



**Missouri  
State**  
UNIVERSITY

# **Review of Mt. Grove Operations**

June 20, 2024

Report No. 191-24

Office of Internal Audit & Risk Management



# Missouri State<sup>™</sup>

U N I V E R S I T Y

**DATE:** June 20, 2024

**TO:** Dr. John Jasinski, Provost

**CC:** Dr. Chin-Feng Hwang, Chancellor of Mt. Grove  
Dr. Melissa Bledsoe, Dean of Darr College of Agriculture  
Brad Bodenhausen, Vice President for Community and Global Partnerships  
Rachael Dockery, General Counsel  
Zora Mulligan, Executive Vice President  
Clifton M. Smart III, University President

**FROM:** Office of Internal Audit and Risk Management

## **Review of Mt. Grove Operations**

### **BACKGROUND**

In November 2023, Dr. John Jasinski, Provost, expressed interest in an audit of operations in Mt. Grove. Director McNish and Provost Jasinski met in December 2023 to discuss the matter in detail. Following risk analysis performed by the Office of Internal Audit & Risk Management, an audit was added to the ongoing fiscal year 2024 plan. An entrance conference was held in February and audit work commenced in March, with an exit meeting held on April 26, 2024.

Missouri State-Mountain Grove sits on 190-acres located in Mountain Grove on the Ozarks Plateau in rural south-central Missouri. The location includes the Missouri State Fruit Experiment Station and the Missouri State Winery and Distillery. Graduate students can further their research through use of plantings and laboratories located at this site.

The VESTA program offers a course of study that leads to a Certificate or Associate of Applied Science Degree in Viticulture or Enology and is offered through Missouri State-West Plains. The Missouri State-West Plains extended campus is located just south of the State Fruit Experiment Station in Shannon Hall. At this location, the West Plains campus offers Associate of Arts (AA) in general studies, Associate of Applied Science (AAS), and Associate of Science (AS) degree programs.

### **OBJECTIVE AND SCOPE**

The objectives were to review the efficiency, effectiveness, and compliance of certain operations in Mt. Grove including control environment; space access, utilization and deferred maintenance, budget and finances including revenues and expenses, information systems and technology, payroll and timekeeping, safety, and compliance with university policies and other applicable regulation. The scope included, but was not necessarily limited to, the calendar year ended December 31, 2023.

## SUMMARY

Through audit procedures performed, we noted issues related to the current classification of operations as a “campus,” and the related reporting structure provided. We also noted a lack of strategic planning to drive progress, coordinate efforts, or source resources, facilities planning for space needs or deferred maintenance, and incomplete financial planning. Further, other operational concerns including conflicting duties which are not appropriately separated, legal agreements not in place or not reviewed by the Division of Legal Affairs and Compliance, concerns related to information systems and technology controls, non-compliance with university mandated safety procedures, non-filing of leave reports by faculty, and records and assets which should be reviewed for appropriate disposition.

Management has reviewed and concurred with all findings. Responses received are included in our report.



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Natalie B. McNish, CFE, CGAP  
Director of Internal Audit and Risk Management

Internal Auditors  
Grant Jones, Internal Auditor  
Rayuth “David” Phan, Audit Intern

