Redstone Building
26 Terrace Street
Montpelier, VT 05609-1101

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**State of Vermont**
**Office of the Secretary of State**

Deborah L. Markowitz
Secretary of State

William A. Dalton
Deputy Secretary

February 7, 2007

Mr. Edgardo Cortés, Election Research Specialist
U.S. Election Assistance Commission
Suite 1100
1225 New York Ave, N.W.
Washington, DC 20005

Dear Mr. Cortés:

As requested, enclosed please find amended reports on the State of Vermont's use of funds awarded under the Help America Vote Act of 2002 (HAVA). Included are reports for

- Title I, Section 101, for calendar year 2004
- Title I, Section 101, for calendar year 2005
- Title II, Section 251, for fiscal year 2004
- Title II, Section 251, for fiscal year 2005.

We note that, like several other states, we did not interpret HAVA as requiring that the appropriated State match on Section 251 funds be deposited into a separate interest-bearing account from the onset. Given that the EAC's Inspector General has issued audit findings to the contrary in at least one instance, and on your advice, in our amended Section 251 reports we have calculated and reported the interest earnings that would have accrued on the State match had that match been deposited into the same interest-bearing account at the same time as the federal funds were. Those calculations demonstrate that we are on track to complete the spending of our required State match (including interest earned) by the end of fiscal year 2006 and will, in fact, have spent substantially more State dollars than required by fiscal year 2006 year-end.

We are sending electronic copies of the enclosed reports to you via e-mail for your convenience. We believe the reports contain all required information, but if you have questions, please feel free to contact me. Thank you for your assistance in this matter.

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Sincerely,

Paul Daley
Director of Administrative Services

cc: Deborah Markowitz, Secretary of State

# FINANCIAL STATUS REPORT

*(Long Form)*

*(Follow instructions on the back)*

| | | | |
|---|---|---|---|
| 1. Federal Agency and Organizational Element to Which Report is Submitted<br>U.S. Election Assistance Commission | 2. Federal Grant or Other Identifying Number Assigned By Federal Agency<br>**Title II, 251** | OMB Approval No. 0348-0039 | Page 1 of 4 pages |

3. Recipient Organization (Name and complete address, including ZIP code)
Vermont Secretary of State
26 Terrace Street, Drawer 09
Montpelier, VT 05609

| | | | |
|---|---|---|---|
| 4. Employer Identification Number<br>036000264 | 5. Recipient Account Number or Identifying Number<br>CFDA #90.401 | 6. Final Report<br>☐ Yes ☒ No | 7. Basis<br>☒ Cash ☐ Accrual |
| 8. Funding/Grant Period *(See instructions)*<br>From:(Month, Day, Year)<br>4/11/03 | To: (Month, Day, Year)<br>until disbursed | 9. Period Covered by this Report<br>From: (Month, Day, Year)<br>**10/1/03** | To: (Month, Day, Year)<br>**9/30/04** |

| 10. Transactions: | I<br>Previously Reported | II<br>This Period | III<br>Cumulative |
|---|---|---|---|
| a. Total outlays | 0.00 | 253,987.87 | 253,987.87 |
| b. Refunds, rebates, etc. | 0.00 | 0.00 | 0.00 |
| c. Program income used in accordance with the deduction alternative | 0.00 | 0.00 | 0.00 |
| d. Net outlays *(Line a, less the sum of lines b and c)* | 0.00 | 253,987.87 | 253,987.87 |
| **Recipient's share of net outlays, consisting of:**<br>e. Third party (in-kind) contributions | 0.00 | 0.00 | 0.00 |
| f. Other Federal awards authorized to be used to match this award | 0.00 | 0.00 | 0.00 |
| g. Program income used in accordance with the matching or cost sharing alternative | 0.00 | 0.00 | 0.00 |
| h. All other recipient outlays not shown on lines e, f or g | 0.00 | 253,987.87 | 253,987.87 |
| i. Total recipient share of net outlays *(Sum of lines, e, f, g and h)* | 0.00 | 253,987.87 | 253,987.87 |
| j. Federal share of net outlays (line d less line i) | 0.00 | 0.00 | 0.00 |
| k. Total unliquidated obligations | | | 0.00 |
| l. Recipient's share of unliquidated obligations | | | 0.00 |
| m. Federal share of unliquidated obligations | | | 0.00 |
| n. Total federal share (sum of lines j and m) | | | 0.00 |
| o. Total federal funds authorized for this funding period | | | 11,615,483.30 |
| p. Unobligated balance of federal funds *(Line o minus line n)* | | | 11,615,483.30 |
| **Program income, consisting of:**<br>q. Disbursed program income shown on lines c and/or g above | | | 0.00 |
| r. Disbursed program income using the addition alternative | | | 0.00 |
| s. Undisbursed program income | | | 0.00 |
| t. Total program income realized *(Sum of lines q, r and s)* | | | 0.00 |

