernmental Liabilities	363,995	335,072
Other than Intragovernmental Liabilities:		
Accounts Payable	\$ 424,631	\$ 412,816
Federal Employee Benefits Payable	599,544	582,665
Environmental and Disposal Liabilities (Note 10)	4,926	4,875
Advances from Others and Deferred Revenue	4,930	7,433
Other Liabilities:		
Seized Cash and Monetary Instruments (Note 12)	65,122	56,187
Other (Note 13)	353,186	330,854
Total Other than Intragovernmental Liabilities	1,452,339	1,394,830
Total Liabilities	\$ 1,816,334	\$ 1,729,902
Commitments and Contingencies (Note 14)		
NET POSITION		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 5,326,313	\$ 4,840,987
Cumulative Results of Operations - Funds from Other than Dedicated Collections	3,239,295	3,092,298
Total Net Position	\$ 8,565,608	\$ 7,933,285
Total Liabilities and Net Position	\$ 10,381,942	\$ 9,663,187

Federal Bureau of Investigation

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



**U.S. Department of Justice
Federal Bureau of Investigation
Consolidated Statements of Net Cost
For the Fiscal Years Ended September 30, 2023 and 2022**

Dollars in Thousands	2023	2022
Major Program 1: Law Enforcement		
Gross Cost	\$ 12,534,515	\$ 12,018,304
Less: Earned Revenues	1,125,236	1,034,941
Total Net Cost of Operations (Note 15)	\$ 11,409,279	\$ 10,983,363

Federal Bureau of Investigation

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



U.S. Department of Justice
Federal Bureau of Investigation
Combined Statements of Changes in Net Position
For the Fiscal Years Ended September 30, 2023 and 2022

Dollars in Thousands	2023	2022
Unexpended Appropriations		
Beginning Balances	\$ 4,840,987	\$ 4,235,884
Appropriations Received	11,343,195	10,961,895
Appropriations Transferred-In/Out	(48,382)	2,630
Other Adjustments	(748)	(273)
Appropriations Used	(10,808,739)	(10,359,149)
Net Change in Unexpended Appropriations	485,326	605,103
Total Unexpended Appropriations	\$ 5,326,313	\$ 4,840,987
Cumulative Results of Operations		
Beginning Balances	\$ 3,092,298	\$ 2,974,468
Appropriations Used	10,808,739	10,359,149
Transfers-In/Out Without Reimbursement	206,598	201,125
Imputed Financing (Note 16)	554,386	552,821
Other	(13,447)	(11,902)
Net Cost of Operations	(11,409,279)	(10,983,363)
Net Change in Cumulative Results of Operations	146,997	117,830
Total Cumulative Results of Operations	\$ 3,239,295	\$ 3,092,298
Net Position	\$ 8,565,608	\$ 7,933,285

Federal Bureau of Investigation

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



**U.S. Department of Justice
Federal Bureau of Investigation
Combined Statements of Budgetary Resources
For the Fiscal Years Ended September 30, 2023 and 2022**

Dollars in Thousands	2023	2022
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory) (Note 17)	\$ 3,167,866	\$ 2,747,365
Appropriations (discretionary and mandatory)	11,357,768	11,005,926
Spending Authority from Offsetting Collections (discretionary and mandatory)	<u>1,266,839</u>	<u>1,168,540</u>
Total Budgetary Resources	<u>\$ 15,792,473</u>	<u>\$ 14,921,831</u>
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	\$ 12,748,200	\$ 11,991,232
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	2,724,976	2,618,151
Unapportioned, Unexpired Accounts	<u>5,500</u>	<u>8,821</u>
Unexpired Unobligated Balance, End of Year	<u>2,730,476</u>	<u>2,626,972</u>
Expired Unobligated Balance, End of Year	<u>313,797</u>	<u>303,627</u>
Unobligated Balance - End of Year (Total)	<u>3,044,273</u>	<u>2,930,599</u>
Total Status of Budgetary Resources	<u>\$ 15,792,473</u>	<u>\$ 14,921,831</u>
Outlays, Net:		
Outlays, Net (Total) (discretionary and mandatory)	\$ 10,736,500	\$ 10,275,897
Less: Distributed Offsetting Receipts	<u>596</u>	<u>175</u>
Agency Outlays, Net (discretionary and mandatory)	<u>\$ 10,735,904</u>	<u>\$ 10,275,722</u>

Federal Bureau of Investigation

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



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies

A. Reporting Entity

The FBI, established in 1908, is an integral component of the DOJ. The FBI's vision is to be ahead of the threat and its mission is to protect the American people and uphold the Constitution of the U.S. This mission incorporates protecting and defending the U.S. against terrorist and foreign intelligence threats, upholding and enforcing the criminal laws of the U.S., and providing leadership and criminal justice services to federal, state, local, and international agencies and partners. The FBI also provides assistance to other federal, state, and local law enforcement agencies and the public at large. Assistance includes forensic services, training law enforcement officials, background investigations, name checks, fingerprint analyses, and cooperative criminal investigations.

The accompanying financial statements of the FBI include the following funds under the administrative and/or operational control of the FBI: appropriated single year, multi-year, and no-year S&E funds; and appropriated single year and no-year CNST funds. These funds include new appropriations, transfers of appropriations from other federal agencies, and the carry-over of prior years' unobligated balances for multi-year and no-year appropriated funds. The FBI also receives reimbursable funding from other agencies and the public for services rendered.

B. Basis of Presentation

These financial statements have been prepared from the books and records of the FBI in accordance with U.S. GAAP issued by the FASAB and presentation guidelines in the OMB Circular A-136. 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 FBI's budgetary resources. The accompanying financial statements include the accounts of all funds under the FBI's control. To ensure that the FBI's financial statements are meaningful at the entity level and to enhance reporting consistency within the Department, Other Liabilities, as defined by OMB Circular A-136, have been disaggregated on the Consolidated Balance Sheets. These include Custodial Liabilities and Seized Cash and Monetary Instruments.

C. Basis of Consolidation

The consolidated/combined financial statements include the accounts of the FBI. All significant proprietary intra-entity transactions and balances have been eliminated in consolidation. The Statements of Budgetary Resources are combined statements for FYs 2023 and 2022, and as such, intra-entity transactions have not been eliminated. The consolidated financial statements do not include centrally administered assets and liabilities of the Federal Government as a whole, such as General Services Administration (GSA) owned property and equipment, and borrowings from the public by Treasury, which may in part be attributed to the FBI.

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



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

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.

E. Non-Entity Assets

Non-Entity Assets represent assets temporarily controlled and administered by the FBI, but not available to the FBI as a financing source for operations. The FBI withholds state and local income taxes from taxable travel and transfer related expenses from FBI employees for subsequent disbursement to the applicable taxing authorities. Undisbursed withholdings at fiscal year-end are recorded as Non-Entity Assets on the Balance Sheet with an offsetting liability. Cash temporarily held by the FBI as evidence for legal proceedings is also included on the Balance Sheet as a non-entity asset with an offsetting liability.

