



Federal Election Commission

Summary of Performance and Financial Information

Fiscal Year 2015

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Federal Election Commission
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Management's Discussion and Analysis

Mission and Organizational Structure

The FEC is an independent regulatory agency responsible for administering, enforcing, defending and interpreting the *Federal Election Campaign Act of 1971*, as amended (*FECA* or the *Act*).¹ Congress created the FEC to administer, enforce and formulate policy with respect to the *FECA*. The *Act* reflects Congress's efforts to ensure that voters are fully informed of the sources of financial support for Federal candidates, political party committees, other political committees and other political actors. Public confidence in the political process depends not only on laws and regulations to ensure transparency, but also on the knowledge that those who disregard the campaign finance law will face consequences.

Under the *Act*, all Federal political committees, including the committees of Presidential, Senate and House candidates, must file reports of receipts and disbursements. The FEC makes disclosure reports, and the data contained in them, available to the public through the Commission's Internet-based public disclosure system on the Commission's website, as well as in a public records office at the Commission's Washington, D.C. headquarters. The FEC also has exclusive responsibility for civil enforcement of the *Act*, and has litigating authority independent of the Department of Justice in U.S. district court and the courts of appeals. Additionally, the Commission promulgates regulations implementing the *Act* and issues advisory opinions responding to inquiries regarding interpretation and application of the *Act* and the Commission's regulations.

Additionally, the Commission is responsible for administering the Federal public funding programs for Presidential campaigns. This responsibility includes certifying and auditing all participating candidates and committees and enforcing the public funding laws.

¹ The Commission's primary responsibilities pertain to the *Federal Election Campaign Act of 1971*, Public Law 92-225, 86 Stat. 3 (1972) as amended (*codified at 52 U.S.C. §§ 30101-30145*) (formerly at 2 U.S.C. §§ 431-55) (the *Act* or the *FECA*). The Commission's responsibilities for the Federal public funding programs are contained in the *Presidential Election Campaign Fund Act*, Public Law 92-178, 85 Stat. 562 (1971) (*codified at 26 U.S.C. §§ 9001-13*) and the *Presidential Primary Matching Payment Account Act*, Public Law 93-443, 88 Stat. 1297 (1974) (*codified at 26 U.S.C. §§ 9031-42*).

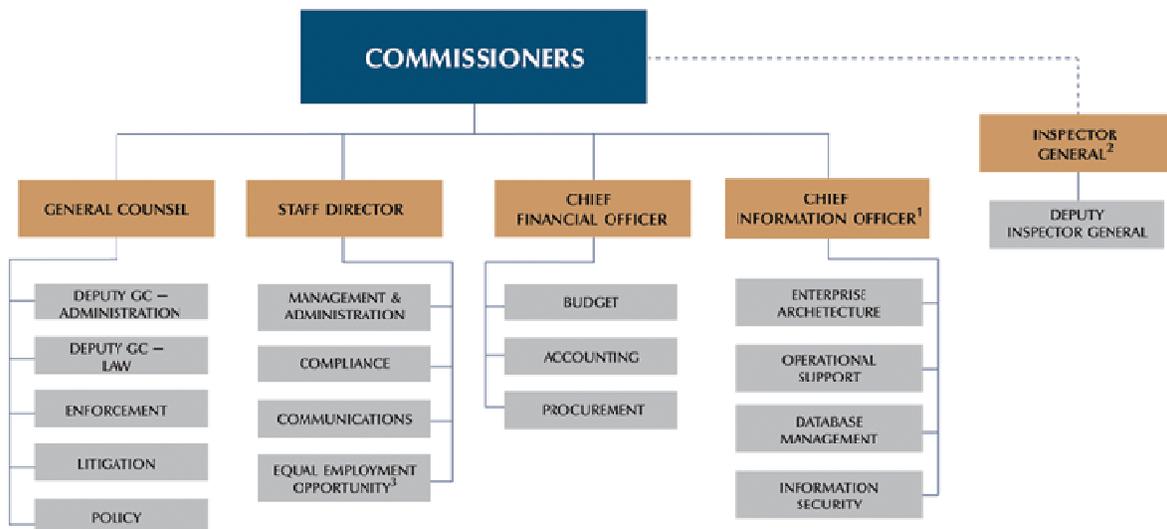
Mission Statement

The FEC’s mission is to protect the integrity of the Federal campaign finance process by providing transparency and fairly enforcing and administering Federal campaign finance laws.

