

FEDERATED STATES OF MICRONESIA

**COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANTS'
COMPILATION REPORT**

SEPTEMBER 30, 2021

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable David W. Panuelo
President
Federated States of Micronesia

We have compiled the accompanying combined financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Federated States of Micronesia (FSM) National Government and the States of the FSM as of and for the year ended September 30, 2021, and the other supplementary information as set forth in pages 15 through 23. We have not audited or reviewed the accompanying combined financial statements and other supplementary information and, accordingly, do not express opinions or provide any assurance about whether the combined financial statements and other supplementary information are in accordance with accounting principles generally accepted in the United States of America. The other supplementary information is presented only for purposes of additional analysis and is not a required part of the basic combined financial statements. The combined financial statements include the accounts of the FSM National Government and the four States of the FSM, being the State of Chuuk, the State of Kosrae, the State of Pohnpei and the State of Yap. These entities comprise the sovereign nation of the FSM.

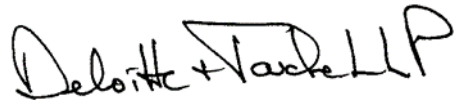
Management is responsible for the preparation and fair presentation of the combined financial statements and other supplementary information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the combined financial statements and other supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the combined financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements presented in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the combined financial statements, they might influence the user's conclusions about the combined financial position and combined results of operations of the FSM National Government and the States of the FSM. Accordingly, these combined financial statements are not designed for those who are not informed about such matters.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the FSM National Government, the State of Chuuk, the State of Kosrae, the State of Pohnpei and the State of Yap, as of and for the year ended September 30, 2021. Those financial statements were the basis from which we compiled the accompanying combined financial statements. Copies of the respective financial statements and the respective independent auditors' reports dated April 28, 2023, December 31, 2022, December 31, 2022, April 28, 2023, and December 31, 2022, respectively, which expressed certain qualified opinions, may be obtained from the FSM Office of the National Public Auditor.

The FSM National Government and the States of the FSM have not presented the Management's Discussion and Analysis and budgetary comparison information that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

A handwritten signature in black ink that reads "Deloitte + Tatchell LLP". The signature is written in a cursive, slightly stylized font.

April 28, 2023

FEDERATED STATES OF MICRONESIA

Combined Statement of Net Position

September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	Primary Governments	Business-type Activities	Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 79,000,855	\$ 25,371	\$ 68,841,090
Time certificates of deposit	2,995,435	-	1,755,602
Investments	562,743,043	-	32,114,502
Receivables, net of allowance for uncollectibles	64,576,696	10,476	56,805,139
Advances	2,027,343	-	5,522,984
Inventories	-	176,160	18,452,689
Due from component units	571,935	-	2,273,950
Other current assets	900,000	12,975	761,925
Restricted assets	50,396,796	-	481,490
Total current assets	763,212,103	224,982	187,009,371
Noncurrent assets:			
Investments	6,599,254	-	19,941,364
Time certificates of deposit	405,797	-	-
Indefeasible right of use	-	-	6,324,485
Capital assets:			
Nondepreciable capital assets	35,570,574	-	19,682,217
Capital assets, net of accumulated depreciation	282,462,420	201,631	162,891,912
Other noncurrent assets	14,317,635	-	6,943,324
Due from component units, net of current	-	-	2,214,651
Restricted assets:			
Cash and cash equivalents	-	-	822,190
Investments	107,112,276	-	-
Total noncurrent assets	446,467,956	201,631	218,820,143
Total assets	\$ 1,209,680,059	\$ 426,613	\$ 405,829,514
LIABILITIES			
Current liabilities:			
Current portion of long-term obligations	\$ 3,920,886	\$ -	\$ 4,506,503
Short-term notes	146,676	-	301,536
Accounts payable	10,858,405	11,263	10,430,696
Land acquisition payable	8,543,745	-	-
Current portion of compensated absences payable	1,392,024	-	-
Other liabilities and accruals	18,864,263	61,143	14,272,044
Tax refunds payable	232	-	-
Due to FSM State Governments	7,473,276	-	-
Due to primary government	-	-	6,318,540
Unearned revenue	37,934,779	-	3,467,746
Total current liabilities	89,134,286	72,406	39,297,065
Noncurrent liabilities:			
Long-term obligations, net of current portion	58,265,678	-	46,607,424
Other noncurrent liabilities	860,576	-	-
Compensated absences payable, net of current portion	2,084,423	-	-
Total noncurrent liabilities	61,210,677	-	46,607,424
Total liabilities	150,344,963	72,406	85,904,489
NET POSITION			
Net investment in capital assets	316,688,258	201,631	151,183,964
Restricted for:			
Nonexpendable:			
Future operations	97,383,768	-	-
Other purposes	-	-	10,970,906
Expendable:			
Compact related	11,038,500	-	-
Debt service	9,677,287	-	-
Other purposes	12,213,081	-	-
Unrestricted	612,334,202	152,576	157,770,155
Total net position	1,059,335,096	354,207	319,925,025
Total liabilities and net position	\$ 1,209,680,059	\$ 426,613	\$ 405,829,514