F. Fund Balance with Treasury, and Cash and Other Monetary Assets

Fund Balance with Treasury primarily represents appropriated funds available to pay current liabilities and finance future authorized purchases of goods and services. Receipts are processed by commercial banks for deposit to individual accounts maintained at Treasury. Treasury and other Treasury-designated disbursing officers process cash receipts and disbursements as directed by authorized FBI certifying officers. The FBI field offices and legats maintain imprest funds to accommodate law enforcement cash requirements occurring outside normal banking system operating hours. The FBI'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. Accounts Receivable

Accounts Receivable are established for reimbursable expenses incurred by the FBI in providing goods and services ordered by other entities. Intragovernmental Accounts Receivable represents amounts due from federal entities and agencies, which are considered fully collectible. Receivables Other than Intragovernmental represent amounts due from state and local governments, individuals, and other non-federal entities.

The Allowance for Uncollectible Accounts calculation methodology is a percentage based on outstanding receivables by number of days outstanding weighted against the collection rate of receivables Other than Intragovernmental. An analytical review is conducted annually, and the percentages applied are updated as needed. An invoice Other than Intragovernmental is deemed delinquent if it is unpaid after 30 days or 180 days dependent upon the associated business line.

H. Inventory and Related Property

Operating Materials and Supplies (OM&S) consist of fuel, ammunition, spare aircraft parts, and office supplies. OM&S are valued at acquisition cost. Supplies and materials are for entity use only and are not for sale.

The FBI uses the purchase method, under Statement of Federal Financial Accounting Standards (SFFAS) No. 3, *Accounting for Inventory and Related Property* to record OM&S. Per SFFAS No. 3, an exception to the consumption method is provided when (1) the OM&S are not significant amounts (2) they are in the hands of the end users for use in normal operations, or (3) it is not cost-beneficial to apply the consumption method. The purchase method may be used if any of these circumstances exist.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

I. General Property, Plant, and Equipment (PP&E)

All general PP&E, except for land, is capitalized when the cost of acquiring the property meets the capitalization thresholds noted in the table below and has a useful life of two or more years. 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. The FBI calculates a salvage value of 10 percent or less for applicable capitalized property. Land is capitalized regardless of its acquisition cost and is never depreciated.

Expenditures for property and equipment with an acquisition cost or individual asset recognition value less than the applicable threshold are charged to operating expenses as incurred. The FBI uses work-in-process (WIP) accounts to capitalize expenditures associated with on-going leasehold improvement projects, the on-going construction of facilities, enhancements to aircraft, and the development of Internal Use Software that meet FBI's capitalization thresholds. Upon completion of the project(s), the applicable costs are transferred from WIP to a depreciable asset if the project exceeds the capitalization threshold.

Below are the capitalization thresholds (dollars in thousands):

Type of Property	FY 2023 Thresholds
Real Property	\$1,000
Personal Property	\$100
Aircraft	\$750
Internal Use Software	\$5,000

While the FBI owns some land, buildings, and other structures, it leases its HQ building, field office buildings, and warehouse space from the GSA. The FBI also leases office space from non-governmental entities, both in the U.S. and abroad. The FBI, independently, enters into lease agreements for the purchase of property, equipment, buildings, or facilities expressly for use in undercover investigative operations. These leases are classified as operating leases in the financial statements.

J. Advances and Prepayments

Advances and Prepayments classified as assets include funds disbursed to finance operations that exceed the total expenditures incurred. This amount also includes advances of funds to federal employees for official travel, and the balance of travel advances in excess of travel expenses claimed on reimbursement vouchers. When authorized by procurement regulations, payments made in advance of the FBI's receipt of goods and services are recorded as prepaid charges and recognized as expenditures/expenses when the related goods and services are received. Advances and Prepayments involving other federal agencies are classified as Intragovernmental, Advances and Prepayments on the Balance Sheet.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

K. Seized Property

All property seized for forfeiture, including property with evidentiary value, is reported by the DOJ Assets Forfeiture Fund and Seized Asset Deposit Fund. The FBI has an established reporting threshold of \$1 or more for personal property and digital assets seized for evidentiary purposes. The FBI reports each seized digital asset and personal property evidence record as a single unit of measure.

Cash in the custody of the FBI for evidentiary purposes is recognized as an asset on the Balance Sheet with an offsetting liability. Non-monetary valuable property held as evidence is disclosed in Note 6, Seized Property, Net and valued at the appraised or fair market value upon seizure, or, when market value could not be readily determined, as soon as reasonably possible. These items—such as, art and antiques, cryptocurrency, and jewelry—are not adjusted to any subsequent increases or decreases in estimated fair market value. Non-monetary valuable property is not recognized as an asset on the Balance Sheet.

Quantities of illegal drugs and firearms held as evidence are disclosed in Note 6, in accordance with SFFAS No. 3 and Federal Financial Accounting and Auditing Technical Release No. 4, *Reporting on Non-Valued Seized and Forfeited Property*. Reported quantities of drugs include only substances over one kilogram (KG) that are laboratory-analyzed and confirmed.

L. Digital Assets

Digital Assets refers to cryptocurrencies (e.g., Bitcoin, Ether, etc.), stablecoins, and Non-Fungible Tokens (NFT). The FBI primarily encounters digital assets through seizure and forfeiture activities related to law enforcement actions. The FBI records digital assets at fair market value at the point of seizure and records the seized value in Note 6, Seized Property, Net.

The FBI may hold seized digital assets for evidence, not for forfeiture or for use in limited law enforcement operations. In addition, the FBI may obtain digital assets for limited law enforcement operations to secure information or evidence. These operations are assessed annually, and the value of digital assets used is determined to be immaterial.

M. Liabilities

Liabilities represent the monies or other resources that are likely to be paid by the FBI as the result of a transaction or event that has already occurred. However, no liability can be paid by FBI 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 9.

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. Accounts Payable recorded under liabilities are amounts owed by FBI for goods and services received. When the FBI accepts title to goods, whether the goods are delivered or in transit, or incurs costs for services received, the FBI recognizes a liability for the unpaid amount of the goods and services. If invoices for those goods and services are not available when the Financial Statements are prepared, the amounts owed are estimated. Intragovernmental Accounts Payable consists of amounts owed to other Federal Government agencies, primarily to Department of Labor (DOL) and Office of Personnel Management (OPM) for employee benefits. The remaining Accounts Payable consist of amounts due to the public.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

N. Commitments and Contingencies

The FBI is party to various administrative proceedings, legal actions, and claims. The Balance Sheet includes an estimated liability for those legal actions where management and the Chief Counsel considers 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 14, Commitments and Contingencies. 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” by the Chief Counsel.

O. Annual, Sick, and Other Leave

Annual leave and compensatory leave are expensed as earned with an offsetting liability. Liabilities are reduced as leave is taken. At the end of each fiscal quarter, the balance in the accrued annual leave liability account is adjusted to reflect valuation at current pay rates. To the extent current-year or prior-year appropriations are not available to fund annual and compensatory leave that is earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

P. Interest on Late Payments

Pursuant to the Prompt Payment Act of 1999 (31 U.S.C. 3901-3907), the FBI pays interest to commercial concerns for payments made after the payment due date. The payment due date is generally 30 days after the receipt of a valid invoice by the designated activity, or 30 days after the receipt and acceptance of the goods or services, whichever is later. Interest is computed on the principal amount due at the rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611). Interest is paid for the period beginning one day after the principal payment due date and ending on the date on which the principal payment is made.

