

**SUPPLEMENTAL
FINANCIAL
STATEMENTS**

Department of the Interior National Park Service CONSOLIDATING STATEMENT OF NET COST

For the Year Ended September 30, 1999 (in thousands)

COSTS	Preserve Park Resources	Provide for the Public Enjoyment & Visitor Experience of Parks	Strengthen & Preserve Natural & Cultural Resources & Enhance Recreational Opportunities Managed by Partners	Combined Total	Intra-Agency Eliminations	Consolidated Total
Operations of the National Park Service						
Less: Earned Revenues	\$ 323,450 (313)	\$ 1,148,029 (22,541)	\$ 10,729 (160)	\$ 1,482,209 (23,014)	\$ 0 0	\$ 1,482,209 (23,014)
Net Program Costs	323,137	1,125,488	10,569	1,459,195	0	1,459,195
Construction						
Less: Earned Revenues	115,011 (30,735)	130,740 (49,359)	10,320 (15)	256,070 (80,109)	0 1,113	256,070 (78,996)
Net Program Costs	84,276	81,380	10,304	175,961	1,113	177,074
Trust Funds						
Less: Earned Revenues	17,260 (28)	14,099 (29)	0 0	31,359 (57)	0 0	31,359 (57)
Net Program Costs	17,231	14,071	0	31,302	0	31,302
Fee Collection and Demonstration Activity						
Less: Earned Revenues	9,670 (79,235)	57,464 (79,234)	4,646 0	71,780 (158,470)	0 0	71,780 (158,470)
Net Program Costs	(69,565)	(21,770)	4,646	(86,690)	0	(86,690)
Operations and Maintenance of Quarters						
Less: Earned Revenues	7,193 (14,854)	7,193 0	0 0	14,386 (14,854)	0 0	14,386 (14,854)
Net Program Costs	(7,661)	7,193	0	(468)	0	(468)

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

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For the Year Ended September 30, 1999 (in thousands)

	Preserve Park Resources	Provide for the Public Enjoyment & Visitor Experience of Parks	Strengthen & Preserve Natural & Cultural Resources & Enhance Recreational Opportunities Managed by Partners	Combined Total	Intra-Agency Eliminations	Consolidated Total
COSTS (continued)						
Historical Preservation	0	0	37,820	37,820	0	37,820
Less: Earned Revenues	0	0	(101)	(101)	0	(101)
Net Program Costs	0	0	37,719	37,719	0	37,719
Other	2,567	549	33	3,149	0	3,149
Less: Earned Revenues	(862)	(884)	0	(1,746)	0	(1,746)
Net Program Costs	1,705	(335)	33	1,403	0	1,403
Other Program Costs						
National Recreation and Preservation	0	0	46,540	46,540	0	46,540
Fire and Emergency Operations	53,751	0	0	53,751	0	53,751
Disaster and Flood Relief	0	0	1,427	1,427	0	1,427
Urban Park and Recreation	0	0	553	553	0	553
Job Corps	0	0	14,740	14,740	(370)	14,370
Total Other Program Costs	53,751	0	63,260	117,011	(370)	116,641
Costs not Assigned to Programs						
Heritage Assets	7,096	8,067	637	15,800	0	15,800
Land Acquisition	28,189	28,184	10,290	66,663	0	66,663
Total Costs not Assigned to Programs	35,285	36,251	10,927	82,463	0	82,463
NET COST OF OPERATIONS (Note 17)	\$ 438,160	\$ 1,242,278	\$ 137,459	\$ 1,817,896	\$ 743	\$ 1,818,639

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**Department of the Interior
National Park Service**
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended September 30, 1999 (in thousands)

	Preserve Park Resources	Provide for the Public Enjoyment & Visitor Experience of Parks	Strengthen & Preserve Natural & Cultural Resources & Enhance Recreational Opportunities Managed by Partners	Intra-Agency Eliminations	Consolidated Total
Net Cost of Operations	\$ (438,155)	\$ (1,242,281)	\$ (137,460)	\$ (743)	\$ (1,818,639)
Financing Sources:					
Appropriations Used	462,690	1,310,956	154,230	0	1,927,876
Imputed Financing	15,356	43,506	5,118	0	63,980
Nonexchange Revenue	7,262	7,261	0	0	14,523
Other Financing Sources (Note 18)	12,574	35,626	4,191	0	52,391
Transfers – In	930	2,637	310	0	3,877
Transfers – Out	(11,573)	(32,790)	(3,858)	0	(48,220)
Net Results of Operations	49,084	124,915	22,532	(743)	195,788
Prior Period Adjustments (Note 19)	(46,212)	(130,934)	(15,404)	0	(192,550)
Invested Capital Adjustment and Other Changes	(586)	(1,660)	(195)	0	(2,441)
Net Change in Cumulative Results of Operations	2,286	(7,679)	6,933	(743)	797
Increase in Unexpended Appropriations	6,525	18,489	2,175	0	27,189
Change in Net Position	8,811	10,810	9,108	(743)	27,986
Net Position – Beginning of Period	514,380	1,134,458	231,530	(183)	1,880,185
Net Position – End of Period	\$ 523,191	\$ 1,145,268	\$ 240,638	\$ (926)	\$ 1,908,171