FEDERATED STATES OF MICRONESIA

Combined Statement of Activities
Year Ended September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments	Business-type Activities	Component Units
Primary governments:							
Governmental activities:							
President's office	\$ 6,377,756	\$ -	\$ -	\$ -	\$ (6,377,756)	\$ -	\$ -
External affairs and LNOs	11,951,637	-	800,853	-	(11,150,784)	-	-
Health and social affairs	40,960,382	1,409,908	37,406,771	-	(2,143,703)	-	-
Education	46,012,271	-	37,393,306	-	(8,618,965)	-	-
Economic development (Resources and development)	5,139,911	-	1,076,528	-	(4,063,383)	-	-
Transportation, communication and infrastructure	24,259,732	1,695,625	8,687,848	-	(13,876,259)	-	-
Finance and general governmental administration	60,879,057	4,134,259	39,569,773	-	(17,175,025)	-	-
Justice	11,476,380	1,492,298	-	-	(9,984,082)	-	-
Office of the Public Defender	666,262	-	-	-	(666,262)	-	-
Environmental and emergency management	3,557,559	-	2,297,071	-	(1,260,488)	-	-
National archives, cultural and preservation	617,859	-	146,502	-	(471,357)	-	-
Judiciary	2,463,052	-	-	-	(2,463,052)	-	-
Legislature	8,751,986	-	-	-	(8,751,986)	-	-
Office of the National Public Auditor	1,376,167	-	339,494	-	(1,036,673)	-	-
Office of Personnel	263,038	-	-	-	(263,038)	-	-
National government programs	4,697,301	-	-	-	(4,697,301)	-	-
Land and natural resources	607,829	106,564	116,568	-	(384,697)	-	-
Other appropriations	11,784,862	-	1,505,514	224,692	(10,054,656)	-	-
Payments to component units and fiduciary funds	6,400,012	-	-	-	(6,400,012)	-	-
Boards, commissions, councils and other	11,463,951	3,207,315	1,520,304	-	(6,736,332)	-	-
Special programs	562,125	-	-	-	(562,125)	-	-
Municipal affairs	3,370,538	-	-	-	(3,370,538)	-	-
Capital projects	4,866,923	-	-	4,506,300	(360,623)	-	-
Interest - unallocated	1,267,829	-	-	-	(1,267,829)	-	-
Total governmental activities	269,774,419	12,045,969	130,860,532	4,730,992	(122,136,926)	-	-
Business-type activities:							
Public Transportation System	642,910	440,295	-	-	-	(202,615)	-
Total primary governments	\$ 270,417,329	\$ 12,486,264	\$ 130,860,532	\$ 4,730,992	\$ (122,136,926)	\$ (202,615)	\$ -
Component units:							
FSM Telecommunications Corporation	\$ 16,572,983	\$ 17,244,475	\$ 31,000	\$ -	-	-	702,492
FSM Development Bank	1,806,242	110,990	3,000,000	-	-	-	1,304,748
National Fisheries Corporation	884,696	1,699,231	-	-	-	-	814,535
College of Micronesia - FSM	22,832,374	23,510,214	285,000	-	-	-	962,840
FSM Petroleum Corporation	47,997,633	51,383,861	-	-	-	-	3,386,228
Vital Energy, Inc.	15,842,605	16,596,637	-	-	-	-	754,032
Caroline Islands Air, Inc.	927,177	647,024	93,607	-	-	-	(186,546)
FSMNG Employees' Health Insurance Plan	4,221,023	6,985,827	1,080,336	-	-	-	3,845,140
FSM Telecommunications Cable Corporation	3,275,808	782,736	500,000	-	-	-	(1,993,072)
Telecommunication Regulation Authority	631,808	288,483	424,836	-	-	-	81,511
Chuuk State Health Care Plan	602,649	1,741,104	-	-	-	-	1,138,455
Chuuk Public Utility Corporation	6,660,563	6,751,255	-	2,321,148	-	-	2,411,840
Chuuk State Housing Authority	368,515	32,513	-	-	-	-	(336,002)
Kosrae Port Authority	1,065,833	520,258	-	-	-	-	(545,575)
Kosrae Utilities Authority	2,658,592	2,583,489	-	-	-	-	(75,103)
Kosrae State Housing Authority	196,325	142,841	-	-	-	-	(53,484)
Pohnpei Utilities Corporation	15,403,366	14,624,633	-	3,113,390	-	-	2,334,657
Pohnpei Port Authority	2,664,111	2,377,178	-	-	-	-	(286,933)
Pohnpei Transportation Authority	2,022,600	2,145,495	-	105,454	-	-	228,349
Small Business Guarantee and Finance Corporation	169,314	139,706	-	-	-	-	(29,608)
Pohnpei State Housing Authority	189,070	260,789	-	-	-	-	71,719
Yap Visitor's Bureau	469,625	-	442,817	-	-	-	(12,017)
Yap State Public Service Corporation	5,589,941	5,548,914	-	35,250	-	-	(5,777)
The Diving Seagull, Inc.	7,356,474	8,329,907	-	-	-	-	973,433
Total component units	\$ 160,409,327	\$ 164,447,560	\$ 5,857,596	\$ 5,590,033	-	-	15,485,862
General revenues:							
Taxes	-	-	-	-	60,296,340	-	-
Fishing rights	-	-	-	-	68,997,647	-	-
Unrestricted investment earnings	-	-	-	-	68,317,504	-	3,169,915
Other	-	-	-	-	3,190,827	30,000	9,087,022
Total general revenues	-	-	-	-	200,802,318	30,000	12,256,937
Special item - loss on SDR foreign exchange	-	-	-	-	(281,657)	-	-
Special item - loss from defaulted housing loans	-	-	-	-	(55,084)	-	-
Special item - loss from impairment of investment	-	-	-	-	(44,645)	-	-
Special item - noncash increase of loan receivable	-	-	-	-	180,060	-	-
Special item - write-off of receivable balances	-	-	-	-	(6,780,110)	-	-
Contributions to permanent funds	-	-	-	-	30,183,456	-	-
Total general revenues, contributions and special items	-	-	-	-	224,004,338	30,000	12,256,937
Change in net position	-	-	-	-	101,867,412	(172,615)	27,742,799
Net position at beginning of year	-	-	-	-	957,467,684	526,822	292,182,226
Net position at end of year	-	-	-	-	\$ 1,059,335,096	\$ 354,207	\$ 319,925,025

FEDERATED STATES OF MICRONESIA

Combined Balance Sheet
Governmental Funds
September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

		Special Revenue	Permanent			
	General	Grants Assistance	Compact Trust	Yap State Investment Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 78,979,636	\$ -	\$ -	\$ -	\$ 21,219	\$ 79,000,855
Time certificates of deposit	2,995,435	-	-	-	-	2,995,435
Equity in internal investment pool	475,716,778	-	-	-	-	475,716,778
Investments	14,441,134	-	-	-	492,385	14,933,519
Receivables, net:						
General	1,780,823	3,045,059	-	-	1,524	4,827,406
Taxes	9,422,991	-	-	-	-	9,422,991
Federal agencies	-	1,259,044	-	-	-	1,259,044
Loans	36,209,203	-	-	-	-	36,209,203
FSM National Government	617,194	6,221,031	-	-	285,330	7,123,555
Other	261,370	1,168	-	-	-	262,538
Due from other funds	5,691,118	47,196,277	-	-	14,605,411	67,492,806
Due from component units	571,935	-	-	-	-	571,935
Advances	1,822,997	1,420,789	-	-	35,644	3,279,430
Other assets	15,024,635	100,000	-	-	93,000	15,217,635
Restricted assets:						
Cash and cash equivalents	45,410,075	4,944,280	-	-	42,441	50,396,796
Time certificates of deposit	43,436	-	-	-	362,361	405,797
Investments	9,677,287	-	97,434,989	78,692,000	-	185,804,276
Total assets	\$ 698,666,047	\$ 64,187,648	\$ 97,434,989	\$ 78,692,000	\$ 15,939,315	\$ 954,919,999
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 5,876,414	\$ 4,156,998	\$ -	\$ -	\$ 971,669	\$ 11,005,081
Other liabilities and accruals	17,784,931	1,047,336	-	-	31,996	18,864,263
Tax refunds payable	232	-	-	-	-	232
Land acquisition payable	8,543,745	-	-	-	-	8,543,745
Due to FSM State Governments	3,339,277	4,133,999	-	-	-	7,473,276
Due to other funds	61,801,688	5,639,897	51,221	-	-	67,492,806
Unearned revenue	-	37,717,413	-	-	167,366	37,884,779
Total liabilities	97,346,287	52,695,643	51,221	-	1,171,031	151,264,182
Fund balances:						
Non-spendable	67,436,757	100,000	97,383,768	78,692,000	110,427	243,722,952
Restricted	26,444,263	11,392,005	-	-	1,116,168	38,952,436
Committed	456,792,572	-	-	-	13,541,689	470,334,261
Assigned	8,900,071	-	-	-	-	8,900,071
Unassigned:						
General fund	41,746,097	-	-	-	-	41,746,097
Total fund balances	601,319,760	11,492,005	97,383,768	78,692,000	14,768,284	803,655,817
Total liabilities and fund balances	\$ 698,666,047	\$ 64,187,648	\$ 97,434,989	\$ 78,692,000	\$ 15,939,315	\$ 954,919,999

