

Information on the Change in Procedure on the Audit/Review of AFRs Beginning with 2012 AFR Submittals

Background Information

The NPS has determined that certain changes need to be made to the AFR electronic submittals starting with the 2012 AFRs. These changes are based on CPA and Concessioner concerns that have developed since the transition to the electronic submittal when the requirement was changed to allow concessioners to submit separate, corresponding financial statements which were audited or reviewed. The following problems were identified:

1. When the electronic AFR form was developed in 2007, a decision was made to include only one year of data on the form. Since accounting rules require that a Certified Public Accountant (CPA) conduct an audit or review using two years of data, CPAs were no longer able to audit/review the AFR itself.
2. Schedules B and D are not part of an industry standard audit/review report, therefore the calculations of franchise fees and depreciable fixed assets were not audited/reviewed by the CPA, nor covered by the opinion.
3. The audit/review report submitted by independent auditors is usually a shortened version of the primary schedules and lacks the detail of the NPS AFR Form.

Hopefully the revisions below will make the process easier for you and your accountants and continue to provide the NPS with the information needed to manage the Commercial Services Program effectively.

Revised Procedure

The electronic AFR forms have been revised to include two columns of information on schedules, A, A-1, C and E. Therefore, you will no longer be required to submit both the AFR and audited/reviewed financial statements; you are only required to submit an audited/reviewed AFR. If you would like to continue to submit both an AFR and financial statements you can do so as long as the appropriate schedules on the AFR have been audited/reviewed.

The format of the new form will look familiar to you if you have used the hard copy AFR Long Form in the past. The new process for completing and submitting the Long Form is as follows:

1. You or your accountant enters the AFR information on the AFR Excel form, including 2 years of data on schedules A, A-1, C, and E.
2. Your CPA audits or reviews schedules A, A-1, B, C, D, E and F as applicable and includes them in the Opinion or Review Letter.
3. You or your accountant submits the AFR prepared datafile, Opinion letter, and other attachments as normal via the AFR submission website <https://afsubmission.nps.gov/>. In addition, you must upload a copy of the AFR Excel file as an attachment, since this is the file that was audited/reviewed by the CPA.

The AFR Long Form User's guide has been updated to reflect this new procedure, and WASO Financial Management staff members are available to answer any questions you might have.

Please do not hesitate to contact either one of us if you have any questions regarding the AFRs.

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Note: These changes do not affect the Short Form AFR that concessioners with less than \$500,000 in gross receipts submit.