

ANALYSIS OF THE STATEMENT OF BUDGETARY RESOURCES

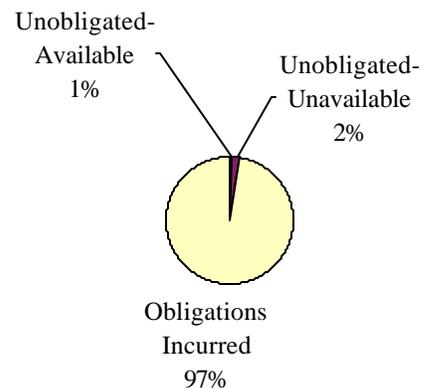
The Statement of Budgetary Resources illustrates to financial statement readers how the budgetary resources were made available and the status at the end of the period. It presents the relationship between budget authority to budget outlays and reconciles obligations to total outlays. This is a fundamental change in financial statement reporting in that the budget process became a part of the financial statement audit process when this statement was first required for FY 1998.

The purpose of the statement is to explain the sources of appropriated dollars and to provide the status (obligated or not) of those appropriated dollars. The total resources and the total status of budgetary resources equal the same amount. Thus, we have a type of budgetary “balance sheet.” The statements show us that of the total \$483.6 billion in FY 1999 HHS budgetary resources, they are largely derived from budget authority (\$484.7 billion) and unobligated balances at the beginning of the year (\$176.5 billion).

Total resources provided were reduced by a sizeable adjustment (\$182.5 billion). During FY 1999, OMB revised Circular A-34, clarifying the reporting for “Adjustments” and “Unobligated balances – available” on the Statement of Budgetary Resources. The change required that “Adjustments” include the portion of receipts collected in the current fiscal year for trust funds that is precluded from obligation due to Public Law 101-508. In FY 1998, these receipts were reported as “Unobligated balances – available” (for obligation). In FY 1999, these receipts are reported as (negative) amounts on the “Adjustments” under HCFA’s HI and SMI trust funds, and, additionally, HI and SMI must have no “Unobligated balances – available.” The status section of the report reveals that most (\$470.7 billion) of the resources budgeted for FY 1999 has either already been spent or has already been marked for specific things. Although there is an unobligated available year-end balance of \$5.6 billion.

The Statement of Budgetary Resources also provides information on total outlays for the year, which is calculated by netting the beginning and ending unpaid obligations and adding the obligations incurred during the year (which is, incidentally, the same obligations incurred number reported earlier in the statement), less adjustments. Total FY 1999 outlays in the Statement of Budgetary Resources amounted to almost \$451.8 billion. This amount excludes intrabudgetary transactions and proprietary receipts from the public such as those for Medicare’s SMI (Part B) insurance premiums. When those amounts are included (as is practice for several budget execution reports) the figure becomes a total net outlays amount of \$359.7 billion, a figure which is also used in this report (particularly in the section on budgetary highlights).

**Status of Budgetary Resources
at End of FY 1999**



Most of the budgetary resources available to HHS during FY 1999 were categorized as incurred obligations at year end.