AGENCY FINANCIAL REPORT

FISCAL YEAR 2026

SUBMITTED TO THE CONGRESS OF THE UNITED STATES OF AMERICA

NOVEMBER 16, 2026



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

HOW THIS REPORT IS ORGANIZED

The Fiscal Year 2026 Agency Financial Report (AFR) describes the financial management of the U.S. Equal Employment Opportunity Commission (EEOC or agency) and provides high-level performance information, including management challenges. Pursuant to guidance from the Office of Management and Budget (OMB), the AFR is organized into the following major sections:

- **Management's Discussion and Analysis (MD&A):** The MD&A provides an overview of the EEOC's financial and performance information. The MD&A highlights our accomplishments in achieving our mission. This section also highlights the agency's financial results and provides management's assurances on the agency's internal controls.
- **Financial Section:** This section outlines our efforts to be good stewards over the funds the agency receives to carry out its mission, including an independent auditor's opinion on the agency's financial statements.
- **Other Information:** This section includes the Inspector General's Statement on Management Challenges, the agency's progress and plans to address them, and summary tables related to our Financial Statement Audit and Management Assurances.
- **Appendices:** Contain information on the EEOC's organization, jurisdiction, leadership, and revolving fund, as well as a glossary of the acronyms used in the report.

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MESSAGE FROM THE CHAIR



I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC or agency) Agency Financial Report (AFR) for fiscal year 2026. Under President Donald Trump's leadership, the EEOC continues to advance the Administration's civil rights enforcement priorities and deliver results that benefit all Americans.

The EEOC was created by Congress as part of the Civil Rights Act of 1964 and entrusted with a straightforward and essential mission: to prevent and remedy unlawful employment discrimination and advance equal opportunity for all. For more than six decades, the EEOC has pursued that mission guided by the foundational American principle that every person possesses inherent dignity and worth and deserves to be judged as an individual.

Throughout fiscal year 2026, the EEOC remained focused on restoring evenhanded enforcement of civil rights laws on behalf of all Americans. Under my leadership, the EEOC has continued to advance a vision of equal opportunity that rejects unlawful discrimination in all its forms and reaffirms the Commission's commitment to merit-based, evenhanded enforcement of our nation's civil rights laws, ensuring that their protections extend equally to every American worker.

The results in this report demonstrate the significant return on investment taxpayers receive from the EEOC's enforcement efforts. In fiscal year 2026, the EEOC again secured monetary relief for victims of employment discrimination that far exceeded the agency's annual operating budget. This reflects not only the dedication and professionalism of the EEOC's workforce, but also the substantial value the EEOC delivers to the American public. Through strategic enforcement, effective alternative dispute resolution, successful conciliation efforts, and targeted litigation, the EEOC was able to obtain meaningful relief for workers while maximizing the impact of every taxpayer dollar entrusted to the agency. In fiscal year 2026, the EEOC recovered $637,700,000 for victims of discrimination, the fourth highest recovery in the agency's history, and 46 percent more money than the EEOC's enacted fiscal year 2026 funding level of $435,382,000. The agency's total recoveries include $519,000,000 for individuals in private sector and state and local government workplaces through mediation, conciliation, and settlements, the second highest recovery in the agency's history through the agency's pre-litigation enforcement process—second only to fiscal year 2025's recoveries via the pre-litigation enforcement process. The agency was able to obtain fiscal year 2026's record recoveries despite the longest government-wide shutdown of 43 days from October 1, 2025, to November 12, 2025. Had the government remained open for the full fiscal year, the agency's recoveries for victims of discrimination were sure to be even higher.

The EEOC advanced critical enforcement priorities, addressing some of the nation's most pressing workplace civil rights challenges and securing meaningful relief for American workers. This included combating discrimination arising from employment policies and practices that conflict with federal civil rights laws; protecting religious freedom; attacking diversity, equity, and inclusion (DEI) related race and sex discrimination; protecting American workers from anti-American bias; and defending women's

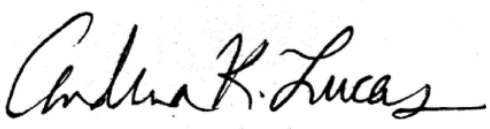
sex-based rights in the workplace. At the same time, the Commission expanded efforts to prevent discrimination before it occurs through outreach, education, and technical assistance to employees, employers, and stakeholder communities nationwide.

In addition to its enforcement work, the EEOC continued to strengthen its operational effectiveness. The Commission invested in technology modernization, improved business processes, and enhanced accountability measures to ensure that the agency remains efficient, responsive, and capable of meeting the needs of the American public. This fiscal year, the agency decreased the private sector charge inventory by almost 9 percent, while increasing resolutions of employment discrimination charges in the private sector by almost 14 percent. This is all despite receiving increased inquiries (the highest number since the agency began tracking them) and the third highest number of charges in the agency's history, a nearly 13 percent increase in charges from the prior fiscal year.

The EEOC has once again received an unmodified opinion from an independent audit of our financial statements. As required by the Federal Managers Financial Integrity Act (FMFIA), the AFR provides reasonable assurances about the agency's internal controls. Moreover, the financial data and performance results provided in the AFR are reliable and complete.

Sound financial stewardship and accountability support the Commission's fundamental mission of preventing and remedying unlawful employment discrimination. Under my leadership, the Commission remains committed to protecting equal opportunity, preserving merit-based decision-making, enforcing the law without fear or favor, and ensuring that every worker receives the protections guaranteed under our nation's civil rights laws.

Sincerely,



Andrea R. Lucas
Chair
U.S. Equal Employment Opportunity Commission

MANAGEMENT'S DISCUSSION & ANALYSIS

The U.S. Equal Employment Opportunity Commission's (EEOC or agency) Agency Financial Report (AFR) provides financial information and an overview of programs, accomplishments, and challenges that enable the President, Congress, and the American people to assess the EEOC's performance and accountability for the resources entrusted to it for the fiscal year (October 1 through September 30). The report is prepared in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements.*

The EEOC publishes its AFR with a primary focus on financial results and a high-level discussion of key performance results. The agency's combined Agency Performance Plan (APP) and Agency Performance Report (APR) details strategic goals, performance results, and planned performance. The combined APP and APR will be available in 2027 on the EEOC's website at: https://www.eeoc.gov/budget-and-performance.

MISSION, MAJOR PROGRAMS, AND ORGANIZATIONAL STRUCTURE

MISSION
Prevent and remedy unlawful employment discrimination and advance equal employment opportunity for all.

AGENCY OVERVIEW

Title VII of the Civil Rights Act of 1964 (Title VII) created the EEOC to enforce protections against employment discrimination on the bases of race, color, religion, sex, and national origin. Congress subsequently vested the EEOC with responsibility to enforce the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Sections 501 and 505 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), the Government Employee Rights Act of 1991 (GERA), Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), and the Pregnant Workers Fairness Act of 2022 (PWFA). In addition, in 1972, Congress further expanded the agency's responsibilities by providing federal government employees the protections of Title VII and providing the EEOC with independent litigation authority against private employers.

STATUTORY STRUCTURE

The EEOC is led by six Senate-confirmed presidential appointees – five Commissioners (including the Chair and Vice Chair) who serve staggered five-year terms and the General Counsel. No more than three Commissioners (including the Chair and Vice Chair) may be from the same political party. The Chair is responsible for the administration and implementation of policy, the enforcement program, financial management, and day-to-day operations of the Commission. The five Commissioners participate in the development and approval of Commission policies, issue charges of discrimination where appropriate, and authorize the filing of lawsuits. The General Counsel supports the Commission and provides direction, coordination, and supervision to the EEOC's litigation program.

THE COMMISSIONERS AND GENERAL COUNSEL	TERM EXPIRES
Chair Andrea R. Lucas	2030
Commissioner Kalpana Kotagal	2027
Commissioner Brittany Bull Panuccio	2029
Vacant	
Vacant	
Vacant	

ORGANIZATION

The EEOC accomplishes its mission through component offices that administer various programs. The EEOC's organizational chart is available on the EEOC's website. For more information about specific EEOC offices, please see Appendix A.

The work of the EEOC is carried out through a network of 53 district, field, area, and local offices. For more information about the EEOC offices across the nation, please see Appendix B.

FINANCIAL HIGHLIGHTS

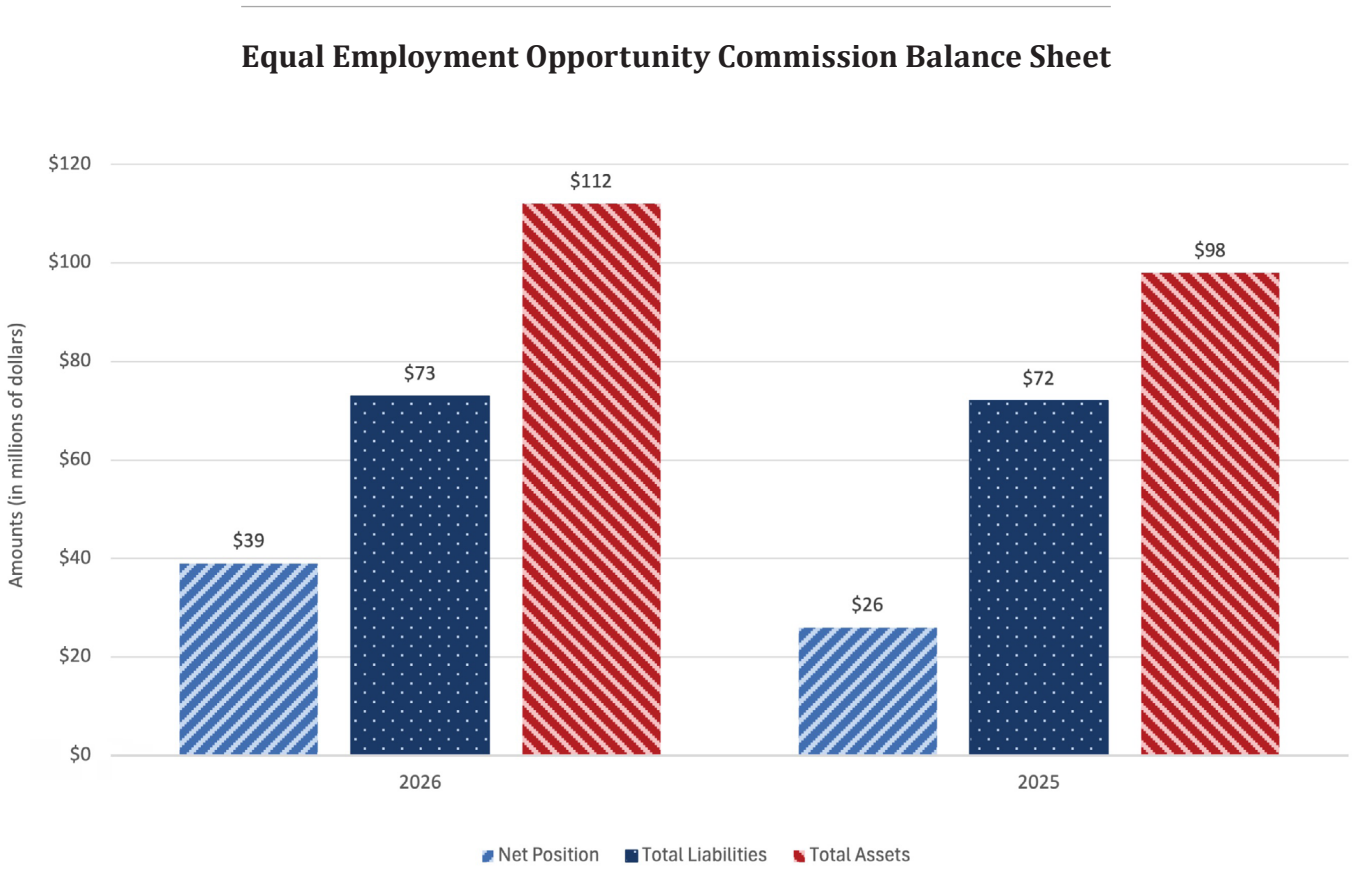
The EEOC used OMB Circular No. A-136 Revised, dated May 29, 2026, as guidance to prepare the accompanying financial statements. The EEOC prepares four financial statements: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and the Statement of Budgetary Resources.

BALANCE SHEET

The Balance Sheet presents amounts of assets owned or managed by the EEOC, liabilities owed, and the net position of the agency, divided between the cumulative results of operations and unexpended appropriations.

The EEOC held total assets of $112 million and owed liabilities of $73 million at the end of fiscal year 2026 and held total assets of $98 million and owed liabilities of $72 million at the end of fiscal year 2025.

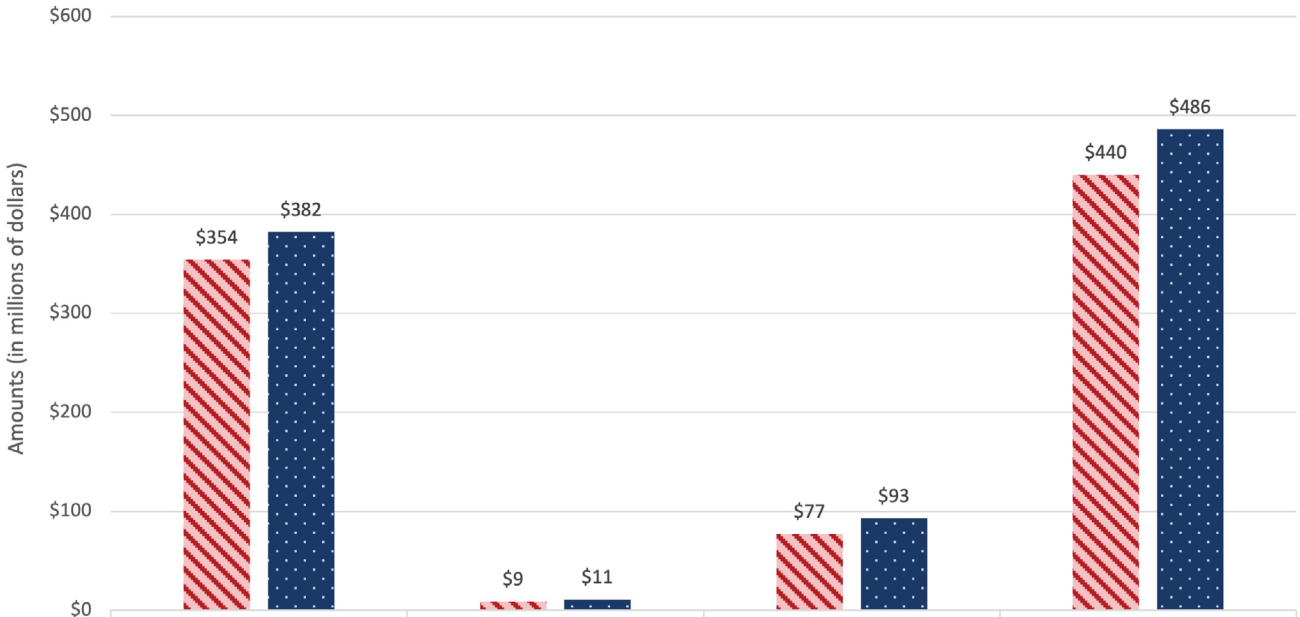
The EEOC's Net Position, i.e., the difference between assets owned and liabilities owed, was $39 million at the end of fiscal year 2026 and $26 million at the end of fiscal year 2025. This amount also equals the sum of Unexpended Appropriations and the Cumulative Results of Operations, reflected in the agency's Statement of Changes in Net Position.



