

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, 2004 and March 31, 2004





**Auditor of State
Betty Montgomery**

Board of Trustees
Joint Insurance Health Plan Trust for the Benefit of the
North Ridgeville City School District Employees

We have reviewed the Independent Auditor's Report of the Joint Insurance Health Plan Trust for the Benefit of the North Ridgeville City School District Employees, Lorain County, prepared by Bober, Markey, Fedorovich & Company for the audit period April 1, 2004 through December 31, 2004. 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 the North Ridgeville City School District Employees is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

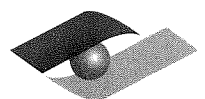
June 22, 2005

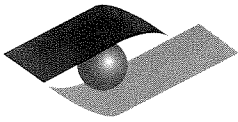
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JOINT INSURANCE HEALTH PLAN TRUST FOR THE BENEFIT
OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT EMPLOYEES
(A COMPONENT UNIT OF NORTH RIDGEVILLE CITY SCHOOL DISTRICT)

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT DISCUSSION AND ANALYSIS	3 - 5
FINANCIAL STATEMENTS	
Balance Sheets	6
Statements of Revenues, Expenses and Changes in Fund Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 13
SUPPLEMENTARY INFORMATION	
Independent Auditors' Report on Compliance and Internal Control over Financial Reporting Based on an Audit Performed in Accordance with Government Auditing Standards	14 - 15





**Bober, Markey, Fedorovich
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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

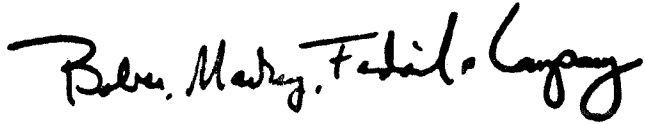
We have audited the accompanying balance sheets of the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (A Component Unit of North Ridgeville City School District) (the Trust), as of December 31, 2004 and March 31, 2004, and the related statements of revenues, expenses and changes in fund equity and cash flows for the nine months and year 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, 2004 and March 31, 2004 and its revenues, expenses and changes in fund equity and its cash flows for the nine months and year ended, respectively, 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 May 31, 2005 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering 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

May 31, 2005



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 (MD&A)
DECEMBER 31, 2004 AND MARCH 31, 2004

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, 2004. Please read this in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- As a result of the Trust plan year changing to a calendar year beginning January 1, 2005 the financial statements for the period ending December 31, 2004 are for a nine month period.
- The beginning cash and investment balance for the Trust was \$518,938 and \$415,682 as of April 1, 2004 and 2003, respectively.
- The April 1, 2004 – December 31, 2004 budget was set at \$2,327,400; however, it was funded at \$2,187,974. The April 1, 2003 – March 31, 2004 budget for the Trust was set at \$3,106,230; however, it was funded at \$2,849,617.
- Large medical claims (those in excess of \$10,000) incurred for the period from April 1, 2004 to December 31, 2004 represented 69% of medical claims and totaled \$894,750 and for the year April 1, 2003 to March 31, 2004, represented 49% of medical claims and totaled \$707,948.
- The Trust did not make any benefit changes and employee payroll contributions remained unchanged for the April 1, 2004 – December 31, 2004 budget. The Trust did change prescription drug administrators to receive lower dispensing fees and a more aggressive pricing for brand drugs which resulted in savings for the Trust.

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.



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 (MD&A)
 DECEMBER 31, 2004 AND MARCH 31, 2004

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.

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, 2004 AND MARCH 31, 2004

The Trust's equity increased by \$10,869 for the year end December 31, 2004. A portion of the equity is restricted for funding of the run-out-reserve.

	December 31, 2004	March 31, 2004
Current and other assets	\$ 628,208	\$ 574,008
TOTAL ASSETS	<u>628,208</u>	<u>574,008</u>
Current liabilities	421,707	378,376
TOTAL LIABILITIES	<u>421,707</u>	<u>378,376</u>
Restricted fund equity	498,000	674,000
Unrestricted fund equity (deficit)	(291,499)	(478,368)
TOTAL FUND EQUITY	<u>\$ 206,501</u>	<u>\$ 195,632</u>

COMMENTS ON BUDGET COMPARISONS

- The Trust's total revenue for the nine months ended December 31, 2004 was \$2,203,150 and was \$2,870,499 for the fiscal year ended March 31, 2004.
- The Trust's actual revenue in April 2004 – December 31, 2004 compared to the budget revenue varied due to the Trustees decision to fund the budget at a lesser funding level which resulted in revenue shortfall of \$139,426.
- The Trust's total expenses were \$2,194,359 and \$2,720,423 for the nine months and year ended December 31, 2004 and March 31, 2004, respectively. The Trust expenses were less at December 31, 2004 because the expenses were for a ninth month period versus twelve months.
- The Trust's actual expenses compared to the budget expenses varied due to higher actual medical claims (\$17,181) and lower actual prescription drug, dental and vision claims than projected \$96,817.



