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Missouri State Auditor

HIGHER EDUCATION

Jefferson College

January 2015
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Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jefferson College

Accounting Controls and Procedures	<p>The financial reporting capabilities of the college need improvement. Many reports we requested for our audit had to be created by the college's Information Technology Department. Personnel in the Continuing Education Department do not always issue prenumbered receipt slips and do not account for the numerical sequence of receipt slips. The Student Services Department does not issue prenumbered manual receipt slips for transcript copies and application fees. In addition, no one independent of the receipting process compares amounts receipted to the amounts that should have been charged. The cashier's office maintains a change fund of \$2,200, which may be excessive. The cashier's office and the campus police department do not work together to ensure the numerical sequence and ultimate disposition of tickets issued by the police department are accounted for properly. The cashier's office allows students and employees to cash personal checks despite the availability of an on-campus ATM. The office clerk at the college's Imperial campus does not balance the cash drawer at the front desk on a regular basis.</p>
Fuel Reconciliation	<p>The college does not reconcile fuel logs to fuel billings. The college maintains 3 unlocked bulk fuel tanks on campus, and uses fuel logs showing the date, amount of fuel pumped, and the vehicle for which the fuel was used. However, the college does not compare total gallons pumped, gallons purchased, and gallons on hand.</p>
Rental Fees	<p>The college could not provide supporting documentation for the procedures utilized to determine the rental fees charged for renting college facilities. In addition, the college did not document its review of dorm room rates. The college collected \$735,874 in dorm room rent for the year ended June 30, 2014.</p>
Information Security and Computer Controls	<p>The college does not perform periodic background checks for employees with access to sensitive information. Additionally, the college does not have written documentation showing which students and employees have authorized access to information assets. The college does not require periodic changing of the password for the college's password management application.</p>

College Foundation

The foundation does not perform adequate bank reconciliations and does not always issue checks in numerical order. The foundation did not always comply with the Sunshine Law, even though foundation by-laws require compliance. Open meeting minutes did not record a roll call vote of the Foundation Board to enter into or exit closed sessions, and minutes for closed session meetings are not prepared. The college subsidizes a portion of the operating costs of the foundation by paying the salaries of the foundation's Executive Director of Development and the Development Assistant. The college has not entered into a formal agreement with the foundation

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

All reports are available on our Web site: auditor.mo.gov

Jefferson College

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THOMAS A. SCHWEICH

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees of the Community College District of Jefferson County
and
Dr. Raymond V. Cummiskey, President
Jefferson College
Hillsboro, Missouri

We have audited certain operations of the Community College District of Jefferson County (Jefferson College) in fulfillment of our duties under Chapter 29, RSMo. The college engaged Daniel Jones and Associates, Certified Public Accountants (CPAs), to audit the college's financial statements for the year ended June 30, 2013, and June 30, 2014. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2013, since the year ended June 30, 2014, audit had not been completed at the time we started our audit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objectives of our audit were to:

1. Evaluate the college's internal controls over significant management and financial functions.
2. Evaluate the college's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate selected records and activities of the college's foundation.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the college, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the college's management and was not subjected to the procedures applied in our audit of the college.

For the areas audited, we identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) weaknesses with the procedures of the college's foundation. The accompanying Management Advisory Report presents our findings arising from our audit of Jefferson College.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Tessa Rusatsi
	Devin Jackson
	Margie Freeman

Jefferson College

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Improvements are needed with the college's financial reporting system. Control weaknesses exist related to cash handling procedures at various locations. Various departments and programs collect and transmit receipts to the cashier's office for further processing. During the year ended June 30, 2014, the cashier's office processed approximately \$17.7 million.

1.1 Financial reporting

The financial reporting capabilities of the college need improvement. Many reports we requested during our audit had to be created by the college's Information Technology Department. These reports included detailed lists of expenditures and payroll reports listing the name, hire date, position, pay grade and pay rate of employees. This information had to be manually prepared based on computer screen shots and hard copy documents. In addition, a complete check register could not be immediately provided by the college because of the reporting limitations of the college's computer system.

