



**THE FEDERAL EMERGENCY
MANAGEMENT AGENCY**

**REPORT ON THE
CONSOLIDATED FINANCIAL
STATEMENTS FOR
FISCAL YEAR 2000**

INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2000

The financial statements included in this report have been prepared in accordance with the requirements of the Office of Management and Budget (OMB) Bulletin No. 97-01, *Form and Content of Agency Financial Statements*, as amended. The responsibility for the integrity of the financial information included in these statements rests with management of the Federal Emergency Management Agency (FEMA).

The following accounting pronouncements were issued by the Federal Accounting Standards Advisory Board (FASAB) with effective dates in FY 2000:

- ▲ SFFAS No. 16: *Amendments to Accounting for PP&E—Multi-Use Heritage Assets*;
- ▲ SFFAS No. 17: *Accounting for Social Insurance*.

OMB Bulletin No. 97-01, as amended, incorporates the concepts and standards contained in the Statements of Federal Financial Accounting Concepts (SFFAC), the Statements of Federal Financial Accounting Standards (SFFAS), and the Statements of Recommended Accounting Standards (SRAS) issued by the FASAB.

The audit of these financial statements was performed by Deloitte & Touche LLP under the direction of the Office of Inspector General. The auditors' reports accompany these financial statements.

PRINCIPAL STATEMENTS INCLUDED IN THIS REPORT

The principal financial statements of FEMA Consolidated, its combined Directorates and Administrations, the Cerro Grande Fund (CGF), and the Disaster Relief Fund (DRF), for FY 2000 consist of the following (collectively referred to as the financial statements):

- ▲ Consolidated Balance Sheet
- ▲ Consolidated Statement of Net Cost
- ▲ Consolidated Statement of Changes in Net Position
- ▲ Consolidated Statement of Budgetary Resources
- ▲ Consolidated Statement of Financing

FEMA's consolidated financial statements include all activities within FEMA:

- ▲ Directorates & Administrations
- ▲ Cerro Grande Fund (CGF)
- ▲ Disaster Relief Fund (DRF)

These principal financial statements have been prepared to report the financial position, net cost, changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations of FEMA Consolidated, its combined Directorates and Administrations, the CGF, and the DRF to meet the requirements of the Chief Financial Officers Act of 1990 (CFO Act) and the Government Management Reform Act of 1994 (GMRA).

LIMITATIONS OF THE FINANCIAL STATEMENTS

- ▲ The financial statements have been prepared to report the financial activity of FEMA, pursuant to the requirements of 31 U.S.C. 3515(b).
- ▲ While the statements have been prepared from the books and records of FEMA 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.