

Performance and Accountability Report



Fiscal Year 2002



A Message from the Commissioner

I am pleased to present the Social Security Administration's (SSA) Performance and Accountability Report (PAR) for Fiscal Year (FY) 2002. The report shows how SSA managed its finances and how we performed in administering our programs during the past year.

During FY 2002, we made solid progress in addressing the priorities I established as Commissioner: Giving the American people the service they deserve; improving program integrity through sound fiscal stewardship; ensuring the program's financial solvency for future generations; and maintaining the quality staff SSA needs to meet these goals. During the past year, SSA diligently worked toward finding solutions to address the challenges we face in those areas, particularly as the number of beneficiaries is increasing each year with the aging of the baby boomers. We are conducting a service delivery assessment to examine all business processes and develop innovative ways to manage our growing workloads. Our investigations have identified large and small changes, which we are implementing, to improve our service to both beneficiaries and taxpayers, our future beneficiaries. With the support of SSA's corps of talented and dedicated employees and maximum use of rapidly developing technology, we have begun to build an SSA for the future in which we maintain and exceed the levels of service we provide today.



“Accountability provided the foundation for our achievements in financial management during FY 2002.”

SSA has demonstrated its continuing commitment to responsible stewardship of the Social Security programs as reflected by the ninth consecutive unqualified opinion on SSA's financial statements. SSA is fully committed to providing results-driven Government. As our disability and retirement workloads continue to grow, our dedication to providing the highest quality service must balance the elements of accuracy, timeliness, and productivity.

SSA is committed to providing data that is complete and reliable to those who use it for decisionmaking. The performance and financial data presented in this report is fundamentally complete and reliable as outlined in the guidance available from the Office of Management and Budget (OMB). We have identified no material inadequacies and this report describes our continuing efforts to provide timely and useful performance information to SSA managers, OMB and Congress.

SSA is rightly one of the most scrutinized agencies and this year once again earned recognition as a premier Federal agency. SSA received a “B”, the highest grade in the Federal Government, for its financial management practices from the U.S. House of Representatives Committee on Reform, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations. SSA was also the only agency of 24 rated to see its grade improve. More recently, SSA was awarded the Association of Government Accountants “Certificate of Excellence in Accountability Reporting” for its FY 2001 PAR. SSA is the only Federal agency to have received this award for 4 consecutive years.

Social Security has been there since its inception, providing a measure of economic security and financial stability for America's citizens. As we face the years ahead, we will continue to fulfill our mission and to remain steadfast in our commitment to provide the best quality service to the American public while ensuring program integrity through sound fiscal stewardship.

Jo Anne B. Barnhart

Jo Anne B. Barnhart
November 19, 2002

Table of Contents

1	A MESSAGE FROM THE COMMISSIONER
4	TEN-YEAR SUMMARY OF FINANCIAL HIGHLIGHTS
7	MANAGEMENT’S DISCUSSION AND ANALYSIS
9	Overview of SSA
9	Mission
9	The Social Security Programs
13	Agency Organization
15	Major Issues Facing SSA
15	Service
19	Stewardship
22	Solvency
23	Staff
24	Management Challenges Identified by Others
25	Performance Goals and Results
27	Summary of FY 2002 Performance
28	FY 2002 Performance by Strategic Goal
40	Data Quality
42	Highlights of SSA’s Financial Position
42	Overview of Financial Data
44	Trust Fund Solvency
45	Limitation on Financial Statements
46	Systems and Controls
46	Federal Managers’ Financial Integrity Act
47	Federal Financial Management Improvement Act
48	Government Information Security Reform Act
48	Financial Statement Audit
49	FINANCIAL STATEMENTS
50	A Message from the Chief Financial Officer
51	Consolidated Balance Sheets
52	Consolidated Statements of Net Cost
53	Consolidated Statements of Changes in Net Position
54	Combined Statements of Budgetary Resources
55	Consolidated Statements of Financing
56	Notes to the Principal Financial Statements
72	Balance Sheet by Major Program
73	Schedule of Changes in Net Position
74	Schedule of Financing
75	Required Supplementary Information: Schedule of Budgetary Resources

-
- 76 Required Supplementary Information: Intragovernmental Amounts
 - 77 Required Supplementary Stewardship Information: Social Insurance

95 OTHER ACCOMPANYING INFORMATION

96 GPRA Performance Results

- 96 Summary of Achievement-FY 2002 Performance Goals
- 103 Individual Performance Indicator Results
- 148 President's Management Agenda
- 150 Barometer Measures
- 163 Program Evaluation

167 Supplemental Information

- 167 Additional OASDI Information
- 168 Anti-Fraud Activities
- 170 Biennial Review of User Fee Charges
- 171 Debt Management

173 AUDIT OF SSA'S FY 2002 FINANCIAL STATEMENTS

189 INSPECTOR GENERAL STATEMENT ON SSA'S MAJOR MANAGEMENT CHALLENGES

213 APPENDICES

- 213 Glossary of Acronyms
- 218 SSA Management and Board Members

SSA's FY 2002 Performance and Accountability Report is available on the Internet at: www.ssa.gov/finance

Ten-Year Summary of Financial Highlights

(Data for the FYs ended September 30, unless otherwise noted. Dollars in billions, except for unit costs.)

