

# Key Financial Management Officials



Yvette S. Jackson

Deputy Commissioner for Finance, Assessment and Management

Key official responsible for Budget, Finance, Procurement and Quality Assurance



Dale W. Sopper

Assistant Deputy Commissioner for Finance, Assessment and Management

Acting Chief Financial Officer



Thomas G. Staples

Associate Commissioner for Financial Policy and Operations

Deputy Chief Financial Officer

# Principal Financial Statements and Notes

SSA has reasserted its commitment to excellence by receiving an unqualified opinion on our financial statements. These statements were prepared consistent with requirements of the Federal Accounting Standards Advisory Board (FASAB), OMB, the Chief Financial Officers Act and other relevant Federal statutes. Certain amounts disclosed in the principal financial statements are reported by program beginning on page 41.

Our principal financial statements have a noticeably different look than last year's statements. FASAB's Statement of Federal Financial Accounting Concepts Number 2, Entity and Display recommended new principal financial statements. Based on this Concept Statement, OMB Form and Content Bulletin 97-01 now requires the following statements: the Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources and the Statement of Financing. In accordance with OMB guidance, the Statement of Financial Position contained in prior reports has been relabeled the Balance Sheet.

For FY 1998, the Balance Sheet displayed on page 27 reflects total assets of \$748 billion, a 15 percent increase over the previous year. This increase is attributable to the steady growth of the OASDI Trust Fund reserves which were invested to generate \$49 billion of interest income, an increase of almost \$6 billion compared to FY 1997. Of these \$748 billion in assets, almost 98 percent are investments that are only converted to cash when needed to pay benefits and other expenses. The investment portfolios, yields and maturities are detailed on pages 47 and 48.

The presentation of program expenses and exchange revenues is reflected in the Statement of Net Costs on page 28. This statement is designed to demonstrate how much of the services provided were financed by the taxpayers. The nature of the funding of SSA's programs is such that the programs are financed almost entirely by earmarked and general taxes. The Statement of Changes in Net Position displays SSA's non-exchange revenues and financing sources as well as the cumulative net position of the Agency. In prior years, the information presented in these two statements was found in the Statement of Operations and Changes in Net Position.

The third new principal statement is the Statement of Budgetary Resources presented on page 30. This statement provides an account of the budgetary resources made available to SSA, whether those resources have been obligated and other information related to outlays. Finally, the Statement of Financing reconciles SSA's budgetary resources to our net cost of operations. The highlights of SSA's financial position are also discussed in the MD&A section on pages 21 and 22.

# Consolidated Balance Sheet as of September 30, 1998 and 1997

Assets	(Dollars in Millions)	
	1998	1997 Restated
Intragovernmental Entity Assets:		
Fund Balance with Treasury	\$ 1,109	\$ 2,341
Investments (Note 4)	730,277	631,007
Interest Receivable, Net (Note 5)	12,441	11,048
Accounts Receivable, Net	10	30
Other	215	20
Accounts Receivable, Net (Note 5)	2,418	2,262
Property, Plant and Equipment, Net	307	301
Other	139	203
<b>Total Entity Assets</b>	<b>746,916</b>	<b>647,212</b>
Non-Entity Assets:		
SSI Intragovernmental Receivable (Note 5)	336	384
SSI Receivable (Note 5)	1,312	1,037
<b>Total Non-Entity Assets</b>	<b>1,648</b>	<b>1,421</b>
<b>Total Assets</b>	<b>748,564</b>	<b>648,633</b>
<b>Liabilities</b>		
Liabilities Covered by Budgetary Resources		
Intragovernmental Liabilities:		
Accrued Railroad Retirement Interchange (Note 3)	3,830	3,708
Accounts Payable	269	343
Other Liabilities	615	296
Entitlement Benefits Due (Note 6)	35,545	34,291
Accounts Payable	669	622
Other Liabilities	272	177
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>41,200</b>	<b>39,437</b>
Liabilities Not Covered by Budgetary Resources (Note 7)		
Intragovernmental Liabilities:		
SSI Receivables Owed to Treasury	1,648	1,421
Other Liabilities	181	145
Entitlement Benefits Due (Note 6)	943	1,016
Other Liabilities	442	466
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>3,214</b>	<b>3,048</b>
<b>Total Liabilities</b>	<b>44,414</b>	<b>42,485</b>
<b>Net Position (Note 8)</b>		
Unexpended Appropriations	1,837	3,391
Cumulative Results of Operations	702,313	602,757
<b>Total Net Position</b>	<b>704,150</b>	<b>606,148</b>
<b>Total Liabilities and Net Position</b>	<b>\$748,564</b>	<b>\$648,633</b>

The accompanying notes are an integral part of these financial statements.

# Consolidated Statement of Net Cost for the Years Ended September 30, 1998 and 1997

	(Dollars in Millions)	
	1998	1997 Restated
<b>OASI Program</b>		
Benefit Payments	\$325,004	\$ 313,674
Operating Expenses	2,211	2,148
Total Cost of OASI Program	327,215	315,822
Less: Exchange Revenue	5	0
<b>Net Cost of OASI Program</b>	<b>327,210</b>	<b>315,822</b>
<b>DI Program</b>		
Benefit Payments	47,690	44,454
Operating Expenses	1,863	1,506
Total Cost of DI Program	49,553	45,960
Less: Exchange Revenue	4	0
<b>Net Cost of DI Program</b>	<b>49,549</b>	<b>45,960</b>
<b>SSI Program</b>		
Benefit Payments	30,478	29,545
Operating Expenses	2,404	2,209
Total Cost of SSI Program	32,882	31,754
Less: Exchange Revenues (Note 9)		
SSI State Supplementation	2,984	2,917
SSI Administrative Fees Earned	181	145
Other Exchange Revenues	7	0
<b>Net Cost of SSI Program</b>	<b>29,710</b>	<b>28,692</b>
<b>Black Lung Program</b>		
Benefit Payments	583	623
Operating Expenses	5	4
Total Cost of Black Lung Program	588	627
Less: Exchange Revenues	0	0
<b>Net Cost of Black Lung Program</b>	<b>588</b>	<b>627</b>
Other Operating Expenses	1,102	997
Less: Other Exchange Revenues (Note 9)	9	19
<b>Net Cost of Operations</b>	<b>\$408,150</b>	<b>\$392,079</b>

The accompanying notes are an integral part of these financial statements.

