



# U.S. ELECTION ASSISTANCE COMMISSION



## AGENCY FINANCIAL REPORT

November 15, 2021

ABOUT THIS REPORT

The Reports Consolidation Act of 2000 authorizes federal agencies, with the Office of Management and Budget's (OMB) concurrence, to consolidate various reports to provide performance, financial, and related information in a more meaningful and useful format. As done in previous years, the EAC has chosen an alternative reporting to the consolidated Performance and Accountability Report. Instead, it produces an Agency Financial Report and a Congressional Budget Justification, under OMB Circular A-11.

This Fiscal Year (FY) 2021 Agency Financial Report describes the commission's accomplishments, financial activity, and ongoing efforts to strengthen internal controls and financial management.

## MESSAGE FROM THE CHAIRMAN

The United States Election Assistance Commission (EAC) is an independent, bipartisan agency established by Congress in 2002, “to assist in the effective administration of Federal elections.”

The Help America Vote Act (HAVA), which was signed into law on October 29, 2002, established major election reforms to the nation’s voting process. The EAC was charged with: the development of policies and guidelines in aiding state election agencies to meet expectations standardized in HAVA, the creation of the Voluntary Voting System Guidelines (VVSG), the establishment of a national voting system certification program, the administration of HAVA grants, and the administration of the National Voter Registration form. The unique mission of the EAC makes it the nation’s only federal agency solely focused on election administration.

The EAC presents summarized performance data in this report and will provide more detailed data in conjunction with the FY 2022 Congressional Budget Justification.

In FY 2021, the EAC continued to focus on its response to the unprecedented challenges of the COVID-19 pandemic during the primary and general election seasons. EAC related activities included:

- a) continued oversight for \$400 million in emergency funding to the states to prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle;
- b) continued oversight for \$425 million in new HAVA security grants funding to the states for election administration enhancements;
- c) expanding the Cyber Access and Security program (CAS) team, allowing the EAC to improve the agency’s ability to respond to cybersecurity threats and assist the states with cyber resources;
- d) conducting public hearings and adopting the VVSG 2.0;
- e) replacing key personnel and increasing staff to enhance the EAC’s mission;
- f) creating and filling several election subject matter expert (SME) positions to enhance the EAC’s clearinghouse function, with one of these SMEs being fully dedicated to accessibility issues;
- g) hosting a wide range of virtual hearings, roundtable discussions, meetings of the EAC boards, and other events involving state and local election officials, federal partners, subject matter experts, and advocates;
- h) creating a new discretionary federal advisory committee: The Local Leadership Council, which offers key input from election officials at both the state and local level;
- i) responding to media inquiries regularly to dispel misinformation and serve as a trusted source to better educate voters;
- j) implementing infrastructure security safeguards to enhance, modernize, and implement a cost-effective technology infrastructure and systems adhering to Federal Information Security Modernization Act (FISMA) and other modernization of federal government efforts such as Cloud First; and
- k) completed relocation of EAC office space from Silver Spring to D.C.;
- l) commissioned Rutgers to complete accessibility study for the 2020 elections lessons learned;

- m) commissioned MIT to provide a report to the EAC on lessons learned of the 2020 election;
- n) began the process to implement a pilot e-poll book program to help secure voting technologies that currently do not have federal standards, completed phase I of draft security requirements.

Below is a summary of the agency's key activities and accomplishments during FY 2021.

## **1. ADMINISTRATION AND OVERSIGHT OF HAVA GRANTS**

Members of Congress provided critical financial support to the states and territories through the EAC under the Consolidated Appropriations Act of 2020. Election Security funds were authorized under Title I Section 101 of HAVA. Grants are made available to states to improve the administration of federal elections, including to enhance technology and make election security improvements. In FY 2021, the Grants Office continued providing technical assistance and oversight for these grants, including the CARES grants.

## **2. STRENGTHENING ELECTION SECURITY AND VOTER CONFIDENCE**

While election security has always been a priority, the threat of foreign adversaries has resulted in an unprecedented commitment to improving information sharing and securing our election system. Alongside its federal partners, the EAC has played an integral role in preparing state and local election authorities for potential interference from domestic and foreign threats alike through election misinformation and disinformation campaigns, persistent attempts to breach election systems and voter registration databases, and other emerging threats.

The EAC is continually looking for additional ways to support cybersecurity efforts at the state and local level. As part of that effort, the EAC launched the Cyber Access and Security program (CAS) in FY 2020 to provide access to security training, best practices, expertise, and other assistance for election officials tasked with protecting critical election infrastructure. The program partners with public and private security experts to ensure that election officials have the most up-to-date and best in class information available through the EAC's Clearinghouse.

### **Key program initiatives included the following:**

- a) An important part of this program has been the addition of staff who have a range of experience in the cybersecurity and elections fields.
- b) Continuing throughout FY 2021, the EAC offered online cybersecurity training at no cost and developed specifically for election officials. The online training consists of both video and written materials separated into three modules. It provides foundational knowledge on cybersecurity terminology, best practices in election offices, practical application, and communication.
- c) Throughout FY 2021, the EAC continued hosting a joint CISA-EAC online risk management tool on its website allowing election officials at the local level to easily measure and mitigate risks to their specific environments.
- d) CAS continues to update materials currently posted to the EAC website and works to develop new material related to vulnerability disclosure programs, social engineering mitigation, and case studies.

### **3. VOTING SYSTEM TESTING AND CERTIFICATION**

As states seek to invest in the purchase of new voting equipment, election leaders are continuing to turn to the EAC's Testing and Certification Program as a key resource in ensuring the nation's voting systems are tested to confirm the secure and accurate tabulation of ballots. This includes seeking information about how best to develop Requests for Proposals, information on the systems currently certified, and implementation of the next iteration of the Voluntary Voting System Guidelines, known as VVSG 2.0.

The VVSG consists of guidelines and requirements against which voting systems are tested to determine if the systems meet required standards. The EAC's goal is to bring technological gains in security and other factors to the voters. Some additional factors examined under these tests include functionality, accessibility, accuracy, and auditability. HAVA mandates that the EAC develop and maintain these requirements, as well as test and certify voting systems. These guidelines are voluntary, and states may decide to adopt them entirely or in part.

In February the EAC Commissioners unanimously approved the VVSG 2.0 documents including the Principles and Guidelines, the Testing and Certification Program Manual, the Voting System Test Laboratory Manual, and the VVSG 2.0 Test Assertions. The VVSG 2.0 represents a significant advancement in defining standards that will serve as the cornerstone of the next generation of voting systems. It contains much needed improvements in cybersecurity, accessibility, and usability requirements. The VVSG 2.0 also supports various audit methods supporting software independence to confirm the accuracy of the vote and increase voter confidence. With its adoption, manufacturers are empowered to begin designing and building voting machines according to these new guidelines.

Since adoption of the VVSG 2.0, the EAC has worked to implement the new standard by working with NIST's NVLAP to prepare for accreditation of the voting system test laboratories (VSTLs), drafting a VVSG Lifecycle Policy, and working with NIST on establishing an end-to-end cryptographic protocol evaluation plan.

One growing area of voting technology that is not subject to federal standards is electronic pollbooks, also known as e-poll books. The EAC unanimously supports the development of federal standards to better secure voting technology in order to secure voting systems nationally. The EAC has begun the process to implement a pilot e-poll book program and has completed phase I of draft security requirements. The agency is meeting with manufacturers, testing labs, and election officials to build a robust, cost saving, and security enhancing e-poll book program moving forward.

### **4. ELECTION ADMINISTRATION RESEARCH & BEST PRACTICES**

#### **a) Election Administration and Voting Survey (EAVS)**

In 2021, EAC collected data related to the administration of elections from 56 U.S. States and Territories. Using the EAVS and Policy Survey, this data collection informs on the impact of election day operations, [NVRA](#) and [UOCAVA](#). The EAVS is comprised of more than 400 variables and reaches approximately 6,500 respondents. The Policy Survey accompanies the EAVS and provides a contextual understanding of state laws, policies and procedures governing federal elections. In August 2021, the EAC has published its comprehensive report

on the 2020 election.

In anticipation of compiling information from the 2022 election and publishing the EAC's Election Administration and Voting Survey (EAVS) comprehensive report in 2023, the EAC initiated a needs assessment review in FY 2021 by interviewing 27 states about their experiences completing the 2020 EAVS and also gathered input from participants about the 2022 EAVS.

Based on the increased use of absentee and mail ballots by voters during the pandemic, the Policy Survey was revised and expanded with new questions on electronic ballot transmission, mail balloting deadlines, postmark requirements, and election certification dates. For the second time since publishing the survey, the EAC initiated usability testing of the survey, and conducted outreach calls with nine states to improve the agency's technical assistance for completing the survey. A second round of user testing for the 2022 survey instruments is planned for late 2021.

b) Original Research Studies

As a resource for best practices the EAC commissioned two original research studies. *Lesson Learned from the 2020 Election* is a report that provides an account of how the American system of election administration responded to the significant barriers erected by the pandemic challenges. *Disability and Voting Accessibility in the 2020 Elections: Final Report on Survey Results* is a study that examines progress in voting accessibility since 2012.

c) Voter Registration and Accessibility for Voters with Disabilities

The EAC updated the National Mail Voter Registration form instructions and accompanying language translations in response to requests from nine different states. EAC is currently in the process of renewing OMB approval and accepting the first round of public comments on the form until November 12, 2021. The EAC offers a Braille translation of the form's content alongside 15 other language translations.

d) Employee Engagement Committee

In 2021, the EAC revitalized its Employee Engagement Program by establishing a committee of employees that works towards fostering stronger employee connections to their organization, job, and coworkers. EAC is committed to building a more engaged workforce to positively drive productivity, service quality, and organizational performance. Throughout the year, the Employee Engagement Committee worked on several initiatives with these commitments in mind. The committee gathered feedback from employees through a general satisfaction survey to create an employee feedback loop that leadership can use to adjust the organization, explore what was needed to increase employee job satisfaction; and increase employee buy-in and input into agency objectives and procedures. The Awards for Years of Service is an opportunity for the agency to recognize employees that have dedicated 5, 10 and 20 years of service to the agency. EAC also deployed an Institutional Knowledge survey, which was an opportunity for staff to inform leadership of their specialized skills. With such a diverse staff comprised of many talents and skillsets, the purpose of this survey was to identify and get a better understanding of staff specializations that will enable the EAC to optimize its workforce. As a product of this committee, EAC intends to improve productivity, performance, customer

satisfaction and morale.

e) Clearinghouse Awards

In February, the EAC announced the winners of the 2020 Clearinghouse Awards for Best Practices in Election Administration. The awards, also known as the Clearies, provide election offices across America an opportunity to share their innovative efforts and election administration successes. The Clearies further the EAC's responsibilities under HAVA to serve as a clearinghouse for election administration information. The EAC received a record 137 submissions for the awards, tripling the number from 2019.

Now in its fifth year, the award categories celebrate innovation in election administration, improving voting accessibility for voters with disabilities, best practices in recruiting, training and retaining election workers, and creative and original "I Voted" sticker design. New for the 2020 Clearies was the category for innovation in election cybersecurity and technology.

## **5. AGENCY CYBERSECURITY AND TECHNOLOGY**

The EAC continued to implement its multiyear technology upgrade plan to secure and modernize its information technology systems in FY 2021. The EAC implemented numerous real-time threat protection tools with enhanced traffic visibility (hardware and software) to mitigate risk to the EAC network. In accordance with EO 14028, Improving the Nation's Cybersecurity, the EAC has developed a plan to migrate to a zero-trust architecture and performed the first steps in completing this plan. Also, in accordance with EO 14028, the EAC entered into a memorandum of understanding with CISA to participate in their continuous diagnostics and mitigation (CDM) program. Finally, the agency began the roll out of updated end-user laptops agency wide during FY 2021. These efforts have resulted in a more scalable, cost effective, robust, secure, and efficient network for the agency.

## **6. CLEARINGHOUSE SUPPORT TO ELECTION OFFICIALS**

The EAC is required by HAVA to establish best practices for election administration. While all divisions of the EAC work to fulfill the agency's mission, additional funding in FY 2021 allowed the EAC to create a dedicated Clearinghouse Division in furtherance of the clearinghouse mandate of HAVA.

To further improve how the agency fulfills the clearinghouse mandate, a new division was formed in 2021 to build on subject matter expertise for the development of best practices and guidance to EAC stakeholders including election officials at the state and local levels. Consisting of 6 former election officials and experts on election law, accessibility, and design, the Clearinghouse Division has led the creation of additional timely guidance documents to address pressing issues in election administration. The team published the following documents: [Best Practices: FAQs](#), [EAC's Testing and Certification Program](#), [Local Election Officials' Guide to Redistricting](#), [Chain of Custody Best Practices](#), and [Best Practices: Accessible Voter Registration](#).

## **7. AGENCY RELOCATION**

The EAC was funded by Congress in FY 2020 to relocate. The agency finalized the move the week of November 2020 and since then, construction has progressed throughout FY 2021. The

EAC's previous space was inadequate for the growing number of staff, which forced the agency to assume unnecessary costs to host hearings and other events. The agency relocation will better position it to interact with stakeholders and other federal partners in the space.

A handwritten signature in blue ink, consisting of the letters 'D' and 'P' followed by a long horizontal line.

Donald Palmer  
U.S. Election Assistance Commission Chairman



# TABLE OF CONTENTS

	<b>Page</b>
<b>SECTION I - Management Discussion and Analysis</b> .....	<b>1</b>
I.A. Background, Vision, Mission and Organizational Structure .....	1
Funding .....	4
Organization by Program .....	5
Organization Chart .....	8
I.B. Performance Goals, Objectives, and Results.....	9
How EAC Assesses Performance .....	9
Accomplishments by Goal.....	9
FY 2021 Performance Summary .....	23
Portfolio Analysis .....	25
I.C. Financial Results .....	26
Budgetary Resources.....	26
Financial Position.....	26
Results of Operations .....	27
Limitations of the Financial Statements.....	27
I.D. Analysis of Controls, Management Systems, and Legal Compliance .....	28
Internal Control Environment .....	28
Federal Manager’s Financial Integrity Act .....	28
Entity-Wide Security Program .....	28
Federal Information Security Management Act.....	29
Audit Follow-Up .....	29
Federal Financial Management Improvement Act.....	29
Accountability of Tax Dollars Act of 2002.....	29
Inspector General Act Amendments of 1988 .....	29
Fraud Reduction Report .....	29
GONE Act .....	34
Annual Assurance Statement on Internal Control.....	35
<b>SECTION II – Financial Section</b> .....	<b>36</b>
II.A. Inspector General’s Assessment .....	37
II.B. Independent Auditor’s Report.....	39
<b>SECTION III - Other Accompanying Information</b> .....	<b>63</b>
III.A. Major Management and Performance Challenges Facing the EAC.....	64
III.B. Improper Payments.....	72
III.C. Summary of Financial Statement Audit and Management Assurances.....	72

## SECTION I

### Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) is presented per the Statement of Federal Financial Accounting Standards (SFFAS) 15. The MD&A intends to provide a clear and concise description of the agency's mission and organizational structure; high-level discussion of key performance goals, results, and measures; analysis of financial statements, systems, controls, and legal compliance; and actions taken or planned to address issues. It provides a balanced analytical assessment, with both positive and negative information, of key program, and financial performance. The MD&A is a vehicle for communicating insights about the agency, its operations, programs, successes, challenges, and future outlook. Contents of this report and the MD&A are in conformance with the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*.

