Fiscal Year 2000

Financial Statements

FMFIA Assurance Statement Fiscal Year 2000

On the basis of the National Park Service's comprehensive management control program, I am pleased to certify, with reasonable assurance, that the NPS's systems of accounting and internal controls are in compliance with the internal control objectives in OMB's Bulletin Number 98-08, as amended. I also believe these same systems of accounting and internal controls provide reasonable assurance that the Agency is in compliance with the provisions of the Federal Managers' Financial Integrity Act.

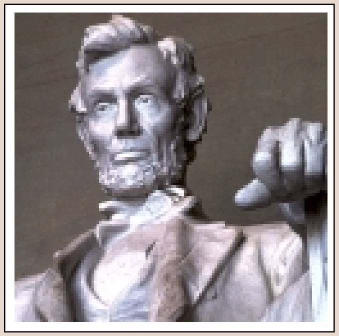
C. Bruce Sheaffer
Comptroller, Assistant Director

Federal Managers' Financial Integrity Act (FMFIA)

The Federal Managers' Financial Integrity Act (FMFIA) requires agencies to provide annually a statement of assurance regarding management controls and financial systems. Agency financial management controls and systems, taken as a whole, provide reasonable assurance that its accounting systems comply with appropriate federal requirements. This conclusion is based on the review and consideration of a wide variety of evaluations, internal analyses, reconciliations, reports, and other information, including quality assurance evaluations, General Accounting Office and Office of Inspector General audits, and an independent public accountant's opinion on our financial statements and reports on our internal control structure and compliance with laws and regulations.

Limitations of the 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). While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.



It is important to know the stories behind these monuments so that all Americans will understand what it has taken to establish and maintain our country. If we do not remember and honor our history and heroes, we will cease to be a great nation.

Visitor to the National Monuments and Memorials in Washington, D.C.

Department of the Interior
National Park Service
BALANCE SHEET
As of September 30, 2000 (in thousands)

ASSETS	
Entity Assets	
Intragovernmental	
Fund Balance with Treasury (Note 2)	$ 1,602,515
Investments	65
Accounts Receivable (Note 3)	13,716
Advances to Others (Note 5)	6,763
Other Assets (Note 6)	7,800
Total Intragovernmental	1,630,859
Accounts Receivable Net (Note 3)	8,223
Loan Receivable (Note 4)	5,397
Advances to Others (Note 5)	823
Cash (Note 7)	366
General Property, Plant & Equipment, Net (Note 8)	797,943
Total Entity Assets	2,443,611
Non-Entity Assets (Note 9)	
Cash to be Transferred to Treasury	3,285
Accounts Receivable, Net	914
Total Non-Entity Assets	4,199
TOTAL ASSETS	**$ 2,447,810**
LIABILITIES	
Entity Liabilities	
Liabilities Covered by Budgetary Resources	
Intragovernmental	
Accounts Payable (Note 10)	$ 24,151

(continued on next page)

Department of the Interior
National Park Service
BALANCE SHEET
As of September 30, 2000 (in thousands)

LIABILITIES *(continued)*	
Advances from Others (Note 11)	$ 80,797
Accrued Benefits	10,920
Total Intragovernmental	115,868
Accounts Payable (Note 10)	49,153
Advances from Others (Note 11)	9,254
Accrued Benefits	50,806
Total Entity Liabilities Covered by Budgetary Resources	225,081
Liabilities Not Covered by Budgetary Resources	
Intragovernmental	
Unfunded Accrued Liabilities (Note 12)	39,382
Total Intragovernmental	39,382
Unfunded Annual Leave	70,819
Federal Employees Compensation Act Liabilities (Note 12)	205,051
Contingent Liabilities (Note 13)	12,264
Total Entity Liabilities Not Covered by Budgetary Resources	327,516
Non-Entity Liabilities (Note 9)	
Accounts Payable to Treasury	4,199
Total Non-Entity Liabilities	4,199
TOTAL LIABILITIES	**556,796**
NET POSITION	
Unexpended Appropriations (Note 14)	714,260
Cumulative Results of Operations	1,176,754
Total Net Position	1,891,014
TOTAL LIABILITIES AND NET POSITION	**$ 2,447,810**

