

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**

**REPORT ON THE AUDIT OF  
FINANCIAL STATEMENTS IN ACCORDANCE  
WITH OMB CIRCULAR A-128**

**FOR THE YEAR ENDED SEPTEMBER 30, 1993**

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
FOR THE YEAR ENDED SEPTEMBER 30, 1993**

INDEX

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT, GENERAL PURPOSE FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION	1-71
SINGLE AUDIT REPORTS	72-189
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE	190-201

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA

YEAR ENDED SEPTEMBER 30, 1993

TABLE OF CONTENTS

	<u>Page No.</u>
I. Independent Auditors' Report	1
II. General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, Budgetary Basis - General Fund	6
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Proprietary Fund Types	7
Combined Statement of Cash Flows - Proprietary Fund Types	8
Statement of Changes in General Fixed Asset Account Group	10
Notes to Combined Financial Statements	11
III. Additional Information:	
Independent Auditors' Report on Additional Information	40
Combining Schedule of Expenditures by Account - All Governmental Fund Types and Expendable Trust Funds	41

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**

YEAR ENDED SEPTEMBER 30, 1993

TABLE OF CONTENTS  
(CONTINUED)

	<u>Page No.</u>
III. Additional Information, Continued:	
General Fund:	
Statement of Revenues and Transfers In	42
Statement of Expenditures by Function and Department	43
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, Budgetary Basis	45
Special Revenue Funds:	
Introduction to Special Revenues Funds	49
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	52
Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balance	53
Combining Balance Sheet (Non-Compact)	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Non-Compact)	55
Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balance (Non-Compact)	56
Combining Balance Sheet (Compact)	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Compact)	58
Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balance (Compact)	59
Capital Projects Funds:	
Introduction to Capital Projects Funds	60
Combining Balance Sheet	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	62
Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balance	63

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**

YEAR ENDED SEPTEMBER 30, 1993

TABLE OF CONTENTS  
(CONTINUED)

	<u>Page No.</u>
III. Additional Information, Continued:	
Enterprise Funds:	
Introduction to Enterprise Funds	64
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Equity	66
Combining Statement of Cash Flows	67
Expendable Trust Funds:	
Introduction to Expendable Trust Funds	69
Combining Balance Sheet	70
Combining State of Revenues, Expenditures and Changes in Fund Balance	71
IV. SINGLE AUDIT REPORTS	
Independent Auditors' Report on Compliance Based on the Audit of the Financial Statements	73
Independent Auditors' Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	75
Independent Auditors' Report on Compliance with the General Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	77
Independent Auditors' Report on Compliance with Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	79
Independent Auditors' Report on Internal Control Structure Used in Administering Federal Financial Assistance	81
Independent Auditors' Report on Supplementary Schedule of Federal Financial Assistance	85
Introduction to Compact of Free Association Funding, U.S. Federal and Other Assistance Funds	87

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**

YEAR ENDED SEPTEMBER 30, 1993

TABLE OF CONTENTS  
(CONTINUED)

	<u>Page No.</u>
<b>IV. SINGLE AUDIT REPORTS, CONTINUED</b>	
Schedule of Federal Financial Assistance:	
. U.S. Federal Direct Assistance Funds	90
. Non U.S. Direct Assistance Funds	153
. OTIA Technical Assistance	155
. OTIA Special O&M Grants	157
. CFMS and OTIA/TTPI Capital Projects Funds	157
. Compact of Free Association Funding	158
. Compact Funding Summary	164
Notes to Schedule of Federal Financial Assistance	167
Schedule of Programs Selected For Audit in Accordance with OMB Circular A-128	169
Summary of U.S. Federal Program Expenditures for Year Ended September 30, 1993	170
Schedule of Findings and Questioned Costs	171
Resolution of Prior Years' Questioned Costs	188
<b>V. INTERNAL CONTROL STRUCTURE</b>	190
Independent Auditors' Report on the Internal Control Structure Based on the Audit of the Financial Statements	191
Schedule of Identified Internal Control Weaknesses	194

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA

INDEPENDENT AUDITORS' REPORT,  
GENERAL PURPOSE FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION

YEAR ENDED SEPTEMBER 30, 1993

**INDEPENDENT AUDITORS' REPORT**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the accompanying general purpose financial statements of the Federated States of Micronesia (FSM) National Government, as of September 30, 1993, and for the year then ended, listed in Section II of the foregoing table of contents. These general purpose financial statements are the responsibility of the FSM National Government's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the FSM Telecommunications Corporation, the FSM Development Bank, the FSM Coconut Development Authority and the National Fisheries Corporation, which are shown as the Proprietary Fund Type - Enterprise Funds (see notes 1 and 7). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Proprietary Fund Type - Enterprise Funds, is based solely on the reports of the other auditors.

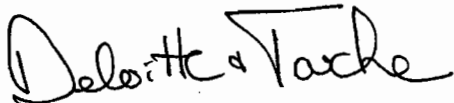
Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.



With respect to the financial statements of the National Fisheries Corporation, which approximates 7% and 6%, respectively, of assets and revenues of the Proprietary Fund Type - Enterprise Funds, audited financial statements could not be obtained from two material investees and therefore it was not possible to determine that the investments were properly recorded at the lower of cost or market. Additionally, the general purpose financial statements referred to above do not include the financial activities of the Higher Education Fund which consists of the College of Micronesia-FSM, which in our opinion, should be included to conform with generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to assure ourselves as to the fairness of presentation of the Enterprise Funds due to other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation and except for the omission of the Higher Education Fund, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Federated States of Micronesia National Government, as of September 30, 1993, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

February 15, 1994, except for Note 13  
as to which date is February 24, 1994



Certified Public Accountants

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Combined Balance Sheet – All Fund Types and Account Groups  
September 30, 1993  
(With Comparative Totals as of September 30, 1992)**

	Governmental Fund Types			Proprietary Funds		Fiduciary Funds		Account Groups		Totals	
	General	Special	Capital	Enterprise	Internal	Other	FSM Social	General	General	(Memorandum Only)	
	Fund	Revenue	Projects	Funds	Service	Expendable	Security	Fixed	Long-Term		
		Funds	Funds	Funds	Fund	Trust Funds	Administration	Assets	Debt	1993	1992
<u>Assets</u>											
Cash and equivalents	\$ 11,082,661	\$ 1,225,040	\$ 41,826	\$ 14,671,536	\$ -	\$ 1,016,821	\$ 1,176,168	\$ -	\$ -	\$ 29,214,052	\$ 36,829,528
TCD's and other term deposits (Note 2)	3,375,040	-	-	-	-	-	-	-	-	3,375,040	1,181,354
Investments (Notes 1 & 2)	19,500,281	9,962,971	2,241,533	24,786,004	-	-	15,840,572	-	-	72,331,361	68,289,881
Equity investments (Note 2)	1,500,000	-	3,279,893	3,310,232	-	-	-	-	-	8,090,125	
Receivables from other governments											
and agencies, net	431,397	2,495,729	-	-	-	-	-	-	-	2,927,126	2,683,387
Receivables from TTPI OTIA	-	1,713,122	396,610	-	-	-	-	-	-	2,109,732	1,784,450
General receivables, net	89,556	-	-	1,829,359	-	399,150	6,621	-	-	2,324,686	2,752,702
Loans receivable, net (Notes 1E and 1G)	3,100,000	-	3,750,000	21,023,748	-	-	-	-	-	27,873,748	20,369,288
Advances	1,096,481	-	-	57,147	-	-	25,735	-	-	1,179,363	1,482,410
Due from other funds (Note 6)	24,866,757	3,823,210	170,237	-	32,613	474,278	-	-	-	29,367,095	21,348,731
Interest and other receivables	77,602	67,169	23,733	810,326	-	-	-	-	-	978,830	1,189,009
Deferred charges	-	-	-	4,445,675	-	-	-	-	-	4,445,675	2,134,423
Inventory	-	-	-	294,001	113,639	-	-	-	-	407,640	233,427
Restricted assets	-	-	-	-	-	-	-	-	-	-	199,841
Amount to be provided for retirement											
of long-term debt	-	-	-	-	-	-	-	-	5,186,918	5,186,918	1,698,412
Fixed assets (Note 1)	-	-	-	44,237,425	-	-	-	26,076,031	-	70,313,456	55,073,638
<b>Total assets</b>	<b>\$ 65,119,775</b>	<b>\$ 19,287,241</b>	<b>\$ 9,903,832</b>	<b>\$ 115,465,453</b>	<b>\$ 146,252</b>	<b>\$ 1,890,249</b>	<b>\$ 17,049,096</b>	<b>\$ 26,076,031</b>	<b>\$ 5,186,918</b>	<b>\$ 260,124,847</b>	<b>\$ 217,250,481</b>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
**Combined Balance Sheet – All Fund Types and Account Groups**  
**September 30, 1993**  
**(With Comparative Totals as of September 30, 1992)**

	Governmental Fund Types			Proprietary Funds		Fiduciary Funds		Account Groups		Totals	
	General	Special	Capital	Enterprise	Internal	Other	FSM Social	General	General	(Memorandum Only)	
	Fund	Revenue	Projects	Funds	Service	Expendable	Security	Fixed	Long-Term	1993	1992
		Funds	Funds	Funds	Fund	Trust Funds	Administration	Assets	Debt		
<b>Liabilities and Fund Equity</b>											
<b>Liabilities:</b>											
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,141,806
Accounts payable	516,132	874,875	188,472	466,628	12,671	697,517	27,400	-	-	2,783,695	2,390,829
Accrued payroll and others	461,919	22,639	1,441	4,677,441	-	3,080	-	-	-	5,166,520	2,816,591
Taxrefunds payable	373,751	-	-	-	-	-	7,182	-	-	380,933	341,884
Due to other funds (Note 6)	20,956,746	8,273,170	137,179	-	-	-	-	-	-	29,367,095	21,348,731
Due to FSM State governments	2,001,484	3,174,558	34,457	-	-	-	-	-	-	5,210,499	4,862,821
Deferred revenues	399,888	849,349	75,358	-	-	-	-	-	-	1,324,595	419,166
Vacation leave accrual	-	-	-	-	-	-	-	-	598,412	598,412	598,412
Advances for grants, TTPI, OTIA and other	-	192,655	-	-	-	-	-	-	-	192,655	1,438,121
Notes payable (Note 9)	-	-	-	43,106,761	-	-	-	-	4,588,506	47,695,267	26,628,000
Other liabilities	244,284	-	-	-	-	-	-	-	-	244,284	229,545
<b>Total liabilities</b>	<b>24,954,204</b>	<b>13,387,246</b>	<b>436,907</b>	<b>48,250,830</b>	<b>12,671</b>	<b>700,597</b>	<b>34,582</b>	<b>-</b>	<b>5,186,918</b>	<b>92,963,955</b>	<b>62,215,906</b>
<b>Commitments and contingencies (note 3)</b>											
<b>Fund equity:</b>											
Investment in general fixed assets	-	-	-	-	-	-	-	26,076,031	-	26,076,031	26,075,280
Contributed capital	-	-	-	54,492,291	113,639	-	-	-	-	54,605,930	54,155,506
Retained earnings	-	-	-	12,722,332	19,942	-	-	-	-	12,742,274	11,511,083
<b>Fund balance:</b>											
Reserved for:											
Benefits	-	-	-	-	-	1,189,652	17,014,514	-	-	18,204,166	14,772,151
Loans	3,100,000	-	3,750,000	-	-	-	-	-	-	6,850,000	6,850,000
Related assets (Note 1)	4,444,039	-	3,279,893	-	-	-	-	-	-	7,723,932	1,484,221
Encumbrances	3,072,412	1,490,843	4,576,018	-	-	-	-	-	-	9,139,273	5,485,510
Continuing appropriations (Note 4)	13,473,978	3,751,903	3,491,446	-	-	-	-	-	-	20,717,327	12,421,316
Investment diminution	-	-	-	-	-	-	-	-	-	-	25,154
Unreserved	16,075,142	657,249	(5,630,432)	-	-	-	-	-	-	11,101,959	22,254,354
<b>Total fund equity</b>	<b>40,165,571</b>	<b>5,899,995</b>	<b>9,466,925</b>	<b>67,214,623</b>	<b>133,581</b>	<b>1,189,652</b>	<b>17,014,514</b>	<b>26,076,031</b>	<b>-</b>	<b>167,160,892</b>	<b>155,034,575</b>
<b>Total liabilities and fund equity</b>	<b>\$ 65,119,775</b>	<b>\$ 19,287,241</b>	<b>\$ 9,903,832</b>	<b>\$ 115,465,453</b>	<b>\$ 146,252</b>	<b>\$ 1,890,249</b>	<b>\$ 17,049,096</b>	<b>\$ 26,076,031</b>	<b>\$ 5,186,918</b>	<b>\$ 260,124,847</b>	<b>\$ 217,250,481</b>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	Governmental Fund Types			Fiduciary Funds		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Capital Projects Funds	Other Expendable Trust Funds	FSM Social Security Administration	1993	1992
<b>Revenues:</b>							
U.S. federal contributions (including DOI)	\$ -	\$ 2,257,670	\$ 1,037,517	\$ -	\$ -	\$ 3,295,187	\$ 1,919,369
Compact funds	-	3,977,821	8,988,750	-	-	12,966,571	12,751,318
Other	30,798,611	497,643	-	1,980,236	7,356,678	40,633,168	32,893,288
<b>Total revenues</b>	<b>30,798,611</b>	<b>6,733,134</b>	<b>10,026,267</b>	<b>1,980,236</b>	<b>7,356,678</b>	<b>56,894,926</b>	<b>47,563,975</b>
<b>Expenditures:</b>							
Executive branch	11,107,846	5,504,149	3,189,478	1,883,507	-	21,684,980	18,429,380
Judicial branch	729,869	-	-	-	-	729,869	723,578
Boards and commissions	1,129,823	-	-	-	-	1,129,823	1,058,983
Legislative branch	2,386,212	-	-	-	-	2,386,212	2,310,991
Office of the Public Auditor	351,436	-	-	-	-	351,436	315,649
Other National Government programs	2,295,877	-	-	-	-	2,295,877	2,082,737
Other legislative appropriations	6,267,014	-	-	-	-	6,267,014	7,889,434
Other	337,391	-	-	-	5,114,315	5,451,706	4,795,199
<b>Total expenditures</b>	<b>24,605,468</b>	<b>5,504,149</b>	<b>3,189,478</b>	<b>1,883,507</b>	<b>5,114,315</b>	<b>40,296,917</b>	<b>37,605,951</b>
<b>Revenues in excess of expenditures</b>	<b>6,193,143</b>	<b>1,228,985</b>	<b>6,836,789</b>	<b>96,729</b>	<b>2,242,363</b>	<b>16,598,009</b>	<b>9,958,024</b>
<b>Other sources (uses):</b>							
Operating transfers in (out), net (Note 5)	(3,421,762)	(214,064)	(3,150,000)	-	-	(6,785,826)	(3,913,564)
Miscellaneous income	1,500,000	-	-	-	-	1,500,000	-
Equity investment income	-	-	279,893	-	-	279,893	-
MTN loan and interest payments (Note 9)	-	-	(1,148,125)	-	-	(1,148,125)	(1,515,208)
<b>Total other sources (uses), net</b>	<b>(1,921,762)</b>	<b>(214,064)</b>	<b>(4,018,232)</b>	<b>-</b>	<b>-</b>	<b>(6,154,058)</b>	<b>(5,428,772)</b>
<b>Excess of revenues and other sources over expenditures and other uses</b>	<b>4,271,381</b>	<b>1,014,921</b>	<b>2,818,557</b>	<b>96,729</b>	<b>2,242,363</b>	<b>10,443,951</b>	<b>4,529,252</b>
<b>Fund balances, beginning of year</b>	<b>35,894,190</b>	<b>4,885,074</b>	<b>6,648,368</b>	<b>1,092,923</b>	<b>14,772,151</b>	<b>63,292,706</b>	<b>58,763,454</b>
<b>Fund balances, end of year</b>	<b>\$ 40,165,571</b>	<b>\$ 5,899,995</b>	<b>\$ 9,466,925</b>	<b>\$ 1,189,652</b>	<b>\$ 17,014,514</b>	<b>\$ 73,736,657</b>	<b>\$ 63,292,706</b>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**  
**Statement of Revenues, Expenditures and Changes in Fund  
Balance -- Budget and Actual, Budgetary Basis  
Year Ended September 30, 1993**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Locally derived taxes	\$ 6,100,000	\$ 8,150,512	\$ 2,050,512
Fishing rights fees	10,000,000	18,126,644	8,126,644
Fishing violation fines	—	183,798	183,798
Postal revenues	500,000	434,706	(65,294)
Interest on investments	1,850,000	3,099,510	1,249,510
Business fees, fines, penalties, and interest on delinquent taxes	300,000	36,081	(263,919)
Others	—	767,360	767,360
<b>Total revenues</b>	<u>18,750,000</u>	<u>30,798,611</u>	<u>12,048,611</u>
<b>Expenditures:</b>			
Executive branch	12,048,683	11,350,490	698,193
Judicial branch	801,170	739,345	61,825
Boards and commissions	1,179,436	1,125,074	54,362
Legislative branch	2,473,625	2,382,168	91,457
Office of the Public Auditor	381,000	343,099	37,901
Other National Government programs	3,592,590	2,294,518	1,298,072
Other legislative appropriations	18,004,030	6,733,375	11,270,655
Unfunded expenditures	—	337,391	(337,391)
<b>Total expenditures</b>	<u>38,480,534</u>	<u>25,305,460</u>	<u>13,175,074</u>
<b>Revenues in excess of (less than) expenditures</b>	<u>(19,730,534)</u>	<u>5,493,151</u>	<u>25,223,685</u>
<b>Other sources (uses):</b>			
Miscellaneous income	—	1,500,000	1,500,000
Operating transfers out	(3,423,047)	(3,402,798)	20,249
<b>Total other sources (uses), net</b>	<u>(3,423,047)</u>	<u>(1,902,798)</u>	<u>1,520,249</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>(23,153,581)</u>	<u>3,590,353</u>	<u>26,743,934</u>
<b>Unreserved fund balance, beginning of year</b>	<u>19,244,297</u>	<u>19,244,297</u>	<u>—</u>
<b>Other changes in unreserved fund balance:</b>			
Increase in reserve for related assets	—	(2,959,818)	(2,959,818)
Increase in reserve for continuing appropriations	—	(4,372,781)	(4,372,781)
Decrease in diminution of investment	—	25,154	25,154
Net encumbrance adjustments	—	547,937	547,937
<b>Unreserved fund balance, end of year</b>	<u>\$ (3,909,284)</u>	<u>\$ 16,075,142</u>	<u>\$ 19,984,426</u>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Combined Statement of Revenues, Expenses, and Changes in  
Fund Equity – Proprietary Fund Types  
Year Ended September 30, 1993  
(With comparative totals for the year ended September 30, 1992)

	Internal Service	Enterprise Fund	Totals (Memorandum Only)	
			1993	1992
<b>Revenues:</b>				
Charges for goods and services	\$ 53,543	\$ 7,259,342	\$ 7,312,885	\$ 6,710,589
Rental income/interest income	—	1,785,326	1,785,326	2,669,622
Other	—	122,957	122,957	160,586
<b>Total revenues</b>	<u>53,543</u>	<u>9,167,625</u>	<u>9,221,168</u>	<u>9,540,797</u>
<b>Operating expenses:</b>				
Personnel services	—	727,750	727,750	524,787
Supplies and materials	24,001	30,879	54,880	115,368
Other	—	2,267,548	2,267,548	541,473
Depreciation	—	327,939	327,939	75,186
Cost of sales	—	7,585,946	7,585,946	6,096,842
<b>Total operating expenses</b>	<u>24,001</u>	<u>10,940,062</u>	<u>10,964,063</u>	<u>7,353,656</u>
<b>Operating income (loss)</b>	<u>29,542</u>	<u>(1,772,437)</u>	<u>(1,742,895)</u>	<u>2,187,141</u>
<b>Nonoperating revenues:</b>				
Interest income	—	500,174	500,174	839,751
Transfers in from General Fund and other sources	—	1,725,000	1,725,000	1,413,564
Miscellaneous	—	(449,784)	(449,784)	(545,299)
Loss on guaranteed commitment (Note 13)	—	(3,571,022)	(3,571,022)	
Equity in subsidiary loss (Note 12)	—	(18,395)	(18,395)	(742,146)
<b>Total nonoperating revenues</b>	<u>—</u>	<u>(1,814,027)</u>	<u>(1,814,027)</u>	<u>965,870</u>
<b>Net income</b>	<u>29,542</u>	<u>(3,586,464)</u>	<u>(3,556,922)</u>	<u>3,153,011</u>
<b>Add depreciation on fixed assets acquired by grants that reduce contributed capital</b>	<u>—</u>	<u>189,702</u>	<u>189,702</u>	<u>—</u>
<b>Increase in retained earnings (deficit)</b>	<u>29,542</u>	<u>(3,396,762)</u>	<u>(3,367,220)</u>	<u>—</u>
<b>Retained earnings (deficit), beginning of year</b>	<u>(6,544)</u>	<u>11,517,627</u>	<u>11,511,083</u>	<u>10,553,489</u>
<b>Adjustment to retained earnings, beginning of year (Note 8)</b>	<u>(3,056)</u>	<u>4,601,467</u>	<u>4,598,411</u>	<u>(2,195,417)</u>
<b>Retained earnings, end of year</b>	<u>19,942</u>	<u>12,722,332</u>	<u>12,742,274</u>	<u>11,511,083</u>
<b>Contributed capital, beginning of year</b>	<u>110,583</u>	<u>54,044,923</u>	<u>54,155,506</u>	<u>46,485,283</u>
<b>Current year additions</b>	<u>3,056</u>	<u>2,521,680</u>	<u>2,524,736</u>	<u>7,670,223</u>
<b>Adjustments</b>	<u>—</u>	<u>(2,074,312)</u>	<u>(2,074,312)</u>	<u>—</u>
<b>Contributed capital, end of year</b>	<u>113,639</u>	<u>54,492,291</u>	<u>54,605,930</u>	<u>54,155,506</u>
<b>Total fund equity</b>	<u>\$ 133,581</u>	<u>\$ 67,214,623</u>	<u>\$ 67,348,204</u>	<u>65,666,589</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
PROPRIETARY FUND TYPES**

Combining Statement of Cash Flows

Year Ended September 30, 1993

(With comparative totals for the year ended September 30, 1992)

	Internal Service Fund	Enterprise Fund	Totals (Memorandum Only)	
			1993	1992
<b>Increase (Decrease) in Cash and Equivalents:</b>				
<u><b>Operating Activities:</b></u>				
Operating income (loss)	\$ 29,542	\$ (1,772,437)	\$ (1,742,895)	\$ 2,187,141
Add back items not affecting cash:				
Depreciation	—	1,879,314	1,879,314	1,279,074
Prior period adjustment	—	543,824	543,824	(1,459,728)
Bad debts	—	1,783,596	1,783,596	—
	<u>29,542</u>	<u>2,434,297</u>	<u>2,463,839</u>	<u>2,006,487</u>
<b>Changes in assets and liabilities:</b>				
Cash advance	—	1,105	1,105	(18,408)
Travel advance	—	36,177	36,177	2,814
Interest receivable	—	88,375	88,375	8,233
Accounts receivable trade	—	(495,043)	(495,043)	(265,307)
Unbilled accounts receivable	—	(27,577)	(27,577)	(67,648)
Accounts receivable other	—	176,260	176,260	(214,282)
Materials and supplies inventory	—	7,002	7,002	47,486
Inventory trade	(3,065)	(178,159)	(181,224)	(37,487)
Prepaid expenses	—	51,548	51,548	236,992
Accrued earnings	—	(167,241)	(167,241)	(61,204)
Deferred charges	—	(2,311,102)	(2,311,102)	(952,330)
Loans receivable	—	(8,945,799)	(8,945,799)	(5,653,339)
Accounts payable	6,792	1,824,515	1,831,307	584,839
Due from other funds	(33,269)	(1,211)	(34,480)	30,762
Accrued payroll	—	33,934	33,934	27,457
Accrued payroll and taxes	—	94,943	94,943	(43,775)
Credit life insurance premium	—	(28,413)	(28,413)	9,213
Accrued leave payable	—	—	0	16,450
Deferred revenue	—	(12,580)	(12,580)	(9,198)
Accrued expenses other	—	(133,248)	(133,248)	584,141
Deferred credits	—	(29,300)	(29,300)	17,567
	<u>(29,542)</u>	<u>(10,015,814)</u>	<u>(10,045,356)</u>	<u>(5,757,024)</u>
 Cash flows used in operating activities	 <u>—</u>	 <u>(7,581,517)</u>	 <u>(7,581,517)</u>	 <u>(3,750,537)</u>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
PROPRIETARY FUND TYPES**

Combining Statement of Cash Flows, Continued

Year Ended September 30, 1993

(With comparative totals for the year ended September 30, 1992)

	Internal Service Fund	Enterprise Fund	Totals (Memorandum Only)	
			1993	1992
<u>Cash flows from capital and related financing activities:</u>				
Proceeds from notes payable	\$ —	\$ 14,595,523	\$ 14,595,523	\$ 11,063,244
Note repayments	—	(304,075)	(304,075)	
Over statement of fixed assets	—	(836,344)	(836,344)	
Acquisition of fixed assets	—	(67,668)	(67,668)	(1,240,690)
Disposals of fixed assets	—	21,127	21,127	273
Project under construction	—	(13,268,269)	(13,268,269)	(4,510,478)
Plant in service additions	—	(2,354,768)	(2,354,768)	(7,940,888)
Cash flows used by operating activities	—	(2,214,474)	(2,214,474)	(2,628,539)
<u>Noncapital related financing activities:</u>				
CFSM appropriations received	—	921,000	921,000	1,413,564
Contribution paid to COM-FSM	—	(150,000)	(150,000)	—
Contributed capital received	—	5,285,978	5,285,978	5,905,255
Cash flows provided by noncapital related financing activities	—	6,056,978	6,056,978	7,318,819
<u>Cash flows from investing activities:</u>				
Investment in securities	—	1,123,505	1,123,505	3,676,839
Investment in joint venture	—	(670,731)	(670,731)	(1,142,095)
Escrow fund	—	(152,825)	(152,825)	(462,797)
Interest income	—	507,023	507,023	842,887
Cash flows provided by investing activities	—	806,972	806,972	2,914,834
Net (decrease) increase in cash and equivalents	—	(2,932,041)	(2,932,041)	3,854,577
Cash and equivalents, beginning of year	—	17,603,577	17,603,577	13,749,000
Cash and equivalents, end of year	\$ —	\$ 14,671,536	\$ 14,671,536	\$ 17,603,577

See accompanying notes to combined financial statements.



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
**Statement of Changes in General Fixed Assets Account Group**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	<u>1993</u>	<u>1992</u>
Balance, beginning of year	\$ 26,075,280	\$ 25,812,795
Current year additions	448,000	299,537
Current year deletions	<u>(447,249)</u>	<u>(37,052)</u>
Balance, end of year	<u>\$ 26,076,031</u>	<u>\$ 26,075,280</u>

See accompanying notes to combined financial statements.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and as described in Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. The accompanying general purpose financial statements include all fund types and account groups of the Federated States of Micronesia (FSM) National Government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based on application of the above, the FSM National Government has determined that the following component units should also be included in the accompanying general purpose financial statements.

Enterprise Funds

- FSM Telecommunication Corporation
- FSM Development Bank
- FSM Coconut Development Authority
- National Fisheries Corporation

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fiduciary Funds

- FSM Social Security Administration

The FSM Social Security Administration has been included in the FSM National Government general purpose financial statements based on the above criteria for inclusion of component units. This component unit has been presented on a discrete basis as it is administered separately and apart from other expendable trust funds. Due to a difference in the reporting period from the rest of the National Government, financial results for FSM Social Security Administration are included as of March 31, 1993 and for the year then ended.

Higher Education Fund - College of Micronesia-FSM

The Higher Education Fund consists of the College of Micronesia-FSM which should be included in the FSM National Government general purpose financial statements based on the above criteria for inclusion of component units. This component unit should be presented on a discrete basis as it is administered separately.

This Fund was not previously included in the accompanying general purpose financial statements as the College of Micronesia - FSM previously was a constituent campus of the College of Micronesia, an entity which is not a component unit of the FSM National Government. Financial statements of the College of Micronesia-FSM were not available for presentation in the accompanying general purpose financial statements.

- B. Fund Structure and Basis of Accounting. The accompanying general purpose financial statements are structured into four categories of funds and two Account Groups. The fund categories include governmental funds, proprietary funds, and fiduciary funds. The Account Groups include General Fixed Assets and General Long-Term Debt.

The Federated States of Micronesia National Government governmental fund types include:

1. The General Fund - used to account for all financial transactions not accounted for in another fund;
2. Special Revenue Funds - used to account for specific revenues earmarked to finance particular programs and activities;

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

3. Capital Projects Funds - used to account for the acquisition or construction of all major governmental general fixed assets.

All of the governmental funds are presented on the modified accrual basis of accounting. In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded at the time liabilities are incurred except:

- a. Inventories generally are considered expenditures at acquisition.
- b. Prepayments usually are not recorded.

Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance and will be funded as expenditures in the ensuing year. Encumbrances remain reservations of fund balance until becoming expended or cancelled.

The proprietary fund types include:

- 1. Enterprise Funds which are used to account for the operations of FSM National Government agencies, which are designed to be self-sufficient and which render services to the general public on a user charge basis.
- 2. Internal Service Fund is the Supply Stock revolving fund created by Public Law No. 4-74 for the government to benefit from discounted prices of supplies and other items available from volume purchasing.

The proprietary fund types are accounted for on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The fiduciary fund type includes:

Expendable Trust Funds which are used to account for assets held by the FSM National Government as trustee. Expendable Trust funds are accounted for on the modified accrual basis of accounting.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Social Security Administration is an expendable trust fund. The financial statements included for Social Security Administration have been prepared on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related liability is incurred. Accounting for the Social Security Administration does not generally follow pension fund accounting and accordingly the present value of the liability of prospective benefit payments and the present value of future contributions required are not recorded. However, the Administration's investments are carried at market as permitted by pension fund accounting.

Social Security Administration has a financial year end of March 31, and consequently the financial results for the year ended March 31, 1993 have been included in the accompanying general purpose financial statements. As FSM Social Security Administration does not adhere to generally accepted accounting principles, all relevant note disclosures have not been included with the other funds, but are segregated at Note 11.

- C. Fixed Assets and Long-Term Liabilities Account Groups. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spending resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets), are accounted for in the General Fixed Assets Account Group rather than in governmental funds.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. It is FSM National Government policy to capitalize infrastructure costs. Depreciation is not charged against the general fixed assets account group.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, not in the governmental fund types. Accrued annual leave has been presented in the accompanying general long-term debt account group. No current portion of accrued annual leave has been recorded in the General Fund, or in the Special Revenue Funds, as the amounts are immaterial to these funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are, instead, reported as liabilities in the General Long-Term Debt Account Group.

- D. Budgetary Process. The Congress of the Federated States of Micronesia (CFSM) enacts the budget through passage of specific departmental appropriations. Before signing the Appropriations Act, the President may veto or reduce any specific appropriation, subject to Congressional override. Under the Compact of Free Association, which went into effect November 3, 1986, approval of all CFSM Laws is vested with the President of the Federated States of Micronesia.

During fiscal year 1993, supplemental appropriations were also made for both operating and capital purposes, to reflect the evolving priorities of the FSM National Government.

Budgetary control is maintained at the departmental level. Budget revisions during the year, reflecting program changes, may be effected by Congress approval.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Unencumbered funds at year-end revert to the unappropriated surplus of the General Fund. Unencumbered appropriations normally lapse at the end of each fiscal year unless they are designated by the FSM Congress as representing continuing appropriations.

- E. Receivables. Receivables in the FSM National Government's governmental and fiduciary fund types primarily consist of taxes and federal revenues. Since few governmental fund revenues are susceptible to accrual prior to receipt, most taxes, licenses, fees, permits and similar revenues are recognized primarily on the cash basis.

At September 30, 1993, the FSM National Government had rendered tax assessments of an unknown amount for delinquent taxes. If collected, one-half of these receivables will accrue as revenue to the National Government; the other one-half will accrue to the collecting State Government. However, due to the uncertainty of collection, these amounts have not been reflected within the accompanying general purpose financial statements.

Additionally, for the general fund general receivables, the amount stated on the accompanying combined balance sheet is net of an allowance for doubtful accounts of \$1,578,759 in 1993 (\$1,241,368 in 1992).

The General Fund includes a loan receivable from National Fisheries Corporation (an Enterprise Fund) in the amount of \$3,100,000. This loan is fully reserved for in fund balance due to the terms of the loan which provide for the first payment to be due in a subsequent fiscal year.

For the Student Loan Fund, a fiduciary fund type - Expendable Trust Fund, the policy of the FSM National Government is to reserve all loans until collection occurs since applicable loan terms are such that it is difficult to estimate when repayments may occur. As of September 30, 1993, \$1,606,953 was the outstanding balance of loans, the sum total of which was fully reserved.

The Compact Capital Improvement Project Fund includes a loan receivable of \$3,750,000 from Caroline Fisheries Corporation. This outstanding loan balance has been fully reserved for in the fund balance (Also refer Note 10B).

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. Interfund Transactions. The National Government has two potential types of interfund transactions, as follows:

1. Operating appropriations/subsidies are accounted for as operating transfers in the funds involved.
2. Equity contributions are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

G. Fixed Assets and Depreciation. Governmental general fixed assets are carried in the General Fixed Assets Account Group. No depreciation is provided for on these assets. Assets are stated at cost or estimated cost. Substantially all fixed assets of the FSM National Government are equipment, furniture and fixtures and vehicles. Enterprise Fund fixed assets are stated at cost. They are depreciated principally on a straight-line basis over estimated useful lives ranging from 20 to 50 years for Buildings and Leasehold Improvements and 5 to 10 years for substantially all other asset categories.

For the year ending September 30, 1993, interest charges on the amounts of funds received from REA for \$32,298 was capitalized.

Fixed assets for Enterprise funds as of September 30, 1993, are as follows:

	FSM Tele- Communica- tion Corp.	FSM Development Bank	FSM Coconut Development Authority	National Fisheries Corporation	Total
Building and leasehold Improvement	\$ -	\$ -	\$232,701	\$ -	\$ 232,701
Furniture and fixtures	-	211,112	4,550	140,325	355,987
Vehicles	-	60,289	22,630	-	82,919
Equipment and machinery	-	-	55,136	4,114,174	4,169,310
General support assets	9,904,840	-	-	-	9,904,840
Central office assets	6,685,756	-	-	-	6,685,756
Terminal equipment cable and wiring facilities	6,663,063	-	-	-	6,663,063
Less accumulated depreciation	(4,948,841)	(202,999)	(73,972)	(722,740)	(5,948,552)
Construction in progress	<u>22,091,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,091,401</u>
	<u>\$40,396,219</u>	<u>\$ 68,402</u>	<u>\$241,045</u>	<u>\$3,531,759</u>	<u>\$44,237,425</u>



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. Inventories. Inventories of materials and supplies are determined by physical count and are valued at the lower of cost (principally average cost) or market.

I. Actual Expenditures Contrasted With Budgetary Expenditures

1. Actual expenditures are charges which represent the total of all current year liabilities incurred which were attributable to operations; such liabilities may represent liquidations of either current or prior year encumbrances.

2. In contrast, budgetary expenditures represent current charges against appropriations; current charges consist of all current year liquidated and unliquidated encumbrances.

Budgetary expenditures are determined by subtracting both current year liquidations of prior year encumbrances and unliquidated prior year encumbrances from the combined total of current year actual expenditures and all unliquidated encumbrances.

When viewed in relation to respective budgets, budgetary expenditures provide the principal means of evaluating current year operating performance and management stewardship. The effects of current year liquidations of prior year encumbrances by liabilities less than the respective encumbrances, and the effects of current year cancellations of prior year encumbrances are reported together as a separate line item entitled "net encumbrance adjustments". This item of the budgetary financial statements is found under "other changes in unreserved fund balance" as its underlying components have no effect on current operating performance, the measurement of which is the primary purpose of the budgetary financial statements.

J. Fund Balance Reserves and Designations. The FSM National Government's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure or (2) legally segregated for a specific future use. In the accompanying combined balance sheet, reserves for related assets such as imprest funds and petty cash are examples of the former. Reserves for encumbrances, contracts, and continuing appropriations are examples of the latter.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(1) SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reserves for related assets for the general fund as of September 30, 1993, are as follows:

IMF securities	\$1,149,850
Imprest cash fund	147,233
Petty cash fund	4,061
Revolving Funds - FSM States	968,093
Other receivables	638,873
Equity investment, UMDA	1,500,000
Restricted deposits	<u>35,929</u>
Total	<u>\$4,444,039</u>

K. Totals - Memorandum Only. The "Totals - Memorandum Only" columns represent an aggregate of the individual combined financial statements. The total column is presented for overview informational purposes and does not represent consolidated financial information.

L. Investments. Investments are generally carried at the lower of cost or market.

M. Cash and equivalents

For purposes of the Combined Balance Sheet and the Combined Statement of Cash Flows related to the Enterprise Funds, cash and equivalents are defined as cash on deposit in banks including time certificates of deposit with an initial maturity of ninety days or less.

(2) CASH AND INVESTMENTS

I. Compact Funds

Public Law No. 4-77, which approved the "Internal Budget and Finance Procedures Under the Compact of Free Association", established and designated the Federated Development Authority (FDA) as the agency under which Compact funds available for investment are obligated and placed. This law also provides that all FDA investment funds shall be managed by the FSM Secretary of Finance for the FDA.

The FSM National Government and each of the individual States of Federated States of Micronesia channel their investments into combined investment pool accounts.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

The investment managers and the trustee report on the investment pool accounts; the trustee also reports on each government-participant's total investments, showing the individual investments in the long-term and short-term accounts and each participant's balance which remains with the trustee.

Ownership or share in the long-term and short-term investment pools are accounted for in terms of units purchased at the time of investment or redeemed at the time of withdrawal. Purchase and redemption of units are made on the first working day of the month at the current market value of the units. Shares of the participants in the reinvested earnings and accrued income (net of management fees and miscellaneous expenses) in the long-term investment account (interest, dividends, realized gains/losses on sales of stocks) and in the short-term account (interest and realized gains/losses on sales of securities) are based on the outstanding units held.