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	\$ 318,032,994
Loans receivable from FSM State Governments	4,219,872
Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds. The liabilities include:	
Loans payable	(62,186,564)
Compensated absences payable	(3,476,447)
Accrued interest payable and unearned revenue	(450,000)
Claims payable	(460,576)
	<u>255,679,279</u>
Net position of governmental activities	\$ <u>1,059,335,096</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year Ended September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	Special Revenue		Permanent		Other Governmental Funds	Total
	General	Grants Assistance	Compact Trust	Yap State Investment Fund		
Revenues:						
Compact funding	\$ -	\$ 70,556,519	\$ -	\$ -	\$ -	\$ 70,556,519
Taxes	59,258,814	-	-	-	1,037,526	60,296,340
CFSM grants	-	613,319	-	-	2,719,475	3,332,794
Federal and other grants	129,790	61,702,211	-	-	-	61,832,001
Fishing rights	68,997,647	-	-	-	-	68,997,647
Interest and dividends	(1,189,425)	-	-	-	-	(1,189,425)
Fees and charges	3,875,183	-	-	-	7,990,996	11,866,179
Net change in the fair value of investments	69,406,195	-	18,275,237	11,908,219	-	99,589,651
Other	3,105,062	81,712	-	-	104,787	3,291,561
Total revenues	203,583,266	132,953,761	18,275,237	11,908,219	11,852,784	378,573,267
Expenditures:						
General government:						
President's office	6,333,616	-	-	-	-	6,333,616
External affairs and LNOs	11,289,297	-	-	-	-	11,289,297
Health and social affairs	2,049,857	38,619,789	-	-	1,443,515	42,113,161
Education	6,360,438	38,344,942	-	-	281,526	44,986,906
Economic development (Resources and development)	3,813,708	1,202,924	-	-	65,091	5,081,723
Transportation, communication and infrastructure	10,516,772	8,579,314	-	-	119,206	19,215,292
Finance and general governmental administration	20,258,483	36,012,582	-	-	4,175,150	60,446,215
Justice	9,667,886	-	-	-	1,105,528	10,773,414
Office of the Public Defender	674,562	-	-	-	-	674,562
Environmental and emergency management	1,338,703	2,070,356	-	-	-	3,409,059
National archives, cultural and historic preservation	445,481	146,502	-	-	-	591,983
Judiciary	2,456,249	-	-	-	-	2,456,249
Legislature	8,997,810	-	-	-	-	8,997,810
Office of the National Public Auditor	1,039,585	339,494	-	-	-	1,379,079
Office of Personnel	261,799	-	-	-	-	261,799
Special programs	562,125	-	-	-	-	562,125
Land and natural resources	461,097	116,568	-	-	-	577,665
Other appropriations	16,493,262	78,144	-	-	-	16,571,406
Payments to component units and fiduciary funds	6,636,614	-	-	-	-	6,636,614
Municipal affairs	3,370,538	-	-	-	-	3,370,538
Boards, commissions, councils and other	6,023,593	1,846,555	-	-	2,079,330	9,949,478
Capital projects	-	4,839,526	-	-	-	4,839,526
Debt service	5,866,735	-	-	-	-	5,866,735
Total expenditures	124,918,210	132,196,696	-	-	9,269,346	266,384,252
Excess of revenues over expenditures	78,665,056	757,065	18,275,237	11,908,219	2,583,438	112,189,015
Other financing sources (uses):						
Operating transfers in	2,066,598	-	-	-	-	2,066,598
Operating transfers out	-	(83)	-	-	(2,066,515)	(2,066,598)
Total other financing sources (uses), net	2,066,598	(83)	-	-	(2,066,515)	-
Special items:						
Noncash increase in loan receivable from sub-borrowers	180,060	-	-	-	-	180,060
Loss on defaulted housing loans	(55,084)	-	-	-	-	(55,084)
Write-off of receivables	(6,824,755)	-	-	-	-	(6,824,755)
Total special items	(6,699,779)	-	-	-	-	(6,699,779)
Net change in fund balances	74,031,875	756,982	18,275,237	11,908,219	516,923	105,489,236
Fund balances at beginning of year	527,287,885	10,735,023	79,108,531	66,783,781	14,251,361	698,166,581
Fund balances at end of year	\$ 601,319,760	\$ 11,492,005	\$ 97,383,768	\$ 78,692,000	\$ 14,768,284	\$ 803,655,817

FEDERATED STATES OF MICRONESIA

Reconciliation of the Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to
the Combined Statement of Activities
Year Ended September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

Total net change in fund balances - governmental funds		\$105,489,236
<p>Capital outlays are reported as expenditures in governmental funds. However, in the combined statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. For the current year, these amounts consist of:</p>		
Capital outlays, net of disposals	16,094,232	
Depreciation expense	<u>(24,104,318)</u>	(8,010,086)
<p>Governmental funds report advance lease payment as revenue. However, in the statement of net position, such is reported as unearned revenue.</p>		
		50,000
<p>The incurrence of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. For the current year, these amounts consist of:</p>		
Repayment of long-term debt and SDR adjustments	<u>4,251,566</u>	4,251,566
<p>Some expenses reported in the combined statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. For the current year, these consist of:</p>		
Change in compensated absences payable		<u>86,696</u>
Change in net position of governmental activities		<u>\$101,867,412</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Fiduciary Net Position

Fiduciary Funds - Private Purpose Trusts

September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	FSM Social Security <u>Administration</u>	Yap State Development <u>Loan Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,333,928	\$ 125,814	\$ 2,459,742
Time certificates of deposit	-	150,629	150,629
Receivables, net:			
Contributions	3,430,666	-	3,430,666
Other	514,132	2,629	516,761
Investments	57,391,365	-	57,391,365
Capital assets, net of accumulated depreciation	<u>47,420</u>	<u>-</u>	<u>47,420</u>
Total assets	<u>\$ 63,717,511</u>	<u>\$ 279,072</u>	<u>\$ 63,996,583</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 60,183	\$ 21,235	\$ 81,418
Other liabilities and accruals	<u>28,901</u>	<u>-</u>	<u>28,901</u>
Total liabilities	<u>89,084</u>	<u>21,235</u>	<u>110,319</u>
<u>NET POSITION</u>			
Held in trust for:			
Social security benefits	63,628,427	-	63,628,427
Other purposes	<u>-</u>	<u>257,837</u>	<u>257,837</u>
Total net position	<u>63,628,427</u>	<u>257,837</u>	<u>63,886,264</u>
Total liabilities and net position	<u>\$ 63,717,511</u>	<u>\$ 279,072</u>	<u>\$ 63,996,583</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Private Purpose Trusts

Year Ended September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	<u>FSM Social Security Administration</u>	<u>Yap State Development Loan Fund</u>	<u>Total</u>
Additions:			
Contributions	\$ 20,677,055	\$ -	\$ 20,677,055
Total contributions	<u>20,677,055</u>	<u>-</u>	<u>20,677,055</u>
Investment earnings:			
Net change in the fair value of investments	6,617,052	-	6,617,052
Interest and dividends	<u>1,058,151</u>	<u>765</u>	<u>1,058,916</u>
Total investment earnings	7,675,203	765	7,675,968
Less investment expense	<u>(320,187)</u>	<u>-</u>	<u>(320,187)</u>
Net investment earnings	<u>7,355,016</u>	<u>765</u>	<u>7,355,781</u>
Contributions from FSM National Government	1,000,000	-	1,000,000
Other	<u>372,468</u>	<u>-</u>	<u>372,468</u>
Total additions	<u>29,404,539</u>	<u>765</u>	<u>29,405,304</u>
Deductions:			
Benefits	23,063,232	-	23,063,232
Refunds/distribution	20,894	-	20,894
Administrative expenses	<u>1,100,498</u>	<u>-</u>	<u>1,100,498</u>
Total deductions	<u>24,184,624</u>	<u>-</u>	<u>24,184,624</u>
Change in net position	5,219,915	765	5,220,680
Net position at beginning of year	<u>58,408,512</u>	<u>257,072</u>	<u>58,665,584</u>
Net position at end of year	<u>\$ 63,628,427</u>	<u>\$ 257,837</u>	<u>\$ 63,886,264</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Net Position
Component Units
September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

