

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE
CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF
NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
December 31, 2008 and 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Joint Insurance Health Plan Trust for the Benefit
of North Ridgeville City School District Employees
10045 College Park
Concord, Ohio 44060

We have reviewed the *Independent Auditors' Report* of the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees, Lorain County, prepared by Bober, Markey, Fedorovich & Company, for the audit period January 1, 2008 to December 31, 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 Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 24, 2009

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JOINT INSURANCE HEALTH PLAN TRUST FOR THE BENEFIT
OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)

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BOBER MARKEY
FEDOROVICH

CERTIFIED PUBLIC ACCOUNTANTS/BUSINESS ADVISORS
A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Joint Insurance Health Plan Trust for the Benefit
of North Ridgeville City School District Employees
(A Component Unit of North Ridgeville City School District)
North Ridgeville, Ohio

We have audited the accompanying balance sheets of the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (A Component Unit of North Ridgeville City School District) (the "Trust"), as of December 31, 2008 and 2007, and the related statements of revenues, expenses and changes in fund equity and cash flows for the years then ended. These financial statements are the responsibility of the Trust'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 standards applicable to financial audits contained in the Governmental Auditing Standards, issued by the Comptroller 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 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 the Trust as of December 31, 2008 and 2007 and its revenues, expenses and changes in fund equity 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 a report dated June 26, 2009, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts and grant agreements and other matters. The purpose of that 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 should be considered in assessing the results of our audit.

The information in the Management Discussion and Analysis on pages 3 - 5 is not a required part of the 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 methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.


BOBER, MARKEY, FEDOROVICH & COMPANY

June 26, 2009

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

As Management of the Joint Insurance Health Plan for the Benefit of North Ridgeville City School District Employees (Trust), we present a narrative overview and analysis of the financial activities of the Trust for the year ended December 31, 2008. Please read this in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning cash and investment balance for the Trust was \$976,495 \$523,005 and \$475,221 as of January 1, 2008, 2007 and 2006 respectively.
- The January 1, 2008 to December 31, 2008 budget was set at \$3,659,000 and was fully funded. The January 1, 2007 to December 31, 2007 budget was set at \$4,025,386; however it was funded at \$3,779,584. The January 1, 2006 to December 31, 2006 budget was set at \$3,428,244; however, it was funded at \$3,491,429. The budget is determined by the actuary, however, trustees, at times, have elected to adjust the budget based on financial constraints and current facts and circumstances.
- Large medical claims (those in excess of \$10,000) incurred for the period from January 1, 2008 to December 31, 2008 represented 54% of medical claims and totaled \$945,805. January 1, 2007 to December 31, 2007 represented 71% of medical claims and totaled \$1,395,131. January 1, 2006 to December 31, 2006 represented 61% of medical claims and totaled \$1,186,068.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Trust basic financial statements which is a component unit of the North Ridgeville City School District. The Trust's basic financial statements are comprised of four components: 1) Balance Sheets, 2) Statements of Revenues, Expenses and Changes in Fund Equity, 3) Statements of Cash Flows and 4) Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Balance Sheets – Presents information on all the Trust assets and liabilities, with the difference between the two reported as fund equity. Over time, increases or decreases in fund equity may serve as a useful indicator of whether the financial position of the Trust is improving or deteriorating.

Statements of Revenues and Changes in Fund Equity – Presents information showing how the Trust fund equity changed during the most recent fiscal year. All changes in fund equity are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

JOINT INSURANCE HEALTH PLAN TRUST
 FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
 (A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
 MANAGEMENT DISCUSSION AND ANALYSIS
 FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

Statements of Cash Flows – Presents information on the changes in the cash balances and details as to how cash was provided and used.

Notes to Financial Statements – Provides readers with additional information and required disclosures that are essential to a full understanding of the data provided in the Trust financial statements.

FINANCIAL ANALYSIS OF THE TRUST AS OF DECEMBER 31, 2008, 2007 AND 2006.

The Trust's equity increased by \$19,810 for the year ended December 31, 2008. A portion of the equity is restricted for funding of the run-out-reserve.