Organizational Structure

To accomplish its legislative mandate, the FEC is directed by six Commissioners, who are appointed by the President with the advice and consent of the Senate. By law, no more than three Commissioners can be members of the same political party. Each member serves a six-year term, and two seats are subject to appointment every two years. The Chairmanship of the Commission rotates among the members, with no member serving as Chair more than once during his or her term. The Commissioners are responsible for administering and enforcing the *FECA* and meet regularly to formulate policy and to vote on significant legal and administrative matters. The *Act* requires the affirmative vote of four members of the Commission to approve official actions, thus requiring bipartisan decision-making. The FEC has its headquarters in Washington, D.C. and does not have any regional offices.

Figure 1: FEC Organizational Chart



¹ The position of Chief Information Officer normally reports directly to the Staff Director who, in turn, reports to the Commission itself. At present, however, the same individual is serving in both the position of the Staff Director and the position of the Chief Information Officer, pursuant to an authorization by the Commission and based, in part, on an advance decision from the Comptroller General. Accordingly, the organizational chart reflects both positions – the Staff Director and the Chief Information Officer – as reporting directly to the Commission.

² The Office of the Inspector General (OIG) independently conducts audits, evaluations, and investigations. OIG keeps the Commission and Congress informed regarding major developments associated with their work.

³ The Director for Equal Employment Opportunity reports to the Staff Director on administrative issues but has direct reporting authority to the Commission on all EEO matters. See 29 CFR 1614.102(b)(4).

As noted in Figure 1, the offices of the Staff Director, General Counsel, Chief Information Officer and Chief Financial Officer support the agency in accomplishing its mission. The Office of the Inspector General, established within the FEC in 1989 under the 1988 amendments to the *Inspector General Act*, is independent and reports both to the Commissioners and to Congress. The specific roles and responsibilities of each office are

described in greater detail below.

- **Office of the Staff Director (OSD)**

The Office of the Staff Director consists of four offices: 1) Management and Administration; 2) Compliance; 3) Communications; and 4) Equal Employment Opportunity. The Office of Management and Administration is responsible for the FEC's strategic planning and performance and works with the Commission to ensure the agency's mission is met efficiently. In addition, this office houses the Commission Secretary, the Office of Human Resources (OHR) and the Administrative Services Division (ASD). The primary responsibilities of the Office of Compliance are review of campaign finance reports, audits, administrative fines and alternative dispute resolution. The Office of Communications includes divisions charged with making campaign finance reports available to the public, encouraging voluntary compliance with the *Act* through educational outreach and training and ensuring effective communication with Congress, executive branch agencies, the media and researchers and the general public. The Equal Employment Opportunity Office administers and ensures compliance with applicable laws, regulations, policies and guidance that prohibit discrimination in the Federal workplace based on race, color, national origin, religion, age, disability, sex, pregnancy, genetic information or retaliation. The EEO Officer reports to the Staff Director on administrative issues, but has direct reporting authority on all EEO matters. See 29 CFR 1614.102(b).

- **Office of General Counsel (OGC)**

The Office of General Counsel consists of five organizational units: (1) the Deputy General Counsel—Administration; (2) the Deputy General Counsel—Law Division; (3) the Policy Division; (4) the Enforcement Division; and (5) the Litigation Division. The Deputy General Counsel—Administration directly supervises the Administrative Law Team, the Office of Complaints Examination and Legal Administration, the Law Library and all OGC administrative functions. The Deputy General Counsel—Law has the primary responsibility for assisting the General Counsel in all of the substantive aspects of the General Counsel's duties and shares in the management of all phases of OGC programs, as well as directly supervises the Compliance Advice Team and the agency's ethics program. The Policy Division drafts for Commission consideration advisory opinions and regulations interpreting the Federal campaign finance law. The Enforcement Division recommends to the Commission appropriate action to take with respect to administrative complaints and apparent violations of the *Act*. Where authorized, the Enforcement Division investigates alleged violations and negotiates conciliation agreements, which may include civil penalties and other remedies. If an enforcement matter does not resolve through conciliation during the administrative process, the Commission may authorize suit in district court, at which point the matter is transferred to the Litigation Division. The Litigation Division represents the Commission before the Federal district courts and courts of appeals in all civil litigation involving the campaign finance statutes. This Division assists the Department of Justice's Office of the

Solicitor General when the Commission's *FECA* cases are before the Supreme Court.

- **Office of the Chief Information Officer (OCIO)**

The Office of the Chief Information Officer (OCIO) consists of four units: (1) Enterprise Architecture; (2) Operational Support; (3) Data Administration; and (4) IT Security. The OCIO provides secure, stable and robust technology solutions for Commission staff and the public. OCIO both develops and maintains the systems that serve as the public's primary source of information about campaign finance data and law and ensures agency employees have a technology infrastructure that allows them to perform their day-to-day responsibilities administering and enforcing campaign finance laws. OCIO also develops and supports analytic reporting tools that help staff perform their disclosure and compliance duties.