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

Department of the Interior
National Park Service
STATEMENT OF NET COST
For the Year Ended September 30, 2000 (in thousands)

PROGRAMS	
Operations of the National Park Service	$ 1,472,134
Less: Earned Revenues	(25,483)
Net Program Costs	1,446,651
Construction	305,929
Less: Earned Revenues	(87,743)
Net Program Costs	218,186
Trust Funds	72,436
Less: Earned Revenues	(1,746)
Net Program Costs	70,690
Fee Collection and Demonstration Activity	96,412
Less: Earned Revenues	(163,974)
Net Program Costs	(67,562)
Operations and Maintenance of Quarters	15,556
Less: Earned Revenues	(15,312)
Net Program Costs	244
Historical Preservation	34,607
Less: Earned Revenues	0
Net Program Costs	34,607
Other	15,284
Less: Earned Revenues	(5,387)
Net Program Costs	$ 9,897

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Department of the Interior
National Park Service
STATEMENT OF NET COST
For the Year Ended September 30, 2000 (in thousands)

PROGRAMS *(continued)*

Other Program Costs	
National Recreation and Preservation	$ 47,531
Fire and Emergency Operations	90,354
Urban Park and Recreation	671
Job Corps	14,865
Total Other Program Costs	153,421
Costs Not Assigned to Programs	
Heritage Assets	26,617
Land Acquisition	125,586
Total Costs Not Assigned to Programs	152,203
NET COST OF OPERATIONS (Note 15)	**$ 2,018,337**

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

Department of the Interior
National Park Service
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 2000 (in thousands)

Net Cost of Operations	($ 2,018,337)
Financing Sources:	
Appropriations Used	1,733,840
Other Nonexchange Revenue	9
Donations	18,632
Imputed Financing	61,768
Transfers – In	5,552
Transfers – Out	(16,712)
Transfers – Special Receipt Accounts (Note 19)	205,329
Other Financing Sources (Note 16)	48,631
Net Results of Operations	38,712
Prior Period Adjustments (Note 20)	188,727
Net Change in Cumulative Results of Operations	227,439
Decrease in Unexpended Appropriations	(244,596)
Change in Net Position	(17,157)
Net Position – Beginning of Period	1,908,171
Net Position – End of Period	$ 1,891,014

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

Department of the Interior
National Park Service
STATEMENT OF BUDGETARY RESOURCES
For the Year Ended September 30, 2000 (in thousands)

BUDGETARY RESOURCES	
Budget Authority (Note 17)	$ 2,129,248
Unobligated Balances – Beginning of Period (Note 21)	922,789
Spending Authority from Offsetting Collections	139,810
Adjustments	15,175
TOTAL BUDGETARY RESOURCES	$ 3,207,022
STATUS OF BUDGETARY RESOURCES	
Obligations Incurred	$ 2,242,764
Unobligated Balances – Available	863,082
Unobligated Balances – Unavailable	101,176
TOTAL STATUS OF BUDGETARY RESOURCES	$ 3,207,022
OUTLAYS	
Total Obligations Incurred	$ 2,242,764
Less: Spending Authority from Offsetting Collections and Adjustments	(178,541)
Obligations Incurred, Net	2,064,223
Obligated Balance, Net – Beginning of Period (Note 21)	637,113
Less: Obligated Balance, Net – End of Period	(648,918)
TOTAL OUTLAYS	$ 2,052,418

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

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The National Park Service (NPS) is a bureau of the U.S. Department of Interior, and is responsible for promoting and regulating designated areas within the National Park System. The NPS is also responsible for conserving the scenery, historical objects, and wildlife so that they may be enjoyed by future generations.

The Director of the National Park Service is responsible for administrative oversight and policy of the NPS, including authority over money or other budget authority made available to the NPS.

In fulfilling its mission, the NPS administers a variety of funds:

General Funds – These funds include: 1) receipt accounts used to account for collections not dedicated to specific purposes; and 2) expenditure accounts used to record financial transactions arising under Congressional appropriations or other authorizations to spend general revenues. The National Park Service's principal general funds are:

Operation of the National Park Service
National Recreation and Preservation
Construction

Trust Funds – These funds are established to account for receipts held in trust for use in carrying out specific purposes and programs in accordance with an agreement or statute. The National Park Service's principal trust funds are:

Donations
Birthplace of Abraham Lincoln
Construction – Federal Aid Highways
Transportation Systems

Deposit Funds – These funds are established to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, when proper distribution can be made.

