



U.S. ELECTION ASSISTANCE COMMISSION

Agency Financial Report

EAC.gov | January 2026

Message From the Chair

The United States Election Assistance Commission (EAC) is an independent, bipartisan agency established by Congress in 2002, “to assist in the effective administration of Federal elections.” The EAC was charged with: the establishment of a national voting system certification program, the development of best practices and guidelines to aid state election agencies, the administration of HAVA grants, and the administration of the National Voter Registration form. The unique mission of the EAC makes it the nation’s only federal agency solely focused on support of state and local election administration.

The information shared in this report reaffirms the agency’s commitment to transparency, accountability, and the efficient use of the resources entrusted to achieve our objectives. This report also fulfills the requirements of OMB Circular A-136, Financial Reporting Requirements. My assurance statement, as required under the Federal Managers’ Financial Integrity Act, appears in Section I, “Management’s Discussion and Analysis,” of this report. The following priorities for the agency illustrate how funding was used to strategically address the needs of election officials, highlighting their position as trusted sources of election information for voters.



Improving Election Technology

The EAC administers and manages the only national security standard-setting program to build, test, and certify voting systems. In FY 2025 we made great strides to advance these new standards. We have certified two systems under VVSG 2.0 increasing functionality, accessibility, accuracy, and auditability of voting systems. Several other systems have been submitted and are currently being evaluated under program guidelines.

We also saw the certification of our first e-poll book through our Election Supporting Technology Evaluation Program (ESTEP) and expansion into other areas such as electronic ballot delivery, election night reporting, and voter registration systems. These initiatives help states improve the accuracy of election technologies and foster national standards similar to the successful VVSG to help secure voting technologies that currently do not have federal standards.

An important function of the EAC is the administration of federal HAVA grants. The EAC dispersed and administered \$15 million in HAVA grants in FY 2025, helping to provide direct assistance to election officials as they sought to administer free, fair, and accurate elections. The EAC regularly publishes guidance and provides resources, including in-person assistance, training, virtual technical support, and subject-specific webinars.

Creating Trusted Sources

HAVA tasked the EAC with serving as a clearinghouse of election administration best practices and providing assistance to the states. The EAC continued its work of supporting the election community through a variety of formats. To discuss critical election issues in the community with front line officials, the EAC hosted a wide range of hearings, roundtable discussions, meetings of the EAC advisory boards, and other events involving state and local election officials, federal partners, and subject matter experts.

Our research department collected and published data related to the administration of elections from 56 U.S. States and Territories through the 2024 Election and Administration Voting Survey (EAWS) that was reported



to the Congress. Additionally, the EAC has also gathered input from participant jurisdictions about the EAVS to improve the agency's technical assistance for completing the survey and ensuring that questions are conveying relevant information for the Congress and public consumption. In addition, we published a research study related to the use of commercial data in voter list maintenance.

We also celebrated election offices across America for their use of innovative efforts and election administration ingenuity through the Clearinghouse Awards. This year saw our largest entry pool yet of 258 entries with 53 winners and 44 honorable mentions.

All year we have been working with election officials on creating a set of professional auditing principles and guidelines to review and confirm all phases of the election process in order to promote voter confidence in the election administration process.

This year we have also continued to expand our training resources for the election community. Our EAC Learning Lab, which now has a thousand participants from 48 states and two territories, is constantly growing to include more topics and bolster in-person trainings across the country. The EAC Clearinghouse Network now has over 1,500 members representing all 50 states and territories. This community allows election officials from across the nation to share information and communicate with each other and offers a place to seek feedback in areas of election administration, research, and study.

Looking to the Future

We have invested in our people with education and training. Being an elections professional means you must be an expert in cybersecurity, public relations, federal and state laws, social media, budgeting, the legislative process, and human resources all in addition to running an election and managing your staff. Quite often, election offices tackle all of these issues with just a few staff members to share this responsibility.

The EAC's core mandate—developing standards and certifying voting systems—will remain central. However, the agency must continue to evolve, expanding testing and evaluation to address emerging threats like cyber intrusions and adapting to technological advances such as artificial intelligence and quantum computing.

The agency that was created to update voting technology standards in the U.S. has now become a resource around the world for best practices in election technology. With continued bipartisan support and adequate resources, the EAC will remain a trusted partner for election administrators and the public.



Commissioner Donald Palmer

Chairman, US Election Assistance Commission



Table of Contents

Introduction	5
About this Report	5
Fiscal Year 2025 Highlights	6
How this Report is Organized	7
SECTION I – Management’s Discussion and Analysis	8
Mission, Vision, and Core Values	9
U.S. EAC History and Authorities	9
Historical Funding	10
Organizational Structure	11
Overview of Transparency, Accountability, and Programmatic Performance	13
Strategic Goals and Objectives	15
Analysis of EAC’s Financial Statements	23
Limitations of the Financial Statements	24
Analysis of EAC’s Systems, Controls, and Legal Compliance	25
Assurance Statement	28
SECTION II – Financial Information	29
Inspector General’s Transmittal Letter	32
Independent Auditor’s Report	34
Financial Statements	52
Notes to the Financial Statements	58
SECTION III - Other Information	70
Office of Inspector General’s Management Challenges for FY 2025	71
Agency Response to the Inspector General’s Management Challenges Report	82
Summary of Financial Statement Audit and Management Assurances	85
Payment Integrity Information Act of 2019	86



Introduction

About This Report

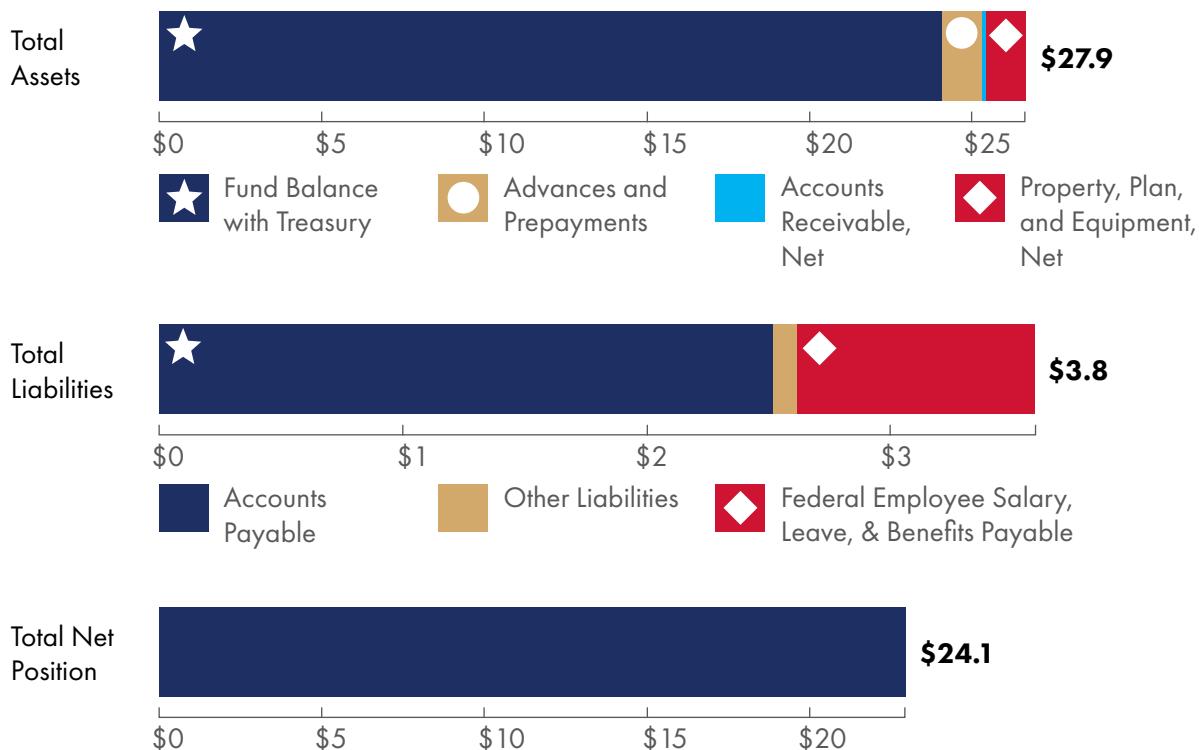
The U.S. Election Assistance Commission's (EAC) Agency Financial Report (AFR) provides an overview of financial and performance results for the period beginning October 1, 2024, and ending September 30, 2025 (Fiscal Year 2025). The AFR enables the Congress, the President, and the public to assess EAC's stewardship over the financial resources entrusted to it to achieve its objectives and goals. This report is available on the EAC's website at <https://www.eac.gov/about/budget-and-finance>.

The Reports Consolidation Act of 2000 authorizes federal agencies, with the Office of Management and Budget's (OMB) concurrence, to consolidate various reports to provide performance, financial, and related information in a more meaningful and useful format. As done in previous years, the EAC has chosen an alternative reporting to the consolidated Performance and Accountability Report. We prepared this report in accordance with OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*; A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*; and A-136, *Financial Reporting Requirements*. Additional information about EAC's strategy, program, and performance reports is available at <https://www.eac.gov/about/operations>.



FY 2025 Highlights (dollars in millions)

Balance Sheet Totals as of September 30, 2025: Includes Total Assets, Total Liabilities, and Total Net Position



Results of Operations for the Year Ended September 30, 2025: Includes Total Net Cost of Operations



Budgetary Resources for the Year Ended September 30, 2025: Includes Appropriations, Offsetting Collections, and Unobligated Balance from Prior Year



How This Report Is Organized

This report is organized into three main sections:

Section 1: Management's Discussion and Analysis

This section provides a comprehensive overview of the agency's mission and organizational structure, a high-level discussion of key performance goals and accomplishments, a summary of the agency's financial results and compliance with laws and regulations, and management's assurance on the EAC's internal control.

Section 2: Financial Information

This section presents the Inspector General's assessment and independent auditor's report, financial statements along with accompanying notes ensuring clarity and accountability in financial reporting.

Section 3: Other Information

This section features a summary of financial statement audit and management assurances, the Inspector General's report on management and performance challenges, the EAC's response to challenges identified, and additional reporting on payment integrity.





U.S. ELECTION ASSISTANCE COMMISSION

Section 1

Management's Discussion and Analysis



SECTION I

Management's Discussion and Analysis

Mission, Vision, and Core Values

Mission Statement

The U.S. Election Assistance Commission improves the administration of federal elections.

Vision

Instill confidence and trust in safe, secure, accurate, and accessible elections.

Core Values

- ★ Honesty
- ★ Trust
- ★ Customer Service

The U.S. Election Assistance Commission is a bipartisan commission dedicated to:

- ✓ Security, Accuracy, and Integrity of Elections
- ✓ Producing Unbiased Information and Resources
- ✓ Delivering Excellent Service

U.S. Election Assistance Commission History and Authorities

In October 2002, Congress passed the Help America Vote Act (HAVA). The law recognized the need for improvement of elections administration across the country and federal investment in election infrastructure. The Act sets out comprehensive programs of funding for states and territories, voluntary guidance, standards, and research. HAVA established the Election Assistance Commission (EAC) to lead those programs, and promote and enhance voting for United States citizens.

The EAC is an independent, bipartisan agency. By statute, four full-time Commissioners, appointed by the president and confirmed by the U.S. Senate, and three federal advisory committees (the Standards Board, Board of Advisors, and Technical Guidelines Development Committee) guide the EAC. The EAC currently has a full quorum of Commissioners.

The EAC's statutory mission consists of:

- ✓ developing and adopting [voluntary voting system guidelines](#) (VVSG) available for use by the states,
- ✓ [accrediting voting system testing laboratories and certifying voting systems](#),
- ✓ developing guidance for state and local election officials to meet HAVA requirements,
- ✓ serving as a clearinghouse on election administration, including tools and best practices,
- ✓ maintaining the National Mail Voter Registration Form, developed per the National Voter Registration Act (NVRA) of 1993,
- ✓ promoting language accessibility and [accessibility for voters with disabilities](#),
- ✓ providing grantees with technical assistance on use of [payments and grant funds](#), and
- ✓ [auditing](#) the use of HAVA funds.



The Standards Board and the Board of Advisors provide advice and guidance to the EAC on a variety of election administration issues, especially the Voluntary Voting Systems Guidelines (VVSG).

HAVA established the Technical Guidelines Development Committee (TGDC) to help the EAC prepare the VVSG. The Director of the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce serves as the Chair of the TGDC and provides technical support to the Committee. Additionally, HAVA specifies that NIST provides recommendations to the EAC regarding voting system test laboratories. Since Fiscal Year (FY) 2004, the EAC's annual appropriations have included a total to date of \$46.6 million for NIST support.

In 2021, the EAC established a fourth federal advisory committee, the Local Leadership Council (LLC), to provide recommendations and direct feedback to the EAC on a range of election administration topics.

Historical Funding

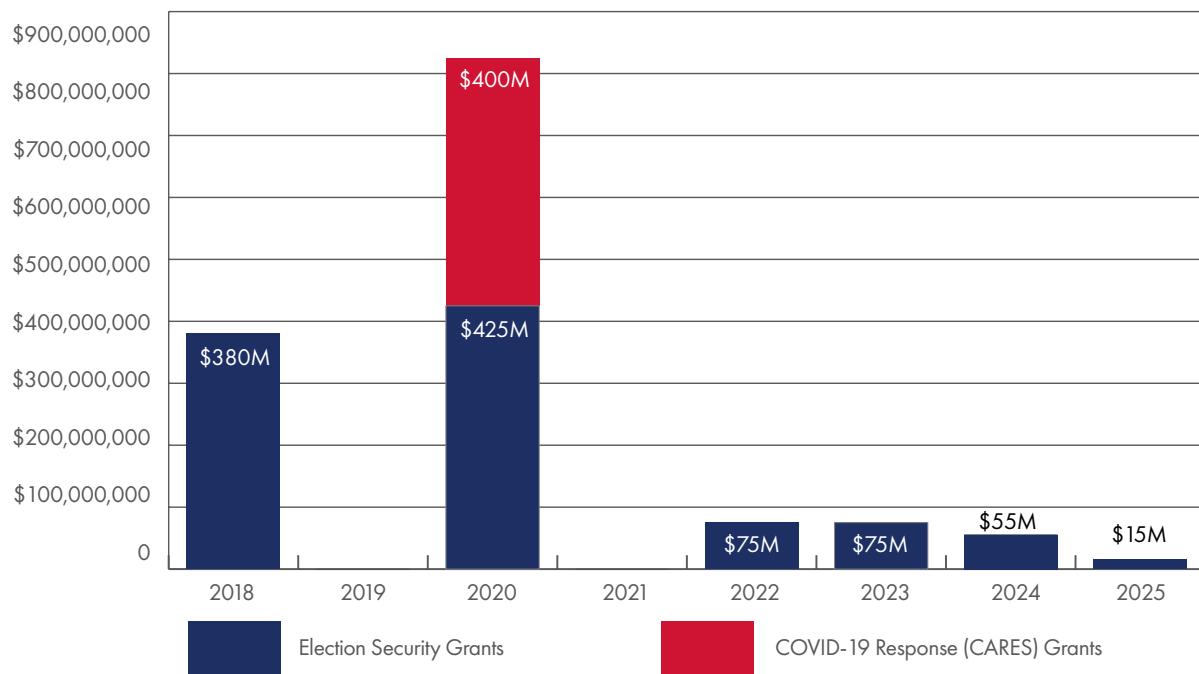
Grant Funding

In FY 2003 and FY 2004, Congress appropriated nearly \$3 billion in federal financial assistance for payments to states under Titles I and II of HAVA to improve the administration of federal elections and replace outdated voting systems. States received HAVA general improvement funds to upgrade their voting systems, establish statewide voter registration databases, train election officials, and educate voters.

