



# City of New York

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## OFFICE OF THE COMPTROLLER

**Scott M. Stringer**  
**COMPTROLLER**



## **SPECIAL REPORTS**

**Marjorie Landa**

Deputy Comptroller for Audit

Analysis of the Financial and Operating  
Practices of Union-Administered Benefit  
Funds with Fiscal Years Ending in  
Calendar Year 2016

**SR18-108S**

**March 5, 2019**

**<http://comptroller.nyc.gov>**



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
SCOTT M. STRINGER

March 5, 2019

To the Residents of the City of New York:

My office has analyzed the financial practices of 106 union-administered benefit funds that received approximately \$1.27 billion in City contributions during 2016. Benefit funds provide City employees, retirees and dependents with a variety of supplemental health benefits not provided under City-administered health insurance plans.

The purpose of this report is to provide a comparative analysis of the overall financial activities of union-administered benefit funds that received City contributions. The analyses contained in this report provide a means of comparing the operations of the funds and performance of fund trustees and administrators.

In summary, this report identifies the following financial issues:

- 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 expenses of certain funds exceeded their revenues, resulting in operating deficits. Operating deficits could deplete fund reserves, which could ultimately lead to insolvency.

This report contains eight recommendations addressed to the funds' trustees and three recommendations addressed to the Office of Labor Relations.

If you have any questions concerning this report, please e-mail my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott M. Stringer".

Scott M. Stringer

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# THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER SPECIAL REPORTS

## Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2016

SR18-108S

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### EXECUTIVE SUMMARY

This report provides a comparative analysis of the overall financial activities of 90 union-administered welfare and annuity funds that in 2016 received approximately \$1.24 billion in City contributions for the benefit of active and retired City employees.<sup>1</sup> Such an analysis is prepared annually based on the independently audited financial reports and other information filed by the funds in accordance with New York City Comptroller's Directive #12. This report aggregates the information reported by the funds and compares funds of similar type and size of City contribution in relation to the amounts spent on administration, operating surplus/deficits, benefits provided, and year-end reserves.<sup>2</sup>

### Findings and Conclusions

In 2016, the 90 welfare and annuity funds spent nearly \$107.8 million (9.76 percent on average) of their total revenue on administration as compared with \$106.2 million (14.61 percent on average) in 2015 and \$109.3 million (9.35 percent on average) in 2014.<sup>3</sup>

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<sup>1</sup> For 2016, the City contributed approximately \$1.27 billion to 106 union-administered funds that submitted Directive #12 filings. However, we limited the computation of category averages and other financial analyses in this report to 90 of the funds, which received \$1.24 (98 percent) of \$1.27 billion in total City contributions. The remaining 16 funds, which received a total of \$28.3 million (2 percent) of the City's contributions in 2016, were excluded from the analysis for different reasons which are detailed in the Scope of Analysis section of this report, and on page 4 of Exhibit B.

<sup>2</sup> The Comptroller's Office issued Directive #12 to ensure uniform reporting and auditing requirements for union-administered benefit funds that receive contributions from the City. The Comptroller's Directives are used to establish policies governing internal controls, accountability, and financial reporting. The Comptroller is not, however, a regulator with remedial powers charged with enforcing fiduciary obligations under a rubric of laws and regulations akin, for example, to the United States Department of Labor or the New York State Department of Financial Services.

<sup>3</sup> Total spending on administrative expenses has remained relatively steady during the last three years. At the same time, total revenue declined sharply in 2015 due to investment losses for more than half of the funds in our analysis, but recovered in 2016. As a result, the percent on average of total revenue spent on administration temporarily increased to nearly fifteen percent in 2015 before returning to earlier levels (less than ten percent) in 2016.

Of the 90 funds, in 2016:

- 11 welfare funds and 7 annuity funds expended 30 percent higher-than-average amounts for administration than other funds of a similar type and size.
- 5 welfare funds, which maintained high reserves, expended 20 percent lower-than-average amounts for benefits than other funds of a similar type and size.
- 5 welfare funds had benefit expenditures that exceeded their revenues, causing each of these funds to dip into their reserves.
- 18 welfare funds incurred operating deficits totaling \$28.9 million, which reduced their available reserves. The deficits ranged from \$4,970 to approximately \$19.8 million.

In summary, we identified the following financial issues in one or more of the funds that should be addressed by those funds:

- Expenses that exceeded revenues, resulting in operating deficits;
- Administrative expenses that exceeded the average for that category of fund; and
- Operating surpluses that resulted in higher-than-average reserves.

The analysis also identified other areas of concern, which include:

- 23 funds received “qualified” opinions<sup>4</sup> from their independent auditors.
- 40 funds did not submit their Directive #12 reports within the prescribed time frame.
- 66 funds did not use a certified public accountant (CPA) firm listed on the Comptroller’s prequalified list as recommended by Directive #12.
- One fund continues to delay benefit eligibility for new members in violation of its agreement with the City of New York.

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<sup>4</sup> CPAs may render one of the following opinions on a Fund’s audited financial statements: Unqualified, Qualified, Adverse and Disclaimer. Descriptions of each of these CPA opinions can be found on page 28.

## Recommendations

As a result of our analysis, we make 11 recommendations, 8 to the trustees of individual funds and 3 to the Office of Labor Relations (OLR):

- Trustees of funds with higher-than-average administrative costs as a percentage of total revenue should reduce administrative expenses and determine whether the savings can be redirected to increased benefits for members.
- Trustees of funds with lower-than-average benefit expenses as a percentage of total revenue should determine whether their revenues can support increased benefits for members.
- Trustees of funds with low reserve levels should take steps to ensure that their funds remain solvent. To accomplish that goal, funds should seek to reduce administrative expenses. If that 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 have incurred 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 higher-than-average 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 are required to submit to the Comptroller's Office an annual report showing the fund's condition and affairs in accordance with Directive #12 and that submission must be filed within nine months after the close of a fund's fiscal year-end. Trustees should ensure that those filings are timely made in accordance with Directive #12.
- Trustees of funds should consider contracting with CPAs that are listed on the Comptroller's prequalified list.
- Trustees of the fund that delays members' eligibility for benefits beyond their first day of employment must revise the fund's policy to comply with its union's welfare fund agreement with the City.
- OLR should use the information in this report to ensure that the trustees of the relevant funds correct the conditions cited in qualified opinions received from their independent accountants.

- OLR should consider withholding City contributions from all delinquent funds that failed to submit their Directive #12 reports to the Comptroller's Office or fail to otherwise abide by the terms of that Directive and/or their welfare fund agreements with the City.
- Whenever a fund improperly delays the provision of benefits to members after their first day of City employment, OLR should recover from the fund the portion of the City's contributions that corresponds to the number of employees whose coverage was delayed and the period of such delay.

This report has identified nine funds that as of 2016 had potential financial issues that should be addressed by fund management as shown in the chart on the following page.



**Summary of the 9 Funds with Potential Financial Problems Identified in this Report  
(Problem Areas Highlighted)**

FUND	TOTAL REVENUE	OVERALL EXPENSES	SURPLUS OR OPERATING (DEFICIT)	BENEFITS EXPENSE		ADMINISTRATIVE EXPENSE		FUND BALANCE			CPA OPINIONS	RISK OF INSOLVENCY (SEE LEGEND)
				TOTAL	% OF REVENUE	TOTAL	% OF REVENUE	TOTAL	% OF REVENUE	BALANCE/ DEFICIT*		
DC 37 WF	\$252,198,000	\$271,961,824	(\$19,763,824)	\$250,249,212	99.23%	\$21,712,612	8.61%	\$188,576,802	74.77%	954	Qualified***	N
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	\$19,502,144	\$20,846,338	(\$1,344,194)	\$19,640,263	100.71%	\$1,206,075	6.18%	\$25,528,065	130.90%	1899	Qualified***	N
Local 831 Uniformed Sanitationmen's Assoc WF	\$11,792,227	\$14,559,824	(\$2,767,597)	\$12,988,463	110.14%	\$1,571,361	13.33%	\$5,401,205	45.80%	195	Unqualified	ST
Local 854 Uniformed Fire Officers Assoc RWF**	\$11,258,749	\$13,827,146	(\$2,568,397)	\$13,170,467	116.98%	\$656,679	5.83%	\$3,735,795	33.18%	145	Qualified***	ST
Local 854 Uniformed Fire Officers Assoc WF**	\$5,189,598	\$5,661,920	(\$472,322)	\$5,399,980	104.05%	\$261,940	5.05%	\$8,408,166	162.02%	1780	Qualified***	N
Local 3 IBEW Electricians RWF	\$2,032,151	\$2,228,719	(\$196,568)	\$2,027,596	99.78%	\$201,123	9.90%	\$3,629,894	178.62%	1847	Qualified***	N
Local 300 Civil Service Forum WF**	\$1,681,659	\$1,691,916	(\$10,257)	\$1,327,361	78.93%	\$364,555	21.68%	\$930,204	55.31%	9069	Unqualified	N
Doctors Council WF**	\$1,293,586	\$1,620,073	(\$326,487)	\$1,297,862	100.33%	\$322,211	24.91%	\$2,792,475	215.87%	855	Unqualified	N
Doctors Council RWF	\$1,006,455	\$1,141,815	(\$135,360)	\$963,944	95.78%	\$177,871	17.67%	\$1,464,518	145.51%	1082	Qualified***	N

Legend

N - Currently Not at Risk of Insolvency  
 ST – Short-term Risk of Insolvency within 1 - 3 years  
 LT - Long-term Risk of Insolvency greater than 3 years  
 N/A – Not Applicable

\* 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.

\*\* These funds were also cited for Potential Financial Problems in 2015.

\*\*\* See Table XXI where the specific issue for this fund with a "Qualified" opinion is detailed. CPAs may render one of the following opinions: Unqualified,

# REPORT OF ANALYSIS

## Background

New York City has provided health insurance benefits to its employees since 1947. Since 1966, the City has provided its active employees, retirees, and their families with basic health and hospitalization coverage, among other benefits. As a result of collective bargaining with the unions that represent City employees, the City also agreed to the establishment of union-administered benefit funds, to which the City contributes, so that employees can be provided with additional health and other benefits beyond those provided by the City. In some cases, separate funds were established for retirees. For certain workers, in addition to contributing to the union-administered welfare funds, the City contributes to union-administered annuity funds that provide lump sum payments at retirement.

Pursuant to collective bargaining agreements, the City's contributions to the union-administered benefit funds are placed in legally established trusts administered by trustees appointed by the unions or associations that represent the employees. City officials are not directly involved in the administration of those funds.

The determination of the types of benefits to be provided to members, the amounts paid, deductibles, and other terms of the operations and benefits provided 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 various types of legal services to their members. Some funds are self-insured; other funds provide most of their benefits through insurance companies.<sup>5</sup> Typical benefits provided by funds to members and their families include:

- dental benefits—including regular exams;
- optical benefits for examinations and eyeglasses;
- prescription drug reimbursement;
- life insurance; and
- supplemental health and hospitalization.

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.

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<sup>5</sup> Of the 106 funds, only four arrange for insurance companies to provide more than 80 percent of their benefits. Together, those insured funds received only \$1.4 million (less than ¼ of one percent) of the \$1.27 billion in NYC Contributions paid in 2016. Insured funds pay premiums to insurance companies, such as The Hartford for life insurance; GHI Dental for Dental benefits; Davis Vision for Optical benefits; and AFLAC for Cancer Benefits, and these insurance companies pay all member claims. The remaining 102 funds are self-insured. The self-insured funds may also pay premiums to insurance companies for some of their benefits (up to 20 percent of total member benefits), but most member claims are paid directly by the funds. In addition, self-insured funds may employ a third party company (i.e. Administrative Services Only) to process the claims.

For 2016, the City contributed approximately \$1.27 billion to 106 union-administered active and retiree welfare funds and annuity funds.<sup>6</sup> The annual contribution to each welfare fund varied based on its union's collective bargaining agreement with the City. This year, 25 benefit funds that each received more than \$10 million from the City, accounted for \$1.1 billion (85 percent) of the City's total contributions as shown in Table I.

**Table I**  
**Funds Receiving More Than \$10 Million\***  
**in City Contributions in 2016**

<u>Fund Name**</u>	<u>Total Revenue</u>	<u>NYC Contribution***</u>
Local 2 United Federation of Teachers WF/RWF	\$345,622,737	\$340,189,615
DC 37 WF	\$252,198,000	\$239,137,622
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	\$49,939,405	\$49,155,058
Patrolmen's Benevolent Assoc RWF	\$46,578,740	\$40,092,254
Patrolmen's Benevolent Assoc WF/CLRF	\$39,288,740	\$38,574,719
Steamfitters' Industry Supplemental AF	\$62,782,054	\$36,705,024
Professional Staff Congress CUNY WF/RWF	\$41,426,412	\$30,900,726
Local 371 Social Service Employees WF/ED/Legal/ADM	\$30,172,102	\$30,016,708
Detectives Endowment Assoc WF/RWF/ADM	\$35,319,141	\$29,573,097
Local 237 Teamsters WF	\$45,723,642	\$22,735,462
Local 831 Uniformed Sanitationmen's Assoc AF	\$23,538,595	\$19,654,799
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	\$19,502,144	\$18,956,416
Local 94 Uniformed Firefighters Assoc RWF	\$34,719,189	\$18,326,858
Correction Officers' Benevolent Assoc WF/CLRF	\$17,789,735	\$17,286,799
Correction Officers' Benevolent Assoc RWF	\$16,243,483	\$15,229,449
New York State Nurses Assoc WF	\$15,364,223	\$14,597,726
Local 831 Uniformed Sanitationmen's Assoc RWF	\$17,049,648	\$14,128,341
Local 1 Council of Supervisors & Admin RWF	\$15,555,002	\$13,371,632
Local 94 Uniformed Firefighters Assoc WF	\$16,395,069	\$13,041,165
Organization of Staff Analysts WF/RWF/ED	\$14,618,377	\$12,738,401
Patrolmen's Benevolent Assoc AF	\$11,947,968	\$12,420,384
Local 1 Council of Supervisors & Admin WF	\$13,121,561	\$12,121,005
Local 831 Uniformed Sanitationmen's Assoc WF	\$11,792,227	\$11,484,892
Local 371 Social Service Employees AF	\$11,966,715	\$11,127,181
Local 3 IBEW Electrical Workers Industry AF	\$182,640,958	\$10,269,735
<b>Total (25 Funds)</b>	<b>\$1,371,295,867</b>	<b>\$1,071,835,068</b>
<b>Total (all 106 Funds)****</b>		<b>\$1,267,036,492</b>
<b>Percent of Total</b>		<b>85%</b>

\* This cutoff figure is arbitrary and used for descriptive purposes only.

