Metro Interagency Insurance Program

Financial Report
06.30.2009

McGladrey & Pullen
Certified Public Accountants

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Independent Auditor's Report

To the Board of Directors
Metro Interagency Insurance Program
Cedar Rapids, Iowa

We have audited the accompanying basic financial statements of Metro Interagency Insurance Program (the "Program") as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These basic financial statements are the responsibility of Metro Interagency Insurance Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Metro Interagency Insurance Program as of June 30, 2009 and 2008, and the changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports for the years ended June 30, 2009 and 2008 dated December 16, 2009 and November 18, 2008 on our consideration of the Metro Interagency Insurance Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of these reports is to describe the scope of testing of internal control over financial reporting and compliance and the results of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis, on pages three through seven, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McGladrey & Pullen, LLP

Cedar Rapids, Iowa
December 16, 2009

Metro Interagency Insurance Program

Management's Discussion and Analysis
Year Ended June 30, 2009

Introduction

Metro Interagency Insurance Program (the "Program") was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The Program is to provide services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims for the employees of its members. There are currently six members of the Program, which are school districts in the Cedar Rapids and Marion metropolitan area, Grant Wood Area Education Agency and Kirkwood Community College.

The following discussion and analysis of the Program's financial statements presents an overview of the financial position and activities for the years ended June 30, 2009, 2008 and 2007. This discussion has been prepared by management and should be read in conjunction with the financial statements and related notes.

Using the Financial Statements

The Program's annual report contains three financial statements: the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets and the Statements of Cash Flows. The report was prepared using the accrual basis of accounting. These statements provide information on the Program as a whole and present the Program's financial position and results of operations. In the opinion of management, the financial statements represent accurately the financial situation of the Program as of and for the years ended June 30, 2009 and 2008. The various components of the financial statements document financial growth of the Program and its ability to meet its financial obligations as they come due.

Financial Highlights

As indicated by the enclosed Statements of Net Assets, the Program has posted three consecutive years of growth. The $1,316,041 current year change, as indicated on the Change in Net Assets, shows the steps taken by the MIIP Board have worked well to improve the financial position of the Program to a current year ending net asset position of $11,965,038.

The Program has carried a positive balance the past four years with a cumulative surplus of $5,573,502 at the end of fiscal year 2006 and a surplus of $8,603,067 at the end of fiscal year 2007. As of June 30, 2008, the program had achieved a cumulative surplus of $10,648,997, as indicated on the Statements of Net Assets report. As of June 30, 2009, the program has achieved a cumulative surplus of $11,965,038, as indicated on the Statements of Net Assets report. The strong position of the Program has caused the Board to review premiums charged with a 0% increase in premium charges for the 2008-09 and 2009-10 fiscal years.

The Statements of Net Assets

The Statements of Net Assets present the financial position of the Program at the end of the fiscal year. The difference between total assets and total liabilities (net assets) is one indicator of the current financial condition of the Program, while the change in net assets over time determines whether the financial health of the Program is improving. The Statements of Net Assets show the overall financial position of the Program and the Statements of Revenues, Expenses and Changes in Net Assets show the current financial performance.

The following table summarizes the Program's assets, liabilities and net assets as of June 30, 2009, 2008 and 2007:

	2009	2008	2007
Current assets	**$ 15,628,877**	$ 13,172,446	$ 11,152,887
Noncurrent assets, capital assets	**652**	504	1,058
Total assets	**15,629,529**	13,172,950	11,153,945
Liabilities, current	**3,664,491**	2,523,953	2,550,878
Net assets:			
Investment in capital assets	**652**	504	1,058
Restricted	**11,964,386**	10,648,493	8,602,009
Total net assets	**$ 11,965,038**	$ 10,648,997	$ 8,603,067
Change in net assets	**$ 1,316,041**	$ 2,045,930	$ 3,029,565

The Program's cash and receivable balances as of June 30, 2009, 2008 and 2007, have exceeded total current liabilities by increasing amounts.