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**Department of the Interior
National Park Service
COMBINING STATEMENT OF BUDGETARY RESOURCES**

For the Year Ended September 30, 1999 (in thousands)

	Operation of the National Park Service	Construction	Trust	Other	Total
BUDGETARY RESOURCES					
Budget Authority (Note 20)	\$ 1,294,327	\$ 234,419	\$ 44,571	\$ 513,312	\$ 2,086,629
Unobligated Balances – Beginning of Period	27,196	268,039	32,720	250,298	578,253
Net Transfers Prior Year Balance, Actual	0	0	0	519	519
Spending Authority From Offsetting Collections	23,015	297,815	0	147	320,977
Adjustments	819	0	(3,598)	2,460	(319)
TOTAL BUDGETARY RESOURCES	<u>\$ 1,345,357</u>	<u>\$ 800,273</u>	<u>\$ 73,693</u>	<u>\$ 766,736</u>	<u>\$ 2,986,059</u>
STATUS OF BUDGETARY RESOURCES					
Obligations Incurred	\$ 1,324,307	\$ 340,164	\$ 39,085	\$ 359,402	\$ 2,062,958
Unobligated Balances – Available	11,847	460,109	34,543	402,824	909,323
Unobligated Balances – Unavailable	9,203	0	65	4,510	13,778
TOTAL STATUS OF BUDGETARY RESOURCES	<u>\$ 1,345,357</u>	<u>\$ 800,273</u>	<u>\$ 73,693</u>	<u>\$ 766,736</u>	<u>\$ 2,986,059</u>
OUTLAYS					
Obligations Incurred	\$ 1,324,307	\$ 340,164	\$ 39,085	\$ 359,402	\$ 2,062,958
Less: Spending Authority From Offsetting Collections and Adjustments	(28,108)	(297,816)	0	(3,423)	(329,347)
	<u>1,296,199</u>	<u>42,348</u>	<u>39,085</u>	<u>355,979</u>	<u>1,733,611</u>
Obligated Balance, Net – Beginning of Period	276,447	192,454	20,404	170,701	660,006
Less: Obligated Balance, Net - End of Period (Note 21)	(297,280)	(145,419)	(25,984)	(221,519)	(690,202)
TOTAL OUTLAYS	<u>\$ 1,275,366</u>	<u>\$ 89,383</u>	<u>\$ 33,505</u>	<u>\$ 305,161</u>	<u>\$ 1,703,415</u>

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Supplemental Information

Deferred Maintenance

The National Park Service owns, purchases, and constructs assets such as roads, trails, camping and recreational structures, buildings and houses, utility systems, marine and dock structures, signs and information structures, and special features assets like monuments, statues, memorials, fortifications, and viewing structures. In every category of assets listed above, there are examples of both General and Stewardship facilities.

While the Service has acquired and maintained assets throughout its eighty-three year history, several factors have led to a backlog of maintenance tasks and a significant deterioration of facility conditions as a result of that backlog. One cause of this maintenance backlog stems from limited operational funding for facilities acquired through donation, and transfer. Aging facilities have created increased costs for day to day operations limiting the funds available for maintenance. Additionally, increasing visitation and addition of new park sites and facilities have also added to operational costs at the expense of maintenance activities.

The National Park Service defines “deferred maintenance” as maintenance that was not performed when scheduled or planned. This definition comes from the *U.S. Department of the Interior Facilities Maintenance Assessment and Recommendations, February 1998*. Continued deferral of maintenance items will result, over time, in facility deficiencies that must be corrected, often at a higher cost than the original maintenance cost.

The estimates below are for the correction of facility deficiencies that are the result of deferred maintenance decisions. The estimates were compiled from several sources. These include a September 30, 1999 search of the Project Management Information System (PMIS) database, for all facility maintenance projects for which the National Park Service

has identified a current need. PMIS has been revised to include a mandatory cost estimation tool to better support the project cost. PMIS contains detailed cost estimates related to condition assessments; these can include a range of formalized cost assessments to professional judgement estimates. National Park Service continues to refine the asset type information contained in PMIS to allow for better reporting. Attachment 1 is a list of all resource/asset types available in PMIS.

