

MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am honored to join Secretary DeVos in issuing our Fiscal Year (FY) 2020 Agency Financial Report (AFR) for the Department of Education. The Department is committed to promoting student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. The Department's Office of Finance and Operations (OFO) strives to cultivate a financial management environment that drives innovation, ensures accountability, and effectively manages risk related to the resources entrusted to the Department.

For the 19th consecutive year, we received an unmodified (clean) audit opinion on our financial statements from our independent auditor. A clean opinion confirms that our financial statements are presented fairly, in all material respects, and conform with generally accepted accounting principles. The internal control report identified one material weakness, "Controls over the Reliability of Underlying Data Used in Credit Reform Re-estimates Need Improvement." The Department remains committed to evaluating its internal controls for improvement opportunities. The "Financial Section" of this report provides detailed information about the

Department's financial statements and activities that contributed to the audit opinion.

OFO provides stewardship and accountability of agency funds by leveraging new technologies to modernize outdated business processes, developing financial management policies and procedures, establishing and overseeing internal controls, and producing high-quality financial and managerial reports. Despite the challenges associated with the COVID-19 pandemic, the agency was able to maintain effective financial management operations even in a remote work environment.

We also received external validation of our sustained efforts to produce user-friendly, transparent financial reporting by earning the Department's 16th award of the Association of Government Accountants' *Certificate of Excellence in Accountability Reporting*. Federal financial reports must pass a rigorous independent review against a comprehensive set of standards to earn this prestigious recognition, which is the highest award bestowed for federal financial reporting.

The Department's achievements illustrate the remarkable effort and dedication of our employees and partners. We will continue to serve as accountable and committed stewards supporting the Department's mission on behalf of the public while enhancing our financial management capabilities.

A handwritten signature in black ink that reads "Denise Carter".

Denise Carter

Delegated the authority to perform the functions and duties of the position of Chief Financial Officer

November 16, 2020