STATEMENT OF NET COST

The Statement of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, the EEOC's Net Cost of Operations was $440 million in fiscal year 2026 and $486 million in fiscal year 2025.

Statement of Net Cost of Operations by Major Programs



	Private Sector	Outreach	Federal Sector	Total Net Cost of Operations
2026	$354	$9	$77	$440
2025	$382	$11	$93	$486

STATEMENT OF CHANGES IN NET POSITION

The Statement of Changes in Net Position represents the change in the net position for fiscal year 2026 and fiscal year 2025 from appropriations received and receipt of some costs financed by other government agencies, less the cost of agency operations. The Net Position is $39 million for fiscal year 2026 and $26 million for fiscal year 2025.

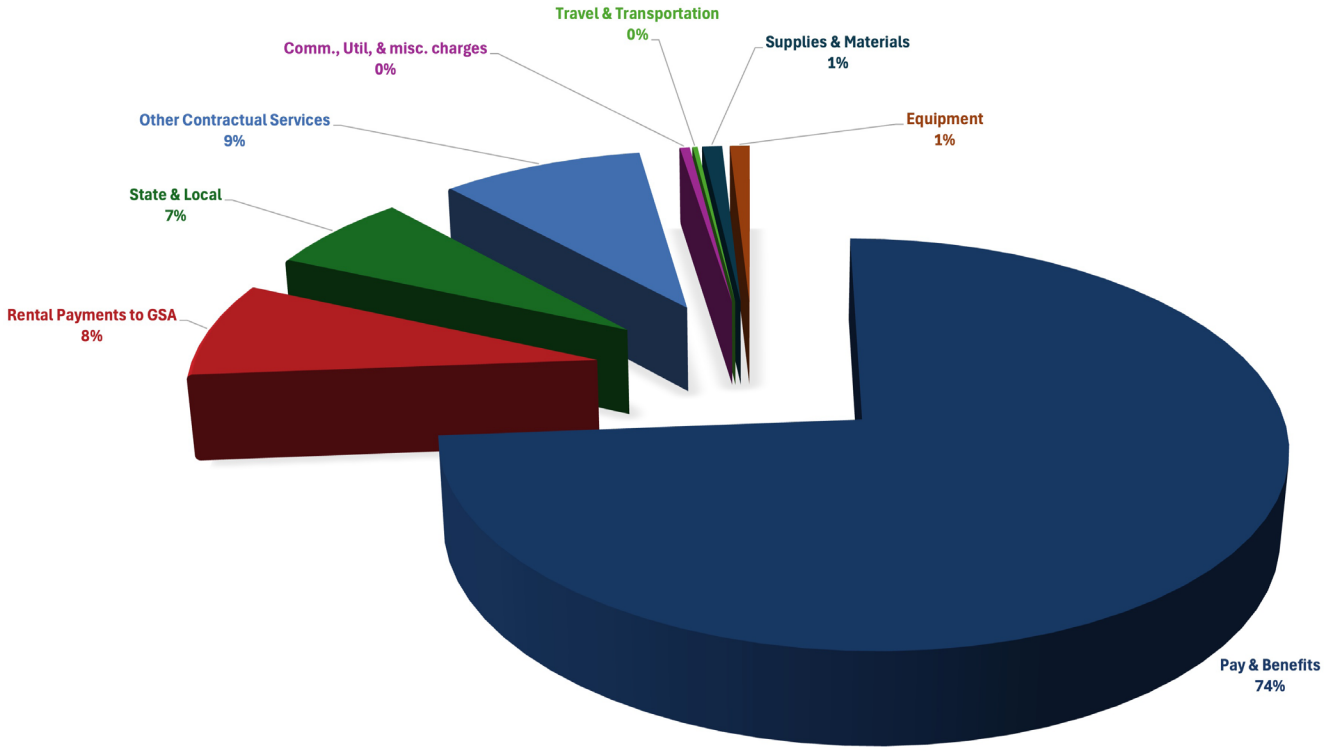
STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources presents information about the budgetary resources available to the agency, the year-end status of the resources, and the outlays of resources for the year ending September 30, 2026, and September 30, 2025. In fiscal year 2026 and 2025, the EEOC received $435 million and $455 million, respectively, in budget authority. The EEOC ended with $459 million in total budgetary resources in fiscal year 2026 and $488 million in fiscal year 2025. Resources not available for new obligations at the end of fiscal year 2026 totaled $19 million and fiscal year 2025 totaled $25 million. This unobligated balance represents expired budget authority from prior years that is no longer available for new obligations.

USE OF RESOURCES

The pie chart below displays the EEOC's fiscal year 2026 use of resources by major object class. The chart shows actual costs incurred by the EEOC. It does not include costs incurred by others on behalf of the EEOC. Pay and Benefits, State & Local (i.e., payments to state and local Fair Employment Practices Agencies), Rental Payments to the U.S. General Services Administration (GSA), and Other Contractual Services consumed 98 percent of the EEOC's resources. Other expenses including communication, utilities & miscellaneous charges, travel & transportation, supplies & materials, and equipment, consumed two percent of the EEOC's resources for fiscal year 2026.

FY 2026 by Major Object Class



The dual axis chart below depicts the EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. The EEOC ended fiscal year 2026 with 1,722 FTEs, a net decrease of 305, or 15 percent, below FTE count at the end of fiscal year 2025 (note that 107 of the 305 net decrease left under the Deferred Resignation Program (DRP)).

Compensation & Benefits (C&B) & FTEs for FY 2021 through FY 2026



	actual 2021 Actual	actual 2022 Actual	actual 2023 Actual	actual 2024 Actual	actual 2025 Actual	actual 2026 Actual	request 2027 Request
C&B	$279,759	$301,172	$325,621	$347,747	$341,626	$299,484	$321,310
FTEs	1,927	2,041	2,173	2,246	2,027	1,722	1,905

** In the EEOC's fiscal year 2025 AFR, the listed C&B for 2024 and FTEs for 2023 and 2024 were incorrectly reflected. The chart above contains the correct historical data.*

LIMITATIONS OF THE FINANCIAL STATEMENTS

The principal financial statements are prepared to report the financial position, financial condition, and results of operations of the agency, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of the agency in accordance with federal generally accepted accounting principles (GAAP) and in the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. government.

PERFORMANCE OVERVIEW

STRATEGIC PRIORITIES AND OBJECTIVES

The Government Performance and Results Modernization Act of 2010 (5 U.S.C. 306, as amended) requires executive departments, government corporations, and independent agencies to develop and post a Strategic Plan on their public websites every four fiscal years. The implementing guidance in Circular No. A-11

from OMB instructs agencies on the necessary elements required in an agency's strategic plan and the requirements to publish a new strategic plan with the beginning of each new term of an administration. The U.S. Equal Employment Opportunity Commission Strategic Plan for Fiscal Years 2026-2030 (Strategic Plan or Plan) established three overarching strategic goals and seventeen performance measures to gauge the agency's progress in meeting these goals. The EEOC conducts periodic performance measure reviews to evaluate the agency's progress.

The EEOC reports on performance measures each year. In the agency's combined APP and APR, the EEOC reports on progress achieving the goals and objectives in the agency's Strategic Plan. The report presents performance and program results from the previous fiscal year and identifies the planned levels of performance for the current and upcoming fiscal years. In addition, it outlines performance goals and key milestones that support the EEOC's Strategic Plan and agency priorities. The combined APP and APR will be published in 2027 in coordination with the agency's Congressional Budget Justification (CBJ) and made available to the public on the EEOC's website.

KEY PERFORMANCE RESULTS

As this report demonstrates, the EEOC is a responsible steward of taxpayer funds, relentlessly pursuing its mission to prevent and remedy unlawful employment discrimination and advance equal employment opportunity for all. By focusing on preventing and remedying discrimination for all Americans, as opposed to a select few, the EEOC delivered record recoveries in fiscal year 2026, all while operating under a streamlined budget.

The EEOC Obtains Recoveries for Victims of Discrimination Far Exceeding the Agency's Budget

In fiscal year 2026, the EEOC secured $637,700,000 in monetary relief for victims of employment discrimination, the fourth highest recovery in the agency's history, and an amount equal to 46 percent more than the agency's enacted fiscal year 2026 funding level of $435,382,000. These recoveries reflect the EEOC's core mission of ensuring that workers are protected from unlawful discrimination and that employers comply with the nation's civil rights laws.

Through its enforcement, litigation, and federal sector programs, the EEOC obtained relief for individuals who experienced discrimination based on religion, disability, race, national origin, sex, and other protected characteristics. Consistent with Administration priorities, the agency addressed discrimination arising from employment policies and practices that conflict with federal civil rights laws; protected religious freedom; challenged DEI-related race and sex discrimination; protected American workers from anti-American bias; and defended women's sex-based rights in the workplace.

The total monetary recovery includes:

- $519 million for victims of employment discrimination in the private sector and state and local government workplaces through mediation, conciliation, and settlements, the second highest recovery in the agency's history for workers during the agency's pre-litigation enforcement process.

- $75.7 million for federal employees and applicants.
- $43 million for individuals as a direct result of 104 merits lawsuits (the agency's highest recovery since fiscal year 2020).

In addition to monetary relief, the EEOC secured substantial injunctive and programmatic relief requiring employers to revise discriminatory policies, improve workplace practices, provide training, enhance complaint procedures, and strengthen compliance measures. These remedies help ensure that the benefits of enforcement extend beyond individual cases to protect current and future workers from discrimination.

Pre-Litigation Enforcement Process

Under Chair Lucas's leadership, the EEOC is pursuing cases that have a nationwide impact, sending a clear message to employers that discrimination in any form is illegal and subject to enforcement. In fiscal year 2026, the EEOC's enforcement staff carried out Administration priorities, including:

- Securing a $15 million, three-year conciliation agreement to resolve a large nationwide class investigation into religious and disability discrimination regarding a global technology company's policy mandating the COVID-19 vaccine in the workplace, in violation of Title VII and the ADA.
- Securing over $1 million for a charging party and a class of non-Hispanic workers to resolve an investigation against a large employer in Memphis, Tennessee, where the EEOC found the company subjected non-Hispanic employees, including white and black employees, to different terms and conditions of employment, such as assigning overtime, issuing discipline, and better opportunities to meet goals when compared to their Hispanic counterparts.
- Obtaining $650,000 from a pediatric hospital to settle a charge arising out of an employee's religious objection to performing sex-rejecting medical procedures on minors. The charge alleged that the hospital failed to accommodate an employee's religious objection to performing work involving sex-rejecting medical procedures for minors, including hormones, and discharged the employee after requesting an accommodation, in violation of Title VII.
- Securing $500,000 to resolve an investigation involving Planned Parenthood after finding the employer segregated employees by race and subjected white employees to harassment and different terms, conditions, and privileges of employment, including discipline. Planned Parenthood held mandatory "affinity caucuses" that were segregated by race and demanded all employees attend DEI-related training sessions that featured harassing and derogatory statements targeting white employees, in violation of Title VII.

Litigation

In fiscal year 2026, the EEOC challenged unlawful discrimination in federal district courts. The EEOC resolved 104 merits suits, recovering over $43 million for victims of employment discrimination (the agency's highest recovery since fiscal year 2020), and secured substantial injunctive relief to prevent future violations, including:

- Securing $4.25 million for over 40 workers in a Title VII and ADA lawsuit against A G Equipment Company alleging religious and disability discrimination. The EEOC alleged the company announced that no exemptions would be permitted from its COVID-19 vaccine mandate, refused to discuss religious and disability accommodation requests, and fired workers who remained unvaccinated.
- Obtaining a $2.8 million settlement with LeachGarner, Inc. in a Title VII and EPA lawsuit alleging sex and pay discrimination. The EEOC alleged the company placed female workers in lower-paying departments and paid them less than men for similar work.
- Reaching a $2.6 million resolution with TCI of Alabama, LLC, to settle a Title VII lawsuit alleging an intentional pattern or practice of refusing to hire female laborers at an Alabama recycling plant by directing third-party staffing agencies to refer only men for laborer positions, potentially discriminating against thousands of female applicants.
- Settling a Title VII lawsuit against LeoPalace Resort for $1.4 million to resolve a federal court complaint alleging national origin discrimination. The EEOC alleged that the resort treated non-Japanese employees—including workers of American national origin—less favorably than Japanese employees in wages, benefits, assignments, housing, and other terms and conditions of employment.

Federal Sector

The EEOC has adjudicatory responsibilities in the federal equal employment opportunity (EEO) complaints process, involving hearings before administrative judges on complaints of discrimination by federal employees or applicants, as well as adjudication of appeals from federal agency final decisions on employment discrimination complaints. In fiscal year 2026, the EEOC's federal sector hearings program obtained over $66.1 million in monetary relief for federal employees and applicants.

The EEOC's federal sector appellate program adjudicates appeals from federal agency final decisions on employment discrimination complaints, including those following a decision by an EEOC administrative judge, and ensures agency compliance with orders issued on those appeals. In fiscal year 2026, the appellate program compliance enforcement team secured $9.6 million in monetary relief for victims of discrimination as a result of the remedial orders in the appellate decisions. This relief consisted of backpay, interest, leave restoration, settlement awards, attorney's fees, and compensatory damages.

During fiscal year 2026, the federal sector appellate team worked to ensure the evenhanded enforcement of the federal anti-discrimination laws through its appellate decisions. For example, the EEOC issued Selina S. v. Department of the Army, recognizing the ability of federal agencies to designate intimate spaces in federal workplaces by sex and exclude employees, including trans-identifying employees, from opposite-sex facilities; and Matilde M., Lael G., and Bryce B. v. Department of Interior (DOI), finding the DOI Bureau of Indian Education liable for discriminating against federal employees for summarily denying requests for religious accommodations to be exempt from a COVID-19 vaccine mandate, as the accommodations requested would not have imposed an undue hardship on the agency.

