

May 1996

NATIONAL PARK SERVICE

Information on Special Account Funds at Selected Park Units





United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

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May 17, 1996

The Honorable James V. Hansen
Chairman, Subcommittee on National Parks,
Forests, and Lands
Committee on Resources
House of Representatives

The Honorable Craig Thomas
United States Senate

The national park system consists of nearly 370 units, including parks, monuments, and historic sites, and is administered by the Department of the Interior's National Park Service (Park Service). Each year, the Park Service receives annual appropriations to operate the national park system. In addition to these annual appropriations, the individual park units are permitted to supplement their appropriations by keeping funds from certain in-park activities and by accepting certain other benefits from park support groups or concessioners. The funds going to the park units from these activities are not always subject to the annual congressional appropriations process. For the purposes of this report, we are collectively referring to these funds as special accounts.¹

Concerned about the amount and use of monetary and other benefits that the park units receive in addition to their annual appropriations, you requested us to determine (1) the sources and amounts of special account funds available Park Service-wide and, for a sample of park units, the amount of special account funds that were available to each of them and (2) whether the expenditures of funds in special accounts were consistent with the purposes for which those accounts were established.

Results in Brief

Park Service headquarters officials identified eight special accounts and provided us financial data for these accounts. The total value of these accounts was about \$45 million in fiscal year 1994. Of the eight accounts, five are authorized to recover the costs of particular in-park activities. The other three accounts are not designed to recover costs; rather, they provide the parks with cash and noncash benefits to be used for a variety of purposes within the parks. In fiscal year 1994, according to data

¹Although the Park Service uses the term "special account" to refer only to accounts established by concessioners, in this report we are using the term in a more general way to describe funds not always subject to the annual appropriations process; this usage includes the benefits from concessioners as well as groups that support park units.

provided by the Park Service, the cost-recovery accounts totaled \$6.5 million; the noncost-recovery accounts were valued at \$38.5 million. The sources of the funds for the five cost-recovery accounts are living history demonstrations, reimbursements from mess (i.e., food) operations for employees, leasing of historic properties, payments for damaged resources in the parks, and special-use permit fees. The sources of funds for the three noncost-recovery accounts are donations, cooperating associations² that provide a variety of in-park services, and accounts established by concessioners to rehabilitate or construct facilities that directly support the concessioners' services. Our comparison of the financial data provided to us by Park Service headquarters with the data provided to us by a sample of park units showed a number of discrepancies involving the amount of funds in special accounts established by concessioners. According to the information we obtained from individual park units, the amount of money in these special accounts for fiscal year 1994 was several million dollars higher than that reported by Park Service headquarters. Park Service officials were able to explain most of the differences. However, they also acknowledged difficulties in tracking concessioners' special account funds and are in the process of implementing a system to track the accounts.

Our review of the available documentation for expenditures from special accounts at a judgmental sample of six park units³ showed that, with one exception, the expenditures were for authorized purposes.

Background

Over the years, the Park Service's basic mission of protecting the national park system for the enjoyment of current and future generations has not changed. Since the first park unit was created at Yellowstone over 100 years ago, the system has grown to encompass 369 units covering about 80 million acres and includes parks, monuments, and historic sites. The value of the infrastructure of buildings, roads, bridges, utility systems, and other facilities constructed to provide access to or to make use of natural resources on Park Service lands has grown to an estimated \$35 billion. In addition, the Park Service's duties and responsibilities have expanded to

²Cooperating associations are nonprofit, tax-exempt organizations recognized by the Congress to aid the Park Service and other agencies in their mission of education and service. The associations generally operate bookstores at parks where visitors can purchase publications and merchandise related to the theme of the park.

³The six park units we included in our sample were Carlsbad Caverns National Park in New Mexico, Grand Canyon National Park in Arizona, Mesa Verde National Park in Colorado, Sequoia and Kings Canyon National Parks in California, Jefferson National Expansion Memorial in Missouri, and Lowell National Historical Park in Massachusetts. For administrative purposes, the Park Service considers Sequoia and Kings Canyon to be one park unit and we did the same for this report.

include protecting endangered and threatened species, maintaining or restoring environmental quality, identifying and assessing the effects of its own activities on the environment and natural resources, and developing long-range plans.