	FSM Tele- Communications Corporation	FSM Development Bank	National Fisheries Corporation	College of Micronesia- FSM	FSM Petroleum Corporation	Vital Energy, Inc.	Caroline Islands Air, Inc.	MiCare Health Insurance Plan	FSM Communications Cable Corporation	Telecommunication Regulation Authority	Chuuk State Health Care Plan	Chuuk Public Utility Corporation	Chuuk State Housing Authority
ASSETS													
Current assets:													
Cash and cash equivalents	\$ 4,226,100	\$ 13,178,567	\$ 1,538,864	\$ 4,085,434	\$ 25,344,940	\$ 3,185,031	\$ 81,354	\$ 2,581,648	\$ 315,681	\$ 226,401	\$ 1,380,978	\$ 1,105,851	\$ 128,254
Time certificates of deposit	279,460	-	-	18	-	401,396	-	-	-	-	100,000	-	-
Investments	2,047,541	16,394,599	1,323,270	3,595,468	3,158,734	-	-	1,825,788	-	-	1,007,834	-	-
Receivables, net:													
General	514,323	-	1,222,396	6,647,155	2,313,432	63,776	-	110,860	1,602,633	65,177	388,172	813,522	-
Loans	-	34,285,850	-	-	-	-	-	-	-	-	-	-	-
Interest	-	318,740	-	-	-	-	-	-	-	-	-	-	-
Other	197,034	-	4,622	172,782	115,320	-	-	-	-	-	-	-	-
Advances	1,891,134	-	-	402,101	1,699,107	69,078	129,968	-	97,894	-	40,000	101,677	-
Inventories	1,219,811	-	39,195	1,230,074	8,183,414	4,768,778	58,610	-	-	-	-	1,230,389	-
Due from component units	-	-	-	-	2,273,950	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	<u>10,375,403</u>	<u>64,177,756</u>	<u>4,128,347</u>	<u>16,133,032</u>	<u>43,088,897</u>	<u>8,488,059</u>	<u>269,932</u>	<u>4,518,296</u>	<u>2,016,208</u>	<u>291,578</u>	<u>2,916,984</u>	<u>3,251,439</u>	<u>128,254</u>
Noncurrent assets:													
Investments	-	6,554,880	-	10,019,802	-	-	-	-	-	-	-	-	-
Indefeasible right of use	2,162,403	-	-	-	-	-	-	-	4,162,082	-	-	-	-
Capital assets:													
Nondepreciable capital assets	2,291,121	7,889	-	1,455,685	9,522,342	-	-	62,585	-	-	-	2,036,457	-
Capital assets, net of accumulated depreciation	25,822,573	1,420,916	227,570	4,919,906	21,797,018	164,362	17,694	47,946	23,300,054	24,330	38,900	21,392,845	12,450
Other noncurrent assets	1,486,555	-	-	-	861,578	121,000	-	-	-	-	176,750	730,788	-
Due from component units, net of current	-	-	-	-	1,988,128	-	-	226,523	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	<u>31,762,652</u>	<u>7,983,685</u>	<u>227,570</u>	<u>16,395,393</u>	<u>34,169,066</u>	<u>285,362</u>	<u>17,694</u>	<u>337,054</u>	<u>27,462,136</u>	<u>24,330</u>	<u>215,650</u>	<u>24,160,090</u>	<u>12,450</u>
Total assets	<u>\$ 42,138,055</u>	<u>\$ 72,161,441</u>	<u>\$ 4,355,917</u>	<u>\$ 32,528,425</u>	<u>\$ 77,257,963</u>	<u>\$ 8,773,421</u>	<u>\$ 287,626</u>	<u>\$ 4,855,350</u>	<u>\$ 29,478,344</u>	<u>\$ 315,908</u>	<u>\$ 3,132,634</u>	<u>\$ 27,411,529</u>	<u>\$ 140,704</u>
LIABILITIES													
Current liabilities:													
Current portion of long-term debt	\$ 1,002,085	\$ 334,001	-	\$ -	\$ 1,415,010	\$ -	\$ -	\$ -	\$ 271,115	\$ -	\$ -	\$ 283,815	\$ -
Short-term notes	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	228,716	41,984	58,342	296,079	5,798,247	76,867	5,949	749,943	421,157	63,306	10,380	50,982	117,138
Other liabilities and accruals	3,989,699	83,951	9,100	1,905,496	3,109,624	914,026	72,332	-	-	6,790	8,940	426,170	76,434
Due to primary government	-	-	-	-	-	2,273,950	-	-	-	-	-	-	-
Unearned revenue	294,685	121,660	-	2,236,752	-	-	-	-	-	-	-	76,379	-
Total current liabilities	<u>5,515,185</u>	<u>581,596</u>	<u>67,442</u>	<u>4,438,327</u>	<u>10,322,881</u>	<u>3,264,843</u>	<u>78,281</u>	<u>749,943</u>	<u>692,272</u>	<u>70,096</u>	<u>19,320</u>	<u>837,346</u>	<u>193,572</u>
Noncurrent liabilities:													
Long-term obligations, net of current portion	8,722,355	3,003,829	-	521,054	8,395,582	2,281,439	-	-	878,885	-	-	3,380,654	-
Total noncurrent liabilities	<u>8,722,355</u>	<u>3,003,829</u>	<u>-</u>	<u>521,054</u>	<u>8,395,582</u>	<u>2,281,439</u>	<u>-</u>	<u>-</u>	<u>878,885</u>	<u>-</u>	<u>-</u>	<u>3,380,654</u>	<u>-</u>
Total liabilities	<u>14,237,540</u>	<u>3,585,425</u>	<u>67,442</u>	<u>4,959,381</u>	<u>18,718,463</u>	<u>5,546,282</u>	<u>78,281</u>	<u>749,943</u>	<u>1,571,157</u>	<u>70,096</u>	<u>19,320</u>	<u>4,218,000</u>	<u>193,572</u>
NET POSITION													
Net investment in capital assets	20,551,657	1,428,805	227,570	6,375,591	23,256,151	164,362	17,694	110,531	27,462,136	24,330	38,900	19,783,469	12,450
Restricted for:													
Nonexpendable	-	-	-	165,000	-	-	-	-	-	-	3,074,414	363,204	-
Unrestricted	7,348,858	67,147,211	4,060,905	21,028,453	35,283,349	3,062,777	191,651	3,994,876	445,051	221,482	-	3,046,856	(65,318)
Total net position	<u>27,900,515</u>	<u>68,576,016</u>	<u>4,288,475</u>	<u>27,569,044</u>	<u>58,539,500</u>	<u>3,227,139</u>	<u>209,345</u>	<u>4,105,407</u>	<u>27,907,187</u>	<u>245,812</u>	<u>3,113,314</u>	<u>23,193,529</u>	<u>(52,868)</u>
Total liabilities and net position	<u>\$ 42,138,055</u>	<u>\$ 72,161,441</u>	<u>\$ 4,355,917</u>	<u>\$ 32,528,425</u>	<u>\$ 77,257,963</u>	<u>\$ 8,773,421</u>	<u>\$ 287,626</u>	<u>\$ 4,855,350</u>	<u>\$ 29,478,344</u>	<u>\$ 315,908</u>	<u>\$ 3,132,634</u>	<u>\$ 27,411,529</u>	<u>\$ 140,704</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Net Position, Continued