Audit Field Work Completed: April 19, 2024

# OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

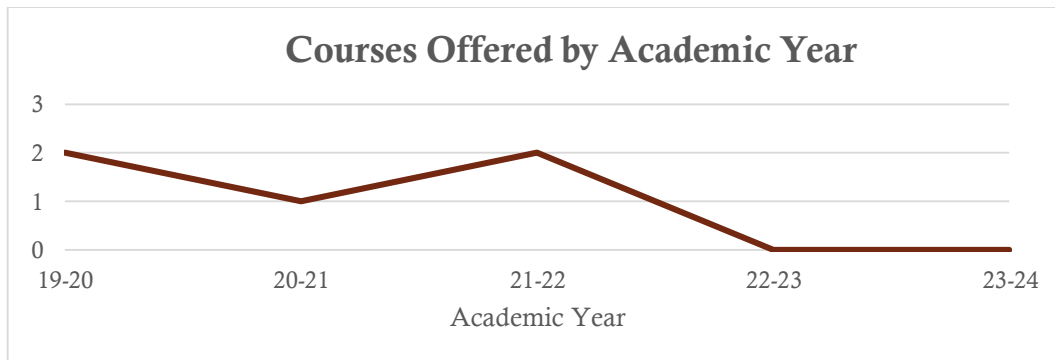
## 1. Classification and Structure

The very foundation of any entity is knowing what it is (classification) and how it operates (structure). During our review, we noted concerns with the operation's current classification and structure which are likely the root cause of other issues noted in this report.

Current operations at Mt. Grove include research, retail and wholesale business, and non-credit workshops. Historically, the Mt. Grove location has been designated as a "campus;" however, this classification does not appear appropriate.

According to the Higher Education Act of 1965 and the Higher Learning Commission (HLC), a "campus" is defined as, "A physical facility that is geographically separate from and independent from the main campus of the institution and within the same ownership structure of the institution." To be "independent from the main campus," HLC guidance provides the location must, "be permanent in nature, offer courses in educational programs leading to a degree, certificate or other recognized educational credential, have its own faculty and administrative or supervisor organization, and have its own budgetary and hiring authority." The Higher Education Act of 1965 goes farther, stating enrolled students must be able to complete more than 50% of an educational program at a "campus."

Our review determined the operations have not offered courses in educational programs leading to a degree, certificate (see chart of course offerings below), or other recognized educational credential, and while faculty and administration have been hired for the location, all courses are taught at the main campus and the administration is not empowered with its own budgetary or total hiring authority.



In addition, the location does not have its own budgetary or hiring authority. While staff and temporary positions are largely hired by the Chancellor, budgetary and hiring authority for faculty positions resides in the office of the Dean of the William H. Darr College of Agriculture.

Further, Mt. Grove's reporting structure does not allow for clear communication, collaboration, or delegation of authority. During our review, we heard from several employees who noted issues with the structure, particularly for faculty who report to both the Chancellor and the Dean. Clear reporting structures increase employee engagement and satisfaction, help execute operational strategy, and can streamline business processes.

Governing policy 4.01, University Center Policy, provides guidance for classification of academic infrastructure established to enhance the accomplishment of the university mission outside of existing units. It also provides direction regarding required planning, review of performance metrics, and structure which would be beneficial to the operations in Mt. Grove.

## **Recommendation**

Management should determine the correct classification for the operations in Mt. Grove and utilize available guidance to make changes to the current reporting structure, ensuring clear lines of reporting, role expectations, and delegation of authority.

## **Management's Responses**

*Dr. John Jasinski, Provost, provided the following written response:*

*Management concurs. Classification and structure will be determined by the Provost and Vice President for Community and Global Partnerships in the summer of 2024 and appropriate codification will be conducted thereafter.*

## **2. Planning**

The act of planning is one of the most critical business practices proven to aid in organizational success; however, there is no current documented strategic, facility, or financial plans for the operations in Mt. Grove, leaving employees and management without a clear vision or understanding of current operations or future goals.

### **A. Strategic Planning**

Strategic planning is an ongoing process of determining an organization's future focus, vision, direction, goals, and purpose. It is a process which allows management to prioritize efforts, allocate resources, align employees and stakeholders, and track progress.

Operations at Mt. Grove are not supported or driven by any strategic plan. As a result, operations exist, but are not thriving or moving forward and there are not established metrics or goals to evaluate the performance of those operations. For example, for-credit educational programming on campus has ceased and non-credit educational programming is minimal. Wine making has transitioned to spirit making and retail sales have decreased due to lower crop production.