Q. Retirement Plans

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 FBI contributes 7.0 percent of the gross pay for regular employees and 7.5 percent 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 FBI contributes 18.4 percent of the gross pay for regular employees and 37.6 percent for law enforcement officers.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

- b) Employees hired January 1, 2013 through December 31, 2013, are covered by the Federal Employees Retirement System-Revised Annuity Employees (FERS-RAE) System. The FBI contributes 16.6 percent of the gross pay for regular employees and 35.8 percent for law enforcement officers.
- c) Employees hired January 1, 2014 or later are covered by the Federal Employees Retirement System-Further Revised Annuity Employees (FERS-FRAE). The FBI contributes 16.6 percent of the gross pay for regular employees and 35.8 percent for law enforcement officers.

The accompanying financial statements report expenses incurred by the FBI for required contributions made to retirement accounts administered by the OPM. All employees are eligible to contribute to the Federal Thrift Savings Plan (TSP). For employees covered by the FERS, FERS-RAE and FERS-FRAE, a TSP account is automatically established to which the FBI is required to contribute an additional 1.0 percent of gross pay and match employee contributions up to 4.0 percent. The FBI is not authorized to make automatic or matching contributions to the TSP for employees covered by CSRS. The FBI's financial statements do 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 OPM. 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.

The FBI recognizes an additional expense and an offsetting imputed financing source for FBI Pension and Other Retirement Benefits Expense not covered by employee and FBI contributions; this expense is ultimately paid by OPM. Refer to Note 16, Imputed Financing, for additional details.

R. Federal Employee Compensation Benefits (FECA)

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 any employee whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for FBI employees under FECA are administered by the DOL and are ultimately paid by the FBI.

The total FECA liability has two components: (1) unpaid billings and (2) an amount of estimated unbilled claims. Unpaid billings represent claims already paid by the DOL, which have not yet been reimbursed by the FBI. There is generally a two-year delay in the processing of the DOL payments through DOJ to the FBI. The FBI reports the unpaid billings as Accrued FECA Liabilities.

Unbilled claims are estimated by the DOL by applying actuarial projections to incurred (both reported and unreported) claims. The DOL calculates the actuarial liability of the Federal Government for future compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous approved compensation costs. The liability is determined using the paid-losses extrapolation method calculated over the next 37-year period. This method uses historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual benefit payments were discounted to present value. The resulting Federal Government liability is then distributed by the DOL to the respective departments.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

DOJ calculates and distributes each reporting components respective portion of the total DOJ actuarial liability that is recorded for reporting purposes only. The Federal Employee Benefits Payable constitutes an extended estimate of future costs that will be obligated against budgetary resources the fiscal year in which the cost is actually paid to DOL by DOJ and, subsequently, by the FBI.

S. Intragovernmental Activity

Intragovernmental costs and exchange revenues represent transactions made between two reporting entities within the Federal Government. Costs and earned revenues Other than Intragovernmental represent exchange transactions made between the reporting entity and a non-federal entity. The classification of revenue or cost as “Intragovernmental” or “Other than Intragovernmental” 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.

T. Revenues and Other Financing Sources

The FBI receives funding to support its programs and executes its assigned mission from three primary sources: (1) annual, no-year, and multi-year appropriations by the U.S. Congress; (2) appropriated funds transferred to the FBI; and (3) reimbursable program funding. Appropriated funds (appropriated to the FBI or appropriated to other federal entities and transferred to the FBI for execution) represent the majority of the FBI’s operating budget.

A source of revenue to the FBI are fees authorized by law for providing fingerprint-based and name-based criminal history record identification (CHRI) checks and other identification services submitted by authorized users for noncriminal justice purposes, including employment and licensing. The fee is based on full-cost recovery, determined by using an activity-based cost model. Per Public Law 101-515, the FBI may set such fees at a level to include an additional amount to establish a fund to defray expenses for the automation of fingerprint identification and criminal justice information services and associated costs. Fee schedules are announced in the Federal Register following a public comment period. The FBI is not authorized to charge fees for fingerprint identification and criminal justice information services for law enforcement purposes.

Other financing sources to the FBI include assets transferred to the FBI without reimbursement and imputed financing for: (1) FBI pension and other benefits expenses not covered by employee and FBI contributions and which are ultimately paid by OPM; and (2) expenses for legal claims paid out of the Treasury Judgment Fund on behalf of the FBI. Appropriations are recognized as financing sources when the goods and services authorized to be paid from the appropriations have been received and accepted, or when program or administrative expenses have been incurred. Revenue from reimbursable activities is recognized when it is earned, i.e., when the goods or services ordered have been delivered or rendered to the ordering entity. Additionally, the FBI generates proceeds from the sale of certain assets, primarily vehicles, which are categorized as a financing source.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

U. Funds from Dedicated Collections

SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds* 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/or other financing sources that distinguishes the fund from the Federal Government's general revenues.

The FBI does not have funds that meet the definition of Funds from Dedicated Collections.

V. Tax Exempt Status

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

W. Use of Estimates

The preparation of financial statements requires management to make 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.

X. Reclassifications

The FY 2022 financial statements were reclassified to conform to the Department's FY 2023 financial statements requirements. These reclassifications have no material effect on total assets, liabilities, net position, changes in net position, budgetary resources, or custodial activity as previously reported.

Y. Subsequent Events

Subsequent events and transactions occurring after September 30, 2023 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.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

1. Summary of Significant Accounting Policies (continued)

Z. Classified Activities

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

AA. Public-Private Partnerships

SFFAS No. 49, *Public-Private Partnerships: Disclosure Requirements* establishes principles to ensure that disclosures about Public-Private Partnerships (P3) are presented in the reporting entity's general purpose federal financial reports (GPFRR). The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before considering the P3 arrangement or transaction for disclosure.

SFFAS No. 49 exempts certain arrangements or transactions from the P3 disclosure requirements. Such exempt arrangements or transactions are subject to existing disclosure requirements in other SFFASs applicable to such arrangements or transactions.

As of September 30, 2023, the FBI did not identify any P3 arrangements that meet the SFFAS No. 49 disclosure requirements.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

2. Non-Entity Assets

As of September 30, 2023 and 2022	2023	2022
Other than Intragovernmental		
Cash and Other Monetary Assets	\$ 108,649	\$ 90,849
Accounts Receivable, Net	3,954	4,821
Total Other than Intragovernmental	<u>112,603</u>	<u>95,670</u>
Total Non-Entity Assets	112,603	95,670
Total Entity Assets	<u>10,269,339</u>	<u>9,567,517</u>
Total Assets	<u>\$ 10,381,942</u>	<u>\$ 9,663,187</u>

Non-Entity Assets are assets that are held by the FBI but are not available for its use in its operations.

