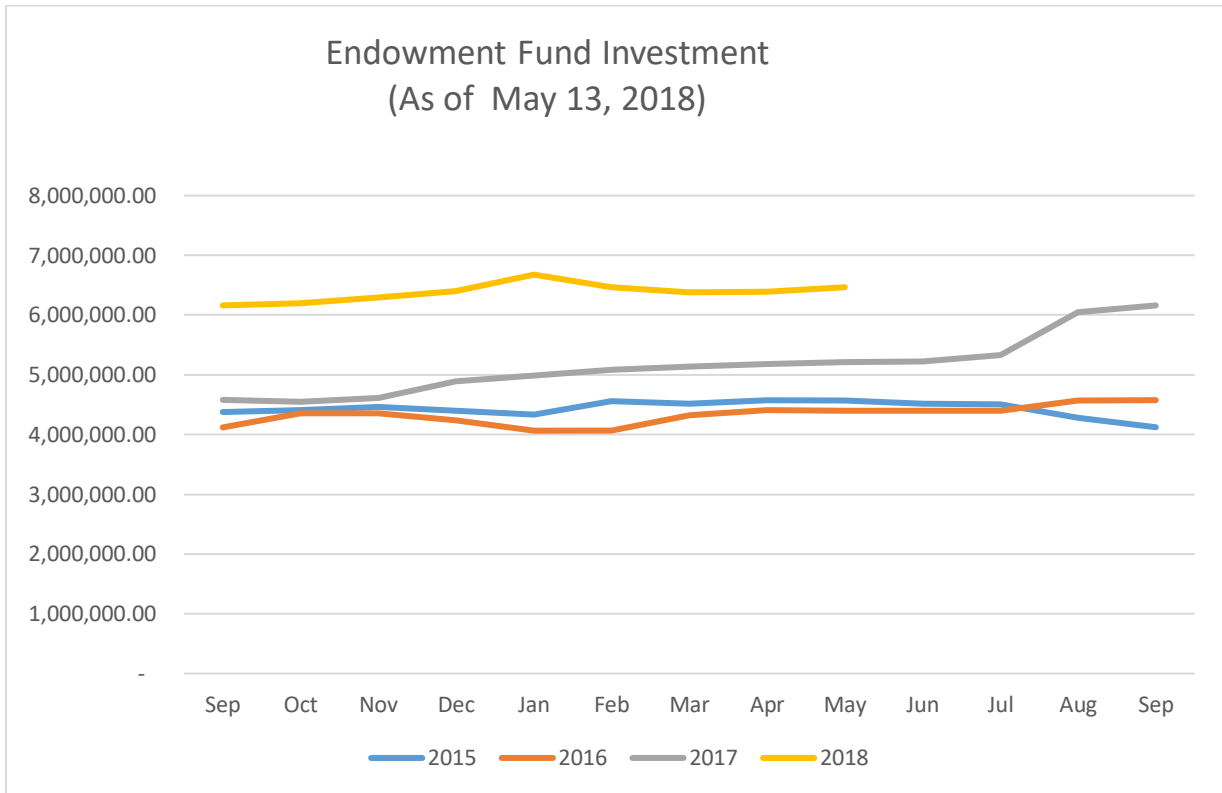


May 22, 2018

Report to Finance and Audit Committee:

A. Endowment Fund



Balance:

