

# OFFICE OF INSPECTOR GENERAL

U.S. Election Assistance Commission

## AUDIT OF THE U.S. ELECTION ASSISTANCE COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Report No. F23HQ0044-24-02  
November 13, 2023



# HIGHLIGHTS

## AUDIT OF EAC'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Report No. F23HQ0044-24-02

November 13, 2023

### What OIG Audited

The Office of Inspector General (OIG), through the independent public accounting firm of Allmond & Company, LLC, audited the U.S. Election Assistance Commission's (EAC's) financial statements for the fiscal year ended September 30, 2023.

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

### What OIG Found

The audit found that EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2023, 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 accounting principles.

However, the audit identified a significant deficiency in EAC's financial reporting controls related to procurement policies and procedures not being adhered to while entering into contracts.

### What OIG Recommended

The audit made three recommendations to improve EAC's internal controls over financial reporting:

- 1 Utilize a contracting officer to enter into all new contracts.
- 2 Review all current open obligations and have a contracting officer ratify the contracts identified as having no proper authorization.
- 3 Ensure that all signed contracts are appropriately retained by EAC and/or their service provider.



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

**DATE:** November 13, 2023

**TO:** U.S. Election Assistance Commission, Executive Director, Steven Frid

**FROM:** U.S. Election Assistance Commission, Inspector General, Brianna Schletz

**SUBJECT:** Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2023 (Report No. F23HQ0044-24-02)

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, 2023, to provide a report on internal control over financial reporting, report on compliance with laws and other matters, and provide a report on whether 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 EAC, Allmond & Company reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- EAC had no material weaknesses in internal control over financial reporting; however, there was one significant deficiency<sup>1</sup> related to procurement policies and procedures;
- no instances where EAC's financial management systems did not comply substantially with the Federal Financial Management Improvement Act of 1996; and
- no reportable noncompliance with provisions of laws tested or other matters.

Allmond & Company also issued a management letter report discussing control deficiencies related to maintaining documentation and personnel files. This letter will be transmitted separately.

Allmond & Company is responsible for the attached auditor's report dated November 10, 2023, and the conclusions expressed therein. We do not express opinions on EAC's financial statements or internal control over financial reporting, or on whether EAC's financial management systems complied substantially with the applicable provisions of laws tested, or conclusions on compliance and other matters.

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<sup>1</sup> A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit the attention by those charged with governance.

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

**EAC – 2023 Financial Statement Audit**  
**Contract: 47QRAA21D0026/20342123F00006**

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**U.S. Election Assistance Commission**  
**Fiscal Year 2023 Financial Statement Audit**

**Final Independent Auditor’s Report**

*Submitted for review and acceptance to:*

Brianna Schletz  
Contracting Officer's Representative  
Election Assistance Commission Office of Inspector General  
633 3<sup>rd</sup> Street NW, Suite 200  
Washington, DC 20001

*Submitted by:*

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**Final Independent Auditors’ Report**

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

**U.S. ELECTION ASSISTANCE COMMISSION  
AUDIT REPORT  
SEPTEMBER 30, 2023**



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



## Independent Auditor's Report

Christy McCormick, Chairwoman  
Paul Repak, Director of Finance

Inspector General Election Assistance Commission:

### Report on the Financial Statements

#### Opinion

Pursuant to the Accountability of Tax Dollars Act of 2002, we have audited the accompanying financial statements of the Election Assistance Commission (EAC), which comprise the balance sheet as of September 30, 2023; the related statement of net cost, changes in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements (hereinafter referred to as the financial statements).

In our opinion, EAC's financial statements present fairly, in all material respects, EAC's financial position as of September 30, 2023, and its net cost, changes in net position, and budgetary resources for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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. 24-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-01 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 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.

#### Other Matter

The financial statements of EAC as of and for the fiscal year ended September 30, 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on November 14, 2022. These statements were not audited, reviewed, or compiled by us; accordingly, we do not express an opinion or provide any other form of assurance on them.

