College of Micronesia-FSM

Financial Report to the Board of Regents

November 06, 2026

I. Executive Summary

This report presents the financial performance, liquidity, investments, and key operational activities of the College of Micronesia–FSM (COM-FSM), with particular emphasis on FY2026. The FY2026 accounting books remain open, and significant transactions relating to prior months continue to be recorded and reconciled during the current reporting period. Accordingly, the financial results presented remain preliminary and subject to year-end adjustments pending completion of the closing process.

Financial Performance. The College reported combined revenues and appropriations of $18.10 million against expenditures of $17.41 million, resulting in a positive combined financial balance of $695,228, comprising $435,458 in unrestricted net operating income and $259,770 in unexpended restricted fund balances. Despite the positive overall results, campus operating losses require continued monitoring and prudent expenditure management.

FY2027 Fall Revenue. Actual tuition and related fee revenues totaled $3,210,707 against projected revenues of $3,210,100, resulting in a favorable variance of $607. Overall revenue performance remained consistent with projections, although individual campuses experienced varying results.

Liquidity and Receivables. The College maintained an operating cash balance of $737,601 against scheduled obligations of $1,895,720 through December 30, 2026, resulting in a projected cash shortfall of $1,158,119 before collections. Gross student receivables totaled $15.22 million, with net receivables of $4.37 million. Management continues to strengthen collections and enforce the Board of Regents policy restricting enrollment of students with outstanding financial obligations, subject to applicable policy provisions.

Investments. As of October 30, 2026, total investments amounted to $18.14 million, consisting of $15.06 million in the Endowment Fund and $3.07 million in Cash Reserves, representing a 3.7% increase from September 2025.

Overall, the College maintains a positive reported financial position and substantial long-term investment resources. However, liquidity constraints, outstanding receivables, and completion of FY2026 financial reporting remain key priorities. Management continues to strengthen financial controls, revenue collections, and operational efficiency in support of the College's 2026–2030 Strategic Plan.

II. Budget

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

As of November 06, 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)	7,669,235.04	(4,018,310.04)

As of November 06, 2026, the National Campus reported a net operating shortfall of $4,018,310.04 for FY2026, with total actual revenues of $3,650,925.00 against total expenditures of $7,669,235.04. The shortfall is primarily attributable to the concentration of college-wide administrative and support expenditures at the National Campus, including those incurred by the Office of the President, Offices of the Vice Presidents, Business Office, Human Resources, Financial Aid, and other central administrative units that provide essential services to all campuses.

Although these expenditures are recorded under the National Campus, a significant portion supports the operations of the entire College rather than the National Campus alone. Consequently, the reported shortfall does not necessarily indicate an equivalent deficit in the College's overall financial operations.

The National Campus financial performance should therefore be evaluated in the context of its system-wide administrative responsibilities and the College's consolidated financial position. Management will continue to monitor expenditures, strengthen budgetary controls, and ensure the efficient allocation and utilization of financial resources while maintaining essential administrative and academic support services across all campuses.

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

As of November 06, 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			1,607,042.05	(188,302.05)
Chuuk	989,417.63		1,071,366.00			1,224,234.10	(152,868.10)
Kosrae	385,680.17		476,440.50			663,680.84	(187,240.34)
Yap	586,175.89		540,870.50			720,673.58	(179,803.08)
Total	3,364,603.49	3,364,603.49	3,507,417.00	3,507,417.00	142,813.51	4,215,630.57	(708,213.57)

As of November 06, 2026, the state campuses collectively reported a net operating loss of $708,213.57, with total actual revenues of $3,507,417.00 and total expenditures of $4,215,630.57. The operating loss was primarily attributable to expenditures exceeding revenues across the four campuses, including costs associated with academic and administrative operations, essential facility maintenance, and major repairs necessary to ensure the safety and continued operation of campus facilities.

Among the state campuses, CTEC reported a net operating loss of $188,302.05, followed by Kosrae Campus at $187,240.34, Yap Campus at $179,803.08, and Chuuk Campus at $152,868.10. Despite these operating losses, total actual revenues exceeded projected revenues by $142,813.51, reflecting a favorable revenue variance. However, the positive revenue performance was insufficient to offset total operating expenditures.

