

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, 2007 and 2006





Mary Taylor, CPA
Auditor of State

Board of Trustees
Joint Insurance Health Plan Trust of North Ridgeville City School District Employees
10045 College Park
Concord, Ohio 44600

We have reviewed the *Independent Auditors' Report* of the Joint Insurance Health Plan Trust of North Ridgeville City School District Employees, Lorain County, prepared by Bober, Markey, Fedorovich & Company, for the audit period January 1, 2007 through December 31, 2007. 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 of North Ridgeville City School District Employees is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 25, 2008

This Page is Intentionally Left Blank.

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 - 14
SUPPLEMENTARY INFORMATION	
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	15 -16



This Page is Intentionally Left Blank.



**Bober, Markey, Fedorovich
& Company**

*Certified Public Accountants / Business Advisors
A Professional Corporation*

3421 Ridgewood Road
Suite 300
Akron, Ohio 44333-3119
330.762.9785
FAX 330.762.3108
www.bobermarkey.com

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

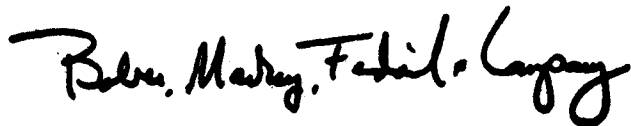
We have audited the accompanying balance sheets of the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (A Component Unit of North Ridgeville City School District) (the Trust), as of December 31, 2007 and 2006, and the related statements of revenues, 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, 2007 and 2006 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 25, 2008, 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 25, 2008



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, 2007, 2006 AND 2005

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, 2007. 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 \$523,005, \$475,221, and \$574,419 as of January 1, 2007, 2006 and 2005 respectively.
- 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 January 1, 2005 to December 31, 2005 budget was set at \$2,990,873; however, it was funded at \$2,956,670. 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, 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 and for January 1, 2005 to December 31, 2005 represented 70% of medical claims and totaled \$1,318,040. .
- The Trust implemented a mandatory spouse enrollment policy effective January 1, 2007. The policy required all spouses that are enrolled as a dependent under the North Ridgeville Health Trust and employed outside the district to enroll for single medical and prescription drug coverage through their employer. The actuary projected \$398,174 savings as of result of implementation of the mandatory spouse enrollment policy.

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
 FOR THE YEARS ENDED DECEMBER 31, 2007, 2006 AND 2005

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, 2007, 2006, AND 2005.

The Trust's equity increased by \$3,314 for the year ended December 31, 2007. A portion of the equity is restricted for funding of the run-out-reserve.

	December 31, 2007	December 31, 2006	December 31, 2005
Current and other assets	\$ 1,007,643	\$ 601,643	\$ 503,800
TOTAL ASSETS	1,007,643	601,643	503,800
Current liabilities	983,189	580,503	496,502
TOTAL LIABILITIES	983,189	580,503	496,502
Restricted fund equity	776,000	737,000	665,000
Unrestricted fund equity (deficit)	(751,546)	(715,860)	(657,702)
TOTAL FUND EQUITY	\$ 24,454	\$ 21,140	\$ 7,298

COMMENTS ON BUDGET COMPARISONS

- The Trust's total revenue for the fiscal year ended December 31, 2007 was \$3,812,736, December 31, 2006 was \$3,509,562 and December 31, 2005 was \$2,982,983.
- The Trust's total expenses were \$3,848,647, \$3,513,417, and \$3,191,313 for the year ended December 31, 2007, December 31, 2006, and December 31, 2005, respectively.
- The Trust's actual 2007 expenses were \$653,103 lower compared to the 2007 budgeted expenses. This was partially the result of the implementation of the mandatory spouse enrollment policy.