#### I.A. BACKGROUND, VISION, MISSION AND ORGANIZATIONAL STRUCTURE

In October 2002, Congress passed the Help America Vote Act (HAVA) of 2002. The law recognized the need for states to invest in their election infrastructure. The Act set out comprehensive programs of funding, voluntary guidance, and research. HAVA established the Election Assistance Commission (EAC) to foster those programs and promote and enhance voting for United States citizens. In passing the EAC's 2018-2022 Strategic Plan, the EAC framed the mission and vision of the agency set out in its chartering legislation with the following:

##### **EAC Mission Statement:**

*The U.S. Election Assistance Commission helps election officials improve the administration of elections and helps Americans participate in the voting process.*

##### **EAC Vision Statement:**

*A trusted, proactive, and responsive federal agency that helps election officials administer and voters participate in elections.*

The EAC is an independent, bipartisan agency. By statute, four full-time Commissioners, appointed by the President and confirmed by the U.S. Senate, and three federal advisory committees: the Standards Board, Board of Advisors, and Technical Guidelines Development Committee guide the EAC. Currently, there are four Commissioners. The EAC's statutory mission consists of:

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

h) [auditing](#) the use of HAVA funds.

The Standards Board and the Board of Advisors provide advice and guidance to the EAC on the Voluntary Voting System Guidelines (VVSG) and other election administration issues. HAVA established the Technical Guidelines Development Committee (TGDC) to help the EAC prepare the VVSG and voting systems test against the established VVSG standards.

The Director of the National Institute of Standards and Technology (NIST) of the U.S. Department of Commerce serves as the Chair of the TGDC and provides technical support to the Committee. Additionally, HAVA specifies that NIST provides recommendations to the EAC regarding voting system test laboratories. Since Fiscal Year (FY) 2004, the EAC's annual appropriations have included a total to date of \$40.9 million for NIST support.

In FY 2003 and FY 2004, Congress appropriated nearly \$3 billion in federal financial assistance for payments to states under Titles I and II of HAVA. States received the funds to upgrade their voting systems, establish statewide voter registration databases, train election officials, and educate voters. In FY 2003, the General Services Administration (GSA) distributed \$649.5 million in HAVA funds to the fifty states, Guam, Puerto Rico, the U.S. Virgin Islands, American Samoa, and the District of Columbia on the EAC's behalf. The funds were distributed for activities to improve the administration of elections (HAVA Section 101) and replace punch cards and lever voting machines (Section 102).

The Senate confirmed four Commissioners in December 2003, and the EAC began operations in January 2004. The agency's FY 2004 operating budget was \$1.7 million. At the close of the fiscal year, the EAC had a staff of 18. The EAC's focus in 2004 was to assemble a team, obtain office space, arrange for administrative support from the GSA, establish a website, start election administration clearinghouse operations, and distribute federal financial assistance to the states.

In FY 2004, EAC also appointed a statutorily required General Counsel. During FY 2005, EAC appointed its other statutorily required positions: the Executive Director, and an interim Inspector General. The EAC had several focus areas in subsequent years.

- Upgrading the VVSG;
- Performing research to promote effective federal elections;
- Presenting vital data on election best practices;
- Instituting a testing and certification program;
- Auditing state HAVA funds; and
- Disseminating information on improving elections to its stakeholders.

In FY 2007, Congress recognized the expanding agency responsibilities and lifted the full-time equivalent (FTE) staffing ceiling of 24. As of the end of FY 2021, the EAC had 46 FTE. Since its inception, the EAC has received \$2,606,150,000 in requirements payments; and \$25,550,000 in discretionary grant funds for poll workers, mock elections, election data collection, voting technology improvement research and equipment, pre-election logic and accuracy testing, and post-election verification. The EAC also tracks and provides technical assistance on the Section 101 funds to improve the administration of federal election, which is reported by the states. The period for using the Section 102 punch card/lever replacement funds expired, and the EAC collected all unused funds

by the end of FY 2018. In FY 2018 and FY 2020, Congress appropriated \$380 million and \$425 million in formula grants to improve federal elections. In FY 2020, Congress appropriated an additional \$400 million in grant funds to the EAC through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help states prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle.

In FY 2015, the Senate confirmed three Commissioners appointed by the President. In FY 2018, there were two Commissioner vacancies.

In FY 2019, the Senate confirmed two Commissioners appointed by the President. The EAC currently has a full quorum of Commissioners.

### **COVID-19 Activity**

The EAC did not receive supplemental funding for internal operations. On March 12, 2020, the EAC expeditiously moved to conduct all operations and activities remotely in response to the pandemic. While EAC already had a functioning telework system, the shift of daily operations to full remote work led to increased provisions in IT equipment, telecommunication equipment, and software, such as Zoom, to assist a constant level of productivity and activity. Virtual operations continued throughout FY 2021.

In the latter half of FY 2020 and throughout FY 2021, the EAC adapted how it served election stakeholders and provided resources throughout the pandemic. All divisions worked closely with the Finance Division to coordinate budget and resource adjustments. In adherence to COVID-19 restrictions, the EAC adjusted activities and programs. The agency added resources and events to help support election administration during the pandemic. The EAC Commissioners limited activity to mission-critical travel and instead conducted a series of virtual interviews and roundtables with stakeholders. Also, the EAC hosted virtual annual board meetings. Additionally, the agency oversees the return of the unused CARES grants from states that are sent to Treasury.

**FUNDING**

**EAC Appropriation History Fiscal Years 2003 – 2021**

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Section 101 and 102	649,500																			649,500
Administrative Expenses	500																			500
<b>Subtotal 101, 102</b>	<b>650,000</b>																			<b>650,000</b>
<b>Election Reform Program Grants</b>																				
Requirement Payments	830,000 <sup>1</sup>	1,491,150				115,000	100,000	70,000												2,606,150
Poll Worker Grants	1,500																			1,500
Foundation	1,500																			1,500
Voting Technology Research							5,000	3,000												8,000
Testing & Verification							1,000	2,000												3,000
Election Security Grants																380,000		425,000		805,000
<b>Subtotal, Election Reform</b>	<b>833,000</b>	<b>1,491,150</b>				<b>115,000</b>	<b>106,000</b>	<b>75,000</b>								<b>380,000</b>		<b>425,000</b>		<b>3,425,150</b>
<b>Election Data Collection Grants</b>																				
<b>Subtotal, Data Collection</b>						<b>10,000</b>														<b>10,000</b>
<b>COVID-19 Response (CARES) Grants</b>																				
<b>Subtotal, COVID-19 Response (CARES)</b>																		<b>400,000</b>		<b>400,000</b>
<b>EAC Salaries &amp; Expenses (S&amp;E)</b>																				
Operations	2,000	1,674 <sup>2</sup>	11,110	10,986	11,313	12,330	12,909	13,409	13,024	8,750	8,292	8,100	8,100	8,100	8,200	8,600	7,950	11,271	15,500	181,618
Mock Election Grants						200	300	300												800
Poll Worker Grants						750	750	750												2,250
Transfer to NIST			2,778	2,772	4,950	3,250	4,000	3,500	3,243	2,750	2,745	1,900	1,900	1,500	1,400	1,500	1,250	1,500	1,500	42,438
Relocation																		2,400		2,400
<b>Subtotal, S&amp;E</b>	<b>2,000</b>	<b>1,674</b>	<b>13,888</b>	<b>13,758</b>	<b>16,263</b>	<b>16,530</b>	<b>17,959</b>	<b>17,959</b>	<b>16,267</b>	<b>11,500</b>	<b>11,037</b>	<b>10,000</b>	<b>10,000</b>	<b>9,600</b>	<b>9,600</b>	<b>10,100</b>	<b>9,200</b>	<b>15,171</b>	<b>17,000</b>	<b>229,506</b>
<b>TOTAL</b>	<b>1,485,000</b>	<b>1,492,824</b>	<b>13,888</b>	<b>13,758</b>	<b>16,263</b>	<b>141,530</b>	<b>123,959</b>	<b>92,959</b>	<b>16,267</b>	<b>11,500</b>	<b>11,037</b>	<b>10,000</b>	<b>10,000</b>	<b>9,600</b>	<b>9,600</b>	<b>390,100</b>	<b>9,200</b>	<b>840,171</b>	<b>17,000</b>	<b>4,714,656</b>

## **Organization by Program**

The EAC has organized its offices around the mandates of HAVA. Below are brief explanations of the divisions responsible for implementing the Strategic Plan programmatic goals. Following the descriptions is EAC's organization chart.

### Communications

The Communications Division:

- is responsible for external communications and the tools and platforms used to provide information to election officials and the general public;
- maintains the EAC website;
- collects, develops, and publishes resources (Clearinghouse function);
- operates agency social media;
- responds to and manages media inquiries;
- plans and executes agency events in coordination with agency leadership and state and local election officials;
- manages external communications;
- responds to Congressional inquiries; and
- provides editorial support, including press releases, speeches, and Congressional testimony.

EAC.gov is the agency's primary communications tool and contains thousands of documents and information about voting systems and election administration, informational videos, research, data, and program-related content. It also features on-demand webcasts and related information from public meetings, hearings, summits, and roundtables.

### Finance

The Finance Division:

- is responsible for all areas of budget formulation, execution and funds administration;
- is responsible for coordinating with Treasury and OMB on all financial matters as necessary;
- processes and disburses payments to the states and executes all essential grants management responsibilities; and
- is responsible for oversight of funds and coordinating with the IG and Treasury on all required annual audits.

### Grants

The Grants Division:

- provides technical assistance to the states on administering federal funds;
- tracks the submission and reviews the content of financial and performance reports submitted by states;
- analyzes grant audit reports and works with fund recipients on recommendations to resolve audit findings applicable to EAC's programs;

- reviews amended State Plan submissions on the use of Requirements Payments funds so states can comply with HAVA Title III, *Uniform and Nondiscriminatory Election Technology and Administration Requirements*; and
- drafts advisory opinions for commission approval and issuance.

## Research

### The Research Division:

- administers the biennial Election Administration and Voting Survey (EAVS) to 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Northern Mariana Islands and the Virgin Islands. The survey produces data and reports mandated by HAVA. Topics include the impact of the National Voter Registration Act of 1993 and the impact of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) on military and overseas voters' participation in federal elections. EAVS is the only comprehensive collection and report of data on elections in the United States;
- research election administration topics as mandated by Congress and at the discretion of the EAC. Research has included voter accessibility, administering elections in urban and rural areas; the feasibility and advisability of establishing free absentee ballot return postage; the feasibility of alternative voting methods; and the voting experiences of first-time voters who register to vote by mail;
- manages the National Mail Voter Registration Form as prescribed by the National Voter Registration Act of 1993 (NVRA), also known as "Motor Voter;"
- manages the translation of the National Mail Voter Registration Form into languages other than English; and
- conducts complex analyses of election administration data in order to ensure factual, evidence-based information is available to voters, election officials and the general public.

## Voting System Testing and Certification

Under the Help America Vote Act, the EAC is responsible for assisting states with improvements to voting systems through the distribution of federal funds. The EAC accredits voting system test laboratories and certifies voting equipment. Participation by states in the certification program is voluntary. Throughout the certification process, the EAC provides election officials with test plans, test reports, and reports on voting system anomalies in the field. Staff members work with the National Institute of Standards and Technology (NIST) to evaluate and accredit voting system test laboratories, and the criteria regarding the voting system certification process's life cycle.

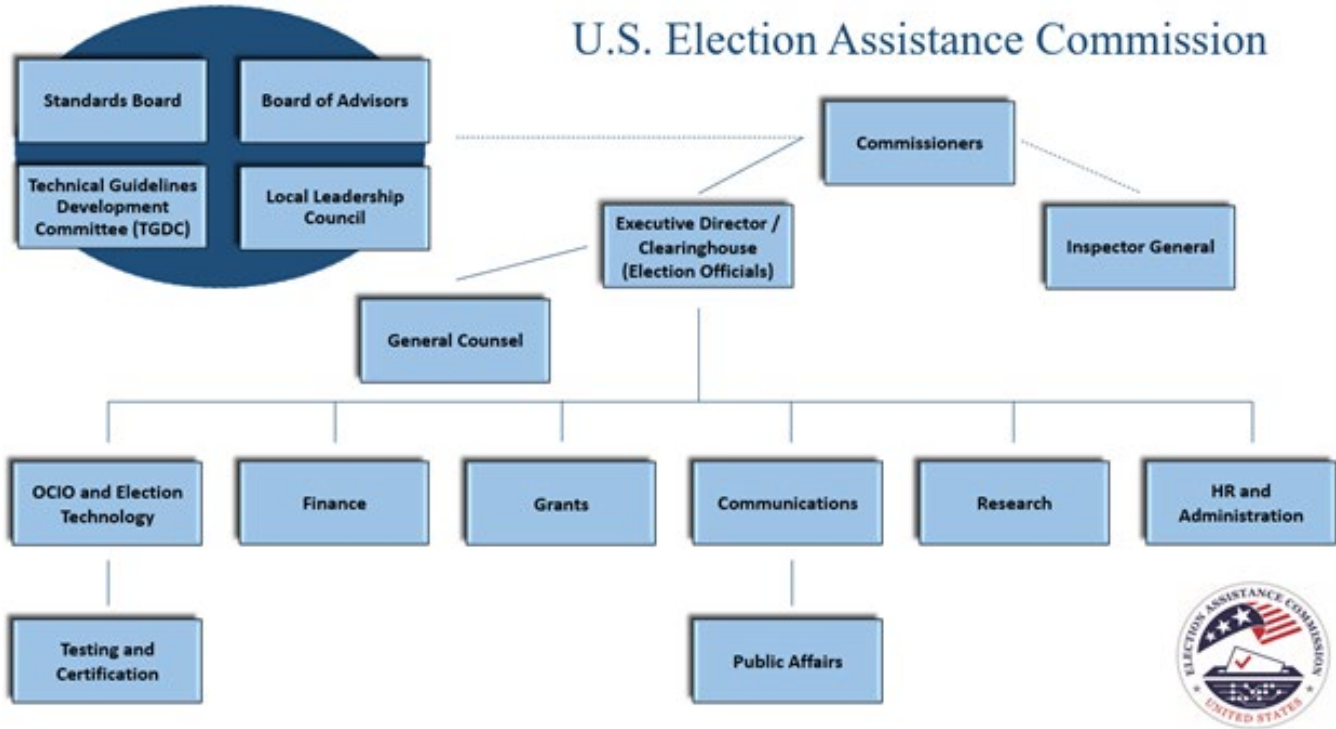
### The Testing and Certification (T&C) Division:

- assists states with voluntary certification of voting systems;
- supports local elections officials in the areas of engineering change order updates, acceptance testing, and pre-election system verification for EAC-certified systems, issuance of Requests for Proposal, and information on how to maintain aging voting technology;

- promotes quality control in test laboratories and voting system manufacturing through the EAC Quality Monitoring Program, including periodic lab and manufacturing facility audits of EAC-registered entities;
- provides procedures to voting system manufacturers for the testing and certification of voting systems to specified federal standards consistent with the requirements of HAVA Section 231(a)(1);
- upon invitation or with permission from election officials, conducts reviews of systems in use in the field; and
- along with its advisory boards, EAC and NIST work together to update and implement voluntary testing guidelines for voting systems.



**Organizational Chart**



## **I.B. PERFORMANCE GOALS, OBJECTIVES, AND RESULTS**

The EAC formalized its planning, reporting, and execution activities with its first five-year Strategic Plan 2009-2014. The Office of Management and Budget reviews the plan, and EAC presents it to its Board of Advisors and Standards Board for comment, as required by HAVA. EAC adopted the Plan in March 2009. Per OMB A-11, the EAC adopted a new strategic plan in 2018. The new Strategic Plan covers 2018-2022. Following OMB-136, the performance goals and results align with the Statement of Net Cost.

