

A MESSAGE FROM THE ACTING COMMISSIONER

I am pleased to present the Social Security Administration's fiscal year (FY) 2013 *Agency Financial Report* (AFR). This report reflects our commitment to the stewardship of taxpayer resources in accomplishing our mission of "delivering Social Security services that meet the changing needs of the public." Through our AFR, we hope that the President, Congress, and the American public will better understand our programs, challenges, and accomplishments.



Social Security is an indispensable part of so many lives, providing disability or retirement benefits to workers and their families. We provide benefits to approximately 63 million people and infuse about \$65 billion each month into the economy through benefits. Despite the ongoing budget challenges we face, our 75,000 employees work hard to meet the public's expectations. We continue to make great strides by focusing on our Strategic Goals, which include:

- Deliver quality disability decisions and services;
- Provide quality services to the public;
- Preserve the public's trust in our programs; and
- Strengthen our workforce and infrastructure.

We utilized this time of challenge as an opportunity to be innovative in our service delivery. I am pleased that we were successful in providing greater access to critical information, increasing the services available online, and enhancing our quality assurance tools. Our FY 2013 initiatives of expanding our online services, ensuring quality, and increasing efficiency and effectiveness helped to provide a world-class customer experience.

Online Services: For most Americans in today's world, being able to conduct business easily and quickly online is essential. During FY 2013, we not only redesigned our public website to enhance our customer's experience, but added additional online services. Individuals can apply for benefits online, update their records, and access needed documents. Three of our websites -- our iClaim, Retirement Estimator, and Extra Help with Medicare Prescription Drug Plan Costs application -- topped the American Customer Satisfaction Index's e-Government Satisfaction Index list. We are now expanding our services to include smartphone options, including creating a smartphone friendly version of our website and an application for wage reporting. We will continue to invest resources in this area to ensure that we are able to meet the demands of our customers in the future.

Quality: Ensuring quality in everything we do is very important to us. We continued to make investments to ensure quality disability decisions, payments accuracy, and public service. This past fiscal year, we expanded our electronic bench book and enhanced our electronic claims analysis tool. Both these tools ensure thorough analysis of cases and consistency in disability decisions. We have also put in place several initiatives, described in this document, to increase the accuracy of our payments. To ensure quality public service, we not only enhanced our online services, but we upgraded our National 800 Number Network and increased the number of Video Service Delivery locations to highlight a few.

Efficiency & Effectiveness: We are continuously looking for ways to increase our efficiency and effectiveness. Some highlights from this past year include taking action to reduce our carbon footprint and finding creative ways to be "green." We also remain committed to collaborating with our Federal partners. We increased efficiency in our data exchanges to prevent fraud and reduce the incidents of financial exploitation among our beneficiaries.

For the 20th consecutive year, we received an unmodified opinion on our financial statements. Based on our internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete, reliable, and accurate. I am also pleased to announce that our financial statement auditors found that we made substantial progress in addressing the material weakness in internal control over financial reporting they cited last year. In this year's financial statement audit, the auditors reduced the severity of the finding to a significant deficiency. For more information, please see the auditor's report in the *Financial Section*.

In spite of the ongoing budgetary challenges, we are working hard to meet the public's expectations. My focus as Acting Commissioner is to position the agency for the future --- to be able to handle the emerging service needs of the American public.

In closing, I want to acknowledge the dedicated employees of our agency. Their hard work and commitment were vital to our success in meeting the needs of the American public. This report reflects their tireless efforts to serve.

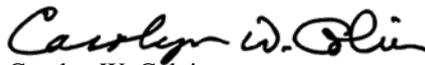

Carolyn W. Colvin
Acting Commissioner
December 9, 2013

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To access this report online, please visit our [Fiscal Year 2013 Agency Financial Report \(www.socialsecurity.gov/finance\)](http://www.socialsecurity.gov/finance).

INTRODUCTION

For fiscal year (FY) 2013, we decided to produce an *Agency Financial Report (AFR)* and *Annual Performance Report (APR)* as an alternative to producing the consolidated *Performance and Accountability Report*. We will integrate our FY 2013 APR and our *Annual Performance Plan (APP) for FY 2015 and Revised Final Performance Plan for FY 2014* into one streamlined document. We plan to publish our integrated report and *FY 2013 Summary of Performance and Financial Information* in February 2014.

Our AFR provides financial management and high-level performance information that enables the President, Congress, and the public to assess how well we accomplished our mission, achieved our goals, and managed the financial resources entrusted to us. We organize our AFR into the following major sections:

Management’s Discussion and Analysis: The *Management’s Discussion and Analysis* section gives an overview of our mission, organization, Strategic Goals and Objectives, Priority Goals, and key FY 2013 performance measures. We highlight the FY 2013 results of our key performance measures and discuss our accomplishments and plans to achieve our mission. We provide a summary of the financial information contained in subsequent sections of the AFR. We also include a synopsis of our systems, controls, and legal compliance.

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 Information: The *Other 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 tables. We also provide a discussion of our entitlement reviews, information from the Office of the Inspector General concerning its anti-fraud activities, and information on our debt management activities. The *Improper Payments Information 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 15th year in a row, we received the Association of Government Accountants’ Certificate of Excellence in Accountability Reporting award for our FY 2012 Performance and Accountability Report. Receiving the Certificate of Excellence in Accountability Reporting is a significant accomplishment for a Federal agency, and it is the highest form of recognition in Federal financial reporting.