# Consolidated Statement of Changes in Net Position for the Years Ended September 30, 1998 and 1997

	(Dollars in Millions)	
	1998	1997 Restated
<b>Net Cost of Operations</b>	<b>\$408,150</b>	\$392,079
<b>Financing Sources (other than Exchange Revenues)</b>		
Appropriations Used	30,397	29,513
Tax Revenues (Note 10)	431,974	405,335
Imputed Financing (Note 13)	292	267
Interest, Donations and Other Revenues	49,016	43,172
Railroad Retirement Interchange	(3,941)	(3,766)
SSI Receivables Recovered	1,215	1,150
SSI Receivables Transferred to Treasury	(1,215)	(1,150)
SSI Administrative Fees Transferred to Treasury	(146)	(145)
<b>Total Financing Sources</b>	<b>507,592</b>	474,376
Net Results of Operations	99,442	82,297
Increase (Decrease) in Unexpended Appropriations	(1,440)	4,453
<b>Change in Net Position</b>	<b>98,002</b>	86,750
Net Position, Beginning Balance	606,148	519,398
<b>Net Position, Ending Balance</b>	<b>\$704,150</b>	\$606,148

The accompanying notes are an integral part of these financial statements.

# Consolidated Statement of Budgetary Resources for the Years Ended September 30, 1998 and 1997

	(Dollars in Millions)	
	1998	1997 Restated
<b>Budgetary Resources Made Available</b>		
Budget Authority	<b>\$510,836</b>	\$478,413
Unobligated Balances - Beginning of the Period	<b>632,809</b>	551,280
Spending Authority from Offsetting Collections	<b>3,039</b>	2,941
Adjustments	<b>(369)</b>	(307)
<b>Total Budgetary Resources Made Available</b>	<b>1,146,315</b>	1,032,327
<b>Status of Budgetary Resources (Note 12)</b>		
Obligations Incurred	<b>417,176</b>	399,968
Unobligated Balances - Available	<b>729,122</b>	632,340
Unobligated Balances - Not Available	<b>17</b>	19
<b>Total Status of Budgetary Resources</b>	<b>1,146,315</b>	1,032,327
<b>Outlays</b>		
Obligations Incurred	<b>417,176</b>	399,968
Less: Spending Authority	<b>3,056</b>	2,960
Obligated Balances - Beginning of Period	<b>39,402</b>	38,938
Less: Obligated Balance - End of Period	<b>40,942</b>	39,402
<b>Total Outlays</b>	<b>\$412,580</b>	\$396,544

The accompanying notes are an integral part of these financial statements.

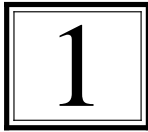
# Consolidated Statement of Financing for the Years Ended September 30, 1998 and 1997

	(Dollars in Millions)	
	1998	1997 Restated
<b>Obligations and Non-budgetary Resources</b>		
Obligations Incurred	\$417,176	\$399,968
Other Spending Authority	(3,056)	(2,960)
Donations and Other Resources	0	0
Imputed Financing	292	267
Transfers In (Out)	(6,158)	(4,964)
Exchange Revenue (Note 9)	(167)	(77)
Non-Exchange Revenue	0	1
<b>Total Obligations and Non-Budgetary Resources</b>	<b>408,087</b>	<b>392,235</b>
<b>Resources Not Funding Net Cost of Operations</b>		
Change in Undelivered Orders	80	(39)
Capitalized Costs	(27)	(64)
Financing Sources that Fund Costs of Prior Periods	(97)	(36)
<b>Total Resources Not Funding Net Cost of Operations</b>	<b>(44)</b>	<b>(139)</b>
<b>Costs Not Requiring Resources</b>		
Depreciation and Amortization	132	128
Revaluation of Assets and Liabilities	(5)	6
Other	(48)	(166)
<b>Total Costs Not Requiring Resources</b>	<b>79</b>	<b>(32)</b>
Financing Sources Yet to Be Provided	28	15
<b>Net Cost of Operations</b>	<b>\$408,150</b>	<b>\$392,079</b>

The accompanying notes are an integral part of these financial statements.

# SOCIAL SECURITY ADMINISTRATION

## Notes To The Principal Financial Statements



### Summary of Significant Accounting Policies

#### Reporting Entity

The Social Security Administration (SSA), as an independent agency of the United States Government, is responsible for administering the Nation's Old Age and Survivors, and Disability Insurance Programs (OASDI), the Supplemental Security Income (SSI) Program and Part B of the Black Lung (BL) Program. SSA is considered a separate reporting entity for financial reporting purposes, and its financial statements have been prepared to report the financial position and results of operations of SSA, as required by the Chief Financial Officers Act of 1990.

The financial statements have been prepared from the accounting records of SSA in accordance with the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin 97-01, the Federal Accounting Standards Advisory Board's (FASAB) Statements of Federal Financial Accounting Standards and SSA's accounting policies which are summarized in this note. These statements are therefore different from the financial reports, also prepared by SSA pursuant to OMB directives, that are used to monitor and control SSA's use of budgetary resources. Certain FY 1997 line items have been restated to be consistent with provisions of OMB Bulletin 97-01 which are effective starting in FY 1998.

The consolidated financial statements include the accounts of all funds under SSA control, consisting of two trust funds, three general fund appropriations and five deposit funds. The trust funds are the Old Age and Survivors Insurance (OASI) Trust Fund and the Disability Insurance (DI) Trust Fund. SSA's statements also include OASI and DI investment activities performed by Treasury. SSA's financial activity has been classified and reported by the following program areas: OASI, DI, SSI, BL-Part B and Other. The fund balance with Treasury shown on the Balance Sheet represents the total of all SSA's account balances with the Department of the Treasury.

#### Investments

Trust fund balances may only be invested "in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States" as provided by Section 201(d) of the Social Security Act. These investments are carried at amortized cost.

#### Property, Plant and Equipment

SSA's property and plant assets are considered assets of the OASI and the Hospital Insurance/Supplemental Medical Insurance (HI/SMI) Trust Funds. All equipment is considered assets of the OASI Trust Fund. User charges are allocated to all programs based on each program's use of capital assets during the period. All general fund activities reimburse the trust funds for their use of trust fund assets through the calculation of user charge credits. SSA capitalizes new property, plant and equipment costing over \$100,000.