#### Responsibilities of Management for the Financial Statements

Management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in EAC's Performance and Accountability Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to 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 conducted in accordance with GAAS, generally accepted government auditing standards (GAGAS), and OMB Bulletin No. 24-01 will always detect a material misstatement 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. 24-01, our responsibilities are to exercise professional judgment and maintain professional skepticism throughout the audit, identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. In addition, in making those risk assessments, we 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 EAC's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements, and performing 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 of 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 information in 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 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, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the EAC's 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

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 Performance Accountability Report. The other information comprises the *Chairwoman's Letter, Management and Discussion Analysis, Measuring Performance: Key Results for FY 2023*, and *Other Information* sections but 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 exist 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 audits of EAC's financial statements, we considered EAC's internal control over financial reporting, consistent with the 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<sup>1</sup> or to express an opinion on the effectiveness of EAC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2023 audit, we identified a deficiency in EAC's internal control over financial reporting that we consider to be a significant deficiency. The deficiency is described in the accompanying Exhibit I, *Findings and Recommendations*, to this report. We considered this significant deficiency in determining the nature, timing, and extent of our audit procedures on EAC's fiscal year 2023 financial statements. Although the significant deficiency in internal control did not affect our opinion on EAC's

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<sup>1</sup> 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.

fiscal year 2023 financial statements, misstatements may occur in unaudited financial information reported internally and externally by EAC because of this significant deficiency.

We also identified a deficiency in EAC's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency that, nonetheless, warrants EAC management's attention. We have communicated these matters to EAC management and where appropriate, will report on them separately.

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

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

*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 Internal Control over Financial Reporting*

In planning and performing our audit of EAC's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered 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 EAC's internal control over financial reporting. Accordingly, we do not express an opinion on 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 which are to provide reasonable assurance that (1) 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 (2) 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 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 EAC's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of 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 audits of 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 2023 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

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

#### *Intended Purpose of 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 provisions 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. 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  
November 10, 2023

**Improvements needed over Implementation of the Election Assistance Commission Procurement Policies and Procedures**

**CONDITION**

During our review of the Election Assistance Commission (EAC) procurement activities we noted that EAC needs improvements in the implementation of its procurement policies and procedures. More specifically, we noted the following:

Interim Testing

- For 15 of 111 procurement samples tested, we noted that the contract was signed by an EAC official without the appropriate authority to do so.
- For 1 of 111 procurement samples tested, we noted that the EAC was unable to provide a signed contract to support an obligation recorded in EAC's financial system.

Year-end Testing

- For 1 of 55 procurement samples tested, we noted that the contract was signed by an EAC official without the appropriate authority to do so.
- For 1 of 55 procurement samples tested, we noted that the EAC was unable to provide a signed contract to support an obligation recorded in EAC's financial system.

**CRITERIA**

The U.S. Election Assistance Commission Policies and Procedures, March 2018, Section C *Overview* Subpart 2(a) states that the Commission's policy is to "Acquire all supplies and services following the Federal Acquisition Regulations (FAR) the uniform policies and procedures for acquisition by all executive agencies and this document".

In addition, Section C, subpart 2(e) states that "Only the Contracting Officer can obligate the Commission in procurement activities".

The U.S. Federal Acquisition Regulation, *General*, Section 1.601 (a) states that "Unless specifically prohibited by another provision of law, authority, and responsibility to contract for authorized supplies and services are vested in the agency head. The agency head may establish contracting activities and delegate broad authority to manage the agency's contracting functions to heads of such contracting activities. Contracts may be entered into and signed on behalf of the Government only by contracting officers".

U.S. Government Accountability Office GAO-14-704G, *Standards for Internal Control in the Federal Government* (or "Green Book"), September 2014 revision, *Section 10.3 Proper Execution of Transactions* states that "Transactions are authorized and executed only by persons acting within the scope of their

authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into.”

Additionally, *Section 10.3 Appropriate Documentation of Transactions and Internal Control* 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.”