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, 2007, 2006 AND 2005

The following table presents a summary of operating revenue and expense for the years ended December 31, 2007, 2006, and 2005 respectively.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
REVENUES			
Contributions:			
Employer	\$ 3,201,316	\$ 2,905,827	\$ 2,623,920
Employees	578,268	585,602	332,750
COBRA	<u>33,152</u>	<u>18,133</u>	<u>26,313</u>
TOTAL REVENUES	3,812,736	3,509,562	2,982,983
EXPENSES			
Medical claims	1,954,082	1,956,559	1,887,836
Dental claims	196,220	202,056	181,495
Vision claims	26,840	29,947	28,963
Prescription claims	727,797	756,145	643,055
Medical stop-loss	205,754	191,385	170,030
Flu shots	5,055	-	-
Accounting	9,841	8,800	8,400
Actuarial	17,822	31,603	34,196
Trust management	20,234	18,345	10,360
Legal fees	1,471	601	999
Bank fees	6,890	4,591	4,520
Insurance	1,580	1,580	1,516
Printing costs	-	-	164
Miscellaneous	36	8,833	489
Medical administration	196,055	190,461	182,092
Vision administration	8,552	8,455	8,431
Dental administration	21,000	20,363	20,202
Prescription administration	8,616	8,695	8,565
Cost savings-sharing expense	<u>440,802</u>	<u>74,998</u>	<u>-</u>
TOTAL OPERATING EXPENSES	3,848,647	3,513,417	3,191,313
NET CHANGE IN FUND EQUITY BEFORE OTHER REVENUE	(35,911)	(3,855)	(208,330)
OTHER REVENUE			
Investment income	<u>39,225</u>	<u>17,697</u>	<u>9,127</u>
NET CHANGE IN FUND EQUITY	3,314	13,842	(199,203)
FUND EQUITY - BEGINNING OF YEAR	<u>21,140</u>	<u>7,298</u>	<u>206,501</u>
FUND EQUITY - END OF YEAR	\$ 24,454	\$ 21,140	\$ 7,298



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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 706,298	\$ 220,742
Investments, at fair value	270,197	302,263
Accounts receivable - employees payroll contributions	472	49,223
Prepaid expenses	30,676	29,415
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,007,643	\$ 601,643
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Vouchers payable	\$ 89,680	\$ 159,505
Cost savings-sharing payable	515,800	74,998
Liability for incurred but not reported claims	377,709	346,000
	<hr/>	<hr/>
TOTAL LIABILITIES	983,189	580,503
FUND EQUITY (DEFICIT)		
Restricted	776,000	737,000
Unrestricted	(751,546)	(715,860)
	<hr/>	<hr/>
TOTAL FUND EQUITY	24,454	21,140
	<hr/>	<hr/>
TOTAL LIABILITIES & FUND EQUITY	\$ 1,007,643	\$ 601,643
	<hr/>	<hr/>

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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
REVENUES		
Contributions:		
Employer	\$ 3,201,316	\$ 2,905,827
Employees	578,268	585,602
COBRA	<u>33,152</u>	<u>18,133</u>
TOTAL REVENUES	3,812,736	3,509,562
EXPENSES		
Medical claims	1,954,082	1,956,559
Dental claims	196,220	202,056
Vision claims	26,840	29,947
Prescription claims	727,797	756,145
Medical stop-loss	205,754	191,385
Flu shots	5,055	-
Accounting	9,841	8,800
Actuarial	17,822	31,603
Trust management	20,234	18,345
Legal fees	1,471	601
Bank fees	6,890	4,591
Insurance	1,580	1,580
Miscellaneous	36	8,833
Medical administration	196,055	190,461
Vision administration	8,552	8,455
Dental administration	21,000	20,363
Prescription administration	8,616	8,695
Cost savings-sharing expense	<u>440,802</u>	<u>74,998</u>
TOTAL OPERATING EXPENSES	<u>3,848,647</u>	<u>3,513,417</u>
NET CHANGE IN FUND EQUITY BEFORE OTHER REVENUE	(35,911)	(3,855)
OTHER REVENUE		
Investment income	<u>39,225</u>	<u>17,697</u>
NET CHANGE IN FUND EQUITY	3,314	13,842
FUND EQUITY - BEGINNING OF YEAR	<u>21,140</u>	<u>7,298</u>
FUND EQUITY - END OF YEAR	<u>\$ 24,454</u>	<u>\$ 21,140</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 Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash contributions received from employer	\$ 3,201,316	\$ 2,905,827
Cash contributions received from employees	627,491	536,378
Cash received for COBRA premiums	32,708	18,133
Cash received for investment interest earned	32,172	17,203
Cash payments for benefit plan claims	(3,158,274)	(3,120,721)
Cash payments for benefit providers' administration fees	(232,796)	(224,419)
Cash payments for plan administration and operating expenses	<u>(56,180)</u>	<u>(85,112)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>446,437</u>	<u>47,289</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from bond maturity	<u>39,119</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>39,119</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	485,556	47,289
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>220,742</u>	<u>173,453</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 706,298</u>	<u>\$ 220,742</u>
RECONCILIATION OF NET CHANGE IN FUND EQUITY TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net change in fund equity	\$ 3,314	\$ 13,842
Adjustments to reconcile net change in fund equity to net cash provided by (used for) operating activities:		
Net appreciation in fair value of investments	(7,053)	(494)
Changes in assets and liabilities		
Accounts receivable	48,751	(49,223)
Prepaid expenses	(1,261)	(836)
Vouchers payable	(69,825)	5,303
Cost savings-sharing payable	440,802	74,997
Liability for incurred but not reported claims	<u>31,709</u>	<u>3,700</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 446,437</u>	<u>\$ 47,289</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, 2007 and 2006

