



K. ERIK SWANSON, Ph.D.
Superintendent of Education

DEPARTMENT OF EDUCATION

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FOR IMMEDIATE RELEASE

GDOE RECEIVES 10th CONSECUTIVE CLEAN AUDIT

Tiyan, Guam - The Guam Department of Education (GDOE) achieved a clean audit opinion for FY 2022, marking the tenth consecutive year of this accomplishment. Ernst & Young, LLP conducted the audit and confirmed that the GDOE's financial statements and major federal program compliance met the standards.

The department-wide financial statements show that GDOE's net position increased by \$21.2M in FY 2022. The local appropriations for the year were \$6.2M lower than the \$218.5M in FY 2021. The governmental fund revenues (including federal grants) of GDOE were \$390.8M in FY 2022, which was \$48.3M higher than the \$347M in FY 2021.

GDOE spent \$383.1M from its governmental funds in FY 2022, which was \$36.4M higher than the previous year's \$346.7M. The main reason for this increase was more spending on direct student support. GDOE also had significant increases in salaries and benefits (\$19.6M), supplies (\$10.7M), and power (\$4.7M) during the year.

GDOE ended the year with a positive fund balance of \$8.5M on its governmental fund financial statements. This was achieved by using federal funds to pay for utilities and other essential services. GDOE utilized the Education Stabilization Fund and American Rescue Plan to cover \$18.9M for utilities and \$2.3M for custodial services. GDOE also received a \$2.4M revenue transfer for utilities and had an initial fund balance of about \$1M.

The audit reports showed that GDOE had clean opinions, but also found two material weaknesses and one significant deficiency in the financial statements; for the federal awards compliance, the auditors found one material weakness, six significant deficiencies, and \$2K of questioned costs. GDOE concurred with eight findings and is working on appropriate corrective actions.

Superintendent Swanson announced the results of the audit, which confirmed GDOE's high standards of financial accountability and transparency. *"This is a great achievement for our department and I'm committed to maintaining this level of excellence and enhancing our financial management practices,"* he said.

GDOE achieved a major accomplishment in FY 22, as it regained control over most of the fiscal functions that were previously handled by the Third-Party Fiduciary Agent (TPFA). United State of Education (USED) reduced the scope of the TPFA from 22 to 4 responsibilities and required GDOE to take over all purchase order functions within its own financial management system. After demonstrating its readiness and passing a validation visit, GDOE was informed by USED that the TPFA requirement would be lifted as of November 1, 2023. This means that GDOE can save local funds that were spent on



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the TPF contract, which amounted to \$33M in the past decade and \$1.5M in the last year. These funds can now be used to support the school district directly. GDOE will maintain its collaboration with USED to keep up the progress and work towards removing the high-risk designation.

“The GEB will continue to support GDOE and ensure the highest standards of accountability and will assert that GDOE improves the timeliness of audit issuance moving forward,” Guam Education Board (GEB) Chairwoman Dr. Okada added.

For more information, you may send an email at Tes Reyes-Burrier, Public Information Officer at mtreyes@gdoe.net or visit <https://gdoeiao.weebly.com/>

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