

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF FINANCIAL AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2002

FM04 – 071S

June 30, 2004



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

Pursuant to Chapter 5, Section 93, of the New York City Charter, my office performed a comparative analysis on the overall financial activities of union-administered benefit funds whose fiscal years ended in calendar year 2002. New York City contributed approximately \$861.7 million to 112 welfare, retiree, and annuity funds whose fiscal years ended in calendar year 2002.

Reviews such as this provide fund trustees and other interested parties with a means of comparing the administrative and benefit expenses of similar-sized funds.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please contact my audit bureau at 212-669-3747 or e-mail us at audit@Comptroller.nyc.gov.

Very truly yours,

A handwritten signature in cursive script that reads 'William C. Thompson, Jr.'.

William C. Thompson, Jr.

WCT/gr

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*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

**Analysis of the
Financial and Operating Practices of
Union-Administered Benefit Funds
With Fiscal Years Ending in
Calendar Year 2002**

FM04-071S

RESULTS IN BRIEF

Background

New York City contributed approximately \$861.7 million to the 112 union-administered annuity, active and retiree welfare funds with fiscal years ending during calendar year 2002. The benefit funds were established under the provisions of collective bargaining agreements between the unions and the City of New York. Benefit funds provide City employees, retirees, and dependents with a variety of supplemental health benefits not provided under City-administered health insurance plans, including dental care, optical care, and prescription drug benefits. Other benefits are provided at the discretion of the individual funds. Annual contributions to the welfare funds ranged from \$1,025 to \$1,525 per employee during 2002.

Accountability for fund expenditures is a contractual requirement: the funds must be audited annually by a certified public accountant (retained by the funds); they must submit an annual statement showing their "condition and affairs" in the form prescribed by the City Comptroller; and they must provide an annual report to each employee covered by the fund.

In November 1977, the Comptroller's Office published the first Internal Control and Accountability Directive #12, which contained uniform reporting and auditing requirements for benefit funds. In 1997, Directive #12 was revised to include provisions that modified fund reporting requirements, required assessments of consultant services, modified the criteria for contracting services through competitive bids, and expanded the requirements for hiring independent certified public accountants to audit the funds.

These reporting requirements provide a basis for our comparative analyses of fund operations to identify deviations from the norm. To perform these analyses, we compute certain expense and benefit category averages that are used to compare funds of similar size; our results can then be used by fund trustees and administrators to perform their own internal analysis.

This is the Comptroller's 23rd annual report related to the data received in response to Directive

#12. The analysis is based on the financial activities of 112 benefit funds receiving contributions from the City during calendar year 2002. Annual reports from these funds are usually delayed at least one year because, according to Directive #12, the funds have up to nine months after the close of their fiscal years (some of which end on December 31st) to submit the required data.

We reviewed the financial information provided by 112 funds that received City contributions during Fiscal Year 2002. (Exhibit A at the end of this report lists each fund by its official and its abbreviated name.) However, the computation of category averages and our other financial analyses were limited to 87 funds that received approximately \$803.5 million in total City contributions during each fund's 2002 Fiscal Year (most of the funds' Fiscal Years ended in either June or September of 2002)—15 funds were excluded since they receive a substantial portion of their revenues from sources other than the City; one College Scholarship Fund was excluded since it does not provide benefits to union members or their dependents; and nine annuity funds were excluded because they incurred substantial losses on their investments that offset their total revenue (putting their revenue in "negative" terms and making a calculation of ratios impossible. These funds are listed separately in Exhibit B.)

As of the end of their 2002 Fiscal Years, the welfare funds' net assets available for plan benefits totaled \$772.4 million, and the annuity funds had a net fund balance of approximately \$409.1 million.

Objective of Analysis

Our objective was to provide comparative data on the overall financial activities of the 87 union-administered active and retiree welfare, education, and annuity funds which received City contributions during Fiscal Year 2002. (Most of the funds' fiscal years ended in either June or September 2002.)

Observations

As in previous reviews of the financial data submitted by the funds for the past 23 years, there were variations in the amounts spent for administrative purposes although, in certain instances, there was a clear indication that these expenses were reduced. Some of the funds cited in our 2001 report for spending higher-than-average amounts on administration remain in that same category in 2002, while other funds were added to this category because their administrative costs increased in 2002. In 2002, \$63.8 million (7.55%) of total revenue for all funds was spent on administration, as compared to \$57.98 million (6.49%) spent on administration in 2001. The percentage of total revenue spent on administration varied among funds, reflecting the broad discretion exercised by each fund's Board of Trustees.

As before, several funds expended lower-than-average amounts for benefits and maintained high reserves. In addition, the benefit expenditures of each of 11 funds exceeded their individual total revenues, causing the funds to dip into their reserves. The use of reserves to provide benefits may indicate that the benefits provided were not evaluated in relation to the resources available to the funds. Reserves held by funds provide a cushion if claims for benefits exceed revenues in any given year. In the past, the Comptroller's Office has used general guidelines of 100 percent of revenue for insured funds and 200 percent of revenue for self-insured funds as reasonable levels for welfare fund reserves. High reserves are an indication of a fund's financial viability, but may also indicate that a fund is not providing as many benefits to its members as it could. Furthermore, in 2002, 26 of 73 active and retiree welfare funds in our analysis incurred operating deficits totaling \$18.07 million, which reduced their

available reserves. The deficits ranged from \$2,167 to \$7,032,805.

In summary, we identified the following financial issues that should be addressed:

- **The expenses of certain funds exceeded their revenues, resulting in operating deficits.** Operating deficits could deplete fund reserves, which could ultimately lead to insolvency.
- **Certain funds spent a large percentage of their revenue on administrative expenses.** Reducing administrative expenses would allow funds to increase benefits for members.
- **Certain funds had large operating surpluses resulting in high reserves.** Excess reserves may indicate that funds should increase members' benefits.

The chart on the following page lists those funds with financial issues (indicated in the shaded areas of the chart) that should be addressed by fund management.

Funds with Potential Problems
(Problem Areas Highlighted)

FUNDS	TOTAL REVENUE	OVERALL EXPENSES	SURPLUS OR OPERATING (DEFICIT)	ADMINISTRATIVE EXPENSE		BENEFITS EXPENSE		FUND BALANCE			RISK OF INSOLVENCY (SEE LEGEND)
				Total	% of Rev.	Total	% of Rev.	Total	% of Rev.	Balance / Deficit*	
Local 832 RWF	154,494	173,077	(18,583)	30,436	19.70	142,641	92.33	4,575	2.96%	(24%)	P
Local 94 Uniformed Firefighters Association RWF	12,183,819	14,759,747	(2,575,928)	592,882	4.87	14,166,865	116.28	2,590,621	21.26	101%	ST
Professional Staff Congress CUNY WF/RWF	21,070,329	25,078,964	(4,008,635)	989,743	4.70	24,089,221	114.33	8,506,822	40.37	212%	MT
Local 832 Teamsters WF	592,896	566,969	25,927	93,662	15.80	473,307	79.83	220,642	37.21	—	N
Local 1183 CWA Board of Elections Benefit Fund WF	553,268	572,143	(18,875)	99,157	17.92	472,986	85.49	181,667	32.84	962%	LT
NYC Deputy Sheriffs Assoc. RWF	36,644	49,983	(13,339)	8,999	24.56	40,984	111.84	105,260	287.25	789%	LT
NYC Municipal Steam-fitters & Steam-fitter Helpers RWF	170,921	92,977	77,944	12,825	7.50	80,152	46.89	694,051	406.07	—	N
NYC Municipal Steam-fitters & Steam-fitter Helpers WF	332,473	205,698	126,775	19,275	5.80	186,423	56.07	1,302,370	391.72	—	N
Local 806 Structural Steel Painters RWF	45,095	23,738	21,357	501	1.11	23,237	51.53	206,108	457.05	—	N
Local 806 Structural Steel Painters WF	67,516	29,498	38,018	719	1.06	28,779	42.63	328,261	486.20	—	N
Local 14A-14B IUOE WF/RWF	103,552	78,970	24,582	27,803	26.85	51,167	49.41	481,053	464.55	—	N
Local 15A-C Operating Engineers WF/RWF	860,196	429,422	430,774	135,908	15.80	293,514	34.12	4,354,702	506.25	—	N

Legend

I - Insolvency

N - Currently not at Risk of Insolvency

P - Possible Risk of Insolvency in less than 1 year

ST - Short-term Risk of Insolvency within 1 - 2 years

MT - Mid-term Risk of Insolvency between 2- 3 years

LT - Long-term Risk of Insolvency greater than 3 years

*A ratio estimating the number of years that a fund can operate before being "in the red" if all factors remain constant. For example, number "101%" would indicate the fund has approximately one year before becoming insolvent.

Fund managers have a fiduciary responsibility to provide optimum benefits to members while keeping administrative costs to a minimum. A fund that accumulates excessive reserves or expends large amounts for administrative costs does not achieve its basic goal of providing optimum benefits to members. The trustees of these funds should evaluate how their funds could be better operated.

This report's exhibits can be a starting point for fund trustees and administrators to identify areas for cost reduction or other appropriate action to ensure financial stability. No conclusions should be drawn from any single exhibit in this report. For example, even though an exhibit might show that a particular fund's benefit expenses exceeded its revenues, this might not be a problem if the fund has sufficient or high reserves. On the other hand, funds incurring high administrative costs relative to other funds of a similar size should review their costs carefully and reduce them whenever possible.

Other Issues

Improper Eligibility Delay

The intent of the standard benefit fund agreements between the City and the unions is that welfare fund benefits be available during each member's entire period of employment with the City. Thus, the funds should make their members eligible for benefits, beginning on their first day of employment with the City. However, two funds (Local 237 Teamsters' Welfare Fund, and District Council 9 Painters Industry Welfare Fund) improperly delay eligibility for their members to receive benefits from 30 and 90 days, respectively. Consequently, members or their dependents that may be in need of benefits during the funds' waiting periods are precluded from obtaining such benefits.

CPA Opinions

Directive #12 requires that all welfare, retiree, annuity, and affiliated funds receiving City contributions have their financial statements audited annually by certified public accountants. Each audit must include a complete examination in accordance with generally accepted auditing standards whereby an opinion is expressed on the financial statements taken as a whole. Furthermore, the fund agreements between the City and the unions require the preparation of each fund's financial statements on the accrual basis of accounting and in conformance with generally accepted accounting principles (GAAP).

Of the 87 funds reviewed, 10 funds received adverse opinions, and six funds received qualified opinions because their financial statements were not in compliance with GAAP. (The 16 funds as well as the specific issues raised in the CPA reports are detailed on pages 39 to 41 of this report.)

Consolidation of Professional Services

Most funds receiving City contributions enter into contracts with various professional providers for services such as accounting/auditing and legal counsel. Many funds use the same professional service provider for similar services. (Appendix D lists the funds using the same providers for similar professional services.) Trustees of funds using the same providers for similar services may reduce their funds' administrative expenses by negotiating future contracts jointly.

Field Audits of Funds

In addition to analyzing Directive #12 filings, the Comptroller's Office periodically performs audits of the financial and operating practices of selected funds. There were 76 such audit reports

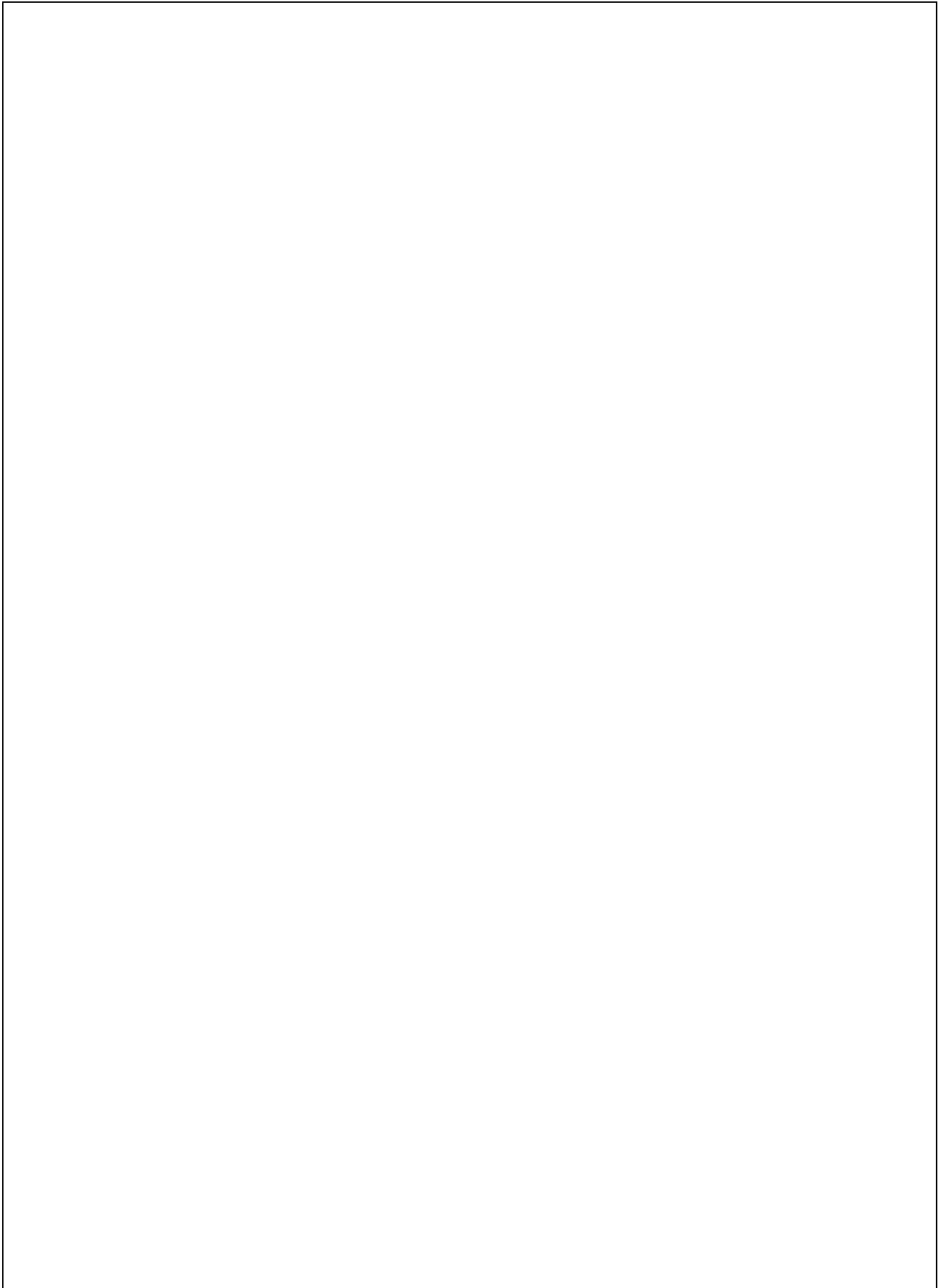
issued by the Comptroller's Office during Fiscal Years 1985-2004. (These audits are listed in Appendix C at the end of this report.) During Fiscal Year 2004, we issued the following three reports:

- Audit Report on the Financial and Operating Practices of the Uniformed Fire Officers Association Family Protection Plan, Report # FL04-094A
- Audit Report on the Financial and Operating Practices of the Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan, Report # FL04-095A
- Audit Report on the Financial and Operating Practices of the Local 721 Licensed Practical Nurses Welfare Fund, Report #FL04-093A

(See pages 41 to 45 of this report for details regarding these three audits.)

RECOMMENDATIONS

- Trustees of funds with high percentages of administrative costs to total revenue and/or low percentages of benefit expenses to total revenue should reduce administrative expenses and increase benefits to members.
- Trustees of funds using the same professional service providers for similar services should consider jointly negotiating future contracts with these providers to reduce administrative expenses through economies of scale.
- Trustees of funds using the same providers for similar services should solicit competitive proposals and negotiate future contracts jointly.
- Trustees of funds with low reserve levels should take steps to ensure that their funds remain solvent. To accomplish this goal, funds should endeavor to reduce administrative expenses. If this is not possible or does not provide sufficient funds to ensure solvency, the Trustees should attempt to reduce costs associated with benefits.
- Trustees of funds that are incurring significant operating deficits, particularly those with low reserve levels, should ensure that anticipated benefit and administrative expenses will not exceed projected total revenue.
- Trustees of funds with high reserve levels, particularly those whose funds spend less than average amounts of their revenue on benefits, should consider enhancing their members' benefits.
- Trustees of funds that delay members' eligibility for benefits beyond their first day of employment should revise their fund's policy to comply with their union's welfare fund agreement with the City.
- OLR (Office of Labor Relations) should use the information in this report to ensure that the trustees of the funds cited herein correct the noted exceptions.
- OLR should recover the portion of City contributions from those funds that do not provide benefits to members from their first day of employment.



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Bureau of Financial Audit*

**Analysis of the
Financial and Operating Practices
of Union-Administered Benefit Funds
Whose Fiscal Years Ended
During Calendar Year 2002**

FM04-071S

INTRODUCTION

Background

New York City has provided various health insurance benefits to its employees since 1947. Since 1966, the City has provided its active employees, their families, and retirees with basic health and hospitalization coverage.

As a result of collective bargaining with the Uniformed Sanitationmen's Association in 1962, the City agreed to contribute \$56.50 per employee to the Union's welfare fund allowance, in addition to health insurance benefits it provided directly. This allowance provided additional health insurance benefits. By 1971, managerial employees and most full-time employees represented by collective bargaining units received this benefit. In 1973, retirees and part-time employees became eligible to receive additional health benefits, subject to certain restrictions. In some cases separate funds were established for the retirees.

By 2002, the annual contributions to the various union-administered welfare funds ranged from \$1,025 to \$1,525 per employee per year; the aggregate annual cost to the City (including contributions to annuity funds) was approximately \$861.72 million.

Pursuant to the collective bargaining agreements, City contributions are placed in legally established trusts administered by trustees appointed by the unions or associations. City officials, therefore, are not directly involved in fund administration.

The determination of types of benefits, amounts, deductibles, etc., is left to the trustees' discretion. The benefits provided are listed in the fund agreements between the City and the unions. Some funds now provide legal assistance and educational activities, in addition to health benefits. Other funds, such as the Uniformed Officers' Funds, receive additional City contributions to operate Civil Legal Representation Funds that provide protection for their members from civil lawsuits. Some funds

are self-insured; other funds provide most of their benefits through insurance companies. Typical benefits provided by funds to employees and their families include the following:

- dental benefits—including regular exams, cleaning, X-rays, fluoride treatments, fillings, extractions, crowns, root canals, orthodontics, and other dental procedures;
- optical benefits for examinations and eyeglasses;
- prescription drug reimbursement;
- life insurance; and
- supplemental health and hospitalization.

In addition to contributing to the various welfare funds, the City contributes a dollar (or more) to annuity funds for each workday of uniformed employees and certain other workers on active duty. Upon retirement, death, or termination, an employee receives a lump sum distribution consisting of the City's contributions to the employee's annuity fund, plus any interest or other income earned, in addition to the employee's statutory City pension.

Twenty-three funds received between \$1 million and \$3 million in City contributions in 2002, and 36 funds received more than \$3 million each. Of the 36 funds receiving more than \$3 million, the following 14 funds received more than \$10 million each from the City, accounting for approximately 72.7 percent of the City's contributions to benefit funds in 2002, as shown on Table I, following:

TABLE I

Funds Receiving More Than \$10 Million* in City Contributions in 2002

<u>Fund Name</u>	<u>TotalNYC Revenue</u>	<u>Contributions**</u>
District Council 37 WF	\$226,870,669	\$210,153,520
Local 2 United Federation of Teachers WF	204,508,034	191,548,029
Patrolmen's Benevolent Association WF	44,756,324	40,260,020
Patrolmen's Benevolent Association RWF	30,768,448	30,560,088
Local 237 Teamster's WF	27,198,515	26,680,872
Local 371 Social Service Employees WF	23,178,200	22,779,195
Professional Staff Congress CUNY Welfare and RWF	21,070,329	21,054,598
Sergeants Benevolent Association (Police) WF/RWF	13,633,175	13,351,306
Corrections Officer's Benevolent Association WF	12,660,271	12,635,926
Local 237 Teamsters Annuity Fund	9,725,949	12,303,917
Local 94 Uniformed Firefighter's Association RWF	12,183,819	12,300,230
Local 94 Uniformed Firefighter's Association WF	12,095,255	12,065,163
Local 1180 CWA Municipal Management WF	12,760,149	10,984,378
Local 237 Teamsters RWF	<u>10,986,696</u>	<u>10,062,683</u>
Total	<u>\$662,395,833</u>	<u>\$626,739,925</u>

*This cutoff figure is arbitrary and used for descriptive purposes only. A cutoff to \$9 million would add another four funds to the list.

**The difference between Total Revenue and New York City contributions consists of revenue from interest, dividends, other employer contributions, investments, miscellaneous income and losses on investments.

RWF = Retiree Welfare Fund

WF = Welfare Fund.

AF = Annuity Fund

We categorized the 112 funds covered in this report by size, as follows:

TABLE II

Number and Categories of Benefit Plans in Survey

<u>NYC Contributions</u>	<u>Active and Retiree Plans</u>	<u>Annuity</u>	<u>Total</u>
Less than \$100,000	3	1	4
\$100,000 to \$300,000	12	0	12
\$300,000 to \$ 1 million	10	2	12
\$1 million to \$3 million	20	3	23
\$3 million to \$10 million*	15	7	22
\$10 million to \$20 million	6	1	7
More than \$20 million*	7	0	7
Funds receiving a significant portion of their revenues from non-City sources, a fund that did not provide benefits, and funds with substantial losses on their investments	<u>10</u>	<u>15</u>	<u>25</u>
Total	<u>83</u>	<u>29</u>	<u>112</u>

*Local 621 SEIU Active and Retiree Welfare Funds are administered by Local 237 Teamsters' Welfare and Retiree Welfare Funds, respectively. Therefore, Local 621's financial information was incorporated into the Local 237 fund's financial information.

The 36 funds (insured, self-insured, and annuity) with City contributions of more than \$3 million (including the 14 listed in Table I with contributions of more than \$10 million) received approximately \$757.5 million from the City and provided benefits to the bulk of the City's work force (Exhibit B details the revenues and expenses of all funds). Fifteen funds that received a substantial portion of their revenues from sources other than the City, one College Scholarship Fund that does not provide benefits to union members or their dependents, and nine annuity funds that incurred substantial losses on their investments that offset their total revenue (putting their revenue in "negative" terms and making a calculation of ratios impossible) were not included in either the computation of category averages or in the financial analyses, since they would have distorted the results. (These funds are listed separately in Exhibit B.)

Certain unions offer education, legal services, and disability benefits through separate funds. For purposes of this report, we consolidated these funds with their respective welfare-benefit funds.

Oversight Mechanism

The funds' agreements with the City's Office of Labor Relations (OLR) provide the following oversight mechanisms to monitor the funds' financial and operating activities:

- The trustees are required to keep accurate records in conformance with generally accepted accounting principles. The funds are audited annually by a certified public accountant (CPA) selected by the trustees. Comptroller's Directive #12 strongly recommends that funds select independent certified public accounts through a competitive proposal process and that funds contract only with firms listed on the Comptroller's prequalified list of CPAs. Each CPA audit report must be submitted to the City Comptroller within nine months after the close of each fund's fiscal year. Funds are also subject to further audit by the City Comptroller.
- Nine months after the close of its fiscal year, each fund's trustees must file a report with the City Comptroller showing the fund's "condition and affairs" during its fiscal year.¹ The report must contain information as prescribed in Comptroller's Directive #12. In addition, an annual membership report must be mailed to all fund members. This report summarizes the financial condition of the fund.

In 1977, the Comptroller's Office published the first Directive #12, which provided uniform reporting and auditing requirements for the Benefit Funds. (The Comptroller's Directives are used to establish policies governing internal controls, accountability, and financial reporting.)

In addition to providing a uniform reporting mechanism, Directive #12 requires that the funds' CPAs prepare management letters commenting upon weaknesses in internal and management controls that were identified during their audits. Further, the Directive requests comments on management matters, such as investment policies, bidding practices, staff utilization, and accounting allocations. Directive #12 also requires that each fund report the percentage of administrative costs to total revenue annually. On an overall basis, this percentage is expected to be "reasonable."

The revised Directive #12 in use during Fiscal Year 2002, which is attached as Appendix A, became effective on July 1, 1997, and is the most current version of Comptroller's Directive #12.

Scope of Analysis

This is the 23rd report issued by the Comptroller's Office on the financial operations of union-administered welfare, retiree welfare, and annuity funds. This report is based upon Fiscal Year 2002 financial reports and other information filed by the various funds with the City Comptroller's Office, as required by Comptroller's Directive #12.

The purpose of this report is to provide comparative analysis on the overall financial activities of the funds and their benefits. The analyses also provide a means of viewing accountability of the fund

¹ The main component of the "condition and affairs" is the financial statements, which are audited and certified by an independent CPA firm. Most of the other documents (i.e., Administrative and Benefit Expense Schedules) include various calculations derived from information contained in the financial statements.

trustees and administrators in reference to fund expenditures, by supplementing each fund's required CPA audit.

We reviewed the financial information provided by 112 funds that received City contributions during Fiscal Year 2002. (Exhibit A at the end of this report lists each fund by their official and abbreviated names.) However, the computation of category averages and our other financial analysis was limited to 87 funds, which received approximately \$803.5 million in total City contributions during each fund's 2002 Fiscal Year (most of the funds' Fiscal Years ended in either June or September of 2002)—15 funds were excluded since they receive a substantial portion of their revenues from sources other than the City; one College Scholarship Fund was excluded since it does not provide benefits to union members or their dependents; and nine funds were excluded because they incurred substantial losses on their investments that offset their total revenue (putting their revenue in "negative" terms and making a calculation of ratios impossible).

Our examination was performed in accordance with the City Comptroller's audit responsibilities under Chapter 5, § 93, of the New York City Charter, and under the provisions of agreements between the City and the individual unions.

FUND EXPENSES

For purposes of this report, benefit expenses include costs directly associated with providing benefits to members, such as salaries or other payments to attorneys who provide direct legal services to members; instructors who conduct in-house training for members; and physicians who examine members for worker's disability purposes. Administrative expenses include salaries for fund employees; insurance company retention fees; overhead costs involved in doing business (i.e., costs associated with processing claims); rent for office space and office expenses; professional fees paid for legal, accounting, and consultant services; and travel and conference expenditures. (See Exhibit C for a breakdown of Administrative Expenses.)

In 2002, about \$63.8 million or (7.55% of total revenue) was spent on administering the funds as compared to \$57.98 million (6.49%) in 2001. The largest single component—salaries for administrative and clerical staff—totaling \$28.1 million—represented 44 percent of total administrative expenses in 2002. Other major administrative expenses included \$3.9 million for rent, \$9.9 million for office expenses, \$463,839 for insurance retention charges, \$2.5 million for investment and custodial services, \$14.2 million for consultant services, and \$2.7 million for legal, accounting, and auditing services.

Funds provide benefits on an insured or self-insured basis. Whether a fund is insured or self-insured affects the level of its reported administrative expenses significantly. Self-insured funds categorize claims processing costs as administrative expenses. In contrast, insured funds include most claims processing costs as part of their insurance premiums and thus categorize them as benefit expenses. Therefore, reported administrative expenses of insured funds are generally lower than those of self-insured funds. To make insured and self-insured funds more comparable, we transferred insurance company retention charges to administrative costs wherever possible.

For comparison purposes, we categorized the funds into the following three groups:

- insured active and retiree welfare funds (we classified a fund as insured if at least 80 percent of its benefits were provided by insurance companies rather than directly by the fund),
- self-insured active and retiree welfare funds, and
- annuity funds.

Current City contracts do not specify what portion of the funds' total revenue may be reasonably spent on administrative expenses. In the absence of such standards, we calculated the average for each fund category (based on funds of similar size), thus enabling us to isolate those funds whose administrative expenses deviated significantly from the averages. Tables III and IV indicate, by category, the average amount and percentages of total revenue expended by the 87 funds on administrative costs and the range of such percentages in 2002.

TABLE III

Average Amount and Percentage of Total Revenue
Spent by 87 Funds on Administration

<u>City Revenue</u>	<u>Insured Active and Retiree Welfare Funds</u>			<u>Self-Insured Active and Retiree Welfare Funds</u>			<u>Annuity Funds^(B)</u>		
	<u>Number^(A,B)</u>	<u>Amount</u>	<u>Percent</u>	<u>Number</u>	<u>Amount</u>	<u>Percent</u>	<u>Number</u>	<u>Amount</u>	<u>Percent</u>
Less than \$100,000	(3)	\$3,406	6.85%	(0)	N/A	N/A	(1)	\$48,841	259.48%
\$100,000 to \$300,000	(3)	26,259	12.54	(9)	27,040	12.65	(0)	N/A	N/A
\$300,000 to \$1 million	(3)	77,028	13.68	(7)	85,427	13.25	(2)	32,960	4.21
\$1 million to \$3 million	(0)	N/A	N/A	(20)	185,330	11.05	(3)	413,182	21.77
\$3 million to \$10 million	(0)	N/A	N/A	(15)	522,983	7.48	(7)	215,310	5.34
\$10 million to \$20 million	(0)	N/A	N/A	(6)	946,668	7.64	(1)	351,532	3.61
More than \$20 million	(1)	989,743	4.70	(6)	6,867,107	7.39	(0)	N/A	N/A
Overall Average 2002	(10)	\$130,982	5.57%	(63)	\$940,878	7.63%	(14)	\$229,500	7.10%
Overall Average 2001	(11)	\$108,580	5.16%	(64)	\$843,373	6.53%	(10)	\$280,718	6.33%

N/A = not applicable

(A) Figures in parenthesis represent the number of funds in each category.

(B) As stated earlier in the report, eight annuity funds and one welfare fund that incurred substantial losses on their investments that offset their total revenues (putting the revenue in the “negative” terms and making a calculation of ratios impossible), were not included in either the computation of category averages or in the financial analysis, since they would have distorted the results. These funds are listed separately in Exhibit B.

TABLE IV**Ranges of Percentages of Total Revenue
Spent by 87 Funds on Administration**

<u>City Revenue</u>	<u>Insured Active And Retiree Welfare Funds</u>	<u>Self-Insured Active and Retiree Welfare Funds</u>	<u>Annuity Funds</u>
Less than \$100,000	1.06% to 24.56%	---	---
\$100,000 to \$300,000	9.06 to 26.85	5.80 to 20.06%	259.48%
\$300,000 to \$1 million	9.56 to 15.80	7.74 to 17.92	0.00 to 8.11%
\$1 million to \$3 million	---	5.80 to 19.75	7.01 to 41.41
\$3 million to \$10 million	---	3.10 to 14.16	1.39 to 88.90
\$10 million to \$20 million	---	4.00 to 14.08	3.61
<u>More than \$20 million</u>	<u>4.70</u>	<u>5.84 to 13.10</u>	<u>---</u>
Overall Average 2002	5.57%	7.63%	7.10%
Overall Average 2001	5.16%	6.53%	6.33%

**High Percentage of Revenue Spent on Administration
By Certain Active and Retiree Welfare Funds**

Tables V and VI list selected insured and self-insured active and retiree welfare funds with significantly higher percentages of revenue spent on administration than their respective category averages for 2002.