The EEOC Optimizes Technology and Staffing to Maximize Appropriations

In fiscal year 2026, the EEOC strengthened its operations by advancing two priorities: deploying technology strategically across the agency and focusing hiring on mission critical positions.

Technology Optimization

In partnership with the Office of the Chief Financial Officer (OCFO), the Office of the Chief Information Officer (OCIO) implemented a process to review and optimize information technology (IT) contracts. As part of this effort, OCIO is evaluating its existing time-and-materials (T&M) IT support contracts to identify opportunities to transition appropriate development services to fixed-price contracts. This ongoing initiative establishes clearly defined deliverables, performance expectations, timelines, and pricing structures for enterprise application development services. When feasible, transitioning from T&M to fixed-price arrangements improves cost predictability, strengthens contract management, and maximizes the value of appropriated funds while maintaining the technical support necessary to advance the agency's information technology priorities.

Throughout fiscal year 2026, OCIO also implemented a series of cost-optimization initiatives to maximize the effective use of appropriated resources. The office reduced Azure computing costs by more than 15 percent during the fiscal year. In addition, OCIO negotiated adjustments to Microsoft licensing agreements, including rightsizing licenses as employees separated or retired, to avoid unnecessary costs. These efforts enabled the EEOC to maintain cloud services and meet emerging IT requirements within its existing budget. To further promote a culture of continuous improvement and fiscal stewardship, OCIO provided staff training on cost-management best practices throughout the year.

In fiscal year 2026, OCIO migrated the Public Portal from an external vendor-hosted environment to an EEOC-hosted cloud platform. This migration eliminated an annual vendor hosting fee of $229,000 while improving operational reliability, enhancing auditability, and strengthening integration with the EEOC's Agency Records Center (ARC).

Staffing Optimization

In fiscal year 2026, once the government-wide hiring freeze was lifted, the EEOC initiated focused, mission-driven hiring and employee development efforts to strengthen the agency's capacity to carry out its law enforcement, adjudicatory, and public service responsibilities. Through a strategic hiring review and approval process, the agency prioritized critical staffing needs and filled key vacancies across program and support functions, resulting in 233 total internal and external hires during fiscal year 2026, with another 169 hires anticipated and currently in progress early in fiscal year 2027. In addition, the agency implemented targeted skills training and employee development programs in mission-critical areas, including new investigator training, supervisory attorney training, and leadership development. The agency has prioritized in-person delivery of these training and development programs in order to maximize their effectiveness. These hiring and development actions helped address workforce gaps, support operational continuity, and enhance the agency's ability to effectively meet increasing workload demands.

The hiring effort was part of a broader workforce planning strategy designed to move the agency toward a right-sized workforce that aligns with mission requirements, organizational priorities, and available resources. As the EEOC continues to assess staffing needs, it remains focused on targeted recruitment and strategically backfilling essential positions to ensure critical functions are maintained. Future hiring decisions and training tracks will continue to be guided by workforce priorities and available appropriations. This measured and disciplined approach helps ensure that staffing investments are both mission-focused and fiscally responsible, while positioning the agency to effectively serve the public and fulfill its statutory responsibilities.

Significant Opportunities & Risks

Demand for the EEOC's services continues to grow. In fiscal year 2026, the EEOC received 270,871 inquiries, the highest number since the agency began tracking inquiries in 2001; and received 99,486 formal charges, an almost 13 percent increase from the 88,201 formal charges received in fiscal year 2025 and the third highest number of charges received in the agency's history. These increases present the EEOC with additional opportunities to remedy unlawful employment discrimination through evenhanded enforcement of the nation's anti-discrimination laws, but it also creates risks surrounding the agency's ability to quickly respond to charges filed.

To meet this demand, the EEOC is improving internal processes and using its resources more efficiently. Through these improvements, despite receiving increased inquiries and charges, the agency increased resolutions, decreased pending inventory, and obtained record recoveries for America's workers. Charge resolutions increased by nearly 14 percent in fiscal year 2026, from 90,743 at the end of fiscal year 2025 to 103,012 in fiscal year 2026. The agency also reduced the pending inventory nearly nine percent in fiscal year 2026 to 45,380, compared to 49,807 pending charges in fiscal year 2025. And the agency obtained $637,700,000 in monetary relief for aggrieved workers, the fourth highest total recovery in the agency's history, and $519 million in the agency's pre-litigation enforcement process, the second highest recovery in the agency's history.

Funding below the level requested in the President's Budget could delay planned technology improvements and constrain ongoing backfills for mission-critical positions. To reduce this risk, the EEOC is maximizing available appropriations by optimizing technology, prioritizing mission-critical hiring, and continuing to invest in improvements that increase efficiency.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

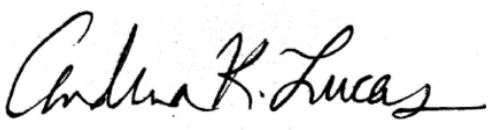
MANAGEMENT ASSURANCES

Federal Managers' Financial Integrity Act (FMFIA)

The EEOC's internal controls and financial management systems were sound during fiscal year 2026. Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during fiscal year 2026, its financial and internal controls systems complied with the Federal Managers' Financial Integrity Act (FMFIA). The controls systems were effective; agency resources were used consistent with the EEOC's mission and in compliance with applicable laws and regulations; and there was minimal potential for waste, fraud, and mismanagement of the agency's resources.

The agency's Office of Inspector General (OIG) completed five formal reviews through the agency's third-party external auditor, Harper, Rains, Knight & Company (HRK). HRK reported eight financial non-conformances in its reviews. The agency corrected six during the fiscal year; two were not fully corrected during the year and remain open. The reviews include the following: 1) Audit of the EEOC Charge Card Program (OIG Report No. 2025-003-AOIG), March 27, 2026 (one non-conformance to be completed); 2) Audit of the EEOC's FY 2025, Financial Statements: Management Letter Report (OIG Report No. 2025-001-AOIG) January 7, 2026 (one non-conformance fully corrected; a second non-conformance remains open for completion); 3) Management Letter Report for the Audit of the EEOC's FY 2024 Financial Statements (OIG Report No. 2024-003-AOIG), November 21, 2024 (one non-conformance fully corrected); 4) Performance Audit Report on the EEOC Charge Card Program FYRs 2019 and 2020 (OIG Report No. 2020-004-AOIG), March 24, 2021 (three non-conformances fully corrected); and 5) Performance Audit Report on the EEOC Charge Card Program FYRs 2018 and 2017 (OIG Report No. 2018-007-AOIG), May 31, 2019 (one non-conformance fully corrected). The agency will continue its work to resolve the two remaining non-conformances during fiscal year 2027.

The EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes the safeguarding of assets and compliance with applicable laws and regulations. The EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular No. A-123, Management's Responsibility for Internal Control (Revised March 10, 2026). Based on the results of this evaluation, the EEOC can provide reasonable assurance that internal control over financial reporting, as of September 30, 2026, was operating effectively and no material weaknesses were found in the design or operation of the agency's internal controls over financial reporting.



Andrea R. Lucas
Chair
U.S. Equal Employment Opportunity Commission
November 13, 2026

VERIFICATION AND VALIDATION OF DATA

The agency's private sector, federal sector, and litigation programs require accurate enforcement data, as well as reliable financial and human resources information, to assess the EEOC's operations and performance results and make sound management decisions. The EEOC systematically reviews the information collected in its databases for accuracy by using statistical software (e.g., SAS, Power BI, etc.) and program reviews of a sample of records during field office technical assistance visits. Additionally, headquarters offices regularly conduct analyses to review the information collected to identify erroneous entries requiring correction to collection procedures.

The agency has largely completed its transition from the legacy Integrated Mission System (IMS) to ARC and has begun laying the foundation for ARC 2.0, the next generation of its case and records management capabilities. ARC 2.0 is intended to provide a more secure, integrated, and intelligent platform that will strengthen data quality, reduce manual data entry, improve information sharing, and support more timely and reliable program management and decision-making.

LEGAL COMPLIANCE

The EEOC maintained controls for and compliance with the Anti-Deficiency Act, the Debt Collection Act of 1996, as amended, the Prompt Payment Act, Federal Information Security Modernization Act of 2014, Pay and Allowance System for Civilian Employees, the Government Charge Card Abuse Prevention Act of 2012, Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, the Digital Accountability and Transparency Act of 2014 (DATA Act), and the Fraud Reduction and Data Analytics Act of 2015.

FINANCIAL SECTION

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Accountability of Tax Dollars Act of 2002 requires the EEOC to prepare annual financial statements. I am pleased to report that the agency once again received an unmodified (clean) audit opinion on its fiscal year 2026 financial statements. This achievement reflects the dedication and hard work of staff in OCFO, the Office of Communications and Legislative Affairs (OCLA), and administrative offices across the agency.

In fiscal year 2026, the EEOC continued to strengthen its financial management practices in accordance with applicable Executive Orders, presidential directives, and OMB guidance. The agency remained focused on fiscal stewardship, accountability, operational efficiency, and the effective use of resources. Financial planning, budget execution, procurement, workforce management, information technology, and administrative operations were aligned with Administration priorities and agency mission requirements.

The agency's fiscal year 2026 appropriation was $20 million below the fiscal year 2025 level. Despite this reduction, the EEOC continued to advance its mission through disciplined financial management and strategic resource allocation. The agency backfilled targeted mission-critical positions to help restore capacity lost through fiscal year 2025 attrition and strengthened its ability to fulfill its mission, approving hires for over 400 positions in the field and headquarters. The agency implemented robust training programs to strengthen skills and equip new hires for success. During the year, the EEOC also updated its Space Allocation Guideline to better align its real estate footprint with mission needs, strengthen accountability, and ensure compliance with the USE IT Act. Through strategic planning and effective management, the agency continues to optimize field office operations for efficiency and accessibility.

In fiscal year 2027, the EEOC will continue identifying opportunities for cost savings, right-sizing, and technology to enhance our mission performance. Sound financial management and strategic budget planning will remain among the EEOC's highest priorities to ensure the agency continues providing the services the public relies upon.



Elisa M. Avalos
Chief Financial Officer
U.S. Equal Employment Opportunity Commission

LETTER FROM THE INSPECTOR GENERAL TRANSMITTING AUDIT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of Inspector General

November 13, 2026

MEMORANDUM

TO: Andrea R. Lucas
Chair

FROM: Joyce T. Willoughby
Inspector General

SUBJECT: Audit of the U.S. Equal Employment Opportunity Commission's Fiscal Year 2026 Financial Statements and Exit Conference (OIG Report No. 2026-002-AOIG)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal years ended September 30, 2026, and 2025 and to report on EEOC's internal controls over financial reporting, and compliance with laws, regulations, contracts, and other matters. The contract required that HRK conduct the audit in accordance with: U.S. generally accepted government auditing standards (GAGAS) contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget (OMB) audit guidance; and U.S. Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual*.

In its audit of EEOC, HRK reported:

- EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2026, and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America;

- they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. However, material weaknesses may exist that have not

been identified; and

- their tests for compliance with selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for fiscal year 2026 that would be reportable under GAGAS or OMB Bulletin 24-02, *Audit Requirements for Federal Financial Statements*.

HRK is responsible for the opinion on the attached auditor's report dated November 13, 2026, and the conclusions expressed in the report. We do not express an opinion on EEOC's financial statements or conclusions on internal control over financial reporting or on compliance and other matters.

The OIG, along with HRK, will conduct a virtual exit conference on November 17, 2026, at 3:00 pm via Microsoft Teams, during which HRK auditors will discuss the results of the financial audit.

Audit Follow Up

The Office of Management and Budget issued Circular Number A-50, *Audit Follow-up*, to ensure that corrective action on audit findings and recommendations proceed as rapidly as possible. EEOC Order 192.002, *Audit Follow-Up Program*, implements Circular Number A-50 and requires that for resolved recommendations, a corrective action work plan should be submitted within 30 days of the final audit report date describing specific tasks and completion dates necessary to implement audit recommendations. Circular Number A-50 requires prompt resolution and corrective action on audit recommendations. Resolutions should be made within six months of final report issuance.

Attachment

cc:

Sharon Rose
Chief Operating Officer, Office of the Chair and Commission

Elisa Avalos
Acting Deputy Chief Operating Officer, Office of the Chair and Commission

Selma Cowan
Acting Chief Financial Officer, Office of the Chief Financial Officer

Keisha Monroe
Acting Deputy Chief Financial Officer, Office of the Chief Financial Officer

Miracle Hempel
Director, Finance and Systems Services Division, Office of the Chief Financial Officer

Catherine Eschbach
Acting General Counsel, Office of General Counsel

Kevin Richardson
Chief Human Capital Officer, Office of the Chief Human Capital Officer

Sivaram Ghorakavi
Chief Information Officer, Office of Information Technology

Thomas Colclough
National Director, Office of Field Programs

Amanda Smith
Director, Office of Communication and Legislative Affairs

Delphine Best
Audit Follow-Up Coordinator, Office of the Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

Harper, Rains, Knight & Company

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act, we have audited the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC). EEOC's financial statements comprise the balance sheets as of September 30, 2026 and 2025, and the related statements of net cost, changes in net position, and statements of budgetary resources for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2026 and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Responsibilities of Management for the Financial Statements

EEOC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, GAS and OMB Bulletin No. 24-02 will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who 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 GAAS, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the information for consistency with management's responses to the auditors' 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

Our audit was conducted for the purpose of forming an opinion on EEOC's financial statements. The information in A Message from the Chair and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of EEOC's financial statements as of and for the year ended September 30, 2026, in accordance with GAS, we considered EEOC's internal control relevant to the financial statement audit 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 EEOC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of EEOC'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.

Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Report on Internal Control over Financial Reporting (continued)

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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of EEOC'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 considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

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 accounting principles generally accepted in the United States of America, 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, and contracts, 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.

Report on Compliance with Laws, Regulations, and Contracts

As part of obtaining reasonable assurance about whether EEOC's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, and contracts that have a direct effect on the determination of material amounts and disclosures in EEOC's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on EEOC's compliance with applicable laws, regulations, and contracts. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, and contracts applicable to EEOC. EEOC management is responsible for complying with laws, regulations, and contracts applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for the year ended September 30, 2026, that would be reportable under GAS or OMB Bulletin No. 24-02. We caution that noncompliance may occur and not be detected by these tests.