\*\* Fund Abbreviations: ADM = Administration Fund; AF = Annuity Fund; CLRF = Civil Legal Representation Fund; ED = Education Fund; Legal = Legal Services Fund; RWF = Retiree Welfare Fund; and WF = Welfare Fund

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

\*\*\*\* The \$1.27 billion in total contributions excludes NYC contributions made to two funds (LEEBA AF and LEEBA WF/RWF) that failed to submit Directive 12 filings for 2016 as required. In 2015, these funds received NYC contributions totaling \$531,103 (\$210,124 and \$320,979, respectively).

<sup>6</sup> Some unions offer education, legal services, and disability benefits through separate funds. For purposes of this report, we consolidated these separate funds with the welfare-benefit funds for their respective unions.

Table II identifies the number and types of funds that received contributions from the City in 2016 by size.

**Table II**  
**Number and Categories of**  
**Benefit Plans in 2016 Survey**

<u>NYC Contributions</u> <u>Revenue Category</u>	<u>Active and</u> <u>Retiree</u>	<u>Annuity</u>	<u>Total</u>	<u>Total NYC</u> <u>Contributions</u>
Up to \$1 million	13	8	21	\$9,365,345
\$1 million to \$3 million	20	2	22	41,663,761
\$3 million to \$10 million	9	14	23	126,103,378
\$10 million to \$20 million	11	3	14	204,485,048
More than \$20 million	9	1	10	857,080,285
Funds in Survey	<b><u>62</u></b>	<b><u>28</u></b>	<b><u>90</u></b>	<b><u>\$1,238,697,817</u></b>
Funds excluded from analysis because they would have distorted the results <sup>7</sup>	<u>11</u>	<u>5</u>	<u>16</u>	<u>\$28,338,675</u>
Total All Funds	<b><u>73</u></b>	<b><u>33</u></b>	<b><u>106</u></b>	<b><u>\$1,267,036,492</u></b>

As of the end of the funds' 2016 fiscal years, net assets available for plan benefits for the 106 benefit funds totaled \$10.5 billion, including nearly \$2.8 billion for the 73 welfare funds and \$7.7 billion for the 33 annuity funds.

## City Interest in the Operation of Benefit Funds

Although City officials do not regulate or administer the funds, their benefit fund agreements with OLR require all union-administered benefit funds that receive City contributions to comply with Comptroller's Internal Control and Accountability Directive #12. First published in 1977, Comptroller's Directive #12 provides uniform reporting and auditing requirements for all 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. Directive #12 was most recently updated in 2015 to update contact information and to include electronic submission of funds annual filings. (Appendix A contains the revised Directive #12 in use during Fiscal Year 2016.)

The benefit fund agreements, along with Directive #12 reporting requirements, help the City, the funds, and their members monitor the funds' financial and operating activities. Toward that end, the following requirements are imposed:

- The fund trustees are required to keep accurate records in conformity with generally accepted accounting principles (GAAP).
- Each fund must be audited annually by an independent CPA selected by the trustees. Comptroller's Directive #12 strongly recommends that funds select these CPAs through a competitive proposal process and that funds contract only with firms listed on the Comptroller's prequalified list of CPAs.

<sup>7</sup> See page 4 of Exhibit B at the end of this report for a complete list of the 16 funds and the reason each fund was excluded from this analysis.

- Each fund must send an annual membership report that summarizes its financial condition to all fund members.
- Nine months after the close of its fiscal year, each fund’s trustees must submit its annual filing to the Comptroller’s Office showing the fund’s “condition and affairs” during its fiscal year.<sup>8</sup> The filing must contain information as prescribed in Comptroller’s Directive #12, including a CPA audited financial statement and annual membership report.

In addition to providing a uniform reporting mechanism, Directive #12 requires that the funds’ CPAs prepare and submit management letters commenting upon weaknesses in internal and management controls that were identified during their audits. Also, the funds must submit detailed information on administrative and benefit expenses. Further, Directive #12 requires that each fund submit an annual trustee representation letter signed by all trustees that provides key information about the fund including: a listing of all consultants and other outside professional service providers paid on a fee or commission basis; amounts paid to trustees and the highest paid fund officers/employees; investment policies; travel policies; and fund tax returns. The funds are also subject to further audit by the Comptroller’s Office.

## Objectives

Our objective was to provide comparative data on the overall financial activities of 90 of the 106 union-administered active and retiree welfare, education, legal, and annuity funds that received City contributions during the funds’ Fiscal Year 2016 and that submitted data to the Comptroller in accordance with Directive #12.<sup>9</sup>

## Scope of Analysis

The purpose of this report is to provide a comparative analysis of the overall financial activities of the funds and their benefits. The individual analyses also supplement the independent CPA audits by providing additional information to assess the performance of the fund trustees and administrators with reference to fund expenditures. This report is based upon Fiscal Year 2016 financial reports and other information filed by the 106 funds with the Comptroller’s Office, as required by Comptroller’s Directive #12.<sup>10</sup> (See Exhibit A for a list of funds with their official and abbreviated names.)

We reviewed the financial information for the 106 benefit funds. However, we limited the computation of category averages and other financial analyses to 90 of the funds, which received \$1.24 (98 percent) of \$1.27 billion in total City contributions, while providing benefits to the bulk of the City’s work force during Fiscal Year 2016. The remaining 16 funds, which received a total of \$28.3 million (2 percent) of the City’s contributions in 2016, were excluded for different reasons: 1 fund no longer received contributions from the City;

<sup>8</sup> 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.

<sup>9</sup> At the end of the report, Exhibit B has financial data for the 106 funds. Most of the funds’ fiscal years ended in either June or December 2016.

<sup>10</sup> Directive #12 filings are generally received during the following calendar 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 31) to submit the required documents.

7 funds received more than 90 percent of their revenue from sources other than the City; 2 funds included other groups that received substantial revenue from sources other than the City; 1 College Scholarship Fund provided benefits only to public high school students; 3 funds had fiscal year-ends that differed from those of their associated welfare funds; and 2 funds failed to submit the required 2016 Directive #12 filings.<sup>11</sup> (See Exhibit B for Revenues, Expenses and Fund Balances information on the 106 Funds.)

This report compares certain aspects of the 90 included funds and identifies operational norms and deviations during Fiscal Year 2016. The report's analysis is based on the financial activities of benefit funds receiving contributions from the City during Calendar Year 2016. To perform these analyses, we compute 10 category averages to compare each of the 90 funds to other funds of similar type and size of City contribution as shown in the chart below. Our results can then be used by fund trustees and administrators to perform their own internal analyses.

### Comparative Analysis: Categories of Similar Funds

CAT	FUND TYPE		CITY CONTRIBUTION	FUNDS	TOTAL
1	Active & Retiree Welfare Funds	Self – Insured Benefits	Up to \$1 million	9	
2			\$1 million to \$3 million	20	
3			\$3 million to \$10 million	9	
4			\$10 million to \$20 million	11	
5			More than \$20 million	9	
6		Insured Benefits	Up to \$3 million	4	
7	Annuity Funds		Up to \$1 million	8	
8			\$1 million to \$3 million	2	
9			\$3 million to \$10 million	14	
10			More than \$10 million	4	
				<b>TOTAL</b>	<b>90</b>

This report's tables, exhibits, and appendices can be a starting point for fund trustees and administrators to identify areas for cost reduction or other appropriate action to ensure financial solvency. 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, it 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.

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

<sup>11</sup> These three funds, two Civil Legal Representation funds and one Education fund, had different fiscal year-end dates than their associated welfare funds so that consolidation would have distorted the information reported.

## 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 professionals who provide direct services to members, such as attorneys who provide 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,<sup>12</sup> overhead costs involved in doing business (e.g., costs associated with processing claims), rent for office space and office expenses, professional fees paid for legal, accounting, and consultant services, and expenditures for travel and conferences. (See Exhibit C for a breakdown of Administrative Expenses.)

In 2016, nearly \$107.8 million (9.76 percent on average<sup>13</sup>) of total revenue was spent on administering the 90 funds as compared with \$106.2 million (14.61 percent on average) for 90 funds in 2015 and \$109.3 million (9.35 percent on average) for 91 funds in 2014. The largest single component — salaries for administrative and clerical staff totaling \$47.8 million — represented 44.4 percent of total administrative expenses in 2016. Other major administrative expenses included \$19.2 million for consultant services, \$13.6 million for office-related expenses, \$8.8 million for investment and custodial services, \$8.6 million for rent, \$4.5 million for legal, accounting, and auditing services, \$1.3 million for insurance and another \$1.3 million for insurance retention (administrative) charges.

For comparison of fund expenses, operating deficits and reserve levels, we categorized the funds into the following three groups:

- Self-insured welfare funds for active members and retirees;
- Insured welfare funds for active members and retirees (we classified a fund as insured if at least 80 percent of its benefits was provided by insurance companies rather than directly by the fund); and
- Annuity funds.

Current funds' agreements do not specify what portion of the funds' total revenue may be reasonably spent on administrative expenses. In the absence of such guidelines, we calculated the average for each category (based on funds of similar size) to enable us to identify those funds whose administrative expenses deviated significantly from these averages. Table III indicates, by category, the average amount and percentages of total revenue expended by the 90 funds on administrative costs and the range of such percentages in 2016.

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<sup>12</sup> In health insurance, the retention fee is the fraction of the premium amount which goes toward administrative costs.

<sup>13</sup> Spending on administrative expenses has decreased by nearly \$1.5 million between 2014 and 2016. However, the increase and subsequent decline in administrative expenses as a percent of total revenue during that period was primarily the result of decreased total revenue in 2015 due to widespread investment losses across funds rather than changes in the amounts spent on administrative expenses.

**Table III**Average Amount, Percentage of Total Revenue and Percentage Range Spent on Administration\* by Category

## Self-Insured Active and Retiree Welfare Funds:

<u>NYC Contributions Revenue Category</u>	<u>Funds</u>	<u>Average Amount</u>	<u>Percent</u>	<u>Percentage Range</u>
Up to \$1 million	9	\$107,438	20.90%	10.98 to 36.76%
\$1 million to \$3 million	20	238,346	12.54	5.73 to 25.91
\$3 million to \$10 million	9	759,905	8.49	5.05 to 17.31
\$10 million to \$20 million	11	1,102,510	6.98	2.69 to 13.33
More than \$20 million	9	7,661,954	8.24	5.84 to 10.32
Overall Average 2016	58	\$1,974,031	11.43%	
Overall Average 2015	58	\$2,072,422	13.45%	

## Insured Active and Retiree Welfare Funds:

<u>NYC Contributions Revenue Category</u>	<u>Funds</u>	<u>Average Amount</u>	<u>Percent</u>	<u>Percentage Range</u>
Up to \$3 million	4	\$49,974	9.09%	4.93 to 17.43%
Overall Average 2016	4	\$49,974	9.09%	
Overall Average 2015	5	\$63,681	14.86%	

## Annuity Funds:

<u>NYC Contributions Revenue Category</u>	<u>Funds</u>	<u>Average Amount</u>	<u>Percent</u>	<u>Percentage Range</u>
Up to \$1 million	8	\$99,583	12.29%	0 to 40.45%
\$1 million to \$3 million	2	180,349	7.71	5.97 to 9.46
\$3 million to \$10 million	14	660,586	6.31	1.33 to 16.94
\$10 million to \$20 million	4	876,312	5.02	1.45 to 8.69
Overall Average 2016	28	\$688,710	7.83%	
Overall Average 2015	27	\$472,192	17.01%	

\* 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.



## Welfare Funds: Administrative Expenses

Welfare funds provide benefits on a self-insured or insured basis. Whether a fund is self-insured or insured significantly affects the level of its reported administrative expenses. Self-insured funds categorize claims processing costs as administrative expenses, while 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 self-insured funds are generally higher than those of insured funds. To make comparisons between self-insured and insured funds more meaningful, we transferred insurance company retention charges to administrative costs whenever possible. Table IV lists 11 self-insured and insured welfare funds that spent at least 30 percent higher-than-average percentage of their revenue on administrative expenses in 2016.

**Table IV**  
**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>Self-Insured: Up to \$1 million</u>			
United Probation Officers Assoc RWF	20.90%	36.76%	75.93%
Local 15, 15A, 15C Operating Engineers WF/RWF*	20.90	32.39	55.02
Local 306 Municipal Employees WF	20.90	28.66	37.15
<u>Self-Insured: \$1 million to \$3 million</u>			
United Probation Officers Assoc WF*	12.54	25.91	106.63
Doctors Council WF*	12.54	24.91	98.66
Local 300 Civil Service Forum WF	12.54	21.68	72.90
<u>Self-Insured: \$3 million to \$10 million</u>			
Local 1182 CWA Security Benefits Fund WF/RWF/Legal*	8.49	17.31	104.02
<u>Self-Insured: \$10 million to \$20 million</u>			
Local 831 Uniformed Sanitationmen's Assoc WF*	6.98	13.33	90.92
Organization of Staff Analysts WF/RWF/ED*	6.98	10.52	50.69
Local 1 Council of Supervisors & Admin RWF*	6.98	9.39	34.53
<u>Insured: Up to \$3 million</u>			
Fire Alarm Dispatchers Benevolent Assoc WF	9.09	17.43	91.88

\* These funds also incurred higher-than-average administrative costs in 2015.

