

FY 2009



U.S. DEPARTMENT OF **ENERGY**



SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

DOE/CF-0045

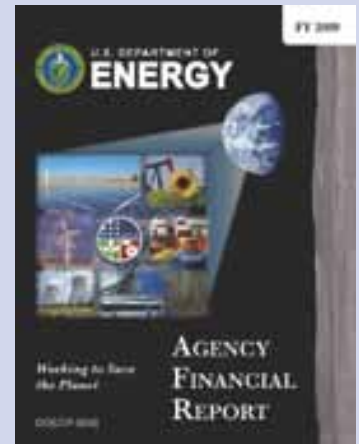
FOREWORD

The [Reports Consolidation Act of 2000](#) authorizes Federal agencies, with the [Office of Management and Budget's](#) (OMB) concurrence, to consolidate various reports in order to provide performance, financial and related information in a more meaningful and useful format. In accordance with the Act, the Department of Energy (Department or DOE), has produced a consolidated Performance and Accountability Report (PAR) in previous years. For fiscal year (FY) 2009, the Department has chosen to produce an alternative report to the consolidated PAR and will produce an Agency Financial Report, an Annual Performance Report and a Summary of Performance and Financial Information, pursuant to the OMB Circular A-136. This reporting approach simplifies and streamlines the performance presentations, while utilizing the Internet for providing and leveraging additional performance information. The Department's FY 2009 reporting includes the following three components:

Agency Financial Report (AFR)

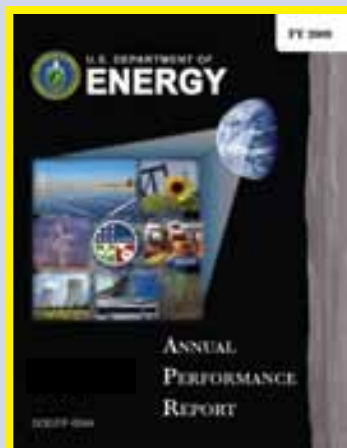
The AFR is organized by the following three major sections:

- *Management's Discussion and Analysis* section provides executive-level information on the Department's history, mission, organization, Secretarial priorities, analysis of financial statements, systems, controls and legal compliance, and other challenges facing the Department.
- *Financial Results* section provides a Message from the Chief Financial Officer, the Department's consolidated and combined financial statements, and the Auditors' Report.
- *Other Accompanying Information* section provides the Inspector General's Statement of Management and Performance Challenges, Improper Payments Information Act Reporting details, and other statutory reporting.



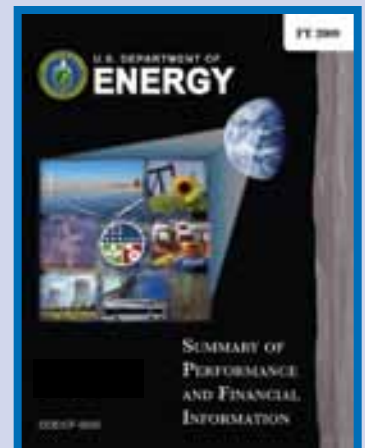
Annual Performance Report (APR)

The APR is produced in conjunction with the Department's Congressional Budget Justifications and provides detailed performance information and descriptions of results by each performance measure.



Summary of Performance and Financial Information

This document highlights the most important performance and financial information from the APR and AFR in a brief, executive format.



This report meets the following legislated reporting requirements:

- Improper Payments Information Act (IPIA) of 2002 permits reporting on agency efforts to identify and reduce erroneous payments.
- Reports Consolidation Act of 2000 requires the consolidated reporting of performance, financial and related information in a PAR.
- Federal Financial Management Improvement Act (FFMIA) of 1996 requires an assessment of the agency's financial systems for adherence to Government-wide requirements.
- Government Management Reform Act (GMRA) of 1994 requires agency audited financial statements.
- Government Performance and Results Act (GPRA) of 1993 requires agency strategic planning and performance management reporting.
- Federal Managers' Financial Integrity Act (FMFIA) of 1982 requires a report on the status of internal controls and the agency's most serious problems.
- Inspector General (IG) Act of 1978 (Amended) requires information on management actions in response to IG audits.
- Department of Energy Organization Act of 1977 requires an annual report on agency activities.

All three of these reports are accessible through the DOE website, www.energy.gov/about/budget.htm



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MISSION

Discovering the solutions to power and secure America's future

The Department has been operating under a strategic plan that was formulated in 2006. Since the arrival of Secretary Chu at DOE with the new Administration during FY 2009, priorities have been shifted to align with President Obama's agenda. The Department is currently working on a new strategic plan and expects to finalize it during calendar year 2010. The following table illustrates the relationship between the 2009 Secretarial Priorities and the 2006 Strategic Plan.



President Obama and Secretary Chu

2009 SECRETARIAL PRIORITIES	2006 STRATEGIC THEMES
 Science, Discovery and Innovation	 Scientific Discovery and Innovation
 Economic Prosperity  Clean, Secure Energy	 Energy Security
 National Security	 Nuclear Security  Environmental Responsibility
	 Management Excellence



Solar roof at DOE headquarters building in Washington, D.C.

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MESSAGE FROM THE SECRETARY



I am pleased to present the Department of Energy's Fiscal Year 2009 Summary of Performance and Financial Information. This report highlights the Department's financial and performance information for Congress and the American people. It summarizes our efforts to manage taxpayer resources efficiently and responsibly while accomplishing our mission of "Discovering the solutions to power and secure America's future."



This report is one of three integrated reporting components. The more detailed reports, the FY 2009 Agency Financial Report and the FY 2009 Annual Performance Report, are available on our web site at Energy.gov.

In response to this difficult economic period, the Department of Energy is making critical investments in a multi-year effort to address the interconnected challenges of economic uncertainty, U.S. dependence on oil, and the threat of a changing climate. Meeting these challenges will require both swift action in the near-term and a sustained commitment for the long-term to build a new economy powered by clean, reliable, affordable, and secure energy.

Near-term action to stimulate the economy came from the American Recovery and Reinvestment Act of 2009, which was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jumpstart our economy and create or save millions of jobs. The Recovery Act also made a down payment on our clean energy future. In fiscal year 2009, the Department of Energy received nearly \$37 billion through the Recovery Act to complement the base appropriation of \$34 billion. The base appropriation increased by over \$9 billion from the FY 2008 level due to additional funding of the Advanced Technology Vehicles Manufacturing Loan program and numerous science, energy, and national security initiatives.

The short-term impact of the Recovery Act combined with the new approaches and long-term vision of this administration are beginning to lay the groundwork for a new clean energy economy. These investments are crucial to ensuring America can compete for the jobs of the future and lead the world in a new Industrial Revolution in clean energy.

Since assuming my new role as the Secretary of Energy this year, one of my top priorities has been to amplify the fundamental research undertaken by the Office of Science with novel approaches to solving the Nation's energy problems. While the Department has made important contributions over the years, we are still confronted by the fundamental problem of energy security and the looming threat of climate change. To address these challenges, the Department is launching three initiatives designed to cover the spectrum of basic to applied science to maximize our chances of advanced energy technology breakthroughs:

- Energy Frontier Research Centers -- small-scale collaborations, predominantly at universities, that focus on overcoming known hurdles in basic science that block energy breakthroughs versus developing energy technologies themselves;
- Advanced Research Projects Agency-Energy -- a highly entrepreneurial funding model that explores potentially revolutionary technologies that are too risky for industry to fund; and
- Energy Innovation Hubs -- multi-disciplinary, highly collaborative teams ideally working under one roof to solve priority technology challenges, such as artificial photosynthesis (creating fuels from sunlight).

The independent public accounting firm KPMG LLP conducted an audit of the Department's fiscal year 2009 financial statements contained in this report. Based on the results of that audit, I am proud to announce that the Department has received an unqualified audit opinion. Based on our internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete and reliable and accurately describes the results achieved by the Department.

As Secretary, I assure you that Department of Energy employees take their work seriously, and I applaud their efforts. We have set ambitious goals and stand ready to meet the challenges of today and the future.

A handwritten signature in black ink, appearing to read "Steven Chu".

Steven Chu
February 15, 2010

DOE AT A GLANCE

Organization

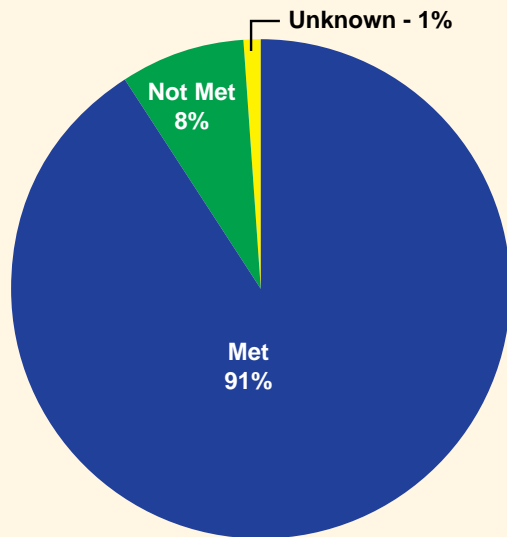
DOE is comprised of 3 Offices of Under Secretaries (Nuclear Security/NNSA, Energy, and Science), 4 Power Marketing Administrations, the Energy Information Administration, the Advanced Research Projects Agency-Energy, 13 staff and support offices, 22 operations and area offices, and 24 research laboratories and facilities.
<http://www.energy.gov/organization/index>

Personnel

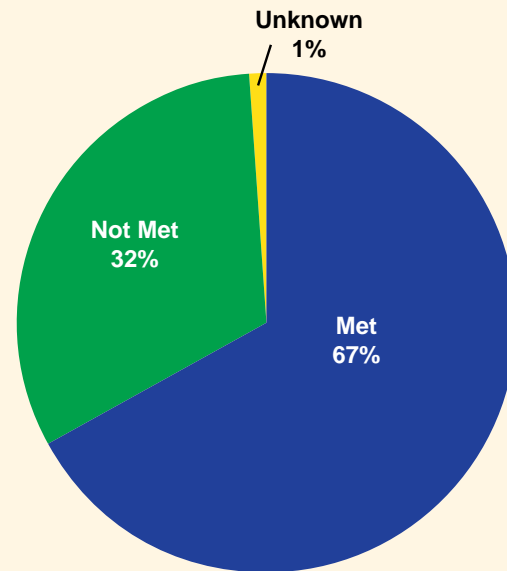
The FY 2009 workforce was comprised of 16,207 on-board federal employees and 91,294 estimated contractor employees. DOE is responsible for 17 national laboratories; the large number of contractor employees is attributable to the highly specialized scientific and technical skill mixes required to manage and operate these facilities.
<http://humancapital.doe.gov/resources/DOEStrategicHumanCapitalPlan511.pdf>

2009 Performance Measures

Base Programs
 (funded from FY 2009 base appropriations)



