

*“Data-driven,  
evidenced-based  
decision making for  
continuous  
**quality**  
improvement.”*

-Dr. Carmen Fernandez  
**NMC President**

**Annual  
Accomplishment  
Report **FY2017****



## Table of Contents

1. Accreditation Efforts	<b>3</b>
2. Program Review and Outcomes Assessment	<b>4</b>
3. Institutional Governance	<b>4</b>
4. New Policies	<b>5</b>
5. Staff Evaluation and Improvement	<b>5</b>
6. Preparation of Budget and Budget Processes (Financial Management)	<b>7</b>
7. Capital Improvements	<b>7</b>
8. Community Engagement	<b>9</b>
9. Building and Cultivating Partnerships	<b>14</b>
10. Administrative Capacity	<b>15</b>
11. Donations & Grants	<b>17</b>
12. College Organization / New Programs	<b>18</b>
15. Facilities Master Plan	<b>19</b>
16. NMC Gymnasium	<b>19</b>
Workforce Development	<b>19</b>

# 1. Accreditation Efforts

---

## **Special Visit Progress Report – November 1, 2017**

Northern Marianas College's Progress Report was submitted to the Western Association of Schools and Colleges Senior College and University Commission (WSCUC). The report addressed the six recommendations from the March 9, 2017 Commission letter.

## **Regent Nominating Bill (SB 20-15)**

Working with members of the Legislature, Northern Marianas College helped to facilitate the passage of Regent Nominating Committee bill, which was initiated to ensure Northern Marianas College's full compliance with accreditation standards set by the WSCUC. The standard was echoed in a recent WASCUC action letter, which specifically recommends the nomination process become "an official statutory procedure through legislation passed by the [CNMI]." **The bill was signed by Governor Ralph DLG. Torres and became Public Law 20-26 on November 1, 2017.**

## **Accreditation Liaison Officer Appointment**

Charlotte R. Cepeda was appointed as NMC's Accreditation Liaison Officer on October 22, 2017.

## **WSCUC Commends NMC**

In its March 9, 2017 Action Letter, WSCUC notified NMC of its acceptance of NMC's institutional report (submitted prior to the Special Visit) and the Special Visit Team Report. The Commission also listed a number of commendations and also highlighted the College's "immediate and comprehensive response" to issues identified by WSCUC.

## **Interim Report Submitted to WSCUC (March 2017)**

Northern Marianas College prepared and submitted its Interim Report to the WSCUC March 6, 2017. The report addressed the recommendations related to faculty roles and development, research and data-supported decisions, assessment of learning, and student success.

## **WSCUC Meeting Presentation**

Northern Marianas College President Dr. Carmen Fernandez addressed the members of the WSCUC at its Feb. 2017 meeting to provide additional information of NMC's progress in meeting Commission recommendations and concerns.

## **Successful WASC Special Visit (Dec. 1-2, 2016)**

Northern Marianas College hosted a very successful team visit from WSCUC. The visiting team commended the College in a number of areas. The team also made recommendations to the institution.

## **Program Accreditation**

On November 29, 2016, the Business Department received notification that its application for candidacy was approved by the Accreditation Council of Business

Schools and Programs (ACBSP), a specialized accreditation for the Business Department and Programs at NMC.

## 2. Program Review and Outcomes Assessment

---

### **Program Review and Assessment**

Northern Marianas College program review processes have been jumpstarted to ensure all programs at the College are actively engaged. All academic programs and services are undergoing a complete cycle of review. Results will be used to drive budget priorities and make improvements.

### **Assessment Management System**

Working with the Office of Institutional Effectiveness, the IT Department, and the Council of Presidents (COPS), the College identified and procured the Taskstream / LiveText Assessment Management System. The enterprise software will help the College measure, analyze, and report learning data to improve student and institutional outcomes.

## 3. Institutional Governance

---

### **Reestablishment of COPS**

The Council of Presidents (COPS) is composed of the presidents of all the governance groups, including the Faculty Senate President, Staff Senate President, and the student government president (ASNMC). COPS was created to help provide an open line of communication between College leaders as well as to ensure timely responses to faculty, staff, and student needs.

### **College Council**

The College Council, which represents all of the constituent groups on campus, was re-established and is active in the review of new policies and other college-wide decision making processes.

### **Budget and Finance Committee**

The Budget and Finance Committee (BAFC) was highly instrumental in the formulation of the 2018 operations budget, which was approved by the NMC Board of Regents in FY2017. This committee includes faculty, staff, and students.

### **Academic Council**

The Academic Council, which has faculty as a majority of the voting members, meets regularly to address institutional issues that concern instructional quality and curriculum. The group has refined its course guide review mechanism that evaluates course guide modifications and IDP modifications. It is also working towards a course assessment mechanism. The preparation for this mechanism includes review of relevant assessment

material, discussions with relevant stakeholders, and evaluation of previous course assessment model implemented at the college.

#### **Reestablished Recruitment and Retention Committee**

To systemize and prioritize recruitment and retention strategies and activities, the NMC Recruitment and Retention Committee was formed in September, 2017, to plan, execute, and monitor recruitment and retention activities that impact the College's annual enrollment and that attract students from diverse academic, professional, age, and ethnic backgrounds. With a stronger focus on retention, the Team's aim will be to ensure that all prospective students enroll, remain and succeed in college. In 2017 216 new students were recruited from the Start Smart Seminar, while 116 were from the Climb Higher Summit.

## **4. New Policies**

---

#### **Board Policy # 1005: Standing Committee**

This policy was amended in 10/28/2016 to add Audit Committee and Regent Nominating Committee to the existing board structure.

#### **Board Policy # 6000: Compensation & Classification**

The NMC Board of Regents approved a new salary scale for faculty and staff.

#### **Board Policy #1017: Conflict of Interest**

This policy focuses on the Board of Regents and employees' role in performing their duties with conscience, honesty, integrity, and with the best interests of the College as an academic institution in mind.

#### **Board Policy #1017: Conflict of Interest and Commitment**

This existing policy was revised to add provision for conflict of commitment as recommended by the WSCUC Special Visit Team.