Recognizing the continuing growth and popularity of the national park system and the Park Service's increasing responsibilities, the Congress has increased appropriations to operate and maintain the Park Service by more than 30 percent (in constant dollars) over the past 10 fiscal years to about \$1.1 billion in fiscal year 1994. However, despite these funding increases, we and others have shown that the health of the national park system is deteriorating. As recently as August 1995, we reported that the scope and quality of services for visitors within the park system have been declining and that many park units lack sufficient data to determine the overall condition or trend of their cultural and natural resources.⁴

The Congress and the Department of the Interior have taken measures to help deal with the parks' deteriorating conditions. Among other things, additional funding sources have been made available to park units. Specifically, park units have been permitted to keep some of the funds that are generated from in-park activities without going through the annual congressional appropriations process. We are referring to these funds as special account funds.

Sources and Amounts of Special Account Funds Throughout the Park Service

Park Service headquarters officials identified eight special accounts and provided us financial data for these accounts. The total value of these accounts was about \$45 million in fiscal year 1994. Of the eight accounts, five are authorized to recover the costs of particular in-park activities. The other three accounts are not designed to recover costs, but provide park units with cash and noncash benefits to be used for a variety of purposes within the parks. In fiscal year 1994, according to data provided by the Park Service, the cost-recovery accounts totaled \$6.5 million; the noncost-recovery accounts were valued at \$38.5 million. Following are descriptions of each of these eight special accounts.

Living History

The living history account is used by park units that offer special interpretive programs or sell merchandise that interprets the history of the park unit. For example, at Lowell National Historical Park, tours of a

⁴National Parks: Difficult Choices Need to Be Made About the Future of the Parks (GAO/RCED-95-238, Aug. 30, 1995).

restored 19th century cotton mill are provided so that visitors can experience the actual workings of this historic industrial facility. Park units charge for these kinds of activities and use the funds collected to sustain the interpretive program and the production of merchandise. In fiscal year 1994, 30 park units used the living history account; the total amount collected was \$2.2 million.

Special-Use Permits

Special-use permits are issued by park unit managers for activities within a park unit when a service or privilege is provided to a visitor beyond that received by the general public. When fees are charged, the parks are to recover and retain the costs of providing the necessary services associated with the permitted activity. At the park units we visited, the associated costs were usually personnel costs of the park unit employees needed to oversee the permitted activity. Weddings, receptions, television commercials, and filmmaking are types of activities that required permits and supervision by park unit personnel, and fees were charged accordingly. In fiscal year 1994, 98 park units had special-use fees. In total, \$3.8 million in fees was collected in fiscal year 1994.

Mess Operations

A park unit uses the mess operations account for collections made for food provided by the Park Service to Park Service and state employees in the field. These employees include firefighters and trail maintenance crews. In fiscal year 1994, three park units used this special account, and \$68,000 was collected.

Leasing Historic Properties

The Park Service also leases historic properties within park units to tenants who pay rent. The rental revenue is then used to maintain the property. In fiscal year 1994, seven park units used this special account, and \$285,000 was collected.

Damaged Park Resources

The damaged park resources account is used by park units to recover from the public the cost of restoring damaged resources. When a resource is accidentally damaged, the park unit recovers whatever costs it can from those who damaged the resource and applies those funds to restoring the resource. In fiscal year 1994, seven park units used this special account, and the total amount collected was \$128,000.

Donations

Donations to an individual park unit include cash from the general public that is put in the donation boxes at visitors' centers as well as checks that are mailed by individuals, corporations, or other groups. If a donation is not marked for a specific purpose, the park unit manager has discretion in how to spend it. In fiscal year 1994, the donations at 273 park units totaled \$8.2 million.

Cooperating Associations

Cooperating associations generally support a park unit by providing staff at bookstores, volunteers who assist in interpretive programs, and/or cash. Park unit managers work with cooperating association staff to determine the types of support to be provided. Nationwide, there are 65 cooperating associations serving almost every park unit. In fiscal year 1994, the services and cash these associations provided were worth \$16.4 million.

Concessioners' Special Accounts

Over the past few years, the Park Service has been requiring that the concessioners in park units establish commercial bank accounts into which the concessioners deposit funds for improving, rehabilitating, and constructing the facilities that directly support their services. The use of these accounts has increased over the past few years as park unit managers look for ways to improve the facilities that serve visitors beyond what is normally provided through the annual appropriations. Expenditures from concessioners' special accounts are to be made only for improvements authorized by park unit managers. For example, replacing a roof on a lodge could be paid for from a concessioner's special account.