Special Funds – These funds arise from receipts deposited into accounts established by the U.S. Department of Treasury (Treasury) that are earmarked by law for a specific purpose. The collections deposited into the designated Treasury receipt accounts are not the result of operations of these special funds. Congress must appropriate funding for three of the special funds. Funding is immediately available upon receipt into the Treasury accounts for the remaining special funds. The National Park Service's principal special funds are:

Fee Collection and Demonstration Activity Support
Quarters, Operation and Maintenance
Grant Administration
Land Acquisition and State Assistance
Historic Preservation
Concession Franchise Fees

As of September 30, 2000, the National Park Service had approximately 85 concession agreements, which contain provisions that provide for the establishment of escrow-type accounts to be used to develop, improve, and maintain visitor facilities. These "Special Account" funds are maintained in separate interest-bearing bank accounts of the concessionaires. The concessionaire periodically deposits a percentage of gross revenue in the account as provided in the concessionaire agreement. While the funds may be disbursed only by approval of the concessionaire and the park superintendent, they are

The Korean War Veterans Memorial includes 19 statues of infantry soldiers which stand before a polished granite wall bearing the images of support personnel.

normally intended, according to the contractual arrangements, to be used to improve or maintain the facilities used by the concessionaire to provide services to visitors.

At this time, there are differing interpretations about the extent of the National Park Service's jurisdiction over these funds, and the related receipts and expenditures. Specifically, the Office of Management and Budget (OMB) and Treasury have required that these accounts be included in Federal Government budgetary reporting. However, it is the opinion of the Solicitor of the Department of the Interior that

"*The funds contained in Concession Improvement Accounts . . . are owned by the concessionaire and are not receipts of the United States. Expenditures of such funds by the concessionaire are private expenditures, not governmental expenditures.*"

Therefore, the balances, inflows, and outflows of these Special Accounts are not reflected in the financial statements of the National Park Service. As of September 30, 2000, the concessionaires reported that the Special Accounts balances totaled approximately $55.2 million.

B. Basis of Accounting and Presentation

These financial statements have been prepared to report the financial position, net cost of operations, changes in net position, budgetary resources, and reconciliation of net costs to budgetary resources of the National Park Service as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. The financial statements have been prepared from the books and records of the NPS in accordance with accounting principles generally accepted in the United States of America using guidance issued by the Federal Accounting Standards Advisory Board (FASAB), the OMB, and NPS accounting policies which are summarized in this note. These financial statements include all funds and accounts under the control of the NPS and allocations from other federal agency appropriations transferred to the NPS under specific legislative authority.

The accounting structure of Federal Government agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to receipt or payment of cash. The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is before the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds. These financial statements are different from the financial reports also prepared by the National Park Service pursuant to OMB directives, used to monitor and control the National Park Service's use of budgetary resources.

Intragovernmental assets and liabilities arise from transactions with other federal agencies. Non-entity assets are not available to finance the National Park Service's operations, and consist of various fees that must be returned to the U.S. Treasury.

The financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.

C. Revenues and Other Financing Sources

The National Park Service receives the majority of its required funding to support its programs through appropriations authorized by Congress. The NPS receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. The NPS also

Visitors embark from Great Falls Tavern Visitor Center to enjoy a canal boat tour pulled by mule on the historic towpath at Chesapeake and Ohio Canal National Historical Park.

receives transfers of appropriated and trust funds from other agencies to support various ongoing program requirements.

Donated funds, reimbursements and grantor's requests, consistent with legislative authority, are available to the NPS when received. The National Park Service has legislative authority to collect revenues through user charges for a variety of activities that may or may not recover the full cost of the service. However, prices based on full cost in some activities would likely reduce the quantity of services sold, therefore, any difference between revenue currently earned, and projected revenue based on a full cost pricing model would not provide an accurate indication of lost revenue.

