

A MESSAGE FROM THE COMMISSIONER



I am pleased to present the Social Security Administration's Performance and Accountability Report (PAR) for fiscal year (FY) 2010. This year, as we celebrate our 75th anniversary, we have been invigorated with increased resources, energetic employees, and improved business processes and technology. We have made extraordinary progress even as the economy challenged us with an ongoing surge of benefit applications and furloughs of our State disability determination services (DDS) partners.

This report highlights our financial and performance results as well as our progress towards meeting our strategic goals. We use these goals to measure how well we are delivering service to the American people and preserving the public's trust in our programs. I encourage you to review our FY 2010 PAR to gain an understanding of our important programs, the challenges we face, and our tremendous accomplishments in the last year.

The Social Security and the Supplemental Security Income (SSI) programs touch nearly all Americans at some point in their lives. People depend on Social Security to provide an economic safety net during retirement, after the loss of a loved one, or after the onset of a disability. The benefits we pay each month not only provide a lifeline to our beneficiaries and their families, but also are important to the Nation's economy. Our employees appreciate the significance of these programs and are dedicated to our mission.

When I became Commissioner, I made eliminating our hearings backlog our number one priority. We have not wavered from this commitment. We used our FY 2010 appropriation and *American Recovery and Reinvestment Act* funding to sustain our momentum in eliminating this backlog and in improving the speed and quality of our disability process. We steadily reduced the hearings backlog despite receiving nearly 100,000 more hearing requests than we did in FY 2009. As importantly, we are handling cases more timely. In FY 2010, we reduced the annual average hearing processing time by over two months, and we ended the month of September 2010 with an average processing time below 400 days for the first time in over six years.

We successfully balanced this priority with our other important service improvements. Our improved online services are helping us address our growing workloads. We handled more disability claims than ever before and kept the number of pending cases significantly below our target. We decided over 100,000 initial disability cases in less than two weeks for applicants with the most severe disabilities. The DDSs increased their productivity and accuracy, and we held initial disability processing time more than twenty days below our target. We reduced the average waiting time in field offices. We answered our National 800 Number calls faster than at any time in nearly a decade and reduced our 800 Number busy rates over 40 percent from FY 2009. At the same time, we completed additional program integrity work that has helped increase our SSI payment accuracy.

For the 17th consecutive year, we received an unqualified opinion on our financial statements, and our auditors reported no instances of noncompliance with laws and regulations. We have no material internal control weaknesses and our financial and performance data in this report are reliable and complete under the Office of Management and Budget's guidance.

We have made incredible progress over the last few years. Nevertheless, eliminating our backlogs, improving our services, and keeping up with our program integrity work is a multi-year effort that requires timely and adequate resources. We are meeting our commitments to the American public, and we will continue to do so with enactment of the President's 2011 Budget.



Michael J. Astrue
Commissioner
November 8, 2010

TABLE OF CONTENTS

1	A MESSAGE FROM THE COMMISSIONER
5	MANAGEMENT’S DISCUSSION AND ANALYSIS
7	OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION
7	Social Security Benefits America
8	Meeting the Changing Needs of the Public
9	Our Organization
10	OVERVIEW OF OUR FY 2010 GOALS AND RESULTS
10	Summary of FY 2010 Performance and Priority Goals
14	Performance Summary of Goals and Results
19	Our Program Performance Measures
24	How We Integrate Our Performance and Budget
25	How We Ensure Our Data Integrity
26	ACHIEVING OUR MISSION
26	Deliver Social Security Services That Meet the Changing Needs of the Public
38	HIGHLIGHTS OF FINANCIAL POSITION
38	Overview of Financial Data
41	OASI and DI Trust Fund Solvency
42	Limitations of the Financial Statements
43	SYSTEMS AND CONTROLS
43	Management Assurances
47	PERFORMANCE SECTION
48	AGENCY PERFORMANCE
48	Fiscal Year 2010 Performance Measures By Goal and Objective
77	Program Performance Measures
85	Program Evaluation



97 FINANCIAL SECTION

98 A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

99 FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

100 Consolidated Balance Sheets

101 Consolidated Statements of Net Cost

102 Consolidated Statements of Changes in Net Position

103 Combined Statements of Budgetary Resources

104 Statement of Social Insurance

105 Notes to the Basic Financial Statements

131 Other Accompanying Information: Balance Sheet by Major Program

132 Other Accompanying Information: Schedule of Net Cost

133 Other Accompanying Information: Schedule of Changes in Net Position

135 Required Supplementary Information: Schedule of Budgetary Resources

136 Required Supplementary Information: Social Insurance

153 AUDITOR'S REPORTS

163 OTHER ACCOMPANYING INFORMATION

164 INSPECTOR GENERAL STATEMENT ON SSA'S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES

182 OTHER REPORTING REQUIREMENTS

182 Summary of Financial Statement Audit and Management Assurances

183 Anti-Fraud Activities

186 Biennial Review of User Fee Charges

187 Debt Management

189 IMPROPER PAYMENTS INFORMATION ACT OF 2002 DETAILED REPORT

211 APPENDIX

212 GLOSSARY OF ACRONYMS

218 SSA MANAGEMENT AND BOARD MEMBERS

SSA's FY 2010 Performance and Accountability Report is available on the Internet
at: www.socialsecurity.gov/finance

Introduction

SSA's *Performance and Accountability Report* (PAR) for fiscal year (FY) 2010 provides financial and performance information that enables the President, Congress, and the public to assess how we performed in accomplishing our mission and achieving our goals. This report is organized into the following major sections:

MANAGEMENT'S DISCUSSION AND ANALYSIS: *Management's Discussion and Analysis* gives an overview of our mission, organization, strategic goals and objectives, and our FY 2010 performance measures. We highlight the FY 2010 results of our key performance measures and discuss our accomplishments and plans to achieve our mission. We also provide a summary of the financial and performance information contained in subsequent sections of the PAR. A synopsis of our systems, controls, and legal compliance is also included as well as a discussion of our key priorities and their possible effect on the future.

PERFORMANCE SECTION: The *Performance Section* discusses the results for each of our FY 2010 performance measures according to the strategic goal and objective. We compare the targets we set for each performance measure to our actual performance during the year. In addition, we include trend data and discuss our performance. Similarly, we compare our FY 2010 targets and performance for each of our Program Performance Measures. We also summarize program evaluations we conducted and their outcomes.

FINANCIAL SECTION: The *Financial Section* contains the message from our Chief Financial Officer, our audited financial statements, the accompanying notes to those statements, and required supplementary information including the Schedule of Budgetary Resources and information on Social Insurance. This section concludes with the auditor's reports.

OTHER ACCOMPANYING INFORMATION: The *Other Accompanying Information* section includes the *Inspector General Statement on SSA's Major Management and Performance Challenges* as well as our Summary of Financial Statement Audit and Management Assurances table and a discussion on our Anti-Fraud Activities and Debt Management. The *Improper Payments Information Act of 2002 Detailed Report* concludes this section.

APPENDIX: The *Appendix* includes a glossary of acronyms, a list of the agency's top management officials, the members of the Board of Trustees, and the members of the Social Security Advisory Board.

For the 12th year in a row, we received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting (CEAR) award for our FY 2009 Performance and Accountability Report. Receiving the CEAR is a significant accomplishment for a Federal agency, and it is the highest form of recognition in Federal financial reporting.