The estimated figure for housing deferred maintenance was based on the Quarters Management Information System data collected during FY 1999. Estimates for Paved Roads and Bridges deferred maintenance projects were compiled from the 1997/98 and 1998/99 Federal Lands Highways Program *Roads Inventory Program and Bridge Inventory Program* respectively. The estimated deferred maintenance need for dams came from the current Dams Inventory. These estimates are as follows:

Project Management Information System Deferred Maintenance Projects:	\$ 1,449,995,761
Employee Housing Deferred Maintenance Projects:	80,000,000 ¹
Paved Roads and Bridges Deferred Maintenance Projects:	2,707,105,077 ²
Dams Deferred Maintenance Projects:	102,000,000
Total:	\$ 4,339,100,838

The National Park Service recognizes that these existing sources of information are based on current database collection systems, as the actual cost of correcting deferred maintenance will not be known until a comprehensive inventory and condition assessment has been completed and a fully defined scope of work has been developed. The National Park Service requested \$2.5 million in FY 2000 to begin a ten-year cycle for inventory and condition assessment of all facilities, but funding was not appropriated.

The latest inventory data available shows that National Park Service manages approxi-

mately 8,000 miles of roads, 1,861 bridges and tunnels, 763.3 miles of paved trails, 12,250.2 miles of unpaved trails, 7,580 administrative and public use buildings, 5,771 historic buildings, 4,389 housing units (include approximately 1,000 historic housing units), 493 water treatment plants, 187 wastewater treatment systems, 270 electrical generating systems, 72,886 signs, 8,505 monuments, and many other special features.

The National Park Service has submitted budget requests for FY 2000 to reduce deferred maintenance projects as follows:

Repair and Rehabilitation Program (PMIS Projects):	\$58,081,000
Housing Projects (Part of Emergency, Unscheduled and Housing Projects, funding was not appropriated):	10,000,000
Dams Projects:	1,440,000
TOTAL:	\$69,521,000

In addition to the \$69.521 million requested in FY 2000, Public Law 105-178, has made \$660 million³ available to the National Park Service for major road and bridge projects for Fiscal Years 2000-2003

¹ The National Park Service (NPS) is continuing with efforts to assess the physical conditions of housing units. Formalized condition assessments were conducted using independent contractors at several park areas. Although this sample of information was limited to approximately 45-50 housing units that were assessed, it did provide useful data that was used for servicewide projections. Preliminary data from these prototype parks showed that units in poor condition required an average repair cost of \$40,000 while units in fair condition required \$25,000 for average repair costs.

Based on Quarters Management Information System (QMIS) data collected during FY 1999, NPS has 1,981 housing units in fair or poor condition. Using the average repair costs from the formalized condition assessments of \$25,000 to \$40,000 per unit provides a backlog or deferred maintenance figure ranging from \$50 to \$80 million. Data from FY 1998, documented 2,075 units in poor or fair condition for a deferred maintenance estimate ranging from \$83 to \$124 million.

However, each year that funding is deferred, the lack of preventive maintenance only contributes to accelerated deterioration and to ultimately more expensive, major repair and rehabilitation and replacement projects.

NPS has identified 240 existing trailers in five regions that are eligible for replacement. Using an average replacement cost of \$200,000 to \$300,000 for design, site work, and construction costs, per trailer results in estimated replacement costs ranging from \$48 to \$72 million. Last year's figures for trailer replacement was from \$64 to \$74 million. The needs assessments identified additional trailers that were no longer needed and further reduced the number of trailers that needed to be replaced.

While these are not exact projections, they do present the magnitude of the Service's housing backlog. The NPS will continue to revise the projected deferred maintenance figure as the condition assessment process continues and more data becomes available.

Cost projections for historic housing units in fair or poor condition will often be double the costs of non-historic units. As condition assessments are accomplished on historic housing units, those cost estimates may increase significantly the overall deferred maintenance projections. Housing rehabilitation project requests from the NPS Project Management Information System (PMIS) further indicate that the estimate of \$25,000 to \$40,000 may need to be increased for some locations and situations to be more accurate. The NPS will continue to monitor the results of condition assessments.

