

Table of Contents

Message from the Deputy Secretary of Defense	ii
Report Overview	iii
Year in Review	iv
Part 1. Management Discussion and Analysis	
Mission, Organization and Resources	1
Performance Highlights	5
Financial Highlights	11
Compliance with Legal and Regulatory Requirements	18
President’s Management Agenda	46
Part 2. Performance Information	
Annual Performance Goals and Results	48
Part 3. Financial Information	
Chief Financial Officer’s Message	113
Financial Statements	
Principal Statements	114
Notes to the Principal Statements	126
Consolidating and Combining Statements	201
Required Supplementary Stewardship Information	244
Required Supplementary Information	251
Other Accompanying Information	262
Independent Auditors’ Report on the Principal Statements	274
Part 4. Inspector General Summary of Management Challenges	282
Part 5. Appendixes	
A. Improper Payments Information Act of 2002	296
B. Glossary	301
C. Internet Links	306