Recovery Act Projects



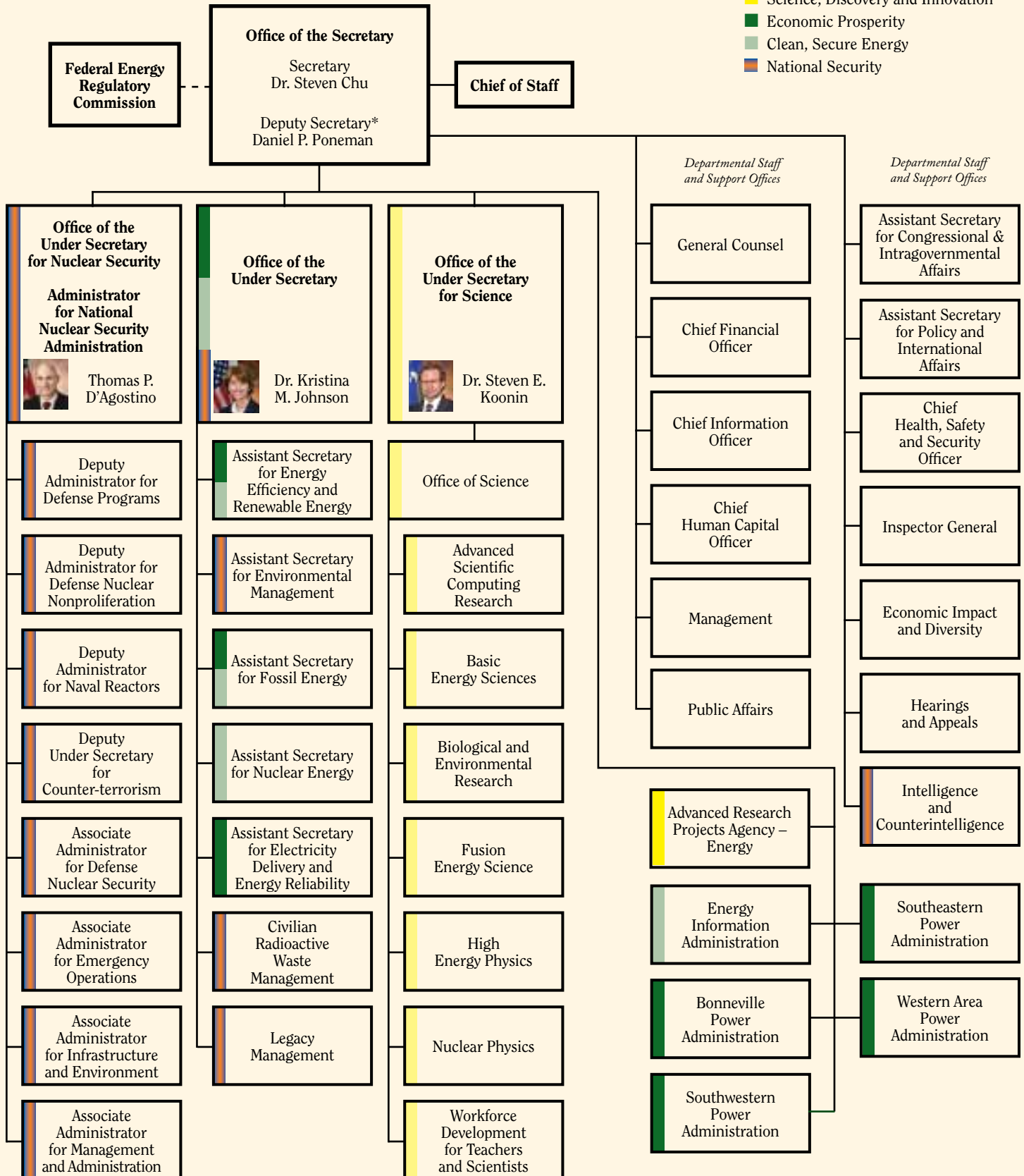
2009 Financials

Audit Opinion	Unqualified
Total Assets	\$ 182.0 billion
Total Liabilities	\$ 361.5 billion
Net Cost of Operations	\$ 40.8 billion
Total Budgetary Resources	\$ 83.2 billion
Net Outlays	\$ 23.7 billion

AGENCY ORGANIZATIONAL STRUCTURE

CURRENT SECRETARIAL PRIORITIES

- Science, Discovery and Innovation
- Economic Prosperity
- Clean, Secure Energy
- National Security



* The Deputy Secretary also serves as the Chief Operating Officer

PERFORMANCE AND RESOURCE SUMMARY

The Department was able to meet 92 percent of the FY 2009 targets for its base programs (funded from FY 2009 base appropriations), based on tracking of 208 performance measures which are also included in its annual budget. Recovery Act projects were assessed separately; 66 percent of the FY 2009 targets for these projects were met, based on 143 performance measures.

2009 Secretarial Priority	2006 Strategic Theme	Base Program	FY 2009 Budgetary Expenditures Incurred ^a (million \$)	FY 2009 Performance Targets		
				Met	Not Met	Unknown
Science, Discovery and Innovation	Scientific Discovery and Innovation	High Energy Physics	\$ 724	4	0	0
		Nuclear Physics	515	2	3	0
		Biological & Environmental Research	551	7	0	0
		Fusion Energy Sciences	320	3	0	0
		Basic Energy Sciences	1,252	4	0	0
		Advanced Scientific Computing Research	302	2	0	0
Economic Prosperity	Energy Security	Electricity Delivery & Energy Reliability	139	7	1	0
		Western Area Power Administration	678	3	0	0
		Bonneville Power Administration	3,001	3	0	0
		Southeastern Power Administration	69	2	0	0
		Southwestern Power Administration	42	4	0	0
		Building Technologies	125	5	0	1
		Industrial Technologies	57	3	0	0
		DEMP/FEMP	22	2	0	0
		Weatherization	522	1	1	0
		State Energy Programs	7	2	0	0
Clean, Secure Energy	Energy Security	Petroleum Reserves	776	3	0	0
		Hydrogen Technology	17	4	1	0
		Biomass & Biorefinery Systems R&D	204	6	1	0
		Solar Energy	357	3	1	0
		Wind Energy	57	2	2	0
		Geothermal Technology	19	2	0	0
		Water Power	5	2	0	0
		Vehicle Technologies	227	4	1	0
		Near-Zero Atmospheric Emissions Coal-Based Electricity & Hydrogen Production	362	12	0	1
		New Nuclear Generation Technologies	414	5	0	0
National Security	Nuclear Security	National Nuclear Infrastructure	55	2	0	0
		Energy Information Administration	98	3	0	0
		Office of the Administrator	403	2	0	0
		Directed Stockpile Work	1,505	4	1	0
		Science Campaign	318	4	0	0
		Engineering Campaign	149	5	0	0
		Inertial Confinement Fusion Ignition & High Yield Campaign	458	5	0	0
		Advanced Simulation & Computing Campaign	534	4	0	0
		Readiness Campaign	153	4	0	0
		Readiness in Technical Base & Facilities	1,706	3	1	0
		Secure Transportation Asset	223	5	0	0
		Nuclear Weapons Incident Response	217	1	0	0
		Facilities & Infrastructure Recapitalization Program	168	3	0	0
Environmental Projects & Operations	23	2	0	0		
Defense Nuclear Security	721	3	0	0		

National Security	Nuclear Security	Cyber Security	120	3	0	0
		Nonproliferation & Verification R&D	400	6	0	0
		Elimination of Weapons-Grade Plutonium Production	171	4	0	0
		Nonproliferation & International Security	199	5	0	0
		International Nuclear Materials Protection & Cooperation	553	5	1	0
		Fissile Materials Disposition	462	2	1	0
		Global Threat Reduction Initiative	273	4	0	0
		Naval Reactors	811	5	0	0
	Environmental Responsibility	Environmental Management	7,183	6	1	0
		Nuclear Waste Disposal	279	2	0	0
Legacy Management		165	1	0	1	
Total			\$ 28,111	190	16	2

Recovery Act Project	FY 2009 Budgetary Expenditures Incurred ^a (million \$)	FY 2009 Performance Targets		
		Met	Not Met	Unknown
Energy Efficiency and Renewable Energy:				
- Biomass	\$ 1.6	3	1	0
- Solar Energy	0.4	0	3	0
- Geothermal Technology	0.05	4	1	0
- Wind Energy	0	3	1	0
- Water Power	0	1	0	0
- Hydrogen Technologies	5.4	1	0	0
- Vehicle Technologies	0	4	1	0
- Community Renewable Energy Deployment	0.01	1	0	0
- Energy Efficiency & Conservation Block Grants	3.7	1	0	0
- Building Technologies	0.7	3	2	0
- Industrial Technologies	0.4	3	1	0
- State Energy Programs	28.2	1	0	0
- Federal Energy Management Program	0.2	2	0	0
- Facilities & Infrastructure	0.01	0	3	0
- Appliance Rebate Program	0.02	1	0	0
- Weatherization	263	0	1	0
Environmental Management	654	17	17	0
Electricity Delivery & Energy Reliability	1.9	6	1	0
Loan Guarantees	27.1	2	1	0
Fossil Energy	2.9	5	0	0
Western Area Power Administration	1.8	0	0	1
Science:				
- High Energy Physics	6.8	5	2	0
- Nuclear Physics	18.7	11	0	0
- Biological & Environmental Research	9.7	6	0	0
- Fusion Energy Sciences	1.8	4	5	0
- Basic Energy Sciences	22.1	6	0	0
- Advanced Scientific Computing Research	0.9	2	4	0
- Laboratories Infrastructure	15.0	2	2	0
Advanced Research Projects Agency-Energy	0.7	1	0	0
Total	\$ 1,067^b	95	46	1

Note: This table has been revised from the "Performance Measure Scorecard" shown in the FY 2009 Agency Financial Report; it now reflects FY 2009 data.

^a Budgetary Expenditures Incurred is synonymous with delivered orders -- amounts accrued or paid for services performed, goods and tangible property received, or for programs for which no current service is required such as loans. Budgetary Expenditures are obtained from the Budgetary Standard General Ledger and are reported/recorded based on budgetary accounting rules. Includes capital expenditures but excludes such items as depreciation, changes in unfunded liability estimates, and certain other non-fund costs and allocations of Departmental Administration activities.

^b Total Recovery Act budget authority was \$36.7 billion.

SECRETARIAL PRIORITIES AND PROGRAM PERFORMANCE

The following programmatic discussion is aligned with the Secretary's new priorities and objectives in order to provide a bridge to the future direction of the Department. The new Secretarial priorities include: science, discovery and innovation; economic prosperity; clean, secure energy; and national security.

The financial and other related information presented in this report is structured around the themes and goals of the 2006 Strategic Plan. Crosswalks are included where possible for linking the new priorities to the 2006 Strategic Plan. The Department's initiatives related to the Recovery Act are also discussed throughout this section.

PRIORITY 1

SCIENCE, DISCOVERY AND INNOVATION

Invest in science to achieve transformational discoveries

2009 Secretarial Objectives:

- Organize and focus on breakthrough science
- Develop and nurture science and engineering talent
- Coordinate DOE work across the Department, across the government, and globally
- Provide science and technology inputs needed for global climate negotiations
- Develop and deploy technology solutions domestically and globally
- Advance climate science to better understand the human impact on the global environment

Supporting Offices:

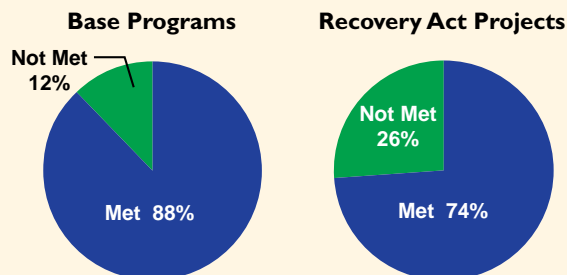
Science, [ARPA-E](#)

The Department's science mission is the delivery of scientific discoveries and major scientific tools to transform our understanding of nature and to advance the energy, economic, and national security of the United States. This mission supports the President's plan to increase Federal investment in the sciences, train students and researchers in critical fields, invest in areas critical to our clean energy future, and make the United States a leader on climate change while maintaining a role in international science and energy experiments. The Department supports more than 12,000 Ph.D. scientists who work in the 17 national labs and more than 25,000 visiting Ph.D.s, graduate students, undergraduates, engineers, and technicians.

Investments in Science

The Department's Science program is the single largest supporter of basic research in the physical sciences in the United States, providing more than 40 percent of total federal funding for this vital area. In FY 2009, a total of \$4.7 billion (budgetary expenditures) was invested in the science mission.

2009 Performance:



2006 Strategic Theme/Goal:

- Theme 3. Scientific Discovery & Innovation
 - Goal 1. Scientific Breakthroughs
 - Goal 2. Foundations of Science
 - Goal 3. Research Integration

Recovery Act Investments – Recovery Act funding of \$1.6 billion was designated for the Science program. Included in this funding are ongoing construction projects to deliver major scientific user facilities for the nation; investments in existing scientific user facilities, which host more than 24,000 users each year; many important energy-related and basic research investments; support for students and early-career scientists; and investments in national laboratory infrastructure modernization projects. The following is a list of some of the approved projects:

- \$277 million for [Energy Frontier Research Centers](#) at universities and DOE national laboratories across the country. These centers will accelerate the transformational basic science needed to develop plentiful and cost-effective alternative energy sources and to pursue advanced research. They integrate the talents and expertise of leading scientists in a setting designed to accelerate research toward meeting our critical energy challenges.