### **How EAC Assesses Performance**

The sections below describe the role that the programs play in helping the commission meet its congressional mandates and the results needed to accomplish its goals. The EAC's 2018-2022 Strategic Plan extensively lists the strategy for collectively driving its programs to achieve the agency's mission. Outcomes measure the effect program outputs have on their stakeholders. Outputs are quantifiable targets that directly measure the results of a program. A program may have multiple outputs, but each output is associated with one program. Performance measures are quantifiable and documentable representations of a capacity, process, or outcome that is relevant to the assessment of performance.

### **Program Area: Clearinghouse**

The Clearinghouse Division was formed in FY 2021 to provide subject matter expertise to support the agency's mission of providing best practices and guidance to EAC stakeholders including election officials at the state and local levels. Consisting of former election officials and experts on election law, accessibility, and design, the Clearinghouse Division has led on the creation of timely guidance documents to address pressing issues in election administration including chain of custody, redistricting, and a universal election terminology glossary.

#### **Current Strategic Plan (2018-2022) Goals:**

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections.
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

### **FY 2021 Accomplishments**

The EAC is required by HAVA to establish best practices for election administration. While all divisions of the EAC work to fulfill the agency's mission, additional funding in FY 2021 allowed the EAC to create a dedicated Clearinghouse Division in furtherance of the clearinghouse mandate of HAVA. Additional FTEs for this division included a Senior Program Advisor and six Subject Matter Experts (SMEs). This division brings to the agency former election officials and experts on election law, accessibility, and design with over 40 years of election experience to assist in creating and distributing EAC assistance and products to improve the administration of American elections.

The Clearinghouse Division has led on the production, updates, and distribution of several timely and informative products for election officials. The 1,300-term election terminology glossary was updated to provide a uniform vocabulary for election terms and is currently being translated into multiple languages to assist election officials in creating documents for language minority populations. Chain of Custody Best Practices were released to assist election officials in developing or revising chain of custody procedures for physical election materials, voting systems, and the use of third-party auditors for conducting audits and electronic discovery. A Best Practices Toolkit for Voter FAQs was developed to guide election officials in expanding their websites, helping to drive traffic to trusted and accurate information. Every ten years, election officials across the country are faced with the redistricting of precincts and district boundaries. To assist election officials in navigating their tasks following the 2020 Census, the EAC released the Local Election Officials' Guide to Redistricting to provide general guidance to assist election officials when making technical changes to precinct and district information. Additionally, the EAC released a Testing and Certification 101 resource to demystify the process of testing and certifying election equipment. The document describes the procedures of testing and certifying systems and provides a glossary of terminology.

Through the addition of an accessibility expert, the agency is working to ensure that all EAC best practices and resources address the unique challenges of voters with disabilities. In correlation with National Disability Voter Registration Week, the EAC released Best Practices: Accessible Voter Registration. This resource for election officials addressed the unique hurdles that voters with disabilities often face during the first step of the voting process and highlighted actionable steps that officials can take to remove these barriers. With the hire of a graphics specialist, the agency has made concerted efforts to solidify the branding of EAC materials following the release of a new agency logo in FY 2020. These efforts will help ensure all documents display consistent EAC branding to easily identify official agency releases. With mis- and disinformation posing consistent threats to the elections process, consistent and identifiable EAC branding flags each of our products as being from a trusted source of information and models best practices for election officials.

## **Program Area: Communications**

The Communications Division supports the mission of the agency by providing state and local election officials, voters, Congress, other federal agencies, and the public with reliable, accurate, and nonpartisan information about the administration of federal elections.

### **Current Strategic Plan (2018-2022) Goals:**

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections.
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

### **FY 2021 Accomplishments**

Throughout 2021, the EAC explored what lessons could be learned from the 2020 election year. The communications team worked to promote EAC research products such as the 2020 EAVS

report and “Disability and Voting Accessibility in the 2020 Elections” study, interviews with election officials, and other EAC meetings. This section primarily addresses the distribution of materials and information. Goal 3 describes the development of original research, promotion of election security and accessibility resources, and the creation of other best practices resources.

### **Communications, Events, and Outreach**

Elections at the state and local level, and some federal races were held in 2021. Even though there was less attention on elections this year compared to 2020, the EAC recognizes the ongoing need to provide resources and updated information for election officials and voters. EAC continued to update and improve its website with voting information and additional resources resulting in 3.4 million users on the website, with over 5.1 million page views. The EAC grew its social media community resulting in over 12,000 Twitter followers, 4,792 Facebook likes, 290 Facebook posts, 833 Instagram followers, and 1,260 LinkedIn follows.

As the COVID-19 pandemic impacted the country, EAC hearings, Board meetings, and forums moved to a virtual format. The EAC’s YouTube page also hosts resources for election officials on grants and EAVS. This year the EAC posted 61 videos and virtual events resulting in almost 6,500 views on the EAC’s [YouTube channel](#) alone. The following provides additional detail about some of these efforts.

On February 10, the EAC Commissioners unanimously approved VVSG 2.0 Requirements and Principles and Guidelines. [This meeting was live-streamed](#) and was a major step toward improving the manufacturing and testing of voting machines. As part of the continuing work to implement these standards, the EAC held [a virtual event on September 8 to discuss important next steps and considerations](#) with voting system manufacturers, voting system test laboratories, and representatives from the election administration community.

Typically held in person in the spring, the EAC’s annual [Standards Board](#) and meetings, as mandated by HAVA, include election officials and other election stakeholders from around the country. As the EAC did in 2020, these meetings were held virtually in the summer. VVSG 2.0 continued to be a focus. In September, the [Technical Guidelines Development Committee](#) also held its annual meeting. These meetings were live-streamed.

The EAC held several events exploring new research the agency commissioned. Public events including virtual hearings and roundtable discussions featured state and local election officials, federal partners, researchers, and subject matter experts. The EAC hosted a combination of five virtual hearings and roundtable discussions:

- [Election Night Reporting Roundtable](#)
- [Accessibility Lessons Learned During the 2020 Elections](#)
- [EAC Roundtable: Voter Turnout and Trends for People with Disabilities During the 2020 Election](#)
- [2020 EAVS and 2020 Elections Lessons Learned Roundtable](#)

The EAC Commissioners also recorded multiple series of interviews with election officials, partners, and subject matter experts. Many of these discussions focused on lessons learned from the 2020 elections and tapped into the expertise and insights of election officials across the country. The result is an extensive library of 41 videos on best practices and lessons learned for election administration. The video series include:

- [2021 Black History Month](#)
- [Women in Elections](#)
- [Clearinghouse Awards “Clearies” Best Practices](#)
- [Military Appreciation Month](#)
- [AAPI Heritage Month](#)
- [Election Technology Features](#)
- [2020 Election Lessons Learned](#)
- [Serving Voters With Disabilities](#)

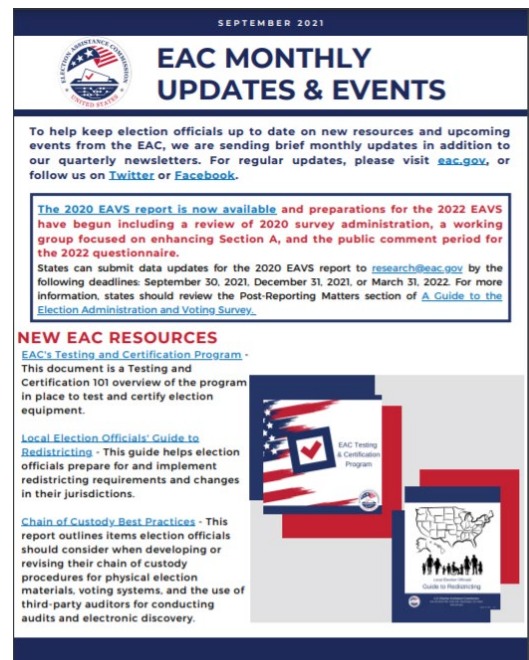
Other videos recognized the 26<sup>th</sup> Amendment, shared ideas on how election offices can participate in civic holidays like National Voter Registration Day and Vote Early Day, and how election officials can utilize one of the EAC’s new resources, an FAQ toolkit.

### ***Media Coverage & Engagement***

The EAC worked to be proactive with press outreach as well as responding to requests and making sure reporters have timely and accurate information about U.S. election administration. The EAC’s staff and leadership regularly provide expertise on a broad range of topics and often highlight the Election Administration and Voting Survey data and other EAC research. In FY 21, the communications team distributed 25 press releases and generated over 15,400 press mentions in print and broadcast.

### ***Outreach to Election Officials***

In September 2020, the EAC started a quarterly newsletter for state and local election officials. Since then, the communications team has worked to improve usability, content, and access for officials so they can be informed on events, new resources, and other EAC updates. The newsletter is sent to a list of 4,500 election officials across the country. In late FY 2021, the newsletter transitions from quarterly to monthly to ensure timely updates were being provided to election officials. This newsletter is a valuable communications tool and supplements the EAC’s work with our FACA boards, Commissioner participation in events such as state local election official association events, and other direct outreach to these stakeholders.



### ***Clearinghouse Awards***

In February, the EAC announced the winners of the 2020 Clearinghouse Awards for Best Practices in Election Administration. The awards, also known as the Clearies, provide election offices across America an opportunity to share their innovative efforts and election administration successes. The Clearies further the EAC's responsibilities under HAVA to serve as a clearinghouse for election administration information. The EAC received a record 137 submissions for the awards, tripling the number from 2019.

In its fifth year, the award categories recognize innovation in election administration, improving voting accessibility for voters with disabilities, best practices in recruiting, training and retaining election workers, and creative and original "I Voted" sticker design. New for the 2020 Clearies was the category for innovation in election cybersecurity and technology.

### **Federal Advisory Committee Act (FACA) Activities**

The EAC established a new FACA board on June 8, 2021, entitled the Local Leadership Council. The new FACA board will be made up of 100 local election officials who are current or former officers in each state's local election official association. The Local Leadership Council will provide a relevant and comprehensive source of expert, unbiased analysis and recommendations to the EAC on local election administration topics to include but not limited to voter registration and voter list maintenance, voting system user practices, ballot administration (programming, printing, and logistics), processing, accounting, canvassing, auditing and testing of ballots, and certification of results. The inaugural meeting of the new FACA board will occur in FY 2022.

The EAC's three statutory FACA boards held a collective total of three meetings, including electing board officers and passing resolutions. The EAC also timely published Sunshine Act Notices in the *Federal Register* for the Federal Advisory Committee Meetings (the boards). The EAC Office of General Counsel coordinates EAC engagement with the EAC FACA boards with programmatic and technical assistance in hosting meetings provided by the Communications and IT departments. The charters for the three statutory FACA board were renewed on April 13, 2021.

### **Freedom of Information Act (FOIA) Activity**

The Office of General Counsel completed 44 FOIA requests during FY 2021. It also maintained its online FOIA reading room to ensure frequently requested documents and information is easily available to the public.

### **Program Area: Finance**

The EAC Finance Division is responsible for all matters related to agency budget formulation, execution, and oversight. The Finance Division coordinates with all necessary partners including the US Department of Treasury and Office of Management and Budget (OMB).

**Current Strategic Plan (2018-2022) Goals:**

- **Operate:** Ensure continued effective operation of the EAC in order to achieve its goals while acting as good stewards of public funds.

**FY 2021 Accomplishments**

In FY 2021, the EAC Finance Division successfully executed its highest operating budget since 2010, leaving less than one-half percent unobligated by year end, an obligation rate of 99.55% according to Treasury’s financial system. Additionally, the EAC completed a 99.84% obligation target of its two-year relocation funding provided by Congress that also expired in FY 2021.

*Additionally, in the spring of FY 2021, the White House submitted to Congress its Fiscal Year 2022 Budget for the EAC which came in a \$122.8 million, including \$100 million in Election Security Grants, the largest amount since the first President’s Budget for the Agency in 2004. The Finance Division continues to coordinate with all appropriate stakeholders on proper budget execution and general funds administration for the agency.*

**Program Area: Grants**

The Office of Grants Management (Grants Office) supports the agency’s mission by delivering and managing federal funds that help election officials procure modern election systems and improve the administration of federal elections. The Grants Office issues grant awards, provides guidance on the appropriate use of funds, oversees and monitors all state grant activities, provides technical assistance to the states, tracks activities, monitors expenses, prepares financial reports for Congress, resolves audits conducted by the OIG and closes out grants when all revenue is expended.

This program primarily supports the strategic goals listed below:

**Current Strategic Plan (2018-2022) Goals:**

- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

**FY 2021 Accomplishments**

***HAVA CARES Funding***

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) included \$400 million in new Help America Vote Act (HAVA) emergency funds, made available to states to prevent, prepare for, and respond to the coronavirus for the 2020 federal election cycle. This supplemental appropriation funding, distributed by the EAC to 56 states and U.S. territories, and the District of Columbia, provided additional resources to protect the 2020 elections from the effects of the novel coronavirus’s effects. The grants totaled \$397,205,287. Some states requested only the amount of funds they were sure they could match at the 20% required state share level.

In FY 2021, the grants office provided technical assistance to states as they used the funding for primaries, runoffs and the general election. Multiple training events were held to support the reporting requirements for CARES, including 20-day reports, twice a year submission of Federal Financial reporting and Progress reporting. After the federal expenditure deadline of December 31, 2020 passed, EAC began the process with individual grantees to closeout grants for which activities had concluded and financials were reconciled. EAC closed 21 CARES grants in FY 2021; 10 of these states spent all their funding. Sixteen states have returned federal funds, many of which also returned federal interest on those funds. The funds returned in FY 2021 totaled \$38,093,657.

### ***HAVA Election Security Funding***

The HAVA Election Security funds appropriated in 2018 and 2020 totaled \$805 million, \$380 million in 2018, and \$425 million in 2020. Congress authorized HAVA Election Security funds under Title I Section 101 of the Help America Vote Act (HAVA) of 2002. These funds marked the first new appropriations for HAVA grants since FY 2010. EAC made grants to states to improve the administration of federal elections, including to enhance technology and make election security improvements. The grants to 56 states and territories, and the District of Columbia total \$804,978,602. In FY 2021, the grants office provided technical assistance to states as they used the funding for improving the administration of federal elections, including responding to the pandemic's influence on the 2020 federal election cycle. Multiple training events were held to support the increase in reporting requirements from once-a-year annual reporting to twice a year with reports required at mid-year.

### ***HAVA Section 251 Requirements Payments***

Requirements Payments are used to meet the requirements of Title III Uniform and Nondiscriminatory Election Technology and Administration Requirements of HAVA. Title III requirements include voting system standards, voting information requirements, provisional voting, statewide voter registration lists, and identification requirements for voters who register by mail. In FY 2021, the grants office monitored Section 251 Requirements Payment grants of \$1,859,828,523 to 36 states. EAC also closed 6 grants that were fully expended.

### ***HAVA Section 101 Funding***

Section 101 funds are more generally available for activities “to improve the administration of federal elections.” Activities include educating voters on voting rights, voting procedures and voting technology, training election officials and poll workers, improving, acquiring, leasing or replacing voting equipment, improving the accessibility and quality of polling places (including for voters with limited English proficiency), and hotlines for voters to obtain election information and/or report complaints of fraud or voting rights violations.

The grants office monitored Section 101 grants in the amount of \$166,273,394 to 20 states. EAC also closed three grants that were fully expended.



### ***Agency Capacity Building***

In FY 2021, the EAC decided to make the Grants program into a standalone office to reflect the importance of the function at the agency. The Office of Grants Management now reports directly to the Executive Director. Additional personnel changes included hiring a full-time Grants Specialist to oversee and support the increased grantmaking responsibilities for the agency and recruiting a second Grants Management Specialist with a start date anticipated in FY 2022.