To evaluate the retail operations, we built financial statements for the cellar (wine and spirit production), fruit (fresh fruit and fruit product sales), and workshop (non-credit educational programming) operations. These financial statements can be found in Appendix 1. In total, we noted revenues of these three areas combined have decreased by nearly \$27,000, or 35%, since 2017, with the largest annual revenue loss relating to the cellar. This was determined to be directly related to decreased fruit production due to recent weather conditions that negatively impacted grape growing seasons. Employees have worked to reduce expenses in effort to limit loss, but when considering that these reported expenses do not include any overhead (employee wages or benefits, building expense, utilities, etc.), the financial sustainability of these operations is questionable. However, the purpose of each of these operations was never solely profitability, and therefore, strategic planning should be developed to map the future of each area of retail and educational operations.

### **B. Facilities Planning**

Some facilities are not efficiently utilized, are in disrepair or in need of significant maintenance, and no facilities planning has been completed to lead the vision and mission of these structures since 2014.

The location is a 192-acre continuous parcel of land (180-acres of research land and 12-acres with classroom and other facilities) with approximately 20 structures including the Historic Faurot Hall, Shepard Hall, Classroom Building, Research Winery, Fruit Processing Education Building, Sales Dock, several Greenhouses, Shop, Machine Storage Building, Horse Barn, Duplex, Horticulture Demonstration Area (pavilion), High Tunnel, Chemical Building, and several storage sheds. Many of

these structures are in good condition and are used for the same purpose originally constructed/purposed; however, some need significant repair and/or the space is not utilized.

Beginning in 2021, Planning, Design & Construction works with campuses/colleges/locations to prepare and update master plans. These plans are tools used by, “the Master Planning Committee in determining the best way to support the future growth of the University<sup>1</sup>.” The plans are to be reviewed every five (5) years. Prior to 2021, more comprehensive visioning guides were prepared annually. The Mt. Grove location had a visioning guide prepared for fiscal years 2003-2006, 2008, 2012, and 2015, but has not had a visioning guide or a “master plan” prepared since.

Facilities Management maintains a list of deferred maintenance for all locations. Projects on this list are prioritized as follows: life safety; structural and building envelope; building infrastructure; and finishes and cosmetic issues. The section of this list specific to Mt. Grove was last updated in 2021 and totals \$3,420,000. Due to the age of the update and with the recent increase in construction costs noted in other projects, we believe this figure is low.

We evaluated the facilities through observation, interviews with employees, analyzing floor plans, historical visioning guides, and review of the current deferred maintenance list. We selected a few examples of space utilization issues and maintenance needs for example below. Pictures are provided at Appendix 2.

- The Classroom Building (a.k.a. the Director’s House), is approximately 4,000 square foot structure in space. As its names indicate, it was originally a house, but has been converted into classroom space; however, courses have not been taught at this location in several years. The space is largely vacant, and the structure has fallen into a state of disrepair. Renovations were first documented in the 2008 Master Plan; however, no renovation was ever completed and currently, Facilities Management shows this project as deferred maintenance added in 2018 with estimate of \$1,450,000 in cost. There are no specific notes in the list to show what this figure includes.
- Faurot Hall was built in 1901 as the first administration building and placed on the National Register of Historic Places in 1979. It was renovated in 1998 to house offices, laboratories, conference rooms, classrooms, and a library. The structure is currently used sparingly by faculty who have assigned office space or lab space on the second floor of the structure and minimally by outside parties who rent the large classroom for events. While the building is in fair condition, there are areas of in need of repair. The building does not have a fire suppression system (alarm and sprinkler system), the building envelope needs repair, and the connecting walkway between the historic structure and the new hall has significant water damage. Facilities Maintenance shows the fire suppression and building envelope projects as deferred maintenance added in 2009 and 2018, respectively, with an estimated cost of \$220,000. Repairs to the connecting walkway are not reflected in the current deferred maintenance list.
- Three storage sheds on the 180-acre research land need replacement. Currently, large holes exist in the envelope of each structure. Facilities Maintenance shows all three structures on the deferred maintenance list, the first added in 1999, the second added in 2007, and the third added in 2015. Each shows an estimated cost to demolish of \$10,000. No mention of replacement is shown in the current deferred maintenance list.