Inspector General
U.S. Equal Employment Opportunity Commission (continued)

***Purpose of the Other Reporting Required by* Government Auditing Standards**

The purpose of the communication described in the Other Reporting Required by GAS is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, and contracts and the results of that testing, and not to provide an opinion on the effectiveness of EEOC's internal control or compliance. These reports are an integral part of an audit performed in accordance with GAS and OMB Bulletin No. 24-02 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.



November 13, 2026
Washington, DC

FINANCIAL STATEMENTS

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
BALANCE SHEETS

As of September 30, 2026 and 2025
(in Dollars)

	2026	2025
Assets		
Intragovernmental Assets		
Fund Balance With Treasury (Note 2)	$ 109,799,349	$ 94,479,045
Advances and Prepayments	726,275	768,695
Total Intragovernmental Assets	110,525,624	95,247,740
Other than Intragovernmental Assets		
Accounts Receivable, Net (Note 3)	363,214	86,136
Property, Plant, and Equipment, Net (Note 4)	1,184,678	3,076,053
Advances and Prepayments	4,560	-
Total Other than Intragovernmental Assets	1,552,452	3,162,189
Total Assets	**$ 112,078,076**	**$ 98,409,929**
Liabilities		
Intragovernmental Liabilities		
Accounts Payable (Note 6)	$ 80,123	$ 244,214
Employer Payroll Taxes (Note 6)	2,135,996	2,051,659
Workers' Compensation Liability (Note 6)	2,120,015	1,782,495
Other Liability (Note 6)	-	800,000
Total Intragovernmental Liabilities	$ 4,336,134	$ 4,878,368

Continued on following page.

The accompanying notes are an integral part of these statements.

	2026	2025
Other than Intragovernmental Liabilities		
Accounts Payable (Note 6)	$ 29,930,439	$ 26,158,876
Future Workers' Compensation Liability (Note 6)	8,759,083	8,109,686
Accrued Payroll (Note 6)	9,606,833	10,266,041
Employer Payroll Taxes (Note 6)	292,777	281,039
Accrued Annual Leave (Note 6)	19,870,344	22,696,922
Deferred Revenue (Note 6)	2,929	-
Amounts Collected for Restitution (Note 6)	57,287	51,138
Total Other than Intragovernmental Liabilities	68,519,692	67,563,702
Total Liabilities	**$ 72,855,826**	**$ 72,442,070**
Net Position		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	$ 62,810,355	$ 48,666,951
Total Unexpended Appropriations (Consolidated)	$ 62,810,355	$ 48,666,951
Cumulative Results of Operations		
Funds from Dedicated Collections	1,603,532	3,527,821
Funds from Other than Dedicated Collections	(25,191,637)	(26,226,913)
Total Cumulative Results of Operations (Consolidated)	(23,588,105)	(22,699,092)
Total Net Position	$ 39,222,250	$ 25,967,859
Total Liabilities and Net Position	**$ 112,078,076**	**$ 98,409,929**

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENTS OF NET COST

For the Years Ended September 30, 2026 and 2025
(in Dollars)

	2026	2025
COMBATING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT		
Private Sector:		
Enforcement	$ 203,882,964	$ 212,986,312
Mediation	29,348,341	33,293,363
Litigation	78,630,631	92,126,842
Intake information	7,040,327	7,753,249
State and Local	35,254,853	35,826,011
Total Program Costs - Private Sector	$ 354,157,116	$ 381,985,777
Revenue	-	-
Net Cost - Private Sector	**$ 354,157,116**	**$ 381,985,777**
Federal Sector:		
Hearings	$ 40,563,745	$ 50,624,156
Appeals	22,308,014	26,452,261
Mediation	163,729	456,073
Oversight	13,548,537	15,962,572
Total Program Costs - Federal Sector	$ 76,584,025	$ 93,495,062
Revenue	-	-
Net Cost - Federal Sector	**$ 76,584,025**	**$ 93,495,062**
Total Private, Federal Sector		
Program Costs	430,741,141	475,480,839
Revenue	-	-
Net Cost, Private, Federal Sector	**$ 430,741,141**	**$ 475,480,839**

Continued on following page.

The accompanying notes are an integral part of these statements.

	2026	2025
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach		
Fee Based	$ 2,617,428	$ 5,006,632
Non-Fee Based	7,613,379	10,033,616
Total Program Cost - Outreach	$ 10,230,807	$ 15,040,248
Revenue	(693,139)	(3,941,549)
Net Cost Outreach	**$ 9,537,668**	**$ 11,098,699**
Total, All Programs		
Program Cost	$ 440,971,948	$ 490,521,087
Revenue (Note 8)	$ (693,139)	$ (3,941,549)
Net Cost of Operations	**$ 440,278,809**	**$ 486,579,538**

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2026 and 2025
(in Dollars)

	2026		
	Funds from Dedicated Collections (Consolidated Totals) (Note 11)	Funds from Other than Dedicated Collections (Consolidated Totals)	Consolidated Total
Unexpended Appropriations:			
Beginning Balances	$ -	$ 48,666,951	$ 48,666,951
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ -	$ 48,666,951	$ 48,666,951
Appropriations Received (Note 9)	$ -	$ 435,382,000	$ 435,382,000
Other Adjustments	-	(8,786,946)	(8,786,946)
Appropriations Used	-	(412,451,650)	(412,451,650)
Net Change in Unexpended Appropriations	$ -	$ 14,143,404	$ 14,143,404
Total Unexpended Appropriations	**$ -**	**$ 62,810,355**	**$ 62,810,355**
Cumulative Results of Operations:			
Beginning Balances	$ 3,527,821	$ (26,226,913)	$ (22,699,092)
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ 3,527,821	$ (26,226,913)	$ (22,699,092)
Appropriations Used	$ -	$ 412,451,650	$ 412,451,650
Imputed Financing (Note 12)	-	26,938,146	26,938,146
Net Cost of Operations	(1,924,289)	(438,354,520)	(440,278,809)
Net Change in Cumulative Results of Operations	$ (1,924,289)	$ 1,035,276	$ (889,013)
Total Cumulative Results of Operations	**$ 1,603,532**	**$ (25,191,637)**	**$ (23,588,105)**
Net Position	**$ 1,603,532**	**$ 37,618,718**	**$ 39,222,250**

Continued on following page.

The accompanying notes are an integral part of these statements.

	2025		
	Funds from Dedicated Collections (Consolidated Totals) (Note 11)	Funds from Other than Dedicated Collections (Consolidated Totals)	Consolidated Total
Unexpended Appropriations:			
Beginning Balances	$ -	$ 46,760,204	$ 46,760,204
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ -	$ 46,760,204	$ 46,760,204
Appropriations Received (Note 9)	$ -	$ 455,000,000	$ 455,000,000
Other Adjustments	-	(5,223,708)	(5,223,708)
Appropriations Used	-	(447,869,545)	(447,869,545)
Net Change in Unexpended Appropriations	$ -	$ 1,906,747	$ 1,906,747
Total Unexpended Appropriations	**$ -**	**$ 48,666,951**	**$ 48,666,951**
Cumulative Results of Operations:			
Beginning Balances	$ 4,592,904	$ (24,660,038)	$ (20,067,134)
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ 4,592,904	$ (24,660,038)	$ (20,067,134)
Appropriations Used	$ -	$ 447,869,545	$ 447,869,545
Imputed Financing (Note 12)	-	36,078,035	36,078,035
Net Cost of Operations	(1,065,083)	(485,514,455)	(486,579,538)
Net Change in Cumulative Results of Operations	$ (1,065,083)	$ (1,566,875)	$ (2,631,958)
Total Cumulative Results of Operations	**$ 3,527,821**	**$ (26,226,913)**	**$ (22,699,092)**
Net Position	**$ 3,527,821**	**$ 22,440,038**	**$ 25,967,859**

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2026
and September 30, 2025
(in Dollars)

	2026	2025
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$ 22,969,011	$ 29,616,728
Appropriations (Discretionary and Mandatory)	435,382,000	455,000,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,005,455	3,190,994
Total Budgetary Resources	$ 459,356,466	$ 487,807,722
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total) (Note 10)	$ 438,799,875	$ 458,978,768
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	1,308,017	3,614,456
Unapportioned, Unexpired Accounts	-	-
Unexpired Unobligated Balance, End of Year (Note 2)	1,308,017	3,614,456
Expired Unobligated Balance, End of Year	19,248,574	25,214,498
Unobligated Balance, End of Year (Total)	20,556,591	28,828,954
Total Budgetary Resources	$ 459,356,466	$ 487,807,722
Outlays, Net and Disbursements, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	$ 411,280,899	$ 447,960,920
Agency Outlays, Net (Discretionary and Mandatory)	$ 411,280,899	$ 447,960,920

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2026, and September 30, 2025
(in Dollars)

1) Summary of Significant Accounting Policies

a) Reporting Entity

The EEOC was created by Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e, *et seq.*) as amended by the Equal Employment Opportunity Act of 1972 (Public Law 92261) and became operational on July 2, 1965. Title VII requires that the Commission be composed of five members, not more than three of whom shall be of the same political party. The members are appointed by the President, by and with the consent of the Senate, for a term of 5 years. The President designates one member to serve as Chair and one member to serve as Vice Chair. The General Counsel is also appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.

In addition, based on the EEOC Education Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411), the EEOC is authorized to charge and receive fees to offset the costs of education, technical assistance, and training provided to private and public employers.

The EEOC enforces federal laws that prohibit employment discrimination based on race, color, religion, sex, national origin, disability, age (40 or older), and genetic information. These laws cover federal agencies, most private employers, state and local governments (excluding elected or appointed officials), employment agencies, and most labor organizations. The EEOC carries out its mission through enforcement, outreach, education, and the provision of technical assistance.

b) Basis of Presentation

These financial statements have been prepared to report the financial position, net cost of operations, changes in net position, and budgetary resources of the EEOC, consistent with the Chief Financial Officers' Act of 1990 (CFO Act) and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of the EEOC in accordance with generally accepted accounting principles (GAAP) and the form and content requirements of OMB Circular No. A-136, and the EEOC's accounting policies, which are summarized in this note. All intra-agency transactions and balances have been eliminated, except in the Statement of Budgetary Resources, which is presented on a combined basis, as required by OMB Circular No. A-136. These financial statements present proprietary information. The Federal Managers' Financial Integrity Act Assurance Statement and the Payment Information Integrity Act financial reports also prepared by the EEOC pursuant to OMB directives are used to monitor and control the EEOC's use of federal budgetary resources.

c) Basis of Accounting

The agency's integrated Oracle Federal Financials (OFF) uses an Oracle system, which provides funds control, management accounting, and a financial reporting system designed specifically for federal agencies.

Financial transactions are recorded in the financial system, using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability occurs without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the accrual basis of accounting in that obligations are recognized when new orders are placed, contracts are awarded, or services are received that will require payments during the same or future periods.

d) Revenues, User Fees, and Financing Sources

The EEOC receives the majority of the funding needed to support its programs through congressional appropriations. Financing sources are received in annual and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Appropriations used are recognized as an accrual-based financing source when expenses are incurred or assets are purchased.

In addition, the EEOC has a permanent, indefinite appropriation through its revolving fund. These funds are obtained through fees charged to private and public sector parties to offset the agency's costs (including administrative and personnel expenses) of providing education, training and technical assistance. Revenue is recognized as earned after services have been rendered.

The agency also recognizes imputed financing sources that are funded by another federal source in the period in which the cost was incurred to offset costs incurred by the EEOC. The types of costs offset by imputed financing are: (1) employees' pension benefits; (2) health insurance, life insurance and other post-retirement benefits for employees; and (3) losses in litigation proceedings.

e) Assets and Liabilities

Assets and liabilities presented on the EEOC's balance sheets include both entity and non-entity balances. Entity assets are assets the EEOC has authority to use in its operations. Non-entity assets are held and managed by the EEOC but are not available for use in its operations. The EEOC's non-entity assets represent receivables that, when collected, will be transferred to the U.S. Department of the Treasury (Treasury).

Intragovernmental assets and liabilities arise from transactions between the agency and other federal entities. All other assets and liabilities result from activity with non-federal entities.

Liabilities covered by budgetary or other resources are those for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated

funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

f) Fund Balance with the U.S. Treasury

Fund Balance with the U.S. Treasury represents total appropriated funds remaining as of the fiscal year-end from which the EEOC is authorized to make expenditures and pay liabilities resulting from operational activity pertaining to this fiscal year, except as restricted by law. The balance consists primarily of appropriated undelivered orders, accounts payables, unavailable balances, and deposit funds that will be disbursed to third parties. The EEOC records and tracks appropriated funds in its general funds. The Fund Balance with the U.S. Treasury also includes fees collected for services that are recorded and accounted for in the EEOC's revolving fund.

g) Advances and Prepaid Expenses

Amounts advanced to EEOC employees for travel are recorded as an advance until the travel is completed and the employee accounts for travel expenses.

Expenses paid in advance of receiving services are recorded as a prepaid expense until the services are received.

h) Accounts Receivable

Intragovernmental accounts receivable represents amounts due from other federal agencies for services rendered during the fiscal year. Amounts due from federal agencies are considered fully collectible. The EEOC does not have current accounts receivable from federal agencies for fiscal year ending September 30, 2026.

Accounts receivable consists of amounts owed to the EEOC by other federal agencies and by the public from the sale of services.

Accounts receivable from non-federal agencies are stated net of an allowance for estimated uncollectible amounts. All public receivables, collectible in their entirety, become due upon the receipt of a due process notice. Although the allowance is determined by the age of the receivable for financial statement reporting, the actual allowance is determined by considering the debtor's current ability to pay, their payment record and willingness to pay and an analysis of aged receivable activity. The estimated allowance for accounts receivable is computed at 50% of the outstanding balance for receivables between 365 days and 720 days old, and receivables older than 720 days are calculated at 100%. The agency has a debt management process to assess losses on aged accounts receivable.

i) Property, Plant, and Equipment

Property, plant, and equipment consists of equipment, leasehold improvements, and capitalized software. There are no restrictions on the use or convertibility of property, plant and equipment.

The current value of property, plant, and equipment is reported net of accumulated depreciation and amortization (see Note 4).

The EEOC capitalizes equipment (including capital leases) with a useful life of more than 2 years and an acquisition cost of $100,000 or more. Leasehold improvements and capitalized software are capitalized when the useful life is 2 years or more and the acquisition cost is at least $200,000.

