



United States Army Annual Financial Statement



“The Army in Transformation—Responsive to the Needs of the Nation”

The picture of the digitized soldier on the front cover was taken by Mr. Dennis Steele, ARMY Magazine, published in ARMY Magazine, November 2000. Copyright 2000 by the Association of the U.S. Army and reproduced with their permission.

In FY 1991 the United States Army became a pilot agency for the implementation of the Chief Financial Officers Act of 1990. By law, the Army is required to report annually on the financial position and operating results for its three entities-General Fund, Working Capital Fund, Civil Works Fund. This document combines the three major reporting entities of the Army into a single comprehensive report. The FY 2000 United States Army Annual Financial Statement is intended to inform government officials; Army officers, soldiers and civilians; and other interested parties. In an effort to improve our Annual Financial Statement, we ask that you provide us your comments by completing, detaching, and mailing the postage paid comment card enclosed at the back of this report.



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Secretary of the Army



Today, the United States is at peace and enjoying a time of unprecedented prosperity. Nevertheless, the world remains a volatile and dangerous place, with our country increasingly being called upon to intervene to restore order in situations of civil strife overseas. As a result, our soldiers are often the most important symbol globally of America's commitment to its principles and ideals.

If we are to overcome the new challenges of this era, we must transform the Army into a lighter, more survivable, and more lethal force. This vision for a fully digitized force for the information age is predicated on the way that the Army is expected to serve our nation. It is indispensable to America's fulfillment of its world leadership role, with our soldiers on point for the nation. These soldiers are the best our country has to offer, and as we seek to transform the Army we must above all continue to invest in our people. Training has been the cornerstone of our strategy to ensure military readiness since the earliest days of our nation, and it will remain key to the success of our efforts to develop the Army of the future. We are committed to providing our soldiers with the training, education, and technical skills and capabilities they will need to succeed on future battlefields.

Critical to our successful transformation will be the prudent use of scarce resources. We must, for example, improve the quality of the financial information we provide our leaders, so that they may make fully informed management decisions. To this end, we have been striving to improve our financial management systems to achieve compliance with the Chief Financial Officers Act of 1990, which calls for improving our financial management systems. We are making significant progress toward receipt of an unqualified audit opinion on our financial statements that would signify that the financial information upon which we base our decisions is reliable.

In addition to its peacetime responsibilities, the Army must also remain ready to fight and win the nation's wars. We will maintain this readiness through a transformation of today's heavy forces into a lighter, more survivable, and more lethal force capable of responding quickly and effectively to fulfill all potential future missions. By focusing on people, readiness, and the transformation of our forces, we will ensure that our soldiers remain on point for the nation whenever and wherever it requires.

A handwritten signature in black ink that reads "Louis Caldera". The signature is written in a cursive, flowing style.

Louis Caldera
Secretary of the Army





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Assistant Secretary of the Army

Financial Management and Comptroller



The year 2000 was marked by two important anniversaries for the U.S. Army. Founded in 1775, the Army proudly celebrated its 225th year of service to the nation. The year 2000 also saw the 10th anniversary of the Chief Financial Officers (CFO) Act of 1990—a law requiring the full integration of operational and financial systems and processes. Ten years of the CFO Act may seem a minor anniversary in comparison with 225 years of service, but the Act is in fact very significant to us as stewards of government resources.

The Army initially served as a pilot agency in implementing the CFO Act, and we quickly realized that full implementation of the Act was in our best interests. Although we have been unable thus far to gain the unqualified opinion we seek on our financial statements, we have made substantive improvements to the way we do business. Our goal is to integrate and improve our operational and financial processes to produce the most reliable data possible, so that we can fully support the decision-makers engaged in the continuing Army mission and the Army Transformation. Two examples of the initiatives we are undertaking to achieve full compliance with the CFO Act include introduction of the Army Single Stock Fund and implementation of the Defense Property Accountability System.

The Army's improving ability to provide reliable and relevant financial information will reinforce the trust that Congress and the American public place in us as stewards of taxpayer resources. It will also strengthen our position when Congress deliberates budget issues.

It is our responsibility to do all we can to protect our nation's interests. In our role as stewards of public resources, it is also our responsibility to make the best possible use of those resources. By doing so, we can take better care of our people, maintain our readiness, and move ahead with the Army Transformation. These are critical tasks, and working together, we will succeed.

A handwritten signature in black ink, which appears to read "Helen T. McCoy". The signature is fluid and stylized, with large loops and a long horizontal stroke at the end.

Helen T. McCoy
Assistant Secretary of the Army
(Financial Management and Comptroller)



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Assistant Secretary of the Army

Civil Works



The Army Corps of Engineers has served the Nation in peace and war throughout its history. The Corps traces its origins to the construction of fortifications at Bunker Hill in 1775, service in the Revolutionary War, and peacetime service opening the Western frontier. More recently, the Corps work force and its contractors represent assets that are used in quiet times for water resources development and management, but that are also available for emergency use in the event of natural disasters or national mobilization.

In carrying out its traditional Civil Works missions, the Corps has emerged as the premier Federal agency in planning, designing, constructing and operating the Nation's water resources infrastructure. Water infrastructure has improved the quality of life for our citizens and provides a foundation for the economic growth and development of this country. Our flood protection projects, water transportation systems and environmental restoration efforts all contribute to our national prosperity and well being. The population is expected to grow by 50 million people over the next twenty years. Such growth will place even greater demands on the performance of the national water resources infrastructure.

The Corps is continually seeking ways to improve its management procedures to ensure the highest quality stewardship of America's water resources infrastructure for its growing population. Several of the Corps' more important management initiatives, along with a report on its performance record, are described in this document. Through these initiatives and performance results, we remain poised to provide environmentally sustainable projects that protect people and property across the United States.

A handwritten signature in black ink, appearing to read "Joseph W. Westphal". The signature is fluid and cursive, with a large, stylized initial "J".

Joseph W. Westphal
Assistant Secretary of the Army
(Civil Works)