- **Office of the Chief Financial Officer (OCFO)**

The Office of the Chief Financial Officer is responsible for complying with all financial management laws and standards, and all aspects of budget formulation, budget execution and procurement.

Sources of Funds

On an annual basis, the FEC receives a single appropriation for Salaries and Expenses. In FY 2015, the FEC's authorized funding level included an appropriation of \$67,500,000.

The FEC also has the authority to collect fees from attendees of agency-sponsored educational conferences. The Commission may use those fees to defray the costs of conducting those conferences. In an effort to keep the fees as low as possible, the agency has not fully exercised that authority. Rather, the Commission sets its registration fees at a level that covers only the costs incurred by the agency's conference-management contractor, including meeting room rental and conference meals and compensation. All other conference-related expenses, such as materials and staff travel, are paid using appropriated funds. Registration fees for FY 2015 were \$110,875.

Figure 2 shows the agency's appropriations and obligations from FY 2011 to 2015.

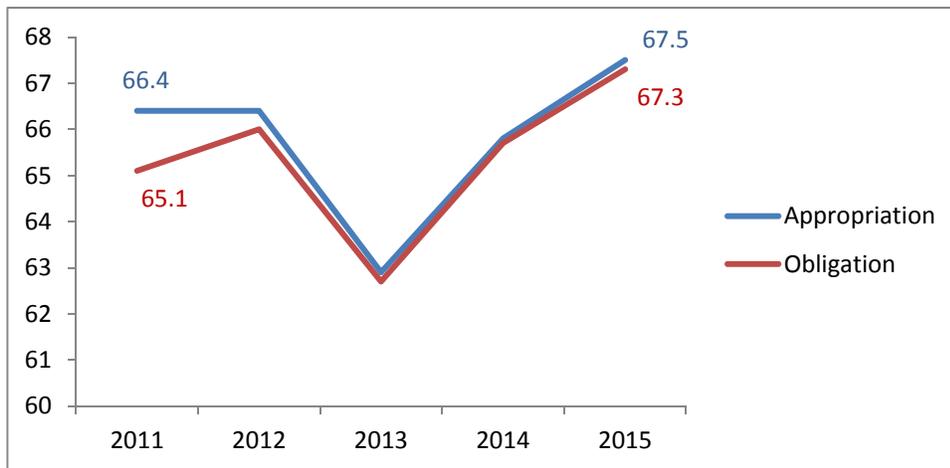


Figure 2: Summary of Funding (in millions of dollars)

Personnel vs. Non-Personnel Costs

Figure 3 represents the Commission's FY 2015 obligations by personnel and non-personnel costs. Personnel costs, which are primarily composed of salaries and employee benefits, accounted for 68 percent of the FEC's costs. The remaining 32 percent of the Commission's costs was spent on non-personnel items, such as infrastructure and support, software and hardware, office rent, building security and other related costs.

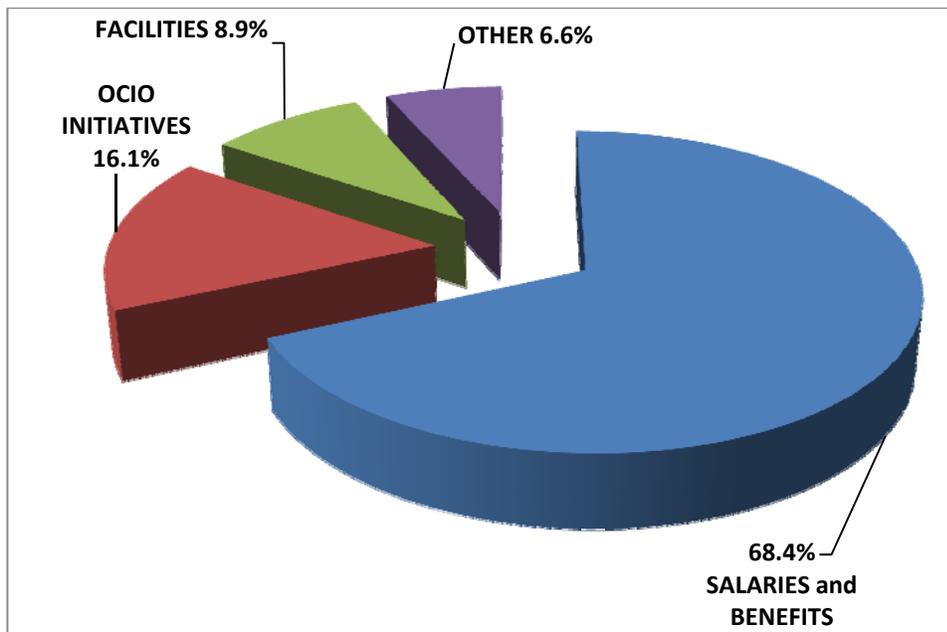


Figure 3: Fiscal Year 2015 by Major Category

Performance Goals, Objectives and Results

This section provides a summary of the results of the FEC's key performance objectives, which are discussed in greater detail in the FEC's FY 2015 APR. This report will be part of the FEC's FY 2017 Congressional Budget Justification, which will be available at <http://www.fec.gov/pages/budget/budget.shtml> in February 2016.