The investment managers are given authority to buy and sell securities as follows:

A. Investment managers may invest in stocks, bonds and cash equivalents. Minimum standards of quality for investments at the time of purchase shall be:

1. Stocks - A "B" rating by a national rating service. Non-rated stocks such as banks or insurance companies must be equal in quality or higher.
2. Bonds - Confined to issues rated "A" or higher by a national rating service, except in the case of U.S. Treasury or Agency Securities which are not rated.
3. Cash equivalents - The manager may engage in all normally accepted short-term investment practices including, but not limited to: U.S. Treasury and Agency securities, bankers' acceptances, certificates of deposit, commercial paper and repurchase agreements using any of the foregoing as collateral. The following restrictions apply:
  - a. Commercial paper must be rated A-1/P-1 or higher by Standard and Poors Corporation and Moodys Investor Services.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

- b. Certificates of deposit must be from FDIC insured banks or FSLIC insured savings and loan associations, both of which must have assets in excess of two billion dollars. Deposits in smaller institutions are acceptable, but must not exceed the amount of the insurance unless collateralized by U.S. Treasury Securities at 102%.
- B. The equity portfolio shall be diversified among issues and industry classifications. No more than 25% of the equity portfolio may be invested in any single classification, as described by the Standard and Poors 500 Index, unless prior approval is received from the Secretary of Finance.
- C. No investment may be made in a single corporate entity which exceeds 5% of the total assets of the fund at the time of purchase without prior approval by the Secretary of Finance.

II. Other Funds

Other invested funds include the fishing rights fees and health insurance proceeds.

As of September 30, 1993, fishing rights fees of \$20,828,297, including reinvested earnings, are held with Hawaiian Trust Company, Ltd. \$6,092,585 of the balance is invested in short-term deposits and the remainder in long-term securities.

The Health Insurance Fund, an Expendable Trust Fund, has cash deposits of \$1,016,821 with Hawaiian Trust Company, Ltd. at September 30, 1993.

III. Investment Management

The administration of the initial Compact Investment Development Fund of \$12 million received under Section 111(b)(1) of the Compact agreement in October 1987 was transferred to the FSM Development Bank, an Enterprise fund, together with all cumulative earnings in March 1989 pursuant to Public Law 5-122. The second installment of \$8 million received under this section of the Compact was received by the National Government during fiscal year 1991, and was transferred to the FSM Development Bank together with all cumulative earnings on February 22, 1993, pursuant to Public Law 6-109.

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

IV. Investment Valuation

As of September 30, 1993, the details of the FSM National Government's Governmental and Fiduciary fund type cash and equivalents and investments are as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
<u>Compact Funds:</u>		
<u>Cash and equivalents</u>		
Commercial paper, Treasury notes, HCo. Automated Cash Management (ACM) [Market value approximates cost]	\$ 1,269,627	\$ 1,269,627
<u>Investments</u>		
Pooled investment securities	<u>16,962,681</u>	<u>17,881,603</u>
Total Compact Funds	<u>18,232,308</u>	<u>19,151,230</u>
<u>Other Funds:</u>		
<u>Cash and equivalents</u>		
Banker's acceptances, corporate and bank notes, TCD's and HCo. ACT	12,096,721	12,096,721
<u>Investments</u>		
Common Stock	<u>14,735,712</u>	<u>15,230,770</u>
Total Other Funds	<u>26,832,433</u>	<u>27,327,491</u>
 Total cash and investments Governmental and Fiduciary fund types	 45,064,741	 46,478,721
Reconciliation of cash and investments to combined balance sheet (Cost approximates market):		
Other cash in bank, General Fund, net	<u>3,381,432</u>	<u>3,381,432</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

IV. Investment Valuation, Continued

Total cash and investments, Governmental and Fiduciary Fund Types	<u>\$48,446,173</u>	<u>\$49,860,153</u>
---	---------------------	---------------------

The above total does not include FSM Social Security Administration which is shown separately at note 11.

At September 30, 1993, the FSM National Government had deposits as follows:

General Fund

Cash and deposits with Hawaiian Trust Co., ACM	\$ 5,687,426
All other cash and deposit held in FDIC insured banks	<u>5,395,235</u>

Total cash and equivalents	<u>\$11,082,661</u>
----------------------------	---------------------

Securities with IMF	\$ 1,149,850
---------------------	--------------

Time certificates of deposit with FDIC insured banks	<u>2,225,190</u>
---	------------------

	<u>\$ 3,375,040</u>
--	---------------------

Special Revenue Funds

Cash on deposit with Hawaiian Trust Co. ACM	<u>\$ 1,225,040</u>
--	---------------------

Expendable Trust Funds

Cash on deposit with Hawaiian Trust Co. ACM	<u>\$ 1,016,821</u>
--	---------------------

Capital Projects Fund

Cash on deposit with Hawaiian Trust Co. ACM	<u>\$ 41,826</u>
--	------------------

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

IV. Investment Valuation, Continued

<u>Enterprise Funds</u>	<u>Carrying Value</u>
<u>Cash and Equivalents</u>	
Cash in checking and savings accounts with FDIC insured banks.	<u>\$14,671,536</u>
<u>Investments</u>	
Cash held in an escrow account with FDIC insured bank.	\$ 6,675,955
Carrying value of an investment in INTELSAT.	910,114
Carrying value at cost of National Fisheries Corporation's 1/3 equity investment in the Caroline Fisheries Corporation, Inc. and 1/2 equity investment in the Chuuk's Fresh Tuna, Inc., and Yap Fishing Corporation, Yap Fresh Tuna, and Micronesia Longline Fishing Co.	2,648,044
Carrying value of an investment in a locally incorporated commercial bank which is accounted for on the equity method.	662,188
Investments held by Hawaiian Trust Co., registered in the name of the FSM Development Bank's Investment Development Fund. (\$13,278,442 in U.S. government obligations, \$498,759 of corporate bonds and notes, \$655,108 in a mutual bond fund, and \$2,767,626 of time certificates of deposit, with a market value of \$17,192,873.)	<u>17,199,935</u>
Total investments	<u>\$28,096,236</u>
Total cash and investments of enterprise funds	<u>\$42,767,772</u>

For the above cash balances held by the FSM National Government's Enterprise Funds, the carrying value approximates market value except for the investment in the commercial bank and the National Fisheries Corporation equity investments, for which market value is indeterminable.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

IV. Investment Valuation, Continued

The FSM National Government and its component units, except as specified above, do not require collateralization of its cash accounts. Therefore, cash and equivalents are substantially uncollateralized.

For cash and investments of the FSM Social Security Administration, refer to Note 11.

V. Investment Categorization

Governmental Accounting Standards Board Statement (GASB) No. 3 requires government entities to categorize investments to give an indication of the level of risk assumed by the entity at year end.

Category 1 - Insured or registered, or securities held by the FSM National Government or its agent in the FSM National Government's name.

Category 2 - Uninsured and unregistered, or securities held by a party other than the FSM National Government or its agent, but in the FSM National Government's name.

Category 3 - Uninsured and unregistered, with securities held by a party other than the FSM National Government and not in the FSM National Government's name.

The FSM National Government's demand and time deposits are non-categorized investments in accordance with GASB Statement # 3. Compact of Free Association funds held by the designated trustee have been classified as category 2 investments as all Compact investments are held in the name of the FSM National Government. Enterprise fund investments are classified as category 1 investments as investments are either registered or held in the enterprise agency's name. All other investments are classified as category 2 investments as they are held by the designated trustee in the FSM National Government's name.



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(2) CASH AND INVESTMENTS, CONTINUED

VI. Equity Investment

The FSM National Government owns 300,000 shares of the stock of a commercial bank incorporated within the FSM. The investment of \$3,000,000 is accounted for on the equity method since the investment constitutes a 32% ownership share. The principal investment, including \$279,893 of equity income, is recorded in the Capital Project Fund and is reserved for as a related asset within that fund.

The FSM National Government also owns 50,000 shares of the stock of a commercial enterprise located in the Commonwealth of the Northern Marianas. The investment of \$1,500,000 resulted from a contribution and is accounted for in the General Fund at cost since the investment constitutes a 6% ownership share. This investment is reserved for as a related asset in the general fund.

VII. Enterprise Funds

The FSM Development Bank, an Enterprise fund, owns 100,000 shares of the stock of a commercial bank incorporated within the FSM. The investment of \$1,000,000 is accounted for on the cost method since the investment constitutes a 10.81% ownership share.

(3) COMMITMENTS AND CONTINGENCIES

1. Sick Leave. It is the policy of the FSM National Government to record sick leave when leave is actually taken and a liability is actually incurred. The accumulated estimated amount of unused sick leave at September 30, 1993, was \$1,112,000.
2. Litigation. The FSM National Government is party to several legal proceedings arising from governmental operations. Claims are filed with the FSM Attorney General. Approved claims are paid from appropriations to the affected government agency. At September 30, 1993, there existed several unapproved claims. The Attorney General of the FSM National Government represents that the ultimate resolution of these claims is undeterminable, but should not have a material impact on the accompanying general purpose financial statements.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(3) COMMITMENTS AND CONTINGENCIES, CONTINUED

3. Leases. The FSM National Government has entered into house lease agreements varying from one to five years. The aggregate amount of future lease payments has not been accumulated as renewal is subject to annual appropriation.
4. Authorization for Appropriations As of September 30, 1993, the following authorizations for appropriations from the general fund were outstanding:

Public Law 6-69

Loan to National Fisheries Corporation      \$4,649,000

Public Law 7-107

Asian Development Bank Loan      \$6,500,000

These items have not been included in the reserve for continuing appropriations as of September 30, 1993, as an additional appropriation law must be passed by Congress or a drawdown of loan proceeds must occur before the above balances can be allotted.

5. Committed Compact Funding

Under FSM National Government Public Law No. 6-69, the Congress has appropriated future cash flows of the Compact of Free Association. The amounts will be used by the FSM National Government to repay current and future borrowings under the Medium Term Note program. The future appropriations have been made for a project connected with the National Fisheries Corporation's (NFC) investment in the Caroline Fishing Corporation Inc., a fishing joint venture (Refer Note 10).

The appropriation for the \$3,750,000 loan to Caroline Fisheries Corporation Inc. was pledged against Compact Section 211(a) Capital Account funds of \$4,500,000, representing \$1,500,000 for each of fiscal years 1991, 1993 and 1993.

6. Federal Program Questioned Costs

The National Government participates in a number of U.S. federally assisted grant programs. These programs are subject to financial and compliance audits to ascertain if Federal laws and guidelines have been followed. Currently, \$23,739 in questioned costs from the operation of fiscal year 1991 grants remain unresolved. If these questioned costs are ultimately disallowed, the General Fund may bear responsibility for absorbing the amount disallowed.

**NATIONAL GOVERNMENT**  
**FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(3) COMMITMENTS AND CONTINGENCIES, CONTINUED

6. Federal Program Questioned Costs, Continued

Additionally, \$11,457,959 of questioned costs exists from the four States of the Federated States of Micronesia which receive federal funds in a subrecipient capacity. If these questioned costs are sustained, such will be funded by State resources.

Pursuant to Title I, Section 105 of United States Public Law 99-290, the Government of the Federated States of Micronesia (FSM) is no longer liable for debts to U.S. federal agencies arising prior to the date of the implementation of the Compact of Free Association. This matter has not yet been officially resolved with the U.S. Government. Accordingly, the States have made no adjustment to the above questioned costs for amounts which were incurred prior to the implementation of the Compact of Free Association.

(4) CONTINUING APPROPRIATIONS

At September 30, 1993, the General Fund reflected the following as continuing appropriations:

Chuuk State Projects	\$ 3,945,220
Pohnpei State Projects	5,107,269
Yap State Projects	968,188
Kosrae State Projects	1,850,252
Cooperative and Credit Union	1,056
ADB Membership	891,364
Continental Scholarships	12,877
Asia Pacific Telecommunity	3,250
IMF Membership	288,766
FSM-wide census	291,530
Chuuk Typhoon Relief	6,517
NFC Outer Bank Survey	574
Maritime Training	13,000
Printing of Convention Journal	24,513
Political Education	<u>69,602</u>
Total	<u>\$13,473,978</u>

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(4) CONTINUING APPROPRIATIONS, CONTINUED

Capital Project Funds

Continuing appropriations for the Capital Projects Funds as of September 30, 1993, are as follows:

Compact Capital Projects Funds

Public Law No.	5-13	\$	10,575
	5-75		4,328
	6-4		67,471
	6-7		80,439
	5-86		16,160
	6-19		28,679
	5-115		76,100
	5-118		90,984
	6-10		227,597
	6-91		337,445
	7-19		291,628
	7-78		42,093
	7-107		<u>2,150,000</u>

Sub-Total	<u>3,423,499</u>
-----------	------------------

CFSM Capital Projects Funds

Staff housing	3,283
Finance warehouse	27,680
Capitol wells	<u>36,984</u>
	<u>67,947</u>

Total Capital Projects Funds	<u>\$3,491,446</u>
------------------------------	--------------------

Special Revenue Funds

Continuing appropriations for Special Revenue Funds as of September 30, 1993, are as follows:

Scholarship Grants:

Yap	\$	28,500
Pohnpei		288,003
Chuuk		48,442
Kosrae		605,887
Graduate Scholarship		50,900
College of Micronesia		<u>89,174</u>
Total		<u>1,110,906</u>

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(4) CONTINUING APPROPRIATIONS, CONTINUED

Communications One-Time (PL 5-3):

FSM Telecommunications Corp. - Building	1,824
FSM Telecommunications Corp. - Switch and others	177,413
FSM Telecommunications Corp. - Telephone System	<u>125,200</u>
	<u>304,437</u>

Energy

Kosrae Projects	41,656
Chuuk Projects	<u>135,522</u>
	<u>177,178</u>

Special Block Grant

Leptospirosis, Dengue Fever and Cholera	3,876
Yap Elementary and Secondary (PL-7-96)	389,717
Yap Continuing Education (PL-7-96)	50,000
Yap Saint Mary's School (PL-7-96)	<u>50,000</u>
	<u>493,593</u>

Total Compact Special Revenue Funds	<u>2,086,114</u>
-------------------------------------	------------------

Disaster Revolving Fund	<u>521,718</u>
-------------------------	----------------

Asian Development Bank Loan Fund	<u>1,144,071</u>
----------------------------------	------------------

Total Special Revenue Funds	<u><u>\$ 3,751,903</u></u>
-----------------------------	----------------------------

(5) TRANSFERS OUT/IN

Net transfers for the year ended September 30, 1993, consist of the following:

General Fund transfers out:

Coconut Development Authority	\$ 130,415
Maritime Operations Revolving Fund	545,813
Copra Subsidy	200,000
FSM Development Bank	225,985
National Fisheries Corporation	1,164,600
Asian Development Bank Loan Fund	<u>1,154,949</u>

Net General Fund transfers out	<u><u>\$ 3,421,762</u></u>
--------------------------------	----------------------------

Compact Capital Projects Fund transfers out:

FSM Development Bank	\$ 2,000,000
National Fisheries Corporation	<u>1,150,000</u>
	<u><u>\$ 3,150,000</u></u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(5) TRANSFERS OUT/IN, CONTINUED

Special Revenue Funds transfers out/(in):	
Asian Development Bank Loan Fund	\$ 1,154,949
Higher Education Fund-COM-FSM	(1,110,826)
One-Time & Annual Communications transfer out to FSM Telecommunications Fund	(804,000)
Maritime Operations Revolving Fund	<u>545,813</u>
Net Special Revenue Funds transfers	<u>\$ (214,064)</u>

(6) INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 1993, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$20,956,746	\$24,866,757
Special Revenue Funds:		
Transition	36,936	-
Federal grants direct	770,259	1,632,584
OTIA	389,751	-
Maritime Operations	-	293,764
Passport	-	130,349
Disaster Relief	-	544,616
Fisheries Revolving Fund	-	44,383
Substance Abuse Revolving Fund	2,219	-
Asian Development Loan Fund	-	1,144,071
Section 214	467,147	-
Section 215 (a)	860,113	-
Section 215 (b)	668,870	-
Section 216 (a)(1)	1,194,995	-
Section 216 (a)(2)	265,160	-
Section 216 (a)(3)	2,510,317	-
Section 216 (b)	858,735	-
Section 221 (b)	248,668	-
Special Development Fund	-	33,443
Capital Projects Funds:		
Compact	-	91,415
OTIA/TTPI	137,179	-
CFSM	-	78,822
Expendable Trust Funds:		
Health insurance	-	57,290
Student loan fund	-	416,988
Internal Service Fund	<u>-</u>	<u>32,613</u>
Total	<u>\$29,367,095</u>	<u>\$29,367,095</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(7) ENTERPRISE FUNDS

A. Audit Reports

The Federated States of Micronesia (FSM) Public Auditor performed audits of the following Proprietary Fund Type-Enterprise Funds as of September 30, 1993, and for the year then ended. A description of these Enterprise Funds, the date of the audit report and the type of opinion given follows:

<u>Fund</u>	<u>Report Date</u>	<u>Opinion</u>
FSM Coconut Development Authority	January 28, 1993	Unqualified
FSM Development Bank	December 10, 1993	Unqualified
FSM Telecommunications Corporation	December 8, 1993	Unqualified
National Fisheries Corporation	February 24, 1994	Qualified

The auditors' report on the National Fisheries Corporation was qualified due to an inability to obtain audited financial statements of two investees.

B. Segment Data

Key financial data for material enterprise funds, as of and for the year ended September 30, 1993, is as follows:

	<u>FSM Coconut Development Authority</u>	<u>FSM Development Bank</u>	<u>FSM Telecommuni- cations Corp.</u>	<u>National Fisheries Corporation</u>
Total assets	<u>\$ 699,845</u>	<u>\$44,634,350</u>	<u>\$61,520,505</u>	<u>\$ 8,610,753</u>
Total equity	<u>\$ 680,218</u>	<u>\$44,507,904</u>	<u>\$20,707,331</u>	<u>\$ 1,319,170</u>
1993 net earnings (loss)	<u>\$ 157,922</u>	<u>\$ (463,784)</u>	<u>\$ 1,117,301</u>	<u>\$(4,397,903)</u>
Operating subsidy	<u>\$ 334,288</u>	<u>\$ 225,985</u>	<u>\$ 804,000</u>	<u>\$ 364,600</u>
Capital contributions	<u>\$ -</u>	<u>\$ 2,150,000</u>	<u>\$ -</u>	<u>\$ 2,521,680</u>
Receivables, net	<u>\$ 30,490</u>	<u>\$20,861,575</u>	<u>\$ 1,184,947</u>	<u>\$ 112,254</u>
Allowance for doubtful accounts	<u>\$ 3,388</u>	<u>\$ 1,530,587</u>	<u>\$ 433,074</u>	<u>\$ 91,875</u>
Operating revenue	<u>\$ 27,568</u>	<u>\$ 1,815,924</u>	<u>\$ 6,686,929</u>	<u>\$ 637,204</u>
Notes payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$36,748,147</u>	<u>\$ 6,358,164</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(7) ENTERPRISE FUNDS

B. Segment Data, Continued

	FSM Coconut Development Authority	FSM Development Bank	FSM Telecommuni- cations Corp.	National Fisheries Corporation
Depreciation and amortization	<u>\$ 17,577</u>	<u>\$ 43,835</u>	<u>\$ 1,457,800</u>	<u>\$ 266,527</u>
Operating income (loss)	<u>\$(182,300)</u>	<u>\$ (317,759)</u>	<u>\$ 30,095</u>	<u>\$(1,302,473)</u>
Additions to fixed assets	<u>\$ 50,573</u>	<u>\$ 54,702</u>	<u>\$ 2,354,768</u>	<u>\$ 37,607</u>
Disposals of fixed assets	<u>\$ -</u>	<u>\$ 3,944</u>	<u>\$ 17,183</u>	<u>\$ -</u>

(8) ENTERPRISE FUNDS - RESTATEMENT OF BEGINNING RETAINED EARNINGS

During fiscal year 1993, FSM Coconut Development Authority (CDA), FSM Telecommunications Corporation (FSMTC), and FSM Development Bank (FSMDB) reevaluated their FY92 financial statements and found various misstatements. Therefore adjustments to the beginning retained earnings were necessary to correct for the following:

	<u>Net Adjustment to Retained Earnings</u>
National Fisheries Corporation	\$ -
FSM Coconut Development Authority	6,982
FSM Telecommunications Corporation	562,346
FSM Development Bank	<u>4,032,139</u>
	<u>\$ 4,601,467</u>

The adjustment for the FSM Development Bank was to reflect the restricted nature of earnings on certain capital contributions.



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(9) NOTES PAYABLE

During fiscal year 1993, FSM National Government became members of both the International Monetary Fund and the World Bank Group. Membership required the FSM to issue demand notes totaling \$4,588,506. The demand notes were recorded in the General Long-Term Debt Account Group as management is of the opinion that such does not represent an expected use of current resources.

As of fiscal year 1993, FSM Telecommunications Corporation (A Proprietary Fund Type-Enterprise Fund) had drawn down a total of \$36,748,147 from U.S. Department of Agriculture Rural Electrification Administration as part of a \$41 million loan package to be used for telephone network expansion in the FSM. \$6 million was invested in an escrow fund and the remaining \$30,748,147 was earmarked for network expansion.

The following summarizes the debt service requirements for the next five years and thereafter:

<u>Year</u>	<u>Principal</u>
1994	\$ 490,300
1995	514,815
1996	540,555
1997	567,583
1998	625,760
1999 and thereafter	<u>34,009,134</u>
	<u>\$36,748,147</u>

As of September 30, 1993, National Fisheries Corporation has drawdown \$3,100,000 from the FSM National Government pursuant to FSM Congress Law No. 6-69.

The future debt payments for this \$3,100,000 are as follows:

<u>Year</u>	<u>Principal</u>
1994	\$ 154,157
1995	190,531
1996	190,531
1997	190,531
1998	190,531
1999 and thereafter	<u>2,183,719</u>
	<u>\$3,100,000</u>

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(9) NOTES PAYABLE, CONTINUED

The following is the total Proprietary Fund Type-Enterprise Fund future debt payments for subsequent years:

<u>Year</u>	<u>Principal</u>
1994	\$ 644,457
1995	705,346
1996	731,086
1997	758,114
1998	816,291
1999 and thereafter	<u>36,192,853</u>
	<u>\$39,848,147</u>

(10) LOANS RECEIVABLE

A. General Fund

As of September 30, 1993, an amount of \$3,100,000 was outstanding from the National Fisheries Corporation (an Enterprise Fund). The first three notes were used for the purchase of common and preferred stock of Yap Fishing Corporation and two longline fishing boats, including initial working capital.

The additional four notes were used for longline training activities, purchase of common stock of Yap Fresh Tuna, and business joint ventures:

<u>Date</u>	<u>Principal</u>	<u>Annual Installments</u>	<u>First Payment Date</u>	<u>Term</u>
3/29/91	\$ 750,640	\$44,155	3/29/94	20 years
7/11/91	1,212,940	86,639	7/11/94	17 years
9/27/91	397,176	23,363	9/27/94	20 years
10/1/91	500,000	29,412	10/18/94	17 years
4/2/92	100,000	5,000	4/30/95	23 years
4/2/92	39,244	1,962	4/30/95	23 years
11/1/91	<u>100,000</u>	-	-	
	<u>\$3,100,000</u>			

Pursuant to Public Law 6-69, no interest is payable on these loans.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(10) LOANS RECEIVABLE, CONTINUED

B. Compact Capital Projects Fund

As of September 30, 1993, an amount of \$3,750,000 was outstanding from the Caroline Fisheries Corporation (CFC), a joint venture between the National Fisheries Corporation (NFC) (a Proprietary Fund Type-Enterprise Fund), Pohnpei State Economic Development Authority and the Australian-owned Tuna Development Company, Pty. Ltd. (TDC). The loan matures on October 15, 1997, with interest being paid semi-annually at rates ranging from 9.19% to 9.44% per annum.

Five annual principal payments of \$750,000 are to occur commencing on October 15, 1993. Collateral for the loan is in the form of mortgages over CFC's fishing vessels and guarantees by NFC, Pohnpei State Economic Development Authority and TDC.

C. Loans Receivable - FSM Development Bank

The FSMDB's policy is to report loans receivable net of an allowance for uncollectible loans. Following is a schedule of loan fund balances and the respective allowances:

<u>General Loan Fund</u>	<u>September 30, 1993</u>		
	<u>Loan Balance</u>	<u>Allowance for D/A</u>	<u>Net</u>
Unrestricted Fund	\$ 9,242,872	\$(1,230,587)	\$ 8,012,285
Restricted	1,124,873	-	1,124,873
IDF	<u>11,930,101</u>	<u>(300,000)</u>	<u>11,630,101</u>
Total	<u>\$22,297,846</u>	<u>\$(1,530,587)</u>	<u>\$20,767,259</u>

As of September 30, 1993, the Bank has total loans of \$221,048 to a former employee and spouses of five current employees of the Bank.

(11) FSM SOCIAL SECURITY ADMINISTRATION

The Social Security Administration of the Federated States of Micronesia National Government was established by Public Law 2-74, passed on February 8, 1983, and began operations on October 1, 1987, for the purpose of providing retirement, disability and death benefits to qualified individuals and their survivors. The Administration is administered under the authority of a six-member board appointed by the President of the Federated States of Micronesia (FSM).

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(11) FSM SOCIAL SECURITY ADMINISTRATION, CONTINUED

A. Basis of Accounting

For the year ended March 31, 1993, the FSM Social Security Administration has prepared financial statements using the modified accrual basis of accounting (refer Note 1B). Accounting for the Social Security system does not strictly follow pension fund accounting and accordingly the present value of the liability of prospective benefit payments and the present value of future contributions are not recorded. However, investments are recorded at market value in accordance with pension fund accounting guidelines.

B. Investments

Securities are stated at market value. Gains or losses on securities sold or disposed of are computed on the basis of specific identification.

Generally, the FSM Social Security Administration can invest in bonds and other evidence of indebtedness of the FSM or U.S.; or of any State of the FSM and U.S.; in bonds, debentures, notes, and other evidence of indebtedness issued or assumed by FSM or U.S. institutions, and in common stock on a U.S. stock exchange.

All investments are registered or held by the Hawaiian Trust Company in the name of the FSM Social Security Administration.

As of March 31, 1993, the details of the FSM Social Security Administration's cash and investments are as follows:

Cash and equivalents

Cash on deposit with Hawaiian Trust Company ACM	\$ 537,801
All other cash on deposit with FDIC insured banks	<u>638,367</u>
Total cash and equivalents	<u>\$1,176,168</u>

NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(11) FSM SOCIAL SECURITY ADMINISTRATION, CONTINUED

<u>Investments</u>	<u>Cost</u>	<u>Market</u>
Common stock	\$ 6,610,038	\$ 7,942,256
U.S. government obligations	4,372,979	4,544,930
Government agencies	1,290,340	1,340,479
Corporate bonds	<u>1,919,566</u>	<u>2,012,907</u>
Total investments	<u>\$14,192,923</u>	<u>\$15,840,572</u>

The FSM Social Security Administration's demand and time deposits are non-categorized investments in accordance with Governmental Accounting Standard Board (GASB) Statement No. 3. All other investments held by the Administration have been classified as category 1 investments in accordance with GASB No. 3 as all investments are held in the name of the FSM Social Security Administration by the Hawaiian Trust Co., the trustee.

GASB Statement No. 3 requires government entities to categorize investments in the following categories to give an indication of the level of risk assumed by the entity at year end.

Category 1 - Insured or registered, or securities held by the FSM Social Security Administration or its agent in the Administration's name.

Category 2 - Uninsured and unregistered, or securities held by a party other than the FSM Social Security Administration or its agent, in the Administration's name.

Category 3 - Uninsured and unregistered, with securities held by a party other than the FSM Social Security Administration and not in the Administration's name.

C. Fixed Assets

Fixed assets are accounted for in the General Fixed Assets Account Group rather than in governmental funds. During the fiscal year ended March 31, 1993, net investment in fixed assets of \$114,961 was accounted for in the Administration's General Fixed Assets Account Group. Fixed assets consist of furniture, fixtures and equipment and are recorded at cost. Depreciation is provided over the estimated useful lives of the assets by the straight-line method.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
Notes to Combined Financial Statements, Continued  
September 30, 1993

(11) FSM SOCIAL SECURITY ADMINISTRATION, CONTINUED

C. Fixed Assets, Continued

This account group is not a "fund." It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

(12) ENTERPRISE FUNDS - EQUITY IN SUBSIDIARY LOSS

For the year ended September 30, 1993, the National Fisheries Corporation recorded its share of equity investments in various fishing corporations in the FSM based on the equity method of accounting for investments. An equity loss for the year was incurred as follows:

Chuuk Fresh Tuna, Inc.	<u>\$ 18,395</u>
------------------------	------------------

(13) ENTERPRISE FUNDS - SUBSEQUENT EVENT

The National Fisheries Corporation (NFC) was made guarantor of one-third of an \$8.4 million loan to the Caroline Fisheries Corporation (CFC) by Pohnpei State and the FSM National Government. NFC's \$2,833,333 guaranteed portion of the loan was reported in prior periods as a contingent liability.

During fiscal year 1993, CFC defaulted on its loan repayments. As of February 24, 1994, the Pohnpei State Supreme Court placed CFC in receivership. A total of \$1,722,500 in interest, accumulated since fiscal year 1990 was due and outstanding at September 30, 1993. In October, 1994, the first principal payment of \$1.5 million plus an additional \$360,000 in interest was due. The NFC is liable for the repayment of \$495,00 in principal and \$737,689 in outstanding interest payments.

The NFC's financial statements have been adjusted to reflect the effect of the above.

(14) MATERIAL FUND DEFICIT

The following fund reflects a material fund deficit as of September 30, 1993.

National Fisheries Corporation	<u><u>\$(6,672,106)</u></u>
--------------------------------	-----------------------------

However, the above deficit retained earnings are offset by contributed capital of \$7,991,276.

**INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION**

Honorable Bailey Olter  
President  
Federated States of Micronesia

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in Section III of the foregoing table of contents, which are also the responsibility of the management of the Federated States of Micronesia National Government, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Federated States of Micronesia National Government. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, except for the matters specified in our report dated December 20, 1993, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

February 15, 1994

Certified Public Accountants

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA**  
**Combined Statement of Expenditures by Account –**  
**All Governmental Fund Types and Expendable Trust Funds**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	Governmental Fund Types			Fiduciary Funds Expendable Trust Funds		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Capital Projects Funds	Other Expendable Trust Funds	FSM Social Security Administration	1993	1992
<b>Expenditures:</b>							
Personnel	\$ 9,650,188	\$ 231,611	\$ 50,944	\$ 72,867	\$ —	\$ 10,005,610	\$ 8,902,812
Travel	2,304,659	263,142	1,614	20,952	—	2,590,367	2,429,218
Contractual services, contributions and subsidies	3,377,474	440,306	1,720,869	22,394	—	5,561,043	4,206,805
Equipment, machinery, furniture and fixtures	1,684,723	53,306	4,500	6,475	—	1,749,004	3,066,329
Communications	661,613	76,465	—	3,909	—	741,987	513,971
Supplies and materials	2,123,350	251,594	—	3,111	—	2,378,055	1,607,982
Office/house rent/lease	1,441,072	—	—	—	—	1,441,072	663,538
Bad debts	337,391	—	—	—	—	337,391	224,508
Construction—in—progress	77,199	—	1,151,602	—	—	1,228,801	—
Scholarships	75,123	817,278	—	—	—	892,401	1,885,161
National Government direct assistance	—	2,513,049	—	—	—	2,513,049	2,194,688
Other	2,872,676	857,398	259,949	1,753,799	5,114,315	10,858,137	7,340,248
<b>Total expenditures</b>	<b>\$ 24,605,468</b>	<b>\$ 5,504,149</b>	<b>\$ 3,189,478</b>	<b>\$ 1,883,507</b>	<b>\$ 5,114,315</b>	<b>\$ 40,296,917</b>	<b>\$ 33,035,260</b>



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND  
Statement of Revenues And Transfers In  
Year Ended September 30, 1993**  
(With comparative totals for the year ended September 30, 1992)

	<u>1993</u>	<u>1992</u>
<b>Compact funding current:</b>		
Base amount	\$ —	\$ 4,461,480
Inflation adjustment	—	1,695,362
	<u>—</u>	<u>6,156,842</u>
<b>Locally derived taxes:</b>		
Import	2,290,530	1,289,942
Fuel	91,167	128,618
Income tax, individuals, net of tax refunds	2,732,537	2,304,081
Gross receipts tax, businesses	3,036,278	2,865,058
	<u>8,150,512</u>	<u>6,587,699</u>
<b>Investment income:</b>		
Realized gain on sale of equities	1,602,553	2,181,872
Realized loss on sale of equities	(234,724)	(251,352)
Dividends and interest income	1,731,681	1,934,853
	<u>3,099,510</u>	<u>3,865,373</u>
<b>Fees, licenses, and other income:</b>		
Fishing rights fees	18,126,644	12,394,186
Fishing violation fines	183,798	134,500
Postal collections	434,706	454,583
Penalties and interest on delinquent taxes	589,227	252,469
Business license and firearms fees	36,081	52,665
Other miscellaneous income	178,133	99,219
	<u>19,548,589</u>	<u>13,387,622</u>
<b>Total revenues</b>	<u>\$ 30,798,611</u>	<u>\$ 29,997,536</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**  
**Statement of Expenditures by Function and Department**  
**Year Ended September 30, 1993**  
(With comparative totals for the year ended September 30, 1992)

	<u>1993</u>	<u>1992</u>
<b>Executive Branch:</b>		
President's Office	\$ 613,262	\$ 554,690
Public Defender	513,540	512,677
Department of Human Resources	496,036	621,973
Department of Resources and Development	517,908	430,796
Office of the Attorney General	1,886,120	1,164,086
Department of Finance	1,471,431	1,393,412
Office of Administrative Services	1,306,210	1,240,066
Planning and Statistics	468,154	503,477
Budget Office	243,771	247,541
External Affairs and LNO's	3,202,324	2,285,186
Transportation	389,090	305,348
<b>Total Executive Branch</b>	<u>11,107,846</u>	<u>9,259,252</u>
 <b>Judicial Branch</b>	 <u>729,869</u>	 <u>723,578</u>
 <b>Boards and Commissions:</b>		
FSM Banking Board	—	14
Micronesian Maritime Authority	320,429	354,340
FSM Postmaster	652,331	584,426
College of Micronesia Board of Regents	157,063	118,890
FSM board of education	—	1,313
<b>Total Boards and Commissions</b>	<u>1,129,823</u>	<u>1,058,983</u>
 <b>Legislative Branch:</b>		
Office of the Speaker	696,962	683,901
Congress staff	1,129,408	1,144,041
Delegation offices	167,513	92,130
Legislature conference	—	391
Official representation	196,917	179,131
Members travel & expense allowance	195,412	211,397
<b>Total Legislative Branch</b>	<u>2,386,212</u>	<u>2,310,991</u>
 <b>Office of the Public Auditor</b>	 <u>351,436</u>	 <u>315,649</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**

**Statement of Expenditures by Function and Department, Continued  
Year Ended September 30, 1993**

(With comparative totals for the year ended September 30, 1992)

	1993	1992
Other National Government programs:		
Aids to non--public schools	\$ 300,000	\$ 250,000
Contributions	531,280	518,086
World Health Organization	42,985	—
State judiciary	259,976	265,656
T-3 program	247,984	231,927
Special grants to President	431	13,877
Congressional elections	258,961	—
1991 National election	17,954	—
Computer program --FHA	—	20,000
Aquaculture Center Program	123,155	118,941
South Pacific Forum	—	18,376
Micro Regional Tourism	4,575	5,000
Tourism Council of SPAC	—	6,500
Joint law enforcement	336,316	383,791
Air Continental scholarship	62,623	45,000
Continental Airlines feasibility study	—	150,000
ICAO membership fee	55,742	19,000
Constitutional convention	1,725	9,440
ADB membership and technical assistance	27,143	27,143
Second National Dev. Plan	325	0
FSM census	24,702	—
Total other National Government programs	2,295,877	2,082,737
Other Legislative Appropriations:		
State projects:		
Chuuk	2,466,038	3,189,049
Pohnpei	1,802,445	865,763
Yap	331,409	3,351,564
Kosrae	754,768	446,923
FSM membership IMF	911,234	—
APPV general assembly	—	950
Fisheries and maritime scholarship	—	9,000
Political education	1,120	26,185
Total other legislative appropriations	6,267,014	7,889,434
Unbudgeted expenditures:		
Bad debt	337,391	224,508
Total other expenditures	337,391	224,508
Total General Fund expenditures before operating transfers	\$ 24,605,468	\$ 23,865,132

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual, Budgetary Basis  
Year Ended September 30, 1993**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Locally derived taxes	\$ 6,100,000	\$ 8,150,512	\$ 2,050,512
Fishing right fees	10,000,000	18,126,644	8,126,644
Fishing violation fines	0	183,798	183,798
Postal revenues	500,000	434,706	(65,294)
Earnings on investments	1,850,000	3,099,510	1,249,510
Business fees and fines	300,000	36,081	(263,919)
Others	–	767,360	767,360
<b>Total revenues</b>	<u>18,750,000</u>	<u>30,798,611</u>	<u>12,048,611</u>
<b>Expenditures – budgetary basis by department:</b>			
<b>Executive Branch:</b>			
Office of the President	441,656	426,798	14,858
Disaster Office	41,500	41,187	313
Public Information	129,000	126,557	2,443
SNDA	10,000	10,000	–
<b>Total</b>	<u>622,156</u>	<u>604,542</u>	<u>17,614</u>
<b>Department of External Affairs:</b>			
Administrative	395,200	382,925	12,275
International affairs	169,100	169,100	–
U.S. Relations	61,600	61,600	–
LNO Guam	339,186	315,209	23,977
LNO Honolulu	319,250	320,577	(1,327)
LNO Japan	827,550	770,280	57,270
Washington Rep. Office	578,761	534,466	44,295
Fiji Embassy	265,300	265,994	(694)
UN Mission	501,350	498,277	3,073
<b>Total</b>	<u>3,457,297</u>	<u>3,318,428</u>	<u>138,869</u>
<b>Department of Human Resources:</b>			
Administration	93,110	92,398	712
Health	217,700	216,531	1,169
Education	216,500	195,677	20,823
<b>Total</b>	<u>527,310</u>	<u>504,606</u>	<u>22,704</u>
<b>Department of Resources and Development:</b>			
Administration	213,637	177,767	35,870
Commerce & Industry	85,957	79,141	6,816
Agriculture	169,100	171,501	(2,401)
Marine Resources	63,100	54,605	8,495
Labor	85,300	83,745	1,555
<b>Total</b>	<u>617,094</u>	<u>566,759</u>	<u>50,335</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**