### **C. Financial Planning**

To accomplish the goals established through the strategic planning process and the needs of the facilities planning documents, financial planning will be necessary; however, current financial planning and processes do not lend themselves to the development of the necessary financial tools.

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<sup>1</sup> <https://design.missouristate.edu/master-plan.htm>– May 22, 2024.

### **Budgeting**

Budgets are not prepared for all funds and input is not sought from Mt. Grove management in preparing budget documents. The primary purpose of a budget is to track income and expenses, but if properly utilized, budgets can help management plan for future investments, identify inappropriate or excessive spending, and ensure expenditures are aligned with priorities. Financial Services requires budgets to be prepared for operating funds and any revenue generating fund where monies received are designated for a specific purpose; however, any other fund is not included in the overall University budgeting practices. Therefore, management is responsible for internally developing and monitoring budgets for these funds.

In our review of the 9 funds used to process all university associated revenues and expenditures for Mt. Grove operations (not including physical plant or utility budgets managed by Facilities), we determined a budget is only prepared for expenses from the three (3) operating funds. Meanwhile, no budget was prepared for the other six (6) non-operating funds, which received approximately \$45,000 in revenues derived from sales and expended approximately \$20,000 between July 1, 2023, and May 31, 2024, and contained a carry-forward balance totaling \$164,243 on June 30, 2023.

### **Monitoring**

Procedures do not exist to reconcile all funds. Reconciliations help management ensure the revenues and expenses recorded are accurate for financial statement preparation. At the time of our review, the Administrative Assistant completed reconciliation procedures for two (2) non-operating funds but did not complete these procedures for the 3 operating funds (not including physical plant or utility funds managed by Facilities) or the other four (4) non-operating funds. While preparing financial statements for the purposes of the audit, we noted several examples of revenues and expenses recorded in the wrong fund, which required manual adjustments to be completed by auditors.

### **Financial Statements**

Financial statements are not generated to provide an overall picture of the university's financial obligations dedicated to Mt. Grove operations. At Appendix 3, we developed a comparative consolidated financial statement to show financial activity from the 11 operating and non-operating funds (including physical plant and utility funds managed by Facilities). This statement shows the university currently provides approximately \$1.6 million in funding. In addition to these obligations of university funds, significant grants have funded approximately \$65,000 in personnel and \$31,000 in research related costs between July 1, 2023, and May 31, 2024.

Comparative financial statements provide an even better overview of the growth or challenges of the operations and allow for trend analysis, forecasting, and other data tools to monitor financial conditions. Though management does review information in the accounting system periodically, the errors noted above along with the number of different funds used to track revenues and expenses make it difficult to develop an accurate interpretation of financial position. Further, without these controls, funds could run a deficit and require transfers from other funds to continue operations.

## **Recommendations**

- A.** Develop a strategic plan with one clear forward-focused vision that aligns operations in Mt. Grove with the larger goals of the college and university and can be implemented using available or sourced resources. Ensure the plan contains short- and long-term goals, with measurable performance indicators and is communicated with all employees and stakeholders.
- B.** Work with Planning, Design & Construction, Facilities Maintenance, and Space Management to plan for effective and efficient use of existing space, develop a Master Plan which works as a companion

document to the Strategic Plan, and update the deferred maintenance list to both reflect current price estimates and provide a complete list of needs.

- C. Develop budgets for all funds and include Mt. Grove management in the budget process, develop procedures to reconcile all funds to ensure accuracy of transactions recorded, evaluate the need for the various funds used to track financial transactions, and develop comparative financial statements for individual and combined funds to ensure financial position is clearly communicated.

### **Management's Responses**

*Dr. John Jasinski, Provost, provided the following written response:*

*Management concurs with all three recommendations above. A plan for developing a strategic plan for the Darr College of Agriculture, inclusive of facilities and finances, will begin in the fall of 2024. Our goal is to have the complete plan available by summer 2025.*

### **3. Operational Concerns**

Several areas of control weakness were noted during our review of operations in Mt. Grove.