Strategic Goal

The strategic goal of the Federal Election Commission is to fairly, efficiently and effectively administer and enforce the *Federal Election Campaign Act*, promote compliance and engage and inform the public about campaign finance data and rules, while maintaining a workforce that delivers results.

Strategic Objectives

The *Act* reflects a belief that democracy works best when voters can make informed decisions in the political process—decisions based in part on knowing the sources of financial support for Federal candidates, political party committees, other political committees and other political actors. As a result, the FEC's first strategic objective is to inform the public about how Federal campaigns and committees are financed. Public confidence in the political process also depends on the knowledge that participants in Federal elections follow clear and well-defined rules and face real consequences for non-compliance. Thus, the FEC's second strategic objective focuses on the Commission's efforts to promote voluntary compliance through educational outreach and to enforce campaign finance laws effectively and fairly. The third strategic objective is to interpret the *FECA* and related statutes, providing timely guidance to the public regarding the requirements of the law. The Commission also understands that organizational performance is driven by employee performance and that the agency cannot successfully achieve its mission without a high-performing workforce that understands expectations and delivers results. The FEC's fourth strategic objective is to foster a culture of high performance in order to ensure that the agency delivers its mission efficiently and effectively.

Objective 1: Engage and Inform the Public about Campaign Finance Data

The FEC provides the public with campaign finance disclosure information necessary to make educated, informed decisions in the political process based on data concerning the sources and amounts of funds used to finance Federal elections. In order to ensure that this data is quickly available and fully accessible to the public, the agency is committed to ensuring that information is easy to view, sort and download from the FEC website and that FEC staff have the tools and knowledge to help the public find and understand the campaign finance information relevant to their questions and needs.

The FEC's e-filing system acts as the point of entry for submission of electronically filed campaign finance reports, providing faster access to reports and streamlining operations.

Specifically, the system provides for public disclosure of electronically filed reports, via the FEC website, within minutes of being filed. When a committee files a financial disclosure report on paper, the Commission ensures that a copy is available for public inspection within 48 hours of receipt, both electronically on the website and at the FEC's offices in Washington, D.C.² The eFiling platform is a crucial component of the Commission's campaign finance disclosure system. During the 2013-2014 election cycle, over 8,000 committees and other filers used the eFiling platform to file campaign finance disclosure reports.

The FEC is committed to providing timely and transparent campaign finance disclosure to the public and delivering data in accessible and easy-to-use formats. The FEC has launched an initiative to develop an automated data capture process to convert paper-filed reports into structured, machine-readable data. Automating this labor-intensive process will decrease data processing time, increase the accuracy of data and reduce the overall costs of capturing data from paper forms.

The Commission is also currently redesigning its website, in part, to increase the public's access to and understanding of the agency's extensive data offerings. In partnership with 18F, a newly formed data services delivery team within the General Services Administration (GSA), the FEC is developing a user centered online platform to deliver campaign finance information to its diverse base of users. Once complete, the redesigned FEC website will better meet the needs of an audience that spans from individual citizens seeking information about the candidates on the ballot in their state to journalists and researchers who specialize in campaign finance issues, to filers and other political participants seeking legal guidance and compliance information. The FEC provides the public with a wealth of complex information, including current and historical campaign finance data, detailed information regarding the requirements of the campaign finance law and legal resources, such as advisory opinions issued by the Commission and information on closed enforcement matters. This multiyear effort will ensure that the FEC provides full and meaningful campaign finance data and information in a manner that meets the public's increasing expectations for data customization and ease of use.

The FEC's first new offerings as a result of its website redesign project are a publicly available application programming interface (API) to increase public access to campaign finance data and an online tool to help filers and the general public better understand filing requirements and deadlines. The new API and online tool, created in collaboration with 18F, supplement the campaign finance data offerings developed and maintained by FEC staff. The Commission continues to provide detailed and comprehensive campaign finance data through the Candidate and Committee Viewer and the Data Catalog. During Presidential election

² The Commission's mandatory electronic filing ("e-filing") rules require any committee that receives contributions or makes expenditures in excess of \$50,000 in a calendar year, or that has reason to expect to do so, to submit its reports electronically. Under the *Act*, these mandatory e-filing provisions apply to any political committee or other person required to file reports, statements or designations with the FEC, except for Senate candidate committees (and certain other persons who support Senate candidates only).