## **5. Staff Evaluation and Improvement**

---

#### **Professional Development**

To ensure that faculty, staff, and administrators continue to expand their knowledge, skills, and effectiveness, Northern Marianas College places a great emphasis on professional development activities. This past year, the College has made the following training opportunities available:

***College Wide Professional Development:***

- Program Review: Overview and update of PROA initiative
- Department of Commerce Supervisory Leadership Training
- Fiduciary Responsibility Training
- Personal Security and Mind Set Training
- Active Shooter Training
- Basic American Sign Language Training
- CPR Certification Session
- Accreditation
- Faculty and Staff Sexual Violence Climate Survey Results
- Customer Service and Phone Etiquette
- Academic Advising
- Program Review: 5-Column Form 1 Work Session
- Welcome Presentation by Dr. Andrei Shatilov
- Build EXITO
- Call for Book Section Proposal Contributions
- Sexual Harassment
- Customer Service and Telephone Etiquette
- Discrimination and Harassment

***Academic Programs and Services:***

- CPR and First Aid Training
- Attendance and Midterm Exams survey results
- Leadership Introduction: Quotes and Lessons
- Data Processing
- Millennials and Home landers
- Problem Solving: Applying PS Steps
- What sort of Leader are you?
- Leadership Traits
- Accreditation and Resource
- Carnegie Pathway Presentation
- Seizure and Epilepsy response
- NASA Murep Educator Institute Student Presentation
- Title IX and Basic HR Orientation

***Student Services:***

- Disability support training for Disability Support Service Counselors and Note Takers.
- Enrollment Services Queuing System
- Booking System for Advising and Appointments
- Title IX Basics and Beyond
- Professionalism in the Workplace
- Seating and Mobility Training

**Off-island Professional Learning**

Northern Marianas College sent a team of faculty and staff to attend the WASC Academic Resource Conference (ARC) and the Complete College America (CCA) Convening.

### **Employee Annual Evaluation Program**

To ensure that employees' performance is evaluated regularly, the annual employee evaluations for the FY2015-2016 have been completed.

### **Code of Conduct and Conflict of Interest and Commitment**

The NMC Human Resources Office has engaged all NMC employees by providing information about the College's Code of Conduct and Conflict of Interest and Commitment policy. Employees have signed written confirmations to acknowledge their receipt and understanding of these policies.

## **6. Preparation of Budget and Budget Processes (Financial Management)**

---

### **NMC Received Clean Audit Report for 10<sup>th</sup> Consecutive Year**

Northern Marianas College's financial statements received its tenth consecutive unqualified (favorable) audit opinion for FY2016. The College also received its fourth consecutive unqualified opinion on its Internal Control and Compliance Report, signaling strong institutional policies and procedures. Even an unqualified audit opinion can often contain audit findings or questioned costs, but NMC received neither for the second consecutive year.

### **NMC Designated as Low-Risk Auditee**

Because of NMC's commitment to fiscal management and responsibility over the last eight years, the College was designated as a low-risk auditee in December, 2016. This reduces the administrative burden and strengthens the institution's capacity to earn federal grants that benefit our students and community. NMC is proud to be a leader among CNMI government entities for strong fiscal management.

### **FY2017 Supplemental Budget**

Secured an additional \$1 million appropriation for Northern Marianas College. The appropriation legislation was signed during public ceremony at the Multipurpose Center.

### **FY2018 Appropriations Budget**

Worked with the Office of the Governor and the CNMI Legislature to increase NMC's budget appropriation. For FY2018, NMC was appropriated a 9% increase over last year's budget.

<b>Year</b>	<b>Amount</b>	<b>% Increase</b>
FY 2017 Appropriations	<b>\$4,494,200.00</b>	
FY 2018 Appropriations	<b>\$4,877,353.00</b>	<b>9%</b>

## 7. Capital Improvements

---

### **Student Café**

The renovation of the student cafeteria, which includes new flooring, TV and cable, and restroom improvements, was completed in FY2017. The additional work was conducted to make the cafeteria more student-friendly and aesthetically efficient. New furniture and decorations were also installed. The cable service is donated by Docomo Pacific.

### **School of Education**

1. Faculty offices at NMC's School of Education were renovated to provide ample space and privacy for all faculty members.
2. The students' Curriculum Resource Center (CRC) was renovated and expanded.

### **Expanded Testing Center**

The relocation and expansion of NMC's Testing Center from Building I to Building N was completed so that the facility can accommodate more students at any given time. The Center can now accommodate up to 25 test takers (from only 10 prior to relocation).

### **Enrollment Services**

The renovation of the Enrollment Services offices was completed to ensure adequate office space for staff members as well as privacy for students who need to meet with staff members in a more confidential setting.

### **School of Business Building**

The roof replacement for Building J, which houses NMC's Business department, was prioritized and completed.

### **Building N Leaks**

Leaks were a recurring problem throughout Building N, which houses the Finance Office, Admissions Office, and the Office of Institutional Advancement. President Fernandez prioritized the waterproofing of the roof, which was completed in December 2016.

### **Bookstore Renovation**

Renovation work for the Bookstore is has been completed. The Bookstore now has a more modern facade with newly-installed glass display windows and glass doors.

### **NMC Gym**

The scope of work for the A&E plans for the NMC Gym, which will be larger and which will be able accommodate more people, is currently being finalized.

### **Aquaculture Center**

Renovation of the NMC-CREES Aquaculture Center has been completed; the ribbon cutting ceremony was held on Jan 18, 2017.



### **NMC Library / Archives**

The Olympio T. Borja Library and the CNMI Archives were renovated. All tiles have been replaced and walls painted. Because of this the library has received many compliments from students and faculty on the new look of the library.

### **Office of Institutional Advancement**

The Office of Institutional Advancement was expanded to accommodate a new equipment room and a production room that also doubles as a mini-conference room.

### **Student Center**

Construction was initiated for the renovation of a new Student Center for NMC students. The new Center is located in D2 and will provide the space necessary for students to study, network, and access campus resources. There will also be space dedicated for ASNMC.

### **NMC Signage**

New College signs were posted on the NMC fence as well as at two entrances. Furthermore, new campus map displays have been erected at three separate locations throughout NMC.

## **8. Community Engagement**

---

### **The College has maintained professional memberships in the following:**

- Western Interstate Commission for Higher Education (WICHE), Commissioner
- Complete College America, State Lead
- Asia Pacific Association for Fiduciary Studies (APAFS) Board of Governors, Member
- Strategic Economic Development Council (SEDC), Member
- Strategic Workforce Action Team (SWAT), Chair / Facilitator
- Regional Workforce Council, Member
- Pacific Postsecondary Education Council, Member
- Research Educational Lab (REL) Pacific, Member

### **Active Community Engagement**

*The following highlight NMC President's involvement in community activities. This list does not include the community events that have been attended, organized by, or supported by other College administrators, faculty, staff, and students.*

- DCCA Child Care Development Fund program (CCDF) Annual Certificate Ceremony
- Business Woman of the Year (BWOY) Scholarship Presentation
- Round Table Discussion at the CNMI Judiciary Conference on Strategic Planning
- CNMI Got Talent 6 (Island formal) hosted by Bridge Capital, LLC
- NMTI's Opening of its Culinary Arts Classroom
- Memorial Service for the late Barry Alan Wonenberg (Specialty Instructor II, Fine Arts)
- 15th State Board of Education Swearing-In Ceremony
- Saipan Chamber of Commerce: 2017 Installation Dinner

