



COLLEGE OF MICRONESIA-FSM

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MEMORANDUM:

TO : President, COM-FSM

FROM : Vice President for Administrative Services_____

SUBJECT : Board of Regents Updates

Department of Administrative Services is made up of the Maintenance and Security, Human Resources, and Business Office services at all campuses.

All offices under the department worked on uploading their assessment plans on the tracdat database program.

Maintenance and Security Services:

Beca Space Utilization and Master Plan Study:

On August 14, at 11:00 am the second progress report was submitted followed by the phone conference with the Project Control Group namely VPAS Joseph Habuchmai, Director of Maintenance Francisco Mendiola and Project Manager Alfred Olter with the presence of President Joseph M. Daisy Ed.D. Two invoices were paid under this contract with BECA with a total amount of \$50,000 dollars.

Sandy Pond Associates has visit each campus and will compile the data and present an overview of the conclusion in the schedule trip 2 presentation on September 5, at the National Campus.

Arrangements are being made to ensure the campus Deans participate in the presentation.

Facilities condition assessment and FSM-FMI site topographic survey have been completed.

Annette Jones is scheduled to visit each campus and site from August 20 to September 6, 2013 to meet the college community to discuss and obtain information relating to facilities use issues and concerns. On September 5, Ms. Jones will conduct a presentation of the sample report portraying color coating of facilities use and condition. The sample campuses will be National and Pohnpei campus.

National Campus Relocation of Offices:

The Nursing and Health Science Program office, Labs and classrooms have been relocated to building J former A+Center building. The building was remodeled to suit the needs of the program. The counselors have been relocated to building K student center building formerly occupied by the nursing program. Other moves includes relocation of the HR office to building F room 101. All the rooms and space were repainted and floors cleaned and were waxed.

National Campus LRC:

The computer in the library have been relocated in the a room to reduce traffic and distraction in the study area.

Back-up Power for Water National Campus Water Well:

Electrical Panels and cables have arrived to completed the project to hook-up the well to the generator station 1 located at the classrooms. This project should improve reliability of water on campus especially during island power outages during which the well will be powered from the generator. The project should be completed by August 25.

National Residence Halls:

A fire broke out in a room on the ground floor of the male residence hall on June 17, 06:34 pm. The fire alarms set off and security officers were contacted and responded. In approximately 14 minutes the fire was contained and suppressed by the campus security officers. State police were contact immediately but arrived on scene after more than 40 minutes just to inspect and to prepare a report of the incident. All male resident students were evacuated and accounted for without any

injuries.

The prompt actions of the security officers and residence hall staff in the evacuation and fire suppression was a result of on-going fire drill that are usually conducted twice per semester. On June 23, another fire drill was conducted at the residence halls.

On July 25, at 1:00 pm a fire drill was conducted at Pohnpei campus SBDC building. This is the first fire drill at held at the Pohnpei Campus.

Eight steel emergency exit doors with frame equipped with alarm system have arrived and are being installed at as of this report and are scheduled to complete installation by end of August.

Excavator and Front Loader for the College:

An excavator and a front loader have been transferred from FSM National Government to the college for a term of 2 years to assist in clearing of the proposed National Campus track and field and softball field. When possible the equipment can be used for operator training.

BUSINESS OFFICE:

1. Results of operations, June 30, 2013

- The results of operations for unrestricted and restricted funds for the nine months ended June 30, 2013 indicate a positive fund balance (FB) change of \$1.849 Million.
- The FB change of \$1.849 Million consists of positive FB change from unrestricted by \$1.882 Million and negative FB change from restricted by \$33k. The negative FB change from restricted is due to timing of recording the revenue.
- The breakdown of FB change are as follows:

Unrestricted:

• National campus	-	\$ 852 k
• Pohnpei campus	-	353 k
• Chuuk campus	-	287k
• Kosrae campus	-	177 k
• Yap campus	-	176 k
• FMI	-	<u>37 k</u>

\$ 1.882 Million

Restricted (33 k)

Net fund balance change \$ 1.849 Million

- The nine – month period is expected to provide positive FB change due to full recording of tuition and fee revenue for the fiscal year while expenditure is only for nine months.