The agency received electronic submissions for its required grant reports. Report frequency was increased in FY 2021 with both an annual and mid-year Federal Financial Report (FFR) and Progress Report due for each HAVA grant.

The agency renewed its agreement to work with HHS for the negotiation of Indirect Cost Rate Agreement for its grantees.

The agency also selected HHS' GrantSolutions grants administration software as a service to improve and automate its grants administration functions so more time can be spent for strategic activities and technical support to grantees. Utilization of a grant system will reduce grantee time spent on administrative activities; freeing up staff time to execute and oversee grant activities. The GrantSolutions award management system will allow EAC to standardize financial assistance management procedures and increase transparency, accountability, and oversight for financial assistance funding. With a grant system, staff can develop better technical assistance trainings for award management, best practices, audit readiness, and education on federal assistance grants administration. The EAC conducted a fit gap analysis with GrantSolutions in September 2021 to assess current business processes against system capabilities and options. The EAC anticipates fully deploying the system by FY 2023 ahead of the next annual report deadline of December 29, 2022.

### ***Oversight and Monitoring***

The EAC is mandated to monitor and provide oversight for all HAVA grants. The CARES Act requires states to submit reports on expenditures within 20 days of each primary and the general election. The EAC developed an efficient process to review and aggregate those reports and submit them to Congress within three days of the grantees' deadline, as required by the CARES Act. During FY 2021, the grants office submitted reports to Congress related to the states' primaries between October 1, 2020 – December 30, 2020. The EAC continues to oversee the grant expenditures and developed a process to identify funds remaining unspent to return to the U.S. Treasury after December 31, 2020, and closeout CARES grants that had completed activities and associated spending

During FY 2021, staff reviewed Federal Financial Reports (FFRs) and Progress Reports submitted by the states for their HAVA Section 101 grants for activities to improve the administration of elections, 251 Requirements Payment funds, and Election Security grants. Information from the FFRs as of September 30, 2020, was used to compile the annual grant expenditure report during FY 2021. The report is available on [www.EAC.gov](http://www.EAC.gov).

The EAC's Inspector General audits the states' use of the funds, and EAC grants team has worked with the OIG to resolve and close out audit findings.

### ***Training and Technical Assistance***

EAC staff members provide technical assistance to the states as they plan and implement federal funds. During FY 2021, staff conducted remote technical assistance to states and developed tailored guidance around the CARES funding and use of other HAVA funding during the pandemic.

Specifically, EAC developed Frequently Asked Questions (FAQs), written guidance, and webinars to train grantees on the use of CARES funding and Election Security funds. The team responded to a high volume of inquiries regarding allowable, allocable, reasonable, and necessary expenditures and funding activities.

Additionally, EAC staff created guidance and training to support the change in reporting requirements and mechanism for the grantee progress and financial reports and coordinated indirect cost rate negotiations for states with the Department of Health and Human Services.

### **Program Area: Research**

The Research Division supports the agency's mission by providing useful resources that assist state and local election officials in administering elections and help voters participate in the process. Among the products created and managed by this program is the EAC's Election Administration and Voting Survey (EAVS). The Research Division primarily supports the strategic goals listed below.

#### **Current Strategic Plan (2018-2022) Goals:**

- **Analyze:** Expand the nation's comprehensive understanding of American election administration.
- **Build:** Proactively and responsively create products that help election officials improve elections administration and help voters more easily participate in elections.
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products. Research is responsible for gathering and creating election administration resources to assist election officials and voters.

### **FY 2021 Accomplishments**

#### ***Election Administration and Voting Survey***

On a biennial basis, the EAC administers the EAVS, the most comprehensive survey on the administration of U.S. elections. The survey collects data on more than 400 variables from all 50 states, the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands and the Northern Mariana Islands. The EAVS dataset is usable by other federal agencies, election officials, academics and researchers to understand and improve the administration of U.S. elections.

Additionally, through the successful administration of EAVS, the EAC meets numerous legislative mandates related to the Uniformed and Overseas Citizens Absentee Voting Act and the National Voter Registration Act for the collection of information pertaining to the administration of U.S. elections.

Following the November 2020 election, the EAC administered the 2020 EAVS. In the summer of 2021, the EAC for the first time conducted a second round of data review with states prior to the publication of the 2020 EAVS Comprehensive Report. In late FY 2021, the EAC initiated a needs assessment review by interviewing 27 states about their experiences completing the 2020 EAVS and gathered input from participants for implementation in 2022. Usability testing of the survey instruments also continued in preparation for 2022. Through this user-centered testing, EAVS and Policy Survey navigation is evaluated by real users under the observation of a trained researcher to improve user experience. EAC continues to work to improve data quality of these survey instruments. The EAC is currently planning for the December 2021 start of the 60-day public comment period for the 2022 EAVS, with the 30-day public comment period to follow in February 2022. OMB approval of the 2022 survey instruments is anticipated for March 2022.

In FY 2021, EAC Research acquired the Statistical Analysis System (SAS) software to facilitate easier and more complex data analysis. Using this analytical tool in combination with the existing tool, MS Excel, EAC research staff was able to respond to approximately 100 data and information requests from voters, election officials and researchers representing 29 states and the District of Columbia. On average, research staff worked 2 hours per request to ensure accuracy. Staff also use these tools to conduct proactive analysis of EAVS data misuse in the news media, prepare fact-check briefs and develop presentations.

### ***Conducting Original Research***

In FY 2021, the EAC contracted with the American Enterprise Institute (AEI) and MIT's Election Data and Science Lab to conduct a study titled, *Lessons Learned from the 2020 Election*. The report provides an account of how the American system of election administration responded to the significant barriers erected by the pandemic challenges. Takeaways from the *Lessons Learned* report provide insight for implementation in future elections. The EAC also worked with Rutgers University to conduct a study on voting accessibility. *Disability and Voting Accessibility in the 2020 Elections: Final Report on Survey Results* is a study that examines progress in voting accessibility since the last EAC study conducted on this topic in 2012. The EAC works to ensure that elections are fully accessible for all people with disabilities.

### ***Serving Voters***

In FY 2021, the EAC processed eight state-requested updates to the National Mail Voter Registration form instructions and accompanying language translations. The EAC began to process two additional state updates at the end of the fiscal year. The EAC offers a Braille translation of the form's content alongside 15 other language translations. In late FY 2021, the EAC began the OMB renewal process for the form and is currently collecting the first round of public comments during a 60-day period. The EAC understands it must not only help election officials improve the administration of their elections but must also directly help voters. Voter resources is one of the

most frequently visited portions of the agency’s website. Voters can find a Voter’s Guide to Federal Elections, resources for overseas and military voters and information on registering to vote – including the National Mail Voter Registration Form.

## **Program Area: Testing and Certification**

The Testing and Certification Division supports the mission of the agency by providing project management and subject matter expertise in the modification of the Voluntary Voting System Guidelines (VVSG), overseeing the testing and certification of voting systems to the VVSG, running a quality monitoring program to ensure that EAC-registered voting system manufacturers and EAC-accredited voting system test laboratories (VSTL) comply with VVSG and EAC policies, and assisting election administrators. This program primarily supports the strategic goals listed below.

### **Current Strategic Plan (2018-2022) Goals:**

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

### **FY 2021 Accomplishments**

The EAC administers and manages the only national standard-setting program to build, test, and certify voting systems. States’ use of this program and its standards is voluntary. Most, if not all, states use the program in some way. The program operates by creating and modifying the VVSG, accrediting test laboratories to test against these guidelines and administering voting system test campaigns. Manufacturers submit voting systems to the test laboratories for testing. If a voting system meets all the requirements established in the guidelines, then the EAC certifies the voting system. Election officials use this information to help them know that they are procuring high-quality, reliable voting systems. Some states only allow their officials to procure and use voting systems that have been certified to the VVSG. Other states use the standard by itself, and still, others use the testing program’s labs to help with their certifications.

The Testing and Certification Division completed drafting the VVSG 2.0 and associated program documentation, which were unanimously approved by the EAC Commissioners in February 2021. With its adoption, manufacturers may begin designing and building new voting equipment to comply with the new guidelines. The VVSG 2.0 includes significant improvements to accessibility, usability, and cybersecurity requirements. Also supported are various audit methods and software independence to confirm the accuracy of the vote which will serve to increase voter confidence.

Since adoption of the VVSG 2.0, the Testing and Certification Division has worked to implement the new standard by working with NIST’s NVLAP (National Voluntary Lab Accreditation Program) on updates to their program for accreditation of labs for VVSG 2.0. A draft VVSG Lifecycle Policy has been created that will establish a regular update process for the VVSG and procedures for deprecation of older versions of the standard. Testing and Certification is also in the

process of working with NIST on establishing an end-to-end cryptographic protocol evaluation plan

In addition to the work on VVSG 2.0, the EAC's Testing and Certification program tested and certified one voting system and 27 engineering change orders (ECOs). Currently there are four active voting system test campaigns.

The Testing and Certification Division is also working on developing a testing pilot program for election supporting technology. This initial pilot program will include standards for accessibility, usability, and security for electronic pollbooks. Program processes and procedures are also being developed. This program will be expanded to other technologies such as voter registration databases and remote ballot delivery systems.

These ongoing, regular efforts to assist election officials are critical to the successful operation of the program. Thousands of election jurisdictions nationally are continually researching and procuring voting equipment, and the EAC's Testing and Certification Division helps them navigate this process with confidence.

## **Program Area: Cyber Access and Security Program**

The Cyber Access and Security program (CAS) was launched in 2020 and supports the agency mission by making timely and relevant cybersecurity information available to election officials and others involved in election administration. Additionally, the program supports internal training, compliance, and monitoring to ensure the agency's cybersecurity posture remains at consistently high levels. This program primarily supports the strategic goals listed below.

### **Current Strategic Plan (2018-2022) Goals:**

- **Build:** Proactively and responsively create products that help election officials improve the administration of elections and help voters more easily participate in elections
- **Distribute:** Help election officials improve the administration of American elections through the distribution of EAC assistance and products.

### **FY 2021 Accomplishments**

The Cyber Access and Security Program (CAS) is an integral part of the EAC's clearinghouse mission. CAS maintains an Election Security Preparedness page on the EAC website with cybersecurity, risk management, training, best practice, and other resources to support this key mission objective. CAS coordinates closely with other agencies such as NIST, CISA, and FBI to produce relevant and timely products that complement other agency offerings. Examples of this include the publishing of guidance on hash validation, contributions to the EAC's chain of custody best practices guidance, and the continued hosting of CISA's Election Risk Management online tool.

CAS also engages with private partners to produce high-quality cybersecurity training materials for use by state, local, tribal, and territorial election administrators. In partnership with the Center

for Tech and Civic Life (CTCL), the EAC continued to make available no-cost, self-paced online cybersecurity training focused on election officials.

In 2021, the program brought additional focus to the EAC's internal security in response to Executive Order 14028, *Improving the Nation's Cybersecurity*, by establishing plans to move our information technology assets toward a zero-trust architecture. Related directives also saw the program standing up a vulnerability disclosure program for all publicly accessible EAC assets and signing a memorandum of understanding with CISA to begin participation in their continuous diagnostics and monitoring program. The program added a cyber analyst in 2021 to further support its mission.

The EAC and CAS continue to seek new and innovative ways to deliver high-quality information and training to election officials. As the federal agency tasked with distributing election administration best practices, the EAC is well positioned to expand its leadership in this area in coordination with our public and private partners.

## **Additional Information Regarding Agency Management and Operations**

EAC leadership regularly works to further the agency's mission by providing EAC staff the necessary resources to improve performance and strengthen internal controls that will maximize the agency's operations. This program primarily supports the strategic goals listed below.

### **Current Strategic Plan (2018-2022) Goals:**

- **Operate:** Ensure continued effective operation of the EAC in order to achieve its goals while acting as good stewards of public funds.

During FY 2020, the EAC held a virtual Standards Boards and Board of Advisors meeting in June pursuant to the Help America Vote Act. The Advisory Boards reviewed the next generation of VVSG, discussed the intent and application process for newly appropriated HAVA funding, examined election security efforts, and tackled other timely election-related issues, such as disaster recovery contingency planning.

The EAC focuses on establishing sound systems and policies and procedures, working with managers on the relationship between budget and performance, maximizing efficient use of staff and financial resources, and training the EAC staff on financial management processes and their specific, individual responsibilities. Budget holders complete assessable unit risk and fraud assessment questionnaires. The risk and fraud assessments are reviewed by the Executive Director and the Financial Director and rolled into the agency's Annual Statement of Assurance that is presented in this report.

In FY 2021, the EAC continued to provide financial management tools and support to staff. Agency staff can utilize five automated systems (procurement, travel, purchase card, invoice, and time and attendance) via interagency agreements with the General Services Administration and the U.S. Department of Treasury Bureau of the Fiscal Service. The EAC staff Contracting Officer's Representatives (CORs) were provided annual training and have access to free online COR and invoice approval training via the procurement service provider agency.

**FY 2021 Performance Summary**

The following table presents key EAC FY 2021 program performance results data.

	<b>Performance Indicator</b>	<b>Type of Indicator</b>	<b>Outcome</b>
<b>Program Area: Communications and Clearinghouse</b>			
	Regularly issue information on EAC activities.	Output	<p>Distributed about 25 press releases</p> <p>Generated about 15,400 print and broadcast press mentions.</p> <p>290 Facebook posts with over 293,000 impressions</p> <p>441 Tweets with about 2.4 million impressions</p> <p>EAC quarterly and monthly newsletters to about 4,500 state and local election officials</p>
	Produce the annual report of EAC activities to Congress by January 31 of each year for the preceding year ending September 30, and other original documents.	Output	<p>Annual report transmitted to Congress January 31, 2021</p> <p>Produced best practices documents on the following topics:</p> <ul style="list-style-type: none"> <li>• Chain of Custody</li> <li>• Best Practices FAQ Toolkit</li> <li>• Best Practices: Accessible Voter Registration</li> <li>• EAC’s Testing and Certification Program</li> <li>• Local Election Officials’ Guide to Redistricting</li> </ul> <p>Updated the Glossary of Election Terminology with nearly 1,300 terms</p>
<b>Program Area: Grants Management</b>			
	CARES Grant Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities including closing out grants on a rolling basis. Closed 18 CARES grants.
	Election Security Grant Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities
	Section 251 Requirements Payments Grant Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities



Election Assistance Commission  
FY 2021 Agency Financial Report

	Section 101 Grant Oversight and Monitoring	Output	Continuous monitoring of grant reporting and activities
	Modernize and automate the administration of grants at EAC.		Executed an IAA with the Health and Human Services (HHS) GrantSolutions for SAAS services. Began process to identify fit and gaps in EAC grant administration business processes by mapping them to the Grants Management Module (GMM) in GrantSolutions.
	Review Progress and Financial Reports and follow up with failure to file.	Output	EAC reviewed all submitted Federal Financial Reports (FFRs) and Progress Reports across the four streams of funding, HAVA Section 101, 251 Requirement Payments, Election Security and CARES.
	DATA Act – USASpending.gov Grants Reporting	Output	EAC is compliant with requirements to post grant funding in USA Spending and has updated policies and procedures for submission of the data.
	Training and Technical Assistance	Output	Provided training and technical assistance over email, phone, webinars and written guidance in the form of Frequently Asked Questions and online guidance.
<b>Program Area: Research</b>			
	Effectively and efficiently distribute federal resources to EAC stakeholders.	Output	Updated 9 state requests to the NVRA form.  Distributed electronic version of the EAVS report to about 6,500 state and local election officials, Congressional staff, and press.  Published 2 original research studies.
	Serve as an expert on the administration of American elections.	Output	Performed EAVS data fact checks originating from press requests and inquiries from the general public.
<b>Program Area: Testing and Certification</b>			
	Test and certify voting systems.	Output	Certified 1 voting system with 4 currently in progress.  Approved 27 engineering change orders (ECOs).
	Produce voting system guidance for use in the field.	Output	Completed public comment review of VVSG draft requirements and updating relevant EAC documentation.  Adopted new VVSG requirements.