11. Indirect Expense

a. Type of Rate *(Place "X" in appropriate box)* ☐ Provisional ☐ Predetermined ☐ Final ☐ Fixed

| b. Rate | c. Base | d. Total Amount | e. Federal Share |
|---|---|---|---|
| | | | |

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:*
See supplemental information attached.

13. Certification: **I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.**

| | |
|---|---|
| Typed or Printed Name and Title<br>Paul T. Daley<br>Director of Administrative Services | Telephone (Area code, number and extension)<br>(802) 828-2477 |
| Signature of Authorized Certifying Official | Date Report Submitted<br>7 February 2007 |

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Vermont Secretary of State

SF-269 Supplemental Information

Election Reform Section 251 Requirements Payments

Reporting Period - 1 Oct 2003 to 30 Sep 2004

Amended 6 February 2007

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**Federal Spending**

During the reporting period, Vermont spent no HAVA Section 251 funds. HAVA spending to date has been from section 101 funds.

**Interest earned on federal dollars**

The $11,596,803 in Section 251 funds were received at the end of June 2004 and so were on deposit for only three months of the reporting period. During that time, the federal funds earned interest of **$18,680.30**, or a computed rate of .00161081 (18,680.30 / 11,596,803.00 = .00161081).

**State spending**

State spending for elections administration during the reporting period totaled $403,987.87. All spending was for eligible HAVA activities for the purpose of improving elections for federal office.

State spending represents the operating cost of the Elections Division. The division protects the integrity of campaigning and elections in Vermont; facilitates the access of all citizens to elections, governmental activities, and public issues; provides administration and support for the orderly conduct of elections, including making recommendations for improvements to the process (both technological and policy); provides responsive and accurate information and advice to citizens, public officials, and the press on elections.

The required annual maintenance of effort amount is $150,000.00. Subtracting MOE from total state spending equals $253,987.87 (403,987.87 – 150,000.00 = 253,987.87). This amount is reported as "recipient share" of Section 251 spending for the period.

**State match**

The HAVA state match requirement is:
"… an amount equal to 5 percent of the total amount to be spent for such activities (taking into account the requirements payment and the amount spent by the State)"

| | |
|---|---|
| Requirements payment: | $ 11,596,803.00 |
| | ÷ .95 |
| Total spending: | $ 12,207,161.05 |
| Less requirements payment: | $ - 11,596,803.00 |
| State match required: | $ 610,358.05 |

**Interest earned on State match**

Because the appropriated State matching funds were not placed in a separate interest-bearing account, we have computed the amount of interest that would have been earned during the reporting period had the State matching funds been deposited in the same interest-bearing account and at the same time as the federal funds. In that case, the State match would have earned **$983.17** (610,358.05 x .00161081, the computed rate of interest earned on the federal funds). The total available State match during the reporting period, then would have been $610,358.05 plus $983.17 in interest, or $611,341.22.

**Remaining match requirement**

| | | |
|---|---|---|
| Total available State match: | $ | 611,341.22 |
| State match spent this period: | $ | - 253,987.87 (corrected figure) |
| Remaining match requirement: | $ | 357,353.35 |

Vermont's current fiscal year budget has appropriated continued funding for state match.

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Vermont Secretary of State's Office
Calculation of Interest on State Match for
HAVA Section 251 Requirements Payments
6 February 2007

| | Federal | | | State match | |
|---|---|---|---|---|---|
| **Fiscal Year 2004** | | | | | |
| Initial deposit 6/30/04 | 11,596,803.00 | | | 610,358.05 | |
| Interest earned thru 9/30/04 | 18,680.30 | | | | 610,358.05 |
| | | 18,680.30 / 11,596,803.00 | = 0.00161081 | | x .00161081 |
| | | | | | 983.17 |
| Computed interest on State Match | | | | 983.17 | |
| Total available | 11,615,483.30 | | | 611,341.22 | |
| Expended 10/1/03 - 9/30/04 | 0.00 | | | (253,987.87) | |
| Balance remaining 9/30/04 | 11,615,483.30 | | | 357,353.35 | |

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