

JSI

**

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2008 AND 2007**

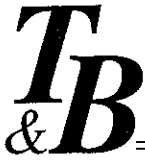
DHHR - Finance

JUN 30 2010

Date Received

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
JSI
Bridgeport, West Virginia

We have audited the accompanying statements of financial position of JSI (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JSI as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years 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 December 5, 2008, on our consideration of JSI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that 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 important for assessing the results of our audit.

Board of Directors
JSI

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of JSI, taken as a whole. The accompanying schedule of state grant receipts and expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Tetnik & Bartlett, PLLC

December 5, 2008

DHHR - Finance

JUN 30 2010

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JSI
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	2008	2007
Cash	\$ 372,717	\$ 208,625
Accounts receivable	317,457	300,756
Grant receivable	-0-	9,999
Prepaid expenses	9,839	7,279
Property and equipment (net)	<u>597,650</u>	<u>320,409</u>
TOTAL ASSETS	\$ <u>1,297,663</u>	\$ <u>847,068</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 51,706	\$ 28,913
Accrued salaries and wages	62,089	66,246
Accrued vacation pay	40,206	39,628
Current portion of long-term debt	<u>39,536</u>	<u>121,440</u>
Total current liabilities	<u>\$ 193,537</u>	<u>\$ 256,227</u>

Long-term debt	<u>267,254</u>	<u>26,907</u>
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Total liabilities	<u>460,791</u>	<u>283,134</u>
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Net Assets

Unrestricted net assets	<u>836,872</u>	<u>563,934</u>
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TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,297,663</u>	\$ <u>847,068</u>
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The accompanying notes are an integral part of these statements.

JSI
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2008	2007
Unrestricted Revenue		
Contract revenue	\$ 2,329,425	\$ 2,323,673
Revenue – Presort mailing	1,252,578	1,228,258
Grants	100,000	98,906
Interest	518	698
Other income	<u>46,250</u>	<u>36,221</u>
Total unrestricted revenue	\$ <u>3,728,771</u>	\$ <u>3,687,756</u>
 Unrestricted Expenses		
Community Rehabilitation Program:		
Salaries and wages	\$ 1,501,310	\$ 1,540,181
Fringe benefits	502,472	496,055
Operating supplies	135,854	132,416
Postage – Presort mailing supplies	343,602	442,899
Contractual support and other fees	21,350	27,583
Travel	37,614	20,682
Uniforms	15,454	16,017
Depreciation and amortization	74,054	80,905
Interest	18,696	19,368
Insurance	26,563	32,146
Education and training	11,145	3,230
Occupancy, equipment rental and maintenance	216,774	205,627
Grounds maintenance	27,474	29,369
Dues and subscriptions	801	1,391
NISH fees	82,389	82,270
Telephone	8,006	9,193
Utilities	<u>11,775</u>	<u>9,412</u>
Total community rehabilitation program	3,035,333	3,148,744

JSI
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEARS ENDED JUNE 30,

	2008	2007
Management and General:		
Salaries and wages	\$ 214,569	\$ 199,139
Fringe benefits	75,085	61,310
Contractual support and other fees	43,287	34,169
Operating supplies	5,737	3,945
Travel	3,476	5,217
Depreciation and amortization	6,611	4,721
Insurance	2,951	3,572
Marketing, publications and postage	1,294	3,000
Education and training	4,579	8,890
Occupancy	7,456	15,600
Equipment rental and maintenance	18,215	10,883
Furniture and fixtures	3,629	-0-
Dues and subscriptions	3,024	4,305
Telephone	8,916	9,002
Utilities	3,962	4,478
Miscellaneous	<u>17,475</u>	<u>21,748</u>
Total management and general	420,266	387,979
Loss (gain) on disposal of assets	<u>234</u>	<u>-0-</u>
Total unrestricted expenses, (gains) and losses	<u>3,455,833</u>	<u>3,536,723</u>
Change in net assets	272,938	151,033
Net unrestricted assets at beginning of year	<u>563,934</u>	<u>412,901</u>
Net unrestricted assets at end of year	\$ <u>836,872</u>	\$ <u>563,934</u>

The accompanying notes are an integral part of these statements.