Table V lists selected self-insured and insured welfare funds that spent at least 30 percent lower-than-average percentage of their revenue on administrative expenses in 2016.

**Table V**  
**Active and Retiree Welfare Funds with**  
**Low Administrative Expense-to-Revenue Ratios**

<u>Fund Name</u>	<u>Category Average</u>	<u>Fund</u>	<u>Percentage Deviation From Category Average</u>
<u>Self-Insured: Up to \$1 million</u>			
NYC Muni. Steamfitters & Steamfitter Helpers WF*	20.90%	10.98%	(47.44%)
Local No. 5 MNCPL Employees Benefit Trust Fund*	20.90	12.10	(42.09)
NYC Muni. Steamfitters & Steamfitter Helpers RWF*	20.90	12.94	(38.07)
<u>Self-Insured: \$1 million to \$3 million</u>			
Correction Captains Assoc RWF*	12.54	5.73	(54.33)
Local 444 Sanitation Officers WF*	12.54	5.74	(54.25)
NYC Municipal Plumbers & Pipefitters WF	12.54	6.68	(46.69)
1199 SEIU NYC ED/Child & Eldercare Fund	12.54	7.95	(36.58)
<u>Self-Insured: \$3 million to \$10 million</u>			
Local 854 Uniformed Fire Officers Assoc WF*	8.49	5.05	(40.52)
Local 444 Sanitation Officers RWF	8.49	5.46	(35.63)
Local 854 Uniformed Fire Officers Assoc RWF*	8.49	5.83	(31.27)
<u>Self-Insured: \$10 million to \$20 million</u>			
Local 94 Uniformed Firefighters Assoc RWF*	6.98	2.69	(61.43)
Local 831 Uniformed Sanitationmen's Assoc RWF*	6.98	4.02	(42.39)
Correction Officers' Benevolent Assoc RWF*	6.98	4.69	(32.75)
Correction Officers' Benevolent Assoc WF/CLRF*	6.98	4.81	(31.02)
<u>Insured: Up to \$3 million</u>			
NYC Deputy Sheriffs Assoc WF*	9.09	2.20	(75.83)
NYC Deputy Sheriffs Assoc RWF*	9.09	4.93	(45.69)

\* These funds also incurred lower-than-average administrative costs in 2015.

Without full audits of the individual welfare funds, it is not possible to determine why these funds incurred higher-than-average or lower-than-average administrative costs compared with their category averages.<sup>14</sup>

<sup>14</sup> In May 2017, the New York City Comptroller's Office issued audit reports regarding two welfare funds administered by trustees selected by the United Probation Officers Association, which include discussion of those funds' higher-than-average administrative expenses. See *Audit Report on the Financial and Operating Practices of the United Probation Officers Association Welfare Fund*; <http://comptroller.nyc.gov/reports/audit-report-on-the-financial-and-operating-practices-of-the-united-probation-officers-association-welfare-fund-fm16-069a/>; and *Audit Report on the Financial and Operating Practices of the United Probation Officers Association Retirement Welfare Fund*, <http://comptroller.nyc.gov/reports/audit-report-on-the-financial-and-operating-practices-of-the-united-probation-officers-association-retirement-welfare-fund-fm16-070a/>.

## 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. These funds pay out annuities upon a covered employee's termination from City service. The amounts of the lump sum distributions are based on the value of the covered employees' accounts and 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 28 annuity funds covered in this report separately from those calculated for active and retiree welfare funds. Table VI highlights the seven annuity funds that spent at least 30 percent higher-than-average percentage of their revenue on administrative expenses in 2016.

**Table VI**

### Annuity 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>Up to \$1 million</u>			
Civil Service Bar Assoc AF*	12.29%	40.45%	229.10%
Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF**	12.29	25.74	109.39
<u>\$3 million to \$10 million</u>			
Sergeants Benevolent Assoc (Police) AF	6.31	16.94	168.58
DC 37 AFSCME AF	6.31	10.13	60.56
Local 854 Uniformed Fire Officers Assoc AF	6.31	9.44	49.59
<u>\$10 million to \$20 million</u>			
Local 371 Social Service Employees AF**	5.02	8.69	72.96
Patrolmen's Benevolent Assoc AF	5.02	6.79	35.29

\* Civil Service Bar Assoc. Annuity Fund's High Revenue Spent on Administration was due primarily to a high percentage decrease in Total Revenue due to net investment losses.

\*\* These funds also incurred higher-than-average administrative costs in 2015.

Without full audits of the individual annuity funds, it is not possible to determine why these funds' administrative costs exceeded their category averages.

Nevertheless, as a general matter, reducing administrative expenses would increase the members' equity and result in larger annuity payments to members.

## High Percentage Increases and Decreases in Revenue Spent on Administration

There may be many reasons why administrative expenses change significantly from one year to the next. For example, funds may contract with providers (e.g., accountants, attorneys, and consultants) in one year and not another, 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 not possible to determine whether changes in administrative expenses reflect improvements or deteriorations for the funds, or neither. Table VII shows seven funds that have increased the percentage of their revenues spent on administration by at least 30 percent from 2015 to 2016. Table VIII shows 15 funds that reduced the percentage of their revenues spent on administration by at least 30 percent from 2015 to 2016.

**Table VII**

### High Percentage Increase of Revenue Spent on Administration

<u>Fund Name</u>	<u>Administrative Expense Percent of Total Revenue</u>		<u>Percentage Increase</u>
	<u>2015</u>	<u>2016</u>	
Sergeants Benevolent Assoc (Police) AF	7.00%	16.94%	142.03%
Local 333 United Marine Division WF/RWF	5.38	11.78	119.12
Patrolmen's Benevolent Assoc AF	3.20	6.79	112.17
Local 371 Social Service Employees AF	5.76	8.69	50.87
House Staff Comm of Interns & Residents WF/Legal	7.11	10.60	49.12
Local 831 Uniformed Sanitationmen's Assoc AF	2.13	3.16	48.44
Local 300 Civil Service Forum WF	15.10	21.68	43.55

\* Three annuity funds — Civil Service Bar Assoc (611%), Local 854 Uniformed Fire Officers Assoc (564%), and Correction Officer's Benevolent Assoc (319%) — are excluded from this table because their high percentage increases in Revenue Spent on Administration were due mainly to negative Total Revenue, not to large increases in spending.

**Table VIII**

### High Percentage Decrease in Revenue Spent on Administration

<u>Fund Name</u>	<u>Administrative Expense Percent of Total Revenue</u>		<u>Percentage Decrease</u>
	<u>2015</u>	<u>2016</u>	
Detectives Endowment Assoc AF	280.89%	6.52%	(97.68%)
Assistant Dep Wardens/Dep Wardens AF	78.87	6.70	(91.51)
NYC Municipal Plumbers & Pipefitters WF	76.74	6.68	(91.29)
Local 891(IUOE) AF	21.82	6.58	(69.85)
Local 444 Sanitation Officers Supplemental AF	19.12	8.47	(55.68)
Local 30 A-D IUOE Engineers AF	2.48	1.33	(46.56)
Local 246 SEIU NYC AF	10.42	5.97	(42.68)
Local 94 Uniformed Firefighters Assoc AF	5.37	3.08	(42.59)
Superior Officers Council (Police) WF/CLRF	14.96	8.77	(41.38)
Local 3 IBEW Communications Electricians AF	7.40	4.51	(39.04)
Local 891 School Custodian & Engineers WF/RWF/ED	21.89	13.86	(36.66)
Correction Captains Assoc AF	13.89	8.84	(36.40)
Local 237 Teamsters AF	10.32	6.87	(33.49)
Local No. 5 MNCPL Employees Benefit Trust Fund	18.00	12.10	(32.77)
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	14.43	9.79	(32.18)

## Administrative Expenses Versus Total Expenses

Administrative expenses are directly related to benefit expenses and volume since an increased number of claims processed could result in a need for increased staffing, greater personnel costs and more supplies and ancillary costs. Table IX illustrates the category average percentages of administrative expenses to total revenue and to total expenses.

**Table IX**

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

#### Self-Insured Active and Retiree Welfare Funds:

<u>NYC Contributions</u>		<u>Percentage of</u>		
<u>Revenue Category</u>	<u>Funds</u>	<u>Revenue</u>	<u>Expenses</u>	
Up to \$1 million	9	20.90%	23.12%	
\$1 million to \$3 million	20	12.54	14.87	
\$3 million to \$10 million	9	8.49	9.09	
\$10 million to \$20 million	11	6.98	7.43	
More than \$20 million	9	8.24	9.10	
Overall Average 2016		58	11.43%	12.72%
Overall Average 2015		58	13.45%	11.98%

#### Insured Active and Retiree Welfare Funds:

<u>NYC Contributions</u>		<u>Percentage of</u>		
<u>Revenue Category</u>	<u>Funds</u>	<u>Revenue</u>	<u>Expenses</u>	
Up to \$3 million	4	9.09%	10.28%	
Overall Average 2016		4	9.09%	10.28%
Overall Average 2015		5	14.86%	14.91%

#### Annuity Funds:

<u>NYC Contributions</u>		<u>Percentage of</u>		
<u>Revenue Category</u>	<u>Funds</u>	<u>Revenue</u>	<u>Expenses</u>	
Up to \$1 million	8	12.29%	8.89%	
\$1 million to \$3 million	2	7.71	13.45	
\$3 million to \$10 million	14	6.31	9.40	
\$10 million to \$20 million	4	5.02	7.57	
Overall Average 2016		28	7.83%	9.83%
Overall Average 2015		27	15.93%	14.70%

## EXPENDITURES FOR BENEFITS

The City has not established guidelines for welfare funds regarding 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 X to illustrate by category the average amount and percentages of total revenue expended by funds on benefits. Wherever funds insured some or all of their benefits, we reduced the total premiums by the retention charges and other overhead costs involved in doing business (e.g., costs associated with processing claims) to calculate net benefit expenses.

**Table X**  
Percentage of Total Revenue  
Spent on Benefits by Fund Category

Self-Insured Active and Retiree Welfare Funds:

<u>NYC Contributions</u> <u>Revenue Category</u>	<u>Percentage of</u> <u>Revenue</u>
Up to \$1 million	74.54%
\$1 million to \$3 million	74.58
\$3 million to \$10 million	87.24
\$10 million to \$20 million	86.90
More than \$20 million	82.27
Overall Average 2016	81.10%
Overall Average 2015	105.90%

Insured Active and Retiree Welfare Funds:

<u>NYC Contributions</u> <u>Revenue Category</u>	<u>Percentage of</u> <u>Revenue</u>
Up to \$3 million	80.31%
Overall Average 2016	80.31%
Overall Average 2015	78.56%

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 each fund.)

Some funds spent more for benefits than the average for funds within their category and others spent less. Table XI lists 11 funds whose benefit expenses exceeded the averages in their respective categories by at least 20 percent.

For example, Local 854 Uniformed Fire Officers Association Retiree Welfare Fund exceeded its category average in 2016, as the Fund paid out more in benefits to members (\$13.2 million) than it received in total revenue (\$11.3 million), resulting in an operating deficit for the second year in a row. As a result, by the end of 2016, the Fund had a deficit of \$2.6 million and its reserves declined to \$3.7 million.

Fund officials need to examine the relationship of benefit expenditures to total revenues to ensure the fund achieves a proper balance. (See Table XVII for a list of funds with operating deficits and declining reserves for more details.)

**Table XI**  
**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>Fund</u>	<u>Percentage Deviation from Category Average</u>
Doctors Council WF*	74.58%	100.33%	34.54%
Local 854 Uniformed Fire Officers Assoc. RWF	87.24	116.98	34.09
Local 3 IBEW Electricians RWF	74.58	99.78	33.79
Doctors Council RWF	74.54	95.78	28.50
NYC Muni. Steamfitters & Steamfitter Helpers WF	74.54	95.54	28.18
Local 831 Uniformed Sanitationmen's Assoc. WF*	86.90	110.14	26.75
NYC Muni. Steamfitters & Steamfitter Helpers RWF	74.54	93.00	24.77
Local 246 SEIU WF	74.58	92.75	24.38
Local 3 IBEW Electricians WF	74.58	92.09	23.48
Local 300 Civil Service Forum RWF	74.54	90.42	21.30
DC 37 WF	82.27	99.23	20.61

\* These funds also incurred higher-than-average benefit costs in 2015.

In contrast, Table XII lists 5 funds whose benefit expenses were below their respective category averages by at least 20 percent. In such instances, the funds may wish to consider enhancing their members' benefits, especially if their fund reserves are large.

For example, in 2016, Local No. 5 MNCPL Employees Benefit Trust Fund had benefit expenses that were 36.46 percent less than the average for its category. Even though the Fund's reserves have exceeded \$1.2 million for the last three years, it paid out only \$99,547 in benefits in 2016, which was 20 percent lower than the \$124,724 in benefits that it paid out in 2015.

**Table XII**  
**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>Fund</u>	<u>Percentage Deviation from Category Average</u>
1199 SEIU NYC Ed/Child & Eldercare Fund*	74.58%	16.43%	(77.97%)
Local 306 Municipal Employees WF**	74.54	35.07	(52.95)
Local No. 5 MNCPL Employees Benefit Trust Fund**	74.54	47.36	(36.46)
United Probation Officers Assoc RWF**	74.54	55.25	(25.87)
New York City RWF	87.24	66.50	(23.77)

\* Fund started in 2016.

\*\* These funds also incurred lower-than-average benefit costs in 2015.