Through special legislation, the NPS is authorized to establish/increase recreation use fees, which are not intended to recover the full cost of the service. The laws mandate the use of a portion of these fees collected from park visitors for the following:

Public Law 104-134 gives the National Park Service authority through FY 2001 to allow 100 demonstration sites to experiment with new or increased recreation use fees. Parks participating in the demonstration program have until FY 2004 to spend at least 80 percent of the revenues collected at the site to help address unmet needs for visitor services, repairs and maintenance, and resource management. The remaining 20 percent can be spent at the discretion of the National Park Service. During FY 2000, recreation use fees totaling $137.7 million were transferred to an available receipt account and allocated to the participating parks in accordance with authorizing legislation.

Public Law 105-391 gives the National Park Service permanent authority to spend 100 percent of revenues collected for Concession Franchise Fees. Parks collecting these revenues are now authorized to use 80 percent of the collected revenues for concession-related expenditures. The remaining 20 percent can be spent at the discretion of the NPS. During FY 2000, revenues collected for Concession Franchise Fees totaled $16.4 million.

D. Fund Balance with Treasury and Cash

National Park Service receipts and disbursements are processed by the U.S. Treasury. Fund Balance with Treasury represents the unexpended balances of appropriation accounts, transfer accounts, deposit funds, and trust funds in NPS accounts which are available to pay current liabilities and to pay outstanding obligations. Cash balances held outside of the U.S. Treasury are imprest funds. No cash is held in commercial bank accounts.

E. Accounts Receivable

Accounts receivable consist of amounts owed to the National Park Service by other federal agencies and the public. Amounts due from the public are stated net of an allowance amount for uncollectible accounts that is based on an analysis of outstanding receivable balances and past collection experiences. No allowance is established for intragovernmental receivables, as they are considered fully collectible from other federal agencies.

F. Property, Plant, and Equipment

The National Park Service is authorized to purchase structures and equipment under a number of appropriations to facilitate the administration of the NPS and to preserve natural and cultural resources. The NPS capitalizes real property (e.g. buildings, structures, and facilities) and equipment, with an acquisition cost of at least $500,000 and $5,000 respectively,

Grand Canyon National Park protects over 80 acres of ponderosa pine forest on the North Rim specifically as habitat for the endemic Kaibab squirrel.

providing the asset has an estimated useful life of two years or more. The National Park Service determined that all of its land meets the criteria for stewardship land, and therefore has assigned no value to such land.

All real property assets in service before FY 1996 are depreciated using the straight-line method over a useful life of 20 years. Assets placed in service during FY 1996 and thereafter, are depreciated with a useful life based on four distinct asset classes. Fifteen-year property includes items such as roadside and trailside exhibits and markers, furnishings for historic structures, audio-visual installations, telephone distribution plants, and comparable assets used for two-way communication. Twenty-year property includes utility systems, sewage treatment facilities, non-permanent quarters, and other such assets. Residential property is buildings in which 80 percent or more is comprised of dwelling units (e.g., permanent quarters). These assets are depreciated over 27 years. Nonresidential property such as visitor centers, maintenance facilities, concessionaire buildings, bridges, and others is depreciated over 40 years. Equipment is depreciated using the straight line method. The useful life is based on the Federal Supply code for equipment which has a range of five to 25 years. Software is depreciated over five years using the straight line method.

The National Park Service leases office space from the General Services Administration (GSA). The lease costs are comparable to commercial lease rates for similar properties.

G. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the National Park Service as the result of a transaction or event that has already occurred. However, no liability can be paid by the NPS unless Congress and the President authorize payment through an appropriation. These statements include liabilities for which an appropriation has not been enacted, and thus are presented as liabilities not covered by budgetary resources, for there is no certainty that an appropriation will be enacted. Contingent liabilities are recorded in the accounting records when an event potentially leading to the recognition of a liability is probable, and a reasonable estimate of the scope of the potential liability is available.

H. Personnel Compensation and Benefits

Accrued payroll and benefits represent salaries, wages, and benefits earned by employees, but not disbursed as of September 30. Annual leave is the earned amount of unused employee vacation time based on annual leave balances and current pay rates, and funded from current appropriations when used. Annual leave is recorded as an unfunded liability because financing will be obtained from the then-current appropriations when used. The National Park Service expenses sick and other types of leave when used, but does not accrue the related costs because it is not earned and does not vest.