#### Recognition of Financing Sources

Financing sources consist of funds transferred from the U.S. Treasury to the OASI and DI Trust Funds for employment taxes (Federal Insurance Contribution Act [FICA] and Self Employment Contributions Act [SECA]), appropriations and gifts. Employment tax revenues are made available daily based on a quarterly estimate of the amount of FICA taxes payable by employers and SECA taxes paid by the self-employed. Adjustments are made to the estimates for actual FICA taxes payable, actual SECA taxes paid and refunds made. Employment tax credits (the difference between the combined employee and employer rate and the self-employed rate), credit for military service, income taxation of Social Security benefits and interest on trust fund unnegotiated benefit payment checks are also included in tax revenues (See NOTE 10: Tax Revenues).

Payments to the trust funds from appropriations are recognized as appropriated capital used in the period received for interest on trust fund unnegotiated checks, benefit payments for uninsured persons and pension reform costs. Appropriated capital used also includes Treasury payments and accruals for the SSI and BL programs.

Revenues from sales of goods and services to the public include payments SSA receives from those States



choosing to have SSA administer their State supplementation of Federal SSI benefits.

Capitalized expenditures and long term assets are recognized in the Statement of Net Costs as they are consumed. In contrast, budget reporting recognizes these same financing sources in the year the obligation was established to purchase the asset.

Trust fund balances not required to meet current expenditures are invested on a daily basis in interest-bearing obligations of the U.S. Government. Interest income is compounded semi-annually (June and December) and has been adjusted to include an accrual for interest earned from July 1 to September 30 and to exclude the prior year's accrual.

Other financing sources consist primarily of reimbursable services. Reimbursements are recognized as the services are performed (See NOTE 3: Inter-Governmental Financing Activities). These financing sources may be used to pay for current operating expenses as well as for capital expenditures such as property, plant and equipment and other long term assets as specified by law.

### **Administrative Expenses**

SSA initially charges administrative expenses to the Limitation on Administrative Expenses (LAE) appropriation. Section 201(g) of the Social Security Act requires the Commissioner of Social Security to determine the proper share of costs incurred during the fiscal year to be charged to the appropriate trust or general fund. Accordingly, administrative expenses are subsequently distributed during each month to the appropriate trust and general funds account. All such distributions are initially made on an estimated basis and adjusted to actual each year, as provided for in Section 1534 of Title 31, United States Code.

### **Entitlement Benefits Due**

Liabilities are accrued for OASI, DI and BL benefits to which recipients are entitled for the month of September which, by statute, are not paid until October. Also, liabilities are accrued on benefits for past periods that have not completed processing, such as benefit payments due but not paid pending receipt of a correct address, and adjudicated and unadjudicated hearings and appeals and civil litigation cases which were not paid at the close of the fiscal year (See NOTE 6: Entitlement Benefits Due).

The probable future cost SSA will incur for benefits it is committed to pay under OASDI programs is presented in detail in the Supplemental Financial and Management Information section of this report.

## **2 Centralized Federal Financing Activities**

SSA's financial activities interact with and are dependent on the financial activities of the centralized management functions of the Federal Government that are undertaken for the benefit of the whole Federal Government. These activities include public debt, employee retirement, life insurance and health benefit programs. Accordingly, SSA's financial statements do not contain the results of centralized financial decisions and activities performed for the benefit of the entire Government.

These statements are not intended to report SSA's proportionate share of the Federal deficit. Financing for general fund appropriations reported on the Consolidated Statement of Changes in Net Position may be from tax revenue, public borrowing, or both. The source of this funding, whether tax revenue or public borrowing, has not been allocated to SSA.

The General Services Administration (GSA), using monies provided from the OASI and DI Trust Funds, administers the construction or purchase of buildings on SSA's behalf. The acquisition costs of these buildings have been charged to the OASI and DI trust funds, capitalized and included in these statements. SSA also occupies buildings that have been leased by GSA or have been constructed using Public Building Funds. These statements reflect SSA's payments to GSA for lease, operations maintenance and depreciation expenses associated with these buildings.

SSA's employees participate in the contributory Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS), to which SSA makes matching contributions. On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Employees hired after December 31, 1983, are automatically covered by FERS while employees hired prior to that could elect to either join FERS or remain in CSRS.

One of the primary differences between FERS and CSRS is that FERS offers a savings plan to which SSA is

required to contribute 1 percent of pay and match employee contributions up to an additional 4 percent of basic pay. SSA contributions to CSRS were \$154.4 and \$132.9 million for FY 1998 and 1997, respectively. SSA contributions to FERS were \$87.4 and \$87.7 million for FY 1998 and 1997, respectively. In addition, SSA contributions to the FERS savings plan were \$31.9 and \$29.1 million for FY 1998 and 1997, respectively. These statements do not reflect CSRS or FERS assets or accumulated plan benefits applicable to SSA employees since these data are only reported in total by the Office of Personnel Management.

### **3 Inter-Governmental Financing Activities**

SSA, while performing its operations, provides services to other Federal and State agencies, and as provided for by law, other Federal and State agencies also perform services for SSA. SSA's statements include amounts reimbursed by other Federal and State agencies for services provided by SSA.

#### **Federal**

Some of the more significant Federal agencies and programs for which SSA performs administrative services on a reimbursable basis are: the Health Care Financing Administration's Medicare program, funded by the HI/SMI Trust Funds, the Department of Labor's Black Lung (Part A) program, and the Department of Agriculture's Food Stamp program. The following amounts were reimbursed to SSA from other Federal sources:

	<i>(In Millions)</i>	
	<u>1998</u>	<u>1997</u>
HI/SMI Trust Funds	\$943	\$862
All Others	11	16

The Railroad Retirement Board (RRB) expense and accrued liability are for the annual interchange required

to place the OASI and DI Trust Funds in the same position they would have been, if railroad employment had been covered by the Social Security program. The law requires the transfer, including interest accrued from the end of the preceding fiscal year, to be made in June. Also, amounts for railroad workers, who have qualified for and are receiving OASI and DI benefit payments, are included in the benefit payment expenses. However, the payments are made to the qualifying railroad workers by the RRB on behalf of SSA. SSA reimbursed RRB in the amount of \$1.1 billion for both FY 1998 and 1997. SSA's expenses for administrative services performed by the Department of Treasury consist of \$309 and \$255 million for FY 1998 and FY 1997, respectively. Beginning in FY 1998, OMB Bulletin 97-01 requires that the annual RRB interchange be presented as a transfer out on the Statement of Changes in Net Position.