Sep. 30, 2015 - \$4.123M

Sep. 30, 2016 - \$4.576M

Sep. 30, 2017 - \$6.162M

May 13, 2018 - \$6.467M

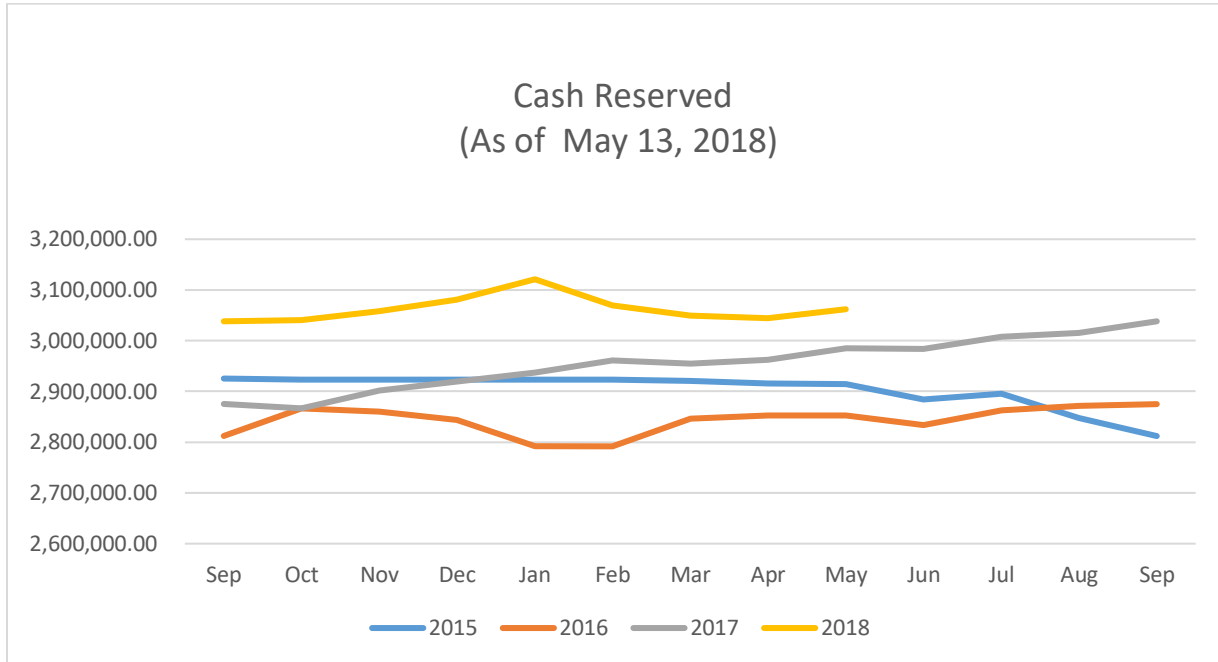
Gain:

FY2016 - \$453K

FY2017 - \$660K

FY2018 - \$305K

B. Cash Reserve



Balance:

Sep. 30, 2015 - \$2.812M

Sep. 30, 2016 - \$2.875M

Sep. 30, 2017 - \$3.038M

May 13, 2018- \$3.062M

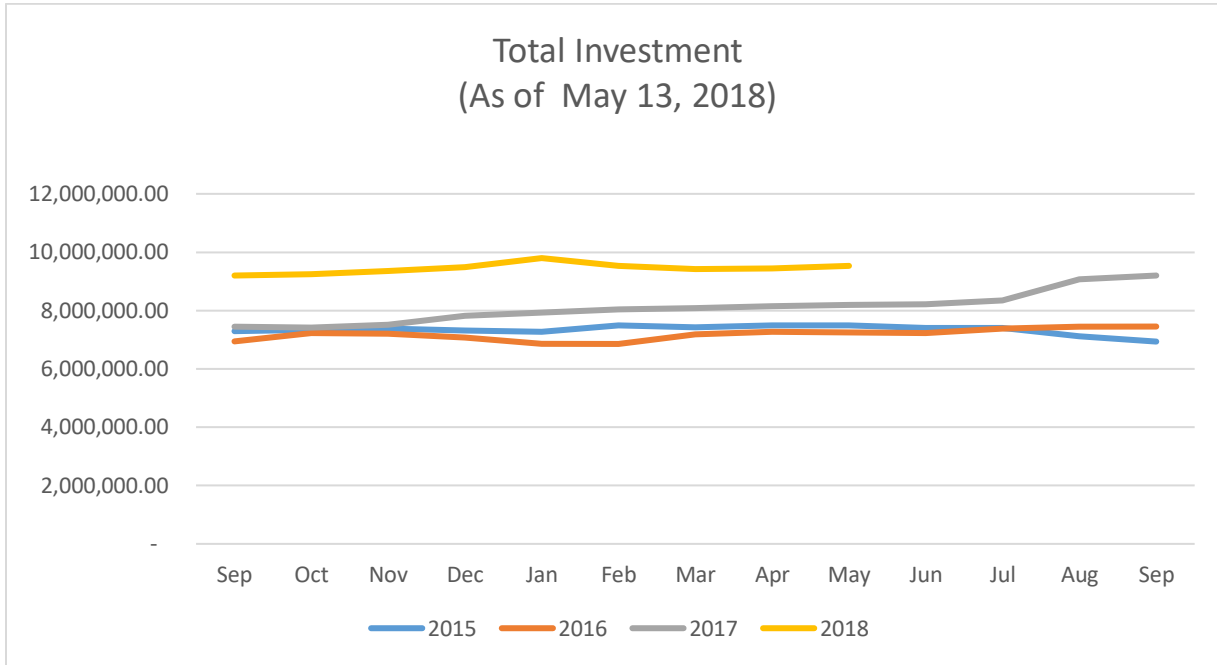
Gain

FY2016 - \$63K

FY2017 - \$163K

FY2018 - \$24K

Total Investment



Balance:

Sep. 30, 2015 – \$6.935M
 Sep. 30, 2016 - \$7.451M
 Sep. 30, 2017 – \$9.200M
 May 13, 2018 - \$9.529M

Gain:

FY2016 - \$516K
 FY2017 - \$824K
 FY2018 - \$329K

C. Draft Copy of Audited Financial Statements

COLLEGE OF MICRONESIA-FSM
(A COMPONENT UNIT OF THE FSM NATIONAL GOVERNMENT)

Statements of Net Assets
September 30, 2017 and 2016

<u>ASSETS</u>	2017	2016
Current assets:		
Cash and cash equivalents	6,895,203	\$ 8,815,747
Time certificate of deposits	18	30,551
Investments	2,990,905	814,987
Due from FSM National Government	344,582	969,532
Tuition receivable, net	2,503,069	3,207,891
Grants and contracts receivable, net	470,962	163,889
Other receivables, net	294,496	181,614
Inventory	1,170,005	1,218,169
Pre. expenses	643,658	427,134
Total current assets	15,312,898	15,829,514
Noncurrent assets:		
Endowment Investments	6,161,678	4,575,892
Capital assets:		
Non-depreciable capital assets	1,455,685	1,455,685
Capital assets, net of accumulated depreciation	6,506,084	6,880,183
Total noncurrent assets	14,123,447	12,911,760
Total assets	29,436,345	\$ 28,741,274
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	343,790	\$ 298,655
Accrued A/P	745,235	682,050
Accrued annual leave	299,933	390,841
Unearned Revenue	2,438,549	2,359,186
Other current liabilities	323,718	265,288
Total current liabilities	4,151,225	3,996,020
Noncurrent liabilities:		
Long-term portion of accrued annual leave	410,028	317,148
Total liabilities	4,561,253	4,313,168
Commitments and contingencies		
Net assets:		