According to data from the Park Service's headquarters, in fiscal year 1994, 21 park units had this type of account; headquarters officials estimated that the deposits totaled \$13.9 million. However, Park Service officials acknowledged that the data were not complete because the Park Service did not have a system in place for fiscal year 1994 to routinely or systematically collect information on concessioners' special accounts. In March 1995, the Park Service introduced a computerized tracking system for concessioners' special accounts to address this situation. Although the system is still being implemented, Park Service officials stated that it should provide more complete data on the number of concessioners' special accounts and the amounts in them for fiscal year 1995.

Table 1 provides information about the eight special accounts for which the Park Service provided us information. It shows the number of park

units that used each account, the total amount in each account, and the legislative authority for each account.

Table 1: Special Account Information Provided by the Park Service, Fiscal Year 1994

Dollars in millions

Type of account	Number of park units using the account	Total funds	Authorizing legislation
Living history	30	\$2.2	16 U.S.C. 1a-2(g)
Special-use permits	98	3.8	16 U.S.C. 3a
Mess operations	3	0.1	16 U.S.C. 14b
Leasing historic properties	7	0.3	16 U.S.C. 470 h-3
Damaged park resources	7	0.1	16 U.S.C. 19 jj-3
Donations	273	8.2	16 U.S.C. 6
Cooperating associations	^a	16.4	16 U.S.C. 6
Concessioners' special accounts	21	13.9	16 U.S.C. 3 & 20F
Total		\$45.0	

^aThere are 65 cooperating associations serving almost every park unit in the system. Many associations serve more than one park unit.

Source: The National Park Service.

Information on Funds in Special Accounts at 27 Park Units

To provide a perspective on the amount of special account funds available at individual park units, we gathered information on a judgmental sample of 27 park units⁵ that included 20 of the largest parks in the national park system. The details on the amount of funds in special accounts at these park units are included in appendix I.

In collecting this information, we found that, except for concessioners' special accounts, there were no significant differences between the amount of special account funds reported by Park Service headquarters and the amounts reported to us by the parks. While the Park Service's headquarters reported \$13.9 million in concessioners' special accounts nationwide, the 27 park units in the sample reported to us a total of \$19.4 million—a difference of \$5.5 million. Park Service officials explained most of the discrepancies as primarily due to park unit managers' differing interpretations of what is to be included in concessioners' special accounts. Table 2 compares the funds available in concessioners' special

⁵We included the two park units in each of the Park Service's 10 regions that had the largest operations appropriation (20 park units). In addition, we included seven park units that had relatively large dollar amounts in a particular special account or used a number of different special accounts.

accounts as reported by Park Service headquarters with the amounts reported by the 14 park units in our sample that had such accounts.

Table 2: Comparison of Park Service Headquarters' and GAO's Data on Concessioners' Special Accounts in 14 Park Units With 1994 Deposits

Dollars in thousands		
Park Unit	Total reported by Park Service headquarters	Total reported by park unit
Big Bend National Park, Texas	\$130	\$130
Everglades National Park, Florida	0	75
Gateway National Recreation Area, New York and New Jersey	112	112
Glacier National Park, Wyoming	719	459
Glen Canyon National Recreation Area, Arizona	2,423	3,156
Grand Canyon National Park, Arizona	536	895
Mesa Verde National Park, Colorado	0	44
Mount Rainier National Park, Washington	0	180
Olympic National Park, Washington	116	116
Sequoia and Kings Canyon National Parks, California	443	426
Shenandoah National Park, Virginia	171	171
Statue of Liberty National Monument, New York	0	1,425
Yellowstone National Park, Wyoming	4,116	7,909
Yosemite National Park, California	4,263	4,273
Total	\$13,029	\$19,371

We discussed the \$5.5 million difference between the Park Service headquarters' total for concessioners' special accounts and the individual figures we obtained at the 14 park units with concession officials at Park Service headquarters. On the basis of these discussions, we found that the discrepancies were due to differing interpretations among Park Service concessions officials—both at headquarters and at the individual park units—as to what should be counted as concessioners' special accounts.

For example, the \$7.909 million in concessioners' special accounts reported to us by a Yellowstone National Park concession official includes funds for a cyclic maintenance program which had \$3.6 million in deposits for fiscal year 1994. According to Park Service headquarters officials, these deposits should not be considered as a concessioners' special account because the \$3.6 million is money that is used to fulfill normal contractual maintenance requirements. However, a Yellowstone National Park concession official told us that this fund was established so that the concessioner could repair and maintain the historic structures which had fallen into disrepair due to neglect by the previous concessioner. According to the Yellowstone National Park concession official, maintenance provided by these funds is not routine; it is more extensive than that required of other concessioners, such as the preservation of historic log structures, because of the poor condition of the structures. We have included the \$3.6 million in our totals because, as indicated by a Yellowstone National Park concession official, the expenditures from this account are over and above normal maintenance and similar to expenditures made from concessioners' special accounts at the parks we visited.