3. Fund Balance with Treasury

As of September 30, 2023 and 2022	2023	2022
Status of Fund Balances with Treasury		
Unobligated Balance - Available	\$ 2,724,976	\$ 2,618,151
Unobligated Balance - Unavailable	319,297	312,448
Obligated Balance not yet Disbursed	3,591,630	3,105,916
Non-Budgetary Fund Balance with Treasury	<u>(32,681)</u>	<u>(44,466)</u>
Total Status of Fund Balances	<u>\$ 6,603,222</u>	<u>\$ 5,992,049</u>

Unobligated Balance – Available includes current year apportionments that may be used for new obligations and amounts restricted for use in future fiscal years (apportioned as Category C) and amounts available for obligation in a subsequent period. For the Fiscal Years ended, September 30, 2023, and 2022, the amounts restricted for future use are \$77,739 and \$120,985, respectively.

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. Additionally, this line includes amounts received that are restricted to future use and as a result are not apportioned for current use.

Obligated Balance not yet Disbursed includes obligations of appropriated funds and obligations related to reimbursable activity.

Non-Budgetary Fund Balance with Treasury includes unavailable receipt accounts and clearing accounts that do not have budget authority.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

4. Cash and Other Monetary Assets

As of September 30, 2023 and 2022		
	<u>2023</u>	<u>2022</u>
Cash		
Imprest Funds	\$ 32,757	\$ 43,946
Other	43,528	34,662
Total Cash	<u>76,285</u>	<u>78,608</u>
Other Monetary Assets		
Seized Monetary Instruments	65,122	56,187
Total Other Monetary Assets	<u>65,122</u>	<u>56,187</u>
Total Cash and Other Monetary Assets	<u>\$ 141,407</u>	<u>\$ 134,795</u>

Imprest Funds reflects monies dedicated for operational support, such as petty cash and emergency funds.

Other Cash consists of project-generated proceeds.

Seized Monetary Instruments represents cash and cash equivalent evidence obtained during FBI investigations held pending release to the rightful owners.

5. Accounts Receivable, Net

As of September 30, 2023 and 2022		
	<u>2023</u>	<u>2022</u>
Intragovernmental		
Accounts Receivable	\$ 361,488	\$ 398,082
Other than Intragovernmental		
Accounts Receivable	45,878	43,676
Allowance for Uncollectible Accounts	<u>(35)</u>	<u>(23)</u>
Total Other than Intragovernmental	<u>45,843</u>	<u>43,653</u>
Total Accounts Receivable, Net	<u>\$ 407,331</u>	<u>\$ 441,735</u>

Intragovernmental receivables are based on services provided to other federal agencies for activities such as name checks, requests for international travel, and training. The significant types of receivables reported in Other than Intragovernmental include the Non-Federal User Fee Program and the National Name Check Program. These customers are typically state and local government agencies conducting background checks on individuals.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

6. Seized Property, Net

Analysis of Change in Seized Property:

Seized Monetary Instruments (see also Notes 4 and 12) includes cash held by the FBI as evidence for legal proceedings, and is reported on the Balance Sheet as an asset, with an offsetting liability. Non-monetary evidence includes art, jewelry, and other valuables (see Note 1.K). According to SFFAS No. 3 and DOJ guidelines, evidence items subject to forfeiture are not disclosed by the seizing agency, but rather are reported by the DOJ Asset Forfeiture Program. Digital Assets (see Note 1.L) refers to cryptocurrencies, stablecoins, and NFTs. The FBI records digital assets at fair market value at the point of seizure and each seized evidence record represents a single unit of measure. As of September 30, 2023, the FBI's top seized digital assets were Bitcoin and Ether.

The item counts and the financial value of non-monetary valuable property in the custody of the FBI as of September 30, 2023 and 2022, excluding forfeited evidence or evidence subject to forfeiture proceedings, and activity during each fiscal year are summarized in the following charts in accordance with SFFAS No. 3. Drug evidence is presented in accordance with Federal Financial Accounting and Auditing Technical Release No. 4. Analyzed drug evidence represents actual laboratory-tested classification and weight in kilograms (KG). Since enforcement of the controlled substances laws and regulations of the U.S. is incidental to the mission of the FBI, only individual seizures exceeding one KG in weight are reported. "Other" primarily consists of substances, both controlled and non-controlled as defined per the Controlled Substances Act, other than cocaine, heroin, marijuana, or methamphetamine. The actual drug weight may vary from seizure weight due to changes in moisture content over time.

Seized drug evidence must be analyzed and confirmed through laboratory testing to be placed in one of the five categories of drugs above. Unanalyzed drug evidence is not reported by the FBI because it is neither weighed nor confirmed by laboratory chemists.

For the Fiscal Year Ended September 30, 2023						
Seized Property Category		Beginning Balance	Adjustments*	Seizures	Disposals	Ending Balance
Seized for Evidence						
Seized Monetary Instruments	Value	\$ 56,187	\$ (6,345)	\$ 21,729	\$ (6,449)	\$ 65,122
Digital Assets	Number	61	(10)	79	(12)	118
	Value	\$ 441,131	\$ (413,021)	\$ 160,542	\$ (9,118)	\$ 179,534
Personal Property	Number	319	(53)	17	(40)	243
	Value	\$ 5,459	\$ (832)	\$ 320	\$ (1,653)	\$ 3,294
Non-Valued						
Firearms	Number	36,019	(1,713)	4,919	(2,870)	36,355
Drug Evidence						
Cocaine	KG	5,977	644	806	(379)	7,048
Heroin	KG	537	(11)	4	(50)	480
Marijuana	KG	1,148	37	22	(98)	1,109
Methamphetamine	KG	9,346	(1,948)	2,305	(419)	9,284
Other	KG	606	165	241	(21)	991
Total Drug Evidence	KG	17,614	(1,113)	3,378	(967)	18,912



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

6. Seized Property, Net (continued)

For the Fiscal Year Ended September 30, 2022							
Seized Property Category		Beginning Balance	Adjustments*	Seizures	Disposals	Ending Balance	
Seized for Evidence							
Seized Monetary Instruments	Value	\$ 63,004	\$ (12,455)	\$ 11,458	\$ (5,820)	\$ 56,187	
Digital Assets	Number	2	18	44	(3)	61	
	Value	\$ 2,850	\$ 13,328	\$ 425,133	\$ (180)	\$ 441,131	
Personal Property	Number	379	(20)	30	(70)	319	
	Value	\$ 6,603	\$ (1,252)	\$ 1,735	\$ (1,627)	\$ 5,459	
Non-Valued Firearms	Number	36,134	(3,405)	6,359	(3,069)	36,019	
Drug Evidence							
Cocaine	KG	5,760	329	240	(352)	5,977	
Heroin	KG	473	71	14	(21)	537	
Marijuana	KG	995	53	139	(39)	1,148	
Methamphetamine	KG	7,620	1,462	452	(188)	9,346	
Other	KG	383	160	86	(23)	606	
Total Drug Evidence	KG	15,231	2,075	931	(623)	17,614	

*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 when an item is appraised and are not subsequently adjusted.

Method of Disposition of Seized Property:

During FYs 2023 and 2022, \$13,639 and \$3,154, respectively, were returned to parties with a bona fide interest, and \$3,581 and \$4,473, respectively, were either released to a designated party or transferred to the appropriate federal entity under abandonment proceedings. Non-valued property was primarily disposed of through destruction.