- \$150 million for ongoing construction of the National Synchrotron Light Source-II at Brookhaven National Laboratory in Upton, New York. This new, state-of-the-art high intensity light source is expected to facilitate major breakthroughs in next-generation energy technologies, materials science, and biotechnology.
- \$123 million for major construction, modernization, and needed decommissioning of laboratory facilities at Oak Ridge National Laboratory in Oak Ridge, Tennessee; Lawrence Berkeley National Laboratory in Berkeley, California; and Brookhaven National Laboratory in Long Island, NY.
- \$65 million for construction of the 12-Billion Electron Volt Upgrade of the Continuous Electron Beam Accelerator Facility at Thomas Jefferson National Accelerator Facility in Newport News, Virginia. This upgrade will provide an international community of physicists with a cutting-edge facility for studying the basic building blocks of the visible universe.

Three Bioenergy Research Centers – Led by Lawrence Berkeley National Laboratory, Oak Ridge National Laboratory, and the University of Wisconsin at Madison in partnership with Michigan State University, these centers support multidisciplinary teams of leading scientists whose goal is to accelerate transformational breakthroughs needed to understand the [conversion of cellulose](#) (plant fibers) to biofuels. A major focus is on understanding how to reengineer biological processes to develop new, more efficient methods for converting the cellulose in plant material into ethanol or other biofuels that serve as a substitute for gasoline. This research is critical because future biofuels production will require the use of feedstocks more diverse than corn, including cellulosic material like agricultural residues, grasses, poplar trees, inedible plants, and non-edible portions of crops.

Revolutionary Technologies – DOE established a new program, the [Advanced Research Projects Agency-Energy](#), through Recovery Act funding of \$400 million that focuses on high-risk, high-payoff concepts – technologies promising true energy transformation. Projects will advance the goals of promoting energy efficiency and reducing oil consumption and greenhouse gas emissions. Although this program is in its infancy, it has already processed 3,678 concept papers, (with each concept paper receiving at least two reviews during FY 2009) and organized and coordinated 382 merit reviews.

Workforce and Environmental Challenges

Solve Grand Energy Challenges – Advances in scientific understanding in physics, chemistry, biology, and supercomputing are needed to lead to next-generation breakthrough technologies that will provide the foundation for America's future economic prosperity and energy security. Immediate advances are needed in such areas as solar energy

utilization (photovoltaics), advanced biofuels (cellulosic ethanol), electric energy storage (batteries), superconductivity (electrical grid modernization), and geosciences (carbon sequestration).

Leverage Advanced Computing – In 2010, the Department will focus on applying high-fidelity simulation methodologies developed in the course of stockpile stewardship to accelerate technological innovation and facilitate the transfer to industry of this unique capability to enhance U.S. economic competitiveness. In the next five years, the Department seeks to achieve tangible outcomes such as validating high-fidelity simulations of internal combustion engines, regions of the power grid, fission, and conventional power plants.

Develop Skilled Workforce – There is a growing need for scientists and engineers in the private and public sectors, including researchers, to operate the national laboratories across the nation. Providing technical and scientific training is vital to ensure that America remains competitive and prosperous. DOE manages a Workforce Development for Teachers and Scientists initiative (http://www.sc.doe.gov/Program_Offices/Workforce_Development.htm) to provide a continuum of opportunities to the nation's students and teachers of science, technology, engineering and mathematics. This initiative is comprised of several programs: graduate fellowships, student and teacher programs, science internships, education web sites, and the National Science Bowl.

Environmental Cleanup – The Department utilizes its national laboratories in partnership with universities to improve the technologies to characterize and quantify radioactive waste, and to simulate and experimentally validate alternative management options for used nuclear fuel. Better data in these areas can help resolve problems in contract management that place the agency at risk for fraud, waste, and abuse.

Performance and Shortfalls

In FY 2009, the Department was able to achieve 88% of its performance measure targets for base programs (funded from FY 2009 base appropriations) under the Science, Discovery and Innovation priority. Under Recovery Act projects within this priority area, 74% of performance targets were met. The metrics not met were because of mechanical/electronic failures of systems or issues with beam targets in research experiments; or because of funds processing issues or project reviews not completed in time, which were rectified after the close of the fiscal year. For example, the Continuous Electron Beam Accelerator Facility detector achieved goal for Halls A and B with the percentage of scheduled delivered beam considered effective at 95.9% for Hall A and 86.6% for Hall B. The Hall C goal was not met. Core problem in Hall C was primarily the failure of a target.

PRIORITY 2

ECONOMIC PROSPERITY

Drive the revolution to create clean energy jobs and increase competitiveness

2009 Secretarial Objectives:

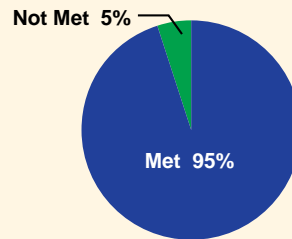
- Save Americans money through efficiency
- Increase clean energy production
- Promote the development of an efficient, “smart” electricity transmission and distribution network
- Enable responsible domestic production of oil and natural gas
- Create a green workforce
- Foster clean energy innovation and entrepreneurship

Supporting Offices:

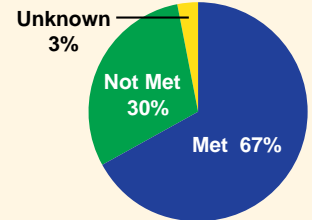
[Energy Efficiency and Renewable Energy](#), [Fossil Energy](#), [Electricity Delivery and Energy Reliability](#), [Nuclear Energy](#), [Energy Information Administration](#), [Power Marketing Administrations](#)

2009 Performance:

Base Programs



Recovery Act Projects



2006 Strategic Theme/Goals:

- Theme 1. Energy Security
- Goal 1. Energy Diversity
- Goal 3. Energy Infrastructure
- Goal 4. Energy Productivity

The Department is working to help communities across the nation become more prosperous by providing the means to produce clean energy infrastructure and use energy more effectively. Through additional funding from the Recovery Act, DOE is providing grants and incentives for efficient energy; promoting the development of an efficient, “smart” electricity transmission and distribution network; and funding the production of low-carbon energy sources, batteries, fuels, and electric transportation infrastructure domestically – programs that will help create and save jobs. It is estimated that Recovery Act funding for DOE will create 400,000 jobs in the U.S. economy. (This data is calculated from Council of Economic Advisers, *Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009*, May 2009; where \$92,000 of direct government spending creates one job year.)

Grants and Incentives

Recovery Act Investments – The Recovery Act has provided grants and incentive programs for state, local, tribal and territorial governments to quickly adopt energy efficiency programs, as follows:

- \$5 billion to expand the [Weatherization Assistance Program](#), lowering energy costs for low-income families and creating green jobs across the country.
- \$3.2 billion in Energy Efficiency and Conservation [Block Grant Program](#) to assist states, U.S. territories, Indian tribes, counties and cities develop programs that use less fossil fuel and improve energy efficiency in the transportation and building sectors.

- \$3.1 billion for the [State Energy Program](#) for consumer efficiency upgrades and retrofits, promotion of ENERGY STAR® products, transportation sector fuel efficiency upgrades, and public/private partnerships for the implementation of energy efficiency and renewable energy initiatives.
- \$300 million for the [Clean Cities Alternative Fuel Vehicles Program](#) to support local programs that contribute to the reduction of petroleum consumption, enabling local governments and transit authorities to expand advanced vehicle fleets and fueling infrastructure.
- \$300 million in [appliance rebates](#) to state-run rebate programs for consumer purchases of new ENERGY STAR® qualified home appliances.

Local Energy Efficiency Programs – \$450 million in competitive block grants designed to catalyze a nationwide energy upgrade that could reduce utility bills for households and businesses. The Recovery Act’s “Retrofit Ramp-Up” program will pioneer innovative models for rolling out energy efficiency to hundreds of thousands of homes and businesses in a variety of communities.

Battery Innovations – The development of inexpensive and durable [batteries](#) is one of the most important components of building a fleet of hybrid and plug-in hybrid electric vehicles and for renewable energy deployment. DOE has provided

\$2 billion in Recovery Act funds to build domestic battery manufacturing capabilities in order to gain a foothold in the growing world market.

Automotive Industry Transformation – Through the Advanced Technology Vehicles Manufacturing Loan program, DOE authorized \$8.6 billion in conditional loan commitments for the development of [advanced technology vehicles](#) that will create thousands of jobs while helping to reduce the nation's dependence on oil. The following is a list of the automotive manufacturers and loan amounts that were approved during FY 2009:

- Ford Motor Company – \$5.9 billion to transform factories across Illinois, Kentucky, Michigan, Missouri, and Ohio to produce 13 more fuel efficient models.
- Nissan North America, Inc. – \$1.6 billion to retool its Smyrna, Tennessee, factory to build advanced electric automobiles and to build an advanced battery manufacturing facility.
- Tesla Motors – \$465 million to manufacture electric drive trains and electric vehicles in California.
- Fisker Automotive – \$528.7 million to develop two lines of plug-in hybrids.

Modernization of the Electrical Grid – Recovery Act funds of \$4.5 billion were allotted for electricity delivery and energy reliability activities to modernize the [electrical grid](#) that include demand responsive equipment; enhanced security and reliability of the energy infrastructure; energy storage research, development, demonstration, and deployment; facilitation of recovery from disruptions to the energy supply; and implementation of Smart Grid programs authorized under Title XXIII of the Energy Independence and Security Act of 2007. The Recovery Act also provided a combined \$6.5 billion in borrowing authority for construction of transmission lines for renewable energy for the Western Area Power Administration (WAPA) and construction of transmission and other power activities for the Bonneville Power Administration (BPA).

Workforce Development – The Recovery Act provides \$100 million to support the training of a workforce to support a national, clean-energy smart grid—funds that will help put Americans to work as linemen, installers, and technicians in the electric power industry. Another \$46 million is for state public utility commissions, which regulate and oversee electricity projects in their states, to hire new staff and retrain existing employees to ensure they have the capacity to quickly and effectively review proposed electricity projects.

Infrastructure and Legal Challenges

Transforming the Electrical Grid – The nation's ability to meet the growing demand for reliable electricity is challenged by an aging electricity transmission and distribution system. Despite increasing demand, the United States has experienced a long period of underinvestment in power transmission. The majority of the power delivery system was built on technology developed in the 1960s, 1970s, and 1980s and is limited by the speed with which it can respond to disturbances. This limitation increases the vulnerability of the power system to outages that can spread quickly and have regional effects. Deploying the next generation of clean energy sources will require modernization of U.S. energy infrastructure, which will rely on digital network controls and transmission, distribution, and storage breakthroughs.

Sustain Weatherization Momentum – Recovery Act funding challenged the Department to develop innovative competitive grant programs and partnerships for cost-effective home retrofits. The Department will focus on leveraging the Retrofit Ramp-Up model to weatherize 100,000 homes in 2010 and up to 300,000 in 2011. After Recovery Act funds are spent, the Department will focus on applying best practices from innovative programs, along with advances in information, financing, and workforce development, to sustain the goal of weatherizing 1 million homes annually.

Implementation of Recovery Act – The additional funding from the Recovery Act has enabled DOE to help stimulate the economy, create or save jobs, and reinvest in America's economic future by laying the groundwork for a robust green economy. Executing this program, however, has proved challenging. Early in the Recovery Act, DOE self-identified issues such as absorption capacity, particularly staffing requirements, as possible impediments to quickly executing Recovery programs. Many of DOE's recipients also needed to stand up the necessary organizational infrastructures to apply for, receive, and implement Recovery-funded programs. In addition, DOE had to ensure that all Federal laws are complied with, particularly Bacon-Davis wage standards and NEPA regulations. Meeting such requirements posed challenges to getting funding quickly to the American people.

Performance and Shortfalls

In FY 2009, the Department was able to achieve 95% of its performance measure targets for base programs (funded from FY 2009 base appropriations) under the Economic Prosperity priority. Under Recovery Act projects within this priority area, 67% of performance targets were met. The metrics not met were because of weatherization projects not reported completed as planned, delays in the grants process (merit reviews, selections, and awards), or other financing issues, which were rectified after the close of the fiscal year.