Election Assistance Commission  
FY 2021 Agency Financial Report

			<p>Published significant updates to Testing and Certification Program manuals and new VVSG test assertions.</p> <p>Drafted VVSG Lifecycle policy based on feedback from EAC FACA boards and posted for public comment.</p>
<b>Program Area: IT &amp; Cyber</b>			
	Provide timely cybersecurity training information to election officials	Output	The EAC provided no-cost, self-paced training via online content delivery for cybersecurity 101, 201, 301.
	Increase the cybersecurity capabilities of the agency for both internal and external customers	Output	The EAC hired one staff with a technical cybersecurity background. Additionally, a vulnerability disclosure program was launched for all publicly accessible EAC IT assets. A plan was developed and work started toward moving to a zero-trust architecture for EAC systems.
	Continue to modernize EAC IT infrastructure	Output	The EAC began a project to create an interactive portal for election officials that will include new tools for data visualization and collaboration. New laptop computers were procured and deployed to ensure EAC personnel are able to continue working efficiently with the latest technology.
	Provide support to other EAC departments	Output	The office of the Chief Information Officer personnel provided critical support toward advancing VVSG 2.0 for adoption, drafting the VVSG Lifecycle policy, and input to the chain of custody best practice guidance.

Portfolio Analysis

Since 2004, EAC has received funds in four appropriations: Salaries and Expenses, Election Reform Programs, Election Data Collection Grants (for FY 2008 only), and CARES (for FY 2020 only). In FY 2021, EAC received funds in the Salaries and Expenses (S&E) appropriation of \$17 million. The S&E appropriation was used for a \$1.5 million transfer to NIST, agency relocation expenses, payroll, travel, rent, telecommunications, printing, contracts, supplies, subscriptions, equipment and software.

## **I.C. FINANCIAL RESULTS**

The following analysis is intended to provide information on EAC's financial results, position, and condition as portrayed in the financial statements and the notes to the statements presented in Sections II.D and II.E of this report. Changes in assets, liabilities, costs, revenues, obligations, and outlays are explained; comparisons are made between amounts in FY 2020 to FY 2021; and the relevance of balances and amounts in the financial statements and notes are discussed. The changes provide context as to how the year's activities impacted the agency's financial position.

### **Budgetary Resources**

Budgetary resources are the amounts made available and their status at the end of the fiscal year. The majority of EAC's available budgetary resources are in the one-year Salaries and Expenses appropriation. Budgetary resources include new Budget Authority from annual Salaries and Expenses appropriations, unpaid obligations, recoveries, offsetting collections, carryover no year grant funds, and unobligated balances.

FY 2021, the available budgetary resources were \$17 million, down from \$843.61 million in FY 2020. In FY 2021, as mentioned previously, EAC's appropriations totaled \$17 million for Salaries and Expenses, including a \$1.5 million non-expenditure transfer to NIST.

Obligations Incurred decreased from \$837.8 million in FY 2020 to \$16.7 million in FY 2021 (due to no appropriation for grant funding). The Unobligated Balance – Apportioned decreased from \$1.2 million in FY 2020 to \$73k in FY 2021.

### **Financial Position**

#### *Assets*

EAC had \$55.9 million in total assets (Fund Balance with Treasury; Accounts Receivable; Property, Equipment, and Software; and Other Assets) as of September 30, 2021, compared to \$15.1 million in FY 2020.

#### *Liabilities*

EAC had total liabilities (Accounts Payable, accrued salaries and benefits, and unfunded leave) of \$2,845,558 as of September 30, 2020. Liabilities increased to 4,419,851 as of September 30, 2021.

#### *Net Position*

Net position (Unexpended Appropriations and Cumulative Results of Operations) increased from \$15.1 million in FY 2020, to \$55.9 million in FY 2021.

## **Results of Operations**

The EAC, as presented in the Statement of Net Costs, reports the results of operations within four programs: Analyze; Build; Distribute; and Operate. Costs specifically identified with each of the programs, such as direct personnel costs and specific program contract expenses, are allocated to the programs directly. Other general agency overhead costs, such as rent, information technology, and financial management, are allocated on a per employee basis. The methodology is outlined in EAC's Cost Allocation Model and is reviewed by the financial statement auditors each year to ensure the accurate allocation of expenses to each program.

The Total Net Cost of Operations (expenses in the Salaries and Expenses, and Election Reform Programs appropriations) for the EAC was -\$24 million due to unexpended appropriated CARES grant funds being returned in FY 2021, a decrease from \$834 million in FY 2020.

## **Limitations of the Financial Statements**

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

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

## **I.D. ANALYSIS OF CONTROLS, MANAGEMENT SYSTEMS, AND LEGAL COMPLIANCE**

### **Internal Control Environment**

EAC is subject to numerous legislative and regulatory requirements that promote and support effective internal controls. EAC believes that maintaining integrity and accountability in its programs and operations is critical for good government, demonstrates responsible stewardship over assets and resources, helps ensure high-quality and responsible leadership, allows for effective delivery of services to customers, and maximizes desired program outcomes.

EAC has developed and implemented management, administrative and financial system controls with the aim of ensuring that: 1) programs and operations achieve intended results efficiently and effectively, 2) resources are used in accordance with the mission of the agency, 3) programs and resources are protected from waste, fraud and abuse, 4) program and operational activities are in compliance with laws and regulations, and 5) reliable, complete and timely data are maintained and used for decision-making.

The agency can provide unqualified assurance that internal control over financial reporting is effective, ensuring that transactions are executed in accordance with budgetary and financial laws and other requirements, consistent with the purposes authorized, and recorded in accordance with federal accounting standards. EAC ensures that assets are properly acquired and used, and safeguarded to deter theft, accidental loss or unauthorized disposition, and fraud.

Laws that help the EAC improve the management of its financial operations and programs are as follows:

### **Federal Manager's Financial Integrity Act**

The Federal Manager's Financial Integrity Act (FMFIA) of 1982 requires Executive Branch agencies to establish, maintain, and assess internal controls to ensure that agency program and financial operations are performed effectively and efficiently. To help ensure that controls have been identified and implemented, the heads of agencies must annually evaluate and report on the effectiveness of internal controls (FMFIA Section 2) and financial management systems (FMFIA Section 4) that protect the integrity of federal programs.

### **Entity-Wide Security Program**

The EAC's Information Technology (IT) staff explores innovations to update and improve network services for security, availability, efficiency, and productivity. Currently, EAC operates its own infrastructure. The EAC IT staff of four maintains personal computers, smart phones, and servers; provides software requested by EAC staff, remote access services, Voice Over Internet Protocol and Interactive Voice Response telecommunications tools; and performs vulnerability scans (in addition to DHS Cyber Hygiene scans). IT staff remediates and updates security patches so that staff is equipped to perform work both on- and off-site in a secure environment.

The EAC manages firewalls, intrusion detection, Trusted Internet Connections (TIC) compliant T1 lines, and routers and switches for Federal Information Security Management Act (FISMA) compliance. The EAC's cybersecurity management needs are managed by three staff members with extensive cybersecurity backgrounds as part of a newly created cybersecurity program. The program, in conjunction with IT personnel, continuously monitors the EAC's IT systems security as described in OMB M-10-15, *FY 2010 Reporting Instructions for the FISMA and Agency Privacy Management*, dated April 21, 2010.

### **Federal Information Security Management Act**

EAC was overall in compliance with the Federal Information Security Management Act at the end of FY 2021. The audit will be available on EAC's website.

### **Audit Follow-Up**

EAC's Office of the Inspector General (OIG) conducts audits and reviews of the agency's operations. The Office of the Chief Financial Officer (OCFO) works closely with EAC management and the OIG to complete actions necessary to respond to audit findings. EAC's Inspector General's statement of major management and performance challenges are documented in Section III.A. of this report. EAC also considers and responds to recommendations from audits and reviews conducted by the Government Accountability Office.

### **Federal Financial Management Improvement Act**

Per OMB Bulletin No. 14-02, "Audit Requirements for Federal Financial Statements," EAC as an Accountability of Tax Dollars Act of 2002-covered agency, is not subject to the requirements of the Federal Financial Management Improvement Act.

### **Accountability of Tax Dollars Act of 2002**

The FY 2021 financial statement audit report identified no material weaknesses in internal control over financial reporting.

### **Inspector General Act Amendments of 1988**

The EAC Office of the Inspector General audits HAVA funds administered by recipients of HAVA payments and grants, and transmits OMB Circular A-133 single audit reports that present findings on HAVA funds to EAC. The principal recipients of HAVA payments and grant funds are state governments.

### **Fraud Reduction Report**

Pursuant to the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114-186, 32 U.S. Code 3321 note), EAC is reporting on its fraud reduction efforts since the final quarter of FY 2021 in three key areas:

*I. Implementation of financial and administrative controls*

Financial and administrative controls are described in the EAC’s Annual Accounting Handbook, Annual Financial Statement Preparation Guide, Procurement Handbook, Budget Policy, Administrative Control of Funds Policy, Internal Control Procedures, Grants Handbook, and Travel Handbook. Standard Forms 49 Requisitions are used for credit card approvals. The forms are used to reconcile monthly purchase card statements in the Citi system, entered by cardholders and reviewed and approved by the Financial Manager as cardholder agency point of contact.

Financial and administrative controls are further described in annual cycle memoranda prepared as part of the annual financial statement audit, which lasts from April through mid-November. The memos are in the areas of: Fund Balance with Treasury, Accounts Receivable, Accounts Payable, Payroll, Budget, Cash Receipts and Disbursements, and Undelivered Orders.

*II. The fraud risk principle in the Standards for Internal Control in the Government (the GAO Green Book)*

Principle 8 of the Green Book requires agency management, “to consider the potential for fraud when identifying, analyzing, and responding to risks.” The Green Book defines fraud as “obtaining something of value through willful misrepresentation.” Historically, EAC has not experienced willful fraud. Management views the risk of fraud as minimal given the agency’s size, budget, existence of shared service providers, and a culture of zero tolerance for fraud. Further, management signed a document stating that they are not aware of instances of fraud in FY 2021.

The Green Book identifies three types of fraud:

1. Fraudulent financial reporting (intentional misstatements or omissions or disclosures)
2. Misappropriation of assets (theft, embezzlement, fraudulent payments)
3. Corruption (bribery and other illegal acts)

Another fraud risk is misconduct (e.g., waste or abuse of government resources).

The EAC, has built-in segregation of duties with a contractual financial, travel and procurement services provider at another federal agency via interagency agreement, a second federal agency provider for payroll and human resources services, a third interagency for a large contract, and a full-time Inspector General. Most financial transactions involve three individuals.

EAC is assessed to have a low risk of fraud in these areas:

- Fraudulent financial reporting risk: financial reporting is provided by one of the four OMB-authorized financial service providers. All financial reporting, including financial statements and necessary journal entries, is reviewed and approved by the EAC Finance Office prior to publication. Further, the EAC has undergone a financial statement audit by an independent financial auditor each year since FY 2008. The auditors’ working papers are reviewed by the agency’s Inspector General.
- Misappropriation of assets: assets are recorded in the general ledger, inventoried and tagged by two offices within the EAC, and schedules of depreciation of the assets are maintained by

the financial services provider. The EAC's building and its assets are secured by the Federal Protective Service via interagency agreement. Property removed from the building requires presentation of a signed property pass to a guard.

- Bribery: contracting officers are located at other agencies, the EAC staff serves as vendor contract proposal evaluation panel reviewers, funds for procurements are certified by the Finance Office, and staff is made aware in mandatory training and at all staff meetings that taking gifts valued over \$20 is prohibited.
- Illegal acts: staff are encouraged to report perceived illegal acts to the General Counsel as Ethics Officer, supervisors, and the Inspector General. The EAC's Human Resource Handbook provides thorough descriptions of standards of conduct, fitness for duties based on character and conduct, disciplinary and adverse actions for misconduct, and ethics.
- Waste of government resources and abuse of authority or position: the IG maintains a fraud, waste, abuse hotline. Staff and the public can call the hotline anonymously to report perceived cases of fraud, waste, or abuse. Further, staff are provided with Whistleblower training, so they know how to protect themselves from repercussions related to reporting wrongdoing. Other EAC mandatory training includes Privacy Act and IT security training. Standards of conduct are laid out in the EAC's Office of Human Resources Handbook, available on the agency's shared drive, and reviewed at New Employee Orientation. The manual specifies that the agency's General Counsel serves as the Designated Agency Ethics Officer, who should be consulted on specific issues of concern.

Fraud risk factors in the Green Book are incentive/pressure, opportunity (e.g., absence of or ineffective controls, override of controls), and attitude/rationalization. The risk factors are used by management to identify fraud risks. As mentioned above, the EAC relies on Inspector General and internal auditors and other internal and external individuals to provide information about suspected fraud or allegations of fraud.

The risk of opportunity is greatly reduced with financial staff at the EAC separate from the accounting and procurement service provider. Independent auditors' recommendations are taken seriously and implemented timely, at times in conjunction with the service providers' controls. The EAC does not have identified material weaknesses in internal controls over operations in FY 2021. Any management override of controls would necessarily involve staff at two federal agencies since the EAC does not have "write" access to the core financial system.

Management communicates the consequences of committing fraud in mandatory Ethics, Prohibited Practices and Whistleblower Protection, Information Technology Security, Privacy Act, and Privacy Rules of Behavior training.

### *III. OMB Circular A-123 with respect to leading practices for managing fraud risk*

The EAC management and its independent financial statement and Federal Information Security Management Act (FISMA) auditors are responsible for disclosing detected risks. This and other information help management identify and assess risks. Assessment of fraud risk is crucial so that it can be mitigated or prevented and does not adversely impact agency mission and operations objectives by affecting its ability to effectively and efficiently use its resources.



The EAC is required to report on progress in identifying risks and vulnerabilities to fraud, including the areas of: payroll, beneficiary payments (such as life insurance), grants, large contracts, information technology and security, asset safeguards, purchase cards, and travel cards. The EAC has assessed its vulnerabilities to fraud in these areas as low, taking into account use of another federal agency for payroll, IT and human resources services, and a second federal agency for accounting services, disbursement of grant funds, and purchase and travel card programs. Via interagency agreement, two agencies award EAC's large contracts. As mentioned, assets are protected by Federal Protective Service guards assigned to the building, and by a key card system protecting the EAC's suite within the building.

Due to its size and relationship with federal service providers, where the majority of financial transactions involve separation of duties and involvement by at least three staff, the risks within the agency are assessed to be low. Grant risks are remediated by Inspector General audits and agency assistance to grantees on technical assistance and audit resolution. The EAC controls include controls related to its use of service organizations. Separation of duties between federal entities is laid out in the roles and responsibilities sections of their interagency agreements.

The EAC utilizes automated time and attendance, procurement, contract payments, and travel and purchase card systems housed at other agencies. EAC has agency points of contact for purchase and travel cards, as does the financial service provider. Travel service provider accountants reconcile EAC's Central Billing Account each month. Agency-specified types of vendors allowed for use are established under the procurement card program via the use of Master Contract Codes. All other vendors will result in a card decline until the type of procurement is reviewed and access is given temporarily for the purchase.