In response to growing concerns about election security and foreign interference, Congress introduced general improvement grant funds to support election administration across the states and U.S. territories. In Fiscal Years 2018, 2020, 2022, 2023, 2024, and 2025, Congress appropriated more than \$1 billion in HAVA Election Security Grants to enhance election technology and improve election security. In FY 2020, Congress also appropriated \$400 million in general improvement grant funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help states prepare for and respond to the Coronavirus pandemic during the 2020 federal elections.

Appropriations for HAVA Grant Program, FY 2018 – FY 2025

Figure 1. HAVA Grant Program Funding FY 2018 – FY 2025



Additionally, the EAC has historically facilitated grant programs supported by discretionary funding. Past programs include poll worker recruitment, mock elections, election data collection, voting technology improvement research, testing and certification, and post-election verification.

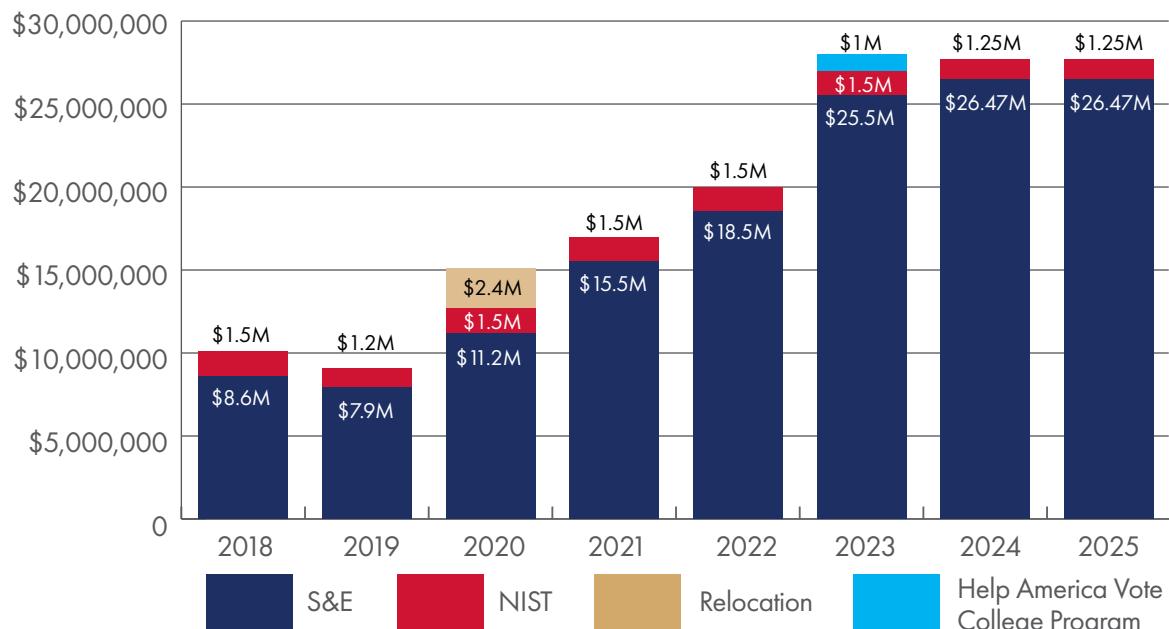
The EAC monitors award performance reported by the states, provides technical assistance to grant recipients, develops and publishes guidance on the use and management of funds, and closes out awards. The EAC, as mandated, actively monitors, and provides oversight for all HAVA grants.

Salaries and Expenses Funding

In FY 2025, the EAC received funds in the Salaries and Expenses (S&E) appropriation of \$27.72 million. The S&E appropriation was used for a \$1.25 million interagency agreement to NIST, as well as payroll, travel, utilities, printing, contracts, supplies, equipment, and software.

Appropriations for Salaries and Expenses, FY 2018 – FY 2025

Figure 2. Salaries and Expenses Funding FY 2018 – FY 2025



Organizational Structure

To help improve the administration of federal elections, the EAC's professional staff members possess expertise in election administration, election technology, cybersecurity, accessibility, communications, federal compliance, federal grant management, finance, law, artificial intelligence, and management. The size of the EAC's professional staff has varied since the agency's inception. This year, agency staff size decreased to 75.¹ The EAC's headquarters is in Washington, D.C., and we have employees geographically dispersed across 23 states and Washington, D.C.

The nature of the EAC's work and its congressional mandates require the agency to work closely with state and local election officials from the 50 states, five territories, and the District of Columbia. The EAC regularly works in collaboration with federal partners including NIST, the General Services Administration (GSA), and the Department of Homeland Security (DHS), to achieve the agency's mission. As elections and the threats that

¹ This figure includes employees who opted into the deferred resignation program ending September 30, 2025.



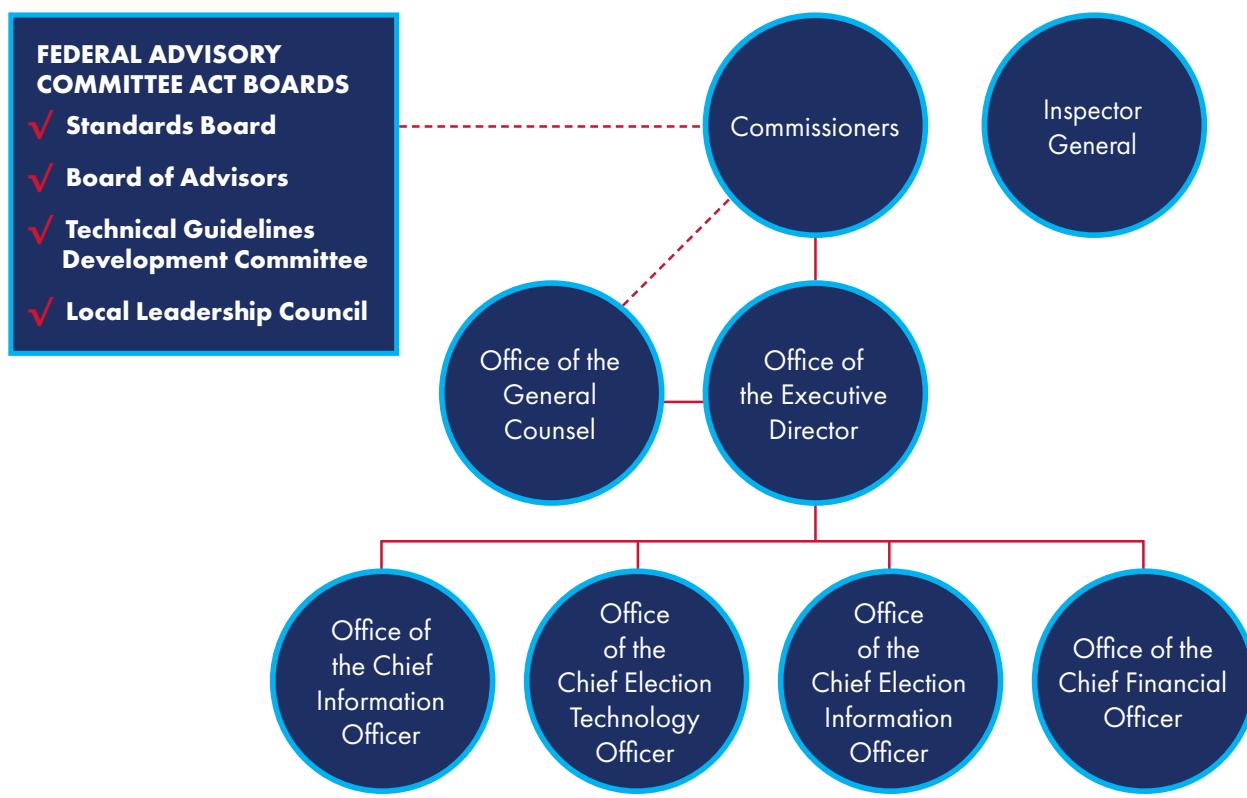
they face have evolved, the agency has deepened its collaboration with partners including the Department of Justice (DOJ), Federal Bureau of Investigation (FBI), the Office of the Director of National Intelligence (ODNI), the United States Postal Service (USPS), and the United States Postal Inspection Service (USPIS), to protect critical infrastructure and serve stakeholders facing increasing and escalating threats to safety. In 2025, the EAC began collaborating with the National Design Studio (NDS) on the redesign and modernization of the Vote.gov website. The EAC also engages with academic institutions, non-governmental organizations, and election officials from other countries.

The EAC is organized around four central offices that report directly to the Executive Director for functional alignment, responsiveness, and increased capabilities in support of accomplishing its complex mandate. The EAC's organizational chart outlines the offices responsible for implementing the agency's programmatic goals.

During FY 2025, the EAC executed a series of staffing adjustments designed to enhance operational capacity and effectiveness. These initiatives included offering two deferred resignation periods for eligible employees and Voluntary Early Retirement, resulting in a number of separations. Additional separations occurred through performance management processes, which included addressing performance deficiencies in accordance with agency policy.

To achieve the agency's mission with limited staff and a hiring freeze, the EAC emphasized cross-training in functional areas and implemented technological improvements to increase efficiency. For example, teams across the agency including Testing and Certification, Field Services, and the Election Supporting Technology Evaluation Program (ESTEP) are regularly collaborating and supporting each other's efforts to share expertise and sustain critical functions. Additionally, the EAC has made a full suite of AI tools available to staff and provided training and guidance on their implementation. Finally, the EAC is conducting position classification reviews and other efforts to promote workforce resilience.

The EAC's Organizational Chart



Overview of Transparency, Accountability, and Programmatic Performance

Regularly, the EAC works to fulfill mandatory performance reporting requirements that ensure transparency and accountability, starting with the Strategic Plan. In addition to the EAC Strategic Plan, the agency maintains accountability for the results of its programs and operations through other published reports, as required, which can be found on the EAC's website. A brief overview of each of these reports is provided:

Agency Strategic Plan

The current strategic plan covers FY 2022-2027. A new strategic plan will be issued in 2026 to further advance the agency's mission. The plans include goals and strategies to guide decision-making and to evaluate the success of EAC programs. For more information, visit <https://www.eac.gov/about/budget-and-finance>.

Annual Performance Plan

In FY 2025, the EAC developed its Annual Performance Plan, covering FY 2026, fulfilling a requirement designed to enhance transparency and accountability. The plan outlines agency priorities, expected performance outcomes, and the measures used to assess progress toward strategic goals and improve program effectiveness. For more information, see the [Fiscal Year 2026 Congressional Budget Justification](#).

Agency Financial Report (AFR)

The AFR provides an overview of the agency's progress in implementing the strategies and achieving the goals and objectives in its Strategic Plan. Further, the AFR reports the agency's financial performance. For more information, visit <https://www.eac.gov/about/budget-and-finance>.

Agency Annual Report to Congress

Per Section 207 of HAVA, the EAC is required to submit an Annual Report to Congress. The report details the agency's activities over the past year that furthered the mission of the EAC. For more information, visit https://www.eac.gov/about/annual_reports.aspx.

OIG Audit Reports & Semi-Annual Reports to Congress

The Office of Inspector General (OIG) is independent and separate from EAC operations and programs and reports directly to the Commissioners. The OIG reviews the economy, efficiency, and effectiveness of the EAC's programs and operations through oversight activities and reports the results of its oversight publicly. For more information, visit <https://oig.eac.gov/reports/all>.

Summary of Required Reporting

Listed below are additional required reporting that the EAC maintains during the fiscal year. Our compliance with these required reporting helps ensure that the agency is transparent and accountable to Congress, the president, and the American public.



Strategic Plan	Every 4 years (February)
EAC DATA Act Report	November
Quarterly Risk Management Assessment (RMA)	January, April, July, October
No Fear Act	Quarterly
FISMA CIO Data Call	Quarterly
Confidential Financial Disclosure Reporting (Internal Submission Only)	February
Annual Agency Ethics Program Questionnaire	February
No Fear Act Annual Report	March
Congressional Budget Justification	As designated by OMB
Federal Electronic Records & Email Management Report	March
Records Management Self-Assessment (RMSA) Report	March
Student Loan Repayment Reporting	March
Senior Federal Travel Reporting	April, October
Management Directive 715	April
Public Financial Disclosure Reporting	May
1353 Travel Reporting	May, November
Senior Agency Officials for Records Management (SAORM) Report	May
Election Administration and Voting Survey	June (biennially)
Annual FISMA Reporting	July
OMB Budget Request Justification	September
Annual VVSG Standard Recommendations	September
FISMA Annual CIO Metrics	October
BOD 20-01 Vulnerability Disclosure Policy	October
Cybersecurity EO	October
EEO Form 462 Report	October
Annual Improper Payment Reporting	October
Senior Agency Official for Privacy (SAOP) FISMA Metrics	November
Freedom of Information Act Report	November
Section 608 Annual Obligations Report	As designated by Congress
Section 634 Quarterly Obligations Report	Quarterly
Premium Class Travel Reporting	November
Travel Reporting Information Profile	November
USA Spending Upload for DATA Act	Monthly



Strategic Goals and Objectives

EAC leadership is fully committed to the agency's success, including the successful execution of the EAC's Strategic Plan. The EAC's operations and offices are aligned to address the Commission's congressional mandates to protect the nation's voting systems; test and certify voting equipment; assist states with the administration of HAVA grant funds to improve federal elections; serve as a clearinghouse of information on voting; administer and maintain the National Voter Registration Act (NVRA) voter registration form; and report to Congress on NVRA and Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) voting activity.

The EAC's current strategic plan sets forth three strategic goals and nine strategic objectives.

Strategic Goal 1 – Enhancing Election Security

Strengthen American elections through the development and implementation of responsive and dynamic voting system guidelines and cyber resources for election officials.

Objectives

- ✓ **1.1:** Continue to evolve the Voluntary Voting System Guidelines and related policies to provide responsive guidelines and requirements for voting systems.
- ✓ **1.2:** Develop programs under the Help America Vote Act (HAVA) to bolster the security and accessibility standards of other election technology.
- ✓ **1.3:** Leverage and expand upon the EAC's existing technical expertise to provide timely resources to increase the security posture of critical infrastructure (voting systems, e-poll books, and other areas of election administration).

Strategic Goal 2 – Supporting Election Officials and Voters

Encourage improvements to election administration through the development and distribution of resources that assist election officials in modernizing American elections.

Objectives

- ✓ **2.1:** Serve as a clearinghouse of election best practices by continually creating resources that help election officials improve the administration of elections and help voters participate in elections.
- ✓ **2.2:** Increase confidence in America's elections and transform the mutual understanding of election administration through commissioning innovative research.
- ✓ **2.3:** Effectively and efficiently distribute federal resources to EAC stakeholders.

Strategic Goal 3 – Operational Excellence

Create operational excellence throughout agency management and programming.

Objectives

- ✓ 3.1: Increase customer service to key stakeholders and partners.
- ✓ 3.2: Update internal structures and policies to optimize performance.
- ✓ 3.3: Develop and continue to manage internal structures and tools that produce a culture of innovation and a driven workforce.