Expenditures for normal repairs and maintenance for capitalized equipment and capitalized leases are charged to expense as incurred unless the expenditure is equal to or greater than $100,000 and the improvement increases the asset's useful life by more than 2 years. For leasehold improvements and capitalized software, the repair or maintenance amount must be greater than $200,000 and the improvements increase the asset life by more than 2 years.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful life ranging from 5 to 15 years. Copiers are depreciated using a 5-year life. Computer hardware is depreciated over 3 to 7 years. Capitalized software is amortized over a useful life of 2 years. Amortization of capitalized software begins on the date it is put in service, is purchased, or when the module or component has been successfully tested if developed internally.

Leasehold improvements are amortized over the remaining life of the lease. The EEOC leases the majority of its office space from the GSA. The lease costs approximate commercial lease rates for similar properties.

j) Accrued Annual, Sick and Other Leave, and Compensatory Time

Annual leave, compensatory time, and other leave time, along with related payroll costs, are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. Sick leave is not accrued when earned, but rather expensed when taken.

k) Retirement Benefits

EEOC employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after September 30, 1983 are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, the EEOC contributes an amount equal to one percent of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional five percent of pay. FERS and CSRS employees can contribute $24,500 of their gross earnings to the plan for the calendar year 2026. However, CSRS employees receive no matching agency contribution. Employees who are 50 years of age or older may contribute an additional $8,000 as a "catch-up" contribution. Employees aged 60-63 may contribute a higher catch-up limit of $11,250, making the total potential contribution $35,750 for the calendar year 2026.

The EEOC recognizes the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by the Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government. Full costs include pension and ORB contributions paid out of EEOC appropriations and costs financed by the U.S. Office of Personnel Management (OPM). The amount financed by OPM is computed based on OPM guidance and recognized as an imputed financing source and benefit program expense. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM, rather than the EEOC.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program (FEHB) and the Federal Employees Group Life Insurance Program (FEGLI) are reported by OPM rather than the EEOC.

l) Workers' Compensation

The EEOC records a liability for estimated future payments to be made for workers' compensation pursuant to the Federal Employees' Compensation Act (FECA). The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from federal agencies employing the claimants. Reimbursements to the DOL on payments made occur approximately 2 years subsequent to the actual disbursement. Budgetary resources for this intragovernmental liability are made available to the EEOC as part of its annual appropriation from Congress in the year that reimbursement to the DOL takes place. A liability is recorded for actual un-reimbursed costs paid by DOL to recipients under FECA.

Additionally, the EEOC records an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases, as well as a component for claims that have been incurred but have not yet been reported. The EEOC computes this estimate using a DOL-provided model for non-CFO Act agencies that uses actual benefit payments for the EEOC from the past 9 to 12 quarters to project these future payments. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a noncurrent liability.

m) Contingent Liabilities

Contingencies are recorded when losses are probable and the cost is measurable. When an estimate of contingent losses includes a range of possible costs, the most likely cost is reported, but where no cost is more likely than any other, the lowest possible cost in the range is reported. Liabilities included are related to Treasury-managed and DOL-managed benefit programs such as Accounts Payable, Federal Employees' Compensation Program, Worker's Compensation, and Accrued (Unfunded) Annual Leave.

n) Amounts Collected for Restitution

In one defensive litigation matter, the court directed an individual to pay amounts to the EEOC as restitution to several named claimants. These monies will be paid to claimants as directed by the court.

o) Cost Allocations to Programs

Costs associated with the EEOC's various programs consist of direct costs consumed by the program, including personnel costs, and a reasonable allocation of indirect costs. The indirect cost allocations are based on actual payroll amount devoted to each program from information provided by EEOC employees.

p) Unexpended Appropriations

Unexpended appropriations include the unobligated balances and undelivered orders of the EEOC's appropriated spending authority as of the fiscal year-end that has not lapsed or been rescinded or withdrawn.

q) Income Taxes

As an agency of the federal government, the EEOC is exempt from all income taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government.

r) Use of Estimates

Management has made certain estimates and assumptions in reporting assets and liabilities and in the footnote disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include the allowance for doubtful accounts receivable, contingent liabilities, and future workers' compensation costs.

s) New Accounting Standard

In April 2018, the Federal Accounting Standards Advisory Board (FASAB) issued SFFAS 54: Leases, which among other things, requires lessees to (1) recognize operating leases as lease assets and lease liabilities on the balance sheet and (2) disclose key information about significant leasing arrangements. Management has determined that the EEOC's current leases are intragovernmental and, therefore, not subject to this new accounting standard.

t) Changes in Presentation

OMB Circular No. A-136, signed on May 29, 2026, restored the comparative statements requirement for fiscal year 2026.

2) Fund Balance with Treasury

The Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities.

The status of the Fund Balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be re-apportioned, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's Fund Balance presented on its balance sheet. For the period ended September 30, 2026, and September 30, 2025, the EEOC returned $8,786,946 and $5,223,708 in cancelled appropriations to Treasury. As of September 30, 2026, and September 30, 2025, miscellaneous receipts of $45,591 and $38,300 have been returned to Treasury.

The Status of Fund Balance with Treasury as of September 30, 2026, and September 30, 2025, consists of the following:

	FY 2026	FY 2025
Status of Funds		
Unobligated Balance:		
Available	$ 1,308,017	$ 3,614,456
Unavailable	*19,248,574	*25,214,498
Obligated Balance not yet Disbursed	88,539,652	64,643,748
Non-budgetary Fund Balance with Treasury	57,287	51,138
Totals	**$ 109,153,530**	**$ 93,523,840**

*Note: The Total Fund with Treasury does not match the Total Status of Fund Balance with Treasury. This is due to sequestration of $645,819 and $955,205 for fiscal year 2026 and fiscal year 2025, respectively.

3) Accounts Receivable, Net

Intragovernmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services. The EEOC does not have current accounts receivable from federal agencies.

Accounts receivable due to the EEOC from the public arise from payroll debts and revolving fund education, training and technical assistance provided to public and private entities or to state and local agencies. An analysis of accounts receivable is performed to determine collectability and an appropriate allowance for uncollectible receivables is recorded. Accounts receivable as of September 30, 2026, and September 30, 2025, are as follows:

	FY 2026	FY 2025
Intragovernmental:		
Accounts Receivable (see detail below)	$ -	$ -
Totals	**$ -**	**$ -**
With the Public:		
Accounts Receivable	$ 445,177	$ 120,912
Allowance for Uncollectible Receivables	(81,963)	(34,776)
Totals	**$ 363,214**	**$ 86,136**

4) Property, Plant, and Equipment, Net

Property, plant, and equipment consists of that property which is used in operations and consumed over time. The following tables summarize cost and accumulated depreciation of property, plant, and equipment. Depreciation expense for the period ending September 30, 2026, and September 30, 2025, was $1,891,375 and $3,387,266.

As of September 30, 2026	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 120,284	$ (120,284)	$ -
Capital Leases	72,340	(72,340)	-
Internal use Software	8,811,041	(8,811,041)	-
Leasehold Improvements	11,240,209	(11,240,209)	-
Internal use Software in Dev	1,184,678	-	1,184,678
Totals	**$ 21,428,552**	**$ (20,243,874)**	**$ 1,184,678**

As of September 30, 2025	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 120,284	$ (120,284)	$ -
Capital Leases	72,340	(72,340)	-
Internal use Software	8,811,041	(6,919,666)	1,891,375
Leasehold Improvements	11,240,209	(11,240,209)	-
Internal use Software in Dev	1,184,678	-	1,184,678
Totals	**$ 21,428,552**	**$ (18,352,499)**	**$ 3,076,053**

5) Non-Entity Assets

The EEOC has $0 of net receivables to collect on behalf of the Treasury as of September 30, 2026, and September 30, 2025.

6) Total Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts.

Liabilities not covered by budgetary resources as of September 30, 2026, and September 30, 2025, are shown in the following table:

	FY 2026	FY 2025
Intragovernmental:		
Workers' Compensation Liability	$ 2,120,015	$ 1,782,495
Total Intragovernmental	2,120,015	1,782,495
Other than Intragovernmental:		
Unfunded Leave	19,870,344	22,696,922
Future Workers' Compensation Liability	8,759,083	8,109,686
Deferred Revenue	2,929	-
Total Other than Intragovernmental:	28,632,356	30,806,608
Total Liabilities not Covered by Budgetary Resources	30,752,371	32,589,103
Total Liabilities Covered by Budgetary Resources	42,046,168	39,801,829
Total Liabilities not Requiring Budgetary Resources	57,287	51,138
Total Liabilities	**$ 72,855,826**	**$ 72,442,070**

Liabilities Analysis

Current and non-current liabilities as of September 30, 2026, are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental			
Accounts Payable	$ 80,123	$ -	$ 80,123
Employer Contributions and Payroll Taxes Payable	2,135,996	-	2,135,996
Other Liabilities w/o Related Budgetary Obligations	-	-	-
Total Intragovernmental	2,216,119	-	2,216,119
Other than Intragovernmental Liabilities			
Accounts Payable	29,930,439	-	29,930,439
Accrued Funded Payroll and Leave	9,606,833	-	9,606,833
Employer Contributions and Payroll Taxes Payable	292,777	-	292,777
Total Other than Intragovernmental Liabilities	39,830,049	-	39,830,049
Liabilities Covered by Budgetary Resources	42,046,168	-	42,046,168
Intragovernmental			
Workers' Compensation Liability	2,120,015	-	2,120,015
Total Intragovernmental	2,120,015	-	2,120,015
Other than Intragovernmental Liabilities			
Unfunded Leave	19,870,344	-	19,870,344
Future Workers' Compensation Liability	-	8,759,083	8,759,083
Deferred Revenue	2,929	-	2,929
Total Other than Intragovernmental Liabilities	19,873,273	8,759,083	28,632,356
Liabilities not Covered by Budgetary Resources	21,993,288	8,759,083	30,752,371
Amounts Collected for Restitution	57,287	-	57,287
Liabilities not Requiring Budgetary Resources	57,287	-	57,287
Total Liabilities	**$ 64,096,743**	**$ 8,759,083**	**$ 72,855,826**

Current and non-current liabilities as of September 30, 2025, are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental			
Accounts Payable	$ 244,214	$ -	$ 244,214
Employer Contributions and Payroll Taxes Payable	2,051,659	-	2,051,659
Other Liabilities w/o Related Budgetary Obligations	-	800,000	800,000
Total Intragovernmental	2,295,873	800,000	3,095,873
Other than Intragovernmental Liabilities			
Accounts Payable	26,158,876	-	26,158,876
Accrued Funded Payroll and Leave	10,266,041	-	10,266,041
Employer Contributions and Payroll Taxes Payable	281,039	-	281,039
Total Other than Intragovernmental Liabilities	36,705,956	-	36,705,956
Liabilities Covered by Budgetary Resources	39,001,829	800,000	39,801,829
Intragovernmental			
Workers' Compensation Liability	1,782,495	-	1,782,495
Total Intragovernmental	1,782,495	-	1,782,495
Other than Intragovernmental Liabilities			
Unfunded Leave	22,696,922	-	22,696,922
Future Workers' Compensation Liability	-	8,109,686	8,109,686
Total Other than Intragovernmental Liabilities	22,696,922	8,109,686	30,806,608
Liabilities not Covered by Budgetary Resources	24,479,417	8,109,686	32,589,103
Amounts Collected for Restitution	51,138	-	51,138
Liabilities not Requiring Budgetary Resources	51,138	-	51,138
Total Liabilities	**$ 63,532,384**	**$ 8,909,686**	**$ 72,442,070**

7) Leases

Operating leases

The EEOC has several cancelable operating leases with the GSA for office space that do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases as of September 30, 2026, and 2025 are $34,680,577 and $33,296,362, respectively. The EEOC does not have any non-cancelable operating leases with terms longer than one year.

8) Earned Revenue

The EEOC charges fees to offset costs for education, training, and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The agency also received a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the EEOC as of September 30, 2026, and September 30, 2025, is as follows:

	FY 2026	FY 2025
Reimbursable Revenue	$ -	$ -
Fees from Services	693,139	3,941,549
Total Revenue	**$ 693,139**	**$ 3,941,549**

9) Appropriations Received

Warrants received by the Commission as of September 30, 2026, and September 30, 2025, are:

	FY 2026	FY 2025
Warrants/Continuing Resolution Received	**$ 435,382,000**	**$ 455,000,000**

The EEOC received no warrant reductions for fiscal years 2026 and 2025.

10) New Obligations and Upward Adjustments

Direct and Reimbursable new obligations, by apportionment category, incurred as of September 30, 2026, and September 30, 2025, are:

	FY 2026	FY 2025
Obligations		
Direct A	$ 406,478,495	$ 424,671,175
Direct B	29,521,102	29,834,836
Subtotal Direct Obligations	435,999,597	454,506,011
Reimbursable	2,800,278	4,472,757
Total New Obligations and Upward Adjustments	**$ 438,799,875**	**$ 458,978,768**

11) Funds from Dedicated Collections (Permanent Indefinite Appropriations)

The EEOC has permanent, indefinite appropriations from fees earned from services provided to the public and to other federal agencies. These fees are charged to offset costs for education, training, and technical assistance provided through the revolving fund. It is funded from dedicated collections and is accounted for separately from the other funds of the agency. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance, and training by the EEOC. Revenue is recognized as earned when the services have been rendered by the EEOC.

	FY 2026	FY 2025
ASSETS		
Fund Balance with Treasury	$ 1,608,768	$ 3,542,375
TOTAL ASSETS	**$ 1,608,768**	**$ 3,542,375**
LIABILITIES		
Accounts Payable	2,307	14,554
Deferred Credits	2,929	-
TOTAL LIABILITIES	**$ 5,236**	**$ 14,554**
NET POSITION		
Cumulative Results of Operations	1,603,532	3,527,821
TOTAL LIABILITIES AND NET POSITION	**$ 1,608,768**	**$ 3,542,375**
Statements of Net Cost		
Program Costs	2,617,428	5,006,632
Revenue	(693,139)	(3,941,549)
Net Cost (Revenue)	**$ 1,924,289**	**$ 1,065,083**

12) Imputed Financing

The Judgment Fund was established by Congress and codified at 31 U.S.C. §1304. The Judgment Fund is a permanent, indefinite appropriation available to pay final money judgments and awards against the United States. The Judgment Fund is also available to pay compromise settlements entered by the U.S. Department of Justice related to actual or imminent litigation, but only if a judgment on the merits in that litigation would be payable from the Judgment Fund. This report reflects certain payments made by the Judgment Fund for both enforcement litigation conducted by the EEOC itself, and defensive litigation where the EEOC was a party and represented by the Department of Justice.