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.

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, 2007 and 2006.

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, 2007 and 2006

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, 2006 financial statements have been reclassified to conform to the December 31, 2007 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, 2007 and 2006, the carrying amount of the Trust's deposits was \$706,298 and \$220,742, 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, 2007 and 2006 this calculated reserve amount was \$776,000 and \$737,000, 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, 2007 and 2006

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 \$377,709 and \$346,000 as of December 31, 2007 and 2006 respectively. The balance in the run-out reserve at December 31, 2007 and 2006 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

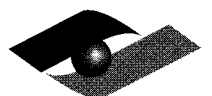
Trust liabilities for health claims incurred but not reported are reflected in the Trust's balance sheets and the related statements of revenues, expenses and changes in fund equity. The Trust's independent actuary estimated claims incurred but not reported as of December 31, 2007 and 2006 based on historical 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, 2007 and 2006, 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.

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, 2007 and 2006

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, 2007 and 2006. 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.

	<u>2007</u>	<u>2006</u>
<u>U.S. Treasury Notes</u>		
3.000% due 2/15/2008	\$ 39,987	\$ 39,131
2.250% due 2/15/2007	-	39,863
3.000% due 2/15/2009	39,948	38,562
3.500% due 2/15/2010	40,359	38,588
<u>U.S. Government Bonds</u>		
3.350% due 12/26/2008	49,846	48,459
4.400% due 12/28/2009	50,030	48,896
4.375% due 3/9/2010	50,027	48,764
Total Investments	<u>\$ 270,197</u>	<u>\$ 302,263</u>

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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 429,629	\$ 413,009
Incurred claims and claim adjustment expenses: Provision for insured events of current year	<u>3,282,648</u>	<u>3,290,707</u>
Total incurred claims and claim adjustment expenses	3,712,277	3,703,716
Payments:		
Claims and claim adjustment expenses attributable to insured events of current year	2,894,938	2,861,078
Claims and claim adjustment expenses attributable to insured events of prior years	<u>429,629</u>	<u>413,009</u>
Total payments	<u>3,324,567</u>	<u>3,274,087</u>
Total unpaid claims and claim adjustment expenses at end of year (see schedule below)	<u>\$ 387,710</u>	<u>\$ 429,629</u>
Schedule of unpaid claims and claim adjustment expenses at end of year:		
Portion of accounts payable that relates to claims expenses	\$ 10,001	\$ 83,629
Liability for incurred but not reported claims	<u>377,709</u>	<u>346,000</u>
	<u>\$ 387,710</u>	<u>\$ 429,629</u>

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.



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, 2007 and 2006

NOTE 6 – NEW ACCOUNTING STANDARD

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitting by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the Trust's financial statements.





**Bober, Markey, Fedorovich
& Company**

Certified Public Accountants / Business Advisors
A Professional Corporation

3421 Ridgewood Road
Suite 300
Akron, Ohio 44333-3119

330.762.9785
FAX 330.762.3108
www.bobermarkey.com

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, 2007 and have issued our report thereon dated June 25, 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 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.

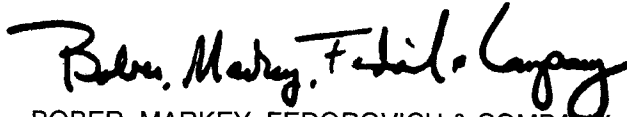
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency's internal control.

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 25, 2008





Mary Taylor, CPA
Auditor of State

**JOINT INSURANCE HEALTH PLAN TRUST 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
AUGUST 7, 2008**