PRIORITY 3

CLEAN, SECURE ENERGY

Cut the carbon pollution that is changing our climate, while reducing our dependence on oil

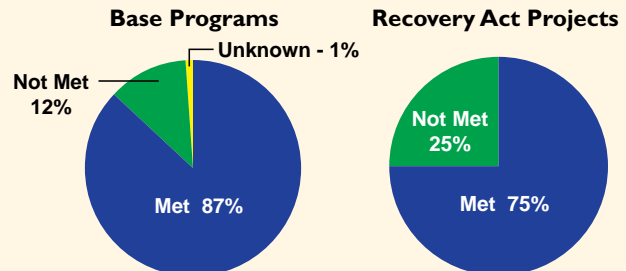
2009 Secretarial Objectives:

- Increase energy efficiency in our homes, businesses, and vehicles
- Move to clean, safe, low-carbon sources of energy
- Discover breakthroughs in energy technologies with game-changing impacts

Supporting Offices:

[Energy Efficiency and Renewable Energy](#), [Fossil Energy](#), [Electricity Delivery and Energy Reliability](#), [Nuclear Energy](#), [Energy Information Administration](#), [Power Marketing Administrations](#)

2009 Performance:



2006 Strategic Theme/Goals:

- Theme 1. Energy Security
 - Goal 1. Energy Diversity
 - Goal 2. Environmental Impacts of Energy

Achieving President Obama's climate change goal of reducing our country's greenhouse gas emissions by 80% from 1990 levels by 2050 necessitates contributions from the full portfolio of available clean energy technologies – from efficiency programs and building technologies that can be deployed in the near-term to long-term investments in new nuclear power and carbon capture and storage. With assistance from Recovery Act funding, DOE is accelerating investments in a variety of renewable sources of electricity generation and deploying technologies to reduce our dependence on oil and decrease energy use in homes, transportation, and industry. Investments in energy efficiency projects through grants to states and weatherization assistance have had immediate tangible benefits by reducing energy use and lowering energy bills. Near-zero emissions coal plants will help allow fossil fuels to be used as abundant and low-carbon emitting energy resources in the future. Nuclear energy is a fundamental component of the energy mix as well, and currently supplies about 20% of the nation's electricity.

Striving for Clean Energy

Recovery Act Investments – Recovery Act funding is being used to attain the President's clean energy goals:

- \$800 million for biomass projects to achieve cost-competitive [cellulosic ethanol](#) by 2012.
- \$400 million toward enhancing [geothermal](#) systems to prove their technical feasibility by 2015.
- \$42 million toward expanding marketing and manufacturing opportunities to support acceleration of [fuel cell](#) market transformation.

- \$117 million toward cutting edge next-generation clean energy technologies, including high impact [solar photovoltaic](#) (PV) technologies that support the PV supply chain.
- \$93 million to boost [wind](#) technology development and lower capital costs of wind systems.

Loan Guarantees – DOE has authority to provide [loan guarantees](#) for renewable energy, energy efficiency, and advanced transmission and distribution projects using innovative technology. Funding comes partly from the Recovery Act and partly from 2007 and 2009 appropriations. Funding for loan guarantees is available as follows:

- \$18.5 billion in lending authority supported by 2009 annual appropriations for renewable energy, energy efficiency, and advanced transmission and distribution projects using innovative technology.
- \$4 billion in subsidy costs, provided by the Recovery Act, to support billions in loans for renewable energy and electric power transmission projects.

Community Solar Outreach – In Portland, Oregon, it used to take months to get a permit to install a solar power system; now it takes 24 hours, and you can do it online. In New York City, electric utility ConEdison used to prevent solar PV installations, worried about impacts to the city's complex electric grid; now ConEdison is encouraging distributed solar. In New Orleans, Louisiana, over 150 local residents have graduated from Louisiana Clean Tech's solar installer training course and have the skills to build a stable green career. All of these achievements were made possible by DOE's [Solar](#)

[America Cities](#) initiative. Following the 25 original awards in 2007 and 2008, DOE announced \$10 million in September 2009 for 40 Solar America Cities special projects that will enable cities to scale up innovative programs and concepts for replication across the United States. In July 2009, DOE published *Solar Powering Your Community: A Guide for Local Governments*, a 150-page resource that contains best practices for local solar policies and programs.

Carbon Capture and Storage Research – In September 2009, DOE [announced the award](#) of \$75.5 million for 11 projects to conduct site characterization of promising geologic formations for carbon dioxide (CO₂) storage. Funding for the projects includes \$49.75 million from the Recovery Act and will result in substantial employment opportunities for local and regional organizations over the next three years, while providing hands-on scientific experience for individuals looking to be employed in the carbon capture and storage (CCS) industry. This work leverages current carbon capture and storage R&D activities, such as the Regional Carbon Sequestration Partnership (RCSP) program.

CCS Demonstration – The Recovery Act provides an additional \$3.4 billion for Fossil Energy Research and Development to develop and demonstrate [CCS technology](#), in partnership with industry, and to transition this technology to industry for deployment and commercialization. In FY 2009, DOE issued a two-part competitive solicitation to advance technology for large-scale CCS from industrial sources, such as chemical plants, refineries, steel and aluminum plants, and manufacturing facilities. These types of facilities currently produce the majority of the CO₂ emissions generated by the industrial sector and have limited experience with CCS technology. Recovery Act funds are being used to expand DOE's existing Clean Coal Power Initiative (CCPI) Round 3 competition, which was already in progress. Increasing the number of competitively selected projects enabled by the Recovery Act will provide a broader CCS commercial-scale experience by expanding CCS technologies, applications, fuels, and geologic CO₂ storage formations, thereby, leading to accelerated CCS deployment.

Loan Guarantees of Nuclear Power Facilities – The Department was granted \$18.5 billion in loan guarantee authority by Congress. DOE's Loan Guarantee Program Office received 15 Part II applications for nuclear power facility projects totaling \$93.2 billion in guarantees sought. In April 2009, four applicants were selected for final due diligence and detailed negotiations for Federal loan guarantees.

Next Generation Nuclear Power – In September 2009, a

Funding Opportunity Announcement was issued making available up to \$40 million to support conceptual design work for the Next Generation Nuclear Plant (NGNP). NGNP would use high temperature, gas-cooled reactor technologies to produce heat or steam that could be used for highly-efficient electricity production or co-generation.

Science Research – Investments supported under the Climate Change Science Program in global and regional climate modeling, combined with measurement and observational experiments, will improve understanding of global carbon cycling and impacts, inform carbon management strategies, and help plan for future energy resource needs.

Advances in Supercomputing – The Department is supporting high-impact scientific advances by making the world's most powerful supercomputers located at DOE national laboratories available to researchers. Researchers are currently using supercomputing time for a variety of projects, such as helping to make new biofuels commercially viable and to design low-emission engines. Computer models have also helped physicists use radio waves to heat and control ionized fuel in a fusion reactor and have aided engineers in designing materials to recover energy escaping from vehicle tailpipes. Thus, supercomputing will assist in the battle to mitigate climate change.

Industry Partnership Challenges

Reducing CO₂ – To achieve the President's stated goal of reducing the country's greenhouse gas emissions by 80% by 2050, carbon dioxide (CO₂) emissions from today's fleet of coal-fueled electric power plants and industrial sources must be addressed. These sources combined produce about 50% of the nation's CO₂ emissions. Given the high cost and energy required to capture and sequester CO₂ with existing CCS technology, advanced low-cost CCS technology needs to be developed with broad commercial deployment beginning in the 2020 timeframe.

Nuclear Power Plant Costs – Costs for building new nuclear power plants are very high. Government support through R&D to help advance technologies and reduce costs and investments from public and private sources of capital are needed. DOE's investment in nuclear R&D and its loan guarantees for nuclear power projects are designed to help address these challenges.

Ensuring Adequate Petroleum Inventories – DOE's Strategic Petroleum Reserve inventory of petroleum products remains responsive to national emergency demands due to cutoffs, hurricanes, or terrorism.

Secretarial Priorities and Program Performance

Partnering with Industry - The range of energy technologies is very diverse, requiring mastery of an exceptionally wide range of knowledge. The Department is challenged to organize its resources collaboratively to avoid isolating the expertise needed to solve problems, such as national green house gas emissions that span multiple disciplines. Currently, long R&D timetables and other factors make large scale projects, such as nuclear power and carbon capture and sequestration, difficult to manage and plan. Approaches for benefits tend to be short-sighted and isolated to specific programs, driving the Department's applied R&D efforts towards incremental outcomes. Additionally, game changing technologies can only be realized through partnerships with the private sector, the success of which depends on market factors outside DOE's control. Consistent R&D funding and better collaboration across programs and with industry is needed to drive transformational solutions.

To enhance the success of the applied R&D programs, the Department will explore new initiatives to catalyze a clean energy manufacturing infrastructure that creates jobs and industries and advances long-term U.S. competitiveness. There will be a focus on: providing loan guarantees to facilitate innovative technology deployment, early stage financing for entrepreneurs and small business owners, tax incentives for domestic clean energy manufacturing, and programs to work

with industry on concurrent manufacturing systems design to reduce the cost and time for commercial-scale deployment.

Performance and Shortfalls

In FY 2009, the Department was able to achieve 87% of its performance measure targets for base programs (funded from FY 2009 base appropriations) under the Clean, Secure Energy priority. Under Recovery Act projects within this priority area, 75% of performance targets were met. The metrics not met were because of delays in the engineering design and procurement process for commercial biorefinery construction projects, higher component costs than expected for concentrating solar, incomplete verification of modeled costs for wind projects, and unrealistic targets in the vehicle technologies area. For example, while the engineering is essentially complete for the Abengoa Bioenergy Biomass Kansas plant that is to be sited in Hugoton, Kansas, final design and procurement efforts have not yet occurred; orders for long-lead items are being placed (boilers and combustion equipment), vendor packages are being prepared (enzymatic hydrolysis equipment), and other infrastructure critical items are being managed (feedstock supply contract negotiations). The approval of the design by DOE was not possible, because the Engineering Independent Review process could not be initiated in time to verify this level of readiness by September 30, 2009.



Lawrence Berkeley National Laboratory

PRIORITY 4

NATIONAL SECURITY

Maintain nuclear deterrent and prevent proliferation

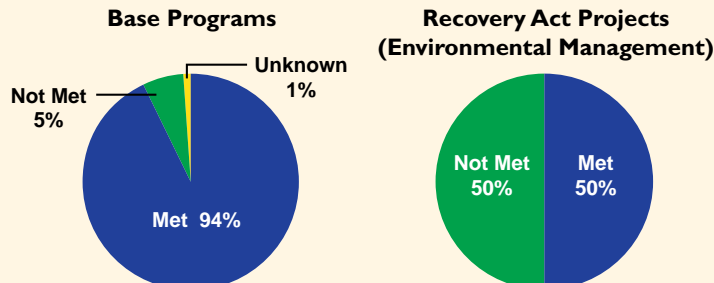
2009 Secretarial Objectives:

- Provide a safe and effective nuclear arsenal without nuclear testing
- Reduce nuclear dangers through nonproliferation and arms control activities
- Provide safe, militarily-effective nuclear propulsion plants to the U.S. Navy
- Complete legacy environmental cleanup

Supporting Offices:

[National Nuclear Security Administration](#), [Environmental Management](#), [Legacy Management](#), [Civilian Radioactive Waste Management](#)

2009 Performance:



2006 Strategic Themes/Goals:

- Theme 2. Nuclear Security
 - Goal 1. Nuclear Deterrent
 - Goal 2. Weapons of Mass Destruction
 - Goal 3. Nuclear Propulsion Plants
- Theme 4. Environmental Responsibility
 - Goal 1. Environmental Cleanup
 - Goal 2. Managing the Legacy

The Department continues its efforts to meet goals for nonproliferation, weapons stewardship, nuclear propulsion, and legacy cleanup – leveraging science to promote national security. In an [April 2009 speech in Prague](#), President Obama established goals for the United States to lead an international effort to secure all vulnerable nuclear material around the world within four years; establish new nuclear nonproliferation treaties and partnerships to reduce stockpiles and ban testing; and maintain a safe, secure and effective arsenal to deter any adversary as long as nuclear weapons exist.

The Federal government has the responsibility to ensure a clean, safe and healthy environment for future generations. To deliver on the Department’s obligations stemming from 50 years of nuclear research and weapons production during the Cold War, the Department continues to focus its resources on those activities that will yield the greatest risk reductions, with safety as the utmost priority. DOE’s diverse and technically complex cleanup mission includes: decontaminating and decommissioning (D&D) nuclear facilities, remediating contaminated soil and ground water, constructing and operating facilities to treat radioactive liquid tank waste, securing and storing nuclear material, and transporting and disposing of transuranic and low-level wastes.