The benefit expenses for the 5 funds listed in Table XIII 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 XIII**

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 Expense</u>	<u>Percentage of Revenue Spent on Benefits</u>	<u>2015-2016 Percentage Decrease in Reserves</u>	<u>Ending Fund Balance 2016</u>
<u>Self-Insured: \$1 million to \$3 million</u>					
Doctors Council WF*	\$1,293,586	\$1,297,862	100.33%	10.97%	\$2,792,475
<u>Self-Insured: \$3 million to \$10 million</u>					
Local 854 Uniformed Fire Officers Assoc. WF	5,189,598	5,399,980	104.05	5.32	8,408,166
Local 854 Uniformed Fire Officers Assoc. RWF	11,258,749	13,170,467	116.98	40.74	3,735,795
<u>Self-Insured: \$10 million to \$20 million</u>					
Local 831 Uniformed Sanitationmen's Assoc. WF	11,792,227	12,988,463	110.14	33.88	5,401,205
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	19,502,144	19,640,263	100.71	5.00	25,528,065

\* This fund also had high reserves (fund balances) in relation to annual revenue (see Table XVI), 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 self-insured and insured active and retiree welfare 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 XIV shows the reserve averages for each category.

**Table XIV**

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

Self-Insured Active and Retiree Welfare Funds:

<u>NYC Contributions Revenue Category</u>	<u>Number of Funds</u>	<u>Average Amount</u>	<u>Percent of Total Revenue</u>
Up to \$1 million	9	\$1,462,398	412.07%
\$1 million to \$3 million	20	3,875,474	191.07
\$3 million to \$10 million	9	14,437,940	167.31
\$10 million to \$20 million	11	28,928,755	162.73
More than \$20 million	8	86,442,737	94.99
Overall Average 2016	58	\$27,029,461	205.63%
Overall Average 2015	58	\$26,483,059	249.25%

Insured Active and Retiree Welfare Funds:

<u>NYC Contributions Revenue Category</u>	<u>Number of Funds</u>	<u>Average Amount</u>	<u>Percent of Total Revenue</u>
Up to \$3 million	4	\$630,590	108.50%
Overall Average 2016	4	\$630,590	108.50%
Overall Average 2015	5	\$468,569	67.58%

For insured active and retiree welfare funds: using 100 percent of total annual revenue as a reasonable level for reserves, we identified two funds that had reserves in excess of this amount in 2016, which are listed in Table XV.

**Table XV**

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 333 United Marine Division WF/RWF	\$1,784,401	194.89%
Fire Alarm Dispatchers Benevolent Assoc. WF*	\$591,309	123.05%

\* This fund also had reserves of more than 100 percent to total revenue in 2015.

For self-insured active and retiree welfare funds: using 200 percent of total annual revenue as a reasonable level for reserves, we identified 17 funds that had reserves in excess of this amount in 2016, which are listed in Table XVI. All of these funds also had reserves of more than 200 percent to total revenue in 2015.

**Table XVI**

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>
Local 14 –14B IUOE WF/RWF*	\$1,195,892	917.98%
Local 15, 15A, 15C Operating Engineers WF/RWF*	4,434,845	659.07
Local No. 5 MNCPL Employees Benefit Trust Fund*	1,285,428	611.51
NYC Muni. Steamfitters & Steamfitter Helpers WF*	1,473,778	540.19
1199 SEIU Licensed Practical Nurses WF*	6,839,799	417.46
Local 211 Allied Building Inspectors WF*	9,255,096	393.27
NYC Muni. Steamfitters & Steamfitter Helpers RWF*	755,668	387.12
Local 444 Sanitation Officers RWF*	16,043,973	372.53
Local 3 IBEW Electricians WF*	8,121,889	324.23
Local 94 Uniformed Firefighters Assoc. WF*	51,089,892	311.62
Local 444 Sanitation Officers WF*	6,485,094	293.40
Organization of Staff Analysts WF/RWF/ED*	41,581,686	284.45
New York State Nurses Assoc WF*	36,602,356	238.23
Correction Captains Assoc WF/CLRF*	3,366,800	224.10
New York City RWF*	22,425,937	219.63
Doctors Council WF*	2,792,475	215.87
Local 246 SEIU RWF*	4,067,297	207.24

\* These funds also had reserves of more than 200 percent to total revenue in 2015.

## OPERATING DEFICITS

In 2016, 18 of the 62 (29 percent) active and retiree welfare funds in our analysis incurred operating deficits totaling \$28.9 million, as shown in Table XVII. The deficits ranged from \$4,970 to approximately \$19.8 million. The DC 37 Welfare Fund operating deficit of \$19.8 million accounted for more than 68 percent of the total operating deficit in 2016, primarily due to increased payments for member prescription drug benefits.

**Table XVII**

Funds with Operating Deficits and  
Declining Reserves

<u>Fund Name</u>	2016 <u>Operating Deficit</u>	2016 <u>Reserves</u>	2015 <u>Reserves</u>	2015-2016 Percentage Decrease in <u>Reserves</u>
DC 37 WF	\$19,763,824	\$188,576,802	\$208,340,626	(9.49%)
Local 831 Uniformed Sanitationmen's Assoc WF*	2,767,597	5,401,205	8,168,802	(33.88)
Local 854 Uniformed Fire Officers Assoc RWF*	2,568,397	3,735,795	6,304,192	(40.74)
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	1,344,194	25,528,065	26,872,259	(5.00)
New York State Nurses Assoc WF	714,445	36,602,356	37,207,701	(1.63)
Local 854 Uniformed Fire Officers Assoc WF*	472,322	8,408,166	8,880,488	(5.32)
Doctors Council WF*	326,487	2,792,475	3,136,620	(10.97)
Correction Officers' Benevolent Assoc WF/CLRF*	234,435	13,554,561	13,788,996	(1.70)
Local 3 IBEW Electricians RWF*	196,568	3,629,894	3,929,980	(7.64)
Local 246 SEIU WF*	196,412	4,404,066	4,600,478	(4.27)
Doctors Council RWF*	135,360	1,464,518	1,639,078	(10.65)
Local 15, 15A, 15C Operating Engineers WF/RWF*	63,987	4,434,845	4,498,832	(1.42)
Local 3 IBEW Electricians WF*	48,847	8,121,889	8,257,718	(1.64)
1199 SEIU Licensed Practical Nurses WF*	18,889	6,839,799	6,858,688	(0.28)
NYC Muni. Steamfitters & Steamfitter Helpers WF*	17,790	1,473,778	1,502,194	(1.89)
NYC Muni. Steamfitters & Steamfitter Helpers RWF*	11,594	755,668	775,721	(2.59)
Local 300 Civil Service Forum WF*	10,257	930,204	933,558	(0.36)
Local 246 SEIU RWF*	4,970	4,067,297	4,072,267	(0.12)
<b>Total</b>	<b>\$28,896,375</b>	<b>\$320,721,383</b>	<b>\$349,768,198</b>	<b>(8.30%)</b>

\* These funds were also identified as incurring operating deficits and declining reserves in 2015.

We identified 14 welfare funds that are either insolvent or have significantly low levels of reserves in relation to their total expenses. In identifying these funds, we considered the funds' year-end cash reserves, their 2016 years' operating results, and the ratios of their reserves to the funds' total expenses. Table XVIII lists the funds that may have current or future solvency problems.

**Table XVIII**

Funds with Low Reserve Levels

<u>Fund Name</u>	<u>2016 Reserves</u>	<u>Excess of Revenue Over Expenses*</u>	<u>Percentage of Reserves to Total Expenses</u>
NYC Deputy Sheriffs Assoc RWF**	\$58,600	\$7,444	72.61%
NYC Deputy Sheriffs Assoc WF**	88,048	14,115	53.86
Local 300 Civil Service Forum WF**	930,204	(10,257)	54.98
Civil Service Bar Assoc WF**	1,152,187	142,598	62.24
Local 1182 CWA Security Benefits Fund WF/RWF/Legal**	3,642,661	524,463	64.72
Local 854 Uniformed Fire Officers Assoc RWF**	3,735,795	(2,568,397)	27.02
Local 831 Uniformed Sanitationmen's Assoc WF**	5,401,205	(2,767,597)	37.10
Local 371 Social Service Employees WF/ED/Legal/ADM**	6,680,278	4,437,597	25.96
Local 1 Council of Supervisors & Admin WF**	11,202,100	160,091	86.43
Correction Officers' Benevolent Assoc RWF**	11,895,376	1,207,035	79.11
Correction Officers' Benevolent Assoc WF/CLRF**	13,554,561	(234,435)	75.20
Local 237 Teamsters WF**	28,495,184	3,071,449	66.81
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM**	30,274,361	1,776,957	62.86
DC 37 WF**	188,576,802	(19,763,824)	69.34

\* Negative \$ amounts indicate funds with operating deficits in 2016.

\*\* Indicates funds whose expenses exceeded revenue in 2015.

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 2016, the 62 welfare funds in our survey had revenue totaling \$1.21 billion. Expenses for these funds totaled \$1.13 billion — \$93.9 million for fund administration and \$1.03 billion for benefits to members. The \$78.9 million surplus (revenues over expenses) increased the funds' reserves.

In previous sections, we analyzed the funds' usage of their total revenues. Table XIX identifies 14 funds that, compared with averages for their categories, have high administrative costs and/or low benefit costs.

**Table XIX**

Self-Insured and Insured, Active and Retiree Welfare Funds with  
High Administration Expenses and/or Low Benefit Expenses  
as a Percentage of Total Revenue

<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</u>	<u>Category Average</u>	<u>Fund</u>
Local 1 Council of Supervisors & Admin RWF*	\$15,555,002	6.98	<b>9.39</b>	86.90	69.87
Organization of Staff Analysts WF/RWF/ED*	14,618,377	6.98	<b>10.52</b>	86.90	71.03
Local 831 Uniformed Sanitationmen's Assoc WF*	11,792,227	6.98	<b>13.33</b>	86.90	110.14
New York City RWF	10,210,279	8.49	6.11	87.24	<b>66.50</b>
Local 1182 CWA Security Benefits Fund WF/RWF/Legal*	6,152,463	8.49	<b>17.31</b>	87.24	74.16
1199 SEIU NYC ED/Child & Eldercare Fund	1,772,591	12.54	7.95	74.58	<b>16.43</b>
Local 300 Civil Service Forum WF	1,681,659	12.54	<b>21.68</b>	74.58	78.93
Doctors Council WF*	1,293,586	12.54	<b>24.91</b>	74.58	100.33
United Probation Officers Assoc WF*	1,200,263	12.54	<b>25.91</b>	74.58	63.48
United Probation Officers Assoc RWF*	707,843	20.90	<b>36.76</b>	74.54	<b>55.25</b>
Local 15, 15A, 15C Operating Engineers WF/RWF*	672,897	20.90	<b>32.39</b>	74.54	77.12
Fire Alarm Dispatchers Benevolent Assoc WF	480,552	9.09	<b>17.43</b>	80.31	73.82
Local No. 5 MNCPL Employees Benefit Trust Fund*	210,206	20.90	12.10	74.54	<b>47.36</b>
Local 306 Municipal Employees WF*	94,038	20.90	<b>28.66</b>	74.54	<b>35.07</b>

**Boldface** - fund had high administrative expenses and/or low benefit expenses in 2016.

\* These funds also had high administrative expenses and/or low benefit expenses in 2015.

The basic objective of a welfare fund is to provide benefits to its members while 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 and best ensure that the objective of the welfare fund is met.

## **Funds Should Address Financial and Operating Issues to Ensure Maximum Use of Revenue and Continued Financial Solvency**

In summary, we identified financial issues that, in our opinion, should be addressed by the fund management. Specifically, these include:

- Expenses that exceeded revenues, resulting in operating deficits. Operating deficits could deplete fund reserves, which could ultimately lead to insolvency.
- Administrative expenses that exceeded the averages for other funds in the same category. Reducing administrative expenses would provide more reserves to increase benefits for members.
- Operating surpluses that resulted in high reserves. Excess reserves may indicate that funds should increase members' benefits.

Fund managers have a fiduciary responsibility to their members. 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 solvency. Accordingly, the trustees of the funds listed in Table XX should evaluate how fund resources could be better used.

Table XX (previously included in the Executive Summary) lists 9 funds with potential financial issues in 2016 that, in our opinion, should be addressed.

**Table XX**

**Summary of the 9 Funds with Potential Financial Problems Identified in this Report  
(Problem Areas Highlighted)**

FUND	TOTAL REVENUE	OVERALL EXPENSES	SURPLUS OR OPERATING (DEFICIT)	BENEFITS EXPENSE		ADMINISTRATIVE EXPENSE		FUND BALANCE			CPA OPINIONS	RISK OF INSOLVENCY (SEE LEGEND)
				TOTAL	% OF REVENUE	TOTAL	% OF REVENUE	TOTAL	% OF REVENUE	BALANCE/ DEFICIT*		
DC 37 WF	\$252,198,000	\$271,961,824	(\$19,763,824)	\$250,249,212	99.23%	\$21,712,612	8.61%	\$188,576,802	74.77%	954	Qualified***	N
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	\$19,502,144	\$20,846,338	(\$1,344,194)	\$19,640,263	100.71%	\$1,206,075	6.18%	\$25,528,065	130.90%	1899	Qualified***	N
Local 831 Uniformed Sanitationmen's Assoc WF	\$11,792,227	\$14,559,824	(\$2,767,597)	\$12,988,463	110.14%	\$1,571,361	13.33%	\$5,401,205	45.80%	195	Unqualified	ST
Local 854 Uniformed Fire Officers Assoc RWF**	\$11,258,749	\$13,827,146	(\$2,568,397)	\$13,170,467	116.98%	\$656,679	5.83%	\$3,735,795	33.18%	145	Qualified***	ST
Local 854 Uniformed Fire Officers Assoc WF**	\$5,189,598	\$5,661,920	(\$472,322)	\$5,399,980	104.05%	\$261,940	5.05%	\$8,408,166	162.02%	1780	Qualified***	N
Local 3 IBEW Electricians RWF	\$2,032,151	\$2,228,719	(\$196,568)	\$2,027,596	99.78%	\$201,123	9.90%	\$3,629,894	178.62%	1847	Qualified***	N
Local 300 Civil Service Forum WF**	\$1,681,659	\$1,691,916	(\$10,257)	\$1,327,361	78.93%	\$364,555	21.68%	\$930,204	55.31%	9069	Unqualified	N
Doctors Council WF**	\$1,293,586	\$1,620,073	(\$326,487)	\$1,297,862	100.33%	\$322,211	24.91%	\$2,792,475	215.87%	855	Unqualified	N
Doctors Council RWF	\$1,006,455	\$1,141,815	(\$135,360)	\$963,944	95.78%	\$177,871	17.67%	\$1,464,518	145.51%	1082	Qualified***	N

Legend

- N - Currently Not at Risk of Insolvency
- ST – Short-term Risk of Insolvency within 1 - 3 years
- LT - Long-term Risk of Insolvency greater than 3 years
- N/A – Not Applicable

\* 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.