The Controller indicated the college has been using the same automated accounting system since 1998 but is currently working to expand financial reporting capabilities. This system processes accounting, payroll, human resources, financial aid, student admissions, and registration information for the college. According to the Controller and Vice President of Finance and Administration, some standardized reports are now available, but the college will continue efforts to expand financial reporting capabilities. However, these efforts have been hampered by the lack of dedicated personnel to create the reports needed.

To ensure all levels of management have access to the financial reporting information needed to make appropriate and economical decisions, the college's system must provide management access to complete and accurate financial information.

1.2 Receipting procedures

Receipting procedures in the Continuing Education and Student Services Departments need improvement.

- Personnel in the Continuing Education Department do not always issue prenumbered receipt slips and do not account for the numerical sequence of receipt slips. The department issues 3 different types of receipt slips in addition to the receipt slip that is issued by the college's accounting system. These other types of receipt slips will be issued if a class is not finalized and a refund will need to be given. One type of receipt slip is not prenumbered and no one accounts for the numerical sequences of the receipts that are prenumbered.

Continuing Education personnel stated that they wait until classes are finalized to transmit registration monies and enter the receipts in the college accounting system. If a class is canceled, the cash and/or checks



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Management Advisory Report - State Auditor's Finding

received from students are returned. Continuing Education personnel indicated this is done to avoid having to process refund checks through the college accounting system. During the year ended June 30, 2014, the Continuing Education Department collected approximately \$141,000 in receipts.

- The Student Services Department does not issue prenumbered manual receipt slips for transcript copies and application fees. In addition, no one independent of the receipting process compares amounts received to the amounts that should have been charged. During the year ended June 30, 2014, the Student Services Department collected approximately \$77,545 in transcript receipts and application fees.

To properly account for monies received and reduce the risk of loss, theft, or misuse of funds, the college should issue prenumbered receipts slips for all monies received, immediately transmit monies received to the cashier's office and enter receipts in the accounting system; account for the numerical sequence of receipts; and reconcile receipt slip amounts to transmittals, amounts entered in the accounting system, and transcript requests and applications received. In addition, all refunds should be made timely and by check.

1.3 Cashier's office change fund

The cashier's office maintains a change fund of \$2,200, which may be excessive. Cashier's office personnel indicated they maintain this amount to ensure cash reserves are adequate for making change and to allow for loaning money to campus organizations for change funds. However, cashier's office personnel stated no more than \$250 is normally loaned out for change funds. Therefore the amount of the change fund could be significantly reduced.

To reduce the potential for fraud or theft occurring, the change fund balance should be kept to a minimum.

1.4 Campus police department tickets

The cashier's office and the campus police department do not work together to ensure the numerical sequence and ultimate disposition of tickets issued by the police department are accounted for properly. As tickets are issued, copies are given to the cashier's office for processing. However, there are no procedures to account for the numerical sequence of tickets issued or to ensure all tickets issued have been provided to the cashier's office. During the year ended June 30, 2014, the college collected approximately \$6,600 in ticket revenue.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the cashier's office and the police department cannot be assured all tickets issued are properly submitted for processing. A record should be maintained, accounting for the ultimate disposition of each ticket issued to decrease the risk of loss, theft, or misuse of funds.



1.5 Personal checks

Cashier's office personnel allows students and employees to cash personal checks despite the availability of an on-campus ATM. As a result, monies received are not always deposited intact. Cashier's office personnel stated they do not keep a log showing the number or amount of personal checks cashed.

Cashing personal checks from daily cash receipts is a poor practice and reduces the accountability of monies received. To help ensure cash receipts are accounted for properly, daily receipts should be deposited intact. If the college wishes to continue providing check-cashing services for its students and employees, the checks should be cashed from a separate cash drawer maintained on an imprest basis and not from daily cash receipts.

1.6 Imperial campus cash drawer

The office clerk at the college's Imperial campus does not balance the cash drawer at the front desk on a regular basis. At the time of our fieldwork in July 2014, the drawer had not been balanced since July 2011. College personnel indicated that the drawer is only balanced when the change fund has to be replenished.