### **CAUSE**

EAC management did not always adhere to the documented EAC procurement policies and procedures or the Federal Acquisition Regulation (FAR) while entering into contracts with public vendors.

### **EFFECT**

EAC has entered into several unauthorized contracts with public vendors totaling over \$2,636,520 in our sample alone. As a result, EAC has recorded obligations in its financial system for contracts that are not considered legally binding.

Furthermore, EAC failed to comply with the acquisition regulations outlined in the Federal Acquisition Regulation (FAR), the codification and publication of uniform policies and procedures for acquisition by all executive agencies.

### **RECOMMENDATION**

We recommend that EAC management:

- Utilize a contracting officer(s), such as their designated service provider, to enter into all new contracts on behalf of the EAC.
- Review all current open obligations and identify all contracts entered into without proper authorization and have the EAC and/or service provider contracting officer ratify the contracts. Ensure that the authorization is properly documented.
- Ensure that all signed contracts are appropriately retained by EAC and or their service provider.

### **MANAGEMENT RESPONSE**

Management concurs with the condition and will consider the recommendation provided when determining if a corrective action plan should be developed once the audit concludes.

### **AUDITOR RESPONSE**

We will perform follow up procedures during FY 2024 to determine if corrective action has been fully implemented.

**UNITED STATES ELECTION ASSISTANCE COMMISSION**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2023 AND 2022**





**UNITED STATES ELECTION ASSISTANCE COMMISSION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2023 AND 2022**  
**(In Dollars)**

	2023	2022
<b>Assets:</b>		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 93,805,774	\$ 81,819,235
Advances and Prepayments	158,713	541,032
<b>Total Intragovernmental Assets</b>	<b>93,964,487</b>	<b>82,360,267</b>
Other than Intragovernmental Assets:		
Accounts Receivable, Net (Note 3)	17,054	14,004
Property, Plant, and Equipment, Net (Note 4)	1,531,168	600,096
<b>Total Other than Intragovernmental Assets</b>	<b>1,548,222</b>	<b>614,100</b>
<b>Total Assets</b>	<b>\$ 95,512,709</b>	<b>\$ 82,974,367</b>
<b>Liabilities (Note 5):</b>		
Intragovernmental Liabilities:		
Accounts Payable	\$ 545,731	\$ 743,892
Other Liabilities (Note 6)	54,753	44,430
<b>Total Intragovernmental Liabilities</b>	<b>600,484</b>	<b>788,322</b>
Other than Intragovernmental Liabilities:		
Accounts Payable	2,023,566	2,001,788
Federal Employee and Veteran Benefits Payable	496,258	402,436
Other Liabilities (Note 6)	6,599,643	6,047,736
<b>Total Other than Intragovernmental Liabilities</b>	<b>9,119,467</b>	<b>8,451,960</b>
<b>Total Liabilities</b>	<b>\$ 9,719,951</b>	<b>\$ 9,240,282</b>
Commitments and Contingencies (Note 8)		
<b>Net Position:</b>		
Unexpended Appropriations - Funds from Other than Dedicated		
Collections	\$ 84,737,308	\$ 73,490,262
<b>Total Unexpended Appropriations (Consolidated)</b>	<b>84,737,308</b>	<b>73,490,262</b>
Cumulative Results of Operations - Funds from Other than Dedicated		
Collections	1,055,450	243,823
<b>Total Cumulative Results of Operations (Consolidated)</b>	<b>1,055,450</b>	<b>243,823</b>
<b>Total Net Position</b>	<b>\$ 85,792,758</b>	<b>\$ 73,734,085</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 95,512,709</b>	<b>\$ 82,974,367</b>

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF NET COST**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Gross Program Costs (Note 9)</b>		
Program A: Technology		
Gross Costs	\$ 79,609,539	\$ 61,738,056
Less: Earned Revenue	-	-
Net Program Costs	79,609,539	61,738,056
Program B: Resources		
Gross Costs	5,222,235	4,576,290
Less: Earned Revenue	-	-
Net Program Costs	5,222,235	4,576,290
Program C: Operations		
Gross Costs	6,172,032	6,474,894
Less: Earned Revenue	-	-
Net Program Costs	6,172,032	6,474,894
Net Cost of Operations	\$ 91,003,806	\$ 72,789,240