years, users can access through the Presidential Map the amount of funds raised on a state-by-state basis, contributions, cash-on-hand and the distribution of contributions by amount with a simple click at www.fec.gov. Users can also access lists of contributors by name, city and amounts of contributions within the first three digits of any zip code. Contribution and disbursement data are updated within one day of the FEC’s receipt of electronically filed disclosure reports. The Candidate and Committee Viewer, the House and Senate Map and the Data Catalog are updated nightly with all data that have been entered into the Commission's database. Generally, summary financial data are available the day following receipt of the report. Transactions—detailed information about receipts and disbursements—are processed on a rolling basis and added to the Commission's database nightly. The agency also provides a Compliance Map to assist members of the public in their efforts to comply with campaign finance law. The Compliance Map lists all reporting dates and other significant information tied to each state’s election calendar, such as the time periods when special requirements for electioneering communications and Federal election activity apply. Like the interactive Disclosure Map of contribution information, the Compliance Map provides quick access to information on a state-by-state basis in an easy-to-use format.

The level of availability and accessibility of campaign finance data serves as a measurement of success in improving the public’s access to information about how campaign funds are raised and spent.

Performance Goal 1-1: Improve the public’s access to information about how campaign funds are raised and spent.

Key Indicator: Enhanced availability of campaign finance data as measured by increased capabilities to retrieve and analyze data.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	75%	75%	86%	75%	75%

Objective 2: Promote Compliance with the FECA and Related Statutes

Helping the public understand its obligations under the *Act* is an essential component of voluntary compliance. The FEC places a significant emphasis on encouraging compliance through its Information Division, Reports Analysis Division (RAD), Press Office and Office of Congressional, Legislative and Intergovernmental Affairs. The FEC measures its progress in meeting this Objective through two performance measures: one that measures the agency’s efforts to encourage voluntary compliance through educational outreach and information and another that measures the FEC’s efforts to seek adherence to *FECA* requirements through fair, effective and timely enforcement and compliance programs. Progress against these measures is detailed in the charts below.

Encourage voluntary compliance with FECA requirements through educational outreach and information.

The FEC's education and outreach programs provide information necessary for compliance with the campaign finance law and give the public the context necessary to interpret the campaign finance data filers disclose. The FEC maintains a toll-free line and public email accounts to respond to inquiries regarding campaign finance data disclosed to the public and questions about how to comply with the campaign finance law and its reporting requirements. The FEC also operates Press and Congressional Affairs offices.

One way the Commission encourages voluntary compliance is by hosting conferences across the country, where Commissioners and staff explain how the *Act* applies to candidates, parties and political action committees. These conferences address recent changes in the law and focus on fundraising, methods of candidate support and reporting regulations.

The FEC also devotes considerable resources to ensuring that staff can provide distance learning opportunities to the public. The Commission's website is one of the most important sources of instantly accessible information about the *Act*, Commission regulations and Commission proceedings. In addition to viewing campaign finance data, anyone with Internet access can use the website to track Commission rulemakings, search advisory opinions, audits and closed enforcement matters, view campaign finance data and find reporting dates. The Commission places a high emphasis on providing educational materials about the campaign finance law and its requirements. Toward this end, the FEC has moved its focus away from the printing and manual distribution of its educational materials and instead looked for ways to leverage available technologies to create and disseminate dynamic and up-to-date educational materials through the website. While the Commission continues to make available printed copies of its educational brochures and publications, transitioning to primarily web-based media has allowed the agency to reduce significantly its printing and mailing costs and use of resources while at the same time encouraging new and expanded ways of communicating with the public via the website.

As part of this broad effort to improve its Internet communications and better serve the educational needs of the public, the Commission maintains an E-Learning section on its Educational Outreach web page and its own YouTube channel, which can be found at <http://www.youtube.com/FECTube>. The E-Learning page offers instructional videos and tutorials, as well as interactive presentations that enable users to obtain guidance tailored to their specific activities. The curriculum currently includes a variety of presentations about the Commission and the campaign finance law.

The agency's educational outreach program has been significantly enhanced with the addition of an online training service that enables political committees and other groups to schedule live, interactive online training sessions with FEC staff. This on-demand service allows the FEC to provide tailored, distance learning presentations and training to the public in a manner that will significantly increase the availability of FEC staff to serve the public. The service

also offers an efficient and effective way for alternative dispute resolution and other enforcement respondents to satisfy the terms of their agreements with the agency. The FEC has historically measured the success of its educational outreach programs based on satisfaction surveys of conference attendees. Beginning in FY 2014, the agency initiated a program to measure user satisfaction across all aspects of its outreach program.

Performance Goal 2-1: Encourage voluntary compliance with FECA requirements through educational outreach and information.