	December 31, 2008	December 31, 2007	December 31, 2006
Current and other assets	\$ 1,321,497	\$ 1,007,643	\$ 601,643
TOTAL ASSETS	<u>1,321,497</u>	<u>1,007,643</u>	<u>601,643</u>
Current liabilities	1,277,233	983,189	580,503
TOTAL LIABILITIES	<u>1,277,233</u>	<u>983,189</u>	<u>580,503</u>
Restricted fund equity	790,000	776,000	737,000
Unrestricted fund equity (deficit)	(745,736)	(751,546)	(715,860)
TOTAL FUND EQUITY	<u>\$ 44,264</u>	<u>\$ 24,454</u>	<u>\$ 21,140</u>

COMMENTS ON BUDGET COMPARISONS

- The Trust's total revenues were \$3,554,842, \$3,812,736 and \$3,509,562 for the years ended December 31, 2008, 2007 and 2006, respectively.
- The Trust's total expenses were \$3,559,744, \$3,848,647 and \$3,513,417 for the years ended December 31, 2008, 2007 and 2006, respectively.
- The Trust's actual 2008 expenses were \$274,322 lower compared to the 2008 budgeted expenses. The enrollment mix changed; single coverage increased and family coverage decreased. This very likely was the result of the combination of the implementation of the mandatory spousal provision. The remaining variance may be the result of a different health risk or demographic mix as well as simply random (favorable) claim variance.

JOINT INSURANCE HEALTH PLAN TRUST
 FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
 (A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
 MANAGEMENT DISCUSSION AND ANALYSIS
 FOR THE YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006

The following table presents a summary of operating revenue and expense for the years ended December 31, 2008, 2007 and 2006 respectively.

	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/06</u>
REVENUES			
Contributions:			
Employer	\$ 2,959,800	\$ 3,201,316	\$ 2,905,827
Employees	580,944	578,268	585,602
COBRA	<u>14,098</u>	<u>33,152</u>	<u>18,133</u>
 TOTAL REVENUES	 3,554,842	 3,812,736	 3,509,562
 EXPENSES			
Medical claims	1,764,013	1,954,082	1,956,559
Dental claims	200,585	196,220	202,056
Vision claims	24,425	26,840	29,947
Prescription claims	768,030	727,797	756,145
Medical stop-loss	218,559	205,754	191,385
Flu shots	5,709	5,055	-
Accounting	10,341	9,841	8,800
Actuarial	18,520	17,822	31,603
Trust management	21,536	20,234	18,345
Legal fees	5,110	1,471	601
Bank fees	8,605	6,890	4,591
Insurance	1,580	1,580	1,580
Miscellaneous	-	36	8,833
Medical administration	199,998	196,055	190,461
Vision administration	8,703	8,552	8,455
Dental administration	21,313	21,000	20,363
Prescription administration	8,395	8,616	8,695
Cost savings-sharing expense	<u>274,322</u>	<u>440,802</u>	<u>74,998</u>
 TOTAL OPERATING EXPENSES	 3,559,744	 3,848,647	 3,513,417
 OPERATING LOSS	 (4,902)	 (35,911)	 (3,855)
 OTHER REVENUE - INVESTMENT INCOME	 <u>24,712</u>	 <u>39,225</u>	 <u>17,697</u>
 NET CHANGE IN FUND EQUITY	 19,810	 3,314	 13,842
 FUND EQUITY - BEGINNING OF YEAR	 <u>24,454</u>	 <u>21,140</u>	 <u>7,298</u>
 FUND EQUITY - END OF YEAR	 <u>\$ 44,264</u>	 <u>\$ 24,454</u>	 <u>\$ 21,140</u>

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
BALANCE SHEETS
December 31, 2008 and 2007

	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,056,028	\$ 706,298
Investments, at fair value	233,704	270,197
Accounts receivable - employees' payroll contributions	-	472
Prepaid expenses	31,765	30,676
TOTAL ASSETS	\$ 1,321,497	\$ 1,007,643
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 106,011	\$ 89,680
Cost savings-sharing payable	790,122	515,800
Liability for incurred but not reported claims	381,100	377,709
TOTAL LIABILITIES	1,277,233	983,189
FUND EQUITY (DEFICIT)		
Restricted	790,000	776,000
Unrestricted	(745,736)	(751,546)
TOTAL FUND EQUITY	44,264	24,454
TOTAL LIABILITIES & FUND EQUITY	\$ 1,321,497	\$ 1,007,643

The accompanying notes are an integral part of these financial statements.