Grantees, as well as vendors, are required to be registered in the federal System for Award Management (SAM). Grantee requests for payment are reviewed by several staff at the EAC and recorded on route slips prior to sending the requests to the service provider's Accounts Payable office. Further, grantee Federal Financial Reports are reviewed and analyzed each year. The process includes confirmation of period of performance of the award, report type (annual or final), Dun & Bradstreet Number and Employer Identification Number. Total award, Required Match, and Program Incomes are reviewed for accuracy. The reports are reconciled against prior year submission to analyze spending rates over time. Questions and errors are relayed back to the grantee timely. EAC creates reports tracking key metrics related to expenditure of federal funds and state match. Grant expenditure reports are provided to Congress and posted on EAC.gov.

Requests for payments to vendors are reviewed by trained and certified Contracting Officer's Representatives. Payments are made by service provider staff for interagency agreements, and in the Internet Payment Platform for the two federal agencies that award contracts on EAC's behalf for commercial vendors by EAC CORs. If a vendor claims nonpayment of bills, Treasury reports are requested to provide banking information confirming payment with banking information. It should be noted that grantees and vendors contact the agency if a payment is not received timely, which could be an indicator of fraud, so misdirection of funds is considered low risk. Financial system controls prevent vendor overpayment.

Further, CORs and the EAC Finance Division provide quarterly accruals and deobligations to the financial service provider on all open obligations. The Finance Office is required to certify that the open obligations are valid. The certification is reviewed by the financial statement auditors each year.

Each year, the EAC performs an Improper Payments Elimination and Recovery Improvement Act review for the financial statement audit.

### ***Strategies, Procedures and Other Steps***

The EAC is required to report progress to curb fraud by establishing strategies, procedures, and other steps. Steps include agency requirement for ethics training for all staff, which includes how to avoid a conflict of interest. Several staff members complete confidential and public Financial Disclosure reports annually. The reports are reviewed by the Ethics Officer for conflicts of interest. Further, Contracting Officer's Representatives are required to take Ethics in Contracting training, which further reinforces the need to avoid conflicts of interest in procurements. Contracting Officer's Representative can also take a free online course entitled Procurement Fraud Indicators.

Cards and system access are cancelled for exiting employees. The financial service provider asks for annual certification from the Finance Office on all systems access by EAC staff. The process includes review of roles and transaction amount limits for authorized staff.

The EAC undergoes annual financial statement and Federal Information Security Management Act audits. The EAC reviews grant audit findings and works with grantees pre- and post-audit. The EAC reviews financial transactions for error and potential fraud, and the financial service provider has staff accountants with CPAs who review financial transactions. Generally, the requestor of a transaction, his or her supervisor, and the EAC funds certifier sign off on transactions. The service providers obligate procurement funds. The EAC analyzes its shared service provider's regular audits throughout the year including purchase card payment timeliness, completeness of card logs, and accuracy of payments; Internet Payment Platform invoice post-payment audits of timeliness and accuracy, prompt pay reports; accounts payable delinquencies; and travel audits of compliance with the Federal Travel Regulation, attachment of required receipts to vouchers, and accuracy and timeliness of payment amounts.

**GONE Act**

<b>CATEGORY</b>	<b>2-3 Years</b>	<b>3-5 Years</b>	<b>More than 5 Years</b>
Number of Grants/Cooperative Agreements with Zero Dollar Balances	0	0	3
Number of Grants/Cooperative Agreements with Undisbursed Balances	0	0	0
Total Amount of Undisbursed Balances	0	0	0

In FY 2021, EAC closed five grants. The three grants remaining to be closed require additional data from the grantees and final Federal Financial Reports before EAC can close them. EAC expects to receive the required data by the end of the calendar year for the remaining grants. The EAC is currently working with the states to submit the required reports

## Annual Assurance Statement on Internal Control

November 15, 2021

The management of the Election Assistance Commission (EAC) is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Internal control is an integral component of EAC's management, providing reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The EAC's assessment of internal controls for ensuring the effectiveness and efficiency of operations focused on assessing controls for ensuring the reliability of information associated with the performance measures presented in its strategic plan, and on self-assessments. With respect to assessing internal control designed to ensure the reliability of financial reporting, the EAC relied upon the evaluation of internal controls over financial reporting conducted by its independent auditors, on reports issued by the Inspector General, and on agency risk assessments and letters of assurance over the program offices, financial management functions (accounting, budget, payments and grants, and procurement), and administrative offices.

Regarding internal controls to ensure compliance with laws and regulations, the EAC relied upon the evaluation conducted by its independent auditors and the Inspector General.

In FY 2021, the auditors found no material weaknesses or significant deficiencies in internal controls over financial management reporting. Further, the auditors found no instances of noncompliance with laws and regulations.

The EAC provides an unmodified statement of assurance that internal control and financial management systems meet the objectives of the Federal Managers' Financial Integrity Act.



Chairman Palmer

## **SECTION II**

### **Financial Section**




OFFICE OF THE INSPECTOR GENERAL  
US ELECTION ASSISTANCE COMMISSION  
633 3<sup>RD</sup> STREET, NW, SUITE 200  
WASHINGTON, DC 20001

## Memorandum

Date: November 12, 2021

To: Donald L. Palmer, Chairman  
U.S. Election Assistance Commission

From:   
Mia M. Forgy  
Deputy Inspector General

Subject: Audit of the U.S. Election Assistance Commission's Financial Statements for Fiscal Year 2021 (Assignment No. I-PA-EAC-06-21)

### Introduction

The Chief Financial Officer's (CFO) Act of 1990 (P.L. 101-576), as amended, requires the Inspector General for the U. S. Election Assistance Commission (EAC) or an independent external auditor, as determined by the Inspector General, to audit EAC's financial statements. The independent public accounting firm of Brown & Company CPAs, PLLC (Brown & Co.) performed the audit of the EAC's financial statements under contract with the Office of Inspector General (OIG). The contract required the audit to be performed in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*; and the *Financial Audit Manual* issued jointly by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Government Accountability Office.

### Results of Audit

In Brown & Co.'s opinion, the financial statements present fairly, in all material respects, the financial position of EAC as of September 30, 2021 and 2020, and its net costs, changes in net position, budgetary resources, and custodial activities for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

noncompliance with laws, regulations, or significant provisions of contracts or grant agreements. However, Brown & Co. did identify a deficiency in internal control that was less than material but warranted the attention of those charged with governance. Brown & Co. reported the deficiency via a Management Letter.

### EAC OIG Oversight of Brown & Company's Audit Performance

To fulfill our responsibilities under the Inspector General Act of 1978 and other related requirements, the OIG:

- Reviewed Brown & Co.'s approach and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Engaged in discussions with Brown & Co. regarding audit progress and audit issues;
- Reviewed Brown & Co.'s draft audit report;
- Performed other procedures we deemed necessary; and
- Coordinated issuance of the audit report.

Brown & Co. is responsible for the attached auditor's report and the conclusions expressed in the report. The oversight work performed by the EAC OIG was not an audit of the financial statements, internal controls, or compliance, and is not intended to conclude on any of those subjects of the audit. Therefore, the OIG does not express any opinion on EAC's financial statements or conclusions on the effectiveness of internal control or compliance with laws, regulations, or provisions of contracts or grant agreements.

### Report Distribution

The Inspector General Act of 1978, as amended, requires semiannual reporting to Congress on all reports issued, actions taken to implement recommendations, and recommendations that have not been implemented. Therefore, we will report the issuance of this audit report in our next semiannual report to Congress. The distribution of this report is not limited and copies are available for public inspection on the EAC OIG website and [Oversight.gov](https://www.oversight.gov). The OIG appreciates the courtesies and cooperation EAC extended to Brown & Co. and the OIG during the audit. If you, or your staff, has any questions, please contact the EAC OIG at [eacoig@eac.gov](mailto:eacoig@eac.gov).

Cc: Commissioner Thomas Hicks, Vice Chair  
Commissioner Christy A. McCormick  
Commissioner Benjamin W. Hovland  
Mona Harrington, Executive Director  
Paul Repak, Financial Director

Attachment



**U.S. ELECTION ASSISTANCE COMMISSION  
INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021 AND 2020**

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS.....	1
BALANCE SHEET .....	6
STATEMENT OF NET COST .....	7
STATEMENT OF CHANGES IN NET POSITION.....	8
STATEMENT OF BUDGETARY RESOURCES.....	9
NOTES TO THE FINANCIAL STATEMENTS.....	10





**INDEPENDENT AUDITOR'S REPORT**

U.S. Election Assistance Commission  
Washington, D.C.

In our audits of the fiscal years 2021 and 2020 financial statements of the U.S. Election Assistance commission (EAC), we found:

- **EAC's** financial statements as of and for the fiscal years ended September 30, 2021, and 2020, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2021 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI) and other information included with the financial statements; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

**Report on the Financial Statements**

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited **EAC's** financial statements. **EAC's financial** statements comprise the balance sheets as of September 30, 2021, and 2020; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

We conducted our audits in accordance with U.S. generally accepted government auditing standards and the provisions of OMB Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Management's Responsibility**

EAC management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and **auditor's** report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the **auditor's** judgment, including the **auditor's** assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the **entity's** preparation and fair presentation 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 **entity's** internal control. Accordingly, we express no such opinion. An audit of financial statements also involves 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. Our audits also included performing such other procedures as we considered necessary in the circumstances.

### Opinion on Financial Statements

In our opinion, **EAC's** financial statements present fairly, in all material respects, **EAC's** financial position as of September 30, 2021, and 2020, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

### Other Matters

#### Required Supplementary Information

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. Although the RSI is not a part of the financial statements, FASAB considers this information 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 the auditor's 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

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. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on EAC's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

## **Report on Internal Control over Financial Reporting**

In connection with our audits of the EAC's financial statements, we considered the EAC's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to the EAC's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

### Management's Responsibility

EAC management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of 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 Responsibility

In planning and performing our audit of EAC's financial statements as of and for the year ended September 30, 2021, in accordance with U.S. generally accepted government auditing standards, we considered the EAC's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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.

*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, 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of the EAC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## 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 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 responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

## Management's Responsibility

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

### Auditor's Responsibility


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 perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EAC.

### 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 2021 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.

### 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.

  
Greenbelt, Maryland  
November 12, 2021

**ELECTION ASSISTANCE COMMISSION  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2021 AND 2020  
(In Dollars)**

	2021	2020
<b>Assets:</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 55,161,357	\$ 14,405,640
Advances and Prepayments	541,032	541,032
<b>Total Intragovernmental</b>	<b>55,702,389</b>	<b>14,946,672</b>
With the Public:		
Accounts Receivable, Net (Note 3)	6,763	6,292
General Property, Plant, and Equipment, Net (Note 4)	235,181	194,953
<b>Total With the Public</b>	<b>241,944</b>	<b>201,245</b>
<b>Total Assets</b>	<b>\$ 55,944,333</b>	<b>\$ 15,147,917</b>
<b>Liabilities (Note 5):</b>		
Intragovernmental:		
Accounts Payable	\$ 310,663	\$ 98,480
Accounts Payable	310,663	98,480
Other Liabilities (Note 6)	104,799	85,518
Other Liabilities (Without Reciprocals) (Note 6)	34,656	23,867
Benefit Program Contributions Payable	70,143	61,651
<b>Total Intragovernmental</b>	<b>415,462</b>	<b>183,998</b>
With the Public:		
Accounts Payable	3,110,858	2,069,959
Federal Employee Benefits Payable	403,231	277,728
Other Liabilities (Note 6)	490,300	313,873
<b>Total With the Public</b>	<b>4,004,389</b>	<b>2,661,560</b>
<b>Total Liabilities</b>	<b>\$ 4,419,851</b>	<b>\$ 2,845,558</b>
<b>Net Position:</b>		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 51,624,048	\$ 12,373,070
Cumulative Results of Operations - Funds from Other than Dedicated Collections	(99,566)	(70,711)
<b>Total Cumulative Results of Operations</b>	<b>(99,566)</b>	<b>(70,711)</b>
<b>Total Net Position</b>	<b>51,524,482</b>	<b>12,302,359</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 55,944,333</b>	<b>\$ 15,147,917</b>

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

**ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF NET COST**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**  
(In Dollars)

	2021	2020
<b>Gross Program Costs (Note 9):</b>		
Program <i>A</i> :		
Gross Costs	\$ 2,381,378	\$ 2,255,082
Less: Earned Revenue		-
Net Program Costs	\$ 2,381,378	\$ 2,255,082
Program <i>B</i> :		
Gross Costs	\$ 1,079,786	\$ 43,070,207
Less: Earned Revenue		-
Net Program Costs	\$ 1,079,786	\$ 43,070,207
Program <i>C</i> :		
Gross Costs	\$ (27,699,649)	\$ 659,606,714
Less: Earned Revenue		-
Net Program Costs	\$ (27,699,649)	\$ 659,606,714
Program <i>D</i> :		
Gross Costs	\$ (52,476)	\$ 129,065,718
Less: Earned Revenue		(100)
Net Program Costs	\$ (52,576)	\$ 129,065,718
Net Cost of Operations	\$ (24,291,061)	\$ 833,997,721

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

**ELECTION ASSISTANCE COMMISSION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**  
(In Dollars)

	2021	2020
	Consolidated Total	Consolidated Total
<b>Unexpended Appropriations:</b>		
Beginning Balances	\$ 12,373,070	\$ 9,411,674
Adjustments		
Beginning Balances, as Adjusted	12,373,070	9,411,674
Appropriations Received	17,000,000	840,171,000
Appropriations Transferred In/Out	(1,500,000)	(1,500,000)
Other Adjustments	(882,755)	(2,086,994)
Appropriations Used	24,633,733	(833,622,610)
Net Change in Unexpended Appropriations	39,250,978	2,961,396
Total Unexpended Appropriations - Ending	\$ 51,624,048	\$ 12,373,070
<b>Cumulative Results of Operations:</b>		
Beginning Balances	\$ (70,711)	\$ 88,394
Adjustments		
Beginning Balances, as Adjusted	(70,711)	88,394
Appropriations Used	(24,633,733)	833,622,610
Imputed Financing (Note 10)	313,917	216,006
Other	(100)	-
Net Cost of Operations	24,291,061	(833,997,721)
Net Change in Cumulative Results of Operations	(28,855)	(159,105)
Cumulative Results of Operations - Ending	\$ (99,566)	\$ (70,711)
Net Position	\$ 51,524,482	\$ 12,302,359

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



ELECTION ASSISTANCE COMMISSION  
STATEMENT OF BUDGETARY RESOURCES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020  
(In Dollars)

	2021	2020
<b>Budgetary Resources:</b>		
Unobligated balance from prior year budget authority, net (Note 11)	\$ 43,239,009	\$ 4,946,179
Appropriations	15,500,000	838,671,000
<b>Total Budgetary Resources</b>	<b>\$ 58,739,009</b>	<b>\$ 843,617,179</b>
<b>Status of Budgetary Resources:</b>		
New obligations and upward adjustments (total)	\$ 16,663,705	\$ 837,750,200
Unobligated balance, end of year:		
Apportioned, unexpired accounts	73,575	1,224,374
Unapportioned, unexpired accounts	3,629,836	2,927,110
Unexpired unobligated balance, end of year	3,703,411	4,151,484
Expired unobligated balance, end of year	38,371,893	1,715,495
Unobligated balance, end of year (total)	42,075,304	5,866,979
<b>Total Budgetary Resources</b>	<b>\$ 58,739,009</b>	<b>\$ 843,617,179</b>
<b>Outlays, Net and Disbursements, Net:</b>		
Outlays, net (total)	(26,138,472)	831,420,254
Agency outlays, net	(26,138,472)	831,420,254

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



## **U.S. Election Assistance Commission NOTES TO THE 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; and maintaining the national mail voter registration form developed in accordance with the National Voter Registration Act of 1993.