JSI
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2008	2007
Cash Flows from Operating Activities		
Change in net assets	\$ 272,938	\$ 151,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	80,665	85,626
Loss(gain) on disposal of assets	234	-0-
(Increase) decrease in:		
Accounts receivable	(16,701)	89,801
Grant receivable	9,999	(2,584)
Prepaid expenses and deposits	(2,560)	7,211
Increase (decrease) in:		
Accounts payable and accrued expenses	22,793	(3,427)
Accrued salaries and wages	(4,157)	553
Accrued vacation pay	<u>578</u>	<u>(14,702)</u>
Net cash provided by operating activities	363,789	313,511
Cash Flows from Investing Activities		
Proceeds from sale of equipment	2,500	-0-
Purchases of property and equipment	<u>(360,640)</u>	<u>(30,188)</u>
Net cash (used in) investing activities	<u>(358,140)</u>	<u>(30,188)</u>
Cash Flows from Financing Activities		
Proceeds from financing activities	284,014	-0-
Payments on long-term debt	<u>(125,571)</u>	<u>(129,230)</u>
Net cash provided by (used in) financing activities	<u>158,443</u>	<u>(129,230)</u>
Net increase in cash	164,092	154,093
Cash at beginning of year	<u>208,625</u>	<u>54,532</u>
Cash at end of year	\$ <u>372,717</u>	\$ <u>208,625</u>
Supplementary Disclosures		
Cash Flow Information:		
Cash payments for interest	\$ <u>18,696</u>	\$ <u>19,368</u>

The accompanying notes are an integral part of these statements

JSI

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

JSI (formerly Job Squad, Inc.) (the Organization) was incorporated under the laws of the State of West Virginia as a nonprofit, nonstock corporation on August 24, 1984. The primary purpose of the Organization is to provide job development, job placement, situational assessment, on-the-job training, job coaching, job accommodation, and other rehabilitative employment services to qualified participants with various physical, as well as mental, disabilities. The Organization provides these services through employment of program participants. The Organization contractually provides janitorial and maintenance services to various governmental, as well as commercial entities throughout North Central West Virginia in order to provide employment and career development experience to program participants.

In February 2004, JSI acquired a presort mailing business in Charleston, West Virginia. The organization contractually provides mailing services to various state governmental agencies and commercial businesses in the Greater Charleston area in order to provide employment and career development experience to program participants.

Basis of Accounting

The financial statements of JSI are maintained on the accrual basis in accordance with the principles of "Fund Accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

These financial statements are prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions in conformity with Statements of Financial Accounting Standards No. 116 and 117 as adopted by the Financial Accounting Standards Board. The applicable financial accounting standards require classification of fund transactions and balances into three categories: 1) unrestricted net assets which have no donor-imposed restrictions, 2) temporarily restricted net assets, which have donor-imposed restrictions that will expire in the future, and 3) permanently restricted net assets which have donor-imposed restrictions which do not expire.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the cash flow statement, the organization considers cash to be cash and cash equivalents.

JSI
NOTES TO FINANCIAL STATEMENTS (CONT'D)

Concentrations of Credit Risk Arising from Cash Deposits

Cash on hand and deposits with financial institutions either in checking, savings, or money market accounts are presented as cash in the accompanying financial statements.

The Organization maintains its cash in bank deposit accounts at financial institutions. The balances in the banks are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2008, the Organization's uninsured cash balances totaled \$300,773, and \$151,605 at June 30, 2007.

Concentrations of Credit Risk Arising from Accounts Receivable

The Organization's revenues are generated in part from services provided to governmental entities and private businesses. The ultimate collection of the accounts receivable resulting from this type of revenue is dependent upon the governmental entities and private businesses income and payment ability.

Accounts Receivable

The Organization does not maintain an allowance for estimated uncollectible accounts. When an account is determined uncollectible it is deducted from the accounts receivable and is charged to uncollectible accounts expense. All receivables deemed uncollectible at December 31 have been charged to uncollectible accounts expense.

Inventory

Purchases of supplies are expensed as incurred.

Property and Equipment

Property and equipment are recorded at cost or approximate market value at date of gift, less accumulated depreciation. The organization employs the straight-line method of computing depreciation based on the estimated useful lives (ranging from five to thirty nine years) of the assets.

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest Costs

All interest costs have been expensed as incurred.

JSI
NOTES TO FINANCIAL STATEMENTS (CONT'D)

Operating Lease

During the period, the Organization rented its facilities under a month to month operating lease.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However many individuals volunteer time and perform a variety of tasks that assist the Organization with specific programs, solicitations and various committee assignments.