- Delivered welcoming remarks at Supreme Court Hearing. The hearing was hosted on campus in Rm. D-1 as part of the NMI Judiciary's efforts to engage the local community and to educate the next generation of NMC legal professionals
- Attended the Pacific Partners Project event, which includes College of Marshall Islands, Palau Community College, College of Micronesia – FSM, Guam Community College, Guam Contractors Association, Trades Academy Pacific Island University, University of Guam, Northern Marianas College, Northern Marianas Trade Institute and American Samoa Community College
- Attended MHS and Seisa High School's 31st year Anniversary Celebration of their Participate and Learn (PAL) Cultural Program
- Women's Meet and Greet (in Honor of Women's Month)
- Meet & Greet for Special Assistant of Women's Affairs, Dolores Reyes Drew
- Second Imperial Pacific International Holdings Limited (IPI) Baccarat Dealing Class Completion Ceremony
- Signing of Memorandum of Agreement with the Department of Public Safety re: Police Academy
- Attended Ribbon Cutting and Unveiling of the Hon. Eloy S. Inos Peace Park
- Participated in the Strategic Economic Development Council (SEDC) Meetings
- Commonwealth Cancer Association presented March Against Cancer Plaque to Team LDTF-NMC (Award for Most Money Raised)
- The Kalayaan 2017 (Vin d'honneur and Reception in commemoration of the 119th Anniversary of the Proclamation of Philippine Independence), hosted by Philippine Honorary Consul Glicerio DM Arago
- Docomo Pacific VIP Event to unveil newly redesigned Gualo Rai Store and Services
- Docomo Presentation: Joe Torres, Ryan Calvo-Account Executive and Shawn Guerrero-Sales Engineer re: training partnership
- Department of Public Safety's 22nd Police Academy Cycle Graduation, Swearing In Ceremony and Banquet/Dinner
- Northern Marianas Humanities Council welcoming reception for organizers, presenters and sponsors of the 3rd Marianas History Conference
- Annual Labor Day Festivities at the Garapan Fishing Base (Theme: One CNMI is our Labor of Love)
- 3rd Marianas History Conference (Northern Marianas Humanities Council). Theme: "Milestones in Marianas History," featured keynote addresses by Dr. Carlos Madrid, Julian Aguon, Dr. Laura Torres Souder
- Invitation to #LivepreparedCNMI Event (feat. a Joint Marianas Capability briefing by Rear Admiral Shoshana Chatfield. CNMI Homeland Security and Emergency Management, Office of the Governor (NMC IT assisted to stream event live online)
- Guest Speaker at the Pacific Century Fellows meeting (Topic: Education and Workforce Development) re: apprenticeship program
- Participated as a panelist for the Business Development Summit's discussion for "In the Spotlight: Agriculture." NMC IT staff provided live streaming services (Sponsored by the Governor and Dept. of Commerce).
- Attended Northern Marianas Trades Institute (NMTI) Commencement Exercises (Multi-purpose Center)

### **Adult Basic Education**

The Adult Basic Education program served 213 students, graduated 44 students, held its first cohort in Rota and graduated 19 students, and had 53 students participate in the ABE Career Academy Training.

### **Disabilities Training**

UCEDD met training needs and offered American Sign language (ASL) classes on Rota and Saipan and Disability Training.

### **Humanities**

Two Languages and Humanities (LH) faculty, Dr. Kimberly Bunts-Anderson and Ajani Burrell, received a CNMI Humanities Grant to write a book on Contemporary Marianas, which is a work in progress.

### **College Readiness**

Two Languages and Humanities (LH) faculty members, Adam Walsh and Ajani Burrell, completed the second iteration of a College Readiness Pilot Program and a Writing Intervention program with a cohort of teachers at Marianas High School.

### **Cash for College**

The Financial Aid Office coordinated and conducted their bi-annual Cash for College events on the main NMC campus on Saipan, as well as on Tinian and Rota Sites. There was a total of 638 participants for all three Islands in 2017. The number of participants who enrolled for the Fall 2017 term was 398, or about 62%.

### **Start Smart**

The NMC Start Smart Seminar aims to prepare high school students for college, promotes the benefits of a higher education and covers topics like financial aid, admissions, SATs, and many more. Approximately 656 high school seniors from Marianas High School, Kagman High School, Saipan Southern High School, Tinian Junior Senior High School, Dr. Rita Inos Junior Senior High School, Mt. Carmel, Grace Christian Academy, Marianas Baptist Academy, and Agape Christian School participated in Northern Marianas College's Start Smart Seminar, which was held on March 20-22, 2017. 216 of the 656 who attended the Start Smart Seminar enrolled.

### **Prior Learning Assessment Info Session**

In the first two years since the Prior Learning Assessment Program was launched, the program only had an average of about six or seven students enrolled per semester. After Dr. Fernandez was appointed NMC President in Oct. 2016, she immediately increased recruitment efforts for the program by working with various government and private sector agencies as well as the CNMI Scholarship Office. Numerous PLA info sessions and other recruitment activities were held during the Fall. In the Spring Semester after President Fernandez's return to NMC, enrollment in the PLA program soared to 163 students, an increase of more than 2,000%.

### **Meetings Held with Private and Government Agencies**

*The following lists the different meetings attended by NMC President Dr. Carmen Fernandez and senior staff members:*

- Department of Public Safety Chief Lawrence Camacho re: Police Academy
- Senator Jude Hofschneider and CNMI Scholarship Administrator Rose Pangelinan re: WICHE Program
- David Burger, CPA re: audit process
- Mary Tenorio, President of NMC Foundation and Frankie Eliptico, Director of External Relations re: foundation activities
- U.S. Government Accountability Office (GAO) re: programs NMC conducts to promote U.S. citizen training and employment, including any programs funded by the U.S. Department of Labor, CW educational fees, & CNMI Government. NMC supported the survey.
- Bertha C. Leon Guerrero, Vice President | HR Dept. Imperial Pacific International (CNMI), LLC re: their report to the Casino Commission on training program.