I. Retirement Plans

National Park Service employees participate in one of two retirement systems. National Park Service employees hired prior to January 1, 1984, participate in the Civil Service Retirement System (CSRS) to which NPS makes matching contributions equal to seven percent of basic pay. The Federal Employee Retirement System (FERS) went into effect on January 1, 1987, pursuant to Public Law 99-335. Employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired before January 1, 1984, could have elected to join either FERS or remain in CSRS. A primary feature of FERS is that it offers a savings plan, to which NPS automatically contributes one percent of pay and matches any employee contribution up to an additional four percent of pay. The National Park Service makes no matching contributions to the Thrift Savings Plans established

Florissant Fossil Beds National Monument preserves a wealth of world-class fossils ranging from delicate insects to massive petrified sequoia stumps.

by CSRS employees. For employees hired since December 31, 1983, the NPS also contributes the employer's matching share for Social Security.

The National Park Service recognized the full cost of providing future pension and other retirement benefits (ORB) for current employees as required by SFFAS No. 5, *Accounting for Liabilities of the Federal Government.* Full cost includes pension and ORB contributions paid out of NPS appropriations and costs financed by the Office of Personnel Management (OPM). The amount financed by OPM is recognized as an Imputed Financing Source on the Statement of Changes in Net Position. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

J. Income Taxes

As an entity of the U.S. Government, the National Park Service is exempt from all income taxes imposed by any governing body, whether it is a federal, state, local, or foreign government, or a Commonwealth of the United States.

K. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results will invariably differ from those estimates.

Note 2. Fund Balance with Treasury

Fund Balance with Treasury by major category is as follows (dollars in thousands):

Fund	Balance
Appropriated Funds	$ 1,188,861
Trust Funds	73,452
Available Receipts	317,990
Other	22,212
Total Fund Balance with Treasury	**$ 1,602,515**

Appropriated funds consist of funds for the operation of the National Park Service, construction, historical preservation, fire emergency, and more. Trust funds consist of federal highway funds and donations. Available receipts consist of fee collection and demonstration activity funds, operation and maintenance of quarters, concession franchise funds, etc. Other consists of deposit funds and other minor funds.

Note 3. Accounts Receivable, Net of Allowance

The reported amount for total Accounts Receivable consists of monies owed to the NPS from other federal agencies and the public, as follows (in thousands):

	Federal	Public
Accounts Receivable, Billed	$ 384	$ 8,346
Allowance for Doubtful Accounts	0	(810)
Net Accounts Receivable, Billed	384	7,536
Accounts Receivable, Unbilled	13,332	687
Total Accounts Receivable, Net	**$ 13,716**	**$ 8,223**

Note 4. Loans Receivable

Pursuant to the Wolf Trap Farm Park Act (16 U.S.C. 284c(b)), the Wolf Trap Foundation for the Performing Arts (the Foundation) and the National Park Service amended their Cooperative Agreement to set up a repayment schedule of loan principal to the Foundation totaling $8,560,226 authorized by the Act of November 28, 1990 (P.L. 101-636: 104 Stat. 4586). The loan principal is to be repaid to the NPS without interest within 25 years from June 1, 1991, the date of the Amendment. The loan principal is repaid in equal annual installments of $359,783, except for the first three annual payments of $215,000 per year. Repayment of the loan principal may include a credit of up to $60,000, annually, for public service tickets given to entities exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986. The monies that the NPS receives for repayment of this loan may be retained by the NPS until expended, in consultation with the Foundation, for the maintenance of structures, facilities, and equipment of the park. The remaining balance of this loan receivable at September 30, 2000, is $5,397,000.

Note 5. Advances to Others

As of September 30, 2000, there were outstanding federal advances of $2,339,000 to the Federal Highway Administration for work to be performed at Yosemite National Park under an interagency agreement, and $1,723,000 to the Bureau of Land Management for the purchase of fire equipment. In addition, there were outstanding advances of $2,701,000 to various federal agencies.