2. Major Customer

Revenues for the years ended June 30, 2008 and 2007, include approximately \$2,141,202 and \$2,117,794 respectively, from two contracts with the Federal Bureau of Investigation (FBI). This represents nearly 60% for both June 30, 2008 and June 30, 2007, of total contractual revenues. Receivables from these major contracts as of June 30, 2008 and 2007 amount to approximately \$40,330 and \$32,264, respectively, which represents 22% and 21%, respectively, of the total accounts receivable.

3. Property and Equipment

Property, and equipment are comprised of the following at June 30,

	2008	2007
Building	\$ 274,817	\$ -0-
Equipment and furniture	555,055	532,064
Land	29,000	-0-
Leasehold improvements	26,414	31,105
Vehicles	163,775	133,251
Other	<u>18,304</u>	<u>18,304</u>
Total	1,067,365	714,724
Less: Accumulated depreciation	<u>(469,805)</u>	<u>(394,315)</u>
Property and equipment (net)	\$ <u>597,560</u>	\$ <u>320,409</u>

JSI
NOTES TO FINANCIAL STATEMENTS (CONT'D)

4. Long-Term Debt

Long-term debt consists of the following:

	2008	2007
Note payable to Wesbanco, secured by office building and land, interest rate of 7.14%, payable in 240 monthly installments of \$1,960 through May 2028	\$ 250,273	\$ -0-
Note payable to Huntington National Bank, secured by all assets of the Organization, interest rate of 5.50%, payable in 60 monthly installments of \$3,021, through October 2008	12,677	48,988
Note payable to Huntington National Bank, secured by 2003 Dodge truck, interest rate of 6.50%, payable in 60 monthly installments of \$490 through October 2008	1,908	7,458
Note payable to Ford Motor Credit, secured by 2004 Ford truck, interest rate of 6.90%, payable in 60 monthly installments of \$585 through April 2009	5,789	12,168
Note payable to Ford Motor Credit, secured by 2008 Ford truck, interest rate of 5.96%, payable in 60 monthly installments of \$652 through October 2012	29,800	-0-
Note payable to Chase Equipment Leasing, secured by a Bell & Howell Conveyor/Bin System, interest rate of 8.39%, payable in 49 monthly installments of \$693 through August 2009	690	8,589
Note payable to Chase Equipment Leasing, secured by a Bell & Howell Postage System, interest rate of 6.77%, payable in 37 monthly installments of \$5,692 through July 2008	<u>5,653</u>	<u>71,144</u>
Total long-term debt	306,790	148,347
Less current portion	<u>(39,536)</u>	<u>(121,440)</u>
Long-term debt	\$ <u>267,254</u>	\$ <u>26,907</u>

JSI
NOTES TO FINANCIAL STATEMENTS (CONT'D)

Aggregate maturities required on long-term debt as of June 30, 2008, are as follows:

<u>Year ended June 30,</u>	
2009	\$ 39,536
2010	12,913
2011	13,783
2012	14,713
2013	10,400
Thereafter	<u>215,445</u>
Total	\$ <u>306,790</u>

5. Line of Credit

At June 30, 2008 and 2007 the Organization has available a line of credit with a banking institution at prevailing interest rates. The available line of credit is \$150,000 at June 30, 2008 and 2007. The line of credit is secured by the proceeds from the contract with the FBI. The Organization had no outstanding borrowings at June 30, 2008 and 2007.

6. Operating Leases

The Organization leases facilities on a month to month basis of \$1,300 and \$3,200. However, the lease for \$1,300 a month ended November 2007. The Organization also rents various equipment on a month to month basis or under an operating lease agreement. Rental expense for the years ended June 30, 2008 and 2007, amounted to \$177,448 and \$183,208, respectively.

As of June 30, 2008, the total remaining operating lease payments under these agreements are as follows:

<u>Year ended June 30,</u>	
2009	\$ 31,222
2010	6,825
2011	6,825
2012	<u>573</u>
Total	\$ <u>45,445</u>

JSI
NOTES TO FINANCIAL STATEMENTS (CONT'D)

7. 401(k) Retirement Plan

JSI has a 401(k) retirement plan covering its eligible employees. Contributions and rollovers to the plan for the plan's year ending December 31, 2007 amounted to \$61,781 by the employees. There were no contributions made by the Organization for this period.

Contributions to the plan for the plan's year ending December 31, 2006 amounted to \$66,102 by the employees.