U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)

7. General Property, Plant, and Equipment, Net

As of September 30, 2023	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 7,653	\$ -	\$ 7,653	N/A
Construction in Progress	459,114	-	459,114	N/A
Buildings, Improvements, and Renovations	1,874,018	(660,224)	1,213,794	2-50 years
Other Structures and Facilities	415,461	(128,755)	286,706	10-50 years
Equipment & Vehicles	1,375,637	(789,585)	586,052	5-30 years
Leasehold Improvements	967,833	(661,311)	306,522	2-20 years
Internal Use Software	1,960,900	(1,797,564)	163,336	2-10 years
Internal Use Software in Development	19,883	-	19,883	N/A
Total	\$ 7,080,499	\$ (4,037,439)	\$ 3,043,060	

As of September 30, 2022	Acquisition Cost	Accumulated Depreciation	Net Book Value	Useful Life
Land and Land Rights	\$ 7,834	\$ -	\$ 7,834	N/A
Construction in Progress	239,169	-	239,169	N/A
Buildings, Improvements, and Renovations	1,847,441	(600,308)	1,247,133	2-50 years
Other Structures and Facilities	411,066	(111,021)	300,045	10-50 years
Equipment & Vehicles	1,348,677	(739,775)	608,902	5-30 years
Leasehold Improvements	944,646	(606,441)	338,205	2-20 years
Internal Use Software	1,922,149	(1,748,243)	173,906	2-10 years
Internal Use Software in Development	30,116	-	30,116	N/A
Total	\$ 6,751,098	\$ (3,805,788)	\$ 2,945,310	

	2023 Net PP&E	2022 Net PP&E
Balance at Beginning of Year	\$ 2,945,310	\$ 3,095,259
Capitalized Acquisitions	397,976	329,765
Dispositions	(8,659)	(17,044)
Transfers In/Out Without Reimbursements	(2,287)	37
Revaluations	(5,686)	10,170
Depreciation Expense	(283,594)	(274,682)
Other	-	(198,195)
Balance at End of Year	\$ 3,043,060	\$ 2,945,310



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

8. Other Assets

Other than Intragovernmental Other Assets consist of cancelled or unconfirmed Treasury disbursements awaiting reissuance, cancellation, or confirmation by the FBI. Other than Intragovernmental Other Assets as of September 30, 2023, and 2022 are \$2 and \$1, respectively.

9. Liabilities Not Covered by Budgetary Resources

As of September 30, 2023 and 2022	2023	2022
Intragovernmental		
Other Liabilities		
Accrued FECA Liabilities	\$ 41,274	\$ 36,768
Other Unfunded Employment Related Liabilities	102	187
Total Intragovernmental	<u>41,376</u>	<u>36,955</u>
Other than Intragovernmental		
Federal Employee Benefits Payable	587,328	570,974
Environmental and Disposal Liabilities (Note 10)	4,926	4,875
Advances from Others and Deferred Revenue	4,930	-
Other Liabilities		
Contingent Liabilities (Note 14)	47,440	40,400
Total Other than Intragovernmental	<u>644,624</u>	<u>616,249</u>
Total Liabilities Not Covered by Budgetary Resources	686,000	653,204
Total Liabilities Covered by Budgetary Resources	1,126,228	1,072,346
Total Liabilities Not Requiring Budgetary Resources	<u>4,106</u>	<u>4,352</u>
Total Liabilities	<u>\$ 1,816,334</u>	<u>\$ 1,729,902</u>

Federal Employee Benefits Payable primarily includes Unfunded Leave Liability and Actuarial FECA Liability. As of September 30, 2023, and 2022, the Unfunded Leave Liability are \$371,323 and \$368,953, respectively, and the Actuarial FECA Liability are \$216,005 and \$202,021, respectively.

Liabilities Not Covered by Budgetary Resources reports the receipt of goods and services, or eligible events in the current or prior periods, for which funds to pay the liabilities have not been made available through appropriations to the FBI.

Liabilities Not Requiring Budgetary Resources reports liabilities that have not in the past required and will not in the future require the use of budgetary resources.

10. Environmental and Disposal Liabilities

In accordance with the SFFAS No. 5, SFFAS No. 6, *Accounting for Property, Plant, and Equipment*, Federal Financial Accounting and Auditing Technical Release No. 2, *Environmental Liabilities Guidance*, and Federal Financial Accounting and Auditing Technical Release No. 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, federal agencies are required to recognize liabilities for environmental cleanup costs when the future outflow or sacrifice of resources is probable and reasonably estimable.

As environmental-related cleanup costs are paid, the liabilities are reduced. Additionally, estimates will be revised periodically to account for material changes due to inflation, technology, plans, and applicable laws and regulations. Any material changes in the estimated total cleanup costs will be expensed when estimates are revised and the liability balance adjusted.

Federal Bureau of Investigation

These notes are an integral part of the financial statements.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

10. Environmental and Disposal Liabilities (continued)

As of September 30, 2023 and 2022		
	2023	2022
Firing Ranges		
Beginning Balance, Brought Forward	\$ 2,303	\$ 2,303
Asbestos		
Beginning Balance, Brought Forward	2,572	2,522
Inflation Adjustment	3	2
Future Funded Expenses	48	48
Total Asbestos Liability	2,623	2,572
Total Environmental and Disposal Liabilities	\$ 4,926	\$ 4,875

Section 112 of the Clean Air Act requires the U.S. Environmental Protection Agency (EPA) to develop and enforce regulations to protect the general public from exposure to airborne contaminants known to be hazardous to human health. On March 31, 1971, the EPA identified asbestos as a hazardous pollutant, and on April 6, 1973, the EPA first promulgated the Asbestos National Emissions Standards for Hazardous Air Pollutants.

The FBI exercises due care in determining the presence of contamination in adherence to the law, rules and regulations, and policies of the Clean Air Act. The FBI has identified FBI-owned facilities in Quantico that contain hazardous friable and non-friable asbestos. The facilities have a useful life of 70 years. The total estimated asbestos liability of \$3,327 is based on an environmental survey of the facilities that may be contaminated. The current estimated asbestos cleanup liability of \$2,623 is the total estimated asbestos liability divided by the useful life and multiplied by the number of years in service, less any current year abatements, and adjusted for inflation. The estimated asbestos cleanup liability is adjusted each quarter by recording future funded expenses for the asbestos cleanup costs. As of September 30, 2023, and 2022, the FBI reported the estimated asbestos cleanup liability of \$2,623 and \$2,572, respectively.

EPA's Statement on National Guidance EPA-902-B-01-001, *Best Management Practices for Lead at Outdoor Shooting Ranges* discusses the potential environmental impacts of firing ranges. The FBI has identified owned range facilities in Quantico, VA and El Toro, CA that contain possible contamination issues based on the Federal Financial Accounting and Auditing Technical Release No. 2 and EPA-902-B-01-001. Due care requires the agency to exert a reasonable effort to identify the presence or likely presence of contamination. The FBI completed a remedial investigation/feasibility study (RI/FS) for the Quantico ranges in March 2015 which is used to estimate the cost of cleanup for the Quantico ranges. The FBI has not conducted a RI/FS for the El Toro ranges. Technical Release No. 2 then requires the agency to recognize the anticipated cost of conducting a future study, plus any other identifiable costs, as a future environmental and disposal liability. The FBI has estimated the cost of the RI/FS for El Toro based on the cost of the Quantico study, adjusted for range size.