#### **A. Separation of duties**

Conflicting duties related to sales, inventory, and human resources are currently assigned to one employee. The Administrative Assistant at the Mt. Grove location is responsible for retail sales inventory management, sales management, receiving, depositing, and recording all sales, reconciling accounts, and preparation of external reporting. This employee is also responsible for processing new employee paperwork and approving employee timesheets.

Proper separation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by separation of the duties of receiving, recording, depositing, and reconciling monies. Internal controls over payroll would be improved by separation of the duties to complete and process new hire paperwork and approve timesheets. If proper separation of duties cannot be achieved, documented independent or supervisory reviews of detailed records must be completed.

#### **B. Agreements**

No formal written agreement exists to document the benefits received and accommodations provided for several uses of operational resources or, agreements exist but have not been reviewed and approved by the Office of Legal Affairs and Compliance to ensure appropriateness of terms and conditions provided. Examples include:

- University of Missouri Extension operates a weather station at the Mt. Grove location, which includes use of network and technology infrastructure, land, and office space. In 2022, Mt. Grove was invoiced \$4,000 for use of the information provided by the station; however, no agreement exists between the two entities.
- The University of Memphis operates a seismograph at the Mt. Grove location, which includes use of network and technology infrastructure and land; however, no agreement exists between the two entities.
- The Department of Conservation provides for controlled kills when necessary to protect research vegetation; however, no agreement exists between the two entities.



- A duplex at the Mt. Grove location is available for housing students, staff, and others. While an agreement is provided to the user, this agreement has not been reviewed by the Office of Legal Affairs and Compliance to ensure all necessary protections of the university are provided.

Clear, and detailed written agreements are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure protection from undue liability.

### **C. Information systems**

Several concerns regarding controls over Mt. Grove information systems and technology assets were identified including:

- Faurot Hall is open to the public without always having employees working in the space or in proximity to the entrances to monitor visitors, leaving information systems and assets susceptible to misuse or theft.
- Some user credentials (username and password) were posted on equipment in Faurot and Shepard Halls.
- The current technology asset listing is incomplete. We identified numerous machines, some still attached to network infrastructure, but not used in a considerable amount of time, which were not on the current asset listing monitored by Information Services.
- Many devices at this location are not compatible with Windows 11; as a result, their operating systems are or will soon become unsupported.
- Many devices are unused and should be properly surplus in compliance with university policy.

With the ever-changing threat of cybersecurity, unsupervised public access to information systems, sharing of credentials, incomplete asset listings and running unsupported operating systems create significant risks to university systems and data. These risks are compounded when keeping old, outdated, and unused technology assets.

### **D. Safety**

Some safety precautions necessary for regulatory compliance or personal safety are not properly implemented at the Mt. Grove location. For example:

- No eyewash station is available in the chemical storage building.
- Laboratory spaces, including safety showers, eyewash stations, and fume hoods, have not been inspected annually or flushed weekly as required.
- Fire extinguishers are inspected annually; however, monthly inspections are required.
- Chemicals in the labs are not secured and aged chemicals are not properly disposed of as required.
- Doors to labs are almost always open; however, they are required to remain closed, except when used for entrance or egress.
- Faurot Hall is open to the public without adequate monitoring. Most lab spaces and faculty offices are located on the second floor of the building, leaving resources on the first floor at risk

for misuse or theft, exposing lab spaces to unauthorized and untrained use, and increasing safety risks to employees.

Each of these concerns exposes university employees, students, and assets to risk of physical harm. Environmental Management has developed various policies in compliance with the Occupational Safety & Health Administration requirements. These policies set forth the parameters for safety in all spaces where chemicals are used. In addition, Operating Policy 11.02, Facility and Building Access, provides guidance for the safe and efficient operations of university buildings.

