College of Micronesia-FSM

Financial Report to the Board of Regents

as of August 31, 2026

I. Executive Summary

This report presents the financial position, financial performance, liquidity, investments, and key business and auxiliary service activities of the College of Micronesia–FSM (COM-FSM) for the period ending August 31, 2026. The report includes financial results as of July 31, 2026, cash and student receivables as of August 24, 2026, and FY2027 Fall revenue information as of August 25, 2026.

Overall, the College continues to maintain a strong financial resource base, supported by its operating funds, Endowment Fund, and Cash Reserves. However, short-term liquidity remains a key management concern. As of August 24, 2026, available cash was $706,743 compared with immediate obligations of $1.34 million. Timely collection of outstanding receivables and careful management of cash and expenditures are therefore critical to maintaining uninterrupted operations.

The report also highlights the College's financial performance, including unrestricted and restricted funds, campus operations, government support, and overall budget utilization. While actual revenue is below projected revenue, expenditure remains below available resources, resulting in a positive year-to-date financial position.

Student accounts receivable remains a significant area of management attention, particularly the substantial balance from prior terms. Strengthening collection efforts on current and recent-term accounts, while reviewing older balances for appropriate resolution, will be important to improving cash flow and reducing reliance on limited operating cash.

The College continues to advance initiatives designed to improve operational efficiency, accountability, and service delivery. These include the ongoing implementation of digital timekeeping, the completed migration of the MIP Accounting System to the cloud, improvements to the Bookstore and Dining Hall, and the proposed Student Café. The Student Café will provide students with employment and practical business experience while offering convenient food services under the direct supervision of the Dining Hall Manager.

In summary, COM-FSM maintains a sound long-term financial foundation, while short-term liquidity and receivable collections require continued attention. Management remains focused on protecting the College's financial resources, strengthening cash flow, improving operational efficiency, and supporting programs and services that advance the College's institutional priorities.

II. Budget

A. FY 2026 Statement of Current Fund Revenues, Expenditures and Other Changes (National Campus)

As of July 31, 2026

	Revenue			Expenses	Income (loss)
	Projected	Actual	Difference		
Tuition Fee					
Fall	1,684,443.15	1,522,995.00	(161,448.15)		
Spring	1,437,958.29	1,339,034.50	(98,923.79)		
Summer	463,866.13	385,344.50	(78,521.63)		
Total Tuition Fee	3,586,267.57	3,247,374.00	(338,893.57)		
Student/Health/Registration					
Fall	47,250.00	42,000.00	(5,250.00)		
Spring	39,480.00	35,725.00	(3,755.00)		
Summer	29,137.50	27,396.00	(1,741.50)		
Total	115,867.50	105,121.00	(10,746.50)		
Facility Fees					
Fall	156,203.33	148,290.00	(7,913.33)		
Spring	132,884.52	127,030.00	(5,854.52)		
Summer	26,122.90	23,110.00	(3,012.90)		
Total	315,210.75	298,430.00	(16,780.75)		
Total	4,017,345.82	3,650,925.00	(366,420.82)	6,688,331.90	(3,037,406.90)

As of July 31, 2026, the National Campus reflects a net shortfall of **$3,037,406.90**. This variance is primarily attributable to expenditures incurred by National Campus offices that provide college-wide administrative and support services, including the Office of the President, Vice Presidents, Business Office, Human Resources, Financial Aid, and other central administrative functions.

The National Campus therefore serves as the primary location for a significant portion of the College's system-wide administrative costs. The reported shortfall should be considered in the context of these college-wide responsibilities and the overall financial position of the College presented in the subsequent sections of this report.