#### **State**

SSA's expenses for services include reimbursement to States for Disability Determination Services in the amount of \$1.3 and \$1.1 billion for FY 1998 and 1997, respectively.

### **4 Investments**

Investments held for the trust funds mature at various dates ranging from the present to the year 2013. The interest rates on these investments range from 3.50 percent to 13.75 percent. U.S. Treasury special issues are special public debt obligations for purchase exclusively by the trust funds. Special issues are always purchased and redeemed at face value which is the same as their carrying value on the Balance Sheet.

	<i>(In Millions)</i>	
	<u>1998</u>	<u>1997</u>
Special Issue U.S. Treasury		
Securities	\$730,228	\$630,958
U.S. Treasury Bonds - carrying value	<u>49</u>	<u>49</u>
Total Investments	\$730,277	\$631,007

# 5

## Interest and Accounts Receivables

Intragovernmental receivables consist primarily of accrued interest receivables on investments. These were \$12,441 and \$11,048 million on trust fund investments with the U.S. Treasury for the period June 30 through September 30, 1998 and 1997, respectively.

Accounts receivable consist mainly of monies due to SSA from individuals who received benefits in excess of their entitlement under the OASI, DI, SSI and BL programs.

The FY 1991 Appropriations Act, P.L. 101-517, requires that all collections from repayment of SSI overpayments be deposited in the general fund of the Treasury. These funds, upon deposit, are assets of the general fund of the Treasury and shall not be used by SSA as an SSI budgetary resource to pay SSI benefits and accordingly, are classified as non-entity assets on the Balance Sheet.

FY 1998 (In Millions)			SSI	SSI			All
	OASI	DI	Federal	State	BL	Other	Programs
Current	\$1,086	\$1,225	\$1,951	\$260	\$3	\$0	\$4,525
Non-Current	256	355	532	58	1	0	1,202
Gross Receivables	1,342	1,580	2,483	318	4	0	5,727
Allowance for Doubtful Accts.	(117)	(629)	(835)	(79)	(1)	—	(1,661)
Net Receivables	\$1,225	\$951	\$1,648	\$239	\$3	\$0	\$4,066

FY 1997 (In Millions)			SSI	SSI			All
	OASI	DI	Federal	State	BL	Other	Programs
Current	\$1,071	\$1,096	\$1,641	\$256	\$3	\$2	\$4,069
Non-Current	243	297	437	71	1	0	1,049
Gross Receivables	1,314	1,393	2,078	327	4	2	5,118
Allowance for Doubtful Accts.	(122)	(579)	(657)	(76)	(1)	—	(1,435)
Net Receivables	\$1,192	\$814	\$1,421	\$251	\$3	\$2	\$3,683

# 6

## Entitlement Benefits Due

Entitlement benefits due and payable for SSA's major programs as of September 30, 1998 and 1997 are shown in the table below. These amounts include an estimate for unadjudicated cases that will be payable in the future. Accrued benefits for all programs are covered by budgetary resources except for the SSI program.

	<i>(In Millions)</i>	
	1998	1997
OASI	\$28,941	\$28,082
DI	6,557	6,158
SSI	943	1,016
BL	47	51
Total	\$36,488	\$35,307

# 7

## Liabilities Not Covered by Budgetary Resources

### Workers Compensation

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for SSA employees under FECA are administered by DOL and are ultimately paid by SSA. SSA recorded an estimated actuarial liability of \$188 and \$171 million for claims incurred as of September 30, 1998 and 1997, respectively, and expected to be paid in future periods. This actuarial liability was calculated using historical payment data to project future costs.

### Other Unfunded Liabilities

SSA recognized an unfunded liability for leave earned but not taken, amounts billed by the Department of Labor (DOL) for FY 1997 and FY 1998 FECA payments, capital assets acquired under a lease purchase prior to FY 1991, vocational rehabilitation services, accrued benefits

and administrative cost in the SSI program and accrued interest payable, not billed. Total unfunded liabilities for FY 1998 and 1997 were \$3.2 and \$3.0 billion, respectively.

# 8

## Net Position

SSA's net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent appropriated spending authority that is unobligated and has not been withdrawn by Treasury, and obligations that have not been paid. Cumulative results of operations represent the excess of financing sources over expenses for that account since its inception.

FASAB's Statement of Federal Financial Accounting Standard Number 5, Accounting for Liabilities of the Federal Government no longer requires that SSA recognize an actuarial liability for the present value of projected annual benefit payments to be paid to Black Lung program participants under the jurisdiction of SSA. The increase in unexpended appropriations in FY 1997 include a reversal of the accrual of the Black Lung actuarial liability.

# 9

## Exchange Revenues

Revenue from exchange transactions is recognized when goods and services are provided. SSA's exchange revenue primarily consists of SSI State Supplementation. SSA has agreements with 25 States and the District of Columbia to administer some or all of the States' supplement to Federal SSI benefits. Total supplemental SSI benefits paid by SSA on behalf of the States were \$2,984 and \$2,917 for FY 1998 and 1997, respectively. SSA is reimbursed by the States in full and earned administration fee revenue in the amount of \$181 and \$145 million for FY 1998 and 1997 respectively.

In FY 1997, SSA charged a fee for the administration of these supplemental payments of \$5.00 per payment. As required by law, fees charged will incrementally increase over the FY 1998 to FY 2002 period from \$6.20 per payment in FY 1998 to \$8.50 in FY 2002. Also as required by law, starting in FY 2003, the administration

fee will be adjusted based on the Consumer Price Index unless SSA determines a different rate is appropriate.

In addition, SSA earned \$25 and \$19 million in other exchange revenue in FY 1998 and 1997, respectively. The goods and services provided in these transactions are priced so that charges do not exceed the Agency's cost.

## **10** Tax Revenues

Employment tax revenues are estimated monthly by the Department of the Treasury based on SSA's quarterly estimate of taxable earnings. These estimates are used by the Department of the Treasury to credit the Social Security trust funds with tax receipts received during the month. Treasury makes adjustments to the amounts previously credited to the trust funds based on actual wage data certified quarterly by SSA.

As required by current law, the Social Security trust funds are due the total amount of employment taxes payable regardless of whether they have been collected. These estimated amounts are subject to adjustments for wages that were previously unreported, employers misunderstanding the wage reporting instructions, businesses terminating operations during the year or errors made and corrected with either IRS or SSA but not both. Revenues to the trust funds are reduced for excess employment taxes which are refunded by offset against income taxes.