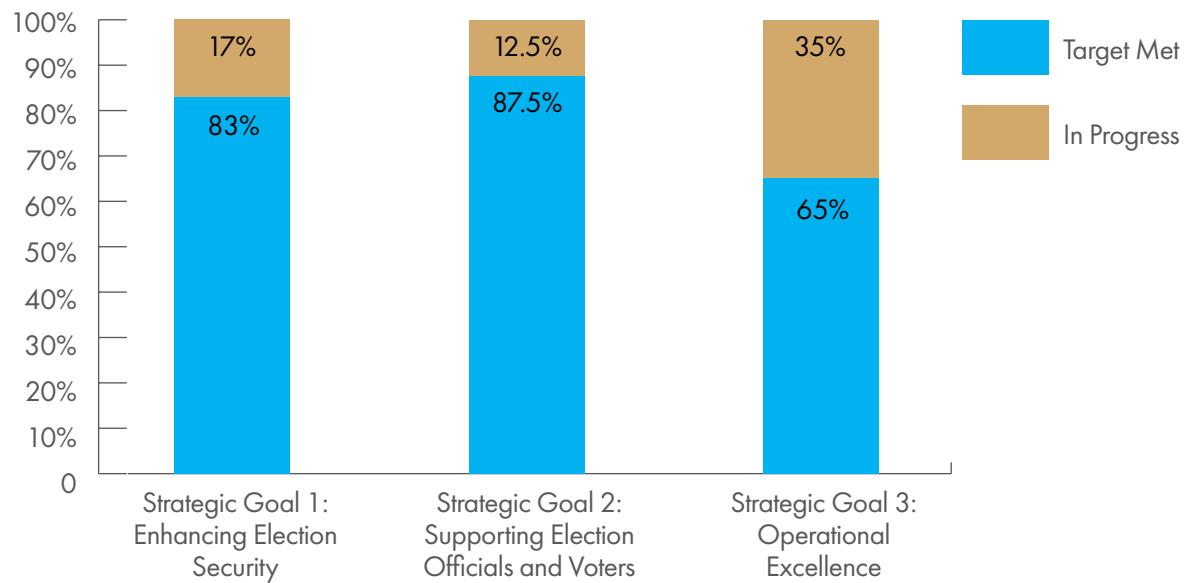


How the EAC Assesses Performance

The sections below describe the role the programs play in helping the EAC meet its congressional mandates, and the results needed to accomplish its goals and objectives. The EAC Strategic Plan lists the strategy for collectively driving its programs to achieve the agency's mission. Outcomes reflect the impact that program outputs have on stakeholders. Outputs are quantifiable targets that directly measure the results of a program. Performance measures are quantifiable and documentable representations of a capacity, process, or outcome relevant to the assessment of performance.

Strategic Performance Measures

Figure 3. Strategic Performance Measure Results (as of September 30, 2025)



FY 2025 Performance Highlights and Accomplishments

Strategic Goal 1: Enhancing Election Security

The EAC serves as the nation's primary authority on election administration, providing leadership in the development of Voluntary Voting System Guidelines (VVSG) and delivering essential cybersecurity resources to election officials. Through these efforts, the EAC safeguards the integrity and security of federal elections while enhancing public confidence in the resilience of the electoral system.

Strategic Goal 1 Performance Measure Highlights	
Performance Measure	2025 Indicator Status
VVSG is reviewed yearly for potential updates.	Target Met
Certification of a VVSG 2.0 compliant system.	Target Met
Successfully conduct a pilot program for e-poll book testing and certification and use findings to create a permanent program.	Target Met
Conduct a pilot program for another election supporting technology and publish findings.	In Progress
Creation of an online training delivery system with courses focused on election cybersecurity fundamentals.	Target Met
Successful cybersecurity defense of 2022 midterm and 2024 presidential elections.	Target Met



Significant Accomplishments:

Supporting the Security of Voting Systems and Implementation of the Voluntary Voting System Guidelines (VVSG) 2.0:

System Guidelines (VVSG) 2.0: – The EAC has certified two voting systems to the VVSG 2.0, marking a key advancement in the implementation of the new federal standards. The EAC also initiated the VVSG 2.1 update process, including the development of a draft and formal deliberation with the Technical Guidelines Development Committee (TGDC). During the fiscal year, the EAC approved 23 engineering change orders (ECOs) and certified 4 voting systems in total. Seven additional systems are currently in testing. The EAC also completed the biennial accreditation reviews of both Voting System Test Laboratories (VSTLs), including on-site assessments and documentation reviews.

Field Services Program – The EAC's Commissioners discussed successes and lessons learned of the Field Services Program (FSP) during a public hearing held in February 2025. During this meeting, the EAC and panelists focused on the results from the first two reports released from this department: the [Hawaii: Report on Hash Verification & Admin Observations](#) released on January 8 and the [Douglas County Nebraska: Fielded System Review Report](#) released January 21. The FSP is a voluntary, non-regulatory initiative operated by a small team to support state and local election officials with post-certification quality monitoring. Efforts include verifying that deployed voting systems continue to conform to their certified configurations, reporting anomalies, malfunction investigation, and distributing product advisory notices. In its first full year of operation, the program supported 48 system hash code requests and conducted on-site reviews in Arizona, Texas, Hawaii, Nebraska, Delaware, Iowa, Oregon, Pennsylvania, and Washington.

Advancing the Election Supporting Technology Evaluation Program – In FY 2025, the EAC's Commissioners formally launched the Voluntary Electronic Poll Book Certification Program under the Election Supporting Technology Evaluation Program (ESTEP), following a successful pilot. ESTEP is designed to evaluate and support the development of voluntary guidelines for election-supporting technologies that fall outside the scope of the federal voting system certification program. Through rigorous conformance testing, the new certification program aims to enhance the security and accessibility of electronic poll books. As of the end of the fiscal year, one system is certified to the new standards, and two additional systems are undergoing testing.

ESTEP continued development of draft voluntary guidelines for Election Night Reporting, Voter Registration, and Ballot Delivery Systems. Currently, several vendors and one state are engaged in a pilot effort to evaluate the Ballot Delivery guidelines. Additionally, ESTEP commissioned a report to explore options for expanding security testing of election-supporting technologies. The resulting framework outlines potential approaches for scalable, repeatable testing of a wide range of election technologies.



Strategic Goal 2: Supporting Election Officials and Voters

Elections in the U.S. are managed by thousands of local officials, each with their own expertise and growing demands. Because there isn't a single nationwide approach, practices vary. The EAC was tasked by HAVA to help solve this by sharing information, research, and resources with election officials across the country. As elections and elections personnel change, it's even more important for the EAC to coordinate and provide tools that help officials respond quickly and effectively.

Strategic Goal 2 Performance Measure Highlights	
Performance Measure	2025 Indicator Status
Election administrators from every state are using the portal, accessing the reporting options, connecting with other election administrators, and are more informed about training, events, and important election dates.	Target Met
The EAC produces resources addressing the top three concerns of members of the advisory boards each year as identified at their annual meetings.	Target Met
Affirm steady quarterly growth on engagement metrics for newsletters including open rates and clickthrough rates.	Target Met
Add more election officials and election office staff to the newsletter distribution list.	Target Met
Increase the reach and use of pages that are targeted to voters and election officials as measured by website analytics.	In Progress
Create working groups for Sections B-F of the Election Administration and Voting Survey (EAVS) that will help modernize the questions in those sections, like to the Section A working group.	Target Met
Measured decrease in difficulties for voters with disabilities in surveys following federal elections.	Target Met
Utilization of simulated learning exercises by election officials in most states.	Target Met
All federal financial assistance administered by the EAC is accurately and timely disbursed.	Target Met
All audit findings are resolved within established time frames.	In Progress
All expired grants are closed promptly, with no grants expired for over two years.	Target Met
Report annually to Congress on the expenditure of HAVA funds each year.	Target Met
Technical assistance and training to recipients to increase grant compliance is provided at least twice a year.	Target Met
Report complete, accurate, and timely financial assistance data as required by the DATA Act.	Target Met
Progress and financial reporting by grant recipients are reviewed, with an initial review provided within 45 days of submission.	Target Met
Grant staff attend professional development and education to obtain certification and/or keep up with changing federal guidance.	Target Met



Significant Accomplishments:

Producing Extensive Clearinghouse Resources for Election Officials: The EAC developed more than 15 new resources and trained over 3,500 state and local election officials in 2025. The EAC also expanded its online training portal, which now has over 30 training videos, including series that cover compliance with federal election law, chain of custody and audits, accessibility, security of voting systems, and continuity of operations. Equipping election officials with the latest best practices enhances election preparedness, reduces errors, and increases resiliency against operational and security challenges. The agency has also published the [2024 EAVS](#), with new questions and a policy-related focus, making it the most comprehensive report to date.

National Poll Worker Recruitment Day – The EAC’s fourth National Poll Worker Recruitment Day was celebrated on August 12, 2025, to encourage Americans to sign up to become poll workers in their communities. The EAC distributed a comprehensive toolkit and social media guide to maximize participation. More than 100 states and localities were a part of this endeavor. The EAC operates [helpamericavote.gov](#), a year-round resource to help Americans sign up to serve at the polls. The dedicated webpage offers a custom lookup toolkit with jurisdiction-specific information sourced directly from election officials.

Research for Congress and Stakeholders on Federal Election Administration – In 2025, under its mandate from HAVA, the EAC conducted original research aimed at enhancing the administration of federal elections. The EAC published a series of reports addressing key areas of election administration, including the use of third-party credit bureau data to strengthen voter list maintenance, best practices for recruiting, managing, and retaining poll workers, the historical development of the EAVS, and the impact of Congressional HAVA Security Grant funding on federal elections. These reports provide key insights, recommended practices, and actionable guidance for Congress, election officials, and the public. The EAC has 6 additional research reports that will go to the EAC FACA Boards for review prior to issuance.

Facilitating Communication Among Election Officials: In 2025, the EAC maintained a collaborative peer-to-peer platform where election officials can find resources, connect with experts and colleagues in other jurisdictions and discuss emerging issues. This platform offers a secure way for that important collaboration. Over 1,500 election officials and staff from all 50 states and two territories have joined the Clearinghouse Network to date.

Administering Election Security Grants – In 2025, the EAC distributed \$15 million in congressionally appropriated funds to improve the administration of federal elections. To assist jurisdictions with utilizing these much-needed funds, the EAC regularly publishes guidance on our website. Since 2018, the EAC has disbursed over \$1 billion in Election Security Grants, and because the grants are no-year funds, the EAC continues to review progress reports and manage the grants. The EAC also provided active assistance to states through an average of 20 sessions per month, including virtual technical support, conference calls, and subject-specific training. In addition, in 2025, the EAC worked in-person with states to support effective use of HAVA grant funds with American Samoa, Connecticut, Guam, Idaho, New York, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and South Dakota.



Strategic Goal 3: Operational Excellence

The EAC is committed to using public funds responsibly and making a positive impact. It is focused on serving its stakeholders better, updating its processes, making the most of its resources, and building a skilled team.

Strategic Goal 3 Performance Measure Highlights	
Performance Measure	2025 Indicator Status
Increase of web traffic to EAC website as measured by unique visitors in each quarter of federal election years.	Target Met
Increase engagement with EAC social media profiles each year by election officials as measured by follower or subscriber counts and reach of posts, including retweets and shares.	In Progress
Increase downloading of election resources from EAC website.	Target Met
Generation of new opportunities for inter-agency programs that add value or create efficiencies.	Target Met
Connect EAC information technology system threat detection capabilities to the CISA Federal Continuous Diagnostics and Mitigation (CDM) Dashboard.	Target Met
Additional Interagency Agreement requests for joint work by federal partners included a requested extension of existing IAA with GSA for Vote.gov.	Target Met
All EAC policies and procedures are updated and reviewed yearly.	In Progress
Membership is obtained in the Small Agency Council for Administration, Human Resources, Procurement, Finance, and CIO managers.	Target Met
All congressional reporting deadlines are met.	Target Met
Standard operating procedures for all administrative functions are complete and aligned with the newly revised Administrative Manual.	In Progress
New records management processes are implemented, and staff is trained.	In Progress
Submit all required federal reporting by deadlines.	In Progress
Ticketing System in place to track requests for each administrative function (contract management, human resources, records management, travel management, and space and facilities management).	In Progress
EAC intranet site utilized by all agency employees to access key resources.	Target Met
Increased use of intranet for collaboration with each division reporting at least one collaborative effort resulting from intranet use.	Target Met
Establishment of administrative succession plan with cross-training of staff on administration support functions to ensure continuity.	Target Met
Following the return to in-person operations, the EAC saves resources by using larger office space for in-house meetings and summit events for at least two events per year that would otherwise require external venue costs.	Target Met



Objective 3.4 had 12 performance indicators that dealt with various aspects of recruitment, hiring, retention, and training. These indicators have been overcome by events and have been removed. In 2025, the EAC switched to a new Human Resources Service Provider. The EAC is now working to meet federal requirements under the Merit Hiring Plan and Annual Staffing Plan. These efforts are aimed at improving workforce planning, hiring based on merit and skills, and accountability.

Significant Accomplishments:

Artificial Intelligence (AI) in Elections: In June 2025, the EAC established a dedicated Chief AI Officer (CAIO) to lead agency-wide AI strategy and governance. The CAIO, supported by leadership, is implementing internal policies that enable responsible and accelerated adoption of AI tools across the EAC workforce. These efforts align with federal directives under E.O. 14179 and OMB Memorandum M-25-21, positioning the EAC to leverage government-wide AI initiatives such as USAi and other partnerships announced in August 2025.

Building on early efficiencies gained through the deployment of various frontier models, the EAC is expanding its use of AI to streamline internal processes, improve data analysis, and enhance service delivery to election officials. This includes piloting AI-driven solutions for knowledge management, document automation, and predictive analytics to better anticipate operational needs.

Stakeholder Feedback and Coordination: In January, the EAC's Technical Guidelines Development Committee (TGDC) met in Gaithersburg, Maryland to discuss potential updates to the Voluntary Voting System Guidelines (VVSG). In April, the EAC's Standards Board and Local Leadership Council held their annual meetings in Charlotte, North Carolina, followed by four regional meetings, to hear directly from election officials and key stakeholders on the challenges and needs following the presidential election, as they prepare for the 2026 mid-year election. The Board of Advisors convened in the District of Columbia for its annual meeting in May to discuss guidelines to improve elections. Additionally, the TGDC held four public meetings between July and September to discuss the draft VVSG 2.1.

The EAC continues to engage its Federal Advisory Committee Act (FACA) boards on AI opportunities and risks. During the April 2025 Ideas Lab, members of the Standards Board and Local Leadership Council identified "Leveraging AI effectively" as a top priority, emphasizing the need for secure, election-specific AI tools and practical use cases for local jurisdictions. In response, the EAC is exploring initiatives to share best practices, develop guidance for responsible AI use in elections, and support jurisdictions in adopting AI solutions that improve efficiency while safeguarding security and transparency.

In 2025, the EAC also hosted several events focused on topic areas such as recovering from national disasters, voting system certification and technology, and innovative election research to share best practices and strengthen election resilience. These events foster collaboration among election officials, technologists, and researchers, contributing to informed decision-making across the election community.

Organizational Improvement—In 2025, the EAC concentrated on building operations and improving policies and procedures. The agency implemented a new performance management evaluation form and achieved 100% compliance from supervisors and staff.

Enhancing Internal Controls and Efficiency: The EAC implemented process improvements to enhance the effectiveness and accountability of its procurement, administrative, and financial systems. The EAC introduced automation to strengthen process controls, streamline approvals and operations, and eliminate unnecessary systems and bottlenecks. Examples include:

- ✓ Improvements to the micro-purchase program which reduced year-end processing bottleneck by 14%.
- ✓ Implemented electronic signature capabilities and a centralized, automated approval workflow, accel-



erating processing times, reducing inbox clutter, and strengthening records retention with more reliable document retrieval.

- ✓ Streamlined travel processes by transitioning to a more capable existing system, resulting in greater visibility into expenditures, strengthened supervisory oversight, and enhanced compliance.