8. Related Party

During the fiscal year June 30, 2003, the Organization created a for-profit subsidiary company, Diverse Services, LLC. This limited liability company is 51% owned by Executive Director, Brenda Hellwig, and 49% owned by JSI.

Diverse Services, LLC was organized to bid on certain governmental contracts for which a not-for-profit organization is ineligible to bid. The decision to have Brenda Hellwig own 51% of the Subsidiary was made in order to allow the Subsidiary to bid on contracts on which minority group ownership is given preference.

The goal of the Subsidiary is to be awarded additional contracts which would allow JSI to further fulfill its mission of providing employment of people with various physical and mental disabilities.

There was one financial transaction in which JSI received \$10,000 in management fee from Diverse Services, LLC for the year ended June 30, 2008.

JSI
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Identifying State Grant Information</u>	<u>Period of Time</u>	<u>Amount of Award</u>	<u>Receipt of Funds</u>	<u>Expenditure of Funds</u>
BHHE - Office of Behavioral Health Services	07/01/07-06/30/08	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>100,000</u>

The accompanying notes are an integral part of this schedule.



Tetrick & Bartlett, PLLC
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**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 Directors of
JSI
Bridgeport, West Virginia

We have audited the financial statements of JSI (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 5, 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 JSI's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JSI's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting, as item #08-01.

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 organization's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item #08-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JSI'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 is required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of JSI in a separate letter dated December 5, 2008.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Tetnik & Bartlett, PLLC

December 5, 2008

DHHR - Finance
JUN 30 2010
Date Received

JSI
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

#08-01 Segregation of Duties

Condition: Responsibility for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction is not assigned to separate individuals.

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Effect: Because of the failure to segregate duties, internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by management in the normal course of performing assigned functions.

Recommendation: Responsibilities of approval, execution, recording and custody be distributed among individuals to the degree possible. However, we recognize that complete segregation of duties is not economically feasible.

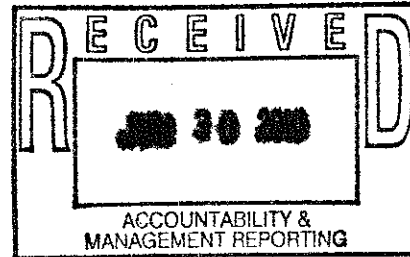
Entity's Response: To the extent possible, the Organization has segregated its duties. Any further segregation of duties would not be economically feasible.



Tetrick & Bartlett, PLLC
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December 5, 2008



To the Board of Directors
JSI

We have audited the financial statements of JSI for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards and
Government Auditing Standards**

As stated in our engagement letter dated August 15, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of JSI. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of JSI's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously discussed with management.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by JSI are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements was:

Management's estimate of the accumulated depreciation is based on estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the accumulated depreciation and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards required us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

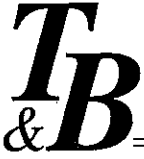
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

A handwritten signature in cursive script that reads "Tetrick & Bartlett, PLLC". The signature is written in dark ink and is positioned above the printed name of the firm.

Tetrick & Bartlett, PLLC



Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

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To the Management and Board of Directors of
JSI
643 W Main Street
Bridgeport, West Virginia 26330

In planning and performing our audit of the financial statements of JSI for the year ended June 30, 2008, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated December 5, 2008, on the financial statements of JSI.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with the Organization's Director of Finance, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Maintaining Voided Checks

We noted during our audit that no documentation could be found pertaining to one check. The check number did not clear the bank as of October 31, 2008. Management explained that the missing check may have been voided. We recommend that all disbursements by checks be supported by adequate documentation and that the documentation is stored in an appropriate manner, including voided checks.

FDIC Coverage

We noted during our audit that the Organization had exceeded its FDIC coverage for its bank accounts as of June 30, 2008. We recommend that the Organization's management monitor the bank account balances maintained at the financial institutions to ensure that the Organization's funds are fully collateralized, at all times.

Lack of Support Documentation for Credit Card Payments

During our audit we noted that the Organization did not always obtain invoices or other support for items charged to the credit card account. Therefore, some of these charges were not adequately documented or supported. We recommend that the Organization require all charges on the credit card statement to be supported by invoice or other documentation. Furthermore, we recommend that all employees making credit card charges be alerted that they could be held personally responsible for any charges that are not adequately supported by invoices or other support documentation.

We wish to thank the Director of Finance and staff for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Tetuck & Bartlett, PLLC

December 5, 2008