

ACTING CHIEF FINANCIAL OFFICER'S MESSAGE

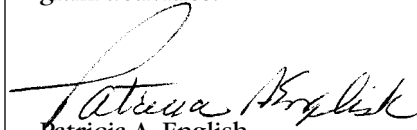
I am pleased to present the Federal Emergency Management Agency's (FEMA) Fiscal Year 2000 Accountability Report. This report contains a summary of FEMA's major programs and performance information, a consolidation of financial management reports required by various statutes, and the FY 2000 financial statements and notes.

We are proud to have received an unqualified opinion, for the third consecutive year, from independent auditors on our financial statements. The auditors found that FEMA is in compliance with Office of Management and Budget (OMB) and Federal Accounting Standards Advisory Board (FASAB) accounting and internal control standards. Achieving an unqualified opinion on our financial statements validates our efforts to ensure that the Agency's financial and management information systems produce timely, accurate, and useful information for FEMA Directorates and programs.

During Fiscal Year 2000, financial reporting and accountability improvements were a priority within the Office of Financial Management. We focused our efforts on providing more timely and relevant reports for Agency management throughout the fiscal year. Monthly and quarterly financial status reports and other financial management reports have been enhanced providing our internal and external customers with up-to-date financial information to assist them in managing and monitoring the Agency's resources and programs.

Recently, several new laws were enacted that will create new challenges for the Agency and its resources. The passage of the Disaster Mitigation Act (DMA) of 2000 provides the first substantive changes to the Stafford Act in 12 years. It authorizes predisaster hazard mitigation, expands post-disaster hazard mitigation, and makes extensive changes to disaster response and recovery programs. The DMA also directs FEMA to establish management cost rates for disaster grant management and administration that will streamline the multiple methods currently used. In July 2000, Congress passed the Cerro Grande Fire Assistance Act, which provides FEMA with \$450 million to provide assistance to the victims of the Cerro Grande fire. Finally, FEMA was provided \$100 million under the Federal Fire Prevention and Control Act for grants to local fire departments and organizations nationwide. The Office of Financial Management is working in partnership with FEMA program managers to implement these legislative initiatives.

You will find FEMA's FY 2000 Accountability Report to be informative and useful, and that it provides a true snapshot of how FEMA helps people in need of disaster assistance. The report effectively highlights how FEMA manages its financial resources as well as its performance in major program activities.


Patricia A. English