Advances to non-federal entities and individuals is comprised of (in thousands):

Type of Advance	Amount
Travel Advances	$ 352
Grant Advances	471
Total Advances	**$ 823**

The National Park Service disburses grants to states, territories, and Indian tribes to facilitate the accomplishment of its overall mission. The state grantee entities, typically disburse funds to subrecipients to carry out specified activities.

Note 6. Other Assets

The Federal Highway Administration provided NPS contract authority for road construction in the parks. The NPS recognized a receivable for the unused contract authority for which the appropriation has been authorized by law.

Note 7. Cash

Cash represents the National Park Service imprest funds, or "petty cash," held by imprest fund cashiers at NPS field units throughout the country. The NPS continues to reduce the cash held in imprest funds through better cash management initiatives such as third party drafts and VISA/IMPAC credit cards.

Note 8. General Property, Plant, & Equipment, Net

The National Park Service's general property, plant, and equipment categories, with corresponding accumulated depreciation, is shown in the table below (in thousands):

Asset Category	Cost	Accumulated Depreciation	Net Book Value
Buildings	$ 392,757	$ (141,818)	$ 250,939
Structures/Facilities	432,215	(174,817)	257,398
Equipment	356,752	(215,961)	140,791
Construction-in-Progress	148,412	0	148,412
Software	721	(318)	403
Total	**$ 1,330,857**	**$ (532,914)**	**$ 797,943**

Note 9. Non-Entity Assets/Liabilities

The reported amount of cash transferred to Treasury consists of certain recreation, entrance, and user fees collected at many of the parks. These fees are to be returned to Treasury following the end of each fiscal year, therefore are reflected as a non-entity liability. With the continued expansion of the Fee Demonstration Program, in which receipts are retained by the NPS, there was a significant reduction in FY 2000 fees returned to Treasury. All non-entity accounts receivables, when collected, are returned to Treasury at the beginning of each year and non-entity accounts receivable are net of allowances for uncollectible amounts.

Note 10. Accounts Payable

The reported amounts for accounts payable include liabilities to other federal agencies and to the public. Amounts owed for goods and services received by the NPS total $73,304,000 and include contract holdbacks of $1,110,000.

Pecos National Historical Park preserves 12,000 years of human history including the ruins of Pecos Pueblo, a section of the Santa Fe Trail, sites related to the Civil War Battle of Glorieta Pass, and a 20th-century ranch.

Note 11. Advances from Others

The reported amounts include advances to the National Park Service from other federal agencies and from the public for a total of $90,051,000. This amount is for the purchase of land with Title V monies and for payments received in advance for reimbursable agreements for state-federal-academic partnerships in research and graduate education for the management of natural resources, etc.

Note 12. Federal Employees Compensation Act Liabilities

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees insured on the job; employees who have incurred a work-related occupational disease; and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and unpaid billings, and subsequently seeks reimbursement from the NPS for the paid claims. FECA liabilities at September 30, 2000, include two portions: 1) intragovernmental portion, amounting to $39,382,000, representing claims paid by DOL and billed to the NPS that remain unpaid at September 30; and 2) non-intragovernmental portion, or the actuarial FECA liability, amounting to $205,051,000. The actuarial FECA liability represents the liability for future workers' compensation benefits, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. The liability is determined by the DOL annually, as of September 30, using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. The projected annual payments are discounted to present value using OMB's economic assumptions for 10-year Treasury notes and bonds.

Note 13. Contingent Liabilities

Environmental

The National Park Service is subject to loss contingencies pursuant to environmental laws and regulations that currently, and in the future, will require the NPS to take action to correct or ameliorate the effects on human health and the environment from releases of contaminants by the NPS or other parties. Contingencies may exist for various types of sites, including, but not limited to: 1) hazardous substance contaminated sites governed by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); 2) waste storage, treatment and disposal facilities governed by Subtitle-C of the Resource Conservation and Recovery Act (RCRA); 3) leaking underground storage tanks; 4) proper closure and clean up of solid waste; and 5) abandoned mining lands. The abatement of lead-based paint and asbestos is not considered as part of these contingencies. These items are promptly fixed when discovered.

