

The Federal Emergency Management Agency

Consolidated Balance Sheets

as of September 30, 2002 and 2001 (dollars in thousands)

	<u>2002</u>	<u>2001 As Restated</u>
ASSETS (Note 14)		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 14,318,575	\$ 8,809,198
Investments, net (Note 4)	1,702	1,599
Accounts receivable (Note 5)	2,812	16,287
Advances and prepayments (Notes 7 and 18)	67,891	11,663
Total intragovernmental	<u>14,390,980</u>	<u>8,838,747</u>
Cash and other monetary assets (Note 3)	15,119	3
Accounts receivable, net (Note 5)	28,362	28,493
Advances and prepayments (Note 7)	293,110	283,989
Credit program receivables, net (Note 6)	14,353	2,145
Inventory and other related property, net (Note 8)	6,306	4,179
General property plant and equipment, net (Notes 9 and 18)	94,967	79,009
	<u>452,217</u>	<u>397,818</u>
Total Assets	<u>\$ 14,843,197</u>	<u>\$ 9,236,565</u>
LIABILITIES (Note 16)		
Intragovernmental		
Accounts payable	\$ 35,045	\$ 19,505
Debt (Note 10)	19,136	612,176
Accrued workers' compensation liability (Notes 13 and 16)	5,895	5,406
Advances from others	98,088	79,737
Other (Note 15)	1,112	4,638
Total intragovernmental	<u>159,276</u>	<u>721,462</u>
Accounts payable	93,203	112,040
Liability for grants payable	33,869	30,614
Claims and claims settlement expenses (Notes 11 and 16)	489,221	518,126
Deferred revenue	976,053	922,264
Actuarial workers' compensation liability (Notes 13 and 16)	28,742	25,208
Other governmental liabilities (Note 15)	59,429	83,820
	<u>1,680,517</u>	<u>1,692,072</u>
Total Liabilities	<u>1,839,793</u>	<u>2,413,534</u>
Commitments and contingencies (Notes 10, 12, 20, 22 and 23)		
NET POSITION		
Unexpended appropriations (Notes 17 and 18)	14,025,258	8,351,253
Cumulative results of operations (Note 18)	(1,021,854)	(1,528,222)
Total Net Position	<u>13,003,404</u>	<u>6,823,031</u>
Total Liabilities and Net Position	<u>\$ 14,843,197</u>	<u>\$ 9,236,565</u>

The accompanying Notes are an integral part of these statements.

The Federal Emergency Management Agency

Consolidated Statements of Net Cost

for the years ended September 30, 2002 and 2001 (dollars in thousands)

	2002	2001 As Restated
Disaster Relief		
Program Costs		
Intra-governmental (Note 18)	\$ 157,635	\$ 877,416
With the public	3,952,871	2,403,560
Earned Revenue		(52)
Intra-governmental	(1)	
With the public	(14)	
Net Cost of Disaster Relief Program	4,110,491	3,280,924
National Flood Insurance		
Program Costs		
Intra-governmental	26,008	21,975
With the public	1,154,292	2,170,847
Earned Revenue		(1,603,071)
With the public	(1,706,677)	
Net Cost of National Flood Insurance Programs	(526,377)	589,751
Emergency Planning and Assistance		
Program Costs		
Intra-governmental	17,487	148,702
With the public	409,543	237,586
Earned Revenue		(77,715)
Intra-governmental	(54,983)	
With the public	(713)	
Net Cost of Emergency Planning and Assistance Programs	371,334	308,573
Cerro Grande Fire Claims		
Program Costs		
Intra-governmental	808	260
With the public	101,474	77,691
Earned Revenue	—	—
Net Cost of Cerro Grande Fire Grants Program	102,282	77,951
Other Programs		
Program Costs		
Intra-governmental	12,925	78,126
With the public	213,419	220,669
Earned Revenue		(39,749)
Intra-governmental	(24,894)	
With the public	(20,079)	
Net Cost of Other Programs	181,371	259,046
Net Cost of Operations (Note 21)	\$ 4,239,101	\$ 4,516,245

The accompanying Notes are an integral part of these statements.

Consolidated Statement of Changes in Net Position

for the year ended September 30, 2002 (dollars in thousands)

	Cumulative Results of Operations	Unexpended Appropriations	Total
Beginning Balances	\$ (1,528,046)	\$ 8,339,638	\$ 6,811,592
Prior period adjustments (+/-) (Note 18)	(176)	11,615	11,439
Beginning balances, as adjusted	(1,528,222)	8,351,253	6,823,031
Budgetary Financing Sources:			
Appropriations received	—	10,431,700	10,431,700
Other adjustments (rescissions, etc) (+/-)	—	(13,751)	(13,751)
Appropriations used	4,743,944	(4,743,944)	—
Nonexchange revenue	41	—	41
Donations and forfeitures of cash and equivalents	11	—	11
Other Financing Sources:			
Transfers-in/out without reimbursement (+/-)	(13,685)	—	(13,685)
Imputed financing from cost absorbed by others (Note 13)	15,158	—	15,158
Total Financing Sources	4,745,469	5,674,005	10,419,474
Net Cost of Operations (+/-)	(4,239,101)		(4,239,101)
Ending Balances	\$ (1,021,854)	\$ 14,025,258	\$ 13,003,404

The accompanying Notes are an integral part of these statements.