Please refer to attachment 1.1 to 1.5 for details.

2. Financial and Single Audit for FY 2012 by Deloitte & Touche

- The audit by Deloitte and Touche was completed on June 17, 2013.
- The summary of Auditors' results provide the following:
 - Financial Statements:
 1. The Independent Auditors' Report on the financial statements expressed an unqualified opinion.
 2. No material weaknesses identified on internal control over financial reporting.
 3. There is significant deficiency identified on internal control over financial reporting.
 4. No noncompliance material to financial statements identified on internal control over financial reporting.
 - Federal Awards
 5. No material weaknesses identified on internal control over major programs.
 6. There is significant deficiency identified on internal control over major programs.
 7. The Independent Auditors' Report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
 8. The audit disclosed findings required to be reported by OMB Circular A-133.
 9. COM – FSM did qualify as a low – risk auditee.
- The audit report was submitted to Federal Audit Clearinghouse with the Data Collection Form, Federal Student Aid (eZ-Audit), and Accrediting Commission for Community and Junior Colleges.

Please to the audit report for fiscal year 2013.

3. Endowment Fund

- The current market value of endowment fund as of June 30, 2013 is \$3.697 Million or an increment by \$25k or about 1% compared with the previous quarter March 31, 2013.
- During the quarter, the following changes on the allocation of assets were implemented to comply with the directive from the board:
 - The allocation of the large cap growth and medium/small cap growth was reduced by 5%, from 22% to 17%, and the 5% reduction was invested to natural resources with iShares ETF as investment manager.

- The allocation of the U.S. Fixed Income was reduced by 7.50%, from 25% to 17.5%. The 7.5% reduction was invested to Non – US Fixed Income with Templeton Global as investment manager.
 - The investment manager for emerging markets for non – U.S. equity was changed from Newgate to Lazard with the same percentage of asset allocation.
- Based on the recent report from the Investment Consultant, the market value as of July 10, 2013 is \$3.764 Million with the following breakdown per money manager:

<u>Allocation</u>	<u>Money Manager</u>	<u>Market</u>	<u>Value</u>
– Cambiar (LC Value)	-	\$ 897k	23.8%
– Renaissance (LC Growth) 12.6%	-	473k	
– TCW (S/M Cap Growth) 5.4%	-	204k	
– SEIX (Fixed Income, U.S.) 16.6%	-	625k	
– Templeton Global (Fixed Income, Non U.S.)	-	267k	7.1%
– Brandes (Mature market, Non U.S.)	-	747k	19.8%
– Lazard (Emerging, Non U.S.)	-	366k	9.7%
– PIMCO (Mutual Fund) 4.9%	-	<u>185k</u>	
Total		<u>\$ 3.764k</u>	
<u>100.0%</u>			

The above asset allocations are in accordance with the investment policy.

Please refer to attachment 2 for details.

4. Fund Raising

- The total fund raising receipts for three quarters from October 01, 2012 to June 30, 2013 is \$19k.
- The fund raising receipt is short by \$56k or -75% compared with the target of \$75k for three quarters. The annual fund raising target is \$100k.

HUMAN RESOURCES UPDATES:

Recruitment

1. **33 hires; 8 are instructors, 20 are new positions for FY 2013 mainly in the area of Security and Maintenance**

Retention Rate

Campus	# of Personnel	Retention Rate	Departure Rate
National Campus	160	99.3%	.07% [1]
Pohnpei Campus	80	97.5%	2.5% [2]
Chuuk Campus	46	93.5%	6.5% [3]
Kosrea Campus	35	100%	
Yap	33	100%	
FMI	23	95.6%	4.4% [1]
TOTAL	377	98.2%	1.8% [7]

Policy Development and Implementation

1. Implemented in summer 2013 the BOR approved salary scale for Part Time Instructors and Compensation formula for full time instructors teaching overload and during the summer.
2. Human Resources Committee completed their review of the following sections:
 - a. Section VIII Compensation Policies
 - b. Section XIII Performance Evaluation
 - c. 2 New evaluation Tools Developed with the job audit study

Staff Development Program

1. One faculty member under the program completed her master's degree summer 2013
2. One regular full time staff was funded to complete his BA degree at the College fall 2013