In addition, OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pensions and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected in imputed financing in the Statement of Changes in Net Position. Total value of imputed financing as of September 30, 2026, and September 30, 2025, consisted of:

	FY 2026	FY 2025
Judgment Fund	$ 95,000	$ 422,902
Office of Personnel Management:		
Pension Expenses	10,520,637	17,248,677
Federal Employee's Health Benefits (FEHB)	16,284,762	18,361,620
Federal Employees Group Life Insurance (FEGLI)	37,747	44,836
Total Imputed Financing	**$ 26,938,146**	**$ 36,078,035**

13) Undelivered Orders at the End of the Period

The undelivered orders at the end of the period consists of the following:

	FY 2026	FY 2025
Unpaid:		
Federal	$ 9,713,535	$ 6,259,958
Non-Federal	36,770,037	19,381,961
Paid:		
Federal	726,275	768,695
Non-Federal	4,560	-
Totals	**$ 47,214,407**	**$ 26,410,614**

14) Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

Information from the President's Budget and the Statement of Budgetary Resources for the period ending September 30, 2025, is shown in the following tables. A reconciliation is not presented for the period ending September 30, 2026, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2025 budget and the Statement of Budgetary Resources for 2025 are shown below:

FY 2025 (Dollars in millions)	**Budgetary Resources**	**Obligations Incurred**	**Distributed Offsetting Receipts**	**Net Outlays**
Statement of Budgetary Resources	$488	$459	-	$448
Revolving Fund Collections and Obligations	(4)	(4)	-	(2)
Carry-forwards and Recoveries	(30)	(1)	-	-
Rounding Differences	1	-	-	-
Budget of U.S. Government	$455	$454	-	$446

a) The EEOC's revolving fund provides training and charges fees to offset the cost. The collections are reported on the Statement of Budgetary Resources as a part of total budgetary resources but are not reported in the President's Budget.

b) The obligations incurred by the revolving fund and no-year fund are not a part of the President's Budget but are included in total obligations incurred in the Statement of Budgetary Resources.

c) Revolving funds and no-year funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Statement of Budgetary Resources but are not included in the President's Budget.

d) Expired funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Statement of Budgetary Resources until they are canceled but are not included in the President's Budget.

e) New obligations in expired funds are shown as a part of obligations incurred on the Statement of Budgetary Resources but are not included in the President's Budget.

f) Canceled appropriations are not shown in the President's Budget but are reported as a reduction to resources in the Statement of Budgetary Resources.

g) Difference due to rounding by millions.

15) Reconciliation of Net Cost to Net Outlays

The new reconciliation, referred to as the Budget and Accrual Reconciliation (BAR), requires a reconciliation of the net outlays on a budgetary basis and the net cost of operations during the period.

Equal Employment Opportunity Commission

Budget and Accrual Reconciliation

As of September 30, 2026 and 2025

(in Dollars)

	FY 2026		
	Intra-governmental	With the public	Total FY 2026
NET COST	$ 147,709,238	$ 292,569,571	$ 440,278,809
Components of Net Cost That Are Not Part of Net Outlays			
PP&E Depreciation	-	(1,891,375)	(1,891,375)
Other	-	-	-
Increase/(Decrease) in Assets:			
Accounts Receivable	-	277,078	277,078
Other Assets	(42,419)	4,560	(37,859)
(Increase)/Decrease in Liabilities:			
Accounts Payable	164,092	(3,771,563)	(3,607,471)
Salaries and Benefits	(84,336)	647,470	563,134
Other Liabilities (Unfunded Leave, Workers' Compensation, Future Workers' Compensation)	462,479	2,174,250	2,636,729
Other financing sources:			
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(26,938,146)	-	(26,938,146)
Total Components of Net Cost That Are Not Part of Net Outlays	**$ (26,438,330)**	**$ (2,559,580)**	**$ (28,997,910)**
NET OUTLAYS	**$ 121,270,908**	**$ 290,009,991**	**$ 411,280,899**

	FY 2025		
	Intra-governmental	With the public	Total FY 2025
NET COST	$ 162,293,037	$ 324,286,501	$ 486,579,538
Components of Net Cost That Are Not Part of Net Outlays			
PP&E Depreciation	-	(3,387,266)	(3,387,266)
Other	-	1,128,443	1,128,443
Increase/(Decrease) in Assets:			
Accounts Receivable	-	8,252	8,252
Other Assets	-	735,414	735,414
Increase/(Decrease) in Liabilities:			
Accounts Payable	(102,387)	1,710,188	1,607,801
Salaries and Benefits	(180,423)	(3,564,800)	(3,745,223)
Other Liabilities (Unfunded Leave, Workers' Compensation, Future Workers' Compensation)	-	1,111,996	1,111,996
Other financing sources:			
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(36,078,035)	-	(36,078,035)
Total Components of Net Cost That Are Not Part of Net Outlays	**$ (36,360,845)**	**$ (2,257,773)**	**$ (38,618,618)**
NET OUTLAYS	**$ 125,932,192**	**$ 322,028,728**	**$ 447,960,920**

OTHER INFORMATION

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion	Unmodified				
Restatement	No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Lack of Sufficient Control over Financial Management	0	0	0	0	0

SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Financial Reporting	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Operations	0	0	0	0	0	0

Conformance with Federal Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems conform, except for instances of non-conformance					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Conformances	0	8	6	0	0	2

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	Auditor
1. Federal Financial Management System Requirements	N/A	N/A
2. Applicable Federal Accounting Standards	N/A	N/A
3. USSGL at Transaction Level	N/A	N/A

INSPECTOR GENERAL'S STATEMENT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of Inspector General

FY 2027 Management Challenges

Background

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is required to report in the U.S. Equal Employment Opportunity Commission's (EEOC or Agency) Agency Financial Report what we have determined to be the most serious management and performance challenges facing the Agency. This statement provides our views on the Agency's management challenges for fiscal year (FY) 2027.

Introduction

In last year's FY 2026 management challenges, we identified three critical challenges that faced the Agency: 1) Managing Human Resources, 2) Data Transformation and Technology Modernization, and 3) Artificial Intelligence. It is our belief that, for FY 2027, the top three challenges remain the same, albeit under different circumstances and context. The Agency must continue to focus on effective management of its human resources to deliver on its core mission and priorities. While the Agency, under the leadership of Chair Andrea Lucas, is making significant strides in data transformation and technology modernization, it continues to be a difficult and crucial undertaking for the Agency, and therefore, remains a management challenge carried over from last year. Lastly, as the Agency continues to adopt artificial intelligence (AI) in its operations, unique challenges and hurdles arise that the Agency must carefully navigate.

Challenge 1: Managing Human Resources

A challenge facing the EEOC is effectively managing its shrinking human resources while addressing its operational needs. Following the Trump administration's efforts to significantly reduce the federal workforce in FY 2025 through the Deferred Resignation Program (DRP), prolonged hiring freeze, in addition to normal retirements, the Agency continued to lose staff throughout FY 2026 further hampering its ability to manage the workload.[1] The Agency has been working to fill high-priority vacancies left by resignations and retirements but has done so mostly through internal promotions which have resulted in vacancies down the

1 The Deferred Resignation Program allows federal employees to voluntarily resign in advance while still receiving their salary and benefits until a specified date, typically while on paid administrative leave.

organizational hierarchy. Also, a third of the Agency's district offices are operating without a director which is impeding their ability to carry out certain legal procedures.

The EEOC staffing level began FY 2025 with around 2,170 employees, dropped to around 1,800 employees by the end of FY 2025, and further decreased by 7 percent through June 2026 to around 1,683 employees. In FY 2025 and through June 2026, almost a quarter of EEOC employees separated from the Agency. Specifically, a total of 531 employees separated, of which 116 separated via DRP. To address the major vacancies, often in key leadership positions, the Agency mostly filled them through internal promotions. In the same period from FY 2025 through June 2026, a total of 460 employees were internally promoted while only 52 employees were externally hired. This creates a chain reaction of vacancies down the office hierarchy and further stretches the resources where they are needed the most.

The impact of EEOC's staffing challenges is most felt by Office of Field Program (OFP) field offices that handle private sector charges and Office of Federal Sector (OFS) which handles federal hearings and appeals. Contending with historically low staffing levels in OFP, private sector charge intake and investigations are taking longer to complete, thereby contributing to a potential increase in outstanding charge inventory. For the federal sector, there may be certain class cases that could result in tens of thousands of federal appeals that OFS currently does not have the capacity to manage.

Without achieving the full staffing required to meet the current needs, the Agency must rely on effective use of technology to bridge the needs gap. Addressing the staffing shortage issue is paramount for the Agency to adequately manage the increasing pending private sector charge inventory and federal sector workloads as well as its continued efforts in data and technology modernization.

Challenge 2: Artificial Intelligence

We first identified Artificial Intelligence (AI) as a distinct management challenge in FY 2025 as EEOC began implementing AI applications to meet new federal requirements and address hurdles created by workforce reductions. The Agency has since taken meaningful steps. The EEOC issued its Generative AI (GenAI) Use Policy in April 2026, established an AI Governance Board, appointed a Chief AI Officer, and approved in-tenant Microsoft 365 Copilot and Copilot Chat GenAI tools.

While EEOC has taken foundational steps establishing use policy and a governing board, gaps remain that may leave the organization unable to demonstrate that its AI use is deliberate, accountable, and defensible. The Agency should make sure that AI processes are centralized in approach and development across the Agency. Such an approach would help ensure consistent standards for the responsible use of AI, reduce duplicative efforts among offices, and give leadership clearer visibility into how AI tools are being evaluated, deployed, and governed throughout the organization. EEOC should ensure that all Agency AI pilot initiatives proceed through the implementation of shared decision log, monitoring cadence, or shared model-card repository. These internal controls are imperative to ensure that the Agency's AI use properly meets security and safety standards.

Given that nearly every EEOC office is using, piloting, or actively considering AI, EEOC needs to continue its efforts to ensure that AI governance is not treated as solely an IT initiative. With multiple stakeholders in AI, governance must be cross functional. EEOC should continue to leverage executive sponsorship in AI governance to provide direction and authority needed to align stakeholders and establish consistent oversight across the organization.

Challenge 3: Technology Modernization

Separate from the Agency's parallel challenge in adopting AI, technology modernization remains a distinct and pressing challenge for the Agency for FY 2027. Success for the Agency depends on whether the Agency can complete its multi-year infrastructure modernization and sustain its network and cybersecurity posture, while meeting executive order mandates regarding improving and strengthening technology.

While the Agency made substantial progress over the past year transitioning its private-sector case management data from the legacy Integrated Mission System (IMS) to the modernized Agency Records Center (ARC), agency-wide migration of the federal sector case management data to ARC has not been completed. The Agency is targeting to complete the federal sector data migration in FY 2027. In addition to the ARC migration, the Agency is required by the Office of Personnel Management to transition its human capital systems through the Core Human Capital Management governmentwide effort to modernize disconnected legacy human capital management systems.

The Agency's senior management needs to ensure that all applicable EEOC offices receive the appropriate human capital and financial resources to continue making progress in the Agency's technological improvements. Consistent with the Executive Order "*Improving Our Nation Through Better Design,*" one such technological improvement is its private sector intake process, which has been redesigned through the "Future of Intake" initiative. The Agency expects the new intake initiative to be launched in FY 2027.

Lastly, the Agency should begin to explore the actions required to implement Executive Order "*Streamlining Access to Government Services Through America.gov,*" which requires heads of agencies to identify covered services in their respective agencies; integrate the provisions of such services with America.gov in a secure and privacy preserving manner; and complete integration with Login.gov.

Respectfully submitted,



Joyce T. Willoughby

Inspector General

MANAGEMENT RESPONSE
TO THE INSPECTOR GENERAL'S STATEMENT

November 12, 2026

MEMORANDUM

TO: Joyce T. Willoughby
Inspector General

FROM: Andrea R. Lucas
Chair

SUBJ: OIG Management Challenges FY 2027 Response

I am in receipt of OIG's fiscal year 2027 management challenges assessment. In accordance with the Reports Consolidation Act of 2000, I am submitting comments to provide additional context for the three challenges identified by OIG. While I have strong concerns regarding numerous aspects of OIG's assessment and the information on which its conclusions are based, I recognize the importance of each of the three topical areas identified by OIG as challenges, and I appreciate OIG's acknowledgment of the agency's progress. At the same time, I believe a fuller and accurate consideration of the EEOC's fiscal year 2026 actions and results—including its strategic hiring efforts, establishment of a cross-functional framework for responsible Super Intelligence (SI) governance, and measurable technology-modernization achievements—will provide a more complete and balanced account of the agency's performance.

In particular, I am concerned that OIG's assessment omits, or in some cases inaccurately describes critical details regarding the agency's current hiring status and technology developments. The assessment also does not adequately reflect the measurable results the agency has achieved on behalf of the American workforce. My comments below clarify the agency's progress, identify areas where more current or comprehensive information is required, and describe the agency's continuing efforts to address each challenge.

Managing Human Resources

Having the appropriate level of staffing is indeed critical to the agency's ability to perform its law enforcement mission and protect American workers from unlawful discrimination. Budget management challenges under the previous Administration resulted in a hiring freeze for the entirety of fiscal year 2024 to avoid potential furloughs. In contrast, under my leadership, as soon as the subsequent government-wide hiring freeze was lifted, the agency quickly developed a plan for strategic hiring in order to ensure we had the right personnel in the right positions to meet the demands for our law enforcement services. The agency conducted a comprehensive, office-by-office review of the existing staffing plan and revised the plan to better align staffing with mission-critical needs. I approved a total of 402 positions for hiring actions in fiscal year 2026 into fiscal year 2027, 257 of which were external positions and 145 internal. The agency ended fiscal year 2026 with 1,722 employees onboard, having completed 233 total internal and external hires during fiscal year 2026 and with another 169 hires anticipated and currently in progress

early in fiscal year 2027. I have also established a process for the agency to backfill positions to mitigate staffing reductions from natural attrition, which, on average, is 200 employees a year.

OIG's management challenges inaccurately asserted that the agency overly relied on internal promotions. The numbers asserted in OIG's assessment are not based on any facts related to fiscal year 2026 hiring. Your assessment wrongly claims that from fiscal year 2025 through June 2026, a total of 460 employees were internally promoted and 52 employees were externally hired. In reality, 9 internal promotions and 13 external hires occurred during fiscal year 2025, and of those, 8 internal promotions and 5 external hires occurred prior to my becoming Acting Chair on January 20, 2025. And in fiscal year 2026, the EEOC brought on 110 external hires—more than double the number listed in the OIG's assessment—and promoted 123 internal candidates, a fraction of the 460 internal promotions the assessment suggested. The data unquestionably shows that the agency has not been overly relying on internal promotions to address critical vacancies. To the contrary, the agency has balanced both filling critical front-line manager positions via both internal and external hiring, as well as hiring front-line staff like investigators and trial attorneys.