- Governor Ralph Torres, regarding WSCUC Visit
- Government Accountability Office (GAO) Team Visit to NMC. Meetings on campus with College President, Dean of Academic Programs and Services, Dean of Administration and Resource Development, Director of Adult Basic Education, Focus Groups and a tour of the campus.
- Roman Benavente (former member, House of Representatives) courtesy visit
- Greg Sablan and Bernie Dela Cruz (Veterans Affairs Office) re: college for veterans
- Cindy Lopez, Governance Institute for Student Success Program Specialist -Association of Community College Trustees re: student success programs
- Advisors on Education: Fermin Atalig and Aniceto Mundo of the Rota Mayor's Office re: Trade School and NMC facility on Rota
- Mayor of Tinian Joey Patrick San Nicolas, courtesy visit
- Perry Inos, Jr. and Leasing Officer Sophie Dela Cruz re: Saipan Comfort Homes for students
- Patrick Guerrero re: FEMA Projects
- Department of Corrections Commissioner - Georgia Cabrera re: prisoners' education
- Virginia C. Villagomez, Governor's Authorized Representative (Public Assistance (PA) Program Quarterly Meeting (For all FEMA Public Assistance sub recipients)
- Ray Tebuteb (former member of the House of Representatives) courtesy visit
- Dr. Vidalino S. Raator, Project Coordinator/Manager, Islands of Opportunity Alliance (IOA)-LSAMP, UH, Hilo re: partnerships
- Nola Hix, Sales and Marketing Representative, Xerox Corporation re: xerox services
- Willy Matsumoto (Local Agent) toured campus with staff from Sendai Ikuei Gakuen High School (International Support Services) in Japan: Jun Ogata, Haruo Mayama and Takashi Ashikaga
- Arielle Buyum of Latte Training Academy re: workforce programs
- Mr. William Roche, Director of FEMA Region IX Public Assistance (PA) Division (accompanied by CNMI PA Team: Virginia Villagomez, Patrick Guerrero, Reyna Saures and Heather Stole) re: FEMA projects
- John Lung from Best Sunshine re: executive training
- Secretary of Commerce Mark Rabauliman and Nicole Babauta Director of CNMI Small Business Development Center re: revisiting and reinforcing MOU partnership
- Dr. Carlos Crespo of Portland State University re: proposal to the National Institutes of Health -Enhancing Cross Disciplinary Infrastructure and Training at Oregon
- Meetings with Dick Cody (Taniguchi Ruth Makio Architects) and PPMO Manager re: facilities projects
- Mr. Seyng Han You, Totto Company (International Student Recruitment Agency)
- Garry Liddle (Islands and Economic Development), courtesy visit
- Marianas Visitor's Authority Managing Director re: Tour Guide Certification Program
- Dr. Philip Herman, Exec. Director, Regional Education Laboratory (REL) Pacific, McREL International re: math program
- Ciara Ada, Xerox Corporation re: plan to address printer needs on campus
- Representatives from Framingham State University, courtesy visit
- Former Speaker of the Guam Legislature, Judith Won Pat (to assess policy designed to reduce non-communicable disease in the CNMI on behalf of the Pacific Island Health Officers Association (PIHOA))
- Marianas Aviation Services: Rob Combs and Darren Flores re: aircraft mechanic program
- University of Guam re: MOU Articulation Agreement renewal; incorporating UOG's new General Education Framework with Academic Programs and Services
- Sen. Jude Hofschneider and CNMI Scholarship Admin. Rose Pangelinan re: WICHE Action Item
- Dr. Douglas Taren, Associate Dean for Academic Affairs; Mel Zuckerman, Professor of Public Health and Enid Zuckerman, College of Public Health Director - Western Region Public Health Training Center, University of Arizona. (C/o Margaret Aldan CHCC). Other NMC attendees: Dean Bobbi Merfalen, Rosa Tudela, Johnny Aldan and Emmy Oneto re: health programs
- Japan Consul Kinji Shinoda re: Japanese student recruitment
- MHS 2017 Valedictorian/attending Harvard University: Robert Jomar S. Malate
- Kodep Ogomoro re: MOU with Northern Marianas Academy
- Education Committee Chairman, Rep. Edwin Aldan re: Regent Nominating Committee
- Senator Sixto Igisomar re: PLA program and college updates
- Office of Youth Affairs' for "Youth Empowerment Awareness Month" proclamation signing
- Thomas Nolte, Pacific Operations Manager, XTR Airways (a U.S. Carrier) and Diego Benavente re: first flight Sep. 20, direct flights from China and flight attendant program
- NMI Rollers Basketball Association (John Dela Cruz, Joe Diaz, and Fausia Dela Cruz) re: use of Koblerville Gymnasium
- Rota Delegation: Senate Vice President Steve K. Mesngon and Representative Glenn L. Maratita and Mrs. Maratita with Martin Mendiola re: Rota projects
- Pina Deleon Guerrero (Fiesta Resort) and Rota Students, Rota Delegation and Exec. Director Martin Mendiola. Re: Internship Opportunities
- Vice Speaker Janet Maratita re: College Promise Bill
- Mr. Daeyoung "Daniel" Huh (Korean Instructor), courtesy visit
- Nancy San Augustin, James Ji, Ted Deleon Guerrero, Keyoleen Kastor (Guam Education Solution) re: International English Program
- Senator Jude Hofschneider and Rose Pangelinan, CNMI Scholarship Administrator re: WICHE

- Dr. Ronald McNinch-Su, Associate Professor, Public Administration, University of Guam re: Criminal Justice Baccalaureate Program
- Bank of Saipan: President/CEO John Arroyo and Richard Santos, Information Technology re: ATM on campus and internship program
- LaVonne Guerrero- Meno (Admin. Officer of MARC - Micronesian Area Research Center) and Victoria Leon Guerrero (Managing Editor for University of Guam Press), courtesy visit
- Former NMC Foundation President, Ben Babauta re: foundation activities and NMC Logo Shop at DFS
- Representative Edwin Aldan, Chairman of House Standing Committee on Education re: Education Symposium status
- Senate President Arnold I. Palacios re: Nursing Program
- Jerry Tan, President of Tan Holdings Corp. and former NMC Foundation President re: foundation activities and new expanded gym
- Marianas Visitors Authority Director -Chris Concepcion; Tour Guide Manager Kuen-Hee Han re: Tour Guide Certification Program
- Dick Cody from Taniguchi Ruth Makio Architects (TRMA)
- UOG ROTC Professor of Military Science: LTC Jay Blakley re: UOG program
- Public Assistance Office Quarterly Meeting re: FEMA projects
- Commonwealth Cancer Association presented March Against Cancer Plaque to Team LDTF-NMC (Award for Most Money Raised)
- Kalayaan 2017 (Vin d'honneur and Reception in commemoration of the 119th Anniversary of the Proclamation of Philippine Independence), Hosted by: Philippine Honorary Consul Glicerio DM Arago
- Strategic Economic Development Council (SEDC) Meeting
- Fiduciary Essentials® Training Program (Asia Pacific Association for Fiduciary Studies (APAFS), Lao Lao Bay Golf & Resort, Saipan
- Commonwealth Development Authority (Oscar Camacho, Michael Camacho) to present winner's check \$1,000 to Isabel Matsunaga, NMC business student winner of the 2017 Business Plan Competition sponsored by CDA
- Docomo Presentation: Joe Torres, Ryan Calvo-Account Executive, Shawn Guerrero-Sales Engineer re: training partnership

## 9. Building & Cultivating Partnerships

---

### **Reestablished Strategic Workforce Action Team (SWAT)**

The SWAT was formed to implement key workforce development initiatives for the CNMI to assist in the training and development of manpower to replace CW labor. Northern Marianas College President Dr. Carmen Fernandez formed SWAT in 2008 and facilitates the organization.

### **Saipan Comfort Homes**

Worked with Triple J to ensure that NMC students were given first priority for apartments.

### **DPS & DFEMS**

NMC partnered with the Department of Public Safety and the Department of Fire and Emergency Management Services to ensure that its academies included formal academic training at the College.