\*\* These funds were also cited for Potential Financial Problems in 2015.

\*\*\* See Table XXI where the specific issue for this fund with a "Qualified" opinion is detailed.

# EXCEPTIONS ON FUND OPERATIONS

In accordance with Comptroller’s Directive #12, each fund must annually engage an independent CPA to issue an opinion on financial statements prepared by the funds, and accompanying that opinion, the CPA must issue a management letter that comments on the fund’s management practices and internal control systems. In 2016, some of the management letters identified internal control issues that could affect the financial statements. 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.

## CPA Opinions

As noted, CPAs audit, certify 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 GAAP. CPAs may render one of the following opinions:

<b><u>Opinion</u></b>	<b><u>Description</u></b>
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.

Of the 90 funds in this analysis, 67 funds received unqualified opinions and 23 funds received qualified opinions. Table XXI identifies the 23 funds that received qualified opinions from their independent auditors. These funds included 17 funds that had financial statements that were not presented in accordance with GAAP because post-retirement and other benefit obligations were not presented on the fund’s financial statements; 4 funds whose “Financial statements do not present information regarding the Plan’s accumulated plan benefits and changes in accumulated plan benefits”; and 2 funds that did not have adequate benefit payment records for members’ spouses and dependents (One of these funds also was cited for not presenting post-retirement obligations).



**Table XXI****Funds That Received Qualified Opinions  
from Their Independent Auditors**

<b>FUND</b>	<b>OPINION</b>	<b>INDEPENDENT AUDITOR COMENTS</b>
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	Qualified	Excludes postretirement benefit obligations.*
Correction Captains Assoc RWF	Qualified	Excludes postretirement benefit obligations.*
Correction Officers' Benevolent Assoc RWF	Qualified	Excludes postretirement benefit obligations.*
DC 37 WF	Qualified	Excludes postretirement benefit obligations.*
Detectives Endowment Assoc RWF	Qualified	Excludes postretirement benefit obligations.*
Doctors Council RWF	Qualified	Excludes postretirement benefit obligations.*
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	Qualified	Excludes postretirement benefit obligations.*
Local 1181 CWA Supervisory Employees WF/RWF	Qualified	Excludes postretirement benefit obligations.*
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	Qualified	Excludes postretirement benefit obligations.*
Local 3 IBEW Electricians RWF	Qualified	Excludes postretirement benefit obligations.*
Local 300 Civil Service Forum RWF	Qualified	Excludes postretirement benefit obligations.*
Local 333 United Marine Division RWF	Qualified	Excludes postretirement benefit obligations.*
Local 444 Sanitation Officers RWF	Qualified	Excludes postretirement benefit obligations.*
Local 854 Uniformed Fire Officers Assoc RWF	Qualified	Financial statements do not present information regarding the Plan's accumulated plan benefits and the changes in accumulated plan benefits.
Local 854 Uniformed Fire Officers Assoc WF	Qualified	Financial statements do not present information regarding the Plan's accumulated plan benefits and the changes in accumulated plan benefits.
Local 891 School Custodian & Engineers WF/RWF/ED	Qualified	Excludes postretirement benefit obligations.*
Local 94 Uniformed Firefighters Assoc RWF	Qualified	Excludes postretirement benefit obligations.*
Organization of Staff Analysts WF/RWF/ED	Qualified	Excludes postretirement benefit obligations.*
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	Qualified	Excludes postretirement benefit obligations.*
Superior Officers Council (Police) RWF	Qualified	Financial statements do not present information regarding the Plan's accumulated plan benefits and the changes in accumulated plan benefits.
Superior Officers Council (Police) WF/CLRF	Qualified	Financial statements do not present information regarding the Plan's accumulated plan benefits and the changes in accumulated plan benefits.
United Probation Officers Assoc RWF	Qualified	Excludes postretirement benefit obligations* and does not have adequate benefit payment records for members' spouses and dependents.
United Probation Officers Assoc WF	Qualified	Does not have adequate benefit payment records for members' spouses and dependents.

\* These funds' financial statements received qualified opinions because they continued to exclude postretirement benefit obligations contrary to Government Accounting Standards Board Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans ("GASB No. 43").

Funds that received qualified opinions from their independent auditors should take immediate action to correct these problems.

## Late Submission of Directive #12 Reports

In 2016, 40 of the 106 funds (38 percent) in our analysis failed to make timely submissions of their Directive #12 reports to the Comptroller's Office. Comptroller's Directive #12 requires that within nine months after the close of a fund's fiscal year, each fund's trustees must submit a report to the City Comptroller showing the fund's condition and affairs during its preceding fiscal year. Included in the fund's annual Directive #12 filing is an audited financial statement and a CPA-prepared management letter commenting upon internal and management controls that were assessed during the CPA audit. Further, Directive #12 also requires that each fund comment on management matters such as investment policies, bidding practices, staff utilization, and accounting allocations. The Directive #12 reports provide a basis for a comparative analysis of fund operations and for the identification of deviations from the norm.

Of the 40 late submissions of Directive #12 reports:

- 2 funds failed to submit any reports for 2016;
- 1 fund submitted its report more than one year after its due date;
- 7 funds submitted their reports between six months and one year after their due dates;
- 11 funds submitted their reports between three and six months after their due dates; and
- 19 funds submitted their reports less than three months after their due dates.

Table XXII lists the two funds that did not submit their Directive #12 reports in 2016 and the eight funds that submitted their reports in excess of six months after their due dates.

**Table XXII**  
**Funds That Significantly Delayed**  
**Submission of a Directive #12 Report**

<u>Fund Name</u>	<u>2016 Fiscal Year Ended</u>	<u>Directive #12 Due 9 months After the Fund's Fiscal-Year-End</u>	<u>Date Received</u>	<u>Number of Months Past Due</u>
<b><u>Failed to Submit: (2 Funds)</u></b>				
LEEBA AF *	12/31/16	09/30/17	-	>2 years
LEEBA WF/RWF *	12/31/16	09/30/17	-	>2 years
<b><u>1 year - 2 years late: (1 Fund)</u></b>				
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	06/30/16	03/31/17	04/02/18	367
<b><u>6 months - 1 year late: (7 Funds)</u></b>				
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF*	06/30/16	03/31/17	03/09/18	343
Sergeants Benevolent Assoc (Police) AF*	06/30/16	03/31/17	02/22/18	328
Local 306 Municipal Employees WF	06/30/16	03/31/17	12/04/17	248
Local 831 Uniformed Sanitationmen's Assoc RWF*	06/30/16	03/31/17	10/18/17	201
Local 831 Uniformed Sanitationmen's Assoc WF*	06/30/16	03/31/17	10/18/17	201
Local 94 Uniformed Firefighters Assoc RWF*	06/30/16	03/31/17	09/27/17	180
Local 94 Uniformed Firefighters Assoc WF*	06/30/16	03/31/17	09/27/17	180

\* These funds also significantly delayed the submission of their Directive reports in 2015.

Fund trustees and administrators have a contractual responsibility to submit their Directive #12 reports on time. The information generated as a result of a Directive #12 report provides a basis for our comparative analyses of fund operations to identify deviations from the norm. The timely release of this comparative analysis allows those funds that deviate from the norm to take corrective action and evaluate how fund resources could be better used.

## **CPAs Were Not Selected from Comptroller's Prequalified List**

Directive #12 recommends that funds should only contract with CPA firms that are listed on the Comptroller's prequalified list. CPA firms on the prequalified list are registered with the New York State Education Department to practice in the State of New York and have had a peer review within the last three years. The peer review is performed to determine whether the firm's system of quality control for its accounting and auditing practice is designed to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects and whether it is in fact followed. The peer review must be conducted in accordance with American Institute of Certified Public Accountants (AICPA) Standards and the firm must receive a rating of *pass* or *pass with deficiencies*.

By contracting with a CPA firm on the Comptroller's prequalified list, the funds will have assurance that the CPA firm has had a system peer review and received a peer review rating of *pass*. Our review found that only 40 funds (38 percent) of the 106 funds that submitted a Directive #12 filing in 2016 selected a CPA firm on the Comptroller's prequalified list. (See Exhibit F for a list of the 66 funds that did not use a prequalified CPA firm.)

## **Eligibility Delay**

The intent of the standard benefit fund agreements between the City and the unions is that welfare fund benefits will be available to all members of the collective bargaining unit 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, funds should make their members eligible for benefits beginning on their first day of employment with the City.

However, as has been repeatedly noted in prior years' Welfare Fund Surveys, one fund (District Council 9 Painters Industry Welfare Fund) delays eligibility for its new members for 90 days.<sup>15</sup> Since 2007, OLR has advised that fund that its eligibility rules are not in compliance with the welfare fund agreement signed by the parties and that the fund must provide coverage effective on a member's first day of employment. However, in a telephone conversation with the fund's administrator on November 10, 2016, we confirmed that the fund continues to delay eligibility for its members. Consequently, members or their dependents who may need benefits during the fund waiting period cannot obtain them.

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<sup>15</sup> Our analysis focused on the delay to new employees enrolled in welfare benefit funds (active) because the members of retiree funds and annuity funds already qualify to receive benefits when they leave active service.

# CONCLUSIONS AND RECOMMENDATIONS

## Administrative and Benefit Expenses

There continues to be a significant variance in administrative costs as a percentage of total revenue among comparable funds—based on levels of City contributions—for both insured and self-insured funds. Concurrently, some funds spend a significantly lower percentage of their revenue on benefits compared with other funds.

### Recommendations

1. Trustees of funds with higher-than-average administrative costs as a percentage of total revenue should reduce administrative expenses and determine whether the savings can be redirected to increased benefits for members.
2. Trustees of funds with lower-than-average benefit expenses as a percentage of total revenues should determine whether their revenues can support increased benefits for members.

## Reserves

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

3. Trustees of funds with low reserve levels should take steps to ensure that their funds remain solvent. To accomplish that goal, funds should seek to reduce administrative expenses. If that is not possible or does not provide sufficient funds to ensure solvency, the trustees should attempt to reduce costs associated with benefits.
4. Trustees of funds that have incurred operating deficits, particularly those with low reserve levels, should ensure that anticipated benefit and administrative expenses will not exceed projected total revenue.
5. 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

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

6. Trustees of funds are required to submit to the Comptroller's Office an annual report showing the fund's condition and affairs in accordance with Directive #12 and that submission must be filed within nine months after the close of a fund's fiscal year-end. Trustees should ensure that these filings are timely made in accordance with Directive #12.
7. Trustees of funds should consider contracting with CPAs that are listed on the Comptroller's prequalified list.
8. Trustees of funds that delay members' eligibility for benefits beyond their first day of employment must revise their fund's policy to comply with their union's welfare fund agreement with the City.
9. OLR should use the information in this report to ensure that the trustees of the relevant funds correct the conditions cited in qualified opinions received from their independent accountants.
10. OLR should consider withholding City contributions from all delinquent funds that failed to submit their Directive #12 reports to the Comptroller's Office or fail to otherwise abide by the terms of that Directive and/or their welfare fund agreements with the City.
11. Whenever a fund improperly delays the provision of benefits to members after their first day of City employment, OLR should recover from the fund the portion of the City's contributions that corresponds to the number of employees whose coverage was delayed and the period of such delay.

