Jefferson Community College

Audit Report

For the year ended June 30, 2008

Mary Taylor, CPA
Auditor of State

Board of Trustees
Jefferson Community College
4000 Sunset Boulevard
Steubenville, Ohio 43952

We have reviewed the *Independent Accountants' Report* of the Jefferson Community College, Jefferson County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Jefferson Community College is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 10, 2008

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Jefferson Community College
Audit Report
For the year ended June 30, 2008

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SNODGRASS
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Accountants' Report

Board of Trustees
Jefferson Community College
Steubenville, Ohio

We have audited the accompanying basic financial statements of Jefferson Community College, (a non-profit organization) and the discretely presented component unit, as of June 30, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respect, the financial position of Jefferson Community College and the discretely presented component unit as of June 30, 2008, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2008 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 - 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Jefferson Community College taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

S. R. Snodgrass, A.C.

Steubenville, Ohio
October 24, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of Jefferson Community College's Annual Financial Report presents management's discussion and analysis of the college's financial activity during the fiscal year ended June 30, 2008, as well as comparative data to the previous year ended June 30, 2007.

USING THIS ANNUAL REPORT

The College is reporting its financial position in accordance with the Governmental Accounting Standards Board (GASB) Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement 35 – *For Public Colleges and Universities*, as amended by GASB Statements 37 and 38. Comparative condensed financial information has been presented for the current year and the prior year.

This report consists of three basic financial statements: The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. These statements provide information on the College as a whole, and present a snapshot of the College's finances. The following functions are included in the college's basic financial statements:

- Instruction
- Academic Support
- Student Services
- Institutional Support
- Operation and Maintenance of Plant
- Student Aid
- Public Service
- Auxiliary Services

The Statement of Net Assets acts much as a consolidated balance sheet does for a business. It shows the book value of all asset categories, and compares them to the amount of liabilities, with the residual difference, called Net Assets, being detailed by the type of commitment which gave rise to the underlying assets.

The Statement of Revenues, Expenses and Changes in Net Assets acts as a statement of the College's operations. Revenues and expenses on the accrual basis of accounting are detailed by operating type, and the reconciliation between the beginning and ending Net Assets is presented.

The Statement of Cash Flows presents the sources and uses of all cash transactions conducted by the College, broken down by type of functional activity. This statement assists the reader in determining the College's ability to generate future cash flows, meet its obligations as they become due and assess the need for additional funding or financing.

These statements can help the reader understand what the financial health of the College is at the end of the fiscal year, as well as indicating the changes in financial position since the end of the prior year. Over time, increases in net assets, which are the result of the College's keeping expenses lower than revenues, indicate a strengthening of the College's financial health.

FINANCIAL HIGHLIGHTS

In Fiscal Year 2008 the College's unrestricted revenues were $96,802 higher than unrestricted expenses and transfers. The college transferred the unrestricted auxiliary fund balance of $107,440 to the Unrestricted Education and General Fund Balance due to the fact that effective May 1, 2008 Validis Resources began operating the College Bookstore.

REVENUES

The college receives support from the citizens of Jefferson County through a 1 mill tax levy which generated $1,176,230 in Fiscal Year 2008. Unlike state subsidy payments and tuition revenue, this support does not fluctuate with enrollment. The state adopted utility deregulation that will eventually result in a $225,000 annual reduction in levy support. This amount will be phased out through the year 2016 and a detail of this phase out is listed in Note 9 of the financial statements. The state also changed the taxing of personal property. Personal property tax receipts are approximately 10% of the college's annual levy proceeds. The change will result in a reduction of levy proceeds but currently the state is providing a subsidy to offset the revenue loss. The subsidy may be phased out over time.