B. Statement of Current Fund Revenues, Expenditures and Other Changes (State Campus)

As of July 31, 2026

	Revenue						
	Projected		Actual		Difference	Expenses	Income (loss)
Tuition Fee							
Fall							
CTEC	597,304.23		638,435.00				
Chuuk	372,346.42		427,243.00				
Kosrae	169,776.77		178,822.00				
Yap	212,687.38	1,352,114.80	209,155.00	1,453,655.00	101,540.20		
Spring							
CTEC	442,739.92		435,290.00				
Chuuk	320,896.75		374,031.00				
Kosrae	104,765.04		168,866.50				
Yap	209,960.62	1,078,362.32	194,960.00	1,173,147.50	94,785.18		
Summer							
CTEC	195,896.27		204,000.00				
Chuuk	180,396.78		153,138.00				
Kosrae	58,123.07		76,690.00				
Yap	86,969.33	521,385.45	76,302.50	510,130.50	(11,254.95)		
Total Tuition Fee	2,951,862.57	2,951,862.57		3,136,933.00	185,070.43		
Student/Health/Registration							
Fall							
CTEC	18,427.50		16,145.00				
Chuuk	11,550.00		13,202.00				
Kosrae	6,405.00		6,580.00				
Yap	7,770.00	44,152.50	6,952.00	42,879.00	(1,273.50)		
Spring							
CTEC	14,122.50		11,995.00				
Chuuk	10,657.50		11,760.00				
Kosrae	4,252.50		6,314.00				
Yap	7,455.00	36,487.50	6,564.00	36,633.00	145.50		
Summer							
CTEC	13,912.50		10,680.00				
Chuuk	10,290.00		9,342.00				
Kosrae	3,622.50		5,238.00				
Yap	5,565.00	33,390.00	4,787.00	30,047.00	(3,343.00)		
Total	114,030.00	114,030.00		109,559.00	(4,471.00)		
Facility Fee							
Fall							
CTEC	60,919.30		53,220.00				
Chuuk	38,183.04		38,950.00				
Kosrae	21,174.23		15,020.00				
Yap	25,686.77	145,963.34	19,020.00	126,210.00	(19,753.34)		
Spring							
CTEC	47,534.49		40,700.00				
Chuuk	35,871.75		35,750.00				
Kosrae	14,313.36		15,060.00				
Yap	25,092.55	122,812.15	19,180.00	110,690.00	(12,122.15)		
Summer							
CTEC	12,473.10		8,275.00				
Chuuk	9,225.38		7,950.00				
Kosrae	3,247.71		3,850.00				
Yap	4,989.24	29,935.43	3,950.00	24,025.00	(5,910.43)		
Total	298,710.92	298,710.92		260,925.00	(37,785.92)		
Total							
CTEC	1,403,329.80		1,418,740.00			1,346,625.09	72,114.91
Chuuk	989,417.63		1,071,366.00			1,045,064.29	26,301.71
Kosrae	385,680.17		476,440.50			541,686.32	(65,245.82)
Yap	586,175.89		540,870.50			593,416.49	(52,545.99)
Total	3,364,603.49	3,364,603.49	3,507,417.00	3,507,417.00	142,813.51	3,526,792.19	(19,375.19)

As of July 31, 2026, the state campuses collectively reported a **net operating loss of $19,375.19**. The results reflect variations among the individual campuses, including expenditures for **major campus repairs and maintenance needs requiring immediate attention** to ensure the safety, functionality, and continued operation of campus facilities.

Despite these additional expenditures, overall state campus operations remained relatively close to budget. Management continues to monitor campus-level revenues and expenditures, prioritize critical repairs and other essential needs, and maintain appropriate expenditure controls.

C. Statement of Current Fund Revenues, Expenditures and Other Changes (National and State Campus)

As of July 31, 2026

	Revenue						
	Projected		Actual		Difference	Expenses	Income (loss)
Total Revenue							
Fall							
National	1,887,896.48		1,713,285.00				
CTEC	676,651.03		707,800.00				
Chuuk	422,079.46		479,395.00				
Kosrae	197,356.00		200,422.00				
Yap	246,144.15	3,430,127.12	235,127.00	3,336,029.00	(94,098.12)		
Spring							
National	1,610,322.80		1,501,789.50				
CTEC	504,396.91		487,985.00				
Chuuk	367,426.00		421,541.00				
Kosrae	123,330.90		190,240.50				
Yap	242,508.17	2,847,984.77	220,704.00	2,822,260.00	(25,724.77)		
Summer							
National	519,126.53						
CTEC	222,281.87						
Chuuk	199,912.17						
Kosrae	64,993.28						
Yap	97,523.57	1,103,837.42					
Total	7,381,949.31	7,381,949.31		6,158,289.00	(119,822.89)		
Total By campus							
National	4,017,345.82		3,215,074.50		(802,271.32)	6,688,331.90	(3,473,257.40)
CTEC	1,403,329.80		1,195,785.00		(207,544.80)	1,346,625.09	(150,840.09)
Chuuk	989,417.63		900,936.00		(88,481.63)	1,045,064.29	(144,128.29)
Kosrae	385,680.17		390,662.50		4,982.33	541,686.32	(151,023.82)
Yap	586,175.89		455,831.00		(130,344.89)	593,416.49	(137,585.49)
FSM Govt. support	5,018,539.00	5,018,539.00	5,018,539.00	5,018,539.00	-		5,018,539.00
Other Revenues	217,898.31	217,898.31	63,262.50	63,262.50	(154,635.81)		63,262.50
Total Projected Revenue	12,618,386.62	12,618,386.62	11,240,090.50	11,240,090.50	(1,378,296.12)	10,215,124.09	1,024,966.41