TABLE V

**Insured Active and Retiree Welfare Funds with
High Administrative Expense-To-Revenue Ratios**

<u>Fund Name</u>	<u>Category Average</u>	<u>Fund</u>	<u>Percentage Deviation From Category Average</u>
<u>Less than \$100,000</u>			
NYC Deputy Sheriffs Association RWF	6.85%	24.56%	258.54%
<u>\$100,000 to \$300,000</u>			
Local 14A-14B IUOE WF/RWF*	12.54%	26.85%	114.11%

* This fund also incurred higher than average administrative costs in 2001.

TABLE VI**Self-Insured Active and Retiree Welfare Funds
With High Administrative Cost-To-Revenue Ratios**

<u>Fund Name</u>	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
<u>\$100,000 - \$300,000</u>			
Local 3 IBEW City Employees WF	12.65%	20.06%	58.58%
Local 832 Teamsters RWF	12.65	19.70	55.73
Fire Alarm Dispatchers Association WF	12.65	17.55	38.74
<u>\$300,000 to \$1 million</u>			
Local 1183 CWA Board of Elections WF	13.25	17.92	35.25
United Probation Officers Association RWF*	13.25	17.61	32.91
<u>\$1 million to \$3 million</u>			
United Probation Officers Association WF*	11.05	19.75	78.73
Doctors Council WF*	11.05	16.91	53.03
<u>\$3 million to \$10 million</u>			
Local 1180 CWA Municipal Management RWF*	7.48	14.16	89.30
Organization of Staff Analysts WF*	7.48	12.84	71.66
<u>\$10 Million to \$20 Million</u>			
Local 237 Teamsters RWF*	7.64	14.08	84.29
Local 1180 CWA Municipal Management WF*	7.64	11.46	50.00
<u>Over \$20 Million</u>			
Local 371 Social Service Employees WF	7.39	13.10	77.27
Local 237 Teamsters WF	7.39	11.17	51.15

*These funds also incurred higher-than-average administrative costs in 2001.

Without full audits of the individual funds, it is impossible to determine why these funds' administrative costs exceeded their category averages.

Other funds, as shown in Table VII below, have increased the percentage of their revenues spent on administration.

TABLE VII

High Percentage Increase of Revenue
Spent on Administration

<u>Fund Name</u>	<u>Administrative Expense Percentages</u>		<u>Percentage</u>
	<u>2001</u>	<u>2002</u>	<u>Increase</u>
NYC Deputy Sheriff Association WF	1.89%	5.87 %	210.58%
NYC Deputy Sheriff Association RWF	7.96	24.56	208.54
District Council 1 MEBA Beneficial Trust WF/AF	6.78	11.82	74.34
Local 3 IBEW City Employees WF	11.82	20.06	69.71
Local 211 Allied Building Inspectors WF	9.93	13.73	38.27
Local 237 Teamsters WF	8.32	11.17	34.25
Correction Captains Association WF	8.91	11.75	31.87
Local 237 Teamsters RWF	10.88	14.08	29.41

Without full audits of the individual funds, it is impossible to determine why these funds' administrative costs increased in 2002.

**Low Percentages of Revenue
Spent on Administration**

Tables VIII and IX show selected insured and self-insured welfare and retiree welfare funds operating with substantially lower-than-average percentages of revenue spent on administration than their respective category averages for 2002.

TABLE VIII

**Insured Active and Retiree Welfare Funds
With Low Administrative Cost-To-Revenue Ratios**

<u>Fund Name</u>	<u>Administrative Expense Percentages</u>		
	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
Local 806 Structural Steel Painters WF*	6.85%	1.06%	(84.53%)
Local 806 Structural Steel Painters RWF*	6.85	1.11	(83.80)

*Both funds received less than \$100,000 in total revenue and also had lower-than-average administrative costs in 2001.

TABLE IX

Self-Insured Active and Retiree Welfare Funds
With Low Administrative Cost-To-Revenue Ratios

<u>Fund Name</u>	<u>Administrative Expense Percentages</u>		
	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
<u>\$100,000 to \$300,000</u>			
NYC Municipal Steam-fitter and Steam-fitter Helpers WF*	12.65%	5.80%	(54.15%)
NYC Deputy Sheriff's Association WF	12.65	5.87	(53.60)
NYC Municipal Steam-fitter and Steam-fitter Helpers RWF*	12.65	7.50	(40.71)
<u>\$300,000 to \$1 million</u>			
Local 300 Civil Service Forum RWF*	13.25	7.74	(41.58)
<u>\$1 million to \$3 million</u>			
Local 444 Sanitation Officers RWF	11.05	5.80	(47.51)
Local 444 Sanitation Officers WF*	11.05	6.18	(44.07)
<u>\$3 million to \$10 million</u>			
New York City Retiree WF*	7.48	3.10	(58.56)
Local 854 Uniformed Fire Officers RWF*	7.48	3.61	(51.74)
Local 854 Uniformed Fire Officers Association WF*	7.48	3.96	(47.06)
Superior Officers Council (Police) RWF*	7.48	4.22	(43.58)
<u>\$10 million to \$20 million</u>			
Correction Officers Benevolent Association WF*	7.64	4.00	(47.64)

*These funds also had lower than average administrative costs in 2001.

These results may indicate that some funds operate in a significantly less costly manner than others.

Funds With Improved Administrative Expenses to Revenue Ratios

Six funds significantly reduced the percentage of their revenues spent on administration. As shown in Table X, below, these funds reduced their administrative expense percentages between 19.94 and 80.08 percent. There may be several reasons why administrative expenses decrease significantly from one year to the next. For example, funds may contract with less costly providers (e.g., accountants, attorneys, and consultants), or trustees may change the basis of expense allocations between the union and the fund. However, without full audits of the individual funds, it is impossible to determine how these funds reduced their administrative expenses.

TABLE X

Funds with Lower Percentages of Revenue Spent on Administrative Expenses

<u>Fund Name</u>	<u>Administrative Expense Percentages*</u>		<u>Percentage Decrease</u>
	<u>2001</u>	<u>2002</u>	
Local 806 Structural Steel Painters WF	5.32%	1.06%	(80.08%)
Doctors Council RWF	24.03	8.94	(62.80)
Local 306 Municipal Employees WF	14.68	10.44	(28.88)
NYC Municipal Plumbers and Pipe-fitters WF	10.95	8.16	(25.48)
Doctors Council WF	21.51	16.91	(21.39)
Local 858 IBT(OTB) Branch Office Managers WF	15.40	12.33	(19.94)

*Our analysis of the administrative expenses as reported on the financial statements is uniformly evaluated for the purpose of our report. At times we may be required to reclassify specific expenses (i.e., insurance retention) to ensure that all funds are evaluated uniformly.

Annuity Funds: Administrative Expenses

In addition to contributing to the active and retiree welfare funds, the City contributes to annuity funds for uniformed employees and other specific workers on active duty. Upon termination from City service, covered employees receive lump sum distributions based on the value of their accounts. These distributions can include City contributions plus interest and dividends, investment appreciation (depreciation), or other income.

Annuity funds differ from active and retiree welfare funds in that they derive a significant portion of their total revenue from investment income and generally provide only one type of benefit. The percentage of revenue that annuity funds spend on benefits and administration is not comparable to the percentages spent by active and retiree welfare funds. Therefore, we computed category averages for the 14 annuity funds covered in this report separately from those amounts calculated for active and retiree welfare funds. Table XI on the next page highlights 13 of the 14 annuity funds and their administrative cost-to-revenue ratios. One fund (Local 300 SEIU Civil Service Forum) was not included in the Table since its administrative costs were paid by the Union.

TABLE XI

Annuity Funds Administrative Cost-To-Revenue Ratios

<u>Fund Name</u>	<u>Administrative Expense Percentages</u>		
	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
Local 854 Uniformed Fire Officers Association *	5.34%	88.90%	1,564.79%
Correction Officers Benevolent Association *	5.34	25.09	369.85
Local 3 NYC Communications Electricians	4.21	8.11	92.64
District Council 37*	21.77	41.41	90.22
Local 237 Teamsters *	3.61	3.61	0.00
Local 333 United Marine Division	259.48	259.48	0.00
Local 831 Uniformed Sanitationmens' Association *	5.34	3.45	(35.39)
Local 1180 CWA Members*	5.34	3.04	(43.07)
Doctors Council	5.34	2.94	(44.94)
Local 444 Sanitation Officers*	21.77	10.77	(50.53)
Local 15A-C (IUOE) Operating Municipal Engineers*	21.77	7.01	(67.80)
Local 891 (IUOE)	5.34	1.62	(69.66)
Local 30A-D (IUOE) Engineers*	5.34	1.39	(73.97)

*These funds also incurred higher-than average administrative costs in 2001.

Reducing administrative expenses would increase the members' equity and result in larger annuity payments to members.

Consolidation of Professional Services

Most funds receiving City contributions enter into contracts with various professionals for services such as accounting/auditing and legal counsel. Many funds use the same professional service

provider for similar services. One CPA firm, for example, Gould, Kobrick & Schlapp, provides accounting services for 13 different unions representing 34 separate funds. (Appendix D lists the funds using the same providers for similar professional services.)

Trustees of funds using the same providers for similar services may reduce their funds' administrative expenses by negotiating future contracts jointly.

Administrative Expenses vs. Total Expenses

Administrative expenses are directly related to benefit expenses and volume (i.e., the more claims processed, the greater the expense for salaries, stationery, printing, etc.).

Table XII illustrates the category average percentages of administrative expenses to total expenses and restates the category average percentages of administrative expenses to total revenue (from page 15):

TABLE XII

**Administrative Expenses as a Percentage of
Total Revenue and Total Expenses**

<u>Revenue Category</u>	<u>Insured Active and Retiree Welfare Funds</u>		<u>Self-Insured Active and Retiree Welfare Funds</u>	
	<u>Administrative Expenses as a Percentage of:</u>			
	<u>Total Expenses</u>	<u>Total Revenue</u>	<u>Total Expenses</u>	<u>Total Revenue</u>
Less than \$100,000	9.90%	6.85%	NA	NA
\$100,000 to \$300,000	14.15	12.54	14.14	12.65
\$300,000 to \$1 million	17.69	13.68	13.82	13.25
\$1 million to \$3 million	NA	NA	11.72	11.05
\$3 million to \$10 million	NA	NA	8.03	7.48
\$10 million to \$20 million	NA	NA	7.79	7.64
More than \$20 million	<u>3.95</u>	<u>4.70</u>	<u>8.01</u>	<u>7.39</u>
Overall Average	<u>4.84%</u>	<u>5.57%</u>	<u>8.20%</u>	<u>7.63%</u>

NA- Not Applicable

EXPENDITURES FOR BENEFITS

The City has not established guidelines on the percentage of annual revenue that should be spent on benefits. In the absence of such guidelines, we calculated category averages for the funds listed below in Table XIII. Wherever funds insured some or all of their benefits, we reduced the total premiums by the retention charges (overhead costs involved in doing business, i.e., costs associated with processing claims) to calculate net benefit expenses.

TABLE XIII

Percentage of Total Revenue Spent on Benefits, by Fund Category

<u>Total Revenue</u>	<u>Insured Active and Retiree Welfare Funds</u>	<u>Self-Insured Active and Retiree Welfare Funds</u>
Less than \$100,000	62.31%	---
\$100,000 - \$300,000	76.09	76.86
\$300,000 - \$1 million	63.68	82.65
\$1 million - \$3 million	---	83.23
\$3 million - \$10 million	---	85.67
\$10 million - \$20 million	---	90.52
More than \$20 million	<u>114.33</u>	<u>84.89</u>
Overall Average (Not Weighted)	<u>109.34%</u>	<u>85.43%</u>

Although these percentages do not indicate the quality of benefits provided, they do provide a benchmark for comparison and further study. (Exhibit D at the end of this report indicates the amounts expended and the types of benefits provided by the funds.)

Some funds spent more than their category average for benefits; others spent less. Table XIV lists selected funds whose benefit expenses significantly exceeded the respective category averages. However, when a fund’s expenses exceed the category average, this does not necessarily represent a problem. For example, NYC Deputy Sheriff’s Association RWF exceeded the category average but still had sufficient reserves to ensure its continued financial stability.

TABLE XIV

Self-Insured and Insured Active and Retiree Welfare Funds
With High Benefit-To-Revenue Ratios

<u>Fund Name</u>	<u>Benefits as a Percentage of Total Revenue</u>		
	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
NYC Deputy Sheriff's Association WF	76.86%	123.21%	60.30%
NYC Deputy Sheriff's Association RWF*	62.31	111.84	79.49
Local 246 SEIU RWF	83.23	101.98	22.53
Local 246 SEIU WF	83.23	107.76	29.47
Local 94 Uniformed Firefighters Association RWF*	90.52	116.28	28.46
Local 333 United Marine Division WF*	63.68	105.94	66.36
Local 832 Teamsters RWF*	76.86	92.33	20.13
Local 3 IBEW Electricians WF	83.23	102.66	23.34
Local 444 Sanitation Officers WF	83.23	105.67	26.96
Local 831 Uniformed Sanitationmen's Association RWF*	85.67	101.83	18.86
Civil Service Bar Association WF	83.23	108.07	29.85
Local 30A-C Operating Municipal Engineers WF*	83.23	98.53	18.38

* These funds also spent more than the category average in 2001.

XV. In contrast, several funds spent less than the category averages for benefits, as shown in Table XV.

TABLE XV

Self-Insured and Insured Active and Retiree Welfare Funds
With Low Benefit-To-Revenue Ratios

<u>Fund Name</u>	<u>Benefits as a Percentage of Total Revenue</u>		
	<u>Category Average</u>	<u>Actual</u>	<u>Percentage Deviation From Category Average</u>
NYC Municipal Steamfitters & Steam-fitter Helper RWF*	76.86%	46.89%	(38.99%)
NYC Municipal Steamfitters & Steam-fitter Helper WF*	76.86	56.07	(27.05)
Local 15 A-C Operating Engineers Employees WF & RWF*	63.68	34.12	(46.42)
Local 806 Structural Steel Painter WF*	62.31	42.63	(31.58)
Local 306 Municipal Employees WF	76.86	49.40	(35.73)
Doctors Council RWF	83.23	38.61	(53.61)
Superior Officers Council (Police) WF	85.67	66.22	(22.70)
Patrolmen's Benevolent Association RWF	84.89	44.98	(47.01)
Patrolmen's Benevolent Association WF	84.89	55.96	(34.08)
Local 14A-14B IUOE WF/RWF	76.09	49.41	(35.06)

*These fund also spent less than the category average in 2001.

The benefit expenses for the 11 funds listed in Table XVI exceeded total revenue, causing the funds to dip into their reserves. The use of reserves for benefits may indicate that the benefits provided were not evaluated in relation to the resources available to the funds.

TABLE XVI

Self-Insured and Insured Active and Retiree Welfare Funds
With Benefit Expenses that Exceeded their Revenue

<u>Fund Name</u>	<u>Total Revenue</u>	<u>Benefit Expenses</u>	<u>Percentage of Revenue Spent on Benefits</u>	<u>2001 - 2002 Percentage Decrease in Reserve</u>	<u>Ending Fund Balance 2002</u>
<u>Less than \$100,000</u>					
NYC Deputy Sheriff's Assoc. RWF*	\$36,644	\$40,984	111.84%	11.25%	\$105,260
<u>\$100,000 to \$300,000</u>					
NYC Deputy Sheriff's Assoc. WF	155,044	191,037	123.21	22.18	158,209
<u>\$300,000 to \$1 Million</u>					
Local 333 United Marine Division WF	361,802	383,293	105.94	26.97	344,986
<u>\$1 Million to \$3 Million</u>					
Local 246 SEIU RWF	1,197,058	1,220,785	101.98	11.72	898,265
Local 246 SEIU WF	2,100,290	2,263,312	107.76	17.71	1,681,788
Local 3 IBEW Electricians WF*	1,448,635	1,487,193	102.66	13.14	3,030,535
Local 444 Sanitation Officers WF	1,419,716	1,500,253	105.67	13.76	1,054,743
Civil Service Bar Association WF	1,092,581	1,180,785	108.07	16.27	1,102,228
<u>\$3 Million to \$10Million</u>					
Local 831 Uniformed Sanitation-men's Association RWF	9,451,443	9,623,998	101.83	9.37	6,092,048
<u>\$10 Million to \$20 Million</u>					
Local 94 Uniformed Firefighters Association RWF	12,183,819	14,166,865	116.28	49.86	2,590,621
<u>Over \$20 Million</u>					
Professional Staff Congress CUNY WF/RWF	21,070,329	24,089,221	114.33	33.36	8,506,822

*These funds also had high reserves (fund balances) in relation to annual revenue (see Tables XVIII and XIX), so the benefit spending in excess of revenue is not a major concern

Fund trustees should carefully examine the relationship of benefit expenditures to revenues. If a fund overspends on benefits, it may use up necessary reserves. If a fund underspends on benefits, it

may provide insufficient benefits for its members while building unnecessary reserves. The funds should achieve a proper balance.

RESERVE LEVELS

Reserves held by the funds provide a cushion if claims for benefits exceed revenues in any particular year. Reserves accumulate when fund revenues exceed fund expenses. (See Exhibit B.) These amounts are separate and distinct from any amounts held by insurance carriers. Table XVII shows the reserve averages for each fund category.

TABLE XVII

Average Amount of Reserves and Percentage of
Reserves to Annual Revenue by Category

<u>Total Revenue</u>	<u>Insured Active and Retiree Welfare Funds</u>		<u>Self-Insured Active and Retiree Welfare Funds</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Less than \$100,000	\$213,210	428.55%	-	-
\$100,000 - \$300,000	507,614	242.39	\$530,771	248.37%
\$300,000 - \$1 million	1,742,809	309.57	722,980	112.13
\$1 million - \$3 million	-	-	2,524,540	150.48
\$3 million - \$10 million	-	-	10,231,733	146.42
\$10 million - \$20 million	-	-	11,977,239	96.70
More than \$20 million	8,506,822	40.37	78,483,022	84.50
Overall Average	\$1,589,772	67.54%	\$12,008,987	97.44%

Using 100 percent of total annual revenue as a reasonable level for reserves for insured active and retiree welfare funds, we identified eight funds with excess reserves. (See Exhibit B.) The eight funds listed in Table XVIII have reserves in excess of 100 percent of revenue.

TABLE XVIII

Insured Active and Retiree Welfare Funds
Reserves in Excess of 100 Percent of Revenue

<u>Fund Name</u>	<u>Fund Reserves</u>	<u>Percentage of Reserves to Total Revenue</u>
Local 15 A-C Operating Engineers WF/RWF*	\$4,354,702	506.25%
Local 806 Structural Steel Painters WF*	328,261	486.20
Local 14A – 14B IUOE WF/RWF*	481,053	464.55
Local 806 Structural Steel Painters RWF*	206,108	457.05
NYC Deputy Sheriff's Association RWF*	105,260	287.25
Local 333 United Marine Division RWF*	602,647	230.90
Local 1181 CWA Supervisory Employees RWF*	439,142	166.52
Local 1181 CWA Supervisory Employees WF*	528,740	113.24

*Also identified in 2001 Survey of Benefit Funds Report as having more than 100 percent of reserves to total revenue.

Using 200 percent of total annual revenue as a reasonable level for reserves for self-insured funds, we identified 15 funds, listed in Table XIX, that had reserves in excess of this amount.

TABLE XIX

Self-Insured Active and Retiree Welfare Funds
Reserves in Excess of 200 Percent of Revenue

<u>Fund Name</u>	<u>Fund Reserves</u>	<u>Percentage of Reserves to Total Revenue</u>
District Council 1 MEBA Beneficial Fund Trust WF*	\$621,247	699.90%
NYC Municipal Steam-fitter & Steam-fitter Helpers RWF*	694,051	406.07
NYC Municipal Steam-fitter & Steam-fitter Helper WF*	1,302,370	391.72
Local 1180 CWA Municipal Management RWF*	32,467,936	335.51
District Council 9 Painting Industry WF/RWF*	3,364,053	280.87
Doctors Council WF*	3,894,993	274.07
Local 3 IBEW City Employees Welfare Fund*	845,115	271.02
NYC Municipal Plumbers & Pipefitters WF*	3,311,694	265.33
Local 211 Allied Building Inspectors WF	2,945,327	260.96
Local 237 Teamsters WF*	65,436,405	240.59
Local 444 Sanitation Officers RWF	7,058,580	238.81
Local 721 Licensed Practical Nurses WF*	4,100,841	228.99
Local 3 IBEW Electricians RWF*	1,118,502	211.04
Local 3 IBEW Electricians WF*	3,030,535	209.20
Local 30 (IUOE) Municipal Employees RWF	1,642,641	201.10

*Also identified in the 2001 Survey of Benefit Funds Report as having more than 200 percent of reserves to total revenue.

OPERATING DEFICITS

In 2002, 26 of the 73 active and retiree welfare funds in our analysis incurred operating deficits totaling \$18.07 million, as shown in Table XX. The deficits ranged from \$2,167 to \$7,032,805. One of these funds, Local 832 Teamsters RWF, significantly reduced its reserves by 80.24 percent as of December 31, 2002.

TABLE XX

Funds with Operating Deficits and Declining Reserves

<u>Fund Name</u>	2002 Operating Deficit	2002 Reserves	2001 Reserves	2001 – 2002 Percentage Decrease in Reserves
Local 2 United Federation of Teachers WF	\$7,032,805	\$162,712,073	\$167,458,288	(2.83%)
Professional Staff Congress CUNY WF/RWF*	4,008,635	8,506,822	12,765,307	(33.36)
Local 94 Uniformed Firefighters Assoc. RWF*	2,575,928	2,590,621	5,166,549	(49.86)
Local 237 Teamsters WF	1,519,286	65,436,405	66,955,691	(22.69)
Local 831 Uniformed Sanitation-men Assc RWF	629,505	6,092,048	6,721,553	(9.37)
Local 237 Teamsters RWF	601,241	10,219,698	10,820,939	(5.56)
Local 246 SEIU WF	362,046	1,681,788	2,043,834	(17.71)
Civil Service Bar Association WF	244,859	1,102,228	1,316,350	(16.27)
Local 3 IBEW Electrician WF	208,383	3,030,535	3,488,989	(13.14)
Local 444 Sanitation Officers WF	168,258	1,054,743	1,223,001	(13.76)
Local 854 Uniformed Fire Officers RWF	140,499	7,188,409	7,107,616	**
Local 246 SEIU RWF	119,216	898,265	1,017,481	(11.72)
Local 300 Civil Service Forum WF	88,913	1,447,718	1,460,796	(0.90)
Local 30A-C Operating Municipal Engineers WF	73,684	744,163	817,847	(9.01)
Local 333 United Marine Division WF	56,082	344,986	472,368	(26.97)
New York City Retiree WF	52,698	8,278,769	8,331,467	(0.63)
NYC Deputy Sheriffs Association WF*	45,093	158,209	203,302	(22.18)
Local 211 Allied Building Inspectors WF	33,395	2,945,327	2,978,722	(1.12)
Local 3 IBEW City Employees WF	28,440	845,115	873,555	(3.26)
Local 1183 CWA Board of Election Benefit Fund	18,875	181,667	235,265	(22.78)
Local 832 Teamsters RWF*	18,583	4,575	23,158	(80.24)
Fire Alarm Dispatchers Benevolent Assoc WF	17,581	439,350	389,022	**
NYC Deputy Sheriffs Association RWF*	13,339	105,260	118,599	(11.25)
New York State Nurses Association WF*	8,462	13,021,150	13,369,145	(26.03)
Local 1181 CWA Supervisory Employees RWF	2,553	439,142	441,695	(0.58)
Assistant Deputy Wardens Assoc WF/RWF	2,167	714,673	716,840	(0.30)
Total	<u>\$18,070,526</u>	<u>\$300,183,739</u>	<u>\$316,517,379</u>	<u>(5.16)%</u>

*These funds also incurred operating deficits and declining reserves in 2001.

**These funds' operating deficits were offset by a retroactive payment received in 2002 or by a prior period adjustment.

We identified insured and self-insured welfare funds that are approaching low levels of reserves.

In identifying these funds, we considered the dollar amount of reserves, the ratio of reserves to the funds' total annual revenue, whether the funds are insured or self-insured, and recent years' operating results. Table XXI highlights funds that, provided that the current trend of utilizing reserves for operations continues, may have current, as well as future, solvency problems.

TABLE XXI

Funds with Low Reserve Levels

<u>Fund Name</u>	<u>Excess of Revenue Over Expenses</u>	<u>Fund Reserves</u>	<u>Percentage of Reserves to Total Revenue</u>	<u>Category Average for Percentage of Reserves to Total Revenue</u>	<u>Percentage Deviation from Category Average</u>
Local 832 Teamster's RWF*	(\$18,583)	\$4,575	2.96%	248.37%	(98.81%)
Local 832 Teamster's WF*	25,927	220,642	37.21	112.13	(66.82)
Local 371 Social Service Employees WF*	1,959,683	7,319,953	31.58	84.50	(62.63)
Local 94 Uniformed Firefighters Assoc RWF	(2,575,928)	2,590,621	96.70		(78.01)
Local 1183 CWA Board of Elections Benefit Fund WF	(18,875)	181,667	112.13		(70.71)
Local 300 Civil Service Forum RWF	42,988	502,800	58.24	112.13	(48.06)
Local 246 SEIU RWF	(119,216)	898,265	75.04	150.48	(50.13)
Local 30A – C Operating Municipal Engineers WF	(73,684)	744,163	57.44	150.48	(61.83)
Professional Staff Congress CUNY WF/RWF	(4,008,635)	8,506,822	40.37	40.37	NA

*Indicates those funds whose expenses exceeded revenue in 2001.

High reserve levels may indicate that funds do not spend enough of their total annual revenue on benefits; low reserve levels may point to excessive amounts of revenue spent on benefits and administrative expenses.

ANALYSIS OF TOTAL REVENUE

In 2002, the 73 active and retiree welfare funds in our survey had revenue totaling \$799.9 million. Expenses for these funds totaled \$749.6 million—\$60.6 million for fund administration, and

\$689 million for benefits to members. The \$50.4 million excess of revenue over expenses increased the funds' reserves.

In previous sections, we analyzed funds' use of their total revenues. Table XXII lists funds that, compared to category averages, have high administrative costs and/or low benefit costs.

TABLE XXII

Insured and Self-Insured Active and Retiree Welfare Funds
With High Administrative Expenses
And/or Low Benefit Costs

<u>Fund Name</u>	<u>Total Revenue</u>	<u>Percentage of Administrative Expenses to Total Revenue</u>		<u>Percentage of Benefit Expenses to Total Revenue</u>	
		<u>Category Average</u>	<u>Fund Actual</u>	<u>Category Average</u>	<u>Fund Actual</u>
Local 14A-14B IUOE WF/RWF	\$103,552	12.54%	26.85%	76.09%	49.41%
Local 3 IBEW City Employees WF	311,828	12.65	20.06	76.86	89.06
United Probation Officers WF	1,523,605	11.05	19.75	83.23	76.61
Local 832 Teamsters RWF	154,494	12.65	19.70	76.86	92.33
Fire Alarm Dispatchers Benevolent Assoc. WF	270,790	12.65	17.55	76.86	88.94
Local 15A-C Operating Engineers WF/ RWF*	860,196	13.68	15.80	63.68	34.12
Doctors Council RWF*	1,298,024	11.05	8.94	83.23	38.61
Local 806 Structural Steel Painters WF	67,516	6.85	1.06	62.31	42.63
NYC Municipal Steam-fitter & Steam-fitter Helper RWF*	170,921	12.65	7.50	76.86	46.89
Local 306 Municipal Employees WF	157,018	12.65	10.44	76.86	49.40
Doctors Council WF*	1,421,179	11.05	16.91	83.23	67.22
Organization of Staff Analysts WF	7,097,466	7.48	12.84	85.67	69.74
Local 371 Social Service Employees WF	23,178,200	7.39	13.10	84.89	78.45
NYC Municipal Steam-fitter & Steam-fitter Helper WF	332,473	12.65	5.80	76.86	56.07

*Indicates those funds having high administrative costs and/or low expenditures for benefits in 2001.

The basic objective of a welfare fund is to provide benefits to members. This can be better achieved by keeping administrative costs to a minimum. Funds that accumulate excessive reserves or expend large amounts for administration at the expense of members' benefits do not achieve their basic objective. Therefore, the trustees of these funds should evaluate how they expend total revenue.

Certain Funds Should Address Financial and Operating Issues to Ensure Maximum Use of Revenue and Continued Financial Stability

In summary, we identified certain financial issues, that in our opinion, should be addressed by the fund management, specifically:

- **The expenses of certain funds exceeded their revenues, resulting in operating deficits.** Operating deficits could deplete fund reserves, which could ultimately lead to insolvency.
- **Certain funds spent a large percentage of their revenue on administrative expenses.** Reducing administrative expenses would provide funds to increase benefits for members.
- **Certain funds had large operating surpluses resulting in high reserves.** Excess reserves may indicate that funds should increase members' benefits.

Table XXIII lists those funds with financial issues (as indicated in the shaded areas of the table) that, in our opinion, should be addressed.

TABLE XXIII
Funds with Potential Problems
(Problem Areas Highlighted)

FUNDS	TOTAL REVENUE	OVERALL EXPENSES	SURPLUS OR OPERATING (DEFICIT)	ADMINISTRATIVE EXPENSE		BENEFITS EXPENSE		FUND BALANCE			RISK OF INSOLVENCY (SEE LEGEND)
				Total	% of Rev.	Total	% of Rev.	Total	% of Rev.	Balance / Deficit*	
Local 832 RWF	154,494	173,077	(18,583)	30,436	19.70	142,641	92.33	4,575	2.96%	(24%)	P
Local 94 Uniformed Firefighters Association RWF	12,183,819	14,759,747	(2,575,928)	592,882	4.87	14,166,865	116.28	2,590,621	21.26	101%	ST
Professional Staff Congress CUNY WF/RWF	21,070,329	25,078,964	(4,008,635)	989,743	4.70	24,089,221	114.33	8,506,822	40.37	212%	MT
Local 832 Teamsters WF	592,896	566,969	25,927	93,662	15.80	473,307	79.83	220,642	37.21	—	N
Local 1183 CWA Board of Elections Benefit Fund WF	553,268	572,143	(18,875)	99,157	17.92	472,986	85.49	181,667	32.84	962%	LT
NYC Deputy Sheriffs Assoc. RWF	36,644	49,983	(13,339)	8,999	24.56	40,984	111.84	105,260	287.25	789%	LT
NYC Municipal Steam-fitters & Steam-fitter Helpers RWF	170,921	92,977	77,944	12,825	7.50	80,152	46.89	694,051	406.07	—	N
NYC Municipal Steam-fitters & Steam-fitter Helpers WF	332,473	205,698	126,775	19,275	5.80	186,423	56.07	1,302,370	391.72	—	N
Local 806 Structural Steel Painters RWF	45,095	23,738	21,357	501	1.11	23,237	51.53	206,108	457.05	—	N
Local 806 Structural Steel Painters WF	67,516	29,498	38,018	719	1.06	28,779	42.63	328,261	486.20	—	N
Local 14A-14B IUOE WF/RWF	103,552	78,970	24,582	27,803	26.85	51,167	49.41	481,053	464.55	—	N
Local 15A-C Operating Engineers WF/RWF	860,196	429,422	430,774	135,908	15.80	293,514	34.12	4,354,702	506.25	—	N

Legend

I - Insolvency

N - Currently not at Risk of Insolvency

P - Possible Risk of Insolvency in less than 1 year

ST - Short-term Risk of Insolvency within 1 - 2 years

MT - Mid-term Risk of Insolvency between 2- 3 years

LT - Long-term Risk of Insolvency greater than 3 years

*A ratio estimating the number of years that a fund can operate before being "in the red" if all factors remain constant. For example, number "101%" would indicate the fund has approximately one year before becoming insolvent.