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
For the Years Ended December 31, 2008 and 2007

	2008	2007
REVENUES		
Contributions:		
Employer	\$ 2,959,800	\$ 3,201,316
Employees	580,944	578,268
COBRA	14,098	33,152
TOTAL REVENUES	3,554,842	3,812,736
EXPENSES		
Medical claims	1,764,013	1,954,082
Dental claims	200,585	196,220
Vision claims	24,425	26,840
Prescription claims	768,030	727,797
Medical stop-loss	218,559	205,754
Flu shots	5,709	5,055
Accounting	10,341	9,841
Actuarial	18,520	17,822
Trust management	21,536	20,234
Legal fees	5,110	1,471
Bank fees	8,605	6,890
Insurance	1,580	1,580
Miscellaneous	-	36
Medical administration	199,998	196,055
Vision administration	8,703	8,552
Dental administration	21,313	21,000
Prescription administration	8,395	8,616
Cost savings-sharing expense	274,322	440,802
TOTAL OPERATING EXPENSES	3,559,744	3,848,647
OPERATING LOSS	(4,902)	(35,911)
OTHER REVENUE - INVESTMENT INCOME	24,712	39,225
NET CHANGE IN FUND EQUITY	19,810	3,314
FUND EQUITY - BEGINNING OF YEAR	24,454	21,140
FUND EQUITY - END OF YEAR	\$ 44,264	\$ 24,454

The accompanying notes are an integral part of these financial statements.

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash contributions received from employer	\$ 2,959,800	\$ 3,201,316
Cash contributions received from employees	580,944	627,491
Cash received for COBRA premiums	14,543	32,708
Cash payments for benefit plan claims	(2,963,069)	(3,158,274)
Cash payments for benefit providers' administration fees	(237,207)	(232,796)
Cash payments for plan administration and operating expenses	(66,486)	(56,180)
NET CASH PROVIDED BY OPERATING ACTIVITIES	288,525	414,265
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	21,843	32,172
Purchases of U.S. Treasury Notes	(150,638)	-
Proceeds from bond sales	190,000	39,119
NET CASH PROVIDED BY INVESTING ACTIVITIES	61,205	71,291
NET INCREASE IN CASH AND CASH EQUIVALENTS	349,730	485,556
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	706,298	220,742
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,056,028	\$ 706,298
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (4,902)	\$ (35,911)
Adjustments to reconcile net change in fund equity to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	472	48,751
Prepaid expenses	(1,089)	(1,261)
Accounts payable	16,331	(69,825)
Cost savings-sharing payable	274,322	440,802
Liability for incurred but not reported claims	3,391	31,709
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 288,525	\$ 414,265

The accompanying notes are an integral part of these financial statements.

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - DESCRIPTION OF THE TRUST

The following description of the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the "Trust") provides only general information. Participants should refer to the Trust document for a more complete description of the Trust's provisions.

General

The Trust was established on January 1, 1998 and was funded on April 1, 1998 to provide health care benefits to the employees of the North Ridgeville City School District (the "District"). The Trust is a component unit of the District, as defined pursuant to Governmental Accounting Standards and Statement No. 14, "The Financial Reporting Entity". The Trust is directed by a ten-member Board of Trustees, four members appointed by the District's Superintendent and six members appointed by Local 276, OAPSE, North Ridgeville Education Association and AFSCME/AFL-CIO (the "Unions"). The District reports the Trust as an internal service fund which is defined as a fund to account for the financing of goods or services provided by one department or agency to governmental units, on a cost-reimbursement basis. The Trust applies all GASB pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. After November 30, 1989, FASB pronouncements are applied unless they conflict with or contradict GASB pronouncements.