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 (MD&A)
DECEMBER 31, 2004 AND MARCH 31, 2004

The following table presents a summary of operating revenue and expense for the nine months and year ended December 31, 2004 and March 31, 2004, respectively.

	<u>December 31, 2004</u>	<u>March 31, 2004</u>
REVENUES		
Contributions:		
Employer	\$ 1,933,848	\$ 2,655,007
Employees	254,130	194,610
COBRA	<u>15,172</u>	<u>20,882</u>
TOTAL REVENUES	<u>2,203,150</u>	<u>2,870,499</u>
EXPENSES		
Medical claims	1,304,451	1,461,255
Dental claims	130,097	178,224
Vision claims	22,377	29,365
Prescription claims	412,943	634,584
Medical stop-loss	116,964	123,842
Change in claims incurred but not reported	(10,000)	6,000
Flu and Hepatitis shots	-	2,448
Accounting	8,677	8,422
Actuarial	29,327	31,274
Trust management	13,829	18,954
Legal fees	5,902	10,760
Bank fees	2,311	2,547
Insurance	1,137	1,460
Printing costs	-	126
Miscellaneous	274	440
Medical administration	131,410	176,962
Vision administration	6,104	7,959
Dental administration	14,315	17,046
Prescription administration	<u>4,241</u>	<u>8,755</u>
TOTAL OPERATING EXPENSES	<u>2,194,359</u>	<u>2,720,423</u>
NET CHANGE IN FUND EQUITY BEFORE		
OTHER REVENUE	8,791	150,076
OTHER REVENUE		
Interest income	<u>2,078</u>	<u>687</u>
NET CHANGE IN FUND EQUITY	10,869	150,763
FUND EQUITY - BEGINNING OF YEAR	<u>195,632</u>	<u>44,869</u>
FUND EQUITY - END OF YEAR	<u>\$ 206,501</u>	<u>\$ 195,632</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, 2004 AND MARCH 31, 2004

	<u>December 31, 2004</u>	<u>March 31, 2004</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 574,419	\$ 518,938
Accounts receivable - employees payroll contributions	27,770	29,030
Prepaid expenses	<u>26,019</u>	<u>26,040</u>
TOTAL ASSETS	<u>\$ 628,208</u>	<u>\$ 574,008</u>
LIABILITIES		
Current Liabilities		
Vouchers payable	\$ 109,707	\$ 56,376
Liability for incurred but not reported claims	<u>312,000</u>	<u>322,000</u>
TOTAL LIABILITIES	421,707	378,376
FUND EQUITY (DEFICIT)		
Restricted	498,000	674,000
Unrestricted	<u>(291,499)</u>	<u>(478,368)</u>
TOTAL FUND EQUITY	<u>206,501</u>	<u>195,632</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 628,208</u>	<u>\$ 574,008</u>

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 Nine Months Ended December 31, 2004 and the Year ended March 31, 2004

	<u>December 31, 2004</u>	<u>March 31, 2004</u>
REVENUES		
Contributions:		
Employer	\$ 1,933,848	\$ 2,655,007
Employees	254,130	194,610
COBRA	<u>15,172</u>	<u>20,882</u>
TOTAL REVENUES	2,203,150	2,870,499
EXPENSES		
Medical claims	1,304,451	1,461,255
Dental claims	130,097	178,224
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TOTAL OPERATING EXPENSES	<u>2,194,359</u>	<u>2,720,423</u>
NET CHANGE IN FUND EQUITY BEFORE OTHER REVENUE	8,791	150,076
OTHER REVENUE		
Interest income	<u>2,078</u>	<u>687</u>
NET CHANGE IN FUND EQUITY	10,869	150,763
FUND EQUITY - BEGINNING OF YEAR	<u>195,632</u>	<u>44,869</u>
FUND EQUITY - END OF YEAR	<u>\$ 206,501</u>	<u>\$ 195,632</u>

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 Nine Months Ended December 31, 2004 and the Year Ended March 31, 2004

