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General Accounting Office
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Accounting and Information
Management Division

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June 29, 1998

The Honorable Alfonse M. D'Amato
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable James A. Leach
Chairman
The Honorable John J. LaFalce
Ranking Minority Member
Committee on Banking and Financial Services
House of Representatives

Subject: Commemorative Coin Program: Mount Rushmore National Memorial Society

Pursuant to the Mount Rushmore Commemorative Coin Act, as amended, and in light of the objectives of Section 303 of Public Law 103-186 to strengthen accountability over commemorative coin surcharge proceeds received after December 14, 1993, we audited the use of surcharge proceeds received by the Mount Rushmore National Memorial Society after that date. The Society, which was incorporated in 1930, supports and assists National Park Service activities to preserve and improve the Mount Rushmore National Memorial, which includes the carved presidential figures of George Washington, Thomas Jefferson, Abraham Lincoln and Theodore Roosevelt. Public Law 101-332, the Mount Rushmore Commemorative Coin Act, as amended by Sec. 209 of Public Law 103-328, provided that the Society use surcharge proceeds from the sale of commemorative coins to assist in efforts to improve, enlarge, and renovate the Mount Rushmore National Memorial.

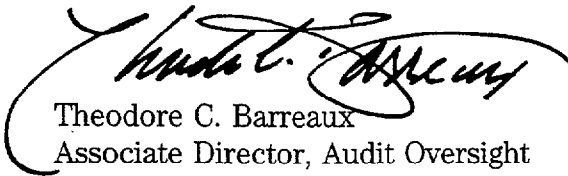
We determined that the Society received about \$6 million in coin surcharge proceeds from the U.S. Mint in October 1994. The Society's financial statements were audited for the 15-month period ended September 30, 1995, and for the years ended September 30, 1996, and September 30, 1997, by an independent

public accounting firm. Those statements showed that the Society's total revenues from all sources were \$12,883,975.

The Society established a variety of accounts to record its expenses, but was not required to and did not separately account for expenses paid from surcharge proceeds. Because the Society did not separately account for its use of surcharge proceeds, neither we nor the Society could determine specifically the extent to which the Society used its surcharge proceeds to assist in efforts to improve, enlarge, and renovate the Mount Rushmore National Memorial. Section 5134 of Title 31, United States Code, as amended by Public Law 104-208, addressed this issue with provisions that now require recipients who receive surcharge proceeds on or after September 30, 1996, to (1) separately account for the receipt and expenditure of surcharge proceeds and (2) obtain annual financial audits by an independent public accounting firm until all surcharge proceeds are expended or placed in trust.¹

In conducting our work, we obtained direct confirmation from the U.S. Mint of the amounts of surcharge proceeds transferred to the Society in October 1994. We traced those amounts to the Society's bank and investment account statements, traced expenses to source documents, and reviewed the Society's accounting for the surcharge proceeds and expenditures. We also reviewed minutes of the Board of Trustees' meetings related to surcharge proceeds. Our audit was performed from September 1997 through May 1998 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the President of the Mount Rushmore National Memorial Society. On June 9, 1998, the Society advised us that it had no comments.

Copies of this report are being sent to interested parties and will be made available to others on request. Please contact me at (202) 512-9489 if you or your staffs have any questions about this report.



Theodore C. Barreaux
Associate Director, Audit Oversight
and Liaison

(911774)

¹Section 529 of the Treasury, Postal Service, and General Government Appropriations Act, 1997, as enacted by Section 101(f) of Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997, also repealed Section 303 of Public Law 103-186, effective September 30, 1996.

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