The comprehensive condition assessments must be accomplished to determine what resources and activities are necessary and to determine the extent of the deferred maintenance. The goal of the NPS Housing Program is to obtain a basic condition assessment for all housing units to gain a better understanding of what we have, its condition and how to best manage and maintain the units.

² **Roads**—Currently, the Federal Highway Administration (FHWA) has only completed data collection and quality checks for 2,403 miles or forty-seven percent of paved roadways within the system. Meanwhile, these 2,403 miles of roads were collected from parks across the Service and represent a sound diversified sampling of the total network. The cost to upgrade the 2,403 miles of roads in parks with good, fair and poor condition to excellent condition would cost \$1,210,189,614. Roadway improvement cost multipliers were based on actual regional construction projects over the past several years. To provide a total system wide estimate of deferred maintenance, FHWA extrapolated to the total system (1,210,189,614/2,403*5,152 paved miles) giving a total of \$2,594,630,405. Next year, the FHWA will have collected 90% of paved roads, which will increase the linkage to actual road segment conditions.

Bridges—On a two-year cycle, the FHWA inspects some 1,861 structures generally greater than 20 feet in length. In developing total cost estimates, the FHWA separates costs by maintenance, rehabilitation and construction. After review of historic data, FHWA developed factors to more closely represent the true costs for maintenance, rehabilitation and construction. For example, maintenance cost were increased based on historic data in the west by 2 and in the east by 1.5. The cost factors were use to correct poor assumptions. For example, it was assumed that the park would use in-house forces to complete maintenance, but in reality used contractors. In addition, due to competing needs and limited funding for maintenance, contracts are not always packaged to take care of multiple bridges at a better price, but one or two bridges to meet the dollars available. Furthermore, rehabilitation and construction costs are basically estimates for labor and material costs only. These costs do not consider for example size of project, traffic control, approach work and remoteness of site which all can greatly influence the cost. FHWA is working on their cost estimating processes to consider these issues for the next cycle. Historic data shows the actual construction costs are 1.5 times the original estimate. Accordingly, the rehabilitation and construction costs were increased by a factor of 1.5 to more truly reflect the actual costs to complete work on NPS bridges.

³ Transportation Equity Act for the 21st Century (TEA-21) authorizes the Park Roads and Parkways Program \$165 million annually but TEA-21, section 1102(f) reduces the program some 10-15% annually causing a significant ripple effect on Category I, repair, rehabilitation and reconstruction, Category II, completion of Congressionally authorized parkways and Category III, Alternative Transportation Systems. The total program of dollars does not go directly to fixing the NPS dilapidated road and bridge system (i.e. Category I), but is balanced between multiple NPS's transportation needs (Categories I, II and III).

Attachment 1

Resource/Asset Type

Air	Mineral
Amphibian or Reptile	Monument
Amphitheater	Mowable Area
Animal Population/Assemblage	Museum Object and Specimen
Archeological Site	Natural Sound/Quiet
Bird	Night Sky
Boardwalk	Non-Vascular Plant, Algae or Bacteria
Building, Administrative/Public Use	Non-Visiting Public
Building, Concession	Outdoor Sculpture
Building, Historic	Paleontological
Campground Site	Picnic Site
Cave or Karst	Pier
Coastal Feature	Railroad Trackbed
Electrical Distribution System, Primary	Reservoir
Electrical Generating System	Riparian Area and Wetlands
Employee	River or Stream
Ethnographic Resource	Road Bridge
Fish	Road Sign
Floating Dock	Road Tunnel
Fortification	Road, Historic
Freshwater Aquatic Ecosystem	Road-Paved
Fuel Storage Tank-Gasoline (AST)	Road-Unpaved
Fuel Storage Tank-Gasoline (UST)	Ruin
Fuel Storage Tank-Other (AST)	Sewer Line
Fuel Storage Tank-Other(UST)	Sign
Fuel Storage Tank-Propane(AST)	Soil
Fuel Storage Tank-Propane(UST)	Solid Waste
Geologic Resource, general or not listed	Transfer Station
Geothermal and Volcano	Terrestrial Ecosystem
Groundwater	Trail Bridge
Historic Structure, Other	Trail Sign
Housing, Historic	Trail/Walk-Paved
Invertebrate	Trail/Walk-Unpaved
Lake or Pond	Ungulate
Landfill Site	Vascular Plant
Landscape Feature, Historic	Viewshed
Landscape, Cultural	Visitor
Mammal, general or not listed	Wastewater Treatment Plant
Marine Ecosystem	Water Distribution System
Marine Mammal	Water Line
Marine Water and Estuary	Water Resource, general or not listed
	Water Treatment Plant
	Wayside Exhibit