Unaudited Statement Revenues, Expenses and Changes in Net Assets
For the Years Ended June 30, 2007 and 2008

	6-30-07	6-30-08
Operating Revenues		
Tuition and Student Fees (Net of Scholarship Allowances)	$ 2,056,147	$ 1,437,102
Auxiliary Enterprises Revenue	1,058,002	983,095
Federal Grants and Contracts	2,791,676	901,952
State Grants and Contracts	919,310	315,142
Local Grants and Contracts	16,947	16,884
Other Operating Revenues	130,377	137,986
Total Operating Revenues	$ 6,972,459	$ 3,792,161
Operating Expenses		
Education and General	$ 4,592,846	$ 4,612,519
Public Service	1,262,102	1,086,419
Academic Support	674,155	579,987
Student Services	1,222,401	1,366,325
Institutional Support	1,979,522	2,096,202
Operational and Maintenance of Plant	928,035	1,057,354
Scholarships and Fellowships	532,719	499,190
Auxiliary Enterprises	1,051,752	944,657
Depreciation	565,380	440,953
Total Operating Expenses	$12,808,912	$12,683,606
Operating Income/(Loss)	$ (5,836,453)	$ (8,891,445)

Revenues and Operating Expenses for the Year Ended June 30, 2007 and 2008 (continued)

	6-30-07	6-30-08
Non-Operating Revenues		
Capital Funds (Bond Retirement)	$ 185,499	$ 194,255
State Grants and Contracts	4,543,303	5,658,569
Federal Grants and Contracts	-	2,263,831
Local Grants and Contracts	169,910	76,090
Capital Grants and Contracts	69,524	-
Investment Income	173,925	131,246
Property Taxes	852,449	756,708
Total Non-Operating Revenues	$ 5,994,610	$ 9,080,699
Increase in Net Assets	158,157	189,254
Net Assets – Beginning of Year	12,795,886	12,976,827
Prior Period Adjustment	22,784	-
Net Assets Beginning of Year, Restated	12,818,670	12,976,827
Net Assets – End Of Year	$12,976,827	$13,166,081

ASSETS	6-30-07	6-30-08
Current Assets		
Cash and cash equivalents	$ 2,596,451	$ 1,312,457
Short-term investments (certificates of deposits)	599,046	2,750,000
Property tax receivable	869,346	812,265
Other receivables	1,076,808	1,056,099
Inventory	235,219	25,212
Other assets	291,170	235,771
Total Current Assets	$ 5,668,040	$ 6,191,804
Non-current Assets		
Restricted Cash and Cash Equivalents	$ 3,082	$ 2,862
Endowment Investments	51,217	49,486
Capital assets, gross	18,272,796	18,310,077
Accumulated depreciation	(8,219,434)	(8,660,387)
Total Assets	$15,775,701	$15,893,842
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 266,444	$ 367,182
Accrued wages	54,346	70,909
Bond interest payable	55,515	48,638
Deferred revenue	283,968	302,187
Deposit	29,729	27,850
Long term liabilities and current portion	212,759	219,636
Total Current Liabilities	$ 902,761	$ 1,036,402
Non-Current Liabilities		
Bond payable	1,355,450	1,154,319
Compensated absences	540,663	537,041
Total Non-Current Liabilities	$ 1,896,113	$ 1,691,360
Total Liabilities	$ 2,798,874	$ 2,727,762

	6-30-07	6-30-08
NET ASSETS		
Invested in capital assets, net of related debt	$10,053,362	$ 9,649,690
Bond fund	(1,568,209)	(1,373,954)
Restricted for expendable		
Scholarships	296,360	309,385
Capital	608,293	703,676
Educational and general	643,483	836,944
Unrestricted (general auxiliary)	2,943,538	3,040,341
Total Net Assets	12,976,827	13,166,082
Total Liabilities and Net Assets	$15,775,701	$15,893,844

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic position of Jefferson Community College is closely tied to that of the state. The State of Ohio has begun a new commitment to higher education and has developed a two-year plan that will significantly increase the subsidy support to the college. In return for this support, colleges must not increase tuition in the next two (2) years and also will be required to limit expenditures in order to offer a more competitive tuition rate to those attending college in Ohio.