**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual, Budgetary Basis  
Year Ended September 30, 1993**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Department of Transportation:</b>			
Administration	\$ 130,920	\$ 89,187	\$ 41,733
Marine	104,600	104,098	502
Aviation	158,900	157,338	1,562
Communication	46,850	43,006	3,844
<b>Total</b>	<u>441,270</u>	<u>393,629</u>	<u>47,641</u>
<b>Department of Finance:</b>			
Administration	226,500	209,579	16,921
ADP	183,033	182,782	251
Investment Management	134,707	131,855	2,852
Accounting	328,860	327,115	1,745
Revenue	446,670	378,599	68,071
Customs	301,400	257,457	43,943
<b>Total</b>	<u>1,621,170</u>	<u>1,487,387</u>	<u>133,783</u>
<b>Office of the Attorney General:</b>			
Immigration	283,900	279,813	4,087
Administration – Attorney General	341,810	342,432	(622)
Law	128,280	124,786	3,494
Litigation	93,590	93,162	428
DSI administration	387,980	382,098	5,882
International Law	103,370	94,574	8,796
Marine Surveillance	600,851	559,571	41,280
<b>Total</b>	<u>1,939,781</u>	<u>1,876,436</u>	<u>63,345</u>
<b>Office of the Public Defender</b>	<u>547,050</u>	<u>511,173</u>	<u>35,877</u>
<b>Office of Budget:</b>			
Administration	108,800	106,640	2,160
Management	45,600	33,937	11,663
Budget preparation	68,700	61,477	7,223
Grant management	49,500	48,237	1,263
<b>Total</b>	<u>272,600</u>	<u>250,291</u>	<u>22,309</u>
<b>Office of Planning and Statistics:</b>			
Administration	111,000	106,273	4,727
Planning	111,600	89,525	22,075
Statistics	168,400	143,786	24,614
Construction review	172,500	121,412	51,088
<b>Total</b>	<u>563,500</u>	<u>460,996</u>	<u>102,504</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Budget and Actual, Budgetary Basis**  
**Year Ended September 30, 1993**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Office of Administrative Services:</b>			
Administration	\$ 67,450	\$ 66,471	\$ 979
Personnel	77,900	57,490	20,410
Library Services	69,300	67,757	1,543
Training	49,300	47,860	1,440
Supply and Housing	112,300	107,762	4,538
OAS maintenance	273,200	252,548	20,652
Recruitment/repatriation	155,698	145,923	9,775
Housing allowance	634,307	630,432	3,875
<b>Total</b>	<u>1,439,455</u>	<u>1,376,243</u>	<u>63,212</u>
<b>Total Executive Branch</b>	<u>12,048,683</u>	<u>11,350,490</u>	<u>698,193</u>
<b>Judicial Branch</b>	<u>801,170</u>	<u>739,345</u>	<u>61,825</u>
<b>Board and Commissions:</b>			
Micronesian Maritime Authority	367,761	327,842	39,919
College of Micronesia Board of Regents	158,004	157,310	694
Postal services	653,671	639,922	13,749
<b>Total Boards and Commissions</b>	<u>1,179,436</u>	<u>1,125,074</u>	<u>54,362</u>
<b>Legislative Branch:</b>			
Office of the Speaker	704,500	682,599	21,901
Congress staff	1,175,125	1,132,960	42,165
Delegation offices	190,000	183,915	6,085
Members official representation	188,000	187,198	802
Members' travel fund	202,000	183,937	18,063
Congress fuel	10,000	7,756	2,244
Legislature committees	4,000	3,803	197
<b>Total Legislative Branch</b>	<u>2,473,625</u>	<u>2,382,168</u>	<u>91,457</u>
<b>Public Auditor</b>	<u>381,000</u>	<u>343,099</u>	<u>37,901</u>
<b>Other National Government Programs:</b>			
Aid to non–public schools	300,000	300,000	–
Contributions	552,200	528,508	23,692
World Health Organization	42,985	42,985	–
Judiciary – Kosrae State	55,000	55,000	–
Judiciary – Pohnpei State	75,000	72,210	2,790
Judiciary – Chuuk State	75,000	75,000	–
Judiciary – Yap State	60,000	60,000	–
T–3 program	300,000	242,024	57,976
Congressional Elections	268,600	258,961	9,639
1991 National Election	17,916	17,853	63
Aquaculture Center Program	116,990	116,246	744
Micronesian Regional Tourism	5,000	4,575	425
<b>Sub–total Other National Government Programs</b>	<u>1,868,691</u>	<u>1,773,362</u>	<u>95,329</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
GENERAL FUND**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual, Budgetary Basis  
Year Ended September 30, 1993**

	Budget	Actual	Variance
Balance Forwarded Other National Government Programs \$	1,868,691	\$ 1,773,362	\$ 95,329
Joint Law Enforcement Program	352,170	343,623	8,547
Air Continental Scholarship	76,000	62,623	13,377
ICAO Membership	55,742	55,742	–
ADB Membership	918,507	27,143	891,364
FSM Con. Con.	–	1,725	(1,725)
FSM Census	321,480	30,300	291,180
<b>Total Other National Government Programs</b>	<b>3,592,590</b>	<b>2,294,518</b>	<b>1,298,072</b>
Other Legislative Appropriations:			
Public projects – Kosrae	2,527,823	872,000	1,655,823
Public projects – Pohnpei	6,226,323	1,997,566	4,228,757
Public projects – Chuuk	6,444,281	2,517,309	3,926,972
Public projects – Yap	1,382,765	435,114	947,651
Medical supplies and equipment	150,000	–	150,000
Political education	72,838	152	72,686
FSM Membership – International Monetary Fund	1,200,000	911,234	288,766
<b>Total Other Legislative Appropriations</b>	<b>18,004,030</b>	<b>6,733,375</b>	<b>11,270,655</b>
Unfunded expenditures	–	337,391	(337,391)
<b>Total expenditures</b>	<b>38,480,534</b>	<b>25,305,460</b>	<b>13,175,074</b>
Revenues in excess (less than) expenditures	(19,730,534)	5,493,151	25,223,685
Operating transfers in (out) and other sources (uses):			
Miscellaneous income	–	1,500,000	1,500,000
Coconut Development Authority	(331,700)	(311,451)	20,249
ADB Loan Fund	(1,154,949)	(1,154,949)	–
Sea Transportation Fund	(545,813)	(545,813)	–
FSM National Fisheries	(1,164,600)	(1,164,600)	–
FSM Development Bank	(225,985)	(225,985)	–
<b>Total operating transfers in (out), net, and total other sources (uses), net</b>	<b>(3,423,047)</b>	<b>(1,902,798)</b>	<b>1,520,249</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,153,581)	3,590,353	26,743,934
Unreserved fund balance, beginning of year	19,244,297	19,244,297	–
Other changes in unreserved fund balance:			
Increase in reserve for related asset	–	(2,959,818)	(2,959,818)
Increase in reserve for continuing appropriations	–	(4,372,781)	(4,372,781)
Decrease in reserve for investment diminution	–	25,154	25,154
Net encumbrance adjustment	–	547,937	547,937
<b>Unreserved fund balance, end of year</b>	<b>\$ (3,909,284)</b>	<b>\$ 16,075,142</b>	<b>\$ 19,984,426</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 1993**

Specific revenues have been earmarked to finance certain activities of the Government. These revenues and related expenditures are accounted for in the Special Revenue Funds. The special revenue funds as of September 30, 1993 are discussed below.

**Non-Compact Related Special Revenue Funds:**

Disaster Relief Fund - This fund was established by the Congress of the Federated States of Micronesia Public Law 2-64 to provide funds for emergency disaster relief.

Transition Grants, and OTIA Technical Assistance and Operation and Maintenance Funds - These funds account for special appropriations made to the Department of the Interior which are to be used for specific purposes and remain available until expended. Expenditures against these grants are on a reimbursable basis.

U.S. Federal Assistance and Other Direct Assistance Funds - These funds account for drawdowns and disbursements related to the grants awarded to the National Government as a primary grantee of U.S. federal assistance programs and direct assistance from other agencies and foreign entities.

Maritime Operations Revolving Fund - This fund was established by the Congress of the Federated States of Micronesia P. L. 3-8. All revenues generated through the conduct of ship operations and all appropriations from the Congress for funding ship repair, maintenance and operations are accounted for in this fund.

Passport Revolving Fund - This fund was established by the Congress of the Federated States of Micronesia Public Law 4-68 to account for the costs and revenues associated with the issuance and renewal of passports. Any funds exceeding a \$40,000 limit are transferred to the General Fund.

Fisheries Revolving Fund - This fund accounts for the use of certain fisheries related collections.

**Compact Grants**

Compact grant funds account for special assistance given by the United States Government to the Federated States of Micronesia under the "Compact of Free Association Act of 1985" per United States Public Law 99-239.

A. Section 214 - The energy grant is a contribution aimed at aiding the FSM Government in achieving increased self-sufficiency in energy production.



#### B. Section 215

1. (a) 2 - Communications Annual is a contribution for the current operations and maintenance of communication systems. The FSM Government receives \$600,000 annually from the United States for fifteen years commencing on the effective date of the FSM Compact.

2. b (2) - Communications One Time Contribution is restricted for the purpose of acquiring communications hardware and for such other current or capital account activity as may be selected.

#### C. Section 216

1. (a) 1 - Marine Surveillance Annual Contribution is restricted for the surveillance and enforcement of the FSM Maritime Zone. The FSM National Government receives \$519,000 annually through the year 2002.

2. (a) 2 - Health and Medical Contribution is restricted for health and medical programs including referrals to hospital and treatment centers. The National Government received \$125,980 in 1993, and will receive \$125,980 annually.

3. (a) 3 - Post Secondary Education Contribution is restricted for scholarship funds or funds to support the post secondary education of FSM citizens. The FSM Government received \$1,889,700 in fiscal year 1993, and will receive \$1,889,700 annually.

4. (b) - Marine Surveillance One Time Contribution is restricted for the surveillance and enforcement of the Maritime Zone.

#### D. Section 221

1. (b) - Special Block Grants Fund is restricted for education and health care. The National Government received \$315,000 in 1993, and will receive \$315,000 annually.

E. Special Development Fund Section 111 (b) (1) - This contribution is to assist in funding special economic development projects within the FSM. The FSM Government received \$12 million during the first full fiscal year following the effective date of the Compact and \$8 million during the third full fiscal year following the effective date of the Compact.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
September 30, 1993  
(With comparative totals as of September 30, 1992)**

<u>Assets</u>	<u>Non-Compact</u>	<u>Compact</u>	<u>Totals</u>	
			<u>1993</u>	<u>1992</u>
Cash	\$ —	\$ 1,225,040	\$ 1,225,040	\$ 1,795,271
Investments	—	9,962,971	9,962,971	7,551,080
Receivables from:				
Department of the Interior (DOI) grants	1,386,251	—	1,386,251	1,128,736
Federal agencies, TTG	326,871	—	326,871	326,871
Federal agencies, direct	2,495,729	—	2,495,729	1,997,588
Due from other funds	3,789,767	33,443	3,823,210	2,886,375
Advances to FSM States	—	—	—	57,318
Dividends and interest receivable	—	62,989	62,989	53,433
Other receivables	4,180	—	4,180	4,180
<b>Total assets</b>	<b>\$ 8,002,798</b>	<b>\$ 11,284,443</b>	<b>\$ 19,287,241</b>	<b>\$ 15,800,852</b>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 515,812	\$ 359,063	\$ 874,875	\$ 726,350
Accrued payable	21,955	684	22,639	35,308
Due to other funds	1,199,165	7,074,005	8,273,170	5,653,879
Due to FSM States	3,114,435	60,123	3,174,558	3,062,120
Deferred revenue	849,349	—	849,349	—
Advances from DOI/TTG/Other agencies	192,655	—	192,655	—
Other	—	—	—	1,438,121
<b>Total liabilities</b>	<b>5,893,371</b>	<b>7,493,875</b>	<b>13,387,246</b>	<b>10,915,778</b>
 Fund balances				
Reserved for encumbrances	944,493	546,350	1,490,843	1,787,848
Continuing appropriations	1,665,789	2,086,114	3,751,903	1,814,030
Unreserved	(500,855)	1,158,104	657,249	1,283,196
<b>Total fund balances</b>	<b>2,109,427</b>	<b>3,790,568</b>	<b>5,899,995</b>	<b>4,885,074</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 8,002,798</b>	<b>\$ 11,284,443</b>	<b>\$ 19,287,241</b>	<b>\$ 15,800,852</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended September 30, 1993  
(With comparative totals for the year ended September 30, 1992)

			<u>Totals</u>	
	<u>Non-Compact</u>	<u>Compact</u>	<u>1993</u>	<u>1992</u>
<b>Revenues:</b>				
Dept. of the Interior grants	\$ 730,248	\$ —	\$ 730,248	\$ 627,290
U.S. Federal contributions	1,527,422	—	1,527,422	1,244,758
<b>Compact grants:</b>				
Base amount	—	3,649,780	3,649,780	3,649,780
Inflation adjustment	—	328,041	328,041	304,038
Investment earnings	—	—	—	—
Other contributions	255,379	—	255,379	345,640
Sales of goods and services	242,264	—	242,264	84,608
<b>Total revenues</b>	<u>2,755,313</u>	<u>3,977,821</u>	<u>6,733,134</u>	<u>6,256,114</u>
<b>Expenditures:</b>				
Executive branch	<u>3,315,921</u>	<u>2,188,228</u>	<u>5,504,149</u>	<u>6,919,807</u>
<b>Total expenditures</b>	<u>3,315,921</u>	<u>2,188,228</u>	<u>5,504,149</u>	<u>6,919,807</u>
<b>Total revenues over (under) expenditures</b>	(560,608)	1,789,593	1,228,985	(663,693)
<b>Other sources (uses):</b>				
Operating and other transfers, net	<u>1,700,762</u>	<u>(1,914,826)</u>	<u>(214,064)</u>	<u>214,000</u>
<b>Excess (deficiency) of revenue and other sources over expenditures other uses</b>	1,140,154	(125,233)	1,014,921	(449,693)
<b>Fund balances, beginning of year</b>	<u>969,273</u>	<u>3,915,801</u>	<u>4,885,074</u>	<u>5,334,767</u>
<b>Fund balances, end of year</b>	<u>\$ 2,109,427</u>	<u>\$ 3,790,568</u>	<u>\$ 5,899,995</u>	<u>\$ 4,885,074</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS**

**Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balances**

**Year Ended September 30, 1993**

(With comparative totals for the year ended September 30, 1992)

			<u>Totals</u>	
	<u>Non-Compact</u>	<u>Compact</u>	<u>1993</u>	<u>1992</u>
<b>Revenues:</b>				
Dept. of the Interior grants	\$ 730,248	\$ —	\$ 730,248	\$ 627,290
U.S. Federal contributions	1,527,422	—	1,527,422	1,244,758
Compact grants:				
Base amount	—	3,649,780	3,649,780	3,649,780
Inflation adjustment	—	328,041	328,041	304,038
Investment earnings	—	—	—	—
Other contributions	255,379	—	255,379	345,640
Sales of goods and services	242,264	—	242,264	84,608
<b>Total revenues</b>	<u>2,755,313</u>	<u>3,977,821</u>	<u>6,733,134</u>	<u>6,256,114</u>
<b>Expenditures:</b>				
Personnel	213,897	17,714	231,611	681,345
Travel	55,865	207,277	263,142	171,933
Contractual services, contributions and subsidies	204,779	235,527	440,306	746,480
Capital asset purchases	5,264	48,042	53,306	54,850
Scholarship	—	817,278	817,278	1,801,123
National government assistance	2,513,049	—	2,513,049	2,194,688
Other	323,067	862,390	1,185,457	1,269,388
<b>Total expenditures</b>	<u>3,315,921</u>	<u>2,188,228</u>	<u>5,504,149</u>	<u>6,919,807</u>
<b>Total revenues over (under) expenditures</b>	<u>(560,608)</u>	<u>1,789,593</u>	<u>1,228,985</u>	<u>(663,693)</u>
<b>Other sources (uses):</b>				
Operating and other transfers, net	<u>1,700,762</u>	<u>(1,914,826)</u>	<u>(214,064)</u>	<u>214,000</u>
<b>Excess (deficiency) of revenue and other sources over expenditures other uses</b>	<u>1,140,154</u>	<u>(125,233)</u>	<u>1,014,921</u>	<u>(449,693)</u>
<b>Fund balances, beginning of year</b>	<u>969,273</u>	<u>3,915,801</u>	<u>4,885,074</u>	<u>5,334,767</u>
<b>Fund balances, end of year</b>	<u>\$ 2,109,427</u>	<u>\$ 3,790,568</u>	<u>\$ 5,899,995</u>	<u>\$ 4,885,074</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – NON-COMPACT**  
Combining Balance Sheet  
September 30, 1993  
(With comparative totals as of September 30, 1992)

Assets	OTIA									Totals	
	Transition Fund	Maritime Operations Revolving Fund	Disaster Revolving Fund	Federal and Other Direct Assistance Fund	Technical Assistance & Operations & Maintenance Fund	Passport Revolving Fund	Fisheries Revolving Fund	Substance Abuse Revolving Fund	Asian Development Loan Fund		
										1993	1992
Receivables from:											
Department of the											
Interior (DOI) grants	\$ 229,591	\$ -	\$ -	\$ -	\$ 1,156,660	\$ -	\$ -	\$ -	\$ -	\$ 1,386,251	\$ 1,128,736
Federal agencies, TTG	-	-	-	326,871	-	-	-	-	-	326,871	326,871
Federal agencies, direct	-	-	-	2,495,729	-	-	-	-	-	2,495,729	1,997,588
Advances to States	-	-	-	-	-	-	-	-	-	-	57,318
Due from other funds	-	293,764	544,616	1,632,584	-	130,349	44,383	-	1,144,071	3,789,767	2,886,375
Other receivables	-	3,102	-	1,078	-	-	-	-	-	4,180	4,180
<b>Total assets</b>	<b>\$ 229,591</b>	<b>\$ 296,866</b>	<b>\$ 544,616</b>	<b>\$ 4,456,262</b>	<b>\$ 1,156,660</b>	<b>\$ 130,349</b>	<b>\$ 44,383</b>	<b>\$ -</b>	<b>\$ 1,144,071</b>	<b>\$ 8,002,798</b>	<b>\$ 6,401,068</b>
<u>Liabilities and Fund Balances</u>											
Liabilities:											
Account payable	\$ -	\$ 31,269	\$ (2,317)	\$ 430,243	\$ 45,664	\$ 8,480	\$ 2,473	\$ -	\$ -	\$ 515,812	\$ 478,278
Accrued payroll	-	8,425	-	9,491	3,730	-	309	-	-	21,955	16,792
Due to other funds	36,936	-	-	770,259	389,751	-	-	2,219	-	1,199,165	496,607
Deferred revenue	-	-	-	849,349	-	-	-	-	-	849,349	-
Payable to States	-	-	-	2,396,920	717,515	-	-	-	-	3,114,435	3,001,997
Advances from DOI											
TTG/Other agency	192,655	-	-	-	-	-	-	-	-	192,655	1,438,121
<b>Total liabilities</b>	<b>229,591</b>	<b>39,694</b>	<b>(2,317)</b>	<b>4,456,262</b>	<b>1,156,660</b>	<b>8,480</b>	<b>2,782</b>	<b>2,219</b>	<b>-</b>	<b>5,893,371</b>	<b>5,431,795</b>
Fund balances:											
Reserved for											
encumbrances	-	180,847	31,184	600,585	112,279	254	18,569	775	-	944,493	1,304,822
Continuing appropriations	-	-	521,718	-	-	-	-	-	1,144,071	1,665,789	572,711
Unreserved	-	76,325	(5,969)	(600,585)	(112,279)	121,615	23,032	(2,994)	-	(500,855)	(908,260)
<b>Total fund balances</b>	<b>-</b>	<b>257,172</b>	<b>546,933</b>	<b>-</b>	<b>-</b>	<b>121,869</b>	<b>41,601</b>	<b>(2,219)</b>	<b>1,144,071</b>	<b>2,109,427</b>	<b>969,273</b>
<b>Total liabilities and fund balances</b>	<b>\$ 229,591</b>	<b>\$ 296,866</b>	<b>\$ 544,616</b>	<b>\$ 4,456,262</b>	<b>\$ 1,156,660</b>	<b>\$ 130,349</b>	<b>\$ 44,383</b>	<b>\$ -</b>	<b>\$ 1,144,071</b>	<b>\$ 8,002,798</b>	<b>\$ 6,401,068</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – NON–COMPACT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	OTIA									
	Maritime		Federal and		Technical		Substance		Asian	
	Operations	Disaster	Other Direct	Assistance &	Passport	Fisheries	Abuse	Development	Totals	
Transition	Revolving	Revolving	Assistance	Operations &	Revolving	Revolving	Revolving	Bank Loan		
Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	1993	1992
Revenues:										
Department of the										
Interior grants	\$ -	\$ -	\$ -	\$ -	\$ 730,248	\$ -	\$ -	-	-	\$ 730,248 \$ 627,290
U.S. Federal contributions	-	-	-	1,527,422	-	-	-	-	-	1,527,422 1,244,758
Other contributions	-	-	-	255,379	-	-	-	-	-	255,379 345,640
Sales of goods and services	-	46,685	-	-	-	93,835	101,365	379	-	242,264 84,608
Total revenues	-	46,685	-	1,782,801	730,248	93,835	101,365	379	-	2,755,313 2,302,296
Expenditures:										
Executive Branch	-	504,037	57,248	1,782,801	730,248	145,347	82,764	2,598	10,878	3,315,921 3,254,012
Total expenditures	-	504,037	57,248	1,782,801	730,248	145,347	82,764	2,598	10,878	3,315,921 3,254,012
Revenues over (under)										
expenditures	-	(457,352)	(57,248)	-	-	(51,512)	18,601	(2,219)	(10,878)	(560,608) (951,716)
Other sources (uses):										
Operating and other										
transfers, net	-	545,813	-	-	-	-	-	-	1,154,949	1,700,762 1,036,000
Excess (deficiency) of										
revenues and other										
sources over										
expenditures										
and other uses	-	88,461	(57,248)	-	-	(51,512)	18,601	(2,219)	1,144,071	1,140,154 84,284
Fund balances,										
beginning of year	-	168,711	604,181	-	-	173,381	23,000	-	-	969,273 884,989
Fund balances, end of year	\$ -	\$ 257,172	\$ 546,933	\$ -	\$ -	\$ 121,869	\$ 41,601	\$ (2,219)	\$ 1,144,071	\$ 2,109,427 \$ 969,273

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – NON–COMPACT**  
**Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balances**  
**Year Ended September 30, 1993**  
**(With comparative totals as of September 30, 1992)**

					OTIA Technical						
	Transition	Maritime	Disaster	Federal and	Assistance &	Passport	Fisheries	Substance	Asian	Totals	
	Fund	Operations	Revolving	Other Direct	Operations &	Revolving	Revolving	Abuse	Development		
	Fund	Revolving	Fund	Assistance	Maintenance	Fund	Fund	Revolving	Bank Loan	1993	1992
<b>Revenues:</b>											
Department of the											
Interior grants	\$ -	\$ -	\$ -	\$ -	\$ 730,248	\$ -	\$ -	-	-	\$ 730,248	\$ 627,290
U.S. Federal contributions	-	-	-	1,527,422	-	-	-	-	-	1,527,422	1,244,758
Other contributions	-	-	-	255,379	-	-	-	-	-	255,379	345,640
Sales of goods and services	-	46,685	-	-	-	93,835	101,365	379	-	242,264	84,608
<b>Total revenues</b>	<b>-</b>	<b>46,685</b>	<b>-</b>	<b>1,782,801</b>	<b>730,248</b>	<b>93,835</b>	<b>101,365</b>	<b>379</b>	<b>-</b>	<b>2,755,313</b>	<b>2,302,296</b>
<b>Expenditures:</b>											
Personnel	-	190,654	-	-	-	-	16,311	-	6,932	213,897	193,671
Travel	-	2,886	4,814	-	-	-	44,219	-	3,946	55,865	20,079
Contractual services,											
contributions and subsidies	-	186,420	-	-	-	-	18,359	-	-	204,779	419,806
Capital asset purchases	-	3,328	1,180	-	-	-	756	-	-	5,264	28,404
National Government											
direct assistance	-	-	-	1,782,801	730,248	-	-	-	-	2,513,049	2,194,688
Other	-	120,749	51,254	-	-	145,347	3,119	2,598	-	323,067	397,364
<b>Total expenditures</b>	<b>-</b>	<b>504,037</b>	<b>57,248</b>	<b>1,782,801</b>	<b>730,248</b>	<b>145,347</b>	<b>82,764</b>	<b>2,598</b>	<b>10,878</b>	<b>3,315,921</b>	<b>3,254,012</b>
<b>Revenues over (under)</b>											
<b>expenditures</b>	<b>-</b>	<b>(457,352)</b>	<b>(57,248)</b>	<b>-</b>	<b>-</b>	<b>(51,512)</b>	<b>18,601</b>	<b>(2,219)</b>	<b>(10,878)</b>	<b>(560,608)</b>	<b>(951,716)</b>
<b>Other sources (uses):</b>											
Operating and other											
transfers, net	-	545,813	-	-	-	-	-	-	1,154,949	1,700,762	1,036,000
<b>Excess (deficiency) of</b>											
<b>revenues and other</b>											
<b>sources over</b>											
<b>expenditures</b>											
<b>and other uses</b>	<b>-</b>	<b>88,461</b>	<b>(57,248)</b>	<b>-</b>	<b>-</b>	<b>(51,512)</b>	<b>18,601</b>	<b>(2,219)</b>	<b>1,144,071</b>	<b>1,140,154</b>	<b>84,284</b>
<b>Fund balances,</b>											
<b>beginning of year</b>	<b>-</b>	<b>168,711</b>	<b>604,181</b>	<b>-</b>	<b>-</b>	<b>173,381</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>969,273</b>	<b>884,989</b>
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 257,172</b>	<b>\$ 546,933</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 121,869</b>	<b>\$ 41,601</b>	<b>\$ (2,219)</b>	<b>\$ 1,144,071</b>	<b>\$ 2,109,427</b>	<b>\$ 969,273</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – COMPACT**  
Combining Balance Sheet  
September 30, 1993

	Communications	Communications	Marine	Marine	Post	Health and	Special	Energy	Special	
	Annual	One Time	Surveillance	Surveillance	Secondary	Medical	Block Grant	Compact	Development	
<u>Assets</u>	<u>Section 215(a)2</u>	<u>Section 215(b)1</u>	<u>Section 216(a)1</u>	<u>Section 216(b)</u>	<u>Section 216(a)3</u>	<u>Section 216(a)2</u>	<u>Section 221(b)</u>	<u>Section 214</u>	<u>Fund</u>	<u>Totals</u>
Cash	\$ 10,183	\$ 810	\$ (200)	\$ 54	\$ 18,806	\$ 1,564	\$ 1,189,226	\$ 1,930	\$ 2,666	\$ 1,225,039
Investment	950,009	965,347	1,655,204	1,104,986	3,516,206	672,513	82,203	1,011,908	4,597	9,962,973
Due from other funds	—	—	—	—	—	—	—	—	33,443	33,443
Receivables from:										
Dividends										
and interests	1,921	7,425	8,721	11,367	19,238	5,263	59	8,994	—	62,988
Total assets	<u>\$ 962,113</u>	<u>\$ 973,582</u>	<u>\$ 1,663,725</u>	<u>\$ 1,116,407</u>	<u>\$ 3,554,250</u>	<u>\$ 679,340</u>	<u>\$ 1,271,488</u>	<u>\$ 1,022,832</u>	<u>\$ 40,706</u>	<u>\$ 11,284,443</u>
<u>Liabilities and</u>										
<u>Fund Balances</u>										
Liabilities:										
Account payable	\$ —	\$ 275	\$ 109,296	\$ 11,966	\$ 133,029	\$ 7,573	\$ 39,343	\$ 16,875	\$ 40,706	\$ 359,063
Payable to States	—	—	—	—	—	—	27,704	32,419	—	60,123
Due to other funds	860,113	668,870	1,194,995	858,735	2,510,317	265,160	248,668	467,147	—	7,074,005
Accrued payroll	—	—	—	—	—	—	684	—	—	684
Total liabilities	<u>860,113</u>	<u>669,145</u>	<u>1,304,291</u>	<u>870,701</u>	<u>2,643,346</u>	<u>272,733</u>	<u>316,399</u>	<u>516,441</u>	<u>40,706</u>	<u>7,493,875</u>
Fund balances:										
Reserved for										
encumbrances	—	—	247,779	58,311	—	27,025	178,871	34,364	—	546,350
Continuing										
appropriations	—	304,437	—	—	1,110,906	—	493,593	177,178	—	2,086,114
Unreserved	<u>102,000</u>	<u>—</u>	<u>111,655</u>	<u>187,395</u>	<u>(200,002)</u>	<u>379,582</u>	<u>282,625</u>	<u>294,849</u>	<u>—</u>	<u>1,158,104</u>
Total fund balances	<u>102,000</u>	<u>304,437</u>	<u>359,434</u>	<u>245,706</u>	<u>910,904</u>	<u>406,607</u>	<u>955,089</u>	<u>506,391</u>	<u>—</u>	<u>3,790,568</u>
Total liabilities										
and fund balances	<u>\$ 962,113</u>	<u>\$ 973,582</u>	<u>\$ 1,663,725</u>	<u>\$ 1,116,407</u>	<u>\$ 3,554,250</u>	<u>\$ 679,340</u>	<u>\$ 1,271,488</u>	<u>\$ 1,022,832</u>	<u>\$ 40,706</u>	<u>\$ 11,284,443</u>



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – COMPACT**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended September 30, 1993

	Communications Annual Section 215(a)2	Communications One Time Section 215(b)1	Marine Surveillance Annual Section 216(a)1	Marine Surveillance One Time Section 216(b)	Post Secondary Education Section 216(a)3	Health and Medical Section 216(a)2	Special Block Grant Section 221(b)	Energy Compact Section 214	Special Development Fund	Totals
<b>Revenues:</b>										
Compact grants:										
Base grant	\$ 600,000	\$ —	\$ 519,000	—	\$ 1,889,700	\$ 125,980	\$ 315,000	\$ 200,100	\$ —	\$ 3,649,780
Inflation adjustment	246,000	—	—	—	—	—	—	82,041	—	328,041
Total revenues	846,000	—	519,000	—	1,889,700	125,980	315,000	282,141	—	3,977,821
<b>Expenditures:</b>										
Executive branch	—	—	532,813	152,222	817,278	119,647	304,322	261,946	—	2,188,228
Total expenditures	—	—	532,813	152,222	817,278	119,647	304,322	261,946	—	2,188,228
Revenues over (under) expenditures	846,000	—	(13,813)	(152,222)	1,072,422	6,333	10,678	20,195	—	1,789,593
<b>Other sources (uses):</b>										
Transfer out	(804,000)	—	—	—	(1,110,826)	—	—	—	—	(1,914,826)
Excess (deficiency) of revenues and other sources over expenditures and other uses	42,000	—	(13,813)	(152,222)	(38,404)	6,333	10,678	20,195	—	(125,233)
<b>Fund balances,   beginning of year</b>	60,000	304,437	373,247	397,928	949,308	400,274	944,411	486,196	—	3,915,801
<b>Fund balances,   end of year</b>	<u>\$ 102,000</u>	<u>\$ 304,437</u>	<u>\$ 359,434</u>	<u>\$ 245,706</u>	<u>\$ 910,904</u>	<u>\$ 406,607</u>	<u>\$ 955,089</u>	<u>\$ 506,391</u>	<u>\$ —</u>	<u>\$ 3,790,568</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SPECIAL REVENUE FUNDS – COMPACT**  
Combining Statement of Revenues, Expenditures by Account and Changes in Fund Balances  
Year Ended September 30, 1993

	Communications Annual Section 215(a)2	Communications One Time Section 215(b)1	Marine Surveillance Annual Section 216(a)1	Marine Surveillance One Time Section 216(b)	Post Secondary Education Section 216(a)3	Health and Medical Section 216(a)2	Special Block Grant Section 221(b)	Energy Compact Section 214	Special Development Fund	Totals
<b>Revenues:</b>										
Compact grants :										
Base grant	\$ 600,000	\$ -	\$ 519,000	-	\$ 1,889,700	\$ 125,980	\$ 315,000	\$ 200,100	\$ -	\$ 3,649,780
Inflation adjustment	246,000	-	-	-	-	-	-	82,041	-	328,041
Total revenues	846,000	-	519,000	-	1,889,700	125,980	315,000	282,141	-	3,977,821
<b>Expenditures:</b>										
Personnel	-	-	-	4,502	-	-	13,212	-	-	17,714
Travel	-	-	24,158	10,278	-	-	172,841	-	-	207,277
Capital asset purchase	-	-	12,992	22,576	-	-	11,557	917	-	48,042
Contractual services, contributions and subsidies	-	-	91,280	60,029	-	43,993	40,225	-	-	235,527
Other	-	-	404,383	54,837	-	75,654	66,487	261,029	-	862,390
Scholarships	-	-	-	-	817,278	-	-	-	-	817,278
Total expenditures	-	-	532,813	152,222	817,278	119,647	304,322	261,946	-	2,188,228
Revenues over (under) expenditures	846,000	-	(13,813)	(152,222)	1,072,422	6,333	10,678	20,195	-	1,789,593
<b>Other sources (uses):</b>										
Transfer out	(804,000)	-	-	-	(1,110,826)	-	-	-	-	(1,914,826)
Excess (deficiency) of revenues and other sources over expenditures and other uses	42,000	-	(13,813)	(152,222)	(38,404)	6,333	10,678	20,195	-	(125,233)
<b>Fund balances,   beginning of year</b>	60,000	304,437	373,247	397,928	949,308	400,274	944,411	486,196	-	3,915,801
<b>Fund balances,   end of year</b>	<u>\$ 102,000</u>	<u>\$ 304,437</u>	<u>\$ 359,434</u>	<u>\$ 245,706</u>	<u>\$ 910,904</u>	<u>\$ 406,607</u>	<u>\$ 955,089</u>	<u>\$ 506,391</u>	<u>\$ -</u>	<u>\$ 3,790,568</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 1993**

Appropriations or grants earmarked to finance capital projects of the Government are accounted for in the capital projects funds. Project costs, upon completion, are accounted for in the General Fixed Assets Account Group. The Capital Projects Funds within the National Government are described below:

TTPI Capital Projects Fund - This fund is used to account for the expenditures of construction grants from the Trust Territory Government or from the Department of the Interior, Office of Territorial and International Affairs. These grants originated from U.S. Congressional appropriations to the U. S. Department of the Interior.

CFSM Capital Projects Fund - This fund is used to account for the expenditure of appropriations from the Congress of the Federated States of Micronesia for improvement and betterment projects within the National Government.

Compact Capital Projects Fund - This fund is used to account for various capital projects funded by the Compact of Free Association with the United States, Title Two, Article I, Section 211.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
CAPITAL PROJECTS FUNDS**

Combining Balance Sheet

September 30, 1993

(With comparative totals as of September 30, 1992)

	Compact Capital Projects	OTIA/TTPI Capital Projects	CFSM Capital Projects	Totals	
				1993	1992
<u>Assets</u>					
Cash and equivalents	\$ 41,826	\$ —	\$ —	\$ 41,826	\$ —
Investments in securities	2,241,533	—	—	2,241,533	3,848,403
Investment in equity	3,279,893	—	—	3,279,893	—
Receivables from TTPI / OTIA	—	396,610	—	396,610	655,714
Loan receivable	3,750,000	—	—	3,750,000	3,750,000
Advances	1,413	—	—	1,413	—
Accrued interest	22,320	—	—	22,320	78,822
Due from other funds	91,415	—	78,822	170,237	48,635
<b>Total assets</b>	<b>\$ 9,428,400</b>	<b>\$ 396,610</b>	<b>\$ 78,822</b>	<b>\$ 9,903,832</b>	<b>\$ 8,381,574</b>
<u>Liabilities and Fund Balances</u>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,399	\$ 184,073	\$ —	\$ 188,472	\$ 214,510
Accrued payroll	1,441	—	—	1,441	2,503
Deferred revenue	—	75,358	—	75,358	—
Due to FSM States	34,457	—	—	34,457	34,456
Due to other funds	—	137,179	—	137,179	1,481,737
<b>Total liabilities</b>	<b>40,297</b>	<b>396,610</b>	<b>—</b>	<b>436,907</b>	<b>1,733,206</b>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Loans	3,750,000	—	—	3,750,000	3,750,000
Related assets	3,279,893	—	—	3,279,893	—
Encumbrances	401,933	4,174,085	—	4,576,018	912,945
Continuing appropriation	3,423,499	—	67,947	3,491,446	1,621,445
Unreserved	(1,467,222)	(4,174,085)	10,875	(5,630,432)	363,978
<b>Total fund balances</b>	<b>9,388,103</b>	<b>—</b>	<b>78,822</b>	<b>9,466,925</b>	<b>6,648,368</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,428,400</b>	<b>\$ 396,610</b>	<b>\$ 78,822</b>	<b>\$ 9,903,832</b>	<b>\$ 8,381,574</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
CAPITAL PROJECTS FUNDS**  
**Combining Statement of Revenues, Expenditures And Changes in Fund Balances**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	Compact Capital Projects	OTIA/TTPI Capital Projects	CFSM Capital Projects	Totals	
				1993	1992
<b>Revenues:</b>					
Department of the Interior grants	\$ —	\$ 1,037,517	\$ —	\$ 1,037,517	\$ 47,321
Capital compact funds:					
Base	6,375,000	—	—	6,375,000	1,913,520
Inflation adjustments	2,613,750	—	—	2,613,750	727,138
<b>Total revenues</b>	<b>8,988,750</b>	<b>1,037,517</b>	<b>—</b>	<b>10,026,267</b>	<b>2,687,979</b>
<b>Program expenditures:</b>					
Executive branch	2,151,961	1,037,517	—	3,189,478	868,968
<b>Total expenditures</b>	<b>2,151,961</b>	<b>1,037,517</b>	<b>—</b>	<b>3,189,478</b>	<b>868,968</b>
<b>Revenues in excess of expenditures</b>	<b>6,836,789</b>	<b>—</b>	<b>—</b>	<b>6,836,789</b>	<b>1,819,011</b>
<b>Other sources (uses):</b>					
Equity investment income	279,893	—	—	279,893	—
Operating transfers out	(3,150,000)	—	—	(3,150,000)	(2,500,000)
Loans repayment	(1,100,000)	—	—	(1,100,000)	(1,360,000)
Interest expense	(48,125)	—	—	(48,125)	(155,208)
<b>Total other sources (uses), net</b>	<b>(4,018,232)</b>	<b>—</b>	<b>—</b>	<b>(4,018,232)</b>	<b>(4,015,208)</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>2,818,557</b>	<b>—</b>	<b>—</b>	<b>2,818,557</b>	<b>(2,196,197)</b>
<b>Fund balances, beginning of year</b>	<b>6,569,546</b>	<b>—</b>	<b>78,822</b>	<b>6,648,368</b>	<b>8,844,565</b>
<b>Fund balances, end of year</b>	<b>\$ 9,388,103</b>	<b>\$ —</b>	<b>\$ 78,822</b>	<b>\$ 9,466,925</b>	<b>\$ 6,648,368</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
CAPITAL PROJECTS FUNDS**

**Combining Statement of Revenues, Expenditures And Changes in Fund Balances by Account  
Year Ended September 30, 1993**

(With comparative totals for the year ended September 30, 1992)

	Compact Capital Projects	OTIA/TTPI Capital Projects	CFSM Capital Projects	Totals	
				1993	1992
<b>Revenues:</b>					
Department of the Interior grants	\$ -	\$ 1,037,517	\$ -	\$ 1,037,517	\$ 47,321
Capital compact funds:					
Base	6,375,000	-	-	6,375,000	1,913,520
Inflation adjustments	2,613,750	-	-	2,613,750	727,138
<b>Total revenues</b>	<b>8,988,750</b>	<b>1,037,517</b>	<b>-</b>	<b>10,026,267</b>	<b>2,687,979</b>
<b>Program expenditures:</b>					
Personnel	46,714	4,230	-	50,944	92,478
Travel	1,614	-	-	1,614	11,450
Capital asset purchase	4,500	-	-	4,500	213,709
Contractual services, contributions and subsidies	1,720,869	-	-	1,720,869	136,356
Other	259,561	388	-	259,949	414,975
Construction in progress	118,703	1,032,899	-	1,151,602	-
<b>Total expenditures</b>	<b>2,151,961</b>	<b>1,037,517</b>	<b>-</b>	<b>3,189,478</b>	<b>868,968</b>
<b>Revenues in excess of expenditures</b>	<b>6,836,789</b>	<b>-</b>	<b>-</b>	<b>6,836,789</b>	<b>1,819,011</b>
<b>Other sources (uses) :</b>					
Equity investment income	279,893	-	-	279,893	-
Operating transfers out	(3,150,000)	-	-	(3,150,000)	(2,500,000)
MTN loan payments	(1,100,000)	-	-	(1,100,000)	(1,360,000)
Interest expense	(48,125)	-	-	(48,125)	(155,208)
<b>Total other sources (uses), net</b>	<b>(4,018,232)</b>	<b>-</b>	<b>-</b>	<b>(4,018,232)</b>	<b>(4,015,208)</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>2,818,557</b>	<b>-</b>	<b>-</b>	<b>2,818,557</b>	<b>(2,196,197)</b>
<b>Fund balances, beginning of year</b>	<b>6,569,546</b>	<b>-</b>	<b>78,822</b>	<b>6,648,368</b>	<b>8,844,565</b>
<b>Fund balances, end of year</b>	<b>\$ 9,388,103</b>	<b>\$ -</b>	<b>\$ 78,822</b>	<b>\$ 9,466,925</b>	<b>\$ 6,648,368</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
ENTERPRISE FUNDS  
SEPTEMBER 30, 1993**

The enterprise funds account for the operations of certain agencies which provide goods or services to the general public on a user charge basis. The National Government's enterprise operations are described below:

Coconut Development Authority was established by Congress to assist in the development and marketing of the copra industry within the Federated States of Micronesia.