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 73,490,262	\$ 51,624,048
Beginning Balance, as Adjusted	\$ 73,490,262	\$ 51,624,048
Appropriations Received	103,000,000	95,000,000
Other Adjustments	(520,070)	(347,967)
Appropriations Used	(91,232,884)	(72,785,819)
Net Change in Unexpended Appropriations	11,247,046	21,866,214
<b>Total Unexpended Appropriations</b>	<b>\$ 84,737,308</b>	<b>\$ 73,490,262</b>
<b>Cumulative Results of Operations:</b>		
Beginning Balance	\$ 243,823	\$ (99,566)
Beginning Balance, as Adjusted	\$ 243,823	\$ (99,566)
Appropriations Used	91,232,884	72,785,819
Imputed Financing (Note 10)	582,549	346,810
Net Cost of Operations	(91,003,806)	(72,789,240)
Net Change in Cumulative Results of Operations	811,627	343,389
<b>Total Cumulative Results of Operations</b>	<b>\$ 1,055,450</b>	<b>\$ 243,823</b>
<b>Net Position</b>	<b>\$ 85,792,758</b>	<b>\$ 73,734,085</b>

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

**UNITED STATES ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF BUDGETARY RESOURCES**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**  
(In Dollars)

	2023	2022
<b>Budgetary Resources:</b>		
Unobligated Balance From Prior Year Budget Authority, Net (Note 11)	\$ 71,347,972	\$ 119,281,561
Appropriations	103,000,000	95,000,000
<b>Total Budgetary Resources</b>	<b>\$ 174,347,972</b>	<b>\$ 214,281,561</b>
<b>Status of Budgetary Resources:</b>		
New Obligations and Upward Adjustments (Total)	\$ 108,862,443	\$ 152,042,811
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	1,086,825	217,490
Unapportioned, Unexpired Accounts	3,783,490	3,629,837
Unexpired Unobligated Balance, End of Year	4,870,315	3,847,327
Expired Unobligated Balance, End of Year	60,615,214	58,391,423
Unobligated Balance, End of Year (Total)	65,485,529	62,238,750
<b>Total Budgetary Resources</b>	<b>\$ 174,347,972</b>	<b>\$ 214,281,561</b>
<b>Outlays, Net and Disbursements, Net:</b>		
Outlays, Net (Total)	\$ 90,493,391	\$ 67,994,154
<b>Agency Outlays, Net</b>	<b>\$ 90,493,391</b>	<b>\$ 67,994,154</b>

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 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 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>
Leasehold Improvements	4-7
Office Furniture	5
Computer Equipment	5
Office Equipment	5
Software	5

### **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 statements 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 (FEGSIP) 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, 2023 and 2022, were as follows:

	2023	2022
<b>Status of Fund Balance With Treasury:</b>		
Unobligated Balance		
Available	\$ 1,086,826	\$ 217,490
Unavailable	64,398,704	62,021,259
Obligated Balance Not Yet Disbursed	28,320,244	19,580,486
<b>Total</b>	<b>\$ 93,805,774</b>	<b>\$ 81,819,235</b>

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

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, this amount will become part of the unavailable balance as described in the following paragraph.

The unavailable unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

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, 2023 and 2022, were as follows:

	2023	2022
Intragovernmental		
Accounts Receivable	\$ -	\$ -
<b>Total Intragovernmental Accounts Receivable</b>	<b>\$ -</b>	<b>\$ -</b>
Other than Intragovernmental		
Accounts Receivable	\$ 17,054	\$ 14,004
<b>Total Other than Intragovernmental Accounts Receivable</b>	<b>\$ 17,054</b>	<b>\$ 14,004</b>
<b>Total Accounts Receivable</b>	<b>\$ 17,054</b>	<b>\$ 14,004</b>

The accounts receivable is primarily made up of moneys 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, 2023 and 2022.