The following table summarizes the Program's revenues, expenses and changes in net assets for the years ended June 30, 2009, 2008 and 2007:

	2009	2008	2007
Change in Net Assets:			
Total operating revenues	**$ 28,047,585**	$ 27,126,035	$ 27,242,217
Total operating expenses	**26,949,592**	25,520,288	24,642,881
Net operating income	**1,097,993**	1,605,747	2,599,336
Net nonoperating revenues	**218,048**	440,183	430,229
Change in net assets	**1,316,041**	2,045,930	3,029,565
Net assets, beginning	**10,648,997**	8,603,067	5,573,502
Net assets, ending	**$ 11,965,038**	$ 10,648,997	$ 8,603,067
Total revenues	**$ 28,265,633**	$ 27,566,218	$ 27,672,446
Total expenses	**$ 26,949,592**	$ 25,520,288	$ 24,642,881

Operating Revenues

As a corporate body under Iowa Code 504A pursuant to Iowa Code Chapter 28E, the Program is a "self funded" entity. Operating revenues for the Program primarily consist of premiums paid for the insurance products provided. As indicated, revenues increased from 2008 to 2009 despite a 0% rate increase for all plans. The revenue increase is attributed to increased participation in the program.

Premium rates have not been increased the past two fiscal years as the MIIP Board has been conscious of the rising balance. As a non-profit entity and 28E group, it is not the goal of the Board to accumulate large reserve balances. Since the goal is to remain as a self-funded, non-profit entity, it was determined by the Board that the Program's strong cash position could be relied upon to address any possible shortfalls between revenues and expenditures during the 2010 - 2011 fiscal year.

Operating Expenses

The Program's operating expenses primarily consist of "Net Paid Claims" (98.1%) for medical, dental and vision services provided those participants in the Program. Additional "Fixed Costs" (1.9%) include: Reinsurance, Administration, Access fees and the Program's operations fees.

Expenses in both 2008 and 2009 increased over previous years, at a slightly higher rate than revenues, as indicated on the chart on the previous page. Fixed costs have held steady and Net Paid Claims have outpaced increased premiums due to minimum rate increases contained by, favorable history and implementation of health awareness initiatives.

Cash Flows

The following Summary of Cash Flows provides information regarding the Program's cash receipts and disbursements during the years ended June 30, 2009, 2008 and 2007. This provides an assessment of the Program's ability to generate future net cash flows and meet obligations as they come due.

Cash Flows for the Years Ended:

	2009	2008	2007
Cash provided (used) by:			
Operating activities	**$ 2,943,956**	$ 878,903	$ 2,616,164
Investing activities	**218,048**	440,183	430,229
Capital and related financing activities	**(752)**	-	-
Noncapital financing activities	**-**	-	-
Net change in cash	**3,161,252**	1,319,086	3,046,393
Cash, beginning of year	**12,463,414**	11,144,328	8,097,935
Cash, end of year	**$ 15,624,666**	$ 12,463,414	$ 11,144,328

The cash position of the Program continues to grow which indicates that surplus dollars will need to be considered when rates are set in the upcoming years. Also under consideration is the addition of value-added services such as a wellness component to the existing health insurance plans. The Board approved a sub-committee to review wellness options during the summer of 2009 with the possibility of adding this service effective at the beginning of the 2009 - 2010 fiscal year. The additional cost of the wellness service, if incorporated into the Program, would be paid with surplus premium dollars.

It will also be necessary to consider the Claims Fluctuation Reserve (CFR) as is required by the Iowa Code and Iowa Insurance Commissioners office. The CFR as of June 2009 for the MIIP plan was estimated at $3.65 million.

Capital Assets

As of June 30, 2009 and 2008, the Program had capital assets, principally equipment, with a recorded cost of $3,521 and $2,769, respectively, with accumulated depreciation of $2,869 and $2,265, respectively, for a net of $652 and $504, respectively. Depreciation charges totaled $604 and $554, respectively.

Debt Administration

As of June 30, 2009 and 2008, the Program had no outstanding debt. The Program does not have any debt limitations that may affect financing of future facilities or services, and there have not been any changes in credit ratings.

Economic Factors that May Affect the Future

The Program is in compliance with the State Insurance Commissioner's guidelines for financial condition as of June 30, 2009. The success of changes implemented in 2004 has grown the balance and financial position of the Program to a point that a focus on the size of the positive balance is now necessary. The Board recognizes the growing reserve balance as a position that must be continually monitored.