FSM Telecommunications Corporation - The Telecommunications Corporation of the Federated States of Micronesia (Corporation) was established by Chapter Two, Title 21 of the Code of the Federated States of Micronesia. By law, it is an independent government corporation. Its Board of Directors consist of appointees by the President and the Governors of each state. The Vice-President of the Federated States of Micronesia and the General Manager, who is the chief executive officer of the Corporation, are also members of the Board.

The purpose of the Corporation is to provide telecommunications services, except radio and television broadcasting, throughout the FSM and with points outside of the FSM. The Corporation began operations on October 1, 1983. Funding of corporate operations is through charges for services and various governmental subsidies, including appropriations from the FSM Government.

FSM Development Bank - Under the law, the Bank is an independent government corporation. Its board consists of appointees by the President of the FSM, with the advice and consent of the Congress. The debts and obligations of the Bank shall not be an obligation of the Government of the FSM except as specifically authorized by the President of the FSM and as enacted into law.

The FSM Development Bank began operations on October 1, 1980. The purpose of the Bank is to provide loans for the economic development of the FSM. Loans are offered at below market rates, currently limited to five percent.

Funding for the Bank has come primarily from the FSM Congress, the prior Trust Territory Economic Development Loan Fund, and Section 111 (b)(1) of the Compact of Free Association.

National Fisheries Corporation - The National Fisheries Corporation was created on July 13, 1983 by FSM Public Law No. 3-14.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
ENTERPRISE FUNDS  
Combining Balance Sheet  
September 30, 1993  
(With comparative totals as of September 30, 1992)**

<u>Assets</u>	FSM Telecommunication Corporation	FSM Development Bank	FSM Coconut Development Authority	National Fisheries Corporation	<u>Totals</u>	
					1993	1992
Cash and equivalents	\$ 6,547,084	\$ 5,842,250	\$ 219,995	\$ 2,062,207	\$ 14,671,536	\$ 17,603,577
Investments	7,586,069	17,862,123		2,648,044	28,096,236	28,396,185
General receivables, net	1,745,802	22,134	37,478	23,945	1,829,359	1,585,785
Loans receivables, net	—	20,767,259	—	256,489	21,023,748	13,519,288
Other receivables and prepaids	658,483	72,182	—	79,661	810,326	1,073,619
Deferred charges	4,445,525	—	150	—	4,445,675	2,134,423
Advances	10,304	—	38,195	8,648	57,147	102,956
Restricted assets	—	—	—	—	—	199,841
Inventory	131,019	—	162,982	—	294,001	122,844
Fixed assets, net of accumulated depreciation	40,396,219	68,402	241,045	3,531,759	44,237,425	28,998,358
<b>Total assets</b>	<b>\$ 61,520,505</b>	<b>\$ 44,634,350</b>	<b>\$ 699,845</b>	<b>\$ 8,610,753</b>	<b>\$ 115,465,453</b>	<b>\$ 93,736,876</b>
<b><u>Liabilities and Fund Equity</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 247,970	\$ 24,418	\$ 18,416	\$ 175,824	\$ 466,628	\$ 209,763
Accrued payroll and others	3,817,057	102,028	1,211	19,456	3,939,752	2,391,470
Deferred credits	—	—	—	—	0	46,093
Interest payable	—	—	—	737,689	737,689	
Notes payable	36,748,147	—	—	6,358,614	43,106,761	25,528,000
<b>Total liabilities</b>	<b>40,813,174</b>	<b>126,446</b>	<b>19,627</b>	<b>7,291,583</b>	<b>48,250,830</b>	<b>28,175,326</b>
<b>Fund equity:</b>						
Contributed capital	7,015,564	38,838,835	646,616	7,991,276	54,492,291	54,044,923
Retained earnings (deficit)	13,691,767	5,669,069	33,602	(6,672,106)	12,722,332	11,517,627
<b>Total fund equity</b>	<b>20,707,331</b>	<b>44,507,904</b>	<b>680,218</b>	<b>1,319,170</b>	<b>67,214,623</b>	<b>65,562,550</b>
<b>Total liabilities and fund equity</b>	<b>\$ 61,520,505</b>	<b>\$ 44,634,350</b>	<b>\$ 699,845</b>	<b>\$ 8,610,753</b>	<b>\$ 115,465,453</b>	<b>\$ 93,737,876</b>



**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
ENTERPRISE FUNDS**

**Combining Statement of Revenues, Expenses and Changes in Fund Equity  
Year Ended September 30, 1993  
(With comparative totals for the year ended September 30, 1992)**

	FSM Telecommunication Corporation	FSM Development Bank	FSM Coconut Development Authority	National Fisheries Corporation	Totals	
					1993	1992
<b>Revenues:</b>						
Charges for goods & services	\$ 6,596,803	\$ —	\$ 27,568	\$ 634,971	\$ 7,259,342	\$ 6,646,755
Rental income/interest income	—	1,785,326	—	—	1,785,326	2,669,622
Other	90,126	30,598	—	2,233	122,957	160,586
<b>Total operating revenues</b>	<b>6,686,929</b>	<b>1,815,924</b>	<b>27,568</b>	<b>637,204</b>	<b>9,167,625</b>	<b>9,476,963</b>
<b>Operating expenses:</b>						
Personnel services	—	479,547	66,500	181,703	727,750	524,787
Supplies and materials	—	12,005	8,791	10,083	30,879	27,615
Other	—	1,598,296	70,967	598,285	2,267,548	533,631
Depreciation	—	43,835	17,577	266,527	327,939	75,186
Cost of sales	6,656,834	—	46,033	883,079	7,585,946	6,096,842
<b>Total expenses</b>	<b>6,656,834</b>	<b>2,133,683</b>	<b>209,868</b>	<b>1,939,677</b>	<b>10,940,062</b>	<b>7,258,061</b>
<b>Operating income (loss)</b>	<b>30,095</b>	<b>(317,759)</b>	<b>(182,300)</b>	<b>(1,302,473)</b>	<b>(1,772,437)</b>	<b>2,218,902</b>
<b>Nonoperating revenues (expenses) :</b>						
Loss on equity in subsidiaries	—	—	—	(18,395)	(18,395)	(742,146)
Loss on guarantee loans	—	—	—	(3,571,022)	(3,571,022)	—
Transfers in	804,000	225,985	330,415	364,600	1,725,000	1,413,564
Miscellaneous	(148,659)	(372,010)	9,807	61,078	(449,784)	(545,299)
Interest income	431,865	—	—	68,309	500,174	839,751
<b>Total nonoperating revenues (expense), net</b>	<b>1,087,206</b>	<b>(146,025)</b>	<b>340,222</b>	<b>(3,095,430)</b>	<b>(1,814,027)</b>	<b>965,870</b>
<b>Net income (loss)</b>	<b>1,117,301</b>	<b>(463,784)</b>	<b>157,922</b>	<b>(4,397,903)</b>	<b>(3,586,464)</b>	<b>3,184,772</b>
<b>Add depreciation on fixed assets acquired by grants that reduce contributed capital</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>189,702</b>	<b>189,702</b>	<b>—</b>
<b>Increase in retained earnings(deficit)</b>	<b>1,117,301</b>	<b>(463,784)</b>	<b>157,922</b>	<b>(4,208,201)</b>	<b>(3,396,762)</b>	<b>—</b>
<b>Retained earnings (deficit), beginning of the year</b>	<b>12,012,120</b>	<b>2,100,714</b>	<b>(131,302)</b>	<b>(2,463,905)</b>	<b>11,517,627</b>	<b>10,528,272</b>
<b>Adjustment of retained earnings, beginning of year</b>	<b>562,346</b>	<b>4,032,139</b>	<b>6,982</b>	<b>—</b>	<b>4,601,467</b>	<b>(2,195,417)</b>
<b>Retained earnings (deficit), end of year</b>	<b>13,691,767</b>	<b>5,669,069</b>	<b>33,602</b>	<b>(6,672,106)</b>	<b>12,722,332</b>	<b>11,517,627</b>
<b>Contributed capital, beginning of year</b>	<b>7,015,564</b>	<b>40,723,445</b>	<b>646,616</b>	<b>5,659,298</b>	<b>54,044,923</b>	<b>46,391,540</b>
<b>Additions</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,521,680</b>	<b>2,521,680</b>	<b>7,653,383</b>
<b>Adjustments</b>	<b>—</b>	<b>(1,884,610)</b>	<b>—</b>	<b>(189,702)</b>	<b>(2,074,312)</b>	<b>—</b>
<b>Contributed capital, end of year</b>	<b>7,015,564</b>	<b>38,838,835</b>	<b>646,616</b>	<b>7,991,276</b>	<b>54,492,291</b>	<b>54,044,923</b>
<b>Total fund equity</b>	<b>\$ 20,707,331</b>	<b>\$ 44,507,904</b>	<b>\$ 680,218</b>	<b>\$ 1,319,170</b>	<b>\$ 67,214,623</b>	<b>\$ 65,562,550</b>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
ENTERPRISE FUNDS**

Combining Statement of Cash Flows

Year Ended September 30, 1993

(With comparative totals for the year ended September 30, 1992)

	FSM Telecommunication Corporation	FSM Development Bank	FSM Coconut Development Authority	National Fisheries Corporation	Totals	
					1993	1992
<b>Increase (Decrease) in Cash and Equivalents:</b>						
<b>Operating activities:</b>						
Operating income (loss)	\$ 30,095	\$ (317,759)	\$ (182,300)	\$ (1,302,473)	\$ (1,772,437)	\$ 2,218,902
<b>Add back items not affecting cash:</b>						
Depreciation	1,457,800	43,835	17,577	360,102	1,879,314	1,279,074
Bad debt	240,639	1,184,850	9,743	348,364	1,783,596	—
Prior period adjustment	562,346	(2,471)	(16,051)	—	543,824	(1,459,728)
	<u>2,290,880</u>	<u>908,455</u>	<u>(171,031)</u>	<u>(594,007)</u>	<u>2,434,297</u>	<u>2,038,248</u>
<b>Changes in working capital:</b>						
Cash advances	—	—	1,105	—	1,105	(18,408)
Travel advances	(3,224)	—	(5,777)	45,178	36,177	2,814
Interest receivable	46,395	41,781	199	—	88,375	8,233
Accounts receivable trade	(485,384)	4,237	(12,193)	(1,703)	(495,043)	(265,307)
Unbilled accounts receivable	(27,577)	—	—	—	(27,577)	(67,648)
Accounts receivable other	28,808	(180,419)	2,750	325,121	176,260	(214,282)
Materials and supplies inventory	—	—	7,002	—	7,002	47,486
Inventory trade	(72,251)	—	(105,908)	—	(178,159)	(20,647)
Prepaid expenses	24,033	27,515	—	—	51,548	236,992
Accrued earnings	(167,241)	—	—	—	(167,241)	(61,204)
Deferred charges	(2,311,102)	—	—	—	(2,311,102)	(952,330)
Loans receivable	—	(8,432,821)	—	(512,978)	(8,945,799)	(5,653,339)
Accounts payable	1,768,857	21,904	3,029	30,725	1,824,515	583,840
Due from other funds	—	—	(1,211)	—	(1,211)	—
Accrued payroll	—	21,500	—	12,434	33,934	27,457
Accrued payroll taxes and benefits	85,861	9,082	—	—	94,943	(43,775)
Credit life insurance premium	—	(28,413)	—	—	(28,413)	9,213
Accrued leave payable	—	—	—	—	—	16,450
Deferred revenue	(12,580)	—	—	—	(12,580)	(9,198)
Accrued expenses, other	(134,459)	—	1,211	—	(133,248)	584,141
Deferred credits	(29,300)	—	—	—	(29,300)	17,567
	<u>(1,289,164)</u>	<u>(8,515,634)</u>	<u>(109,793)</u>	<u>(101,223)</u>	<u>(10,015,814)</u>	<u>(5,771,945)</u>
<b>Cash provided (used) by operating activities</b>	<u>1,001,716</u>	<u>(7,607,179)</u>	<u>(280,824)</u>	<u>(695,230)</u>	<u>(7,581,517)</u>	<u>(3,733,697)</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
ENTERPRISE FUNDS**

**Combining Statement of Cash Flows, Continued  
Year Ended September 30, 1993**

(With comparative totals for the year ended September 30, 1992)

	FSM Telecommunication Corporation	FSM Development Bank	FSM Coconut Development Authority	National Fisheries Corporation	Totals	
					1993	1992
<b>Cash flows from capital and related activities:</b>						
Overstatement of fixed assets	(836,344)	—	—	—	(836,344)	—
Proceeds from long-term note	14,320,147	—	—	275,376	14,595,523	11,063,244
Note repayments	—	—	—	(304,075)	(304,075)	—
Acquisition of fixed assets	—	(54,702)	(50,573)	37,607	(67,668)	(1,240,690)
Disposals of fixed assets	17,183	3,944	—	—	21,127	273
Project under construction	(13,268,269)	—	—	—	(13,268,269)	(4,510,478)
Plant in service	(2,354,768)	—	—	—	(2,354,768)	(7,940,888)
 Cash provided (used) by capital and related activities	 (2,122,051)	 (50,758)	 (50,573)	 8,908	 (2,214,474)	 (2,628,539)
 <b>Noncapital financing activities:</b>						
CFSM appropriation received	—	225,985	330,415	364,600	921,000	1,413,564
Contribution to COM-FSM	(150,000)	—	—	—	(150,000)	—
Contributed capital received	804,000	2,150,000	—	2,331,978	5,285,978	5,888,415
 Cash provided (used) by noncapital related activities	 654,000	 2,375,985	 330,415	 2,696,578	 6,056,978	 7,301,979
 <b>Cash flows from investing activities:</b>						
Investment in joint ventures	—	—	—	(670,731)	(670,731)	(1,142,095)
Investment in securities	(910,114)	2,033,619	—	—	1,123,505	3,676,839
Escrow fund	(152,825)	—	—	—	(152,825)	(462,797)
Interest income received	433,206	—	5,508	68,309	507,023	842,887
 Cash provided (used) by investing activities	 (629,733)	 2,033,619	 5,508	 (602,422)	 806,972	 2,914,834
 <b>Net increase (decrease) in cash and equivalents</b>	 (1,096,068)	 (3,248,333)	 4,526	 1,407,834	 (2,932,041)	 3,854,577
 <b>Cash and equivalents, beginning of year</b>	 7,643,152	 9,090,583	 215,469	 654,373	 17,603,577	 13,749,000
 <b>Cash and equivalents, end of year</b>	 <u>\$ 6,547,084</u>	 <u>\$ 5,842,250</u>	 <u>\$ 219,995</u>	 <u>\$ 2,062,207</u>	 <u>\$ 14,671,536</u>	 <u>\$ 17,603,577</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
EXPENDABLE TRUST FUNDS  
SEPTEMBER 30, 1993**

Special funds which are administered by the FSM National Government in a fiduciary capacity are accounted for as Trust Funds. The expendable trust funds which the National Government bears responsibility for at September 30, 1993, are as follows:

Health Insurance Fund - Employees of the Federated States of Micronesia contribute to the fund to provide for payment of certain eligible medical expenses. The State Governments of the FSM also pay in contributions to the Fund on behalf of State employee participants. This fund essentially operates as an insurer ultimately underwritten by the respective governments of the Federated States.

Student Loan Fund - The Fund was established through Congressional appropriations per Public Law 2-50 to assist in providing funds to eligible students pursuing college degrees. Loans are restricted to \$4,000 per annum and \$16,000 in total to an undergraduate (\$32,000 for a professional or graduate student). Loans bear interest at 4%. The standard loan term is ten years and nine months after the completion of school or the early withdrawal therefrom.

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
EXPENDABLE TRUST FUNDS**  
Combining Balance Sheet  
September 30, 1993  
(With comparative totals as of September 30, 1992)

<u>Assets</u>	Health Insurance Fund	Student Loan Fund	<u>Totals</u>	
			1993	1992
Cash and equivalent	\$ 1,016,821	\$ —	\$ 1,016,821	\$ 602,599
General receivables	399,150	—	399,150	1,085,171
Due from other funds	57,290	416,988	474,278	347,255
Loans	—	1,606,953	1,606,953	1,606,953
Allowance for loan reserves	—	(1,606,953)	(1,606,953)	(1,606,953)
<b>Total assets</b>	<u>\$ 1,473,261</u>	<u>\$ 416,988</u>	<u>\$ 1,890,249</u>	<u>\$ 2,035,025</u>
 <b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 697,517	\$ —	\$ 697,517	\$ 621,172
Accrued payable	3,080	—	3,080	1,082
Due to other funds	—	—	—	319,848
<b>Total liabilities</b>	<u>700,597</u>	<u>—</u>	<u>700,597</u>	<u>942,102</u>
<b>Fund balances</b>	<u>772,664</u>	<u>416,988</u>	<u>1,189,652</u>	<u>1,092,923</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,473,261</u>	<u>\$ 416,988</u>	<u>\$ 1,890,249</u>	<u>\$ 2,035,025</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
EXPENDABLE TRUST FUNDS**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Year Ended September 30, 1993**  
**(With comparative totals for the year ended September 30, 1992)**

	Health Insurance Fund	Student Loan Fund	Totals <u>1993</u>	<u>1992</u>
<b>Revenues:</b>				
Interest income	\$ 416,391	\$ —	\$ 416,391	\$ 17,725
Member's contributions	1,494,112	—	1,494,112	1,972,244
Loan repayments	<u>—</u>	<u>69,733</u>	<u>69,733</u>	<u>68,582</u>
Total revenues	<u>1,910,503</u>	<u>69,733</u>	<u>1,980,236</u>	<u>2,058,551</u>
<b>Expenditures:</b>				
Insurance claims	1,751,046	—	1,751,046	1,293,436
Administrative expense	<u>132,461</u>	<u>—</u>	<u>132,461</u>	<u>87,917</u>
Total expenditures	<u>1,883,507</u>	<u>—</u>	<u>1,883,507</u>	<u>1,381,353</u>
Revenues in excess of expenditures	26,996	69,733	96,729	677,198
Fund balances, beginning of year	<u>745,668</u>	<u>347,255</u>	<u>1,092,923</u>	<u>415,725</u>
Fund balances, end of year	<u>\$ 772,664</u>	<u>\$ 416,988</u>	<u>\$ 1,189,652</u>	<u>\$ 1,092,923</u>

**NATIONAL GOVERNMENT  
FEDERATED STATES OF MICRONESIA  
SINGLE AUDIT REPORTS  
YEAR ENDED SEPTEMBER 30, 1993**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the FSM National Government is the responsibility of the FSM National Government's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the FSM National Government's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed a material instance of noncompliance, set forth in the following paragraph and in local finding No. 1 on page 184 the effects of which have not been corrected in the FSM National Government's 1993 general purpose financial statements.



During the fiscal year ended September 30, 1993, \$2,000,000 of Compact Capital funds were reapportioned from the Compact 211(a) Capital Account funds to Current Account funds for the State of Chuuk. The FSM Attorney General asserts that the above transaction was not performed in accordance with FSM local laws and regulations.

We considered this material instance of noncompliance in forming our opinion on whether the FSM National Government's 1993 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated February 15, 1994 on those general purpose financial statements.

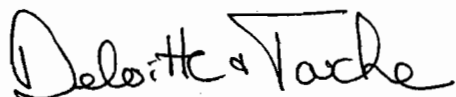
Except as described above, the results of our tests indicate that, with respect to the items tested, the FSM National Government complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that the FSM National Government has not complied, in all material respects, with those provisions.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Federated States of Micronesia National Government in the following Schedule of Findings and Questioned Costs (federal findings No.'s 1-5 per pages 171-183 and local findings 1-3 per pages 184-187).

We also noted matters involving compliance with laws and regulations related to federal financial assistance which we reported to the FSM National Government in our reports dated February 15, 1994 on general requirements, specific requirements for major progress, and specific compliance for nonmajor program transactions.

This report is intended for the information of the Federated States of Micronesia National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in dark ink, appearing to read "Deloitte & Touche", written in a cursive, stylized script.

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**WITH SPECIFIC REQUIREMENTS APPLICABLE**  
**TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund.

We have also audited the FSM National Government's compliance with the requirements governing types of services allowed or unallowed; special tests and provisions related to the Compact of Free Association; matching, level of effort, or earmarking; reporting; monitoring subrecipients, and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended September 30, 1993. The management of the FSM National Government is responsible for the FSM National Government's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

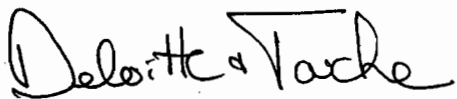
We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the FSM National Government's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion:

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the FSM National Government, complied, in all material respects, with the requirements governing types of services allowed or unallowed; special tests and provisions related to the Compact of Free Association; matching, level of effort, or earmarking; monitoring subrecipients; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1993.

This report is intended for the information of FSM National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, appearing to read "Deloitte & Touche", written in dark ink.

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**WITH THE GENERAL REQUIREMENTS**  
**APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund. We have also audited the FSM National Government's compliance applicable to requirements of major federal financial assistance programs and have issued our report thereon dated February 15, 1994.

We have applied procedures to test the FSM National Government's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1993: cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements.

The requirements of political activity, Davis-Bacon Act, civil rights, and relocation assistance and real property acquisition are not applicable to the federal financial assistance programs of the FSM, which are identified in the Schedule of Federal Financial Assistance.

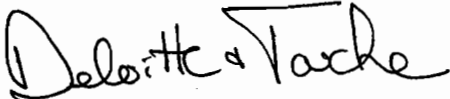
Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the FSM National Government's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the FSM National Government had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs (federal findings 1-11 on pages 171-183).

We also noted matters involving compliance with laws and regulations related to our audit of the general purpose financial statements and with requirements related to major and nonmajor federal financial assistance programs which we reported to the management of the FSM National Government in our reports dated February 15, 1994.

This report is intended for the information of the FSM National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, reading "Deloitte & Touche".

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**WITH REQUIREMENTS APPLICABLE TO NONMAJOR**  
**FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund. We have also audited the FSM National Government's compliance applicable to requirements of major federal financial assistance programs and applied procedures to test compliance with general requirements applicable to federal financial assistance programs and have issued our reports thereon dated February 15, 1994.

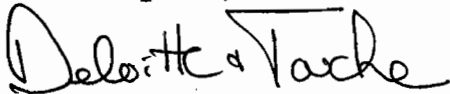
In connection with our audit of the 1993 general purpose financial statements of the Federated States of Micronesia (FSM) National Government, and with our consideration of the National Government's control structure used to administer federal financial assistance programs and assessment of control risk, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1993.

As required by Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and monitoring subrecipients that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the FSM National Government's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the FSM National Government had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Federated States of Micronesia National Government and the cognizant audit and the other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, appearing to read "Deloitte & Touche", written over a horizontal line.

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission the Higher Education Fund. We have also audited FSM National Government's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated February 15, 1994.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the FSM National Government complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended September 30, 1993, we considered FSM National Government's internal control structure and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinions on the FSM National Government's general purpose financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This



report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated February 15, 1994.

The management of the FSM National Government is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements:

- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements:

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, or earmarking
- Monitoring subrecipients
- Reporting
- Compact of Free Association

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

Accounting Requirements:

- Revenues and receipt cycles
- Purchases and disbursement cycles
- Payroll cycles
- External financial reporting
- Cash
- Receivables
- Investments
- Payables and accrued liabilities
- Fund balance

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1993, the FSM National Government expended 87% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the FSM National Government's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the FSM National Government's ability to administer federal financial assistance programs in accordance with applicable laws and regulations. A description of these matters is presented in the accompanying Schedule of Findings and Questioned Costs.

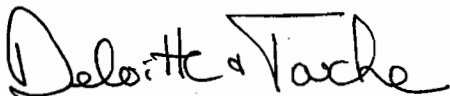
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted matters involving the internal control structure and its operation based on our audit of the general purpose financial statements which we reported to the management of FSM National Government in a report dated February 15, 1994.

This report is intended for the information of Federated States of Micronesia National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, appearing to read "Deloitte & Touche", written in dark ink.

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Honorable Bailey Olter  
President  
Federated States of Micronesia

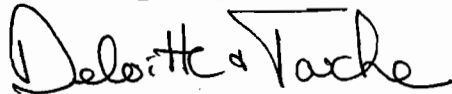
We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund. These general purpose financial statements are the responsibility of the FSM National Government's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the National Government taken as a whole. The accompanying Schedule of Federal Financial Assistance for the year ended September 30, 1993, which is also the responsibility of the management of Federated States of Micronesia National Government is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of Federated States of Micronesia National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, appearing to read "Deloitte & Touche", written in dark ink.

Certified Public Accountants

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**INTRODUCTION TO COMPACT OF FREE ASSOCIATION FUNDING,**  
**U.S. FEDERAL AND OTHER ASSISTANCE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1993**

**Compact Funds**

The FSM National Government and the Government of the United States implemented the Compact of Free Association during fiscal year 1987. The Compact funding replaced the Department of the Interior funding for general operations received through the TTPI Government in previous fiscal years. Based on the terms of the Compact agreement, the FSM National Government receives funding in five year increments over a fifteen year period. The Compact funding is received in four different account classifications; current operations, capital projects, block grants, and inflation adjustments. A mutually agreed upon financial institution was selected as the trustee of the Compact funding to facilitate the FSM National Governments' and its four State entities' drawdown requirements. During fiscal year 1993, the FSM National Government submitted quarterly allocation requests for itself and the four State entities to the trustee. The current operation funds are transferred from the Trustee to the designated banking institutions based on the quarterly allocation requests. The capital project funds remain with the trustee institution and are drawdown upon request by the National Government. Capital account funds are transferred in their annual base amounts on the first day of the fiscal year. Block grant funding was transferred with the initial quarterly current account allocation request and these funds were then appropriated by the FSM National Congress in accordance with the guidelines of the Compact. The United States Government annually adjusts the Compact account funding for inflation.

Pursuant to section 233 of the Compact of Free Association and paragraph 1(d), Article IV of the Agreement Concerning Procedures for the Implementation of U.S. Economic Assistance, Programs, and Services provided in the Compact of Free Association between the Government of the U.S. and the Government of the FSM, audits of Compact funding shall be performed in compliance with Government Auditing Standards, issued by the Comptroller General of the United States, and the Single Audit Act of 1984. The above states that audits shall be performed in accordance with Circular A-128, but compliance testing of Compact funding shall not include specific federal guidelines applicable to federal program assistance grants. Rather compliance testing shall be in conformance with local laws and regulations and the program intent as provided in the Compact of Free Association.

## Introduction To Special Revenue and Capital Projects Funds

Receipt and use of monetary assistance from sources outside the general fund are accounted for in the following funds:

### Non Compact, Special Revenue Funds:

- . Transition Fund
- . Federal and Other Direct Assistance Fund
- . OTIA Technical Assistance and Operations and Maintenance (O & M) Grants Fund

### Compact of Free Association, Special Revenue Funds:

- . Communications Annual
- . Communications One-Time
- . Marine Surveillance Annual
- . Marine Surveillance One-Time
- . Post Secondary Education
- . Health and Medical
- . Special Block Grant
- . Energy
- . Special Development Fund

### Capital Projects Funds:

- . TTPI Capital Projects Fund
- . Compact of Free Association Capital Projects Fund

As mentioned earlier, the Compact Funds are administered under the guidelines of the Compact of Free Association. With the exception of a few foreign source grants in the Federal and Other Direct Assistance Fund, the revenue of the Special Revenue and Capital Projects Funds is derived through allotments from U.S. grantor agencies for specific purposes.

## Framework of Compact of Free Association and Federal Grant Accountability

Fiscal year 1993 marked the sixth full operational year that the National Government functioned as the primary grant recipient of U.S. federal assistance programs and assumed the responsibility of administering the programs to the designated subrecipients, the FSM State entities.

During fiscal year 1993, the FSM National Government utilized an automated accounting system for the special revenue and capital projects funds. Direct expenditure transactions were authorized by the administering agencies of the National Government and were reviewed and approved by the National Government's Department of Finance. Disbursements and receipts were made and accounting documentation was maintained by the Department of Finance.

Framework of Compact of Free Association and Federal Grant Accountability, Continued

Other expenditures consist of drawdown transfers made to State governments for sub-allotted grants. Transaction balances are supported by allotment (fund status) reports provided by the States to the National Government. Revenues are recorded and recognized on the basis of expenditures. Drawdowns typically occur after expenditures are recorded.

With respect to grant drawdowns of federally assisted programs, the FSM initially funds its expenditures, and on a periodic basis draws down funds directly from the Office of Territorial and International Affairs, or other grantor agencies, based on program expenditures. The FSM National Government as the primary grantee for federally assisted grant programs has the ultimate authority and responsibility to ensure that drawdowns from grantor agencies and federal financial reports are made in an accurate and timely manner.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Education									
	84.151		Consolidated Grant M00860890F:						
		3001	Yap	\$ 505,726	\$ 506,049	\$ —	\$ —	\$ 506,049	\$ (323)
		3003	Kosrae	370,085	330,089	—	—	330,089	39,996
		3005	Pohnpei	744,429	545,048	—	—	545,048	199,381
		3006	Pohnpei	608,641	408,505	—	—	408,505	200,136
		3007	Chuuk	2,649,424	1,671,973	—	—	1,671,973	977,451
		3009	National Government	60,848	57,076	—	—	57,076	3,772
			Program Total	4,939,153	3,518,740	—	—	3,518,740	1,420,413
			Client Assistance '87 F00878196X:						
	84.161								
		3011	Yap	800	199	—	—	199	601
		3012	Kosrae	3,074	2,442	—	—	2,442	632
		3013	Chuuk	800	—	—	—	—	800
		3014	Pohnpei	800	180	—	—	180	620
		3015	National Government	3,525	2,696	—	—	2,696	829
			Unalloted	4,725	—	—	—	—	4,725
			Program Total	13,724	5,517	—	—	5,517	8,207
			Balance forward	4,952,877	3,524,257	—	—	3,524,257	1,428,620

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 4,952,877	\$ 3,524,257	\$ -	\$ -	\$ 3,524,257	\$ 1,428,620
	84.126		Vocational Rehab '87 E008740960:						
		3017	Yap	100,615	92,196	-	-	92,196	8,419
		3018	Kosrae	79,502	63,155	-	-	63,155	16,347
		3019	Pohnpei	36,015	8,837	-	-	8,837	27,178
		3020	Chuuk	272,355	154,664	-	-	154,664	117,691
		3021	National Government	28,018	28,018	-	-	28,018	-
		3022	Pohnpei	88,067	18,765	-	-	18,765	69,302
			Unalloted	319,636	-	-	-	-	319,636
			Program Total	924,208	365,635	-	-	365,635	558,573
	84.161		Client Assistance '88 H161A83960:						
		3027	Yap	1,208	100	-	-	100	1,108
		3028	Kosrae	3,502	1,015	-	-	1,015	2,487
		3029	Pohnpei	2,358	95	-	-	95	2,263
		3030	Chuuk	1,282	314	-	-	314	968
		3031	National Government	7,650	1,815	-	-	1,815	5,835
			Program Total	16,000	3,339	-	-	3,339	12,661
			Balance forward	5,893,085	3,893,231	-	-	3,893,231	1,999,854

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 5,893,085	\$ 3,893,231	\$ -	\$ -	\$ 3,893,231	\$ 1,999,854
Consolidated Grant H00850890F:									
84.151		3033	Yap	51,022	50,076	-	-	50,076	946
		3034	Yap	71,852	42,238	-	-	42,238	29,614
		3035	Yap	7,885	7,870	-	-	7,870	15
		3036	Yap	2,736	2,466	-	-	2,466	270
		3037	Yap	4,162	3,300	-	-	3,300	862
		3038	Kosrae	10,000	-	-	-	0	10,000
		3039	Kosrae	8,489	(2,625)	-	-	(2,625)	11,114
		3040	Kosrae	24,636	15,888	-	-	15,888	8,748
		3041	Kosrae	3,068	2,289	-	-	2,289	779
		3042	Pohnpei	5,000	-	-	-	0	5,000
		3043	Pohnpei	245,559	80,383	-	-	80,383	165,176
		3044	Pohnpei	395,821	165,639	-	-	165,639	230,182
		3045	Pohnpei	43,365	20,383	-	-	20,383	22,982
		3046	Pohnpei	2,136	2,136	-	-	2,136	0
		3047	Pohnpei	7,563	-	-	-	0	7,563
		3048	Chuuk	303,690	27,322	-	-	27,322	276,368
		3049	Chuuk	312,645	312,645	-	-	312,645	0
		3050	Chuuk	2,000	-	-	-	0	2,000
		3051	Chuuk	9,052	2,440	-	-	2,440	6,612
		3052	National Government	1,027	-	-	-	-	1,027
		3053	National Government	208	-	-	-	-	208
		3054	National Government	10,000	10,000	-	-	10,000	-
Program Total				1,521,916	742,450	-	-	742,450	779,466
Balance forward				7,415,001	4,635,681	-	-	4,635,681	2,779,320

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 7,415,001	\$ 4,635,681	\$ -	\$ -	\$ 4,635,681	\$ 2,779,320
	84.124		Teacher Training '87 W008600007:						
		3056	Yap	59,659	55,714	-	-	55,714	3,945
		3057	Kosrae	64,559	61,663	-	-	61,663	2,896
		3058	Pohnpei	138,368	132,067	-	-	132,067	6,301
		3059	Chuuk	254,120	99,905	-	-	99,905	154,215
		3060	National Government	2,110	-	-	-	-	2,110
			Program Total	518,816	349,349	-	-	349,349	169,467
	84.124		Teacher Training '88 G008710702:						
		3072	Yap	48,546	43,560	-	-	43,560	4,986
		3073	Kosrae	125,711	126,190	-	-	126,190	(479)
		3074	Pohnpei	109,997	111,103	-	-	111,103	(1,106)
		3075	Chuuk	214,756	239,136	-	-	239,136	(24,380)
		3076	National Government	20,990	16,144	-	-	16,144	4,846
			Program Total	520,000	536,133	-	-	536,133	(16,133)
			Balance forward	8,453,817	5,521,163	-	-	5,521,163	2,932,654

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 8,453,817	\$ 5,521,163	\$ -	\$ -	\$ 5,521,163	\$ 2,932,654
Consolidated Grant M00860890F:									
84.151	3062	Yap	46,465	47,605	-	-	47,605	(1,140)	
		Kosrae	268	(210)	-	-	(210)	478	
		Kosrae	62,278	43,954	-	-	43,954	18,324	
		Pohnpei	124,360	141,888	-	-	141,888	(17,528)	
		Pohnpei	6,423	-	-	-	-	6,423	
		Pohnpei	207,224	210,555	-	-	210,555	(3,331)	
		Pohnpei	9,666	-	-	-	-	9,666	
		Pohnpei	20,000	15,052	-	-	15,052	4,948	
		Chuuk	238,055	238,054	-	-	238,054	1	
		Chuuk	377,827	258,843	-	-	258,843	118,984	
		Chuuk	9,052	-	-	-	-	9,052	
		National Government	20,829	14,559	-	-	14,559	6,270	
		National Government	90,000	90,000	-	-	90,000	-	
Program Total			1,212,447	1,060,300	-	-	1,060,300	152,147	
HCEEP - G008609001:									
84.024	3023	Yap	68,160	55,031	-	-	55,031	13,129	
		Unalloted	5,078	-	-	-	-	5,078	
		Program Total			73,238	55,031	-	-	55,031
Balance forward				9,739,502	6,636,494	-	-	6,636,494	3,103,008

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 9,739,502	\$ 6,636,494	\$ -	\$ -	\$ 6,636,494	\$ 3,103,008
	84.126		Vocational Rehab '88 H126A81960:						
		3081	Yap	22,082	24,086	-	-	24,086	(2,004)
		3082	Yap	43,920	45,928	-	-	45,928	(2,008)
		3083	Kosrae	31,760	39,621	-	-	39,621	(7,861)
		3084	Kosrae	48,160	56,305	-	-	56,305	(8,145)
		3085	Pohnpei	36,660	34,438	-	-	34,438	2,222
		3086	Pohnpei	67,340	52,534	-	-	52,534	14,806
		3087	Chuuk	68,625	71,612	-	-	71,612	(2,987)
		3088	Chuuk	164,219	159,959	-	-	159,959	4,260
		3089	National Government	80,000	65,502	-	-	65,502	14,498
			Unalloted	15,828	-	-	-	-	15,828
			Program Total	578,594	549,985	-	-	549,985	28,609
	84.998		Educational Transition M00870890F:						
		3100	Yap	423,188	359,860	-	-	359,860	63,328
		3100	Yap	365,169	326,234	-	-	326,234	38,935
		3102	Yap	22,711	19,358	-	-	19,358	3,353
		3103	Kosrae	527,531	468,220	-	-	468,220	59,311
		3104	Pohnpei	1,130,279	1,000,440	-	-	1,000,440	129,839
		3105	Pohnpei	768,205	695,103	-	-	695,103	73,102
		3106	Chuuk	2,390,635	2,214,960	-	-	2,214,960	175,675
		3107	Chuuk	1,278,255	1,233,250	-	-	1,233,250	45,005
		3108	National Government	459,893	257,533	-	-	257,533	202,360
		3109	Yap	30,000	17,996	-	-	17,996	12,004
		3110	Pohnpei	30,000	22,510	-	-	22,510	7,490
			Program Total	7,425,866	6,615,464	-	-	6,615,464	810,402
			Balance forward	17,743,962	13,801,943	-	-	13,801,943	3,942,019