In October 2004, the college acquired a 26,000 square foot, two-story building including approximately five (5) acres of land (former AEP building) across the street from the main campus of Jefferson Community College. The building is referred to as the Pugliese Training Center. Financing for the acquisition, renovation of the first floor and related equipment purchases came from a combination of a state grant of $725,000, Jefferson Community College capital funds, and the issuance of bonds. The college will retire the bond by utilizing its State of Ohio provided capital component allocation over a ten (10) year period to pay the principle portion of the loan. The renovation of the first floor is designed to permit the college to expand the customized training offered to local business and industry. Currently the college is in the fourth year and final year of a rental agreement with Xentel Corporation for the second floor of the building. The rental income will be used to offset the operating cost of the facility. The college intends to renovate and occupy the second floor and has already received a $500,000 contribution to assist with this project. This renovation is planned to begin in the next two years.

In May of 2008 the college entered into an agreement with Validis (also known as Nebraska Book Company) to outsource the college Bookstore. The arrangement includes Validis supplying capital funds to renovate the Bookstore, as well as supplying a new point of sale system for the operations. Validis also will be paying the College a monthly amount based on gross sales in the Bookstore.

The college repaved all of the parking lots in the summer of 2008 and plans to renovate the biology and chemistry labs in the summer of 2009.

The college has several events planned to celebrate its 40th anniversary in Fiscal Year 2009.

The college agreed to a four (4) year collective bargaining agreement with both bargaining units that ends in 2010.

Jefferson Community College
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Institution	Component Unit
	Jefferson Community College	Jefferson Community College Foundation
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,312,457	$ 16,947
Investments	2,750,000	182,875
Property tax receivable	812,265	-
Other receivables	1,056,099	-
Inventory	25,212	-
Other assets	235,771	-
Total current assets	$ 6,191,804	$ 199,822
Non-current Assets		
Restricted cash and cash equivalents	$ 2,862	$ -
Endowment investments	49,486	-
Capital assets, gross	18,310,077	-
Accumulated depreciation	(8,660,387)	-
Total assets	$15,893,842	$ 199,822
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 367,181	$ -
Accrued wages	70,909	-
Deferred revenue	302,187	-
Deposits	27,850	-
Bond interest payable	48,638	-
Long term liabilities, current portion	219,636	-
Total current liabilities	$ 1,036,401	$ -
Non current Liabilities		
Compensated absences	$ 537,041	$ -
Bond payable	1,154,319	-
Total Liabilities	$ 2,727,761	$ -
NET ASSETS		
Invested in capital assets, net of related debt	$ 8,275,736	$ -
Restricted For: Expendable		
Scholarships	309,385	-
Capital	703,676	-
Educational and general	836,944	182,875
Unrestricted	3,040,341	16,947
Total Net Assets	13,166,082	199,822
Total liabilities and net assets	$15,893,843	$ 199,822

The accompanying notes are an integral part of this statement

Jefferson Community College
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
JUNE 30, 2008

	Primary Institution	Component Unit
	Jefferson Community College	Jefferson Community College Foundation
REVENUES		
Operating Revenues		
Tuition and student fees		
(Net of scholarship allowances of $2,348,135)	$ 1,437,102	$ -
Auxiliary enterprises revenue	983,095	-
State grants and contracts	315,142	-
Federal grants and contracts	901,952	-
Local grants and contracts	16,884	-
Other operating revenue	137,986	20,765
Donations	-	20,393
Total operating revenues	$ 3,792,161	$ 41,158
EXPENSES		
Operating expenses:		
Education and General	$ 4,612,519	$ 10,006
Public Service	1,086,419	-
Academic Support	579,987	-
Student services	1,366,325	-
Institutional support	2,096,202	-
Operation and maintenance of plant	1,057,354	-
Scholarships and fellowships	499,190	4,770
Auxiliary enterprises	944,657	-
Depreciation	440,953	-
Total operating expenses	$12,683,606	$ 14,776
Operating (loss) income	$ (8,891,445)	$ 26,382
NON-OPERATING REVENUES		
Capital Funds (bond retirement)	$ 194,255	$ -
State grants and contracts	5,658,569	-
Federal grants and contracts	2,263,831	-
Local grants and contracts	76,090	-
Capital grants and contracts	-	-
Investment income	131,246	8,110
Property taxes	756,708	-
Total non operating revenues	$ 9,080,699	$ 8,110
Increase in net assets	189,254	34,492
Net assets - beginning of year, restated	12,976,827	165,331
Net assets - end of year	$13,166,081	$ 199,823