According to Park Service headquarters officials, other differences between what the park units and headquarters reported could be due to different reporting cutoff dates between the concessioners and the Park Service so that some deposits appeared in a preceding or succeeding year. For example, Statue of Liberty National Monument officials reported to us \$1.425 million in concessioners' special accounts for fiscal year 1994, while Park Service headquarters included this amount as a fiscal year 1993 deposit.

Park Service management has been aware of the problem with tracking concessioners' special accounts since at least May 1992. At that time, we reported on the Park Service's inability to track accounts set aside by concessioners to improve government-owned facilities that they used (a forerunner to concessioners' special accounts).⁶ In response to our recommendation that the Park Service develop procedures to track these accounts, the Park Service introduced its "Special Account Tracking System" in March 1995. Although still in the process of implementing this system, concession officials at headquarters thought it would improve the accuracy and consistency of the data maintained by Park Service headquarters on concessioners' special accounts for fiscal year 1995. Once

⁶National Park Service: Policies and Practices for Determining Concessioners' Building Use Fees (GAO/T-RCED-92-66, May 21, 1992).

this system is fully implemented, we plan to review whether it is providing more accurate information.

Special Account Use Was Consistent With Authorized Purposes

To determine whether special accounts were being used for authorized purposes, we conducted detailed, on-site reviews of expenditures at six park units. The six park units used six of the eight types of special accounts. These park units did not receive any income from leasing historic properties or have any damaged resources that were subject to reimbursement. Our review showed that the special account expenditures at the six park units were consistent with the purposes for which the accounts were established. However, we noted that a concessioners' special account with deposits of \$299,500 had been improperly established at one park unit. No expenditures had been made from the account, however, and park unit officials are in the process of taking action to correct the situation.

Cost-Recovery Accounts—Living History, Special-Use Permits, and Mess Operations

The six park units we visited had three special accounts that were essentially for recouping the costs of specific in-park activities. These cost-recovery accounts were for living history demonstrations, special-use permits, and mess operations.

Two of the six park units we visited had living history accounts, and they used most of the fee revenues to defray the salary expenses of the park unit employees who provided special tours or educational experiences. The remaining funds were used to purchase supplies to support these activities.

At Lowell National Historical Park, staff provided tours of the locks and floodgates of the canal surrounding the town and provided interpretation for the Boott Cotton Mills Museum, including the weaving room and interactive exhibits about the industrial revolution. In addition, under a cooperative agreement with the University of Massachusetts, teachers provided educational experiences to students, including such hands-on activities as working on an assembly line, weaving, and role-playing as immigrants and inventors. In fiscal year 1994, the park unit collected \$164,000 from the Boott Cotton Mills exhibits and the educational program with the University of Massachusetts. As authorized, the fees from these activities were used to pay the salaries of the teachers and the park unit employees that provided the services and to purchase supplies to support the activities.

Carlsbad Caverns National Park also used the living history account. At Carlsbad, visitors are charged a fee to tour portions of the caverns with fragile or sensitive resources that need protection or when the number of tour participants must be limited due to physical conditions or some other reason. For example, because touring the Hall of the White Giant cavern requires crawling through tight passageways and some free climbing, knee pads and gloves are recommended, and the number of participants in each tour group is limited to eight. In fiscal year 1994, \$170,000 was collected by the park unit in fees from these tours that were deposited into its living history account. The fees were used to pay the salaries of the park rangers that provided the tours.

Five of the park units we visited had issued special-use permits during fiscal year 1994 and were collecting fees for the expenses incurred by the park unit as a result of the activity for which the special-use permit was issued. In fiscal year 1994, the Jefferson National Expansion Memorial collected \$76,000; Mesa Verde National Park collected \$1,000; Grand Canyon National Park collected \$71,000; Lowell National Historical Park collected \$7,000; and Sequoia and Kings Canyon National Parks collected \$11,000.

The specific types of special-use activities at these park units varied considerably. For example, the activities at Sequoia and Kings Canyon National Parks included weddings and cabin rental management, the activities at Grand Canyon National Park included commercial filming and whitewater rafting, and the activities at Mesa Verde National Park included photography workshops.