The Program's Board has established a sub-committee to study Wellness and make recommendations of their findings to the Board during the 2009 - 2010 fiscal year. The Board has asked the sub-committee to specifically look at wellness offerings that may be applicable to the Program and current health plan structure. Additionally, the Board continues to review plan designs, possible new plan designs, disease management programs, communication recommendations and health care consumerism as it pertains to employees making wise insurance decisions. Recommendations from the wellness sub-committee were received by the Board at its September 2009 meeting. The Board agreed they would invite a limited number of wellness providers to present their programs as an aid in planning upcoming renewals. Additionally, the Board has scheduled an additional fall 2009 meeting to review plan design and the "relative value" effect that has occurred within the current plan offerings.

Request for Information

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of the Metro Interagency Insurance Program's operations. If the reader has questions or would like additional information about the Metro Interagency Insurance Program, please direct the request to Theresa Stevens, Metro Interagency Insurance Program, 4401 Sixth Street SW, Cedar Rapids, Iowa 52404 or call 319-399-6763.

Metro Interagency Insurance Program

Statements of Net Assets
June 30, 2009 and 2008

Assets	**2009**	2008
Current Assets		
Cash and cash equivalents	**$ 15,624,666**	$ 12,463,414
Insurance refund receivable	**4,211**	709,032
Total current assets	**15,628,877**	13,172,446
Capital Assets (Note 3)		
Equipment	**3,521**	2,769
Less accumulated depreciation	**2,869**	2,265
Total capital assets	**652**	504
Total assets	**$ 15,629,529**	$ 13,172,950

Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 1,164,491**	$ 23,953
Reserve for incurred but not reported claims (Note 4)	**2,500,000**	2,500,000
Total current liabilities	**3,664,491**	2,523,953
Net Assets:		
Invested in capital assets	**652**	504
Restricted	**11,964,386**	10,648,493
Total net assets	**11,965,038**	10,648,997
Total liabilities and net assets	**$ 15,629,529**	$ 13,172,950

See Notes to Basic Financial Statements.

Metro Interagency Insurance Program

Statements of Revenues, Expenses and Changes in Net Assets
Years Ended June 30, 2009 and 2008

	2009	2008
Operating revenues:		
Member assessments for insurance (Note 5)	**$ 27,966,592**	$ 26,985,640
Other operating revenue, cobra premiums and other	**80,993**	140,395
Total operating revenues	**28,047,585**	27,126,035
Operating expenses:		
Insurance premiums, claims and administrative charges	**26,446,636**	25,265,254
Insurance pool assessment	**389,535**	141,786
Consulting services	**60,000**	60,000
Contracted services	**33,688**	32,084
Cobra administration and notice fees	**7,007**	7,436
Professional services	**10,975**	10,000
Plan insurance	**727**	500
Filing and state audit fees	**100**	100
Depreciation	**604**	554
Miscellaneous	**320**	2,574
Total operating expenses	**26,949,592**	25,520,288
Net operating income	**1,097,993**	1,605,747
Nonoperating revenue:		
Investment income	**218,048**	440,183
Change in net assets	**1,316,041**	2,045,930
Net assets, beginning	**10,648,997**	8,603,067
Net assets, ending	**$ 11,965,038**	$ 10,648,997

See Notes to Basic Financial Statements.

Metro Interagency Insurance Program

Statements of Cash Flows
Years Ended June 30, 2009 and 2008

		2009		2008
Cash Flows from Operating Activities:				
Cash received from member assessments	**$**	**27,966,592**	$	26,985,640
Cash received from other operating revenue		**87,081**		138,655
Cash paid for insurance premiums, claims and administrative charges		**(24,840,092)**		(25,994,455)
Cash paid for consulting services		**(60,000)**		(60,000)
Cash paid for insurance pool assessment		**(144,535)**		(141,786)
Cash paid for contracted services		**(45,589)**		(28,408)
Cash paid for cobra administration and notice fees		**(7,380)**		(7,569)
Cash paid for professional fees		**(10,975)**		(10,000)
Cash paid for other operating expenses		**(1,146)**		(3,174)
Net cash provided by operating activities		**2,943,956**		878,903
Cash Flows from Investing Activities, interest received		**218,048**		440,183
Cash Flows from Capital and Related Financing Activities, purchase of equipment		**(752)**		-
Net increase in cash and cash equivalents		**3,161,252**		1,319,086
Cash and Cash Equivalents:				
Beginning		**12,463,414**		11,144,328
Ending	**$**	**15,624,666**	$	12,463,414
Reconciliation to Net Cash Provided by Operating Activities:				
Operating income	**$**	**1,097,993**	$	1,605,747
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation		**604**		554
Changes in certain assets and liabilities:				
Insurance refund receivable		**704,821**		(700,473)
Accounts payable		**1,140,538**		(126,925)
Reserve for incurred but not reported claims		**-**		100,000
Net cash provided by operating activities	**$**	**2,943,956**	$	878,903

