



COMPTROLLER

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MESSAGE FROM THE DEPUTY CHIEF FINANCIAL OFFICER

A continuing high priority for the Department of Defense (DoD) is the transformation of its financial management and business practices to better meet the needs of its customers, to strengthen accountability, and to fulfill statutory requirements. The Department's long-term objective is to integrate financial data with other management information in order to render optimum support for DoD decisionmakers and U.S. military commanders worldwide.

Within the Department it is recognized that the changes needed to fully meet the Department's financial management challenges go far beyond the DoD financial community. In that regard the Department actively is pursuing improvements in both financial and nonfinancial systems--such as inventory and logistics--that are needed to support the accuracy and audibility of the Department's financial statements. The Department continues to make significant progress and improvements in its financial operations, in its internal controls, and in its finance, accounting and related nonfinancial (feeder) systems. Due to the size and scope of the efforts underway, considerable time will be required before the full benefit of the ongoing initiatives will be fully realized by the Department.

In the interim, the Department has engaged in a partnership with the Office of Management and Budget, the General Accounting Office, and the Office of the Inspector General, Department of Defense, to pursue strategies that address major issues identified by the audit community. These strategies and their timetables, which are discussed in the Department's Financial Management Improvement Plan, demonstrate the Department's commitment to improve financial management and to build on the Department's accomplishments to date.

Included herein are the DoD Agency-wide Audited Financial Statements for fiscal year 2000. The statements summarize the Department's financial activity for fiscal year 2000 and include a description of the Department's continuing financial management improvement efforts.

A handwritten signature in cursive script that reads "Nelson Teye".

Nelson Teye  
Deputy Chief Financial Officer



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