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 17,743,962	\$ 13,801,943	\$ -	\$ -	\$ 13,801,943	\$ 3,942,019
	84.151		88 Consolidated Grant 89/90						
		3111	Unallotted	18,000	-	-	-	-	18,000
		3112	Yap	214,860	209,087	-	-	209,087	5,773
		3113	Yap	307,786	267,042	-	-	267,042	40,744
		3115	Kosrae	341,315	222,695	-	-	222,695	118,620
		3116	Pohnpei	720,198	685,344	-	-	685,344	34,854
		3117	Pohnpei	531,247	540,060	-	-	540,060	(8,813)
		3118	Chuuk	1,674,565	1,597,168	-	-	1,597,168	77,397
		3119	Chuuk	771,497	585,460	-	-	585,460	186,037
		3120	National	199,947	164,180	-	-	164,180	35,767
			Program Total	4,779,415	4,271,036	-	-	4,271,036	508,379
	84.124		89 Teacher Training						
		3135	Yap	32,364	18,707	-	-	18,707	13,657
		3136	Kosrae	85,381	41,788	-	-	41,788	43,593
		3137	Pohnpei	74,872	-	-	-	-	74,872
		3138	Chuuk	143,170	180,649	-	-	180,649	(37,479)
		3139	National Government	11,213	8,695	-	-	8,695	2,518
			Program Total	347,000	249,839	-	-	249,839	97,161
			Balance forward	22,870,377	18,322,818	-	-	18,322,818	4,547,559

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 22,870,377	\$ 18,322,818	\$ -	\$ -	\$ 18,322,818	\$ 4,547,559
84.998		89 Chap. I & Chap. II							
	3146		National Government	146,004	139,944	-	-	139,944	6,060
	3147		Chuuk	1,176,415	1,084,297	-	-	1,084,297	92,118
	3147		Yap	187,602	179,216	-	-	179,216	8,386
	3147		Pohnpei	507,418	532,402	-	-	532,402	(24,984)
	3148		Chuuk	332,935	232,477	-	-	232,477	100,458
	3148		Yap	107,206	93,561	-	-	93,561	13,645
	3148		Pohnpei	336,565	275,455	-	-	275,455	61,110
	3148		Kosrae	216,629	199,012	-	-	199,012	17,617
Program Total				3,010,774	2,736,364	-	-	2,736,364	274,410
84.124		92 Teacher Training R124A20001							
	3002		National	13,025	-	-	6,058	6,058	6,967
	3025		Pohnpei	62,127	-	62,127	-	62,127	-
	3025		Chuuk	64,744	-	48,179	-	48,179	16,565
	3025		Yap	57,727	-	56,386	-	56,386	1,341
	3025		Kosrae	53,885	-	41,064	-	41,064	12,821
Program Total				251,508	-	207,756	6,058	213,814	37,694
Balance forward				26,132,659	21,059,182	207,756	6,058	21,272,996	4,859,663

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund									
U.S. Dept. of Education balance forward				\$ 26,132,659	\$ 21,059,182	\$ 207,756	\$ 6,058	\$ 21,272,996	\$ 4,859,663
84.027		93 Special Education H027A30009							
	7730		Unallotted	696,870	—	—	—	—	696,870
	7731		National	282,200	—	—	155,396	155,396	126,804
	7732		Pohnpei	989,294	—	639,745	—	639,745	349,549
	7732		Chuuk	1,213,000	—	361,510	—	361,510	851,490
	7732		Yap	384,000	—	28,407	—	28,407	355,593
	7732		Kosrae	419,333	—	306,198	—	306,198	113,135
Program Total				3,984,697	—	1,335,860	155,396	1,491,256	2,493,441
84.002		93 Adult Education V002A30001							
	7736		Unallotted	85,000	—	—	—	0	85,000
	7737		National	15,000	—	—	4,413	4,413	10,587
Program Total				100,000	—	—	4,413	4,413	95,587
Total U.S. Dept. of Education				\$ 30,217,356	\$ 21,059,182	\$ 1,543,616	\$ 165,867	\$ 22,768,665	\$ 7,448,691

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Housing and Urban Development	14.219		CDBG:						
			80/B-80-ST-64-0001						
			81/B-81-ST-64-0001						
			82/B-82-ST-64-0001						
			83/B-83-ST-64-0001						
			84/B-84-ST-64-0001						
			85/B-85-ST-64-0001						
			86/B-86-ST-64-0001						
			87/B-87-ST-64-0001						
			88/B-88-ST-64-0001						
			89/B-89-ST-64-0001						
			Kosrae	\$ 729,313	\$ 662,847	\$ -	\$ -	\$ 662,847	\$ 66,466
			Pohnpei	1,048,783	893,658	-	-	893,658	155,125
			Chuuk	899,663	884,854	-	-	884,854	14,809
			Yap	548,308	448,756	-	-	448,756	99,552
	3151		National Government	61,905	57,204	-	-	57,204	4,701
	3160		National Government	3,880	3,780	-	-	3,780	100
	3172		National Government	2,539	1,104	-	-	1,104	1,435
	3195		National Government	2,775	2,775	-	-	2,775	-
	3196		National Government	2,186	2,093	-	-	2,093	93
	3360		National Government	68,600	54,789	-	-	54,789	13,811
	3398		National Government	22,410	6,351	-	-	6,351	16,059
	3359		Chuuk	50,653	-	-	-	-	50,653
	3369		Chuuk	22,875	-	-	-	-	22,875
	3368		Pohnpei	86,000	-	9,509	-	9,509	76,491
			Total U.S. Dept. of HUD	<u>\$ 3,549,890</u>	<u>\$ 3,018,211</u>	<u>\$ 9,509</u>	<u>\$ -</u>	<u>\$ 3,027,720</u>	<u>\$ 522,170</u>

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor	17.250		JTPA '87 N00 #64-04						
		3201	Yap	\$ 149,160	\$ 149,160	\$ -	\$ -	\$ 149,160	\$ 0
		3202	Kosrae	90,625	76,399	-	-	76,399	14,226
		3203	Pohnpei	404,477	358,013	-	-	358,013	46,464
		3204	Chuuk	688,016	679,344	-	-	679,344	8,672
		3205	National	89,093	74,743	-	-	74,743	14,350
		3217	Kosrae	106,911	67,623	-	-	67,623	39,288
		3233	National Government	27,734	21,039	-	-	21,039	6,695
		3233	National Government	114,814	113,420	-	-	113,420	1,394
		3224	Yap	5,113	2,838	-	-	2,838	2,275
		3225	Kosrae	15,003	14,561	-	-	14,561	442
		3226	Pohnpei	13,867		-	-	0	13,867
		3227	National Government	23,587	18,204	-	-	18,204	5,383
		3284	National Government	8,195	7,300	-	-	7,300	895
		3285	Pohnpei	30,811	29,201	-	-	29,201	1,610
		3286	Kosrae	14,450	4,574	-	-	4,574	9,876
			Program Total	1,781,856	1,616,419	-	-	1,616,419	165,437
	17.250		64-01/64-02/64-03/04 JTPA 87/Tech Assist						
		3217	National	106,911	-	-	627	627	106,284
		3208	Kosrae	21,099	16,335	-	-	16,335	4,764
		3209	Pohnpei	64,335	62,435	-	-	62,435	1,900
		3210	Chuuk	95,158	63,560	-	-	63,560	31,598
		3211	National Government	23,776	18,202	-	-	18,202	5,574
			Unalloted	6,599	-	-	-	-	6,599
			Program Total	317,878	160,532	-	627	161,159	156,719
			Balance forward	2,099,734	1,776,951	-	627	1,777,578	322,156

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor balance forwarded:				\$ 2,099,734	\$ 1,776,951	\$ —	\$ 627	\$ 1,777,578	\$ 322,156
17.235 Title V SCSEP '88									
99-8-3409									
-11-063-02:									
	3229	Yap	25,258	30,870	-	-	30,870	(5,612)	
	3230	Kosrae	14,561	17,419	-	-	17,419	(2,858)	
	3231	Pohnpei	53,812	52,216	-	-	52,216	1,596	
	3232	Chuuk	45,976	16,155	-	-	16,155	29,821	
	3223	National Government	22,202	17,875	-	-	17,875	4,327	
		Unallotted	8,972	-	-	-	-	8,972	
		Program Total	170,781	134,535	-	-	134,535	36,246	
17.250 JTPA '88									
N00 #64-05:									
	3235	Yap	17,209	16,979	-	-	16,979	230	
	3236	Yap	97,521	96,015	-	-	96,015	1,506	
	3239	Kosrae	11,783	22,553	-	-	22,553	(10,770)	
	3240	Kosrae	66,771	84,991	-	-	84,991	(18,220)	
	3241	Kosrae	11,353	12,778	-	-	12,778	(1,425)	
	3243	National	66,256	63,427	-	-	63,427	2,829	
	3244	Pohnpei	46,667	26,766	-	-	26,766	19,901	
	3245	Pohnpei	264,445	38,707	-	-	38,707	225,738	
	3246	Pohnpei	24,209	24,092	-	-	24,092	117	
	3248	Chuuk	79,380	79,275	-	-	79,275	105	
	3249	Chuuk	449,823	26,766	-	-	26,766	423,057	
	3254	National	84,808	84,724	-	-	84,724	84	
	3255	National	4,192	1,618	-	-	1,618	2,574	
	3256	National	79,508	74,050	-	-	74,050	5,458	
	3257	National	21,202	19,228	-	-	19,228	1,974	
		Program Total	1,325,127	671,969	-	-	671,969	653,158	
		Balance forward	3,595,642	2,583,455	-	627	2,584,082	1,011,560	

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor balance forwarded:				\$ 3,595,642	\$ 2,583,455	\$ —	\$ 627	\$ 2,584,082	\$ 1,011,560
17.250 99—9—3409Title IV: JTPA '89									
	3260	Yap		13,597	8,053	—	—	8,053	5,544
	3260	Kosrae		12,256	10,646	—	—	10,646	1,610
	3260	Pohnpei		48,010	51,994	—	—	51,994	(3,984)
	3264	National		11,528	10,289	—	—	10,289	1,239
		Program Total		85,391	80,982	—	—	80,982	4,409
17.250 64—07/64—08/64—09 JTPA '89									
	3265	Yap		64	24	—	—	24	40
	3266	Yap		16,590	22,667	—	—	22,667	(6,077)
	3267	Yap		56,408	49,286	216	—	49,502	6,906
	3268	Yap		42,443	42,443	—	—	42,443	0
	3269	Kosrae		11,856	12,050	—	—	12,050	(194)
	3270	Kosrae		38,623	47,408	—	—	47,408	(8,785)
	3271	Kosrae		28,563	17,483	—	—	17,483	11,080
	3272	Pohnpei		45,527	62,884	—	—	62,884	(17,357)
	3273	Pohnpei		152,962	144,048	—	—	144,048	8,914
	3274	Pohnpei		115,099	189,070	—	—	189,070	(73,971)
	3275	Chuuk		79,872	89,751	—	—	89,751	(9,879)
	3276	Chuuk		260,187	245,136	—	—	245,136	15,051
	3277	Chuuk		192,422	177,378	—	—	177,378	15,044
	3278	National		80,019	69,181	—	—	69,181	10,838
	3279	National		58,344	39,118	—	—	39,118	19,226
	3281	National		77,644	71,513	—	—	71,513	6,131
	3282	National		20,205	16,373	—	—	16,373	3,832
	3291	Kosrae		32,650	22,476	—	—	22,476	10,174
	3292	Kosrae		6,171	4,773	—	—	4,773	1,398
	3296	Chuuk		24,280	13,877	2,212	—	16,089	8,191
		Program Total		1,339,929	1,336,939	2,428	—	1,339,367	562
		Balance forward		5,020,962	4,001,376	2,428	627	4,004,431	1,016,531

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor balance forwarded:				\$ 5,020,962	\$ 4,001,376	\$ 2,428	\$ 627	\$ 4,004,431	\$ 1,016,531
17.250 Cont. 64-10/64-JTPA '90									
3287 National				84,434	61,781	—	18,856	80,637	3,797
3288 National				87,150	81,217	—	5,657	86,874	276
3293 Chuuk				95,130	112,193	—	—	112,193	(17,063)
3294 Chuuk				312,339	308,987	—	—	308,987	3,352
3295 Chuuk				226,736	232,607	—	—	232,607	(5,871)
3293 Pohnpei				53,673	34,839	—	—	34,839	18,834
3294 Pohnpei				183,954	146,586	—	—	146,586	37,368
3295 Pohnpei				135,216	135,009	—	—	135,009	207
3293 Kosrae				14,121	13,636	—	—	13,636	485
3294 Kosrae				46,364	45,360	—	—	45,360	1,004
3295 Kosrae				33,656	30,908	—	—	30,908	2,748
3293 Yap				20,624	(778)	3,755	—	2,977	17,647
3294 Yap				67,714	34,116	17,787	—	51,903	15,811
3295 Yap				49,155	32,072	17,068	—	49,140	15
3297 Yap				2,000	—	—	—	—	2,000
3297 Pohnpei				40,000	—	36,808	—	36,808	3,192
3289 Unallotted				217	—	—	—	—	217
Program Total				1,452,483	1,268,533	75,418	24,513	1,368,464	84,019
Balance forward				6,473,445	5,269,909	77,846	25,140	5,372,895	1,100,550

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor balance forwarded:				\$ 6,473,445	\$ 5,269,909	\$ 77,846	\$ 25,140	\$ 5,372,895	\$ 1,100,550
	17.250		64-13 JTPA '91						
		3261	Pohnpei	58,342	51,176	5,037	-	56,213	2,129
		3261	Chuuk	100,870	112,959	-	-	112,959	(12,089)
		3261	Kosrae	15,370	18,254	655	-	18,909	(3,539)
		3261	Yap	21,905	12,824	8,746	-	21,570	335
		3262	Pohnpei	158,077	136,560	(170)	-	136,390	21,687
		3262	Chuuk	268,889	264,938	5,723	-	270,661	(1,772)
		3262	Kosrae	38,368	18,971	19,396	-	38,367	-
		3262	Yap	58,294	56,003	2,341	-	58,344	(50)
		3263	Pohnpei	137,789	124,627	24,968	-	149,595	(11,806)
		3263	Chuuk	206,671	215,751	-	-	215,751	(9,080)
		3263	Kosrae	37,533	27,302	8,106	-	35,408	2,125
		3263	Yap	45,017	16,094	14,495	-	30,589	14,428
		3280	Pohnpei	56,456	54,442	10,497	-	64,939	(8,483)
		3280	Chuuk	96,032	89,070	-	-	89,070	6,962
		3280	Kosrae	15,800	12,543	3,256	-	15,799	1
		3280	Yap	20,819	3,581	17,238	-	20,819	-
		3283	National	92,465	82,520	-	9,846	92,366	99
		3290	National	44,132	7,931	-	29,923	37,854	6,278
		3298	Kosrae	14,980	-	12,156	-	12,156	2,824
		3298	Yap	29,152	-	2,076	-	2,076	27,076
		3258	Unallotted	24,130	-	-	-	-	24,130
			Program Total	1,541,091	1,305,546	134,520	39,769	1,479,835	61,255
			Balance forward	8,014,536	6,575,455	212,366	64,909	6,852,730	1,161,805

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Labor balance forwarded:				\$ 8,014,536	\$ 6,575,455	\$ 212,366	\$ 64,909	\$ 6,852,730	\$ 1,161,805
	17.250		64-016 - JTPA '92						
		3416	National	88,329	3,620	-	82,731	86,351	1,978
		3417	National	23,567	-	-	22,711	22,711	856
		3418	National	44,188	-	-	39,792	39,792	4,396
		3420	Chuuk	86,327	6,598	89,751	-	96,349	(10,022)
		3420	Kosrae	11,908	15,836	11,390	-	27,226	(15,318)
		3420	Pohnpei	56,141	3,479	55,862	-	59,341	(3,200)
		3420	Yap	18,713	-	19,297	-	19,297	(584)
		3421	Kosrae	33,344	-	31,569	-	31,569	1,775
		3421	Yap	52,397	-	31,219	-	31,219	21,178
		3421	Chuuk	250,223	6,014	258,225	-	264,239	(14,016)
		3421	Pohnpei	157,193	-	139,868	-	139,868	17,325
		3422	Pohnpei	104,795	520	59,617	-	60,137	44,658
		3422	Kosrae	22,229	-	23,604	-	23,604	(1,375)
		3422	Yap	34,932	-	27,715	-	27,715	7,217
		3422	Chuuk	155,605	-	164,265	-	164,265	(8,660)
		3423	Pohnpei	67,946	-	56,025	-	56,025	11,921
		3423	Chuuk	83,360	-	82,025	-	82,025	1,335
		3423	Kosrae	11,908	-	11,908	-	11,908	0
		3423	Yap	18,713	-	17,297	-	17,297	1,416
		3425	Pohnpei	41,978	-	7,543	-	7,543	34,435
		3424	Chuuk	47,000	-	30,234	-	30,234	16,766
		3424	Kosrae	22,167	-	16,323	-	16,323	5,844
		3424	Yap	25,099	-	6,611	-	6,611	18,488
			Chuuk	-	-	11,994	-	11,994	(11,994)
		3415	Unallotted	14,810	-	-	-	-	14,810
			Program Total	1,472,872	36,067	1,152,342	145,234	1,333,643	139,229
			Total U.S. Dept. of Labor	\$ 9,487,408	\$ 6,611,522	\$ 1,364,708	\$ 210,143	\$ 8,186,373	\$ 1,301,034

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Agriculture									
	10.664		Forestry Services '87 05-86-03:						
		3301	Kosrae	\$ 11,202	\$ 10,767	\$ -	\$ -	\$ 10,767	\$ 435
		3302	Yap	6,807	8,809	4,257	-	13,066	(6,259)
		3303	Pohnpei	16,603	17,075	-	-	17,075	(472)
		3304	Chuuk	10,338	7,030	-	-	7,030	3,308
		3305	National Government	13,686	13,025	-	-	13,025	661
			Unallotted	6,314	-	-	-	-	6,314
			Program Total	64,950	56,706	4,257	-	60,963	3,987
			Food Services Reimbursements '87 12-35-7565:						
	10.555	555	Kosrae	4,516	-	-	-	-	4,516
		3308	Pohnpei	7,500	558	-	-	558	6,942
		3309	Chuuk	6,800	10,914	-	-	10,914	(4,114)
		3310	National Government	650,017	516,083	-	-	516,083	133,934
			Program Total	668,833	527,555	-	-	527,555	141,278
			Food Services Administration '87 12-35-7565:						
	10.560	3312	Yap	59,700	58,572	-	-	58,572	1,128
		3313	Kosrae	270,200	258,282	-	-	258,282	11,918
		3314	Pohnpei	831,837	761,409	-	-	761,409	70,428
		3315	Chuuk	1,813,792	1,749,863	-	-	1,749,863	63,929
		3316	National Government	64,380	64,380	-	-	64,380	-
			Program Total	3,039,909	2,892,506	-	-	2,892,506	147,403
			Balance forwarded	3,773,692	3,476,767	4,257	-	3,481,024	292,668

See accompanying notes to schedule of federal financing assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Agriculture balance forwarded				\$ 3,773,692	\$ 3,476,767	\$ 4,257	\$ —	\$ 3,481,024	\$ 292,668
	10.570	3324	Elderly Feeding/F87214: National Government	19,866	19,855	—	—	19,855	11
			Program Total	19,866	19,855	—	—	19,855	11
	10.560		Food Nutrition F87311 Amendment 06:						
		3328	Yap	70,000	68,222	—	—	68,222	1,778
		3329	Kosrae	261,223	268,451	—	—	268,451	(7,228)
		3330	Pohnpei	876,371	866,638	—	—	866,638	9,733
		3331	Chuuk	2,464,420	2,455,764	—	—	2,455,764	8,656
		3332	National Government	159,496	158,845	—	—	158,845	651
			Program Total	3,831,510	3,817,920	—	—	3,817,920	13,590
	10.560		Child Nutrition — F87045:						
		3335	Kosrae	7,313	2,929	—	—	2,929	4,384
		3336	Pohnpei	9,605	13,692	—	—	13,692	(4,087)
			Program Total	16,918	16,621	—	—	16,621	297
	10.560		Nutrition Education F97190:						
		3338	National	57,886	24,226	—	5,749	29,975	27,911
			Program Total	57,886	24,226	—	5,749	29,975	27,911
			Balance forwarded	7,699,872	7,355,389	4,257	5,749	7,365,395	334,477

See accompanying notes to schedule of federal financing assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Agriculture balance forwarded				\$ 7,699,872	\$ 7,355,389	\$ 4,257	\$ 5,749	\$ 7,365,395	\$ 334,477
	10.664		Forestry Service '87 5-87-13:						
		3340	Yap	2,000	517	-	-	517	1,483
		3341	Kosrae	8,950	428	-	-	428	8,522
		3342	Pohnpei	17,950	14,571	-	-	14,571	3,379
		3343	Chuuk	12,750	4,020	-	-	4,020	8,730
		7701	Chuuk	4,200	5,982	-	-	5,982	(1,782)
		7701	Pohnpei	4,200	3,528	-	-	3,528	672
		7701	Yap	4,392	3,772	-	-	3,772	620
		7701	Kosrae	4,200	4,080	-	-	4,080	120
			Unalloted	150	-	-	-	-	150
			Program Total	58,792	36,898	-	-	36,898	21,894
	10.664		Forestry 88/5-88-12:						
		3345	Yap	2,650	-	-	-	-	2,650
		3346	Kosrae	2,650	2,138	-	-	2,138	512
		3347	Pohnpei	2,650	-	-	-	-	2,650
		3348	Chuuk	2,650	-	-	-	-	2,650
		7702	Yap	6,634	6,634	-	-	6,634	-
			Program Total	17,234	8,772	-	-	8,772	8,462
	10.555		Food Service 89 F97081						
		3388	Yap	206,873	111,440	7,767	-	119,207	87,666
		3388	Kosrae	169,775	166,881	-	-	166,881	2,894
		3388	Pohnpei	500,674	320,185	35,796	-	355,981	144,693
		3388	Chuuk	905,068	1,012,290	-	-	1,012,290	(107,222)
		3389	National	141,824	83,836	-	73	83,909	57,915
			Program Total	1,924,214	1,694,632	43,563	73	1,738,268	185,946
			Balance forwarded	9,700,112	9,095,691	47,820	5,822	9,149,333	550,779

See accompanying notes to schedule of federal financing assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Agriculture balance forwarded				\$ 9,700,112	\$ 9,095,691	\$ 47,820	\$ 5,822	\$ 9,149,333	\$ 550,779
	10.560		F92190						
		3390	National Government	28,943	23,675	—	1,045	24,720	4,223
			Program Total	28,943	23,675	—	1,045	24,720	4,223
	10.560		F92190						
		3391	National Government	9,933	9,012	—	—	9,012	921
			Program Total	9,933	9,012	—	—	9,012	921
	10.664		Forestry 89 5-89-10						
		7703	Chuuk	5,333	5,321	—	—	5,321	12
		7703	Kosrae	5,334	5,334	—	—	5,334	—
		7703	Pohnpei	5,333	1,925	—	—	1,925	3,408
			Program Total	16,000	12,580	—	—	12,580	3,420
	10.664		Forestry 91 5-91-05						
		3326	Pohnpei	38,200	24,505	11,437	—	35,942	2,258
		3326	Yap	16,000	6,991	6,507	—	13,498	2,502
		3326	Kosrae	9,700	2,503	1,318	—	3,821	5,879
		3329	National Government	6,700	577	—	442	1,019	5,681
			Program Total	70,600	34,576	19,262	442	54,280	16,320
			Balance forwarded	9,825,588	9,175,534	67,082	7,309	9,249,925	575,663

See accompanying notes to schedule of federal financing assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Agriculture balance forwarded				\$ 9,825,588	\$ 9,175,534	\$ 67,082	\$ 7,309	\$ 9,249,925	\$ 575,663
	10.664		Forestry 92 5-92-06						
		7705	Pohnpei	7,500	-	1,843	-	1,843	5,657
		7705	Chuuk	5,000	3,477	1,779	-	5,256	(256)
		7705	Yap	5,000	-	33	-	33	4,967
		7705	Kosrae	5,000	-	2,536	-	2,536	2,464
			Program Total	22,500	3,477	6,191	-	9,668	12,832
	10.664		Forestry 92 05-92-10						
		7706	Pohnpei	29,900	-	30,317	-	30,317	(417)
	10.664		Forestry 93 05-93-13						
		7707	Unallotted	32,800	-	-	-	-	32,800
		7708	Pohnpei	32,670	-	4,591	-	4,591	28,079
		7708	Chuuk	5,200	-	2,979	-	2,979	2,221
			Program Total	70,670	-	7,570	-	7,570	63,100
			Total U.S. Dept. of Agriculture	\$ 9,948,658	\$ 9,179,011	\$ 111,160	\$ 7,309	\$ 9,297,480	\$ 651,178

See accompanying notes to schedule of federal financing assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Justice									
			85-JF-CX-0464						
	16.540	7635	Pohnpei	\$ 307	\$ -	\$ -	\$ -	\$ -	\$ 307
		7635	Kosrae	5,500	5,488	-	-	5,488	12
		7636	Kosrae	4,200	3,973	-	-	3,973	227
			Program Total	10,007	9,461	-	-	9,461	546
			86-JF-CX-0464						
	16.540	7638	Pohnpei	5,000	4,986	-	-	4,986	14
		7639	Pohnpei	188	4,101	-	-	4,101	(3,913)
		7639	Pohnpei	20,000	19,586	-	-	19,586	414
		7639	Pohnpei	7,693	-	-	-	-	7,693
			Program Total	32,881	28,673	-	-	28,673	4,208
			88-JF-CX-1764						
			/87-JS-CX-0764						
	16.540	3374	Yap	16,150	16,150	-	-	16,150	-
		3375	Kosrae	8,000	5,999	-	-	5,999	2,001
		3376	Pohnpei	5,900	12,681	-	-	12,681	(6,781)
		3377	Chuuk	28,565	28,565	-	-	28,565	-
		3378	National Government	14,411	14,406	-	-	14,406	5
		3385	Pohnpei	27,476	27,474	-	-	27,474	2
			Program Total	100,502	105,275	-	-	105,275	(4,773)
			Balance forward	143,390	143,409	-	-	143,409	(19)

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Justice balance forwarded				\$ 143,390	143,409	—	—	143,409	(19)
			88—JF—CX—0064 /88—JS—CX—1064						
	16.540	3380	Yap	1,518	—	—	—	—	1,518
		3381	Kosrae	17,000	14,904	—	—	14,904	2,096
		3382	Pohnpei	14,308	20,161	—	—	20,161	(5,853)
		3383	Pohnpei	8,237	2,391	—	—	2,391	5,846
		3383	Pohnpei	2,400	—	—	—	—	2,400
		3383	Yap	6,238	—	—	—	—	6,238
		3384	National Government	17,300	17,098	—	—	17,098	202
			Program Total	67,001	54,554	—	—	54,554	12,447
	16.540	7645	National	2,002	2,002	—	—	2,002	—
		7644	Pohnpei	10,000	7,911	—	—	7,911	2,089
		7646	Pohnpei	11,255	2,202	—	—	2,202	9,053
		7644	Yap	1,806	—	—	—	—	1,806
			Program Total	25,063	12,115	—	—	12,115	12,948
			90—JF—CX—0064						
	16.540	7641	Chuuk	7,000	7,000	—	—	7,000	—
		7641	Yap	1,438	—	—	—	—	1,438
			Program Total	8,438	7,000	—	—	7,000	1,438
			89—VA—GX—0064						
	16.575	3372	Yap	5,661	—	—	—	—	5,661
		3372	Kosrae	5,457	—	—	—	—	5,457
		3372	Pohnpei	6,681	1,054	—	—	1,054	5,627
		3372	Chuuk	7,701	—	—	—	—	7,701
			Program Total	25,500	1,054	—	—	1,054	24,446
Total U.S. Dept. of Justice				\$ 269,392	\$ 218,132	\$ —	\$ —	\$ 218,132	\$ 51,260

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Commerce									
	11.407		Regional Catch Data 87-ABD-00216: 84-ABD-00209:						
		3401	National	\$ 31,000	\$ 30,503	\$ -	\$ -	\$ 30,503	\$ 497
		3402	National	3,780	3,780	-	-	3,780	-
			Program Total	34,780	34,283	-	-	34,283	497
	11.407		NA16D0225-01						
		3402	Unallotted	40	-	-	-	-	40
		3403	National	23,860	20,795	-	-	20,795	3,065
			Program Total	23,900	20,795	-	-	20,795	3,105
	11.407		NA26FD0165-01						
		3405	National	54,890	5,382	-	29,422	34,804	20,086
			Program Total	54,890	5,382	-	29,422	34,804	20,086
	11.300	N/A	Yap State Trochus Reseeding	-	10,074	1,077	-	11,151	(11,151)
	11.300	N/A	Yap Fishing Authority	-	4,910	-	-	4,910	(4,910)
	11.300	N/A	Pohnpei Rd. Paving Matching	1,000,000	966,278	15,052	-	981,330	18,670
			Total U.S. Dept. of Commerce	\$ 1,113,570	\$ 1,041,722	\$ 16,129	\$ 29,422	\$ 1,087,273	\$ 26,297

See accompanying notes to schedule of federal financial assistance.\



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of the Interior									
	15.904		Historic Preservation 86 75—FSM860						
		3451	Yap	\$ 8,600	\$ 8,600	\$ —	\$ —	\$ 8,600	\$ —
		3452	Kosrae	22,200	13,865	—	—	13,865	8,335
		3453	Pohnpei	10,655	10,174	—	—	10,174	481
		3455	Chuuk	11,854	4,559	—	—	4,559	7,295
			Program Total	53,309	37,198	—	—	37,198	16,111
	15.904		Historic Preservation 87 64—87—20140						
		3458	Yap	26,350	26,350	—	—	26,350	—
		3459	Kosrae	25,950	40,726	—	—	40,726	(14,776)
		3460	Pohnpei	18,545	18,502	—	—	18,502	43
		3461	Chuuk	18,545	25,780	—	—	25,780	(7,235)
			Program Total	89,390	111,358	—	—	111,358	(21,968)
	15.904		Historic Preservation '88						
		7501	Yap	31,000	29,910	—	—	29,910	1,090
		7502	Kosrae	28,970	10,437	—	—	10,437	18,533
		7503	Pohnpei	22,300	17,910	—	—	17,910	4,390
		7504	Chuuk	18,000	23,022	—	—	23,022	(5,022)
		7505	National	23,000	14,613	—	—	14,613	8,387
			Program Total	123,270	95,892	—	—	95,892	27,378
			Balance forward	265,969	244,448	—	—	244,448	21,521

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of the Interior balance forwarded				\$ 265,969	244,448	—	—	244,448	21,521
15.904 Historic Preservation									
7523 Yap				30,252	25,365	—	—	25,365	4,887
7524 Kosrae				35,899	171	—	—	171	35,728
7525 Pohnpei				27,429	23,663	—	—	23,663	3,766
7526 Chuuk				27,429	27,059	—	—	27,059	370
7527 National				21,354	19,942	—	—	19,942	1,412
Program Total				142,363	96,200	—	—	96,200	46,163
15.904 64—88—LH—64:									
7528 Unalloted				5,000	—	—	—	—	5,000
7529 Chuuk				5,000	—	—	—	—	5,000
Program Total				10,000	—	—	—	—	10,000
15.904 64—89—LH—64:									
7520 Yap				5,000	5,000	—	—	5,000	—
7520 Pohnpei				5,000	—	—	—	—	5,000
Program Total				10,000	5,000	—	—	5,000	5,000
15.904 Historic Preservation '90 64—90—50165									
7666 National				23,548	23,548	—	—	23,548	—
7667 Pohnpei				33,357	26,152	—	—	26,152	7,205
7667 Chuuk				33,357	32,839	661	—	33,500	(143)
7667 Yap				33,357	33,357	—	—	33,357	—
7667 Kosrae				33,357	33,181	—	—	33,181	176
Program Total				156,976	149,077	661	—	149,738	7,238
Balance forward				585,308	494,725	661	—	495,386	89,922

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of the Interior balance forwarded				\$ 585,308	\$ 494,725	\$ 661	\$ -	\$ 495,386	\$ 89,922

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Environmental Protection Agency (EPA)									
	66.600		Consolidated EPA Grant '87 M009431-87-0:						
		3561	Yap	\$ 28,690	\$ 14,508	\$ -	\$ -	\$ 14,508	\$ 14,182
		3562	Kosrae	21,350	26,727	-	-	26,727	(5,377)
		3563	Pohnpei	28,000	16,224	-	-	16,224	11,776
		3564	Chuuk	56,100	991	-	-	991	55,109
		3565	National Government	15,586	5,303	-	-	5,303	10,283
			Program Total	149,726	63,753	-	-	63,753	85,973
	66.600		Consolidated EPA Grant '88 M009431-88-0						
		3567	Yap	44,227	35,093	-	-	35,093	9,134
		3568	Kosrae	49,415	31,938	-	-	31,938	17,477
		3569	Pohnpei	59,200	49,998	-	-	49,998	9,202
		3571	Chuuk	62,381	67,626	-	-	67,626	(5,245)
		3570	National Government	41,382	22,902	-	-	22,902	18,480
			Unalloted	31,210	-	-	-	-	31,210
			Program Total	287,815	207,557	-	-	207,557	80,258
	66.600		Consolidated EPA Grant '89 M009431-89						
		3594	Unalloted	10,761	-	-	-	-	10,761
		3595	Yap	32,230	29,494	-	-	29,494	2,736
		3596	Kosrae	26,450	20,847	-	-	20,847	5,603
		3597	Pohnpei	45,600	41,140	-	-	41,140	4,460
		3598	Chuuk	43,240	31,002	-	-	31,002	12,238
		3599	National Government	39,820	30,632	-	-	30,632	9,188
			Program Total	198,101	153,115	-	-	153,115	44,986
			Balance forward	635,642	424,425	-	-	424,425	211,217

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Environmental Protection Agency (EPA) balance forwarded									
	66.418		C64002-01-0:	\$ 635,642	\$ 424,425	\$ -	\$ -	\$ 424,425	\$ 211,217
		3523	Chuuk South Field	785,000	683,054	-	-	683,054	101,946
		3572	Chuuk SF/West Pou Sewer	726,130	-	68,887	-	68,887	657,243
		3573	National Government	58,870	15,033	-	100	15,133	43,737
			Program Total	1,570,000	698,087	68,887	100	767,074	802,926
	66.418		C750008-03-0: Sokehs Deh Waste Water	115,368	52,039	62,691	-	114,730	638
	66.418		C640001-03-3:						
		3576	Kolonia Sewer	373,830	356,826	-	-	356,826	17,004
		3579	Unalloted	5,000	-	-	-	-	5,000
			Program Total	378,830	356,826	-	-	356,826	22,004
	66.418		C640001-01-3:						
		3577	Pohnpei RSP, Phase II	281,100	270,135	-	17,425	287,560	(6,460)
		3578	Pohnpei RSP Administration	18,900	12,706	-	-	12,706	6,194
		3589	National Admin. PRSP-3	13,500	12,881	-	105	12,986	514
		3592	Pohnpei RSP	736,500	144,784	-	130,779	275,563	460,937
			Program Total	1,050,000	440,506	-	148,309	588,815	461,185
	66.418	3582	Yap Sewer Connection	531,134	470,446	100	-	470,546	60,588
		3581	Yap Sewer Connection/Admin.	15,934	9,946	-	5,121	15,067	867
		3580	Yap Water Treatment/Admin.	16,000	1,217	-	14,783	16,000	-
		3591	Chuuk House Sewer/Admin.	5,000	-	-	-	-	5,000
			Program Total	568,068	481,609	100	19,904	501,613	66,455
			Balance forward	4,317,908	2,453,492	131,678	168,313	2,753,483	1,564,425

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Environmental Protection Agency (EPA) balance forwarded				\$ 4,317,908	\$ 2,453,492	\$ 131,678	\$ 168,313	\$ 2,753,483	\$ 1,564,425
	66.418		C640004-01-0:						
		3583	Kosrae Waste Water	1,413,041	5,297	-	-	5,297	1,407,744
		3584	Kosrae Waste Water	47,500	44,643	-	1,384	46,027	1,473
		3585	Kosrae Waste Water	4,175,005	2,800,504	71,963	-	2,872,467	1,302,538
			Program Total	5,635,546	2,850,444	71,963	1,384	2,923,791	2,711,755
	66.418		Ulithi Sewer System Dev.						
		3593	Yap Government	209,000	154,069	-	-	154,069	54,931
		3590	Ulithi Sewer/Admin	18,000	-	2,929	5,180	8,109	9,891
			Program Total	227,000	154,069	2,929	5,180	162,178	64,822
	66.418		Chuuk Rural Sanitary Program						
		7576	Chuuk	200,000	249,055	119,474	-	368,529	(168,529)
		7580	Chuuk	182,777	-	-	-	-	182,777
		3588	Truk RSP/Admin.	17,400	4,235	-	4,697	8,932	8,468
			Unallotted	32,223	-	-	-	-	32,223
			Program Total	432,400	253,290	119,474	4,697	377,461	54,939
	66.418	7581	Pohnpei Rural Sanitary Pohnpei	95,000	62,008	-	-	62,008	32,992
	66.418	7582	Yap Site Sewer System Yap	39,650	-	-	-	-	39,650
	66.418	7579	Yap Waste Water Treatment Plant Yap	189,099	52,054	-	-	52,054	137,045
			Total U.S. EPA	\$ 10,936,603	\$ 5,825,357	\$ 326,044	\$ 179,574	\$ 6,330,975	\$ 4,605,628