See Notes to Basic Financial Statements.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

Nature of operations: Metro Interagency Insurance Program (the "Program") was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The Program is to provide services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims for the employees of the Cedar Rapids Community School District, College Community School District, Linn-Mar Community School District, Marion Independent School District, Grant Wood Area Education Agency and Kirkwood Community College. The Program is not intended to function as an insurance company for the school entities. Rather, it is a means of combining the administration of claims and of obtaining lower insurance rates. Although premiums billed to the school entities are determined on an actuarial basis, ultimate liability for claims remains with the respective school entity and, accordingly, the insurance risks are not transferred to the Program. The Program's fiscal year ends on June 30. There are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

Significant accounting policies followed by the Program are presented below:

Measurement focus and basis of accounting: The financial statements of the Program have been prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Use of estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Member assessments: The Program offers four health plans through Wellmark Blue Cross Blue Shield of Iowa. On an annual basis, the Board of Directors of the Program determines the rate to be assessed to each member based on claims history, type of plan and operating expenses of the Program. Members are billed on a monthly basis based on the total number of covered employees of the member as well as the type of plan selected by the covered employee.

After participating in the Program for five complete fiscal years, members of the Program may voluntarily withdraw from membership as of June 30 of any fiscal year, provided the withdrawing member has notified the Board of Directors of the Program in writing by June 30 of the preceding year and has paid in full all obligations of the member to the Program. A withdrawn member continues to be responsible for its share of the cost of claims arising from events occurring while a participating member.

For each fiscal year, the Board of Directors will annually calculate the share each participating member or withdrawn member has in the Program's equity for that fiscal year according to a formula approved by the Board of Directors as outlined in Article XI of the bylaws of the Program.

Net assets: Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Program first applies restricted resources. At June 30, 2009, $11,964,386 had been classified as restricted due to enabling legislation.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

As part of this restriction, the Iowa Code and Iowa Insurance Commissioner's Office requires a Claims Fluctuation Reserve (CFR). The CFR as is required by the Iowa Code and Iowa Insurance Commissioner's office. The CFR as of June 2009 for the MIIP plan was estimated at $3.65 million.

Cash and cash equivalents: The Program considers all short-term investments that are highly liquid to be cash equivalents. The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Capital assets: Capital assets are defined by the Program as assets with an initial, individual cost of more than $400 and an initial, useful life of one year or greater. Capital assets are accounted for at historical cost and consist principally of equipment. Depreciation is charged as an expense against operations. Equipment is depreciated using the straight-line method over the estimated useful life of five years.

Classification of revenues and expenses: Operating revenues and expenses generally result from providing services in connection with the Program's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Reserve for incurred but not reported claims: The Program negotiated master health insurance contracts with Wellmark Blue Cross Blue Shield of Iowa (Wellmark) for the year ended June 30, 2009. The contract contained these parameters:

a. Individual Stop/Loss of $200,000.

b. Aggregate Stop/Loss of 125% of Wellmark actuarial projections for the rating period.

c. All claims will be paid by Wellmark that are presented during the 12-month rating period, plus a 3-month lag period for all claims incurred during the rating period.

d. Rating period is from July 1 through June 30.

e. Claims may be submitted for reimbursement up to 365 days after the termination of the benefit period (benefit period = calendar year).

The reserve for incurred but not reported claims includes provisions for claims incurred but not reported as of year-end. They are based upon actual expense and assumptions and projected future events, which may vary from the eventual outcome. The Program's historical experience, supplemented with other data such as lag reports, is used to base its reserve estimates. An independent actuary assists management with the establishment of the reserve as of June 30, 2009.

The Program makes payments to Wellmark each week based upon actual claims and administrative expenses. Amounts relating to the fiscal year are reflected as a payable at year-end.