Management continues to monitor campus-level financial performance, strengthen expenditure controls, and prioritize essential operating requirements and critical facility repairs. These measures are intended to improve budget utilization, promote efficient allocation of financial resources, and support the continued delivery of academic programs and student services across all state campuses.

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

As of November 06, 2026

	Revenue					Expenses	Income (loss)
	Projected		Actual		Difference		
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		435,850.50				
CTEC	222,281.87		222,955.00				
Chuuk	199,912.17		170,430.00				
Kosrae	64,993.28		85,778.00				
Yap	97,523.57	1,103,837.42	85,039.50	1,000,053.00			
Total	7,381,949.31	7,381,949.31		7,158,342.00	(119,822.89)		
Total By campus							
National	4,017,345.82		3,650,925.00		(366,420.82)	7,669,235.04	(4,018,310.04)
CTEC	1,403,329.80		1,418,740.00		15,410.20	1,607,042.05	(188,302.05)
Chuuk	989,417.63		1,071,366.00		81,948.37	1,224,234.10	(152,868.10)
Kosrae	385,680.17		476,440.50		90,760.33	663,680.84	(187,240.34)
Yap	586,175.89		540,870.50		(45,305.39)	720,673.58	(179,803.08)
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	143,442.82	143,442.82	(74,455.49)		143,442.82
Total Projected Revenue	12,618,386.62	12,618,386.62	12,320,323.82	12,320,323.82	(298,062.80)	11,884,865.61	435,458.21

As of November 06, 2026, the College reported total projected revenues of $12,618,386.62**,** compared with actual revenues of $12,320,323.82, resulting in an unfavorable revenue variance of $298,062.80, or 2.36% below projections. The College received $5,018,539.00 in FSM Government support, representing the full approved appropriation for FY2026.

Total expenditures amounted to $11,884,865.61, resulting in net operating income of $435,458.21. This amount represents the difference between total actual revenues of $12,320,323.82, including FSM Government support and other institutional revenues, and total expenditures of $11,884,865.61. The calculation demonstrates that the College's recognized revenues exceeded its recorded expenditures during the reporting period.

Although the National and State Campuses individually reported operating losses, the College maintained a positive consolidated operating position when FSM Government support and other institution-wide revenues were included. The net operating income reflects the College's overall financial performance and should not be interpreted as its available cash balance, since revenues and expenditures are reported on an accounting basis rather than solely on cash receipts and disbursements.

Management continues to monitor revenue performance, operating expenditures, and cash flow, with particular attention to strengthening revenue collections, controlling operating costs, and ensuring the efficient allocation of financial resources across all campuses. These measures are intended to sustain essential operations and support the College's long-term financial sustainability.

D. Statement of Current Fund Revenues, Expenditures and Other Changes (Restricted Fund)

As of November 06, 2026

	Budget	Expenses	Budget Balance
BOR	120,000.00	120,000.00	-
FMI	850,000.00	850,000.00	-
Public Health	250,000.00	34,882.48	215,117.52
CRE	2,012,066.00	1,995,492.18	16,573.82
Trio- Program	1,073,889.38	1,073,889.38	-
FSEOG & FWS	368,014.00	368,014.00	-
Other Grants	1,110,635.00	1,082,556.29	28,078.71
Total Projected Revenue	5,784,604.38	5,524,834.33	259,770.05

As of November 06, 2026, the College reported a total restricted fund budget of $5,784,604.38**,** with actual expenditures of $5,524,834.33, resulting in an unexpended budget balance of $259,770.05**,** representing approximately 4.49% of the total restricted fund budget. The

expenditures reflect the implementation of various grant-funded programs and activities in accordance with their approved budgets and program objectives.

The unexpended budget balance represents the remaining budgetary authority for eligible grant-supported expenditures, subject to applicable grant conditions, funding availability, and authorized periods of performance. It should not be interpreted as unrestricted operating income or immediately available cash for general College operations.

Management continues to monitor restricted fund expenditures, reconcile grant balances, and ensure that funds are utilized in accordance with approved program budgets, grant agreements, and applicable funding requirements. Particular attention is given to the timely implementation of grant activities, proper documentation of expenditures, and compliance with financial reporting requirements to promote accountability and effective utilization of restricted resources.