The accompanying notes are an integral part of this statement

Jefferson Community College
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	Primary Institution
	Jefferson Community College
CASH FLOW FROM OPERATING ACTIVITIES	
Tuition and fees	$ 1,232,103
Grants and contracts	1,310,726
Payments to suppliers	(5,019,160)
Payroll and fringe benefits	(7,011,464)
Auxiliary enterprise charges	1,216,765
Other Income	137,986
Net cash used by operating activities	$(8,133,044)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Local property taxes	$ 813,789
State appropriations	5,230,421
Grants and contracts	2,826,424
Net cash provided by non-capital financing activities	$ 8,870,634
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	$ (27,969)
Capital financing	(6,877)
Net cash provided by capital and related financing activities	$ (34,846)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	$ 163,042
Proceeds from maturing CD's	600,000
Purchase of long term CD's and investments	(2,750,000)
Net cash used in investing activities	$(1,986,958)
Net decrease in cash	(1,284,214)
Cash, Beginning of Year	2,599,533
Cash, End of Year	$ 1,315,319

The accompanying notes are an integral part of this statement.

Jefferson Community College
STATEMENT OF CASH FLOWS – continued
FOR THE YEAR ENDED JUNE 30, 2008

	Primary Institution
	Jefferson Community College
Operating loss	$(8,891,445)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation	440,953
Net changes in:	
Receivables	(77,974)
Inventories	210,007
Other assets	55,398
Accounts payable and other liabilities	100,737
Accrued wages	16,563
Deferred revenue	18,218
Deposits held	(1,879)
Compensated absences	(3,622)
Net cash used by operating activities	$(8,133,044)

The accompanying notes are an integral part of this statement.

1. DESCRIPTION OF THE REPORTING ENTITY

Jefferson Community College is a political subdivision established for the purpose of exercising the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. The College operates under an appointed Board of Trustees. Management believes the financial statements included in this report represent all of the Funds of the College over which the college has the ability to exercise direct operating control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. The College reports as a Business Type Activity. Business Type Activities are those activities that are financed in whole or in part by fees charged to external parties for goods and services. Pursuant to provisions of GASB Statement No. 35, the full scope of the College's activities is considered to be a single business type activity and accordingly, is reported within a single column in the basic financial statements. Restricted grant revenue is recognized only to the extent expended.

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Net Assets

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Effective July 1, 2002 the College adopted GASB No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities, as amended by GASB Statements No. 37 and No. 38. GASB No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net assets categories:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of debt.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (CONTINUED)

Restricted net assets – expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by eternal third parties.

Restricted net assets – non-expendable: Non-expendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Cash Equivalents

For the purposes of the statements of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The College accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net assets.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Ohio. Accounts receivable also include amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Property taxes receivable include estimated amounts due at June 30, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (CONTINUED)

Inventories

Inventories consist principally of computer supplies. Bookstore inventories at year-end are stated at the lower of cost or market value on the first-in, first-out basis.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more, and an estimated life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, 40 years for buildings and building improvements, 10 years for equipment other than computer equipment, and 3 years for computer equipment.

Deferred Revenues

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period.

Compensated Absences

The College follows the provisions of Governmental *Accounting Standards Board Statement No. 16, Accounting for Compensated Absences*.

Employee vacation and sick pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as compensated absences payable in the statements of net assets, and as a component of compensation and benefit expense in the statements or revenues, expenses, and changes in net assets. The college is applying the termination method to calculate compensated absences.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (CONTINUED)

Noncurrent Liabilities

Noncurrent liabilities include estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Income Tax

The College, as a political subdivision of the State of Ohio, is excluded from federal income taxes under Section 115 (1) of the Internal Revenue Code, as amended.

