



COLLEGE OF MICRONESIA-FSM

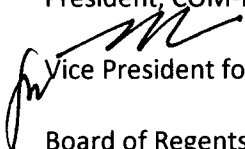
Office of the Vice President for Administrative Services
P.O. Box 159, Kolonia, Pohnpei
FM 96941

Phone: (691) 320-2480 Fax: (691) 320-2479 Email: jhabuchmai@comfsm.fm www.comfsm.fm

July 17, 2014

MEMORANDUM

TO: President, COM-FSM

FROM:  Vice President for Administrative Services

SUBJECT: Board of Regents Updates August 2014

This report covers the Human Resources Office, Maintenance & Security, Business Office and the Office of Vice President for Administrative Services for the period ending July 17, 2014.

OFFICE OF THE VICE PRESIDENT OF ADMINISTRATIVE SERVICES

VPAS served as Acting President for Dr. Daisy while away on business trip and a short vacation thereafter.

VPAS met with Office of Insular Affairs and FSM SBOC team for the 2015 Budget Consultation meeting and discussed ESG funding level for the college by the scheduled annual decrement and possibility of lifting the freeze on all IDP funding for projects for COM-FSM. We also discussed the submission the college did on the new health clinic to be constructed at the National campus to serve nearby communities and the COM-FSM community.

OIA recommended that the Space Utilization and Facilities Master Plan study be presented to the upcoming JEMCO meeting in August by the college. It must be noted that the endorsement of the study by SNLC through the signed communique served as an endorsement of the FSM leadership toward supporting future funding of the college from FSM Infrastructure funding.

VPAS and the Director of Maintenance discussed plans for the college to file applications for the college projects based on the format used by States and FSM for IDP funding request through teleconferencing with Beca International Consulting firm. The plan is to use Beca as the project management unit to provide local capacity training for our maintenance crew to be able to provide that type of work for our future projects. OIA seem to be in favor of this concept; therefore, recommend that we channel this request through the FSM National Government for approval.

Department of Administrative Services reviewed and sort out all policies within the three units (Business Office and Finance, Maintenance and Security, and Human Resources) and uploaded them on the college website for easy access by the stakeholders.

A request from the Micro Games Organizing team to COM-FSM asking for the use of our special contracts personnel working on the COM-FSM soccer field was received during the month of June. The

college decided to temporarily put a hold on the work in the COM-FSM soccer field so we can assist the Micro Games Org. Team to complete the soccer field at PICS. The college is obligated to help get a soccer field ready for the games as the one at the college will not be ready for the games due to delays resulting from rainy weather.

VPAS as Acting President welcomed and spoke to the group of students from the Close-Up Program visited the college. Encouraged them to pick a major or career early and consider coming to COM-FSM first before going off to other outside institutions.

VPAS as Acting President welcomed and spoke to a group of Marshallese students visited the college. VPAS as Acting President welcomed and spoke with a group of sophomore from PCS and Xavier High School at the dining hall. Encouraged them to study hard, start thinking of a major while in college as early as possible and select COM-FSM as their first choice of college.

HUMAN RESOURCES OFFICE UPDATES

Recruitment

1. Fourteen positions were advertised during the reporting period, they are:
 - a. Student Services Specialist I – Yap Campus
 - b. Agriculture Agent I –Chuuk Campus
 - c. Security officer – FMI Campus
 - d. Instructor [Art] – National Campus
 - e. Instructor [Math] – Kosrae Campus
 - f. Instructor [Business]-National Campus
 - g. Instructor[Math/Computer]-Yap Campus
 - h. Instructor [Education]- Kosrae Campus
 - i. Instructor [2 English/ESL]- Pohnpei Campus
 - j. Instructor[Electronics/Telecommunications]- Pohnpei Campus
 - k. Instructor[HTM]- Pohnpei Campus
 - l. Instructor [4 ESL/English]- National Campus
 - m. Accountant IV –National Campus
 - n. Accountant I –National Campus

Employee Retention and others

Campus	Personnel	Retention	Departure
National	158	99.3%	.63% or 1
Pohnpei	79	100%	
Chuuk	45	100%	
Kosrae	35	100%	
Yap	33	100%	
FMI	22	100%	
Total	372	99.74%	.26% or 1

Campus	Male	Female	FSM Citizen	Non-FSM Citizen
National	92	66	112	46
Pohnpei	43	36	67	12
Chuuk	23	22	34	11
Kosrae	25	10	29	6
Yap	16	17	25	8
FMI	17	5	21	1
Total	216	156	288 or 71%	84 or 29%

Retirement

June 20, 2014 a retirement luncheon was held per Section XII to honor and bid farewell to Ketter Kenneth who retired from the college after 43 years of continuous service. There were 66 employees who attended the luncheon at a total cost of \$880.95.00.