Financial Item	Amount
Total Restricted Fund Budget	$5,784,604.38
Less: Actual Expenditures	($5,524,834.33)
Unexpended Budget Balance	$259,770.05
Budget Utilization Rate	95.51%
Unexpended Budget Percentage	4.49%

E. Statement of Current Fund Revenues, Expenditures and Other Changes (Combined Fund)

As of November 06, 2026

As of November 06, 2026, the College reported **a** total combined budget of $18,402,991.00**,** with actual revenues and appropriations totaling $18,104,928.20 and total expenditures amounting to $17,409,699.94. This resulted in a positive combined financial balance of $695,228.26**,** representing the difference between actual revenues and appropriations and total expenditures for the reporting period.

The combined financial balance consists of net operating income of $435,458.21 from unrestricted funds and an unexpended budget balance of $259,770.05 from restricted funds. These amounts reflect the College's overall financial performance and remaining restricted budgetary resources. However, the unexpended restricted fund balance remains subject to applicable grant conditions and cannot be used for general operating purposes without appropriate authorization.

Although the combined fund position remains positive, the reported financial balance should not be interpreted as available cash. The College's actual liquidity depends on cash balances, the timing of revenue collections, and scheduled financial obligations. Accordingly, maintaining sufficient cash flow remains essential to meeting payroll, settling outstanding payables, and sustaining academic and administrative operations.

Management continues to monitor revenue collections, expenditures, restricted fund utilization, and cash flow to maintain financial stability. Particular attention is being given to strengthening expenditure controls, improving collection efforts, and ensuring that financial resources are allocated in accordance with approved budgets and institutional priorities. These measures are intended to support the College's continued operations and long-term financial sustainability.

	Revenue					Expenses	Income (loss)
	Projected		Actual		Difference		
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		435,850.50				
CTEC	222,281.87		222,955.00				
Chuuk	199,912.17		170,430.00				
Kosrae	64,993.28		85,778.00				
Yap	97,523.57	1,103,837.42	85,039.50				
Total	7,381,949.31	7,381,949.31		6,158,289.00	(119,822.89)		
Total By campus							
National	4,017,345.82		3,650,925.00		(366,420.82)	7,669,235.04	(4,018,310.04)
CTEC	1,403,329.80		1,418,740.00		15,410.20	1,607,042.05	(188,302.05)
Chuuk	989,417.63		1,071,366.00		81,948.37	1,224,234.10	(152,868.10)
Kosrae	385,680.17		476,440.50		90,760.33	663,680.84	(187,240.34)
Yap	586,175.89		540,870.50		(45,305.39)	720,673.58	(179,803.08)
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	143,442.82	143,442.82	(74,455.49)		143,442.82
Total Unrestricted Fun	**12,618,386.62**	**12,618,386.62**	**12,320,323.82**	**11,320,270.82**	**(194,278.38)**	**11,884,865.61**	**435,458.21**
BOR	120,000.00		120,000.00			120,000.00	
FMI	850,000.00		850,000.00			850,000.00	
Public Health	250,000.00		250,000.00			34,882.48	
CRE	2,012,066.00		2,012,066.00			1,995,492.18	
Trio- Program	1,073,889.38		1,073,889.38			1,073,889.38	
FSEOG & FWS	368,014.00		368,014.00			368,014.00	
Other Grants	1,110,635.00		1,110,635.00			1,082,556.29	
Total Restricted Fund	**5,784,604.38**	**5,784,604.38**	**5,784,604.38**	**5,784,604.38**	**-**	**5,524,834.33**	**259,770.05**
Total	**18,402,991.00**	**18,402,991.00**	**18,104,928.20**	**17,104,875.20**	**(194,278.38)**	**17,409,699.94**	**695,228.26**

F. FY2027 (Fall) Projected and Actual Revenue

As of November 06, 2026

	Projected HC/CC	Actual HC/CC	Difference	Revenue		
				Projected	Actual	Difference
National	11,026		(11,026)	1,616,230	1,596,375	(19,855)
CTEC	4,432		(4,432)	642,640	593,050	(49,590)
Chuuk	2,919		(2,919)	423,255	468,002	44,747
Kosrae	1,031		(1,031)	149,495	238,455	88,960
Yap	2,014		(2,014)	292,030	229,580	(62,450)
Total	21,422		(21,422)	3,123,650	3,125,462	1,812
Student/Health/Registration						
National	829	892	63	41,450	44,515	3,065
CTEC	378	280	(98)	18,900	14,080	(4,820)
Chuuk	247	265	18	12,350	13,255	905
Kosrae	101	145	44	5,050	7,165	2,115
Yap	174	126	(48)	8,700	6,230	(2,470)
Total	1,729	1,708	(21)	86,450	85,245	(1,205)
Total				3,210,100	3,210,707	607

As of November 06, 2026, the College reported total actual tuition and related fee revenues of $3,210,707, compared with projected revenues of $3,210,100, resulting in a favorable revenue variance of $607, or approximately 0.02%**.** The results indicate that overall Fall 2026 revenue performance remained substantially aligned with the College's FY2027 revenue projections.

