A MESSAGE FROM THE ACTING COMMISSIONER

I am pleased to present our fiscal year 2016 Agency Financial Report. This report describes how we managed our resources and administered our programs, and demonstrates our commitment to responsible stewardship. We strive to provide excellent customer service in a tight fiscal climate, while positioning ourselves to accomplish our mission of delivering Social Security services that meet the changing needs of the public. We continue to make great strides by focusing on our Strategic Goals:

- Deliver innovative, quality services;
- Strengthen the integrity of our programs;
- Serve the public through a stronger, more responsive disability program;
- Build a model workforce to deliver quality service; and
- Ensure reliable, secure, and efficient information technology services.

Throughout our history, we have evolved to meet the changing needs of our customers, helping them to navigate through life’s personal challenges and times of change. We are working toward achieving our long-term strategies embodied in our Vision 2025: providing a superior customer experience, developing and retaining exceptional employees, and building an innovative organization. Our customers remain our top priority, and we are committed to providing them with choices in the way they conduct business with us.

Modernizing our information technology infrastructure is foundational to helping us realize our vision. Investing wisely in technology is one of our top critical priorities as we work to deliver smart, secure, and efficient service. We are also committed to continue implementing data-driven decision making to provide the best possible service to the public. However, we need a sustained, long-term investment to develop a fully modern information technology infrastructure capable of supporting our immense responsibilities.

We continue to build upon our successes of the last several years, including the expansion of electronic services and exploring new technologies to improve efficiency in our disability program. We remain committed to ensuring the safety and security of the information and resources entrusted to us. We are collaborating with other Federal agencies to improve overall the efficiency and effectiveness of our service to the public. Through our program integrity work and vigorous anti-fraud efforts, we strive to protect every taxpayer dollar while reducing our costs. As we discover new threats, we deploy new tools and techniques to mitigate risks to our information security.

For the 23rd 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 we have no material weaknesses in our internal controls.

Each day, our outstanding employees work diligently to serve the public with care and compassion. For more than 80 years, Social Security has helped secure today and tomorrow by providing benefits and financial protection for millions of people throughout their life’s journey. However, our legacy of providing the public with exceptional service is now in jeopardy. Service delays are causing hardships for our most vulnerable citizens. We need adequate, sustained funding to carry out our important program integrity and stewardship work, while also ensuring adequate levels of service to beneficiaries and claimants.

Carolyn W. Colvin
Acting Commissioner
November 9, 2016
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To access this report online, please visit our [Fiscal Year 2016 Agency Financial Report webpage](www.socialsecurity.gov/finance).
For fiscal year (FY) 2016, we chose to produce an Agency Financial Report (AFR) and an Annual Performance Report (APR). 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 2016 performance measures. We highlight the FY 2016 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 Chief Financial Officer’s Message, 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 auditors’ report.

**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 information on our entitlement reviews and the Office of the Inspector General’s anti-fraud activities, civil monetary penalties, biennial review of user fee charges, Freeze the Footprint initiative, and debt collection and management activities. The Improper Payments Information Detailed Report concludes this section.

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

We will present detailed performance results in our FY 2016 APR, which we will publish as part of our Congressional Budget Justification. We plan to publish our FY 2016 APR in February 2017 along with our FY 2016 Summary of Performance and Financial Information.

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For the 18th year in a row, we received the Association of Government Accountants’ Certificate of Excellence in Accountability Reporting (CEAR) award for our annual Agency Financial Report. Receiving the CEAR for our FY 2015 Agency Financial Report is a significant accomplishment for a Federal agency.