### **Bank of Saipan**

A new Bank of Saipan ATM will be installed on campus for the students' and community's convenience.

### **Adilanto Concurrent Enrollment (ACE) Program**

Partnered with the Public School System and other private schools to formalize mechanism to allow early admissions and early enrollment at NMC by high school students. The MOU was signed in FY2017.

#### **Tour Guide Certification Program Launched with MVA**

NMC partnered with MVA to establish the Tour Guide Certification Program to allow local tour operators to receive proper training and protocol. There are about 500 participants in the pipeline to take the training.

#### **Business Plan Competition with CDA**

Northern Marianas College collaborated with the Commonwealth Development Authority to encourage entrepreneurship to all business students. The grand prize was \$1000.

#### **Department of Public Safety**

On July 2017, NMC in collaboration with the Department of Public Safety, graduated 30 cadets. These cadets completed the Basic Law Enforcement Certificate Program under the Criminal Justice (CJ) Program.

#### **University of Guam**

The Criminal Justice Program continues to work with the University of Guam on a Bachelor's Degree Program in Criminal Justice to be offered at NMC.

#### **PSS and SOE**

The (SOE) School of Education's NASA MEI (Murep Educator Institute) Team worked with over 100 PSS Middle and High School students with science experiments and Little Bits Engineering Sets in the summer of 2017.

#### **CNMI Impact Project**

The School of Education's active participation in the CNMI IMPACT Project and the 2017 Summer Residency in Sacramento, California. Partners are CNMI: DCCA, Department of Youth Affairs, CHCC, and the Child-care Licensing Office.

#### **Portland State University**

NMC is a sub-recipient of Portland State University's Multi-million dollar BUILD EXITO grant funded by the National Institute of Health (NIH). The purpose of the grant is to increase minority capacity in STEM fields. Six NMC students total are currently enrolled at PSU under the EXITO Program.

#### **CNMI Civil Service Commission**

Coordinated the Climb Higher Summit on Saipan in partnership with the Civil Service Commission, with a total of 305 participants and 88 enrolled. The first Climb Higher event on Rota had 40 participants and 21 enrolled.

#### **Scholarship Programs Funded by Private Partners**

Private scholarships such as Tan Siu Lin Foundation, Matson Navigation Company, Guam Business and First Hawaiian Bank, Northern Marianas Insurance Association, and others continue to remain strong.

#### **University of Hawaii Cancer Program**

NMC is seeking partnership with the UH cancer program to advance and support cancer education and prevention.

## **10. Building Administrative Capacity**

---

#### **Employee Wages**

To establish salary and wage equity among employees, NMC President Dr. Carmen Fernandez approved the first phase of salary and employee classification adjustments in the first weeks of her presidency. Prior to this, some NMC employees had not received any wage increase in over 10 years. Additional work is currently being undertaken to review other positions and classifications, and the results of this review will inform the next phase. NMC must provide competitive wages so that it can recruit the best employees and retain its current workforce.

#### **Faculty Ranking**

A faculty rank structure was established.

#### **Training**

To continue professional development initiatives for all employees, training activities have taken place for the entire campus community throughout the past year. A list of all of the training activities can be found in an earlier section of this report.

#### **Hiring of Enrollment Services Director**

Manny Castro was hired to provide leadership in enrollment management and to design and implement strategies to help the College achieve and maintain the optimum recruitment, retention, and graduation rates of students.

#### **Hiring of New HR Director**

Jack Kiyoshi, who worked in NMC's Human Resource Office, has been appointed as the new HR Director.

#### **Office of Institutional Advancement**

The External Relations Office and the operations of the NMC Foundation have been consolidated under the leadership of Frankie Eliptico.

#### **NMC Rota & Tinian Centers**

President hired Martin Mendiola and Maria Aguon to serve as executive directors for Rota and Tinian centers, respectively. She also elevated these positions to become direct reports of

the president. In November, President Fernandez also met with Tinian Mayor San Nicolas regarding the training initiatives for municipal employees. President Fernandez also stressed that Rota and Tinian will be included in ALL facilities master planning activities.

### **Student Services**

The College filled three critical positions at the Learning Support Services Office: a Disability Support Services Counselor, an Early Intervention Counselor, and an Administrative Manager.

### **Financial Aid**

The Financial Aid Office was able to fill two important positions that were left vacant for several years. These positions are the Financial Aid Counselor and the Financial Aid Specialist.

### **Hiring of Student Leadership and Activities Coordinator**

The position of OSAL Coordinator had been vacant for many years. Prioritized the hiring of this position to emphasize and ensure “Students First.”

### **Chief Financial Officer**

Hired new Chief Financial Officer, Andrew Reese, in February, 2017. He oversees that Finance Office, the Procurement and Property Management Office, and the NMC Bookstore.

## **11. Donations / Grants**

---

### **Donations**

In FY2017, Northern Marianas College received about \$170,000 in cash, ETC, and in-kind donations as part of the NMC Foundation Golf Tournament Fundraiser. This cash and ETC amount – about \$65,000 – is nearly double from the previous year’s event. The ETC, cash, and in-kind donations were received from over 100 companies:

Ace Hardware  
Alexander Realty & Development  
All Stars & Borderline  
Alter City Group  
Ambyth Shipping Micronesia, Inc.  
Aquarius, Inc.  
Aristotle  
Atkins Kroll (Saipan) Inc.  
Bank of Guam  
Best Sunshine International  
Bridge Capital  
Burger Comer Magliari  
Cargo Express (Saipan), Inc.  
CNMI Allied Professionals  
Coral Ocean Point Resort  
Country House Restaurant  
D & Q  
Delta Airlines  
DFS  
DKSH, Saipan, Inc.  
Docomo Pacific

Express Financial  
Express Printing  
First Hawaiian Bank  
Fishing Tackle & Sporting Goods  
FPA Pacific Corporation  
Garcia Hamilton & Associates  
Global Security Agency  
Gold's Gym Saipan  
Good Day Saipan  
Grandvro Resort Saipan  
Hard Rock Cafe  
Hofschneider Engineering Corporation  
Hyatt Regency Saipan  
IP&E  
Island Apparel  
Islander Rent-a-Car  
Island Training Solutions  
IT&E  
Java Joes  
J.C. Tenorio Enterprises, Inc.

J.G. Sablan Ice  
Kanoa Resort  
Kautz Glass  
Kensington Hotel  
KKMP  
KSPN2  
KZMI  
Lao Lao Bay Golf Resort  
Lanchun Jacq  
Made in Saipan Gift Shop  
Marianas Breeze  
Marianas Fast Food, Inc.  
Marianas Insurance Company, LTD.  
Marianas Medical Center  
Marianas Pacific Distributors, Inc.  
Marianas Variety  
Matson Navigation Co.  
McDonald's of Saipan  
Mechille Corporation  
Megabyte  
Micronesian Brokers (CNMI), INC.