Classification of Revenues

The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenue: Operating revenues include activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of external scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local grants and contracts and federal appropriations.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* such as state appropriations, investment income and property taxes.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of external scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. External scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

3. DEPOSITS AND INVESTMENTS

The investment and deposit of College monies is governed by the Ohio Revised Code. In accordance with the Ohio Revised Code, only banks located in Ohio and Ohio domestic building and loan associations are eligible to hold public deposits. Also, the investment of the College's monies is restricted to certificates of deposits, savings accounts, money market accounts, STAR Ohio, obligations of the United States government or certain agencies there of and certain industrial revenue bonds issued by other governmental entities. The College may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days.

The College's Board of Trustees is responsible for selecting depositories and investing funds. Protection for the College's deposits is provided by the federal deposit insurance corporation, qualified securities pledged in the name of the College and held at the Federal Reserve, or by a collateral pool created by the financial institution to cover all local governmental deposits. The face value of the pooled collateral must equal at least 110% of the public funds on deposit. At least quarterly the College determines that the collateral has a market value adequate to cover the deposits. Collateral is held by trustees including the Federal Reserve Bank and the Federal Home Loan Bank Board.

The College adopted GASB 40, Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3). Generally this statement requires that state and local governments communicate key information about such risks in four principal areas: investment credit risks, including credit quality information issued by rating agencies; interest relate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; foreign exchange exposures that would indicate the foreign investment's denomination.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2008, the College had the following deposits and investments:

Description	Carrying Amount	Bank Balance
National City Bank Checking and Savings Accounts	$1,315,319	$1,484,870
Wesbanco CD	1,750,000	1,750,000
Huntington Bank CD	1,000,000	1,000,000
Various Corporate Stock	49,486	49,486
Total Deposits and Investments	$4,114,805	$4,284,356

Credit Risk: The College does not have any exposure to credit risk.

Concentration of Credit Risk: The College does not have any exposure to concentration of credit risk.

Foreign Currency Risk: The College does not have any exposure to foreign currency risk.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. Of the bank balance of $4,284,356, the Federal Depository Insurance Corporation insured $750,000 and the balance of $3,534,356 was exposed to custodial credit risk because it was collateralized by U.S. Government Securities not in the College's name.

The application of GASB 40 does not have a material impact on the foundation's financial position or results of operations.

4. ACCOUNTS RECEIVABLE

Receivables at June 30, 2008 consisted of accounts (tuition and other fees), notes, interest and intergovernmental grants. All receivables, except for doubtful accounts receivable in collection with the Ohio Attorney General, are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal awards.

5. CAPITAL ASSETS

Changes in capital assets at June 30, 2008 is composed of the following:

Description	Balance at July 1, 2007	Increases	Decreases	Balance at June 30, 2008
Capital Assets, Non-Depreciable:				
Land	$ 629,200	$ -	$ -	$ 629,200
Total Non-Depreciable	629,200	-	-	629,200
Capital Assets, Depreciable:				
Buildings and Building Improvements	$16,054,366	$ -	$ -	$16,054,366
Equipment and Furniture	1,589,230	37,281	-	1,626,511
Total Depreciable	17,643,596	37,281	-	17,680,877
Less Accumulated Depreciation:				
Buildings and Building Improvements	$ (6,934,165)	$(313,044)	$ -	$ (7,247,209)
Equipment and Furniture	(1,285,269)	(127,909)	-	$ (1,413,178)
Total Accumulated Depreciation	(8,219,434)	(440,953)	-	(8,660,387)
Total Capital Assets, Depreciable, net	9,424,162	(403,672)	-	9,020,490
Capital Assets, net	$10,053,362	$(403,672)	$ -	$ 9,649,690

6. STATE SUPPORT

Jefferson Community College is a state-assisted institution of higher education, which receives a student enrollment-based instructional subsidy from the State of Ohio. This subsidy is determined annually based upon a formula devised by the Ohio Board of Regents, adjusted to state resources available.

In addition to the current operating subsidies, the State of Ohio provides the funding for the construction of major plant facilities on Jefferson Community College's campus. The funding is obtained from the issuance of special obligation bonds by the Ohio Public Facilities Commission (OPFC), which in turn initiates the construction and subsequent lease of the facility by the Ohio Board of Regents.