Additionally, OIG's analysis fails to fully account for the agency's demonstrated ability to continue delivering excellent results during this period. For example, the management challenges assessment claims, without any factual support, that "charge intake and investigations [within OFP] are taking longer to complete" and then speculates that this will "thereby contribut[e] to a potential increase in outstanding charge inventory." These conclusions regarding the efficiency of the agency's enforcement process and the potential impact on charge inventory are not supported by the information presented and do not accurately reflect the agency's performance.

The EEOC's enforcement-related recoveries are at their highest levels and the agency is operating more efficiently than it has in years. In fiscal year 2026, the agency received 270,871 inquiries—the highest number since it began tracking inquiries in 2001—and received 99,486 charges, a 13 percent increase from 88,201 in fiscal year 2025, and the third highest number of charges received in the agency's history. Despite this increased workload and lower staffing levels, the agency increased charge resolutions, reduced its pending inventory, and obtained record recoveries for America's workers. Charge resolutions increased by nearly 14 percent, from 90,743 in fiscal year 2025 to 103,012 in fiscal year 2026. The agency reduced the pending inventory nearly nine percent in fiscal year 2026 to 45,380, compared to 49,807 pending charges in fiscal year 2025, and 52,080 pending charges in fiscal year 2024. At the same time, the agency did so while also obtaining record-breaking recoveries for the workers the agency serves: OFP's pre-litigation enforcement process obtained monetary benefits for American workers that exceeded $519 million in fiscal year 2026, a result that was second only to the first year of my tenure as Chair, fiscal year 2025.

OIG provides no specific data or metrics to support its assertion that intake and investigations are taking longer to complete, nor does it take into consideration any of the data above that belie any such assumption. The assessment also fails to consider the impact of the six-week government shutdown in fiscal year 2026, during which the government was unable to operate for 11.54 percent of the fiscal year. Accounting for the impact of the fiscal year 2026 shutdown, the agency actually was on pace to increase total recoveries by approximately 11 percent from fiscal year 2025.

Regarding OIG's assertion that a third of the agency's district offices are operating without a director, it is important to note that two district offices were already operating without district directors when I assumed

the role of EEOC Chair. In the last quarter of fiscal year 2026, three directors left the agency for well-deserved retirements. Hiring efforts are underway to replace these directors, and in the interim each office has been led by deputies, with support and oversight by senior career executives in OFP headquarters. I disagree with OIG's assertion that these district offices are impeded in their ability to carry out certain legal procedures. EEOC's regulations expressly provide that certain legal authorities delegated to district directors also may be performed by more senior members of OFP leadership, including the director(s) of Field Management Programs and the OFP director. Under my leadership, the EEOC has vigorously enforced all laws within its jurisdiction and adhered to all legal requirements, without encumbrance due to district director departures or otherwise.

Super Intelligence

I concur with OIG's assessment that SI is a critical challenge, but I also believe this is true for every agency, business, and organization currently in operation. Under President Trump's leadership, and the issuance of Executive Order 14179, *Removing Barriers to American Leadership in Artificial Intelligence* (EO 14179), the EEOC is actively engaged in efforts to align its internal principles, guidelines, and policies to ensure the responsible and trustworthy deployment and use of SI. As OIG highlights, the EEOC has taken meaningful steps in fiscal year 2026 to ensure the implementation and use of SI across the agency. The issuance of the EEOC's GenAI Use Policy, the establishment of the AI Governance Board, the appointment of a Chief AI Officer, and the deployment of SI tools show the EEOC's use of SI is deliberate, accountable, and defensible. Moreover, the AI Governance Board is composed of key cross-functional leaders throughout the agency, ensuring that SI governance is not just an IT initiative. Stakeholders within the agency are integrally involved in all SI use case development to ensure program areas' needs are met and efficiencies realized.

Technology Modernization

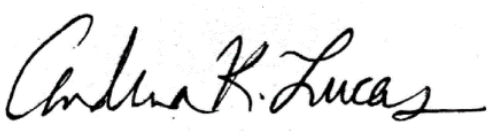
I agree that technology modernization is a significant, long-term undertaking and appreciate OIG's recognition of the agency's continued work in this area during fiscal year 2026. The agency's technology modernization initiatives reflect a coordinated strategy designed to improve service delivery, data quality, operational efficiency, and the agency's ability to carry out its mission.

The agency's fiscal year 2026 results also demonstrate meaningful progress in using available technology resources efficiently. The OCIO established a process to review and optimize information-technology contracts, reduced Azure computing costs by more than 15 percent, adjusted Microsoft licensing to avoid unnecessary costs as staffing levels changed, and provided employees with training on cost-management practices. These efforts allowed the EEOC to maintain cloud services and address emerging technology requirements within its existing budget.

In addition, the EEOC migrated its Public Portal from an externally hosted environment to an agency-hosted cloud platform, utilizing Login.gov. This transition saved taxpayer money while improving operational reliability, auditability, and integration with ARC. The EEOC will continue prioritizing its remaining modernization work—including federal sector data migration, the "Future of Intake" launch, significant additional ARC improvements, cybersecurity, and applicable government-wide digital-service

requirements—while aligning human capital and financial resources with the agency's highest-priority technology needs. The agency will also transition to OPM's Core Human Capital Management system in late fiscal year 2027, as scheduled by OPM. Continued progress will necessarily depend on the availability of sufficient appropriations, but the agency remains committed to careful planning, cross-office collaboration, sound governance, and responsible stewardship of its technology investments.

Going forward, I encourage OIG to ensure its assessments are grounded in accurate, up-to-date and comprehensive information. I look forward to working collaboratively with OIG to strengthen this process and ensure future assessments will appropriately reflect the agency's progress and support our shared goal of strengthening the agency's operations and advancing its mission. Thank you for the opportunity to respond to your report.



Andrea R. Lucas
Chair

U.S. Equal Employment Opportunity Commission

PAYMENT INTEGRITY

Executive Summary of Payment Integrity Activities

In fulfilling the requirements of OMB Circular No. A-136, the EEOC developed a Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) (PIIA) Policy which identifies an agency-wide office responsible for PIIA compliance. The policy provides guidance on assessing programmatic risks for improper payments and preparing/reviewing reported payment integrity information. The EEOC has provided information to OMB to fulfill reporting requirements under the PIIA. Comprehensive agency improper payment data and information can be found on PaymentAccuracy.gov.

In fiscal year 2026, the EEOC conducted Improper Payment Testing over its transaction universe in accordance with OMB Circular No. A-123, Appendix C, OMB Memorandum M-21-19, Section VIII, and standard operating procedures. Accordingly, in fiscal year 2026, the EEOC conducted scheduled reviews and audits of payroll, vendor payments, and travel payments. In fiscal year 2026, the agency also administered a Payment Integrity Survey across programs and determined the EEOC has an overall low risk rating for fraud and improper payments. The OIG deemed the EEOC to be compliant with the PIIA for fiscal year 2025 in accordance with OMB Memorandum M-21-19. Additionally, a 2024 Pay and Benefits Risk Assessment and a 2025 Risk Assessment of the Travel and Vendor Payments Program, which includes other contractual services, rental payments, and state and local programs, determined that the assessed programs are not susceptible to significant improper payments or unknown payments.

Based on the results of the fiscal year 2026 Payment Integrity Survey and transaction testing applied to a sample of payments, consideration of risk factors, and reliance on the internal controls in place over the payment process, the EEOC determined that none of its programs and activities are susceptible to significant improper or unknown payments at or above the threshold levels set by PIIA.

The EEOC will conduct another review of its programs in fiscal year 2027 to determine whether the programs have experienced any unexpected changes. If so, the EEOC will assess program risk susceptibility and make a statistically valid estimate of improper payments for any programs determined to be susceptible to significant erroneous payments.

Do Not Pay Discussion

The EEOC is cross-serviced by the DOI Interior Business Center (IBC) for accounting system support and accounts payable processing. As a result, implementation of the Do Not Pay (DNP) Initiative is a joint responsibility between the EEOC and IBC. Prior to making a new contract award, the EEOC checks the System for Award Management (SAM) and the Excluded Parties List System (EPLS) for a match. If there is no match, the EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies the EEOC's entire new employee and non-federal vendor requests against the Treasury's DNP database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, the EEOC is notified. The EEOC reviews the match, determines if the payment is proper, and reports the result.

Furthermore, IBC's OFF solution utilizes Treasury's "Online Search" and "Continuous Monitoring". These services help identify suppliers that may need to be inactivated in OFF to prevent improper payments. IBC's Vendor Management process has been enhanced to proactively end-date suppliers matched through the DNP Death Screening rules. As a result of this enhancement, the EEOC has not encountered any records with "Potential Returns" in production for the EEOC. All non-federal and employee suppliers are interfaced to Treasury's DNP portal once every week. In fiscal year 2026, 9,558 payments totaling $52,942,068.26, were reviewed and the EEOC did not encounter any improper payments.

Required Reports

The reports listed below filed by the EEOC may be accessed by navigating from the Resources page on PaymentAccuracy.gov to the Congressional Reports page, then selecting the relevant report from the dropdown list for the EEOC and fiscal year.

- The Annual Risk Assessment Report required under 31 U.S.C. § 3352(a)(3)(C);
- The Annual Report on Actions to Reduce Improper Payments required as accompanying materials under 31 U.S.C. § 3352(d);
- The Annual Report on Actions to Recover Improper Payments Identified in a Recovery Audit required as accompanying materials under 31 U.S.C. § 3352(e);
- The Agency Compliance Plan required under 31 U.S.C. § 3353(b)(5); and
- The Agency Noncompliance Report required under 31 U.S.C. § 3353(b)(5).

FRAUD REDUCTION REPORT

In fiscal year 2026, the EEOC conducted risk assessments to identify risks and fraud vulnerabilities. The agency followed a risk-based approach in assessing agency risks and developed controls to mitigate those risks. The assessment includes the identification of risk; determining the likelihood and impact of the risk; developing risk mitigation strategies; and communicating the risk information to related offices. Through adequate risk management, the agency concentrated its efforts on key points of vulnerability to reduce or eliminate the potential for disruptive events. The agency also assessed the agency's internal controls environment to provide reasonable assurance that the objectives of the agency will be achieved.

This risk management process provides a logical and systematic method for establishing the context for risks, as well as identifying, analyzing, evaluating, responding to, monitoring, and communicating them in a way that will allow EEOC to make decisions and respond to risks and opportunities as they arise. This approach promotes comparability and a shared understanding of information and analysis in the decision process and facilitates a better risk management structure and risk-informed decision making.

The EEOC continues its proactive approach to addressing fraud risk. Fraud risk was addressed in the development of the annual assurance statement. The internal control review addressed the 5 Components and 17 Principles of Internal Control.

CIVIL MONETARY PENALTY ADJUSTMENTS FOR INFLATION

On September 30, 2025, the EEOC, in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, published a final rule in the Federal Register to adjust for inflation the civil monetary penalty for violation of the requirement that every employer, employment agency, labor organization, and joint-labor management committee controlling an apprenticeship or other training program post notices describing the pertinent nondiscrimination provisions of Title VII of the Civil Rights Act, the ADA, the PWFA, and GINA. Pursuant to OMB Memorandum M-26-11, Cancellation of Penalty Inflation Adjustments for 2026, Regarding the Federal Civil Penalties Inflation A*djustment Act Improvements Act of 2015*, dated April 17, 2026, the EEOC did not publish an inflation adjustment during fiscal year 2026.

Statutory Authority	**Penalty**	**Year Enacted**	**Latest Year of Adjustment**	**Current Penalty Level**	**Sub-Agency/ Bureau/ Unit**	**Locations for Penalty Update Details**
Sections 711(a) & (b) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e-10(a) & (b); 29 C.F.R. §§ 1601.30(a) & (b)	Willful Violation	1964	2025	$698	N/A	90 Federal Register 46766 (Sept. 30, 2025)

APPENDICES

APPENDIX A: ORGANIZATION AND LAWS ENFORCED

When the EEOC first opened its doors in 1965, it was charged with enforcing the employment provisions in Title VII of the landmark Civil Rights Act of 1964. The EEOC's jurisdiction over employment discrimination now includes the following areas:

- **Title VII of the Civil Rights Act of 1964**, which prohibits employment discrimination on the basis of race, color, religion, sex, and national origin.
- **Pregnancy Discrimination Act of 1978**, which amended Title VII to clarify that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes sex discrimination and requires employers to treat female employees affected by pregnancy, childbirth, or related medical conditions the same as other employees who are similar in their ability or inability to work, with respect to terms and conditions of employment, including leave and benefits.
- **Equal Pay Act of 1963 (included in the Fair Labor Standards Act)**, which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work in the same establishment.
- **Age Discrimination in Employment Act of 1967**, which protects workers age 40 and older from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment. The ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- **Title I and Title V of the Americans with Disabilities Act of 1990**, as amended by the Americans with Disabilities Act Amendments Act of 2008, which prohibits employment discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- **Section 501 of the Rehabilitation Act of 1973**, which prohibits employment discrimination on the basis of disability in the federal government.
- **Government Employee Rights Act of 1991**, which protects certain state government employees from discrimination on the basis of race, color, religion, sex, national origin, age, or disability. Protected applicants or employees include any individual chosen or appointed by a person elected to public office in any State or political subdivision of any State to be a member of the elected official's personal or policymaking staff or to advise the official on the constitutional or legal powers of the office.
- **Title II of the Genetic Information Nondiscrimination Act of 2008**, which prohibits employment discrimination on the basis of an applicant's or employee's genetic information (including family medical history), generally prohibits acquisition of genetic information from applicants and employees and requires covered entities to keep such information confidential, with limited exceptions.

- **Lilly Ledbetter Fair Pay Act of 2009**, which overturned adverse Supreme Court precedent and restored the EEOC's long-held position on the timeliness of pay discrimination claims.
- **Pregnant Workers Fairness Act of 2022**, which requires that a covered entity provide a reasonable accommodation to a qualified worker's known limitation related to pregnancy, childbirth, or related medical conditions, absent undue hardship.