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Energy									
	81.050		Consolidated Energy Grant '87 DE-FG03-87SF17038:						
		3601	National	\$ 41,958	\$ 9,038	\$ -	\$ -	\$ 9,038	\$ 32,920
		3602	National	2,438	100	-	-	100	2,338
		3603	Kosrae	3,300	3,300	-	-	3,300	-
		3604	Kosrae	3,000	2,924	-	-	2,924	76
		3605	Kosrae	3,100	3,100	-	-	3,100	-
		3606	Yap	9,500	9,409	-	-	9,409	91
		3607	Yap	6,484	5,600	-	-	5,600	884
		3608	Yap	3,102	2,898	-	-	2,898	204
		3610	Chuuk	9,750	-	-	-	-	9,750
		3611	Chuuk	5,000	-	-	-	-	5,000
		3612	Chuuk	5,500	-	-	-	-	5,500
		3613	Pohnpei	5,000	-	-	-	-	5,000
		3614	Pohnpei	4,966	-	-	-	-	4,966
		3615	Pohnpei	5,310	-	-	-	-	5,310
		3616	Pohnpei	32	-	-	-	-	32
			Program Total	108,440	36,369	-	-	36,369	72,071
			Consolidated Energy Grant '88 DE-FGO3-87SF17038:						
	81.050	3618	National	39,800	19,670	-	-	19,670	20,130
			Program Total	39,800	19,670	-	-	19,670	20,130
			DEFGO3-87SF17038:						
	81.050	3620	National Government	116,234	106,932	-	-	106,932	9,302
			Program Total	116,234	106,932	-	-	106,932	9,302
			Total U.S. Dept. of Energy	\$ 264,474	\$ 162,971	\$ -	\$ -	\$ 162,971	\$ 101,503

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of Health & Human Services									
	13.110		FY-88 SPRANS MCH753881-01-0:						
		3652	National Government	\$ 94,583	\$ 68,059	\$ -	\$ -	\$ 68,059	\$ 26,524
		3653	Chuuk	13,787	4,543	-	-	4,543	9,244
			Program Total	108,370	72,602	-	-	72,602	35,768
	13.110		FY-87 SPRANS MCH753924-01-1:						
		3654	Chuuk	14,000	10,342	-	-	10,342	3,658
		3655	National Government	62,000	34,194	-	-	34,194	27,806
			Program Total	76,000	44,536	-	-	44,536	31,464
	13.110		FY-90 SPRANS MCJ-75388-03:						
		7587	National Government	58,066	36,559	-	-	36,559	21,507
		7588	Chuuk	63,213	58,883	-	-	58,883	4,330
		7586	Unallotted	22,005	-	-	-	-	22,005
			Program Total	143,284	95,442	-	-	95,442	47,842
	13.110		MCJ-753881-02						
		3657	Chuuk	49,850	40,693	-	-	40,693	9,157
		3658	National Government	58,520	37,348	-	-	37,348	21,172
			Program Total	108,370	78,041	-	-	78,041	30,329
			Balance forward	436,024	290,621	-	-	290,621	145,403

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 436,024	\$ 290,621	\$ -	\$ -	\$ 290,621	\$ 145,403
	13.217		FY-87 Family Planning 09-H-001777-01-0:						
		3662	Yap	13,577	9,116	-	-	9,116	4,461
		3663	Kosrae	11,447	4,756	-	-	4,756	6,691
		3664	Pohnpei	19,819	15,536	-	-	15,536	4,283
		3665	Chuuk	21,157	18,753	-	-	18,753	2,404
			Program Total	66,000	48,161	-	-	48,161	17,839
	13.217		FY-88 Family Planning 09-H-001777-02-1:						
		3668	Yap	10,660	10,523	-	-	10,523	137
		3669	Kosrae	10,759	7,880	-	-	7,880	2,879
		3670	Pohnpei	23,277	23,277	-	-	23,277	0
		3671	Chuuk	24,602	24,811	-	-	24,811	(209)
		3672	National Government	6,000	4,759	-	-	4,759	1,241
			Program Total	75,298	71,250	-	-	71,250	4,048
	13.118		AIDS Program '87 U62/CCU902703-01:						
		3674	National Government	9,252	9,252	-	-	9,252	-
		3675	National Government	7,212	497	-	-	497	6,715
			Unallotted	2,985	-	-	-	-	2,985
			Program Total	19,449	9,749	-	-	9,749	9,700
	13.171	3677	89-B1-FSM-CYAP-01 National Government	9,000	8,386	-	-	8,386	614
			Balance forward	605,771	428,167	-	-	428,167	177,604

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 605,771	\$ 428,167	\$ -	\$ -	\$ 428,167	\$ 177,604
	13.268		Childhood Immunization '87 09H-001789-01						
		3682	National Government	24,583	16,650	-	-	16,650	7,933
	13.224		CSH-901-774-04:						
		3684	National Government	49,785	41,748	-	-	41,748	8,037
		3685	Pohnpei	95,705	95,705	-	-	95,705	-
			Program Total	145,490	137,453	-	-	137,453	8,037
	13.613		PHI-CSH007571-02:						
		3679	National Government	179,444	116,567	-	19,761	136,328	43,116
		3680	Chuuk	20,000	20,000	-	-	20,000	-
		3678	Unallotted	269		-	-	-	269
			Program Total	199,713	136,567	-	19,761	156,328	43,385
	13.268		Childhood Immunizlaton '88 09H-001789-02-1:						
		3752	National Government	22,203	15,018	-	-	15,018	7,185
		3791	Pohnpei	3,000	1,445	-	-	1,445	1,555
		3792	Chuuk	7,663	2,568	-	-	2,568	5,095
			Program Total	32,866	19,031	-	-	19,031	13,835
Balance forward				1,008,423	737,868	-	19,761	757,629	250,794

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 1,008,423	\$ 737,868	\$ —	\$ 19,761	\$ 757,629	\$ 250,794
	13.268		Childhood Immunization '89 09H-001792-03:						
		7531	Yap	3,228	3,186	—	—	3,186	42
		7532	Kosrae	2,478	419	—	—	419	2,059
		7533	Pohnpei	4,158	4,039	—	—	4,039	119
		7534	Chuuk	8,265	2,465	—	—	2,465	5,800
		7535	National Government	29,251	27,582	—	—	27,582	1,669
			Program Total	47,380	37,691	—	—	37,691	9,689
	13.665		CSBG-G89BIT2CSR:						
			National Government	22,002	19,472	—	—	19,472	2,530
		7592	Kosrae	28,327	—	—	—	—	28,327
		7592	Chuuk	54,878	10,844	—	—	10,844	44,034
		7592	Yap	29,700	17,896	—	—	17,896	11,804
		7592	Pohnpei	41,796	41,019	—	—	41,019	777
		7593	National Government	17,614	9,932	—	—	9,932	7,682
			Program Total	194,317	99,163	—	—	99,163	95,154
	13.224		Community Health Centers '87 09H-001789-02-0:						
		3689	National Government	51,085	41,755	—	—	41,755	9,330
		3690	Pohnpei	49,242	50,812	—	—	50,812	(1,570)
			Program Total	100,327	92,567	—	—	92,567	7,760
	13.224		MCH-64502MCHIPS '89						
		3692	National Government	84,549	42,014	—	—	42,014	42,535
			Balance forward	1,434,996	1,009,303	—	19,761	1,029,064	405,932

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 1,434,996	\$ 1,009,303	\$ —	\$ 19,761	\$ 1,029,064	\$ 405,932
	13.110	7597	MCJ-645029-02: National Governmenet	67,549	26,976	—	—	26,976	40,573
		3694	CSH-647002-01: Yap	14,082	1,706	—	—	1,706	12,376
	13.997		09H-001792-03:						
		3696	National Government	36,303	29,979	—	—	29,979	6,324
		3697	Pohnpei	5,158	2,103	—	—	2,103	3,055
			Program Total	41,461	32,082	—	—	32,082	9,379
	13.668	3699	09AT0098-01: National Government	6,030	5,024	—	—	5,024	1,006
	13.224		FY'88 Community Health						
			09H-001774-03-0:						
		3757	National Government	66,329	65,770	—	—	65,770	559
		3758	Pohnpei	74,821	74,820	—	—	74,820	1
			Program Total	141,150	140,590	—	—	140,590	560
	13.977		Sexually Transmitted Diseases 87						
			-09-H001792-01-0						
		3701	National Government	22,697	20,485	—	—	20,485	2,212
		3702	Pohnpei	2,200	20,485	—	—	20,485	(18,285)
			Program Total	24,897	40,970	—	—	40,970	(16,073)
			Balance forward	1,730,165	1,256,651	—	19,761	1,276,412	453,753

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 1,730,165	\$ 1,256,651	\$ -	\$ 19,761	\$ 1,276,412	\$ 453,753
	13.997		Sexually Transmitted Diseases '88 -09H-001792-02-0:						
		3754	National Government	27,893	23,610	-	-	23,610	4,283
		3755	Pohnpei	3,882	1,318	-	-	1,318	2,564
		3753	Unallotted	-	628	-	-	628	(628)
			Program total	31,775	25,556	-	-	25,556	6,219
	13.633		Supportive Services Title 3 '87						
		3707	National Government	20,917	12,728	-	-	12,728	8,189
		3705	National Government	27,688	27,000	-	-	27,000	688
		3708	Yap	44,700	42,917	-	-	42,917	1,783
		3704	Yap	63,675	63,675	-	-	63,675	-
		3709	Kosrae	68,475	66,852	-	-	66,852	1,623
		3710	Pohnpei	184,875	160,809	-	-	160,809	24,066
		3711	Chuuk	281,775	269,271	-	-	269,271	12,504
			Program Total	692,105	643,252	-	-	643,252	48,853
	13.633		Supportive Service Title 3 '88						
		3772	Yap	33,306	28,069	-	-	28,069	5,237
		3773	Yap	12,324	11,583	-	-	11,583	741
		3774	Kosrae	49,270	44,137	-	-	44,137	5,133
		3775	Pohnpei	127,320	127,320	-	-	127,320	-
		3776	Chuuk	187,850	142,179	-	-	142,179	45,671
		3777	National Government	20,000	14,317	-	-	14,317	5,683
		3778	National Government	31,333	-	-	-	-	31,333
			Program Total	461,403	367,605	-	-	367,605	93,798
			Balance forward	2,915,448	2,293,064	-	19,761	2,312,825	602,623

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 2,915,448	\$ 2,293,064	\$ -	\$ 19,761	\$ 2,312,825	\$ 602,623
Supportive Service '89									
01-89-AA-FM-1320:									
13.633		7555	Yap	18,062	16,815	-	-	16,815	1,247
		7556	Yap	18,062	14,857	-	-	14,857	3,205
		7557	Kosrae	20,825	17,502	-	-	17,502	3,323
		7558	Pohnpei	61,625	61,626	-	-	61,626	(1)
		7559	Chuuk	93,924	54,944	-	-	54,944	38,980
		7560	National Government	11,535	11,266	-	-	11,266	269
		7561	National Government	6,667	-	-	-	-	6,667
Program Total				230,700	177,010	-	-	177,010	53,690
MHP7K3400-88:									
13.158		7563	National Government	51,786	20,821	-	-	20,821	30,965
MHX7K3400-89:									
13.158		7578	National Government	74,212	74,710	-	(517)	74,193	19
Aging Title IV-Training									
13.668			09AT0077/01:						
		3687	Title IV/A Training	7,658	433	-	-	433	7,225
		3713	National	7,811	7,821	-	-	7,821	(10)
Program Total				15,469	8,254	-	-	8,254	7,215
Balance forward				3,287,615	2,573,859	-	19,244	2,593,103	694,512

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecepient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 3,287,615	\$ 2,573,859	\$ —	\$ 19,244	\$ 2,593,103	\$ 694,512

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 4,063,483	\$ 3,252,089	\$ —	\$ 19,244	\$ 3,271,333	\$ 792,150
13.994 Maternal & Child Health '89									
89BIFMMCHS:									
	7537	Yap		61,725	49,235	—	—	49,235	12,490
	7538	Yap		3,700	1,527	—	—	1,527	2,173
	7538	Kosrae		1,900	1,287	—	—	1,287	613
	7538	Pohnpei		5,381	1,760	—	—	1,760	3,621
	7538	Chuuk		7,700	4,759	—	—	4,759	2,941
	7539	Kosrae		27,055	4,171	—	—	4,171	22,884
	7541	Pohnpei		75,564	75,564	—	—	75,564	—
	7543	Chuuk		87,460	70,780	—	—	70,780	16,680
	7545	National		91,190	83,132	—	—	83,132	8,058
	7546	National		80,354	71,358	—	—	71,358	8,996
Program Total				442,029	363,573	—	—	363,573	78,456
13.994 Maternal & Child Health '90									
90B1FMMCHS:									
	7599	National Government		85,626	68,384	—	374	68,758	16,868
	7600	National Government		106,000	94,126	—	—	94,126	11,874
	7601	Pohnpei		87,006	80,398	—	—	80,398	6,608
	7601	Yap		48,844	47,375	—	—	47,375	1,469
	7601	Kosrae		27,455	21,709	—	—	21,709	5,746
	7601	Chuuk		90,762	93,795	—	—	93,795	(3,033)
		Unallotted		1,361	—	—	—	—	1,361
Program Total				447,054	405,787	—	374	406,161	40,893
Balance forward				4,952,566	4,021,449	—	19,618	4,041,067	911,499

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 4,952,566	\$ 4,021,449	\$ —	\$ 19,618	\$ 4,041,067	\$ 911,499
	13.994		91–B1–FM–MCHS						
		7642	Pohnpei	7,255	4,984	400	—	5,384	1,871
		7642	Chuuk	1,200	—	—	—	—	1,200
		7642	Kosrae	1,000	498	—	—	498	502
		7642	Yap	8,000	1,325	3,088	—	4,413	3,587
		7649	Unallotted	25,644	—	—	—	—	25,644
		7661	National	59,186	37,435	—	417	37,852	21,334
		7662	National	88,218	25,261	—	13,676	38,937	49,281
		7663	Pohnpei	77,442	64,764	2,007	—	66,771	10,671
		7663	Chuuk	80,216	64,662	150	—	64,812	15,404
		7663	Kosrae	23,836	15,187	—	—	15,187	8,649
		7663	Yap	43,844	35,381	3,488	—	38,869	4,975
		7664	Pohnpei	24,200	16,145	1,910	—	18,055	6,145
		7664	Chuuk	13,440	499	5,100	—	5,599	7,841
		7664	Kosrae	8,030	3,693	680	—	4,373	3,657
		7664	Yap	12,736	11,036	—	—	11,036	1,700
			Program Total	474,247	280,870	16,823	14,093	311,786	162,461
			Preventive Health Services						
	13.991		87–B1–FM–PRVS–06:						
		3722	Yap	35,520	19,300	—	—	19,300	16,220
		3723	Kosrae	37,020	49,250	—	—	49,250	(12,230)
		3724	Pohnpei	41,323	41,323	—	—	41,323	—
		3725	Chuuk	21,105	13,429	—	—	13,429	7,676
		3726	National Government	45,873	46,219	—	—	46,219	(346)
		3659	National Government	1,120	777	—	—	777	343
		3660	National Government	41,539	41,539	—	—	41,539	—
		3721	National Government	—	62	—	—	62	(62)
			Program Total	223,500	211,899	—	—	211,899	11,601
			Balance forward	5,650,313	4,514,218	16,823	33,711	4,564,752	1,085,561

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 5,650,313	\$ 4,514,218	\$ 16,823	\$ 33,711	\$ 4,564,752	\$ 1,085,561
	13.994		86 MCH/86 B1FMMCHS-01						
		3728	Yap	11,534	4,613	-	-	4,613	6,921
		3729	Kosrae	9,629	1,373	-	-	1,373	8,256
		3730	Pohnpei	20,800	20,800	-	-	20,800	-
		3731	Chuuk	16,615	16,096	-	-	16,096	519
		3732	National Government	5,284	5,284	-	-	5,284	-
		3733	National Government	16,000	11,880	-	-	11,880	4,120
			Program Total	79,862	60,046	-	-	60,046	19,816
	13.359		CE for Nurses - 1 D10 NU29188-01:						
		3735	Yap	8,950	8,180	-	-	8,180	770
		3736	Kosrae	16,880	15,439	-	-	15,439	1,441
		3737	Chuuk	14,125	10,551	-	-	10,551	3,574
		3738	Pohnpei	17,862	16,756	-	-	16,756	1,106
		3739	National Government	21,570	16,155	-	-	16,155	5,415
			Program Total	79,387	67,081	-	-	67,081	12,306
	13.359		CE For Nurses 89 5D10NU29188-02						
		7565	Yap	6,950	7,076	-	-	7,076	(126)
		7566	Kosrae	15,130	3,075	-	-	3,075	12,055
		7567	Pohnpei	16,862	16,629	-	-	16,629	233
		7568	Chuuk	8,690	3,621	-	-	3,621	5,069
		7569	National Government	17,523	12,078	-	-	12,078	5,445
			Program Total	65,155	42,479	-	-	42,479	22,676
			Balance forward	5,874,717	4,683,824	16,823	33,711	4,734,358	1,140,359

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 5,874,717	\$ 4,683,824	\$ 16,823	\$ 33,711	\$ 4,734,358	\$ 1,140,359
	13.665	3742	CAA Audit Grant	13,929	13,928	—	—	13,928	1
	93.163		Pacific Health Initiative CSH 757001—01—1:						
		3760	National Government	218,100	200,556	—	—	200,556	17,544
		3761	Pohnpei	26,400	24,400	—	—	24,400	2,000
			Program Total	244,500	224,956	—	—	224,956	19,544
	13.665		CSBG Grants G88B1MCCOSR						
		3763	Chuuk	76,492	—	—	—	—	76,492
		3766	Yap	66,917	64,947	—	—	64,947	1,970
		3767	Kosrae	61,510	62,879	—	—	62,879	(1,369)
		3768	Pohnpei	91,251	44,436	—	—	44,436	46,815
		3769	Chuuk	41,797	41,797	—	—	41,797	—
		3770	National Government	55,000	52,920	—	—	52,920	2,080
			Program Total	392,967	266,979	—	—	266,979	125,988
	13.217		Aids '88 — U62/CCU902703—02:						
		3781	Kosrae	2,091	8,496	—	—	8,496	(6,405)
		3782	Pohnpei	791	791	—	—	791	—
			National Government	17,672	15,674	—	—	15,674	1,998
			Program Total	20,554	24,961	—	—	24,961	(4,407)
			Balance forward	6,546,667	5,214,648	16,823	33,711	5,265,182	1,281,485

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 6,546,667	\$ 5,214,648	\$ 16,823	\$ 33,711	\$ 5,265,182	\$ 1,281,485
	13.217		Aids Prevention 89 U62—CCU902703:						
		7548	Yap	9,499	4,101	—	—	4,101	5,398
		7549	Kosrae	9,019	8,166	—	—	8,166	853
		7550	Pohnpei	8,961	8,961	—	—	8,961	—
		7551	Chuuk	9,499	3,664	—	—	3,664	5,835
		7552	National	8,092	5,299	—	—	5,299	2,793
		7553	National	28,903	30,552	—	—	30,552	(1,649)
			Program Total	73,973	60,743	—	—	60,743	13,230
	13.217		Family Planning 89 09H—001777—03—0:						
		3786	Yap	9,746	10,535	—	—	10,535	(789)
		3787	Kosrae	8,816	8,731	—	—	8,731	85
		3788	Pohnpei	14,039	13,284	—	—	13,284	755
		3789	Chuuk	20,934	15,351	—	—	15,351	5,583
		3790	National Government	13,582	10,870	—	—	10,870	2,712
			Program Total	67,117	58,771	—	—	58,771	8,346
	13.217		Family Planning 90 09H—001777—04:						
		7571	Yap	13,947	9,534	—	—	9,534	4,413
		7572	Kosrae	11,642	10,529	—	—	10,529	1,113
		7573	Pohnpei	19,255	13,839	—	—	13,839	5,416
		7574	Chuuk	20,931	18,238	—	—	18,238	2,693
		7575	National Government	10,000	8,193	—	517	8,710	1,290
			Program Total	75,775	60,333	—	517	60,850	14,925
			Balance forward	6,763,532	5,394,495	16,823	34,228	5,445,546	1,317,986

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 6,763,532	\$ 5,394,495	\$ 16,823	\$ 34,228	\$ 5,445,546	\$ 1,317,986
	13.217		Family Planning 91 09-001777-05:						
		7629	Chuuk	25,704	22,140	-	-	22,140	3,564
		7629	Pohnpei	23,646	22,926	-	-	22,926	720
		7629	Kosrae	14,297	12,304	-	-	12,304	1,993
		7629	Yap	17,128	11,032	-	-	11,032	6,096
			Program Total	80,775	68,402	-	-	68,402	12,373
	13.217		09H-001777-07-0 Family Planning 93						
		7768	Pohnpei	25,931	-	22,738	-	22,738	3,193
		7768	Chuuk	30,716	3,593	26,598	-	30,191	525
		7768	Kosrae	14,832	-	14,472	-	14,472	360
		7768	Yap	18,809	577	10,107	-	10,684	8,125
			Program Total	90,288	4,170	73,915	-	78,085	12,203
	13.217		09-H-001777-06-0 Family Planning 92						
		7673	Pohnpei	20,981	21,593	-	-	21,593	(612)
		7673	Chuuk	25,704	25,559	-	-	25,559	145
		7673	Yap	17,398	13,125	-	-	13,125	4,273
		7673	Kosrae	14,297	12,314	-	-	12,314	1,983
		7673	National	2,665	2,115	-	-	2,115	550
		7672	Unallotted	2,730	-	-	-	-	2,730
			Program Total	83,775	74,706	-	-	74,706	9,069
			Balance forward	7,018,370	5,541,773	90,738	34,228	5,666,739	1,351,631

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 7,018,370	\$ 5,541,773	\$ 90,738	\$ 34,228	\$ 5,666,739	\$ 1,351,631
	13.991		Preventive Health '88 88B1-FM-PRVS:						
		3791	Unallotted	424	-	-	-	-	424
		3793	Kosrae	22,061	-	-	-	-	22,061
		3794	Pohnpei	44,061	35,338	-	-	35,338	8,723
		3795	Chuuk	28,075	15,595	-	-	15,595	12,480
		3796	National	45,215	42,303	-	-	42,303	2,912
		3797	National	1,113	585	-	-	585	528
		3798	Yap	21,020	6,942	-	-	6,942	14,078
			Program Total	161,969	100,763	-	-	100,763	61,206
	13.991		Preventive Health '90 90-B1-FM-PRVS:						
		7605	Chuuk	14,141	24,273	-	-	24,273	(10,132)
		7605	Pohnpei	12,000	12,735	-	-	12,735	(735)
		7605	Yap	9,000	10,005	-	-	10,005	(1,005)
		7605	Kosrae	8,500	2,531	-	-	2,531	5,969
		7606	National	109,000	97,072	-	2,000	99,072	9,928
		7607	National	1,361	-	-	-	-	1,361
		7604	National	11,900	11,524	-	-	11,524	376
		7608	Kosrae	29,885	27,446	-	-	27,446	2,439
		7603	Unallotted	8,855	-	-	-	-	8,855
		7608	Yap	40,400	33,960	-	-	33,960	6,440
		7608	Pohnpei	87,060	89,622	-	-	89,622	(2,562)
		7608	Chuuk	65,800	88,620	-	-	88,620	(22,820)
			Program Total	397,902	397,788	-	2,000	399,788	(1,886)
			Balance forward	7,578,241	6,040,324	90,738	36,228	6,167,290	1,410,951

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Funds									
U.S. Dept. of DHHS balance forwarded				\$ 7,578,241	\$ 6,040,324	\$ 90,738	\$ 36,228	\$ 6,167,290	\$ 1,410,951
13.991 89B1-FM-PRVS									
	7584		National	10,000	10,000	-	-	10,000	-
	7589		Kosrae	10,000	10,000	-	-	10,000	-
	7589		Pohnpei	10,000	10,000	-	-	10,000	-
	7589		Chuuk	10,000	10,000	-	-	10,000	-
	7589		Yap	10,000	10,000	-	-	10,000	-
	7594		National	10,000	10,000	-	-	10,000	-
	7595		National	30,918	30,429	-	-	30,429	489
	7623		National	135	135	-	-	135	-
	7583		Unallotted	13,563	-	-	-	-	13,563
	7585		Yap	9,700	8,636	-	-	8,636	1,064
	7585		Kosrae	8,500	5,489	-	-	5,489	3,011
	7585		Pohnpei	16,785	16,785	-	-	16,785	-
	7585		Chuuk	11,570	9,899	-	-	9,899	1,671
			Program Total	151,171	131,373	-	-	131,373	19,798
13.224 CSH -901774-05:									
	7610		National	74,025	67,592	-	-	67,592	6,433
	7611		Pohnpei	128,591	120,805	-	-	120,805	7,786
			Program Total	202,616	188,397	-	-	188,397	14,219
13.947 H25/CCH904363-01:									
	7613		National	25,775	21,658	-	-	21,658	4,117
	7614		Pohnpei	5,225	2,820	-	-	2,820	2,405
			Program Total	31,000	24,478	-	-	24,478	6,522
Balance forward				7,963,028	6,384,572	90,738	36,228	6,511,538	1,451,490

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 7,963,028	\$ 6,384,572	\$ 90,738	\$ 36,229	\$ 6,511,539	\$ 1,451,489
	13.268		H23/CCH904426-01: Childhood Immunization Program						
		7616	National	64,581	68,020	-	-	68,020	(3,439)
		7617	Chuuk	5,255	9,752	431	-	10,183	(4,928)
		7617	Kosrae	357	19	-	-	19	338
		7617	Pohnpei	3,168	3,298	-	-	3,298	(130)
		7615	Unallotted	2,000	-	-	-	-	2,000
			Program Total	75,361	81,089	431	-	81,520	(6,159)
	13.118		FY 90 AIDS U62-CCH902703-04:						
		7619	National	11,216	9,123	-	-	9,123	2,093
		7620	National	26,679	29,787	-	-	29,787	(3,108)
		7621	Chuuk	3,805	12,251	261	-	12,512	(8,707)
		7621	Pohnpei	7,296	7,919	-	-	7,919	(623)
			Program Total	48,996	59,080	261	-	59,341	(10,345)
	13.110		MCJ-645029-02:						
		7622	National	67,549	-	-	-	-	67,549
		7622	Kosrae	3,000	2,562	-	-	2,562	438
		7622	Chuuk	5,700	640	-	-	640	5,060
		7622	Unallotted	8,300	-	-	-	-	8,300
			Program Total	84,549	3,202	-	-	3,202	81,347
	13.171		90-B1-FM-CYAP-01:						
		7625	National Government	11,900	9,111	-	-	9,111	2,789
			Balance forward	8,183,834	6,537,054	91,430	36,229	6,664,713	1,519,121

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 8,183,834	\$ 6,537,054	\$ 91,430	\$ 36,229	\$ 6,664,713	\$ 1,519,121
	93.118	7657	U62/CCU906251-01: National Government	5,400	5,309	—	—	5,309	91
	93.198	7694	AIDS Surveillance U62/CCU0906251-02 National Government	9,214	7,816	—	932	8,748	466
	93.118	7659	AIDS Prevention U62/CCU902703-05 National Government	38,636	36,040	—	54	36,094	2,542
		7660	Pohnpei	6,460	5,478	—	—	5,478	982
		7660	Chuuk	8,062	3,784	—	—	3,784	4,278
		7660	Kosrae	5,608	4,955	—	—	4,955	653
			Program Total	58,766	50,257	—	54	50,311	8,455
	93.118	7758	Aids Prevention '92 U62/CCU902703-06 National	16,889	9,048	—	5,480	14,528	2,361
		7759	Pohnpei	6,077	3,672	—	—	3,672	2,405
		7759	Chuuk	9,197	2,207	135	—	2,342	6,855
		7759	Kosrae	9,370	7,354	1,957	—	9,311	59
		7759	Yap	6,076	488	2,727	—	3,215	2,861
			Program Total	47,609	22,769	4,819	5,480	33,068	14,541
			Balance forward	8,304,823	6,623,205	96,249	42,695	6,762,149	1,542,674

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 8,304,823	\$ 6,623,205	\$ 96,249	\$ 42,695	\$ 6,762,149	\$ 1,542,674
	13.110		MCJ-645029-03-0						
		7647	National	69,349	54,617	—	6,009	60,626	8,723
		7648	Chuuk	11,400	8,052	2,883	—	10,935	465
		7648	Kosrae	3,600	2,792	462	—	3,254	346
		7646	Unallotted	200	—	—	—	—	200
			Program Total	84,549	65,461	3,345	6,009	74,815	9,734
	13.902		1H87 TI00054-0100						
		7633	National	136,513	136,513	—	(5,400)	131,113	5,400
	13.902		5H87 TI00054-02						
		7681	National	112,500	103,465	—	—	103,465	9,035
		7680	Unallotted	2,250	—	—	—	—	2,250
			Program Total	114,750	103,465	—	—	103,465	11,285
	13.902		1-87 TI000257-0100						
		7683	National	77,436	77,436	—	—	77,436	—
		7682	Unallotted	1,549	—	—	—	—	1,549
			Program Total	78,985	77,436	—	—	77,436	1,549
			Balance forward	8,719,620	7,006,080	99,594	43,304	7,148,978	1,570,642

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 8,719,620	\$ 7,006,080	\$ 99,594	\$ 43,304	\$ 7,148,978	\$ 1,570,642
	93.991		91-1-FM-PRVS						
		7675	National	14,377	13,635	-	-	13,635	742
		7676	National	112,000	92,539	-	2,846	95,385	16,615
		7678	Pohnpei	13,865	12,257	431	-	12,688	1,177
		7679	Pohnpei	96,634	81,301	120	-	81,421	15,213
		7678	Chuuk	14,992	236	-	-	236	14,756
		7679	Chuuk	95,000	53,038	-	-	53,038	41,962
		7678	Yap	9,800	7,289	2,021	-	9,310	490
		7679	Yap	40,400	21,995	2,669	-	24,664	15,736
		7678	Kosrae	9,200	6,637	1,597	-	8,234	966
		7679	Kosrae	25,700	19,283	-	-	19,283	6,417
		7674	Unallotted	1,266	-	-	-	-	1,266
			Program Total	433,234	308,210	6,838	2,846	317,894	115,340
	93.991		92-B1-FM-PRVS						
		7763	Unallotted	23,218	802	-	-	802	22,416
		7764	National	36,858	-	-	34,881	34,881	1,977
		7766	Pohnpei	16,402	-	14,249	-	14,249	2,153
		7766	Chuuk	16,500	-	17,461	-	17,461	(961)
		7766	Kosrae	8,338	-	9,420	-	9,420	(1,082)
		7766	Yap	9,500	1,125	10,186	-	11,311	(1,811)
			Program Total	110,816	1,927	51,316	34,881	88,124	22,692
	13.146		BRX-FM0054-90-0						
		7671	National Government	30,000	12,785	-	17,085	29,870	130
	13.163		CSH006472-02						
		7631	Yap	7,309	-	-	-	-	7,309
			Balance forward	9,300,979	7,329,002	157,748	98,116	7,584,866	1,716,113

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 9,300,979	\$ 7,329,002	\$ 157,748	\$ 98,116	\$ 7,584,866	\$ 1,716,113
	93.163		CSH006473/4/5-01						
		7684	Unallotted	2,400	-	-	-	-	2,400
		7685	National	16,354	15,024	-	95	15,119	1,235
		7686	Yap	18,655	12,749	-	-	12,749	5,906
		7687	Pohnpei	38,392	17,643	6,342	-	23,985	14,407
			Program Total	75,801	45,416	6,342	95	51,853	23,948
	93.110		MCJ-64B024-01						
		7689	National	20,000	7,015	-	3,185	10,200	9,800
	93.224		CSH-901774-06 CHC 91						
		7542	National	16,899	15,424	-	-	15,424	1,475
		7544	Pohnpei	132,955	128,826	-	-	128,826	4,129
			Program Total	149,854	144,250	-	-	144,250	5,604
	93.224		CSH901774-07-0 CHC 92						
		3762	Pohnpei	149,800	102,441	42,351	-	144,792	5,008
		7698	Unallotted	54	-	-	-	-	54
			Program Total	149,854	102,441	42,351	-	144,792	5,062
	93.997		H25/CCH904363-02 STD						
		7654	National	30,829	22,124	-	577	22,701	8,128
		7655	Pohnpei	5,271	3,380	-	-	3,380	1,891
			Program Total	36,100	25,504	-	577	26,081	10,019
			Balance forward	9,732,588	7,653,628	206,441	101,973	7,962,042	1,770,546

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 9,732,588	\$ 7,653,628	\$ 206,441	\$ 101,973	\$ 7,962,042	\$ 1,770,546
	93.997		93 STD H25/CCH904363-03						
		7695	Unallotted	210	-	-	-	-	210
		7696	National	51,772	8,986	-	-	8,986	42,786
		7697	Pohnpei	13,395	3,296	-	-	3,296	10,099
			Program Total	65,377	12,282	-	-	12,282	53,095
	93.268		H23/CH904426-02 Immunization 91						
		7651	National	124,514	104,826	-	-	104,826	19,688
		7652	Pohnpei	10,810	9,295	-	-	9,295	1,515
		7652	Chuuk	13,305	3,375	-	-	3,375	9,930
		7652	Yap	350	-	-	-	-	350
		7652	Kosrae	150	-	-	-	-	150
			Program Total	149,129	117,496	-	-	117,496	31,633
	93.268		H23/CCH904426-03 Immunization 92						
		7691	National	239,370	80,218	-	55,168	135,386	103,984
		7692	Pohnpei	14,359	5,917	3,553	-	9,470	4,889
		7692	Chuuk	23,295	7,741	12,722	-	20,463	2,832
		7692	Kosrae	6,120	141	-	-	141	5,979
		7692	Yap	6,270	-	1,340	-	1,340	4,930
			Program Total	289,414	94,017	17,615	55,168	166,800	122,614
			Balance forward	10,236,508	7,877,423	224,056	157,141	8,258,620	1,977,888

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subreceptient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 10,236,508	\$ 7,877,423	\$ 224,056	\$ 157,141	\$ 8,258,620	\$ 1,977,888
	93.992		92-B1-FM-ADMS						
		7770	National	150,044	-	-	98,350	98,350	51,694
		7771	Chuuk	94,000	-	83,521	-	83,521	10,479
		7771	Kosrae	22,500	-	12,982	-	12,982	9,518
		7771	Yap	15,300	-	10,179	-	10,179	5,121
		7771	Yap	38,500	-	27,150	-	27,150	11,350
		7771	Pohnpei	80,656	-	80,338	-	80,338	318
			Program Total	401,000	-	214,170	98,350	312,520	88,480
			92 MCH						
	93.994		92-B1-FM-MCHS						
		7751	Unallotted	42,259	-	-	-	-	42,259
		7752	National	47,425	-	-	43,325	43,325	4,100
		7753	National	143,168	-	-	86,755	86,755	56,413
		7754	Pohnpei	89,519	-	76,852	-	76,852	12,667
		7754	Chuuk	91,909	-	85,751	-	85,751	6,158
		7754	Yap	52,823	-	37,653	-	37,653	15,170
		7754	Kosrae	39,875	-	32,458	-	32,458	7,417
		7756	Yap	7,000	-	-	-	-	7,000
		7756	Kosrae	5,750	-	4,528	-	4,528	1,222
			Program Total	519,728	-	237,242	130,080	367,322	152,406
			91 CYAP						
	93.171		91-B1-FM-CYAP-01						
		7669	National	12,101	-	-	7,028	7,028	5,073
			Balance forward	11,169,337	7,877,423	675,468	392,599	8,945,490	2,223,847

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 11,169,337	\$ 7,877,423	\$ 675,468	\$ 392,599	\$ 8,945,490	\$ 2,223,847
	93.116	7761	92 Tuberculosis Prog U52/CCU907874-01 National	45,228	4,043	—	13,621	17,664	27,564
			Program Total	45,228	4,043	—	13,621	17,664	27,564
	93.242	7776	93 MHIS 1 G19 MH50914-01 Unallotted	26,750	—	—	—	—	26,750
		7777	National	47,905	—	—	28,572	28,572	19,333
			Program Total	74,655	—	—	28,572	28,572	46,083
	93.977	7695	92 STD H25/CCH904363-03-1 Unallotted	210	—	—	—	—	210
		7696	National	26,214	—	—	29,890	29,890	(3,676)
		7697	Pohnpei	6,805	—	6,091	—	6,091	714
			Program Total	33,229	—	6,091	29,890	35,981	(2,752)
	93.268	7792	93 Immunization H23/CCH904426-04 National	100,469	—	—	50,403	50,403	50,066
		7793	Pohnpei	25,645	—	13,432	—	13,432	12,213
		7793	Chuuk	36,696	—	44,279	—	44,279	(7,583)
		7793	Yap	11,400	—	3,674	—	3,674	7,726
		7793	Kosrae	9,280	—	—	—	—	9,280
			Program Total	183,490	—	61,385	50,403	111,788	71,702
			Balance forward	11,505,939	7,881,466	742,944	515,085	9,139,495	2,366,444

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 11,505,939	\$ 7,881,466	\$ 742,944	\$ 515,085	\$ 9,139,495	\$ 2,366,444
	93.116		93 Tuberculosis Program U52/CCU907874-02						
		7795	National	83,138	-	-	19,627	19,627	63,511
	93.994		93 MCH 93B1FMMCHS						
		7451	Unallotted	143,573	-	-	-	-	143,573
		7452	National	53,003	-	-	2,254	2,254	50,749
		7453	National	15,413	-	-	446	446	14,967
		7454	Pohnpei	98,914	-	14,769	-	14,769	84,145
		7454	Chuuk	99,981	-	-	-	-	99,981
		7454	Kosrae	40,312	-	-	-	-	40,312
		7454	Yap	55,646	-	-	-	-	55,646
		7455	Pohnpei	6,000	-	-	-	-	6,000
		7455	Chuuk	5,500	-	-	-	-	5,500
		7455	Kosrae	7,200	-	-	-	-	7,200
		7455	Yap	4,500	-	-	-	-	4,500
			Program Total	530,042	-	14,769	2,700	17,469	512,573
	93.283		93 Data Mgmt. Capacity H1G/CCH908215-01						
		7799	National	26,975	-	-	7,344	7,344	19,631
	93.118		93 AIDS Prevention U62/CCU902703-07						
		7458	National	15,170	-	-	12,515	12,515	2,655
		7459	Pohnpei	9,866	-	9,024	-	9,024	842
		7459	Chuuk	6,919	-	6,289	-	6,289	630
		7459	Kosrae	4,608	-	4,608	-	4,608	-
			Program Total	36,563	-	19,921	12,515	32,436	4,127
			Balance forward	12,182,657	7,881,466	777,634	557,271	9,216,371	2,966,286

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 12,182,657	\$ 7,881,466	\$ 777,634	\$ 557,271	\$ 9,216,371	\$ 2,966,286
	93.118		93 AIDS Surveillance U62/CCU906251-03						
		7787	National	11,703	-	-	8,913	8,913	2,790
	93.217		94 Family Planning 09H-001777-8-0						
		7463	Pohnpei	35,572	-	4,400	-	4,400	31,172
		7463	Chuuk	36,997	-	-	-	-	36,997
		7463	Kosrae	17,667	-	-	-	-	17,667
		7463	Yap	23,887	-	2,400	-	2,400	21,487
			Program Total	114,123	-	6,800	-	6,800	107,323
	93.902		93 Subst. Abuse/Juven 5 HS2 TI00257-03						
		7475	National	82,933	-	-	-	-	82,933
	93.959		93 Subs. Abuse Preven 93 B1 FM SAPT-02						
		7464	Unallotted	113,862	-	-	-	-	113,862
		7465	National	134,000	-	-	-	-	134,000
		7473	Pohnpei	33,100	-	1,323	-	1,323	31,777
		7473	Chuuk	68,904	-	-	-	-	68,904
		7473	Yap	18,500	-	-	-	-	18,500
		7473	Yap	30,400	-	-	-	-	30,400
		7473	Kosrae	10,619	-	-	-	-	10,619
			Program Total	409,385	-	1,323	-	1,323	408,062
	93.924		93 CHC CSH901774-08						
		7785	Pohnpei	142,362	-	112,256	-	112,256	30,106
			Balance forward	12,943,163	7,881,466	898,013	566,184	9,345,663	3,597,500

