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

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

A/C
Allmond & Company, LLC
Certified Public Accountants
7501 Forbes Boulevard, Suite 200
Lanham, Maryland 20706
(301) 918-8200
Facsimile (301) 918-8201

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 deficiencies[1] 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.

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	We recommend that EAC management: • Document policies and procedures for all significant process areas; including outlining the responsibilities of EAC personnel and the responsibilities of EAC's service providers.	Open
		• Ensure that all management and personnel, directly and indirectly responsible for performing processes outlined, have read, and understand the documented policies and procedures.	Open
		• Perform periodic review of policies and procedures, and policies and procedures are updated in a timely manner.	Open
		• 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.	Open

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

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:

Description	Useful Life (years)
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		
Intgragovernmental Costs	$	-
Public Costs		-
Less: Earned Revenue		-
Total Costs	$	-
Resources		
Intgragovernmental Costs	$	-
Public Costs		-
Less: Earned Revenue		-
Total Costs	$	-
Operations		
Intgragovernmental 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