Actual tuition revenue amounted to $3,125,462 against projected tuition revenue of $3,123,650, resulting in a favorable variance of $1,812. Meanwhile, revenues from student, health, and registration fees totaled $85,245 compared with projected revenues of $86,450, resulting in an unfavorable variance of $1,205. The favorable tuition revenue variance was sufficient to offset the shortfall in student-related fees, resulting in a slight overall revenue surplus against projections.

At the campus level, Kosrae and Chuuk reported favorable tuition revenue variances of $88,960 and $44,747, respectively. These favorable results offset the unfavorable tuition revenue variances recorded at Yap ($62,450), CTEC ($49,590), and the National Campus ($19,855). The differences among campuses highlight the importance of monitoring enrollment patterns, tuition assessments, and revenue performance to ensure that institutional revenue projections remain realistic and responsive to actual student registration.

For student, health, and registration fees, the College recorded actual enrollment of 1,708 students against a projected 1,729**,** representing an unfavorable variance of 21 students. The

National, Chuuk, and Kosrae Campuses exceeded their projected student counts, while CTEC and Yap reported enrollment below projections.

Overall, the College achieved its Fall 2026 tuition and related fee revenue projections, with actual revenues slightly exceeding budget expectations. Management continues to prioritize the timely collection of tuition and fees, reconciliation of student accounts, and consistent implementation of the Board of Regents policy restricting enrollment of students with outstanding financial obligations, subject to applicable policy provisions. These measures are intended to strengthen revenue collections, minimize the accumulation of additional student receivables, and improve the College's cash-flow position throughout FY2027.

III. Cash Balance

Cash Balance -November 06, 2026		
BOG		554,128
BOFSM		183,473
Total		$ 737,601
Receivable:		
Receivable - FSM Assistance -Yap Student	54,948	
Receivable- Compact Cash Advance	1,000,000	1,054,948
Receivable from Students		
Fall 2026	2,982,735	
Summer 2026	503,495	
Spring 2026	462,618	3,948,848
Total Receivable		5,003,796
Total Cash and Receivable		5,741,397
Cash Needs		
Payroll		
18-Nov	350,000	
2-Dec	350,000	
16-Dec	500,000	
30-Dec	350,000	1,550,000
Payable in Microix		345,720
Total		1,895,720

As of November 06, 2026, the College reported **a** total cash balance of $737,601, consisting of $554,128 held at the Bank of Guam and $183,473 at the Bank of FSM. Although these funds are

available to support current operations, the cash balance is insufficient to cover the College's scheduled short-term financial obligations, highlighting the importance of timely revenue collections and effective cash-flow management.

The College identified total outstanding receivables of $5,003,796 in its cash-flow schedule, consisting of $3,948,848 in student receivables and $1,054,948 due from external funding sources. The external receivables include a $1,000,000 Compact cash advance and $54,948 in FSM assistance for Yap students. These receivables represent potential cash inflows that could significantly improve the College's liquidity position. However, their availability depends on the timing and successful collection of the outstanding amounts.

Scheduled cash requirements through December 30, 2026, total $1,895,720, consisting of $1,550,000 for four payroll periods and $345,720 in outstanding payables recorded through Microix. Compared with the available cash balance of $737,601, these obligations result in a projected cash shortfall of $1,158,119 before anticipated collections. While the combined cash balance and identified receivables total approximately $5.74 million, receivables cannot be considered immediately available cash until collected.

Overall, the College continues to face significant short-term liquidity constraints despite maintaining a positive combined financial balance. Management is closely monitoring cash flow, strengthening student account collections, coordinating the collection of outstanding amounts from external funding sources, and carefully managing expenditure commitments and payment schedules. Priority remains on ensuring sufficient cash availability to meet payroll, settle essential obligations, and sustain uninterrupted academic and administrative operations while maintaining financial stability.