MITA Travel  
National Office Supply  
Natural Nail Spa  
NO KA OI Termite & Pest Control  
Northpac Corp., Inc.  
Pacifica Insurance Underwriters, Inc.  
Pacific Home Appliances  
Corporation  
Pacific Saipan  
Pacific Islands Club  
Pacific Trading Company  
Priority Care  
QQ Car Rental  
Revolving 360 Restaurant

Rosal Zest  
Saipan Advertising  
Saipan Brewing  
Saipan Computer Services  
Saipan Dolphin Corp.  
Saipan Hana Tour  
Saipan Sanko Transportation, Inc.  
Saipan Sea Ventures, Co. Inc.  
Saipan Seventh Day Adventist Clinic  
Saipan Shipping Co., Inc.  
Saipan Submarine  
Saipan Travel, Inc.  
Shenanigans Restaraunt  
Skydive Saipan

Sorenson Media Group  
Star Sands Plaza  
Strategic Gaming Solution, Inc.  
Sun Palace Hotel  
Takagi and Associates, Inc.  
Taro Sue Corporation  
The Shack  
Torres Brothers, LLC  
Triple J  
TSL Foundation  
Western Sales Trading Co.  
World Tour & Travel  
Wushin Corp  
YCO Corporation

### **Computer Lab Renovation / Enhancement**

In 2017, Northern Marianas College received a total of \$25,000 from the Bank of Hawaii. The funds will be used to help enhance computer facilities for NMC students.

### **Solar Energy Grant**

Northern Marianas College received a grant for \$489,807 for the installation of roof-mounted photovoltaic or PV systems (139kW) on three campus buildings.

### **UCEDD Grant**

The Northern Marianas College University Center of Excellence in Developmental Disabilities (UCEDD) was awarded a new 5-year grant in the amount of \$910,000 (\$182,000 annually).

### **Distance Learning Education Grant**

The Distance Learning Education Program was awarded a 3-year grant in the amount of \$124,827 (\$41,106 annually) by USDA and the National Institute of Food and Agriculture (NIFA). The goal of the grant is to increase capacity at the NMC in the field of food and agriculture science.

### **Sexual Violence Prevention Grant**

Career Center was awarded a Campus Program Grant in the amount of \$299,983 to reduce sexual violence, dating violence and stalking on campus.

### **Pell Grant**

The Financial Aid Office received and verified 1275 FAFSAs during the school year, 903 applicants were awarded Title IV fund(s) to help pay for their education. A total of \$3,926,321 of Title IV funds was awarded to students who met the eligibility to receive federal student aid.

### **Volunteer/In-Kind Support**

Recruited volunteers like Tee Abraham, Canice Rabauliman, and other community members to donate their time. Also sought Mayor David Apatang's assistance in having his office help in preparing the NMC campus for the accreditation visit.

## 12. College Organization / New Programs

---

### **Academic Programs Reestablished on Tinian and Rota**

To ensure that Tinian and Rota students have immediate access to high quality programs, the College reestablished academic programs on these islands. The leads of these campuses were also elevated to executive directors directly reporting to the President.

### **Prior Learning Assessment (PLA)**

The College strengthened the Prior Learning Assessment by hiring a PLA program manager and program coordinator. The program has enrolled a total number of 166 in the past year, which is significant increase from the previous year (when there were only four enrolled PLA students).

### **Office of Institutional Advancement**

The External Relations Office and the operations of the NMC Foundation have been consolidated to streamline marketing and fundraising activities.

### **Office of Institutional Effectiveness**

The functions of the Office of Institutional Effectiveness have been elevated at NMC to emphasize the College's commitment to research and data to drive decision making. The director was elevated to a dean level position.

### **Casino Management**

The School of Business launched the Certificate of Achievement in Casino Management and the Dealing Academy.

### **New Social Work Program**

The Liberal Arts Degree with an emphasis in Social Work was launched. This was a joint effort between NMC, University of Alaska, Fairbanks, and WICHE.

## 13. Facilities Master Plan

---

### **Facilities Master Planning.**

The construction of state-of-the-art, LEED-certified facilities is an initiative President Fernandez is aggressively pursuing. Within the first 100 days of her term, she has met the Governor, members of the CNMI Legislature, and other key partners to explore funding options for this multi-million project that would involve technology-equipped classrooms, efficient student service offices, and an architecturally elegant student center that NMC students very much deserve. When the A&E plans are completed, the College will break ground sometime in 2018.

## 14. NMC Gymnasium

---

### NMC Gymnasium Construction

The NMC Gym, a FEMA-funded project, is on track for design completion in early 2018. This project is on schedule for completion and reopening in 2019.

## 15. Workforce Development

---

### Community Development Institute

The College continues to provide workforce development courses to help residents obtain key skills and knowledge. In 2017, NMC's Community Development Institute provided the following training programs with a number of private sector and CNMI Gov' partners:

### Degrees and Certificates Awarded Conferred

Certificate of Completion: Fire Science Technology	38
Certificate of Completion: Nursing Assistant	9
Associates in Arts, Business:	9
Associates in Arts, Liberal Arts:	36
Associates in Arts, Liberal Arts: Education Emphasis	19
Associate in Applied Science in Business Administration, Accounting Emphasis	11
Associate in Applied Science in Business Administration, Business Management Emphasis:	7
Associate in Applied Science in Business Administration, Computer Application Emphasis:	10
Associate in Applied Science, Criminal Justice:	15
Associate in Applied Science, Hospitality Management:	8
Associate in Science, Natural Resources management:	12
Associate in Science, Nursing:	18
Bachelor of Science in Business Management	9
Bachelor of Science in Education: Early Childhood Education Concentration	3
Bachelor of Science in Education: Elementary Education Concentration	11
Bachelor of Science in Education: Rehabilitation & Human Services Concentration	3
Bachelor of Science in Education: Special Education Concentration	2

### 25% Increase in the Number of Awards Conferred

In 2017, there were 25% more graduates when compared to the previous year.

Year	No. of Graduates	% Increase
2016	176	
2017	220	25%

*“Data-driven,  
evidenced-based  
decision making for  
continuous  
**quality**  
improvement.”*

Dr. Carmen Fernandez  
**NMC President**

**Northern Marianas College**  
**Fiscal Year 2017 Annual Financial Report**  
**Pursuant to CNMI Public Law 17-47**

---

**A. Introduction and Requirements of CNMI Public Law 17-47**

This report is submitted pursuant to Commonwealth of the Northern Mariana Islands Public Law 17-47, and provides an overview of the College’s un-audited financial activities that occurred during the fiscal year 2017 ending September 30, 2017, with commentaries on internal and external issues that impacted these activities.