Analysis of EAC's Financial Statements

The EAC received an unmodified audit opinion on its financial statements. The financial statements were audited by an independent certified public accounting firm, Allmond & Company, LLC. Information contained on the financial statements and its accompanying notes provide reasonable assurance to the public that the information is accurate, reliable, and is presented fairly for useful decision-making, and has been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The financial statements comprise the Balance Sheet as of September 30, 2025, the related Statements of Net Cost, Changes in Net Position, and Budgetary Resources.

The following analysis is intended to provide information on EAC's financial results, position, and condition as portrayed in the financial statements and the notes to the statements presented in the Financial Information section of this report. Changes in assets, liabilities, costs, revenues, obligations, and outlays are explained; and the relevance of balances and amounts in the financial statements and notes are discussed. The changes provide context as to how the year's activities impacted the agency's financial position.

Balance Sheet

The Balance Sheet provides a snapshot of EAC's financial position on September 30, 2025. The fiscal year-end Balance Sheet presents resources EAC holds to meet its statutory requirements (assets), the amounts owed (liabilities), and the difference between them (net position).

Analysis of Assets

EAC's most significant assets are intragovernmental (94.8%) which comprise of the Fund Balance with Treasury, and Advances and Prepayments. The Other than Intragovernmental Assets include Accounts Receivable (Net), Property, Plant, and Equipment (Net), and Advances and Prepayments account for the remaining assets (5.2%). At the end of FY 2025, the EAC held \$27.9 million in total assets.



Liabilities

EAC's liabilities include Accounts Payable, Federal Employee Salary, Leave, and Benefits Payable, and Other Liabilities, separated as Intragovernmental or Other than Intragovernmental Liabilities. At the end of FY 2025, the EAC's total liabilities were \$3.8 million.

Net Position

The EAC's net position is separated by two balances: Unexpended Appropriations and Cumulative Results of Operations. Each balance is presented on the Balance Sheet and the Statements of Changes in Net Position. At the end of FY 2025, the EAC's net position balance was \$24.1 million.

Statement of Net Cost

The EAC's Statement of Net Cost reports the results of operations. At the end of FY 2025, the EAC's net cost of operations was \$30.4 million.

Statement of Changes in Net Position

The EAC's Statements of Changes in Net Position is separated by two balances: Unexpended Appropriations and Cumulative Results of Operations. Each balance is presented on the Balance Sheet and the Statements of Changes in Net Position. The Statement presents additional detail to identify the financing sources for each balance. At the end of FY 2025, the EAC's net position balance was \$24.1 million.

Budgetary Resources

Budgetary resources are the amounts made available and their status at the end of the fiscal year. The majority of EAC's available budgetary resources are in the one-year Salaries and Expenses Appropriation. Budgetary resources include new Budget Authority from appropriations, Unobligated Balances, and Offsetting Collections.

In FY 2025, the Total Budgetary Resources were \$48.4 million. In FY 2025, as mentioned previously, EAC's appropriations totaled \$27.7 million for Salaries and Expenses, including \$1.25 million to NIST through the form of an interagency agreement. In FY 2025, Spending Authority from Offsetting Collections was \$15 million.

Obligations incurred were \$42.4 million [New Obligations and Upward Adjustments Total] in FY 2025. The Unobligated Balance – Apportioned, was \$0.6 million in FY 2025.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S. Code 3515(b). The statements have been prepared from the books and records of EAC in accordance with Generally Accepted Accounting Principles (GAAP) for federal entities and the formats prescribed by the Office of Management and Budget. The statements are in addition to the financial reports that are used to monitor and control budgetary resources during execution of the budget, which are prepared from the same books and records.

The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.



Analysis of EAC's Systems, Controls, and Legal Compliance

This section of the report provides the required information on the EAC's compliance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and presents the EAC's management assurance statement. In addition, the EAC complies with other applicable legislative requirements that prompt effective internal controls:

✓ **Anti Deficiency Act of 1884**

Prohibits agencies from committing or spending more money than Congress appropriated.

✓ **Federal Managers' Financial Integrity Act of 1982**

Mandates agencies to maintain and assess internal controls and financial systems. EAC's FY 2025 Statement of Assurance reported reasonable assurance that internal control over operations, reporting, and compliance were operating effectively, as of September 30, 2025, and EAC did not identify any material weaknesses. During the audit of the agency's FY 2025 financial statements, the EAC OIG identified one material weakness related to preparing of the financial statements and footnote disclosures. In its FY 2025 financial statement audit, the independent auditors report that the EAC did not fulfill the financial reporting requirements, as required by OMB Circular A-136 for FY 2025. The EAC has acted to correct the conditions identified and confirmed they do not affect the accuracy of the underlying financial statements and are not representative of a material weakness as stated by the EAC OIG's independent auditors. The EAC has and will continue to work diligently to make improvements to controls around the preparation of financial statements and footnote disclosures. The FY 2025 independent financial statement audit report can be found in the "Financial Information" section of the AFR. The audit is available on the [OIG website](#).

✓ **Clinger-Cohen Act of 1996**

Requires federal agencies to improve how they acquire, manage, and use information technology to increase efficiency and reduce waste.

✓ **Federal Financial Management Improvement Act of 1996**

Strengthen agencies' financial management systems to produce accurate and reliable financial information.

✓ **Accountability of Tax Dollars Act of 2002**

Requires agencies, including those not subject to the CFO Act, to prepare and submit annual audited financial statements to Congress and OMB.

✓ **Digital Accountability and Transparency Act of 2014**

Enhances transparency in federal spending. EAC reports grant data to [USASpending.gov](#) as required.

✓ **Federal Information Security Modernization Act of 2014 (FISMA)**

Requires effective information security programs. The FY 2025 OIG audit found EAC generally compliant with FISMA requirements. The audit is available on the [OIG website](#).

✓ **Payment Integrity Information Act of 2019 (PIIA)**

Aims to reduce improper payments. EAC was found not fully compliant with FY 2024 PIIA reporting requirements, the last reported OIG review, due to an administrative issue the OIG determined has since been resolved. The review is available on the OIG directed [website](#). More information on EAC's compliance with the PIIA is found in the "Other Information" section of the AFR.

✓ **Annual Appropriation Law**

Establishes the EAC's budget authority.

The EAC continues to strengthen systems and processes to meet these mandates and improve financial and performance management.



Internal Control, Financial Management, and Enterprise Risk Management

In FY 2025, EAC demonstrated its strong commitment to maintaining effective internal controls to achieve compliance with laws and regulations, reliable reporting, and efficient and effective operations. The EAC continually seeks to improve its financial management systems to provide accurate information for financial reporting that its stakeholders use to support decision-making.

The FMFIA assigns agency leadership the responsibility to evaluate and report on the effectiveness of their internal controls. These controls span programmatic, operational, administrative, and financial management activities. Under the FMFIA, agencies must implement controls that help ensure obligations and expenditures comply with applicable laws; that government resources are protected from waste, loss, misuse, or theft; and that financial activity is accurately recorded to support reliable reporting and proper stewardship of assets. OMB A-123 provides the framework for carrying out FMFIA requirements and outlines management's responsibilities for internal control and enterprise risk management.

Through its shared services agreement with the Department of the Treasury's Bureau of the Fiscal Service Administrative Resource Center (BFS), the EAC leverages financial systems—including Oracle Federal Financials, PRISM, G-Invoicing, ConcurGov, and the Invoice Processing Platform—to ensure that information and finances are properly transacted, recorded, controlled, monitored, and reported in compliance with Federal financial management requirements. Partnering with BFS reduces the EAC's risk by giving it access to secure, compliant, and professionally managed financial systems and staff that would be difficult and expensive to maintain independently as a small agency.

The EAC's OCIO team maintains secure, efficient enterprise-wide information and security systems services—including remote access, VOIP, and vulnerability scanning—to enable staff productivity on- and off-site. The agency ensures compliance with FISMA through managed firewalls, intrusion detection, and TIC-compliant telecommunications. A dedicated cybersecurity division, working with IT staff, continuously monitors and strengthens system security in accordance with Federal standards. This strengthens internal controls, improves reliability, and lessens operational and cybersecurity vulnerabilities.

In addition, the EAC safeguards agency assets, ensures integrity in financial and administrative operations, and upholds accountability with:

- ✓ Asset Protection: Facilities are protected with Federal Protective Service oversight and through a contracted security provider to safeguard access to EAC's information and resources internally, alongside stringent inventory management practices.
- ✓ Procurement Integrity: Duties are separated, requiring supervisory approval and mission-critical justification for expenditures; contract officer assistance from shared service ensures proper acquisition processes; Contracting Officer's Representatives evaluate all vendor payments.
- ✓ Training & Oversight: Mandatory ethics, IT security, and privacy training; whistleblower protections; annual IG audits under GAO and OMB standards; IG hotline for reporting fraud, waste, or abuse.

Utilizing OMB guidance and GAO best practices, the EAC has advanced its ERM framework to foster a culture of risk awareness and practice mitigation. These efforts include:

- ✓ Employee awareness of risk identification, assessment, and mitigation responsibilities.
- ✓ Ensuring key risks are communicated, supporting informed decision-making from both top-down and bottom-up perspectives.
- ✓ Implementing a risk registry to record and track risks, enabling timely management actions and responses to emerging challenges.



Management recognizes that the assessment of fraud and enterprise risks is an ongoing process that mitigation strategies need to change as business processes and the overall contextual environment evolve. EAC's integrated approach—combining internal controls, partnerships, mandatory training, risk management, and independent audits—supports its commitment to mitigating risk, preventing fraud, and ensuring compliance. EAC management works to timely remedy corrective action from audits. In FY 2025, EAC reduced outstanding audit recommendations by 10, reinforcing accountability and stewardship of federal resources.

Inspector General Act, as Amended, and Other Independent Oversight

The EAC Office of the Inspector General (OIG) conducts audits and reviews of the agency's operations. EAC management is cognizant of the importance for independent oversight of agency programs and operations and its responsibility to make recommendations to improve efficiency, effectiveness, and economy and help detect, deter, and identify fraud, waste, and abuse. The OIG audits HAVA funds administered by recipients of HAVA payments and grants and transmits OMB Circular A-133 single audit reports that present findings on HAVA funds to EAC. The principal recipients of HAVA payments and grant funds are state governments. The OIG statement of major management and performance challenges are documented in the "Other Information" section of the AFR.

The EAC also considers and responds to recommendations from audits and reviews conducted by the Government Accountability Office.

Audit Follow-Up Results for FY 2025

EAC management works closely with the OIG and other oversight entities to address audit findings and implement corrective actions promptly. Once EAC accepts an audit recommendation, it provides sufficient evidence to oversight bodies to confirm final action and close the recommendation. As of September 30, 2025, 28 audit recommendations remain outstanding.

FY 2025 Audit Recommendation Activity²

Recommendation Beginning Balance:	38
New Recommendations Made in FY 2025:	18
Closed Recommendations in FY 2025:	28
<hr/>	
Recommendation Ending Balance:	28

² Source: U.S. Election Assistance Commission Office of Inspector General



Assurance Statement



U.S. Election Assistance Commission
633 3rd Street NW, Suite 200
Washington, DC 20001

FY 2025 Management Assurance Statement

January 16, 2026

The U.S. Election Assistance Commission (EAC) management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act (FMFIA)⁴. The EAC conducted its assessment of risk and internal control in accordance with Office of Management and Budget Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.⁵ Based on the results of the assessment, the EAC can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively, as of September 30, 2025, except for the EAC OIG identified one material weakness related to preparing of the financial statements and footnote disclosures, which the agency does not concur is a material weakness. The agency acknowledges the conditions identified but notes that none of the issues alone or combined affect the accuracy of the underlying financial statements or meet the definition of a material weakness.

Commissioner Donald Palmer

Chairman, U.S. Election Assistance Commission

⁴ The Federal Managers' Financial Integrity Act can be accessed at:
<https://www.congress.gov/bill/97th-congress/house-bill/1526/text>

⁵ Office of Management and Budget Circular A-123 can be accessed at:
https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2016/m-16-17.pdf





U.S. ELECTION ASSISTANCE COMMISSION

Section 2

Financial Information



OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

AUDIT OF THE U.S. ELECTION ASSISTANCE COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2025

Report No. F25HQ0064-26-04
January 7, 2026



HIGHLIGHTS

AUDIT OF THE EAC'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2025

Report No. F25HQ0064-26-04

January 7, 2026

What Was Audited

The independent public accounting firm of Allmond & Company, LLC, under contract with the Office of Inspector General, audited the U.S. Election Assistance Commission's (EAC) financial statements for the fiscal year ended September 30, 2025.

The audit included reporting on the EAC's financial statements, on the EAC's internal control over financial reporting, and on the EAC's compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements.

What Was Found

The audit found that the EAC's financial statements present fairly, in all material respects, the EAC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

The tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance that would be reportable under U.S. generally accepted government auditing standards. However, the audit determined that there were deficiencies in the EAC's financial reporting processes. Specifically, the agency lacked sufficient control over the preparation of the financial statements and footnote disclosures, while also needing to improve its entity-level control policies and procedures—an issue first identified in the prior year—and strengthen the property, plant, and equipment reporting process. Such deficiencies could result in misstatements occurring in unaudited financial information reported by the EAC.

What Was Recommended

The audit determined that four recommendations made in the prior year report remain open. Five new recommendations were made to improve financial reporting, one of which is closed upon report issuance as the EAC made the required reporting adjustments.

U.S. Election Assistance Commission | Office of Inspector General





**U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL**

DATE: January 7, 2026

TO: U.S. Election Assistance Commission, Executive Director, Brianna Schletz

FROM: U.S. Election Assistance Commission, Inspector General, Sarah Dreyer

SUBJECT: Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2025 (Report No. F25HQ0064-26-04)

We contracted with the independent public accounting firm of Allmond and Company, LLC (Allmond & Company) to audit the financial statements of U.S. Election Assistance Commission (EAC) as of and for the fiscal year ended September 30, 2025, to provide a report on internal control over financial reporting, report on compliance with laws and other matters, and provide a report on whether the EAC's financial management systems complied with selected provisions of applicable laws, regulations, contracts, and grant agreements. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the GAO/CIGIE *Financial Audit Manual*.

In its audit of the EAC, Allmond & Company reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- the EAC had one material weakness and two significant deficiencies in internal control over financial reporting related to the preparation of the financial statements and footnote disclosures, improvements needed in entity-level control policies and procedures, and improvements needed in the property, plant, and equipment reporting process;
- no reportable noncompliance with provisions of laws tested or other matters.

Allmond & Company also issued a management letter report discussing a control deficiency related to the computation of imputed costs. This letter will be transmitted separately.

Allmond & Company is responsible for the attached auditor's report dated December 29, 2025, and the conclusions expressed therein. We do not express opinions on the EAC's financial statements or internal control over financial reporting, or on whether the EAC's financial management systems complied substantially with the applicable provisions of laws tested, or conclusions on compliance and other matters.



cc: Commissioner Donald L. Palmer, Chairman
Commissioner Thomas Hicks, Vice Chair
Commissioner Christy McCormick
Commissioner Benjamin W. Hovland



**U.S. Election Assistance Commission
Fiscal Year 2025 Financial Statement Audit**

Final Independent Auditor's Report

Submitted for review and acceptance to:

Sarah Dreyer
Contracting Officer's Representative
Election Assistance Commission Office of Inspector General
633 3rd Street NW, Suite 200
Washington, DC 20001

Submitted by:

Jason L. Allmond CPA, CGFM, CISA, CISM
Managing Member
Allmond & Company, LLC
7501 Forbes Blvd., Suite 200
Lanham, MD 20706
301-918-8200
jallmond@allmondcpa.com

Final Independent Auditors' Report

Prepared under contract to the Election Assistance Commission (EAC) Office of Inspector General (OIG) to provide financial auditing services



**ELECTION ASSISTANCE COMMISSION
AUDIT REPORT
SEPTEMBER 30, 2025**



**ALLMOND & COMPANY, LLC
Certified Public Accountants
7501 Forbes Boulevard, Suite 200
Lanham, Maryland 20706
(301) 918-8200**





Independent Auditor's Report

Chairman, Election Assistance Commission
Executive Director, Election Assistance Commission
Inspector General Election Assistance Commission:

Report on the Financial Statements

Opinion

In accordance with Accountability of Tax Dollars Act of 2002, we have audited the Election Assistance Commission (EAC) financial statements. The EAC's financial statements comprise the balance sheet as of September 30, 2025; the related statements of net cost, changes in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements.