IV. Accounts Receivable from Students

SIS Receivable Balance as of November 06, 2026		
Fall 2026	2,982,735.12	
Summer 2026	503,494.90	
Spring 2026	462,618.18	
Fall 2025	684,491.52	
Summer 2025	195,681.94	
Spring 2025	550,291.19	
Prior Terms	9,838,930.97	15,218,243.82
Written-off		(3,221,034.43)
Allowance		(7,627,150.99)
Balance		4,370,058.40

As of November 06, 2026, the College reported gross student accounts receivable of $15,218,243.82**,** of which $9,838,930.97, or approximately 64.7%, relates to prior academic terms. The substantial balance of outstanding receivables from prior terms reflects longstanding collection challenges and emphasizes the need for stronger enforcement of institutional policies governing student financial obligations.

Receivables for Fall 2026 amounted to $2,982,735.12, followed by Summer 2026 at $503,494.90 and Spring 2026 at $462,618.18. These current and recent-term balances represent significant collection opportunities that require timely follow-up to improve cash inflows and strengthen the College's liquidity position.

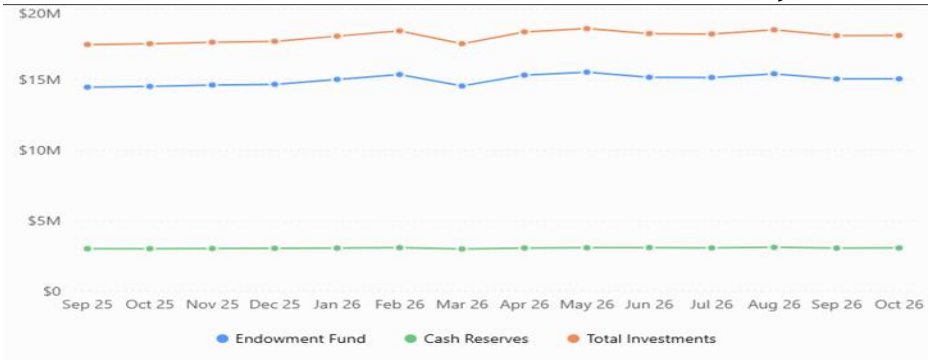
After deducting $3,221,034.43 in previously written-off accounts and an allowance for doubtful accounts of $7,627,150.99**,** the College reported net student accounts receivable of $4,370,058.40**.** The substantial allowance reflects the collection risks associated with historical student balances and underscores the importance of strengthening collection procedures and regularly assessing the collectability of outstanding accounts.

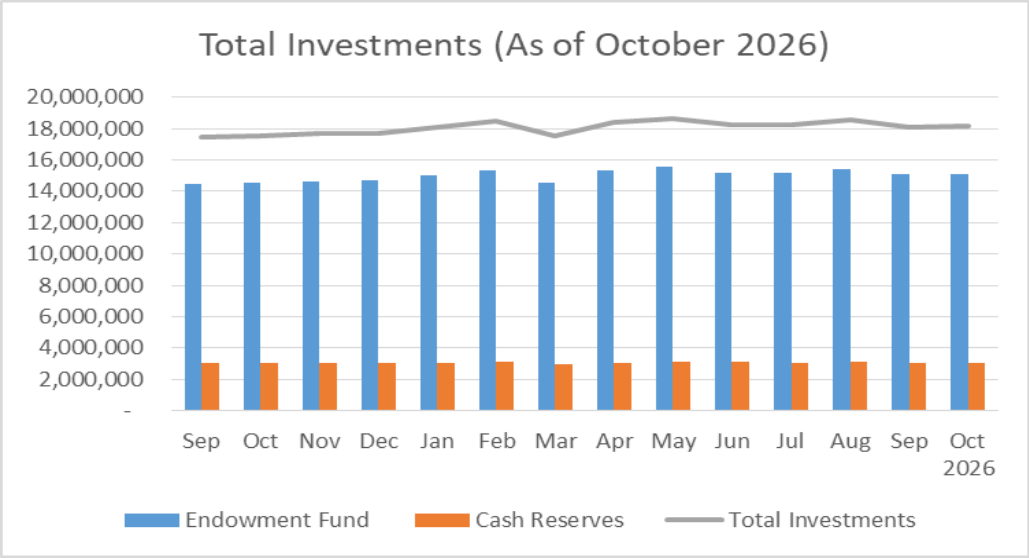
A major priority of management is the implementation and consistent enforcement of restricting enrollment of students with outstanding financial obligations to the College. The Business Office continues to work toward strengthening coordination with the Admissions and Records Office and other concerned offices to ensure that students with outstanding balances are identified and their financial obligations are addressed before enrollment is permitted, subject to any exceptions authorized under the policy. This initiative is intended to prevent the further accumulation of unpaid student accounts, encourage timely settlement of outstanding balances, and promote greater financial accountability among students.