As of July 31, 2026, total projected institutional revenue for FY2026 is **$12.62 million**, while actual revenue collected to date is **$11.24 million**, resulting in a **$1.38 million variance below projected revenue**. The College received **$5.02 million in FSM Government support**, representing full appropriation.

Total expenditures to date are **$10.215 million**, resulting in a **net positive balance of approximately $1.02 million**. Despite the revenue variance, expenditures remain below actual revenues, and the College continues to maintain a positive overall operating position.

Management will continue to monitor revenue collections and expenditures closely, with particular attention to revenue performance, campus operating costs, and cash flow, to ensure that available resources are sufficient to support the College's operations through the remainder of the fiscal year.

D. Statement of Current Fund Revenues, Expenditures and Other Changes (Restricted Fund)
As of July 31, 2026

	Budget	Expenses	Budget Balance
BOR	120,000.00	110,801.08	9,198.92
FMI	850,000.00	661,606.59	188,393.41
Public Health	250,000.00	34,221.00	215,779.00
CRE	2,012,066.00	1,514,981.14	497,084.86
Trio- Program	1,054,357.69	990,083.86	64,273.83
FSEOG & FWS	368,014.00	368,014.00	-
Other Grants	1,110,635.00	709,882.21	400,752.79
Total Projected Revenue	5,765,072.69	4,389,589.88	1,375,482.81

As of July 31, 2026, the College's restricted fund has a total budget of **$5.77 million**, with actual expenditures of **$4.39 million**, leaving an **unexpended balance of $1.38 million**.

The remaining balance reflects available resources for ongoing grant-supported programs and activities through the remainder of the fiscal year. Management will continue to monitor restricted fund expenditures and ensure that grant resources are used in accordance with approved program purposes and funding requirements.

E. Statement of Current Fund Revenues, Expenditures and Other Changes (Combined Fund)
As of July 31, 2026

As of July 31, 2026, the College's **combined budget is $18.38 million**. Actual revenues and appropriations total approximately **$17.01 million**, while total expenditures amount to approximately **$14.60 million**, resulting in an **unexpended budget balance of approximately $2.40 million**.

The combined results reflect **overall expenditure control across unrestricted and restricted funds**. The remaining balance represents budget resources not yet utilized and available to support approved operations, programs, and other planned expenditures for the remainder of the fiscal year. However, the unexpended budget balance should not be interpreted as available cash, as budget availability and actual cash position are separate financial considerations.

Management will continue to monitor **revenue collections, expenditures, and cash flow** to ensure that resources remain aligned with the College's operational and program priorities. While the combined fund position remains positive, continued fiscal discipline and careful cash-flow management are necessary to support ongoing operations and maintain the College's overall financial stability.