The estimated total firing range liability of \$2,303 is based on the estimated costs for contamination remediation. As of September 30, 2023, and 2022, the FBI reported the estimated firing range cleanup liability of \$2,303 and \$2,303, respectively. There are no other potentially responsible parties to the environmental liability and there are no unrecognized amounts to disclose as of September 30, 2023.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

11. Leases

The majority of space occupied by the FBI is leased from the GSA. The rental cost is based on the area occupied at the commercial rate per square foot, negotiated by the GSA along with appropriate GSA fees. The majority of the leases are cancelable; however, if tenant improvement (TI) costs are amortized in the lease and the FBI terminates prior to the end of the amortized period, the FBI will be responsible for the unpaid TI costs.

Lease terms are typically between 15 to 20 years for field offices and 10 to 15 years for RAs. Some leases for field offices and RAs are non-cancelable. When field offices relocate, often from space leased for 20 years or longer, the rental rates may increase. The field offices that relocate will accommodate the FBI's mission set, growth in workforce, space needs, and increased security requirements.

As of September 30, 2023			
Future Noncancelable Operating Lease Payments Due			
Intragovernmental			
<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2024	308,446	-	308,446
2025	316,023	-	316,023
2026	311,081	-	311,081
2027	306,073	-	306,073
2028	307,225	-	307,225
After 2028	2,816,246	-	2,816,246
Total Future Noncancelable Operating Lease Payments	<u>\$ 4,365,094</u>	<u>\$ -</u>	<u>\$ 4,365,094</u>
Other than Intragovernmental			
<u>Fiscal Year</u>	<u>Land and Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
2024	4,747	4,284	9,031
2025	2,572	-	2,572
2026	1,920	-	1,920
2027	1,428	-	1,428
2028	948	-	948
After 2028	1,131	-	1,131
Total Future Noncancelable Operating Lease Payments	<u>\$ 12,746</u>	<u>\$ 4,284</u>	<u>\$ 17,030</u>

12. Seized Cash and Monetary Instruments

Seized Cash and Monetary Instruments represents liabilities for seized assets held by the FBI pending disposition. The Seized Cash and Monetary Instruments as of September 30, 2023, and 2022 are \$65,122 and \$56,187, respectively.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

13. Other Liabilities

All Other Liabilities are current and presented in the following table:

As of September 30, 2023 and 2022		
	2023	2022
Intragovernmental		
Benefit Program Contributions Payable	\$ 130,971	\$ 122,805
Employer Contributions and Payroll Taxes Payable	19,488	18,891
Liability for Clearing Accounts	(120)	(674)
Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity	1,579	1,472
Total Intragovernmental	151,918	142,494
Other than Intragovernmental		
Accrued Funded Payroll and Leave	261,105	255,198
Other Liabilities without Related Budgetary Obligations	43,527	34,662
Liability for Clearing Accounts	195	153
Contingent Liabilities	47,440	40,400
Other Liabilities	919	441
Total Other than Intragovernmental	353,186	330,854
Total Other Liabilities	\$ 505,104	\$ 473,348
Portion of Total Other Liabilities not covered by Budgetary Resources	\$ 88,816	\$ 77,355

Other than Intragovernmental Other Liabilities consists of amounts withheld from employees' salaries for taxes, employee benefit contributions, garnishments, and other withholdings.

14. Commitments and Contingencies

As of September 30, 2023	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
Legal Contingencies:			
Probable	\$ 47,440	\$ 47,440	\$ 306,475
Reasonably Possible	-	41,812	80,368

As of September 30, 2022	Accrued Liabilities	Estimated Range of Loss	
		Lower	Upper
Legal Contingencies:			
Probable	\$ 40,400	\$ 40,400	\$ 288,750
Reasonably Possible	-	25,856	52,944



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

15. Suborganization Program Costs

The tables below break out costs and revenue across the reported DOJ Major Program.

For the Fiscal Year Ended September 30, 2023			
	Suborganizations		Consolidated
	CNST	S&E	
Major Program 1: Law Enforcement			
Gross Cost	\$ 62,779	\$ 12,471,736	\$ 12,534,515
Less: Earned Revenue	-	1,125,236	1,125,236
Net Cost of Operations	<u>\$ 62,779</u>	<u>\$ 11,346,500</u>	<u>\$ 11,409,279</u>

For the Fiscal Year Ended September 30, 2022			
	Suborganizations		Consolidated
	CNST	S&E	
Major Program 1: Law Enforcement			
Gross Cost	\$ 86,617	\$ 11,931,687	\$ 12,018,304
Less: Earned Revenue	-	1,034,941	1,034,941
Net Cost of Operations	<u>\$ 86,617</u>	<u>\$ 10,896,746</u>	<u>\$ 10,983,363</u>

16. Imputed Financing

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 FBI from a providing federal entity that is not part of the DOJ. In accordance with SFFAS No. 55, *Amending Inter-entity Cost Provisions*, SFFAS No. 30, *Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts*, the material Imputed Inter-Departmental Financing Sources recognized by the FBI are the cost of benefits for the Federal Employees Health Benefits Program (FEHB), the Federal Employees Group Life Insurance Program (FEGLI), the Federal Pension plans that are paid by other federal entities, and any unreimbursed payments made from the Treasury Judgment Fund on behalf of the FBI. The Treasury Judgment Fund was established by Congress and funded at 31.U.S. Code 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 No. 2, *Accounting for Treasury Judgment Fund Transactions*, requires agencies to recognize liabilities and expense when unfavorable litigation outcomes are probable and the amount can be estimated and will be paid by the Treasury Judgment Fund.

SFFAS No. 5 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 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:



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

16. Imputed Financing (continued)

	Category	Cost Factor (%)
Civil Service Retirement System (CSRS)	Regular Non-Postal	50.4
	Offset Non-Postal	36.9
	Law Enforcement	83.8
	Offset Law Enforcement	70.9
Federal Employees Retirement System (FERS)	Regular Non-Postal	22.4
	Regular Non-Postal - Revised Annuity Employees (RAE)	22.9
	Regular Non-Postal - Further Revised Annuity Employees (FRAE)	23.2
	Law Enforcement	47.4
	Law Enforcement - RAE	48.1
	Law Enforcement - FRAE	48.4

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

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 the FBI from a providing entity that is part of the DOJ. 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 FBI does not have any imputed intra-departmental financing sources.

For the Fiscal Years Ended September 30, 2023 and 2022		
	2023	2022
Imputed Inter-Departmental Financing		
Treasury Judgment Fund	\$ 6,787	\$ 224,632
Health Insurance	309,140	281,370
Life Insurance	875	848
Pension	237,584	45,971
Total Imputed Financing	\$ 554,386	\$ 552,821



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

17. Information Related to the Statement of Budgetary Resources

Net Adjustments to Unobligated Balance, Brought Forward, October 1

As of September 30, 2023 and 2022		
	2023	2022
Unobligated Balance Brought Forward from Prior Year	\$ 2,930,599	\$ 2,465,672
Adjustments to Budgetary Resources Made During Current Year		
Downward Adjustments of Prior Year Undelivered Orders	\$ 243,605	\$ 271,035
Downward Adjustments of Prior Year Delivered Orders	15,542	15,002
Other Adjustments	(21,880)	(4,344)
Total Adjustments	237,267	281,693
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 3,167,866	\$ 2,747,365

Net adjustments to Unobligated Balance, Brought Forward, October 1 primarily includes activity relating to Downward Adjustments of Prior-Year Undelivered and Delivered Orders, Transfers of Prior-Year Balances, and other changes in obligated balances. There were no material corrections of errors relating to the Net Adjustments to Unobligated Balance, Brought Forward, October 1.

