



Financial Highlights

Government of Guam Solid Waste Funds' Financial Audit

Fiscal Year 2024

July 28, 2025

The Office of Public Accountability (OPA) has released the Government of Guam Solid Waste Funds' (GGSWF) Financial Statements and Report on Internal Control Over Financial Reporting and Compliance, the Management Letter, and the Auditor's Communication with Those Charged with Governance for Fiscal Year (FY) 2024.

Independent auditors, Ernst & Young, LLP, rendered an unmodified (clean) opinion on the GGSWF financial statements, comprised of three funds: the (1) Solid Waste Operations Fund, (2) Capital Projects Fund, and (3) Debt Service Fund. These funds collectively ended FY 2024 with an increase in total fund balance of \$2.3 million (M) or 7%, from \$34.2M (as restated*) in FY 2023 to \$36.5M in FY 2024. Notable highlights from the GGSWF FY 2024 financial audit include:

- Increased revenues of \$3.8M from tipping fee revenues and use of money and property;
- Increased total combined expenditures of \$374 thousand (K), partly due to Solid Waste Operational expenditures previously covered by \$3M in American Rescue Plan Act (ARPA) funds in FY 2023;
- FY 2023 financial statements of the Debt Service Fund have been restated*; and
- Independent Auditors identified one significant deficiency in internal control.

Revenues Increased and Expenditures Slightly Increased

GGSWF reported total revenues of \$25.9M in FY 2024, an increase of \$3.8M (or 17%) from \$22.1M in FY 2023 (as restated*). This increase was primarily due to an increase of \$3.2M in tipping fees and an increase of \$520K in the use of money and property.

Total expenditures of \$41.7M in FY 2024 increased by \$374K from \$41.3M in FY 2023. The increase in expenditures is primarily due to an increase in Solid Waste Operational costs previously covered by American Rescue Plan Act funds in FY 2023. These expenditures were offset by a reduction in Debt Service and a reduction in Ordot-related expenses.

***Restatement of FY 2023 Financial Statements**

The FY 2023 Financial Statements of the Debt Service Fund have been restated to close the due from General Fund balance against the related transfers in from other financial sources. The following summary shows the financial statement line items impacted by this restatement:

	As previously reported	Adjustment	As restated
Due from General Fund	\$1,848,152	\$(1,848,152)	\$---
Fund balance restricted for Debt Service	\$23,820,555	\$(1,848,152)	\$21,972,403
Total transfers in from other financing sources	\$24,435,729	\$(1,848,152)	\$22,587,577
Total net change in fund balances	\$2,156,172	\$(1,848,152)	\$308,020
Total fund balance, September 30, 2023	\$36,030,103	\$(1,848,152)	\$34,181,951

Partial End of Receivership

The Guam Solid Waste Authority (GSWA) is required (by court order) to fully fund, by August 2026, a trust account to pay for the estimated future costs of managing and maintaining the Ordot landfill site until the site can be reclaimed by the government of Guam for alternative use. The court order also required: 1) GSWA and the Receiver to come up with a baseline scheduled for seeps, leachate, and meter calibration investigations and 2) an estimate for post-closure care expenses, with proposed funding options and a proposed schedule for the full termination of Receivership. To date, many of these initiatives have been completed or are well on their way to completion.

Some of the operational challenges and opportunities noted by GSWA include:

- Instructing, coaching, and transforming the current collection workforce to the established 21st-century standard procedures for safe, economical, and customer service-oriented collection methods.
- Building sufficient capital improvement funds for cell construction, closure, and post-closure requirements.
- GSWA is exploring options for renegotiating Receiver contracts, including adjusting the scope and term of the Ordot Operations contract which should yield savings in 2024 and 2025.

Receiver-related expenditures were \$1.2M in FY 2024. Accumulated receiver-related expenditures have amounted to \$24.5M since the appointment of the Receiver on March 17, 2008 through September 30, 2024. Of this amount, \$3.8M was funded by the General Fund, and the remaining was funded from GSWA operations.

Litigation

GSWA is party to certain legal proceedings, and the Office of the Attorney General is of the opinion that the probable outcome of suits existing as of September 30, 2024, is unknown and not predictable.

Ordot Dump Financing Plan

In December 2024, subsequent to year-end, the District Court relieved the Solid Waste Operations Fund of its obligation to pay \$2 million annually into the Ordot Dump Post Closure Reserves. The Receiver transferred \$1.7 million from one of the Ordot Dump Post Closure Custodial accounts to settle the Ordot Post Closure Cost Estimate Liability.

Report on Internal Control Over Financial Reporting and Compliance

The independent auditors identified one significant deficiency in internal control for the Debt Service Fund's interfund balance and transfers in. Specifically, the auditors found that there is a difference between the appropriation amounts and the total transferred amounts to the 363 Debt Service Fund for FY 2024 and FY 2023; the differences in the amounts resulted in a recorded interfund receivable for each fiscal year.

In managing the 363 Debt Service Fund, the Department of Administration (DOA) recorded transfers in from the General Fund equal to the amounts appropriated in FY 2024 and FY 2023, without adjusting for the availability of funds. As a result, the Debt Service Fund interfund receivable and related transfers in were overstated by \$3.2M and \$1.8M for fiscal years 2024 and 2023, respectively.

The independent auditors recommended that DOA review the ending balance of interfund receivables and verify compliance with Governmental Accounting Standards Board (GASB) Cod. 1800.102(b). DOA concurred with the finding and will work closely with GSWA to continue to closely monitor the Debt Service Fund to ensure necessary adjustments to the interfund balance are processed at year-end.

Management Letter

In a letter to Management, the independent auditors cited one observation, in which financial data for the current year, including trial balances and the general ledgers, contained inaccuracies that required manual reconciliation and adjustments by the GGSWF Comptroller. These inaccuracies are attributed to the bulk of transactions migrated from the previous Financial Management Information System (FMIS) and the lack of review of transactions posted to the new FMIS. The independent auditors recommended implementing a detailed review process for all entries posted and timely communication between DOA and GGSWF Management on adjustments to ensure balances are updated as part of the GGSWF financial statement close process.

For a detailed discussion on GSWA's operations, refer to the Management's Discussion and Analysis, or review the reports in their entirety at our website: www.opaguam.org.