	Revenue						
	Projected		Actual		Difference	Expenses	Income (loss)
Total Revenue							
Fall							
National	1,887,896.48		1,713,285.00				
CTEC	676,651.03		707,800.00				
Chuuk	422,079.46		479,395.00				
Kosrae	197,356.00		200,422.00				
Yap	246,144.15	3,430,127.12	235,127.00	3,336,029.00	(94,098.12)		
Spring							
National	1,610,322.80		1,501,789.50				
CTEC	504,396.91		487,985.00				
Chuuk	367,426.00		421,541.00				
Kosrae	123,330.90		190,240.50				
Yap	242,508.17	2,847,984.77	220,704.00	2,822,260.00	(25,724.77)		
Summer							
National	519,126.53						
CTEC	222,281.87						
Chuuk	199,912.17						
Kosrae	64,993.28						
Yap	97,523.57	1,103,837.42					
Total	7,381,949.31	7,381,949.31		6,158,289.00	(119,822.89)		
Total By campus							
National	4,017,345.82		3,215,074.50		(802,271.32)	6,688,331.90	(3,473,257.40)
CTEC	1,403,329.80		1,195,785.00		(207,544.80)	1,346,625.09	(150,840.09)
Chuuk	989,417.63		900,936.00		(88,481.63)	1,045,064.29	(144,128.29)
Kosrae	385,680.17		390,662.50		4,982.33	541,686.32	(151,023.82)
Yap	586,175.89		455,831.00		(130,344.89)	593,416.49	(137,585.49)
FSM Govt. support	5,018,539.00	5,018,539.00	5,018,539.00	5,018,539.00	-		5,018,539.00
Other Revenues	217,898.31	217,898.31	63,262.50	63,262.50	(154,635.81)		63,262.50
Total Unrestricted Fun	**12,618,386.62**	**12,618,386.62**	**11,240,090.50**	**11,240,090.50**	**(274,458.70)**	**10,215,124.09**	**1,024,966.41**
BOR	120,000.00		120,000.00			110,801.08	
FMI	850,000.00		850,000.00			661,606.59	
Public Health	250,000.00		250,000.00			34,221.00	
CRE	2,012,066.00		2,012,066.00			1,514,981.14	
Trio- Program	1,054,357.69		1,054,357.69			990,083.86	
FSEOG & FWS	368,014.00		368,014.00			368,014.00	
Other Grants	1,110,635.00		1,110,635.00			709,882.21	
Total Restricted Fund	**5,765,072.69**	**5,765,072.69**	**5,765,072.69**	**5,765,072.69**	**-**	**4,389,589.88**	**1,375,482.81**
Total	**18,383,459.31**	**18,383,459.31**	**17,005,163.19**	**17,005,163.19**	**(274,458.70)**	**14,604,713.97**	**2,400,449.22**

F. FY2027 (Fall) Projected and Actual Revenue
As of August 25, 2026

	Projected HC/CC	Actual HC/CC	Difference	Revenue Projected	Revenue Actual	Revenue Difference
National	10,153	10,990	837	1,472,185	1,593,550	121,365
Bachelor	873	927	54	144,045	152,955	8,910
CTEC	4,432	3,274	(1,158)	642,640	474,730	(167,910)
Chuuk	2,919	3,132	213	423,255	454,140	30,885
Kosrae	1,031	1,577	546	149,495	228,665	79,170
Yap	2,014	1,545	(469)	292,030	224,025	(68,005)
Total	21,422	21,445	23	3,123,650	3,128,065	4,415
Student/Health/Registration						
National	829	893	64	41,450	44,650	3,200
CTEC	378	280	(98)	18,900	14,000	(4,900)
Chuuk	247	265	18	12,350	13,250	900
Kosrae	101	145	44	5,050	7,250	2,200
Yap	174	126	(48)	8,700	6,300	(2,400)
Total	1,729	1,709	(20)	86,450	85,450	(1,000)
Total				3,210,100	3,213,515	3,415

As of August 25, 2026, Fall 2027 enrollment is slightly above projection, with total headcount/credit count (HC/CC) of **21,445 compared with a projected 21,422**, a favorable variance of **23**. Actual revenue from tuition and related fees totals **$3.214 million**, compared with projected revenue of **$3.210 million**, resulting in a favorable variance of approximately **$3,415**.

The results indicate that overall Fall enrollment and revenue are generally in line with projections. The National Campus exceeded its projected HC/CC and revenue, while CTEC and Yap recorded lower enrollment and revenue than projected. Chuuk and Kosrae exceeded revenue projections, with Kosrae showing a particularly favorable revenue variance despite higher enrollment than projected.

Overall, the Fall 2027 results provide a positive early indication of the College's revenue performance. Management will continue to monitor enrollment, student registration, and revenue collections throughout the semester to identify emerging variances and support accurate FY2027 budget and cash-flow planning.

III. Cash Balance

Cash Balance -August 24, 2026		
BOG		505,232
BOFSM		201,512
Total		$ 706,743
Receivable:		
Receivable - FMI	2,255	
Receivable - BOR	110,801	
Receivable - Public health	34,221	
Receivable - PAO	87,000	
Receivable- Compact	562,293	796,570
Receivable from Students		
Fall 2025	675,058	
Spring 2026	535,219	
Summer 2026	810,766	2,021,043
Total Receivable		2,817,613
Total Cash and Receivable		3,524,356
Cash Needs		
Payroll		
26-Aug	350,000	
9-Sep	350,000	
23-Sep	350,000	1,050,000
Payable in Microix		288,355
Total		1,338,355

As of August 24, 2026, the College's combined cash balance is **$706,743**, consisting of $505,232 held at the Bank of Guam and $201,512 at the Bank of FSM. While cash remains available for current operations, the balance is **not sufficient to cover the College's immediate short-term obligations**, making timely cash inflows essential to maintaining uninterrupted operations.