Component Units

September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	Kosrae Port Authority	Kosrae Utilities Authority	Kosrae Housing Authority	Pohnpei Utilities Corporation	Pohnpei Port Authority	Pohnpei Transportation Authority	Small Business Guarantee and Finance Corporation	Pohnpei State Housing Authority	Yap Visitor's Bureau	Yap State Public Service Corporation	The Diving Seaquill, Inc.	Total
ASSETS												
Current assets:												
Cash and cash equivalents	\$ 125,050	\$ 997,870	\$ 30,771	\$ 2,826,907	\$ 5,698,815	\$ -	\$ 300	\$ 220,704	\$ 176,066	\$ 933,613	\$ 451,891	\$ 68,841,090
Time certificates of deposit	-	169,645	-	235,176	-	-	-	-	-	-	569,907	1,755,602
Investments	-	984,587	-	-	-	-	-	-	-	-	1,776,681	32,114,502
Receivables, net:												
General	47,183	164,130	16,175	1,768,830	315,717	152,757	63,186	3,328,248	-	838,341	795,185	21,231,198
Loans	-	-	479,593	-	-	-	-	-	-	-	-	34,765,443
Interest	-	-	-	-	-	-	-	-	-	-	-	318,740
Other	-	-	-	-	-	-	-	-	-	-	-	489,758
Advances	27,500	58,887	-	878,589	118,210	4,124	4,585	130	-	-	-	5,522,984
Inventories	-	373,266	-	419,862	-	155,017	-	-	-	466,713	307,560	18,452,689
Due from component units	-	-	-	-	-	-	-	-	-	-	-	2,273,950
Other assets	-	-	-	-	-	-	-	-	-	290,877	471,048	761,925
Restricted assets	-	-	200,000	-	-	-	281,490	-	-	-	-	481,490
Total current assets	<u>199,733</u>	<u>2,748,385</u>	<u>726,539</u>	<u>6,129,364</u>	<u>6,132,742</u>	<u>311,898</u>	<u>349,561</u>	<u>3,549,082</u>	<u>176,066</u>	<u>2,529,544</u>	<u>4,372,272</u>	<u>187,009,371</u>
Noncurrent assets:												
Investments	-	-	-	3,075,460	291,222	-	-	-	-	-	-	19,941,364
Indefeasible right of use	-	-	-	-	-	-	-	-	-	-	-	6,324,485
Capital assets:												
Nondepreciable capital assets	-	75,524	-	1,413,943	2,776,034	-	-	-	-	40,637	-	19,682,217
Capital assets, net of accumulated depreciation	13,324,216	1,670,959	62,005	26,134,111	3,495,007	2,467,407	44,685	36,859	17,010	14,689,116	1,763,973	162,891,912
Other noncurrent assets	-	252,800	-	-	-	-	1,647,699	-	-	1,415,252	250,902	6,943,324
Due from component units, net of current	-	-	-	-	-	-	-	-	-	-	-	2,214,651
Restricted cash and cash equivalents	-	-	-	817,869	-	-	-	-	-	-	4,321	822,190
Total noncurrent assets	<u>13,324,216</u>	<u>1,999,283</u>	<u>62,005</u>	<u>31,441,383</u>	<u>6,562,263</u>	<u>2,467,407</u>	<u>1,692,384</u>	<u>36,859</u>	<u>17,010</u>	<u>16,145,005</u>	<u>2,019,196</u>	<u>218,820,143</u>
Total assets	<u>\$ 13,523,949</u>	<u>\$ 4,747,668</u>	<u>\$ 788,544</u>	<u>\$ 37,570,747</u>	<u>\$ 12,695,005</u>	<u>\$ 2,779,305</u>	<u>\$ 2,041,945</u>	<u>\$ 3,585,941</u>	<u>\$ 193,076</u>	<u>\$ 18,674,549</u>	<u>\$ 6,391,468</u>	<u>\$ 405,829,514</u>
LIABILITIES												
Current liabilities:												
Current portion of long-term debt	\$ -	\$ -	\$ 91,987	\$ 492,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,605	\$ 118,943	\$ 4,506,503
Short term notes	-	-	-	301,536	-	-	-	-	-	-	-	301,536
Accounts payable	2,441	179,396	44,068	1,321,303	22,339	66,495	17,370	19,745	-	361,745	476,704	10,430,696
Other liabilities and accruals	17,796	60,632	22,396	720,004	277,806	47,702	6,158	-	5,387	502,297	2,009,304	14,272,044
Due to primary government	72,174	-	23,780	3,842,729	-	-	-	105,907	-	-	-	6,318,540
Unearned revenue	-	33,985	-	586,849	-	3,174	33,088	-	-	81,174	-	3,467,746
Total current liabilities	<u>92,411</u>	<u>274,013</u>	<u>182,231</u>	<u>7,265,363</u>	<u>300,145</u>	<u>117,371</u>	<u>56,616</u>	<u>125,652</u>	<u>5,387</u>	<u>1,441,821</u>	<u>2,604,951</u>	<u>39,297,065</u>
Noncurrent liabilities:												
Long-term obligation, net of current portion	-	-	59,941	6,517,311	-	1,674,860	-	-	-	8,861,876	2,309,638	46,607,424
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>59,941</u>	<u>6,517,311</u>	<u>-</u>	<u>1,674,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,861,876</u>	<u>2,309,638</u>	<u>46,607,424</u>
Total liabilities	<u>92,411</u>	<u>274,013</u>	<u>242,172</u>	<u>13,782,674</u>	<u>300,145</u>	<u>1,792,231</u>	<u>56,616</u>	<u>125,652</u>	<u>5,387</u>	<u>10,303,697</u>	<u>4,914,589</u>	<u>85,904,489</u>
NET POSITION												
Net investment in capital assets	13,324,216	1,746,483	62,005	20,537,801	6,271,041	2,467,407	44,685	36,859	17,010	5,371,272	1,851,539	151,183,964
Restricted for:												
Nonexpendable	-	90,000	-	1,704,781	-	216,567	1,929,189	3,423,430	-	-	4,321	10,970,906
Unrestricted	<u>107,322</u>	<u>2,637,172</u>	<u>484,367</u>	<u>1,545,491</u>	<u>6,123,819</u>	<u>(1,696,900)</u>	<u>11,455</u>	<u>-</u>	<u>170,679</u>	<u>2,999,580</u>	<u>(378,981)</u>	<u>157,770,155</u>
Total net position	<u>13,431,538</u>	<u>4,473,655</u>	<u>546,372</u>	<u>23,788,073</u>	<u>12,394,860</u>	<u>987,074</u>	<u>1,985,329</u>	<u>3,460,289</u>	<u>187,689</u>	<u>8,370,852</u>	<u>1,476,879</u>	<u>319,925,025</u>
Total liabilities and net position	<u>\$ 13,523,949</u>	<u>\$ 4,747,668</u>	<u>\$ 788,544</u>	<u>\$ 37,570,747</u>	<u>\$ 12,695,005</u>	<u>\$ 2,779,305</u>	<u>\$ 2,041,945</u>	<u>\$ 3,585,941</u>	<u>\$ 193,076</u>	<u>\$ 18,674,549</u>	<u>\$ 6,391,468</u>	<u>\$ 405,829,514</u>

FEDERATED STATES OF MICRONESIA

Combined Statement of Revenues, Expenses, and Changes in Net Position
Component Units
Year Ended September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

	FSM Tele- Communications Corporation	FSM Development Bank	National Fisheries Corporation	College of Micronesia- FSM	FSM Petroleum Corporation	Vital Energy Inc.	Caroline Islands Air, Inc.	MiCare Health Insurance Plan	FSM Communications Cable Corporation	Telecommunication Regulation Authority	Chuuk State Health Care Plan	Chuuk Public Utility Corporation	Chuuk State Housing Authority
Operating revenues:													
Charges for services	\$ 17,244,475	\$ -	\$ 888,100	\$ 23,219,748	\$ 50,949,168	\$ 16,596,637	\$ 647,024	\$ 6,983,846	\$ 782,736	\$ -	\$ 1,708,624	\$ 6,714,365	\$ 32,513
Other	-	110,990	811,131	290,466	434,693	-	-	1,981	-	288,483	32,480	36,890	-
Total operating revenues	17,244,475	110,990	1,699,231	23,510,214	51,383,861	16,596,637	647,024	6,985,827	782,736	288,483	1,741,104	6,751,255	32,513
Operating expenses:													
Cost of services	2,116,600	-	-	-	32,402,245	13,121,316	804,873	3,736,651	-	-	317,084	2,974,611	-
Depreciation	4,111,250	153,399	29,242	956,338	3,226,431	82,162	-	18,811	1,278,327	10,982	15,002	1,339,549	-
Administrative costs	10,345,133	1,652,843	855,454	21,876,036	12,368,957	2,639,127	122,304	465,561	1,997,481	620,826	270,563	2,346,403	368,515
Total operating expenses	16,572,983	1,806,242	884,696	22,832,374	47,997,633	15,842,605	927,177	4,221,023	3,275,808	631,808	602,649	6,660,563	368,515
Operating income (loss)	671,492	(1,695,252)	814,535	677,840	3,386,228	754,032	(280,153)	2,764,804	(2,493,072)	(343,325)	1,138,455	90,692	(336,002)
Nonoperating revenues (expenses):													
Net change in the fair value of investments	304,344	-	206,799	1,809,983	383,699	-	-	(4,780)	-	-	-	-	-
Interest income	(384,427)	1,858,623	-	-	(373,432)	(684,410)	-	-	125	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions from primary government	31,000	3,000,000	-	285,000	-	-	93,607	1,080,336	500,000	424,836	-	-	-
Contributions from other governments	-	-	-	-	-	-	-	-	-	-	-	198,530	-
Other income (expense)	8,209,255	855	(191,287)	-	653,384	425	175,000	931	812,678	-	40,222	(95,914)	-
Total nonoperating revenues (expenses), net	8,160,172	4,859,478	15,512	2,094,983	663,651	(683,985)	268,607	1,076,487	1,312,803	424,836	40,222	102,616	-
Capital contributions	-	-	-	-	-	-	-	-	-	-	-	2,321,148	-
Change in net position	8,831,664	3,164,226	830,047	2,772,823	4,049,879	70,047	(11,546)	3,841,291	(1,180,269)	81,511	1,178,677	2,514,456	(336,002)
Net position at beginning of year	19,068,851	65,411,790	3,458,428	24,796,221	54,489,621	3,157,092	220,891	264,116	29,087,456	164,301	1,934,637	20,679,073	283,134
Net position at end of year	\$ 27,900,515	\$ 68,576,016	\$ 4,288,475	\$ 27,569,044	\$ 58,539,500	\$ 3,227,139	\$ 209,345	\$ 4,105,407	\$ 27,907,187	\$ 245,812	\$ 3,113,314	\$ 23,193,529	\$ (52,868)