Regularly balancing the cash drawer is necessary to provide assurance cash is handled properly and to reduce the risk of loss, theft, or misuse of monies.

Recommendations

The Board of Trustees:

- 1.1 Evaluate the adequacy of the college's financial reporting system and continue to address deficiencies in the system's reporting capabilities to provide timely and accurate financial information to management.
- 1.2 Revise the receipting process to require (1) prenumbered receipts be issued when monies are received, (2) the numerical sequence of receipts be accounted for, (3) all monies be deposited timely, and (4) someone independent of the receipting process to compare amounts received to amounts that should have been charged and collected for copies of transcripts and applications.
- 1.3 Determine the minimum amount of monies needed for the cashier's office change fund.
- 1.4 Ensure the campus police department and cashier's office work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.
- 1.5 Discontinue the practice of cashing personal checks for students and employees.
- 1.6 Ensure all cash drawers are balanced timely.



Auditee's Response

- 1.1 *We agree in principle with the auditors' findings. Current financial reporting is inadequate. We believe, however, that a substantial investment in either report writing software and/or manpower dedicated to financial reporting, will be required to fix this issue. We are constantly working to improve financial reporting given the current resource constraints and will explore opportunities to expand those resources as well over the course of the next two years.*
- 1.2 *Effective immediately, the Continuing Education Department will discontinue using handwritten receipts and will ensure that all registrations and payments are processed immediately into the college accounting system as received each day. This process will ensure the use of sequentially numbered receipts through our accounting system. Personal checks will no longer be returned to students upon receipt when classes have already been canceled. All registrations will be processed and payments deposited daily, whether or not a class is finalized and college issued refund checks will be written if classes are subsequently canceled.*
- Student Services is currently in the process of automating the application and transcript process. Once completed, the majority of payments will be processed on-line. The Business Office will work with Student Services to develop tighter controls for the few remaining cash receipts, which we anticipate can be completed by August 2015.*
- 1.3 *We believe the current change fund of \$2,200 is appropriate. Each of the three cash drawers requires a \$200 balance to conduct daily operations, a total of \$600. The additional amount is needed to fund change required for special events. At times, even the \$2,200 is not sufficient when multiple events are occurring simultaneously. In addition, cash is balanced daily to ensure the integrity of the operation.*
- 1.4 *We agree. The Business Office will work with the Campus Police Department to develop a process whereby the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. We will endeavor to have this process in place by August 2015.*
- 1.5 *We agree. Effective January 2015, the college will no longer cash personal checks. Students and employees will be directed to the on-campus ATM.*



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Management Advisory Report - State Auditor's Finding

1.6 *We agree. Our current policy requires all cash drawers, including the one at Imperial, to be balanced on a daily basis and we will ensure this policy is reinforced effective immediately.*

2. Fuel Reconciliation

The college does not reconcile fuel logs to fuel billings. The college maintains 3 unlocked bulk fuel tanks on campus and uses fuel logs showing the date, amount of fuel pumped, and the vehicle for which the fuel was used. However, no comparison is performed between total gallons pumped, gallons purchased, and gallons on hand. As a result, there is less assurance fuel usage is accounted for, invoices for fuel purchased are correct, and theft would be detected promptly. The college purchased approximately \$30,600 in fuel during the year ended June 30, 2014.

Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. The failure to lock the fuel tanks and account for fuel use could result in theft and misuse going undetected.

Recommendation

The Board of Trustees should ensure the fuel tanks are locked, and a documented periodic reconciliation of fuel purchased to fuel used is performed, with any significant discrepancies investigated.

Auditee's Response

We agree. A documented process to reconcile fuel purchased and consumed will be developed by not later than February 2015 and we will immediately lock the pumps to secure access.

3. Rental Fees

The college's procedures for determining fees charged for facility rent and dorm rooms need improvement.

