Principal Financial Statements Included in this Report

The principal financial statements included in this report have been prepared in accordance with the requirements of the Chief Financial Officers Act of 1990 (P.L. 101-576), the Government Management Reform Act of 1994 and the Office of Management and Budget’s (OMB) Bulletin 01-09, "Form and Content of Agency Financial Statements." The responsibility for the integrity of the financial information included in these statements rests with management of the U.S. Department of Labor (DOL). The audit of DOL’s principal financial statements was performed by the Office of Inspector General (OIG). The auditors' report issued by the Assistant Inspector General accompanies the principal statements.

The Department's principal financial statements for fiscal years (FY) 2002 and 2001 consisted of the following:

- **Consolidated Balance Sheets**, which present as of September 30, 2002 and 2001 those resources owned or managed by DOL which are available to provide future economic benefits (assets); amounts owed by DOL that will require payments from those resources or future resources (liabilities) and residual amounts retained by DOL, comprising the difference (net position).

- **Consolidated Statements of Net Cost**, which present the net cost of DOL operations for the years ended September 30, 2002 and 2001. DOL’s net cost of operations includes the gross costs incurred by DOL less any exchange revenue earned from DOL activities. Due to the complexity of DOL’s operations, the classification of gross cost and exchange revenues by major program and suborganization is presented in Note 14 to the consolidated financial statements.

- **Consolidated Statements of Changes in Net Position**, which present the change in DOL’s net position resulting from the net cost of DOL operations, budgetary financing sources other than exchange revenues and other financing sources for the years ended September 30, 2002 and 2001.

- **Combined Statements of Budgetary Resources**, which present the budgetary resources available to DOL during FY 2002 and 2001, the status of these resources at September 30, 2002 and 2001, and the outlay of budgetary resources for the years ended September 30, 2002 and 2001.

- **Consolidated Statements of Financing**, which reconcile the net cost of operations with the obligation of budgetary resources for the years ended September 30, 2002 and 2001.

- **Consolidated Statements of Custodial Activity**, which present the sources and disposition of non-exchange revenues collected or accrued by DOL on behalf of other recipient entities for the years ended September 30, 2002 and 2001.