Ensuring U.S. Security

Secured Nuclear Weapons Stockpile – U.S. [warheads stockpile](#) was certified as safe, secure, reliable and available to the

President for deployment. DOE continues to assess and remove aging warheads from the stockpile, thus reducing its total size in the long run.

World’s Largest Laser Facility – The [National Ignition Facility](#) (NIF) will allow scientists to achieve fusion ignition in the laboratory. The NIF will be a cornerstone of a critical national security mission, ensuring the continuing reliability of the U.S. nuclear stockpile without underground nuclear testing, while also providing a path to explore the frontiers of basic science and potential technologies for energy independence.

High Performance Computing – A [supercomputer](#) system was installed, configured and executed through a synthetic workload (which tests the server’s highest capacity) in well under three months. These systems are used to simulate the performance, safety and reliability of nuclear weapons and to certify their functionality.

Nuclear Testing Detection – Delivered for launch two new space sensor payloads for detecting and reporting nuclear detonations for the next-generation Global Positioning System satellites and developed and delivered enhanced computer models for world-wide monitoring of seismic signals associated with nuclear detonations.

Secured Nuclear Material – Monitored the conversion of 30 metric tons of Russian highly enriched uranium from approximately 1,200 weapons to low enriched uranium. Completed Materials Protection Control and Accounting upgrades at a cumulative total of 210 of 229 buildings containing weapons-usable material in Russia and the Baltics. Eliminated over 110 metric tons of surplus U.S. highly enriched uranium (enough for approximately more than 2,000 nuclear weapons) by converting it into low enriched uranium (LEU) for peaceful use as nuclear reactor fuel. Accelerated threat reduction efforts to reduce and protect vulnerable nuclear and radiological material located at civilian sites worldwide, preventing terrorists from acquiring nuclear and radiological materials that could be used in weapons of mass destruction or other acts of terrorism.

Accelerated Environmental Cleanup – The Recovery Act provided an additional \$6 billion to accelerate defense and non-defense cleanup work. Most Recovery Act funds were obligated to accelerate planned deactivation and decommissioning and groundwater remediation projects – projects that quickly put thousands of Americans to work and save money by reducing expected lifecycle cost. Some examples of site cleanups are as follows:

- Savannah River Site – Recovery Act funds will accelerate decommissioning of nuclear facilities and contaminated areas throughout the site, including in-situ decommissioning of two nuclear materials production reactors. Work also includes shipping more than 4,500 cubic meters of waste out of South Carolina and will reduce the site's industrial area by 40 percent, or 79,000 acres, by September 2011. The decommissioning of the four nuclear facilities will also be accelerated by at least five years.
- Moab Uranium Mill Tailings Remedial Action Project – Recovery Act funds are being used to accelerate relocation of uranium mill tailings away from the Colorado River, resulting in an additional 2 million tons of mill tailings disposed by 2011, accelerating the completion of the site cleanup by three years (from 2028 to 2025).
- Oak Ridge National Laboratory (ORNL) – Recovery Act funds are being used for a portfolio of projects that will include demolition and disposition of surplus contaminated facilities and remediation of contaminated soil. The ORNL investment will create jobs for the existing skilled workforce in eastern Tennessee. In addition, Recovery Act funds will be used to complete legacy material removal and disposition from four buildings at ORNL; these activities were not scheduled to begin until 2017. The soil remediation, waste cleanup and building demolition to be performed under this project will now be complete by 2011.

Nuclear Security Challenges

Nuclear Deterrent and Nonproliferation – The keys to success in meeting the President's goal of securing the world's vulnerable nuclear material in four years will be to engage nations around the world to realize opportunities to secure these materials, and to engage our global partners to provide a share of the resources and expertise needed to accomplish this ambitious goal. The challenge at home will be to rebuild the national consensus on the role of the nuclear deterrent in our national security strategy and continue supporting efforts to modernize the nuclear weapons complex.

High-Risk Cleanup Activities – DOE continues to move forward and clear hurdles in finalizing design, constructing and operating three unique and complex [tank waste processing](#) plants to treat approximately 88 million gallons of radioactive tank waste for ultimate disposal. With a total cost estimate of \$14.3 billion, investments are still needed to complete building and operating these necessary facilities and process the tank waste, which is one of the primary risk and cost drivers in the program. There is also the challenge of selecting and implementing disposition options needed to prepare certain types of special nuclear materials and spent nuclear fuel for ultimate disposal.

Used Nuclear Fuel - The Department plans to work with the blue ribbon commission to formulate an alternative disposition path for used nuclear fuel.

Workforce Needs – Maintenance, design and development of reactor plants for nuclear-powered submarines and aircraft carriers requires a highly trained engineering work force and industrial base, highly skilled sustainment of core skills, capabilities and supporting infrastructure.

Performance and Shortfalls

In FY 2009, the Department was able to achieve 94% of its performance measure targets for base programs (funded from FY 2009 base appropriations) under the National Security priority. Under Recovery Act projects within this priority area, 50% of performance targets were met. The metrics not met were because of unrealistic targets, schedule slippages on construction projects, and incomplete negotiations with regulators on remediation sites. For example, under Directed Stockpile Work the target for projected W76-1 warhead production costs was not met because of unanticipated cost increases in FY 2007-2009, (resulting from materials and component technical issues and the resulting design changes, as well as increasing M&O health care and compensation costs) that have been passed on to the LEP by the M&O contractors. Because the target was missed in the past 2 years, the cost increases will have to be offset by future efficiencies elsewhere in the W76-1 production program during the next 13 years.

ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE

Management Assurances

The Department's management is responsible for establishing and maintaining an effective system of internal controls to meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). To support management's responsibilities, the Department is required to perform an evaluation of management and financial system internal controls as required by Sections II and IV, respectively, of FMFIA, OMB Circular A-123, Management's Responsibility for Internal Control, and internal controls over financial reporting as required by Appendix A of the Circular. The following assurances are made based on the results of these evaluations, which are reflected in reports and representations completed by senior accountable managers within the Department.

The Department has completed its evaluation of management and financial system internal controls. Based on that assessment, the Department can provide reasonable assurance that management internal controls over the effectiveness and efficiency of operations and compliance with applicable laws and regulations, as of September 30, 2009, were operating effectively with no material weaknesses found in their design or operation. Evaluation results also indicated that the Department's financial systems generally conform to governmental financial system requirements and substantially comply with requirements of the Federal Financial Management Improvement Act (FFMIA).

In addition, the Department has completed its FY 2009 assessment and evaluation of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, as required by Appendix A of OMB

Circular A-123 and Departmental requirements. The evaluation included an assessment of both entity and process controls, as required. Based on the results of the evaluation, the Department is providing reasonable assurance that internal controls over financial reporting as of June 30, 2009, were working effectively and no material weaknesses were identified in the design or operation of the specific controls over financial reporting evaluated.

The Department is responsible for establishing and maintaining adequate internal control (including safeguarding of assets and compliance with applicable laws and regulations) over all the Department's American Recovery and Reinvestment Act (ARRA) funding. Controls have been established to ensure that the following critical objectives are met: ARRA funding has been expended for the intended purposes and in accordance with internal and external guidance; reported results regarding the expenditures of funds and the outcomes achieved are accurate and verifiable; and key processes impacting the execution of ARRA funding have been evaluated and are deemed effective.

While the Department has no material weaknesses to report as a result of the above internal control evaluations, the Department is continuing its work to address nine Leadership Challenges. These Leadership Challenges represent the most important strategic management issues facing the Department in accomplishing its mission now and in the coming years.



Steven Chu
Steven Chu
November 13, 2009

Leadership Challenges

The Department carries out multiple complex and highly diverse missions. Although the Department is continually striving to improve the efficiency and effectiveness of its programs and operations, some specific areas merit a higher level of focus and attention. These areas oftentimes require long-term strategies for ensuring stable operations and represent the most daunting Leadership Challenges the Department faces in accomplishing its mission.

The Reports Consolidation Act of 2000 requires that, annually, the Inspector General (IG) prepare a statement summarizing what he

considers to be the most serious management and performance challenges facing the Department. These challenges are included in the Other Accompanying Information section of this report. Similarly, in FY 2003 the GAO identified six major management challenges and program risks to be addressed by the Department.

The Department, after considering all critical activities within the agency and those areas identified by the IG and GAO, has identified nine Leadership Challenges that represent the most important strategic management issues facing the Department now and in the coming years.

DOE Leadership Challenges	IG Challenge Areas FY 2009	GAO Challenge Areas
Contract and Project Administration S Acquisition Process Management S	Contract Administration S	Resolve problems in contract management that place the agency at high risk for fraud, waste and abuse S
Security D	Safeguards and Security D	Address security threats and problems D
Environmental Cleanup D Nuclear Waste Disposal D	Environmental Cleanup D	Improve management for cleanup of radioactive and hazardous wastes D
Stockpile Stewardship D	Stockpile Stewardship D	Improve management of the Nation's nuclear weapons stockpile D
Cyber Security S	Cyber Security S	
	Energy Supply D	Enhance leadership in meeting the Nation's energy needs D
Human Capital Management S	Human Capital Management S	
Safety & Health S		
	Recovery Act Implementation S	
		Revitalize infrastructure S

D Mission Direct **S** Mission Support

Note: Summaries of the Department's Leadership Challenges, including key challenges and initiatives are available in the [FY 2009 Agency Financial Report](#) [page 22].



MESSAGE FROM THE CHIEF FINANCIAL OFFICER



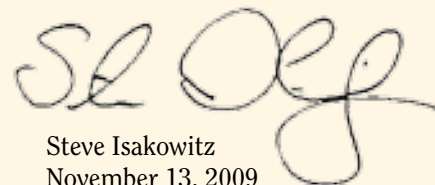
Though challenging, fiscal year 2009 has been an exciting time at the Department, especially within the financial management community. President Obama named energy as one of his three priorities and supported this by awarding the Department nearly \$37 billion in American Recovery and Reinvestment Act (Recovery Act) funding. Allocating these funds and tracking program performance is one of my leading initiatives, including those for high-risk, high-reward research and development projects; loans for new, clean energy producers; and government-backed loans to manufacturers that develop more energy efficient vehicles.

Critical to the Department's ability to manage and account for the Recovery Act funds are rigorous control and oversight processes, and we have taken significant steps to ensure that funds are spent for the intended purposes. The Department's most senior managers signed acknowledgements prior to any distribution of Recovery Act funds that uphold their commitment to maintain a strong internal control environment. We have developed robust oversight strategies for Recovery Act implementation, such as upfront risk assessments and increasing outreach, training, and coordination Department-wide. The Department also initiated a performance metrics improvement review of all budget and recovery measures to improve overall transparency and accountability within our program offices. The financial community has also worked diligently to align financial systems to accept data, perform analysis, and track the execution of Recovery Act funds.

My role as the Chief Financial Officer continues to evolve, and the demand to provide informed analysis to our customers has increased. Instrumental to meeting these needs is iManage – the Department's integrated, corporate financial and business system. It supports the Department's strategic vision and mission. Central to accessing iManage is our iPortal which provides users with decision-making capabilities and networking tools. In addition, heavy emphasis was placed on the iPortal in fiscal year 2009 as the Department's single point of contact for internal information supporting the Recovery Act.

The Department's fiscal year 2009 financial statements were reviewed by independent auditors, and I am pleased to report that our continued commitment has sustained the best audit report possible – a clean, unqualified opinion – for the third consecutive year. Furthermore, the auditors reported that no material weaknesses in internal controls were identified by the audit. The Department completed an evaluation of its financial management system and found it to be in general conformance with governmental financial system requirements and identified no material nonconformances. The Department and the entire senior leadership team recognize the value of accurate and timely financial information for decision making, and the financial management community can be proud of this accomplishment.

I look forward to and welcome feedback from the readers of this report as we continue to look for opportunities to improve the way we communicate the financial and performance results of the Department. Thank you.



Steve Isakowitz
November 13, 2009

ANALYSIS OF FINANCIAL STATEMENTS

The Department's financial statements are included in the Financial Results section of the [FY 2009 Agency Financial Report](#). Preparing these statements is part of the Department's goal to improve financial management and provide accurate and reliable information that is useful for assessing performance and allocating resources. The Department's management is responsible for the integrity and objectivity of the financial information presented in these financial statements.