#### **E. Leave reports**

Leave reports are not always completed or reviewed and approved as required for faculty assigned to the Mt. Grove location and the system approver is the Administrative Assistant and not an employee charged with oversight of other employees. Of 74 leave reports reviewed for faculty, we found 28 (38%) were not started and 38 (51%) were approved via override by Human Resources instead of the system approver. Upon further review, we found that the system approver is recorded as the Administrative Assistant and not a member of management charged with oversight of the faculty.

Failure to file leave reports, even when no leave was taken, erodes the assurance provided by the time keeping system and violates guidance provided. In addition, assigning a leave approver with no oversight responsibilities limits the approver's ability to hold the reporter accountable for their report.

#### **F. Record and asset disposition**

Various records and unused assets fill various offices at the Mt. Grove location with no specific purpose. Upon review of some records, we found personnel and expenditure records dating back to 1985. Through discussions with various employees, we identified several pieces of equipment which needed to be surplus or scrapped. The university has policies regarding record retention and procedures in place to assist with surplus. These are meant to help the operating units dispose of unnecessary items consistent with applicable regulations.

### **Recommendations**

- A.** Separate conflicting duties to the extent possible and implement appropriate documented reviews and monitoring procedures where conflicting duties must remain assigned to the same employee.
- B.** Work with the Office of Legal Affairs and Compliance to develop formal written agreements with all necessary parties and periodically review those agreements for changes in applicable laws or regulations.
- C.** Restrict public access to information systems and discontinue sharing of user credentials. In addition, work with Information Services to update the asset listing to include all technology assets at the Mt. Grove location, develop a plan to upgrade or replace those assets to ensure all machines are running Windows 11 no later than the October 2025 scheduled end-of-life, and surplus unneeded technology assets in accordance with university policy.
- D.** Work with the applicable units of the Administration and Finance Division to ensure compliance with established policies and regulations and adequate safety provisions for all.
- E.** Require faculty to submit leave reports as required and review of these reports is completed by a member of management charged with oversight of the faculty.
- F.** Dispose of unnecessary records and assets in accordance with applicable policies.

### **Management's Responses**

*Dr. John Jasinski, Provost, provided the following written response:*

- A. Management concurs with the recommendation and will work to address the concerns by fall 2024.*
- B. Management concurs with the recommendation and has already collected and submitted contractual documents from the University of Memphis and the Missouri Department of Conservation, along with the duplex rental agreement, to the Division of Legal Affairs and Compliance for review. Other contracts are pending. We anticipate full implementation before the end of calendar year 2024.*
- C. Management concurs with the recommendation and has taken action to ensure buildings are secure when public access cannot be monitored, and credentials are not shared or posted for sharing. Work has begun to identify old machines which can be surplus. This work will continue through the summer, with full implementation planned in fall 2024.*
- D. Management concurs with the recommendation and has taken action to ensure buildings are secure when public access cannot be monitored. Additional implementation planned through fall 2024.*
- E. Management concurs with the recommendation and will implement in fall 2024 when faculty return to campus.*
- F. Management concurs with the recommendation and has begun the process of securing documents and identifying assets and records which can be surplus or scrapped. This work will continue through the summer of 2024.*

## Appendix 1 –Retail Operation Financial Statements

Mountain Grove Cellars						
	Fiscal years ended June 30,					July 1, 2023 - May 31, 2024
	2019	2020	2021	2022	2023	
<b>Revenue</b>						
Cellar Sales	20,491	15,844	16,726	18,857	12,842	9,401
Total Revenue	\$ 20,491	\$ 15,844	\$ 16,726	\$ 18,857	\$ 12,842	\$ 9,401
<b>Expenses</b>						
Supplies	26,066	19,325	12,867	13,791	10,750	10,431
Services	1,660	2,074	951	1,002	835	173
Travel	465	450	1,200	3,015	390	-
Other	3,232	3,161	2,651	2,043	3,570	3,392
Total Cellar Expenses	\$ 31,423	\$ 25,010	\$ 17,669	\$ 19,851	\$ 15,545	\$ 13,996
<b>Operating Profit (Loss)</b>						
Cellar Profit (Loss)	\$ (10,932)	\$ (9,166)	\$ (943)	\$ (994)	\$ (2,703)	\$ (4,596)