The Office of Field Programs (OFP), the Office of General Counsel (OGC), and 53 field offices, ensure that the EEOC effectively enforces the statutory, regulatory, policy, and program responsibilities of the agency through a variety of resolution methods tailored to each charge. Staff are responsible for achieving a wide range of objectives, which focus on the quality, timeliness, and appropriateness of individual, multiple victim, and systemic charges and for securing relief for workers subjected to discrimination in accordance with agency policies. Staff also counsel individuals about their rights under the laws enforced by the EEOC and conduct outreach and technical assistance programs. OGC conducts enforcement litigation in federal district courts and in the federal courts of appeals and also defends the agency against litigation brought by agency applicants and employees.

Additionally, through OFP's State, Local, and Tribal Program, the EEOC maintains work-sharing agreements and a contract services program with approximately 80 state and local FEPAs for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. The EEOC partners with approximately 60 Tribal Employment Rights Offices (TERO) to promote equal employment opportunity on or near Native American/Alaska Native Tribal lands.

The Office of Legal Counsel (OLC) serves as counsel to the Chair, developing policy guidance and regulatory actions, providing technical assistance to employers and employees, and coordinating with other agencies and stakeholders regarding the statutes and regulations enforced by the EEOC. OLC also fulfills in-house counsel functions by conducting or coordinating defensive litigation on behalf of the Chair and the Commission and advising agency officials on administrative issues such as contracts, disclosures, ethics, fiscal law, the Privacy Act, and recordkeeping matters. OLC houses the agency's Freedom of Information Act (FOIA) Division and its Records Management Division.

Through its Office of Federal Sector (OFS), the EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. This office ensures federal agency and department compliance with EEOC regulations, provides technical assistance to federal agencies concerning EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, develops and distributes federal sector educational materials and conducts training for stakeholders, and provides guidance and assistance to EEOC administrative judges who conduct hearings on EEO complaints, but the responsibility for conducting hearings of federal sector complaints is performed in field offices under the oversight of OFP. Moreover, OFS adjudicates appeals from administrative decisions made by federal agencies on EEO complaints.

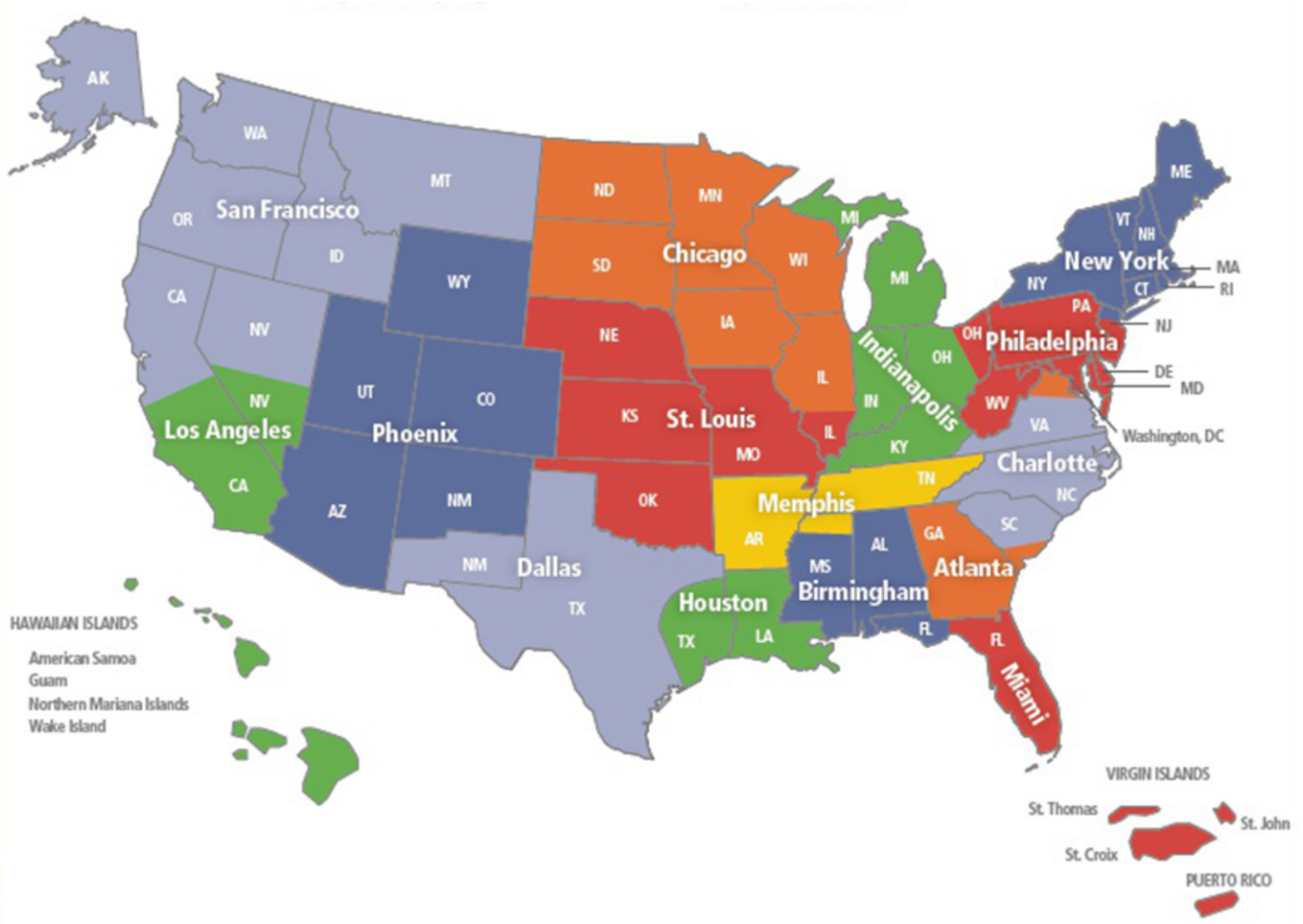
The EEOC receives a congressional appropriation to fund the necessary expenses of enforcing civil rights laws, as well as prevention, outreach, and coordination of activities within the private and public sectors. In addition, the EEOC maintains a Training Institute for technical assistance programs. These programs provide fee-based education and training relating to the laws administered by the Commission. See Appendix F for a full description of these programs.

APPENDIX B: EEOC FIELD OFFICES

Equal Employment Opportunity Commission
15 Districts

For a full list of EEOC offices and a zip-code based office locator, please see:

https://www.eeoc.gov/field/index.cfm



APPENDIX C: BIOGRAPHIES OF THE CHAIR AND COMMISSIONERS



Andrea R. Lucas, Chair

Andrea R. Lucas was designated by President Trump as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on November 6, 2025, and was confirmed for her second term by the U.S. Senate on July 31, 2025, for a term expiring July 1, 2030.

For more information about Chair Lucas, please see: https://www.eeoc.gov/andrea-r-lucas-chair.



Kalpana Kotagal, Commissioner

Kalpana Kotagal was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2022 and was confirmed by the U.S. Senate on July 13, 2023, for a term expiring July 1, 2027.

For more information about Commissioner Kotagal, please see: https://www.eeoc.gov/kalpana-kotagal-commissioner.



Brittany Bull Panuccio, Commissioner

Brittany Bull Panuccio was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2025 and was confirmed by the U.S. Senate on October 7, 2025, for a term expiring July 1, 2029.

For more information about Commissioner Panuccio, please see: https://www.eeoc.gov/brittany-bull-panuccio-commissioner.

APPENDIX D: GLOSSARY OF ACRONYMS

ADA Americans with Disabilities Act of 1990

ADEA Age Discrimination in Employment Act of 1967

AFR Agency Financial Report

APP Agency Performance Plan

APR Agency Performance Report

ARC Agency Records Center

CSRS Civil Service Retirement System

CST Customer Specific Training

DNP Do Not Pay

DOI U.S. Department of Interior

DOL U.S. Department of Labor

EEO Equal Employment Opportunity

EEOC U.S. Equal Employment Opportunity Commission

EPA Equal Pay Act of 1963

EPLS Excluded Parties List System

ERM Enterprise Risk Management

FECA Federal Employees' Compensation Act

FEGLI Federal Employees Group Life Insurance Program

FEHB Federal Employees Health Benefits Program

FEPA Fair Employment Practices Agency

FERS Federal Employees' Retirement System

FMLA Family and Medical Leave Act

FMFIA Federal Managers Financial Integrity Act

FOIA Freedom of Information Act

FSP Federal Sector Programs

GAAP Generally Accepted Accounting Principles

GERA Government Employee Rights Act of 1991

GINA Genetic Information Nondiscrimination Act of 2008

GSA General Services Administration

IBC Interior Business Center

IMS Integrated Mission System

IPERA Improper Payments Elimination and Recovery Act of 2010

IPERIA Improper Payments Elimination and Recovery Improvement Act of 2012

IPIA Improper Payments Information Act of 2022

MD&A Management's Discussion and Analysis

NPRM Notice of Proposed Rulemaking

OFF Oracle Federal Financials

OFS Office of Federal Sector

OFP Office of Field Programs

OGC Office of General Counsel

OIG Office of Inspector General

OCIO Office of the Chief Information Officer

OLC Office of Legal Counsel

OMB U.S. Office of Management and Budget

OPM U.S. Office of Personnel Management

ORB Other Retirement Benefits

PIIA Payment Integrity Information Act of 2019

PWFA Pregnant Workers Fairness Act of 2022

SAM System for Award Management

SI Super Intelligence

TERO Tribal Employment Rights Offices

APPENDIX E: INTERNET LINKS

EEOC Homepage: https://www.eeoc.gov/

EEOC Statistics: https://www.eeoc.gov/statistics

EEOC Strategic Plan for FY 2026-2030: https://www.eeoc.gov/eeoc-strategic-plan-2026-2030

National Enforcement Plan for FY 2025-2029: https://www.eeoc.gov/sites/default/files/2026-06/NEP_-_signed.pdf

Meetings of the Commission: https://www.eeoc.gov/meetings

Newsroom/Press Releases: https://www.eeoc.gov/newsroom/search

EEOC FY 2027 Congressional Budget: https://www.eeoc.gov/fiscal-year-2027-congressional-budget-justification

EEOC Congressional Budgets: https://www.eeoc.gov/eeoc-budget

EEOC Performance and Accountability Reports: https://www.eeoc.gov/eeoc-annual-reports

Small Business Resource Center: https://www.eeoc.gov/employers/small-business

APPENDIX F: REVOLVING FUND

The EEOC Training Institute (Training Institute) provides fee-based training and technical assistance to stakeholders from both the private and public sector. The operations of the Training Institute are funded through the EEOC's Revolving Fund, which is an instrument established by Congress in 1992 to enable the EEOC to charge reasonable fees for specialized products and services developed and delivered as part of the EEOC's training and technical assistance efforts. The Revolving Fund serves as the mechanism through which the EEOC can collect payments, thus offsetting some of the costs devoted to training and technical assistance to external entities.

The Training Institute offers a range of fee-based training to help private employers and state, local, and federal government agencies educate their managers and employees on EEOC-enforced laws and on preventing workplace discrimination. It provides workshops, courses, and Customer Specific Trainings (CST) on various EEO compliance issues.

In fiscal year 2026, the Training Institute conducted virtual and in-person workshops, courses, and CSTs for a total of 148 events with approximately 6,097 attendees. Below is a more in-depth explanation of each type of program offered by the Training Institute in fiscal year 2026.

TECHNICAL ASSISTANCE PROGRAM WORKSHOPS

In fiscal year 2026, the Training Institute provided opportunities for employees and employers to receive training, education, and information about their respective rights and obligations to prevent and eradicate workplace discrimination by offering virtual events. The Training Institute offered virtual 2-hour and 3-hour workshops. These workshops received excellent evaluations from attendees. In fiscal year 2026, the Training Institute conducted four national workshops with approximately 307 attendees.

CUSTOMER SPECIFIC TRAINING

The CST program provides training and education for employees, managers, supervisors, and human resource professionals from private sector employers and state, local, and federal government agencies on their EEO responsibilities and how to prevent and remedy workplace discrimination. The Training Institute designs customized courses to be delivered at employers' worksites, including virtual delivery. In fiscal year 2026, the Training Institute conducted 85 virtual and in-person CST events that reached approximately 4,390 registrants.

NATIONAL FEDERAL COURSES AND FEDERAL AGENCY TRAINING

The Training Institute offers federal training designed to meet training requirements for EEO practitioners working throughout the federal government. In fiscal year 2026, there were 27 fee-based national federal courses with approximately 443 attendees and 32 customer specific fee-based training sessions with approximately 957 attendees.

REVENUE

In fiscal year 2026, the Training Institute generated revenue of approximately $817,909. The Revolving Fund total expenditures, include indirect costs such as the Revolving Fund reimbursable agreement, registration contract, and other shared Revolving Fund expenses.

REIMBURSABLE AGREEMENT

The reimbursable agreement expenses are funded by the Technical Assistance Program Workshops, Private Sector CSTs, National Federal Courses, and Federal Agency Training activities put on by the EEOC Training Institute.

As set forth in the reimbursable agreement, the Revolving Fund reimbursed the agency $2,636,620 for costs associated with administration and operations.

INDIRECT COSTS

Indirect Costs are defined by OMB as "costs that are incurred for common or joint objectives and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity." The indirect cost expenses are comprised of two major areas: 1) salaries and benefits; and 2) general and administrative costs. The salaries are for Revolving Fund staff, and OCLA EEOC Training Institute staff who perform activities related to the preparation and support of all Revolving Fund training activities and oversight. The general and administrative costs include items such as financial systems and reports, EEOC rent, and the use of systems and support from OCIO. The indirect expenses are necessary to support the execution of the full array of Training Institute offerings, including Technical Assistance Program Workshops, CSTs, National Federal Courses, and Federal Agency Training Sessions.

FY 26 Revolving Fund Training	Number of Events	Registrants (approx.)	Revenue	Expenses	Indirect Costs
Revolving Fund Division costs					$2,786,620
Technical Assistance Program Workshops	4	307	$91,635	$0	
Private Sector CSTs	85	4,390	$134,834	$6,420	
National Federal Courses	27	443	$341,540	$6,779	
Federal Agency Training Sessions	32	957	$249,900	$138	
FY 2026 TOTAL	**148**	**6,097**	**$817,909***	**$13,337**	**$2,786,620**

*Reflects total revenue received in FY2026.

APPENDIX G: ACKNOWLEDGMENTS

The EEOC's Fiscal Year 2026 Agency Financial Report is a collaborative endeavor on the part of many EEOC employees and contractors. The EEOC would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

WE WELCOME YOUR COMMENTS

Thank you for your interest in the EEOC's Fiscal Year 2026 Agency Financial Report. We welcome your comments on how we can make this report more informative.

Please send your comments to:

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