

## **Principal Financial Statements**

DOE's financial statements have been prepared to report the financial position and results of operations of the Department of Energy, pursuant to the requirements of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994.

While the statements have been prepared from the books and records of DOE in accordance with the formats prescribed by the Office of Management and Budget, the statements are different from 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 a sovereign entity, that liabilities not covered by budgetary resources cannot be liquidated without the enactment of an appropriation, and that payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

Management acknowledges its responsibility for maintaining internal accounting and administrative controls that are adequate to ensure that transactions are executed in accordance with budgetary and financial laws and other requirements, consistent with the purposes authorized, and are recorded in accordance with Federal accounting standards; assets are properly safeguarded to deter fraud, waste, and abuse; and performance measurement information is adequately supported.

In accordance with the Federal Managers' Financial Integrity Act of 1982, the Department has completed the required evaluations of its financial management system and system of management controls. The results of the Department's financial management system evaluation and assurances provided by system managers indicate that the financial management system substantially complies with the principles, standards, and system requirements prescribed by the Comptroller General and the Office of Management and Budget. The management control evaluations conducted, assurances prepared by senior officials, and other information such as independent audit reports and self-assessments, indicate that the system of management controls provides reasonable assurance that the management control objectives were achieved except for the reportable problems specifically described in the Secretary's FY 1997 Federal Managers' Financial Integrity Act Report. (See page 141 for executive summary of this report)

**Consolidated Statements of Financial Position***(in millions)*

as of September 30, 1997 and 1996

	1997	1996
<b>ASSETS</b>		
Agency Assets		
Intragovernmental		
Fund Balance with Treasury (Note 2)	\$10,509	\$10,911
Investments (Note 3)	7,845	6,402
Accounts Receivable (Note 4)	563	688
Governmental		
Investments (Note 3)	45	72
Accounts Receivable, Net (Note 4)	4,595	4,668
Stockpile Materials, Net (Note 5)		
Strategic Petroleum Reserve	14,981	15,224
Nuclear Materials	22,531	24,264
Property, Plant and Equipment, Net (Note 6)	20,756	22,049
Regulatory Assets (Note 7)	13,165	8,020
Other Agency Assets	1,037	817
Total Agency Assets	\$96,027	\$93,115
Custodial Assets (Note 8)	770	918
Total Assets	\$96,797	\$94,033
<b>LIABILITIES</b>		
Liabilities Covered by Budgetary Resources		
Intragovernmental Liabilities		
Accounts Payable	\$914	\$776
Debt (Note 9)	9,083	2,456
Appropriated Capital Owed to Treasury (Note 10)	2,309	3,797
Governmental Liabilities		
Accounts Payable (Note 11)	4,979	4,887
Debt (Note 9)	7,166	7,197
Deferred Revenue and Other Credits (Note 12)	9,219	8,417
Funded Environmental Liabilities (Note 13)	1,148	1,165
Total Liabilities Covered by Budgetary Resources	\$34,818	\$28,695
Governmental Liabilities Not Covered by Budgetary Resources		
Environmental Liabilities (Note 13)	179,466	227,949
Pension and Other Actuarial Liabilities (Note 14)	6,308	6,135
Other Governmental Liabilities (Note 15)	1,317	1,800
Contingencies (Note 16)		
Total Liabilities Not Covered by Budgetary Resources	\$187,091	\$235,884
Total Liabilities	\$221,909	\$264,579
<b>NET POSITION</b>		
Unexpended Appropriations (Note 17)	5,359	5,841
Invested Capital	52,957	56,714
Cumulative Results of Operations	3,371	2,690
Future Funding Requirements	(186,799)	(235,791)
Total Net Position	(\$125,112)	(\$170,546)
Total Liabilities and Net Position	\$96,797	\$94,033

The accompanying notes are an integral part of these statements.

**Consolidated Statement of Operations and Changes in Net Position** (in millions)  
for the Fiscal Year Ended 1997

1997

**REVENUES AND FINANCING SOURCES**

Appropriated Capital Used	\$20,049
Revenues from Goods and Services Provided (Note 18)	
Public	4,331
Intragovernmental	1,874
Interest (Note 19)	652
Other Revenues and Financing Sources (Note 20)	1,187
Less Receipts Transferred to Treasury & Other Agencies (Note 21)	(1,733)
Nuclear Waste Fund Deferred Revenue Adjustment (Note 12)	(958)
Total Revenues and Financing Sources	<u>\$25,402</u>

**EXPENSES**

Program Expenses	
Energy Resources	1,677
National Security	5,915
Environmental Quality	1,200
Science and Technology	2,525
Cost of Goods and Services Provided (Note 18)	
Public	2,827
Intragovernmental	1,912
Other Expenses (Note 22)	3,007
Unfunded Liability Adjustments (Note 23)	(48,105)
Total Expenses	<u>(\$29,042)</u>
Revenues and Financing Sources in Excess of Total Expenses	<u>\$54,444</u>

**CHANGES IN NET POSITION**

Net Position, Beginning Balance, as Stated	(\$170,546)
Prior Period Adjustments (Note 24)	(6,070)
Net Position, Beginning Balance, as Adjusted	(\$176,616)
Non-Operating Changes	(2,940)
Excess (Shortage) of Revenues and Financing Sources Over Total Expenses	54,444
Net Position	<u>(\$125,112)</u>

The accompanying notes are an integral part of these statements.