### NOTE 4. PROPERTY, PLANT, AND EQUIPMENT, NET

Schedule of General Property, Plant, and Equipment, Net as of September 30, 2023 and 2022:

	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
<b>2023</b>			
<b>Major Class:</b>			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	846,499	352,041	494,458
Software	86,414	17,704	68,710
Software In Development	968,000	-	968,000
<b>Total</b>	<b>\$ 1,900,913</b>	<b>\$ 369,745</b>	<b>\$ 1,531,168</b>
<b>2022</b>			
<b>Major Class:</b>			
Buildings	\$ -	\$ -	\$ -
Furniture and Equipment	844,011	267,469	576,542
Software	32,119	8,565	23,554
<b>Total</b>	<b>\$ 876,130</b>	<b>\$ 276,034</b>	<b>\$ 600,096</b>

### NOTE 5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the EAC as of September 30, 2023 and 2022, 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.

	2023	2022
Intragovernmental-Unemployment Insurance	-	1,198
Unfunded Leave	487,196	363,503
Total Liabilities Not Covered by Budgetary Resources	\$ 487,196	\$ 364,701
Total Liabilities Covered by Budgetary Resources	9,227,178	8,870,005
Liabilities Not Requiring Budgetary Resources	5,577	5,576
<b>Total Liabilities</b>	<b>\$ 9,719,951</b>	<b>\$ 9,240,282</b>

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, 2023 and 2022, were as follows:

	Current	Non-Current	Total
<b>2023</b>			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 11,672	\$ -	\$ 11,672
Custodial Liability (to the general fund)	5,577	-	5,577
Employer Contributions and Payroll Taxes Payable	37,504	-	37,504
<b>Total Intragovernmental</b>	<b>\$ 54,753</b>	<b>\$ -</b>	<b>\$ 54,753</b>
Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$ 158,509	\$ -	\$ 158,509
Other Liabilities w/Related Budgetary Obligations	6,441,134	-	6,441,134
<b>Total Other than Intragovernmental</b>	<b>\$ 6,599,643</b>	<b>\$ -</b>	<b>\$ 6,599,643</b>
<b>Total Other Liabilities</b>	<b>\$ 6,654,396</b>	<b>\$ -</b>	<b>\$ 6,654,396</b>
<b>2022</b>			
Intragovernmental:			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 7,510	\$ -	\$ 7,510
Custodial Liability (to the general fund)	5,576	-	5,576
Employer Contributions and Payroll Taxes Payable	23,696	-	23,696
Other Post Employment Benefits Due and Payable	6,450	-	6,450
Other Unfunded Employment Related Liability	1,198	-	1,198
<b>Total Intragovernmental</b>	<b>\$ 44,430</b>	<b>\$ -</b>	<b>\$ 44,430</b>

Other than Intragovernmental:			
Accrued Funded Payroll and Leave	\$	102,415	\$ - \$ 102,415
Other Liabilities w/Related Budgetary Obligations		5,945,321	- 5,945,321
<b>Total Other than Intragovernmental</b>	<b>\$</b>	<b>6,047,736</b>	<b>\$ - \$ 6,047,736</b>
<b>Total Other Liabilities</b>	<b>\$</b>	<b>6,092,166</b>	<b>\$ - \$ 6,092,166</b>

## NOTE 7. LEASES

### Operating Leases

In Fall 2020, the EAC relocated to its current headquarters at 633 3<sup>rd</sup> 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:

	<b>Office Space</b>	<b>Total Federal</b>
<b>Fiscal Year</b>		
2024	\$ 714,321	\$ 714,321
2025	718,129	718,129
2026	722,017	722,017
2027	725,986	725,986
2028	730,038	730,038
After 2028	1,595,782	1,595,782
<b>Total Future Lease Payments</b>	<b>\$ 5,206,273</b>	<b>\$ 5,206,273</b>

The operating lease amount does not include estimated payments for leases with annual renewal options.

