

GUAM HIGHWAY FUND FY 2020 FINANCIAL AUDIT



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The Guam Highway Fund (GHF) is secured for the maintenance and construction of highways and roadways, as well as the implementation of all highway safety plans, programs, and projects.



Independent auditors, Ernst & Young, LLP, issued an unmodified (clean) opinion.

For more information visit www.opaguam.org.

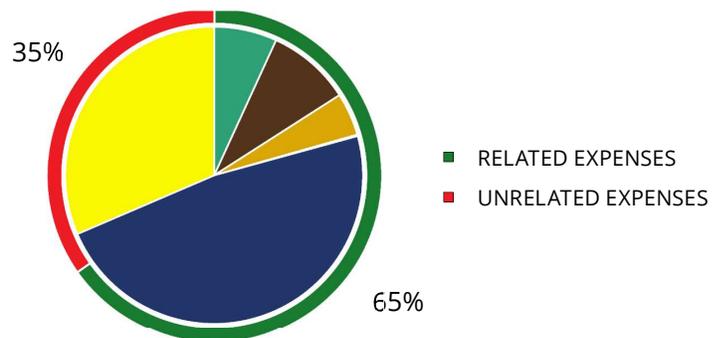
GHF records two governmental funds - the Guam Highway Special Revenue Fund with \$1.2 million (M) and the Capital Projects Fund with \$176 thousand (K).

Revenues	Expenditures	Guam Highway Special Revenue Fund	Capital Projects Funds
\$20.1M	\$25M	\$1.2M	\$176K
\$5.1M decrease ↓	\$4.5M increase ↑	\$5.2M decrease ↓	No change –

**\$5.2 MILLION
NET LOSS**

Expenditures by Department (↑ ↓ from FY 2019)

Department of Public Works	\$ 11,953,350	↑
Mayors' Council of Guam	\$ 7,866,111	↑
Guam Regional Transit Authority	\$ 2,273,455	↓
Department of Administration	\$ 1,707,908	↓
Guam Police Department	\$ 1,166,153	↓
Department of Education	\$ 40,086	↓



Revenues by Year



FY 2020 Books Not Closed Timely

In a separate issued management letter, independent auditors noted GHF's FY 2020 books were not closed on a timely basis. DOA noted that the delay's root cause was that the financial management system was not updated to include financial year closing as a standard

feature. Procurement for the new system has begun under Executive Order 2020-44, and 2021-07.

Internal Control Over Financial Reporting

Auditors identified two material weaknesses in GHF's internal control over financial reporting. One item concerns how GHF did not recognize a

\$1M understated liability for construction services rendered as of FY 2020 end. The second finding noted that GHF's expenditures to MCOG's salaries and wages exceeded the amount appropriated. According to DOA, internal controls will be reviewed to prevent recurrences of these excess expenditures.

FY 2020 revenues were composed of \$11.7M in Taxes, \$8.4M in Licenses, Fees, and Permits, and \$3K from the Use of Money and Property.

To prevent the spread of COVID-19, restrictions were instituted that left many of Guam's businesses at a standstill. The Department of Administration's

management expects there may be continued reductions in revenues for the remainder of the public health emergency.