SSA has permanent indefinite authority for two appropriations, Taxation of Social Security Benefits and FICA/SECA Tax Credits. Both appropriations are authorized by Public Law 98-21. They are for unspecified amounts of money and do not require action by Congress to authorize their use.

The amounts for estimated employment taxes, adjustments for actual taxes payable, and refunds as well as other tax revenues follows. Other tax revenues include certain military wage credits and income tax on benefits.

	<i>(In Millions)</i>	
	<u>1998</u>	<u>1997</u>
Estimated Employment Taxes Credited to SSA	\$425,441	\$400,928
Adjustments	(741)	(1,666)
Refunds	<u>(2,130)</u>	<u>(1,090)</u>
Employment Tax Revenues	422,570	398,172
Other Tax Revenues	<u>9,404</u>	<u>7,163</u>
Total Tax Revenues	\$431,974	\$405,335

## **11** Contingent Liabilities

SSA has certain claims and lawsuits pending against it. When pending claims will probably result in payment and these amounts are estimable, appropriate provision has been made in the accompanying financial statements.

As the result of a Supreme Court decision in *Zebley v. Sullivan* in 1990, SSA recognized an unfunded liability of \$1.9 billion in FY 1990 to pay SSI benefits which had previously been denied. During FY 1998, SSA reevaluated this liability and determined that \$10 million will be paid in the future for claims yet to be filed which had previously been denied.

SSA also has other class action suits which may affect major client populace, that may be lost, in whole or in part, in lower courts and or on appeal and may require a future implementation plan. Any final unfavorable court decisions will be funded from the appropriate trust fund or from the general funds for the SSI program. However, at this time SSA is unable to determine an estimate of loss for any class action suits. In the opinion of management and legal counsel, the resolution of the class actions and other claims and lawsuits will not materially affect the financial position or operations of SSA.

## 12 Status of Budgetary Resources

The following tables show the status of SSA's budgetary resources by program as of September 30, 1998 and 1997. Obligations incurred consist of expended authority, recoveries of prior year obligations and the change in undelivered orders. Undelivered orders as of September 30, 1998 and 1997 are \$649 and \$729 million, respectively.

During FY 1998, adjustments were made to SSA's budgetary resources to increase the indefinite authority for the SSI appropriation for \$2.2 billion. This reapportionment assured that adequate funding would be available for the remainder of the fiscal year.

## 13 Imputed Financing

The Statement of Net Costs recognizes post-employment benefit expenses of \$534 and \$427 million for FY 1998 and 1997, respectively. The Statement of Changes in Net Position recognizes an imputed financing source of \$292 and \$267 million for FY 1998 and 1997, respectively. The expense represents SSA's share of the current and estimated future outlays for employee pensions, life and health insurance. The imputed financing source represents annual service cost not paid by SSA.

1998	Unobligated	Unobligated	Expended	Change in	(In Millions)
Program	Appropriations Available	Appropriations Unavailable	Authority & Recoveries	Undelivered Orders	Total
OASI	\$652,269	\$0	\$332,695	\$(63)	\$984,901
DI	76,716	0	50,087	(2)	126,801
SSI	27	16	32,837	7	32,887
BL	9	1	589	0	599
Other	101	0	1,048	(22)	1,127
<b>Total</b>	<b>\$729,122</b>	<b>\$17</b>	<b>\$417,256</b>	<b>\$(80)</b>	<b>\$1,146,315</b>

1997	Unobligated	Unobligated	Expended	Change in	(In Millions)
Program	Appropriations Available	Appropriations Unavailable	Authority & Recoveries	Undelivered Orders	Total
OASI	\$566,455	\$0	\$320,296	\$30	\$886,781
DI	64,067	0	46,275	16	110,358
SSI	1,631	18	31,764	(35)	33,378
BL	11	1	628	0	640
Other	176	0	966	28	1,170
<b>Total</b>	<b>\$632,340</b>	<b>\$19</b>	<b>\$399,929</b>	<b>\$39</b>	<b>\$1,032,327</b>

# 14 Cost and Revenue by Budget Function

Shown below are SSA's gross costs, earned revenue and net costs displayed by budget function. Social security includes the costs and revenues associated with the OASI and DI programs. Income security includes the costs and revenues associated with the SSI and Black Lung programs. Medicare includes the costs and revenues that SSA incurs in performing work for the Health Care Financing Administration's Medicare program.

	<i>(In Millions)</i>		
	Gross	Earned	Net
	<u>Cost</u>	<u>Revenue</u>	<u>Cost</u>
Social Security	\$376,768	\$9	\$376,759
Income Security	33,470	3,172	30,298
Medicare	<u>1,102</u>	<u>9</u>	<u>1,093</u>
Total	\$411,340	\$3,190	\$408,150