Such facilities are reflected as building or construction in progress in the accompanying balance sheet. Neither the obligation for the bonds issued by OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. Debt service is funded through appropriations to the Ohio Board of Regents by the General Assembly.

7. LIABILITIES

Accrued liabilities include payments for SERS and STRS, and alternative retirement benefit payments due on accrued salaries. Also included are vacation and sick leave benefits and salaries and wages payable at June 30, 2008.

The SERS and STRS payable represents withholdings made from employees in fiscal 2008 to be paid to the School Employees Retirement System and the State Teachers Retirement System in fiscal 2009. Vacation/Sick Leave payable is management's estimation of earned benefits that would be paid to employees upon termination, retirement or by usage of vacation and sick leave. It is recorded in accordance with Statement No. 16 of the Governmental Accounting Standards Board. Salaries and wages payable represent employee earnings for fiscal year 2008 but not paid until fiscal year 2009. It is mostly faculty contracts that are earned but not yet paid at year- end.

The following is a summary of the accounts payable, accrued liabilities, and compensated absences:

	2008
Payable to Vendors and Supplies	$ 367,181
Accrued Salaries and Wages	70,909
Deposits	27,850
Compensated Absences	537,041
Total	$1,002,981
Current Portion	$ 465,940
Long-term Portion	537,041
	$1,002,981

In October 2003, the college issued Series 2003 Bonds totaling $2,100,000 to finance the purchase and renovation of the neighboring American Electric Power building. Purchasing the building will facilitate the growth of the college in both size and programs offered. The bonds will mature on September 30, 2013 and pay interest at a rate of 4.72% per annum. Maturity of the bonds is set forth in the following table.

2008	$ 203,424
2009	213,025
2010	223,080
2011	233,609
2012	244,635
2013	256,182
	$1,373,955

8. TAX LEVY

The College has levied a 1-mill property tax for general operating expenses which generated $1,176,230. Listed below is the amount of the dollars that the college will no longer receive due to the phase out of state reimbursement for utility deregulation.

Calendar Year	Annual Dollar Reduction In Levy Money Resulting From Utility Deregulation
2007-2011	45,037
2012	81,066
2013	117,095
2014	153,124
2015	189,154
2016	225,183

The State of Ohio has also recently reduced personal property taxes for businesses in the State. Currently, the State is reimbursing the College for any levy reduction resulting from the change in taxation. The State has discussed different plans to phase out the reimbursement of this loss to entities that have levies. If the reimbursement from the State becomes totally phased out, this would reduce the College's levy by approximately $100,000.

9. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

Jefferson Community College contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10 percent of their annual covered salary and Jefferson Community College is required to contribute an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The College's contributions to SERS for the years ended June 30, 2008, 2007, 2006 were $306,753, $307,411 and $286,818, respectively, equal to the required contributions for each year.

State Teachers Retirement System

Jefferson Community College contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer retirement system administered by the State Teachers Retirement System. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 10% percent of their annual covered salary and Jefferson Community College is required to contribute 14 percent, 13 percent (the latest information available) was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The College's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2008, 2007, 2006 were $482,983 $470,026, and $481,435, respectively.

10. POST EMPLOYMENT BENEFITS

The College provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 2008 the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was $4.1 billion at June 30, 2007 (the latest information available). For the year ended June 30, 2007, $503 million was paid to health care providers. Overall, the Fund balance increased $.6 billion.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients.

After the allocation for basic benefits, the remainder of the employer's 14 percent is allocated to providing health care benefits. At June 30, 2007 the allocation rate was 3.32 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount. For the current year, the minimum pay has been established at $35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

On the basis of projections of health care fund activity and the surcharge limit established by Act 270, the allocated contributions are insufficient in the long-term to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. Such reserve is based on the projected claims and premium contributions for next fiscal year, as is described in the Clarification to Statement of Funding Policy issued by the Board in January 2005. As of June 30, 2007, the value of the health care fund was equal to about 235% of next year's projected net health care costs. Since total claims are projected to exceed total contributions in future years, it is expected that future reserve amounts will be lower than the current level and eventually less than the 150% target.

11. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year 2008, the College contracted with insurance companies for coverage of buildings and contents.

The following is a list of insurance coverage's of the College and the deductibles associated with each:

Coverage	Amount	Deductible
Commercial Property		
Commercial Property and Building (Blanket)	$28,000,000	$ 5,000
Earthquake	6,000,000	100,000
Business Income (Main Building Only)	1,000,000	-
Commercial General Liability		
General Liability (Per Occurrence)	1,000,000	-
Employee Liability	1,000,000	-
Employee Benefit Liability	1,000,000	-
Directors and Officers Liability	1,000,000	10,000
General Aggregate	2,000,000	-
Commercial Crime		
Employee Dishonesty	150,000	-
Forgery	65,000	-
Premises (Theft, Disappearance, Destruction)	75,000	-
Commercial Inland Marine		
Accounts Receivable	100,000	500
Valuable Papers	100,000	500
EDP	1,000,000	5,000
Commercial Umbrella	5,000,000	10,000 (Retained Limits)

11. RISK MANAGEMENT (CONTINUED)

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the College has not significantly reduced coverages in the past year.

The College pays the State Worker's Compensation System a premium based on a rate per $100 of salaries. The rate is calculated based on accident history and administrative costs.

The College does not provide Vision or Dental insurance. However, each employee is granted an amount of $750, in a flexible spending plan, to use for reimbursement of expenses for non- covered medical payments, co-payments, etc. If a full time employee waives medical coverage, the College will pay $2,400 per year in a flexible spending plan or a $2,000 per year taxable cash award and $1,200 per year to waive spousal coverage.

Rates
June 1, 2007 to June 1, 2008

	PPO
Single Coverage	$ 385.39
Employee/Spouse	$ 847.08
Employee/Child	$ 650.03
Family Coverage	$1,189.69

Rates
June 1, 2008 to June 30, 2008

	PPO
Single Coverage	$ 439.34
Employee/Spouse	$ 965.67
Employee/Child	$ 741.60
Family Coverage	$1,356.25

12. LITIGATION

At June 30, 2008, there were no lawsuits or claims pending against Jefferson Community College. Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. College management believes disallowances, if any, will be immaterial.

13. COMPONENT UNIT DISCLOSURES – JEFFERSON COMMUNITY COLLEGE FOUNDATION

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jefferson Community College Foundation (the Foundation) is a legally separate, tax-exempt organization supporting Jefferson Community College. The Foundation was established to foster excellence in teaching and learning by encouraging philanthropic support for students, faculty, programs and facilities for the College. Because the majority of the distribution of the resources held by the Foundation are received by the College, the Foundation is considered a component unit of the College and is presented in the College's financial statements.

Basis of Accounting

The financial statements of the Foundation have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Furthermore, the accounting policies adhered to by the Foundation are generally consistent with the Audit and Accounting Guide for Not-For-Profit Organizations issued by the American Institute of Certified Public Accountants.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

With the exceptions of the necessary presentation adjustments to conform to the College's GASB reporting format, no modifications have been made to the Foundation's financial information in the College's report.

13. COMPONENT UNIT DISCLOSURES – JEFFERSON COMMUNITY COLLEGE FOUNDATION (CONTINUED)

Cash and Cash Equivalents

The Foundation classifies its checking and certificates of deposit as cash.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unrestricted Net Assets

Net assets not subject to donor-imposed stipulations. This category includes net assets designated by the Board.

Temporarily Restricted Net Assets

Net assets subject to donor imposed stipulations that may or will be met by actions of the Board/Organization and/or the passage of time.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

NOTE B – TAXES

The Foundation is exempt from income taxes under Section 501(c)(3) as a Non-Governmental, Non Profit entity of the Internal Revenue Code.