Assets										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Investments	\$365.7	\$419.5	\$483.2	\$549.5	\$631.0	\$730.3	\$854.9	\$1,007.2	\$1,170.0	\$1,329.0
Total Assets ¹	376.4	450.1	499.1	565.9	648.6	748.4	874.9	1,029.2	1,198.7	1,358.5

1. See balance sheet on page 51 for breakout of Total Assets.

Financing Sources										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Tax Revenues	\$316.5	\$340.8	\$356.2	\$381.2	\$405.3	\$432.0	\$462.7	\$501.7	\$528.2	\$537.7
Interest Income	27.4	30.1	34.2	37.6	42.5	48.0	53.7	62.2	70.9	78.6
Total Exchange Revenue and Financing Sources	378.0	407.9	427.4	449.5	477.4	510.9	548.2	599.1	627.2	648.3

Expenses										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Benefit:										
OASI	\$265.9	\$277.3	\$290.0	\$300.6	\$313.7	\$325.0	\$332.3	\$349.9	\$369.1	\$385.8
DI	34.1	37.9	40.4	43.4	44.5	47.7	50.4	54.7	59.2	67.0
SSI	20.4	24.2	24.5	24.9	26.6	27.5	28.2	30.5	27.7	30.2
Administrative	5.3	5.4	5.6	6.0	6.9	7.5	7.4	7.5	7.3	8.3

Ratios										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Return on Trust Fund Investment ²	8.3%	8.0%	7.8%	7.6%	7.5%	7.2%	6.9%	6.9%	6.6%	NA
Long Range OASDI Actuarial Deficit as % of Taxable Payroll by Year of Trustees Report	1.46%	2.13%	2.17%	2.19%	2.23%	2.19%	2.07%	1.89%	1.86%	1.87%
Administrative Expenses as % of Benefit Expenses	1.6%	1.6%	1.6%	1.6%	1.8%	1.9%	1.8%	1.7%	1.6%	1.7%

2. Data shown are for calendar year; see <http://www.ssa.gov/OACT/ProgData/effectiveRates.html> for earlier data.

Business Process Information										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Enumeration Process:										
SSNs Issued (in millions)	16.7	16.1	16.8	15.9	15.6	16.2	16.4	17.1	18.1	17.7
Workyears	2,487	2,534	2,560	2,577	2,811	2,902	2,692	2,909	3,036	2,994
Production Per Workyear (PPWY)	6,703	6,370	6,575	6,187	5,539	5,584	6,063	5,888	5,988	5,905
Unit Costs (Current \$)	\$14.54	\$15.02	\$14.84	\$16.17	\$17.47	\$16.59	\$16.27	\$16.84	\$17.01	\$16.77
Earnings Process:										
Earnings Processed (in millions)	222.0	221.9	235.3	240.0	249.1	266.0	249.9	277.1	274.4	266.8
Workyears	1,375	1,556	1,595	1,540	1,303	1,223	1,007	904	809	803
PPWY	161,475	142,641	147,515	155,842	191,210	217,440	248,131	306,577	339,218	332,225
Unit Costs (Current \$)	\$0.66	\$0.73	\$0.67	\$0.58	\$0.49	\$0.41	\$0.34	\$0.27	\$0.25	\$0.26
Claims Process:										
Total Initial Claims Processed (in millions)	7.5	7.4	7.2	6.7	6.4	6.1	6.2	6.6	6.6	7.2
Workyears	23,362	23,338	21,022	19,436	19,560	17,263	16,714	17,236	17,101	17,249
PPWY	319	315	345	344	328	355	370	385	384	419
Unit Costs (Current \$)	\$491.46	\$494.74	\$460.72	\$456.47	\$471.59	\$435.09	\$434.63	\$409.77	\$417.56	\$392.07
Postentitlement Process:										
Workloads Processed (in millions)	87.9	90.0	95.6	99.3	100.9	100.9	91.9	98.4	99.9	102.8
Workyears	17,522	17,560	18,240	18,449	20,289	20,175	20,420	20,236	20,832	21,191
PPWY	5,018	5,127	5,238	5,381	4,976	4,999	4,501	4,864	4,796	4,849
Unit Costs (Current \$)	\$19.98	\$19.33	\$19.53	\$20.29	\$22.70	\$23.52	\$26.69	\$24.14	\$24.23	\$23.06



CERTIFICATE OF EXCELLENCE IN ACCOUNTABILITY REPORTING

Presented to the

Social Security Administration

In recognition of your outstanding efforts in preparing SSA's Performance and Accountability Report for the fiscal year ended September 30, 2001.

A Certificate of Excellence in Accountability Reporting is presented by the Association of Government Accountants to federal government agencies whose annual Accountability Reports or Performance and Accountability Reports achieve the highest standards in presenting their programs and financial affairs.



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