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, 2023 and 2022		
	2023	2022
Intragovernmental		
UDO Obligations Unpaid	\$ 449,368	\$ 434,804
UDO Obligations Prepaid/Advanced	19,736	7,318
Total Intragovernmental	469,104	442,122
Other than Intragovernmental		
UDO Obligations Unpaid	2,712,913	2,328,879
UDO Obligations Prepaid/Advanced	167,184	141,979
Total Other than Intragovernmental	2,880,097	2,470,858
Total UDO	\$ 3,349,201	\$ 2,912,980

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 based on annual legislative requirements and other enabling authorities, unless otherwise restricted. The use of unobligated balances is restricted based on annual legislation requirements and other enabling authorities. Funds are appropriated on an annual, multi-year, and no-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 have been placed on those funds by law. Amounts in expired fund symbols are not available for new obligations but may be used to adjust previously established obligations.

Federal Bureau of Investigation

These notes are an integral part of the financial statements.



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

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

Explanation of Differences between the SBR and the Budget of the U.S. Government:

The Statement of Budgetary Resources (SBR) versus the Budget of the U.S. Government as of September 30, 2022, is presented below.

The reconciliation as of September 30, 2023, is not presented, because the submission of the Budget of the U.S. Government for FY 2025, which presents the execution of the FY 2023 Budget, occurs after publication of these financial statements. The DOJ Budget Appendix can be found on the OMB website and will be available after the FY 2025 President’s Budget is published.

Expired Funds are reported in the FBI’s SBR, but not reported in the Budget.

For the Fiscal Year Ended September 30, 2022 (Dollars in Millions)				
	Total Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Agency Outlays, Net
Statement of Budgetary Resources (SBR)	\$ 14,922	\$ 11,991	\$ -	\$ 10,276
Funds not Reported in the Budget				
Expired Funds	(428)	(124)	-	-
Distributed Offsetting Receipts	-	-	-	-
Other	(1)	-	-	-
Budget of the United States Government	<u>\$ 14,493</u>	<u>\$ 11,867</u>	<u>\$ -</u>	<u>\$ 10,276</u>

18. Custodial Revenues

For the Fiscal Years ended September 30, 2023, and 2022, the FBI collected \$1,616 and \$3,082, 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 to the Treasury’s General Fund. As of September 30, 2023, and 2022, the FBI had Custodial Liabilities of \$2,453 and \$3,401 respectively.

19. Reconciliation of Net Costs to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The Reconciliation of Net Outlays, presented on a budgetary basis, and the Net Cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The reconciliation explains the relationship between the Net Cost of Operations and Net Outlays by presenting (1) Components of Net Cost That Are Not Part of Budgetary Outlays (e.g., depreciation and amortization expenses of assets previously capitalized, change in asset/liabilities); and (2) Components of



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

19. Reconciliation of Net Costs to Net Outlays (continued)

Net Outlays That Are Not Part of Net Cost (e.g., acquisition of capital assets); and (3) Other Temporary Timing Difference (e.g. prior period adjustments due to correction of error). The analysis below illustrates this reconciliation by listing the key differences between Net Cost and Net Outlays.

Other Components of Net Operating Cost Not Part of the Budgetary Outlays includes primarily Cost Capitalization Offset, Advances and Prepayments, Contingent Liabilities, and Other Liabilities with/without Related Budgetary Obligations.

For the Fiscal Year Ended September 30, 2023			
	<u>Intra- governmental</u>	<u>Other than Intra- governmental</u>	<u>Total FY 2023</u>
NET COST	\$ 2,993,354	\$ 8,415,925	\$ 11,409,279
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(283,594)	(283,594)
Property, Plant, and Equipment Disposals and Revaluations	-	(8,658)	(8,658)
Increase/(Decrease) in Assets			
Accounts Receivable, Net	(36,594)	3,042	(33,552)
Other Assets	12,418	43,006	55,424
(Increase)/Decrease in Liabilities			
Accounts Payable	(38,268)	(11,837)	(50,105)
Environmental and Disposal Liabilities	-	(51)	(51)
Federal Employee Benefits Payable	-	(16,880)	(16,880)
Other Liabilities	9,081	(28,724)	(19,643)
Financing Sources			
Imputed Costs	(554,386)	-	(554,386)
Total Components of Net Cost Not Part of the Budgetary Outlays	<u>(607,749)</u>	<u>(303,696)</u>	<u>(911,445)</u>
Component of the Budgetary Outlays Not Part of Net Cost			
Acquisition of Capital Assets	39,664	226,853	266,517
Acquisition of Other Assets	1,232	124,541	125,773
Financing Sources			
Transfers Out (In) Without Reimbursement	(167,061)	-	(167,061)
Total Component of the Budgetary Outlays Not Part of Net Cost	<u>(126,165)</u>	<u>351,394</u>	<u>225,229</u>
Misc Items			
Distributed Offsetting Receipts	(555)	(41)	(596)
Custodial/Non-Exchange revenue	192	13,245	13,437
Total Other Reconciling Items	<u>(363)</u>	<u>13,204</u>	<u>12,841</u>
TOTAL NET OUTLAYS	<u>\$ 2,259,077</u>	<u>\$ 8,476,827</u>	<u>\$ 10,735,904</u>
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			<u>\$ 10,735,904</u>



**U.S. Department of Justice
Federal Bureau of Investigation
Notes to the Principal Financial Statements
(Dollars in Thousands, Except as Noted)**

19. Reconciliation of Net Costs to Net Outlays (continued)

For the Fiscal Year Ended September 30, 2022			
	<u>Intra- governmental</u>	<u>Other than Intra- governmental</u>	<u>Total FY 2022</u>
NET COST	\$ 2,960,348	\$ 8,023,015	\$ 10,983,363
Components of Net Cost That Are Not Part of Budgetary Outlays:			
Property, Plant, and Equipment Depreciation Expense	-	(274,682)	(274,682)
Property, Plant, and Equipment Disposals and Revaluations	-	(17,044)	(17,044)
Increase/(Decrease) in Assets			
Accounts Receivable, Net	6,771	3,523	10,294
Other Assets	10,751	(17,053)	(6,302)
(Increase)/Decrease in Liabilities			
Accounts Payable	(4,142)	(33,588)	(37,730)
Environmental and Disposal Liabilities	-	(50)	(50)
Federal Employee Benefits Payable	-	41,423	41,423
Other Liabilities	(10,868)	(47,763)	(58,631)
Financing Sources			
Imputed Costs	(552,821)	-	(552,821)
Total Components of Net Cost That are Not Part of Budgetary Outlays	<u>(550,309)</u>	<u>(345,234)</u>	<u>(895,543)</u>
Component of Budgetary Outlays That Are Not Part of Net Cost:			
Acquisition of Capital Assets	22,043	295,199	317,242
Acquisition of Other Assets	8	22,685	22,693
Financing Sources			
Transfers Out (In) Without Reimbursement	(163,758)	-	(163,758)
Total Component of Budgetary Outlays That Are Not Part of Net Cost	<u>(141,707)</u>	<u>317,884</u>	<u>176,177</u>
Misc Items			
Distributed Offsetting Receipts	(82)	(93)	(175)
Custodial/Non-Exchange revenue	-	11,900	11,900
Total Other Reconciling Items	<u>(82)</u>	<u>11,807</u>	<u>11,725</u>
TOTAL NET OUTLAYS	<u>\$ 2,268,250</u>	<u>\$ 8,007,472</u>	<u>\$ 10,275,722</u>
Budgetary Agency Outlays, Net (SBR 4210)			
Budgetary Agency Outlays, Net			<u>\$ 10,275,722</u>