The amount of future cleanup cost to the National Park Service is difficult to determine due to such factors as: 1) the unknown nature and extent of potential contamination; 2) the unknown timing and extent of the cleanup that may be required; 3) the determination of allocation of NPS liability vis-à-vis other responsible parties; and 4) the extent to which such costs will be borne by or recovered from third parties. While the NPS has provided for environmental obligations that are probable and

Curators at the NPS Museum and Archeological Regional Storage Facility in Maryland work to catalogue over 53,000 objects in the Vietnam Veterans Memorial Collection. Objects left by visitors at the Memorial Wall range from military patches, medals, and boots to wreaths, flags, and photos.

reasonably estimable, the amount of future costs is dependent on the results of future activities. The NPS does not expect these costs to have a material effect on its consolidated financial position.

The National Park Service has identified 157 sites within 70 park units that are potentially impacted by petroleum or hazardous substance releases. As of September 30, 2000, approximately 55 percent of these sites are governed by RCRA, and 45 percent of these sites are governed by CERCLA. Response activities at these sites include: site characterization and sampling; risk assessment; removal of the contaminant source; treatment and/or containment of contaminated water and soil; and ongoing monitoring.

The National Park Service analyzed its environmental cleanup liability and estimates a total future liability of $4,000,000, of which $3,585,000 constitutes the estimated cost of cleanup at sites for which the NPS has liability or shared liability, and $415,000 constitutes the cost of future studies at such sites. In addition, there are some sites for which the NPS has liability or shared liability for which the environmental cleanup liability is not reasonably estimable at this time. With respect to these sites, there is a possibility of a liability in the range of $659,000 to $3,536,000.

Furthermore, there are 106 sites at which environmental liability is undetermined or in litigation. The National Park Service's possible liability for these sites range from $22,664,000 to $134,410,000.

Judgments and Claims

The National Park Service is a defendant in a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of NPS management and legal counsel, a reasonable estimate of an adverse outcome on certain cases could result, totaling approximately $8,264,000, of which $3,500,000 could be paid by the NPS and the remainder by the Department of Treasury Judgment Fund. There are six reasonably possible claims with a total payout range of $1,200,000 to $15,060,000 that would be paid through the Department of the Treasury Judgment Fund, if settled.

Note 14. Unexpended Appropriations

The balance of unexpended appropriations at September 30, 2000, is comprised of the following amounts (in thousands):

Appropriation	Amount
Unobligated	
Available	$ 191,830
Unavailable	19,235
Undeliverable Orders	503,195
Total Unexpended Appropriations	**$ 714,260**

The Oregon National Historic Trail is managed with the cooperation and support of a nationwide trails community working toward a vision of an interconnected, cross-country trail system.

Note 15. Statement of Net Cost Disclosure

Gross Costs presented in the Statement of Net Cost represents intra-governmental costs of $255,000 and public costs of $2,062,000. Gross revenue presented in the Statement of Net Cost represents intra-governmental revenues of $57,000 and public revenues of $242,000.

Gross cost and earned revenue, by budget functional classification were as follows (in thousands):

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
Natural Resources and Environment	$ 2,257,544	$ (299,645)	$ 1,957,899
Transportation	45,573	0	45,573
Education, Training, Employment, and Social Services	14,865	0	14,865
Total	**$ 2,317,982**	**$ (299,645)**	**$ 2,018,337**

Intra-governmental gross cost and earned revenue, by budget functional classification were as follows (in thousands):

Budget Functional Classification	Gross Cost	Earned Revenue	Net Cost
Natural Resources and Environment	$ 251,990	$ (57,479)	$ 194,511
Transportation	3,017	0	3,017
Education, Training, Employment, and Social Services	911	0	911
Total	**$ 255,918**	**$ (57,479)**	**$ 198,439**

Stewardship means doing what I can to conserve what does not belong to me alone, holding in trust that which exists before, during, and after my time, caring for, to the best of my ability, what is beyond and greater than myself.

Helen L. Scully,
National Park Service
Employee

Note 16. Other Financing Source

Other financing sources consist of Title V and Title VI monies of which $41,058,000 was used for the purchase of land, construction, and maintenance, and $7,573,000 was used to make computer programs Y2K compliant.