In our opinion, the EAC's financial statements present fairly, in all material respects, the EAC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the EAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in the EAC's Agency Financial Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-02 will always detect a material misstatement or material weakness when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, GAGAS, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EAC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Required Supplementary Information (RSI)

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required under standards issued by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses



to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

The EAC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in EAC's Agency Financial Report. The other information comprises the following sections: the *Message from the Chairman, Management and Discussion Analysis, FY 2025 Accomplishments, and Other Information* sections. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of the EAC's financial statements, we considered the EAC's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies¹ or to express an opinion on the effectiveness of the EAC's internal control over financial reporting. Given these limitations, during our 2025 audit, we identified a deficiency in internal control that we consider to be a material weakness. The deficiency is described in the accompanying *Exhibit I, Findings and Recommendations*, to this report.

We also identified deficiencies in the EAC's internal control over financial reporting that we consider to be significant deficiencies. The deficiencies are described in the accompanying *Exhibit II Findings and Recommendations*, to this report. We considered the material weakness and significant deficiencies in determining the nature, timing, and extent of our audit procedures on the EAC's fiscal year 2025 financial statements. Although the material weakness and significant deficiencies in internal control did not affect

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance.



our opinion on the EAC's fiscal year 2025 financial statements, misstatements may occur in unaudited financial information reported internally and externally by the EAC because of these significant deficiencies.

We identified an additional deficiency in the EAC's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency that, nonetheless, warrant management's attention. We have communicated this matter to EAC management and, where appropriate, will report on it separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to the EAC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

EAC management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Consideration of Internal Control over Financial Reporting

In planning and performing our audit of the EAC's financial statements as of and for the fiscal year ended September 30, 2025, in accordance with U.S. generally accepted government auditing standards, we considered the EAC's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EAC's internal control over financial reporting. Accordingly, we do not express an opinion on the EAC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.



Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of the EAC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of the EAC's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of the EAC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2025 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the EAC. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB audit guidance.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

EAC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the EAC.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to the EAC that have a direct effect on the determination of material amounts and disclosures in the EAC's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to the EAC. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose for Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provision of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.



EAC's Response to Findings

EAC's responses to the findings identified during our audit are described immediately following the auditors' recommendations in Exhibit I and II. EAC's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Allmond & Company, LLC

Lanham, MD
December 29, 2025



2025-01 Lack of Sufficient Internal Controls over the preparation of Financial Statements and Footnote Disclosures

CONDITION:

The Election Assistance Commission (EAC) lacks sufficient internal controls over financial reporting to ensure the reliability of financial reporting information and adherence to applicable financial reporting requirements. EAC's service provider, the Bureau of the Fiscal Services (BFS) Administrative Resource Center (ARC) did not prepare EAC's financial statements and footnotes disclosures consistently in accordance with the updated Office of Management and Budget (OMB) Circular A-136 *Financial Reporting Requirements* dated July 14, 2025. In addition, EAC management did not perform an adequate review of the financial statements and footnote disclosures. Specifically, we noted the following issues:

Interim:

- EAC did not remove the comparative prior year 2024 column in the financial statements or related footnotes as required by OMB Circular A-136.
- EAC included the available and unavailable unobligated balance disclosure for amounts available in Note 2 – *Fund Balance with Treasury*. According to updated A-136 guidance, this format was to be eliminated.
- Note 6: *Other Liabilities*: EAC did not include “other information” necessary to understand the nature of Other Liabilities as required by OMB Circular A-136.
- Note 7: *Leases*: EAC’s schedule of future payments for the term of the lease was not displayed appropriately. EAC did not accurately list the first five years individually beginning with the CY+1, and the remaining years in increments of five after that as required by OMB Circular A- 136.

Year-end:

- EAC omitted the disclosure of a material difference between the FY 2024 Statement of Budgetary Resources and the FY 2024 actual column of the 2026 Budget of the U.S. Government from the September 30, 2025, Note 13 “Explanation of Differences Between the SBR and the Budget of the U.S. Government.” The material difference amounted to approximately \$63,000,000 in Total Budgetary Resources.

CRITERIA:

The Government Accountability Office (GAO), Standards for Internal Controls in the Federal Government, (issued September 2014), Section 4 – Additional Considerations, OV4.01, Service Organizations, states, “Management may engage external parties to perform certain operational processes for the entity, such as accounting and payroll processing, security services, or health care claims processing. For the purpose of the Green Book, these external parties are referred to as service



organizations. Management, however, retains responsibility for the performance of processes assigned to service organization.”

The Office of Management and Budget (OMB) *Circular A-136*, effective July 14, 2025, *Financial Reporting Requirements* states, “For FY 2025, entities should report only single-year financial statements, notes, and RSI. Comparative statements, notes, or RSI, or information from prior years should only be reported if required by FASAB guidance, such as SFFAS 31, Accounting for Fiduciary Activities or SFFAS 17, Accounting for Social Insurance.”

Additionally, *Section I.8 Summary of Changes* Note 2 – Fund Balance with Treasury notes that the circular “streamlined the table by eliminating “available and unavailable” unobligated balance disclosure and clarified disclosure for amounts available for future use. Deleted PY column to reflect single-year presentation.”

Section II.2.8.19 Note 19: Leases states that “Lessee entities should disclose the following information about future lease payments, pursuant to SFFAS 54, paragraph 54. The total principal should equal the lease liability, and the years should be shown individually for the first five years, in five-year increments thereafter. See the illustrative table below for a ten-year lease for the current year. Agencies deviating from the table below should separately disclose in the note the amounts for principal interest.”

Lastly, *Section II.3.8.25 Note 25: Statement of Budgetary Resources subpart G* states, “Agencies should explain, pursuant to SFFAS 7, paragraph 79(g), material differences that exist between the SBR and the Budget of the U.S. Government, including: 1. Budgetary resources, new obligations, upward adjustments (total), and net outlay amounts from the prior year (i.e., FY 2024) SBR and the actual amounts from “Detailed Budget Estimates by Agency” found in the Appendix of the Budget (i.e., the FY 2024 amounts to the FY 2026 Budget.”.”

CAUSE:

EAC’s service provider BFS/ARC and EAC management did not utilize the most recently updated OMB Circular A-136 guidance during the preparation and review of the financial statements and related note disclosures.

Furthermore, EAC does not have adequate policies and procedures over the financial statements and note disclosures review process to ensure that financial statements and the related notes prepared by their service provider BFS/ARC are complete, accurate, and in compliance with financial reporting requirements.

EFFECT:

EAC did not fulfill the financial reporting requirements, as required by OMB Circular A-136 for FY 2025, as a result, disclosure of a material difference was omitted from Note 13 “Explanation of Differences Between the SBR and the Budget of the U.S. Government.”

Failing to use the updated OMB Circular A-136 guidance could significantly impact the relevance and reliability of the financial statements and footnote disclosures. Also, the lack of financial reporting internal controls can lead to potential misstatements to the financial statements or line items not being properly classified in accordance with generally accepted accounting principles.



RECOMMENDATION:

We recommend that EAC management:

1. Ensure that the updated OMB Circular A-136 is utilized when preparing and reviewing the financial statements and footnote disclosures.
2. Design and implement policies and procedures to have the reviewer of the financial statements and note disclosures thoroughly review for completeness, accuracy, and compliance with financial reporting requirements.
3. Implement a certification sheet detailing the EAC financial statements and note disclosures reviewer(s), and the date of the review(s). Ensure that the certification sheet is appropriately signed.

MANAGEMENT RESPONSE

The EAC acknowledges the conditions identified and recommendation but disagrees this finding is a material weakness. A material weakness is a combination of deficiencies that result in a reasonable possibility of a material misstatement occurring, or that a material misstatement won't be detected timely. None of these issues alone or combined affect the accuracy of the underlying financial statements.

The EAC acknowledges the auditor's finding regarding the omission of the Note 13 illustration from the original issuance of the financial statements to the auditors. The omission was based on the professional judgment of the EAC's financial services provider (Treasury BFS/ARC) who determined it is not required, and other agencies do not always include it. According to BFS, "The statement that there are no material differences is accurate as the totals reconcile between the SBR and President's Budget. The status of the unobligated balance on the SBR is the only presentation difference."

The criteria identified by the auditors' states: "Agencies should explain...material differences that exist between the SBR and the Budget of the U.S. Government." Should is a suggestion, allowing for choice, and the EAC chose to follow the advice of the service provider. Management has confirmed that omitting the illustration does not affect the accuracy of the underlying financial statements. The EAC does not believe this matter represents a systemic failure of internal control over financial reporting.

Additionally, the interim financial statements were presented in a single-year format, in accordance with OMB Circular A-136. To facilitate preparation and ensure accuracy, the EAC and BFS/ARC agreed to retain the prior-year 2024 presentation for internal reference only. Both draft and final versions of the statements were provided as supporting documentation. The EAC acknowledges the additional items identified in the review of the interim financial statements and related footnotes. In response, the EAC promptly refined review procedures to align with updated OMB requirements, implemented the auditor's interim recommendations by September 2025,



and strengthened coordination with BFS/ARC in preparation for year-end reporting.

The EAC remains committed to maintaining accurate, complete, and transparent financial reporting.

AUDITOR RESPONSE

We acknowledge management's response and their disagreement with the classification of this finding as a material weakness. Under authoritative guidance, a material weakness is defined as a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. In this instance the financial statements refer to the balance sheet, statement of net cost, statement of changes in net position, statement of budgetary resources, *and the accompanying notes*". Our assessment is based on the facts and circumstances identified during the audit and is consistent with the criteria established for material weaknesses in internal control over financial reporting.

Regarding the omission of the Note 13 illustration, authoritative guidance requires that all disclosures mandated by the applicable financial reporting framework be included. If a required disclosure is omitted and management does not correct the omission, the auditor is required to modify the opinion and describe the omission in the auditor's report, as set forth in [AU-C Section 705](#) and related standards. As such we requested that EAC disclose the material difference of \$63 million between the SBR and the Budget of the U.S. Government as required by generally accepted accounting principles.

Further, according to OMB A-136 "should" denotes a *presumptively mandatory* requirement that applies except in circumstances where the requirement is not relevant for the agency", we noted that this matter was in fact relevant to EAC.

We have considered management's rationale and professional judgment, as well as their prompt actions to address other identified items. However, our responsibility is to communicate material weaknesses in writing, include management's response, and document the basis for our conclusion, as required by professional standards. We remain available to discuss these matters further and to support management in strengthening internal controls and financial reporting processes.



2025-02 Improvements Needed in EAC Entity Level Control Policies and Procedures

CONDITION:

Improvements are needed in the EAC entity-level control policies and procedures. Entity-level controls are an integral part of an entity's internal control systems and serves as a foundation of the processes management uses to guide its operations. These controls include the control environment, risk assessment, information and communication, control activities, and monitoring activities. We noted the EAC has weaknesses in its entity-level controls within the following area:

Design Appropriate Types of Control Activities – EAC management provided draft versions of policies and procedures and was unable to provide the final version upon request. After continued, routine auditor request, EAC was unable to provide finalized versions of documented policies and procedures over their Financial Reporting, Fund Balance with Treasury, and Procurement significant process areas during the FY 2025 EAC Financial Statement Audit.

Succession and Contingency Planning – EAC management does not have a comprehensive financial management succession plan to ensure appropriate personnel has access to key historical financial reporting decisions and documents are maintained such that newly hired personnel would be able to assume the responsibilities of the key financial positions at the EAC.

CRITERIA:

U.S. Government Accountability Office GAO-14-704G, *Standards for Internal Control in the Federal Government* (or “Green Book”), September 2014 revision, *Section 10.03 Design of Appropriate Types of Control Activities* states that, “Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”

In addition, *Section 10.02 Response to Objectives and Risk* states, “Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks. As part of the control environment component, management defines responsibilities, assigns them to key roles, and delegates authority to achieve the entity's objectives. As part of the risk assessment component, management identifies the risks related to the entity and its objectives, including its service organizations; the entity's risk tolerance; and risk responses. Management designs control activities to fulfill defined responsibilities and address identified risk responses.”

Further, *Section 4.04 Expectations of Competence* states, “Personnel need to possess and maintain a level of competence that allows them to accomplish their assigned responsibilities, as well as understand the importance of effective internal control. Holding individuals accountable to established policies by evaluating personnel's competence is integral to attracting, developing, and retaining individuals. Management evaluates competence of personnel across the entity in relation to established policies.



Management acts as necessary to address any deviations from the established policies.”

Ultimately, as *Section OV4.08 Documentation Requirements*, of the Greenbook states, “Documentation is a necessary part of an effective internal control system. The level and nature of documentation vary based on the size of the entity and the complexity of the operational processes the entity performs. Management uses judgment in determining the extent of documentation that is needed. Documentation is required for the effective design, implementation, and operating effectiveness of an entity’s internal control system.”

CAUSE:

The EAC heavily relies on the Service Level Agreement that the agency has signed with their service provider, Bureau of Fiscal Service Administrative Resource Center (BFS/ARC), to be the EAC’s guidance on policies and procedures in effect at the agency over the Financial Reporting, Fund Balance with Treasury, and Procurement significant processes.

EFFECT:

Without documented policies and procedures, the EAC is at risk of having an ineffective internal control system. More specifically, the EAC is susceptible to failing to design and implement control activities to achieve objectives and appropriately respond to risks.

Furthermore, management and other personnel are at risk of being unable to adequately fulfill appointed positions ultimately leaving the agency vulnerable to misstatements in financial reporting.

RECOMMENDATION:

We recommend that EAC management:

- Finalize policies and procedures for all significant process areas, including outlining the responsibilities of EAC personnel and the responsibilities of the EAC’s service providers.
- Ensure that all management and personnel, directly and indirectly responsible for performing processes outlined, have read, and understand the documented policies and procedures.
- Perform periodic review of policies and procedures, and policies and procedures are updated in a timely manner.
- Develop process narratives to assist new and transitioning personnel in understanding their scope of responsibilities and job function as well as help management perform review.

MANAGEMENT RESPONSE

The EAC has made measurable progress but acknowledges continued work is required. As the report states, the EAC is a small agency that reduces risk by leveraging a service agreement with Treasury’s BFS/ARC and their financial management experts. The EAC anticipates having updated policies, procedures, and narratives by July 2026.

AUDITOR RESPONSE

Follow up procedures will be performed during the FY 2026 audit to determine if corrective actions have been fully implemented.



2025-03 Improvements Needed in the Property, Plant and Equipment Reporting Process

CONDITION

The EAC did not appropriately account for property transactions that occurred during FY 2025. Specifically, we noted the following:

- The amount recorded in the general ledger for equipment disposal was incorrect.
- A Loss on Disposal was recorded for the total cost amount of the items disposed, instead of the book value remaining for those disposed items.
- No depreciation expense was recorded for the first and fourth quarters for several equipment items.
- Two furniture items were erroneously recorded as fully depreciated when the assets still have useful life remaining.