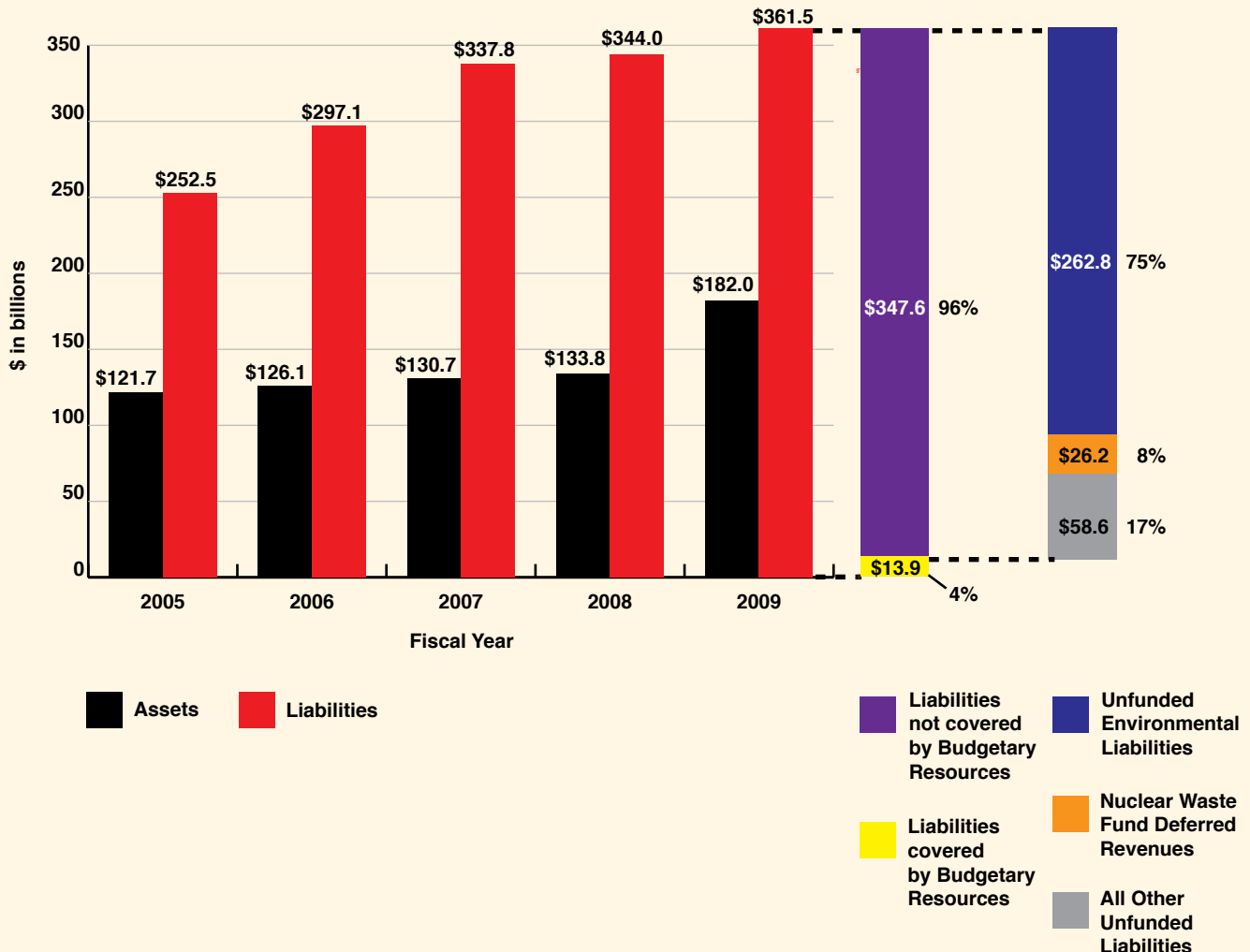
The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). The statements have been prepared from the Department's books and records in accordance with generally accepted accounting principles prescribed by the Federal Accounting Standards Advisory Board and the formats prescribed by the OMB. The

financial statements are prepared in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

Balance Sheet

The Department's assets increased significantly from FY 2008 primarily due to the effects of ARRA funding. Fund Balance with Treasury increased by \$44.5 billion, of which \$35.8 billion represented ARRA appropriations not yet disbursed and an additional \$7 billion was associated with Advance Technology Vehicle Manufacturing (ATVM) loan subsidies. Total liabilities also increased primarily due to a \$12.4 billion increase in contractor pension and post-retirement benefit liabilities as explained more fully on page 19 and 20.

Total Assets and Liabilities with Breakdown of FY 2009 Liabilities

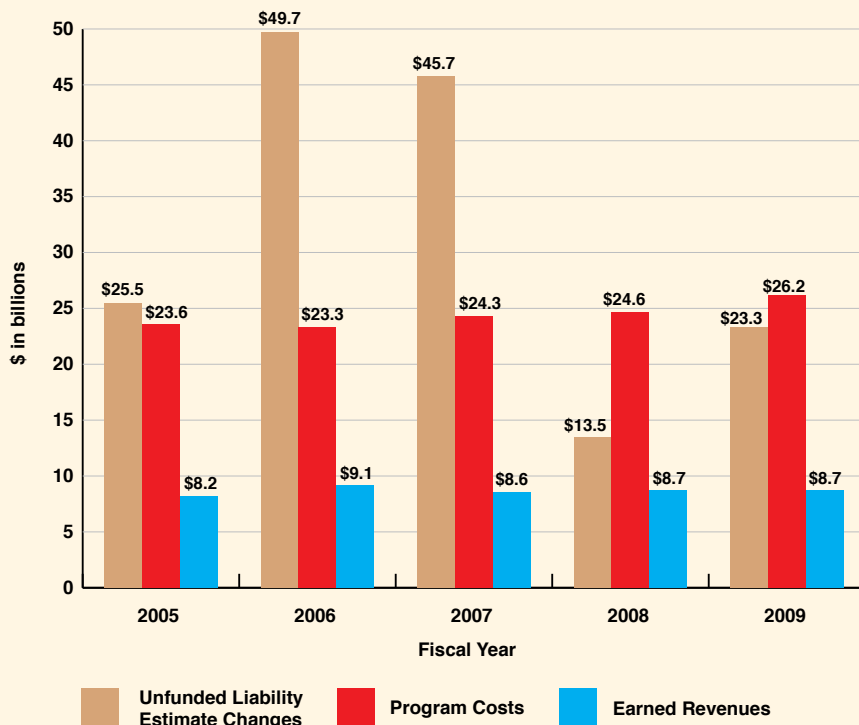


Primarily because of unfunded environmental cleanup requirements, the Department's liabilities exceed the Department's assets (see chart). The Department has significant unfunded liabilities that will require future appropriations to fund. The most significant of these liabilities represent ongoing efforts to clean up environmental contamination resulting from past operations of the nuclear weapons complex. The FY 2009 environmental liability estimate totaled \$267.7 billion (\$262.8 is unfunded and \$4.9 is funded) and represents one of the most technically challenging and complex cleanup efforts in the world. The environmental liability estimate is comprised of Environmental Management (EM), Other Legacy Environment, and Active and Surplus Facilities components (see chart). Estimating this liability requires making assumptions about future activities and is inherently uncertain. The future course of the Department's environmental cleanup activities will depend on a number of fundamental technical and policy choices, many of which have not been made. The cost and environmental implications of alternative choices can be profound.

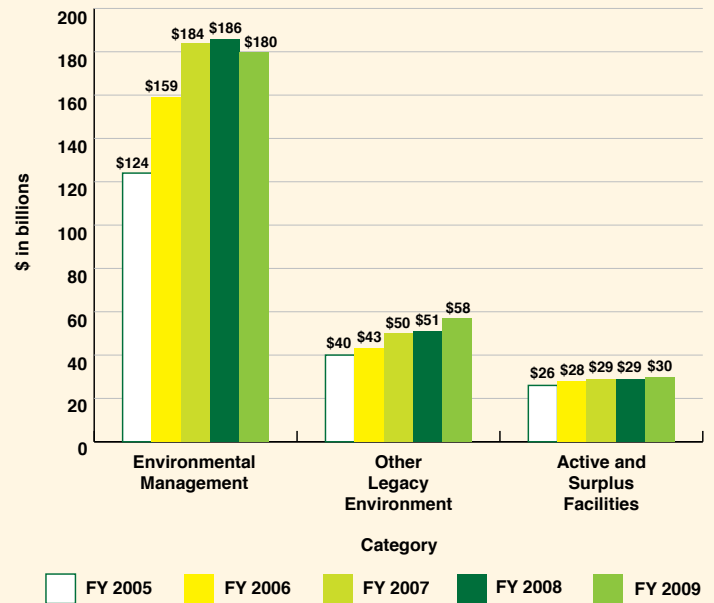
Net Cost of Operations

The major elements of net cost (see chart) include program costs, unfunded liability estimate changes, and earned revenues. The Statement of Net Cost also provides program cost information along the Department's four strategic

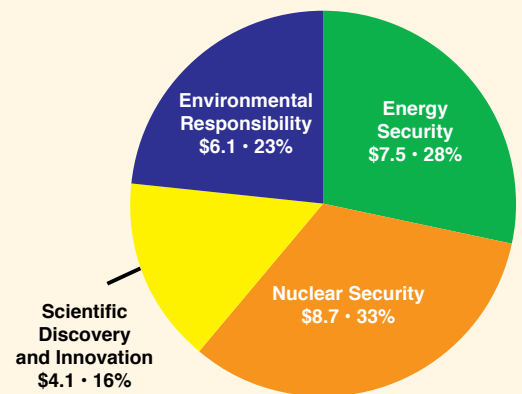
Major Elements of Net Cost



Composition of Environmental Cleanup and Disposal Liability



FY 2009 Program Costs (Gross) Breakdown by Strategic Theme (\$ in billions)



* A portion of the program costs for the Management Excellence strategic theme is distributed among the other four strategic themes.

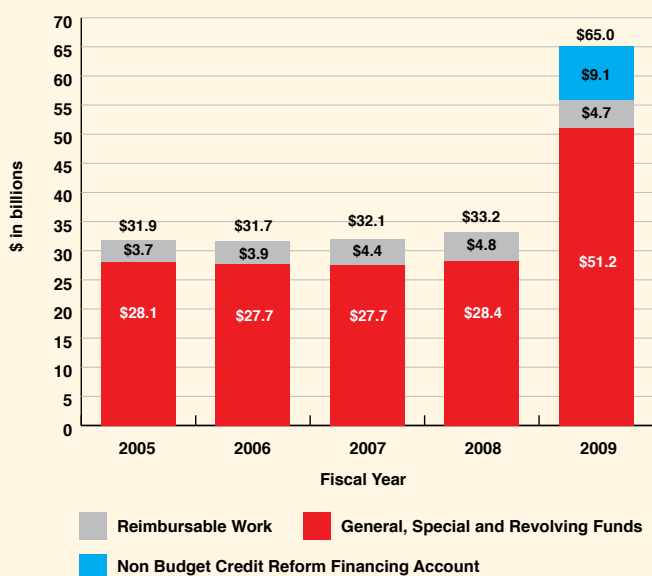
Linking Priorities, Cost and Budget

2006 Strategic Theme	2009 Secretarial Priorities	2006 Strategic Goals	FY 2009 Budgetary Expenditures Incurred ^b (\$ in billions)	Program Cost ^a (gross \$ in billions)	
				FY 2008	FY 2009
Energy Security	Priority 3	Energy Diversity	\$2.1	\$6.9	\$7.5
	Priority 2				
	Priority 3	Environmental Impacts	\$1.1		
	Priority 2	Energy Infrastructure	\$6.5		
		Energy Productivity	\$0.9		
Nuclear Security	Priority 4	Nuclear Deterrent	\$7.6	\$9.1	\$8.7
		Weapons of Mass Destruction	\$2.1		
		Nuclear Propulsion Plants	\$0.9		
Scientific Discovery and Innovation	Priority 1	Scientific Breakthroughs	\$5.1	\$3.8	\$4.1
		Foundations of Science			
		Research Integration			
Environmental Responsibility	Priority 4	Environmental Cleanup	\$8.0	\$5.6	\$6.1
		Managing the Legacy	\$0.5		

^a Program Costs are operating costs reported on the Department’s Consolidated Statement of Net Cost that reflect full costs, including all direct and indirect costs, consumed by a program or responsibility segment. Program costs are obtained from the proprietary set of Standard General Ledger accounts and are reported/recorded based on financial accounting rules.