Invested in capital assets	7,961,769	8,335,868
Restricted:		
Nonexpendable	6,161,678	4,575,892
Unrestricted	10,751,645	11,516,346
Total net assets	24,875,092	24,428,106
Total liabilities and net assets	29,436,345	\$ 28,741,274

COLLEGE OF MICRONESIA-FSM

(A COMPONENT UNIT OF THE FSM NATIONAL GOVERNMENT)

Statement of Revenues, Expenses and changes in net Position - College Only

September 30, 2017 and 2016

	2017	2016
Operating revenues:		
Students tuition and fees	8,180,727	8,372,659
Less: Scholarship discounts and allowances	<u>(7,475,463)</u>	<u>(7,767,751)</u>
	705,264	604,908
Federal grants and contracts	13,263,625	14,420,489
Government grants and contracts	4,557,116	4,324,846
Sales and services of auxiliary enterprises	1,583,180	1,409,692
Other revenues	<u>330,176</u>	<u>1,172,340</u>
Total operating revenues	20,439,361	21,932,275
Less bad debts	<u>(908,506)</u>	<u>(655,592)</u>
Net operating revenues	19,530,855	21,276,683
Operating expense:		
Institutional support	4,293,953	3,761,699
Instruction	6,823,163	7,911,494
Student financial assistance	2,943,606	3,418,625
Student services	1,498,678	1,340,056
Depreciation	914,174	841,199
Auxiliary enterprises	1,275,019	1,315,904
Academic support	755,266	885,826
Operating and maintenance plant	<u>1,387,199</u>	<u>1,484,386</u>
Total operating expenses	<u>19,891,058</u>	<u>20,959,189</u>
Operating earnings (loss)	(360,204)	317,494
Nonoperating revenues (expense):		
Loss on capital asset disposal	(18,308)	
Net investment income (loss)	<u>825,497</u>	<u>515,973</u>
Total non-operating (expense)revenues	<u>807,189</u>	<u>515,973</u>
Change in Net Position	<u>446,985</u>	<u>833,467</u>
Net Position		
Beginning of the Year	24,428,106	23,594,639
End of the Year	<u>24,875,091</u>	<u>24,428,106</u>