The five park units that charged for special-use permits generated about \$166,000 for fiscal year 1994 from these activities. In most instances, the expenses incurred were the salary costs of park unit staff who provided the special services. Other costs were for support expenses, such as supplies. The documentation we reviewed indicated that the expenditures supported only special-use activities.

Sequoia and Kings Canyon National Parks used the mess operations account for collections made for meals furnished by the Park Service to Park Service and state employees—firefighters and trail maintenance crews—in the field. In fiscal year 1994, Sequoia and Kings Canyon National Parks collected \$39,000 that was used to provide meals and purchase food preparation equipment.

Noncost-Recovery Accounts—Donations, Cooperating Associations, and Concessioners

In fiscal year 1994, the National Park Service valued the amount of funds in noncost-recovery accounts at \$38.5 million. Funds from these accounts, which are used to provide benefits for a variety of purposes, come from three sources—donations, cooperating associations' donations, and concessioners' special accounts. Table 3 shows the amount of funds available during fiscal year 1994 for the three noncost-recovery accounts at the six park units we visited.

Table 3: Donations, Cooperating Associations' Donations, and Concessioners' Special Accounts at Six Park Units, Fiscal Year 1994

Dollars in thousands			
Park unit, location	Donations	Cooperating associations' donations	Concessioners' special accounts
Carlsbad Caverns National Park, New Mexico	\$45	\$392	0
Grand Canyon National Park, Arizona	50	1,173	\$895
Jefferson National Expansion Memorial, Missouri	60	985	0
Lowell National Historical Park, Massachusetts	1	8	0
Mesa Verde National Park, Colorado	8	134	44
Sequoia and Kings Canyon National Parks, California	41	87	426
Total	\$205	\$2,779	\$1,365

Source: National Park Service accounting data and GAO-developed information.

The Secretary of the Interior can accept donations and use them for the purposes of the national park system. In fiscal year 1994, donations at the six park units we visited totaled \$205,000 and included cash from donation boxes in visitors' centers or other locations as well as donations sent directly to a park unit.

The expenditures of donated funds varied at the six park units we visited, but all were used to further the purposes of the park system. For example, at Carlsbad Caverns National Park, donations were used to pay overtime salaries and purchase photography supplies. At Grand Canyon National Park, donations were used to purchase a computer and for search and rescue operations. The Jefferson National Expansion Memorial used its donated funds to purchase supplies, pay for training and travel for interpretive staff, and provide educational displays. At Mesa Verde

National Park, a computer and printer for the park's Interpretative Division was purchased with donated funds. Sequoia and Kings Canyon National Parks used donated funds for a trail reconstruction project. Lowell National Historical Park received donations in fiscal year 1994 but reported no expenditures, choosing to spend the donations at a later date when a particular need surfaces. Park units are authorized to do this.

The park cooperating associations were created to aid the Park Service in its mission of education and service. They provide noncash benefits to park units in the form of salaries for the nonpark personnel working in bookstores in visitors' centers, compensation for the volunteers who help with interpretive and other educational programs, and the publication of park unit newspapers. The cooperating associations may also provide cash donations to the park units.

In fiscal year 1994, the benefits from the cooperating associations at the six park units we visited were valued at \$2.8 million. With one exception, the benefits the cooperating associations provided supported education and service to the park units and their visitors as authorized. For example, at the Jefferson National Expansion Memorial, the cooperating association provided the park with 44 full-time and part-time paid cooperative staff to assist visitors in the Museum of Westward Expansion, the Old Courthouse, the park library, and at various other exhibits. In addition, the association paid for travel and training for Park Service employees in the interpretive branch for a total donation of \$985,000 in fiscal year 1994.

At Grand Canyon National Park, donations valued at \$1.2 million from the cooperating association provided a stipend and paid other expenses, such as uniforms and supplies, to students who worked part-time in all areas of the park and paid for about seven full-time association employees who spent about half of their time providing information to visitors in stores run by the cooperating association. In addition, the association provided a new trailside exhibit and renovated the historic Kolb Studio's bookstore and art gallery.

At Sequoia and Kings Canyon National Parks, cooperating association donations totaled \$87,000 in fiscal year 1994. These donations included salaries of 11 part-time guides and 3 part-time ticket collectors for the cave tours, several interpretive exhibits, and free publications, such as the park unit's newspaper. The cooperating association also provided \$3,600 toward the salary of a seasonal park ranger. When the Park Service headquarters official responsible for the cooperating association program

visited the park, he told association representatives that this was not an authorized expenditure. At that time, the cooperating association discontinued the practice.