Key Indicator: Percent of educational outreach programs (webinars, seminars, publications and E-Learning presentations) and events that achieve targeted satisfaction rating on user surveys.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Target
N/A	N/A	N/A	N/A	Develop methods for surveying user satisfaction with webinars, publications and E-Learning presentations.	4.0 or higher on a 5.0 scale	4.34	4.0 or higher on a 5.0 scale	4.0 or higher on a 5.0 scale

Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.

The FEC has set strategies for ensuring that its enforcement and compliance programs are fair, effective and timely. The Commission’s statutory obligation is to administer, interpret and enforce the *Federal Election Campaign Act*, which serves the compelling governmental interest in deterring corruption and the appearance of corruption in financing elections. In doing so, the Commission remains mindful of the First Amendment’s guarantees of freedom of speech and association, and the practical implication of its actions on the political process.

The FEC has exclusive jurisdiction over civil enforcement of Federal campaign finance laws. It consults with the U.S. Department of Justice, as appropriate, on matters involving both civil and criminal enforcement of the *Act*. Commission enforcement actions, which are handled primarily by the Office of General Counsel (OGC), originate from a number of sources, including external complaints, referrals from other government agencies and matters generated by information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. Enforcement matters are handled by OGC pursuant to the requirements of the *FECA*. If the Commission cannot settle or conciliate a matter involving an alleged violation of the *Act*, the Commission may initiate civil litigation by filing and prosecuting a civil action in Federal district court to address the alleged violation. Closed enforcement matters are available online through the Commission’s Enforcement Query System at <http://eqs.fec.gov/eqs/searcheqs>.

To augment OGC’s traditional enforcement role, the Office of Compliance manages several programs that seek to remedy alleged violations of the *Act* and encourage voluntary compliance. These programs include: 1) the Alternative Dispute Resolution Program, 2) the Administrative Fine Program and 3) the Audit Program. The Commission’s Alternative Dispute Resolution Program is designed to resolve matters more swiftly by encouraging the settlement of less-complex enforcement matters with a streamlined process that focuses on remedial measures for candidates and political committees, such as training, internal audits and hiring compliance staff. Violations involving the late submission of, or failure to file, disclosure reports are subject to the Administrative Fine Program. This Program is administered by RAD and the Office of Administrative Review (OAR), which assess monetary penalties and handle challenges to the penalty assessments. The Audit Program conducts “for cause” audits under the *FECA* in those cases where political committees have failed to meet the threshold requirements for demonstrating substantial compliance with the *Act*, and conducts mandatory audits under the public funding statutes. Threshold requirements approved by the Commission and used by RAD and the Audit Division are public, subject to limited redactions.

Performance Goal 2-2: Seek adherence to FECA requirements through fair, effective and timely enforcement and compliance programs.

Key Indicator: Of the enforcement matters resolved during the fiscal year, the percentage that was resolved within 15 months of the date of receipt.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
75%	89%	70%	72%	28%	75%	48%	75%	75%

Objective 3: Interpret the FECA and Related Statutes

The Commission responds to questions from the public about how the *Act* applies to specific situations by issuing advisory opinions (AO). In addition, Commission initiatives, Congressional action, judicial decisions, petitions for rulemaking or other changes in campaign finance law may necessitate that the Commission update or adopt new regulations. Consequently, the FEC undertakes rulemakings either to write new Commission regulations or revise existing regulations. The FEC has set as a performance goal to provide timely legal guidance to the public.

Regulations

The Policy Division of OGC drafts various rulemaking documents, including Notices of Proposed Rulemaking (NPRMs), for Commission consideration. NPRMs provide an opportunity for the public to review proposed regulations, submit written comments to the Commission and, when appropriate, testify at public hearings at the FEC. The Commission considers the comments and testimony and deliberates publicly regarding the adoption of the

final regulations and the corresponding Explanations and Justifications, which provide the rationale and basis for the new or revised regulations.

Advisory Opinions

Advisory opinions (AO) are official Commission responses to questions regarding the application of Federal campaign finance law to specific factual situations. The *Act* requires the Commission to respond to AO requests within 60 days. For AO requests from candidates in the two months leading up to an election, the *Act* requires the Commission to respond within 20 days. On its own initiative, the Commission also makes available an expedited process for handling certain time-sensitive requests that are not otherwise entitled to expedited processing under the *Act*. The Commission strives to issue these advisory opinions in 30 days.

Defending Challenges to the Act

The Commission represents itself in most litigation before the Federal district courts and courts of appeals and before the Supreme Court with respect to cases involving publicly financed Presidential candidates. It also has primary responsibility for defending the *Act* and Commission regulations against court challenges. In addition, the *FECA* authorizes the Commission to institute civil actions to enforce the *FECA*.

Performance Goal 3-1: Provide timely legal guidance to the public.