The College has **$2.82 million in outstanding receivables**, consisting of $2.02 million in student receivables and $796,570 due from external agencies and programs. The largest external receivable is the Compact receivable of $562,293. These receivables represent an important source of potential cash inflows, and timely collection—particularly of student and Compact receivables—is critical to strengthening the College's liquidity position.

Immediate cash requirements through September 23, 2026 total **$1.34 million**, including $1.05 million for three payrolls and $288,355 in vendor payables. This results in a current cash gap of approximately **$631,612**. Although the College has sufficient total cash and receivables of approximately $3.52 million, the timing of collections remains critical because receivables are not immediately available to meet current obligations.

Overall, the College's liquidity position is tight but manageable, provided that anticipated receivables are collected in a timely manner and expenditures and payables continue to be carefully managed. Management is closely monitoring daily cash flow, prioritizing collections, coordinating reimbursement of outstanding receivables, and managing payment schedules to ensure that payroll and other essential obligations are met while maintaining financial stability.

IV. Accounts Receivable from Students

SIS Receivable Balance as of Aug. 24, 2026		
Summer 2026	810,765.66	
Spring 2026	535,218.89	
Fall 2025	675,058.28	
Summer 2025	197,675.34	
Prior Terms	10,497,563.95	12,716,282.12
Written-off		(3,221,034.43)
Allowance		(7,627,150.99)
Balance		1,868,096.70

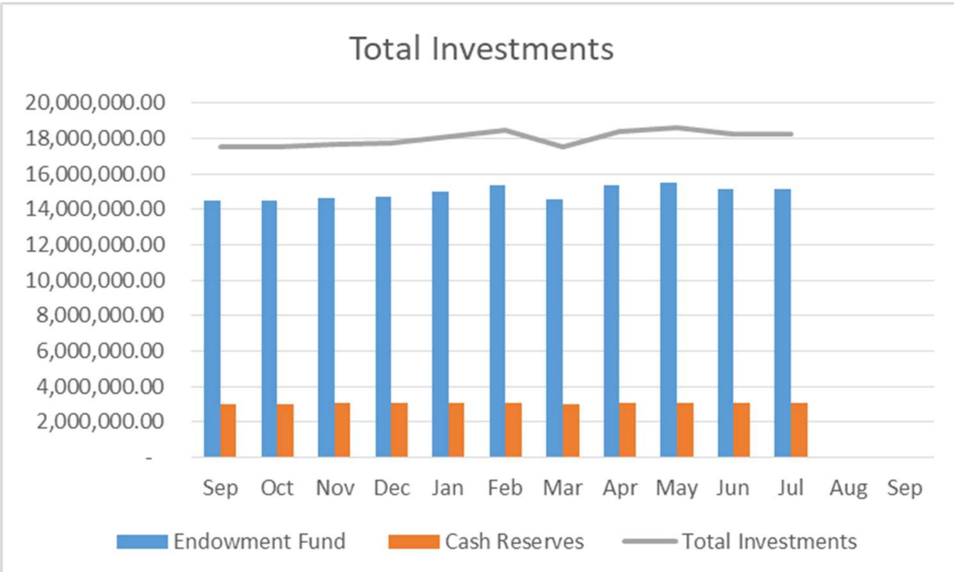
As of August 24, 2026, the College's **gross student accounts receivable is approximately $12.72 million**, of which **$10.50 million, or 82.5%, relates to prior terms**. The high proportion of aged receivables indicates a longstanding collection challenge and increases the risk that a significant portion may not be recovered.

Current and recent-term receivables total approximately **$2.22 million**, consisting of Summer 2026, Spring 2026, Fall 2025, and Summer 2025 balances. These accounts represent the **most immediate collection opportunity** and should receive priority attention to convert outstanding student balances into cash.

After deducting **$3.22 million in written-off accounts** and an **allowance for doubtful accounts of $7.63 million**, the College's **net student accounts receivable is approximately $1.87 million**. The substantial allowance reflects management's assessment that a significant portion of the historical receivables may be uncollectible.