- The college could not provide supporting documentation for the procedures utilized to determine the rental fees charged for renting college facilities. As a result, there is no assurance fees charged for renting out college facilities are reasonable and cover all costs incurred. College personnel indicated the amount of rent charged is comparable to fair market value in the area. The college collected \$30,184 in rental fees for the year ended June 30, 2014.
- The college did not document its review of dorm room rates. According to college personnel, the college reviews and tries to set rates in line with room rates in the surrounding areas. However, the college does not have any documentation of these reviews. The college collected \$735,874 in dorm room rent for the year ended June 30, 2014.

To ensure property rentals and dorm room rates are set appropriately, the college should establish procedures to periodically determine the amounts to be charged and maintain the related documentation.



Recommendation

The Board of Trustees periodically conduct formal cost studies to ensure the amount of the rent charged for the use of college facilities and dorm room rates are reasonable.

Auditee's Response

We agree that college facility rental and residence hall rental fees should be documented with a formal cost study and we will complete this work by the end of the current fiscal year. Thereafter, we will review these rates on a biennial basis.

4. Information Security and Computer Controls

Controls and procedures related to employee background checks, and access to system information need improvement.

4.1 Background checks

The college does not perform periodic background checks for employees with access to sensitive information. According to college personnel background checks are done when an information technology employee is hired, but additional background checks are not periodically performed.

According to accepted standards,¹ background checks should be performed for new employees and periodically for current employees dependent on the sensitivity and/or criticality of the job function. Without performing appropriate background checks, there is an increased risk of exposing sensitive information to an employee with a criminal background.

4.2 Information access

The college does not have written documentation showing which students and employees have authorized access to information assets. College personnel stated a form was previously used to request and approve access for new employees or students and for employees changing positions. However, this form is no longer in use.

The lack of documented approvals of access rights increases the risk of unauthorized access and/or changes to the system. To control access, a standardized form should be used showing documented authorizations of access rights for individual employees and students.

4.3 Password management application

The college requires changing of the password for the college's password management application only when an information technology employee who knows the password changes employment. According to college personnel, at least 5 individuals have access to the application.

¹ COBIT 5 Enabling Processes, AP007 Manage Human Resources. © 2012 ISACA. All rights reserved. Used with permission.



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Since the password does not have to be periodically changed, there is less assurance the password is effectively limiting access to the password management application to only those individuals who need access. The password should be changed periodically to reduce the risk of unauthorized access to and use of the application.

Recommendations

The Board of Trustees:

- 4.1 Ensure complete background checks are periodically performed on employees who have access to sensitive information.
- 4.2 Ensure a standard form for requesting and authorizing access to information assets is used.
- 4.3 Require periodic changing of the password to access the password management application.

Auditee's Response

- 4.1 *We agree that periodic background checks should be performed on employees who have access to sensitive information. The Business Office will work with Human Resources to identify these positions and develop a procedure to complete these background checks by March 2015.*
- 4.2 *We agree. The Business Office will work with Human Resources and Information Technology to review the existing form, make any necessary adjustments, and finalize the process by not later than March 2015. The current process is done through email and subsequent interviewing of appropriate management personnel to validate access, but no record of that approval is currently maintained.*
- 4.3 *We agree. We will require that the Password Management Application password be changed on a periodic basis similar to the changes that are currently required for individual user ids and passwords.*

5. College Foundation

Accounting controls and procedures for the Jefferson College Foundation need improvement and foundation minutes did not comply with the Sunshine Law. The college subsidizes certain operating expenses of the foundation and has no formal contract or agreement with the foundation to document the duties and responsibilities of both parties.

The Jefferson College Foundation, established in 1991, is a not-for-profit 501(c)(3) tax exempt public benefit corporation. Its mission is to increase resources, to raise funds, and to cultivate friends and partnerships to support Jefferson College and its mission. The business



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and affairs of the foundation are managed by a board of directors that includes college officials and community and business leaders.

5.1 Accounting controls and procedures

We identified problems with the foundation's accounting controls and procedures.

- The foundation does not perform adequate bank reconciliations. Processing fees charged by one of the foundation's donation acceptance websites are not accounted for when reconciling the foundation's bank account.

Adequate monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected on a timely basis.