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 12,943,163	\$ 7,881,466	\$ 898,013	\$ 566,184	\$ 9,345,663	\$ 3,597,500
	93.630		93 Dev. Disability G-9301-FMBS84						
		7466	Unallotted	112,113	-	-	-	-	112,113
		7467	National	108,637	-	-	49,022	49,022	59,615
			Program Total	220,750	-	-	49,022	49,022	171,728
	93.958		93 Comm. Mental Health 93 B1 FM CMHS-01						
		7468	Unallotted	54,056	-	-	-	-	54,056
		7469	National	18,000	-	-	612	612	17,388
			Program Total	72,056	-	-	612	612	71,444
	93.991		93 Preventive Health 93-B1-FM-PRVS						
		7470	Unallotted	18,372	-	-	-	-	18,372
		7471	National	19,650	-	-	-	-	19,650
		7472	Pohnpei	17,918	-	-	-	-	17,918
		7472	Chuuk	19,292	-	-	-	-	19,292
		7472	Kosrae	10,000	-	-	-	-	10,000
		7472	Yap	12,572	-	-	-	-	12,572
			Program Total	97,804	-	-	-	-	97,804
	93.163		Safe Water Component CSH006479-01-0						
		7460	Kosrae	48,735	-	-	-	-	48,735
	93.163		92 Biomedical Services CSH006478-01-0						
		7782	National	91,117	-	-	59,120	59,120	31,997
			Balance forward	13,473,625	7,881,466	898,013	674,938	9,454,417	4,019,208

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
U.S. Dept. of DHHS Balance Forwarded				\$ 13,473,625	\$ 7,881,466	\$ 898,013	\$ 674,938	\$ 9,454,417	\$ 4,019,208
	93.163		92 Regional Dental CSH006477-01-0						
		7797	National	99,467	-	-	61,294	61,294	38,173
		7780	Unallotted	6,330	-	-	-	-	6,330
			Program Total	105,797	-	-	61,294	61,294	44,503
	93.163		92 Nurse Practice Act CSH006473-02-0						
		7781	National	40,328	-	-	38,308	38,308	2,020
	93.171		92 CYAP 92 B1 FM CYAP-01						
		7461	National	5,922	-	-	4,696	4,696	1,226
	93.902		92 Subs. Abuse/Juv 5 H87 TI00257-02						
		7773	National	78,985	-	-	39,492	39,492	39,493
	93.902		92 Critical Population 5 H87 TI00054-03						
		7775	National	65,801	-	-	61,677	61,677	4,124
		7779	Pohnpei	49,866	-	29,960	-	29,960	19,906
			Program Total	115,667	-	29,960	61,677	91,637	24,030
	93.268		93 Immunization Prog. H23/CCH904426-03						
		7691	National	47,632	-	-	-	-	47,632
			Total U.S. Dept. of Health and Human Services	\$ 13,867,956	\$ 7,881,466	\$ 927,973	\$ 880,405	\$ 9,689,844	\$ 4,178,112

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subreceptient	National Government		
U.S. Federal Direct Assistance Fund:									
Federal Emergency Management Agency (FEMA)									
	83.516	3805	Typhoon Orchid	\$ 358,964	\$ 446,388	\$ 361	\$ -	\$ 446,749	\$ (87,785)
		3810	Typhoon Nina	2,000,000	3,435,901	-	-	3,435,901	(1,435,901)
		3811	Typhoon Nina	9,600,000	-	-	-	-	9,600,000
			Program Total	11,958,964	3,882,289	361	-	3,882,650	8,076,314
			Disaster Preparedness						
	83.505		88/EMF-88-K-0299						
		3814	National Government	25,000	6,949	-	-	6,949	18,051
		3816	EMF-89-K-0328	26,700	23,609	-	-	23,609	3,091
			Program Total	51,700	30,558	-	-	30,558	21,142
			EMF-909-K-0337						
	83.505		EMF-909-K-0337						
		3817	Unalloted	20,300	-	-	-	-	20,300
		3818	National Government	29,700	15,524	-	-	15,524	14,176
			Program Total	50,000	15,524	-	-	15,524	34,476
			FEMA-934-DR-FSM						
	83.516		Typhoon Axel PA						
		3837	Pohnpei	560,569	75,343	141,486	-	216,829	343,740
		3837	Kosrae	36,184	-	36,675	-	36,675	(491)
			Program Total	596,753	75,343	178,161	-	253,504	343,249
			Balance forward	12,657,417	4,003,714	178,522	-	4,182,236	8,475,181

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
FEMA balance forwarded				\$ 12,657,417	\$ 4,003,714	\$ 178,522	\$ —	\$ 4,182,236	\$ 8,475,181
	83.516		FEMA-934-DR-FSM						
		3842	Typhoon Axel Admin. National Government	13,313	652	—	5,595	6,247	7,066
	83.516		FEMA-886-DR-FSM						
		3826	Typhoon Owen IFG Chuuk	6,200,000	6,188,383	—	—	6,188,383	11,617
		3825	Unallotted	900,000	—	—	—	—	900,000
			Program Total	7,100,000	6,188,383	—	—	6,188,383	911,617
	83.516		FEMA-886-DR-FSM						
		3831	Typhoon Owen Admin. National	33,472	3,709	—	10,295	14,004	19,468
			Program Total	33,472	3,709	—	10,295	14,004	19,468
	83.516		FEMA-886-DR-FSM						
		3824	Typhoon Owen PA National Government	40,771	32,875	—	1,208	34,083	6,688
		3820	Chuuk	1,659,395	1,855,955	162,007	—	2,017,962	(358,567)
		3821	Chuuk	3,000	189	18,921	—	19,110	(16,110)
		3826	Chuuk	206,904	—	75,176	—	75,176	131,728
		3821	Yap	765,423	157,700	144,129	—	301,829	463,594
		3830	National Government	33,472	—	—	—	—	33,472
			Program Total	2,708,965	2,046,719	400,233	1,208	2,448,160	260,805
			Balance forward	22,513,167	12,243,177	578,755	17,098	12,839,030	9,674,137

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
FEMA balance forwarded				\$ 22,513,167	\$ 12,243,177	\$ 578,755	\$ 17,098	\$ 12,839,030	\$ 9,674,137
	83.516		FEMA-892-FSM						
		3823	Typhoon Russ PA	324,200	366,407	181,380	-	547,787	(223,587)
		3829	National	8,213	-	-	-	-	8,213
			Program Total	332,413	366,407	181,380	-	547,787	(215,374)
	83.516		FEMA-892-DR-FSM						
		3828	Typhoon Russ IFG	129,401	123,481	-	-	123,481	5,920
			Pohnpei						
	83.516		FEMA-926-DR-FSM						
		3832	Typhoon Russ Admin.	8,213	2,424	-	-	2,424	5,789
		3834	National	238,260	-	15,732	-	15,732	222,528
			Pohnpei						
			Program Total	246,473	2,424	15,732	-	18,156	228,317
	83.516		FEMA-926-DR-FSM						
		3841	Typhoon Yuri Admin.	3,484	-	-	1,660	1,660	1,824
			National						
	83.516		FEMA-926-DR-FSM						
			Typhoon Yuri PA						
			Pohnpei	-	181,587	-	-	181,587	(181,587)
	83.516		FEMA-926-FSM						
		3830	Typhoon Yuri IFG	375,000	321,942	132,937	-	454,879	(79,879)
			Pohnpei						
			Balance forward	23,599,938	13,239,018	908,804	18,758	14,166,580	9,433,358

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
U.S. Federal Direct Assistance Fund:									
FEMA balance forwarded				\$ 23,599,938	\$ 13,239,018	\$ 908,804	\$ 18,758	\$ 14,166,580	\$ 9,433,358
	83.505	3839	EMF-92-K-0399 National Government	50,000	23,449	-	13,821	37,270	12,730
	83.505	3845	93 Disaster Preparedness EMF-93-K-0405 National	50,000	-	-	22,119	22,119	27,881
	83.516	N/A	Yap Typhoon Owen	761,314	698,359	-	-	698,359	62,955
			Total Federal Emergency Management Agency	\$ 24,461,252	\$ 13,960,826	\$ 908,804	\$ 54,698	\$ 14,924,328	\$ 9,536,924
U.S. Federal Aviation Administration									
	15.875	N/A	Chuuk International Airport	721,000	458,269	121,862	-	580,131	140,869
			Total U.S. Federal Aviation Administration	\$ 721,000	\$ 458,269	\$ 121,862	\$ -	\$ 580,131	\$ 140,869
National Oceanic and Atmospheric Admin.									
	11.460	N/A	National Government	\$ 2,004,481	\$ 538,035	\$ -	\$ 674,229	\$ 1,212,264	\$ 792,217
			Total National Oceanic and Atmospheric Administration	\$ 2,004,481	\$ 538,035	\$ -	\$ 674,229	\$ 1,212,264	\$ 792,217
			Total U.S. Federal Direct Assistance	\$ 105,896,819	\$ 70,098,904	\$ 5,472,196	\$ 1,628,709	\$ 77,199,809	\$ 28,697,010

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF NON U.S. DIRECT ASSISTANCE GRANTS  
STATEMENT OF EXPENDITURES BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

<u>Grantor</u>	<u>Org. No.</u>	<u>Grantor Title</u>	<u>1993 Fiscal Year Expenditures National Government</u>
<b>Other Direct Assistance Fund:</b>			
<b>Australian Government Grants</b>			
	3948	FSM Leptospirosis	\$ 2,195
	7808	Micronesia Patient Admin.	5,557
	7827	Environmental Management	314
	7403	Science Ed Proj	1,572
	7848	Epin Wtr Supply Sys	16,322
			<u>25,960</u>
<b>Japan Foreign Assistance</b>			
	3935	Hansen's Disease	<u>2,518</u>
<b>United Nations</b>			
	3955	Population Education	2,597
	7821	EPI/CDD Training	1,223
	7401	Vitamin A Proj.	68
	7404	FFP&N	3,136
	7849	Child Focused Program	9,805
	3959	Family Food Nutrition – Kosrae	2,151
			<u>18,980</u>
<b>World Health Organization</b>			
	3905	Primary Health/Support	2,813
	3915	Family Plan Administration	9,500
	3976	FY89 Leprosy	161
	7838	Family Health	64,515
	7803	AIDS Prevention Control	20,374
	7405	Com Based Rehab Conf	3,201
	7409	Al & Drug Related Problem	4,166
	7840	Par Disease/Filiaris Control	1,698
			<u>106,428</u>
<b>South Pacific Nations</b>			
	3969	Tuna Tagging Project	849
	7813	Env. Manage. Sust	4,822
	3968	Chuuk Census Project	2,601
			<u>8,272</u>
		Balance forward	<u>162,158</u>

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF NON U.S. DIRECT ASSISTANCE GRANTS  
STATEMENT OF EXPENDITURES BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	Org. No.	Grantor Title	1993 Fiscal Year Expenditures National Government
Other Direct Assistance Fund, Balance Forwarded			\$ 162,158
Forum Fisheries Agency			
	7824	FSM Port Sampling	15,069
	7815	Computer Workshop	4,167
	7845	PeaceSat Com Off	3,823
			<u>23,059</u>
International Labor Organ.			
	7811	National Manpower Survey	906
University of Guam			
	7400	Pac Basin Intagency L/Conf	22,974
	7843	Child Abuse & Neglect – Natl.	14,047
			<u>37,021</u>
ADB			
	7407	ADB Fin. Res Mng't	26,747
Fiji			
	7847	Nat'l Womens Int Prog	3,481
Forum Secretariat – South Pacific			
	7830	Typhoon Yuri	1,260
	7408	Energy Sector Trng	5,765
			<u>7,025</u>
SPREP			
	7841	Comm. Base Watershed Mgmt. – Pohnpei	26,684
	7402	Yap Outer Is. Turtle Project – Yap	24,384
			<u>51,068</u>
Total Non – U.S. Grants			<u>\$ 311,465</u>
Total U.S. Federal Direct Assistance and Non – U.S. Grants Expenditures			<u>\$ 1,523,729</u>

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
<u>OTIA TECHNICAL ASSISTANCE:</u>									
	15.875								
		3487	MOU FSM-24						
			Automated Land Record System	\$ 43,866	\$ 50,840	\$ -	\$ -	\$ 50,840	\$ (6,974)
		3488	MOU FSM-2						
			Financial Advisor	133,000	100,251	-	26,736	126,987	6,013
		3505	Economic Newsletter	200,020	147,954	-	-	147,954	52,066
		3506	Single Audit	340,000	16,231	-	-	16,231	323,769
		3511	MOU FSM-35						
			National Health Care Plan	22,900	16,827	-	-	16,827	6,073
		3512	Single Audit 88	375,000	366,699	-	-	366,699	8,301
		3513	Financial Management System	252,655	237,495	-	-	237,495	15,160
		7507	MOU FSM-44						
			Anti-Drug Training	28,170	10,615	-	-	10,615	17,555
		7508	Comprehensive Needs	379,450	378,322	-	-	378,322	1,128
		7509	Procurement Management Training	13,600	12,054	-	-	12,054	1,546
		7510	Single Audit '89	350,000	348,915	-	-	348,915	1,085
		7512	Cash Management Study	45,000	35,000	-	-	35,000	10,000
		7514	Improvement of Radiology	14,200	14,200	-	-	14,200	-
		7515	Custom Advisor	96,000	39,559	-	44,606	84,165	11,835
		7516	Single Audit 90	350,000	328,347	-	-	328,347	21,653
		7517	Intercensal Survey	4,000	4,000	-	-	4,000	-
		7518	Material Man. Works	6,000	4,979	-	-	4,979	1,021
		7852	FSM MOU 54						
			Kosrae Sec. Dev. Plan	50,000	-	25,000	-	25,000	25,000
		7853	Vital Statistics	24,576	11,247	-	10,478	21,725	2,851
		7854	Tourism Educ. Video	32,000	11,852	-	-	11,852	20,148
		7855	Short-Term Health	40,000	31,000	-	-	31,000	9,000
		7856	PUC	110,000	60,400	17,100	-	77,500	32,500
		7857	FY-91 Single Audit	355,000	330,970	-	22,135	353,105	1,895
		7859	Road Maintenance	61,360	7,709	-	320	8,029	53,331
		7863	IMPS	5,200	4,569	-	-	4,569	631
		7864	PUC	430,250	253,639	27,688	-	281,327	148,923
		7866	Detector Dog Prog.	45,000	-	-	30,469	30,469	14,531
		7867	On-Island Anti-Substance Abuse	25,000	13,060	-	1,979	15,039	9,961
		7868	PIRAAP Conference	15,000	1,517	-	2,187	3,704	11,296
			Balance forward	3,847,247	2,838,251	69,788	138,910	3,046,949	800,298

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
OTIA Technical Assistance Balance Forwarded				\$ 3,847,247	\$ 2,838,251	\$ 69,788	\$ 138,910	\$ 3,046,949	\$ 800,298
		7869	PIRAAP Ranger Train.	4,000	—	—	2,892	2,892	1,108
		7870	ONDCP Conference	3,000	—	—	1,180	1,180	1,820
		7871	FBI Regional Training	5,000	—	—	—	0	5,000
		7872	Kosrae School Maintenance	75,000	664	70,470	—	71,134	3,866
		7873	Kosrae Vocational Education	25,000	—	10,474	—	10,474	14,526
		7874	Public Works reorganization	65,000	—	—	—	0	65,000
		7882	FY-92 Single Audit	365,000	—	—	336,519	336,519	28,481
		3482	Computer Training	—	—	110	—	110	(110)
		N/A	Budget Advisor	—	—	15,385	—	15,385	(15,385)
		3488	Computer Advisor	19,000	—	—	—	0	19,000
		3493	Marketing Study	35,000	—	—	15,603	15,603	19,397
		7513	Hospital Lab mgn't imp	25,800	—	—	20,017	20,017	5,783
FSM-60		7885	93 Census Workshop	3,600	—	—	2,864	2,864	736
FSM-61		7886	Economic Newsletter	84,250	—	—	84,250	84,250	—
FSM-64		7896	Tourism Master Plan	85,596	—	—	—	—	85,596
FSM-24		7888	Land Survey Record	30,000	—	—	—	—	30,000
FSM-25-III		3488	Computer Advisor	53,000	—	12,818	—	12,818	40,182
FSM-63		7890	Envir. Mgmt Spec.	30,500	—	9,708	—	9,708	20,792
FSM-47-I		7515	Custom Advisor	46,000	—	—	—	—	46,000
FSM-62		7887	Supply & Pharmacy	9,440	—	—	7,534	7,534	1,906
FSM-55-I		7853	Vital Statis. Woksp.	12,269	—	—	—	—	12,269
FSM-66		7304	Firearms Training	33,000	—	—	—	—	33,000
PIRRAP		7899	FBI Reg. Train	3,000	—	—	—	—	3,000
		7881	DUI Breathalyzer	25,200	—	—	—	—	25,200
		7897	Secure Faxnet System	12,000	—	—	—	—	12,000
		7898	Anti-Drug Youth	60,000	—	—	180	180	59,820
		7884	Comm. Base Trainer	52,500	—	—	16,731	16,731	35,769
		7883	Cook Support Proj.	12,000	—	—	2,275	2,275	9,725
OMIP		7894	Dept. Ed. O&M	180,137	—	—	—	—	180,137
		7893	Road Disp. Repair	259,863	—	—	—	—	259,863
		7892	Power System O&M	23,200	—	1,582	—	1,582	21,618
		7874	Reorgan. PUC	26,000	—	—	—	—	26,000
		7889	Kosrae Util. Auth.	101,500	—	6,914	—	6,914	94,586
Total OTIA Technical Assistance Grants				\$ 5,612,102	\$ 2,838,915	\$ 197,249	\$ 628,955	\$ 3,665,119	\$ 1,946,983

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
<u>Subrecipient</u>									
<u>OTIA Special O&amp;M</u>									
	15.875		Yap O&M – 1,3	\$ 1,550,000	\$ 608,020	\$ 2,937	\$ –	\$ 610,957	\$ 939,043
			Kosrae O&M – 1,2,3	1,500,000	284,189	–	–	284,189	1,215,811
			Pohnpei O&M 1,2,3,4,5,6,7,8	2,185,000	910,679	100,005	–	1,010,684	1,174,316
			Chuuk O&M – 1,2,3	2,070,000	592,939	–	–	592,939	1,477,061
			Total O&M	<u>\$ 7,305,000</u>	<u>\$ 2,395,827</u>	<u>\$ 102,942</u>	<u>\$ –</u>	<u>\$ 2,498,769</u>	<u>\$ 4,806,231</u>
<u>CFSM and OTIA/TTPI</u>									
<u>Capital Project Funds:</u>									
	6303		FSM Capitol Construction	\$ 13,320,000	\$ 13,317,773	\$ –	\$ –	\$ 13,317,773	\$ 2,227
	6304		Pohnpei Airport Terminal						
			Design and Constructions	438,544	152,917	–	–	152,917	285,627
	6305		Kolonia Water Sewer						
			Improvement Project	2,007,000	1,674,441	–	4,230	1,678,671	328,329
	6306		Staff House Renovation	250,000	246,767	–	–	246,767	3,233
	6307		COM–Palikir Campus Proj.	3,979,040	–	–	1,032,899	1,032,899	2,946,141
	6308		Pohnpei Rural Sanitation	277,500	245,511	–	–	245,511	31,989
	6309		Pohnpei Circumferential Road	1,775,000	234,361	–	–	234,361	1,540,639
	6311		Kolonia Roadside Drainage	485,000	450,756	–	–	450,756	34,244
	6312		Supply Warehouse	38,087	–	–	–	–	38,087
	6314		Capital Complex & Road	40,760	20,500	–	388	20,888	19,872
	6315		CIP Administration – OPS	93,149	25,342	–	–	25,342	67,807
	6324		Kolonia House						
			Sewer Connection	373,800	17,000	–	–	17,000	356,800
	6325		Kolonia Sanitary Facilities	189,000	189,001	–	–	189,001	(1)
	N/A		Capital Wells	39,213	–	–	–	–	39,213
			Total CFSM & OTIA/TTPI						
			Capital Projects Funds	<u>\$ 23,306,093</u>	<u>\$ 16,574,369</u>	<u>\$ –</u>	<u>\$ 1,037,517</u>	<u>\$ 17,611,886</u>	<u>\$ 5,694,207</u>

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
<u>Compact of Free Association Funding:</u>									
U.S. Office of Territorial and International Affairs (OTIA)									
		2232	<u>Communications – Annual</u> <u>Section 215(a)(2)</u>	\$ 846,000	\$ –	\$ –	\$ 804,000	\$ 804,000	\$ 42,000
			<u>Communications – One – Time,</u> <u>Section 215 (b)(2):</u>						
		2235	Architectural	313,495	311,671	–	–	311,671	1,824
		2236	Work/Equip	334,319	334,319	–	–	334,319	–
		2237	HUB Building	1,610,217	1,610,217	–	–	1,610,217	–
		2238	Comsat Buyout	1,900,000	1,900,000	–	–	1,900,000	–
		2239	Digital Switches	2,361,969	2,184,557	–	–	2,184,557	177,412
		2990	Telephone System	800,000	674,799	–	–	674,799	125,201
			Total Communications – One – Time	7,320,000	7,015,563	–	–	7,015,563	304,437
		2286	<u>Marine Surveillance,</u> <u>Section 216 (a)</u>	644,580	–	–	532,813	532,813	111,767
	15.875		<u>Health and Medical,</u> <u>Section 216(a)(2)</u>						
		2501	Local Capabilities	64,000	–	–	58,144	58,144	5,856
		2502	Health Team Visit	36,980	–	–	36,503	36,503	477
		2503	Canvasback Mission	25,000	–	–	25,000	25,000	–
			Total Health and Medical	125,980	–	–	119,647	119,647	6,333
			Balance forward	8,936,560	7,015,563	–	1,456,460	8,472,023	464,537

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
Compact Funding Balance Forwarded				\$ 8,936,560	\$ 7,015,563	\$ —	\$ 1,456,460	\$ 8,472,023	\$ 464,537
	2287		<u>Marine Surveillance, Section 216(b)</u>	<u>288,472</u>	<u>—</u>		<u>152,223</u>	<u>152,223</u>	<u>136,249</u>
			<u>Special Block Grant, Section 221(b)</u>						
	2005		Leptoperosis/O/Ch	10,000	5,598	—	—	5,598	4,402
	2012		Lep/Den/Cholera Program	20,000	1,213	—	1,575	2,788	17,212
	2013		C.E. for Nurses	51,000	—	—	(1,859)	(1,859)	52,859
	2014		Pharmacy Service	10,000	—	—	8,463	8,463	1,537
	2015		Home Based Record	15,000	—	—	3,183	3,183	11,817
	2017		Lep/Denguel/Cholera	90,000	31,696	—	1,290	32,986	57,014
	2018		Lep/Denguel/Cholera	10,000	—	—	—	—	10,000
	2019		Lep/Denguel/Cholera	20,000	—	—	481	481	19,519
	2901		AIDS Surveillance	30,300	—	—	749	749	29,551
	2106		Teacher Training	200,000	—	—	133,535	133,535	66,465
	2101		National Curriculum	20,426	—	—	15,974	15,974	4,452
	2107		Vocational Educ.	35,236	—	—	25,121	25,121	10,115
	2102		National Standard.	37,432	—	—	28,374	28,374	9,058
	2105		Education Statis.	8,681	—	—	6,876	6,876	1,805
	2014		Pharmacy Services	13,700	—	—	—	0	13,700
	2058		Vital Statistics	19,500	—	—	13,342	13,342	6,158
	2020		Biomedical Serv.	26,030	—	—	17,042	17,042	8,988
	2057		EPA	14,350	—	—	12,155	12,155	2,195
	2055		Health Planning	5,000	—	—	4,946	4,946	54
	2002		Nutrition Serv.	10,400	—	—	9,712	9,712	688
	2902		Chronic Disease	5,000	—	—	3,263	3,263	1,737
	2903		Health Education	10,400	—	—	9,817	9,817	583
	2904		Elemen. Secon. Educ.	400,000	—	—	10,283	10,283	389,717
	2905		Continuing Educ.	50,000	—	—	—	—	50,000
	2906		St. Mary School	<u>50,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>50,000</u>
			Total Special Block Grant	<u>1,162,455</u>	<u>38,507</u>	<u>—</u>	<u>304,322</u>	<u>342,829</u>	<u>819,626</u>
			Balance forward	10,387,487	7,054,070	—	1,913,005	8,967,075	1,420,412

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
Compact Funding Balance Forwarded				\$ 10,387,487	\$ 7,054,070	\$ -	\$ 1,913,005	\$ 8,967,075	\$ 1,420,412
<u>Post Secondary Education</u>									
<u>Section 216(a)(3):</u>									
15.875	2549		FSM Post Secondary Education	800,000	800,000	-	-	800,000	-
	2549		College of Micronesia '92	800,000	800,000	-	-	800,000	-
	2580		Scholarship - Pohnpei 88	431,228	431,228	-	-	431,228	-
	2581		Scholarship - Pohnpei 90	288,003	288,003	-	-	288,003	-
	2582		Scholarship - Pohnpei 91	288,003	288,003	-	-	288,003	-
	2582		Scholarship - Pohnpei 92	288,003	183,620	-	-	183,620	104,383
	2611		Scholarship - Chuuk 88	615,852	615,812	-	-	615,812	40
	2612		Scholarship - Chuuk 89	411,676	411,716	-	-	411,716	(40)
	2613		Scholarship - Chuuk 90	411,716	411,716	-	-	411,716	-
	2614		Scholarship - Chuuk 91	411,716	330,897	-	80,819	411,716	-
	2613		Scholarship - Chuuk 92	1,235,148	335,734	-	439,256	774,990	460,158
	2642		Scholarship - Yap 91	161,321	161,321	-	-	161,321	-
	2644		Scholarship - Yap 92	161,320	161,320	-	-	161,320	-
	2650		Scholarship - Kosrae 88	192,181	192,181	-	-	192,181	-
	2653		Scholarship - Kosrae 89	128,661	37,418	-	-	37,418	91,243
			Scholarship - Kosrae 90	128,661	-	-	-	-	128,661
			Scholarship - Kosrae 91	128,661	-	-	-	-	128,661
	2653		Scholarship - Kosrae 92	128,661	-	-	-	-	128,661
	2675		Grad Student Scholarship	200,000	89,100	-	60,000	149,100	50,900
	2679		Scholarship - Pohnpei 87	349,783	349,783	-	-	349,783	-
	2681		Scholarship - Pohnpei 89	288,003	288,003	-	-	288,003	-
	2549		COM	400,000	-	-	400,000	400,000	-
	2550		COM-FSM	715,354	-	-	710,826	710,826	4,528
	2582		93 Pohnpei Scholarship	288,003	-	-	104,383	104,383	183,620
	2613		93 Chuuk Scholarship	411,716	-	-	-	-	411,716
	2653		93 Kosrae Scholarship	128,661	-	-	-	-	128,661
	2644		93 Yap Scholarship	161,320	-	-	132,820	132,820	28,500
Total Compact Post Secondary Education				9,953,651	6,175,855	-	1,928,104	8,103,959	1,849,692
Balance forward				20,341,138	13,229,925	-	3,841,109	17,071,034	3,270,104

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
Compact Funding Balance Forwarded				\$ 20,341,138	\$ 13,229,925	\$ -	\$ 3,841,109	\$ 17,071,034	\$ 3,270,104
<u>Compact Energy, Section 214</u>									
	2782		Chuuk Energy	150,000	14,479	-	-	14,479	135,521
	2802		Malem Hydro Plant	50,000	612	-	-	612	49,388
	2760		FY-93 Energy	269,000	-	-	261,946	261,946	7,054
			Total Compact Energy	469,000	15,091	-	261,946	277,037	191,963
<u>Compact Capital Account</u>									
<u>Capital Project Funds:</u>									
	5870		Piggery Production Project	-	-	-	3,840	3,840	-
	6000		MTN Program	1,148,125	-	-	1,148,125	1,148,125	-
	6001		Kosrae PD Office	23,000	22,898	-	-	22,898	102
	6003		Pest & Disease Survey	45,000	43,907	-	-	43,907	1,093
	6004		Livestock Project	25,000	17,381	-	-	17,381	7,619
	6005		MLSC Office Building	60,000	55,930	-	-	55,930	4,070
	6006		Local Catch Stats.	45,000	44,950	-	-	44,950	50
	6007		Fish Poisoning	10,000	6,712	-	-	6,712	3,288
	6009		Consumer Price Index	10,000	108	-	-	108	9,892
	6010		Supreme Court Building	100,000	82,910	-	-	82,910	17,090
	6008		Investment Development	61,000	54,303	-	-	54,303	6,697
	6014		Tuna Transshipment Fees	12,000	11,495	-	-	11,495	505
	6015		Commercial Fish Posters	14,000	11,066	-	-	11,066	2,934
	6016		Marine Poison Investigation	42,000	8,080	-	-	8,080	33,920
	6017		Project Planning & Development	354,540	128,028	-	-	128,028	226,512
	6021		Hemodialysis Project	50,000	48,224	-	-	48,224	1,776
	6022		Yap Outer Island High School	100,000	97,751	-	-	97,751	2,249
	6024		Livestock Dev. Broiler	140,000	137,769	-	-	137,769	2,231
	6025		Technical Assistance	350,000	339,952	-	1,614	341,566	8,434
	6026		Chuuk Broiler Project	140,000	96,264	-	9,646	105,910	34,090
	6027		Chuuk Survey	15,000	14,520	-	-	14,520	480
	6028		FSM Manpower Survey	50,000	43,085	-	-	43,085	6,915
	6029		Ulul Airstrip	40,000	33,409	-	6,035	39,444	556
	6032		Fish Aggregation Device	20,000	16,915	-	-	16,915	3,085
			Capital Account CIP Subtotal	2,854,665	1,315,657	-	1,169,260	2,484,917	373,588
			Balance forward	20,810,138	13,245,016	-	4,103,055	17,348,071	3,462,067

See accompanying notes to schedule of federal financial assistance.



**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED**  
**BY GRANTOR**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
Compact Funding Balance Forwarded				\$ 20,810,138	\$ 13,245,016	\$ -	\$ 4,103,055	\$ 17,348,071	\$ 3,462,067
Subtotal Compact Capital Account Balance Forwarded				2,854,665	1,315,657	-	1,169,260	2,484,917	373,588
	6033		Chuuk Court House Construction	202,000	202,000	-	-	202,000	-
	6034		Kitti Road Development	-	8,333	-	-	8,333	(8,333)
	6047		CCM Repair & Renov.	-	270	-	-	270	(270)
	6048		Res. Assesment in Outer Bank	75,000	49,400	-	-	49,400	25,600
	6049		Yap PD Office Renov.	-	18,944	-	-	18,944	(18,944)
	6050		National Social & Economic Survey	18,000	11,715	-	-	11,715	6,285
	6051		National Staff Upgrade	75,000	69,238	-	10,831	80,069	(5,069)
	6052		FSM Acquaculture Center	150,000	124,016	-	-	124,016	25,984
	6053		Development Loan Fund	2,200,000	2,200,000	-	-	2,200,000	-
	6054		A&E CCM Campus	1,100,000	514,440	-	222,184	736,624	363,376
	6055		Maritime Boundary	5,000	14,721	-	-	14,721	(9,721)
	6056		Copra Warehouse Pohnpei	71,500	71,196	-	-	71,196	304
	6058		Pohnpei PD Office Construction	38,000	34,204	-	-	34,204	3,796
	6060		Business & Tourism Promotion	35,000	34,678	-	-	34,678	322
	N/A		Lehnmesi River Hydro	45,000	-	-	-	-	45,000
	N/A		Chuuk Cold Storage	50,000	-	-	-	-	50,000
	6083		Development Loan Fund	2,000,000	-	-	2,000,000	2,000,000	-
			FSM Ambassador's Residence	175,000	-	-	-	-	175,000
	6288		Yap Hospital Maintenance	70,000	64,038	-	-	64,038	5,962
	6227		Fumigation of Citrus	20,000	7,604	-	-	7,604	12,396
	6228		Ext. Tafweyat Section Road	-	6,412	-	-	6,412	(6,412)
	6285		Micro Spirit Des. Equip.	45,000	45,000	-	-	45,000	-
	6901		Iohl Road	-	10,698	-	-	10,698	(10,698)
	6902		Nat'l Staff Upgrading	100,000	58,102	-	22,270	80,372	19,628
	6903		Nat'l Staff Upgrading	-	-	-	52,907	52,907	(52,907)
	6904		Purchase of shares/FSM Bank	3,000,000	-	-	3,000,000	3,000,000	-
	6905		Caroline Fisheries Corp. subsidy	1,700,000	-	-	1,700,000	1,700,000	-
	6907		Coastal Resources Atlas	-	-	-	110,000	110,000	(110,000)
	6916		Water Treatment Assessment	-	345,493	-	-	345,493	(345,493)
	6917		Bus. Dev. Loan Fund	2,500,000	2,500,000	-	-	2,500,000	-
			Capital Account CIP Subtotal	16,529,165	7,706,159	-	8,287,452	15,993,611	539,394
			Balance forward	20,810,138	13,245,016	-	4,103,055	17,348,071	3,462,067

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE, CONTINUED  
BY GRANTOR  
YEAR ENDED SEPTEMBER 30, 1993**

Grantor	CFDA No.	FSM Org. No.	Grant Title Grant I.D. No.	Total Authorization	Prior Expenditures	1993 Fiscal Year Expenditures		Total Program Expenditures	Excess (Deficit) Authorizations Over Program Expenditures
						Subrecipient	National Government		
Compact Funding Balance Forwarded				\$ 20,810,138	\$ 13,245,016	\$ -	\$ 4,103,055	\$ 17,348,071	\$ 3,462,067
Subtotal Compact Capital Account Balance Forwarded				16,529,165	7,706,159	-	8,287,452	15,993,611	539,394
		6920	Nat'l and State CIP	-	-	-	10,000	10,000	(10,000)
		6921	Chuuk Fresh Tuna	-	-	-	1,100,000	1,100,000	(1,100,000)
		6922	Kosrae Sea Venture Inc.	-	-	-	50,000	50,000	(50,000)
		6228	Ext. Tafweyat Sec. Road	-	-	-	2,634	2,634	(2,634)
		6956	Relocation of Schoolroom	30,000	25,000	-	-	25,000	5,000
		6918	Iohl Road	-	41,900	-	-	41,900	(41,900)
			Total Compact Capital Projects Funds	16,559,165	7,773,059	-	9,450,086	17,223,145	(660,140)
			<u>Compact Current Account</u>						
			<u>General Fund:</u>						
	15.875		<u>Title II, Article I, Section 211(a)</u>	-	-	-	-	-	-
			<u>Compact Special</u>						
			<u>Development Fund, Section III</u>						
	15.875	2153	National	1,000,000	-	-	-	-	1,000,000
			Total Compact Funding	\$ 38,369,303	\$ 21,018,075	\$ -	\$ 13,553,141	\$ 34,571,216	\$ 3,801,927

Note: The National Government's subrecipient of the 215(a)(2) and 215(b)(2) funds is the FSM Telecommunications Corporation (Telecom). These funds are received by the National Government and are then transferred out to Telecom.

Note: The \$2,000,000 transfer of Compact Capital Account funds (Org. # 6083) was made by the National Government to the FSM Development Bank, an enterprise fund, pursuant to a Congress of the FSM appropriation and authorization of the Federated Development Authority respectively.