## 2016 SCHEDULE OF OFFICIAL FUND NAMES

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
1199 SEIU Licensed Practical Nurses WF	1199 SEIU Licensed Practical Nurses Welfare Fund
1199 SEIU NYC Ed/Child & Eldercare Fund	1199 SEIU/City of New York Education, Child and Eldercare Fund
Assistant Dep Wardens/Dep Wardens AF	Assistant Deputy Wardens/Deputy Wardens Association Annuity Fund
* Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	Assistant Deputy Wardens/Deputy Wardens Association Security Benefit Fund
Captains Endowment Assoc CLRF	Captains Endowment Association - Civil Legal Representation Fund
Civil Service Bar Assoc AF	Civil Service Bar Association Annuity Trust Fund
* Civil Service Bar Assoc WF	Civil Service Bar Association Security Benefits Fund
Committee of Interns and Residents ED	Committee of Interns and Residents Educational Expenses Reimbursement a.k.a. Professional Education Plan
Correction Captains Assoc AF	Correction Captains Association Annuity Fund
Correction Captains Assoc RWF	Correction Captains Association Security Benefits Fund - Retirees
Correction Captains Assoc WF/CLRF	Correction Captains Association Security Benefits Fund/Civil Legal Representation Fund
Correction Officers' Benevolent Assoc AF	Correction Officers Benevolent Association Annuity Fund
Correction Officers' Benevolent Assoc RWF	Correction Officers Benevolent Association Security Benefits Fund – Retirees
Correction Officers' Benevolent Assoc WF/CLRF	Correction Officers Benevolent Association Security Benefits Fund – Actives
Council of Supervisors and Administrators AF	CSA Compensation Accrual Fund
DC 37 AFSCME AF	District Council 37 AFSCME Annuity Fund Plan
* DC 37 WF	District Council 37 Benefits Fund Trust and Affiliated Funds
DC 9 Painting Industry AF (Local 1969)	Painting Industry Annuity Fund
DC 9 Painting Industry WF/RWF (Local 1969)	Painting Industry Insurance Fund and Subsidiary
* Detectives Endowment Assoc AF	Detectives' Endowment Association Annuity Fund
Detectives Endowment Assoc CLRF	Detectives' Endowment Association Civil Legal Representation Fund
Detectives Endowment Assoc WF/RWF/ADM	Detectives' Endowment Association Welfare/Retiree Welfare/Administration Funds
Doctors Council AF	Doctors Council Annuity Fund
Doctors Council RWF	Doctors Council Retiree Welfare Fund
Doctors Council WF	Doctors Council Welfare Fund
Fire Alarm Dispatchers Benevolent Assoc WF	Fire Alarm Dispatchers' Benevolent Association, Inc. - Welfare Fund
House Staff Comm of Interns & Residents WF/Legal	House Staff Benefits Plan of the Committee of Interns and Residents
LEEBA AF	Law Enforcement Employees Benevolent Association (LEEBA) Annuity Fund
LEEBA WF/RWF	Law Enforcement Employees Benevolent Association (LEEBA) Welfare Fund and Retiree Welfare Fund

**FUND ABBREVIATIONS:**

*ADM-Administrative; AF-Annuity; Assoc-Association; CLRF-Civil Legal Representation; ED-Education; Legal-Legal Benefits; RWF-Retirees Welfare; and WF-Welfare.*

## 2016 SCHEDULE OF OFFICIAL FUND NAMES

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Local 1 Council of Supervisors & Admin RWF	CSA Retiree Welfare Fund
Local 1 Council of Supervisors & Admin WF	CSA Welfare Fund
* Local 1 Plumbing Industry AF	Plumbers Local Union No. 1 Additional Security Benefit Fund
Local 1180 CWA Members AF	Communications Workers of America Local 1180 Members' Annuity Fund
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	CWA Local 1180 Security Benefit Fund/Retirees Benefits Fund/Legal Benefits Fund/Education Fund/Administrative
Local 1181 CWA Supervisory Employees WF/RWF	CWA Local 1181 Security Benefits Fund
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	CWA Local 1182 & Local 1183 Security Benefits Fund
* Local 1199 Nat Ben Fund Hosp Health Care WF/RWF	1199 SEIU National Benefit Fund for Health and Human Service Employees
Local 14 –14B IUOE WF/RWF	International Union of Operating Engineers Local 14 –14B Welfare Fund City of New York Employees
Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF	Annuity Trust Fund For the Municipal Employees of the Operating Engineers Union Local 15, 15A, 15C
Local 15, 15A, 15C Operating Engineers WF/RWF	International Union of Operating Engineers Local Union 15, 15A, 15C, AFL-CIO, Municipal Employees Welfare Fund
Local 2 United Federation of Teachers WF/RWF	United Federation of Teachers Welfare Fund
Local 211 Allied Building Inspectors WF	Allied Building Inspectors Local Union No. 211 I.U.O.E Welfare Fund
Local 237 Teamsters AF	Teamsters Local 237 Additional Security Benefit Fund
Local 237 Teamsters RWF	Teamsters Local 237 Retirees' Benefit Fund
Local 237 Teamsters WF	Teamsters Local 237 Welfare Fund
Local 246 SEIU NYC AF	New York City, Local 246, S.E.I.U. Annuity Fund
Local 246 SEIU RWF	New York City Local 246 Retiree Welfare Fund
Local 246 SEIU WF	New York City Local 246 Welfare Fund
Local 3 IBEW Communications Electricians AF	IBEW Local 3 NYC Communication Electricians Annuity Plan
* Local 3 IBEW Electrical Workers Industry AF	Annuity Plan of the Electrical Industry
Local 3 IBEW Electricians RWF	IBEW Local 3 NYC Electrical Division Health & Welfare Fund – Retired
Local 3 IBEW Electricians WF	IBEW Local 3 NYC Electrical Division Health & Welfare Fund – Active
Local 30 A-C Operating Municipal Engineers WF/RWF	Operating Engineers Union Local 30 Municipal Employees Welfare Trust Fund
Local 30 A-D IUOE Engineers AF	International Union of Operating Engineers Local 30 City Employees Annuity Fund

**FUND ABBREVIATIONS:**

*ADM-Administrative; AF-Annuity; Assoc-Association; CLRF-Civil Legal Representation; ED-Education; Legal-Legal Benefits; RWF-Retirees Welfare; and WF-Welfare.*



## 2016 SCHEDULE OF OFFICIAL FUND NAMES

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Local 300 Civil Service Forum RWF	Local 300 SEIU, AFL-CIO Civil Service Forum Retired Employees' Welfare Fund
Local 300 Civil Service Forum WF	Local 300 SEIU, AFL-CIO Civil Service Forum Active Employees' Welfare Fund
Local 300 SEIU Civil Service Forum AF	Service Employees International Union, Local 300 Civil Service Forum Annuity Fund
Local 306 Municipal Employees WF	Local 306 Health and Welfare Fund for Municipal Employees
Local 333 United Marine Division WF/RWF	IOMMP Supplemental Benefits Fund for New York City Employees (the Plan)
Local 371 Social Service Employees AF	Social Service Employees Union Local 371 Annuity Fund
Local 371 Social Service Employees WF/ED/Legal/ADM	Social Service Employees Union Local 371 Welfare Fund/Educational/Legal/Administrative
* Local 40 Iron Workers AF	Iron Workers Locals 40, 361 and 417 Annuity Fund
* Local 40 Iron Workers WF	Iron Workers Locals 40, 361 & 417 Health Fund
Local 444 Sanitation Officers AF	Local 444 Sanitation Officers' Compensation Accrual Fund
Local 444 Sanitation Officers RWF	Local 444 Sanitation Officers' Retirees Welfare Fund
Local 444 Sanitation Officers Supplemental AF	Local 444 Sanitation Officers' Supplemental Annuity Fund
Local 444 Sanitation Officers WF	Local 444 Sanitation Officers' Security Benefits Fund
Local 831 Uniformed Sanitationmen's Assoc AF	Uniformed Sanitationmen's Association Compensation Accrual Fund
Local 831 Uniformed Sanitationmen's Assoc RWF	Uniformed Sanitationmen's Association Retirees' Welfare Fund
Local 831 Uniformed Sanitationmen's Assoc WF	Uniformed Sanitationmen's Association Security Benefits Fund
Local 854 Uniformed Fire Officers Assoc AF	Uniformed Fire Officers Association Annuity Fund
Local 854 Uniformed Fire Officers Assoc RWF	Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan
Local 854 Uniformed Fire Officers Assoc WF	Uniformed Fire Officers Association Family Protection Plan
* Local 858 IBT, (OTB) Branch Office Managers WF	Local 858 I.B. of T. Branch Office Managers (O.T.B.) Welfare Fund
Local 891 School Custodian & Engineers WF/RWF/ED	Local 891 International Union of Operating Engineers, School Custodians and School Custodian Engineers Welfare Fund
Local 891(IUOE) AF	International Union of Operating Engineers, Local 891 Annuity Fund
Local 94 Uniformed Firefighters Assoc AF	Compensation Accrual Fund of the Uniformed Firefighters Association and Subsidiary
Local 94 Uniformed Firefighters Assoc RWF	Retired Firefighters Security Benefit Fund of the Uniformed Firefighters Association
Local 94 Uniformed Firefighters Assoc WF	Security Benefit Fund of the Uniformed Firefighters Association

**FUND ABBREVIATIONS:**

*ADM-Administrative; AF-Annuity; Assoc-Association; CLRF-Civil Legal Representation; ED-Education; Legal-Legal Benefits; RWF-Retirees Welfare; and WF-Welfare.*

## 2016 SCHEDULE OF OFFICIAL FUND NAMES

<u>Name of Fund Used in this Report</u>	<u>Official Name of Fund</u>
Local No. 5 MNCPL Employees Benefit Trust Fund	Local No. 5 Municipal Employees Benefit Trust Fund
* NYC DC of Carpenters AF	New York City District Council of Carpenters Annuity Fund
* NYC DC of Carpenters WF/RWF	New York City District Council of Carpenters Welfare Fund
NYC Deputy Sheriffs Assoc AF	New York City Deputy Sheriffs Association Annuity Fund
NYC Deputy Sheriffs Assoc RWF	New York City Deputy Sheriffs Association Security Benefits Fund -Retirees
NYC Deputy Sheriffs Assoc WF	New York City Deputy Sheriffs Association Security Benefits Fund
NYC Muni. Steamfitters & Steamfitter Helpers RWF	New York City Municipal Steamfitters and Steamfitter Helpers Retirees Health and Welfare Fund
NYC Muni. Steamfitters & Steamfitter Helpers WF	New York City Municipal Steamfitters and Steamfitter Helpers Health and Welfare Fund
NYC Municipal Plumbers & Pipefitters WF	New York City Municipal Plumbers and Pipefitters Health and Welfare Fund
New York City RWF	New York City Retirees Benefits Fund
* NYS Court Officers Assoc RWF	New York State Court Officers Association Security Benefit Fund and Subsidiary
New York State Nurses Assoc WF	New York State Nurses Association Welfare Plan for New York City Employed Registered Professional Nurses
Organization of Staff Analysts WF/RWF/ED	Organization of Staff Analysts Welfare and Education Funds
Patrolmen's Benevolent Assoc AF	Annuity Fund of the Patrolmen's Benevolent Association of the City of New York
Patrolmen's Benevolent Assoc RWF	Retiree Health and Welfare Fund of the Patrolmen's Benevolent Association of the City of New York
Patrolmen's Benevolent Assoc WF/CLRF	Health and Welfare Fund of the Patrolmen's Benevolent Association of the City of New York
* Pavers & Road Builders District Council WF	Pavers and Road Builders District Council AFL-CIO Welfare Fund
Professional Staff Congress CUNY WF/RWF	PSC - CUNY Welfare Fund
Sergeants Benevolent Assoc (Police) AF	Sergeants Benevolent Association of the City of New York, Inc. Annuity Fund
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	Sergeants Benevolent Association of the City of New York, Inc. Health and Welfare Fund/CLRF
Superior Officers Council (Police) AF	Superior Officers Council Annuity Trust Fund
Superior Officers Council (Police) RWF	Superior Officers Council Retiree Health and Welfare Fund
Superior Officers Council (Police) WF/CLRF	Superior Officers Council Health and Welfare Fund/Civil Legal Representation Fund
* Steamfitters' Industry Supplemental AF	The Steamfitters' Industry Supplemental Retirement Fund
UFT Albert Shanker College Scholarship Fund	Albert Shanker College Scholarship Fund of the United Federation of Teachers
United Probation Officers Assoc RWF	United Probation Officers Association Retirement Welfare Fund
United Probation Officers Assoc WF	United Probation Officers Association Welfare Fund

**FUND ABBREVIATIONS:**

*ADM-Administrative; AF-Annuity; Assoc-Association; CLRF-Civil Legal Representation; ED-Education; Legal-Legal Benefits; RWF-Retirees Welfare; and WF-Welfare.*