Management also continues to strengthen collection efforts through regular monitoring of student accounts, timely notification of outstanding balances, and appropriate follow-up with students regarding payment arrangements and settlement of financial obligations. Effective implementation of the BOR enrollment restriction policy, together with improved collection procedures, is expected to reduce the accumulation of new receivables, improve collection performance, and strengthen the College's cash-flow position.

Overall, student accounts receivable remains a significant financial management concern. Management is committed to implementing the BOR policy consistently, improving coordination among responsible offices, and strengthening internal controls over student billing, collection, and enrollment clearance. These measures are essential to protecting the College's financial resources, supporting ongoing operations, and promoting long-term financial sustainability.

V. Total Investments as of October 30, 2026





As of October 30, 2026, the College reported total investments of $18.14 million, consisting of $15.06 million in the Endowment Fund and $3.07 million in Cash Reserves. Compared with total investments of $17.49 million as of September 30, 2025, this represents a net increase of approximately $646,260, or 3.7%. The increase reflects the overall positive performance of the College's investment portfolio despite fluctuations in market values during the reporting period.

The Endowment Fund increased from $14.47 million in September 2025 to $15.06 million in October 2026, representing a net increase of approximately $589,169, or 4.1%. The fund reached its highest reported balance of $15.53 million in May 2026 before experiencing fluctuations in subsequent months. Although the fund declined from its May peak, its October balance remained above the September 2025 level, demonstrating positive overall growth during the reporting period.

The College's Cash Reserves remained relatively stable, increasing from $3.02 million in September 2025 to $3.07 million in October 2026, representing an increase of approximately $57,090, or 1.9%. Cash Reserves reached their highest reported balance of $3.12 million in August 2026 before declining slightly in September and October. These reserves continue to serve as an important financial resource, although their availability for immediate operating requirements depends on applicable restrictions, investment arrangements, and authorized use.

The combined investment portfolio reached its highest reported balance of **$**18.62 million in May 2026, before declining to $18.14 million in October 2026. Despite these fluctuations, the College maintained a substantial investment portfolio, providing an important foundation for long-term financial sustainability. The changes in investment balances underscore the importance of monitoring market performance, maintaining prudent investment management practices, and protecting the College's long-term financial resources.

Overall, the College's investment position remains positive, with total investments increasing by approximately $646,260 during the reporting period. Management continues to monitor investment performance, safeguard the Endowment Fund, and maintain appropriate Cash

Reserves to support institutional financial stability. While these investments strengthen the College's overall financial position, they should be distinguished from available operating cash, particularly given the short-term liquidity requirements identified in this report.

VII. Business Operation

The Business Office continues to prioritize the delivery of essential financial and administrative services while focusing on the timely completion of financial reporting requirements, strengthening internal controls, and improving operational efficiency. Current initiatives emphasize the closing of the FY2026 accounting books, continued implementation of college-wide digital timekeeping, and improvement of business processes to support the College's financial management and operational requirements.

The closing of the FY2026 accounting books remains a major priority of the Business Office. Ongoing activities include the reconciliation of general ledger accounts, verification of cash balances and accounts receivable, review of accounts payable and interfund balances, reconciliation of outstanding obligations and encumbrances, and preparation of necessary year-end accounting adjustments. Particular attention is being given to the proper recognition of revenues and expenditures, completeness and accuracy of supporting schedules, and resolution of outstanding accounting discrepancies. The Business Office continues to coordinate with the concerned departments and campuses to facilitate the timely completion of the year-end closing process and preparation of financial statements and supporting schedules for the annual financial audit.