## Balance Sheet by Major Program as of September 30, 1998

Assets	(Dollars in Millions)					Consolidated
	OASI	DI	SSI	Black Lung	Other	
<b>Intragovernmental Entity Assets:</b>						
Fund Balance with Treasury	\$ 33	\$ (18)	\$ 978	\$58	\$ 58	\$ 1,109
Investments	653,282	76,995	0	0	0	730,277
Interest Receivable, Net	11,210	1,231	0	0	0	12,441
Accounts Receivable, Net	10	0	0	0	0	10
Other	0	215	0	0	0	215
Accounts Receivable, Net	1,225	951	239	3	0	2,418
Property, Plant and Equipment, Net	307	0	0	0	0	307
Other	136	0	3	0	0	139
<b>Total Entity Assets</b>	<b>666,203</b>	<b>79,374</b>	<b>1,220</b>	<b>61</b>	<b>58</b>	<b>746,916</b>
<b>Non-Entity Assets:</b>						
SSI Intragovernmental Receivable	0	0	0	0	336	336
SSI Governmental Receivable	0	0	0	0	1,312	1,312
<b>Total Non-Entity Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,648</b>	<b>1,648</b>
<b>Total Assets</b>	<b>666,203</b>	<b>79,374</b>	<b>1,220</b>	<b>61</b>	<b>1,706</b>	<b>748,564</b>
<b>Liabilities</b>						
<b>Liabilities Covered by Budgetary Resources</b>						
<b>Intragovernmental Liabilities:</b>						
Accrued Railroad Retirement Interchange	3,718	112	0	0	0	3,830
Accounts Payable	47	18	190	1	13	269
Other Liabilities	594	8	12	0	1	615
Entitlement Benefits Due	28,941	6,557	0	47	0	35,545
Accounts Payable	21	17	619	0	12	669
Other Liabilities	55	45	133	0	39	272
<b>Total Liab. Covered by Budgetary Resources</b>	<b>33,376</b>	<b>6,757</b>	<b>954</b>	<b>48</b>	<b>65</b>	<b>41,200</b>
<b>Liabilities Not Covered by Budgetary Resources</b>						
<b>Intragovernmental Liabilities:</b>						
SSI Receivables Owed to Treasury	0	0	0	0	1,648	1,648
Other Liabilities	96	38	13	0	34	181
Entitlement Benefits Due	0	0	943	0	0	943
Other	114	93	167	0	68	442
<b>Total Liab. Not Covered by Budgetary Resources</b>	<b>210</b>	<b>131</b>	<b>1,123</b>	<b>0</b>	<b>1,750</b>	<b>3,214</b>
<b>Total Liabilities</b>	<b>33,586</b>	<b>6,888</b>	<b>2,077</b>	<b>48</b>	<b>1,815</b>	<b>44,414</b>
<b>Net Position</b>						
Unexpended Appropriations	(89)	(341)	266	13	1,988	1,837
Cumulative Results of Operations	632,706	72,827	(1,123)	0	(2,097)	702,313
<b>Total Net Position</b>	<b>632,617</b>	<b>72,486</b>	<b>(857)</b>	<b>13</b>	<b>(109)</b>	<b>704,150</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 666,203</b>	<b>\$79,374</b>	<b>\$1,220</b>	<b>\$61</b>	<b>\$1,706</b>	<b>\$748,564</b>

## Schedule of Changes in Net Position for the Year Ended September 30, 1998

	(Dollars in Millions)					
	OASI	DI	SSI	Black Lung	Other	Consolidated
<b>Net Costs of Operations</b>	\$327,210	\$49,549	\$29,710	\$588	\$1,093	\$408,150
<b>Financing Sources (other than Exchange Revenues)</b>						
Appropriations Used	8	4	29,795	588	2	30,397
Tax Revenues	373,466	58,508	0	0	0	431,974
Imputed Financing	79	64	102	0	47	292
Interest, Donations and Other Revenue	43,394	4,646	0	0	976	49,016
Railroad Retirement Interchange	(3,763)	(178)	0	0	0	(3,941)
SSI Receivables Recovered	0	0	0	0	1,215	1,215
SSI Receivables Transferred to Treasury	0	0	0	0	(1,215)	(1,215)
SSI Administrative Fees Transf. to Treasury	0	0	(146)	0	0	(146)
<b>Total Financing Sources</b>	413,184	63,044	29,751	588	1,025	507,592
Net Results of Operations	85,974	13,495	41	0	(68)	99,442
Increase (Decrease) in Unexpended Approp.	0	0	(1,458)	(2)	20	(1,440)
<b>Change in Net Position</b>	85,974	13,495	(1,417)	(2)	(48)	98,002
Net Position, Beginning Balance	546,643	58,991	560	15	(61)	606,148
<b>Net Position, Ending Balance</b>	\$632,617	\$72,486	\$(857)	\$13	\$(109)	\$704,150

## Schedule of Budgetary Resources for the Year Ended September 30, 1998

	(Dollars in Millions)					
	OASI	DI	SSI	Black Lung	Other	Consolidated
<b>Budgetary Resources Made Available</b>						
Budget Authority	\$ 417,457	\$63,239	\$28,231	\$586	\$1,323	\$510,836
Unobligated Balances - Beginning of Period	567,444	63,562	1,615	12	176	632,809
Spending Authority from Offsetting Collections	0	0	3,025	0	14	3,039
Adjustments	0	0	16	1	(386)	(369)
<b>Total Budgetary Resources Made Available</b>	<b>984,901</b>	<b>126,801</b>	<b>32,887</b>	<b>599</b>	<b>1,127</b>	<b>1,146,315</b>
<b>Status of Budgetary Resources</b>						
Obligations Incurred	332,632	50,085	32,844	589	1,026	417,176
Unobligated Balances - Available	652,269	76,716	27	9	101	729,122
Unobligated Balances - Not Available	0	0	16	1	0	17
<b>Total Status of Budgetary Resources</b>	<b>984,901</b>	<b>126,801</b>	<b>32,887</b>	<b>599</b>	<b>1,127</b>	<b>1,146,315</b>
<b>Outlays</b>						
Obligations Incurred	332,632	50,085	32,844	589	1,026	417,176
Less: Spending Authority	0	0	3,041	1	14	3,056
Obligated Balances - Beginning of Period	32,099	6,486	593	51	173	39,402
Less: Obligated Balance - End of Period	33,031	6,969	679	48	215	40,942
<b>Total Outlays</b>	<b>\$331,700</b>	<b>\$49,602</b>	<b>\$29,717</b>	<b>\$591</b>	<b>\$970</b>	<b>\$412,580</b>

## Schedule of Financing for the Year Ended September 30, 1998

	(Dollars in Millions)					
	OASI	DI	SSI	Black Lung	Other	Consolidated
<b>Obligations and Nonbudgetary Resources</b>						
Obligations Incurred	\$ 332,632	\$50,085	\$32,844	\$589	\$1,026	\$417,176
Other Spending Authority	0	0	(3,041)	(1)	(14)	(3,056)
Donations and Other Resources	0	0	0	0	0	0
Imputed Financing	79	64	102	0	47	292
Transfers In (Out)	(5,541)	(471)	(146)	0	0	(6,158)
Exchange Revenue	(33)	(136)	0	0	2	(167)
Non-Exchange Revenue	0	0	0	0	0	0
<b>Total Obligations and Non-Budgetary Resources</b>	<b>327,137</b>	<b>49,542</b>	<b>29,759</b>	<b>588</b>	<b>1,061</b>	<b>408,087</b>
<b>Resources Not Funding Net Cost of Operations</b>						
Change in Undelivered Orders	63	2	(7)	0	22	80
Capitalized Costs	(11)	(9)	0	0	(7)	(27)
Financing Sources that Fund Costs of Prior Periods	(2)	(2)	(92)	0	(1)	(97)
<b>Total Resources Not Funding Net Cost of Operations</b>	<b>50</b>	<b>(9)</b>	<b>(99)</b>	<b>0</b>	<b>14</b>	<b>(44)</b>
<b>Costs Not Requiring Resources</b>						
Depreciation and Amortization	36	29	46	0	21	132
Revaluation of Assets and Liabilities	(5)	0	0	0	0	(5)
Other	(18)	(21)	0	0	(9)	(48)
<b>Total Costs Not Requiring Resources</b>	<b>13</b>	<b>8</b>	<b>46</b>	<b>0</b>	<b>12</b>	<b>79</b>
Financing Sources Yet to Be Provided	10	8	4	0	6	28
<b>Net Cost of Operations</b>	<b>\$327,210</b>	<b>\$49,549</b>	<b>\$29,710</b>	<b>\$588</b>	<b>\$1,093</b>	<b>\$408,150</b>