Fund managers have a fiduciary responsibility to provide optimum benefits to members while keeping administrative costs to a minimum. A fund that accumulates excessive reserves or expends large amounts for administrative costs is not achieving its basic goal of providing optimum benefits to members while achieving financial stability. Accordingly, the trustees of the funds listed in Table XXIII should evaluate how fund resources could be better used.

EXCEPTIONS ON FUND OPERATIONS

Certified Public Accountants hired by the benefit funds issue opinions on financial statements prepared by the funds and write management letters commenting on management practices and internal control systems of the funds, in accordance with Comptroller's Directive #12. Some management letters noted various exceptions to fund operations. Based on our review of the funds' financial statements, the opinions and management letters submitted by the CPAs, and the booklets distributed by the funds describing their benefits, we found that a number of funds did not comply with certain aspects of Directive #12 and their agreements with the City.

Improper Eligibility Delay

The intent of the standard benefit fund agreements between the City and the unions is that welfare fund benefits be available during each member's entire period of employment with the City.

Specifically, the standard fund agreements between the City and the unions state:

"The Union agrees to provide from the Fund for each Covered Employee the supplementary benefits described in the schedule annexed to this Agreement marked as Appendix 'C', for the period of employment with the City of each such Covered Employee during the term of this Agreement, whether or not any payment or payments made to the Union pursuant to the formula prescribed in section 2(c) of this Agreement actually included the full sum prescribed by Appendix 'B' on account of such Employee during the twenty-eight (28) day cycle for which such payment or payments are made."

Thus, the funds should make their members eligible for benefits, beginning on their first day of employment with the City. However, benefit booklets distributed by some funds and telephone confirmations with fund officials revealed that two funds (Local 237 Teamsters' Welfare Fund and District Council 9 Painting Industry Welfare Fund) delay eligibility for their members from 30 and 90 days, respectively.² Thus, these funds are improperly delaying the eligibility of their members for benefits. Consequently, members or their dependents who may be in need of benefits during the fund waiting periods are precluded from obtaining such benefits.

The Office of Labor Relations should take appropriate action, such as delaying the contributions made by the City to these two funds and recouping past contributions for the periods of time when City employees were not covered for benefits.

² Our analysis focused on the delay to new employees enrolled in Welfare Benefit Funds (active) since the members of Retiree Funds and Annuity Funds qualify to receive benefits once they leave active service.

CPA Opinions

Certified Public Accountants audit and render opinions on the funds' financial statements. The Fund Agreements between the City and the unions require the preparation of each fund's financial statements on the accrual basis of accounting and in conformity with generally accepted accounting principles (GAAP). CPAs may render one of the following opinions:

<u>Opinion</u>	<u>Description</u>
Unqualified	Financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the entity in conformity with generally accepted accounting principles.
Qualified	Except for the effects of the matter(s) to which the qualification relates, the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the entity in conformity with generally accepted accounting principles.
Adverse	Financial statements do not present fairly the financial position, results of operations, or cash flows of the entity in conformity with generally accepted accounting principles.
Disclaimer	The auditor does not express an opinion on the financial statements.

Seventy-one of the 87 funds reviewed received unqualified opinions, six funds received qualified opinions, and 10 funds received adverse opinions from their independent auditors. The financial statements of 14 of the 16 funds with qualified or adverse opinions were not presented in accordance with GAAP. GAAP requires that post-retirement and other benefit obligations be presented on the fund's financial statements.

Local 1183 Board of Elections Health and Welfare Fund financial statements, as of September 30, 2002, did not include as an outstanding debt of \$257,099 and \$233,906 due from the CWA Local

1183 Retiree Fund and Local 3 NYC Communications Electricians auditor could not opine upon whether the fund had adequate retroactive contributions to pay benefits.

FUND	OPINION	COMMENTS
Local 1183 CWA Board of Elections Benefit Fund WF	Qualified	As of September 30, 2002, the Fund was owed \$491,005 from the CWA Local 1183 Health and Welfare Retiree Fund (\$257,099 from Fiscal Year 2002 and \$233,906 from Fiscal Year 2001). The auditor stated that the collection of these amounts was in doubt since there is no provision in the Retiree Fund's financial statements for such payment.
Local 3 NYC Communications Electricians AF	Qualified	Because of the inadequacy of New York City retroactive contributions for the periods prior to January 1, 2002, the auditors were unable to form an opinion regarding the amounts at which contributions are available for benefits.
Local 444 Sanitation Officers RWF	Qualified	The Fund provides benefits from current income instead of accruing the liability for benefits payable on an actuarially determined basis.
Local 444 Sanitation Officers Welfare Fund	Qualified	The Fund provides benefits from current income instead of accruing the liability for benefits payable on an actuarially determined basis.
Local 94 Uniformed Firefighter's Association RWF	Qualified	The Fund excluded post-retirement benefit obligations from their financial statements.
Assistant Deputy Wardens/ Deputy Wardens Association WF/RWF	Qualified	The Fund provides benefits from current income instead of estimating the liability for the benefits on an actuarially determined basis.
Organization of Staff Analysts WF	Adverse	The Fund excluded post-retirement benefit obligations in their financial statements.
Local 3 IBEW Electricians RWF	Adverse	The Fund excluded post-retirement benefit obligations and its present value of death benefits from their financial statements.
Local 806 Structural Steel Painters RWF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements.
Correction Officers Benevolent Association RWF	Adverse	The Fund excluded post-retirement benefit obligations and its present value of death benefits from their financial statements.
Detectives Endowment Association RWF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements.
Correction Captains Association RWF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements.

FUND	OPINION	COMMENTS
Local 1182 CWA Parking Enforcement Agents WF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements.
Local 300 Civil Service Forum RWF	Adverse	The Fund excluded post-retirement benefit and obligations from their financial statements.
Local 1180 CWA Municipal Management RWF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements.
Sergeants Benevolent Association (Police) WF/RWF	Adverse	The Fund excluded post-retirement benefit obligations from their financial statements

Funds receiving adverse or qualified opinions should take immediate action to correct these problems.

Field Audits of Funds

In addition to analyzing Directive #12 filings, the Comptroller's Office periodically performs audits of the financial and operating practices of selected funds. There were 76 Audit reports issued by the Comptroller's Office during Fiscal Years 1985-2004. (These audits are listed in Appendix C at the end of the report.)

Each audit report discusses the extent to which each fund met its basic objective of providing benefits to members and identifies various areas for improvement. Often we identify weaknesses common to more than one fund. Among the more common weaknesses identified in these audits (See Appendix B for a list of common weaknesses.) were the following:

- inaccurate or unsupported basis for allocating common expenses;
- a larger percentage of revenues spent on administrative expenses compared to other funds with total revenues of a similar size;
- funds expended on questionable items;
- benefit and administrative expenses misstated in Directive #12 filings; and,
- eligibility of members' dependents not verified.

During Fiscal Year 2004, we issued three reports. A brief summary of the findings from these audits follows:

- 1. Audit Report on the Financial and Operating Practices of the Uniformed Fire Officers Association Family Protection Plan, Report # FL04-094A**

The Plan generally complied with the procedures and reporting requirements of Directive 12. In addition, the Plan generally complied with its benefit-processing and accounting procedures, and those procedures were adequate and proper. Furthermore, the Plan's administrative expenses were generally appropriate and reasonable. All City contributions were accounted for and deposited in the Plan's bank account. Also, the Plan's expenses were accurately recorded in its trial balance and cash disbursements journal, and adequate supporting documentation was maintained for most expenses paid. However, there were some weaknesses in the Plan's financial and operating practices, as follows:

- **The Plan misstated benefit and administrative expenses on its financial statements and its Directive 12 filing.** Administrative expenses were understated by \$109,609—41 percent of the Plan's total administrative costs (after our adjustment), and benefit expenses were overstated by the same amount. As a result, the Plan's Key Ratio Schedule, included in its Directive 12 filing was incorrect.
- **The Plan made questionable reimbursements to the Chairman of the Board of Trustees (Chairman) and two Trustees.** Specifically, the Plan reimbursed the Chairman \$1,280 and two Trustees a total of \$2,525 for questionable travel-related expenses.
- **The Plan made improper benefit payments.** Of the \$166,614 in benefit payments reviewed, \$4,446 was not paid in accordance with Plan guidelines.
- **The Plan made improper payments totaling \$13,141 for Union-related expenses.** Specifically, the Plan paid: health insurance premiums for a Union employee; for the Union's Director and Officers Liability Insurance policy; and an invoice for services provided by Federal Express to the Union.
- **The Plan does not maintain complete and accurate records of those persons for whom it is paying COBRA benefits and of the premium payments received from these individuals to pay for the coverage.** Consequently, it is impossible to determine who is entitled to COBRA benefits and whether the Plan is receiving the appropriate premium payments for these benefits.
- **The Plan paid claims for dependents whose eligibility was not documented.** Of the 3,760 claims reviewed, 2,649 were for services provided to individuals who were listed as dependents of eligible members. However, for 2,597 (98 percent) of the 2,649 claims, the Plan had no documentation in its files (i.e., birth certificates, marriage licenses) showing that these individuals were in fact eligible dependents.
- **The Plan does not maintain complete employee attendance records detailing the time-in and time-out and absence or lateness to be charged against earned vacation or sick leave.** Daily attendance records are necessary for effective payroll control because these records form the basis for the calculations of the amounts to be paid employees. They are also necessary to settle payroll disputes and, at times, to establish the validity of injury and disability claims.

The Plan generally agreed with the audit's findings and conclusions. However, it stated that some of the reimbursements for travel questioned in the report were appropriate.

2. Audit Report on the Financial and Operating Practices of the Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan, Report # FL04-095A

Overall, the Retiree Plan generally complied with the procedures and reporting requirements of Directive 12. In addition, the Retiree Plan generally complied with its benefit-processing and accounting procedures, and those procedures were adequate and proper. Furthermore, the Retiree Plan's administrative expenses were generally appropriate and reasonable. All City contributions were accounted for and deposited in the Retiree Plan's bank account in a timely manner. Also, the Retiree Plan's expenses were accurately recorded in its trial balance and cash disbursements journal, and adequate supporting documentation was maintained for most expenses paid. However, there were some weaknesses in the Retiree Plan's financial and operating practices, as follows:

- **The Retiree Plan misstated benefit and administrative expenses on its financial statements and its Directive 12 filing.** Administrative expenses were understated by \$206,347—48 percent of the Plan's total administrative costs (after our adjustment), and benefit expenses were overstated by the same amount. As a result, the Retiree Plan's Key Ratio Schedule, included in its Directive 12 filing, was incorrect.
- **The Retiree Plan made improper benefit payments.** Of \$438,971 in benefit payments reviewed, \$18,173 was not paid in accordance with the Retiree Plan's guidelines.
- **The Retiree Plan does not maintain complete and accurate records of those persons for whom it is paying COBRA benefits and of the premium payments received from these individuals to pay for the coverage.** Consequently, it is impossible to determine who is entitled to COBRA benefits and whether the Retiree Plan is receiving the appropriate premium payments for these benefits.
- **The Retiree Plan did not solicit proposals from insurance companies to provide life insurance benefits to its members, as required by §3.9 of Directive 12.** In addition, we have serious concerns regarding the process used to award the contract. As a result, we question the veracity of the analysis and the award of the life insurance contract.
- **The Retiree Plan paid claims for dependents whose eligibility was not documented.** Of the 9,238 claims reviewed, 4,405 were for services provided to individuals who were listed as dependents of eligible members. However, for 4,359 (99%) of the 4,405 claims, the Retiree Plan had no documentation in its files (i.e., birth certificates, marriage licenses) showing that these individuals were in fact eligible dependents. Requiring such documentation from its members would help the Retiree Plan ensure that it provides benefits only to eligible individuals

The Retiree Plan generally agreed with the audit findings and seven of the report's eight recommendations. The Retiree Plan did not agree with the recommendation to terminate its life insurance contract with its current insurance carrier stating that such action would not benefit the participants.

3. Audit Report on the Financial and Operating Practices of the Local 721 Licensed Practical Nurses Welfare Fund, Report #FL04-093A

Overall, the Fund generally complied with the procedures and reporting requirements of Directive 12. In addition, the Fund generally complied with its benefit processing and accounting procedures, and those procedures were adequate and proper. Furthermore, the Fund's administrative expenses were generally appropriate and reasonable. All HHC contributions were accounted for and deposited in the Fund's bank account in a timely manner. Also, the Fund's expenses were accurately recorded in the its trial balance and cash disbursements journal, and adequate supporting documentation was maintained for most expenses paid. However, there were some weaknesses in the Fund's financial and operating practices, as follows:

- **The Fund made improper benefit payments.** Of \$486,252 in benefit payments reviewed, \$30,559 was not paid in accordance with Fund guidelines.
- **Rent charges for office space shared by the Union and the Fund were not properly allocated.** For calendar year 2002, the Fund paid \$9,457 in rent that should have paid for by the Union.
- **The Fund entered into a contract with a law firm for services that were already available and covered under an existing agreement with another firm.** We question why the Fund entered into the second agreement, which cost the Fund \$30,000 for calendar years 2001 and 2002.
- **The Fund paid claims for dependents whose eligibility was not documented.** The Fund requires members to submit birth certificates and marriage licenses to support dependants' eligibility when initially enrolling or when adding or deleting dependents, but such documentation was not evident in the files for 90 percent of the claims reviewed.
- **The Fund does not maintain records for tracking accrual and use of vacation and sick leave for its employees.** Leave accrual and use records are important to determine whether Fund employees are using leave time they are entitled to and for calculating payments to employees upon termination of employment.

In his response, the Fund Administrator took exception with the audit findings and corresponding recommendations pertaining to payment of benefits for ineligible employees and the absence of records for tracking employee vacation and sick leave balances

CONCLUSIONS AND RECOMMENDATIONS

Administrative and Benefit Expenses

Conclusion

There continues to be a variance in administrative costs as a percentage of total revenue for funds in each revenue category. Concurrently, some funds spend a significantly lower percentage of their revenue on benefits compared to other funds.

Recommendations

1. Trustees of funds with high percentages of administrative costs to total revenue and/or low percentages of benefit expenses to total revenue should reduce administrative expenses and increase benefits to members.
2. Trustees of funds using the same professional service providers for similar services should consider jointly negotiating future contracts with these providers to reduce administrative expenses through economies of scale.
3. Trustees of funds using the same providers for similar services should solicit competitive proposals and negotiate future contracts jointly.

Reserves

Conclusion

Several funds have incurred operating deficits and maintain very low levels of reserves, which may indicate potential future solvency problems. Other funds continue to maintain extremely high levels of reserves.

Recommendations

4. Trustees of funds with low reserve levels should take steps to ensure that their funds remain solvent. To accomplish this goal, funds should endeavor to reduce administrative expenses. If this is not possible or does not provide sufficient funds to ensure solvency, the Trustees should attempt to reduce costs associated with benefits.
5. Trustees of funds that are incurring significant operating deficits, particularly those with low reserve levels, should ensure that anticipated benefit and administrative expenses will not exceed projected total revenue.
6. Trustees of funds with high reserve levels, particularly those whose funds spend less than average amounts of their revenue on benefits, should consider enhancing their members' benefits.

Exceptions on Fund Operations

Conclusion

As in previous years, we identified various funds that do not comply with all aspects of their unions' agreements with the City and with Comptroller's Directive #12.

Recommendations

7. Trustees of funds that delay members' eligibility for benefits beyond their first day of employment should revise their fund's policy to comply with their union's welfare fund agreement with the City.
8. OLR should use the information in this report to ensure that the trustees of the fund cited herein correct the noted exceptions.
9. OLR should recover the portion of City contributions from those funds that do not provide benefits to members from their first day of employment.

SURVEY OF BENEFIT FUNDS
SCHEDULE OF OFFICIAL FUND NAMES - 2002

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Assistant Deputy Warden's/Deputy Warden's Association Annuity Fund	Assistant Deputy Warden's/Deputy Warden's Association Annuity Fund
Assistant Deputy Warden's/Deputy Warden's Association WFRWF/CLRF	Assistant Deputy Warden's/Deputy Warden's Association Security Benefits Fund
Civil Service Bar Association Welfare Fund	Civil Service Bar Association Security Benefits Fund
Committee of Interns and Residents Education Fund	Professional Educational Plan of the Committee of Interns and Residents
Correction Captains Association Annuity Fund	Correction Captains Association Annuity Fund
Correction Captains Association Retiree Welfare Fund	Correction Captains Association Security Benefits Fund - Retirees
Correction Captains Association Welfare Fund/CLRF	Correction Captains Association Security Benefits Fund
Correction Officers Benevolent Association Annuity Fund	Correction Officers' Benevolent Association, Inc. Annuity Fund
Correction Officers Benevolent Association Retiree Welfare Fund	Correction Officers' Benevolent Association, Inc. Security Benefits Fund - Retirees
Correction Officers Benevolent Association Welfare Fund/CLRF	Correction Officers' Benevolent Association, Inc. Security Benefits Fund
Detectives Endowment Association Annuity Fund	Detectives' Endowment Association Annuity Fund
Detectives Endowment Association Retiree Welfare Fund	Detectives' Endowment Association Health Benefits Fund - Retirees
Detectives Endowment Association Welfare Fund & CLRF	Health Benefits Fund of the Detectives' Endowment Association
District Council 1 MEBBA Beneficial Fund Trust WFAF	District Council 1 MEBBA Beneficial Fund Trust WF
District Council 37 Annuity Fund	District Council 37 Annuity Fund
District Council 37 Welfare Fund	District Council 37 Benefits Fund Trust
District Council 9 Painting Industry Annuity Fund	Painting Industry annuity Fund District Council 9
District Council 9 Painting Industry Welfare Fund/RWF	District Council 9 Painting Industry Insurance Fund - Civil Services Welfare Account
Doctors Council Retiree Welfare Fund	Doctors Council Retirees Welfare Fund
Doctors Council Welfare Fund	Doctors Council Welfare Fund
Doctors Council Annuity Fund	Doctors Council Annuity Fund
Fire Alarm Dispatchers Benevolent Association Welfare Fund	Fire Alarm Dispatchers Benevolent Association, Inc. Welfare Fund
House Staff Committee of Interns and Residents Welfare Fund/Legal	House Staff Benefits Plan of the Committee of Interns and Residents
Local 1 Council of Supervisors and Administrators Retiree Welfare Fund	Council of Supervisors and Administrators Retiree Welfare Fund
Local 1 Council of Supervisors and Administrators Welfare Fund	Council of Supervisors and Administrators Welfare Fund Local 1
Local 1 Plumbing Industry Annuity Fund	Plumbing Industry Board Plumbers Local Union No. 1 Additional Security Benefits Fund
Local 1180 CWA Members Annuity Fund	Communications Workers of America Local 1180 Members' Annuity Fund
Local 1180 CWA Municipal Management Education Fund	Communication Workers of America Local 1180 Education Fund
Local 1180 CWA Municipal Management Retiree Welfare Fund	Communication Workers of America Local 1180 Retirees Welfare Fund
Local 1180 CWA Members Management Welfare Fund	Communication Workers of America Local 1180 Security Benefits Fund
Local 1181 CWA Supervisory Employees Retiree Welfare Fund	Communication Workers of America Local 1181 Supervisory Employees Security Benefits Fund - Retirees
Local 1181 CWA Supervisory Employees Welfare Fund	Communication Workers of America Local 1181 Supervisory Employees Security Benefits Fund
Local 1182 CWA Parking Enforcement Agents Welfare Fund/Legal	Parking Enforcement Agents Local 1182 Communication Workers of America, Security Benefits Fund
Local 144 - 14B IUOE Welfare Fund/RWF	International Union of Operating Engineers Local 14 - 14B Welfare Fund
Local 15 A-C Operating Engineers Welfare Fund/RWF	International Union of Operating Engineers Local 15, 15A, 15C Municipal Employees Welfare Fund
Local 15A-C (IUOE) Operating Municipal Engineers Annuity Fund	Municipal Employees Operating Engineers Union Local 15, 15A, 15C
Local 2 United Federation of Teachers Welfare Fund	United Federation of Teachers Welfare Fund Local 2
Local 211 Allied Building Inspectors Welfare Fund	Allied Building Inspectors Local 211, International Union of Operating Engineers Welfare Fund

SURVEY OF BENEFIT FUNDS
SCHEDULE OF OFFICIAL FUND NAMES - 2002

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Local 237 Teamsters Annuity Fund	Teamsters Local 237 Additional Security Benefit Fund
Local 237 Teamsters Retiree Welfare Fund	Teamsters Local 237 Retirees Benefit Fund
Local 237 Teamsters Welfare Fund	Teamsters Local 237 Welfare Fund
Local 246 SEIU Retiree Welfare Fund	New York City Local 246 Service Employees International Union Retirees Welfare Fund
Local 246 SEIU Welfare Fund	New York City Local 246 Service Employees International Union Welfare Fund
Local 3 IBEW City Employees Welfare Fund	City Employees Welfare Fund Local Union No. 3, IBEW AFL-CIO Annuity Plan of the Electrical Industry
Local 3 IBEW Electrical Workers Industry Annuity Fund	New York City Electricians Retirees Health and Welfare Fund Local 3 International Brotherhood of Electrical Workers
Local 3 IBEW Electricians Retiree Welfare Fund	New York City Electricians Health and Welfare Fund Local 3, I.B.E.W. Active Members
Local 3 IBEW Electricians Welfare Fund	I.B.E.W Local 3 New York City Communication Electricians Annuity Plan
Local 3 NYC Communication Electricians Annuity Fund	Municipal Employees Welfare Trust Fund Local 30, 30A, 30B, 30C, 30D International Union of Operating Engineers
Local 30 A-C Operating Municipal Engineers Welfare Fund	
Local 30 A-D International Union of Operating Engineers Annuity Fund	Local 30 International Union of Operating Engineers Annuity Fund
Local 30 IUOE Municipal Employees Retiree Welfare Fund	Local 30 Municipal Retired Employees Welfare Trust Fund
Local 300 SEIU Civil Service Forum Annuity Fund	S.E.I.U., Local 300 Civil Service Forum Annuity Fund.
Local 300 Civil Service Forum Retiree Welfare Fund	Local 300 S.E.I.U., AFL-CIO Civil Service Forum Retired Employees Welfare Fund.
Local 300 Civil Service Forum Welfare Fund	Local 300 S.E.I.U., AFL-CIO Civil Service Forum Employees Welfare Fund.
Local 306 Municipal Employees Welfare Fund	Local 306 International Alliance of Theatrical Stage Employees Municipal Health and Welfare Fund
Local 333 United Marine Division Annuity Fund	United Marine Division Local 333 International Longshoremen's Association Beneficial Fund Annuity Plan
Local 333 United Marine Division Retiree Welfare Fund	United Marine Division Local 333 International Longshoremen's Association Retiree Welfare Fund
Local 333 United Marine Division Welfare Fund	United Marine Division Local 333 International Longshoremen's Association Welfare Fund
Local 371 Social Service Employees Welfare Fund/Legal/Education/Administrative	Social Service Employees Union Local 371 Education, Legal and Welfare Funds
Local 371 Social Service Employees Annuity Fund	Social Service Employees Union Local 371 Annuity Fund
Local 40 Iron Workers Annuity Fund	Iron workers Local 40 Health & Annuity Fund
Local 40 Iron Workers Welfare Fund	Iron Workers Local 40, 361, & 417 Union Security Funds
Local 444 Sanitation Officers Annuity Fund	Local 444 Sanitation Officers' Compensation Accrual Fund
Local 444 Sanitation Officers Line of Duty Disability Fund	Local 444 Sanitation Officers' Line of Duty Disability Fund
Local 444 Sanitation Officers Retiree Welfare Fund	Local 444 Sanitation Officers' Retirees Welfare Fund
Local 444 Sanitation Officers Welfare Fund	Local 444 Sanitation Officers' Security Benefits Fund
Local 621 SEIU Foreman Retiree Welfare Fund	Local 621 Service Employees International Union Retirees Welfare Fund
Local 621 SEIU Foreman Welfare Fund	Local 621 Service Employees International Union Active Welfare Fund
Local 721 Licensed Practical Nurses Welfare Fund	Licensed Practical Nurses Welfare Fund Local 721
Local 806 Structural Steel Painters Welfare Fund	Structural Steel Painters Retirement Fund
Local 806 Structural Steel Painters Annuity Fund	Structural Steel and Bridge Painters Local 806 Retiree Welfare Fund
Local 806 Structural Steel Painters Retiree Welfare Fund	Structural Steel and Bridge Painters Local 806 Municipal Employees Welfare Trust Fund
Local 806 Structural Steel Painters Welfare Fund	Uniformed Sanitationmen's Association - Compensation Accrual Fund Local 831
Local 831 Uniformed Sanitationmen's Association Annuity Fund	Uniformed Sanitationmen's Association Retirees Welfare Fund Local 831
Local 831 Uniformed Sanitationmen's Association Retiree Welfare Fund	Uniformed Sanitationmen's Association Retirees Welfare Fund Local 831
Local 831 Uniformed Sanitationmen's Association Welfare Fund	Uniformed Sanitationmen's Association Security Benefit Fund Local 831

SURVEY OF BENEFIT FUNDS
 SCHEDULE OF OFFICIAL FUND NAMES - 2002

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<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Local 832 Teamsters Retiree Welfare Fund	Retiree Security Benefit Fund Local 832 International Brotherhood of Teamsters
Local 832 Teamsters Welfare Fund	Security Benefit Fund Local 832 International Brotherhood of Teamsters
Local 854 Uniformed Fire Officers Association Annuity Fund	Uniformed Fire Officers Association Annuity Fund Local 854
Local 1183 CWA Board of Elections Welfare Fund	CWA-Local 1183 Board of Elections Health & Welfare Fund
Local 854 Uniformed Fire Officers Association Retiree Welfare Fund	Uniformed Fire Officers Association - Retired Fire Officers Family Protection Plan Local 854
Local 854 Uniformed Fire Officers Association Retiree Welfare Fund	Uniformed Fire Officers Association -- Family Protection Plan Local 854
Local 854 Uniformed Fire Officers Association Welfare Fund	Uniformed Fire Officers Association -- Family Protection Plan Local 854
Local 858 IBF, OTB Branch Office Managers Welfare Fund	Local 858 International Brotherhood of Teamsters, OTB, Branch Office Managers Welfare Fund
Local 891 School Custodian and Custodian Engineers Welfare Fund	Local 891 International Union of Operating Engineers AFL-CIO School Custodian and Custodian Engineers Welfare Fund
Local 891(UDOE) Annuity Fund	International Union of Operating Engineers, Local 891 Annuity Fund City of New York Employees
Local 94 Uniformed Firefighters Association Annuity Fund	Compensation Accrual Fund of the Uniformed Firefighters Association, Local 94
Local 94 Uniformed Firefighters Association Retiree Welfare Fund	Retired Firefighters Security Benefit Fund of the Uniformed Firefighters Association, Local 94
Local 94 Uniformed Firefighters Association Welfare Fund	Security Benefit Fund of the Uniformed Firefighters Association Local 94
Local Lodge 5 Municipal Blacksmiths and Boilermakers Welfare Fund	Local Lodge 5 Municipal Boilermakers Benefit Trust Fund
and Retiree Welfare Fund	
New York City Deputy Sheriffs Association Annuity Fund	New York City Deputy Sheriffs' Association Annuity Fund
New York City Deputy Sheriffs Association Retiree Welfare Fund	New York City Deputy Sheriffs' Association Security Benefits Fund - Retiree
New York City Deputy Sheriffs Association Welfare Fund	New York City Deputy Sheriffs' Association Security Benefits Fund
New York City District Council of Carpenters Annuity Fund	New York City District Council of Carpenters Annuity Fund
New York City District Council of Carpenters Welfare Fund	New York City District Council of Carpenters Welfare Fund
New York City Municipal Plumbers and Pipefitters Welfare Fund	New York City Municipal Plumbers and Pipefitters Health and Welfare Fund
New York City Municipal Steamfitters and Steamfitter Helpers Welfare Fund	New York City Municipal Steamfitters and Steamfitter Helpers Health and Welfare Fund
New York City Retiree Welfare Fund	New York City Retirees Health and Welfare Fund
New York State Court Clerks Association Retiree Welfare Fund	New York State Court Clerks Association Retirees' Security Benefits Fund
New York State Court Officers Association Retiree Welfare Fund	New York State Court Officers Association Security Benefits Fund and Legal Affairs Fund
New York State State Court Officers Association Welfare Fund	N.Y.S. Nurses Assoc. Welfare Plan for Registered Professional Nurses Employed by the City of N.Y. and HHC
NYC Municipal Steamfitters and Steamfitter Helpers Retiree Welfare Fund	New York City Municipal Steamfitters and Steamfitter Helpers Retiree Health and Welfare Fund
NYS Supreme Court Uniformed Officers Association Retiree Welfare Fund	New York State Supreme Court Officers Association Security Benefits Fund
Organization of Staff Analysts Welfare Fund	Organization of Staff Analysts Welfare Fund
Patrolmen's Benevolent Association Annuity Fund	Patrolmen's Benevolent Association of the City of New York Annuity Fund
Patrolmen's Benevolent Association Retiree Welfare Fund	Patrolmen's Benevolent Association of the City of New York Inc. Retiree Health and Welfare Fund
Patrolmen's Benevolent Association Welfare Fund/CLRF	Patrolmen's Benevolent Association of the City of New York, Inc. Health and Welfare Fund
Pavers and Roadbuilders District Council Welfare Fund	Pavers and Roadbuilders District Council Welfare Fund
Professional Staff Congress CUNY WFRWF	Professional Staff Congress City University of New York Welfare and Retiree Welfare Fund
Sergeants Benevolent Association (Police) Annuity Fund	Sergeants Benevolent Association (Police) Annuity Fund
Sergeants Benevolent Association (Police) Welfare Fund/RWF/CLRF	Sergeants Benevolent Association (Police) Welfare Fund/RWF
Superior Officers Council (Police) Annuity Fund	Superior Officers Council of the New York City Police Department Annuity Trust Fund
Superior Officers Council (Police) Retiree Welfare Fund	Superior Officers Council of the New York City Police Department Retiree Health and Welfare Fund
Superior Officers Council (Police) Welfare Fund/CLRF	Superior Officers Council of the New York City Police Department Health and Welfare Fund

SURVEY OF BENEFIT FUNDS
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Surrogates and Supreme Court Reporters Association Retiree Welfare Fund	Welfare Fund of the Retirees of the Association of Surrogate's and Supreme Court Reporters within the City of New York
UFT Albert Shanker College Scholarship Fund	Albert Shanker College Scholarship Fund of the United Federation of Teachers
United Probation Officers Association Retiree Welfare Fund	United Probation Officers Association Retirement Welfare Fund
United Probation Officers Association Welfare Fund	United Probation Officers Association Welfare Fund