The EAC did not detect or correct the errors identified above during their review of the financial statements and related note disclosures.

CRITERIA

The FASAB Handbook, Version 24 (9/25) *Statements of Federal Financial Accounting Standards 6: Accounting for Property, Plant and Equipment* Chapter 2: Property, Plant, and Equipment Section 38 states “In the period of disposal, retirement, or removal from service, general PP&E shall be removed from the asset accounts along with associated accumulated depreciation/amortization. Any difference between the book value of the PP&E and amounts realized shall be recognized as a gain or a loss in the period that the general PP&E is disposed of, retired, or removed from service.”

The Government Accountability Office's (GAO), *Standards for Internal Control in the Federal Government* (issued May 2025), *Principle 10 – Design Control Activities*, 10.04, *Control Activities over complete, accurate, and timely recording of valid transactions*, states, “Management designs control activities so that valid transactions are completely and accurately recorded on a timely basis.”

Additionally, *Principle 10 – Design Control Activities*, 10.04, *Oversight of entity business processes assigned to service organizations*, states, “Management establishes control activities to oversee business processes that service organizations perform on behalf of the entity.”

The Service Level Agreement between the EAC and the Bureau of Fiscal Service, Administrative Resource Center (BFS) for FY 2025, *Financial Management Service Line Service Descriptions for Reporting*, states:

- It is the EAC's responsibility to “review, certify, and approve Federal standard financial statements, noted, required supplementary information, and other information per A-136, OMB and any other required external organization” (page 41).



CAUSE

The EAC went through a transition of Bureau of Fiscal Service, Administrative Resource Center (BFS/ARC) accountants during the first quarter of the fiscal year. The new accountants assigned to the EAC did not use the Property Asset Worksheet correctly to determine appropriate amounts to be recorded in the general ledger.

The EAC did not ensure that the amounts recorded in the general ledger agreed with their property records.

EFFECT

Failure to record the appropriate amount of Property Disposals, Property Losses and Depreciation Expense resulted in several misstatements to the EAC FY 2025 Financial Statements and related note disclosures, specifically:

- The Net, General Property, Plant and Equipment total, and Total Assets line items on the Balance Sheet were understated by \$442,269.
- The Cumulative Results of Operations and Net Position were understated by \$442,269 on the Balance Sheet and Statement of Changes in Net Position.
- Total Net Cost of Operations was overstated by \$442,269 on the Statement of Net Cost and the Statement and Changes in Net Position.
- Note 4, Property, Plant, and Equipment, Net -Total Acquisition Cost, Accumulated Depreciation and Amortization and Net Book Value were understated by \$400,588, \$41,682, and \$422,272 respectively.
- Note 9, Intra-governmental Costs and Exchange Revenue – Depreciation Expense was understated by \$64,963 and the Loss on Disposal was overstated by \$507,232.
- Note 15, Reconciliation of Net Operating Costs and Net Budget Outlays – Depreciation Expense was understated by \$64,963.

RECOMMENDATION

We recommend that EAC management:

- Amend the Acquisition Cost, Loss on Disposal, Accumulated Amortization/Depreciation, and Depreciation Expense reported figures in the Balance Sheet, Statement of Net Costs, Statement of Changes in Net Position, as applicable, and the effect noted disclosures for the FY 2025 Financial Statements.
- Develop, document and implement standard operating procedures over the property, plant and equipment process including an independent reconciliation of the amounts recorded in the general ledger to the Property records maintained by the EAC.



MANAGEMENT RESPONSE

As the report states, the EAC, as a small agency, seeks to reduce risk by leveraging a service agreement with Treasury's BFS/ARC and their financial management experts. The EAC anticipates implementing the recommendation by July 2026.

AUDITOR RESPONSE

Follow up procedures will be performed during the FY 2026 audit to determine if corrective actions have been fully implemented.



Exhibit III
Status of Prior Year Findings and Recommendations

The following table provides the FY 2025 status of all recommendations included in the Independent Auditor's Report on EAC's FY 2024 Financial Statements (November 12, 2024).

FY 2024 Finding	Initial Finding Year	FY 2024 Recommendation	FY 2025 Status
Improvements needed in Election Assistance Commission Entity Level Control Policies and Procedures (2024-01)	2024	<p>We recommend that EAC management:</p> <ul style="list-style-type: none"> • Document policies and procedures for all significant process areas; including outlining the responsibilities of EAC personnel and the responsibilities of EAC's service providers. • Ensure that all management and personnel, directly and indirectly responsible for performing processes outlined, have read, and understand the documented policies and procedures. • Perform periodic review of policies and procedures, and policies and procedures are updated in a timely manner. • Develop process narratives to assist new and transitioning personnel in understanding their scope of responsibilities and job function as well as help management perform review. 	<p>Open</p> <p>Open</p> <p>Open</p> <p>Open</p>



UNITED STATES ELECTION ASSISTANCE COMMISSION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025



Enclosed for your review are the 4th quarter financial statements for fiscal year 2025. Please forward any comments or questions by October 31, 2025. No response by this date will be viewed as acceptance and the financial statements will be submitted.

Prepared by Michael Sheppard 12/29/2025
Signature Date

Reviewed by Daniel Drake 12/29/2025
Signature Date





**UNITED STATES ELECTION ASSISTANCE COMMISSION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

TABLE OF CONTENTS

BALANCE SHEET.....	1
STATEMENT OF NET COST.....	2
STATEMENT OF CHANGES IN NET POSITION.....	3
STATEMENT OF BUDGETARY RESOURCES.....	4
NOTES TO THE FINANCIAL STATEMENTS.....	5-15



UNITED STATES ELECTION ASSISTANCE COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2025
(In Dollars)

	2025
Assets	
Intragovernmental Assets	
Fund Balance with Treasury (Note 2)	\$ 25,075,009
Advances and Prepayments	1,351,542
Total Intragovernmental Assets	26,426,551
Other than Intragovernmental Assets	
Accounts Receivable, Net (Note 3)	10,632
Property, Plant, and Equipment, Net (Note 4)	1,440,132
Advances and Prepayments	-
Total Other than Intragovernmental Assets	1,450,764
Total Assets	\$ 27,877,314
Liabilities	
Intragovernmental Liabilities	
Accounts Payable	\$ 415,327
Other Liabilities (Note 6)	93,218
Total Intragovernmental Liabilities	508,545
Other than Intragovernmental Liabilities	
Accounts Payable	2,216,847
Federal Employee Salary, Leave, and Benefits Payable	1,044,335
Other Liabilities (Note 6)	1
Total Other than Intragovernmental Liabilities	3,261,183
	\$ 3,769,728
Commitments and Contingencies (Note 8)	
Net Position	
Unexpended Appropriations	
Funds from Other than Dedicated Collections	\$ 16,981,944
Total Unexpended Appropriations (Consolidated)	16,981,944
Cumulative Results of Operations	
Funds from Other than Dedicated Collections	7,125,642
Total Cumulative Results of Operations (Consolidated)	7,125,642
Total Net Position	\$ 24,107,586
Total Liabilities and Net Position	\$ 27,877,314

The accompanying notes are an integral part of these financial statements.



UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENT OF NET COST
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Dollars)

	2025
Gross Program Costs	
Program: Operation	
Gross Costs	\$ 30,419,283
Less: Earned Revenue	125
Net Program Costs	\$ 30,419,408
Net Cost of Operations	\$ 30,419,408

The accompanying notes are an integral part of these financial statements.



UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Dollars)

	2025
Unexpended Appropriations	
Beginning Balance	\$ 22,212,121
Beginning Balance, as Adjusted	\$ 22,212,121
Appropriations Received	27,720,000
Other Adjustments	(67,751,202)
Appropriations Used	34,801,025
Net Change in Unexpended Appropriations	(5,230,177)
Total Unexpended Appropriations	\$ 16,981,944
Cumulative Results of Operations	
Beginning Balance	\$ 55,915,555
Beginning Balance, as Adjusted	\$ 55,915,555
Appropriations Used	(34,801,025)
Transfers In/(Out) without Reimbursement	(8,813)
Imputed Financing	1,439,208
Other	15,000,125
Net Cost of Operations	(30,419,408)
Net Change in Cumulative Results of Operations	(48,789,913)
Total Cumulative Results of Operations	\$ 7,125,642
Net Position	\$ 24,107,586

The accompanying notes are an integral part of these financial statements.



**UNITED STATES ELECTION ASSISTANCE COMMISSION
STATEMENT OF BUDGETARY RESOURCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(In Dollars)**

	2025
Budgetary Resources	
Unobligated Balance From Prior Year Budget Authority, Net (Note 11)	\$ 5,728,164
Appropriations	27,720,000
Spending Authority From Offsetting Collections	15,000,000
Total Budgetary Resources	\$ 48,448,164
Status of Budgetary Resources	
New Obligations and Upward Adjustments (Total)	\$ 42,380,999
Unobligated Balance, End of Year	
Apportioned, Unexpired Accounts	595,764
Unapportioned, Unexpired Accounts	3,783,490
Unexpired, Unobligated Balance, End of Year	4,379,254
Expired, Unobligated Balance, End of Year	1,687,911
Unobligated Balance, End of Year (Total)	6,067,165
Total Budgetary Resources	\$ 48,448,164
Outlays, Net and Disbursements, Net	
Outlays, Net (Total)	\$ 24,411,153
Agency Outlays, Net	\$ 24,411,153

The accompanying notes are an integral part of these financial statements.



NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

U.S. Election Assistance Commission (EAC) is an independent, bipartisan commission charged with developing guidance to meet the Help America Vote Act (HAVA) requirements, adopting voluntary voting system guidelines, and serving as a national clearinghouse of information about election administration. EAC also accredits testing laboratories and certifies voting systems, as well as audits the use of HAVA funds.

Other responsibilities include distributing and monitoring HAVA funds provided to States and other grantees, conducting the Election Administration and Voting Survey (EAVS) following each federal election, and maintaining the national mail voter registration form developed in accordance with the National Voter Registration Act of 1993. Additionally, the agency employs subject matter experts in election administration, voting technology, cyber security, and election law to produce best practices, resources, guidance, trainings, pilot programs, and studies to serve the nation's election officials.

HAVA established the Standards Board and the Board of Advisors to advise EAC. The law also established the Technical Guidelines Development Committee to assist EAC in the development of voluntary voting system guidelines. The EAC established the Local Leadership Council as a fourth FACA board to advise the agency from the perspective of local election officials.

The four EAC commissioners are appointed by the president and confirmed by the United States Senate. EAC currently has four commissioners. EAC is required to submit an annual report to Congress as well as testify periodically about HAVA progress and related issues. The commission also holds public meetings and hearings to inform the public about its progress and activities.

The EAC reporting entity is comprised of General Funds and General Miscellaneous Receipts.

General Funds are accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues. The EAC manages Operations and Facilities, Engineering and Development General Fund accounts.

General Fund Miscellaneous Receipts are accounts established for receipts of non-recurring activity, such as fines, penalties, fees and other miscellaneous receipts for services and benefits.

The EAC has rights and ownership of all assets reported in these financial statements. The reporting entity is a component of the U.S Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. The EAC does not possess any non-entity assets.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the EAC. The Balance Sheet presents the financial position of the agency. The Statement of Net Cost presents the agency's operating results; the Statement of Changes in Net Position displays the changes in the agency's equity accounts. The Statement of Budgetary Resources presents the sources, status, and uses of the agency's resources and follows the rules for the Budget of the United States Government.



The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994 and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of the EAC in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements, as amended, and the EAC's accounting policies which are summarized in this note. These statements, with the exception of the Statement of Budgetary Resources, are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control the EAC's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates the control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

D. Fund Balance with Treasury

Fund Balance with Treasury is an asset of a reporting entity and a liability of the General Fund. It is the aggregate amount of the EAC's funds with Treasury in expenditure, receipt, revolving, and deposit fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases.

The EAC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. When the reporting entity seeks to use Fund Balance with Treasury or investments in Government securities to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Funds are disbursed for the agency on demand.

E. Accounts Receivable

Accounts receivable consists of amounts owed to the EAC by other federal agencies and the general public. Amounts due from federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay.

F. Property, Equipment, and Software

Property, equipment, and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. The EAC's capitalization threshold is \$25,000 for individual purchases and \$100,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:



<u>Description</u>	<u>Useful Life (years)</u>
Building	4-7
Leasehold Improvements	5
Office Furniture	5
Computer Equipment	5
Office Equipment	5
Software	5

Adjustments to property, equipment, and software are made and reported in the Governmental Treasury Account Symbol Adjusted Trial Balance System (GTAS) during the same accounting period in which they occur. This process ensures that financial records are updated promptly and accurately. For Fiscal Year 2025, year-end audited adjustments have been processed as top-side entries within the financial statements. These adjustments will be incorporated into GTAS in a timely manner, specifically within the identified period for 2026, to maintain consistency and accuracy in financial reporting.

G. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

H. Liabilities

Liabilities represent the amount of funds likely to be paid by the EAC as a result of transactions or events that have already occurred.

The EAC reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave.

I. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and



other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to the Office of Personnel Management (OPM) upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

J. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the EAC's employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the EAC terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL.

K. Retirement Plans

The EAC's employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the EAC's matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency contribution equal to one percent of pay and the EAC matches any employee contribution up to an additional four percent of pay. For FERS participants, the EAC also contributes the employer's matching share of Social Security.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, the EAC remits the employer's share of the required contribution.

The EAC recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to the EAC for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The EAC recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The EAC does not report on its financial statement's information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM, as the administrator.



L. Other Post-Employment Benefits

The EAC's employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGLIP) may continue to participate in these programs after their retirement. The OPM has provided the EAC with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The EAC recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM and offset by the EAC through the recognition of an imputed financing source.

M. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

N. Grants

The EAC administers and oversees the grant making process in connection with federal Requirement Payments and grants made to recipient organizations and the HAVA. As Requirement Payments and grants are awarded, they are recorded as obligations and represent uses of budgetary resources.

Payments made under the grant awards for expenditures already incurred by the recipients are fully expended and are included in the statement of net costs. Grant awards made to grantees in advance of expenditures are recorded as advances and are included in the balance sheet.

O. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2025, were as follows:

	2025
Status of Fund Balance With Treasury	
Unobligated Balance	\$ 6,067,165
Obligated Balance Not Yet Disbursed	19,007,844
Total Fund Balance With Treasury	\$ 25,075,009

No discrepancies exist between the Fund Balance reflected on the Balance Sheet and the balances in the Treasury accounts.

The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand.



NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2025, were as follows:

	2025
Intragovernmental	
Accounts Receivable	\$ -
Total Intragovernmental Accounts Receivable	\$ -
Other than Intragovernmental	
Accounts Receivable	\$ 10,632
Total Other than Intragovernmental Accounts Receivable	\$ 10,632
Total Accounts Receivable	\$ 10,632

The accounts receivable is primarily made up of monies due from funds that had been advanced for services that were not used and employee receivables.

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2025.

NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2025:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
2025			
Major Class:			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	903,145	460,875	442,270
Software	69,284	39,422	29,862
Software In Development	968,000	-	968,000
Total	\$ 1,940,429	\$ 500,297	\$ 1,440,132

Note, audited adjustments related to the disposal and depreciation of property and equipment were executed as top-side financial statement entries in December 2025. As a result, these adjustments will not be reflected in the fiscal year 2025 year-end Government Treasury Account Symbol Adjusted Trial Balance System (GTAS). The corresponding entries for these adjustments are scheduled to be incorporated into GTAS with the fiscal year 2026-03 submissions.



NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the EAC as of September 30, 2025, include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2025
Intragovernmental-Unemployment Insurance	\$ 5,568
Unfunded Leave	726,971
Total Liabilities Not Covered by Budgetary Resources	\$ 732,539
Total Liabilities Covered by Budgetary Resources	3,037,189
Liabilities Not Requiring Budgetary Resources	-
Total Liabilities	\$ 3,769,728

Unemployment Insurance liabilities represent the unfunded liability for actual workers compensation claims and unemployment benefits paid on the EAC's behalf and payable to the DOL.

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

NOTE 6. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2025, were as follows:

	Current	Total
2025		
Intragovernmental Other Liabilities		
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 19,152	\$ 19,152
Custodial Liability (to the general fund)	(1)	(1)
Employer Contributions and Payroll Taxes Payable	68,499	68,499
Other Unfunded Employment Related Liability	5,568	5,568
Total Intragovernmental Other Liabilities	\$ 93,218	\$ 93,218
Other than Intragovernmental Other Liabilities		
Unfunded Accrued Interest Payable	\$ -	\$ -
Custodial Liability	1	1
Total Other than Intragovernmental Other Liabilities	\$ 1	\$ 1
Total Other Liabilities	\$ 93,219	\$ 93,219



NOTE 7. LEASES

In Fall 2020, the EAC relocated to its current headquarters at 633 3rd St. NW. Washington, D.C. The EAC is currently operating under a 10-year lease, which included delayed occupancy of the basement hearing room which became effective August 1, 2022. As of now, the EAC is operating under its full annual occupancy agreement amount for the duration of its lease.

Below is a schedule of future payments for the term of the lease:

	Office Space	Total Federal
Fiscal Year		
2026	\$ 721,275	721,275
2027	725,148	725,148
2028	728,872	728,872
2029	732,987	732,987
2030	860,767	860,767
After 2030	TBD	TBD ¹
Total Future Lease Payments	\$ 3,769,049	\$ 3,769,049

The operating lease amount includes estimated payments for leases in current and subsequent years. Estimates are subject to change in accordance with policy adjustments.

¹ There are no future lease payments scheduled beyond fiscal year 2030 as the current occupancy agreement expires at that time and amounts are currently undetermined for the anticipated new occupancy agreement. EAC expects to establish a new agreement before the current expires. Figures will be updated once reliable estimates become available. Actual amounts may differ when finalized.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2025.



NOTE 9: INTRA-GOVERNMENTAL COSTS AND EXCHANGE REVENUE

Intra-governmental costs and revenue represent exchange transactions between EAC and other federal government entities, and are in contrast to those with non-federal entities (the public). Such costs and revenue are summarized as follows:

2025		
Technology		
Intragovernmental Costs	\$	-
Public Costs	\$	-
Less: Earned Revenue	\$	-
Total Costs	\$	-
Resources		
Intragovernmental Costs	\$	-
Public Costs	\$	-
Less: Earned Revenue	\$	-
Total Costs	\$	-
Operations		
Intragovernmental Costs	\$	8,073,284
Public Costs	\$	22,345,999
Less: Earned Revenue	\$	125
Total Costs	\$	30,419,408
Total Intragovernmental Costs	\$	8,073,284
Total Public Costs	\$	22,345,999
Total Costs	\$	30,419,283
Less: Earned Revenue	\$	125
Net Cost of Operations	\$	30,419,408

NOTE 10. INTER-ENTITY COSTS

EAC recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgement Fund. EAC recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees.

The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the nine months ended September 30, 2025, respectively, inter-entity costs were as follows:

2025		
Office of Personnel Management	\$	1,439,208
Total Imputed Financing Sources	\$	1,439,208



NOTE 11. UNOBLIGATED BALANCE FROM PRIOR YEAR BUDGET AUTHORITY, NET

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations and other changes such as canceled authority. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2025, consisted of the following:

	2025
Unobligated Balance Brought Forward from Prior Year, October 1	\$ 64,630,127
Recoveries of Prior Year Obligations	8,849,239
Other Changes in Unobligated Balances	(67,751,202)
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 5,728,164

NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Budgetary resources obligated for undelivered orders as of September 30, 2025, were as follows:

	Intragovernmental	Other than Intragovernmental	Total
2025			
Paid Undelivered Orders	\$ 1,351,542	\$ -	\$ 1,351,542
Unpaid Undelivered Orders	1,916,387	14,054,268	15,970,655
Total Undelivered Orders	\$ 3,267,929	\$ 14,054,268	\$ 17,322,197

NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2025 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2026 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2026 Budget of the United States Government, with the "Actual" column completed for 2024, has been reconciled to the Statement of Budgetary Resources.

	Budgetary Resources	New Obligations & Upward Adjustments	Net Outlays
Combined Statement of Budgetary Resources	\$ 149	\$ 84	\$ 32
Unobligated Balances Not Available	(63)		
Budget of the U.S. Government	\$ 86	\$ 84	\$ 32

NOTE 14. CUSTODIAL REVENUES

The EAC's custodial collection primarily consists of Freedom of Information Act requests. While these collections are considered custodial, they are neither primary to the mission of the EAC nor material to the overall financial statements. The EAC total custodial collections are \$0 for the year ended September 30, 2025.



NOTE 15: RECONCILIATION OF NET OPERATING COST & NET BUDGETARY OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

The reconciliation of Net Cost to Net Outlays as of September 30, 2025:

	Intragovern- mental	Other than Intragovern- mental	Total
Net Operating Cost (Revenue) Reported on Statement of Net Cost	\$ 8,073,283	\$ 22,346,125	\$ 30,419,408
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(126,578)	(126,578)
Gains/Losses on All Other Investments	-	(507,232)	(507,232)
Increase/(Decrease) in Assets Not Affecting Budgetary Outlays:			
Accounts Receivable, Net	-	(1,191)	(1,191)
Advances and Prepayments	64,723	(647)	64,076
(Increase)/Decrease in Liabilities Not Affecting Budgetary Outlays:			
Accounts Payable	60,227	584,619	644,846
Federal Employee Salary, Leave, and Benefits Payable	-	(104,654)	(104,654)
Other Liabilities	(1,729)	9,975,510	9,973,781
Financing Sources:			
Imputed Cost	(1,439,208)	-	(1,439,208)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (1,315,987)	\$ 11,820,540	\$ 10,504,553
Components of the Budgetary Outlays That Are Not Part of Net Operating Cost			
Financing Sources:			
Transfers Out (In) Without Reimbursements	8,813	-	8,813
Total Components of the Budgetary Outlays That Are Not Part of Net Operating Cost	\$ 8,813	\$ -	\$ 8,813
Misc Items			
Custodial/Non-Exchange Revenue	(15,000,007)	7	(15,000,000)
Non-Entity Activity	75	-	75
Total Other Reconciling Items	\$ (14,999,932)	\$ 7	\$ (14,999,925)
Total Net Outlays (Calculated Total)	\$ (8,233,823)	\$ 32,166,672	\$ 25,932,849
Budgetary Agency Outlays, net			\$ 24,411,153





Visit our website at oig.eac.gov.

U.S. Election Assistance Commission
Office of Inspector General
633 3rd Street, NW, Second Floor
Washington, DC 20001

Report Waste, Fraud, and Abuse

eacoig@eac.gov | [Online Complaint Form](#)





U.S. ELECTION ASSISTANCE COMMISSION

Section 3

Other Information



OFFICE OF INSPECTOR GENERAL
U.S. Election Assistance Commission

**MANAGEMENT CHALLENGES
FOR THE U.S. ELECTION
ASSISTANCE COMMISSION
IN FISCAL YEAR 2026**



Contents

Introduction	51
1 Managing Resources for Mission Success.....	52
2 Overseeing Grants Effectively	55
3 Strengthening Internal Controls.....	57



U.S. ELECTION ASSISTANCE COMMISSION
OFFICE OF INSPECTOR GENERAL



Introduction

This report presents the Office of Inspector General's (OIG) independent assessment of the top management and performance challenges facing the U.S. Election Assistance Commission (EAC). Under the Government Performance and Results Modernization Act of 2010, major management challenges are defined as programs or management functions that are vulnerable to fraud, waste, abuse, or mismanagement, where poor performance could seriously affect the ability of the agency to achieve its mission or goals.¹

As required by the Reports Consolidation Act of 2000, we annually update our evaluation of the EAC's most serious challenges and briefly assess the agency's progress in addressing them.² To identify this year's challenges, we reviewed our prior top management challenges reports and the results of recent audit, evaluation, and investigative work. We also conducted significant outreach to the agency's leadership team to inform our understanding of the EAC's progress in each area and the obstacles that the agency continues to face.

For fiscal year (FY) 2026, we have identified three challenges the EAC should address:

1. Managing resources for mission success
2. Overseeing grants effectively
3. Strengthening internal controls

While these challenges are similar to those reported for FY 2025,³ we have updated descriptions throughout the report to reflect evolving conditions and emerging risks. We have also combined the first two challenges that were presented last year: *Aligning resources with mission* and *Coordinating to meet customer goals* are now consolidated into *Managing resources for mission success*.

It is important to note the presence of these challenges does not necessarily indicate deficiencies or neglect on the part of the EAC. Many of these issues are complex, long-standing, and influenced by factors beyond the agency's direct control.

OIG remains committed to providing timely oversight of the EAC's programs and operations, and this report will help inform future work.

¹ Government Performance and Results Modernization Act of 2010, Pub. L. No. 111-352 (2011).

² Reports Consolidation Act of 2000, Pub. L. No. 106-531, § 3 (2000).

³ OIG, [Management Challenges for the U.S. Election Assistance Commission in Fiscal Year 2025](#) (November 2024).



1 | Managing Resources for Mission Success

Priority Areas

- Ensuring funding is strategically allocated.
- Engaging early with stakeholders to set realistic expectations.
- Optimizing human capital resources.

Established by the Help America Vote Act (HAVA) in 2002,⁴ the EAC remains the only federal agency specifically tasked with improving election administration.⁵ Its mission is to help election officials to improve the administration of elections and help Americans to participate in the voting process, and its core functions are testing and certifying voting systems, maintaining a national clearinghouse of election information, conducting research on election administration, and administering grants to states and territories.

The success of the EAC’s mission relies on the Commission’s ability to strategically prioritize its resources to carry out its core functions. In FY 2026, this will require making thoughtful decisions about where to allocate funding and human capital to achieve the greatest impact and taking steps to maximize the utility of federal partnerships.

Salaries and Expenses Appropriation

The EAC is facing budget uncertainty heading into FY 2026, which poses challenges to effective planning. While the agency received more than \$26 million for salaries and expenses⁶ in each of the past three fiscal years, the President’s FY 2026 budget request proposes \$15.75 million,⁷ approximately a 40 percent reduction. Without clarity on Congress’ final appropriation amount, the EAC must prepare for multiple budget scenarios. And if there are delays in budget enactment, as there have been in recent years, the time available to pivot is compressed. This uncertainty complicates the agency’s ability to align resources with strategic priorities and sustain momentum on long-term efforts, such as the development of guidelines for election-supporting technologies like electronic poll books and voter registration systems.

This uncertainty also comes at a time when the EAC is prioritizing around compounding election needs. State and local election offices are navigating increased public scrutiny, growing operational demands, and evolving threats, such as those posed by artificial intelligence. As a result, they are relying more than ever on the EAC as a clearinghouse for voluntary guidelines, resources, and best practices. Additionally, demand for this type of support from the EAC may grow, especially as some federal partners—such as the Cybersecurity and Infrastructure

⁴ Help America Vote Act of 2002, Pub. L. No. 107–252, § 201 (2002).

⁵ Congressional Research Service, *Federal Role in U.S. Campaigns and Elections: An Overview* (September 2018).

⁶ Amounts exclude funds appropriated for relocation in FY 2020. Amounts include funds designated for the operations of the Office of Inspector General.

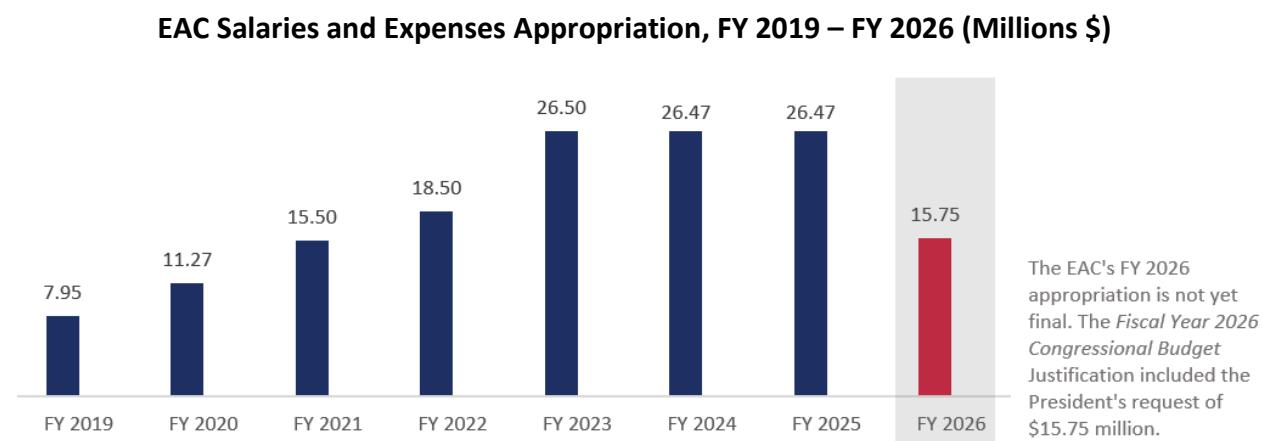
⁷ EAC, *Fiscal Year 2026 Congressional Budget Justification* (2025).



Security Agency—have recently paused election security activities and others—such as the U.S. Postal Service—have faced criticism over their election-related processes.

Meanwhile, state and federal lawmakers could benefit from the EAC’s technical expertise and nonpartisan data to inform decisions on election-related legislation, if they had a clearer understanding of the agency’s role. And the American public, also looking for reliable, official election information, seek trusted sources like Vote.gov, which will be fully maintained by the EAC for the first time in FY 2026.

In response to election integrity concerns, the EAC has also been called upon in a recent executive order to revise its National Mail Voter Registration Form and the Voluntary Voting System Guidelines, which are technical and functional standards for voting equipment adopted by many states.⁸ The EAC has initiated implementation of these activities while participating in, and adhering to the results of, litigation on the matter.



In a scenario where the EAC’s funding is cut significantly, the fixed nature of certain costs further limits the agency’s flexibility to absorb reductions without impacting core functions. In preparation, and on top of deferred resignation and voluntary early retirements already offered, the EAC has “committed to utilizing methods to improve automation of functions and to reduce full-time equivalent (FTE) employment while minimizing service disruptions to states, localities, and the American voter.”⁹ However, difficult trade-off decisions will remain, and the EAC will need to revisit its strategic plan and engage early with stakeholders to set realistic expectations about achievable outcomes in FY 2026.

NIST Transfer

The President’s FY 2026 budget request also includes a provision to transfer \$1.25 million from the EAC’s appropriation to the National Institute of Standards and Technology (NIST) to support election reform activities. While this aligns with HAVA’s mandate for NIST to chair the EAC’s

⁸ [Executive Order 14248, Preserving and Protecting the Integrity of American Elections](#), March 25, 2025.

⁹ [Congressional Budget Justification](#).



Technical Guidelines Development Committee and provide technical recommendations, questions remain about the cost-effectiveness of this arrangement.