The Federal Emergency Management Agency

Combined Statement of Budgetary Resources

for the year ended September 30, 2002 (dollars in thousands)

Budgetary Resources:

Budget Authority

Appropriations	\$ 10,431,773
Borrowing Authority	664,595
Contract Authority	
Net transfers, current year authority	1,902
Other — emergency appropriations	306,000

Unobligated Balance

Brought forward October 1 st , as restated (Note 24)	3,196,634
---	-----------

Spending Authority from Offsetting Collections

Earned	
Collected	1,863,932
Receivable from Federal sources	(43,272)
Change in unfilled customer orders	
Advance received	44,011
Without advance from Federal sources	10,386
Subtotal	<u>1,875,057</u>

Recoveries of Prior Year Obligations	455,114
---	---------

Permanently Not Available

Cancellation of expired and no year accounts	(12,918)
Enacted rescissions of current/prior year balances	(833)
Capital transfers and redemption of debt	(645,827)
Other authority withdrawn	(24,595)
Pursuant to Public Law	<u>(306,000)</u>

Total Budgetary Resources	<u><u>\$ 15,940,902</u></u>
----------------------------------	-----------------------------

Obligations Incurred

Direct and reimbursable	\$ 6,159,815
-------------------------	--------------

Unobligated Balances Available

Apportioned	2,112,374
Exempt from apportionment	1,808

Unobligated Balances Not Yet Available	<u>7,666,905</u>
---	------------------

Total, Status of Budgetary Resources	<u><u>\$ 15,940,902</u></u>
---	-----------------------------

The accompanying Notes are an integral part of these statements.

Combined Statement of Budgetary Resources continued

for the year ended September 30, 2002 (dollars in thousands)

Relationship of Obligations to Outlays:

Obligated Balance, Net, Beginning of Period, as restated (Note 24)	<u>\$ 6,354,247</u>
Obligated Balance, Net - End of Period	
Accounts receivable	783
Unfilled customer orders	(28,764)
Undelivered orders	5,376,635
Accounts payable	<u>564,753</u>
	<u>\$ 5,913,407</u>
Outlays	
Disbursements	6,178,427
Collections	<u>(1,907,943)</u>
Subtotal	4,270,484
Less Offsetting Receipts	<u>—</u>
Net Outlays	<u>\$ 4,270,484</u>

The accompanying Notes are an integral part of these statements.

Consolidated Statement of Financing

for the year ended September 30, 2002 (dollars in thousands)

Resources Used to Finance Activities:

Budgetary Resources Obligated

Obligations incurred	\$ 6,159,815
Less: Spending authority from offsetting collections and recoveries	2,330,171
Obligations net of offsetting collections and recoveries	3,829,644
Less: Offsetting receipts	—
Net obligations	3,829,644

Other Resources

Transfers in/out without reimbursement (+/-)	(13,685)
Imputed financing sources	15,158
Net other resources used to finance activities	1,473

Total Resources Used to Finance Activities 3,831,117

Resources Used to Finance items not Part of Net Cost of Operations

Change in budgetary resources obligated for goods, services & benefits ordered but not yet provided	333,605
Resources that fund expenses recognized in prior periods	(54)
Credit program collections which increase liabilities for loan guarantees or allowances for subsidy	4,792
Resources that finance the acquisition of assets or liquidation of liabilities	(33,100)
Other	1,234

Total Resources Used to Finance Items not Part of the Net Cost of Operations 306,477

Total Resources Used to Finance the Net Cost of Operations 4,137,594

Components of the Net Cost of Operations that Will Not Require or Generate Resources in the Current Period:

Components Requiring or Generating Resources in Future Periods:

Increase in unfunded annual leave liability	1,994
Upward/Downward reestimates of credit subsidy expenses	(19,049)
Increase in exchange revenue receivable from the public	(5,214)
Increase in unfunded Cerro Grande claims expense	90,977
Other	17,982

Total Components of Net Cost of Operations that Will Require or Generate Resources in Future Periods: 86,690

Components not Requiring or Generating Resources:

Depreciation and amortization	15,015
Other	(198)

Total Components of Net Cost of Operations that Will Not Require or Generate Resources 14,817

Total Components of Net Cost of Operations that Will Not Require or Generate Resources in the Current Period 101,507

Net Cost of Operations \$ 4,239,101

The accompanying Notes are an integral part of these statements.