Jefferson Community College
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
U.S. Department of Education				
Student Financial Aid Cluster:				
Pell Grant – Financial Aid	Direct	84.063	$2,183,440	$2,183,440
Pell Grant – Administrative Allowance	Direct	84.063	4,340	4,340
Total Pell Grant			2,187,780	2,187,780
S.E.O.G. – Financial Aid	Direct	84.007	55,866	55,866
S.E.O.G. – Administrative Allowance	Direct	84.007	-	-
Total S.E.O.G. Grant			55,866	55,866
ACG – Financial Aid	Direct	84.375	24,525	24,525
College Work Study – Financial Aid	Direct	84.033	74,261	74,261
College Work Study – Administrative Allowance	Direct	84.033	5,703	5,703
Total College Work Study Grant			79,964	79,964
TRIO Grant (SSS)	Direct	84.042A	216,490	216,490
TRIO Grant (Upward Bound)	Direct	84.047	116,710	116,710
Total Department of Education			2,681,335	2,681,335
U.S. Department of Education/ Passed Through Ohio Department Of Education				
Tech Prep Programs	VETP0-2004 15 FB	84.243	170,033	170,033
A.B.L.E. Workplace Literacy	AB-S1-2004	84.002	191,790	191,790
Perkins Grant	VECP II 2004-521	84.048	67,682	67,682
Total Ohio Department Of Education			429,505	429,505
Total U.S. Department of Education			3,110,840	3,110,840
U.S. Department of Labor/ Passed Through Ohio Department of Job and Family Services				
Workforce Investment Act (Jefferson, Harrison, Belmont, Columbiana & Mahoning Counties)	4D7310000	17.258	68,265	68,265
Total U.S. Department of Labor			68,265	68,265
Appalachian Regional Development		23.001	14,986	14,986
Total Federal Grants			$3,194,091	$3,194,091

See accompanying notes to the schedule of federal awards expenditures.

Jefferson Community College
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008

1. General

The accompanying Schedule of Federal Awards Expenditures of Jefferson Community College presents the activity of all federal awards of the College. The College's reporting entity is defined in Note 1 to the College's financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The basis of accounting for this schedule is the accrual basis, which is consistent in the financial reporting basis. See Note 1 of the Financial Statements.

SNODGRASS
Certified Public Accountants and Consultants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Jefferson Community College
Steubenville, Ohio

We have audited the financial statements of Jefferson Community College (a nonprofit organization) as of and for the year ended June 30, 2008 and have issued our report thereon dated October 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jefferson Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jefferson Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Jefferson Community College's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted a certain matter that we reported to the College's management in a separate letter dated October 24, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Snodgrass, A.C.

Steubenville, Ohio
October 24, 2008

SNODGRASS
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
Jefferson Community College
Steubenville, Ohio

Compliance

We have audited the compliance of Jefferson Community College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. Jefferson Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jefferson Community College's management. Our responsibility is to express and opinion on Jefferson Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards; and OMB A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Jefferson Community College's compliance with those requirements.

In our opinion, Jefferson Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Jefferson Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jefferson Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson Community College's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non-compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Snodgrass, A.C.

S.R. Snodgrass, A.C.
October 24, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMS CIRCULAR A-133 SECTION .505
JEFFERSON COMMUNITY COLLEGE JEFFERSON COUNTY
June 30, 2008

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material Weakness conditions reported at The financial statements level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable Control deficiency conditions Reported at the financial Statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material Non-compliance at the financial Statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material Weakness conditions Reported for major federal Programs?	No
(d)(1)(iv)	Were there any other reportable Internal control deficiency Conditions reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings Under Section .510	No
(d)(1)(vii)	Major Programs:	Student Financial Aid Cluster Pell Grant CFDA #84.063 S.E.O.G. CFDA #84.007 College Work Study CFDA #84.033 ACG CFDA #84.375 TRIO Grant (SSS) #84.042A TRIO Grant (Upward Bound) #84.047
(d)(1)(vii)	Dollar Threshold: Type A\B Programs	Type A: > $300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

3. Findings and Questioned Costs for Federal Awards

None

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of June 30, 2008, included no material citations or recommendations.

Mary Taylor, CPA
Auditor of State

JEFFERSON COMMUNITY COLLEGE

JEFFERSON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 24, 2008

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