Benefits

The Trust provides benefits for hospitalization, medical, dental, vision, and prescription drugs as provided for in the collective bargaining agreement and as may be authorized or permitted by law for eligible District employees, their families and dependents. In order to manage its claims risks, the Trust has purchased stop-loss coverage for individual claims during the policy years in excess of \$100,000 for the years ended December 31, 2008 and 2007.

Contributions

The District makes contributions to the Trust in amounts equal to a budgeted level of funding needs as calculated by an actuary, but is subject to minimum levels as established by the collective bargaining agreement. Additional funds are paid to the Administrator to cover costs of administering the Trust. The District makes certain pre-funding contributions to the Trust, which are to fund future benefit expenses.

Termination

Although it has not expressed any intention to do so, the District has the right to terminate the Trust, under the provisions set forth by the collective bargaining agreement.

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Cost-Sharing

The Trust provides for a sharing of cost between eligible participants in the plan covered by the Trust and the District. The cost-sharing is based upon a calculation of plan income as compared to the larger of the plan's current year budget or the plan's 1998 budget for costs. The participants 50% share may be funded through payroll contributions, benefit reductions, or a combination of both.

Reclassifications

Certain amounts in the December 31, 2007 financial statements have been reclassified to conform to the December 31, 2008 presentation.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

Cash and Cash Equivalents and Deposits

The Trust invests their cash in money market funds. The Trust maintains all of its cash balances with one bank. The Federal Deposit Insurance Corporation (FDIC) insures such cash balances to a maximum of \$250,000.

For purposes of the statement of cash flows, the Trust considers all highly liquid instruments purchased with a maturity of ninety days or less to be cash equivalents.

At December 31, 2008 and 2007, the carrying amount of the Trust's deposits was \$1,056,028 and \$706,298, respectively, and the bank balance was the same, all of which was covered by federal depository insurance or by collateral held by a qualified third party trustee in the name of the Trust.

The Trust documents specifically require the maintenance of an insurance reserve, consisting of cash and investments, to provide a minimum funding level within the Trust to provide for future claims. At December 31, 2008 and 2007 this calculated reserve amount was \$790,000 and \$776,000, respectively. The Trustees authorized use of this reserve to subsidize Trust expenses with an understanding that the funds would be replenished by increasing employee and District contributions and changes in benefits provided. This amount is reflected as restricted in the fund equity section of the balance sheet.

JOINT INSURANCE HEALTH PLAN TRUST
FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

The required balance in the run-out reserve is an amount equal to the incurred but unreported claims liability as calculated by the actuary. The balance in the run-out reserve was calculated to be \$381,100 and \$377,709 as of December 31, 2008 and 2007 respectively. The balance in the run-out reserve at December 31, 2008 and 2007 was fully funded.

Concentration of Credit Risk

The trust is insured through Travelers Property Casualty for employee dishonesty coverage. A fiduciary bond of \$1,000,000 is maintained for the Trustees, the Trust actuary, and the Trust manager.

Use of Estimates

In preparing the Trust's financial statements, the Trustees are required to make estimates and assumptions that affect the reported amounts of Trust assets, liabilities, and benefit obligations, and the reported increases and reductions of Trust assets during the reporting period. Actual results could differ from those estimates.

Trust Benefits

Trust liabilities for health claims incurred but not reported are reflected in the Trust's balance sheets and the related statements of revenues, expenses and changes in fund equity. The Trust's independent actuary estimated claims incurred but not reported as of December 31, 2008 and 2007 based on historical trends.

Cost Savings

The Trust provides for a cost savings calculation in order to distribute any savings by the Plan over the contributed amount, as adjusted by certain items. For the years ended December 31, 2008 and 2007, the cost-savings calculation resulted in an amount distributable to the employees and the District. The trustees may elect, on behalf of the employees, to reduce the following year's cost-sharing by their distributable amount. In February, 2009, the trustees passed a motion to transfer \$95,500 of the 2008 excess to fully fund the insurance reserve. In addition, approximately \$75,000 of the excess will be used to pay the 2008 access fee due in 2009 and \$103,500 will be used to fund future benefit obligations.