	<u>December 31, 2004</u>	<u>March 31, 2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash contributions received from employer	\$ 1,933,848	\$ 2,655,007
Cash contributions received from employees	255,390	165,580
Cash received for COBRA premiums	15,172	20,882
Cash received for investment interest earned	2,078	687
Cash payments for benefit plan claims	(1,973,267)	(2,468,517)
Cash payments for benefit providers' administration fees	(107,842)	(205,602)
Cash payments for plan administration and operating expenses	<u>(69,898)</u>	<u>(64,781)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>55,481</u>	<u>103,256</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,481	103,256
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>518,938</u>	<u>415,682</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 574,419</u>	<u>\$ 518,938</u>
RECONCILIATION OF NET CHANGE IN FUND EQUITY TO NET		
CASH PROVIDED BY OPERATING ACTIVITIES:		
Net change in fund equity	\$ 10,869	\$ 150,763
Adjustments to reconcile net change in fund equity to net cash provided by operating activities:		
Changes in assets and liabilities		
Accounts receivable	1,260	(29,030)
Prepaid expenses	21	3,047
Vouchers payable	53,331	(27,524)
Liability for incurred but not reported claims	<u>(10,000)</u>	<u>6,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 55,481</u>	<u>\$ 103,256</u>

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, 2004 and March 31, 2004

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 (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 (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 (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.

The Trust changed its year end to December 31 in 2004, therefore the current year presentation reflects only nine months of activity.

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, 2004 and March 31, 2004.

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, 2004 and March 31, 2004

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 March 31, 2004 financial statements have been reclassified to conform to the December 31, 2004 presentation.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

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

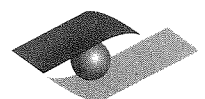
Cash and Cash Equivalents and Deposits

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 \$100,000.

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, 2004 and March 31, 2004, the carrying amount of the Trust's deposits was \$574,419 and \$518,938, 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, 2004 and March 31, 2004 this calculated reserve amount was \$498,000 and \$674,000, respectively. The Trustees authorized partial 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, 2004 and March 31, 2004

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 \$312,000 and \$322,000 at December 31, 2004 and March 31, 2004 respectively. The balance in the reserve was not fully funded at March 31, 2004, but in July, 2004 the Board transferred the required amount to fund the reserve from the operating account. The balance in the run-out reserve at December 31, 2004 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, 2004 and March 31, 2004 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 year ended December 31, 2004, the cost savings calculation resulted in an excess of costs over revenue of \$74 therefore, there was not an amount distributable to the employees and the District. For the year ended March 31, 2004, the cost savings calculation resulted in an excess of revenue over costs of \$291,128. The Trust will not distribute this savings, but will use it to fund the run-out and insurance reserves.



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, 2004 and March 31, 2004

NOTE 3 - 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.

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.

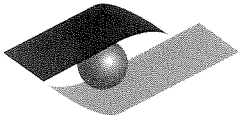
	<u>December 31, 2004</u>	<u>March 31, 2004</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 360,832	\$ 383,036
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	<u>2,181,868</u>	<u>2,625,428</u>
Total incurred claims and claim adjustment expenses	2,542,700	3,008,464



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, 2004 and March 31, 2004

	<u>December 31, 2004</u>	<u>March 31, 2004</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current year	\$ 1,810,599	\$ 2,264,596
Claims and claim adjustment expenses attributable to insured events of prior years	<u>360,832</u>	<u>383,036</u>
Total payments	<u>2,171,431</u>	<u>2,647,632</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 371,269</u>	<u>\$ 360,832</u>
Schedule of unpaid claims and claim adjustment expenses at end of year:		
Portion of vouchers payable that relates to claims expenses	\$ 59,269	\$ 38,832
Liability for incurred but not reported claims	<u>312,000</u>	<u>322,000</u>
	<u>\$ 371,269</u>	<u>\$ 360,832</u>





**Bober, Markey, Fedorovich
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT 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 nine months ended December 31, 2004 and have issued our report thereon dated May 31, 2005. 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.

Compliance

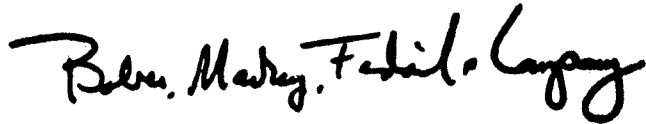
As part of obtaining reasonable assurance about whether the Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the 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 that are required to be reported under *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trust's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

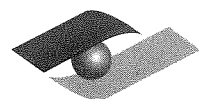
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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



BOBER, MARKEY, FEDOROVICH & COMPANY

May 31, 2005





**Auditor of State
Betty Montgomery**

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
JOINT INSURANCE HEALTH PLAN TRUST**

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
JULY 7, 2005**