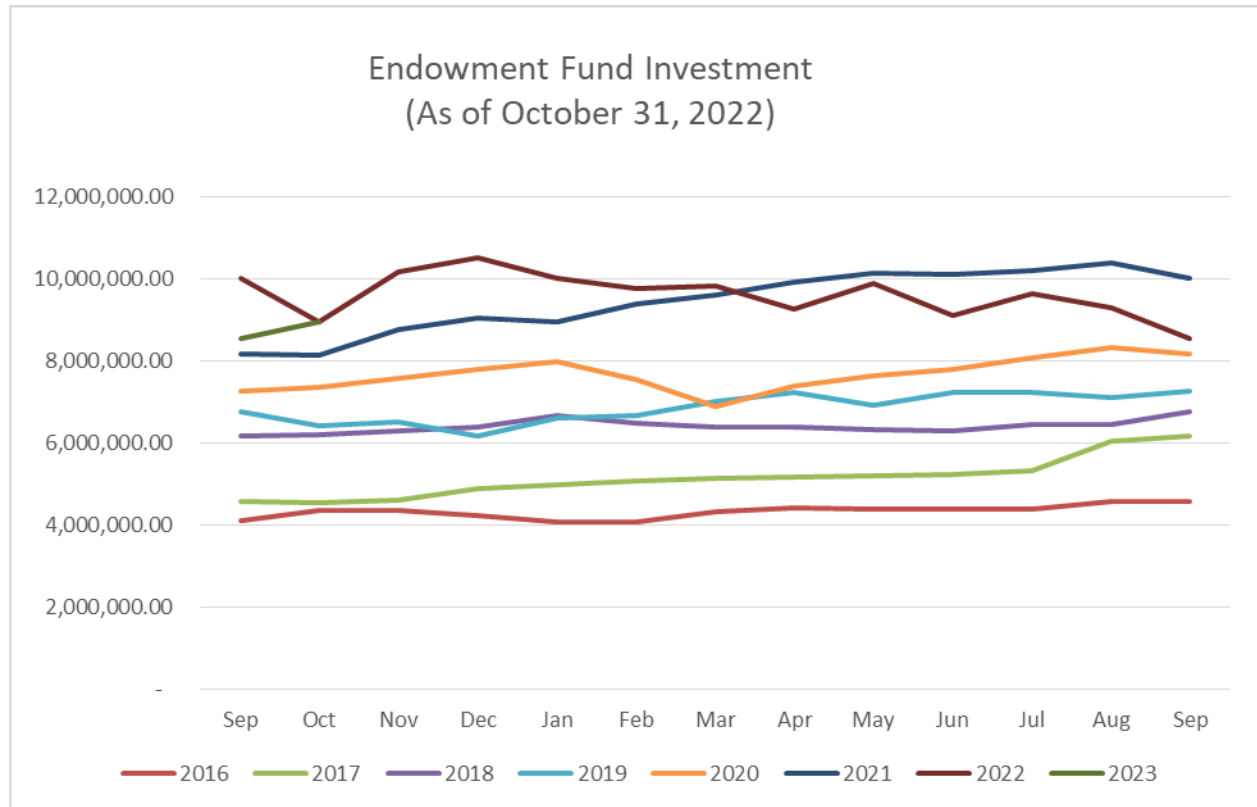


## Report to Finance and Audit Committee:

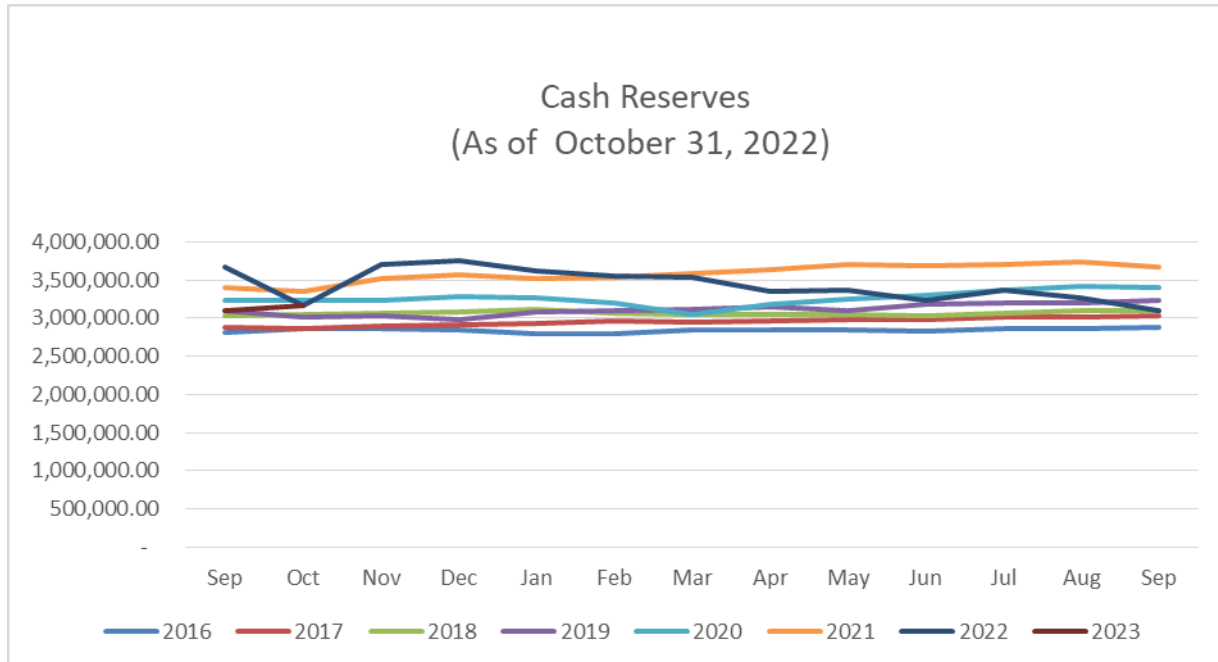
### A. Endowment Fund



The endowment fund increased by \$390K or 5% due to unrealized market gain as of October 31, 2022.

Balance:	Unrealized market gain(loss)	Addtl. Investment
Sep. 30, 2016 - \$4.576M	FY2016 - \$453K	-
Sep. 30, 2017 - \$6.162M	FY2017 - \$1.586M	\$925K
Sep. 30, 2018 - \$6.761M	FY2018 - \$600K	\$350K
Sep. 30, 2019- \$7.256M	FY2019 - \$495K	\$350K
Sep. 30, 2020- \$8.186M	FY2020 - \$930K	\$310K
Sep. 30, 2021- \$10.020M	FY2021- \$1.834M	\$300K
Sep. 30, 2022- \$ 8.555M	FY2022 - (\$1.975M)	\$510K
Oct. 01, 2022- \$ 8.945M	FY2023- \$390K	-

B. Cash Reserves



The cash reserved fund increased by \$67K or 2% due to unrealized market gain as of October 31, 2022.