NOTE 3 - INVESTMENTS

The Trust's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Trust. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Trust's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Trust's name. All the Trust investments are categorized as Category 1.

JOINT INSURANCE HEALTH PLAN TRUST
 FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
 (A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008 and 2007

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

Credit Risk

The Trust follows the Ohio Revised Code that limits its investment choices.

Concentration of Credit Risk

The Trust places no limit on the amount that may be invested in any one issuer.

The following table presents investments at market value as of December 31, 2008 and 2007. Investments are held in the form of U.S. Treasury Notes and U.S Government Bonds, and are not insured by the FDIC. Individual investments in excess of 5% of assets are separately presented.

	2008	2007
<u>U.S. Treasury Notes</u>		
3.000% due 2/15/2008	\$ -	\$ 39,987
3.000% due 2/15/2009	40,134	39,948
3.500% due 2/15/2010	41,422	40,359
3.250% due 1/15/2009	50,055	-
1.750% due 3/31/2010	50,828	-
2.000% due 9/30/2010	51,265	-
 <u>U.S. Government Bonds</u>		
3.350% due 12/26/2008	-	49,846
4.400% due 12/28/2009	-	50,030
4.375% due 3/9/2010	-	50,027
 Total Investments	\$ 233,704	\$ 270,197

NOTE 4 - UNPAID CLAIMS LIABILITIES

The trust establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses, both allocated and unallocated. The following represents changes in those aggregate liabilities for the Trust during the past two years.



JOINT INSURANCE HEALTH PLAN TRUST
 FOR THE BENEFIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
 (A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008 and 2007

	2008	2007
Unpaid claims and claim adjustment expenses at beginning of year	\$ 387,710	\$ 429,629
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,138,153	3,282,648
Total incurred claims and claim adjustment expenses	3,525,863	3,712,277
Payments:		
Claims and claim adjustment expenses attributable to insured events of current year	2,732,297	2,894,938
Claims and claim adjustment expenses attributable to insured events of prior years	387,710	429,629
Total payments	3,120,007	3,324,567
Total unpaid claims and claim adjustment expenses at end of year (see schedule below)	\$ 405,856	\$ 387,710
Schedule of unpaid claims and claim adjustment expenses at end of year:		
Portion of accounts payable that relates to claims expenses	\$ 24,756	\$ 10,001
Liability for incurred but not reported claims	381,100	377,709
	\$ 405,856	\$ 387,710

NOTE 5 - FEDERAL INCOME TAXES

The Plan established under the Trust is qualified pursuant to the Section 501(c)(9) of the Internal Revenue Code, and, accordingly, the Trust's net investment income is exempt from income taxes. The Plan obtained its latest determination letter on January 13, 1999, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax council believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

INDEPENDENT AUDITORS' 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

Board of Trustees
Joint Insurance Health Plan Trust for the Benefit
of North Ridgeville City School District Employees
(A Component Unit of North Ridgeville City School District)
North Ridgeville, Ohio

We have audited the financial statements of Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (A Component Unit of North Ridgeville City School District) (the "Trust") as of and for the year ended December 31, 2008 and have issued our report thereon dated June 26, 2009. 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 the *Governmental Auditing Standards*, issued by the Comptroller of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trust'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 agency'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 agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

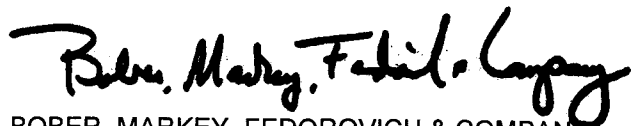
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency's internal control.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 solely 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.


BOBER, MARKEY, FEDOROVICH & COMPANY

June 26, 2009



Mary Taylor, CPA
Auditor of State

**JOINT INSURANCE HEALTH PLAN TRUST FOR THE BENEFIT OF
NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES**

LORAIN 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
SEPTEMBER 3, 2009**