FEDERATED STATES OF MICRONESIA

Combined Statement of Revenues, Expenses, and Changes in Net Position, Continued
 Component Units
 Year Ended September 30, 2021
 (See Accompanying Independent Accountants' Compilation Report)

	Kosrae Port Authority	Kosrae Utilities Authority	Kosrae Housing Authority	Pohnpei Utilities Corporation	Pohnpei Port Authority	Pohnpei Transportation Authority	Small Business Guarantee and Finance Corporation	Pohnpei State Housing Authority	Yap Visitor's Bureau	Yap State Public Service Corporation	The Diving Seagull, Inc.	Total
Operating revenues:												
Charges for services	\$ 520,258	\$ 2,583,489	\$ 142,841	\$ 14,624,633	\$ 2,377,178	\$ 2,145,495	\$ 139,706	\$ 260,789	\$ -	\$ 5,548,914	\$ 8,329,907	\$ 162,440,446
Other	-	-	-	-	-	-	-	-	-	-	-	2,007,114
Total operating revenues	520,258	2,583,489	142,841	14,624,633	2,377,178	2,145,495	139,706	260,789	-	5,548,914	8,329,907	164,447,560
Operating expenses:												
Cost of services	-	2,154,419	-	11,421,308	-	-	-	-	-	2,154,257	7,196,279	78,399,643
Depreciation	702,827	395,238	14,000	2,027,833	378,257	343,883	15,656	10,901	14,219	1,065,544	5,055	16,194,906
Administrative costs	363,006	108,935	182,325	1,954,225	2,285,854	1,678,717	153,658	178,169	455,406	2,370,140	155,140	65,814,778
Total operating expenses	1,065,833	2,658,592	196,325	15,403,366	2,664,111	2,022,600	169,314	189,070	469,625	5,589,941	7,356,474	160,409,327
Operating income (loss)	(545,575)	(75,103)	(53,484)	(778,733)	(286,933)	122,895	(29,608)	71,719	(469,625)	(41,027)	973,433	4,038,233
Nonoperating revenues (expenses):												
Net change in the fair value of investments	-	143,275	-	-	-	-	-	-	-	-	-	2,843,320
Interest income	-	-	-	-	-	-	-	-	-	102,328	-	518,807
Interest expense	-	(2,770)	(18,236)	(195,632)	14,327	-	2,255	-	-	33,617	246,342	79,903
Contributions from primary government	-	-	-	282,423	64,472	-	141,598	150,295	-	-	-	6,053,567
Contributions from other governments	-	28,097	212,995	-	-	-	-	-	457,608	-	-	897,230
Other income (expense)	-	-	-	121,781	-	-	602	21,470	-	(1,891,029)	(121,876)	7,736,497
Total nonoperating revenues (expenses), net	-	168,602	194,759	208,572	78,799	-	144,455	171,765	457,608	(1,755,084)	124,466	18,129,324
Capital contributions	-	-	-	3,113,390	-	105,454	-	-	-	35,250	-	5,575,242
Change in net position	(545,575)	93,499	141,275	2,543,229	(208,134)	228,349	114,847	243,484	(12,017)	(1,760,861)	1,097,899	27,742,799
Net position at beginning of year	13,977,113	4,380,156	405,097	21,244,844	12,602,994	758,725	1,870,482	3,216,805	199,706	10,131,713	378,980	292,182,226
Net position at the end of the year	\$ 13,431,538	\$ 4,473,655	\$ 546,372	\$ 23,788,073	\$ 12,394,860	\$ 987,074	\$ 1,985,329	\$ 3,460,289	\$ 187,689	\$ 8,370,852	\$ 1,476,879	\$ 319,925,025

FEDERATED STATES OF MICRONESIA

OTHER SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

FEDERATED STATES OF MICRONESIA

Governmental Funds Balance Sheet

Combining General Funds

September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	FSM National Government	State of Chuuk	State of Kosrae	State of Pohnpei	State of Yap	Total
ASSETS						
Cash and cash equivalents	\$ 64,767,614	\$ 4,650,286	\$ 847,053	\$ 7,194,569	\$ 1,520,114	\$ 78,979,636
Time certificates of deposit	2,995,435	-	-	-	-	2,995,435
Equity in internal investment pool	459,535,817	34,856	-	-	16,146,105	475,716,778
Investments	7,018,108	812,100	1,448,604	5,162,322	-	14,441,134
Receivables, net:						
General	10,879	1,735,020	28,214	6,710	-	1,780,823
Taxes	6,402,691	-	368,712	2,651,588	-	9,422,991
Loans	36,209,203	-	-	-	-	36,209,203
Due from FSM National Government	-	-	-	-	617,194	617,194
Due from federal agencies	-	-	-	-	-	-
Other	12,997	-	-	202,345	46,028	261,370
Due from other funds	1,543,099	897,318	308,112	2,512,711	429,878	5,691,118
Due from component units	571,935	-	-	-	-	571,935
Advances	1,252,087	214,980	-	258,935	96,995	1,822,997
Other assets	8,427,442	625,000	707,000	1,300,000	3,965,193	15,024,635
Restricted assets:						
Cash and cash equivalents	25,773,467	7,954,416	732,251	6,772,409	4,177,532	45,410,075
Time certificate of deposit	-	-	43,436	-	-	43,436
Investments	-	3,360,709	140,696	5,557,242	618,640	9,677,287
Total assets	<u>\$ 614,520,774</u>	<u>\$ 20,284,685</u>	<u>\$ 4,624,078</u>	<u>\$ 31,618,831</u>	<u>\$ 27,617,679</u>	<u>\$ 698,666,047</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ 3,344,283	\$ 812,306	\$ 150,269	\$ 950,645	\$ 618,911	\$ 5,876,414
Other liabilities and accruals	16,754,286	436,769	249,505	177,704	166,667	17,784,931
Tax refunds payable	232	-	-	-	-	232
Land acquisition payable	-	8,543,745	-	-	-	8,543,745
Due to FSM State Governments	3,339,277	-	-	-	-	3,339,277
Unearned revenue	-	-	-	-	-	-
Due to other funds	<u>32,490,498</u>	<u>10,429,496</u>	<u>2,323,238</u>	<u>11,120,489</u>	<u>5,437,967</u>	<u>61,801,688</u>
Total liabilities	<u>55,928,576</u>	<u>20,222,316</u>	<u>2,723,012</u>	<u>12,248,838</u>	<u>6,223,545</u>	<u>97,346,287</u>
Fund balances (deficit):						
Non-spendable	53,541,170	1,652,080	2,155,604	3,128,840	6,959,063	67,436,757
Restricted	2,040,151	11,315,125	140,696	12,329,651	618,640	26,444,263
Committed	455,729,725	-	-	414,074	648,773	456,792,572
Assigned	6,048,048	-	-	319,862	2,532,161	8,900,071
Unassigned:						
General fund	<u>41,233,104</u>	<u>(12,904,836)</u>	<u>(395,234)</u>	<u>3,177,566</u>	<u>10,635,497</u>	<u>41,746,097</u>
Total fund balances (deficit)	<u>558,592,198</u>	<u>62,369</u>	<u>1,901,066</u>	<u>19,369,993</u>	<u>21,394,134</u>	<u>601,319,760</u>
Total liabilities and fund balances (deficit)	<u>\$ 614,520,774</u>	<u>\$ 20,284,685</u>	<u>\$ 4,624,078</u>	<u>\$ 31,618,831</u>	<u>\$ 27,617,679</u>	<u>\$ 698,666,047</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Balance Sheet
Combining Grants Assistance Funds
September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	<u>FSM National Government</u>	<u>State of Chuuk</u>	<u>State of Kosrae</u>	<u>State of Pohnpei</u>	<u>State of Yap</u>	<u>Total</u>
<u>ASSETS</u>						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net:						
General	1,879,088	1,165,971	-	-	-	3,045,059
Federal agencies	565,511	-	55,582	472,247	165,704	1,259,044
FSM National Government	-	-	616,421	2,559,248	3,045,362	6,221,031
Other	-	-	-	568	600	1,168
Due from other funds	28,646,864	10,111,574	1,045,154	2,997,876	4,394,809	47,196,277
Advances	-	69,808	790,371	433,143	127,467	1,420,789
Other assets	-	-	100,000	-	-	100,000
Restricted assets:						
Cash and cash equivalents	<u>4,936,580</u>	<u>-</u>	<u>-</u>	<u>7,700</u>	<u>-</u>	<u>4,944,280</u>
Total assets	<u>\$ 36,028,043</u>	<u>\$ 11,347,353</u>	<u>\$ 2,607,528</u>	<u>\$ 6,470,782</u>	<u>\$ 7,733,942</u>	<u>\$ 64,187,648</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 1,492,962	\$ 503,004	\$ 212,541	\$ 1,175,224	\$ 773,267	\$ 4,156,998
Other liabilities and accruals	114,089	212,792	227,865	150,767	341,823	1,047,336
Due to FSM State Governments	4,133,999	-	-	-	-	4,133,999
Due to other funds	1,543,099	897,318	308,112	2,512,711	378,657	5,639,897
Unearned revenue	<u>21,760,967</u>	<u>7,545,790</u>	<u>1,797,024</u>	<u>2,520,426</u>	<u>4,093,206</u>	<u>37,717,413</u>
Total liabilities	<u>29,045,116</u>	<u>9,158,904</u>	<u>2,545,542</u>	<u>6,359,128</u>	<u>5,586,953</u>	<u>52,695,643</u>
Fund balances:						
Non-spendable	-	-	100,000	-	-	100,000
Restricted	6,982,927	2,188,449	(38,014)	111,654	2,146,989	11,392,005
Unassigned:						
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,982,927</u>	<u>2,188,449</u>	<u>61,986</u>	<u>111,654</u>	<u>2,146,989</u>	<u>11,492,005</u>
Total liabilities and fund balances	<u>\$ 36,028,043</u>	<u>\$ 11,347,353</u>	<u>\$ 2,607,528</u>	<u>\$ 6,470,782</u>	<u>\$ 7,733,942</u>	<u>\$ 64,187,648</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Balance Sheet