At the other park units we visited—Lowell National Historical Park (\$8,000), Carlsbad Caverns National Park (\$392,000), and Mesa Verde National Park (\$134,000)—the cooperating associations also provided salaries for bookstore staff and published the park unit's newspaper. Included in the cooperating association's donation to Mesa Verde National Park were funds toward the construction of a new interpretive center near the park entrance.

Concessioners' special accounts are contractual arrangements between the Park Service and the concessioners. These arrangements occur when the concessioners and park unit managers agree that the concessioners will establish commercial bank accounts that are to be used to rehabilitate and construct the facilities that directly support the concessioners' services. These commercial bank accounts are established in addition to, or sometimes in lieu of, franchise fees, which, in contrast, are deposited in the U. S. Treasury. Any expenditures from these special accounts must be authorized by park unit managers.

Concessioners' special accounts were established at three of the six park units we visited—Mesa Verde National Park, Grand Canyon National Park, and Sequoia and Kings Canyon National Parks. At these park units, deposits to the concessioners' special accounts totaled \$1.4 million in fiscal year 1994. We found that the expenditures from the concessioners' special accounts at these park units were made for authorized purposes.

Mesa Verde National Park had one concessioner's special account. The deposits for fiscal year 1994 totaled about \$44,000. Expenditures were made from this account to purchase and install bear-proof trash cans at a government-owned, concessioner-operated campground.

Grand Canyon National Park had seven separate concessioners' special accounts. The deposits to these accounts totaled about \$895,000 for fiscal year 1994. Expenditures were made from these accounts for several projects, such as painting and repairing an historic railway depot and leasing a van to transport employees' dependents to and from the concessioner-operated day-care facility. In several instances, funds had not yet been expended from the concessioners' special account but were being accumulated to fund more costly projects. For example, a

concessioner's special account with a fiscal year 1994 balance of about \$9,900 was earmarked for the construction of a backcountry toilet facility estimated to cost about \$40,000.

When we visited Grand Canyon National Park, we identified one concessioner's special account where the concessioner had made deposits of about \$299,500 for 1994. The funds deposited into this concessioner's special account had, in previous years, been deposited into the U.S. Treasury as franchise fees. We noted, however, that the deposits to the concessioner's special account had occurred before the effective date of the agreement between the concessioner and park unit officials to establish the account. Since then, action has been initiated by park unit officials to remove the 1994 payments from the concessioner's special account and deposit them into the U.S. Treasury. In addition, park officials told us that deposits occurring after the effective date of that agreement were going into the concessioner's special account.

At Sequoia and Kings Canyon National Parks, the concessioner's special account was used to replace the Grant Grove food market, which was destroyed by fire in 1992. This was a government-owned, concessioner-operated facility and was a major project for the park. Construction on the building began in July of 1994 and was completed in the spring of 1995 at a total cost of about \$1.2 million.

Agency Comments

We provided a draft of this report to the Department of the Interior for its review and comment. We met with officials from the Office of the Assistant Secretary for Fish, Wildlife, and Parks, including the Assistant to the Assistant Secretary; the Office of the Solicitor; and the National Park Service to obtain their comments. Generally, these officials agreed that the information provided in the report was accurate. In response to their comments, we incorporated technical corrections and clarifying information into this report where appropriate.

We performed our review between April 1995 and April 1996 in accordance with generally accepted government auditing standards. Our scope and methodology are explained in appendix II.

As requested, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will make copies available to interested

congressional committees and Members of Congress; the Secretary of the Interior; the Director, National Park Service; and other interested parties. We will also provide copies to others upon request.

Please call me at (202) 512-3841 if you or your staff have any questions. Major contributors to the report are listed in appendix III.

A handwritten signature in black ink, appearing to read "Victor S. Rezendes". The signature is fluid and cursive, with the first name "Victor" being the most prominent.

Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

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Information on Special Accounts at Sample Park Units

Table I.1: Comparison of Funds in Eight Special Accounts With Operations Funds at 27 Park Units

Dollars in thousands

Park unit, location	Concessioners' special accounts	Cooperating associations' contributions	Donations	Living farms/history ^a
Big Bend National Park, Texas	\$130	\$67	\$6	a
Carlsbad Caverns National Park, New Mexico	a	392	45	\$170
Chesapeake and Ohio Canal National Historical Park, D.C., Maryland, and Virginia	a	2	8	153
Cuyahoga Valley National Recreation Area, Ohio	a	8	220	a
Denali National Park and Preserve, Alaska	a	166	22	a
Everglades National Park, Florida	75	46	149	a
Gateway National Recreation Area, New York and New Jersey	112	6	53	a
George Washington Memorial Parkway, Virginia and Maryland	a	10	3	a
Glacier National Park, Montana	459	100	27	a
Glacier Bay National Park and Preserve, Alaska	a	28	a	101
Glen Canyon National Recreation Area, Arizona	3,156	69	31	a
Golden Gate National Recreation Area, California	a	3,608	94	a
Grand Canyon National Park, Arizona	895	1,173	50	a
Great Smoky Mountains National Park, Tennessee and North Carolina	a	375	139	a

**Appendix I
Information on Special Accounts at Sample
Park Units**

Special accounts and income reported						
Special-use permits	Damaged marine resources recovered	Leasing of historic properties	Reimbursable mess operations	Total	Operations appropriation base	Percent of base
a	a	a	a	\$203	\$3,603	5.63
a	a	a	a	607	3,616	16.79
\$21	a	a	a	184	5,299	3.47
29	a	a	a	257	6,348	4.05
a	a	a	a	188	6,643	2.83
a	\$32	a	a	302	10,896	2.77
107	a	a	a	278	14,910	1.86
a	a	a	a	13	7,560	0.17
14	a	a	a	600	7,368	8.14
10	a	a	a	139	2,005	6.93
137	a	a	a	3,393	6,589	51.49
66	a	a	a	3,768	10,023	37.59
71	a	a	a	2,189	12,111	18.07
42	2	a	a	558	9,767	5.71

(continued)

Appendix I
Information on Special Accounts at Sample
Park Units

Dollars in thousands

Park unit, location	Concessioners' special accounts	Cooperating associations' contributions	Donations	Living farms/history
Independence National Historical Park, Pennsylvania	a	133	9	a
Indiana Dunes National Lakeshore, Indiana	a	13	14	a
Jefferson National Expansion Memorial, Missouri	a	985	60	a
Lowell National Historical Park, Massachusetts	a	8	1	164
Mesa Verde National Park, Colorado	44	134	8	a
Mount Rainier National Park, Washington	180	74	62	a
Olympic National Park, Washington	116	83	6	a
Rock Creek Park, D.C.	a	a	11	a
Sequoia and Kings Canyon National Parks, California	426	87	41	a
Shenandoah National Park, Virginia	171	53	8	a
Statue of Liberty National Monument, New York	1,425	a	852	a
Yellowstone National Park, Wyoming	7,909	460	209	a
Yosemite National Park, California	4,273	329	376	19
Total	19,371	8,409	2,504	607

**Appendix I
Information on Special Accounts at Sample
Park Units**

Special accounts and income reported						
Special-use permits	Damaged marine resources recovered	Leasing of historic properties	Reimbursable mess operations	Total	Operations appropriation base	Percent of base
7	a	\$2	a	151	10,467	1.44
17	a	a	a	44	4,851	0.91
76	a	a	a	1,121	3,692	30.36
7	a	a	a	180	5,513	3.27
1	a	a	a	187	3,122	5.99
7	a	a	a	323	6,868	4.70
3	a	a	a	208	7,283	2.86
4	a	a	a	15	4,491	0.33
11	a	a	\$39	604	8,795	6.87
2	a	a	a	234	8,058	2.90
139	a	a	a	2,416	8,809	27.43
480	a	a	a	9,058	18,006	50.31
80	a	a	25	5,102	16,696	30.56
1,331	34	2	64	32,322	213,389	15.14

^aPark unit did not use this account.

Source: Park unit data.

Each year, park units receive operations moneys through the annual appropriations process. Table I.1 compares the amount of funds in the eight special accounts, which are not subject to the annual appropriations process, with the operations funds at the 27 park units. As table I.1 shows,

the funds in the eight special accounts were about 15 percent of the parks' operations budgets—ranging from a low of 0.17 percent at George Washington Memorial Parkway to a high of 51.5 percent at Glen Canyon National Recreation Area. For the 27 park units, the special account for concessioners was the largest followed by the one for cooperating associations; the special account for leasing historic properties was the smallest followed by the one for damaged resources.

As table I.1 also shows, the number of special accounts used by each of the 27 park units varied. For example, 3 of the park units had one or two of the accounts, 8 park units had three accounts, 14 park units had four accounts, and the remaining 2 park units had six or seven of the accounts. Similarly, the total amount of funds available to individual park units varied considerably. For example, Yosemite National Park had six accounts totaling \$5.1 million, and Yellowstone National Park had four accounts totaling \$9.2 million. In contrast, George Washington Memorial Parkway had two accounts totaling \$3,000, and Rock Creek Park had two accounts totaling \$15,000.