- The foundation does not always issue checks in numerical order. During our review of checks issued during the fiscal year ended June 30, 2014, we identified six checks issued out of sequence.

To ensure all disbursements are accounted for properly and to reduce the risk of misuse of monies, checks should be issued in numerical sequence and accounted for properly.

5.2 Sunshine Law violations

The foundation minutes did not always comply with the Sunshine Law. Open meeting minutes did not record a roll call vote of the Foundation Board to enter into or exit closed sessions. In addition, minutes for closed session meetings are not prepared. Article V, Section 6, of the foundation's by-laws state the foundation will comply with Chapter 610, RSMo.

Section 610.020, RSMo, requires governmental bodies to prepare and maintain closed meeting minutes, and specifies details that must be recorded.

5.3 Subsidy

The college subsidizes a portion of the operating costs of the foundation. The foundation's Executive Director of Development and the Development Assistant perform minimal work for the college, but their salaries are fully paid by the college. College officials indicated these individuals do not track the time worked on foundation activities versus college activities. Therefore it is unclear exactly how much of these individual's time was related to foundation activities and should have been reimbursed by the foundation.

The practice of subsidizing the foundation with college funds may constitute the granting or lending of public funds to a private entity, which is prohibited by Article III, Section 38(a) and Article III, Section 39(1), Missouri Constitution.



5.4 No formal agreement

The college has not entered into a formal agreement with the foundation.

A formal agreement is necessary to ensure the college and foundation are aware of their duties and responsibilities and to provide protection to both parties. Such an agreement might include, but not necessarily be limited to, the overall goals and objectives of the partnership between the entities; anticipated activities, such as scholarship and other direct support provided to the college by the foundation; accounting system services, and equipment management services provided to the foundation by the college.

Recommendations

The Foundation Board:

- 5.1 Prepare monthly bank reconciliations for the main account and investigate and resolve any errors, ensure checks are issued in numerical sequence, and account for the numerical sequence of check numbers.
- 5.2 Ensure minutes are prepared and retained for all closed meetings.

The Board of Trustees:

- 5.3 Discontinue the practice of subsidizing salaries and benefits for individuals paid by the college who perform activities for the foundation. The individuals should track actual time worked for each activity or perform time studies to determine an allocation basis and request reimbursement for the foundation-related costs.
- 5.4 Enter into a written agreement with the foundation that documents the duties and responsibilities of both parties.

Auditee's Response

- 5.1 *We will review the preparation of bank reconciliations with the Foundation's independent accountants or another independent firm to be selected through a bid process, and develop a plan to complete these on a monthly basis by the end of the fiscal year.*
- 5.2 *We had already implemented a procedure to ensure that minutes are prepared and retained for all closed meetings and that the Foundation will comply with provisions of the Sunshine Law. This was self-discovered prior to the Auditors' arrival in April of this year.*
- 5.3 *We do not believe that subsidizing Foundation salaries is a violation of the Missouri Constitution. The primary objective of the Foundation is entirely public in nature; the Foundation's mission is to raise funds and expend resources for public education, and specifically for Jefferson College, a public institution. Further, the*



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Foundation By-Laws specify that the Executive Director will serve a dual role, working for the College under the supervision of the College President and the Board of Trustees while regularly consulting with and striving to work cooperatively with the Foundation Board of Directors and its Executive Committee. Because of the public nature of the Foundation's mission and the dual responsibility and payment structure laid out in the Foundation By-Laws, we do not believe that this structure is unconstitutional. The College has made a business decision to incur the cost of these salaries so as to maximize the Foundation's ability to meet its stated goals and objectives.

- 5.4 *We agree that a formal Memorandum of Understanding between the College and the Foundation should be developed and we will endeavor to complete this document by December 2015.*

Jefferson College

Organization and Statistical Information

The Community College District of Jefferson County was established as a result of a public election on April 2, 1963, in accordance with enabling legislation by the Missouri General Assembly (Section 178.770, RSMo). Its main campus is located in Hillsboro. The residents within the district pay a property tax to support the operations of the college.