Combining Compact Trust Funds

September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	<u>FSM National Government</u>	<u>State of Chuuk</u>	<u>State of Kosrae</u>	<u>State of Pohnpei</u>	<u>State of Yap</u>	<u>Total</u>
<u>ASSETS</u>						
Restricted assets:						
Investments	<u>\$ 27,419,143</u>	<u>\$ 21,109,321</u>	<u>\$ 7,406,227</u>	<u>\$ 24,099,408</u>	<u>\$ 17,400,890</u>	<u>\$ 97,434,989</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,221</u>	<u>51,221</u>
<u>FUND BALANCES</u>						
Fund balances:						
Non-spendable	<u>\$ 27,419,143</u>	<u>\$ 21,109,321</u>	<u>\$ 7,406,227</u>	<u>\$ 24,099,408</u>	<u>\$ 17,349,669</u>	<u>\$ 97,383,768</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Balance Sheet
Combining Other Governmental Funds
September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	<u>Government</u>	<u>Chuuk</u>	<u>Kosrae</u>	<u>Pohnpei</u>	<u>Yap</u>	<u>Total</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 21,219	\$ 21,219
Investment	-	-	-	-	492,385	492,385
Receivables, net:						
General	763	761	-	-	-	1,524
FSM National government	-	-	-	-	285,330	285,330
Due from other funds	3,843,634	317,922	1,278,084	8,122,613	1,043,158	14,605,411
Advances	-	-	7,910	27,734	-	35,644
Other assets	-	-	93,000	-	-	93,000
Restricted assets:						
Cash and cash equivalents	-	-	42,441	-	-	42,441
Time certificates of deposit	-	-	362,361	-	-	362,361
 Total assets	 <u>\$ 3,844,397</u>	 <u>\$ 318,683</u>	 <u>\$ 1,783,796</u>	 <u>\$ 8,150,347</u>	 <u>\$ 1,842,092</u>	 <u>\$ 15,939,315</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 31,946	\$ 4,532	\$ 49,789	\$ 492,779	\$ 392,623	\$ 971,669
Other liabilities and accruals	11,986	-	580	1,645	17,785	31,996
Unearned revenue	-	-	-	-	167,366	167,366
 Total liabilities	 <u>43,932</u>	 <u>4,532</u>	 <u>50,369</u>	 <u>494,424</u>	 <u>577,774</u>	 <u>1,171,031</u>
Fund balances:						
Non-spendable	-	-	93,000	17,427	-	110,427
Restricted	-	314,151	452,083	-	349,934	1,116,168
Committed	3,800,465	-	1,188,344	7,638,496	914,384	13,541,689
 Total fund balances	 <u>3,800,465</u>	 <u>314,151</u>	 <u>1,733,427</u>	 <u>7,655,923</u>	 <u>1,264,318</u>	 <u>14,768,284</u>
 Total liabilities and fund balances	 <u>\$ 3,844,397</u>	 <u>\$ 318,683</u>	 <u>\$ 1,783,796</u>	 <u>\$ 8,150,347</u>	 <u>\$ 1,842,092</u>	 <u>\$ 15,939,315</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) Combining General Funds Year Ended September 30, 2021 (See Accompanying Independent Accountants' Compilation Report)

	FSM National Government	State of Chuuk	State of Kosrae	State of Pohnpei	State of Yap	Total
Revenues:						
Taxes	\$ 23,958,320	\$ 10,558,699	\$ 2,418,479	\$ 16,828,290	\$ 5,495,026	\$ 59,258,814
Fishing rights	68,997,647	-	-	-	-	68,997,647
Interest and dividends	(1,189,665)	-	240	-	-	(1,189,425)
Fees and charges	307,361	1,795,277	443,574	237,897	1,091,074	3,875,183
Net change in the fair value of investments	64,836,907	603,917	145,753	1,733,258	2,086,360	69,406,195
Federal contribution and other grants	-	-	-	129,790	-	129,790
Other	1,850,715	1,142,182	47,062	(60,431)	125,534	3,105,062
Total revenues	158,761,285	14,100,075	3,055,108	18,868,804	8,797,994	203,583,266
Expenditures:						
General government:						
President's office	6,333,616	-	-	-	-	6,333,616
External affairs and LNOs	11,289,297	-	-	-	-	11,289,297
Health and social affairs	1,455,334	128,825	-	329,595	136,103	2,049,857
Education	5,266,399	-	-	823,614	270,425	6,360,438
Economic development (Resources & development)	1,942,951	521,528	316,840	589,208	443,181	3,813,708
Transportation, communication and infrastructure	7,596,895	1,026,957	187,806	399,545	1,305,569	10,516,772
Finance and general governmental administration	8,288,078	4,600,418	1,055,592	5,033,994	1,280,401	20,258,483
Justice	5,437,349	1,141,563	355,601	2,180,313	553,060	9,667,886
Office of the Public Defender	674,562	-	-	-	-	674,562
Environmental and emergency management	1,338,703	-	-	-	-	1,338,703
National archives, cultural and historic preservation	206,269	-	-	-	239,212	445,481
Judiciary	1,800,744	473,262	-	-	182,243	2,456,249
Legislature	8,997,810	-	-	-	-	8,997,810
Office of the National Public Auditor	1,039,585	-	-	-	-	1,039,585
Office of Personnel	261,799	-	-	-	-	261,799
Special programs	562,125	-	-	-	-	562,125
Land and natural resources	-	-	-	461,097	-	461,097
Other appropriations	16,020,116	-	-	-	473,146	16,493,262
Payments to component units and fiduciary fund	6,222,143	74,250	-	236,602	103,619	6,636,614
Municipal affairs	-	418,800	-	2,951,738	-	3,370,538
Boards, commissions, councils and other	3,028,983	1,208,454	254,382	1,094,299	437,475	6,023,593
Debt service	3,892,089	1,006,432	367,021	256,835	344,358	5,866,735
Total expenditures	91,654,847	10,600,489	2,537,242	14,356,840	5,768,792	124,918,210
Excess of revenues over expenditures	67,106,438	3,499,586	517,866	4,511,964	3,029,202	78,665,056
Other financing sources (uses):						
Operating transfers in (out)	2,065,020	-	1,578	-	-	2,066,598
Total other financing sources (uses), net	2,065,020	-	1,578	-	-	2,066,598
Special items:						
Noncash increase in loan receivable from sub-borrowers	180,060	-	-	-	-	180,060
Defaulted housing loan receivables	-	-	-	(55,084)	-	(55,084)
Write-off of receivables	(5,775,689)	-	(1,004,421)	-	(44,645)	(6,824,755)
Total special items	(5,595,629)	-	(1,004,421)	(55,084)	(44,645)	(6,699,779)
Net change in fund balances (deficit)	63,575,829	3,499,586	(484,977)	4,456,880	2,984,557	74,031,875
Fund balances (deficit) at beginning of year	495,016,369	(3,437,217)	2,386,043	14,913,113	18,409,577	527,287,885
Fund balances (deficit) at end of year	\$ 558,592,198	\$ 62,369	\$ 1,901,066	\$ 19,369,993	\$ 21,394,134	\$ 601,319,760