Objectives, Scope, and Methodology

The Chairman, Subcommittee on National Parks, Forests, and Lands, House Committee on Resources, and Senator Craig Thomas asked us to review the availability of funds to the National Park Service that are not subject to the annual appropriations process. Specifically, we were requested to determine (1) the sources and amounts of special account funds available Park Service-wide and, for a sample of park units, the amount of special account funds that were available to each of them and (2) whether the expenditures of funds in the special accounts were consistent with the purposes for which those accounts were established.

To identify the amount of funds available, we discussed the purpose and use of the special accounts with Park Service officials and asked them to identify accounts that (1) were maintained at the park units, (2) were not documented as part of the Park Service's annual appropriations process, and (3) were not earmarked for use at particular parks units. Park Service officials identified eight special accounts. Our work focused on these accounts.

To determine the amount of funds in special accounts throughout the Park Service, we relied on financial information obtained from the Office of the Comptroller in Washington, D.C. This information, which we did not verify, was generated from the Park Service's financial accounting system. Because the Park Service does not maintain the special accounts for cooperating associations and concessioners, we obtained data from sources other than the Park Service's accounting system.

To determine the number of special accounts at individual park units and the funds associated with each one, we judgmentally selected a sample of 27 park units and contacted each one to obtain complete data. This was necessary because the Park Service does not maintain systemwide, complete data on concessioners' special accounts. Park Service concessions management staff provided us with data that had been forwarded to them from individual park units, but acknowledged that it was not complete. Complete data on concessioners' special accounts are available only at the park unit level, and obtaining this information would entail contacting all park units within the national park system. These park units were selected by choosing two park units in each of the 10 regions in the Park Service. We selected two from each region by identifying the park units with the largest operations appropriation in fiscal year 1994. To this sample of 20 park units, we added 7 park units that generated high revenues in one of the special accounts or that made use of numerous special accounts during fiscal year 1994. Because this was not a random

sample, the park units selected may not be representative of the system as a whole.

At the time we contacted the park units, we also obtained data on the total aid provided by the cooperating associations from the Park Service official in charge of this program. Sometimes a single association provided aid to several park units and reported its aid as a single sum. In these instances, we contacted the association representative to determine the amount of aid provided to individual park units.

To provide examples of how the special account funds were expended and whether the expenditures were consistent with the purpose of the accounts, we visited 6 of the 27 sample park units—Carlsbad Caverns National Park, Grand Canyon National Park, Jefferson National Expansion Memorial, Lowell National Historic Park, Mesa Verde National Park, and Sequoia and Kings Canyon National Parks. At each of the six park units, we reviewed the relevant fiscal year 1994 accounting records, including deposit and withdrawal statements, billing documents, purchase receipts, special-use permit charges and associated costs, employees' overtime charges and salary costs, and other documents supporting the expenditures of the various special account funds.

In addition, we interviewed park unit managers, including superintendents, budget officers, concession managers, staff and managers in the Divisions of Interpretation and Maintenance, administrative officers, and other officials responsible for approving expenditures. We discussed the (1) account balances and benefits provided by the cooperating associations and the concessioners' special accounts, (2) sources of revenue, and (3) authority for specific expenditures. We also observed operations at the park units. For example, at one park unit we were told that visitors are charged for a special museum tour, and we took this tour.

We also interviewed concession managers, executive directors for the cooperating associations, and other association staff. We reviewed contracts, contract amendments, project lists, association agreements, aid requests, and various annual reports that supported how funds were spent. We also observed the projects funded through these sources. For example, we were told that at one park unit, the cooperating association redesigned the sales area of a bookstore during 1994. We confirmed these expenditures and visited the area. In another example, when we were told that the concessioner had installed bear-proof trash cans in the

concession-operated campgrounds, we reviewed the expenditure receipts, toured the campgrounds, and viewed the new receptacles.

Finally, we discussed the Park Service's use of special account funds with officials at the Park Service headquarters in Washington, D.C., and at the Rocky Mountain and Western regional offices. We also reviewed Department of the Interior Solicitor opinions, Office of the Inspector General reports, Park Service manuals, and Park Service Operations and Evaluations Reports. Our review was conducted from April 1995 through April 1996 in accordance with generally accepted government auditing standards.

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