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA NATIONAL GOVERNMENT AND SUBRECIPIENTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**COMPACT FUNDING SUMMARY CFDA # 15.875**  
**SUMMARY OF EXPENDITURES, AND BUDGETARY**  
**POSITION BY COMPACT SECTION**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grant Title	Government	Base Grant	Section 217 Inflation Adjustment	Total Cumulative Apportionment	Prior Year Expenditures and Transfers	Fiscal Year 1993 Expenditures & Transfers		Total Program Expenditures and Transfers	Excess (Deficit) Apportionment Over Program Expenditures
						Subrecipients	National Government		
Section 211(a), Current Account									
	National Government	\$ 27,905,480	\$ 7,934,218	\$ 35,839,698	\$ 35,839,698	\$ —	\$ —	\$ 35,839,698	\$ 0
	Chuuk	88,600,800	28,996,796	117,597,596	99,748,632	17,848,964	—	117,597,596	0
	Pohnpei	56,802,600	17,307,890	74,110,490	63,949,607	10,160,883	—	74,110,490	0
	Yap	38,624,160	11,693,896	50,318,056	43,408,943	6,909,113	—	50,318,056	0
	Kosrae	22,005,480	6,705,103	28,710,583	24,774,230	3,936,353	—	28,710,583	0
	Subtotal	233,938,520	72,637,903	306,576,423	267,721,110	38,855,313	—	306,576,423	0
Section 211(a), Capital Account									
	National Government	22,344,520	7,377,032	29,721,552	18,193,256	—	9,450,086	27,643,342	2,078,210
	Chuuk	61,747,200	16,814,464	78,561,664	43,686,030	14,404,754	—	58,090,784	20,470,880
	Pohnpei	40,823,600	12,469,482	53,293,082	49,185,410	18,537,002	—	67,722,412	(14,429,330)
	Yap	23,766,240	7,195,496	30,961,736	19,523,260	3,672,055	—	23,195,315	7,766,421
	Kosrae	19,279,920	5,874,621	25,154,541	20,172,673	5,102,918	—	25,275,591	(121,050)
	Sub Total	167,961,480	49,731,095	217,692,575	150,760,629	41,716,729	9,450,086	201,927,444	15,765,131
	Subtotal Major Block Grant	401,900,000	122,368,998	524,268,998	418,481,739	80,572,042	9,450,086	508,503,867	15,765,131
Section 213 (b), Yap Coast Guard Station									
	Yap	160,000	—	160,000	160,000	—	—	160,000	—
	Balance forward	402,060,000	122,368,998	524,428,998	418,641,739	80,572,042	9,450,086	508,663,867	15,765,131

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA NATIONAL GOVERNMENT AND SUBRECIPIENTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**COMPACT FUNDING SUMMARY CFDA # 15.875**  
**SUMMARY OF EXPENDITURES, AND BUDGETARY**  
**POSITION BY COMPACT SECTION**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grant Title	Government	Base Grant	Section 217 Inflation Adjustment	Total Cumulative Apportionment	Prior Year Expenditures and Transfers	Fiscal Year 1993 Expenditures & Transfers		Total Program Expenditures and Transfers	Excess (Deficit) Apportionment Over Program Expenditures
						Subrecipients	National Government		
Compact Funding Summary Balance Forwarded		\$ 402,060,000	\$ 122,368,998	\$ 524,428,998	\$ 418,641,739	\$ 80,572,042	\$ 9,450,086	\$ 508,663,867	\$ 15,765,131
Section 214, Energy Grant									
	National Government	1,200,600	388,194	1,588,794	820,456	—	261,946	1,082,402	506,392
	Chuuk	5,698,800	1,842,612	7,541,412	6,298,047	918,927	—	7,216,974	324,438
	Pohnpei	4,500,000	1,455,000	5,955,000	4,713,708	1,095,000	—	5,808,708	146,292
	Yap	3,900,600	1,261,194	5,161,794	4,311,625	965,539	—	5,277,164	(115,370)
	Kosrae	2,700,000	873,000	3,573,000	2,831,997	522,329	—	3,354,326	218,674
	Total Section 214	18,000,000	5,820,000	23,820,000	18,975,833	3,501,795	261,946	22,739,574	1,080,426
Section 215 (a)(2), Communications—Annual									
	National Government	4,200,000	1,290,000	5,490,000	4,590,000	—	804,000	5,394,000	96,000
Section 215 (b)(2), Communication—One Time									
	National Government	6,000,000	1,320,000	7,320,000	7,015,563	—	—	7,015,563	304,437
Section 216 (a)(1), Marine Surveillance—Annual									
	National Government	3,633,000	—	3,633,000	2,740,754	—	532,813	3,273,567	359,433
Section 216 (b) Marine Surveillance—One Time									
	National Government	666,600	—	666,600	268,671	—	152,223	420,894	245,706
Section 216 (a)(2) Health and Medical Referral									
	National Government	881,860	—	881,860	355,606	—	119,647	475,253	406,607
	Chuuk	3,227,609	—	3,227,609	2,712,351	477,799	—	3,190,150	37,459
	Pohnpei	2,504,481	—	2,504,481	2,417,848	375,361	—	2,793,209	(288,728)
	Yap	1,419,796	—	1,419,796	1,055,343	132,062	—	1,187,405	232,391
	Kosrae	784,854	—	784,854	924,027	133,814	—	1,057,841	(272,987)
	Sub total	8,818,600	—	8,818,600	7,465,175	1,119,036	119,647	8,703,858	114,742
Balance forward		443,378,200	130,798,998	574,177,198	459,697,735	85,192,873	11,320,715	556,211,323	17,965,875

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA NATIONAL GOVERNMENT AND SUBRECIPIENTS**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**COMPACT FUNDING SUMMARY CFDA # 15.875**  
**SUMMARY OF EXPENDITURES, AND BUDGETARY**  
**POSITION BY COMPACT SECTION**  
**YEAR ENDED SEPTEMBER 30, 1993**

Grant Title	Government	Base Grant	Section 217 Inflation Adjustment	Total Cumulative Apportionment	Prior Year Expenditures and Transfers	Fiscal Year 1993 Expenditures & Transfers		Total Program Expenditures and Transfers	Excess (Deficit) Apportionment Over Program Expenditures
						Subrecipients	National Government		
Compact Funding Summary Balance Forwarded		\$ 443,378,200	\$ 130,798,998	\$ 574,177,198	\$ 459,697,735	\$ 85,192,873	\$ 11,320,715	\$ 556,211,323	\$ 17,965,875
Section 216 (A)(3), Scholarship									
	National Government	13,227,900		13,227,900	10,388,892	—	1,928,104	12,316,996	910,904
Section 221(b), Special Block Grant									
	National Government	2,205,000	—	2,205,000	945,488	—	304,322	1,249,810	955,190
	Chuuk	19,110,000	—	19,110,000	16,192,749	2,673,615	—	18,866,364	243,636
	Pohnpei	13,230,000	—	13,230,000	9,686,664	3,248,647	—	12,935,311	294,689
	Yap	8,330,000	—	8,330,000	6,668,336	1,034,608	—	7,702,944	627,056
	Kosrae	6,125,000	—	6,125,000	5,357,062	890,467	—	6,247,529	(122,529)
	Sub Total	49,000,000	—	49,000,000	38,850,299	7,847,337	304,322	47,001,958	1,998,042
Section 111 (b)(1) Special Development Fund									
	National Government	20,000,000		20,000,000	20,828,989	—	—	20,828,989	(828,989)
Section 212, Special Development									
	National Government	—	—	—	—	—	—	—	—
	Chuuk	750,000	382,500	485,000	739,292	345,000	—	1,084,292	(599,292)
	Pohnpei	750,000	382,500	485,000	720,731	425,740	—	1,146,471	(661,471)
	Yap	750,000	382,500	485,000	620,884	18,057	—	638,941	(153,941)
	Kosrae	750,000	382,500	485,000	734,601	289,900	—	1,024,501	(539,501)
	Sub Total	3,000,000	1,530,000	1,940,000	2,815,508	1,078,697	—	3,894,205	(1,954,205)
Total Funding		<u>\$ 528,606,100</u>	<u>\$ 132,328,998</u>	<u>\$ 658,345,098</u>	<u>\$ 532,581,423</u>	<u>\$ 94,118,907</u>	<u>\$ 13,553,141</u>	<u>\$ 640,253,471</u>	<u>\$ 18,091,627</u>

See accompanying notes to schedule of federal financial assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Notes to Schedule of Federal Financial Assistance  
Year Ended September 30, 1993

1. Scope of Review

The Federated States of Micronesia (FSM) is a governmental entity governed by its own Constitution. All significant operations of the FSM are included in the scope of the OMB Circular A-128 audit (the "Single Audit"). The U.S. Department of Interior has been designated as the FSM's cognizant agency for Single Audit.

a. Programs Subject to Single Audit

- . U.S. Department of Agriculture
- . U.S. Department of Commerce
- . U.S. Department of Education
- . U.S. Department of Energy
- . U.S. Department of Health and Human Services
- . U.S. Department of Housing and Urban Development
- . U.S. Department of the Interior
- . U.S. Department of Justice
- . U.S. Department of Labor
- . U.S. Department of Transportation
- . U.S. Environmental Protection Agency
- . U.S. Federal Aviation Administration
- . U.S. Federal Emergency Management Agency

b. Fiscal Period Audited

Single audit testing procedures were performed for program transactions during the fiscal year ended September 30, 1993.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

For purposes of this report, certain accounting procedures were followed which help illustrate the expenditures of the individual programs. All expenses and capital outlays are reported as expenditures.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Notes to Schedule of Federal Financial Assistance, Continued  
Year Ended September 30, 1993

2. Summary of Significant Accounting Policies, Continued

B. Reporting Entity

The FSM National Government, for purposes of the general purpose financial statements, includes all of the funds of the primary government as defined by Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity."

C. Subgrantees

Certain program funds are passed through the State to subgrantee organizations. The Schedule of Federal Financial Assistance does not contain separate schedules disclosing how all subgrantees outside of the National Government's control utilize these funds.

D. Indirect Cost Allocation

The FSM National Government does not receive any indirect cost allocation and does not charge indirect costs against federal programs.

3. Findings of Noncompliance

The findings of noncompliance identified in connection with the 1993 Single Audit are discussed in the Schedule of Findings and Questioned Costs. In determining compliance with requirements of awards received by the FSM, a representative sample was selected from 1993 expenditures for testing from each major program as shown in the Schedule of Federal Financial Assistance.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Programs  
Selected for audit in accordance with  
OMB Circular A-128  
Year Ended September 30, 1993

<u>Grantor</u>	<u>Description</u>	<u>CFDA No.</u>	<u>Amount of 1993 Expenditures</u>
U.S. Dept. of the Interior:		15.875	
	Compact of Free Association:		
	Program account related:		
	221(a) Capital Account		\$ 9,450,086
	221(B) Block Grant		304,322
	Marine Surveillance annual		532,813
	Communications annual		804,000
	Post Secondary Education		1,928,104
	Energy Programs		261,946
	Health & Medical		119,647
	Marine Surveillance one-time		<u>152,223</u>
	Total CFDA # 15.875 excluding Compact Section 211(a) Current Account		13,553,141
U.S. DOI Capital Project Fund			
COM-Palikir Campus Project		15.875	<u>1,037,516</u>
	Total program expenditures selected excluding Compact Section 211(a) Current Account		<u>\$14,590,657</u>
	Total U.S. Federal Program expenditures excluding Compact Section 211(a) Current Account		<u>\$16,848,321</u>
	% of Total U.S. Federal expenditures covered by major programs excluding Compact Section 211(a) Current Account		<u>87%</u>



FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Summary of U.S. Federal Program Expenditures  
Year Ended September 30, 1993

<u>Grantor</u>	<u>Amount</u>	<u>Page No.</u>
U.S. Department of Education	\$ 165,867	
U.S. Department of Labor	210,143	
U.S. Department of Agriculture	7,309	
U.S. Department of Commerce	29,422	
U.S. Environmental Protection Agency	179,574	
U.S. Department of Health and Human Services	880,405	
U.S. Federal Emergency Management Agency	54,698	
U.S. Department of the Interior:		
Historical Preservation Grants	101,291	
OTIA Technical Assistance	628,955	
Capital Projects Funds	1,037,517	
Compact of Free Association Funding excluding Section 211(a) Current Account	<u>13,553,141</u>	
Total U.S. Federal Assistance excluding Section 211(a) Current Account	16,848,321	
Section 211(a) Current Account	<u>-</u>	
	<u>\$16,848,321</u>	

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 1993

**U.S. Department of Education**

**Subrecipient - Pohnpei**

<u>Program</u>	<u>Reason for Questioned Cost</u>	<u>Questioned Costs</u>															
1. U.S. Dept. of Education/ Education of the Handicapped /CFDA #84.027	<u>Criteria:</u> Per OMB Circular A-87, Attachment A, Section A, paragraph 2(b), the grantee assumes the responsibility for ensuring that federally assisted program funds have been expended and accounted for consistent with the underlying program objectives.  <u>Condition:</u> Adequate supporting documentation could not be obtained to determine if the following travel related expenditures meet program objectives:																
	<table><tr><td><u>Org. No.</u></td><td><u>Check No.</u></td><td></td></tr><tr><td>3110</td><td>68055</td><td>\$ 1,534</td></tr><tr><td>3110</td><td>72830</td><td>3,505</td></tr><tr><td>3100</td><td>73001</td><td><u>3,505</u></td></tr><tr><td></td><td></td><td><u>8,544</u></td></tr></table>	<u>Org. No.</u>	<u>Check No.</u>		3110	68055	\$ 1,534	3110	72830	3,505	3100	73001	<u>3,505</u>			<u>8,544</u>	
<u>Org. No.</u>	<u>Check No.</u>																
3110	68055	\$ 1,534															
3110	72830	3,505															
3100	73001	<u>3,505</u>															
		<u>8,544</u>															

(The above is drawn from a sample of 25 items aggregating \$167,152 out of total program expenditures aggregating \$639,745.)

Cause: Unknown.

Effect: The effect of the above condition is questioned costs.

Recommendation: We recommend that complete supporting documentation be obtained to support the above transactions. We also recommend that travel advance requests not be allowed until complete documentation is obtained.

Auditee Response: See Corrective Action Plan.

Corrective Action Plan: We will obtain the said documentation and resolve the questioned cost with the grantor agency.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 1993

**U.S. Department of Education**

**Subrecipient - Pohnpei**

<u>Program</u>	<u>Reason for Questioned Cost</u>	<u>Questioned Costs</u>						
2. U.S. Dept. of Education/ Education of the Handicapped /CFDA #84.027	<p><u>Criteria:</u> Per OMB Circular A-87, Attachment A, Section A, paragraph 2(b), the grantee assumes the responsibility for ensuring that federally assisted program funds have been expended and accounted for consistent with the underlying program objectives.</p> <p><u>Condition:</u> Adequate supporting documentation could not be obtained to determine if the following training related expenditure meets program objectives:</p> <table><tr><td><u>Org. No.</u></td><td><u>Check No.</u></td><td></td></tr><tr><td>3110</td><td>68880</td><td><u>2,057</u></td></tr></table> <p>(The above is drawn from a sample of 25 items aggregating \$167,152 out of total program expenditures aggregating \$639,745, \$144,283 of which relate to payroll.)</p> <p><u>Cause:</u> Unknown.</p> <p><u>Effect:</u> The effect of the above condition is a questioned cost.</p> <p><u>Recommendation:</u> We recommend that complete supporting documentation be obtained to support the above transaction. We also recommend that payment requests not be allowed until complete documentation is obtained.</p> <p><u>Auditee Response:</u> See Corrective Action Plan.</p> <p><u>Corrective Action Plan:</u> We will obtain the said documentation and resolve the questioned cost with the grantor agency.</p> <p>Total Department of Education Questioned Costs</p>	<u>Org. No.</u>	<u>Check No.</u>		3110	68880	<u>2,057</u>	<p><u>2,057</u></p> <p><u>\$ 10,601</u></p>
<u>Org. No.</u>	<u>Check No.</u>							
3110	68880	<u>2,057</u>						

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

**U.S. Department of Commerce**

**Subrecipient - Pohnpei**

<u>Program</u>	<u>Reason for Questioned Cost</u>	<u>Questioned Costs</u>
3. U.S. Dept. of Commerce/ Paving Road 2(b), the grantee assumes the Project/CFDA #11.300	<p><u>Criteria:</u> Per OMB Circular A-87, Attachment A, Section A, paragraph 2(b), the grantee assumes the responsibility for ensuring that federally assisted program funds have been expended and accounted for consistent with underlying program objectives.</p> <p><u>Condition:</u> The salary of a government advisor was charged to this account; however, no documentation to support the classification was located.</p> <p style="text-align: center;"><u>Org. No.</u> 3810</p> <p>(The above item was noted in isolation during the audit process.)</p> <p><u>Cause:</u> State management indicated that a reclassification appears warranted; however, they have yet to provide supporting documentation for such a reclassification.</p> <p><u>Effect:</u> The effect of the above condition is a questioned cost.</p> <p><u>Recommendation:</u> We recommend that State management locate proper supporting documentation and prepare the necessary reclassification to clear the above questioned costs.</p> <p><u>Auditee Response:</u> See Corrective Action Plan.</p> <p><u>Corrective Action Plan:</u> We will obtain the said documentation and resolve the questioned cost with the grantor agency.</p> <p>Total Department of Commerce Questioned Costs</p>	<p>\$ 11,308</p> <p><u>\$ 11,308</u></p>

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**U.S. Department of Labor**

**Subrecipient - Yap**

<u>Program</u>	<u>Reason for Questioned Cost</u>	<u>Questioned Costs</u>						
4. U.S. Dept. of Labor/ Job Training Partnership Act / C F D A #17.250	<p><u>Criteria:</u> Per OMB Circular A-87, Attachment A, Section A, paragraph 2(b), the grantee assumes the responsibility for ensuring that federally assisted program funds have been expended and accounted for consistent with underlying agreements and program objectives.</p> <p><u>Condition:</u> Expenditures aggregating \$2,241 out of a contract of \$2,938 did not have authorizations documented, were not certified against a contract and were not properly encumbered in the system.</p> <table><tr><td><u>Org. No.</u></td><td><u>Contract No.</u></td><td></td></tr><tr><td>3263/3280</td><td>C20027</td><td>\$ <u>2,241</u></td></tr></table> <p>(The above was drawn from a sample of 25 general disbursements aggregating \$73,551 out of total general disbursements aggregating \$9,058,716.)</p> <p><u>Cause:</u> Unknown.</p> <p><u>Effect:</u> The effect of the above condition is a questioned cost.</p> <p><u>Recommendation:</u> We recommend that payments not be made without proper authorization and certification in compliance with federal grant requirements and the Financial Management Act.</p> <p><u>Auditee Response:</u> The State will pursue resolution of this matter with the FSM National Government and the grantor agency.</p> <p><u>Corrective Action Plan:</u> The State will heighten its review of JTPA transactions.</p> <p>Total U.S. Department of Labor Questioned Costs</p>	<u>Org. No.</u>	<u>Contract No.</u>		3263/3280	C20027	\$ <u>2,241</u>	\$ <u>2,241</u>
<u>Org. No.</u>	<u>Contract No.</u>							
3263/3280	C20027	\$ <u>2,241</u>						

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

**Finding No. 5 - Previous Years' Findings - FSM National Government**

Criteria: Findings from prior audit reports should be resolved.

Condition: The following findings from previous years' Single Audit Reports remain unresolved.

<u>Page No.</u>	<u>Description</u>
<b><u>FISCAL YEAR 1988</u></b>	
Federal finding 46	Federal Property Standards
Federal finding 48	Documented Guidelines for Administration
<b><u>FISCAL YEAR 1989</u></b>	
Local finding 62	Resolution of Pre-Compact Liabilities
Local finding 63	Definition of Administrative Expenses with Respect to Compact Capital (211A) Funding

Cause: Unknown

Effect: Lack of timely resolution of audit findings hinders the effectiveness of the National Government's administrative controls over federal financial assistance.

Recommendation: Administrative control findings from previous Single Audit Reports should be satisfactorily resolved in a timely manner.

Auditee Response:

Fiscal Year 1988

Federal Finding P.46

An automated fixed asset system has been installed and in operational since October 1989. The system provides information on description of each assets procured, source of fund used to purchased asset, and name of the purchasing department/agency, etc. A room-by-room physical inventory of FSM Government fixed assets and properties has been performed.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

**Finding No. 5 - Previous Years' Findings - FSM National Government, Continued**

Auditee Response, Continued:

Fiscal Year 1988

Federal Finding P.48

The Office of Budget has developed a Grants Management Handbook which portrays responsibilities and duties for each level within the federal grants areas of the National Government. The copies of the Handbook were distributed to implementing agencies for comments. Since no comments were received, we considered the Handbook as final. However, some revisions are necessary to update the Handbook. These revisions should be completed by the end of FY 1995.

In addition to the FSM Handbook, the Office of Budget is subscribing to the Federal Grants Management Handbook which includes the federal grant administration requirements and the analysis, regulations, statutes and interpretations to achieve cost-effective compliances. The implementing agencies will be encouraged to subscribe to this Federal Handbook.

Fiscal Year 1989

Federal Finding P.62

It is the position of the National Government that resolution of the medical liabilities is the responsibility of the U.S. Government. The independent auditors completed audit adjustments during FY 1988 and FY 1989 in the States' books which removed the liabilities from the States' Financial Statements. The liabilities are footnoted as "contingent."

Federal Finding P.63

During a Budget Officers Conference held during late part of September and early October of 1993, the issue of defining the proper Administrative expenses with respect to the use of the compact Capital (211(a)) funding was discussed. A consensus was reached by all the Budget Officers that each State and National Governments be given the option on whether to incorporate Administration in program cost or have one separate appropriation 1.5% of the Capital Account for administrative purposes. In addition, a committee was formulated to study the matter.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

**Finding No. 6 - Unresolved Subrecipient Prior Year Findings**

**Criteria:** Federal program findings from audit reports of subrecipients should be resolved.

**Condition:** The following findings from Single Audits of subrecipients remain unresolved.

<u>State</u>	<u>Page No.</u>	<u>Description</u>
<b><u>FISCAL YEAR 1988</u></b>		
Kosrae	26	Federal Property Standards
<b><u>FISCAL YEAR 1990</u></b>		
Kosrae	81	Wastewater Facility - Use Charge System
Pohnpei	94	Federal Grants Administration
<b><u>FISCAL YEAR 1991</u></b>		
Chuuk	88	Grant Benefit - JTPA
Chuuk	89	Fund Certification - JTPA
Chuuk	90	Procurement - Chapter I
Chuuk	91	Fund Certification - Chapter I
Chuuk	95	Training Programs - JTPA
Chuuk	97	Grant Master Plan - Chapter I
Chuuk	98	Transfer of Funds - Chapter I
Chuuk	103	Job Place Requirement - JTPA
Chuuk	104	Course and Instructor Evaluation - JTPA
Chuuk	105	Drug-Free Workplace
Chuuk	107	Matching - Chapter I
Kosrae	80	General Requirements - Drug-Free Workplace
Pohnpei	91	CFDA Numbers
<b><u>FISCAL YEAR 1992</u></b>		
Chuuk	88	Subrecipient Audits - JTPA
Pohnpei	103	Drug-Free Workplace Act
Pohnpei	107	Matching Documentation
Pohnpei	110	Equipment Control
Yap	95	Drug-Free Workplace Act
Yap	97	Documentation Controls - JTPA



FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

Finding No. 6, continued

Cause: Unknown

Effect: Lack of timely resolution of audit findings hinders the effectiveness of the four States' administrative controls over federal financial assistance.

Recommendation: Administrative control findings from the Single Audit Reports of the four states should be satisfactorily resolved in a timely manner.

Auditee Responses and Corrective Action Plan: We are working with the grantor agencies in the resolution of the Federal Grants findings.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**Subrecipient - Yap**

**Finding No. 7 - FEMA Matching (CFDA #83.516)**

**Criteria:** Matching funds should be appropriated on a timely basis.

**Condition:** No fiscal year 1993 appropriations were made for Yap State's portion of the FEMA matching funds related to the Public Assistance Program for Typhoon Owen.

**Cause:** It appears that this condition was caused by not properly tracking the FEMA Public Assistance Program related expenditures to ensure proper matching of funds on a timely basis.

**Effect:** In order to avoid a deficit position in the reimbursable Other U.S. Grants Fund (FEMA funding), the General Fund absorbed the deficit, thus meeting the match and avoiding a questioned cost. However, this did not occur on a timely basis.

**Recommendation:** We recommend that FEMA expenditures be closely monitored so that proper matching funds are applied on a timely basis.

**Auditee Response:** None.

**Corrective Action Plan:** The Chief Accountant is responsible to ensure that matching is done on a timely basis.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**Subrecipient - Chuuk**

**Finding No. 8 - DOI Bilingual Education Program (CFDA #84.003)**

Criteria: All federal programs funds received in excess of incurred expenditures should be refunded to the grantor agency within ninety days of the program closeout.

Condition: Chuuk State, in fiscal year 1991, received approximately \$311,292 in excess of expenditures incurred for its DOE Bilingual Education Program, which remains as a payable on a Chuuk State books as of September 30, 1993.

Cause: Unknown.

Effect: There is no effect on the financial statements as a result of this condition.

Recommendation: We recommend that Chuuk State attempt to resolve the issue with the grantor agency and determine the proper treatment of this payable.

Auditee Response: It is true that the amount received was in excess of the expenditures during fiscal year 1991 so it was classified as a payable then. Further verification was not easy because record keeping for the Bilingual Program was poor. As part of the audit procedures of fiscal year 1991, the auditors requested a confirmation of the amount from U.S. Department of Education. No reply was received.

Corrective Action Plan: Chuuk State Departments of Treasury and Education intend to resolve this issue with the U.S. Department of Education this fiscal year 1994.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 1993

Subrecipient - Chuuk

Finding No. 9 - Food Services Program (CFDA #10.560)

Criteria: All Federal programs funds received in excess or incurred expenditures should be refunded to the grantor agency within 90 days of the program closeout.

Condition: Chuuk State, in fiscal year 1991, received approximately \$277,320 in excess of expenditures incurred for its Food Services Program, which is recorded as deferred revenue as of September 30, 1993. No additional expenditures were incurred on the program in fiscal year 1993.

Cause: Unknown.

Effect: There is no effect on the financial statements as a result of this condition.

Recommendation: We recommend that Chuuk State attempt to resolve the issue with the Grantor Agency and determine the proper treatment of the same.

Auditee Response: It is true that the amount received was in excess of the expenditures during fiscal year 1991. Further verification was not easy because record keeping was poor.

Corrective Action Plan: Chuuk State Departments of Treasury and Education will resolve this issue with the FSM National Government this fiscal year 1994.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 1993

Subrecipient - Pohnpei

Finding No. 10 - Special Education Program (CFDA #84.027)

Criteria: Adequate records should be maintained by the grantee to support the number of handicapped recipients of the program.

Condition: Records maintained by the Special Education at this time do not support the 700 recipients reported to the grantor agency.

Cause: Unknown.

Effect: Noncompliance with program requirements could be the result of this finding.

Recommendation: We recommend that documentation be obtained to properly support the 700 program recipients.

Auditee Response: We agree to this finding.

Corrective Action Plan: The program personnel are still in the process of compiling the recipient files and hope to have such completed by the end of fiscal year 1994.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 1993

Subrecipient - Pohnpei

Finding No. 11 - Special Education Program (CFDA #84.027)

Criteria: An Individualized Education Program (IEP) should be maintained for each recipient of the Special Education Program.

Condition: Based on our testing of 25 non-statistically selected recipients files, only 11 contained IEPs.

Cause: Unknown.

Effect: Noncompliance with program requirements could be the result of this finding.

Recommendation: We recommend that IEPs are documented for each recipient of the program.

Auditee Response: We agree to this finding.

Corrective Action Plan: The program personnel are still in the process of compiling the IEPs for all the program recipients and hope to have such completed by the end of fiscal year 1994.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**Local Finding No. 1 - Use of Compact Capital Funds - FSM National Government**

Criteria: Compact funds should be apportioned and expended in accordance with local laws and regulations.

Condition: During the fiscal year ended September 30, 1993, \$2,000,000 of Compact 211(a) Capital funds were reapportioned to Current Account funds for the State of Chuuk. The FSM Attorney General, in an opinion dated February 24, 1994, asserts that the above transaction was not performed in accordance with FSM local laws and regulations. However, the Attorney General opined that such a reapportionment was made in compliance with terms of the Compact of Free Association.

Cause: Unknown.

Effect: Violation of FSM local laws and regulations may have occurred.

Recommendation: It is recommended that the National Government management resolve this finding through the FSM Attorney General.

Auditee Response and Corrective Action Plan: On July 19, 1989, the Budget Office sent a memo to the Attorney General's Office requesting an opinion on this same subject of inflation adjustment. This request was made as result of demand by a leadership conference in 1989 suggesting that Compact inflation adjustment applicable to the Capital Account and Program Funds in the Compact by used to supplement operational budgets of the states.

To ensure that Compact requirements are adhered to, the Budget Office proceeded with the request for the opinion.

We have researched thoroughly and found no record in our office as well as at the Attorney General's Office showing whether an opinion responded (presumably by request from the Attorney General) with a memo dated July 24, 1989 indicating that the use of the inflation adjustment is not restricted.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**Local Finding No. 1 - Use of Compact Capital Funds - FSM National Government, Continued**

**Auditee Response and Corrective Action Plan, Continued:**

No state had requested redesignation of inflation adjustment until Governor Gouland did so on May 26, 1992. The President concurred on August 5, 1994 and authorized the Budget Office to proceed with the redesignation of \$2,000,000 from Capital Account inflation adjustment to the Current Account.

The opinion from the Attorney General's Office dated February 24, 1994 points out several scenarios on how they view this matter. It is clear that the Compact and FPA requirements are not violated. Less clear to us is whether the MOU version of the 40% requirement relates just to the basic block grants of the Compact 211 or also to the inflation adjustment. The MOU is simply ambiguous on this point (page 8 of AG memo). Since the Compact does not require that 40% of the inflation adjustment be devoted to Capital purposes, the MOU should not be so interpreted either (same page 8 of memo). On the other hand, it goes to say that since FSM has historically viewed the 40% requirement as applying to both the basic block grants and the inflation adjustment, that this historical interpretation should not be disturbed now.

It would be useless for us now to try and defend something as ambiguous as this. The Budget Office supports its position that it took the proper action based on the information available in 1992. However, we shall address this matter with the next leadership meeting of Chief Executive.



FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

Local Finding No. 2 - Employment Ceiling - FSM National Government

Criteria: The FSM National Government should comply with employment ceilings stated in the comprehensive budget act for the fiscal year ending September 30, 1993.

Condition: Several offices of the National Government exceeded the employment ceilings set by law.

Cause: Unknown.

Effect: Noncompliance with local law results.

Recommendation: We recommend that the Office of Administrative Services monitor the employment ceiling requirement.

Auditee Response and Corrective Action Plan: Effected management are unable to reconcile overages found in records at the Department of Finance with four agencies.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 1993

**Local Finding No. 3 - Use of Compact Energy Funds - FSM National Government**

Criteria: Compact Energy funds should be expended in accordance with the intent of Compact Section 214(B).

Condition: Payments to Pohnpei Utilities Corporation for utility bills were charged to Compact Energy funds. This may not be an allowable use of Compact Energy funds.

Cause: Unknown.

Effect: Noncompliance with allowable uses of Compact Energy funds could be the result of this finding.

Recommendation: It is recommended that National Government management resolve this finding through the cognizant audit agency and the U.S. Department of the Interior.

**Auditee Response and Corrective Action Plan:**

1. The Compact (section 214) does not restrict the use of the Energy funds. Instead, it has been our understanding that the Energy funds can be used for any energy-related item or project as reflected in the Terms and Conditions relating to the use of the Compact grants. Since the payment of utility bills is an energy-related item, we maintain that it qualifies under the use of the Energy funds.
2. You also recommended that the National Government resolve this finding through this cognizant audit agency and the U.S. Department of the Interior (DOI). We don't view this as an issue now with the U.S. Government. Our understanding is that the Compact provides a great degree of flexibility on the use of funds, unless otherwise restricted. Energy funds can be used for both Capital and Current account purposes. Payment of power bills is an operating expense which falls under Current account.

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
**RESOLUTIONS OF PRIOR YEARS' QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 1993**

Pursuant to the audit report of the National Government's general purpose financial statements for the year ended September 30, 1993, the remaining outstanding questioned costs are those contained in the audit report for the fiscal year ending September 30, 1991.

FY91 unresolved National Government questioned costs	\$ <u>23,739</u>
---	------------------

The following is a summary of unresolved federal questioned costs for the National Government's subrecipients.

State of Chuuk

Unresolved 1984 questioned costs	\$ 221,836
Unresolved 1985 questioned costs	193,164
Unresolved 1986 questioned costs	685,713
Unresolved 1987 questioned costs	833,896
Unresolved 1988 questioned costs	4,350,427
Unresolved 1989 questioned costs	779,850
Unresolved 1990 questioned costs	1,337,063
Unresolved 1991 questioned costs	167,352
Unresolved 1992 questioned costs	39,367
Unresolved 1993 questioned costs	<u>-</u>
Total Chuuk State unresolved questioned costs	<u>8,608,668</u>

State of Kosrae

FY85 unresolved questioned costs	12,838
FY87 unresolved questioned costs	573
FY88 unresolved questioned costs	<u>215,383</u>
Total State of Kosrae unresolved questioned costs	<u>228,794</u>

State of Pohnpei

FY85 unresolved questioned costs	227,940
FY86 unresolved questioned costs	171,686
FY87 unresolved questioned costs	1,049,740
FY88 unresolved questioned costs	393,372
FY89 unresolved questioned costs	271,650
FY90 unresolved questioned costs	87,296
FY91 unresolved questioned costs	62,193
FY92 unresolved questioned costs	118,431
FY93 unresolved questioned costs	<u>21,909</u>

Total State of Pohnpei unresolved questioned costs	<u>2,404,217</u>
--	------------------

**FEDERATED STATES OF MICRONESIA**  
**NATIONAL GOVERNMENT**  
RESOLUTIONS OF PRIOR YEARS' QUESTIONED COSTS, CONTINUED  
YEAR ENDED SEPTEMBER 30, 1993

State of Yap

FY84 unresolved questioned costs	\$ 28,904
FY85 unresolved questioned costs	16,364
FY86 unresolved questioned costs	168,555
FY92 unresolved questioned costs	216
FY93 unresolved questioned costs	<u>2,241</u>

Total State of Yap unresolved questioned costs	<u>216,280</u>
--	----------------

Total unresolved subrecipient questioned costs	<u><u>\$11,457,959</u></u>
--	----------------------------

**FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT**

**INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL STRUCTURE**

**YEAR ENDED SEPTEMBER 30, 1993**



**INDEPENDENT AUDITORS' REPORT ON**  
**THE INTERNAL CONTROL STRUCTURE BASED ON**  
**THE AUDIT OF THE FINANCIAL STATEMENTS**

Honorable Bailey Olter  
President  
Federated States of Micronesia

We have audited the general purpose financial statements of the Federated States of Micronesia (FSM) National Government as of and for the year ended September 30, 1993, and have issued our report thereon dated February 15, 1994. Our report on the audit of the general purpose financial statements was modified as a result of other auditors' inability to obtain audited financial statements of two investees of the National Fisheries Corporation (a Proprietary Fund Type-Enterprise Fund) and as a result of the omission of the Higher Education Fund.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the FSM National Government for the year ended September 30, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the FSM National Government is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Revenues and receipt cycles
- Purchases and disbursement cycles
- Payroll cycles
- External financial reporting
- Cash
- Receivables
- Investments
- Payables and accrued liabilities
- Fund balance

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the FSM National Government's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The item set forth in finding number 1, which is further explained on page 194, represents a reportable condition:

Fiscal Year 1991

1. Finding 4 - Taxes, Service Fees, and other Local Revenues

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

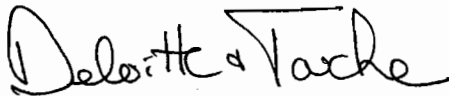
Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the FSM National Government in the following pages.

We have also noted matters involving the internal control structure and its operation used to administer federal financial assistance programs which we reported to the management of the FSM National Government in a report dated February 15, 1994.

This report is intended for the information of the management of the FSM National Government and the cognizant audit and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

February 15, 1994

A handwritten signature in cursive script, reading "Deloitte & Touche".

Certified Public Accountants



FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES  
For the Year Ended September 30, 1993

Prior Year Outstanding Findings

Finding No. 1

Criteria: Findings and recommendations reported in the Reports on Internal control for years should be adequately resolved.

Condition: The following finding and recommendation remain unresolved from the Report on Internal Control for the fiscal year ended September 30, 1991.

<u>Finding No.</u>	<u>Description</u>	<u>Page No.</u>
	Fiscal Year 1991	
4	Taxes, Service Fees, and other Local Revenues	152
	Fiscal Year 1992	
9	Employee's Health Insurance Plan Fund	192

Cause: Unknown.

Effect: This unresolved finding continues to have the same effect on the National Government's record keeping system as noted in the prior year.

Recommendation: Findings and recommendations reported in prior year Reports on Internal Control should be resolved.

Auditee Response and Corrective Action: Responses are contained within the FSM Public Auditor's audit report dated March 28, 1994.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Drawdown Payable

Finding No. 2

Criteria: A functioning system of internal control requires that all general ledger account balances be reconciled on a periodic basis.

Condition: We found that fund 100000 and 400000 accounts 571 through 574, drawdown payables to the States, were not in agreement with the States' financial statements.

Cause: Unknown.

Effect: A potential for misstatement of liabilities exists.

Recommendation: We recommend periodic reconciliations of these balances be attempted.

Auditee Response and Corrective Action: These accounts have been reconciled on National Government's records. However, it appears that the state governments records may not be complete. This finding must be cleared at the state level.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Travel Advances

Finding No. 3

Criteria: Pursuant to FSM National Government's travel policy, all travelers should file travel vouchers within ten working days of the end of the travel period.

Condition: We found that nearly all travel advances outstanding as of September 30, 1993, had been outstanding for more than the allowable ten days period.

Cause: Unknown.

Effect: An understatement of expenditures results from the above condition.

Recommendation: We recommend that FSM National Government adhere to its travel claim policies.

Auditee Response and Corrective Action: The regulation states that employees/travelers must file travel voucher within ten days after travel is completed. The Accounting Division is complying with the regulations. In addition, the accounting division is providing a list of employees/travelers with unfilled vouchers to the department heads on a monthly basis.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Advance on Purchase Orders

Finding No. 4

Criteria: A functioning system of internal control requires purchase advances to be evaluated on a periodic basis to establish their continuing validity.

Condition: We found various purchase order advances that have been outstanding for more than a year.

Cause: Unknown.

Effect: A potential understatement of expenditures results from the above condition.

Recommendations: We recommend that the supply office periodically review and document the continuing validity of all purchase order advances that are over ninety days.

Auditee Response and Corrective Action: A separate file has been established strictly for advance purchases. That file would be periodically checked to ensure timely control of follow up to prevent outstanding advances. That file will help us to determine the validity of advance purchases that can eliminate understatement of expenditure. The same source will also help us to review and document the validity of overdue balances.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

**Appropriations**

**Finding No. 5**

**Criteria:** Continuing appropriations should be periodically reviewed to ensure the viability of the related projects.

**Condition:** The CFSM Capital Projects Fund continuing appropriations aggregate \$67,947 which represent appropriations made at the commencement of the FSM National Government.

**Cause:** Review of continuing appropriations do not appear to be made to assess continued viability of the related projects.

**Effect:** Fund balances have been reserved for projects which do not appear to be required or which have already been completed.

**Recommendations:** Continuing appropriations should be reviewed on a periodic basis and appropriate data forwarded to Congress for their consideration.

**Auditee Response and Corrective Action:** To be submitted by the Office of Budget.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Appropriations, Continued

Finding No. 6

Criteria: Appropriations to entities should be reviewed to determine if a subrecipient relationship has been established. If so, a formal grant agreement should be considered.

Condition: A continuing appropriation from Special Block Grant exists to a private school. This entity will have to be audited for compliance with the Special Block Grant requirements if expenditures exceed \$25,000.

Cause: Unknown.

Effect: There is no direct effect on the financial statements as a result of this condition. However, questioned costs may arise if the actual expenditures are not subject to audit.

Recommendations: Formal grant agreements should be considered which will document a recipient's responsibilities under FSM appropriations.

Auditee Response and Corrective Action: To be Submitted by the Office of Budget.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Appropriations, Continued

Finding No. 7

Criteria: Appropriation laws should be reviewed to ensure compliance with reversion dates.

Condition: Appropriations are paid to third parties, both governmental and other. These payments may constitute advances until the National Government receives evidence of expenditure from the recipient. If expenditure does not occur prior to the reversion date specified in the law, a return of the unused funds to the National Government may be required.

Cause: Unknown.

Effect: Expenditures and transfers may be overstated.

Recommendations: Appropriations should clarify the concerns set forth in the above condition. A formal grant agreement may be a way of ensuring that the criteria is met.

Auditee Response and Corrective Action: This has been a subject of discussion with the President and the Cabinet. Further discussion with the Congress to amend Title 55 of FSM Code to rectify the situation will take place soon.

FEDERATED STATES OF MICRONESIA  
NATIONAL GOVERNMENT  
SCHEDULE OF IDENTIFIED INTERNAL CONTROL WEAKNESSES, CONTINUED  
For the Year Ended September 30, 1993

Cash-Chuuk Trust Fund

Finding No. 8

Criteria: All bank reconciliation items should be resolved in a timely manner.

Condition: Unreconciled withheld items from fiscal year 1990 and prior for the Chuuk trust account lacked details.

Cause: Unknown.

Effect: The effect could be a potential misstatement of cash.

Recommendations: We recommend that all outstanding reconciling items be resolved in a timely manner.

Auditee Response and Corrective Action: We agree with this finding and steps have been taken to clear all outstanding reconciling items. In addition, all reconciling items will be cleared on a monthly basis.