MAINTENANCE AND SECURITY UPDATE

Acting President has issued a Directive 01-2014 relating to preparation for the forecasted El Niño event and accompanying typhoons events expected late this year. Emergency teams have been mobilized and plans are being prepared and submitted to the Director of Maintenance for review and submission to the National Emergency Management Team.

Contract for the gym competition court floor repair is underway and is about 75% completed. Windows for the gym competition court area have arrived and replacement works will start by July 11. Lightning systems for gym Competition court have been repaired and completed.

Additional new emergency lights inside the gym competition court and front stairway light have also been installed to improve safety.

Minor repairs and improvements in the gym include removal of broken spectator seats, installation of stairway rails, painting of stairs and bleacher edges, repairs and improvement of spectator restroom and fixtures, touch-up paint at the main gym entrance. Coral topping, cutting and filling of the soccer field site has been completed.

Spreading of the topsoil at the soccer field was temporarily ceased as the soccer field project crew were re-assigned to assist with repairs of the PICS track soccer field. Project is expected to resume by July 12.

The 100 Kilo Watt Generator for Residence Halls, Dining Hall, Bookstore, and the Dispensary building is being shipped to Guam and was expected to arrive the week of on July 7th.

Minor repairs and interior painting of the residence hall rooms and furniture is on-going.

System wide inventory of fluorescent light fixture and tubes is underway for a proposed plan for replacement of florescent tube with LED tubes. This project is part of an energy reduction program.

System wide Inventory of old and ineffective AC units is being conducted for replacement to reduce energy use.

Fire drill at the residence hall was conducted on July 6, 2014.

BUSINESS OFFICE

Results of operations as of June 30, 2014

The results of operations as of June 30, 2014 provided positive fund balance (FB) change of \$2.065 Million.

The breakdown of FB change per campus are as follows:

National campus	-	(\$ 484k)
Pohnpei campus	-	1.130 Million
Chuuk campus	-	436k
Kosrae campus	-	169k
Yap campus	-	248k
FMI campus	-	156k
Other programs/grant	-	457k
Restricted fund	-	(47k)

The nine – month period is expected to provide positive FB change due to the timing of recording. All revenues from tuition and fees for the fiscal year have already been recorded but expenditures only cover nine – month period.

Audit of Financial Statements for FY 2014

The audit of the college's financial statements by Deloitte and Touche was completed on June 25, 2014.

The audit provides the following results:

Financial Statements:

The Independent Auditors' Report on the financial statements expressed an unmodified opinion.

No material weaknesses identified on internal control over financial reporting.

None was reported on significant deficiency on internal control over financial reporting.

No noncompliance material to financial statements identified on internal control over financial reporting.

Federal Awards

No material weaknesses identified on internal control over major programs.

There is significant deficiency identified on internal control over major programs.

Unmodified opinion on compliance for major programs.

The audit disclosed findings required to be reported by OMB Circular A-133.

COM – FSM qualified as a low – risk auditee.

The audit report was submitted to Federal Audit Clearinghouse, Federal Student Aid (eZ-Audit), and Accrediting Commission for Community and Junior Colleges.

Endowment Fund

The market value of endowment fund has increased by \$254k or 6%, from \$4.231 Million as of March 31, 2014 to \$4.485 Million as of June 30, 2014. The increment represents the additional investment of \$73k to fixed income (SEIX), and the unrealized gain for the quarter of \$181k or 4%.

The breakdown of the market value of \$4.485 Million per money manager are as follows:

	Market Value	Allocation
Aristotle (LC Value)	-\$ 1.069M	23.8%
Renaissance (LC Growth)	- 585k	13.0%
Atlantic (S/M Cap Growth)	- 233k	5.2%
SEIX (Fixed Income)	- 722k	16.1%
Templeton	- 282k	6.3%
Brandes (Mature market)	- 929k	20.7%
Lazard (Emerging market)	- 429k	9.6%
iShares ETF (Nat. Resources)	- 236k	5.3%
	<u>\$4.162M</u>	<u>100.0%</u>

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

Fund Raising

The total fund raising receipts for three quarters of FY 2014 is \$49k. Compared with the target of \$75k, it is short by \$26k or 35%.

The amount of \$16k from fund raising will be transferred to the endowment fund.