# 2016 SCHEDULE OF FINANCIAL DATA

NAME OF FUND	REF	NUMBER OF NYC MEMBERS	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
<b>SELF-INSURED WF &amp; RWF</b>												
<b>NYC CONTRIBUTION UP TO \$1 MILLION</b>												
Local 306 Municipal Employees WF	56	N/A	\$94,038	\$0	\$94,038	\$32,975	\$26,949	\$59,924	\$34,114	\$157,080	167%	-45.88%
Local 14 –14B IUOE WF/RWF	37	82	\$127,721	\$2,553	\$130,274	\$105,923	\$23,580	\$129,503	\$771	\$1,195,892	918%	197.40%
Local No. 5 MNCPL Employees Benefit Trust Fund	84	147	\$158,952	\$51,254	\$210,206	\$99,547	\$25,437	\$124,984	\$85,222	\$1,285,428	612%	98.11%
NYC Muni. Steamfitters & Steamfitter Helpers RWF	87	145	\$185,447	\$9,757	\$195,204	\$181,536	\$25,262	\$206,798	(\$11,594)	\$755,668	387%	25.41%
NYC Muni. Steamfitters & Steamfitter Helpers WF	86	113	\$254,359	\$18,466	\$272,825	\$260,653	\$29,962	\$290,615	(\$17,790)	\$1,473,778	540%	75.00%
Local 15, 15A, 15C Operating Engineers WF/RWF	38	306	\$544,330	\$128,567	\$672,897	\$518,921	\$217,963	\$736,884	(\$63,987)	\$4,434,845	659%	113.52%
United Probation Officers Assoc RWF	110	391	\$698,393	\$9,450	\$707,843	\$391,085	\$260,214	\$651,299	\$56,544	\$891,433	126%	-59.20%
Local 300 Civil Service Forum RWF	54	482	\$826,437	\$147,737	\$974,174	\$880,806	\$179,708	\$1,060,514	(\$86,340)	\$1,502,942	154%	-50.02%
Doctors Council RWF	21	547	\$959,263	\$47,192	\$1,006,455	\$963,944	\$177,871	\$1,141,815	(\$135,360)	\$1,464,518	146%	-52.86%
<b>TOTAL UP TO \$1 MILLION CATEGORY</b>	<b>9 FUNDS:</b>		<b>\$3,848,940</b>	<b>\$414,976</b>	<b>\$4,263,916</b>	<b>\$3,435,390</b>	<b>\$966,946</b>	<b>\$4,402,336</b>	<b>(\$138,420)</b>	<b>\$13,161,584</b>	<b>309%</b>	
<b>NYC CONTRIBUTION \$1 TO \$3 MILLION</b>												
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	2	567	\$1,137,517	\$40,930	\$1,178,447	\$832,394	\$115,324	\$947,718	\$230,729	\$1,806,811	153%	-20.23%
Doctors Council WF	22	680	\$1,168,665	\$124,921	\$1,293,586	\$1,297,862	\$322,211	\$1,620,073	(\$326,487)	\$2,792,475	216%	12.31%
United Probation Officers Assoc WF	109	650	\$1,179,083	\$21,180	\$1,200,263	\$761,917	\$310,963	\$1,072,880	\$127,383	\$1,645,124	137%	-28.69%
Local 1181 CWA Supervisory Employees WF/RWF	32	770	\$1,298,576	\$43,208	\$1,341,784	\$941,715	\$207,125	\$1,148,840	\$192,944	\$1,639,081	122%	-36.45%
Correction Captains Assoc WF/CLRF	6/6.1	834	\$1,385,019	\$117,344	\$1,502,363	\$1,159,635	\$136,495	\$1,296,130	\$206,233	\$3,366,800	224%	16.59%
1199 SEIU Licensed Practical Nurses WF	68	844	\$1,483,719	\$154,721	\$1,638,440	\$1,454,587	\$202,742	\$1,657,329	(\$18,889)	\$6,839,799	417%	117.19%
Local 300 Civil Service Forum WF	55	1072	\$1,663,400	\$18,259	\$1,681,659	\$1,327,361	\$364,555	\$1,691,916	(\$10,257)	\$930,204	55%	-71.22%
1199 SEIU NYC Ed/Child & Eldercare Fund	137	540	\$1,772,591	\$0	\$1,772,591	\$291,163	\$140,942	\$432,105	\$1,340,486	\$3,485,387	197%	2.30%
NYC Municipal Plumbers & Pipefitters WF	85	636	\$1,790,634	\$77,665	\$1,868,299	\$1,221,547	\$124,880	\$1,346,427	\$521,872	\$2,281,858	122%	-36.46%
Local 3 IBEW Electricians RWF	50	1049	\$1,859,153	\$172,998	\$2,032,151	\$2,027,596	\$201,123	\$2,228,719	(\$196,568)	\$3,629,894	179%	-7.07%
Local 211 Allied Building Inspectors WF	42	1,078	\$1,897,880	\$455,507	\$2,353,387	\$1,550,141	\$208,392	\$1,758,533	\$594,854	\$9,255,096	393%	104.60%
DC 9 Painting Industry WF/RWF (Local 1969)	20	880	\$1,903,649	\$304,443	\$2,208,092	\$1,483,085	\$207,360	\$1,690,445	\$517,647	\$2,424,446	110%	-42.88%
Local 246 SEIU RWF	46	1,065	\$1,922,515	\$40,056	\$1,962,571	\$1,684,738	\$282,803	\$1,967,541	(\$4,970)	\$4,067,297	207%	7.82%
Civil Service Bar Assoc WF	3	1108	\$1,962,499	\$31,170	\$1,993,669	\$1,611,474	\$239,597	\$1,851,071	\$142,598	\$1,152,187	58%	-69.93%
Local 444 Sanitation Officers WF	65	1,186	\$2,089,346	\$120,978	\$2,210,324	\$1,391,262	\$126,786	\$1,518,048	\$692,276	\$6,485,094	293%	52.64%
Local 3 IBEW Electricians WF	51	1,370	\$2,185,799	\$319,198	\$2,504,997	\$2,306,763	\$247,081	\$2,553,844	(\$48,847)	\$8,121,889	324%	68.68%
Local 246 SEIU WF	47	1,499	\$2,557,574	\$18,300	\$2,575,874	\$2,389,208	\$383,078	\$2,772,286	(\$196,412)	\$4,404,066	171%	-11.05%
Local 891 School Custodian & Engineers WF/RWF/ED	80	1,423	\$2,626,945	\$197,097	\$2,824,042	\$1,997,571	\$391,517	\$2,389,088	\$434,954	\$5,609,018	199%	3.33%
Local 30 A-C Operating Municipal Engineers WF/RWF	57	1,588	\$2,921,462	\$110,410	\$3,031,872	\$1,839,017	\$373,524	\$2,212,541	\$819,331	\$2,412,116	80%	-58.61%
Correction Captains Assoc RWF	5	1,807	\$2,969,918	\$180,763	\$3,150,681	\$2,568,225	\$180,420	\$2,748,645	\$402,036	\$5,160,831	164%	-14.78%
<b>TOTAL \$1 TO \$3 MILLION CATEGORY</b>	<b>20 FUNDS:</b>		<b>\$37,775,944</b>	<b>\$2,549,148</b>	<b>\$40,325,092</b>	<b>\$30,137,261</b>	<b>\$4,766,918</b>	<b>\$34,904,179</b>	<b>\$5,420,913</b>	<b>\$77,509,473</b>	<b>192%</b>	
<b>NYC CONTRIBUTION \$3 TO \$10 MILLION</b>												
Local 444 Sanitation Officers RWF	64	2,425	\$3,795,340	\$511,383	\$4,306,723	\$3,757,061	\$235,242	\$3,992,303	\$314,420	\$16,043,973	373%	134.94%
House Staff Comm of Interns & Residents WF/Legal	24	2,215	\$3,980,805	\$1,787,925	\$5,768,730	\$4,969,819	\$611,264	\$5,581,083	\$187,647	\$10,987,837	190%	20.12%
Superior Officers Council (Police) WF/CLRF	106	2,405	\$4,301,534	\$458,365	\$4,759,899	\$4,114,572	\$417,375	\$4,531,947	\$227,952	\$5,656,435	119%	-25.06%
Local 854 Uniformed Fire Officers Assoc WF	77	2,554	\$4,524,798	\$664,800	\$5,189,598	\$5,399,980	\$261,940	\$5,661,920	(\$472,322)	\$8,408,166	162%	2.18%
Local 237 Teamsters RWF	44	2,459	\$4,833,380	\$20,323,725	\$25,157,105	\$20,370,527	\$2,185,275	\$22,555,802	\$2,601,303	\$42,486,773	169%	6.51%
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	33	3,744	\$6,043,530	\$108,933	\$6,152,463	\$4,562,866	\$1,065,134	\$5,628,000	\$524,463	\$3,642,661	59%	-62.66%
Local 854 Uniformed Fire Officers Assoc RWF	78	4,760	\$7,833,199	\$3,425,550	\$11,258,749	\$13,170,467	\$656,679	\$13,827,146	(\$2,568,397)	\$3,735,795	33%	-79.07%
Superior Officers Council (Police) RWF	105	5,392	\$8,638,664	\$506,610	\$9,145,274	\$7,558,198	\$782,603	\$8,340,801	\$804,473	\$16,553,886	181%	14.16%
New York City RWF	89	5,068	\$9,399,692	\$810,987	\$10,210,679	\$6,790,196	\$623,631	\$7,413,827	\$2,796,852	\$22,425,937	220%	38.51%
<b>TOTAL \$3 TO \$10 MILLION CATEGORY</b>	<b>9 FUNDS:</b>		<b>\$53,350,942</b>	<b>\$28,598,278</b>	<b>\$81,949,220</b>	<b>\$70,693,686</b>	<b>\$6,839,143</b>	<b>\$77,532,829</b>	<b>\$4,416,391</b>	<b>\$129,941,463</b>	<b>159%</b>	

## 2016 SCHEDULE OF FINANCIAL DATA

NAME OF FUND	REF	NUMBER OF NYC MEMBERS	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
<b>SELF-INSURED WF &amp; RWF (continued)</b>												
<b>NYC CONTRIBUTION \$10 TO \$20 MILLION</b>												
Local 831 Uniformed Sanitationmen's Assoc WF	73	6,300	\$11,484,892	\$307,335	\$11,792,227	\$12,988,463	\$1,571,361	\$14,559,824	(\$2,767,597)	\$5,401,205	46%	-72.34%
Local 1 Council of Supervisors & Admin WF	25	6,413	\$12,121,005	\$1,000,556	\$13,121,561	\$11,779,431	\$1,182,039	\$12,961,470	\$160,091	\$11,202,100	85%	-48.45%
Organization of Staff Analysts WF/RWF/ED	93	6,932	\$12,738,401	\$1,879,976	\$14,618,377	\$10,383,925	\$1,537,528	\$11,921,453	\$2,696,924	\$41,581,686	284%	71.76%
Local 94 Uniformed Firefighters Assoc WF	83	8,109	\$13,041,165	\$3,353,904	\$16,395,069	\$12,862,241	\$1,068,170	\$13,930,411	\$2,464,658	\$51,089,892	312%	88.17%
Local 1 Council of Supervisors & Admin RWF	26	7,961	\$13,371,632	\$2,183,370	\$15,555,002	\$10,868,048	\$1,460,574	\$12,328,622	\$3,226,380	\$27,622,543	178%	7.23%
Local 831 Uniformed Sanitationmen's Assoc RWF	72	7,400	\$14,128,341	\$2,921,307	\$17,049,648	\$13,420,992	\$685,576	\$14,106,568	\$2,943,080	\$32,392,020	190%	14.72%
New York State Nurses Assoc WF	92	8,716	\$14,597,726	\$766,497	\$15,364,223	\$15,215,973	\$862,695	\$16,078,668	(\$714,445)	\$36,602,356	238%	43.85%
Correction Officers' Benevolent Assoc RWF	7	8,570	\$15,229,449	\$1,014,034	\$16,243,483	\$14,274,006	\$762,442	\$15,036,448	\$1,207,035	\$11,895,376	73%	-55.78%
Correction Officers' Benevolent Assoc WF/CLRF	9	8,390	\$17,286,799	\$502,936	\$17,789,735	\$17,167,695	\$856,475	\$18,024,170	(\$234,435)	\$13,554,561	76%	-53.99%
Local 94 Uniformed Firefighters Assoc RWF	81	10,477	\$18,326,858	\$16,392,331	\$34,719,189	\$25,619,557	\$934,678	\$26,554,235	\$8,164,954	\$61,346,506	177%	6.69%
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	113	12,397	\$18,956,416	\$545,728	\$19,502,144	\$19,640,263	\$1,206,075	\$20,846,338	(\$1,344,194)	\$25,528,065	131%	-20.96%
TOTAL \$10 TO \$20 MILLION CATEGORY	<b>11 FUNDS:</b>		<u>\$161,282,684</u>	<u>\$30,867,974</u>	<u>\$192,150,658</u>	<u>\$164,220,594</u>	<u>\$12,127,613</u>	<u>\$176,348,207</u>	<u>\$15,802,451</u>	<u>\$318,216,310</u>	<u>166%</u>	
<b>NYC CONTRIBUTION MORE THAN \$20 MILLION</b>												
Local 237 Teamsters WF	45	7,873	\$22,735,462	\$22,988,180	\$45,723,642	\$38,385,427	\$4,266,766	\$42,652,193	\$3,071,449	\$28,495,184	62%	-29.01%
Detectives Endowment Assoc WF/RWF/ADM	17	18,244	\$29,573,097	\$5,746,044	\$35,319,141	\$27,512,528	\$3,006,730	\$30,519,258	\$4,799,883	\$63,267,294	179%	104.06%
Local 371 Social Service Employees WF/ED/Legal/ADM	62	16,907	\$30,016,708	\$155,394	\$30,172,102	\$22,897,041	\$2,837,464	\$25,734,505	\$4,437,597	\$6,680,278	22%	-74.78%
Professional Staff Congress CUNY WF/RWF	101	21,851	\$30,900,726	\$10,525,686	\$41,426,412	\$29,738,332	\$2,419,210	\$32,157,542	\$9,268,870	\$40,606,755	98%	11.66%
Patrolmen's Benevolent Assoc WF/CLRF	97	23,640	\$38,574,719	\$714,021	\$39,288,740	\$34,420,285	\$3,290,861	\$37,711,146	\$1,577,594	\$51,997,625	132%	50.77%
Patrolmen's Benevolent Assoc RWF	96	24,892	\$40,092,254	\$6,486,486	\$46,578,740	\$35,515,856	\$3,338,275	\$38,854,131	\$7,724,609	\$64,105,292	138%	56.78%
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	30	N/A	\$49,155,058	\$784,347	\$49,939,405	\$43,008,930	\$5,153,518	\$48,162,448	\$1,776,957	\$30,274,361	61%	-30.94%
DC 37 WF	10	68,548	\$239,137,622	\$13,060,378	\$252,198,000	\$250,249,212	\$21,712,612	\$271,961,824	(\$19,763,824)	\$188,576,802	75%	-14.82%
Local 2 United Federation of Teachers WF/RWF	41	188,241	\$340,189,615	\$5,433,122	\$345,622,737	\$282,405,231	\$22,932,147	\$305,337,378	\$40,285,359	\$303,981,045	88%	0.19%
TOTAL MORE THAN \$20 MILLION CATEGORY	<b>9 FUNDS:</b>		<u>\$820,375,261</u>	<u>\$65,893,658</u>	<u>\$886,268,919</u>	<u>\$764,132,842</u>	<u>\$68,957,583</u>	<u>\$833,090,425</u>	<u>\$53,178,494</u>	<u>\$777,984,636</u>	<u>88%</u>	
TOTAL SELF-INSURED FUNDS	<b>58 FUNDS:</b>		<u>\$1,076,633,771</u>	<u>\$128,324,034</u>	<u>\$1,204,957,805</u>	<u>\$1,032,619,773</u>	<u>\$93,658,203</u>	<u>\$1,126,277,976</u>	<u>\$78,679,829</u>	<u>\$1,316,813,466</u>	<u>109%</u>	
<b>INSURED WF &amp; RWF</b>												
<b>NYC CONTRIBUTION UP TO \$3 MILLION</b>												
NYC Deputy Sheriffs Assoc RWF	12	61	\$88,534	(\$381)	\$88,153	\$76,359	\$4,350	\$80,709	\$7,444	\$58,600	66%	-56.20%
NYC Deputy Sheriffs Assoc WF	13	123	\$177,591	\$2	\$177,593	\$159,578	\$3,900	\$163,478	\$14,115	\$88,048	50%	-67.33%
Fire Alarm Dispatchers Benevolent Assoc WF	23	N/A	\$344,482	\$136,070	\$480,552	\$354,749	\$83,784	\$438,533	\$42,019	\$591,309	123%	-18.93%
Local 333 United Marine Division WF/RWF	60	479	\$819,786	\$95,792	\$915,578	\$649,481	\$107,861	\$757,342	\$158,236	\$1,784,401	195%	28.41%
TOTAL UP TO \$3 MILLION CATEGORY	<b>4 FUNDS:</b>		<u>\$1,430,393</u>	<u>\$231,483</u>	<u>\$1,661,876</u>	<u>\$1,240,167</u>	<u>\$199,895</u>	<u>\$1,440,062</u>	<u>\$221,814</u>	<u>\$2,522,358</u>	<u>152%</u>	
TOTAL SELF-INSURED AND INSURED FUNDS	<b>62 FUNDS:</b>		<u>\$1,078,064,164</u>	<u>\$128,555,517</u>	<u>\$1,206,619,681</u>	<u>\$1,033,859,940</u>	<u>\$93,858,098</u>	<u>\$1,127,718,038</u>	<u>\$78,901,643</u>	<u>\$1,319,335,824</u>	<u>109%</u>	