Income taxes: Metro Interagency Insurance Program has qualified as a tax-exempt organization under Section 115(1) of the Internal Revenue Code and Section 28E of the Iowa Code. Therefore, the Program is exempt from tax on income.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Accounting pronouncements: The Program is applying all applicable Government Accounting Standards Board (GASB) pronouncements as well as following all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Program has elected not to apply FASB guidance subsequent to November 30, 1989.

None of the recently issued accounting pronouncements are expected to affect the financial statements.

Note 2. Cash and Cash Equivalents

As of June 30, 2009, the Program's cash and cash equivalents were are follows:

Cash and other deposits	$	13,391,618
Investment with the Iowa Schools Joint Investment Trust		2,233,048
	$	15,624,666

Authorized investments*:* The Program is authorized by statute and policy to invest public funds in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Program and State of Iowa Statute, Chapter 12C; perfected repurchase agreements, pooled funds including but not limited to mutual funds, trusts and third party management arrangement or improvement certificates of a drainage district. Additionally, investments in (1) reverse repurchase agreements and (2) securities derived from interest-only cash flows from an underlying collateral debt instrument where there is risk of loss due to early redemption of the collateral are prohibited.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Program's investment policy, funds needed for operations may only be invested in authorized investments that mature within 397 days. Funds not identified as operating funds may be invested in investments that mature in more than 397 days. This policy states that portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

Note 2. Cash and Cash Equivalents (Continued)

As of June 30, 2009, the Program's investment balances and maturities were as follows:

Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Iowa Schools Joint Investment Trust	$ 2,233,048	$ 2,233,048	$ -	$ -	$ -

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

As of June 30, 2009, the Program's investments were rated as follows:

Investment Type	Moody's Investors Services	Standard & Poor's
Iowa Schools Joint Investment Trust	AAA	Not rated

Custodial credit risk: For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a governmental entity will not be able to recover its deposits. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a governmental entity will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2009, the Program's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds. The Program's investments are held in the Iowa Schools Joint Investment Trust.

Concentration of credit risk: The Program's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. The investments in the Iowa Schools Joint Investment Trust are not subject to concentration of credit risk due as they are considered a pooled investment.

Note 3. Capital Assets

A summary of capital assets at June 30, 2009 and 2008 is as follows:

	Year Ended June 30, 2009			
	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable assets, equipment	**$ 2,769**	**$ 752**	**$ -**	**$ 3,521**
Less accumulated depreciation	**2,265**	**604**	**-**	**2,869**
Total depreciable assets, net	**$ 504**	**$ 148**	**$ -**	**$ 652**

	Year Ended June 30, 2008			
	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable assets, equipment	$ 2,769	$ -	$ -	$ 2,769
Less accumulated depreciation	1,711	554	-	2,265
Total depreciable assets, net	$ 1,058	$ (554)	$ -	$ 504

Note 4. Incurred But Not Reported Claims

Claim liabilities include all known claims and an amount for claims that have been incurred but not reported (IBNR). A liability is reported when it is probable that a claim has occurred and the amount of the claim can be reasonably estimated. The change in the reserve for IBNR is based on: actuarial assumptions considering the effects of inflation, recent settlement trends, including frequency and amount of payouts and other economic factors. The changes in the reserve for IBNR claims for the years ended June 30, 2009 and 2008 is as follows:

	2009	2008
Reserve for incurred but not reported claims, beginning of year	**$ 2,500,000**	$ 2,400,000
Claims recognized	**26,446,636**	25,265,254
Claims payments	**(26,446,636)**	(25,165,254)
Reserve for incurred but not reported claims, end of year	**$ 2,500,000**	$ 2,500,000

Note 5. Related Party Transactions

The Metro Interagency Insurance Program had the following related party transactions for the years ended June 30, 2009 and 2008:

	2009	2008
	Member Assessment Revenue	Member Assessment Revenue
Cedar Rapids Community School District	**$ 10,890,890**	$ 10,928,965
College Community School District	**2,610,626**	2,567,418
Linn-Mar Community School District	**3,521,118**	3,351,247
Marion Independent School District	**1,399,921**	1,334,382
Grant Wood Area Education Agency	**3,420,844**	3,387,122
Kirkwood Community College	**6,123,193**	5,416,506
Total	**$ 27,966,592**	$ 26,985,640

Note 6. Subsequent Events

Management has evaluated subsequent events through December 16, 2009, the date the financial statements were available to be issued, and has determined that no events or transactions have occurred through that date that required recognition or disclosure in the financial statements.