Although collaboration between the EAC and NIST has improved in recent years with the implementation of an interagency agreement, annual task planning, and regular coordination, EAC officials have raised concerns about the lack of visibility into NIST's actual cost of delivering services. Although NIST's technical expertise is valued, the amount of support required from them fluctuates year to year, and there may be periods in which funds intended for election reform could be more effectively used directly by the EAC.

Human Resources

As a small agency with a highly specialized mission, the success of the EAC is largely dependent on its human resources. As we identified in previous reports, human capital management continues to be a persistent challenge for the EAC. However, this year, the focus shifts from the difficulties associated with an expanding workforce to the complications of a shrinking one.

EAC officials have taken steps over the past year to improve hiring and performance management processes. They have also transitioned to a new human resources service provider expected to better meet the agency's needs.

Optimizing Human Capital Resources. As noted above, the EAC would further reduce its workforce in reaction to significant budget cuts. In FY 2026, under the President's Budget, the agency reports that it expects to operate with 60 staff members, down from 83 in FY 2025.¹⁰ While this reduction helps to mitigate budgetary pressures, it heightens the need to optimize human capital resources. With fewer people, positions must be carefully aligned with the agency's highest priority functions, which could differ from the functions that currently have higher staffing levels. Moreover, remaining staff may need to cover broader duties or take on responsibilities previously handled by specialists. For example, the EAC's HR manager position is currently vacant, keeping agency leadership heavily involved in day-to-day human resources activities, including coordination with outside service providers.

Compressing more duties into fewer positions, alongside other budget reductions, could also lead to more infrequent opportunities for professional development, promotions, or competitive pay, and drive attrition. In the long run, the agency could be faced with diminished institutional knowledge or a loss of specialized expertise. A loss of election technology experts, for example, could impede the agency's ability to manage voting system certifications in a timely manner.

¹⁰ [Congressional Budget Justification](#).



If hiring is possible in FY 2026, the agency will need to implement the Office of Personnel Management's Merit Hiring Plan¹¹ thoughtfully to ensure that top-tier candidates are recruited and onboarded.

Maintaining a Commissioner Quorum. Another potential threat to the stability of EAC operations is the possible absence of a Commissioner quorum. The EAC is led by four full-time Commissioners, currently with an equal number of Republicans and Democrats. Certain key actions, such as adopting updates to the Voluntary Voting System Guidelines, require approval by at least three Commissioners. In the past, vacancies on the Commission have hindered the EAC's ability to take official action and fulfill core responsibilities.

HAVA specifies that Commissioners serve two consecutive terms but may continue serving until a successor takes office. In the event of a vacancy, the President nominates a replacement, which the Senate must then confirm. Should there be a vacancy in FY 2026, it may take some time for this process to unfold, given competing priorities in both the executive and legislative branches.

One factor that could discourage qualified candidates from accepting or remaining in these roles is that Commissioner salaries have been subject to a freeze on senior political appointee pay rates since 2014,¹² preventing even cost-of-living adjustments and prohibiting bonuses, discretionary awards, and similar types of pay. Additionally, HAVA prohibits Commissioners from engaging in any other business, vocation, or employment while serving as a member of the Commission and requires Commissioners to terminate or liquidate any pre-existing business, vocation, or employment before sitting as a member of the Commission.¹³

2 | Overseeing Grants Effectively

Priority Areas

- Working with grantees to ensure effective use of funds.

Between 2003 and 2024, the EAC awarded and disbursed more than \$4.3 billion in federal formula grants to the 50 states, the District of Columbia, and five U.S. territories to improve the

¹¹ Heads and Acting Heads of Departments and Agencies, memorandum, “[Merit Hiring Plan](#),” May 29, 2025.

¹² Consolidated Appropriations Act of 2014, Pub. L. No. 113-76 (2014).

¹³ Help America Vote Act of 2002, Pub. L. No. 107-252, § 203(d)(2) (2002).



administration of elections. An additional \$15 million in HAVA Election Security Grants was appropriated by Congress for distribution in FY 2025.

Grant funds are not requested in the President's FY 2026 budget, though Congress could still decide to appropriate them. Regardless, these nonexpiring grants are given as advances, and a significant amount of federal funds are currently held by the grantees. According to the EAC, as of March 2024, 37 percent of Election Security grant funds, totaling almost \$396 million, were reported by states as unexpended.¹⁴ Add to this the required state matching funds, interest earned, program income, and unexpended HAVA Section 101 Election Improvement grants and HAVA Section 251 Requirements Payments, and more than a half billion dollars remains to be managed.

Grant recipients have the primary responsibility for ensuring that activities funded by HAVA are carried out in accordance with applicable laws, regulations, guidance, and grant terms. However, because most HAVA grant funds are distributed through predetermined formulas and eligibility criteria, recipients are not required to demonstrate their capacity to meet performance standards or comply with applicable requirements before receiving funding. Additionally, frequent turnover in election offices means that these nonexpiring grants often remain open longer than the tenure of the staff administering them.

These factors amplify the EAC's responsibility to ensure that grants are efficiently and effectively used for their intended purposes. The EAC Office of Grants Management aims to achieve this by issuing guidance on the administration and use of funds, responding to recipients' questions, tracking and reviewing required reports, conducting site visits, addressing audit findings, and performing other administrative tasks. All of this is done to provide reasonable assurance that the grants will achieve their objectives and improve the administration of federal elections.

Over the last several years, the Office of Grants Management has grown in size, enabling improved relationships with stakeholders, an increase in the production of guidance, more site visits, and timely attention to audit findings.¹⁵ Illustrating this, from the 11 grant audit reports issued by OIG between November 2023 and November 2024,¹⁶ only 7 recommendations remain open for the agency to take corrective action on as of September 2025.¹⁷

However, this momentum may be difficult to sustain because the Office of Grants Management has already lost two team members to attrition in recent months and may be further impacted

¹⁴ States provide varying reasons for low expenditure rates, though they often cite unpredictable future award amounts, difficulty meeting state match requirements, the timing of state legislative approvals, and project plans that exceed award funds or are excluded under HAVA or other federal guidance.

¹⁵ Read more about the EAC improvements in grant management in OIG, [*Review of the EAC's Management of HAVA Grants Awarded to Territories*](#) (July 2025).

¹⁶ Recently issued reports related to the administration of grants can be found at <https://oig.eac.gov/reports/grant-audit>.

¹⁷ A current list of open OIG recommendations can be found at <https://oig.eac.gov/open-recommendations>.



if budget cuts materialize. Moreover, if the EAC were to receive additional grant funding in FY 2026, there is no assurance that the EAC’s salaries and expenses appropriation would also increase to help the agency manage the additional workload.

With a substantial portion of existing funds still unspent and ongoing turnover among state election officials, the EAC must ensure that it continues to oversee grants effectively. To meet this challenge, the EAC will need to consider how to keep improving guidance and relationships with grantees with fewer staff and explore scalable solutions to ensure that grant funds are used efficiently and in alignment with HAVA’s objectives.

In FY 2024, the EAC deployed a new grants management system that is expected to streamline the grant office’s operations and open up more staff time for grantee training, development, and technical assistance.

3 | Strengthening Internal Controls

Priority Areas

- Implement up-to-date, written policies and procedures.
- Advance financial management.

Agencies implement internal controls to support the achievement of strategic objectives, facilitate change, and effectively manage risk. A well-designed system of internal controls provides stakeholders reasonable assurance that operations are conducted efficiently and effectively, decision-making is informed by reliable data, and the agency remains in compliance with applicable laws and regulations.

The EAC has historically focused its limited resources on implementing strategic programs, often at the expense of compliance and operational infrastructure—particularly during periods of constrained funding and staffing. As a result, the agency has faced ongoing challenges in maintaining a consistently effective system of internal controls. At present, the agency has 21 open recommendations related to internal controls, stemming from audits of the agency’s financial statements, IT security, internal procurements, and travel administration.¹⁸

However, with recent mandates from the Department of Government Efficiency and the support of funding increases, a stable group of Commissioners, and new senior leaders, the EAC has made notable progress over the past year. For example, agency officials report the launch of a risk management process, organizational restructuring that has enhanced accountability,

¹⁸ A current list of open OIG recommendations can be found at <https://oig.eac.gov/open-recommendations>.



greater segregation of duties, and improved processes and use of technology to ensure supervisory review of transactions. Nonetheless, strengthening internal controls will remain a continued challenge in FY 2026 as the Commission works to address long-standing deficiencies while potentially operating with fewer staff and reduced funding. In particular, the agency needs to focus on the implementation of an up-to-date, written set of policies and procedures and the advancement of financial management.

Policies and Procedures. A fundamental weakness in the EAC's system of internal controls has been the agency's failure to maintain up-to-date policies and procedures in key processes. Problems with the agency's policies and procedures—documented in audit reports dating back to 2006—have been addressed by agency officials as specific issues arise, but not comprehensively and on a regular basis. Currently, the agency has open recommendations to update its procurement,¹⁹ travel,²⁰ and financial procedures.²¹

While agency officials have made progress in strengthening the procurement, travel, and financial processes over the past year, the pace of these corrective actions has been slowed by staffing vacancies, increased workloads, and shifting priorities driven by a change in administration. As a small agency, the EAC still has the responsibilities of a large agency, but with fewer resources to implement broad government reforms and undertake comprehensive policy updates.

In FY 2026, without consistently well-defined policies and procedures in critical processes, it will be difficult to ensure operational consistency, streamline workflows, and minimize errors—factors that are critical to maintaining efficiency and effectiveness.

Financial management. Effective implementation of financial management functions—such as budgeting, forecasting, and expense management—helps ensure that an agency utilizes its funding efficiently and strategically to achieve its mission. For example, well-managed funding obligation processes are necessary for the timely implementation of critical programs, the prevention of unnecessary expenditures, and the identification of unspent funds before they expire—ensuring that every dollar contributes meaningfully to the agency's mission.

With financial management policies and procedures that require updates, and complications caused by service providers' siloed financial systems, the EAC will also face increased pressure to manage its financial resources with greater precision in FY 2026 due to anticipated budget reductions. At the same time, shifts in priorities driven by external mandates may require rapid adjustments to financial plans, and vacancies in key roles within the EAC and its service providers may slow operations.

¹⁹ OIG, *Audit of the U.S. Election Assistance Commission's Internal Procurements* ([P23HQ0025-24-05](#), January 2024), Recommendation 4.

²⁰ OIG, *Audit of the U.S. Election Assistance Commission's Travel Administration* ([F24HQ0053-25-04](#), February 2024), Recommendation 1.

²¹ OIG, *Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2024* ([F24HQ0053-25-01](#), November 2024), Recommendation 1.



The challenge for the agency will be to ensure that financial information is captured completely, accurately, and in a timely manner to give leadership visibility into spending for informed decision-making. Improved recordkeeping will also help to streamline processes such as reporting and audits, helping to save time and resources—a valuable measure given the agency’s small size and limited resources.





U.S. Election Assistance Commission
633 3rd Street NW, Suite 200
Washington, DC 20001

DATE: December 18, 2025
TO: Sarah Dreyer, Inspector General
FROM: Brianna Schletz, Executive Director
RE: Response to the Inspector General's Report Presenting the Top Management and Performance Challenges Facing the U.S. Election Assistance Commission (EAC)

Consistent with Section II.4.4 of OMB Circular A-136, I am submitting this response as the Executive Director of the EAC, with the authority delegated to me by the EAC Commissioners. My comments address the challenges noted by the Inspector General.

For Fiscal Year (FY) 2026, the Inspector General identified three challenges the EAC should address: managing resources for mission success, overseeing grants effectively, and strengthening internal controls. While all three of these challenges are like those reported last year, the EAC agrees with the Inspector General's assessment that the factors driving these challenges are outside of the EAC's control.

Resources: As noted in the Inspector General's assessment, the EAC remains the only federal agency specifically tasked with improving election administration. As such, consistent funding from 2023 through 2025 allowed the EAC to deliver more effective services to election officials and voters, all while keeping Congress well-informed. Regarding the current appropriations process, the EAC will continue to work diligently, but a potentially lowered salaries and expenses figure would pose a significant risk to the successful implementation of new Federal directives. The EAC believes that lifting the pay cap restrictions would allow the agency to recruit and retain highly skilled employees, specifically cybersecurity experts, engineers, and other election specialists. The EAC agrees that retention of employees and EAC Commissioners is especially critical in maintaining institutional knowledge and organizational success.

Grants: The EAC appreciates the Inspector General's conclusion that the EAC must ensure that it *continues* to oversee grants effectively. The EAC Office of Grants Management, while reduced in staff size, has provided excellent service to EAC grantees including conducting site visits and training. As noted, the grants do not expire and are given up front, without requiring recipients to prove they can meet performance standards or comply with requirements before getting the money. This funding mechanism alone presents challenges, even if the EAC was able to staff the grants team at levels comparable to most grant-making agencies. It further complicates audits of grant funds, including the 11 grant audit reports issued by the Inspector General between November 2023 and November 2024, because the Inspector General makes recommendations to the EAC when the action for closure is directed at the state grant recipients. This adds an additional administrative burden to an already understaffed team.



Internal Controls: As noted, the EAC has made material progress to improve internal controls at the agency. We acknowledge that FY 25 presented a unique challenge in that the EAC was expected to reduce staffing while also implementing a multitude of new Federal directives and reporting requirements. The EAC agrees that well-defined policies and procedures in critical processes are vital to ensuring operational consistency, streamlining workflows, and minimizing errors. The EAC will continue to balance limited resources and ensure well-documented and updated procedures exist for the most critical programs, namely financial management.





Visit our website at oig.eac.gov.

U.S. Election Assistance Commission
Office of Inspector General
633 3rd Street, NW, Second Floor
Washington, DC 20001

Report Waste, Fraud, and Abuse

eacoig@eac.gov | [Online Complaint Form](#)



Summary of Financial Statement Audit and Management Assurances

Summary Of Fiscal Year 2025 Financial Statement Audit					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Preparing Financial Statements & Footnote Disclosures	0	1	0	0	1
Total Material Weaknesses	0	1	0	0	1

Summary of Management Assurances					
Effectiveness of Internal Control Over Financial Reporting (FMFIA § 2)					
Statement of Assurance	Modified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Preparing Financial Statements & Footnote Disclosures	0	1	0	0	1
Total	0	1	0	0	1

Effectiveness of Internal Control Over Operations (FMFIA § 2)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0				0
Total	0				0

Conformance with Federal Financial Management Systems Requirements (FMFIA § 4)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0				0
Total	0				0



Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	Auditor
Federal Financial Management System Requirements	No lack of compliance noted	No lack of compliance noted
Applicable Federal Accounting Standards	No lack of compliance noted	No lack of compliance noted
USSGL at Transaction Level	No lack of compliance noted	No lack of compliance noted

Grants Program

Category	2-3 Years	4-5 Years	More than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	0	0	0
Number of Grants/Cooperative Agreements with Undisbursed Balances	0	0	0
Total Amount of Undisbursed Balances	0	0	0

Payment Integrity Information Act of 2019

The EAC is required to complete the Annual Data Call issued by OMB and provide a link to PaymentAccuracy.gov within the AFR.

During its payment recapture audit, the Department of Treasury, Bureau of the Fiscal Service found no instances of improper payments within the agency for FY 2025.

However, the EAC was found not fully compliant with FY 2024 PIIA reporting requirements due to the Agency's FY 2024 payment integrity information was not submitted timely to OMB. The OIG confirmed EAC took appropriate steps to notify OMB that EAC data was missing from PaymentAccuracy.gov, also that distribution list has been updated to ensure future notifications are received without delay, and the issue resolved.





EAC.gov

(866) 747-1471 (toll free) or (202) 451-2031

633 3rd Street NW, Suite 200

Washington, DC 20001