In 1964, the college began conducting classes at Hillsboro High School. The following year the college moved to its present 400-plus acre campus two miles north of Hillsboro on Highway 21. The Jefferson College Northwest site opened in 2005 to serve the educational needs of residents along the northwest corridor of Jefferson County. The Jefferson College Arnold site opened in 2007. This site is located at Highway 141 and Astra Way near the Arnold Library and Recreation Center. The Jefferson College Imperial site opened in 2010. This site is located on Jeffco Boulevard near Imperial.

The college is a comprehensive 2-year community college with associate degrees and certificate programs in the arts, business, sciences, and career-technical fields. The college provides workforce training and personal and professional development as well as cultural, recreational, and entertainment opportunities. The college also has partnerships with Central Methodist University, Missouri Baptist University, and the University of Missouri - St. Louis to provide additional educational opportunities. In addition, the college offers a variety of courses on-line.

In the spring of 2014, the college's student enrollment totaled 4,807. However, due to numerous part-time students, the full-time equivalent student enrollment totaled 3,173. The college employed approximately 208 full-time and 275 part-time employees as of June 30, 2014.

The college is governed by a 6-member Board of Trustees, with members having staggered terms running for 6 years. Elections occur in odd-numbered years at the April general election. These individuals serve without compensation; however, they receive reimbursement for any expenses incurred in performing their duties. The Board functions as the legislative and policy-making body of the district, charged with the oversight and control of the college. The Board is responsible for defining the purpose of the college, developing and adopting the mission statement, appointing the president of the college, and approving all personnel and financial dealings. Board of Trustees meetings are held on the second Thursday after the first Monday of each month in the Administration Building Conference Room on the Hillsboro campus.



Jefferson College
Organization and Statistical Information

Board of Trustees

The Board of Trustees as of June 30, 2014, consisted of the following members:

Name	Position	Term Ends
Steve Meinberg	President	April 2015
Gary Davis	Vice President	April 2017
George Engelbach	Member	April 2015
Krystal Hargis	Member	April 2019
Ronald J. Scaggs	Member	April 2019
John Winkelmann	Member	April 2017

Executive Officers

The direction of daily operations is the responsibility of the administrative employees who serve under the leadership of the college president. These employees and their annual compensation as of June 30, 2014, were as follows:

Name	Position	Compensation
Dr. Ray Cumiskey	President	\$ 205,773 (1)
Mindy Selsor	Vice President - Instruction	128,912
Daryl Gehbauer	Vice President - Finance & Administration	126,480
Julie Fraser	Associate Vice President - Student Services	110,251

(1) Includes \$195,033 salary, \$7,200 automobile allowance, \$1,200 cell phone allowance, and \$2,340 health insurance reimbursement.

Financial Activity

A summary of the college's financial activity for the year ended June 30, 2013,² follows:

² Audited financial information for the year ended June 30, 2014, was not available at the time we issued this report.

Jefferson College
Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30, 2013
OPERATING REVENUES	
Student tuition and fees (net scholarship allowances)	\$ 7,771,987
Student housing revenues (net scholarship allowances)	642,283
Other operating revenues	1,584,209
Total Operating Revenues	<u>9,998,479</u>
OPERATING EXPENSES	
Salaries	19,060,489
Benefits	7,398,748
Financial aid and scholarships	5,729,430
Utilities	1,179,077
Supplies and other services	5,926,473
Depreciation	1,839,386
Total Operating Expenses	<u>41,133,603</u>
Operating Loss	<u>(31,135,124)</u>
NON-OPERATING REVENUES (EXPENSES)	
State aid	7,165,464
Local taxes	10,061,549
Grants and contracts	14,291,772
Investment income	57,910
Interest expense	(839,643)
Gain (loss) on sale of assets	(176,488)
Other non-operating revenue	2,680,618
Total Non-Operating Revenues (Expenses)	<u>33,241,182</u>
CHANGE IN NET POSITION	2,106,058
NET POSITION, Beginning of Year	<u>42,603,057</u>
NET POSITION, End of Year	<u>\$ 44,709,115</u>

Source: Jefferson College audited financial statements. The financial statements of the foundation are not included.