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 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. 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.

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. 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 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 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 EAC 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 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 compliance with legal requirements on the use of federal funds.

### D. Fund Balance with Treasury

FBWT 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 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 FBWT 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 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. EAC's capitalization threshold is \$10,000 for individual purchases and \$100,000 for bulk purchases. For leasehold improvements and software, the capitalization threshold is \$25,000.

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.

EAC reports its liabilities under two categories, Intragovernmental and With the Public. Intragovernmental liabilities represent funds owed to another government agency. Liabilities with the Public 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 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**

EAC employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of EAC 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 EAC matches any employee contribution up to an additional four percent of pay. For FERS participants, **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, EAC remits **the employer's share of the** required contribution.

**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 EAC for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. EAC recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

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**

EAC 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. Imputed Costs/Financing Sources**

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. EAC recognized imputed costs and financing sources in fiscal years 2021 and 2020 to the extent directed by accounting standards.

#### **O. 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.

#### **P. 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, 2021 and 2020, were as follows:

	2021	2020
<b>Status of Fund Balance with Treasury:</b>		
Unobligated Balance		
Available	\$ 73,574	\$ 1,224,373
Unavailable	42,001,730	4,642,605
Obligated Balance Not Yet Disbursed	13,086,053	8,538,662
<b>Total</b>	<b>\$ 55,161,357</b>	<b>\$ 14,405,640</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 (see also Note 12).

## NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2021 and 2020, were as follows:

	2021	2020
With the Public		
Accounts Receivable	\$ 6,763	\$ 6,292
<b>Total Public Accounts Receivable</b>	<b>\$ 6,763</b>	<b>\$ 6,292</b>
<b>Total Accounts Receivable</b>	<b>\$ 6,763</b>	<b>\$ 6,292</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, 2021 and 2020.

**NOTE 4. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET**

Schedule of General Property, Plant and Equipment, Net as of September 30, 2021

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Furniture & Equipment	\$ 386,272	\$ 181,069	\$ 205,203
Software	32,119	2,141	29,978
Construction-in-Progress	-	N/A	-
Software-in-Development	-	N/A	-
<b>Total</b>	<b>\$ 418,391</b>	<b>\$ 183,210</b>	<b>\$ 235,181</b>

Schedule of General Property, Plant and Equipment, Net as of September 30, 2020

Major Class	Acquisition Cost	Accumulated Amortization/Depreciation	Net Book Value
Leasehold Improvements	\$ 1,205,830	\$ 1,205,830	\$ -
Furniture & Equipment	1,149,097	1,034,035	115,062
Software	172,721	172,721	-
Construction-in-Progress	-	N/A	-
Software-in-Development	79,891	N/A	79,891
<b>Total</b>	<b>\$ 2,607,539</b>	<b>\$ 2,412,586</b>	<b>\$ 194,953</b>

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

The liabilities for EAC as of September 30, 2021 and 2020, 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.

	2021	2020
<b>Intragovernmental – Unemployment Insurance</b>	\$ -	\$ 5,299
Unfunded Leave	341,510	266,657
Total Liabilities Not Covered by Budgetary Resources	\$ 341,510	\$ 271,956
Total Liabilities Covered by Budgetary Resources	4,078,341	2,573,602
<b>Total Liabilities</b>	<b>\$ 4,419,851</b>	<b>\$ 2,845,558</b>

Unemployment Insurance liabilities represent the unfunded liability for actual workers **compensation claims and unemployment benefits paid on 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, 2021 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 34,656	\$ -	\$ 34,656
Employer Contributions and Payroll Taxes Payable	63,693	-	63,693
Other Post Employment Benefits Due and Payable	6,450	-	6,450
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 104,799</b>	<b>\$ -</b>	<b>\$ 104,799</b>
With the Public			
Accrued Funded Payroll and Leave	\$ 463,560	\$ -	\$ 463,560
Other Liabilities w/Related Budgetary Obligations	26,740	-	26,740
<b>Total Public Other Liabilities</b>	<b>\$ 490,300</b>	<b>\$ -</b>	<b>\$ 490,300</b>
<b>Total Other Liabilities</b>	<b>\$ 595,099</b>	<b>\$ -</b>	<b>\$ 595,099</b>

Other liabilities account balances as of September 30, 2020 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 23,867	\$ -	\$ 23,867
Employer Contributions and Payroll Taxes Payable	49,902	-	49,902
Other Post Employment Benefits Due and Payable	6,450	-	6,450
Other Unfunded Employment Related Liability	5,299	-	5,299
<b>Total Intragovernmental Other Liabilities</b>	<b>\$ 85,518</b>	<b>\$ -</b>	<b>\$ 85,518</b>
With the Public			
Accrued Funded Payroll and Leave	\$ 243,484	\$ -	\$ 243,484
Other Liabilities w/Related Budgetary Obligations	70,389	-	70,389
<b>Total Public Other Liabilities</b>	<b>\$ 313,873</b>	<b>\$ -</b>	<b>\$ 313,873</b>
<b>Total Other Liabilities</b>	<b>\$ 399,391</b>	<b>\$ -</b>	<b>\$ 399,391</b>

## NOTE 7. LEASES

### Operating Leases

EAC has no capital leases. EAC relocated from its headquarters office located at 1201 New York Avenue NW, Suite 300, Washington, DC, on November 1, 2013. EAC also ended the lease for additional space at 1225 New York Avenue NW, Washington, DC, at the same time. EAC entered into a new lease for its headquarters office located at 1335 East-West Highway, Silver Spring, MD, which expires on or around November 1, 2018.

In November 2013, the EAC signed a five year lease. Under the agreement, the last full year of the lease started Oct 1, 2017 to September 30, 2018. Also, the agreement included one month, Oct 1, 2018 to October 31, 2018. The new 10 year lease begins on November 1st. The first year of the new lease is from November 1, 2018 to September 30, 2019.

In Fall 2020, the EAC relocated its current headquarters to 633 3<sup>rd</sup> St. NW. Washington, D.C. The EAC paid two months of rent at the previous location, \$41,536.78. The new lease is for 10 years and will end November 2030.

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

Fiscal Year	Asset Category			Totals	
	Building	Equipment	ADP Equipment	Federal	Non-Federal
2022	\$ 531,490	\$ -	\$ -	\$ 531,490	\$ -
2023	534,203	-	-	\$ 534,203	-
2024	536,972	-	-	\$ 536,972	-
2025	539,799	-	-	\$ 539,799	-
2026	542,686	-	-	\$ 542,686	-
Thereafter	2,293,422	-	-	\$2,293,422	-
<b>Total Future Lease Payments</b>	<b>\$4,978,572</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$4,978,572</b>	<b>\$ -</b>

## NOTE 8. COMMITMENTS AND CONTINGENCIES

EAC did not have any material contingent liabilities that met disclosure requirements as of September 30, 2021 and 2020.

## 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:

2021		2020	
Analyze		Analyze	
Intragovernmental Costs	\$ 480,321	Intragovernmental Costs	\$ 9,776
Public Costs	1,901,057	Public Costs	2,245,306
Less: Earned Revenue	-		-
<b>Total Costs</b>	<b>2,381,378</b>		<b>2,255,082</b>
Build		Build	
Intragovernmental Costs	\$ 584,659	Intragovernmental Costs	\$ 186,708
Public Costs	495,127	Public Costs	42,883,499
Less: Earned Revenue	-		-
<b>Total Costs</b>	<b>1,079,786</b>		<b>43,070,207</b>
Distribute		Distribute	
Intragovernmental Costs	\$ 332,055	Intragovernmental Costs	\$ 2,859,374
Public Costs	(28,031,704)	Public Costs	656,747,340
Less: Earned Revenue	-		-
<b>Total Costs</b>	<b>(27,699,649)</b>		<b>659,606,714</b>
Operate		Operate	
Intragovernmental Costs	\$ 2,415,838	Intragovernmental Costs	\$ 559,496
Public Costs	(2,468,314)	Public Costs	128,506,222
Less: Earned Revenue	(100)		-
<b>Total Costs</b>	<b>(52,576)</b>		<b>129,065,718</b>
Total Intragovernmental costs	3,812,873	Total Intragovernmental costs	3,615,354
Total Public costs	(28,103,834)	Total Public costs	830,382,367
<b>Total Costs</b>	<b>(24,290,961)</b>		<b>833,997,721</b>
Less: Earned Revenue	(100)		-
<b>Total Net Cost</b>	<b>\$ (24,291,061)</b>		<b>\$ 833,997,721</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 periods ended September 30, 2021 and 2020, respectively, inter-entity costs were as follows:

	2021	2020
Office of Personnel Management	\$ 313,917	\$ 216,006
<b>Total Imputed Financing Sources</b>	<b>\$ 313,917</b>	<b>\$ 216,006</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, 2021, and 2020, consisted of the following:

	2021	2020
Unobligated Balance Brought Forward From Prior Year, October 1	\$ 5,866,979	\$ 6,702,914
Recoveries of Prior Year Obligations	38,254,786	330,260
Other Changes in Unobligated Balances	(882,756)	(2,086,995)
<b>Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)</b>	<b>\$ 43,239,009</b>	<b>\$ 4,946,179</b>

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

As of September 30, 2021, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	3,239,093	5,768,619	9,007,712
<b>Total Undelivered Orders</b>	<b>\$ 3,780,125</b>	<b>\$ 5,768,619</b>	<b>\$ 9,548,744</b>

As of September 30, 2020, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ 541,032	\$ -	\$ 541,032
Unpaid Undelivered Orders	1,592,014	4,373,045	5,965,059
<b>Total Undelivered Orders</b>	<b>\$ 2,133,046</b>	<b>\$ 4,373,045</b>	<b>\$ 6,506,091</b>

**NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT**

The President’s Budget that will include fiscal year 2021 actual budgetary execution information has not yet been published. The President’s Budget is scheduled for publication in February 2022 and can be found at the OMB Web site: <http://www.whitehouse.gov/omb/>. The 2022 Budget of the United States Government, with the “Actual” column completed for 2020, 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	\$ 844	\$ 838	\$ -	\$ 831
Unobligated Balance Not Available	(2)	-	-	-
Difference - Due to Rounding	(1)	(1)	-	(1)
<b>Budget of the U.S. Government</b>	<b>\$ 841</b>	<b>\$ 837</b>	<b>\$ -</b>	<b>\$ 830</b>

**NOTE 14. CUSTODIAL ACTIVITY**

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 EAC nor material to the overall financial statements. EAC’s total custodial collections are \$62 and \$0 for the years ended September 30, 2021, and 2020, 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.

Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

RECONCILIATION OF NET COST TO NET OUTLAYS  
BUDGET AND ACCRUAL RECONCILIATION  
FOR THE YEARS ENDED SEPTEMBER 30, 2021  
(In Dollars)

	Intragovernmental	With the Public	Total
<b>Net Operating Cost (SNC)</b>	\$ 3,812,874	\$ (28,103,935)	\$ (24,291,061)
<b>Components of Net Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(60,455)	(60,455)
Property, Plant, and Equipment Disposals & Revaluations	-	(118,874)	(118,874)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	-	471	471
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	(212,183)	(1,040,899)	(1,253,082)
Federal Employee and Veteran Benefits Payable	-	(125,503)	(125,503)
Other Liabilities	(19,280)	(176,428)	(195,708)
<b>Financing Sources:</b>			
Imputed Cost	(313,917)	-	(313,917)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (545,380)</b>	<b>\$ (1,521,688)</b>	<b>\$ (2,067,068)</b>
<b>Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>			
Acquisition of Capital Assets	-	219,557	219,557
<b>Total Components of the Budget Outlays That Are Not Part of Net Operating Cost</b>	<b>\$ -</b>	<b>\$ 219,557</b>	<b>\$ 219,557</b>
<b>Misc Items</b>			
Custodial/Non-Exchange Revenue	62	(62)	-
Non-Entity Activity	100	-	100
<b>Total Other Reconciling Items</b>	<b>\$ 162</b>	<b>\$ (62)</b>	<b>\$ 100</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 3,267,656</b>	<b>\$ (29,406,128)</b>	<b>\$ (26,138,472)</b>
<b>Budgetary Agency Outlays, Net (SBR 4210)</b>			
<b>Budgetary Agency Outlays, Net</b>			<b>\$ (26,138,472)</b>

Reconciliation of Net Cost to Net Outlays as of September 30, 2020:

RECONCILIATION OF NET COST TO NET OUTLAYS  
BUDGET AND ACCRUAL RECONCILIATION  
FOR THE YEARS ENDED SEPTEMBER 30, 2020  
(In Dollars)

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)	\$ 3,615,354	\$ 830,382,367	\$ 833,997,721
<b>Components of Net Cost Not Part of the Budgetary Outlays</b>			
Property, Plant, and Equipment Depreciation Expense	-	(54,473)	(54,473)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	(6,400)	(27,168)	(33,568)
Other Assets	(73,731)	-	(73,731)
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts Payable	(73,110)	(1,834,414)	(1,907,524)
Federal Employee and Veteran Benefits Payable	-	(75,591)	(75,591)
Other Liabilities	(42,072)	(174,502)	(216,574)
<b>Financing Sources:</b>			
Imputed Cost	(216,006)	-	(216,006)
<b>Total Components of Net Operating Cost Not Part of the Budgetary Outlays</b>	<b>\$ (411,319)</b>	<b>\$ (2,166,148)</b>	<b>\$ (2,577,467)</b>
<b>Total Net Outlays (Calculated Total)</b>	<b>\$ 3,204,035</b>	<b>\$ 828,216,219</b>	<b>\$ 831,420,254</b>
<b>Budgetary Agency Outlays, Net (SBR 4210)</b>			
Budgetary Agency Outlays, Net			\$ 831,420,254

**NOTE 16. REQUIREMENT PAYMENTS AND GRANT PROGRAMS**

The largest of the EAC grant programs is the Help American Vote Act (HAVA) Section 251 Requirements Payments to the states to help them meet the Title III requirements of HAVA. CARES Act grant was appropriated in Emergency Appropriations for Coronavirus Health Response and Agency Operations. **EAC's discretionary grants have been completed and closed.**

	2021	2020
Election Security Grants		\$ 425,000,000
CARES Act Grants		400,000,000
<b>Net Cost of Operations</b>	<b>\$ -</b>	<b>\$ 825,000,000</b>

**NOTE 17. 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.

**Budgetary Resources Received and Budgetary Resources Remaining as of September 30, 2021, and 2020:**

	2021		2020	
Total Budgetary Resources as of October 1	\$	-	\$	-
Appropriations Received				400,000,000
Obligations Undelivered		-		2,794,713
Obligations Delivered Unpaid and Paid		-		397,205,287
Unobligated Balance		(37,427,788)		-
<b>Total Budgetary Resources as of September 30</b>	<b>\$</b>	<b>37,427,788</b>	<b>\$</b>	<b>-</b>

**SECTION III**  
**Other Accompanying Information**





OFFICE OF THE INSPECTOR GENERAL  
US ELECTION ASSISTANCE COMMISSION  
633 3<sup>RD</sup> STREET, NW, SUITE 200  
WASHINGTON, DC 20001

## Memorandum

To: Donald L. Palmer, Chairman  
U.S. Election Assistance Commission

From:   
Mia M. Forgy  
Deputy Inspector General

Date: October 13, 2021

Subject: Top Management Challenges Facing the U.S. Election Assistance Commission  
Report No. I-MC-EAC-01-22

In accordance with the Reports Consolidation Act of 2000 (Public Law 106-531), the Office of Inspector General is submitting its annual statement summarizing the areas considered to be the most serious management and performance challenges facing the U.S. Election Assistance Commission (EAC). Management and performance challenges are defined as programs or management functions that are vulnerable to waste, fraud, abuse, and mismanagement and where a failure to perform well could seriously affect the ability of the EAC to achieve its mission objectives.