Key Indicator: Percent of legal guidance provided within statutory and court-ordered deadlines.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	100% ³	100%	100% ⁴	100%	100%

Objective 4: Foster a Culture of High Performance

One of the management objectives from the FEC’s Strategic Plan, FY 2014-2019, Foster a Culture of High Performance, cuts across the organization and reflects the agency’s strategic priorities for improving the efficiency and effectiveness of its workforce and management processes. The Commission understands that the success of its programs depends upon the skills and commitment of its staff. A focus for the Commission is to ensure that staff training needs are assessed and met at every level of the agency and that agency leaders receive training necessary to help manage and maintain a fully engage and productive workforce.

The FEC is also participating in and contributing to the government-wide Records Management initiative. In compliance with the *Federal Records Act*, the FEC is updating its records management program. The updated program will increase efficiency and improve performance by eliminating paper and using electronic recordkeeping to the fullest extent possible.

Performance Goal 4-1: Foster a workforce that delivers results.

Key Indicator: Commission-required quarterly updates meet targeted performance goals.								
FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2017 Target
N/A	N/A	N/A	N/A	73%	60%	80%	65%	65%

³ The Commission obtained extensions to consider ten advisory opinion requests in FY 2014; four of those extensions were attributable to the Federal government shutdown during October 2013. The Commission did not have any rulemakings during FY 2014 with statutory or court-ordered deadlines.

⁴ The Commission obtained extensions to consider two advisory opinion requests in FY 2015. The Commission did not have any rulemakings during FY 2015 with statutory or court-ordered deadlines.

Analysis of FEC Financial Statements and Stewardship Information

The FEC's FY 2015 financial statements and notes are presented in the required format in accordance with OMB Circular A-136, as revised, Financial Reporting Requirements. The FEC's current-year financial statements and notes are presented in a comparative format in Section II of the Agency Financial Report.

The following table summarizes the significant changes in the FEC's financial position during FY 2015:

Net Financial Condition	FY 2015	FY 2014	Increase (Decrease)	% Change
Assets	\$ 17,056,461.67	\$ 16,181,802.18	\$ 874,659.49	5.41%
Liabilities	\$ 5,924,714.17	\$ 6,062,608.82	\$ (137,894.65)	-2.27%
Net Position	\$ 11,131,747.50	\$ 10,119,193.36	\$ 1,012,554.14	10.01%
Net Cost	\$ 68,213,708.70	\$ 65,789,981.48	\$ 2,423,727.22	3.68%
Budgetary Resources	\$ 71,084,848.49	\$ 69,492,381.82	\$ 1,592,466.67	2.29%
Custodial Revenue	\$ 778,018.51	\$ 549,586.76	\$ 228,431.75	41.56%

The following is a brief description of the nature of each required financial statement and its relevance. The effects of some significant balances or conditions on the FEC's operations are explained.

Summary of Financial Statement Data

Balance Sheet

The Balance Sheet presents the total amounts available for use by the FEC (assets) against the amounts owed (liabilities) and amounts that comprise the difference (Net Position). As a small independent agency, all of the FEC's assets consist of Fund Balance with Treasury (FBWT), Property and Equipment (P&E) and Accounts Receivable. Fund Balance with Treasury (e.g., cash) is available through the Department of Treasury accounts, from which the FEC is authorized to make expenditures (i.e., obligations) and payments. FBWT increased by approximately \$774 thousand, or 6.38 percent, from the prior year.

Accounts Receivable primarily represent amounts due from the public for fines and penalties assessed by the FEC and referred to Treasury for collection, as deemed appropriate. In compliance with the *Debt Collection Improvement Act of 1996* (DCIA), the OCFO takes into consideration the most appropriate approach to debt management. These amounts are not available for FEC operations and are sent to the U.S. Treasury as miscellaneous receipts. Net accounts receivable increased by approximately \$518 from FY 2014.

Property and equipment consists of software, general-purpose equipment used by the agency

and software development. In FY 2015, the FEC continued to evaluate existing systems and retired outdated software systems, and initiated a series of upgrades to existing systems to support regulated reporting requirements. Net property and equipment increased by \$97 thousand from FY 2014 to \$4 million. Total liabilities decreased by approximately two percent.

Statement of Net Cost

The Statement of Net Cost presents the annual cost of operating the FEC program. Gross costs are used to arrive at the total net cost of operations. The FEC's total gross costs in administering the *FECA* did not experience significant fluctuation from FY 2014, as there was a 3.6 percent change from FY 2014 to FY 2015. This is supported by the agency's having experienced only a slight fluctuation – about three percent – in net appropriations from the prior year.