EXHIBIT B

SURVEY OF BENEFIT FUNDS
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NAME OF FUND	REF	NUMBER OF NYC MEMBERS	NYC \$ PER FULL MEMBER	NYC CONTRIBUTION REVENUE	OTHER REVENUE	TOTAL REVENUE	BENEFIT EXPENSES	ADMIN EXPENSES	TOTAL EXPENSES	EXCESS OF REVENUE OVER EXPENSES	FUND BALANCE	FUND BAL / TOTAL REV	DEVIATION FROM CAT. AVERAGE
NYC DEPUTY SHERIFFS ASSOC WF		13	1,100	169,181	-4,137	165,044	191,037	9,100	200,137	-45,093	158,209	102.04%	-58.92%
LOCAL 308 MUNICIPAL EMPLOYEES WF		56	1,275	145,852	11,066	157,018	77,561	16,394	93,955	63,063	229,605	146.23%	-41.52%
LOCAL 838 1871 (OTB) BRANCH OFFICE MANAGERS WF		79	1,414	267,183	44,816	311,999	209,538	34,758	244,296	67,703	482,415	171.07%	-31.12%
LOCAL 832 TEAMSTERS RWF		74	1,025	454,256	230	454,486	142,641	30,436	173,077	-18,583	4,575	2.98%	-98.81%
NYC MUNI. STEAM FITTERS & STEAM FITTER HELPERS RWF		87	1,275	108,588	62,333	170,921	80,152	12,825	92,977	77,944	694,051	408.07%	63.49%
DISTRICT COUNCIL 1 MEBA BENE. FUND TRUST W/F/A/F		18	1,475	162,048	-53,286	108,762	72,367	10,488	82,855	5,907	621,247	699.90%	181.80%
LOCAL 318 BEN. CRY EMPLOYEES WELFARE FUND		48	1,125	260,379	43,449	311,828	277,720	62,548	340,268	-28,440	845,115	271.02%	9.12%
NYC MUNI. STEAM FITTERS & STEAM FITTER HELPERS WF		86	1,275	215,425	17,048	232,473	186,423	19,275	205,698	126,775	1,302,370	391.72%	57.72%
FIRE ALARM DISPATCHERS BENEVOLENT ASSOC WF		23	1,275	252,918	17,872	270,790	240,838	47,533	288,371	-17,581	439,350	162.25%	-34.67%
TOTAL \$106,000 TO \$300,000 CATEGORY				1,723,990	199,959	1,923,949	1,478,277	243,367	1,721,634	201,685	4,776,937	249.37%	
NYC CONTRIBUTION \$300,000 TO \$1 MILLION													
LOCAL 300 CIVIL SERVICE FORUM RWF		54	1,275	835,658	27,712	863,370	759,531	68,851	828,382	42,988	502,800	58.24%	-46.06%
LOCAL 30 JUDGE MUNICIPAL EMPLOYEES RWF		53	1,475	786,520	30,314	816,834	637,190	97,839	735,029	81,805	1,642,641	204.10%	79.35%
LOCAL 832 TEAMSTERS WF		75	1,025	592,886	0	592,886	473,307	93,662	566,969	25,927	220,642	37.21%	-86.82%
UNITED PROBATION OFFICERS ASSOCIATION RWF		110	1,275	578,831	23,754	602,585	467,278	106,404	573,682	-2,143	679,533	112.84%	0.63%
ASSISTANT DEPUTY WARDENS ASSOC. W/F R/W/F/C/L/R/F		2	1,125	544,665	9,671	554,336	555,106	5,547	560,653	-2,187	714,673	128.92%	14.97%
LOCAL 318 BEN. ELECTRICIANS RWF		50	1,275	578,998	-46,913	532,085	421,035	82,970	504,005	25,980	1,118,302	211.04%	86.21%
LOCAL 1843 CWA BOARD OF ELECTIONS BENEFIT FUND WF		34	1,475	541,559	11,709	553,268	472,988	99,157	572,143	-18,875	181,567	32.84%	-70.71%
TOTAL \$300,000 TO \$1 MILLION CATEGORY				4,458,047	54,247	4,512,294	3,730,433	597,990	4,328,423	184,871	5,060,858	112.13%	
NYC CONTRIBUTION \$1 MILLION TO \$3 MILLION													
DOCTORS COUNCIL RWF		21	1,125	1,191,800	106,224	1,298,024	501,123	115,993	617,116	680,908	2,057,455	158.51%	5.34%
LOCAL 246 SEIU RWF		46	1,475	1,150,448	36,640	1,187,088	1,220,785	95,409	1,316,274	-119,216	698,265	75.04%	-50.13%
CORRECTION CAPTAINS ASSOCIATION RWF		5	1,125	1,231,780	83,004	1,314,784	1,049,567	131,588	1,181,155	131,769	1,098,643	83.69%	-44.31%
CORRECTION CAPTAINS ASSOCIATION W/F/C/L/R/F		6	1,125	1,080,194	106,529	1,186,723	951,264	139,390	1,090,654	96,069	1,599,847	134.81%	-10.41%
LOCAL 300 CIVIL SERVICE FORUM WF		55	1,275	1,303,173	41,946	1,345,119	1,252,444	181,590	1,434,034	-88,913	1,447,778	107.63%	-28.48%
LOCAL 1182 CWA PARKING ENFORCE. AGENT W/F/L/E/G/A/L		33	1,734	2,545,749	385,597	2,931,346	2,076,037	412,204	2,488,241	443,105	2,046,936	69.80%	-53.62%
LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS WF		57	1,475	1,282,698	12,834	1,295,532	1,278,516	92,700	1,371,216	-73,684	744,363	57.44%	-61.83%
LOCAL 246 SEIU WELFARE FUND		47	1,275	2,046,846	54,244	2,101,090	2,263,312	199,024	2,462,336	-362,046	1,681,788	80.07%	-46.78%
LOCAL 881 SCHOOL CUSTOD & CUSTOD ENGINEERS W/F/R/W		80	1,400	1,986,869	102,778	2,089,647	1,865,618	159,881	2,025,499	136,262	2,016,693	92.35%	-38.63%
NYC MUNICIPAL PLUMBERS & PIPEFITTERS WF		85	1,275	1,986,869	161,290	2,148,159	1,834,825	101,487	1,936,312	311,487	3,311,694	265.33%	76.32%
HOUSE STAFF COMM OF INTERNS & RESIDENTS W/F/L/E/G/A/L		24	1,275	1,520,580	1,074,173	2,594,753	2,417,143	452,309	2,869,452	-268,383	3,030,535	209.20%	-3.49%
LOCAL 318 BEN. ELECTRICIANS WF		51	1,169	1,220,164	201,015	1,421,179	1,487,193	169,825	1,657,018	-235,839	3,094,933	224.67%	82.13%
DOCTORS COUNCIL WF		22	1,063	1,451,963	1,642,642	3,094,605	1,167,218	380,827	1,548,045	55,480	1,989,499	130.57%	-11.23%
UNITED PROBATION OFFICERS ASSOCIATION WF		109	1,109	1,580,273	400,556	1,980,829	1,472,265	239,763	1,712,028	78,765	4,400,644	228.89%	52.71%
LOCAL 721 LICENSED PRACTICAL NURSES WF		68	1,107	1,380,273	400,556	1,780,829	1,472,265	239,763	1,712,028	78,765	4,400,644	228.89%	52.71%
LOCAL 444 SANITATION OFFICERS WF		65	1,106	1,480,232	19,484	1,499,716	1,500,233	154,034	1,581,974	-160,258	2,045,147	74.29%	-50.63%
LOCAL 211 ALLIED BUILDING INSPECTORS WF		42	1,010	1,311,040	-182,974	1,128,066	1,047,107	154,034	1,201,141	-30,395	1,804,325	261.00%	71.49%
CIVIL SERVICE BAR ASSOC WF		3	1,575	1,001,774	31,857	1,033,631	1,380,785	103,180	1,483,965	-244,489	3,842,026	280.81%	-32.00%
DC & PAINTING INDUSTRY CIVIL SERVICE DIVISION W/F/R/W		20	1,275	1,120,331	77,411	1,197,742	1,467,028	103,180	1,570,208	-37,337	3,842,026	280.81%	-32.00%
LOCAL 444 BRAVIAIION OF OFFICERS RWF & LOUIN DRAVIAIILITY		20	1,275	2,690,025	107,814	2,797,839	2,300,850	171,336	2,472,186	414,707	7,068,500	281.81%	58.70%
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY				30,742,809	2,810,324	33,553,133	27,925,518	3,700,591	31,626,107	1,927,000	50,490,784	150.48%	

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SURVEY OF BENEFIT FUNDS
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NAME OF FUND	NYC CONTRIBUTION UNDER \$100,000	NYC CONTRIBUTION \$100,000 TO \$300,000	NYC CONTRIBUTION OVER \$300,000 TO \$1 MILLION	TOTAL \$300,000 TO \$1 MILLION CATEGORY	TOTAL INSURED FUNDS	TOTAL SELF-INSURED AND INSURED FUNDS	NYC \$									
							NUMBER OF NYC MEMBERS	PER FULL TIME MEMBER	NYC CONTRIBUTION REVENUE	OTHER REVENUE	TOTAL REVENUE	BENEFIT EXPENSES	ADMIN EXPENSES	TOTAL EXPENSES	EXCESS OF REVENUE OVER EXPENSES	FUND BALANCE
NYC DEPUTY SHERIFFS ASSOC RWF	12	34	1,100	42,714	-6,067	36,644	40,904	8,909	49,813	-13,319	105,260	287,25%	-32.87%			
LOCAL 608 STRUCTURAL STEEL PAINTERS RWF	69	33	1,475	43,138	1,857	45,095	23,237	501	23,738	21,357	206,108	457.05%	6.65%			
LOCAL 608 STRUCTURAL STEEL PAINTERS VF	70	50	1,475	63,772	3,744	67,516	20,778	719	29,498	38,018	328,201	486.20%	13.45%			
TOTAL UNDER \$100,000 CATEGORY				149,621	-360	149,255	93,000	10,219	103,219	46,036	639,629	428.55%				
NYC CONTRIBUTION \$100,000 TO \$300,000																
LOCAL 14A-44D UNDE WFRWF	37	89	1,000	100,004	3,540	103,542	51,167	27,003	78,170	24,562	465,053	461.55%	81.65%			
LOCAL 1181 CWA SUPERVISORY EMPLOYEES RWF	31	150	1,125	253,044	10,689	263,733	242,306	23,480	265,786	-2,553	438,142	166.52%	-31.10%			
LOCAL 333 UNITED MARINE DIVISION RWF	59	236	1,275	257,325	3,670	260,995	184,479	27,093	211,572	49,423	602,647	230.50%	-4.74%			
TOTAL \$100,000 TO \$300,000 CATEGORY				610,403	17,857	628,260	478,032	78,776	556,808	71,452	1,522,842	242.38%				
NYC CONTRIBUTION \$300,000 TO \$1 MILLION																
LOCAL 1181 CWA SUPERVISORY EMPLOYEES WF	32	333	1,125	463,679	3,244	466,923	398,651	60,585	459,236	7,687	526,740	113.24%	-63.42%			
LOCAL 154-C OPERATING ENGINEERS WFRWF	38	376	1,051	485,265	374,931	860,196	239,514	135,908	429,422	430,774	4,354,702	506.25%	63.53%			
LOCAL 333 UNITED MARINE DIVISION VF	60	283	1,275	357,209	4,593	361,802	383,293	34,591	417,884	-56,082	344,986	95.35%	-69.20%			
TOTAL \$300,000 TO \$1 MILLION CATEGORY				1,306,153	382,768	1,688,921	1,075,458	231,084	1,306,542	382,379	5,228,428	306.57%				
NYC CONTRIBUTION OVER \$20 MILLION																
PROFESSIONAL STAFF CONGRESS CUNY WFRWF	101	13,592	1,175	21,054,598	45,731	21,070,329	24,089,221	989,743	25,078,964	-4,008,635	8,506,822	40.37%	0.00%			
TOTAL OVER \$20 MILLION CATEGORY				21,054,598	45,731	21,070,329	24,089,221	989,743	25,078,964	-4,008,635	8,506,822	40.37%				
TOTAL INSURED FUNDS				23,120,775	415,990	23,536,765	25,735,711	1,309,822	27,045,533	-3,508,768	15,897,721	67.54%				
TOTAL SELF-INSURED AND INSURED FUNDS				751,156,961	48,785,444	799,942,405	689,000,784	60,585,452	749,586,236	50,358,469	772,463,812	96.56%				

EXHIBIT B

SURVEY OF BENEFIT FUNDS
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NAME OF FUND	REF	NUMBER OF NYC MEMBERS	NYC \$ PER FULL TIME MEMBER	NYC		TOTAL REVENUE	BENEFIT EXPENSES	ADMIN EXPENSES	TOTAL EXPENSES	EXCESS OF REVENUE OVER EXPENSES		FUND BALANCE	FUND BAL / TOTAL REV	DEVIATION FROM CAT. AVERAGE
				CONTRIBUTION REVENUE	OTHER REVENUE					REVENUE	EXPENSES			
ANNUITY FUNDS														
NYC CONTRIBUTION UNDER \$100,000														
LOCAL 303 UNITED MARINE DIVISION ANNUITY FUND	58	094	210	75,792	-50,968	10,023	240,613	40,841	280,454	-278,631	2,617,736	13907.12%	0.00%	
TOTAL UNDER \$100,000 CATEGORY				75,792	-50,969	10,023	240,613	40,841	280,454	-278,631	2,617,736	13907.12%	0.00%	
NYC CONTRIBUTION \$300,000 TO \$1 MILLION														
LOCAL 300 SEU CIVIL SERVICE FORUM ANNUITY FUND	125	1,240	261	664,489	89,523	753,991	24,687	0	24,687	729,304	2,048,934	271.88%	-19.34%	
LOCAL 3 NYC COMMUNICATIONS ELECTRICIANS AF	127	66	9,521	680,060	133,037	813,097	87,029	65,919	152,948	660,149	3,231,988	397.45%	17.93%	
TOTAL \$300,000 TO \$1 MILLION CATEGORY				1,344,528	222,560	1,567,088	111,716	65,919	177,635	1,389,453	5,281,922	337.05%		
NYC CONTRIBUTION \$1 MILLION TO \$3 MILLION														
LOCAL 154-C (IODE) OPERATING MUNICIPAL ENGINEERS AF	117	492	3,419	1,681,942	389,455	2,071,397	481,037	145,205	626,242	1,435,155	12,644,403	610.43%	-50.78%	
LOCAL 444 SANITATION OFFICERS ANNUITY FUND	63	1,166	1,740	2,018,922	-695,124	1,323,801	1,970,506	142,573	2,113,079	-789,278	20,230,013	1528.18%	23.23%	
DISTRICT COUNCIL 37 AFSCME ANNUITY FUND	121	81,273	522	1,903,422	394,779	2,298,201	899,603	954,768	1,791,371	506,830	37,730,089	1661.72%	32.99%	
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY				5,604,286	89,113	5,693,399	3,301,146	1,239,546	4,540,692	1,152,707	70,604,485	1280.14%		

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SURVEY OF BENEFIT FUNDS
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NAME OF FUND	NUMBER OF NYC MEMBERS	NYC \$ PER FULL TIME MEMBER	NYC CONTRIBUTION			OTHER REVENUE			TOTAL REVENUE			BENEFIT EXPENSES			ADMIN EXPENSES			TOTAL EXPENSES			EXCESS OF REVENUE OVER EXPENSES			FUND BALANCE			FUND BAL / TOTAL REV	DEVIATION FROM CAT. AVERAGE
			REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE		
NYC CONTRIBUTION \$3 MILLION TO \$10 MILLION																												
CORRECTIONS OFFICERS BENEVOLENT ASSOC AF	8	7,459	566	3,856,089	-1,658,967	2,197,102	5,345,731	551,209	5,896,940	-3,689,836	63,916,374	2908.12%	188.86%															
LOCAL 30A D JUDGE ENGINEERS ANNUITY FUND	144	1,032	7,454	4,807,818	-1,906,259	2,901,559	555,952	39,325	595,277	2,226,282	27,719,701	982.43%	-2.47%															
LOCAL 1180 CWA MEMBERS ANNUITY FUND	119	11,428	522	4,650,517	511,875	4,562,392	466,677	138,533	605,410	3,956,982	14,493,227	317.67%	-68.46%															
LOCAL 884 UNIFORMED FIRE OFFICERS ASSOC AF	76	2,990	1,327	3,451,931	-3,182,336	259,595	3,070,522	230,787	3,301,309	-3,041,714	99,779,635	3845.65%	3715.73%															
LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOC AF	71	6,600	1,370	9,161,644	1,529,436	10,691,060	7,490,241	368,040	7,859,081	2,831,979	66,915,092	644.60%	-36.07%															
LOCAL 881(UN)E1 ANNUITY FUND	126	10,75	1,263	3,713,509	-63,494	3,650,075	0	59,303	3,590,772	3,590,772	3,590,772	98.38%	-90.23%															
DOCTORS COUNCIL ANNUITY FUND	124	4,290	3,153	3,981,978	69,516	4,051,494	34,045	119,170	453,215	3,898,279	5,984,529	147.71%	-85.34%															
TOTAL \$3 MILLION TO \$10 MILLION CATEGORY				33,023,526	-4,790,249	28,233,277	16,963,368	1,507,167	18,470,535	9,762,742	284,399,370	1007.32%																
NYC CONTRIBUTION \$10 MILLION TO \$20 MILLION																												
LOCAL 237 TEAMSTERS ANNUITY FUND	43	8,053	678	12,303,917	-2,577,968	9,725,949	1,609,072	351,532	1,960,604	7,765,345	46,227,259	475.30%	0.00%															
TOTAL \$10 MILLION TO \$20 MILLION CATEGORY				12,303,917	-2,577,968	9,725,949	1,609,072	351,532	1,960,604	7,765,345	46,227,259	475.30%																
TOTAL ANNUITY FUNDS																												
				52,352,049	-7,143,513	45,208,536	22,234,915	3,213,005	25,447,920	19,790,646	409,130,774	904.39%																
GRAND TOTAL				803,509,010	47,671,931	845,180,941	711,235,699	63,790,157	775,033,856	70,147,005	1,181,594,646	139.80%																

**EXHIBIT B
SURVEY OF BENEFIT FUNDS
SCHEDULE OF FINANCIAL DATA
2002**

NAME OF FUND	REF	MEMBERS	CONTRIBUTION REVENUE	NYC 54.00% TOTAL REVENUE	TOTAL REVENUE	FUND BALANCE	NYC 5	
							PER	FUND BALANCE
LCY LODGE 5 AMNTRL BLAGNATIONS & DOR BROTHERS WFA4	84	\$	\$144,454	-2391.79%	\$36,0271	246,391		
PATROL MEN'S BENEFIT ASSOC ANNUITY FUND4	95	\$	\$12,568,291	-224.79%	\$45,591,1271	162,026,109		
NYC DEPUTY SHERIFFS ASSOC ANNUITY FUND4	11	\$	\$38,346	-422.39%	\$31,4321	175,899		
LOCAL 44 UNIFORMED BROTHERHOODS ASSOCIATION NY44	82	\$	\$4,589,954	-118.12%	\$3,385,8831	72,641,969		
DETECTIVES BENEVOLENT ASSOC ANNUITY FUND 44	14	\$	\$5,800,448	62.98%	\$9,342,4951	141,597,437		
SERGEANTS BENEVOLENT ASSOCIATION/LOCAL AF 44	112	\$	\$5,800,448	-56.30%	\$810,312,660	887,398,398		
SUPERIOR OFFICERS COUNCIL (PROJACT) ANNUITY FUND 44	104	\$	\$4,505,209	-52.36%	\$56,605,090	125,845,693		
ASSISTANT DEPUTY WARDENS ASSOC ANNUITY FUND41	1	\$	\$155,515	-43.43%	\$258,674	4,174,822		
4 CORRECTION CAPTAINS ASSOC ANNUITY FUND 40	4	\$	\$509,362	-30.02%	\$51,996,489	15,579,595		
100 ALVT SOCIAL SERV ETAMPLOYEES AFD2	121	\$	\$0	0.00%	\$336,075	6,045,307		
NYS SUPERIOR COURT UNBORGHOLED OFFICERS RWF 01	107	\$	\$6,510	0.34%	\$1,925,356	1,540,673		
LOCAL 1199 NATIONAL BENEFIT FUND HEALTH CARE WFC0	45	\$	\$3,036,884	0.17%	\$824,897,406	401,194,927		
LOCAL 40 IRON WORKERS WELFARE FUND 09	118	\$	\$104,664	0.37%	\$28,288,144	46,078,235		
NYS COURT OFFICERS ASSOCIATION RWF 40	91	\$	\$12,934	0.69%	\$1,862,311	3,556,733		
NYC DISTRICT COUNCIL OF CARPENTERS WF 01	88	\$	\$2,342,175	1.37%	\$371,512,055	258,311,204		
LOCAL 3 ELECTRICAL WORKERS INDUSTRY ANNUITY 01	49	\$	\$1,148,400	1.50%	\$76,430,236	797,779,347		
DC9 PAINTING INDUSTRY ANNUITY FUND 01	19	\$	\$41,133	1.57%	\$26,246,060	208,341,438		
LOCAL 40 IRON WORKERS ANNUITY FUND 01	111	\$	\$977,666	2.67%	\$36,602,119	356,803,502		
PLAYERS & ROADBUILDERS DISTRICT COUNCIL WF 01	100	\$	\$475,756	3.83%	\$12,424,146	22,858,684		
SURROGATES & SUPREME COURT REPORTERS ASSOC RWF 01	108	\$	\$7,130	4.57%	\$156,101	403,277		
LOCAL 806 STRUCTURAL STEEL PAINTERS ANNUITY FUND 09	120	\$	\$269,932	4.64%	\$5,821,302	31,897,429		
NEW YORK STATIONERS COURT CLERK ASSOCIATION WRF02	90	\$	\$76,648	8.15%	\$940,582	1,898,406		
NYC DISTRICT COUNCIL OF CARPENTERS AF 02	116	\$	\$11,802,548	11.57%	\$95,090,436	709,077,139		
LOCAL 1 PLUMBING INDUSTRY ANNUITY FUND 02	27	\$	\$2,529,852	24.72%	\$19,234,545	103,646,207		
UPT ALBERT SHANKER COLLEGE SCHOLARSHIP FUND 02	40	\$	\$1,400,400	98.81%	\$1,402,002	43,733		
DETECTIVES ENDOWMENT ASSOC CLRF FUND 05	16	\$	\$506,129	137.36%	\$368,475	3,868,597		
TOTAL			\$58,200,698					

The above listed funds have been excluded from this analysis because:

- (1) These funds were excluded from our analysis because they received a substantial portion of their revenues from sources other than the City.
- (2) These funds would distort the specific groups' category averages since they maintain other groups' health plans that receive substantial revenues not contributed by the City of New York.
- (3) This fund did not pay benefits to union members or their dependents.
- (4) These funds incurred a substantial loss on their investments that offset their total revenue, putting their revenue in the negative. These funds were excluded because they would distort the specific groups' category averages, and
- (5) The Detectives Endowment Association's CLRF had a different fiscal year-end than its welfare fund, consolidation of these two funds would have distorted the information reported.

SURVEY OF BENEFIT FUNDS
SCHEDULE OF ADMINISTRATIVE EXPENSES
2002

NAME OF FUND	REF	TOTAL ADMIN. EXP.	RENT	SALARIES	FEES & COMMISSN	LEGAL	ACCT'G	TRAVEL & COMP.	TELEPHONE	OFFICE EQUIP. & RENTAL	OTHER OFFICE EXPENSE	INSURANCE	REPAIRS & MAINT	OTHER	RETENTION	INVEST CUSTODIAL SYS
NYC CONTRIBUTION \$100,000 TO \$300,000																
NYC DEPUTY SHERIFFS ASSOC WF	13	9,100	6,000	0	0	0	2,900	0	0	0	200	0	0	0	0	0
LOCAL 308 MUNICIPAL EMPLOYEES WF	56	16,384	0	0	8,121	0	4,622	0	0	0	0	3,092	0	0	0	0
LOCAL 888 187, (OTB) BRANCH OFFICE MANAGERS WF	79	34,758	3,600	11,506	2,158	7,500	5,250	92	570	46	917	1,921	0	1,198	0	0
LOCAL 332 TEAMSTERS RWF	74	30,436	0	0	27,051	0	1,500	0	0	4,000	805	0	0	0	0	0
NYC MUAL STEAMFITTERS & STEAMFITTER HELPERS RWF	87	12,825	0	0	4,440	500	5,299	0	0	0	0	1,951	0	635	0	0
DISTRICT COUNCIL 1 MEBBA BENE. FUND TRUST WF/AF	18	10,468	0	0	3,231	0	3,063	0	0	0	0	0	0	0	0	0
LOCAL 318EW CITY EMPLOYEES WELFARE FUND	48	62,548	0	0	30,137	2,500	5,822	19,689	0	325	0	2,605	0	1,470	0	0
NYC PLUM STEAMFITTERS & STEAMFITTER HELPERS WF	86	19,275	0	0	10,454	1,000	5,299	0	0	2,250	67	1,905	0	550	0	0
FIRE ALARM DISPATCHERS BENEVOLENT ASSOC WF	23	47,533	9,995	17,690	0	0	2,950	3,915	4,319	2,250	7,414	0	0	0	0	0
TOTAL \$100,000 TO \$300,000 CATEGORY		243,357	48,595	29,196	85,592	11,500	35,705	23,696	4,689	3,621	9,463	11,474	0	4,412	0	4,194
NYC CONTRIBUTION \$300,000 TO \$1 MILLION																
LOCAL 300 CIVIL SERVICE FORUM RWF	54	66,651	0	0	42,608	4,600	9,950	0	0	0	5,440	188	0	0	0	4,015
LOCAL 301UE MUNICIPAL EMPLOYEES RWF	53	97,639	5,364	41,515	1,500	12,000	7,000	2,139	796	1,945	15,182	0	0	10,394	0	0
LOCAL 832 TEAMSTERS WF	75	34,758	0	0	82,616	0	3,000	0	0	6,960	0	0	0	86	0	0
UNITED PROBATION OFFICERS ASSOCIATION RWF	110	106,094	149	42,000	15,000	2,500	5,000	0	518	15,033	11,062	344	0	14,508	0	0
ASSISTANT DEPUTY WARDEN'S ASSOC. WF RWF/CLRF	2	51,417	3,600	0	16,016	6,000	4,000	4,718	2,159	1,431	5,644	2,366	0	5,483	0	0
LOCAL 318EW ELECTRICIANS RWF	50	82,970	284	33,182	17,785	1,250	5,367	1,382	2,460	0	2,081	3,199	0	1,261	0	13,622
LOCAL 1183 CWA BOARD OF ELECTIONS BENEFIT FUND WF	34	99,157	0	0	21,693	0	11,755	0	0	0	1,410	0	0	0	0	64,299
TOTAL \$300,000 TO \$1 MILLION CATEGORY		597,980	9,597	136,330	175,605	26,350	46,072	8,239	5,333	19,413	47,729	6,097	897	31,732	0	17,637
NYC CONTRIBUTION \$1 MILLION TO \$3 MILLION																
DOCTORS COUNCIL RWF	21	145,993	10,706	41,670	30,236	4,420	6,000	0	324	0	13,060	2,702	0	0	0	5,875
LOCAL 246 SEU RWF	46	95,489	10,604	39,318	25,180	6,836	4,900	2,905	1,998	0	3,104	643	0	0	0	0
CORRECTION CAPTAINS ASSOCIATION RWF	5	131,508	14,796	11,736	66,210	3,544	7,000	4,929	4,693	1,510	2,398	2,670	0	5,862	0	2,627
CORRECTION CAPTAINS ASSOCIATION W/CLRF	6	139,330	14,796	13,648	52,391	13,308	7,000	21,905	4,693	1,510	1,513	2,670	0	7,228	0	3,557
LOCAL 300 CIVIL SERVICE FORUM WF	55	181,590	9,342	30,554	67,810	13,358	11,150	14,616	0	1,614	22,642	4,445	0	0	0	6,458
LOCAL 1162 CWA PARKING EMPLOYEE AGENT W/LEGAL	33	412,204	47,448	209,457	39,612	26,400	13,228	10,433	7,338	4,630	17,086	10,697	0	14,414	0	8,612
LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS WF	57	92,700	5,364	46,131	1,500	12,023	7,000	5,826	836	5,836	6,736	1,384	0	0	0	0
LOCAL 246 SEU WELFARE FUND	47	199,024	24,792	91,287	48,920	8,666	4,900	8,709	4,095	7,287	0	0	0	0	0	0
LOCAL 881 SCHOOL CUSTOD & CUSTOD ENGINEERS WERRA	80	159,881	0	0	53,229	20,000	28,000	5,985	3,741	17,331	9,625	4,437	0	0	0	17,533
NYC MUNICIPAL PLUMBERS & PERITTERS WF	25	101,847	0	245,085	45,274	6,588	7,331	7,494	5,042	0	553	4,522	0	1,590	0	11,883
HOUSE STAFF COMA OF INTERNS & RESIDENTS W/LEGAL	84	452,399	63,723	245,085	45,274	550	23,030	12,188	4,388	45,445	65,515	3,104	260	-97,871	0	13,025
LOCAL 318EW ELECTRICIANS WF	51	169,825	577	75,819	33,613	6,250	10,233	2,079	4,388	1,105	2,665	3,208	1,940	1,940	0	26,051
DOCTORS COUNCIL WF	22	240,305	24,089	95,470	54,004	15,961	9,900	923	736	510	19,838	5,457	0	1,236	0	44,317
UNITED PROBATION OFFICERS ASSOCIATION WF	109	300,927	448	499,602	0	0	20,800	0	2,034	55,295	13,749	563	0	1,236	0	0
LOCAL 444 SANITATION OFFICERS WF	68	239,733	29,739	120,702	20,737	30,000	8,400	3,608	5,590	1,398	7,711	8,256	0	6,022	0	0
LOCAL 211 ALLEED BUILDING INSPECTORS WF	42	87,721	20,800	7,530	26,585	3,200	9,200	3,627	0	0	7,750	3,252	0	0	0	4,634
LOCAL 211 ALLEED BUILDING INSPECTORS WF	65	154,954	23,013	58,995	25,330	9,000	14,800	0	2,858	10,778	0	3,252	0	0	0	0
CIVIL SERVICE BAR ASSOC WF	3	156,655	0	0	139,089	0	8,600	215	0	0	1,366	7,127	0	893	0	75
DC 8 PAINTING INDUSTRY CIVIL SERVICE DIVISION W/PRWF	20	103,180	3,540	51,372	39,702	0	8,800	0	400	708	100	3,789	0	0	0	0
LOCAL 444 SANITATION OFFICERS RWF & LODI DISABILITY	64/145	171,326	20,600	21,012	80,454	3,200	14,300	8,434	0	0	246	5,605	0	300	0	20,375
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY		3,708,591	321,477	1,358,960	918,565	182,305	215,659	114,057	48,486	147,494	203,444	101,293	16,601	-86,051	0	6,282
		100.00%	8.67%	36.66%	24.78%	4.92%	5.82%	3.08%	1.31%	3.96%	5.49%	2.73%	0.45%	-1.76%	0.22%	3.67%