Note 17. Budget Authority

Budget Authority is comprised of the following amounts (in thousands):

Transaction	Amount
Appropriations	$ 2,042,052
Contract Authority	53,480
Transfers, Net	33,716
Total	**$ 2,129,248**

Note 18. Operating Leases

The National Park Service leases various buildings from the General Services Administration (GSA). The NPS is not committed to continue to pay rent to GSA beyond the period occupied, and may elect to terminate these leases with 120 days notice to GSA at any time. However, it is expected that the NPS will continue to occupy and lease office space from GSA in future years, and that the lease charges will be adjusted annually to reflect operating costs incurred by GSA. For the year ended September 30, 2000, payments to GSA for operating leases approximated $32,993,000.

The NPS also leases vehicles from GSA. The National Park Service may elect to terminate these leases with as little as one day's notice to GSA at any time. For the year ended September 30, 2000, payments to GSA for leasing of vehicles approximated $6,785,000. All leases with GSA are considered operating leases.

Note 19. Transfers-Special Receipt Accounts

Monies from three special receipt accounts controlled by the Department of Interior are transferred to the National Park Service for the purchase of land, grants to state and local government, and clean up of hazardous material. The amounts transferred from each fund are as follows (in thousands):

Account	Amount
Land & Water Conservation Fund	$ 120,700
Historic Preservation	83,793
Central Hazardous Materials Fund	836
Total	**$ 205,329**

Note 20. Prior Period Adjustments

This amount represents major reclassifications of $(279,241,000) from unexpended appropriations to cumulative results of operation for all available receipt accounts and transfers from special receipt accounts; $53,167,000 for accounts where appropriated funds are mixed with reimbursable authority; and FECA liabilities of $37,347,000 recorded in FY 2000 for the prior year.

The NPS expects to continue to occupy and lease office space from GSA and that the lease charges will be adjusted annually to reflect operating costs incurred by GSA.

Note 21. Balance Changes in Statement of Budgetary Resources

There was a decrease between Obligated Balance, Net-End of Period (FY 1999), and Net-Beginning of Period (FY 2000) in the amount of $53,089,000. There was also a decrease between the Unobligated Balance, End of Period (FY 1999), and Unobligated Balance, Beginning of Period (FY 2000), of $312,000.

These adjustments are the cumulative result of a budgetary account reconciliation, which was necessary to bring our accounts into compliance with FACTS II reporting requirements. Since many of the accounts affected were beginning balances, a change in Obligated Balance and Unobligated Beginning of Period was essential.

Note 22. Statement of Financing

The intent of the Statement of Financing, which may be presented as a note to the financial statements, is to facilitate the reconciliation of the financial net cost of operations with obligations of budget authority. Because the accrual-based measures used in the Statement of Net Cost differ from the obligation-based measures used in the Statement of Budgetary Resources, this reconciliation is useful in understanding the differences.

The Statement of Financing considers four types of activity: 1) resources used to fund activities; 2) resources used to fund items not part of the net cost of operations; 3) components of net cost of operations that do not require or generate resources during the reporting period; and 4) components of net cost that require future funding.

The Statement of Financing for the year ended September 30, 2000, is as follows (in thousands):

Department of the Interior
National Park Service
STATEMENT OF FINANCING
For the Year Ended September 30, 2000 (in thousands)

Obligations and Nonbudgetary Resources	
Obligations Incurred	$ 2,242,764
Less: Spending Authority for offsetting Collections and Adjustments	(178,541)
Imputed Financing	61,768
Nonexchange Revenue Not in the Budget	18,641
Exchange Revenue Not in the Budget	(153,921)
Transfers (Net)	(11,160)
Total Obligations, as Adjusted, and Nonbudgetary Resources	$ 1,979,551
Resources That Do Not Fund Net Cost of Operations	
Change in Amount of Goods, Services, and Benefits Ordered But Not Yet Received or Provided	16,842
Costs Capitalized on the Balance Sheet	(72,699)
Change in Unfilled Customer Orders	(22,649)
Total Resources That Do Not Fund Net Cost of Operations	$ (78,506)
Costs That Do Not Require Resources	
Depreciation	57,627
Other Items Not Requiring Budgetary Resources	12,220
Total Costs That Do Not Require Resources	$ 69,847
Change in Future Funding Requirements	47,445
Net Cost of Operation	**$ 2,018,337**