Statement of Changes in Net Position

The Statement of Changes in Net Position presents in greater detail the net position section of the Balance Sheet, including Cumulative Results of Operations and Unexpended Appropriations. This statement identifies the activity that caused the net position to change during the reporting period. Total Net Position increased by 10 percent, or approximately \$1.01 million.

Statement of Budgetary Resources

The Statement of Budgetary Resources provides information on the source and status of budgetary resources made available to the FEC during the reporting period. It presents the relationship between budget authority and budget outlays, as well as the reconciliation of obligations to total outlays. Total Budgetary Resources and Status of Budgetary Resources increased by approximately \$1.59 million, or 2.29 percent, from FY 2014. This included a 2.47 percent increase in obligations incurred.

Statement of Custodial Activity

The Statement of Custodial Activity (SCA) represents an accounting of revenue and funds collected by the FEC that are owed to the U.S. Treasury's general fund. These monies are not available for the FEC's use. Collection and revenue activity primarily result from enforcement actions that come before the Commission during the fiscal year. Revenue and collections on the SCA consist of collections on new assessments, prior year(s) receivables and Miscellaneous Receipts. In FY 2015, the total custodial revenue and collections increased by approximately \$228 thousand, or 41.56 percent, from FY 2014.

The chart below displays the assessment history for the past 20 years⁵.

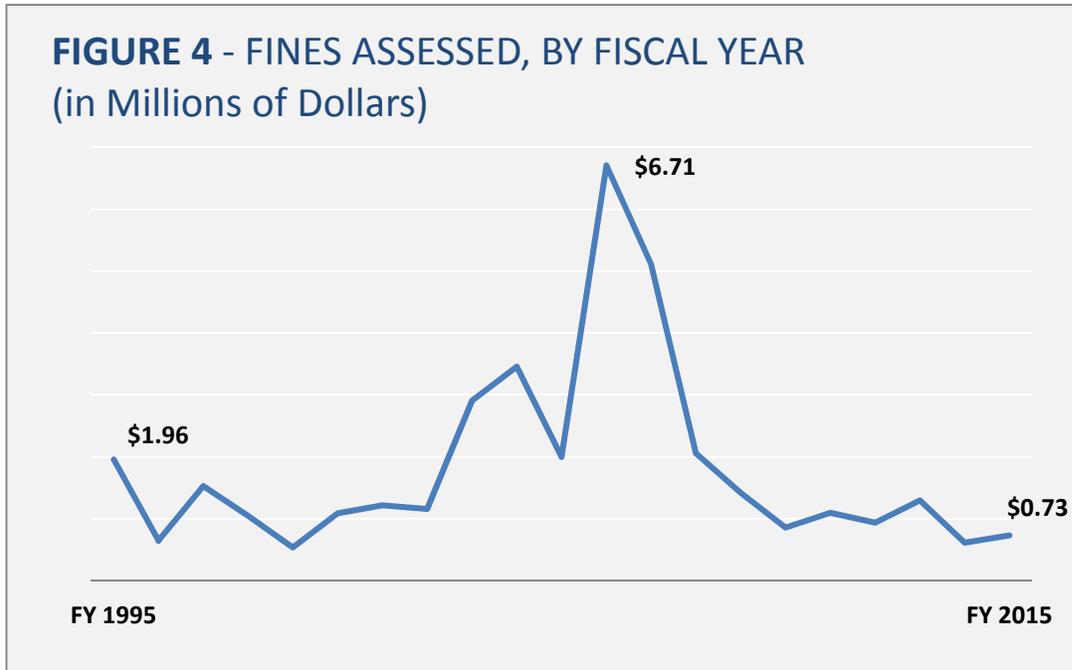


Figure 4: Fines Assessed, by Fiscal Year (in millions of dollars)

⁵ One MUR resolved during 2006 yielded the largest civil penalty in agency history, which was \$3.8 million paid by Federal Home Loan Mortgage Corporation (Freddie Mac) for prohibited corporate activity. This 2006 penalty is the primary reason for the largest Fines Assessed (approximately \$6.71 million) in Figure 4.

Summary of Significant Challenges

The Inspector General's report in Section III of the Agency Financial Report identifies three areas specific to management and performance challenges: 1) Information Technology Project Planning and Management, 2) Governance Framework and 3) Human Capital Management / Human Resources Operations. The agency continues its efforts to adhere to Directive 50, addressing project management requirements and creating corrective action plans (CAP) and creating project plans for specific CAP items. The FEC also continues to make significant progress in its human capital management and operations. The FEC's full response to the Inspector General's assessment of its performance in these areas appears in Section III of the Agency Financial Report. The report is available online at http://www.fec.gov/pages/budget/fy2015/FY2015_AFR.pdf.

An online version of this Summary of Performance and Financial Information may be found online at <http://www.fec.gov/pages/budget/budget.shtml>.