Mountain Grove Fruit Sales						
	Fiscal years ended June 30,					July 1, 2023 - May 31, 2024
	2019	2020	2021	2022	2023	
<b>Revenue</b>						
Fruit & Fruit Product Sales	26,665	24,298	13,236	15,133	18,651	8,194
Hay & Walnut Crop Sales	8,538	12,736	5,538	8,705	9,917	15,203
Grapevine Cutting Sales	2,705	4,767	8,475	2,596	2,245	673
Other	-	550	-	-	-	7,950
Total Fruit Revenue	\$ 37,908	\$ 42,351	\$ 27,249	\$ 26,434	\$ 30,813	\$ 32,019
<b>Expenses</b>						
Equipment	-	16,525	-	-	19,782	-
Supplies	11,084	12,653	4,335	1,359	6,879	2,361
Services	4,221	492	1,881	5,097	1,506	2,236
Travel	-	-	-	-	-	-
Other	2,584	8,374	6,275	570	1,250	-
Total Fruit Expenses	\$ 17,889	\$ 38,045	\$ 12,491	\$ 7,026	\$ 29,417	\$ 4,597
<b>Operating Profit (Loss)</b>						
Fruit Profit (Loss)	\$ 20,019	\$ 4,306	\$ 14,759	\$ 19,408	\$ 1,396	\$ 27,422

**Mountain Grove Workshops**

	Fiscal years ended June 30,					July 1, 2023 - May 31, 2024
	2019	2020	2021	2022	2023	
<b>Revenue</b>						
Workshop registration	12,735	8,946	24	2,588	4,524	4,672
Total Revenue	\$12,735	\$ 8,946	\$ 24	\$ 2,588	\$ 4,524	\$ 4,672
<b>Expenses</b>						
Supplies	3,416	4,610	1,144	7,116	1,418	1,885
Services	-	4,902	-	565	40	-
Travel	681	51	-	-	-	575
Other	-	224	235	-	-	400
Total Workshop Expenses	\$ 4,097	\$ 9,787	\$ 1,379	\$ 7,681	\$ 1,458	\$ 2,860
<b>Operating Profit (Loss)</b>						
Workshop Profit (Loss)	\$ 8,638	\$ (841)	\$ (1,355)	\$ (5,093)	\$ 3,067	\$ 1,812

**Retail Operations in Mountain Grove  
Consolidated Income Statement**

	Fiscal years ended June 30,					July 1, 2023 - May 31, 2024
	2019	2020	2021	2022	2023	
<b>Beginning Fund Balance, 7/1</b>						
Cellar Fund	\$ 5,958	\$ (4,974)	\$ (14,140)	\$ (9,810)	\$ (6,675)	\$ (4,643)
Fruit Fund	\$ 53,745	\$ 73,764	\$ 78,070	\$ 92,829	\$ 112,237	\$ 113,633
Workshop Fund	\$ 29,988	\$ 38,626	\$ 37,785	\$ 31,156	\$ 21,934	\$ 20,265
<b>Carryforward Balance</b>	<b>\$ 89,691</b>	<b>\$ 107,416</b>	<b>\$ 101,715</b>	<b>\$ 114,175</b>	<b>\$ 127,496</b>	<b>\$ 129,255</b>
<b>Revenue</b>						
Cellar Revenue	20,491	15,844	16,726	18,857	12,842	9,401
Fruit & Crop Revenue	37,908	42,351	27,249	26,434	30,813	32,019
Workshop Revenue	12,735	8,946	24	2,588	4,524	4,672
<b>Total Revenue</b>	<b>\$ 71,134</b>	<b>\$ 67,141</b>	<b>\$ 43,999</b>	<b>\$ 47,879</b>	<b>\$ 48,179</b>	<b>\$ 46,092</b>
<b>Expenses</b>						
Cellar Expenses	31,423	25,010	17,669	19,851	15,545	13,996
Fruit & Crop Expenses	17,889	38,045	12,491	7,026	29,417	4,597
Workshop Expenses	4,097	9,787	1,379	7,681	1,458	2,860
<b>Total Expenses</b>	<b>\$ 53,409</b>	<b>\$ 72,842</b>	<b>\$ 31,539</b>	<b>\$ 34,558</b>	<b>\$ 46,420</b>	<b>\$ 21,453</b>
<b>Profit(Loss)</b>	<b>\$ 17,725</b>	<b>\$ (5,701)</b>	<b>\$ 12,460</b>	<b>\$ 13,321</b>	<b>\$ 1,759</b>	<b>\$ 24,639</b>
<b>Ending Fund Balance, 6/30</b>						
Cellar Fund	\$ (4,974)	\$ (14,140)	\$ (9,810)	\$ (6,675)	\$ (4,643)	
Fruit Fund	\$ 73,764	\$ 78,070	\$ 92,829	\$ 112,237	\$ 113,633	
Workshop Fund	\$ 38,626	\$ 37,785	\$ 31,156	\$ 21,934	\$ 20,265	
<b>Carryforward Balance</b>	<b>\$ 107,416</b>	<b>\$ 101,715</b>	<b>\$ 114,175</b>	<b>\$ 127,496</b>	<b>\$ 129,255</b>	