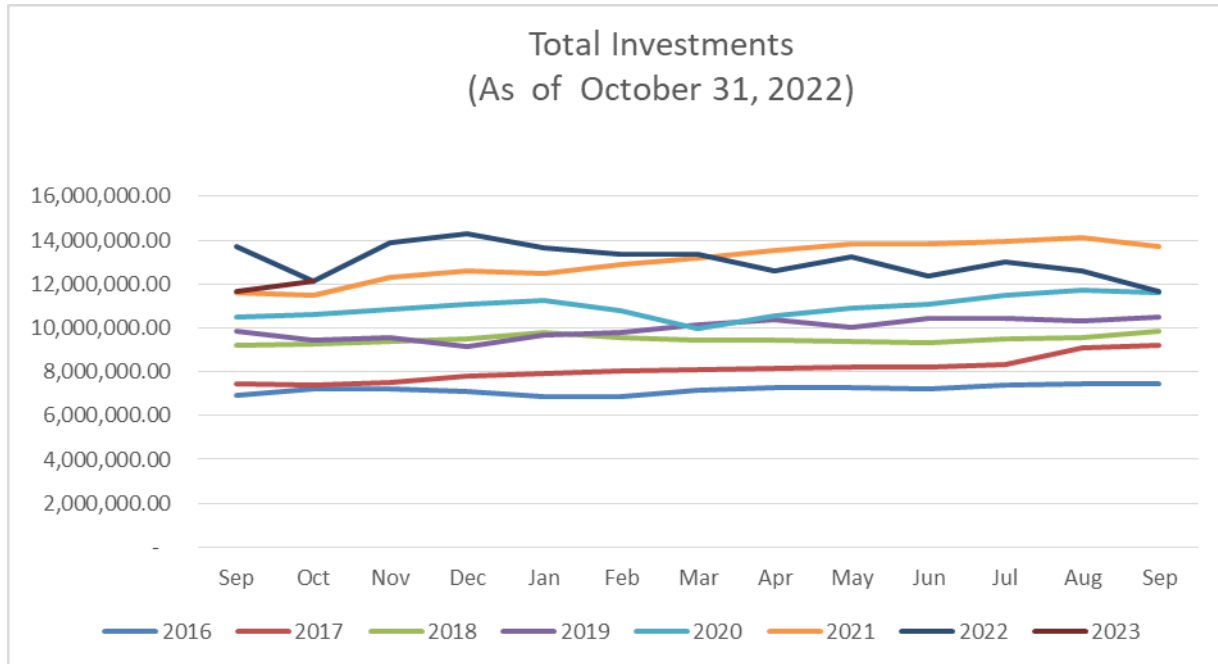
Balance:

Sep. 30, 2016 - \$2.875M  
 Sep. 30, 2017 - \$3.038M  
 Sep. 30, 2018- \$3.062M  
 Sep. 30, 2019- \$3.235M  
 Sep. 30, 2020- \$3.396M  
 Sep. 30, 2021- \$3.672M  
 Sep. 30, 2022- \$3.106M  
 Oct. 31, 2022 - \$3.173M

Unrealized Market Gain(Loss)

FY2016 - \$63K  
 FY2017 - \$163K  
 FY2018 - \$62K  
 FY2019- \$135K  
 FY2020- \$161K  
 FY2021- \$276K  
 FY2022- (\$565K)  
 FY2023 - \$67K

C. Total Investment



The total investment increased by \$457K or 4% due to unrealized market gain as of October 31, 2022.

Balance:

Sep. 30, 2016 - \$7.451M  
 Sep. 30, 2017 - \$9.200M  
 Sep. 30, 2018 - \$9.861M  
 Sep. 30, 2019 - \$10.491M  
 Sep. 30, 2020 - \$11.582M  
 Sep. 30, 2021 - \$13.692M  
 Sep. 30, 2022 - \$11.662M  
 Oct. 31, 2022 - \$12.118M

Unrealized Market Gain(loss):

FY2016 - \$516K  
 FY2017 - \$1.749M  
 FY2018 - \$661K  
 FY2019 - \$630K  
 FY2020 - \$1.091M  
 FY2021 - \$2.110M  
 FY2022 - (\$2.541M)  
 FY2023 - \$457K

D. Budget Status for FY2023

Requested		12,384,226
Approved		11,384,226
Shortfall		(1,000,000)

**Causes of the Additional \$1M Funding Request to the Govt.:**

Decreases in Projected Revenue:					
Tuition and Fees(based on 5 year-average and pandemic)				381,711	
Auxiliary Services income not included in the projection				113,786	
				<u>495,497</u>	
Increases in:					
Personnel				135,118	
Travel				50,420	
Contracted Services				16,971	
Operating Expenses				260,607	
Fixed Assets				41,387	
				<u>504,503</u>	
Total				<u>1,000,000</u>	

Addressing the shortfall by:

Requested		12,384,226
Approved		<u>11,384,226</u>
Shortfall		(1,000,000)
Supplement: Fund balance		495,497
Other Income		128,211
Budget shortfall		<b>(376,292)</b>

1) Requesting \$495,497 from the Fund Balance so that the budget will be at the same level as FY2022.