D. Composite Financial Index

FY2015

Ratio	Ratio Value	Strength Factor	Weighting Factor	CFI Score
Primary reserve ratio	0.86	6.45	0.55	3.55
Return on net Asset Ratio	0.01	6.68	0.30	2.00
Viability Ratio	58.41	140.07	-	-
Net Operating Revenues Ratio	0.03	2.66	0.15	0.40
Composite Financial Index				5.95

FY2016

Ratio	Ratio Value	Strength Factor	Weighting Factor	CFI Score
Primary reserve ratio	0.84	6.3	0.55	3.47
Return on net Asset Ratio	0.03	14.59	0.30	4.38
Viability Ratio	55.1	133.11	-	-
Net Operating Revenues Ratio	0.04	3.13	0.15	0.47
Composite Financial Index				8.31

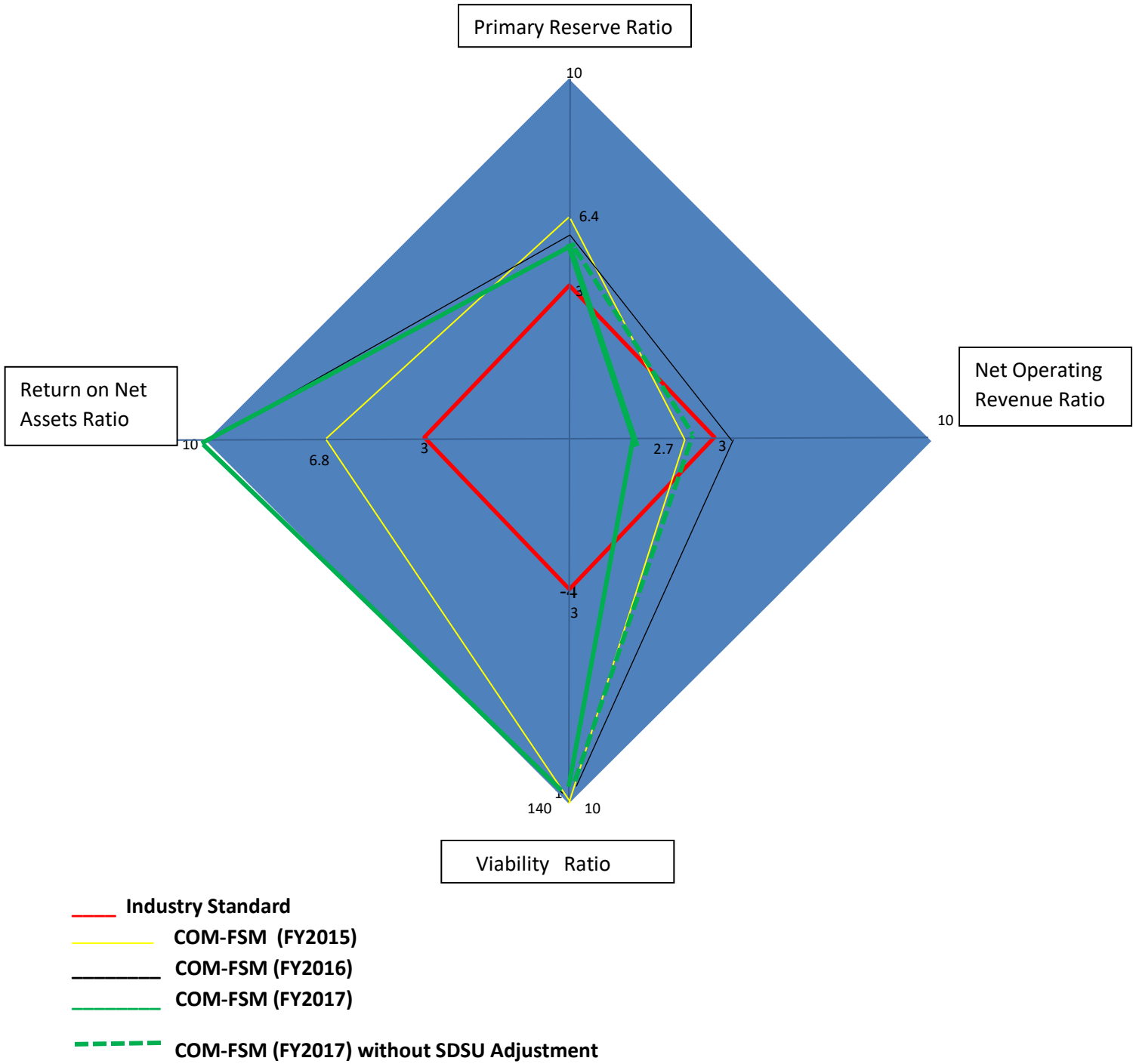
FY2017

Ratio	Ratio Value	Strength Factor	Weighting Factor	CFI Score
Primary reserve ratio	0.77	5.8	0.55	3.18
Return on net Asset Ratio	0.02	11.81	0.30	3.54
Viability Ratio	37.34	89.56	-	-
Net Operating Revenues Ratio	0.02	1.68	0.15	0.25
Composite Financial Index				6.97