**Appendix 2 – Pictures of facilities**

Classroom Building:



Faurot Hall:



Storage Sheds:



### Appendix 3 – Mt. Grove Consolidated Financial Statement (all sources)

The following consolidated financial statement was prepared by Audit to provide an overall view of university funds committed to the operations at Mt. Grove.

<b>Mountain Grove</b>					
<b>Consolidated Financial Statement</b>					
	<b>Fiscal years ended June 30,</b>				<b>July 1, 2023 through</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>May 15, 2024</b>
<b>Revenue</b>					
Appropriation	1,376,626	1,368,208	1,480,500	1,568,422	1,576,537
Sales	69,632	45,760	53,585	49,956	44,938
	<b>\$ 1,446,258</b>	<b>\$ 1,413,968</b>	<b>\$ 1,534,085</b>	<b>\$ 1,618,378</b>	<b>\$ 1,621,475</b>
<b>Expenses</b>					
Wages & Benefits	1,105,537	1,108,648	1,156,326	1,207,507	1,222,490
Utilities	29,979	62,762	73,925	86,250	77,621
Supplies	75,622	66,407	65,736	80,170	55,930
Services	60,344	54,074	74,797	143,088	84,173
Vehicles & Equipment	16,525	-	-	55,637	-
Travel	8,560	5,782	9,017	6,955	5,892
Other	16,261	13,452	4,531	9,986	11,590
Transfers (In)Out	16,222	(23,245)	-	-	-
	<b>\$ 1,329,051</b>	<b>\$ 1,287,879</b>	<b>\$ 1,384,332</b>	<b>\$ 1,589,593</b>	<b>\$ 1,457,695</b>

In addition to the use of university funds noted above, Mt. Grove faculty have been awarded grants for research. The following information was prepared by Financial Services. No auditing procedures were applied to confirm.

<b>Mountain Grove</b>					
<b>Use of External Funding</b>					
	<b>Fiscal years ended June 30,</b>				<b>July 1, 2023 through</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>May 15, 2024</b>
<b>Expenses</b>					
Wages & Benefits	64,954	135,371	101,485	73,252	67,737
Scholarships	-	-	27,767	18,843	22,546
Travel	4,646	1,131	-	-	3,828
Supplies	20,617	36,886	1,869	474	5,790
Services	5,485	7,044	16,285	20,481	33,831
Subrecipients	-	14,851	3,318	1,895	26,829
Rental	-	-	14,872	4,181	2,701
Equipment	-	6,101	122	-	-
Indirect Costs	17,263	44,322	-	-	-
	<b>\$ 112,965</b>	<b>\$ 245,707</b>	<b>\$ 165,718</b>	<b>\$ 119,126</b>	<b>\$ 163,262</b>