## Baseline Information and Program Performance Measures

	FY 1995	FY 1996	FY 1997	FY 1998
<b>OASI PROGRAM</b>				
<i>Baseline Information</i>				
Operating expenses (in millions)	\$2,002	\$1,968	\$2,148	\$2,211
Beneficiaries on the rolls (in millions)	37.5	37.6	37.8	37.9
Year trust fund will be exhausted	2031	2031	2031	2034
Long range actuarial surplus (deficit) expressed as percent of taxable payroll	(1.87)	(1.85)	(1.84)	(1.81)
% of beneficiaries' average earnings replaced when retiring at age 65	43.2%	43.1%	43.6%	41.7%
Population 65 or over receiving benefits	92.0%	92.0%	92.0%	92.0%
<i>Performance Measures</i>				
Initial claims processed (in millions)*	3.2	3.1	3.1	3.0
Initial claims processing times (in days)	14.0	13.5	14.5	15.7
% of available initial claims processed	98.7%	98.6%	98.7%	99.0%
% of applications completed before the first regular payment is due or within 14 days from effective date of filing, if later*	83.0%	84.3%	82.9%	82.6%
<b>DI PROGRAM</b>				
<i>Baseline Information</i>				
Operating expenses (in millions)	\$1,098	\$1,148	\$1,506	\$1,863
Beneficiaries on the rolls (in millions)	5.8	6.0	6.1	6.3
Year trust fund will be exhausted	2016	2015	2015	2019
Long range actuarial surplus (deficit) expressed as percent of taxable payroll	(.31)	(.34)	(.39)	(.38)
% of disabled workers' average earnings replaced upon onset of disability	43.5%	43.2%	43.2%	43.0%
<i>Performance Measures</i>				
Initial claims processed (in millions)	1.9	1.7	1.7	1.5
Initial claims processing times (in days)	83.8	77.9	86.3	90.1
% of available initial claims processed	88.9%	88.2%	92.9%	92.9%
% of initial claims processed within 6 months after onset or 60 days of effective filing date, whichever is later*	50.8%	57.5%	52.4%	51.3%

\* FY 1998 GPRA performance measure

## Baseline Information and Program Performance Measures, Continued

	FY 1995	FY 1996	FY 1997	FY 1998
<b>SSI PROGRAM</b>				
<i>Baseline Information</i>				
Operating expenses (in millions)	\$1,716	\$2,026	\$2,209	\$2,404
Recipients on the rolls (in millions)	6.5	6.6	6.6	6.6
% of poverty gap filled by SSI Federal benefit:				
- Individual	73.6%	72.9%	73.6%	73.6%
- Couple	82.2%	81.7%	82.1%	82.0%
% of SSI recipients also receiving OASDI benefits:				
- Aged recipients	63.2%	61.9%	61.8%	61.1%
- Blind/disabled recipients	31.1%	30.6%	30.6%	30.5%
<i>Performance Measures</i>				
Initial blind/disabled claims processed (in millions)	2.0	1.8	1.5	1.4
Initial blind/disabled claims processing times (in days)	109.2	94.4	108.4	108.8
% of available blind/disabled claims processed	84.2%	82.4%	80.2%	78.9%
% of disability claims paid or denied within 60 days of the filing date*	26.6%	29.5%	25.0%	24.4%
<b>DI/SSI DISABILITY WORKLOADS</b>				
<i>Baseline Information</i>				
Number of initial disability cases received by DDS	2,488,878	2,439,658	2,076,201	2,037,160
Number of total cases received by DDS	3,647,337	3,714,060	3,805,920	3,848,878
Number of initial disability cases pending in DDS at end of FY*	430,805	510,454	399,392	416,378
Number of total cases pending in DDS at end of FY	590,045	702,316	703,696	760,026
Number of hearing request pending in OHA at end of FY*	547,690	510,895	483,712	384,313
<i>Performance Measures</i>				
Number of initial disability cases processed by DDS*	2,611,622	2,360,034	2,187,263	2,024,524
Number of total cases processed by DDS	3,786,535	3,601,856	3,804,111	3,792,151
Total cases processed per workyear in DDS	281	278	269	265
% of accurate initial disability determinations by DDS	96.6%	96.9%	96.5%	96.2%
Number of hearings processed by OHA*	526,743	580,832	574,795	618,578
% of hearings with decision made and notices sent within 120 days after filing date**	13.3%	10.1%	10.0%	14.0%
Number of periodic review CDRs processed*	217,184	498,445	690,478	1,391,889
Number of medical reviews related to work issues processed	NA	19,239	20,224	19,614

\* FY 1998 GPRA performance measure

\*\* Actual data are for September of each fiscal year.

**PROVIDING OFFICE**

BUREAU OF PUBLIC DEBT  
 PARKERSBURG, WV 26106-1328  
 TELEPHONE: (304) 480-5150

**STATEMENT OF ACCOUNT****ACCOUNT TITLE AND NUMBER**

OLD AGE AND SURVIVORS INSURANCE  
 TRUST FUND, 2820X8006

**DESCRIPTION OF HOLDINGS AS OF: 9/30/98**  
**INVESTED BALANCE: \$653,281,692,000.00**

(Dollars in Millions)

Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<i><u>Bonds Maturing June 30, 1999</u></i>		<i><u>Bonds Maturing June 30, 2000</u></i>		<i><u>Bonds Maturing June 30, 2001</u></i>		<i><u>Bonds Maturing June 30, 2002</u></i>	
\$1,492	13.750%	\$2,057	10.375%	\$2,241	9.250%	\$2,241	9.250%
565	10.375%	2,241	9.250%	7,100	8.750%	7,100	8.750%
2,241	9.250%	7,100	8.750%	1,302	8.625%	3,672	8.625%
7,100	8.750%	1,302	8.625%	2,371	8.375%	3,611	8.125%
1,302	8.625%	313	8.375%	3,611	8.125%	3,575	7.375%
313	8.375%	3,611	8.125%	3,575	7.375%	3,962	7.250%
3,611	8.125%	3,575	7.375%	3,962	7.250%	3,372	7.000%
3,575	7.375%	3,962	7.250%	3,372	7.000%	3,975	6.875%
3,962	7.250%	3,372	7.000%	3,975	6.875%	2,431	6.500%
1,453	7.000%	3,975	6.875%	2,431	6.500%	3,151	6.250%
		2,431	6.500%	3,151	6.250%	6,169	5.875%
		3,151	6.250%	6,169	5.875%		
		6,169	5.875%				
<i><u>Bonds Maturing June 30, 2003</u></i>		<i><u>Bonds Maturing June 30, 2004</u></i>		<i><u>Bonds Maturing June 30, 2005</u></i>		<i><u>Bonds Maturing June 30, 2006</u></i>	
\$ 5,913	9.250%	\$13,012	8.750%	\$13,012	8.750%	\$16,624	8.125%
7,100	8.750%	3,611	8.125%	3,611	8.125%	3,575	7.375%
3,611	8.125%	3,575	7.375%	3,575	7.375%	3,962	7.250%
3,575	7.375%	3,962	7.250%	3,962	7.250%	3,372	7.000%
3,962	7.250%	3,372	7.000%	3,372	7.000%	3,975	6.875%
3,372	7.000%	3,975	6.875%	3,975	6.875%	2,431	6.500%
3,975	6.875%	2,431	6.500%	2,431	6.500%	3,151	6.250%
2,431	6.500%	3,151	6.250%	3,151	6.250%	6,169	5.875%
3,151	6.250%	6,169	5.875%	6,169	5.875%		
6,169	5.875%						
<i><u>Bonds Maturing June 30, 2007</u></i>		<i><u>Bonds Maturing June 30, 2008</u></i>		<i><u>Bonds Maturing June 30, 2009</u></i>		<i><u>Bonds Maturing June 30, 2010</u></i>	
\$20,199	7.375%	\$3,962	7.250%	\$27,312	7.250%	\$3,372	7.000%
3,962	7.250%	3,372	7.000%	3,372	7.000%	3,975	6.875%
3,372	7.000%	3,975	6.875%	3,975	6.875%	29,743	6.500%
3,975	6.875%	2,431	6.500%	2,431	6.500%	6,169	5.875%
2,431	6.500%	23,350	6.250%	6,169	5.875%		
3,151	6.250%	6,169	5.875%				
6,169	5.875%						
<i><u>Bonds Maturing June 30, 2011</u></i>		<i><u>Bonds Maturing June 30, 2012</u></i>		<i><u>Bond Maturing June 30, 2013</u></i>		<i><u>Certificates of Indebtedness</u></i>	
\$33,114	7.000%	\$37,090	6.875%	\$43,259	5.875%	<i><u>Maturing June 30, 1999</u></i>	
3,975	6.875%	6,169	5.875%			\$5,698	5.750%
6,169	5.875%					16,346	5.375%

## PROVIDING OFFICE

BUREAU OF PUBLIC DEBT  
 PARKERSBURG, WV 26106-1328  
 TELEPHONE: (304) 480-5150

## STATEMENT OF ACCOUNT

### ACCOUNT TITLE AND NUMBER

DISABILITY INSURANCE  
 TRUST FUND, 2820X8007

## DESCRIPTION OF HOLDINGS AS OF: 9/30/98 INVESTED BALANCE: \$76,995,527,000.00

(Dollars in Millions)

Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<u><i>Bonds Maturing June 30, 1999</i></u>		<u><i>Bonds Maturing June 30, 2000</i></u>		<u><i>Bonds Maturing June 30, 2001</i></u>		<u><i>Bonds Maturing June 30, 2002</i></u>	
\$1,116	7.000%	\$1,116	7.000%	\$1,116	7.000%	\$1,116	7.000%
265	6.875%	265	6.875%	265	6.875%	265	6.875%
1,059	6.500%	2,148	6.500%	2,148	6.500%	2,148	6.500%
		916	5.875%	916	5.875%	916	5.875%
<u><i>Bonds Maturing June 30, 2003</i></u>		<u><i>Bonds Maturing June 30, 2004</i></u>		<u><i>Bonds Maturing June 30, 2005</i></u>		<u><i>Bonds Maturing June 30, 2006</i></u>	
\$174	8.750%	\$719	8.750%	\$ 719	8.750%	\$ 869	8.125%
1,116	7.000%	151	8.125%	151	8.125%	48	7.375%
265	6.875%	48	7.375%	48	7.375%	1,116	7.000%
2,148	6.500%	1,116	7.000%	1,116	7.000%	265	6.875%
916	5.875%	265	6.875%	265	6.875%	2,148	6.500%
		2,148	6.500%	2,148	6.500%	916	5.875%
		916	5.875%	916	5.875%		
<u><i>Bonds Maturing June 30, 2007</i></u>		<u><i>Bonds Maturing June 30, 2008</i></u>		<u><i>Bonds Maturing June 30, 2009</i></u>		<u><i>Bonds Maturing June 30, 2010</i></u>	
\$917	7.375%	\$1,116	7.000%	\$4,181	7.000%	\$4,446	6.875%
1,116	7.000%	265	6.875%	265	6.875%	916	5.875%
265	6.875%	3,064	6.500%	916	5.875%		
2,148	6.500%	916	5.875%				
916	5.875%						
<u><i>Bonds Maturing June 30, 2011</i></u>		<u><i>Bonds Maturing June 30, 2012</i></u>		<u><i>Bond Maturing June 30, 2013</i></u>		<u><i>Certificates of Indebtedness Maturing June 30, 1999</i></u>	
\$4,446	6.875%	\$4,446	6.875%	\$5,362	5.875%	\$406	5.750%
916	5.875%	916	5.875%			2,526	5.375%
<hr/>							
<u><i>Marketable U.S. Treasury Bonds</i></u>							
\$5 of 3.500% bonds due November 15, 1998 \$4 of 8.250% bonds due May 15, 2000 - 2005 \$10 of 7.625% bonds due February 15, 2002 - 2007 \$30 of 11.750% bonds due February 15, 2005 - 2010							