In FY 2020, the OIG added the COVID-19 pandemic response as a new challenge for the agency. As noted in our prior report, the EAC was able to swiftly convert to a 100% telework environment, with little preparation time, to continue carrying out its mission responsibilities during a global pandemic. The EAC has been operating within a fully virtual environment for more than a year while making strides to enhance and expand its mission programs and operations. With the continued stability of the EAC's fully remote environment and its ability to fulfill its mission functions, the OIG has removed the pandemic response as a management challenge for the EAC.

The challenges reported by the EAC OIG are based upon our audit, inspection and evaluation work, discussions with EAC management, and general knowledge of the EAC's operations. The

OIG's FY 2021 report will provide updates and identify progress made by EAC concerning the challenges reported in our prior year report.

#### Attachment

cc: Commissioner Thomas Hicks, Vice Chair  
Commissioner Christy A. McCormick  
Commissioner Benjamin W. Hovland  
Executive Director, Mona Harrington  
Financial Director, Paul Repak

## Introduction

The Reports Consolidation Act of 2000 requires the Office of Inspector General (OIG) to report annually on what it considers to be the most serious management and performance challenges facing the U.S. Election Assistance Commission (EAC). Management challenges are derived from cross-cutting issues that arise during our regular audit, evaluation, and investigative work. They are also influenced by our general knowledge of the Agency's operations and the works of other evaluative bodies such as the Government Accountability Office (GAO).

### Challenge 1: Vacancies in Key Agency Positions – Originally Issued 2019

The OIG reported this challenge in FY 2020 due to the vacancies that occurred within EAC's management structure at the start of the fiscal year. The EAC operated during the first two quarters of FY 2020 without a permanent Executive Director, General Counsel, or a director for its Grants Management Division. To ensure the continuity of the EAC operations, the Commissioners adopted a Succession Plan in early October 2019 to appoint an Acting Executive Director. A Grants Manager was hired in April 2020, and the Commissioners subsequently filled the Executive Director and General Counsel positions with permanent, full-time employees in June 2020. However, this challenge continues to be reported for FY 2021 due to vacancies in the Inspector General and Human Resource Manager positions.

#### Inspector General

The EAC's Commissioners have the responsibility of appointing an Inspector General (IG). The former IG's planned retirement occurred on March 31, 2021. The EAC posted an initial job announcement for the IG position in February 2021, followed by a second announcement in June 2021, with a closing date of June 2022. The IG position has been vacant for more than six months, and unlike the prior vacancy for the Executive Director position, the Commissioners have not appointed an Acting for this position.

The inaction of the Commissioners in appointing an Acting IG could potentially cause the OIG to operate without an Acting or permanent IG for over a year. Additionally, the absence of an Acting IG while there is a longstanding IG vacancy is impeding the OIG's ability to ensure the continuity of all OIG operations and its oversight responsibilities. For example, reviews of agency high-risk programs and operations are being significantly delayed because the OIG is understaffed and without an IG.

As the EAC continues to expand and enhance its programs and operations, it is critical to have an IG office with established leadership and adequate staffing to sufficiently perform the oversight responsibilities of internal agency operations and the EAC's current \$1.2 billion dollars in Help America Vote Act (HAVA) grant funding distributed to the States. To ensure the OIG can continue supporting the mission of the agency, promote efficiency and effectiveness in agency programs, and comply with all requirements and authorities of the Inspector General

Act, it is imperative that EAC's leadership makes filling the IG position a priority of the Commission.

### Human Resource Manager

The EAC is currently operating without a full-time Human Resource (HR) Manager to oversee the agency's human capital objectives. The EAC's current Strategic Plan outlines its objective to "continue to build a skilled, diverse, and effective workforce that ensures the EAC has the human capital needed to achieve its mission." The Office and Personnel Management (OPM) identifies workforce planning as the foundation for managing an organization's human capital, and it furthers an agency's ability to hire qualified individuals to pursue its mission. The EAC has expanded its workforce significantly over the last year, with plans to continue enhancing its workforce talent. A dedicated and skilled HR professional is essential to ensure the agency is operating in compliance with all OPM requirements and guidance as it relates to workforce planning, hiring, and all other personnel matters.

A critical element to achieving the EAC's human capital objectives is performance management. An agency's performance management program aids in assessing the effectiveness of its workforce in accomplishing the agency's goals to meet its overall mission. The EAC has plans to implement its performance management program in fiscal year 2022. However, the agency will be implementing this program without a skilled HR Manager on board ensuring that the agency's performance management program is operating effectively and fully compliant with applicable federal regulations.

For the EAC to adequately develop and promote a robust workforce plan that supports its growth and maturation, meets its strategic objective, and ensures compliance with applicable federal requirements for Strategic Human Capital Management, the EAC requires a full-time HR Manager with the proper knowledge, skills, and abilities to carry-out these responsibilities.

### Challenge 2: Elections Systems as Critical Infrastructure – Originally Issued 2017

The Department of Homeland Security (DHS) designated elections systems as critical infrastructure in January 2017, expanding the responsibilities of the EAC due to its subject matter expertise, relationships with state and local elections officials, and in-depth understanding of local election operations. The EAC played a significant role in creating and co-chairing the Executive Committee of the Government Coordinating Council with DHS to help secure and monitor the security of the nation's elections.

As the nation's clearinghouse for election administration information, EAC has taken on the challenge of supporting DHS and state and local elections administrators as a crucial partner in securing the election infrastructure. In addition to EAC's support to DHS, EAC has established priorities related to election systems that include expanding and strengthening the agency's testing and certification of voting equipment and implementing a grant program focused on

election innovation with the purpose of improving the security of voting equipment, elections systems, and voting technology. However, with limited human and financial resources the EAC struggles to balance their support to DHS, its existing mission functions, and its plans of program expansion to work towards the agency operating at its maximum capability.

### Challenge 3: Records Management – Originally Issued 2010

Maintaining complete and accurate records of the operations, policies, procedures, and practices are critical to effective agency performance. Furthermore, retention of government records is mandated by federal law. Without these records, an agency cannot retain an institutional knowledge. At the time the OIG originally raised this issue as a significant challenge, EAC did not have formal documented policies and procedures for management and retention of records. The EAC has recently completed the task of documenting the history of decisions and policies of the EAC that can be traced back to the beginning of the agency. Additionally, the EAC has procured contracting services to assist in the development of agency operating policies and procedures.

Our prior year report noted that the Office of the General Counsel (OGC) was in the process of reviewing and updating the EAC's records retention schedule in accordance with law and regulations. OGC's review of EAC's records retention schedule is still in progress and standard operating procedures for the EAC's records management program are being updated.



U.S. ELECTION ASSISTANCE COMMISSION  
633 3rd St. NW, Suite 200  
Washington, DC 20001

## MEMORANDUM

DATE: November 10, 2021

To: Mia Forgy, Deputy Inspector General

From: Mona Harrington, Executive Director *Mona Harrington*

RE: Response to Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Election Assistance Commission

The EAC concurs in part and objects in part with the top management challenges outlined by the EAC Deputy Inspector General. The EAC believes that the status of numerous findings are insufficiently or incorrectly described as many are either resolved or in process for resolution due to recent EAC activity. Additionally, the findings report lacks important context regarding the conflict of interest of the author which may have directly impacted the findings regarding vacancies.

As noted in previous management challenge findings, the EAC has been extremely underfunded over the last decade. While the agency has recently received additional funding, the agency has assumed more responsibility than ever with fewer resources. In FY 2021, the EAC received \$17,000,000 in annual funding of which \$15,500,000 was for Salaries and Expenses (S&E) and \$1,500,000 was transferred to NIST. While this represents the highest operating fund level since 2011, funding for the EAC for S&E remains below 2010 levels when factoring in inflation.<sup>1</sup> Despite these funding challenges, and salary caps which increase the difficulty in hiring and retaining specialized talent at the agency, the EAC utilized available resources to make significant progress towards the agency's mission of helping election officials improve the administration of elections and helping Americans participate in the voting process.

### **Challenge 1: Vacancies in Key Agency Positions**

The EAC has taken significant actions to fill vacancies and utilize additional resources to address major concerns caused by vacancies that remain. The EAC objects to the finding related to the Inspector General Vacancy and objects in part to the characterizations regarding the HR Manager vacancy.

**Inspector General Vacancy:** On October 14, 2021, the EAC announced the hiring of Brianna Schletz as the next EAC Inspector General. IG Schletz brings 15 years of oversight experience to the EAC and her hiring concludes an eight-month exhaustive search for a qualified candidate to fill this essential position. Despite this announcement and Deputy IG internal knowledge of the pending hire, the Top

---

<sup>1</sup> In 2010, the EAC received \$17,900,000 of which \$14,400,000 was designated for S&E. Factoring in inflation at an average of 1.8% year over year, the 2010 S&E budget present value is \$17,400,000 which is \$1,900,000 above the FY 2021 S&E budget of \$15,500,000.

Management Challenges report discusses the vacancy at length and improperly speculates that that the agency may be without an Acting or permanent IG for over a year.

The report also states that the Commissioners' decision not to appoint Deputy IG Forgy as Acting IG is impeding the OIG's ability to conduct operations and oversight responsibilities. This is in direct contradiction to testimony Deputy IG Forgy provided to the House Committee on Oversight and Reform on April 20, 2021, where she testified "The EAC, I will say, is actively recruiting to fill that IG position. Since the IG position has been vacant, I have not currently had any issues with resources and soliciting or obtaining services for carrying out our work." Similarly, the assertion in the report regarding the impact on the agency is contrary to direct statements and reassurances made by the Deputy IG Forgy to the EAC. The EAC met with Deputy IG Forgy to continue to communicate support and understand priorities and required resources throughout the IG vacancy period. The EAC was not notified of any delays or modifications to audits required at any time as a result of the IG vacancy. Additionally, no further resources were ever requested of the agency by Deputy IG Forgy during the vacancy period.

Human Resource Manager Vacancy: The Top Management Challenges incorrectly equivocates an opening in the Human Resource Manager position with a lack of Human Resource staff at the agency. The EAC currently has an Administrative Officer Human Resources Director in a key leadership role within the agency. Additionally, the EAC currently has a staff member on the Administrative HR team and has retained the services of a prior EAC HR Manager to provide additional HR services to the agency. The Management Challenges report incorrectly implies that the current vacancy has resulted in a lack of HR support for the agency in spite of the work of these multiple staff members. This small but dedicated team has recruited and onboarded multiple staff, served the agency in building an agile and qualified workforce while navigating through the COVID-19 pandemic, and assisted in transitioning the agency through a relocation in addition to serving all staff on HR related inquiries and issues. The Human Resource Manager will provide important additional resources for the agency and will play a leadership role within the team but will be joining a team that currently provides robust services for the agency.

The report also incorrectly implies that a performance management system is being implemented without support from an HR manager. In fact, the previous EAC HR Manager has played a significant role in developing and implementing the new performance management system. The agency also hired an experienced performance management professional to train agency staff on ongoing performance management standards and the new agency specific evaluation process. While the filling of the vacancy will be an important step to completing the HR staff, EAC leadership has endeavored to contract with numerous experienced HR professionals to ensure agency staff can obtain performance reviews in a timely manner while the hiring search is conducted.

### **Challenge 2: Elections Systems as Critical Infrastructure**

The 2021 Management Challenges report confuses the role of the EAC in relation to the Department of Homeland Security (DHS) in relation to the designation of elections as critical infrastructure. As noted in the 2020 Management Challenges report, the "EAC possessed the subject matter expertise, the relationships with state and local election officials and the in-depth understanding of local election operations to provide much-needed support to DHS in implementing that designation." As noted in 2020, the EAC was able to bolster staffing and provide additional assistance to states and voters while assisting in the implementation of the critical infrastructure designation.

As noted above, the EAC has remained underfunded. Despite this, the EAC has remained agile and has significantly expanded staffing in 2021 to provide resources to election officials on pressing and timely election administration issues. The EAC concurs with Challenge 2 to the extent that it highlights the need for additional financial and personnel resources to operate at maximum capacity.

The 2021 findings differ from the 2020 report in repeatedly and incorrectly casting EAC as functioning in support of DHS following the designation of elections as critical infrastructure. The EAC and DHS work closely in collaboration as partners both directly and in concert with other federal agencies such as the Department of Justice (DOJ), Federal Bureau of Investigations (FBI) and others, to serve election officials and the American public in protecting our voting systems. The 2021 report confuses the initial support of critical infrastructure designation with a shift in agency priorities by casting mission functions as in conflict with working in partnership with DHS. Collaboration of all essential agencies at the federal level, including EAC and DHS, is critical to the EAC's mission of serving election officials and the American public. The EAC objects to the finding of Challenge 2 to the extent that it confuses the relationship and mission of the EAC in partnership with other federal agencies including DHS.

### **Challenge 3: Records Management**

The EAC concurs with the findings of Challenge 3 and is currently working with expert contractors to finalize the records retention schedule to enable the closing of this finding.

### **Conflict of Interest**

The EAC believes that a critical conflict of interest must be noted in this year's Top Management Challenges report. As mentioned above, Deputy IG Forgy authored this report during the vacancy and hiring process to fill the IG position. The draft report was submitted to the agency as the final announcement of the hiring of IG Schletz was announced. In spite of the clear closing of this challenge due to the hiring, Deputy IG Forgy insisted on leaving the inaccurate claims regarding a potential year-long vacancy in the report. Additionally, the challenge portrays the vacancy as creating significant issues in conducting oversight of the agency. As noted in the response to Challenge 1, these challenges were not communicated to the agency directly during the vacancy despite numerous periods of outreach by the agency to Deputy IG Forgy nor were they indicated to Congress during Deputy IG Forgy's prior testimony.

The agency believes the refusal to close or amend the finding may be impacted by the agency's decision not to elevate Deputy IG Forgy to the Acting or Permanent Inspector General position. This clear conflict of interest is not noted in the report despite the significant impact that it could have on the findings. The EAC felt it necessary to note this real or perceived conflict due to the lack of disclosure by the report's author.



### III.B. IMPROPER PAYMENTS

The Improper Payments Act requires each federal agency to assess all programs and identify which, if any, may be subject to high risk with respect to improper payments. For Fiscal Year 2021, the EAC does not believe that it has any programs where the erroneous payments could exceed 1.5 percent of program payments or \$10.0 million threshold (set in OMB Guidance) to trigger further agency action. Additionally, the agency is in compliance as per the last IG compliance review, and the EAC did not have any improper payments identified for FY 2021 in its annual review by Treasury’s Bureau of Fiscal Service.

### III.C. SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

<b>SUMMARY OF FISCAL YEAR 2021 FINANCIAL STATEMENT AUDIT</b>						
<b>Audit Opinion</b>		<b>Unmodified</b>				
<b>Material Weaknesses</b>		<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
<b>Financial Accounting &amp; Reporting</b>		<b>0</b>				<b>0</b>
<b>Total Material Weaknesses</b>		<b>0</b>				<b>0</b>
<b>Summary of Management Assurances</b>						
<b>Statement of Assurance (FMFIA§ 2)</b>		<b>Unmodified</b>				
<b>No.</b>	<b>Summary</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
<b>1</b>	<b>Material Weaknesses (FMFIA§ 2)</b>	<b>0</b>				<b>0</b>
	<b>Total</b>	<b>0</b>				<b>0</b>