- We need to set up the budget for FY2023 in order to process payment to contracts, leases, utilities, etc.
- FY2022 budget level was selected because it still reflects a positive budget balance of \$777,428

2) Re-assessment of projected revenue :

Auxiliary Services	- \$85,686
Other Fees	- 35,005
RH	- <u>7,520</u>
Total	- <u>\$128,211</u>

Additional Funding support requested to the Govt. - \$376,292

E. FY2022 Budget Status

Preliminary Balance as of November 06, 2022			
		Budget	Actual
Tuition & Fees		7,665,936.00	8,203,110.15
Residence Hall		100,000.00	127,289.73
FSM-ESG		1,000,000.00	1,000,000.00
FSM-Gen Fund		3,000,000.00	3,000,000.00
Auxiliary Services		<u>113,787.00</u>	<u>138,699.55</u>
Total		11,879,723.00	12,469,099.43
Expenses		11,102,296.47	11,102,296.47
Balance		777,426.53	1,366,802.96

Summary as of November 06, 2022						
FY	Budget	Actual	Encumbered	Total Expenditures	Balance	Balance
2022	11,879,724.00	10,502,757.97	599,538.50	11,102,296.47	777,427.53	7%
2021	13,205,953.00	9,279,171.80	1,184,690.44	10,463,862.24	2,742,090.76	21%
2020	13,538,503.18	9,912,193.13	1,103,050.94	11,015,244.07	2,523,259.11	19%

F. Preliminary Financial Statements

**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, 2020, 2021 and 2022  
(Preliminary as of November 04, 2022)

	2022	2021	2020
Operating revenues:			
Students tuition and fees	\$ 10,508,083	\$ 7,193,819	\$ 7,303,669
Less: Scholarship discounts and allowances	<u>(9,244,481)</u>	<u>(6,473,616)</u>	<u>(6,278,331)</u>
	1,263,601	720,203	1,025,338
Federal grants and contracts	24,315,398	16,823,757	13,962,755
Government grants and contracts	3,701,539	3,918,337	4,292,609
Sales and services of auxiliary enterprises	1,922,820	2,084,546	2,066,737
Other revenues	<u>78,302</u>	<u>290,466</u>	<u>248,502</u>
Total operating revenues	31,281,660	23,837,309	21,595,941
Less bad debts	<u>(359,805)</u>	<u>(327,095)</u>	<u>(551,441)</u>
Net operating revenues	30,921,855	23,510,214	21,044,500
Operating expense:			
Institutional support	11,388,414	8,065,529	6,581,453
Instruction	7,150,857	6,904,655	7,091,444
Student financial assistance	6,293,596	2,284,154	2,396,462
Auxiliary enterprises	2,156,061	1,910,406	2,555,993
Student services	1,204,022	1,482,433	1,638,474
Depreciation	956,338	956,338	949,251
Academic support	779,029	880,485	921,861
Operating and maintenance plant	<u>263,274</u>	<u>348,374</u>	<u>207,368</u>
Total operating expenses	<u>30,191,591</u>	<u>22,832,374</u>	<u>22,342,306</u>
Operating earnings (loss)	730,265	677,840	(1,297,806)
Nonoperating revenues (expense):			
Government Contribution to the Endowment Fund	500,000	285,000	300,000
Net investment income (loss)	<u>(2,540,784)</u>	<u>1,809,983</u>	<u>701,021</u>
Total non-operating (expense)revenues	<u>(2,040,784)</u>	<u>2,094,983</u>	<u>1,001,021</u>
Change in Net Position	<u>(1,310,519)</u>	<u>2,772,823</u>	<u>(296,785)</u>
Net Position			
Beginning of the Year	27,569,044	24,796,221	25,093,006
End of the Year	<u>\$ 26,258,525</u>	<u>\$ 27,569,044</u>	<u>\$ 24,796,221</u>

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

Statements of Net Position  
September 30, 2020, 2021 and 2022  
(Preliminary as of Nov. 04, 2022)