The College-wide Digital Timekeeping Project has progressed to Yap Campus**,** marking an important milestone in expanding the system beyond the National Campus. Implementation activities focus on establishing digital attendance recording, coordinating with campus personnel, and supporting the transition from manual to automated timekeeping processes. The project also includes electronic requisition and online leave approval processes intended to improve payroll accuracy, reduce manual processing, strengthen internal controls, and enhance administrative efficiency.

The renovation of the new Business Office on the ground floor, previously occupied by the Admissions Office, has been completed. The Office is currently awaiting the installation of air-conditioning units and network connectivity before the relocation can proceed. The new facility is expected to provide a more functional workspace, improve accessibility for students, employees, and other stakeholders, and enhance the efficiency of financial and administrative services.

Overall, the Business Office remains focused on completing the FY2026 year-end closing process, advancing digital timekeeping implementation at Yap Campus, and finalizing the remaining requirements for relocation to the renovated office**.** Management continues to prioritize accurate and timely financial reporting, effective internal controls, and efficient utilization of institutional resources to strengthen financial accountability and support the College's operational and strategic objectives.

VIII. Auxiliary Services Operation

A. Bookstore Operation

The Bookstore continues to focus on improving operational efficiency, strengthening internal controls, expanding services, and enhancing the delivery of essential products and services to students, faculty, staff, and the College community.

The renovation of the Bookstore at the National Campus has been completed, providing a more functional, organized, and customer-friendly environment. Meanwhile, renovation work at the Chuuk Campus Bookstore is ongoing**,** with the objective of improving facilities, enhancing space utilization, and providing a more accessible and efficient environment for students and other customers.

The implementation of electronic signatures in the Bookstore's operating system has also been completed, streamlining transaction processing, reducing reliance on paper-based documentation, improving accountability, and strengthening internal controls.

The Bookstore is also pursuing the expansion of its services through collaboration with existing business establishments and service providers. This initiative aims to establish partnerships that will allow participating establishments to provide products and services directly to students, thereby expanding access to essential goods and services beyond those traditionally available through the Bookstore. These collaborations are intended to provide greater convenience, improve product and service availability, and offer students more accessible and competitive options while supporting the College's student-centered service objectives.

Overall, the Bookstore continues to strengthen its operations through facility improvements, digitalization, and expanded partnerships with local businesses and service providers. Management will continue to monitor the ongoing renovation at Chuuk Campus, develop collaborative arrangements with potential partners, and explore additional opportunities to improve the accessibility, affordability, and quality of services provided to students across the College.

B. Dining Hall Operation

The Dining Hall continues to prioritize the provision of nutritious, affordable, and quality meals to Residence Hall students while maintaining food safety, sanitation, and efficient food-service operations. Efforts remain focused on improving service delivery, strengthening student engagement, and ensuring a safe and comfortable dining environment.

Orientation was conducted for 86 Residence Hall students to familiarize them with Dining Hall policies, meal schedules, operating procedures, and expectations. This initiative promotes student awareness and supports the orderly and efficient delivery of Dining Hall services.

To strengthen student participation and improve service quality, the Dining Hall conducts monthly meetings with Residence Hall students and has conducted a student satisfaction survey to gather feedback on its operations. The survey provided students with an opportunity to express their concerns and submit recommendations regarding food quality, menu variety, meal schedules, and overall dining services. The Dining Hall Manager promptly addressed the survey results and took immediate action on the concerns and recommendations raised by students. This proactive approach demonstrates management's responsiveness and commitment to continuously improving services based on student feedback.

The monthly meetings also serve as a regular platform for monitoring student satisfaction, discussing emerging concerns, and following up on recommendations. Through these initiatives, the Dining Hall promotes open communication, transparency, and stronger collaboration between management and students.

Facility safety and maintenance improvements also support the continued delivery of Dining Hall services. The installation of emergency lighting enhances safety during power interruptions and emergency situations, while the replacement of the tin roofing in the storage area is intended to improve facility conditions and protect food supplies and equipment from weather-related damage.

Overall, the Dining Hall continues to demonstrate its commitment to student-centered services through regular consultations, student satisfaction surveys, and prompt action on student feedback. The immediate response of the Dining Hall Manager to the survey findings reflects proactive management and a commitment to continuous improvement. These efforts, together with facility enhancements and effective operational controls, contribute to improved service quality, student satisfaction, and the overall well-being of Residence Hall students.