## NOTE 8. COMMITMENTS AND CONTINGENCIES

The EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2023 and 2022.

## 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:

	<b>2023</b>	<b>2022</b>
Technology		
Intgragovernmental Costs	\$ 2,946,306	\$ 2,247,174
Public Costs	76,663,233	59,490,882
Less: Earned Revenue	-	-
<b>Total Costs</b>	<b>79,609,539</b>	<b>61,738,056</b>

Resources			
Intergovernmental Costs	\$	1,851,881	\$ 2,056,378
Public Costs		3,370,354	2,519,912
Less: Earned Revenue		-	-
<b>Total Costs</b>		<b>5,222,235</b>	<b>4,576,290</b>
Operations			
Intergovernmental Costs	\$	3,104,011	\$ 3,606,176
Public Costs		3,068,021	2,868,718
Less: Earned Revenue		-	-
<b>Total Costs</b>		<b>6,172,032</b>	<b>6,474,894</b>
Total Intragovernmental Costs	\$	7,902,198	\$ 7,909,728
Total Public Costs		83,101,608	64,879,512
<b>Total Costs</b>		<b>91,003,806</b>	<b>72,789,240</b>
Less: Earned Revenue		-	-
<b>Net Cost of Operations</b>	<b>\$</b>	<b>91,003,806</b>	<b>\$ 72,789,240</b>

#### 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 years ended September 30, 2023 and 2022, respectively, inter-entity costs were as follows:

		2023		2022
Office of Personnel Management	\$	582,549	\$	346,810
<b>Total Imputed Financing Sources</b>	<b>\$</b>	<b>582,549</b>	<b>\$</b>	<b>346,810</b>

#### NOTE 11. NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD, OCTOBER 1

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, 2023 and 2022, consisted of the following:

		2023		2022
Unobligated Balance Brought Forward From Prior Year, October 1	\$	62,205,344	\$	42,075,304
Recoveries of Prior Year Obligations		9,662,698		77,554,224
Other Changes in Unobligated Balances		(520,070)		(347,967)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$</b>	<b>71,347,972</b>	<b>\$</b>	<b>119,281,561</b>

A manual adjustment was made to the unobligated balance brought forward from prior year, October that is reflected on EAC's SF 133 line 1020. This adjustment was to correct accounting errors in the amount of \$33,406.

**NOTE 12. UNDELIVERED ORDERS AT THE END OF THE PERIOD**

Budgetary resources obligated for undelivered orders as of September 30, 2023 and 2022 were as follows:

	Federal	Non-Federal	Total
<b>2023</b>			
Paid Undelivered Orders	\$ 158,712	\$ -	\$ 158,712
Unpaid Undelivered Orders	1,659,194	17,433,873	19,093,067
<b>Total Undelivered Orders</b>	<b>\$ 1,817,906</b>	<b>\$ 17,433,873</b>	<b>\$ 19,251,779</b>
<b>2022</b>			
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	1,729,567	8,980,914	10,710,481
<b>Total Undelivered Orders</b>	<b>\$ 2,270,599</b>	<b>\$ 8,980,914</b>	<b>\$ 11,251,513</b>

**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 2023 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2024 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The Fiscal Year 2024 Budget of the United States Government, with the "Actual" column completed for 2022, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

(In Millions)

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 214	\$ 152	\$ -	\$ 68
Unobligated Balance Not Available	(58)	-	-	-
<b>Budget of the U.S. Government</b>	<b>\$ 156</b>	<b>\$ 152</b>	<b>\$ -</b>	<b>\$ 68</b>

**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's total custodial collections are \$0 and \$0 for the years ended September 30, 2023 and 2022, respectively.