<u>ASSETS</u>	2022	2021	2020
Current assets:			
Cash and cash equivalents	\$ 3,500,193	\$ 4,085,434	\$ 4,106,247
Time certificate of deposits	18	18	18
Investments	3,106,558	3,595,468	3,344,569
Due from FSM National Government	659,913	973,809	856,260
Tuition receivable, net	6,030,346	4,676,095	4,019,807
Grants and contracts receivable, net	448,691	997,251	981,462
Other receivables, net	74,344	172,782	181,175
Inventory	1,395,675	1,230,074	1,022,915
Prepaid expenses	348,098	402,101	321,504
Total current assets	<u>15,563,836</u>	<u>16,133,032</u>	<u>14,833,957</u>
Noncurrent assets:			
Endowment Investments	8,554,945	10,019,802	8,185,972
Capital assets:			
Non-depreciable capital assets	1,455,685	1,455,685	1,455,685
Capital assets, net of accumulated depreciation	<u>6,375,591</u>	<u>4,919,906</u>	<u>5,246,638</u>
Total noncurrent assets	<u>16,386,221</u>	<u>16,395,393</u>	<u>14,888,295</u>
Total assets	<u>\$ 31,950,057</u>	<u>\$ 32,528,425</u>	<u>\$ 29,722,252</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable	\$ 1,349,493	\$ 296,079	\$ 501,876
Accrued liabilities	465,481	610,498	532,149
Accrued annual leave	365,364	365,364	371,624
Unearned Revenue	2,314,313	2,236,752	2,162,481
Other current liabilities	<u>675,827</u>	<u>929,634</u>	<u>840,054</u>
Total current liabilities	5,170,478	4,438,327	4,408,184
Noncurrent liabilities:			
Long-term portion of accrued annual leave	<u>521,054</u>	<u>521,054</u>	<u>517,847</u>
Total liabilities	<u>5,691,532</u>	<u>4,959,381</u>	<u>4,926,031</u>
Commitments and contingencies			
Net assets:			
Invested in capital assets	7,831,276	6,375,591	6,702,323
Restricted:			
Nonexpendable	165,000	165,000	165,000
Expendable	750,000	750,000	750,000
Unrestricted Expendable	<u>17,512,249</u>	<u>20,278,453</u>	<u>17,178,898</u>
Total net assets	<u>26,258,525</u>	<u>27,569,044</u>	<u>24,796,221</u>
Total liabilities and net assets	<u>\$ 31,950,057</u>	<u>\$ 32,528,425</u>	<u>\$ 29,722,252</u>

G. US DOE Covid-19 Funds

Summary of US DOE Covid Funds as of October 31, 2022									
Date	GAN	Allocated			Total Expenses		Fund Balance		
		Student	Institution	AAANAPISI	Student	Institution	Institution	AAANAPISI	
5-May-20	Student	P425E203828	1,820,157.00			1,820,157.00		-	-
19-May-20	Institution	P425F202642		1,820,156.00		-	1,820,156.00	-	-
9/22/2020	AAANAPISI	P425L200665			14,438.00	-	-	-	14,438.00
17-Jan-21	Student	P425E203828 - 20A	1,820,157.00			1,820,157.00		-	-
17-Jan-21	Institution	P425F202642 - 20A		4,929,406.00		-	4,929,406.00	-	-
4-Mar-21	AAANAPISI	P425L200665 - 20A			23,823.00	-	-	-	23,823.00
5/13/2021	Student	P425E203828 - 20B	5,889,053.00			5,889,053.00		-	-
5/18/2021	Institution	P425F202642 - 20B		5,889,052.00		-	2,067,757.79	3,821,294.21	-
3-Aug-21	AAANAPISI	P425L200665 - 20B			5,634,970.00	-	-	-	5,634,970.00
Total USDOE funds			<b>9,529,367.00</b>	<b>12,638,614.00</b>	<b>5,673,231.00</b>	<b>9,529,367.00</b>	<b>8,817,319.79</b>	<b>3,821,294.21</b>	<b>5,673,231.00</b>

H. Cash in Bank Balance as of Nov. 04, 2022

Bank of Guam - \$1.272M  
 Bank of FSM - 2.469M  
 Total \$3.741M