EXHIBIT C

SURVEY OF BENEFIT FUNDS
SCHEDULE OF ADMINISTRATIVE EXPENSES
2002

NAME OF FUND	REF	TOTAL ADMIN. EXP.	RENT	SALARIES	FEES & COMMISSION	LEGAL	ACCTG	TRAVEL & CONF.	TELEPHONE	OFFICE EQUIP. & RENTAL	OTHER OFFICE EXPENSE	INSURANCE	REPAIRS & MAINT.	OTHER	RETENTION	INVEST CUSTODIAL SYS
SELF-INSURED WF & RWF (cont'd)																
NYC CONTRIBUTION \$3 MILLION TO \$10 MILLION																
SUPERIOR OFFICERS COUNCIL (POLICE) VEHICLE	106	223,606	20,054	84,983	80,734	0	8,480	-88	3,876	8,338	10,960	4,782	0	1,570	0	0
LOCAL B54 UNIFORMED FIRE OFFICERS ASSOC WF	77	156,732	9,818	90,673	0	14,692	9,700	7,628	4,437	14,821	-17	7,980	0	0	0	0
CORRECTION OFFICERS BENEVOLENT ASSOC RWF	7	284,887	0	0	105,603	0	12,500	0	0	0	923	0	0	174,761	0	1,000
NEW YORK STATE NURSES ASSOCIATION WF	92	623,954	64,750	75,250	203,682	15,060	7,400	10,192	7,000	10,500	30,029	7,178	0	0	322,378	69,715
LOCAL B31 UNIFORMED SANITATIONMEN'S ASSOC WF	73	782,986	44,516	329,531	87,514	43,298	20,000	0	5,482	20,487	83,716	4,961	62,282	58,104	0	145,307
LOCAL 1180 CWA MUNICIPAL MANAGEMENT'S ASSOC WF	29	1,330,588	144,981	492,849	112,861	17,643	13,750	30,148	34,587	160,613	153,754	15,152	16,605	62,217	0	36,333
LOCAL 1 COUNCIL OF SUPERVISORS & ADMIN. WF	25	519,989	52,793	325,009	34,903	4,800	7,150	4,355	8,298	19,421	20,141	3,326	0	2,650	0	0
LOCAL B54 UNIFORMED FIRE OFFICERS RWF	78	220,150	18,482	482,254	0	282,453	9,700	2,268	1,382	10,956	12,220	839	0	2,169	0	0
ORGANIZATION OF STAFF ANALYSTS WF	93	910,977	113,710	413,666	49,983	4,800	6,225	0	8,567	20,286	24,041	3,474	0	42,328	0	0
LOCAL 1 COUNCIL OF SUPERVISORS & ADMIN. RWF	26	598,636	55,146	413,666	49,983	4,800	6,225	0	8,567	20,286	24,041	3,474	0	42,328	0	0
SUPERIOR OFFICERS COUNCIL (POLICE) RWF	105	237,447	20,051	84,983	92,482	0	8,400	-88	3,876	8,338	13,073	4,782	0	1,570	0	0
LCL B31 UNIFORMED SANITATIONMEN'S ASSOC RWF	72	456,950	15,094	128,274	214,604	5,753	26,000	1,167	6,800	0	41,385	5,628	0	14,518	0	18,669
NEW YORK CITY RETIREE WF	88	159,884	0	0	95,228	3,159	17,811	13,640	0	0	2,450	0	0	14,518	0	7,468
DETECTIVES ENDOWMENT ASSOCIATION WF	16	529,313	0	159,508	284,081	0	11,725	575	-15,486	9,489	21,120	-1,802	0	42,318	0	36,013
DETECTIVES ENDOWMENT ASSOCIATION RWF	15	558,703	0	147,905	328,084	0	11,725	0	10,324	1,835	22,083	3,935	0	0	0	32,771
TOTAL \$3 MILLION TO \$10 MILLION CATEGORY		7,844,742	557,392	2,947,632	1,872,412	128,091	192,070	69,808	95,323	300,083	498,741	71,883	78,887	374,610	391,162	266,439
NYC CONTRIBUTION \$10 MILLION TO \$20 MILLION																
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOC RWF	61	592,882	26,325	156,030	271,618	7,260	13,000	708	16,802	64,220	17,022	3,433	0	0	0	17,264
SERGEANTS BENEVOLENT ASSOCIATION W/FRFRVHCLE	113	774,638	0	227,345	441,686	0	24,000	0	13,625	45,117	0	772	0	22,131	0	0
LOCAL 237 TEAMSTERS RWF	68&44	1,566,431	86,441	861,880	181,380	31,771	13,885	22,875	30,972	8,188	176,631	12,888	0	0	0	7,550
LOCAL 1180 CWA MUNICIPAL MANAGEMENT W/LEGALLED	28&30	1,482,250	113,639	557,091	181,305	38,580	17,384	12,925	32,987	124,501	127,494	20,662	21,765	172,632	0	49,075
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION WF	83	787,146	26,326	281,874	245,079	12,100	11,500	905	16,802	69,771	25,137	5,092	1,027	0	0	301,233
CORRECTION OFFICERS BENEVOLENT ASSOC VHCLE RWF	9	506,651	0	0	279,625	0	31,500	0	0	0	16,415	0	0	178,911	0	0
TOTAL \$10 MILLION TO \$20 MILLION CATEGORY		5,680,008	254,934	2,084,320	1,710,865	81,711	111,289	37,413	95,963	280,305	407,816	43,807	22,812	373,674	0	175,122
NYC CONTRIBUTION OVER \$20 MILLION																
DC 37 WF	40	13,250,255	853,267	7,305,468	455,311	339,951	224,249	21,507	78,225	3,731,609	745,768	146,980	91,830	-687,846	0	233,956
LOCAL 2 UNITED FEDERATION OF TEACHERS WF	41	15,803,500	649,383	6,906,007	5,930,973	78,484	42,388	25,334	94,552	1,187,981	366,772	43,287	46,570	8,852	0	203,699
PATROLMEN'S BENEVOLENT ASSOC RWF	98	2,466,588	330,876	1,231,581	521,789	58,500	48,785	0	18,127	63,755	131,738	13,240	48,570	4,627	0	0
PATROLMEN'S BENEVOLENT ASSOC VEHICLE	97	3,606,935	504,338	1,882,316	610,585	102,000	63,517	0	28,634	19,503	308,229	23,213	57,642	6,948	0	0
LOCAL 237 TEAMSTERS WF	67&45	3,039,346	230,984	1,477,871	1,015,191	101,883	40,132	8,410	22,151	73,491	209,080	43,785	43,447	-197,629	0	182,479
LOCAL 371 SOCIAL SERVICE EMPLOYEES W/LEGALLEF	62	3,036,038	230,830	1,961,595	1,303,411	88,500	61,300	16,692	60,153	180,258	145,355	102,124	0	94,405	0	53,565
TOTAL OVER \$20 MILLION CATEGORY		41,202,642	2,601,786	20,660,868	8,387,160	762,318	480,564	72,223	301,342	5,286,597	1,906,970	372,559	507,087	-771,003	0	673,719
TOTAL SELF-INSURED FUNDS																
		59,275,330	3,769,580	27,219,356	13,190,219	1,192,225	1,082,339	325,416	552,936	6,017,510	3,874,183	607,413	626,284	-52,417	463,743	1,273,313
		100.00%	6.35%	45.92%	22.15%	2.01%	1.83%	0.55%	0.93%	10.15%	5.19%	1.02%	1.06%	-0.09%	0.76%	2.15%

SURVEY OF BENEFIT FUNDS
SCHEDULE OF ADMINISTRATIVE EXPENSES
2002

INSURED W/F & RWF	NAME OF FUND	REF	TOTAL ADMIN.		RENT	SALARIES	FEES & COMMISSN	LEGAL	ACCTG	TRAVEL & CONE	TELEPHONE	OFFICE EQUIP & RENTAL	OTHER OFFICE EXPENSE	INSURANCE	REPAIRS & MAINT	OTHER	RETENTION	INVEST CUSTODIAL
			EXP	EXP														
NYC CONTRIBUTION UNDER \$100,000																		
NYC EMPLOYE SHERIFFS ASSOC RWF		12	4,080	6,000	0	0	0	0	2,900	0	0	0	0	0	0	0	0	0
LOCAL 800 STRUCTURAL STEEL PAINTERS RWF		68	501	0	0	0	0	0	400	0	0	0	0	0	0	0	0	0
LOCAL 800 STRUCTURAL STEEL PAINTERS RWF		79	710	0	0	0	0	0	500	0	0	0	0	0	0	0	0	0
TOTAL UNDER \$100,000 CATEGORY			40,248	6,000	0	0	0	0	3,800	0	0	0	0	0	0	0	0	0
NYC CONTRIBUTION \$100,000 TO \$300,000																		
LOCAL 14A-14B IUD WFRWF		37	27,803	662	24,030	0	0	0	2,400	0	0	0	478	583	0	0	0	0
LOCAL 1181 CWA SUPERVISORY EMPLOYEES RWF		31	23,880	13,931	0	0	1,667	2,200	1,357	463	0	0	3,635	0	0	0	0	0
LOCAL 333 UNITED MARINE DIVISION RWF		59	27,093	219	18,077	0	0	0	6,500	0	0	0	1,357	0	0	0	0	0
TOTAL \$100,000 TO \$300,000 CATEGORY			78,776	14,812	42,157	0	1,667	10,700	1,357	1,363	0	0	5,470	583	0	0	0	0
NYC CONTRIBUTION \$300,000 TO \$1 MILLION																		
LOCAL 1:81 CWA SUPERVISORY EMPLOYEES W/F		32	60,585	9,198	0	854	6,250	4,200	28,765	2,290	0	0	2,442	0	0	6,886	0	0
LOCAL 154-C OPERATING ENGINEERS WFRWF		38	135,908	4,119	0	0	6,790	7,900	0	0	0	24,516	67	2,846	0	79,000	0	10,670
LOCAL 333 UNITED MARINE DIVISION W/F		80	34,591	0	27,708	0	0	6,500	0	0	0	0	0	0	0	383	0	0
TOTAL \$300,000 TO \$1 MILLION CATEGORY			231,084	13,317	27,708	854	13,040	18,600	28,765	2,290	0	24,516	2,209	2,846	0	86,289	0	10,670
NYC CONTRIBUTION OVER \$20 MILLION																		
PROFESSIONAL STAFF CONGRESS CUNY WFRWF		401	989,743	122,902	590,902	129,250	29,551	18,750	17,589	9,457	5,658	30,235	28,439	0	2,760	0	0	4,250
TOTAL OVER \$20 MILLION CATEGORY			989,743	122,902	590,902	129,250	29,551	18,750	17,589	9,457	5,658	30,235	28,439	0	2,760	0	0	4,250
TOTAL INSURED FUNDS																		
			1,309,822	157,091	660,767	130,104	44,256	51,850	47,111	15,110	30,174	30,013	32,087	0	98,034	96	0	15,527
TOTAL SELF-INSURED AND INSURED FUNDS																		
			60,985,152	3,920,671	27,680,123	13,260,323	1,226,533	1,134,189	373,127	555,546	6,047,694	3,112,196	539,200	626,264	35,617	463,839	1,288,940	

SURVEY OF BENEFIT FUNDS
SCHEDULE OF ADMINISTRATIVE EXPENSES
2002

NAME OF FUND	REF	TOTAL ADMIN. EXP.	RENT	SALARIES	FEES & COMMISSN	LEGAL	ACCTG	TRAVEL & CONF.	TELEPHONE	OFFICE EQUIP. & RENTAL	OTHER OFFICE EXPENSE	INSUR- ANCE	REPAIRS & MAINT	OTHER	RETENTION	INVEST CUSTODIAL SVS
ANNUITY FUNDS																
NYC CONTRIBUTION UNDER \$100,000																
LOCAL 333 UNITED MARINE DIVISION ANNUITY FUND	56	48,841	0	0	20,100	0	5,120	0	0	0	0	4,100	0	532	0	18,989
TOTAL UNDER \$100,000 CATEGORY		48,841	0	0	20,100	0	5,120	0	0	0	0	4,100	0	532	0	18,989
NYC CONTRIBUTION: \$300,000 TO \$1 MILLION																
LOCAL 300 SEMI CIVIL SERVICE FORUM ANNUITY FUND	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LOCAL 3 NYC COMMUNICATIONS ELECTRICIANS AF	127	65,919	0	0	24,519	9,220	7,500	0	0	0	0	0	0	0	0	24,680
TOTAL \$300,000 TO \$1 MILLION CATEGORY		65,919	0	0	24,519	9,220	7,500	0	0	0	0	0	0	0	0	24,680
NYC CONTRIBUTION: \$1 MILLION TO \$3 MILLION																
LOCAL 15A-C (NUO) OPERATING MUNICIPAL ENGINEERS AF	117	145,205	1,129	0	46,000	10,056	7,000	0	0	24,684	4,785	3,409	0	0	0	48,142
LOCAL 444 SANITATION OFFICERS ANNUITY FUND	63	142,573	20,000	0	10,407	3,200	19,000	3,087	0	0	0	17,354	0	0	0	68,525
DISTRICT COUNCIL 37 AFSCME ANNUITY FUND	121	951,768	0	0	445,886	12,870	24,538	83	0	45,589	6,879	9,771	0	5,121	0	404,751
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY		1,239,546	21,129	0	502,293	26,126	50,538	3,170	0	70,253	10,884	30,534	0	5,121	0	519,418
		100.00%	1.70%	0.00%	40.52%	2.11%	4.09%	0.25%	0.00%	5.67%	0.88%	2.45%	0.00%	0.41%	0.00%	41.90%

SURVEY OF BENEFIT FUNDS
SCHEDULE OF ADMINISTRATIVE EXPENSES
2002

ANNUITY FUNDS (cont'd)	NAME OF FUND	REF	TOTAL ADMIN. EXP.	RENT	SALARIES	FEES & COMMISSION	LEGAL	ACCT'GS	TRAVEL & CONF.	TELEPHONE	OFFICE EQUIP & RENTAL	OTHER OFFICE EXPENSE	INSURANCE	REPAIRS & MAINT	OTHER	RETENTION	INVEST CUSTODIAL SYS
ANNUITY FUNDS (cont'd)																	
NYC CONTRIBUTION \$3 MILLION TO \$10 MILLION																	
	CORRECTIONS OFFICERS BENEVOLENT ASSOC AF	4	551,209	0	0	190,315	0	6,540	0	0	0	0	0	0	0	0	0
	LOCAL 304 BROTHERS BENEVOLENT ASSOC AF	144	30,325	1,344	4,612	0	14,691	7,240	0	0	1,940	6,117	3,746	0	0	0	263,494
	LOCAL 1100 CWA MEMBERS ANNUITY FUND	140	130,533	0	0	61,650	0,268	9,240	0	0	0	0	203	0	0	0	56,534
	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOC AF	76	230,787	14,548	113,548	36,412	20,163	4,473	0	0	6,905	14,400	5,091	0	0	0	0
	LOCAL 831 UNIFORMED SANITATIONERS ASSOC AF	71	360,860	17,627	50,140	73,447	0,860	26,406	0	0	0	10,066	0	0	0	0	184,817
	LOCAL 884 UNDE ANNUITY FUND	126	59,303	0	0	12,037	14,250	7,500	0	0	0	3,920	25	0	0	0	24,451
	DOCTORS COUNCIL ANNUITY FUND	124	149,170	0	5,684	4,308	18,255	10,900	0	0	0	47,808	3,309	0	0	0	30,000
	TOTAL \$3 MILLION TO \$10 MILLION CATEGORY		1,507,167	33,519	181,958	384,368	93,914	78,396	4,473	869	8,933	87,149	12,324	0	0	0	535,803
	NYC CONTRIBUTION \$10 MILLION TO \$20 MILLION		190,000%	2.22%	12.07%	25.50%	6.23% #	5.20%	0.30%	0.05%	0.59%	5.78%	0.82%	0.00%	5.67%	0.00%	35.55%
	LOCAL 237 TEAMSTERS ANNUITY FUND	43	351,532	0	0	0	54,053	15,500	0	0	0	21,525	6,271	0	92,692	0	161,491
	TOTAL \$10 MILLION TO \$20 MILLION CATEGORY		351,532	0	0	0	54,053	15,500	0	0	0	21,525	6,271	0	92,692	0	161,491
	TOTAL ANNUITY FUNDS		3,213,805	54,648	183,958	934,261	183,313	157,154	7,643	869	79,166	149,508	53,229	0	189,835	0	1,280,381
	GRAND TOTAL		63,798,457	3,975,319	28,962,081	14,191,604	1,449,846	1,291,343	380,770	566,415	6,426,870	3,231,704	892,429	626,284	220,452	463,838	2,549,221
			100.00%	6.23%	43.99%	22.24%	2.23%	2.02%	0.60%	0.89%	9.60%	5.07%	1.09%	0.98%	0.35%	0.73%	4.00%

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
\$100,000 TO \$300,000 CATEGORY								
DEPUTY SHERIFFS ASSOC. WELFARE FUND	13	191,037	X		Life & Accidental Death, Re-imbusement - Tax Re-imbusement - Prescription Drugs Dental Optical	X X X X X	X X	X X
LOCAL 306 MUNICIPAL EMPLOYEES WELFARE FUND	56	77,561	X		Life Insurance, A.D.D. Dental Optical Prescription Drugs	X X X X	X X X X	X X X X
LOCAL 858, IBT OTB BRANCH OFFICE MANAGERS WELFARE FUND	79	209,538	X		Life Insurance Dental Optical Prescription Drugs	X X X X	X X X X	X X X X
NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS RETIREE WELFARE FUND	87	80,152	X		Life Insurance Dental Optical Legal Hearing Aid FICA & Medicare	X X X X X X	X X X X X	X X X X X
LOCAL 832 TEAMSTERS RETIREE WELFARE FUND	74	142,841		X	Dental Optical Podiatry Limited Medical Insurance Death Benefits	X X X X X	X X X X X	X X X X X
DISTRICT COUNCIL 1 MEBA BENEFICIAL FUND TRUST WF/AF	18	72,367	X		Life Insurance Dental Optical Training Severance/Death Prepaid Legal Reimbursement of Medical/dental	X X X X X X X	X X X X X X	X X X X X X
LOCAL LODGE 5 MUNICIPAL BLACKSMIT AND BOILERMAKERS RWF & WF	84	185,114	X		Dental Dental - Supplemental Optical Optical - Direct Prescription Card Life Insurance	X X X X X X	X X X X X	X X X X X
FIRE ALARM DISPATCHERS BENEVOLENT ASSOCIATION WELFARE FUND	23	240,838	X		Life Insurance Dental Optical Retirement Benefit Retirement Counseling	X X X X X	X X X X	X X X X
LOCAL 3 IBEW CITY EMPLOYEES WELFARE FUND	48	277,720	X		Life Insurance Optical Dental Legal Services Chiropractor	X X X X X	X X X X	X X X X

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
\$100,000 TO \$300,000 CATEGORY - cont'd								
NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS WELFARE FUND	86	186,423	X		Life Insurance	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Hearing Aid	X	X	X
				X	Legal	X		
				X	Social Security & Medicare	X		
SELF-INSURED								
\$300,000 TO \$1 MILLION CATEGORY								
LOCAL300 CIVIL SERVICE FORUM RWF	54	753,531		X	Life Insurance	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Prepaid Legal Services	X	X	X
				X	Hearing Aid	X	X	X
				X	Death	X		
LOCAL 3 IBEW ELECTRICIANS RETIREE WELFARE FUND	50	421,035		X	Death	X		
				X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Hearing	X	X	X
ASST DEPUTY WARDENS ASSOC WELFARE FUND/RWF/CLRF	2	505,106	X		Life Insurance	X	X	X
				X	Optical	X	X	X
				X	Dental	X	X	X
				X	Supplementary Medical	X	X	X
				X	Pharmacy	X	X	X
				X	Hospital	X	X	X
				X	Legal	X		
				X	Hearing Aids	X		
				X	Maternity	X	X	
				X	Retirement Counselling	X		
				X	Civil Legal	X		
LOCAL 832 TEAMSTERS WELFARE FUND	75	473,307		X	Death Benefit	X	X	X
				X	Dental Utilization	X	X	X
				X	Disability	X		
				X	Prescription Drugs	X	X	X
				X	Optical & Eyeglasses	X	X	X
				X	Podiatry	X	X	X
				X	Maternity	X	X	
			X		Limited Medical Ins.	X	X	X
				X	Legal Services	X	X	
				X	Retiree Assoc. Membership	X		
				X	Scholarship Fund			
LOCAL 30 MUNICIPAL EMPLOYEES RETIREE WELFARE FUND	53	637,190		X	Death Benefit	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Dental	X	X	X
				X	Chiropractic	X	X	X
				X	Medicare, Part B Reimb.	X	X	

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
<u>\$300,000 TO \$1 MILLION CATEGORY - cont'd</u>								
UNITED PROBATION OFFICERS RETIREE WELFARE FUND	110	467,278		X	Dental	X	X	
				X	Optical	X	X	
				X	Prescription Drugs	X	X	
				X	Hearing Aids	X	X	
				X	Podiatry	X	X	
				X	Mammography	X	X	
				X	Emergency Room	X	X	
				X	Medical	X	X	
				X	Therapy	X	X	
				X	In-Hospital Indemnity	X	X	
				X	Prosthetic Appliance	X	X	
				X	Anesthesia	X	X	
				X	2nd Dental Opinon Program	X	X	
LOCAL 1183 CWA BOARD OF ELECTIONS BENEFIT FUND WF/RWF	34	472,986		X	Prescription Plan	X	X	X
			X		Dental Plan	X	X	X
			X		Optical Plan	X	X	X
			X		Acc. Dental & Dismemberment	X	X	X
			X		Temporary Group	X	X	X
			X		Administrative Group	X	X	X
				X	Legal Plan	X	X	X
SELF-INSURED								
<u>\$1 MILLION TO \$3 MILLION CATEGORY</u>								
MUNICIPAL PLUMBERS AND PIPEFITTERS WELFARE FUND	85	834,825	X		Life Insurance	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Hearing Aid	X	X	X
				X	Orthotics	X	X	X
				X	Chiropractic	X	X	X
				X	Asbestos Screening	X		
				X	Social Security & Medicare	X		
CORRECTION CAPTAINS ASSOC. WELFARE FUND/ CLRF	6	951,264	X		Life Insurance	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Hearing Aid	X	X	X
				X	Maternity	X	X	
			X		Catastrophic Insurance	X	X	X
				X	In-hospital	X	X	X
				X	Anesthesia	X	X	X
				X	Emergency Room	X	X	X
				X	Ambulance Benefit	X	X	X
				X	Appliance	X	X	X

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
<u>SELF-INSURED</u>								
<u>\$1 MILLION TO \$3 MILLION CATEGORY - Cont'd</u>								
DOCTORS COUNCIL RETIREE WELFARE FUND	21	501,123		X	Dental	X	X	X
				X	Psychiatric	X	X	
				X	Optical	X	X	X
				X	Physical Examination	X	X	
				X	Pvt. Duty Nursing	X	X	
				X	Hearing Aid	X	X	
				X	Podiatry	X	X	
				X	Legal Services	X	X	
				X	Mammogram	X or	X	
				X	Health Reimbursement	X		
				X	Claim Admin.Fees	X	X	X
				X	Benefit Payroll Tax	X		
CORRECTION CAPTAINS ASSOC RETIREE WELFARE FUND	5	1,049,567	X		Life Insurance	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Drug Benefits	X	X	X
			X		Catastrophic Insurance	X	X	X
				X	Hearing Aid	X	X	X
				X	In-Hospital	X	X	X
				X	Anesthesia	X	X	X
LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS WELFARE FUND	57	1,276,516		X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Legal	X	X	
			X		Dental	X	X	X
				X	Death	X	X	X
LOCAL 3 IBEW ELECTRICIANS WF	51	1,487,193		X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drug	X	X	X
				X	Disability	X		
			X		Life Insurance	X		
DOCTORS COUNCIL WELFARE FUND	22	955,360	X		Life Insurance	X		
				X	Disability	X		
				X	Dental	X	X	X
				X	Legal	X	X	
				X	Podiatry	X	X	
				X	Hearing Aid	X	X	
				X	Optical	X	X	X
				X	Maternity	X or	X	
				X	Psychiatric Counseling	X	X	
				X	Physical Exam	X	X	
				X	Mammogram	X or	X	
				X	Nursing	X	X	
LOCAL 246 SEIU RETIREE WELFARE FUND	46	1,220,785		X	Death Benefit	X		
				X	Dental	X		
				X	Prescription Drugs	X		
				X	Optical	X		
				X	Hearing Aid	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
<u>\$1 MILLION TO \$3 MILLION CATEGORY - Cont'd</u>								
LOCAL 721 LICENSED PRACTICAL NURSES WELFARE FUND	68	1,472,285	X		Life Insurance	X	X	X
				X	Prescription Drugs	X	X	X
				X	Dental	X	X	X
				X	Legal benefit FICA & Medicare tax	X	X	X
				X	Optical	X	X	X
				X	LT Disability	X		
				X	Disability Insurance Premiums	X		
LOCAL 246 SEIU WELFARE FUND	47	2,263,312		X	Death Benefit	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Prepaid Legal Services	X	X	X
				X	Hearing Aid	X		
LOCAL 1182 CWA PARKING ENFORCEMENT AGENTS WELFARE FUND/LEGAL	33	2,076,037		X	Disability	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Prepaid Legal Services	X	X	X
				X	Podiatry	X		
			X		Life Insurance	X		
				X	Criminal Assault Program	X		
LOCAL 891 SCHOOL CUSTODIAN AND CUSTODIAN ENGINEERS WELFARE FUND	80	1,885,618	X		Life Insurance	X		
				X	Dental	X	X	X
			X		Catastrophic	X	X	X
				X	Optical	X	X	X
				X	Prescription Drug	X	X	X
				X	Hearing Aid	X	X	X
				X	COBRA Premium Reimbursement	X	X	
				X	Legal Benefits	X	X	
				X	Variable Benefit	X	X	
UNITED PROBATION OFFICERS ASSOCIATION WELFARE FUND	109	1,167,218		X	Life Insurance	X	X	
				X	Dental	X	X	
				X	Optical	X	X	
				X	Prescription Drugs	X	X	
				X	Disability	X		
				X	Anesthesia	X	X	
				X	Podiatry	X	X	
				X	Medical	X	X	
				X	Mammography	X	X	
				X	Hearing Aid	X	X	
				X	2nd Dental Opinion Program	X	X	
LOCAL 444 SANITATION OFFICERS WELFARE FUND	65	1,500,253		X	Death Benefit	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Legal	X	X	
				X	Supplementary Medical	X	X	X

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	COVERAGE					
			INSURED	SELF- INSURED	TYPE OF BENEFIT	Member	Spouse	Children
SELF-INSURED								
<u>\$1 MILLION TO \$3 MILLION CATEGORY - Cont'd</u>								
DISTRICT COUNCIL 9 PAINTING INDUSTRY CIVIL SERVICE DIVISION WF/RWF.	20	1,057,025	X		Life Insurance	X		
			X		Disability	X		
			X		Dental	X	X	X
				X	Medical Spending	X	X	X
				X	Optical	X	X	X
				X	Hearing	X	X	X
LOCAL 300 CIVIL SERVICE FORUM WF	55	1,252,444	X		Life Insurance	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Podiatry	X	X	
				X	Hearing Aid	X	X	X
				X	Prepaid Legal Service	X	X	X
				X	Disability	X		
HOUSE STAFF COMMITTEE OF INTERNS & RESIDENTS WELFARE/LEGAL FUND	24	2,417,143	X		Life Insurance	X	X	
			X		Dental	X	X	X
				X	Optical	X	X	X
				X	Outpatient Psychiatric Care	X	X	X
				X	Major Medical	X	X	X
				X	Childbirth Educ	X	X	
				X	Pediatrics & Circumcision			X
				X	Maternity	X or	X	
			X	X	Disability	X		
			X	X	Disability Insurance	X		
				X	Conferences & Books WMC	X		
				X	Obstetrics	X	X	
				X	Prescription Drugs	X	X	X
				X	Hearing Aids	X	X	X
				X	Social Security On Life Ins Bnft	X		
				X	Substance Abuse	X	X	X
				X	Benefits Review	X	X	X
				X	Conferences - HHC	X		
			X	X	Outside Legal Services	X		
			X		CIR Legal Fees	X		
LOCAL 211 ALLIED BUILDING INSPECTORS WELFARE FUND	42	1,007,107		X	Death Benefit	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Hearing Aid	X	X	X
				X	Podiatry	X	X	X
				X	Chiropractic	X	X	X
				X	Prepaid Legal Services.	X		
				X	Disability	X		
CIVIL SERVICE BAR ASSOC WELFARE FUND	3	1,180,785	X		Life Insurance	X		
			X		Disability	X		
				X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Nursery			X
				X	Other	X	X	

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
\$1 MILLION TO \$3 MILLION CATEGORY - Cont'd								
LOCAL 444 SANITATION OFFICERS RETIREE WELFARE FUND & FUND 115 - LINE OF DUTY DISABILITY FUND	115/64	2,369,656		X	Death Benefit	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Supplemental Medical	X	X	X
				X	High Option Rider/Reimb. Drug	X		
				X	Line Of Duty Disability	X		
SELF-INSURED								
\$3 MILLION TO \$10 MILLION CATEGORY								
LOCAL 854 UNIFORMED FIRE OFFICERS ASSOC PLAN WELFARE FUND	77	2,771,244	X		Life Insurance	X		
			X	X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
DETECTIVES ENDOWMENT ASSOCIATION WELFARE FUND/CLRF	16	7,182,735	X		Dental	X	X	X
				X	Optical	X	X	X
			X		Prescription Drugs	X	X	X
				X	Nursery	X	X	X
				X	Hospital Rider	X		
			X		Catastrophic deductible	X	X	X
				X	Death Benefit	X		
				X	Hearing Aid	X	X	X
				X	Medical Co-payment Refund	X	X	X
			X		Appliances Benefit	X	X	X
				X	Insurance Premiums	X	X	X
SUPERIOR OFFICERS COUNCIL (POLICE) WELFARE FUND/CLRF	108	2,377,637	X		Dental - Comprehensive	X	X	X
				X	Dental -Insurance Schedule	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Hearing Aid	X	X	X
				X	Death Benefit	X		
			X		Catastrophic Health Ins. (GHI)	X	X	X
			X		Extended Health Ins.. (HIP)	X		
				X	Civil Legal Representation	X	X	X
NEW YORK CITY RETIREE WELFARE FUND	89	5,053,315		X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
			X		Life Insurance	X		
				X	Dental	X	X	X
				X	Prepaid Legal	X		
				X	Hearing Aid	X	X	X
				X	Podiatry	X	X	X
LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOC RETIREE WELFARE FUND	72	9,623,998		X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Supplemental Medical	X	X	X

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
<u>\$3 MILLION TO \$10 MILLION CATEGORY - cont'd</u>								
SUPERIOR OFFICERS COUNCIL (POLICE) RETIREE WELFARE FUND	105	5,117,239	X X X		Dental Comprehensive Dental Insurance Schedule Hospitalization Prescription Drug Benefits Death Benefit Catastrophic Reimbursement Health Rider Reimbursement Optical Catastrophic Health (G.H.I.) Hospitalization Settlement	X X X X X X X X X X	X X X X X X X X X X	X X X X X X X X X X
CORRECTION OFFICERS BENEVOLENT ASSOC RETIREE WELFARE FUND	7	3,626,420		X X X X X	Dental Prescription Drugs Optical Legal Death Benefit Health	X X X X X X	X X X X X X	X X X X X X
LOCAL 1180 CWA MUNICIPAL MANAGEMENT RETIREE WELFARE FUND	29	8,165,378		X X X X X X X X X X	Direct Optical Benefits Dental Prescription Drugs Optical Pension Counseling Hearing Aid Podiatry Legal Service Retiree Division Program General Medical Benefit Clinical Direct Dental Benefits	X X X X X X X X X X X	X X X X X X X X X X X	X X X X X X X X X X X
LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION RETIREE WELFARE FUND	78	6,017,258	X X	X X X X X	Life Insurance Dental Optical Prescription Drugs Hearing Aid Death Benefit Medical - GHI	X X X X X X X	X X X X X X X	X X X X X X X
ORGANIZATION OF STAFF ANALYSTS WELFARE FUND	93	4,949,619	X X		LT Disability Life Insurance Self-Insured Health Benefits Survivor Benefits Pension Counseling	X X X X X		
LOCAL 1 COUNCIL OF SUPERVISORS & ADMINISTRATORS RETIREE WELFARE FUND	26	4,873,194	X	X X X X	Dental - Schedule of Allowances Dental - DHMO Optical Hearing Aid Ext. Hospitalization-Ext. of Basic Major Medical Supp. To Basic	X X X X X X	X X X X X X	X X X X X X