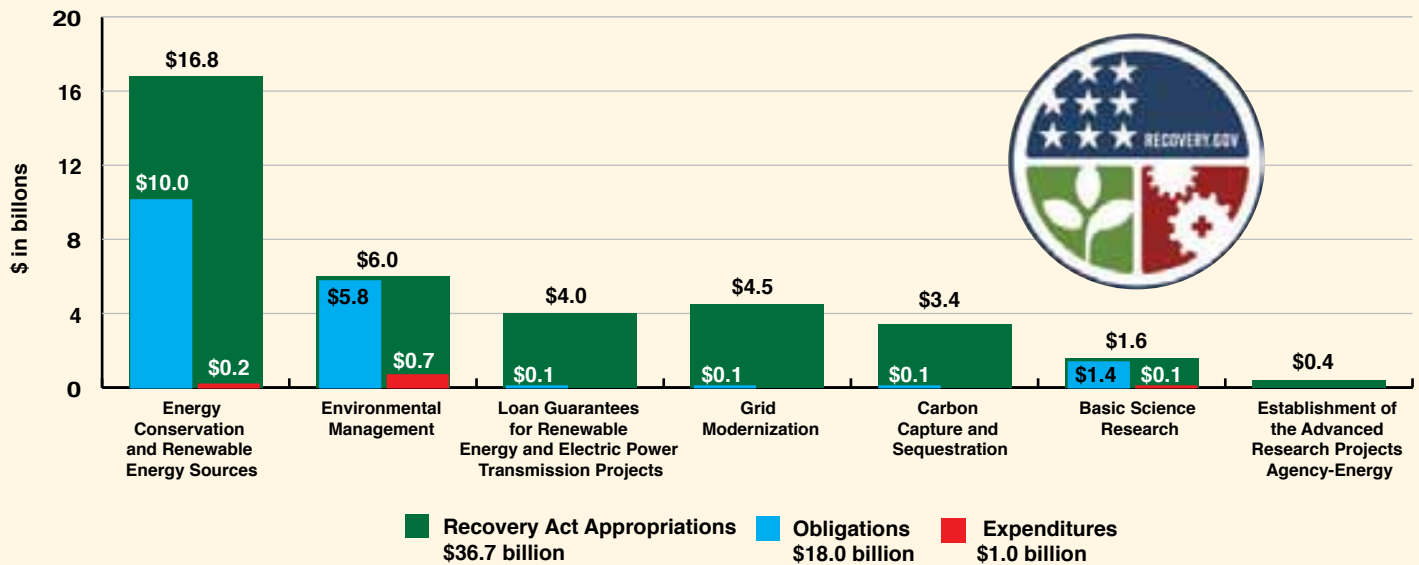
^b Budgetary Expenditures Incurred is synonymous with delivered orders -- amounts accrued or paid for services performed, goods and tangible property received, or for programs for which no current service is required such as loans. Budgetary Expenditures are obtained from the Budgetary Standard General Ledger and are reported/recorded based on budgetary accounting rules. Includes capital expenditures but excludes such items as depreciation, changes in unfunded liability estimates, and certain other non-fund costs and allocations of Departmental Administration activities.

Obligations Incurred



themes (see chart). Unfunded liability estimate changes result from inflation adjustments; improved and updated estimates; revisions in acquisition strategies, technical approach, or scope; and regulatory changes. The Department’s overall net costs are dramatically impacted by these changes in environmental and other unfunded liability estimates. Since these estimates primarily relate to past years of operations, they are not included as current year program costs, but rather reported as “Costs Not Assigned” on the Consolidated Statements of Net Cost. The large dollar amounts for Unfunded Liability Estimate Changes in FY 2006 and 2007 were due primarily to large environmental liability estimate increases during those years. From FY 2008 to 2009, the Unfunded Liability Estimate Changes increased by about \$10 billion due to a \$13 billion increase in Unfunded Pension and Other Actuarial Liabilities and to small decreases in other unfunded liabilities totaling about \$3 billion. Program Costs and Earned Revenues have remained relatively stable over the past five year period.

American Recovery and Reinvestment Act Appropriations, Obligations and Expenditures



Budgetary Resources

The Combined Statements of Budgetary Resources provide information on the budgetary resources that were made available to the Department for the year and the status of those resources at the end of the fiscal year. The Department receives most of its funding from general government funds administered by the Department of the Treasury and appropriated for Energy’s use by Congress. Since budgetary accounting rules and financial accounting rules may recognize certain transactions at different points in time, Appropriations Used on the Consolidated Statements of Changes in Net Position will not match costs for that period. The primary difference results from recognition of costs related to changes in unfunded liability estimates. For FY 2009, budget authority from appropriations and obligations incurred have increased dramatically because of the Recovery Act and the ATVM Loan Program funds that the Department received (see above chart).

Contractor Pension/Postretirement Benefit Obligations Trend Analysis

A 200 basis point decrease in the discount rate used to estimate contractor employee pension plan obligations for September 30, 2009, compounded the effect of poor asset performance for FY 2009. Consequently, there was a large decline in the total funded status of DOE contractor pension plans from a negative net funded status of \$2.0 billion in

FY 2008 to a negative net funded status of \$12.7 billion in FY 2009 for these plans. Of the \$10.7 billion decline in the total DOE contractor pension plans funded status from FY 2008 to FY 2009, \$8.4 billion was due to the decrease in the discount rate from 7.50 percent on September 30, 2008, to 5.50 percent on September 30, 2009, and \$1.3 billion was due to smaller than expected pension plan asset values based on the contractors’ long-term rate of return assumption. The \$9.7 billion impact of these two large changes in the funded status, plus \$0.6 billion for the cost of additional benefits accruing and \$0.4 billion for other net losses during the fiscal year represent the total change of \$10.7 billion.

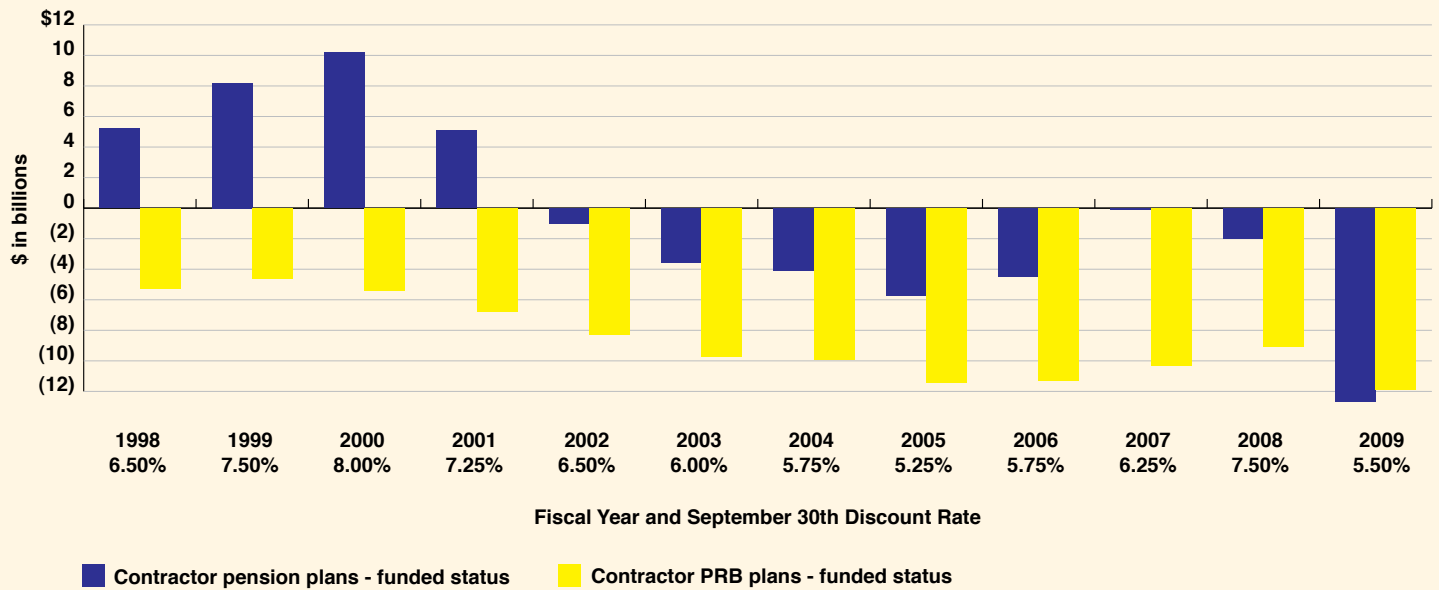
A similar change in the discount rate used to estimate the obligations of contractor postretirement benefits other than pensions (PRB) caused a decline in the total DOE contractor PRB plans funded status of \$2.9 billion of the total decline of \$2.8 billion from a negative net funded status of \$9.1 billion in FY 2008 to a negative net funded status of \$11.9 billion in FY 2009. In addition, the funded status improved by \$0.1 billion due to other liability decreases during the year (\$0.3 billion improvement attributable to net gains offset by \$0.2 billion decline for the cost of additional benefits accruing).

Prior to the adoption of Statement of Financial Accounting Standards (SFAS) No. 158 (now codified and referenced as FASB ASC 715, Compensation – Retirement Benefits) as of September 30, 2007, changes in the estimated pension

and PRB plan benefit obligations were generally amortized over an extended time period and, therefore, did not result in an immediate change in obligations recorded by the Department. However, under the new requirements established in FY 2007, the funded status of the plans is now

fully reflected in the assets and liabilities recorded by the Department. The chart below shows the total net funded status for contractor employee pension and PRB plans and the year-end discount rate from FY 1998 to FY 2009.

Contractor Pension/Postretirement Benefit Obligations Trend Analysis



PRINCIPAL STATEMENTS

U.S. Department of Energy Consolidated Balance Sheets

As of September 30, 2009 and 2008

(\$ in millions)	FY 2009	FY 2008
ASSETS: ^(Note 2)		
Intragovernmental Assets:		
Fund Balance with Treasury ^(Note 3)	\$ 63,671	\$ 19,231
Investments, Net ^(Note 4)	29,421	27,604
Accounts Receivable, Net ^(Note 5)	543	526
Regulatory Assets ^(Note 6)	5,489	5,425
Other Assets	56	6
Total Intragovernmental Assets	<u>\$ 99,180</u>	<u>\$ 52,792</u>
Investments, Net ^(Note 4)	195	196
Accounts Receivable, Net ^(Note 5)	3,941	3,977
Direct Loan and Loan Guarantees, Net ^(Note 7)	437	41
Inventory, Net: ^(Note 8)		
Strategic Petroleum and Northeast Home Heating Oil Reserve	21,626	20,484
Nuclear Materials	20,459	21,024
Other Inventory	500	478
General Property, Plant, and Equipment, Net ^(Note 9)	27,654	25,054
Regulatory Assets ^(Note 6)	4,746	5,151
Other Non-Intragovernmental Assets ^(Note 10)	3,256	4,625
Total Assets	<u>\$ 181,994</u>	<u>\$ 133,822</u>
LIABILITIES: ^(Note 11)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 62	\$ 76
Debt ^(Note 12)	12,708	11,526
Deferred Revenues and Other Credits ^(Note 13)	31	37
Other Liabilities ^(Note 14)	236	243
Total Intragovernmental Liabilities	<u>\$ 13,037</u>	<u>\$ 11,882</u>
Accounts Payable	4,088	3,901
Debt Held by the Public ^(Note 12)	6,166	6,267
Deferred Revenues and Other Credits ^(Note 13)	27,456	25,830
Environmental Cleanup and Disposal Liabilities ^(Note 15)	267,657	266,081
Pension and Other Actuarial Liabilities ^(Note 16)	24,744	12,362
Obligations Under Capital Leases ^(Note 17)	568	479
Other Non-Intragovernmental Liabilities ^(Note 14)	4,606	4,773
Contingencies and Commitments ^(Note 18)	13,222	12,388
Total Liabilities	<u>\$ 361,544</u>	<u>\$ 343,963</u>
NET POSITION:		
Unexpended Appropriations:		
Unexpended Appropriations - Earmarked Funds ^(Note 19)	\$ 20	\$ 13
Unexpended Appropriations - Other Funds	55,387	11,106
Cumulative Results of Operations:		
Cumulative Results of Operations - Earmarked Funds ^(Note 19)	(4,688)	(5,638)
Cumulative Results of Operations - Other Funds	(230,269)	(215,622)
Total Net Position	<u>\$ (179,550)</u>	<u>\$ (210,141)</u>
Total Liabilities and Net Position	<u>\$ 181,994</u>	<u>\$ 133,822</u>

Note: The Department's [FY 2009 Agency Financial Report](#) contains DOE's complete statements and accompanying notes [page 29] and the independent auditors' report [page 92].