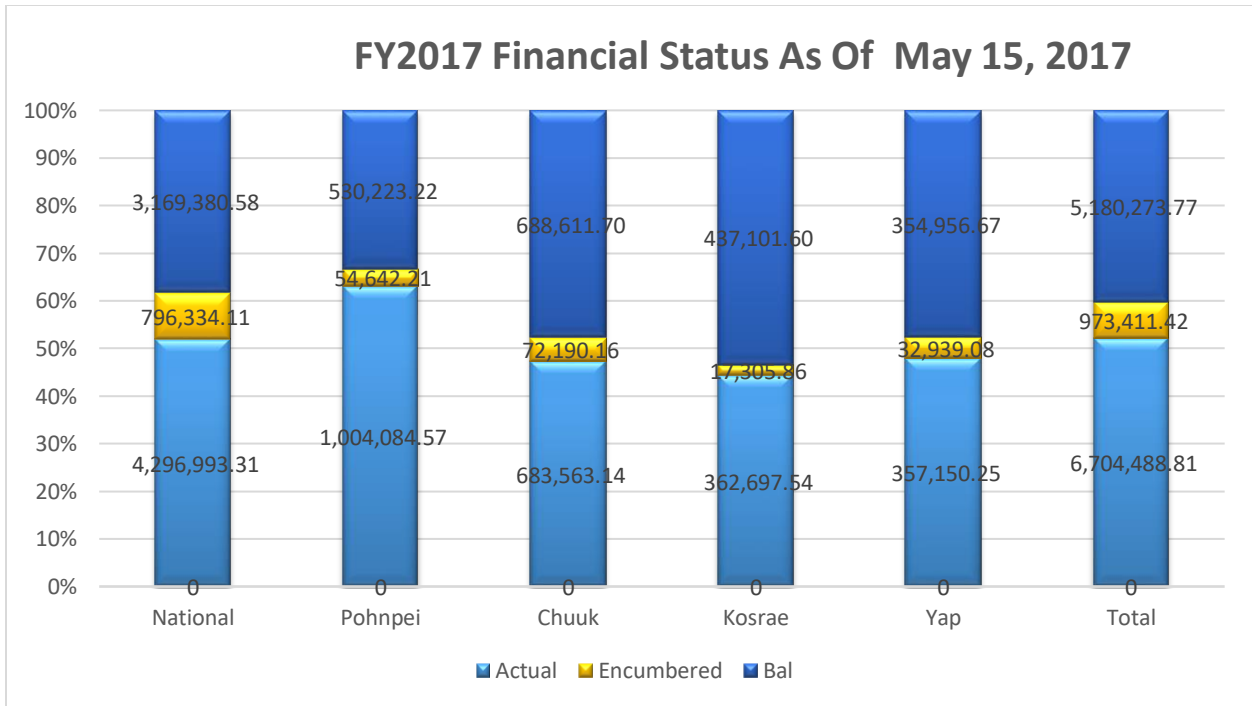
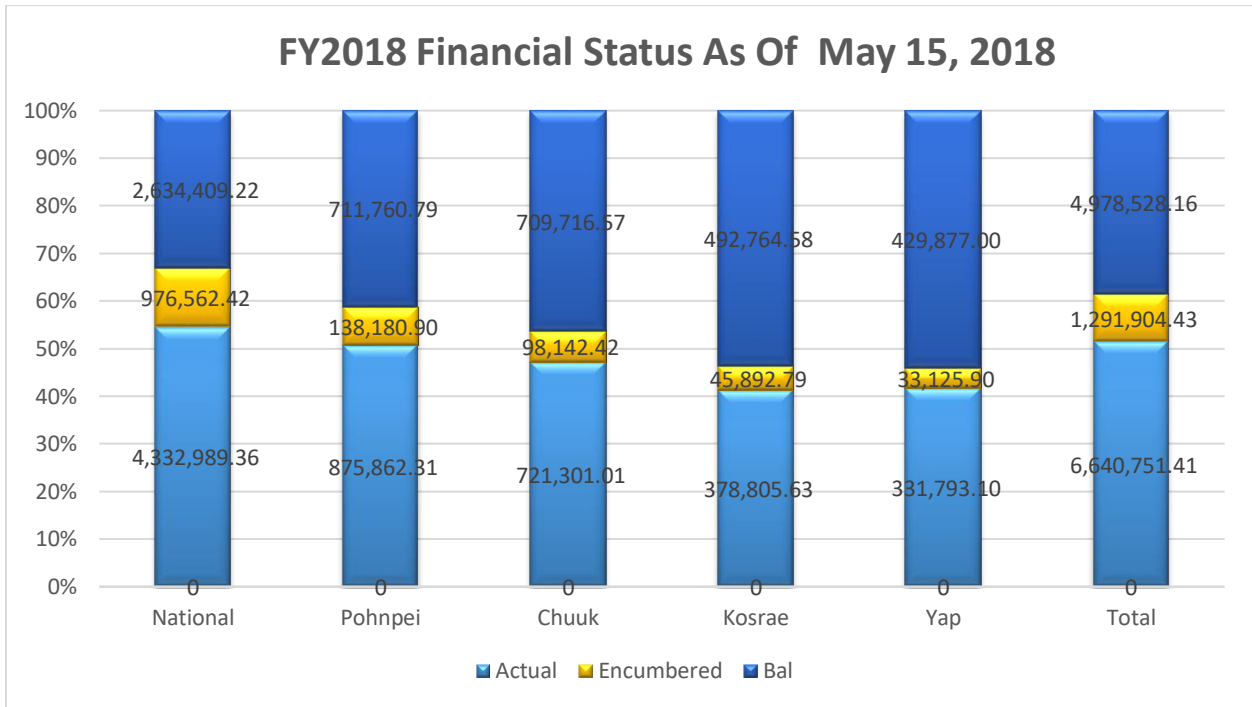
The CFI of the college is 6.97 indicating that the college is still financially healthy since the standard for similar institution is 3.

(source: Strategic Financial Analysis for Higher Education, 7th Edition, KPMG Intl.

CFI Strength Factor



E. FY 2018 Budget Status



Expenditures as of May 15, 2018 - \$7,932,655.84

Expenditures as of May 15, 2017 - \$7,677,900.23

F. Retirement Fund(ASC)

Retirement Fund - Employer contribution			
	\$	Annual	Addtl. Budget
Current	5,502.07	143,053.82	
3%	6,157.60	160,097.56	17,043.74
4%	8,210.13	213,463.41	70,409.59
5%	10,262.66	266,829.26	123,775.44
6%	12,315.20	320,195.12	177,141.30

G. Receivable from National Government (SDSU) -\$316,000.00 (update)

H. Receivable from Students (update)