EXHIBIT D
SURVEY OF BENEFIT FUNDS
SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED \$3 MILLION TO \$10 MILLION CATEGORY - cont'd								
NYS NURSES ASSOC WELFARE FUND	92	8,758,764	X		Life/Disability	X	X	X
				X	Optical	X	X	X
				X	Podiatry	X	X	X
				X	Long-Term Disability	X		
				X	(COBRA) Extended Benefits	X		
				X	Hearing Aids	X		
				X	Major Medical Dental	X	X	X
				X	Prescription Drug	X	X	X
LOCAL 831 UNIFORMED SANITATIONMENS ASSOCIATION WELFARE FUND	73	6,840,897	X		Group Life Insurance	X	X	X
			X		Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	General Medical	X	X	X
				X	Optical	X	X	X
				X	Limited Medical	X	X	X
				X	Line of Duty Injury	X		
				X	Resident Health & Benefit Svcs.	X	X	X
LOCAL 1 COUNCIL OF SUPERVISORS & ADMINISTRATORS WELFARE FUND	25	6,422,727		X	Life Insurance	X		
				X	Dental - Schedule of Allowances	X	X	X
			X		Dental - DHMO	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Hearing Aid	X	X	X
				X	Survivors Insured Coverage		X	X
				X	Major Medical - Suppl. to Basic	X	X	X
DETECTIVES ENDOWMENT ASSOCIATION RETIREE WELFARE FUND	15	8,013,237		X	Death Benefit	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Catastrophic Deductible	X	X	X
				X	Medical Co-payment Refund	X	X	X
				X	Hearing Aid	X	X	X
			X		Hospital Rider	X		
			X		Insurance Premiums	X	X	X
DETECTIVES ENDOWMENT ASSOCIATION WELFARE FUND/CLRF	16	7,182,735		X	Insurance Premiums	X	X	X
			X		Appliance Benefit	X	X	X
				X	Prescription Drugs	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Catastrophic Deductible	X	X	X
			X		Hospital Rider	X		
				X	Hearing Aid	X	X	X
SELF-INSURED \$10 MILLION TO \$20 MILLION CATEGORY								
SERGEANTS BENEVOLENT ASSOC WF/RWF/CLRF	113	9,934,056		X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Death Benefit		X or	X
				X	Catastrophic Health	X	X	X
			X		Expanded Medical	X	X	X
				X	Civil Legal Representation	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
\$10 MILLION TO \$20 MILLION CATEGORY - cont'd								
LOCAL 1180 CWA MUNICIPAL MANAGEMENT WELFARE FUND	30/28	11,057,843	X		Life Insurance	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Disability	X	X	X
				X	Hearing Aid	X	X	X
				X	Psychiatry	X	X	X
				X	Maternity	X or	X	
				X	Legal Services	X	X	X
				X	Pension Consulting	X		
				X	Podiatry	X	X	
				X	Instructors Fees	X		
				X	Urban Leadership Program	X		
				X	Tuition Benefit	X		
				X	Book Purchases	X		
				X	Adult Education	X		
				X	Workplace Literacy Program	X		
				X	Other	X	X	X
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOC RETIREE WELFARE FUND	81	14,166,865		X	Burial Allowance	X		
			X	X	Dental	X	X	X
				X	Optical	X	X	X
			X		GHI (Widows)	X	X	X
				X	Prescription Drugs	X	X	X
				X	Hearing Aid	X	X	X
			X		Life Insurance	X		
				X	Prescription Drugs (Widows)		X	
				X	Maintenance Drug Program	X	X	X
			X		HIP - widows (COBRA)	X	X	X
			X		U.S. Healthcare	X	X	X
LOCAL 237 TEAMSTERS RETIREE WELFARE FUND (includes Fund 66, Local 621 RWF)	66/44	10,041,506		X	Death Benefit	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Counseling	X		
				X	Education Program	X		
				X	Social Program	X		
				X	Hearing Aid	X	X	X
				X	Legal Services	X		
				X	Supplemental Medical	X	X	X
				X	Reimb. of Approved Medicare Risk HMO Drug Rider Premiums	X	X	X

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
SELF-INSURED								
\$10 MILLION TO \$20 MILLION CATEGORY - cont'd								
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION WELFARE FUND	83	10,120,072		X	Dental	X	X	X
				X	Dentcare	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Prescription Drugs (Widows)		X	
				X	Hearing Aid	X	X	X
				X	Obstetrical Anesthesia	X	X	X
				X	Surgical Anesthesia	X	X	X
				X	Maintenance Prescription Drugs	X	X	X
			X		GHI		X	X
				X	Med-Mobile Screening	X		
				X	Life Insurance	X		
				X	GHI Widows		X	
				X	HIP Widows (COBRA)		X	
				X	US Healthcare	X		
				X	HIP- Extended Coverage	X		
				X	Cigna Healthcare	X		
CORRECTION OFFICERS BENEVOLENT ASSOCIATION WELFARE FUND/CLRF	9	11,952,713	X		Life Insurance	X		
				X	Pension Counseling	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Legal Services	X		
				X	Civil Legal Representation	X		
				X	Other Health Benefits	X	X	X
SELF-INSURED								
OVER \$20 MILLION CATEGORY								
LOCAL 371 SOCIAL SERVICE EMPLOYEES WELFARE FUND	62	18,182,479		X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Disability	X		
			X		Life Insurance	X		
				X	Optical	X	X	X
				X	Prosthetic Appliances	X	X	X
				X	Health & Safety Coordinator	X		
				X	Podiatry	X	X	
				X	Burial	X		
				X	Diagnostic Exam	X	X	
				X	Pension Counseling	X		
				X	Hearing Aid	X	X	X
				X	Abortion	X or	X	
				X	Civil Matters	X		
				X	Criminal Representation	X	X	X
				X	F.I.C.A. Expense	X		
				X	Court Costs	X		
				X	Bail Bond Imprest Acct. Replen.	X	X	X
				X	Tuition Reimbursements	X		
				X	Job Related Conferences	X		
				X	Dues for Professional Org	X		
				X	Civil Service Exam Prep Courses	X		
PATROLMEN'S BENEVOLENT RETIREE WELFARE FUND	96	13,841,116		X	Dental	X	X	X
				X	Prescription Drugs	X	X	X
				X	Optical	X	X	X
				X	Other Benefits	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
<u>SELF-INSURED OVER \$20 MILLION CATEGORY - cont'd</u>								
PATROLMEN'S BENEVOLENT ASSOCIATION WELFARE FUND/CLRF	97	25,044,698		X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Catastrophic Claims	X	X	X
			X		Life Insurance	X		
				X	Office Visit Co-payment	X		
				X	Other Benefits	X		
				X	Pension Counseling	X		
LOCAL 237 TEAMSTERS WELFARE FUND (includes fund 67, local 621 WF)	67/45	25,678,455		X	Death Benefit	X	X	
				X	Dental	X	X	
				X	Optical	X	X	
				X	Prescription Drugs	X	X	
				X	Short Term Disability	X		
				X	Legal Service	X		
				X	Hearing Aid & Other	X	X	
				X	Pret, Pension Counseling Svcs.	X		
				X	Training & Education	X		
LOCAL 2 UNITED FEDERATION OF TEACHERS WELFARE FUND (Includes active and retiree security funds)	41	195,737,339		X	Death Benefit	X		
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Disability	X		
				X	Hearing Aids	X	X	X
				X	Retiree Program	X	X	
			X		Retiree - Legal Service	X	X	
				X	Prescription Drugs	X	X	X
				X	Prescription Appliances / Other	X	X	X
				X	Optional Rider Reimbursement	X	X	
				X	Reimbursement			
				X	SLOAC	X		
DC 37 WELFARE FUND	10	194,580,045		X	Dental Claims	X	X	X
				X	Disability	X		
				X	Prescription Drugs	X	X	X
				X	Death	X		
				X	Optical Claims	X	X	X
				X	Podiatry	X		
				X	Audiology	X		
				X	Second Surgical Consultation	X	X	X
				X	Health & Pension Services Unit	X	X	X
				X	Legal Services	X	X	X
				X	Education Programs	X		
				X	Social Service Crisis Intervention Program	X	X	X
				X	Dental Centers	X	X	X
				X	Optical Centers	X	X	X
				X	Group Insurance Premiums	X		
				X	Medical Eval. - Disability Claims	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
<u>INSURED UNDER \$100,000 CATEGORY</u>								
LOCAL 806 STRUCTURAL STEEL PAINTERS RETIREE WELFARE FUND	69	23,237	X		Life Insurance	X		
				X	Optical	X	X	
			X		Dental	X	X	X
DEPUTY SHERIFFS ASSOCIATION RETIREE WELFARE FUND	12	40,984	X		Group Life & A.D.D. Insurance	X		
				X	Prescription Drugs	X		
			X		Optical	X		
			X		Dental	X	X	X
				X	Permit Reimbursement	X		
LOCAL 806 STRUCTURAL STEEL PAINTERS WELFARE FUND	70	28,779	X		Life Insurance	X		
			X		Dental	X	X	X
				X	Health Benefits	X	X	X
<u>INSURED \$100,000 TO \$300,000 CATEGORY</u>								
LOCAL 14 A-14B IUOE WELFARE FUND	37	51,167	X		Dental	X	X	X
				X	Optical	X	X	X
LOCAL 1181 CWA SUPERVISORY EMPLOYEES RETIREE WELFARE FUND	31	242,386	X		Life Insurance	X		
			X		Drugs	X	X	X
			X		Dental	X	X	X
			X		Vision	X	X	X
			X		Legal Benefit	X	X	X
LOCAL 333 UNITED MARINE DIVISION RETIREE WELFARE FUND	59	184,479	X		Death - Single	X		
			X		Vision - Single	X	X	X
				X	Vision	X		
<u>INSURED \$300,000 TO \$1 MILLION CATEGORY</u>								
LOCAL 1181 CWA SUPERVISORY EMPLOYEES WELFARE FUND	32	398,653	X		Life Insurance	X		
			X		Dental	X	X	X
			X		Optical	X	X	X
			X		Prescription Drugs	X	X	X
				X	Legal Services	X	X	X
				X	FICA - Legal Services	X		
LOCAL 15A-C OPERATING ENGINEERS WELFARE FUND/RWF	38	293,514	X		Dental	X	X	X
			X		Optical	X	X	X
				X	Death Benefits	X		
			X		Group Life Insurance Premiums	X		
			X		Legal Benefits	X		
LOCAL 333 UNITED MARINE DIVISION WELFARE FUND	60	383,293	X		Life Insurance	X		
			X		Dental	X	X	X
			X		Accidental Death	X		
			X		Vision - Single	X	X	X
					Vision - Per Individual	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
<u>INSURED OVER \$ 20 MILLION CATEGORY</u>								
PROFESSIONAL STAFF CONGRESS CUNY (P.S.C.) RETIREE / ACTIVE WELFARE FUND	101	24,089,221	X		Life Insurance	X		
			X		Disability	X		
			X		Major Medical	X	X	X
			X		Dental	X	X	X
			X		Basic Health Benefits	X		
			X		Optical	X	X	X
			X		Prescription Drugs	X	X	X
			X		Hearing Aids	X	X	X
			X		Well Care Programs	X		
			X		Newsletters/Booklets	X		
<u>NYC CONTRIBUTIONS LESS THAN 5% OF TOTAL REVENUE OR WILL DISTORT THE GROUPS' CATEGORY AVERAGE</u>								
SURROGATES & SUPREME COURT REPORTERS ASSOCIATION RETIREE WELFARE FUND	108	143,330		X	Dental	X	X	X
				X	Optical	X	X	X
				X	Life Insurance	X		
NYS COURT CLERKS ASSOCIATION RETIREE WELFARE FUND	90	1,004,145	X	X	Dental	X	X	X
				X	Burial	X	X	
				X	Optical	X	X	X
				X	Multi Physical Exam	X	X	
				X	Hearing Aid	X	X	
				X	Hospital	X	X	X
				X	Health Insurance	X		
				X	Subscription-Retirement Mag.	X		
				X	Maternity	X	X	
NEW YORK STATE COURT OFFICERS ASSOCIATION ACTIVE / RETIREE WELFARE FUND	91	1,283,942		X	Chiropractic	X		
				X	Dental	X	X	X
				X	Vision	X	X	X
			X		Life Insurance	X	X	X
				X	Prepaid Legal	X	X	
				X	Maternity	X or	X	
				X	Hospital Income	X		
				X	Death Benefit	X	X	X
				X	Elderly Day Care	X	X	
				X	Dental facility costs	X	X	X
				X	Emergency Room	X	X	X
				X	Appliance benefit	X	X	X
				X	Psychotherapy benefit	X	X	X
				X	Other benefit	X	X	X
SUPREME COURT UNIFORM OFFICERS RETIREE WELFARE FUND	107	1,713,744		X	Dental	X	X	X
				X	Death Benefit (Retiree)	X		
			X		Life and AD&D	X	X	
				X	Vision Coverage	X	X	X
				X	Medical Reimbursement	X	X	X
				X	Maternity	X or	X	
				X	Hospital Income	X	X	
				X	Disability Benefit	X		
				X	Pension Counseling	X		
				X	Claims Paying Fees	X		

EXHIBIT D
 SURVEY OF BENEFIT FUNDS
 SCHEDULE OF SELF-INSURED, INSURED WELFARE AND RETIREE WELFARE FUNDS & EDUCATION FUNDS
 AVAILABLE BENEFIT 2002

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	INSURED	SELF- INSURED	TYPE OF BENEFIT	COVERAGE		
						Member	Spouse	Children
NYC CONTRIBUTIONS LESS THAN 5% OF TOTAL REVENUE OR WILL DISTORT THE GROUPS' CATEGORY AVERAGE - cont'd								
NYC DISTRICT COUNCIL OF CARPENTERS WELFARE FUND / RETIREE	88	149,518,149	X		Hospitalization & Death	X	X	X
				X	Prescription Drugs	X	X	X
				X	Medical and Dental	X	X	X
				X	Disability	X		
				X	Scholarship Awards			X
PAVERS & ROAD BUILDERS DISTRICT COUNCIL WELFARE FUND	100	10,625,851		X	Medical	X	X	X
				X	Hospital Room and Board	X	X	X
				X	Hospital Other	X	X	X
				X	NYS Surcharge	X		
				X	Surgical	X	X	X
				X	Diagnostic/Lab tests	X	X	X
				X	Major Medical	X	X	X
				X	Orthodontia	X	X	X
				X	Dental	X	X	X
				X	Optical	X	X	X
				X	Prescriptions	X	X	X
				X	Interpretations	X	X	X
				X	Chemotherapy Treatments	X	X	X
				X	Consultation	X	X	X
				X	Medicare Reimbursement	X		
				X	Death and Dismemberment	X		
			X		Disability	X		
				X	Legal	X	X	X
LOCAL 40 IRON WORKERS WELFARE FUND	118	24,676,601		X	Medical	X	X	X
				X	Dental	X	X	X
				X	Hearing Aid	X	X	X
				X	Optical	X	X	X
				X	Prescription Drugs	X	X	X
				X	Legal Services	X	X	X
				X	Supplementary Medicare	X	X	
				X	Magnacare	X	X	X
LOCAL 1199 NATIONAL BENEFIT FUND HOSPITAL HEALTH CARE WF	35	626,440,524		X	Hospital	X	X	X
				X	Disability	X		
				X	Medical	X	X	X
				X	Dental	X	X	X
				X	Surgical	X	X	X
				X	Prescriptions	X	X	X
			X		Life Insurance	X		
				X	Hypertension	X		
				X	Laboratory and X-ray	X	X	X
				X	Vision care	X	X	X
				X	Emergency room	X	X	X
				X	Ambulatory care	X	X	X
				X	Anesthesia	X	X	X
				X	Medicare reimbursements	X	X	
				X	Camps, scholarships, etc.			X
				X	Change in actuarial reserve	X	X	X
				X	Hip	X	X	X
				X	Youth Mentoring Program			X
				X	Citizenship Program	X		
				X	Burial	X		
				X	Misc.	X	X	X

SURVEY OF PENSION FUNDS
BENEFIT FUND RATIOS
2002

NAME OF FUND	BEN EXP	DEVIATION FROM CAT. AVERAGE	ADM EXP	DEVIATION FROM CAT. AVERAGE	BEN EXP	DEVIATION FROM CAT. AVERAGE	ADM EXP	DEVIATION FROM CAT. AVERAGE	EXCESS/ TOTAL REV	DEVIATION FROM CAT. AVERAGE
REF	TOTAL REV		TOTAL REV		TOTAL REV		TOTAL REV			
NYC CONTRIBUTION \$109,400 TO \$300,000										
SELF-INSURED WF & RWF										
NYC DEPUTY SHERIFFS ASSOC WF	13	123.21%	60.30%	-53.00%	93.43%	11.17%	4.50%	-41.02%	-28.08%	-317.22%
LOCAL 306 MUNICIPAL EMPLOYEES WF	56	40.40%	-35.23%	-17.47%	02.55%	-3.06%	17.45%	23.41%	40.16%	202.04%
LOCAL 888 BKT, LOTRY BRANCH OFFICE MANAGERS WF	79	74.30%	-3.33%	-12.31%	85.77%	-0.10%	14.23%	0.66%	13.37%	27.45%
LOCAL 832 TEAMSTERS RWF	74	92.33%	20.13%	55.73%	82.41%	-4.82%	17.59%	24.40%	-12.03%	-214.68%
NYC MRL STEAMFITTERS & STEAMFITTER HELPERS RWF	82	46.85%	-38.99%	-40.74%	86.24%	0.41%	13.79%	-2.48%	43.60%	334.20%
DISTRICT COUNCIL 1 MESA BENE FUND TRUST WF&F	18	81.55%	6.08%	-8.56%	87.34%	1.72%	12.66%	-10.47%	6.65%	-36.61%
LOCAL 3 BEN CITY EMPLOYEES WELFARE FUND	48	89.05%	15.67%	58.58%	81.62%	-4.84%	18.38%	29.99%	-9.12%	-186.94%
NYC MUNI STEAMFITTERS & STEAMFITTER HELPERS WF	86	56.07%	-27.05%	-54.15%	90.63%	5.56%	9.37%	-33.23%	38.13%	263.49%
FIRE ALARM DISPATCHERS BENEVOLENT ASSOC WF	23	88.94%	15.72%	-38.74%	83.52%	-2.73%	16.48%	16.35%	-6.49%	-161.87%
TOTAL \$100,000 TO \$300,000 CATEGORY		76.88%			85.86%		14.14%		10.49%	
NYC CONTRIBUTION \$300,000 TO \$1 MILLION										
LOCAL 300 CIVIL SERVICE FORUM RWF	54	87.26%	5.60%	-41.58%	91.85%	6.58%	8.15%	-41.05%	4.98%	21.46%
LOCAL 306 MUNICIPAL EMPLOYEES WF	53	78.01%	-5.61%	-9.58%	86.69%	0.59%	13.31%	-3.69%	10.01%	144.15%
LOCAL 832 TEAMSTERS WF	75	79.83%	-3.41%	-19.25%	83.46%	-3.13%	16.52%	19.54%	4.37%	6.58%
UNBET PROBATION OFFICERS ASSOCIATION RWF	110	77.55%	-6.17%	32.91%	81.50%	-5.43%	18.50%	33.86%	4.85%	18.29%
ASSISTANT DEPUTY WARDENS ASSOC. WFR RWF&LF	2	91.15%	10.25%	-29.96%	90.76%	5.31%	9.24%	-33.14%	-0.35%	-108.51%
LOCAL 3 BEW ELECTRICIANS RWF	50	79.44%	-3.88%	18.19%	83.54%	-3.08%	16.46%	19.10%	4.94%	19.51%
LOCAL 188 CWA BOARD OF ELECTIONS BENEFIT FUND WF	34	85.43%	3.44%	35.25%	82.67%	-4.07%	17.33%	25.40%	-3.41%	-183.17%
TOTAL \$300,000 TO \$1 MILLION CATEGORY		82.65%			86.18%		13.82%		4.10%	
NYC CONTRIBUTION \$1 MILLION TO \$3 MILLION										
DOCTORS COUNCIL RWF	21	38.61%	-53.61%	-18.10%	81.20%	-8.02%	18.80%	60.41%	52.46%	815.53%
LOCAL 246 SEU RWF	46	101.95%	22.53%	-27.78%	92.75%	5.06%	7.25%	-38.14%	-9.95%	-273.82%
CORRECTION CAPTAINS ASSOCIATION RWF	5	79.95%	-3.94%	-9.32%	88.87%	0.67%	11.13%	-5.03%	10.03%	75.00%
CORRECTION CAPTAINS ASSOCIATION NYPC&LF	11	80.15%	-3.69%	6.33%	87.34%	-1.20%	12.76%	9.04%	8.10%	41.36%
LOCAL 300 CIVIL SERVICE FORUM WF	55	83.14%	-11.87%	22.17%	83.43%	-5.49%	12.66%	8.02%	-6.61%	-215.36%
LOCAL 1182 CWA PARKING ENFORCE AGENT WFL&CAL	33	70.82%	-14.91%	14.08%	83.43%	5.61%	16.57%	41.36%	15.12%	163.87%
LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS WF	47	98.53%	18.38%	-33.20%	93.23%	5.77%	6.77%	-42.24%	-5.69%	-199.30%
LOCAL 246 SEU WELFARE FUND	47	107.76%	29.47%	-14.21%	91.92%	4.12%	5.88%	-31.06%	-17.24%	-400.87%
LOCAL 891 SCHOOL CUSTOD & CUSTOD ENGINEERS WF&AM	80	86.35%	3.75%	7.32%	92.18%	4.42%	7.82%	-33.28%	6.33%	10.47%
NYC MUNICIPAL PLUMBERS & PIPEFITTERS WF	85	66.88%	-19.64%	-28.15%	89.13%	0.96%	10.87%	-7.25%	24.98%	335.60%
HOUSE STAFF COMM OF NITERS & RESIDENTS WFL&CAL	24	68.54%	-16.45%	-17.34%	84.24%	-4.58%	15.76%	34.47%	17.44%	284.36%
LOCAL 3 BEW ELECTRICIANS WF	51	102.66%	23.34%	5.06%	89.75%	1.63%	10.25%	-12.54%	-14.38%	-350.96%
UNBET PROBATION OFFICERS ASSOCIATION WF	22	67.22%	-19.24%	-17.34%	79.50%	-8.49%	20.10%	71.50%	15.87%	176.96%
DISTRICT COUNCIL WF	409	76.61%	-7.95%	19.75%	79.50%	-9.91%	20.50%	74.97%	3.64%	-36.47%
LOCAL 721 LICENSED PRACTICAL NURSES WF	68	82.21%	-1.23%	21.18%	84.05%	-2.58%	14.80%	-52.90%	-11.85%	-306.81%
LOCAL 444 SANITATION OFFICERS WF	65	105.67%	26.56%	-4.07%	94.26%	7.02%	5.52%	-32.50%	-2.96%	-451.66%
LOCAL 211 ALLIED BUILDING INSPECTORS WF	42	89.23%	7.24%	24.25%	86.67%	-1.82%	13.33%	13.74%	-2.96%	-491.66%
CNLL SERVICE BAR ASSOC WF	3	108.67%	29.65%	-29.77%	88.22%	0.01%	11.71%	-0.49%	3.13%	-45.10%
DC 9 PAINTING INDUSTRY CIVIL SERVICE DIVISION WF&RF	20	88.25%	6.03%	-47.51%	91.11%	3.21%	8.89%	-24.15%	-2.13%	-45.30%
LOCAL 444 SANITATION OFFICERS RWF & LODI DISABILITY	64/115	80.17%	-3.68%		93.28%	5.64%	6.74%	-42.45%	14.03%	144.85%
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY		83.23%			86.28%		11.72%		5.73%	

EXHIBIT E
SURVEY OF BENEFIT FUNDS
BENEFIT FUND RATIOS
2802

NAME OF FUND	REF	BEN EXP		DEVIATION		ADM EXP		DEVIATION		BEN EXP		DEVIATION		ADM EXP		DEVIATION		EXCESS		DEVIATION	
		TOTAL REV	AVERAGE	FROM CAT.	AVERAGE	TOTAL REV	AVERAGE	FROM CAT.	AVERAGE	TOTAL REV	AVERAGE	FROM CAT.	AVERAGE	TOTAL REV	AVERAGE	FROM CAT.	AVERAGE	TOTAL REV	AVERAGE	FROM CAT.	AVERAGE
NYC CONTRIBUTION \$3 MILLION TO \$10 MILLION																					
SUPERIOR OFFICERS COUNCIL (POLICE) WFLC/R	106	66.22%	-22.70%	6.23%	-46.71%	91.40%	-0.62%	8.68%	7.10%	27.56%	302.34%										
LOCAL 854 UNIFORMED FIRE OFFICERS ASSOC WF	77	70.09%	-18.26%	3.96%	-47.08%	94.65%	2.91%	5.35%	-33.37%	26.01%	279.77%										
CORRECTION OFFICERS BENEVOLENT ASSOC RWF	7	90.77%	5.99%	7.38%	-1.34%	92.86%	0.56%	7.57%	-6.35%	1.86%	-72.95%										
NEW YORK STATE NURSES ASSOCIATION WF	92	91.48%	6.78%	8.61%	15.11%	91.40%	-0.62%	8.60%	7.10%	-0.09%	-101.31%										
LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOC WF	73	76.48%	-10.72%	6.76%	17.11%	89.73%	-2.44%	10.27%	27.90%	14.75%	145.33%										
LOCAL 1180 CWA MUNICIPAL MANAGEMENT RWF	29	84.38%	-1.51%	14.16%	89.30%	85.63%	-6.99%	14.37%	78.95%	1.46%	-78.68%										
LOCAL 1 COUNCIL OF SUPERVISORS & ADMIN WF	25	91.07%	6.23%	7.37%	-1.47%	92.57%	0.59%	7.48%	-6.72%	1.62%	-76.35%										
LOCAL 854 UNIFORMED FIRE OFFICERS RWF	78	98.69%	15.20%	3.61%	-51.74%	96.47%	4.89%	3.53%	-56.04%	-2.30%	-133.58%										
ORGANIZATION OF STAFF ANALYSTS WF	93	69.74%	-18.59%	12.84%	-71.66%	84.46%	-8.17%	15.54%	93.52%	17.43%	154.41%										
LOCAL 1 COUNCIL OF SUPERVISORS & ADMIN RWF	26	76.18%	-11.00%	9.36%	25.13%	89.05%	-3.16%	10.94%	36.24%	14.48%	114.53%										
SUPERIOR OFFICERS COUNCIL (POLICE) RWF	105	90.94%	6.75%	4.22%	-43.58%	93.57%	3.91%	4.43%	-44.63%	4.84%	-29.34%										
LCL 831 UNIFORMED SANITATIONMEN'S ASSOC RWF	72	191.83%	18.68%	4.83%	-35.43%	95.47%	3.81%	4.53%	-43.53%	-6.66%	-197.23%										
NEW YORK CITY RETIREE WF	89	97.92%	14.30%	3.10%	-58.58%	96.93%	5.39%	3.07%	-81.77%	-1.02%	-114.89%										
DETECTIVES ENDOWMENT ASSOCIATION WF	16	82.46%	-3.75%	6.08%	-18.72%	93.14%	1.27%	6.86%	-14.57%	11.47%	67.45%										
DETECTIVES ENDOWMENT ASSOCIATION RWF	15	84.55%	-1.31%	5.90%	-21.12%	93.48%	1.64%	6.52%	-18.60%	9.55%	39.56%										
TOTAL \$3 MILLION TO \$10 MILLION CATEGORY		85.67%		7.48%		91.97%		8.03%		6.65%											
NYC CONTRIBUTION \$10 MILLION TO \$20 MILLION																					
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOC RWF	81	116.28%	28.46%	4.87%	-36.26%	95.98%	4.69%	4.02%	-48.40%	-21.44%	-1248.91%										
SERGEANTS BENEVOLENT ASSOCIATION WFLC/R	113	72.67%	-19.50%	5.68%	-25.65%	82.77%	0.61%	7.23%	-7.18%	21.45%	1065.76%										
LOCAL 237 TEAMSTERS RWF	66844	91.40%	0.97%	14.08%	84.29%	86.65%	-6.03%	13.35%	71.37%	-5.47%	-397.28%										
LOCAL 1180 CWA MUNICIPAL MANAGEMENT WFLC/R	26830	86.65%	-4.26%	11.46%	50.00%	88.52%	-4.22%	11.58%	49.94%	1.88%	2.17%										
LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION WF	83	83.67%	-7.57%	6.59%	-13.74%	92.70%	0.53%	7.30%	-6.29%	9.74%	429.35%										
CORRECTION OFFICERS BENEVOLENT ASSOC WFLC/R	9	94.41%	4.30%	4.00%	-47.64%	95.93%	4.03%	4.07%	-47.75%	1.59%	-13.59%										
TOTAL \$10 MILLION TO \$20 MILLION CATEGORY		90.52%		7.64%		92.21%		7.79%		1.84%											
NYC CONTRIBUTION OVER \$20 MILLION																					
DC 37 WF	10	85.77%	1.04%	5.84%	-20.97%	93.62%	1.77%	6.38%	-20.35%	8.39%	6.68%										
LOCAL 2 UNITED FEDERATION OF TEACHERS WF	41	95.71%	12.75%	7.73%	4.60%	92.53%	0.59%	7.47%	-6.74%	-3.44%	-444.56%										
PATROLMEN'S BENEVOLENT ASSOC WFLC/R	98	44.96%	-47.81%	8.02%	9.07%	84.97%	-7.74%	15.13%	88.89%	47.00%	508.81%										
PATROLMEN'S BENEVOLENT ASSOC WFLC/R	97	55.98%	-34.08%	8.06%	9.07%	87.41%	-4.98%	12.59%	57.16%	35.98%	366.06%										
LOCAL 237 TEAMSTERS WF	67845	94.41%	14.21%	11.17%	51.15%	89.42%	-2.79%	10.58%	32.06%	-5.59%	-472.41%										
LOCAL 371 SOCIAL SERVICE EMPLOYEES WFLC/R	62	78.45%	-7.59%	13.10%	77.27%	85.69%	-6.65%	14.31%	78.65%	8.45%	9.46%										
TOTAL OVER \$20 MILLION CATEGORY		84.89%		7.39%		91.89%		6.01%		7.72%											
TOTAL SELF-INSURED FUNDS		85.43%		7.63%		91.80%		8.20%		6.94%											