College of Micronesia - FSM
Statement of Current Funds Revenues, Expenditures and other Changes
For Ninth Months Ended June 30, 2014

	Unrestricted Fund							Restricted (Federal)	Total	
	National	Pohnpei	Chuuk	Kosrae	Yap	FMI	Others			Sub-total
Revenues and support										
Tuition and fees	3,300,428	1,817,265	982,482	571,026	592,774	-	548,160	7,812,135	-	7,812,135
Appropriations and grants	1,399,003	583,349	465,071	216,087	186,491	566,333	787,961	4,204,295	-	4,204,295
Auxiliary services and others	864,101	-	-	-	-	-	-	864,101	-	864,101
PELL grants/FSEOG	-	-	-	-	-	-	-	-	9,427,364	9,427,364
US DOE grants and others	-	-	-	-	-	-	-	-	604,687	604,687
	5,563,532	2,400,614	1,447,553	787,113	779,265	566,333	1,336,121	12,880,531	10,032,051	22,912,582
Expenditures										
Personnel	3,197,566	933,657	692,424	396,389	342,104	236,871	196,159	5,995,169	370,860	6,366,029
Other current exp.	1,348,935	167,779	98,413	64,853	67,503	103,223	52,286	1,902,992	74,153	1,977,145
Contract services	395,528	32,576	108,717	78,225	61,004	11,811	347,346	1,035,206	76,333	1,111,539
Equipment	49,784	2,000	1,589	1,848	7,160	675	4,173	67,229	13,611	80,840
Staff travel	52,995	-	2,617	3,282	-	3,828	92,466	155,188	51,057	206,245
Student assistance	-	-	-	-	-	-	-	-	9,427,364	9,427,364
Student travel	27,883	-	-	-	-	13,636	8,627	50,146	18,673	68,819
	5,072,691	1,136,011	903,759	544,597	477,771	370,044	701,058	9,205,931	10,032,051	19,237,982
Fund balance change before adjustments	490,841	1,264,603	543,794	242,516	301,494	196,289	635,063	3,674,600	-	3,674,600
Less: Adjustments										
Prepaid purchases	677,624	9,516	8,183	20,777	8,183	31,371	115,885	871,539	24,888	896,428
Provision for bad debts	239,812	120,621	65,126	37,945	39,334	-	-	502,838	-	502,838
Travel advances	57,579	4,404	34,406	14,335	5,376	8,909	61,909	186,918	22,689	209,607
	975,015	134,540	107,715	73,058	52,892	40,281	177,794	1,561,295	47,578	1,608,873
Fund balance change after adjustments	(484,174)	1,130,063	436,078	169,459	248,602	156,008	457,269	2,113,305	(47,578)	2,065,728

**College of Micronesia - FSM
Endowment Fund
As of June 30, 2014**

Investment Style	Manager	Allocation Per IPS	31-Mar-14		30-Jun-14	
			MV (000)	Allo.	MV (000)	Allo.
<u>U.S. Equity</u>						
Large Cap Value	Aristotle	23.0%	1,022	24.16%	1,069	23.84%
Large Cap Growth	Renaissance	12.0%	558	13.19%	585	13.04%
SMid Cap Growth	TCW/Atlantic	5.0%	239	5.65%	233	5.20%
	Sub-total		797	18.84%	818	18.24%
<u>Fixed Income</u>						
U.S. Bond	SEIX	17.5%	637	15.06%	722	16.10%
Global Bond	Templeton	7.5%	276	6.52%	282	6.29%
			913	21.58%	1,004	22.39%
<u>Non - U.S. Equities</u>						
Mature Markets	Brandes	20.0%	889	21.01%	929	20.71%
Emerging Markets	Lazard	10.0%	401	9.48%	429	9.57%
			1,290	30.49%	1,358	30.28%
<u>Equity: Mutual Fund</u>						
Natural Resources	iShares ETF	5.0%	209	4.94%	236	5.26%
Total		100%	4,231	100%	4,485	100%
Total Increment					254	6%
Additional Investment to U.S. Bond SEIX on April 14, 2014					73	2%
Unrealized Gain for the Quarter					181	4%

College of Micronesia-FSM
Fund Raising Account
As of June 30, 2014

Balance March 31, 2014			\$ 488
4/8/2014 Old washer	50		
4/10/2014 Fund raising	12,941		
4/17/2014 Walk a thon	850		
5/8/2014 Sale	10		
5/12/2014 Walk a thon	745		
5/28/2014 T-shirt	250		
5/30/2014 Walk a thon	725		
6/30/2014 T-shirt	35		
6/30/2014 sale	5	15,611	
Employees contribution		915	
Total receipts for the quarter			16,525
Balance June 30, 2014			\$ 17,013
Less: Transfer to Endowment Fund			(16,500)
			\$ 513

Receipts per Campus:	Quarter 1	Quarter 2	Quarter 3	Total
National campus	14,901	174	15,611	30,686
Pohnpei campus	1,609	-	-	1,609
Chuuk campus	-	1,400	-	1,400
Kosrae campus	-	-	-	-
Yap campus	12,500	-	-	12,500
Employees contribution	1,096	817	915	2,828
	30,106	2,391	16,526	49,023
Target:	25,000	25,000	25,000	75,000
Over (Short)	5,106	(22,609)	(8,474)	(25,977)
% of Overage/Shortage	20%	-90%	-34%	-35%