Overall, the student receivable balance remains an important area of financial management. **Management should prioritize collection of current and recent-term accounts, strengthen follow-up on delinquent balances, and continue reviewing older accounts for collection, payment arrangements, write-off, or other appropriate resolution.** Improving collections will provide additional cash to support current operations, strengthen liquidity, and reduce reliance on the College's limited operating cash reserves.

V. Total Investments as of July 31, 2026



The College's investment position shows an overall positive trend from September through July, with total investments increasing from $17.49 million on September 30, 2025, to $18.24 million on July 31, 2026, an increase of approximately $748,801, or 4.3%.

The Endowment Fund increased from $14.47 million on September 30, 2025, to $15.16 million on July 31, 2026, a net increase of approximately $687,160. The funds reached their highest reported balance of $15.53 million in May, before declining in June and July. The decline appears to reflect normal market fluctuations rather than a sustained downward trend.

Cash reserves also remained relatively stable, increasing from $3.02 million on September 30, 2026, to $3.08 million on July 31, 2026. Cash reserves reached a high of approximately $3.10 million in June, before declining slightly in July. Maintaining this level of cash provides the College with an important liquidity cushion for ongoing operations and unexpected financial needs.

The combined Endowment Fund and Cash Reserves totaled $18.24 million as of July 31, 2026, demonstrating that the College continues to maintain a significant financial resource base. However, the monthly fluctuations in the Endowment Fund highlight the importance of maintaining a long-term investment perspective while protecting adequate cash reserves for operating needs.

Overall, the College's investment position remains stable and financially sound, with total investment increasing by approximately $748,801 from September 30, 2025, to July 31, 2026. The continued strength of the Endowment Fund provides a long-term financial foundation, while cash reserves provide short-term liquidity. Management should continue to protect the long-term value of the Endowment Fund while maintaining sufficient cash reserves to support the College's operational and strategic priorities.

VII. Business Operation

Business operations continue to focus on maintaining essential services while improving efficiency, technology, and staffing. The current **staffing shortfall remains a concern**, with three special-contract positions, including 1 working student, supporting ongoing operations. While these positions provide temporary assistance, the staffing level should continue to be monitored to ensure adequate support for critical business functions.

The **Digital Timekeeping Grant is ongoing**, with a successful test run conducted in the Business Office. Preparations are underway to expand the system to the **Dining Hall, Bookstore, and other departments under Administrative Services**. The project will also include online requisition and leave approval processes, which are expected to improve efficiency, reduce manual processing, and strengthen internal controls.

The **migration of the MIP Accounting System to the cloud has been completed**, representing an important step toward improving system accessibility, continuity, and operational efficiency.

Three staff members will attend **APIPA training**, providing an opportunity to strengthen professional knowledge and keep staff updated on accounting and public-sector financial practices.

The planned **transfer of the Business Office to the ground floor, formerly occupied by the Admissions Office**, is also expected to improve accessibility and provide a more suitable workspace for business operations.

Overall, Business Office operations are progressing toward greater efficiency and digital transformation, although staffing capacity remains an area requiring continued management attention.

VIII. Auxiliary Services Operation

A. Bookstore Operation

The Bookstore continues to focus on improving its facilities and operational efficiency. The **renovation of the Bookstore** is intended to provide a more functional and organized environment for students, faculty, staff, and customers.

A **system upgrade to include electronic signatures** is also planned to streamline approvals and reduce reliance on paper-based processes. This improvement is expected to enhance efficiency, strengthen documentation and internal controls, and support the College's broader digital transformation initiatives.

Overall, the planned improvements will enhance the bookstore's operational efficiency, customer service, and administrative processes.

B. Dining Hall Operation

Dining Hall operations continue to support the needs of Residence Hall students while addressing safety and facility improvement priorities. **Orientation was conducted for 86 Residence Hall students** to ensure they are familiar with Dining Hall procedures, schedules, and expectations.

The **installation of emergency lights** enhances safety and provides adequate lighting during power interruptions or emergency situations. The **replacement of the tin roofing in the storage area** will also improve the facility and protect food-service supplies and equipment from weather-related damage.

Overall, these improvements support safe, reliable, and efficient Dining Hall operations while enhancing services for Residence Hall students.

C. Student Café Project

The Student Café would be more than simply a place to buy food. It would be a student-centered learning and employment opportunity that combines food service with real-world business experience. Students would operate the café, while the Dining Hall Manager would provide professional supervision and guidance, balancing student ownership, learning, and operational accountability.