EXHIBIT E
SURVEY OF BENEFIT FUNDS
BENEFIT FUND RATIOS

2002

Page 4

NAME OF FUND	MEN EXPY	DEVIATION FROM CAT. AVERAGE	AIM EXPY	DEVIATION FROM CAT. AVERAGE	DUN EXPY	DEVIATION FROM CAT. AVERAGE	AIM EXPY	DEVIATION FROM CAT. AVERAGE	EXCESS TOTAL REV	DEVIATION FROM CAT. AVERAGE	
											REC TOTAL REV
ANNUITY FUNDS											
NYC CONTRIBUTION UNDER \$100,000											
LOCAL 333 UNITED MARINE DIVISION ANNUITY FUND	58	1326.41%	0.00%	259.48%	0.00%	83.64%	0.00%	16.35%	0.00%	-1485.58%	0.00%
TOTAL UNDER \$100,000 CATEGORY		1326.41%		259.48%		83.64%		16.35%		-1485.58%	
NYC CONTRIBUTION \$300,000 TO \$1 MILLION											
LOCAL 300 SEW CIVIL SERVICE FORUM ANNUITY FUND	125	3.27%	-54.14%	0.00%	-100.00%	100.00%	58.01%	0.00%	-100.00%	86.73%	9.40%
LOCAL 3 NYC COMMUNICATIONS ELECTRICIANS AF	127	40.70%	50.07%	8.11%	92.64%	58.90%	-9.52%	43.10%	16.14%	81.13%	-5.43%
TOTAL \$300,000 TO \$1 MILLION CATEGORY		7.13%		4.21%		62.89%		32.11%		88.65%	
NYC CONTRIBUTION \$1 MILLION TO \$3 MILLION											
LOCAL 15A-C (RUC) OPERATING MUNICIPAL ENGINEERS AF	117	23.74%	-59.14%	7.01%	-67.80%	77.18%	6.16%	22.82%	-16.41%	69.28%	242.12%
LOCAL 444 SANITATION OFFICERS ANNUITY FUND	53	148.89%	158.73%	10.77%	-50.53%	93.25%	28.27%	6.75%	-75.27%	-59.62%	-394.42%
DISTRICT COUNCIL 37 AFSOCME ANNUITY FUND	121	36.53%	-37.00%	41.41%	90.22%	48.87%	-35.53%	53.13%	94.62%	22.05%	8.89%
TOTAL \$1 MILLION TO \$3 MILLION CATEGORY		57.98%		21.77%		72.70%		27.30%		20.25%	

EXHIBIT E

SURVEY OF BENEFIT FUNDS
BENEFIT FUND RATIOS
2002

NAME OF FUND	REF	BEN EXP TOTAL REV	DEVIATION FROM CAT. AVERAGE	ADM EXP TOTAL REV	DEVIATION FROM CAT. AVERAGE	BEN EXP TOTAL EXP	DEVIATION FROM CAT. AVERAGE	ADM EXP TOTAL EXP	DEVIATION FROM CAT. AVERAGE	EXCESS/ TOTAL REV	DEVIATION FROM CAT. AVERAGE
ANNUITY FUNDS (cont'd)											
NYC CONTRIBUTION \$3 MILLION TO \$10 MILLION											
CORRECTIONS OFFICERS BENEVOLENT ASSOC AF	B	243.34%	304.88%	25.09%	369.85%	90.65%	-1.30%	9.35%	14.58%	-189.40%	-586.98%
LOCAL 31A/D UDE ENGINEERS ANNUITY FUND	114	19.70%	-67.21%	1.39%	-73.07%	93.39%	1.68%	6.64%	-19.06%	78.90%	128.17%
LOCAL 1180 CWA MEMBERS ANNUITY FUND	119	10.25%	-97.87%	3.04%	-43.07%	71.12%	-16.03%	22.80%	100.38%	86.73%	150.61%
LOCAL 884 UNIFORMED FIRE OFFICERS ASSOC AF	76	1482.81%	1868.73%	88.90%	1564.79%	93.01%	1.27%	6.98%	-14.34%	-1171.72%	-3488.43%
LOCAL 631 UNIFORMED SANITATIONMEN'S ASSOC AF	71	70.06%	16.07%	3.45%	-35.38%	95.31%	3.70%	4.68%	-42.52%	26.48%	-23.40%
LOCAL 881(UID) ANNUITY FUND	126	0.00%	-100.00%	1.62%	-69.66%	4.00%	-100.00%	100.00%	1125.49%	99.38%	184.50%
DOCTORS COUNCIL ANNUITY FUND	124	0.84%	-98.80%	2.94%	-44.94%	22.22%	-75.81%	77.78%	653.18%	96.22%	178.25%
TOTAL \$3 MILLION TO \$10 MILLION CATEGORY		60.08%		5.34%		91.84%		8.46%		34.58%	
NYC CONTRIBUTION \$10 MILLION TO \$20 MILLION											
LOCAL 237 TEAMSTERS ANNUITY FUND	43	16.54%	0.00%	3.61%	0.00%	82.07%	0.00%	17.93%	0.00%	79.84%	0.00%
TOTAL \$10 MILLION TO \$20 MILLION CATEGORY		16.54%		3.61%		82.07%		17.93%		79.84%	
TOTAL ANNUITY FUNDS		49.45%		7.10%		81.37%		12.53%		43.75%	
NYC CONTRIBUTION \$20 MILLION TO \$50 MILLION											
LOCAL 237 TEAMSTERS ANNUITY FUND	43	16.54%	0.00%	3.61%	0.00%	82.07%	0.00%	17.93%	0.00%	79.84%	0.00%
TOTAL \$20 MILLION TO \$50 MILLION CATEGORY		16.54%		3.61%		82.07%		17.93%		79.84%	
TOTAL ANNUITY FUNDS		49.45%		7.10%		81.37%		12.53%		43.75%	
GRAND TOTAL		84.35%		7.55%		91.77%		8.23%		8.30%	

THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES

**DIRECTIVE 12 - EMPLOYEE BENEFIT FUNDS - UNIFORM REPORTING AND
AUDITING REQUIREMENTS**

INTRODUCTION AND SUMMARY

This Directive sets forth accounting, auditing and financial guidelines for employee and retiree Benefit Funds which receive contributions from the City of New York. It also establishes detailed information reporting requirements for the funds and their boards of trustees. All Benefit Funds that receive contributions from the City of New York are required to conform with this Directive's provisions.

The accounting, auditing and reporting requirements prescribed herein vary in accordance with the amount of funding the Benefit Fund receives from the City. Benefit Funds are divided into two funding level categories: those with New York City Contributions less than \$300,000 (Level I); and those with \$300,000 or more in New York City Contributions (Level II).

1.0 GENERAL INFORMATION

1.1 Organization

- 1.0 General Information
- 2.0 Definitions
- 3.0 General Guidelines and Requirements
- 4.0 Annual Reporting Requirements
- 5.0 Independent Annual Audit
- 6.0 Trustee Representation Letter
- 7.0 Federal ERISA Reporting Requirements
- 8.0 Annual Report to Fund Membership
- 9.0 Supporting Schedules

Exhibits:

- A - Administrative Expense Schedule
- B - Benefit Expense Schedule
- C - Key Ratio Schedule

1.2 Effective Date

This directive is effective for Benefit Fund plan years beginning on or after July 1, 1997.

1.3 Notice

In reissuing this directive, the Office of the Comptroller has undertaken to clarify, whenever possible the prior version's text. In reissuing this directive, there is no intent to change the existing interpretation of any subject unless explicitly stated in the text.

1.4 Assistance

Requests for additional copies and questions concerning this Directive should be addressed to: Joseph Trapani, Chief, Bureau of Management and Accounting Systems, (669-8201), 1 Centre Street, Municipal Building, Room 1005, New York, NY 10007.

2.0 DEFINITIONS

The following define the key terms used in this Directive:

2.1 Benefit Fund

Benefit Funds consist of any welfare or annuity fund that receives contributions from the City of New York. Examples of Benefit Funds include supplemental health care, educational, legal benefit, annuity, and civil/legal representation funds. Benefit Funds may be for either active or retired New York City employees.

2.2 New York City Contribution

The New York City Contribution is the total of the direct payments the City of New York is required, pursuant to applicable collective bargaining agreements, to make to a Benefit Fund on behalf of relevant employees and retirees.

The City of New York, as used herein, is a reference to its constituent agencies which are defined in the Charter of The City of New York, Chapter 52, Section 1150, subdivision 2, as a city, county, borough, or other office, position, administration, department, division, bureau, board or commission, corporation, institution or agency of government, the expenses of which are paid in whole or in part from the City's treasury.

2.3 Benefit Expense

Benefit expenses, as used herein, are the direct costs of providing benefits. These costs include:

Claims paid by the fund for self-insured benefits.

- Insurance premium payments less any retention charges.
- The cost of providing medical referral services.
- Salaries or other payments to:
 - Attorneys who provide direct legal services to members.
 - Instructors who conduct in-house training for members.
 - Physicians who examine members for workers' disability purposes.
 - Other professionals and consultants who provide services directly to members.

2.4 Administrative Expense

Administrative Expenses are all those costs that are not Benefit Expenses, including, but not limited to:

- Salaries and allowances for the fund's administrative support staff.
- Rents and other occupancy costs.
- Insurance policies for offices, equipment and other general business purposes.
- Fees paid to third party or fund administrators for administrative purposes.
- Miscellaneous fees and commissions.
- Insurance company retention charges.

2.5 Insurance Retention Charges

Insurance Retention Charges represent the portion of the insurance premiums retained by an insurance company to recover the administrative costs of handling benefit payments. Retention charges are applicable only to insured welfare plans.

3.0 GENERAL GUIDELINES AND REQUIREMENTS

3.1 Supplementary Benefit Agreements

The supplementary benefit agreements between the City of New York and the labor unions establish the Comptroller's authority to audit and request specific information from the Benefit Funds, and describe the Funds' underlying reporting responsibilities.

The agreements require, in part, that Benefit Funds maintain accurate records and books of account in conformance with generally accepted accounting principles, file annual trustees' statements with the Office of the Comptroller containing substantiation and other information that the Comptroller shall from time to time prescribe, as per individual Fund

supplemental agreements, and obtain annual independent audits of their financial statements. The agreements also specify the Comptroller's right to audit all Benefit Fund expenditures.

The agreements also set forth conflict of interest guidelines. These guidelines provide that Benefit Funds, and all fund trustees, officers and employees are prohibited from directly or indirectly receiving, in connection with the solicitation, sale, service or administration of a Benefit Fund contract, any payment, commission, loan or other thing of value from any entity or individual; and that Benefit Fund trustees, officers or employees may not directly or indirectly receive any payment, commission, loan service or any other thing of value from the Benefit Fund, except that such person may receive employee benefits to which he or she is otherwise entitled, and reasonable compensation for necessary services and expenses rendered or incurred in connection with official duties.

Many of the financial, accounting, auditing and reporting guidelines in this directive replicate, or are derived from, supplementary benefit agreement terms and conditions.

3.2 Accounting Standards

Every Benefit Fund which receives New York City Contributions is required to maintain adequate books of account and related records that will enable it to prepare complete and auditable financial statements on an accrual basis of accounting in conformity with Generally Accepted Accounting Principles.

3.3 Comptroller's Internal Control and Accountability Directives

It is recommended that all Benefit Funds for which the New York City Contribution is \$300,000 or greater (Level II Funds) comply, where applicable, with the Internal Control and Accountability Directives issued by the Office of the Comptroller.

3.4 Spending Guidelines

Benefit Funds should insure that New York City Contributions are spent appropriately and monitored carefully. This includes:

- Restricting their use only for expenditures and programs that directly or indirectly benefit fund members.
- Carefully controlling Administrative Expenses and insuring that they do not exceed a reasonable percentage of total Benefit Fund revenue.
- Insuring that spending for Benefit Fund employee salaries, fees paid to trustees and fees or commissions paid to professionals and service providers are not excessive or unreasonable in relation to the service or product received.
- Using competitive processes to the greatest degree practicable to procure goods and services.

In addition:

- Political and charitable contributions of any kind paid from the New York City Contribution or related investment earnings are prohibited.
- Payments on Benefit Fund contracts or other obligations generally must be made by check drawn on the fund payable directly to the creditor, beneficiary or obligee. Payments, that are not customarily paid by check, including, but not limited to, electronic transfers and imprest fund expenditures, are permissible.

3.5 Service Provider Assessments

The services rendered by consultants shall be assessed at least once every two years. The assessments shall be reported in the board's official minutes and attached to the trustees' representation letter.

It is further recommended, that the work of consultants and all individuals or organizations, with the exception of medical service providers, that are paid for services rendered on a fee or commission basis, be assessed each year with the results reported in the board's official minutes and attached to the trustees' representation letter.

3.6 Investment Policy and Procedures

3.6.1 Trustee Representation Letter

Level II Benefit Funds must attach a copy of their investment policy to the trustee representation letter along with the trustees' certification that the fund has complied with it's policy and procedures.

3.6.2 Investment Policy Recommendation

To insure that idle monies are invested judiciously, appropriately safeguarded and accounted for fully, it is recommended that the board of trustees:

- Insure that the fund has a written investment policy which describes the permissible types of investments and the guidelines to be adhered to for each investment type. The policies and procedures should also cover, as appropriate, compliance with ERISA investment guidelines and any statutory or legal restrictions, collateralization, the use and selection of financial institutions such as depositories, custodians and trusts, and the use and selection of financial advisors.
- Conduct annual reviews of the fund's compliance with the investment polices and procedures.
- Insure that the investment policy and procedures are periodically reviewed and revised as necessary to reflect changes in available investment opportunities and market conditions.

- Establish a trustee investment committee, that includes the fund's chief fiscal officer, to oversee the investment function.
- Insure that internal accounting and procedural controls provide an environment which encourages adherence to the fund's investment policies and procedures. The internal controls should:
 - Separate the investment authorization and accounting functions.
 - Insure that investment transactions are fully recorded at an appropriate level of detail.
 - Mandate that all transactions are based on written authorizations.
 - Regularly report on all investment activity to Trustees.
 - Provide for the bonding of appropriate Benefit Fund staff.

3.7 Travel Policy

The board of trustees must establish a written travel policy which sets forth reasonable standards for all out-of-town travel and attendance at conferences, seminars and other events. In addition to establishing guidelines describing when, and for what purposes travel is appropriate, and expenditure limitations for transportation, lodging, meals and other expenses, the policy must require the board of trustees' advance authorization of all out-of-town travel.

3.7.1 Travel Policy Minimum Requirements

The travel policy, at a minimum, must:

- Prohibit first-class travel.
- Provide that reimbursement of expenses will be made only upon submission of a completed request with supporting documents attached.
- Require persons authorized to travel on Benefit Fund business to report to the board of trustees describing the benefits derived from the trip. The reports must be incorporated in the board's official minutes. It is recommended that the reports be in writing.

In addition, it is recommended that the travel policy:

- Place limitations on the number of individuals who attend, as well as the number of times individuals may travel each year for non-essential purposes such as attending general purpose training and educational courses, attending professional development, or industry conferences, or trade shows.

- Establish reasonable per diem rates such as the Federal General Services Administration's per diem rates, by locality, for normal daily travel expenditures.
- State that Level II funds comply with the Comptroller's Internal Control and Accountability Directive 6, *Authorization, Reimbursement and Audit of Travel, Meals, Lodging and Miscellaneous Agency Expenses*.

3.7.2 Travel Reporting Requirements

A copy of the fund's travel policy must be attached to the trustee representation letter. In addition, a summary of all trustee/staff expenditures for conference attendance and out-of-town travel must be submitted annually as part of the trustee representation letter.

3.8 Cost and Expense Allocations

Benefit Funds that share premises with related or other entities will have common Administrative Expenses such as rent, utilities, general management and other general expenses. These costs should be allocated equitably for reporting and accountability purposes. The allocation must be made systematically, applied consistently from year-to-year, and must be reviewed annually. Staff salaries should be apportioned based on records which document the efforts devoted to each entity. An explanation of the fund's allocation methodologies must be attached to the trustee representation letter.

3.9 Competitive Proposals for Insured Benefits and Other Services

Contracts for insured benefits, except for basic medical and hospital augmentations negotiated with the same insurer, must be awarded using a competitive proposal process. Benefit Funds must solicit at least three firms with the appropriate size, experience and qualifications to provide such benefits or services. The board of trustees must prepare a certification for each benefit or service contract which states that a minimum of three proposals were solicited and discloses the date on which the fund solicited the proposals and the names of all companies solicited. The certification must be included in the board's official minutes and be attached to the trustee representation letter.

It is recommended that Benefit Funds, with the exception of medical service providers, use a similar competitive proposal process to choose third party administrators and all other professional service providers.

Additionally, funds should consider using the guidance provided in the City of New York Procurement Policy Board Rules and the Mayor's Office of Contracts' Rules Implementation Memoranda to assist in developing appropriate competitive proposal processes.

3.10 Comptroller's Audits

The fund's books, records and accounts, including the full minutes of the board of trustees' meetings, are subject to review and audit by the Office of the Comptroller.

4.0 ANNUAL REPORTING REQUIREMENTS

This Directive requires Benefit Funds to prepare and submit a number of reports, copies of documents and other materials to the Office of the Comptroller. All required filings must be submitted annually, no later than nine months after the close of the Benefit Funds' fiscal year.

4.1 Funding Levels Defined

Fund filing requirements vary according to the size of the New York City Contribution as indicated below:

- Level I - Benefit Funds for which New York City Contributions are less than \$300,000.
- Level II - Benefit Funds for which New York City Contributions are \$300,000 or more.

4.2 Reporting Requirements Summary

Subsequent sections of this Directive establish Benefit Fund reporting requirements which vary among the two funding levels. To assist boards of trustees and Benefit Funds, a synopsis of reporting responsibilities and requirements, by funding level, along with references to the appropriate sections of the Directive, is provided here:

Annual Independent Auditor's (CPA) Report

- 1) Statement of Net Assets Available for Benefits
- 2) Statmnt. of Changes in Net Assets Avail. for Benefits
- 3) Footnotes to financial statements
- 4) Auditor's opinion on the financial statements
- 5) Administrative Expense Schedule
- 6) Benefit Expense Schedule

Auditor's Management Letter

DIRECTIVE REFERENCE	LEVEL I	LEVEL II
5.0	Yes	Yes
5.3	Yes	Yes
5.3	Yes	Yes
5.3	Yes	Yes
5.4	Yes	Yes
5.3/9.1	Yes ¹	Yes
5.3/9.2	Yes ¹	Yes
5.7	Yes	Yes

¹ Fund must provide schedule, however, independent audit is at the fund's option.

APPENDIX A
Comptroller's Directive #12

Trustee Representation Letter

- a) Fund name, address, etc.
- b) Trustee names, addresses, etc.
- c) Fund administrator, name, address, etc.
- d) New York City Contribution
- e) Total Benefit Fund revenue
- f) Number of City employees/retirees
- g) Percent NYC employees to total fund enrollment
- h) Allocation methodologies
- i) Travel policy
- j) Trustee/staff travel report
- k) Payments to trustees
- l) Payments to top five officers/trustees/staff
- m) Fee/commission payments
- n) Benefit plan amendments
- o) Insurer changes
- p) IRS 5500, 5500c or 990
- q) Investment policies and procedures
- r) Audit contract

ERISA Reports 5500 & 5500C (If filed)

Level I Fund addendum

Annual Membership Report

Exhibits

A - Administrative Expense Schedule

B - Benefit Expense Schedule

C - Key Ratios Schedule

DIRECTIVE REFERENCE	LEVEL I	LEVEL II
6.0	No	Yes
6.1.1	No	Yes
6.1.2	No	Yes
6.1.3	No	Yes
6.1.4	No	Yes
6.1.5	No	Yes
6.1.6	No	Yes
6.1.7	No	Yes
3.8/6.1.8	No	Yes
3.7/6.1.9	No	Yes
3.7.2/6.1.10	No	Yes
6.1.11	No	Yes
6.1.12	No	Yes
3.5/3.9/6.1.13	No	Yes
6.1.14	No	Yes
6.1.15	No	Yes
7.0/6.1.16	No	Yes
3.6/6.1.17	No	Yes
5.5/6.1.18	No	Yes
7.0/6.1.16	Yes	Yes
7.0	Yes	No
8.0	Yes	Yes
9.1	Yes ¹	Yes
9.2	Yes ¹	Yes
9.3	Yes	Yes

4.3 Filing Address

All filings required by the Directive must be submitted to:

Mr. Henry Lockworth
The City of New York
Office of the Comptroller
Bureau of Financial Audit
1 Centre Street, 13th Floor, Room 1300 North
New York, NY 10007
(212) 669-8258

5.0 INDEPENDENT ANNUAL AUDITS

All Benefit Funds must prepare annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Each year's financial statements must be audited annually by independent Certified Public Accountants (CPA).

5.1 Auditor Selection

It is strongly recommended that independent certified public accountants be selected through the use of a competitive proposal process. Requests for proposals should be sent to at least three firms with the appropriate size, experience and qualifications to perform the audit. Requests for proposals should incorporate a copy of this directive.

In addition, it is recommended that:

The audit selection process be completed no later than 60 days after the beginning of the Benefit Fund's calendar or fiscal year. Timeliness in engaging CPAs is important to insure that there is no break in continuity in the auditing process and, if necessary, to facilitate the transfer of information from one firm to its successor.

Benefit Funds contract only with firms included on the Office of the Comptroller's prequalified list of CPAs. A copy of the list may be obtained from the filing address listed in §4.3 above.

5.2 Audit Standards

The audit must be conducted in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants.

5.3 Audit Scope

The scope of the independent audit for all Benefit Funds must include the following:

- (1) Statement of net assets available for benefits
- (2) Statement of changes in net assets available for benefits
- (3) Footnotes to financial statements

Funds where City contributions are \$300,000 or greater (Level II) are additionally required to provide an Administrative Expense Schedule (Exhibit A) and Benefit Expense Schedule (Exhibit B) which have been audited as part of the independent audit of the basic financial statements.

5.4 Audit Opinion

The auditor's opinion must state whether the financial statements are presented fairly in accordance with generally accepted accounting principles.

5.5 Audit Contract

It is strongly recommended that audit contracts not exceed four years in length. After four years, a new request for proposals should be issued. Additionally, for Level II funds, if the same firm is awarded the contract in a subsequent four year period, the audit firm should be required to assign a different senior manager and partner-in-charge. Benefit funds are strongly encouraged not to award contracts to the same firm for more than two consecutive four-year periods.

The audit contract must require that the audit report be issued within nine months after the close of the fund's calendar or fiscal year and must incorporate procedures, established by the Comptroller, for the Comptroller's audit of the fund. Additionally, for Level II funds, a copy of the audit contract must be attached to the trustee representation letter, and must specify that the audit work papers are subject to review by the Comptroller's Office.

5.6 Peer Review

The independent auditor must provide the Benefit Fund with copies of any peer reviews performed in accordance with the AICPA's guidelines. The Benefit Fund should use the peer reviews as part of their evaluation in selecting an independent auditor.

5.7 Management Letter

Audit contract terms must include a requirement that the auditor issue a management letter when, in the CPA's professional judgment and as per AICPA guidelines, one is merited. The management letter must comment on any material weaknesses or reportable conditions in any of the five elements which make up the Benefit Fund's internal control structure: control environment, risk assessment, information and communication,

control activities and monitoring. When appropriate, the management letter should contain recommendations to fund management on how to improve the noted conditions.

In gaining an understanding of the funds internal control structure, the auditor should take special note of the following areas:

- Adequacy of expenditure documentation and approval processes.
- Expense allocations for Benefit Funds that share their premises with other organizations.
- The adequacy and propriety of the fund's investment policies and procedures and of the fund's compliance with them.
- Competitive procurement practices.
- Staff utilization including the reasonableness of staffing in relation to workload requirements.
- All other matters that the auditors consider appropriate for disclosure to the trustees.

If the independent auditors conclude that there are no material weaknesses, the management letter should so indicate.

6.0 TRUSTEE REPRESENTATION LETTER

The boards of trustees of Level II funds must submit a trustee representation letter to the Comptroller annually which summarizes the Benefit Fund's management policies and activities and provides key information about the fund's operation. The trustee representation letter must be signed by all of the fund's trustees and must include an affirmation that, under the penalties for perjury, in accordance with the supplemental agreement, the report is a true and accurate reflection of management's policies and the state of the fund's affairs for the reporting period.

Level I funds have abbreviated requirements which are described in §7.0.

6.1 Trustee Representation Letter Requirements

The trustee representation letter must contain:

- 6.1.1 The Benefit Fund's name, address and telephone number.
- 6.1.2 The names and business addresses of all board of trustee members.
- 6.1.3 The fund administrator's name, address, and telephone number.

6.1.4 The total amount of New York City Contributions for the fund's fiscal or calendar year.

6.1.5 Total Benefit Fund revenue from all sources.

6.1.6 The number of City employee and retiree members at year end.

6.1.7 The number of City employees or retirees expressed as a percentage of the total number of covered Benefit Fund members.

6.1.8 For Benefit Funds that share premises, staff or other expenses with related or other entities, a description of all cost or expense allocation formulas, including an explanation of the allocation methodology and the basis for distribution. (§3.8.)

6.1.9 A copy of the fund's travel policy. (§3.7)

6.1.10 A summary of all expenditures for out-of-town travel and attendance at conferences for trustees and staff. The summary should include the name and position of the traveler/attendee, the dates of travel, the destination, the reason for the trip and the total expenditure. (§3.7)

6.1.11 A listing of all amounts paid to any trustee and a description of the work or services rendered.

6.1.12 A statement disclosing the total remuneration for the five most highly paid individuals from among trustees, officers and staff.

6.1.13 The identification of all individuals or organizations paid on a fee or commission basis, including administrators, investment managers, attorneys, accountants and other professional service providers. For each individual or organization, the provider's name and address, a description of the relationship, the fees paid and, if applicable, the amount of funds held or managed must be provided.

For consultants, a copy of the official board minutes authorizing the hiring of each consultant and the trustees' biennial assessment of the consultants' performance. (§3.5)

For insured benefit contracts, certification of the competitive selection process as described in §3.9.

6.1.14 If any amendments were made to the benefit plan during the year, a copy of the new benefit booklet or other member notification. If there were no changes the representation letter must state so.

6.1.15 If any benefits were changed from third party insured to self-insured or vice-versa during the year, the reasons for the change, including a detailed explanation of the advantages and any expected cost savings.

6.1.16 If required to file with the IRS, a copy of IRS Form 5500 or 5500C (or IRS Form 990).

6.1.17 A copy of the Benefit Fund's investment policy and procedures and the certification described in §3.6.1.

6.1.18 A copy of the independent audit contract. (§5.5)

6.2 Substitution of Statements or Filings

Funds may, in lieu of any specific requirement in §6.1 above, substitute copies of statements or filings made pursuant to State or Federal Law. Each substitution must be clearly referenced to its corresponding requirement in §6.1.

7.0 FEDERAL ERISA REPORTING REQUIREMENTS

Funds may choose to comply with the Employee Retirement Income Security Act of 1974's (ERISA) reporting guidelines for Benefit Fund expenditures and activities. ERISA requires that certain Benefit Funds, depending on membership size, file Internal Revenue Service Forms 5500 or 5500C. Funds choosing to comply with ERISA and which are required, under ERISA, to file 5500 or 5500C should provide an information copy to the Comptroller's Office with the trustee representation letter. At the Fund's discretion, a copy of IRS Tax Form 990 filing may be submitted, to the Comptroller's Office, instead of Forms 5500 or 5500C.

Funds with New York City Contributions under \$300,000, (Level I) must attach an addendum to the Comptroller's copy of Form 5500 or 5500C (or Form 990) with the following information:

- The number of City employee members and retirees at year-end.
- Total New York City Contributions for the year.
- Amendments to benefits. If amendments were made, a copy of the new benefit booklet or other membership notification. If there were no amendments, a statement to that effect.

8.0 ANNUAL REPORT TO FUND MEMBERSHIP

Each fund is required to issue an annual report to its membership. A copy of the annual report, with cover letter, must be sent to each member of the fund and be filed with the Office of the

Comptroller. The annual report must advise the membership of the financial condition and operations of the fund and advise the membership of significant changes and other important matters. At a minimum, the annual report must include a copy or a condensed version of the most recent independently audited financial statements. This requirement may be fulfilled by publishing the cover letter and report in a fund authorized publication provided that the publication is mailed to each member individually.

9.0 SUPPORTING SCHEDULE REQUIREMENTS

All Benefit Funds are required to provide the following supporting schedules:

9.1 Administrative Expense Schedule

This schedule compares the Benefit Fund's Administrative Expenses for the last two fiscal years, however, three fiscal years of comparable data is required for any year that the result of the Benefit Fund's operations shows a deficit that exceeds five times the fund balance. The format is provided in Exhibit A. A narrative must also be provided by the board of trustees as an attachment, explaining any adverse trends from year to year, or any expense fluctuations in excess of plus or minus fifteen percent from the prior year. This schedule also requires the computation of Administrative Expenses as a percentage of total Benefit Fund revenue.

Benefit Funds with New York City Contributions under \$300,000 (Level I) must attach this schedule to the Comptroller's copy of the ERISA reporting described in Section 7.0. All other funds (Level II) must have this schedule independently audited and included as part of the annual audit report.

9.2 Benefit Expense Schedule

This schedule requests specific information for each benefit provided by the fund. The format is provided in Exhibit B.

Benefit Funds with New York City Contributions under \$300,000 (Level I) must attach this schedule to the Comptroller's copy of the ERISA reporting described in §7.0. All other funds (Level II) must have this schedule independently audited and included as part of the annual audit report submission.

9.3 Key Ratio Schedule

The Key Ratio Schedule requests the comparative analysis of certain Benefit Fund financial indicators for each of the last two years. The format is provided in Exhibit C. Each fund (Levels I and II) must submit this analysis as part of its annual reporting submission, due no later than nine months after the close of its fiscal year.

**THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

**INTERNAL CONTROL AND
ACCOUNTABILITY DIRECTIVE 12 SUPPLEMENT**

**FOR FUNDS NOT ESTABLISHED AND MAINTAINED BY
MUNICIPAL LABOR COMMITTEE UNIONS**

This supplement adds Section 9.4, *Multi-Employer Analysis Schedule*, to Section 9.0 of Comptroller's Internal Control and Accountability Directive #12 which was issued on February 28, 1997.

The benefit funds established and maintained by Municipal Labor Committee (MLC) unions pursuant to collective bargaining agreements with the City of New York, have agreed to provide this supplemental information in a separate submission to the Comptroller's Office. All other funds must submit it as part of the annual reporting requirements described in Section 4.0 of the directive.

9.4 Multi-Employer Analysis Schedule

The Multi-Employer Analysis Schedule requires funds to provide:

The number of covered New York City employee and retiree members at year end.

1.1 The number of employee and retiree members for each of the fund's five largest non-City contributors at year end.

The number of trustee and/or benefit fund employee members at year end.

The employee and/or retiree member contribution rate for each of the fund's five largest non-City contributors and for the trustees and/or benefit funds.

The format is provided in Exhibit D. Each fund (Level I and II) must submit this analysis as part of its annual reporting submission, due no later than nine months after the close of its fiscal year.

Exhibit A

ADMINISTRATIVE EXPENSE SCHEDULE

DESCRIPTION	1993*	1994	1995
Salaries			
% of total Administrative Expense			
Fringe Benefits			
Investment and Custodial Services			
Legal			
Accountant			
Fees and Commissions - Other			
Rent			
Travel and Conference			
Telephone			
Insurance Retention Charges			
Office Equipment and Rental			
Stationery, Printing, Postage, Office Supplies			
Insurance			
Repairs & Maintenance			
Others (Please Describe):			
Total Administrative Expense			
Total Benefit Fund Revenue			
% Administrative/Revenue			

* Required if Fund has a current year's operating deficit in excess of five times its fund balance.