**NOTE 15: RECONCILIATION OF NET COST TO NET 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, 2023:

	Intragovern- mental	Other than Intragovern- mental	Total
<b>Net Operating Cost</b>	<b>\$ 7,902,198</b>	<b>\$ 83,101,608</b>	<b>\$ 91,003,806</b>
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(93,711)	(93,711)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	3,051	3,051
Advances and Prepayments	(382,320)	-	(382,320)
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	198,161	(21,778)	176,383
Federal Employee and Veteran Benefits Payable	-	(93,822)	(93,822)
Other Liabilities	(10,322)	(551,908)	(562,230)
<b>Financing Sources:</b>			
Imputed Cost	(582,549)	-	(582,549)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (777,030)</b>	<b>\$ (758,168)</b>	<b>\$ (1,535,198)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of Capital Assets	-	1,024,783	1,024,783
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$ 1,024,783</b>	<b>\$ 1,024,783</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 7,125,168</b>	<b>\$ 83,368,223</b>	<b>\$ 90,493,391</b>
<b>Budgetary Agency Outlays, net</b>			<b>\$ 90,493,391</b>

The reconciliation of Net Cost to Net Outlays as of September 30, 2022:

	Intragovern- mental	Other than Intragovern- mental	Total
<b>Net Operating Cost</b>	<b>\$ 7,909,729</b>	<b>\$ 64,879,511</b>	<b>\$ 72,789,240</b>

**Components of Net Operating Cost Not Part of the Budgetary Outlays**

Property, Plant, and Equipment Depreciation Expense	-	(92,824)	(92,824)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	1,664	1,664
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	(433,229)	1,109,070	675,841
Federal Employee and Veteran Benefits Payable	-	795	795
Other Liabilities	65,945	(5,557,436)	(5,491,491)
<b>Financing Sources:</b>			
Imputed Cost	(346,810)	-	(346,810)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (714,094)</b>	<b>\$ (4,538,731)</b>	<b>\$ (5,252,825)</b>

**Components of the Budget Outlays That Are Not Part of Net Operating Cost**

Acquisition of Capital Assets	-	457,739	457,739
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$ 457,739</b>	<b>\$ 457,739</b>

**Misc Items**

Custodial/Non-Exchange Revenue	5,576	(5,576)	-
<b>Total Other Reconciling Items</b>	<b>\$ 5,576</b>	<b>\$ (5,576)</b>	<b>\$ -</b>

<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 7,201,211</b>	<b>\$ 60,792,943</b>	<b>\$ 67,994,154</b>
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<b>Budgetary Agency Outlays, net</b>			<b>\$ 67,994,154</b>
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**NOTE 16. COVID-19 ACTIVITY**

On March 27th, 2020 the President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES) to protect the American people from the public health and economic impacts of COVID-19 pandemic. The Act provided \$400 million to the EAC, to allocate to 56 states and territories “to prevent, prepare for and respond to coronavirus, domestically or internationally for the 2020 Federal election cycle.” The CARES Act provided the funds to EAC under Section 101 of HAVA. Therefore, EAC followed the requirements of Section 101 to allocate the funds to the states to address issues arising from the pandemic during the remaining primaries and the general election in November 2020. The funds could only be used for costs associated with the pandemic during this election season.

COVID-19 Activity as of September 30, 2023 and 2022:

		<b>2023</b>	<b>2022</b>
<b>COVID-19 Activity</b>			
Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from PY	\$	57,447,435	\$ 37,427,788
Rescissions/Other Changes to Budgetary Resources		8,794,366	77,242,879
Budgetary Resources Obligated		(6,815,692)	(57,223,232)
<b>Budgetary Resources: Ending Unobligated (and unexpired) Balance to be Carried Forward</b>	<b>\$</b>	<b>59,426,109</b>	<b>\$ 57,447,435</b>

<b>Outlays, Net (Total)</b>	<b>\$ (6,928,815)</b>	<b>\$ (20,292,640)</b>
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In addition, this note should refer to other notes that discuss COVID-19 impacts. These could include, among others, the following notes: FBWT (Note 2), liabilities not covered by budgetary resources (Note 5), other liabilities (Note 6), intra-governmental costs and exchange revenue (Note 9), inter-entity costs (Note 10), etc.



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