U.S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)





**U.S. Department of Justice
Federal Bureau of Investigation
Required Supplementary Information
Deferred Maintenance and Repairs
For the Fiscal Years Ended September 30, 2023**

1. Deferred Maintenance and Repairs

SFFAS No. 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Standards 6, 14, 29 and 32*, defines deferred maintenance and repairs as activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive maintenance; replacement of parts, systems, or components, and other activities needed to preserve or maintain the asset. Maintenance and repairs, as distinguished from capital improvements, exclude activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.

The FBI is responsible for several locations such as: Quantico, the Criminal Justice Information Services Division (CJIS) in Clarksburg, West Virginia, and Redstone Arsenal. The FBI owns law enforcement ammunition testing facility, technology and administration buildings, and training facilities at Redstone Arsenal in Huntsville, Alabama. The agency also manages the FBI Academy and research center in Quantico, Virginia, technology data centers at CJIS and Pocatello, Idaho, and a central records complex in Winchester, Virginia. In this regard, deferred maintenance and repairs are activities that were not performed when they should have been, or that were scheduled to be performed but were delayed for a future period. Deferred maintenance and repair amounts represent the cost to restore an asset's condition so that the asset provides acceptable services and achieves its expected life.

The FBI tracks maintenance and repair requests through internal property management systems and has processes in place to assess the condition of fixed assets and equipment (including vehicles, aircraft, and watercraft) to validate that all assets are in an acceptable working condition.

Based on the FBI's review of internal data we have determined that all capital assets are currently maintained in an operational status and the FBI does not have any reportable deferred maintenance and repairs as of September 30, 2023.



**U.S. Department of Justice
Federal Bureau of Investigation
Combining Statement of Budgetary Resources
By Major Appropriation
For the Fiscal Years Ended September 30, 2023 and 2022**

2. Combining Statement of Budgetary Resources

Dollars in Thousands	2023		
	<u>CNST</u>	<u>S&E</u>	<u>TOTAL</u>
Budgetary Resources:			
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 1,805,373	\$ 1,362,493	\$ 3,167,866
Appropriations (discretionary and mandatory)	707,084	10,650,684	11,357,768
Spending Authority from Offsetting Collections (discretionary and mandatory)	-	1,266,839	1,266,839
Total Budgetary Resources	<u>\$ 2,512,457</u>	<u>\$ 13,280,016</u>	<u>\$ 15,792,473</u>
Status of Budgetary Resources:			
New Obligations and Upward Adjustments (Total)	\$ 542,841	\$ 12,205,359	\$ 12,748,200
Unobligated Balance, End of Year:			
Apportioned, Unexpired Accounts	1,969,616	755,360	2,724,976
Unapportioned, Unexpired Accounts	-	5,500	5,500
Unexpired Unobligated Balance, End of Year	1,969,616	760,860	2,730,476
Expired Unobligated Balance, End of Year	-	313,797	313,797
Unobligated Balance - End of Year (Total)	1,969,616	1,074,657	3,044,273
Total Status of Budgetary Resources	<u>\$ 2,512,457</u>	<u>\$ 13,280,016</u>	<u>\$ 15,792,473</u>
Outlays, Net:			
Outlays, Net (Total) (discretionary and mandatory)	\$ 255,781	\$ 10,480,719	\$ 10,736,500
Less: Distributed Offsetting Receipts	-	596	596
Agency Outlays, Net (discretionary and mandatory)	<u>\$ 255,781</u>	<u>\$ 10,480,123</u>	<u>\$ 10,735,904</u>

Federal Bureau of Investigation

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



**U.S. Department of Justice
Federal Bureau of Investigation
Combining Statement of Budgetary Resources
By Major Appropriation
For the Fiscal Years Ended September 30, 2023 and 2022**

2. Combining Statement of Budgetary Resources (continued)

Dollars in Thousands	2022		
	<u>CNST</u>	<u>S&E</u>	<u>TOTAL</u>
Budgetary Resources:			
Unobligated Balance from Prior Year Budget Authority, Net (discretionary and mandatory)	\$ 1,331,167	\$ 1,416,198	\$ 2,747,365
Appropriations (discretionary and mandatory)	632,000	10,373,926	11,005,926
Spending Authority from Offsetting Collections (discretionary and mandatory)	-	1,168,540	1,168,540
Total Budgetary Resources	\$ 1,963,167	\$ 12,958,664	\$ 14,921,831
Status of Budgetary Resources:			
New Obligations and Upward Adjustments (Total)	\$ 167,265	\$ 11,823,967	\$ 11,991,232
Unobligated Balance, End of Year:			
Apportioned, Unexpired Accounts	1,794,518	823,633	2,618,151
Unapportioned, Unexpired Accounts	1,384	7,438	8,821
Unexpired Unobligated Balance, End of Year	1,795,902	831,071	2,626,972
Expired Unobligated Balance, End of Year	-	303,627	303,627
Unobligated Balance - End of Year (Total)	1,795,902	1,134,698	2,930,599
Total Status of Budgetary Resources	\$ 1,963,167	\$ 12,958,664	\$ 14,921,831
Outlays, Net:			
Outlays, Net (Total) (discretionary and mandatory)	\$ 239,708	\$ 10,036,189	\$ 10,275,897
Less: Distributed Offsetting Receipts	-	175	175
Agency Outlays, Net (discretionary and mandatory)	\$ 239,708	\$ 10,036,014	\$ 10,275,722

Federal Bureau of Investigation

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



**U.S. Department of Justice
Federal Bureau of Investigation
Land Acreage
For the Fiscal Year Ended September 30, 2023**

3. Land

The FBI owns and maintains land for operational mission specific purposes. The land procured is used for constructing buildings, ranges, and other structures. All FBI owned land is subject to capitalization and is recorded at acquisition cost. Land is not subject to depreciation. As of September 30, 2023, the FBI owns 1,976 acres of Operational Use Land.

The FBI does not own Conservation and Preservation or Commercial Use Land.

	Conservation and Preservation	Operational	Commercial Use	Total Estimated Land Acres
Beginning - PY Estimated Acres	-	1,902	-	1,902
Ending - PY Estimated Acres	-	1,976	-	1,976
Ending - CY Estimated Acres	-	1,976	-	1,976
Held for Disposal or Exchange				
Ending - PY Estimated Acres	-	-	-	-
Ending - CY Estimated Acres	-	-	-	-