Exhibit A (cont'd)

EXPLANATION OF EXPENSE CATEGORIES

EXPENSE CATEGORY	EXPENSES INCLUDED
Salaries	Salaries, Payroll Taxes, Employment Agency Fees
Fringe Benefits	Employee Fringe Benefits and Severance Pay
Investment and Custodial Services	Investment Management and Custodial Services
Legal	Attorney Fees
Accounting	Accountant Fees
Fees and Commissions - Other	Consulting, Third Party Administrators (e.g. Claims Processing), Communications and Publicity, Security, Actuary, Computer Software Design
Rent	Rent, Utilities, Storage, Building and Moving Expenses
Travel and Conference	Trustee Allowances, Meeting Expenses, Dues, Subscriptions, Awards, Auto Expenses
Telephone	Telephone and Telegrams
Insurance Retention Charges	Insurance Company Administrative Charge to handle benefit payments
Office Equipment and Rental	Depreciation, Amortization, Computer Hardware, Furniture and Equipment
Stationery, Printing, Postage, Office Supplies	Publications, Advertising, Messenger, Petty Cash, Microfilm, Records, Photocopy, Computer Supplies
Insurance	Fiduciary Liability, Bonding, Office Insurance
Repairs and Maintenance	Office Cleaning, Repairs and Maintenance
Other	Any other expense that does not fall in above categories. Each expense must be listed separately and described.

Exhibit B

BENEFIT EXPENSE SCHEDULE

BENEFIT	DESCRIPTION	IS BENEFIT INSURED/SELF- INSURED	COST OF BENEFIT FOR YEAR	BENEFIT COVERAGE *

* Use key numbers below to indicate coverage categories

- 1. Member
- 2. Spouse
- 3. Children

Exhibit C

**BENEFIT FUND
KEY RATIO SCHEDULE**

	1994	1995
Total Revenue		
Administrative Expense		
% of Revenue		
Benefit Expense		
% of Revenue		
Total Expense		
Net Surplus/(Deficit)		
Fund Balance Year-End		
% of Total Revenue		

Exhibit D

MULTI-EMPLOYER ANALYSIS SCHEDULE

Reporting Year _____		
EMPLOYERS	NUMBER OF EMPLOYEE AND/OR RETIREE MEMBERS	CONTRIBUTION PER EMPLOYEE AND/OR RETIREE
New York City		
Five Largest Non-City Contributors: (enter name)		
1)		
2)		
3)		
4)		
5)		
Benefit Fund/Trustee		

COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUND

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
• Benefit processing system weaknesses	- Benefit payments are made without being reviewed and approved by an individual other than the claims processor. - Coordination of benefits provisions are not properly applied.
• Benefit administration	- Funds do not maintain sufficient information concerning members' usage of benefits such as legal services and are therefore unable to assess the prudence of continuing to provide such benefits.
• Allocation of common expenses	Expenses are allocated between funds and related entities without: - establishing a reasonable basis for the allocation (i.e. contribution rate, number of participants, actual usage). - supporting documentation substantiating the percentage allocated.
• Documentation for expenditures	Amounts expended by Funds do not have supporting documentation such as approved vouchers, bills and receipts.
• Competitive bidding for professional and benefit services	Funds do not competitively bid or consider alternative providers for the following types of services: - consultants (actuary, computer, investments). - attorneys. - fiduciary liability and bonding insurance.

COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUND

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
• Written contracts	<ul style="list-style-type: none">- insurance companies providing benefits. Funds do not maintain written contract or agreements with: <ul style="list-style-type: none">- consultants.- accountants.- attorneys.
• Travel and conference expenditures	Funds do not follow the following guidelines: <ul style="list-style-type: none">- The number of conference attendees is not kept to an absolute minimum.- Airfares or group rates are not paid directly to the sponsoring organization, or to the airlines or hotels. Reimbursements to trustees are made without adequate documentation.- Coach airfare or group rates are not used.- Reimbursements are made for personal expenditures (flowers, entertainment, etc.)- Meal advances are not strictly limited.- Reimbursement for local transportation and meals are made despite failure to present properly documented expense vouchers.- Persons attending conferences failed to submit written reports on the sessions they attended.- Summary reports were not discussed or recorded at Board of Trustees' meetings.

COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUND

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
	<ul style="list-style-type: none">- Funds' per diem expenses for trustees exceeded IRS guidelines.- Fund officials routinely have business lunches during the day with their staff.
<ul style="list-style-type: none">• Internal Control	<p>Funds do not maintain an adequate set of accounting records, including the following:</p> <ul style="list-style-type: none">- general ledger.- cash disbursements journal.- cash receipts journal. <p>Funds fail to:</p> <ul style="list-style-type: none">- stamp paid on all vouchers (indicating date and check number).- segregate incompatible duties between personnel.- prohibit writing checks to cash or bearer.
<ul style="list-style-type: none">• Retention charges for insured benefits	<ul style="list-style-type: none">- The funds do not have a formal package in writing of all the solicitation materials including a complete description of benefits, estimated retentions, and all conditions which the successful bidder must meet.-- The person responsible for preparing bid specifications and/or compiling experience data needed for the formal bid solicitation is an independent consultant, dependent on commissions for his compensation.

COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUND

AREA

UNACCEPTABLE PRACTICE

- Payments to trustees
 - Retention charges, expressed as percentage of premiums are higher than the limits established by the NYS Insurance Department.
 - Commissions expressed as a percentage of premiums are higher than guidelines established by the NYS Insurance Department.
 - Trustees received fixed monthly allowances.
 - Trustees did not submit documentation for such allowances.
 - Insufficient guidelines for paying trustees for performing Fund work.
- Other
 - Cost savings analyses are not performed prior to major purchases (i.e. computer).
 - Work logs are not maintained by professionals to determine actual work performed and time spent.

Comptroller's Audit Reports on Benefit Funds
Issued in Fiscal Years 1985 to 2004

<u>Report Number</u>	<u>Title</u>	<u>Date Issued</u>
C 84-202	Allied Building Inspectors Local 211 - International Union of Operating Engineers Welfare Fund	12/14/84
C 83-203	Local 144 Civil Service Division Welfare Fund	01/14/85
C 83-208	Parking Enforcement Agents Local 1182 Security Benefits Fund	03/12/85
C 84-204	New York City Local 246 Service Employees International Union Welfare Fund	04/19/85
C 85-203	Local 300 Service Employees International Union Civil Service Forum Employees Welfare Fund	02/27/86
C 85-202	Correction Officers' Benevolent Association, Inc. Security Benefits Fund	04/07/86
C 85-207	Correction Captains Association Security Benefits Fund	06/25/86
C 83-206	House Staff Benefits Plan of the Committee of Interns and Residents	07/25/86
C 86-202	Superior Officers Council of the New York City Police Department Retiree Health and Welfare Fund	10/03/86
C 86-201	Uniformed Sanitationmen's Association Retirees Welfare Fund Local 831	10/15/86
C 86-203	New York State Court Clerk's Association Retirees Security Benefits Fund	10/22/86
C 86-204	Uniformed Fire Officers Association - Retired Fire Officers Family Protection Plan Local 854	11/18/86
C 86-205	Local 858 International Brotherhood of Teamsters, OTB Branch Office Managers Welfare Fund	05/05/87
C 85-206	Security Benefit Fund Local 832 International Brotherhood of Teamsters	05/08/87
C 86-208	Doctors Council Welfare Fund	08/11/87
C 86-213	Local 721 Licensed Practical Nurses Welfare Fund	11/20/87
C 87-202	Health Benefits Fund and the Retiree's Health and Welfare Fund of the Detectives Endowment Association	05/11/88

Comptroller's Audit Reports on Benefit Funds
Issued in Fiscal Years 1985 to 2004

<u>Report Number</u>	<u>Title</u>	<u>Date Issued</u>
C 88-200	Patrolmen's Benevolent Association of the City of New York Retiree Health and Welfare Fund	06/06/88
C 88-203	Local 1182 CWA Parking Enforcement Agents Welfare Fund	09/22/88
C 87-203	Professional Staff Congress - CUNY Welfare and Retiree Welfare Funds	10/13/88
C 88-205	Civil Service Bar Association Welfare Fund	10/19/88
C 88-201	Local 333 United Marine Division Welfare and Retiree Welfare Funds	01/12/89
C 88-207A2	Housing Patrolmen's Benevolent Association Welfare and Retiree Welfare Funds - Legal Services	04/06/89
C 88-204	Local 444 Sanitation Officers Association Welfare and Retiree Welfare Funds	04/20/89
C 88-207B	Housing Patrolmen's Benevolent Association Welfare, Retiree Welfare and Annuity Funds	06/30/89
C 89-205	Correction Officers Benevolent Association Annuity Fund	03/28/90
C 89-203	Local 1180 Communication Workers of America Security Benefits and Education Funds - Benefit Expenditures	04/27/90
C 90-205	NYC Retirees Welfare Fund	06/14/90
C 90-207	Uniformed Fire Officers Association Family Protection Plan	06/18/90
C 90-202	Social Service Employees Union Local 371 Administrative, Welfare, Legal Services and Education Funds	06/28/90
C 90-203	Local 211 International Union of Operating Engineers Allied Building Inspectors Welfare Fund	06/28/90
C 90-209	Local 2 United Federation of Teachers WF	05/06/91
C 90-210	Local 94 Uniformed Firefighters Assoc. RWF	05/04/91

Comptroller's Audit Reports on Benefit Funds
Issued in Fiscal Years 1985 to 2004

<u>Report Number</u>	<u>Title</u>	<u>Date Issued</u>
C 90-211	Local 1 Council of Supervisors & Administrators WF	01/23/91
S 91-02	United Probation Officers Association Welfare and Retirement Welfare Fund	10/22/91
7I 93-099	System Audit Report on the General Controls for the Health and Welfare Applications of the Patrolmen's Benevolent Association Health and Welfare Fund	08/30/94
4D 93-050	Patrolmen's Benevolent Association Health and Welfare Fund (Including the Civil Legal Representation Fund)	09/02/94
FL95-129A	Financial & Operating Practices of the NYC Transit Police Officers Security Benefit Fund	06/20/95
FL95-130A	Financial & Operating Practices of Local 858 - International Brotherhood of Teamsters	06/09/95
FR95-068A	CUNY Faculty Welfare Fund for Retirees Under Agreement No. 3080 7/1/93 - 12/31/93	01/10/95
FR95-115A	The NYC Board of Education United Federation of Teachers (UFT) Welfare Fund Payments Under Agreement (#132)	03/01/95
FR96-059A	NYC Police Department Welfare Fund Payments for Active Employees Covered Under Agreements #A-2145 and #A-2146 - July 1, 1994 to April 7, 1995	12/29/95
FL96-058A	Financial and Operating Practices of the Parking Enforcement Agents Local 1182 Communication Workers of America Security Benefits Fund	06/10/96
FL96-153A	Doctor's Council Welfare Fund	06/20/96
FL96-178A	Fraudulent Claims Paid by the Doctors Council Welfare Fund	06/27/96
FL96-161A	Audit Report on the Financial and Operating Practices of the Local 144 Civil Service Division Welfare Fund July 1, 1993 to June 30, 1994	04/07/97
FL97-077A	Audit Report on the Financial and Operating Practices of the Operating Engineers, Local 30 A-C Municipal Employees Welfare Fund - July 1, 1994 to June 30, 1995	05/08/97

Comptroller's Audit Reports on Benefit Funds
Issued in Fiscal Years 1985 to 2004

<u>Report Number</u>	<u>Title</u>	<u>Date Issued</u>
FR97-128A	Audit Report on the NYC Finance Department Welfare Fund Payments for Active Employees Covered Under Agreements #A-3412 and #A-3412-1 for the Period from July 1, 1995, to July 26, 1996	06/24/97
FR98-082F	follow-up Audit Report on the NYC Office of Labor Relations Welfare Fund Retirees Benefit Payments Under Agreements A-1 Through A-127 for the Period March 1996 - August 1996	04/14/98
FR98-083A	Audit Report on Payments Made to Various Welfare Benefit Funds by the New York City Board of Education, for Active Employees and Retirees, for the Period September 1, 1996 to August 31, 1997	06/22/98
FR98-100A	Audit Report on the Financial and Operating Practices of Local 832 International Brotherhood of Teamsters Security Benefits Fund January 1, 1996 to December 31, 1996	06/24/98
FL98-101A	Audit Report on the Financial and Operating Practices of Local 300 Service Employees International Union Civil Service Forum Retiree Welfare Fund July 1, 1994 - June 30, 1995	06/03/98
FL98-090A	Audit Report on the Financial and Operating Practices of Local 1183 Board of Elections Communication Workers of America Welfare Fund October 1, 1994 - September 30, 1995	06/09/98
FL98-143A	Audit Report on the Financial and Operating Practices of Local 1183 Board of Elections Communication Workers of America Retiree Fund October 1, 1994 - September 30, 1995	06/09/98
FL98-194Ab	Audit Report on District Council 37 Benefits Fund Trust and Affiliated Funds' Data Processing Preparation for the Year 2000	03/03/99
FL99-161A	Audit Report on the Financial and Operating Practices of District Council 37 Education Fund July 1, 1996 - June 30, 1997	06/30/99
FL00-074A	Audit Report on the Financial and Operating Practices of the Correction Officers' Benevolent Association Retirees Welfare Fund January 1, 1998 - December 31, 1998	06/05/00
FL00-075A	Audit Report on the Financial and Operating Practices of the Correction Officers' Benevolent Association Welfare Fund January 1, 1998 - December 31, 1998	06/05/00

Comptroller's Audit Reports on Benefit Funds
Issued in Fiscal Years 1985 to 2004

<u>Report Number</u>	<u>Title</u>	<u>Date Issued</u>
FL99-162A	Audit Report on the Financial and Operating Practices of District Council 37 Health and Security Plan Trust July 1, 1996 – June 30, 1997	06/12/00
FL00-165A	District Council 37 Benefits Fund Trust	12/22/00
FM00-178A	International Union of Operating Engineers Local 891 Welfare Fund	01/26/01
FL01-095A	Doctor Council Welfare Fund	03/02/01
FL01-094A	Doctors Council Retiree Welfare Fund	03/02/01
FR01-170A	House Staff Benefits Plan and Legal Services Plan of the Committee of Interns and Residents	06/26/01
FL01-085F	Board of Elections Local 1183 Communication Workers of America Retiree Fund	06/22/01
FL01-084F	Board of Elections Local 1183 Communication Workers of America Welfare Fund	06/22/01
FL02-083A	Communication Workers Association Local 1182 Security Benefits Fund	04/12/02
FL02-085A	Detectives Endowment Association Health Benefit Fund- Active Employees	04/23/02
FL02-086A	Detectives Endowment Association Health Benefit Fund- Retirees	04/26/02
FL03-087A	Local 300 SEIU Civil Service Forum Welfare Fund	06/10/03
FL03-088A	Local 300 SEIU Civil Service Forum Retired Employees Welfare Fund	06/10/03
FL03-086A	Sergeant Benevolent Association Health and Welfare Fund	06/30/03
FL03-151A	Local 444 Sanitation Officers Security Benefit Fund	06/30/03
FL04-093A	Local 721 Licensed Practical Nurses Welfare Fund	06/30/04
FL04-094A	Uniformed Fire Officers Association Family Protection Plan	06/30/04
FL04-095A	Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan	06/30/04

FUNDS USING COMMON PROFESSIONAL SERVICE PROVIDERS

AUDITING

TYPE OF SERVICE

2002

FUND NAME

TYPE OF SERVICE	FUND NAME
BERDON LLP, CPA & ADVISORS	DISTRICT COUNCIL 37 (W/F)
BERDON LLP, CPA & ADVISORS	DISTRICT COUNCIL 9 PAINTING INDUSTRY CIVIL SERVICE DIVISION (W/F/RW/F)
BERDON LLP, CPA & ADVISORS	LOCAL 237 TEAMSTERS (RWF)
BERDON LLP, CPA & ADVISORS	LOCAL 237 TEAMSTERS (W/F)
BERDON LLP, CPA & ADVISORS	LOCAL 237 TEAMSTERS (AF)
BERDON LLP, CPA & ADVISORS	DISTRICT COUNCIL 37 AFSCME (AF)
BUCHBINDER TUNICK & COMPANY LLP, CPA	DISTRICT NO.1 MEBBA BENEFICIAL FUND TRUST (W/F/AF)
BUCHBINDER TUNICK & COMPANY LLP, CPA	LOCAL 2 UNITED FEDERATION OF TEACHER (W/F)
BUCHBINDER TUNICK & COMPANY LLP, CPA	LOCAL 891 SCHOOL CUSTODIAN & CUSTODIAN ENGINEERS (W/F/RW/F)
DAVID TARLOW & CO., P. C. CPA	LOCAL 891 IJUDE (AF)
DAVID TARLOW & CO., P. C. CPA	LOCAL 1 COUNCIL OF SUPERVISORS AND ADMINISTRATORS (W/F)
EDWARD SIMMONS JR., CPA	LOCAL 1 COUNCIL OF SUPERVISORS AND ADMINISTRATORS (RWF)
EDWARD SIMMONS JR., CPA	LOCAL 1181 CWA SUPERVISORY EMPLOYEES (RWF)
ERNST & YOUNG, L.L.P	PATROLMEN'S BENEVOLENT ASSOCIATION (AF)
ERNST & YOUNG, L.L.P	PATROLMEN'S BENEVOLENT ASSOCIATION (RWF)
ERNST & YOUNG, L.L.P	PATROLMEN'S BENEVOLENT ASSOCIATION (W/F/CLRF)
FURMAN & HAUSWIRTH, CPA	SERGEANTS BENEVOLENT ASSOCIATION (POLICE) (AF)
FURMAN & HAUSWIRTH, CPA	SERGEANTS BENEVOLENT ASSOCIATION (POLICE) (W/F/RW/CLRF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CIVIL SERVICE BAR ASSOCIATION (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION CAPTAINS ASSOCIATION (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION CAPTAINS ASSOCIATION (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION CAPTAINS ASSOCIATION (W/F/CLRF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION OFFICERS BENEVOLENT ASSOCIATION (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION OFFICERS BENEVOLENT ASSOCIATION (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	CORRECTION OFFICERS BENEVOLENT ASSOCIATION (W/F/CLRF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	DETECTIVES ENDOWMENT ASSOCIATION (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	DETECTIVES ENDOWMENT ASSOCIATION (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	DETECTIVES ENDOWMENT ASSOCIATION (W/F/CLRF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	DETECTIVES ENDOWMENT ASSOCIATION (W/F/CLRF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 1180 CWA MUNICIPAL MANAGEMENT (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 1182 CWA PARKING ENFORCEMENT AGENTS (W/F/LEGAL)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 3 IBEW ELECTRICIANS (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 3 IBEW ELECTRICIANS (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 300 CIVIL SERVICE FORUM (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 300 CIVIL SERVICE FORUM (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 371 SOCIAL SERVICE EMPLOYEES (W/F/LEGAL/EF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 721 LICENSED PRACTICAL NURSES (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 806 STRUCTURAL STEEL PAINTERS (RWF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 806 STRUCTURAL STEEL PAINTERS (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	ORGANIZATION OF STAFF ANALYSTS (W/F)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 1180 CWA MEMBERS (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 1180 CWA MUNICIPAL MANAGEMENT (W/F/LEGAL/EF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 806 STRUCTURAL STEEL PAINTERS (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 300 SEIU CIVIL SERVICE FORUM (AF)
GOULD, KOBRICK & SCHLAPP, P.C., CPA	LOCAL 3 NYC COMMUNICATIONS ELECTRICIANS (AF)
HIRSCHHORN & RAPOPORT CPA, P.C.	LOCAL 832 TEAMSTERS (RWF)

AUDITING (CONTINUED)
TYPE OF SERVICE

FUNDS USING COMMON PROFESSIONAL SERVICE PROVIDERS

2002
FUND NAME

HIRSCHORN & RAPOPORT CPA, P.C.	LOCAL 832 TEAMSTERS (W/F)
JERRY B. KLEIN, CPA	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (A/F)
JERRY B. KLEIN, CPA	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (R/WF)
JERRY B. KLEIN, CPA	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (WF)
KLEIMAN & WEINSHANK, LLP, CPA	SUPERIOR OFFICERS COUNCIL (POLICE) (A/F)
KLEIMAN & WEINSHANK, LLP, CPA	SUPERIOR OFFICERS COUNCIL (POLICE) (R/WF)
KLEIMAN & WEINSHANK, LLP, CPA	SUPERIOR OFFICERS COUNCIL (POLICE) (WF/CLEF)
LOOZIS & WEGENER, CPA	NEW YORK CITY DEPUTY SHERIFFS ASSOCIATION (A/F)
LOOZIS & WEGENER, CPA	NYC DEPUTY SHERIFFS ASSOCIATION (R/WF)
LOOZIS & WEGENER, CPA	NYC DEPUTY SHERIFFS ASSOCIATION (WF)
OWEN PETERSON & CO., LLP, CPA	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (A/F)
OWEN PETERSON & CO., LLP, CPA	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (WF)
OWEN PETERSON & CO., LLP, CPA	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (R/WF)
ROCCO J. RICCIARDI, CPA	ASSISTANT DEPUTY WARDENS ASSOCIATION (A/F)
ROCCO J. RICCIARDI, CPA	ASSISTANT DEPUTY WARDENS ASSOCIATION (WF/RW/CLEF)
ROCCO J. RICCIARDI, CPA	LOCAL 444 SANITATION OFFICERS (A/F)
ROCCO J. RICCIARDI, CPA	LOCAL 444 SANITATION OFFICERS (WF)
ROCCO J. RICCIARDI, CPA	LOCAL 444 SANITATION OFFICERS (RWF/LODDF)
ROCCO J. RICCIARDI, CPA	LOCAL 14A-14B IUOE (WF/RWF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 15A-C OPERATING ENGINEERS (WF/RWF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 214 ALLIED BUILDING INSPECTORS (WF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 214 ALLIED BUILDING INSPECTORS (RWF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 30 IUOE MUNICIPAL EMPLOYEES (WF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS (WF)
SCHULTHEIS & PANETTERI, CPA	LOCAL 30A-D INTERNATIONAL UNION OF OPERATING ENGINEERS (A/F)
SCHULTHEIS & PANETTERI, CPA	LOCAL 15A-C (IUOE) OPERATING MUNICIPAL ENGINEERS (A/F)
SCHULTHEIS & PANETTERI, CPA	DOCTORS COUNCIL (WF)
SPITZ, FRIEDMAN, JELINSKY & BENEDETTO, CPA	LOCAL 3 IBEW CITY EMPLOYEES (WF)
SPITZ, FRIEDMAN, JELINSKY & BENEDETTO, CPA	LOCAL 306 MUNICIPAL EMPLOYEES (WF)
STEINBERG, STECKLER & PICCIURRO, CPA	LOCAL 858 I.B.T. (O.T.B) BRANCH OFFICE MANAGERS (WF)
STEINBERG, STECKLER & PICCIURRO, CPA	NEW YORK CITY MUNICIPAL PLUMBERS AND PIPEFITTERS (WF)
STEINBERG, STECKLER & PICCIURRO, CPA	NEW YORK CITY MUNICIPAL PLUMBERS AND PIPEFITTERS (WF)
STEINBERG, STECKLER & PICCIURRO, CPA	NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS (WF)
STEINBERG, STECKLER & PICCIURRO, CPA	NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS (WF)
STEVEN H. HABER, CPA	NEW YORK CITY RETIREES (WF)
STEVEN H. HABER, CPA	UNITED PROBATION OFFICERS ASSOCIATION (WF)
THOMAS HARVEY, LLP	UNITED PROBATION OFFICERS ASSOCIATION (RWF)
THOMAS HARVEY, LLP	LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION (RWF)
THOMAS V. CALLAGHAN, CPA, P.C.	LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION (WF)
THOMAS V. CALLAGHAN, CPA, P.C.	LOCAL 333 UNITED MARINE DIVISION (RWF)
WENDEL WALOWITZ ASSOCIATES, INC.	LOCAL 333 UNITED MARINE DIVISION (WF)
WENDEL WALOWITZ ASSOCIATES, INC.	LOCAL 246 SEIU (RWF)
WENDEL WALOWITZ ASSOCIATES, INC.	LOCAL 246 SEIU (WF)

FUNDS USING COMMON PROFESSIONAL SERVICE PROVIDERS

LEGAL COUNSEL

TYPE OF SERVICE

<u>TYPE OF SERVICE</u>	<u>FUND NAME</u>
ADAM IRA KLEIN, P.C.	LOCAL 247 ALLED BUILDING INSPECTORS (RWF)
ADAM IRA KLEIN, P.C.	LOCAL 444 SANITATION OFFICERS (AF)
ADAM IRA KLEIN, P.C.	LOCAL 444 SANITATION OFFICERS (RWF)
ADAM IRA KLEIN, P.C.	LOCAL 444 SANITATION OFFICERS (RWF/LODF)
BRUCE K. BYRAMT	LOCAL 1 COUNCIL OF SUPERVISORS & ADMINISTRATORS (WF)
BRUCE K. BYRAMT	LOCAL 1 COUNCIL OF SUPERVISORS & ADMINISTRATORS (RWF)
HOLM & OHARA, LLP	CORRECTION CAPTAINS ASSOCIATION (AF)
HOLM & OHARA, LLP	CORRECTION CAPTAINS ASSOCIATION (RWF)
HOLM & OHARA, LLP	CORRECTION CAPTAINS ASSOCIATION (W/F/CLRF)
HOLM & OHARA, LLP	CORRECTION CAPTAINS ASSOCIATION (W/F/CLRF)
HOLM & OHARA, LLP	LOCAL 3 NYC COMMUNICATIONS ELECTRICIANS (AF)
JOE GLANSTEIN, ESQ	UNITED PROBATION OFFICERS ASSOCIATION (AF)
JOE GLANSTEIN, ESQ	UNITED PROBATION OFFICERS ASSOCIATION (RWF)
JOE GLANSTEIN, ESQ	UNITED PROBATION OFFICERS ASSOCIATION (RWF)
MICHAEL T. MURRAY P.C	PATROLMEN'S BENEVOLENT ASSOCIATION (AF)
MICHAEL T. MURRAY P.C	PATROLMEN'S BENEVOLENT ASSOCIATION (RWF)
MICHAEL T. MURRAY P.C	PATROLMEN'S BENEVOLENT ASSOCIATION (W/F/CLRF)
MIRKIN & GORDON, P.C.	ASSISTANT DEPUTY WARDENS ASSOCIATION (AF)
MIRKIN & GORDON, P.C.	ASSISTANT DEPUTY WARDENS ASSOCIATION (W/F/RW/CLRF)
MIRKIN & GORDON, P.C.	LOCAL 2 UNITED FEDERATION OF TEACHER (WF)
MIRKIN & GORDON, P.C.	LOCAL 246, SEIU (RWF)
MIRKIN & GORDON, P.C.	LOCAL 246, SEIU (WF)
MIRKIN & GORDON, P.C.	LOCAL 300 CIVIL SERVICE FORUM (RWF)
MIRKIN & GORDON, P.C.	LOCAL 300 CIVIL SERVICE FORUM (WF)
MIRKIN & GORDON, P.C.	LOCAL 371 SOCIAL SERVICE EMPLOYEES (W/F/LEGAL/EF)
MIRKIN & GORDON, P.C.	LOCAL 891 SCHOOL CUSTODIAN AND CUSTODIAN ENGINEER (W/F/RWF)
MIRKIN & GORDON, P.C.	LOCAL 891 IUOE (AF)
MITCHEL B. CRANER	LOCAL 721 LICENSED PRACTICAL NURSES (WF)
MITCHEL CRANER	NEW YORK CITY RETIREES (WF)
MITCHEL C. CRANER	LOCAL 3 IBEW CITY EMPLOYEES (WF)
MITCHEL CRANER	NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS (WF)
MITCHEL CRANER	NYC MUNICIPAL STEAMFITTERS AND STEAMFITTER HELPERS (RWF)
MITCHEL CRANER	LOCAL 1181 CWA SUPERVISORY EMPLOYEES (RWF)
MITCHEL CRANER	LOCAL 1181 CWA SUPERVISORY EMPLOYEES (WF)
MITCHEL CRANER	DOCTORS COUNCIL RETIREES (WF)
MITCHEL CRANER	DOCTORS COUNCIL (WF)
MITCHEL CRANER	DOCTORS COUNCIL (AF)
LIPTON, WATANABE & SPIVAK	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (AF)
LIPTON, WATANABE & SPIVAK	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (WF)
LIPTON, WATANABE & SPIVAK	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (RWF)
LIPTON, WATANABE & SPIVAK	LOCAL 854 UNIFORMED FIRE OFFICERS ASSOCIATION (RWF)
LIPTON, WATANABE & SPIVAK	LOCAL 1180 CWA MUNICIPAL MANAGEMENT (W/F/LEGAL/EF)
LIPTON, WATANABE & SPIVAK	LOCAL 1180 CWA MUNICIPAL MANAGEMENT (RWF)
LIPTON, WATANABE & SPIVAK	LOCAL 1182 CWA PARKING ENFORCEMENT AGENTS (W/F/LEGAL)
LIPTON, WATANABE & SPIVAK	PROFESSIONAL STAFF CONGRESS CUNY (W/F/RWF)
LIPTON, WATANABE & SPIVAK	LOCAL 1180 CWA MEMBERS (AF)
LIPTON, WATANABE & SPIVAK	LOCAL 237 TEAMSTERS (AF)
LIPTON, WATANABE & SPIVAK	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (AF)
LIPTON, WATANABE & SPIVAK	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (RWF)
LIPTON, WATANABE & SPIVAK	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (RWF)

FUNDS USING COMMON PROFESSIONAL SERVICE PROVIDERS

2002

FUND NAME

TYPE OF SERVICE

LEGAL COUNSEL (CONTINUED)

STROOCK & STROOCK & LAVAN, LLP	LOCAL 831 UNIFORMED SANITATIONMEN'S ASSOCIATION (W/F)
STROOCK & STROOCK & LAVAN, LLP	LOCAL 237 TEAMSTERS (RWF)
STROOCK & STROOCK & LAVAN, LLP	LOCAL 237 TEAMSTERS (W/F)
SULLIVAN & LIAPAKIS	LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION (RWF)
SULLIVAN & LIAPAKIS	LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION (A/F)
SULLIVAN & LIAPAKIS	LOCAL 94 UNIFORMED FIREFIGHTERS ASSOCIATION (W/F)
SOLOMAN, RICHMAN, GREENBERG, P.C	LOCAL 3 IBEW ELECTRICIANS (RWF)
SOLOMAN, RICHMAN, GREENBERG, P.C	LOCAL 3 IBEW ELECTRICIANS (W/F)
SOLOMAN, RICHMAN, GREENBERG, P.C	LOCAL 30 (UOE) MUNICIPAL EMPLOYEES (RWF)
SOLOMAN, RICHMAN, GREENBERG, P.C	LOCAL 30A-C OPERATING MUNICIPAL ENGINEERS (W/F)
SOLOMAN, RICHMAN, GREENBERG, P.C	LOCAL 30A-D INTERNATIONAL UNION OF OP. ENGINEERS (A/F)

AF = ANNUITY FUND
 WF = WELFARE FUND
 RWF = RETIRE WELFARE FUND
 EF = EDUCATION FUND
 PLSF = PREPAID LEGAL SERVICES FUND
 LODDF = LINE OF DUTY DISABILITY FUND
 CLRf = CIVIL LEGAL REPRESENTATION FUND