FEDERATED STATES OF MICRONESIA

Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances
Combining Grants Assistance Funds
Year Ended September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

	FSM National Government	State of Chuuk	State of Kosrae	State of Pohnpei	State of Yap	Total
Revenues:						
Compact funding	\$ 2,776,241	\$ 26,418,168	\$ 8,043,441	\$ 20,290,853	\$ 13,027,816	\$ 70,556,519
CFSM grants	-	-	-	480,486	132,833	613,319
Federal and other grants	50,178,757	2,212,219	1,371,592	5,212,003	2,727,640	61,702,211
Fees and charges	-	-	-	-	-	-
Other	<u>(1,650)</u>	<u>-</u>	<u>37,700</u>	<u>-</u>	<u>45,662</u>	<u>81,712</u>
Total revenues	<u>52,953,348</u>	<u>28,630,387</u>	<u>9,452,733</u>	<u>25,983,342</u>	<u>15,933,951</u>	<u>132,953,761</u>
Expenditures:						
General government:						
Education	1,553,967	14,356,920	4,471,875	11,746,644	6,215,536	38,344,942
Health and social affairs	7,939,021	11,446,674	3,940,646	8,114,062	7,179,386	38,619,789
Finance and general governmental administration	30,354,450	1,256,939	828,142	3,131,712	441,339	36,012,582
Transportation, communication and infrastructure	6,738,321	-	-	-	1,840,993	8,579,314
Economic development (Resources and development)	549,323	139,578	10,327	-	503,696	1,202,924
Environmental and emergency management	2,030,356	-	40,000	-	-	2,070,356
Boards, commissions, councils and other	1,480,304	-	266,715	-	99,536	1,846,555
Office of the National Public Auditor	339,494	-	-	-	-	339,494
Other appropriations	62,664	-	-	-	15,480	78,144
Land and natural resources	-	-	-	116,568	-	116,568
National archives, cultural and historic preservation	146,502	-	-	-	-	146,502
Capital projects	<u>333,226</u>	<u>1,556,672</u>	<u>-</u>	<u>2,949,628</u>	<u>-</u>	<u>4,839,526</u>
Total expenditures	<u>51,527,628</u>	<u>28,756,783</u>	<u>9,557,705</u>	<u>26,058,614</u>	<u>16,295,966</u>	<u>132,196,696</u>
Excess (deficiency) of revenues over expenditures	<u>1,425,720</u>	<u>(126,396)</u>	<u>(104,972)</u>	<u>(75,272)</u>	<u>(362,015)</u>	<u>757,065</u>
Other financing sources:						
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>(83)</u>	<u>-</u>	<u>-</u>	<u>(83)</u>
Net change in fund balances	1,425,720	(126,396)	(105,055)	(75,272)	(362,015)	756,982
Fund balances at beginning of year	<u>5,557,207</u>	<u>2,314,845</u>	<u>167,041</u>	<u>186,926</u>	<u>2,509,004</u>	<u>10,735,023</u>
Fund balances at end of year	<u>\$ 6,982,927</u>	<u>\$ 2,188,449</u>	<u>\$ 61,986</u>	<u>\$ 111,654</u>	<u>\$ 2,146,989</u>	<u>\$ 11,492,005</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Statement of Revenues and Changes in Fund Balances Combining Compact Trust Funds Year Ended September 30, 2021

(See Accompanying Independent Accountants' Compilation Report)

	<u>FSM National Government</u>	<u>State of Chuuk</u>	<u>State of Kosrae</u>	<u>State of Pohnpei</u>	<u>State of Yap</u>	<u>Total</u>
Revenues:						
Net change in the fair value of investments	\$ 5,134,405	\$ 3,952,852	\$ 1,416,790	\$ 4,512,765	\$ 3,258,425	\$ 18,275,237
Total revenues	<u>5,134,405</u>	<u>3,952,852</u>	<u>1,416,790</u>	<u>4,512,765</u>	<u>3,258,425</u>	<u>18,275,237</u>
Net change in fund balances	5,134,405	3,952,852	1,416,790	4,512,765	3,258,425	18,275,237
Fund balances at beginning of year	<u>22,284,738</u>	<u>17,156,469</u>	<u>5,989,437</u>	<u>19,586,643</u>	<u>14,091,244</u>	<u>79,108,531</u>
Fund balances at the end of the year	<u>\$ 27,419,143</u>	<u>\$ 21,109,321</u>	<u>\$ 7,406,227</u>	<u>\$ 24,099,408</u>	<u>\$ 17,349,669</u>	<u>\$ 97,383,768</u>

FEDERATED STATES OF MICRONESIA

Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances
Combining Other Governmental Funds
Year Ended September 30, 2021
(See Accompanying Independent Accountants' Compilation Report)

	<u>FSM National Government</u>	<u>State of Chuuk</u>	<u>State of Kosrae</u>	<u>State of Pohnpei</u>	<u>State of Yap</u>	<u>Total</u>
Revenues:						
Taxes	\$ 284,433	\$ -	\$ -	\$ 644,148	\$ 108,945	\$ 1,037,526
CFSM grants	-	-	617,996	-	2,101,479	2,719,475
Fees and charges	4,529,161	283,653	377,361	2,577,625	223,196	7,990,996
Other	-	-	6,697	-	98,090	104,787
Total revenues	<u>4,813,594</u>	<u>283,653</u>	<u>1,002,054</u>	<u>3,221,773</u>	<u>2,531,710</u>	<u>11,852,784</u>
Expenditures:						
General government:						
Health and social affairs	315	123,320	63,834	1,256,046	-	1,443,515
Education	281,526	-	-	-	-	281,526
Transportation, communication and infrastructure	119,206	-	-	-	-	119,206
Finance and general governmental administration	-	-	533,986	1,251,519	2,389,645	4,175,150
Justice	1,105,528	-	-	-	-	1,105,528
Economic development (Resources and development)	-	-	65,091	-	-	65,091
Boards, commissions, councils and other	1,926,204	-	44,181	-	108,945	2,079,330
Total expenditures	<u>3,432,779</u>	<u>123,320</u>	<u>707,092</u>	<u>2,507,565</u>	<u>2,498,590</u>	<u>9,269,346</u>
Excess of revenues over expenditures	1,380,815	160,333	294,962	714,208	33,120	2,583,438
Other financing sources (uses):						
Operating transfers (out) in	(2,065,020)	-	(1,495)	-	-	(2,066,515)
Net change in fund balances	(684,205)	160,333	293,467	714,208	33,120	516,923
Fund balances at beginning of year	<u>4,484,670</u>	<u>153,818</u>	<u>1,439,960</u>	<u>6,941,715</u>	<u>1,231,198</u>	<u>14,251,361</u>
Fund balances at end of year	<u>\$ 3,800,465</u>	<u>\$ 314,151</u>	<u>\$ 1,733,427</u>	<u>\$ 7,655,923</u>	<u>\$ 1,264,318</u>	<u>\$ 14,768,284</u>