Pub. L. 17-47 “is an Act to amend 3CMC §1316 to provide improved financial oversight of the Northern Marianas College (NMC), which will maintain fiscal stability for students’ well-being and accreditation reasons; to emphasize the constitutionally mandated use of the attorney general’s office; and for other purposes.” Pub. L. 17-47 requires the College “to submit to the Governor and the legislature within 120 days after the end of the fiscal year an annual financial report that follows acceptable accounting practices, including all revenue collections, line item expenditures, banking reports, a college trust fund report, and including an annual accomplishment report of the operations, administration and activities of the college.” Accordingly, this report is organized into the following sections:

- Section A. Introduction and Requirements of CNMI Public Law 17-47**
- Section B. Northern Marianas College’s (The College) Accounting Principles**
- Section C. Revenue Collections**
- Section D. Line Item Expenditures**
- Section E. Bank Reports**
- Section F. College Trust Fund Report**
- Section G. Accomplishment Report of the Operations, Administration, and Activities of the College** (Please see the accompanying Northern Marianas College Annual Report.)

**B. Northern Marianas College’s (The College) Accounting Principles**

The College presents its financial statements in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Board Standards (GASB). These accounting principles require that three financial statements are presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, however, in compliance with Pub. L. 17-47 and due to ongoing audits of these statements scheduled to be completed by May 31, 2017, the College will extract out of the three financials statements the required information as noted in the

law and focus on Revenue Collections, Line Item Expenses, and College Trust Fund Report for the fiscal reporting year 2017.

For financial statement purposes, the College is considered a special-purpose government entity engaged only in business-type activities and, therefore, is only required to report activities in a single column in the financial statements. Accordingly, the College’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

**C. Revenue Collections**

The purpose of this section is to present both operating and non-operating revenues received by the College (not including the operating and non-operating expenses paid by the institution) and any other revenue received (not including the amounts spent or owed by the College). At the time this report was completed, the absence of the completed audits of the three financial statements, as in the past, the College would still face a net operating loss for the fiscal year because CNMI Appropriations and interest earned on the College’s endowment fund are not reported as operating revenue. Therefore, the College requests for the flexibility to make adequate changes once the full FY 2017 audit is complete in May 2018.

Although the College continued to have financial challenges in FY 2017, the College remains grateful to the Governor, Lt. Governor, and the Legislature for the support provided. However, although the College generates these types of revenue, the College reiterates that it will continue to reflect operating losses until such time that operating revenues are increased substantially and the College no longer has to rely on CNMI appropriations as these appropriations are reported as non-operating income.

In FY 2017, the College received revenue (un-audited) from the following funding sources:

1. **General revenues.** This category includes resident and non-resident tuition net of tuition discounts afforded to CNMI government employees, senior citizens, and active military personnel. Fees include international student fees, English placement test fees, admissions fees for residents and non-residents, lab and course fees, registration fees, flat fees, facilities fees, technology fees, and transcript fees. Other revenue in this category includes indirect revenue, rent, and miscellaneous revenues. General revenues derived from tuition and fees and other revenue comprise the College’s operating budget. These revenues are used for the purpose of the College’s daily operations and are allocated and encumbered.

<i>FY 2017</i>	<b>GENERAL REVENUES</b>
<b>ALLOCATED REVENUES</b>	\$4,334,425

\*Source: Unaudited financial statements for FY 2017

2. **Appropriations.** This includes all monies received by the CNMI government for appropriations and are considered non-operating revenues. For FY 2017, NMC submitted a request for appropriations in the amount of \$8.6 million based on actual need, however, received only a direct appropriation of \$4.376 million.

<i>FY 2017</i>	<b>FY 2017 APPROPRIATION PER PL 20-11</b>
<b>CNMI Appropriations</b>	\$4,376,250

\*Source: Unaudited financial statements for FY 2017

3. **Federal revenue.** Sources include all grants received by the College in FY 2017. It is important to note that the large majority of the grant revenues received by the College do not go to directly general operations of the college for academic and instructional programs, but rather are for very specific to the functions of the grant award. Approximately 65% of the federal monies are for Student Financial Assistance Programs (all of which is passed through directly to students) and Adult Basic Education, while 23% directly supports the College’s Cooperative Research Extension and Education Services. A schedule of federal award programs for FY 2017 is provided below.

<i>FY 2017</i>	<b>FEDERAL SOURCES</b>
Federal Grants Revenue	\$7,312,714

\*Source: Unaudited financial statements for FY 2017

<b><i>Federal Grantor Agency</i></b>	<b><i>Federal Project Title</i></b>
U.S. Department of Education	Student Financial Assistance Programs
U.S. Department of Education	Adult Education Program
U.S. Department of Education	AANAPISI Serving Institution Program
U.S. Department of Agriculture	Payments to Agricultural Experiment Stations Under the Hatch Act
U.S. Department of Agriculture	Cooperative Extension Services
U.S. Department of Agriculture	Building Faculty Capacity
U.S. Department of Agriculture	Non communicable Disease Prevention
U.S. Department of Agriculture	Islands of Opportunity Alliance
U.S. Department of Agriculture	Children’s Healthy Living Program
U.S. Department of the Interior	Economic, Social and Political Development of the Territories – Compact Impact
U.S. Department of the Interior	U.S. Apprenticeship Program (CWAP)
U.S. Dept. of Health and Human Services	Enhance Cross Discipline Infrastructure and Training (EXITO)
U.S. Dept. of Health and Human Services	University Centers for Excellence in Developmental Disabilities Education, Research and Services
U.S. Dept. of Health and Human Services	Area Health Education Center
National Endowment for the Humanities	NMHC Culture in the Marianas

4. **Special revenues.** Special revenues are composed of gifts and contributions including private gifts and contributions and educational tax contributions and other revenue including program revenues derived from the College’s Community Development

Institute that are generated to fulfill obligations for specific and contractual projects and activities, as well as interest earned, and miscellaneous revenues.

<i>FY 2017</i>	<i>SPECIAL</i>
<b>SPECIAL REVENUES</b>	\$246,213

\*Source: Unaudited financial statements for FY 2017

#### **D. Line Item Expenditures**

The purpose of this section is to present both operating and non-operating expenses paid by the College. The following figures reflect the increasing costs of operating the College. The College requested for such funds through appropriations, however, the funding allotted was not at the level needed. The cost of providing higher education exceeds the full “sticker” price charged to students and their families in the form of tuition and related fees, by approximately \$5,000. Even those students who pay full tuition are supported by other sources of funds such CNMI appropriations and other revenues generated by NMC. The College will continue to reflect operating losses and rely on CNMI appropriations until the point we’re able to significantly increase our student population and/or our economy can justify and support greater tuition cost. In the meantime, reliance on CNMI appropriations is a necessity.

<b>Northern Marianas College Expenditures FY 2017</b>	
Salaries and Benefits	\$ 6,161,583
Adjunct Faculty / Overload	\$ 584,444
Travel	\$ 330,719
Capital Expenditures	\$ 236,347
Supplies	\$ 116,944
Contractual Services	\$ 258,569
Student Expenditures	\$ 205,832
Communications	\$ 327,847
Rent	\$ 106,996
Utilities	\$ 211,192
Other	\$ 792,270

\*Source: Unaudited financial statements for FY17

\*\*Depreciation expense for FY17 has not been recorded to date.