U.S. Department of Energy Consolidated Statements of Net Cost

For the Years Ended September 30, 2009 and 2008

(\$ in millions)	FY 2009	FY 2008
STRATEGIC THEMES:		
Energy Security:		
Energy Diversity:		
Program Costs	\$ 1,470	\$ 1,293
Less: Earned Revenues ^(Note 20)	(18)	(16)
Net Cost of Energy Diversity	1,452	1,277
Environmental Impacts of Energy:		
Program Costs	1,249	1,167
Less: Earned Revenues ^(Note 20)	(79)	(51)
Net Cost of Environmental Impacts of Energy	1,170	1,116
Energy Infrastructure:		
Program Costs	4,047	4,042
Less: Earned Revenues ^(Note 20)	(3,727)	(4,089)
Net Cost of Energy Infrastructure	320	(47)
Energy Productivity Program Costs	714	415
Net Cost of Energy Security	3,656	2,761
Nuclear Security:		
Nuclear Deterrent		
Program Costs	6,198	6,700
Less: Earned Revenues ^(Note 20)	(1)	(2)
Net Cost of Nuclear Deterrent	6,197	6,698
Weapons of Mass Destruction Program Costs	1,750	1,625
Nuclear Propulsion Plants:		
Program Costs	808	798
Less: Earned Revenues ^(Note 20)	(14)	(16)
Net Cost of Nuclear Propulsion Plants	794	782
Net Cost of Nuclear Security	8,741	9,105
Scientific Discovery and Innovation:		
Net Cost of Scientific Discovery and Innovation	4,050	3,791
Environmental Responsibility:		
Environmental Cleanup:		
Program Costs	5,772	5,026
Less: Earned Revenues ^(Note 20)	(183)	(198)
Net Cost of Environmental Cleanup	5,589	4,828
Managing the Legacy		
Program Costs	371	612
Less: Earned Revenues ^(Note 20)	(193)	(217)
Net Cost of Managing the Legacy	178	395
Net Cost of Environmental Responsibility	5,767	5,223
Net Cost of Strategic Themes	22,214	20,880
OTHER PROGRAMS:		
Reimbursable Programs:		
Program Costs	4,228	3,871
Less: Earned Revenues ^(Note 20)	(4,111)	(3,861)
Net Cost of Reimbursable Programs	117	10
Other Programs: ^(Note 21)		
Program Costs	1,173	604
Less: Earned Revenues ^(Note 20)	(324)	(294)
Net Cost of Other Programs	849	310
Costs Applied to Reduction of Legacy Environmental Liabilities ^(Notes 15 and 22)	(5,639)	(5,313)
Costs Not Assigned ^(Note 23)	23,264	13,464
Net Cost of Operations ^(Note 24)	<u>\$ 40,805</u>	<u>\$ 29,351</u>

Note: The Department's [FY 2009 Agency Financial Report](#) contains DOE's complete statements and accompanying notes [page 29] and the independent auditors' report [page 92].

Principal Statements

U.S. Department of Energy Consolidated Statements of Changes in Net Position

For the Years Ended September 30, 2009 and 2008

(\$ in millions)	FY 2009			
	Earmarked Funds ^(Note 19)	All Other Funds	Eliminations	Consolidated
CUMULATIVE RESULTS OF OPERATIONS:				
Beginning Balances	\$ (5,638)	\$ (215,622)	\$ -	\$ (221,260)
Budgetary Financing Sources:				
Appropriations Used	\$ 13	\$ 25,741	\$ -	\$ 25,754
Non-Exchange Revenue	22	53	-	75
Donations and Forfeitures of Cash	-	15	-	15
Transfers - In/(Out) Without Reimbursement	(179)	(61)	-	(240)
Other Financing Sources (Non-Exchange):				
Donations and Forfeitures of Cash	59	-	-	59
Transfers - In/(Out) Without Reimbursement ^(Note 24)	(49)	142	-	93
Imputed Financing from Costs Absorbed by Others ^(Note 24)	2	1,300	-	1,302
Other	518	33	(501)	50
Total Financing Sources	\$ 386	\$ 27,223	\$ (501)	\$ 27,108
Net Cost of Operations	564	(41,870)	501	(40,805)
Net Change	\$ 950	\$ (14,647)	\$ -	\$ (13,697)
Total Cumulative Results of Operations	\$ (4,688)	\$ (230,269)	\$ -	\$ (234,957)
UNEXPENDED APPROPRIATIONS:				
Beginning Balances	\$ 13	\$ 11,106	\$ -	\$ 11,119
Budgetary Financing Sources:				
Appropriations Received ^(Note 25)	\$ 20	\$ 72,020	\$ -	\$ 72,040
Appropriations Transferred - In/(Out)	-	(1,998)	-	(1,998)
Appropriations Used	(13)	(25,741)	-	(25,754)
Total Budgetary Financing Sources	\$ 7	\$ 44,281	\$ -	\$ 44,288
Total Unexpended Appropriations	\$ 20	\$ 55,387	\$ -	\$ 55,407
Net Position	\$ (4,668)	\$ (174,882)	\$ -	\$ (179,550)

(\$ in millions)	FY 2008			
	Earmarked Funds ^(Note 19)	All Other Funds	Eliminations	Consolidated
CUMULATIVE RESULTS OF OPERATIONS:				
Beginning Balances	\$ (6,590)	\$ (211,225)	\$ -	\$ (217,815)
Budgetary Financing Sources:				
Appropriations Used	\$ 16	\$ 22,919	\$ -	\$ 22,935
Non-Exchange Revenue	57	52	-	109
Donations and Forfeitures of Cash	-	6	-	6
Transfers - In/(Out) Without Reimbursement	(214)	-	-	(214)
Other Financing Sources (Non-Exchange):				
Donations and Forfeitures of Cash	22	-	-	22
Transfers - In/(Out) Without Reimbursement ^(Note 24)	53	1,161	-	1,214
Imputed Financing from Costs Absorbed by Others ^(Note 24)	3	1,822	-	1,825
Other	614	(129)	(476)	9
Total Financing Sources	\$ 551	\$ 25,831	\$ (476)	\$ 25,906
Net Cost of Operations	401	(30,228)	476	(29,351)
Net Change	\$ 952	\$ (4,397)	\$ -	\$ (3,445)
Total Cumulative Results of Operations	\$ (5,638)	\$ (215,622)	\$ -	\$ (221,260)
UNEXPENDED APPROPRIATIONS:				
Beginning Balances	\$ 17	\$ 10,665	\$ -	\$ 10,682
Budgetary Financing Sources:				
Appropriations Received ^(Note 25)	\$ 12	\$ 23,958	\$ -	\$ 23,970
Appropriations Transferred - In/(Out)	-	2	-	2
Other Adjustments	-	(600)	-	(600)
Appropriations Used	(16)	(22,919)	-	(22,935)
Total Budgetary Financing Sources	\$ (4)	\$ 441	\$ -	\$ 437
Total Unexpended Appropriations	\$ 13	\$ 11,106	\$ -	\$ 11,119
Net Position	\$ (5,625)	\$ (204,516)	\$ -	\$ (210,141)

Note: The Department's [FY 2009 Agency Financial Report](#) contains DOE's complete statements and accompanying notes [page 29] and the independent auditors' report [page 92].

U.S. Department of Energy Combined Statements of Budgetary Resources

For the Years Ended September 30, 2009 and 2008

(\$ in millions)	FY 2009		
	FY 2009 Budgetary	Non-Budgetary Credit Reform Financing Accounts	FY 2008 Budgetary
BUDGETARY RESOURCES:			
Unobligated Balance, Brought Forward, October 1	\$ 3,629	\$ -	\$ 4,080
Recoveries of Prior Year Unpaid Obligations	60	-	53
Budget Authority:			
Appropriations ^(Note 25)	\$ 73,202	\$ -	\$ 25,434
Borrowing Authority	385	9,102	425
Contract Authority	787	-	515
Spending Authority from Offsetting Collections:			
Earned:			
Collected	8,069	468	8,046
Change in Receivables from Federal Sources	(30)	-	30
Change in Unfilled Customer Orders:			
Advances Received	80	-	13
Without Advance from Federal Sources	(6)	2,868	260
Subtotal	\$ 82,487	\$ 12,438	\$ 34,723
Nonexpenditure Transfers, Net, Actual ^(Note 7)	(2,056)	-	(81)
Temporarily not Available Pursuant to Public Law	(7)	-	(159)
Permanently not Available	(955)	-	(1,774)
Total Budgetary Resources ^(Note 25)	\$ 83,158	\$ 12,438	\$ 36,842
STATUS OF BUDGETARY RESOURCES:			
Obligations Incurred:			
Direct	\$ 48,101	\$ 9,102	\$ 25,486
Exempt from Apportionment	3,141	-	2,901
Reimbursable	4,654	-	4,826
Total Obligations Incurred ^(Notes 24 and 25)	\$ 55,896	\$ 9,102	\$ 33,213
Unobligated Balance:			
Apportioned	25,572	3	1,991
Exempt from Apportionment	43	-	47
Unobligated Balance not Available ^(Note 25)	1,647	3,333	1,591
Total Status of Budgetary Resources	\$ 83,158	\$ 12,438	\$ 36,842
CHANGE IN OBLIGATED BALANCE:			
Obligated Balance, Net:			
Unpaid Obligations, Brought Forward, October 1	\$ 21,102	\$ -	\$ 19,447
Less: Uncollected Customer Payments from Federal Sources, Brought Forward, October 1	(4,491)	-	(4,201)
Total Unpaid Obligated Balance, Net, October 1	\$ 16,611	\$ -	\$ 15,246
Obligations Incurred ^(Notes 24 and 25)	55,896	9,102	33,213
Less: Gross Outlays	(35,041)	(908)	(31,505)
Less: Recoveries of Prior Year Unpaid Obligations, Actual	(60)	-	(53)
Change in Uncollected Customer Payments from Federal Sources	36	(2,868)	(290)
Obligated Balance, Net, End of Period:	\$ 37,442	\$ 5,326	\$ 16,611
Unpaid Obligations ^(Note 25)	\$ 41,897	\$ 8,194	\$ 21,102
Less: Uncollected Customer Payments from Federal Sources	(4,455)	(2,868)	(4,491)
Total, Unpaid Obligated Balance, Net, End of Period	\$ 37,442	\$ 5,326	\$ 16,611
NET OUTLAYS:			
Gross Outlays	\$ 35,041	\$ 908	\$ 31,505
Less: Offsetting Collections	(8,149)	(468)	(8,059)
Less: Distributed Offsetting Receipts ^(Notes 24 and 25)	(3,235)	-	(2,111)
Net Outlays ^(Note 25)	\$ 23,657	\$ 440	\$ 21,335

Note: The Department's [FY 2009 Agency Financial Report](#) contains DOE's complete statements and accompanying notes [page 29] and the independent auditors' report [page 92].

Principal Statements

U.S. Department of Energy Consolidated Statements of Custodial Activities

For the Years Ended September 30, 2009 and 2008

(\$ in millions)	FY 2009	FY 2008
SOURCE OF COLLECTIONS:		
Cash Collections: ^(Note 26)		
Power Marketing Administrations Custodial Revenue	\$ 694	\$ 573
Federal Energy Regulatory Commission	63	62
Total Cash Collections	\$ 757	\$ 635
Accrual Adjustment	14	(25)
Total Custodial Revenue	\$ 771	\$ 610
DISPOSITION OF REVENUE:		
Transferred to Others:		
Bureau of Reclamation	(428)	(327)
Department of the Treasury	(321)	(302)
Army Corps of Engineers	(26)	(5)
Others	-	(3)
Decrease/(Increase) in Amounts to be Transferred	4	27
Net Custodial Activity	\$ -	\$ -

Note: The Department's [FY 2009 Agency Financial Report](#) contains DOE's complete statements and accompanying notes [page 29] and the independent auditors' report [page 92].



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