#### **E. Bank Reports**

The College maintains bank accounts with FDIC insurance. In most cases, FDIC insured banks guarantee the protection of up to \$250,000 per account. The College works with the following FDIC insured financial institutions: Bank of Guam, Bank of Hawaii, and First Hawaiian Bank. Due to requirements of protecting its assets, the College has one or more accounts in each of these institutions. Accounts include checking, savings, and time certificates of deposit. The amounts in each account are used for specific operational functions, federal grant requirements, audit requirements, college policy requirement, accreditation requirements, and more.

##### **1. Operations (Revolving Accounts)**



Due to the amount of federal revenues the College receives, and the method in which the College is allowed to draw funding down from the federal government (the College uses operations funds to pay for federal expenses, then is reimbursed, or draws down, the amount), as well as the College's obligations to students, vendors, employees, and other entities, the College strives to maintain revolving operating funds of at least 40% of the total amount of estimated revenues per year spread out on a quarterly basis.

The College has a policy to maintain a Contingency Fund of at least 5% per year of the total annual general fund revenues, to be reserved for emergency purposes. Cash flow position is a very strong indicator of the College's ability to maintain financial stability required by accreditation standards. In FY 2017 the College established an operations budget of \$4.4 million and set aside a minimum of \$220,000 in general funds to meet this requirement. This amount is distributed among Bank of Guam and First Hawaiian Bank accounts and is reflected in the snapshot below.

***Snapshot of Obligated Funds for each respective bank as of September 30, 2017***

Due to dwindling resources, the amounts shown below may have been reduced and obligated towards expenses in FY 2017. All amounts reported below are as of September 30, 2017.

<b>Bank</b>	<b>Balance</b>	<b>Status</b>
Bank of Hawaii:	\$5,447,239	Obligated
Bank of Guam:	\$1,004,551	Obligated
First Hawaiian Bank:	\$192,084	Obligated

***2. Other Funding***

The College is legally or contractually obligated to set aside funds to meet requirements by external entities that have placed time or purpose restrictions on the use of these funds. These funds are maintained in restricted accounts. Due to dwindling resources, the amounts shown below may have been reduced and obligated towards expenses in FY 2017. All amounts reported below are as of September 30, 2017.

- The College is required to reserve from federal sources funding to pay for annual leave accrued by federally funded employees. A savings account at the Bank of Hawaii contained a balance of \$341,978 reserved and restricted for such obligation.
- The College maintains a special restricted account for payroll purposes. The balance in this account held at Bank of Guam was \$379,889.
- The College is also required to maintain a restricted account for those federal programs that require matching funds. The balance for this account held at Bank of Hawaii was \$681,928.
- A special account held at Bank of Hawaii is set aside for federal indirect programs as well as our restricted investment accounts with an ending balance of \$661,214.

While these funds are considered unrestricted from an accounting perspective, the College is required to keep cash reserves, which are essential for maintaining financial solvency, weathering economic cycles, and planning for emergencies as well as future growth. In

particular, the College aims to grow the funds as seed money to reinvest in the development and expansion of the College's decades old facilities. Importantly, best practices for higher education dictate that institutions maintain reserve funding sufficient to meet a recommended Composite Financial Index (CFI) score of 3. The U.S. Department of Education requires a CFI of greater than 1.5 in order to maintain eligibility for federal student financial aid, including Pell Grants which fund 90% of all student tuition at the College. Finally, the College's accrediting body, WASC Senior College and University Commission (WSCUC), recommends a Primary Reserve Ratio of .40x or better to cover about five months of expenses (40 percent of 12 months) from reserves. Anything less would be a cause for concern by WSCUC and potentially jeopardize the College's accreditation.

- The College maintains a time certificate of deposit at Bank of Guam, with a year ending value of \$352,394.
- The College maintains a time certificate of deposit at First Hawaiian Bank; however the TCD matured at 9/30 and reflected a cash balance of \$192,084.
- The College maintains a savings account at Bank of Guam, with a year ending balance of \$137,559.
- The College also holds in its reserves a money market account with Raymond James Financial, the value of which was \$879,870.

#### **F. College Trust Fund Report**

The College administers a trust fund which is comprised of gifts, grants, donations, Educational Tax Credits, and a U.S. Department of Agriculture Land Grant endowment through the NMC Foundation Board of Directors, a separate legal entity. The investments are held in the name of the College; however, they are administered by a separate legal entity. The Land Grant was endowed with a one-time nonexpendable principal of \$3,000,000 in 1986. Additional contributions were made of \$100,000 from the NMC Foundation generated through fundraising and solicitation activities during the year ending September 30, 2010 and \$100,000 from a private donation during the year ending September 30, 2008. The principal of this fund is nonexpendable while investment income is available for operations subject to approval by the Foundation Board. The investment income derived from the principal \$3,000,000 endowment is accounted for as restricted revenues of the College, while fundraising activity of the Foundation Board is accounted for as unrestricted revenues of the College. All activities of the Foundation Board are accounted for within the College's audited financial statements. The funds are currently invested with Raymond James Financial. As of September 30, 2017, the most recent reporting date, the total value of all the Foundation's accounts amounted to \$7.36 million. Notably, by law, the trust fund may not be co-mingled with operating funds of the College.

In addition to the endowment fund balance, the College recorded the following revenues and expenditures for the trust fund:

<i>REVENUES</i>	
Private Gifts & Contributions	\$ 23,995
Education Tax Contributions	\$ 61,799
Fundraising Revenue	\$ 13,572
<b>Total REVENUES</b>	<b>\$ 99,366</b>

<i>EXPENDITURES</i>	
Administrative Expense	\$ 30,357
Dues and Fees	\$ 350
Fundraising Expense	\$ 20,368
<b>Total EXPENDITURES</b>	<b>\$ 51,075</b>

<i>NET INCOME</i>	
Total Revenues	\$ 99,366
Total Expenditures	\$ 51,075
<b>Total NET INCOME</b>	<b>\$ 48,291</b>

\*Source: Unaudited financial statements for FY 2017

### **G. Accomplishment Report of the Operations, Administration, and Activities of the College**

Please see the accompanying Northern Marianas College Annual Report.

#### **Contacting the College's Financial Management**

This financial report is designed to provide a general overview of the College's finances and to demonstrate the College's accountability for the money it receives, based on the requirements of Pub. L. 17-47. If you have questions about this report, or need additional information, please contact Andrew Reese, Chief Financial Officer at the Northern Marianas College, P.O. Box 501250, Saipan, MP 96950, or via phone at (670) 237-6714 or via e-mail at [andrew.reese@marianas.edu](mailto:andrew.reese@marianas.edu).