# 2016 SCHEDULE OF FINANCIAL DATA

NAME OF FUND	REF	NUMBER OF NYC MEMBERS	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
<b>ANNUITY FUNDS</b>												
<b>NYC CONTRIBUTION UP TO \$1 MILLION</b>												
NYC Deputy Sheriffs Assoc AF	11	124	\$181,697	(\$7,853)	\$173,844	\$145,341	\$0	\$145,341	\$28,503	\$1,984,428	1141%	37.16%
Assistant Dep Wardens/Dep Wardens AF	1	152	\$299,027	\$1,013,066	\$1,312,093	\$1,029,140	\$87,855	\$1,116,995	\$195,098	\$8,198,793	625%	-24.92%
DC 9 Painting Industry AF (Local 1969)	19	880	\$437,240	\$1,531,949	\$1,969,189	\$857,984	\$71,517	\$929,501	\$1,039,688	\$14,676,943	745%	-10.44%
Civil Service Bar Assoc AF	130	1,024	\$509,602	(\$360,403)	\$149,199	\$393,959	\$60,358	\$454,317	(\$305,118)	\$5,387,246	3611%	333.86%
Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF	117	422	\$513,207	\$427,939	\$941,146	\$1,769,061	\$242,236	\$2,011,297	(\$1,070,151)	\$14,285,118	1518%	82.38%
Local 3 IBEW Communications Electricians AF	127	55	\$586,125	\$248,703	\$834,828	\$458,338	\$37,637	\$495,975	\$338,853	\$7,622,641	913%	9.71%
Local 444 Sanitation Officers Supplemental AF	133	2,075	\$714,945	\$219,158	\$934,103	\$625,473	\$79,148	\$704,621	\$229,482	\$2,073,105	222%	-73.33%
Correction Captains Assoc AF	4	836	\$844,169	\$1,621,864	\$2,466,033	\$1,694,301	\$217,913	\$1,912,214	\$553,819	\$18,846,984	764%	-8.17%
TOTAL UP TO \$1 MILLION CATEGORY	<b>8 FUNDS:</b>		<u>\$4,086,012</u>	<u>\$4,694,423</u>	<u>\$8,780,435</u>	<u>\$6,973,597</u>	<u>\$796,664</u>	<u>\$7,770,261</u>	<u>\$1,010,174</u>	<u>\$73,075,258</u>	<u>832%</u>	
<b>NYC CONTRIBUTION \$1 TO \$3 MILLION</b>												
Local 300 SEIU Civil Service Forum AF	125	844	\$1,211,759	\$548,153	\$1,759,912	\$699,579	\$166,424	\$866,003	\$893,909	\$17,712,259	1006%	-12.05%
Local 246 SEIU NYC AF	128	2,258	\$2,676,058	\$578,065	\$3,254,123	\$2,333,753	\$194,274	\$2,528,027	\$726,096	\$39,666,141	1219%	6.52%
TOTAL \$1 TO \$3 MILLION CATEGORY	<b>2 FUNDS:</b>		<u>\$3,887,817</u>	<u>\$1,126,218</u>	<u>\$5,014,035</u>	<u>\$3,033,332</u>	<u>\$360,698</u>	<u>\$3,394,030</u>	<u>\$1,620,005</u>	<u>\$57,378,400</u>	<u>1144%</u>	
<b>NYC CONTRIBUTION \$3 TO 10 MILLION</b>												
Doctors Council AF	124	1,270	\$3,030,731	\$2,087,978	\$5,118,709	\$1,783,403	\$351,718	\$2,135,121	\$2,983,588	\$49,848,479	974%	-22.52%
Local 891(IUOE) AF	126	1,012	\$3,341,009	\$2,141,752	\$5,482,761	\$1,849,117	\$360,795	\$2,209,912	\$3,272,849	\$41,419,279	755%	-39.89%
Detectives Endowment Assoc AF	14	5,299	\$3,363,798	\$17,287,231	\$20,651,029	\$13,207,302	\$1,346,033	\$14,553,335	\$6,097,694	\$214,907,647	1041%	-17.20%
DC 37 AFSCME AF	121	31,762	\$3,456,020	\$6,260,472	\$9,716,492	\$4,882,666	\$984,082	\$5,866,748	\$3,849,744	\$105,432,919	1085%	-13.67%
Local 444 Sanitation Officers AF	63	1,355	\$3,670,113	\$5,354,804	\$9,024,917	\$5,609,260	\$347,988	\$5,957,248	\$3,067,669	\$64,809,024	718%	-42.86%
Local 1180 CWA Members AF	119	7,046	\$3,700,782	\$3,576,131	\$7,276,913	\$3,917,715	\$411,225	\$4,328,940	\$2,947,973	\$84,792,725	1165%	-7.29%
Local 854 Uniformed Fire Officers Assoc AF	76	4,133	\$3,902,580	(\$267,280)	\$3,635,300	\$8,282,406	\$343,015	\$8,625,421	(\$4,990,121)	\$196,911,110	5417%	330.97%
Council of Supervisors and Administrators AF	132	6,293	\$4,462,524	\$1,165,616	\$5,628,140	\$974,485	\$108,157	\$1,082,642	\$4,545,498	\$32,375,651	575%	-54.23%
Superior Officers Council (Police) AF	104	4,710	\$4,949,416	\$8,310,627	\$13,260,043	\$10,906,729	\$442,770	\$11,349,499	\$1,910,544	\$353,786,613	2668%	112.28%
Local 30 A-D IUOE Engineers AF	114	1,305	\$6,413,161	\$7,516,023	\$13,929,184	\$5,078,596	\$184,567	\$5,263,163	\$8,666,021	\$120,423,276	865%	-31.21%
Sergeants Benevolent Assoc (Police) AF	112	4,716	\$6,535,497	(\$568,889)	\$5,966,608	\$8,411,774	\$1,010,828	\$9,422,602	(\$3,455,994)	\$219,519,239	3679%	192.72%
Local 94 Uniformed Firefighters Assoc AF	82	18,992	\$6,559,503	\$8,540,975	\$15,100,478	\$8,496,359	\$465,209	\$8,961,568	\$6,138,910	\$172,106,130	1140%	-9.32%
Local 237 Teamsters AF	43	8,717	\$9,581,073	\$19,555,902	\$29,136,975	\$16,695,092	\$2,000,568	\$18,695,660	\$10,441,315	\$266,313,578	914%	-27.28%
Correction Officers' Benevolent Assoc AF	8	12,165	\$9,786,229	\$5,595,429	\$15,381,658	\$8,536,644	\$891,251	\$9,427,895	\$5,953,763	\$79,644,404	518%	-58.80%
TOTAL \$3 TO \$10 MILLION CATEGORY	<b>14 FUNDS:</b>		<u>\$72,752,436</u>	<u>\$86,556,771</u>	<u>\$159,309,207</u>	<u>\$98,631,548</u>	<u>\$9,248,206</u>	<u>\$107,879,754</u>	<u>\$51,429,453</u>	<u>\$2,002,290,074</u>	<u>1257%</u>	
<b>NYC CONTRIBUTION MORE THAN \$10 MILLION</b>												
Local 371 Social Service Employees AF	123	16,902	\$11,127,181	\$839,534	\$11,966,715	\$6,246,802	\$1,039,555	\$7,286,357	\$4,680,358	\$129,821,495	1085%	17.88%
Patrolmen's Benevolent Assoc AF	95	32,726	\$12,420,384	(\$472,416)	\$11,947,968	\$10,303,346	\$811,860	\$11,115,206	\$832,762	\$241,812,265	2024%	119.91%
Local 831 Uniformed Sanitationmen's Assoc AF	71	6,400	\$19,654,799	\$3,883,796	\$23,538,595	\$15,112,631	\$743,364	\$15,855,995	\$7,682,600	\$207,172,027	880%	-4.37%
Steamfitters' Industry Supplemental AF	136	N/A	\$36,705,024	\$26,077,030	\$62,782,054	\$21,745,160	\$910,469	\$22,655,629	\$40,126,425	\$435,710,748	694%	-24.59%
TOTAL MORE THAN \$10 MILLION CATEGORY	<b>4 FUNDS:</b>		<u>\$79,907,388</u>	<u>\$30,327,944</u>	<u>\$110,235,332</u>	<u>\$53,407,939</u>	<u>\$3,505,248</u>	<u>\$56,913,187</u>	<u>\$53,322,145</u>	<u>\$1,014,516,535</u>	<u>920%</u>	
TOTAL ANNUITY FUNDS	<b>28 FUNDS:</b>		<u>\$160,633,653</u>	<u>\$122,705,356</u>	<u>\$283,339,009</u>	<u>\$162,046,416</u>	<u>\$13,910,816</u>	<u>\$175,957,232</u>	<u>\$107,381,777</u>	<u>\$3,147,260,267</u>	<u>1111%</u>	
GRAND TOTAL	<b>90 FUNDS:</b>		<u>\$1,238,697,817</u>	<u>\$251,260,873</u>	<u>\$1,489,958,690</u>	<u>\$1,195,906,356</u>	<u>\$107,768,914</u>	<u>\$1,303,675,270</u>	<u>\$186,283,420</u>	<u>\$4,466,596,091</u>	<u>300%</u>	

## 2016 SCHEDULE OF FINANCIAL DATA

### 16 FUNDS EXCLUDED FROM ANALYSIS OF FINANCIAL AND OPERATING PRACTICES

<u>NAME OF FUND</u>	<u>REASON FUND IS EXCLUDED (SEE NOTE)</u>	<u>REF</u>	<u>NUMBER OF NYC MEMBERS</u>	<u>NYC CONTRIBUTION REVENUE</u>	<u>TOTAL REVENUE</u>	<u>NYC % OF TOTAL REVENUE</u>	<u>FUND BALANCE</u>
NYS Court Officers Assoc RWF	(1)	91	1	\$761	\$2,030,242	0.04%	\$12,112,962
Local 40 Iron Workers WF	(1)	118	87	\$138,649	\$148,482,508	0.09%	\$170,608,957
Pavers & Road Builders District Council WF	(1)	100	65	\$116,748	\$41,582,344	0.28%	\$63,655,619
Local 40 Iron Workers AF	(1)	111	45	\$1,281,884	\$96,907,822	1.32%	\$814,025,169
NYC DC of Carpenters WF/RWF	(1)	88	1,207	\$2,150,132	\$485,173,404	0.44%	\$537,005,453
Local 1199 Nat Ben Fund Hosp Health Care WF/RWF	(1)	35	2,659	\$4,091,578	\$1,550,244,982	0.26%	\$699,783,860
Local 3 IBEW Electrical Workers Industry AF	(1)	49	1,300	\$10,269,735	\$182,640,958	5.62%	\$1,473,166,603
Local 1 Plumbing Industry AF	(2)	27	553	\$252,684	\$4,295,375	5.88%	\$70,322,591
NYC DC of Carpenters AF	(2)	116	626	\$6,939,714	\$184,162,165	3.77%	\$2,167,753,745
UFT Albert Shanker College Scholarship Fund	(3)	40	N/A	\$1,000,000	\$1,001,297	99.87%	\$487,903
Captains Endowment Assoc CLRF	(4)	106.1	N/A	\$43,024	\$43,063	99.91%	\$194,895
Detectives Endowment Assoc CLRF	(4)	16.1	5,263	\$389,571	\$269,399	144.61%	\$4,424,530
Committee of Interns and Residents ED	(4)	122	2,251	\$1,664,195	\$2,025,702	82.15%	\$2,623,410
Local 858 IBT, (OTB) Branch Office Managers WF	(5)	79	N/A	\$0	-\$9,221	0.00%	\$252,420
LEEBA AF	(6)	134	N/A	N/A	N/A	N/A	N/A
LEEBA WF/RWF	(6)	135	N/A	N/A	N/A	N/A	N/A
Total NYC Contribution				\$28,338,675			

N/A - Fund did not specify.

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

- (1) These funds received a substantial portion of their revenues from sources other than the City.
- (2) These funds would distort category averages since they include other groups' that received a substantial portion of their revenues from sources other than the City.
- (3) Under the United Federation of Teachers' collective bargaining agreement, scholarship benefits are paid only to public high school students.
- (4) These funds had different fiscal year-end dates than their associated welfare funds so that consolidation would have distorted the information reported.
- (5) This fund has a balance though it no longer receives contributions from the City, effective December 7, 2010 (FY11), when OTB closed its operations.
- (6) These funds failed to submit Directive 12 filings for 2016 as required.

**2016 SCHEDULE OF ADMINISTRATIVE EXPENSES**

NAME OF FUND	REF	TOTAL ADMIN. EXPENSE	RENT	SALARIES	FEES & COMMSSN	LEGAL	ACCT'G	TRAVEL & CONF.	TELE-PHONE	OFFICE EQUIP & RENTAL	OTHER OFFICE EXPENSE	INSUR-ANCE	REPAIRS & MAINT	OTHER	INSURANCE RETENTION	INVEST & CUSTODIAL SERVICES
<b>SELF-INSURED WF &amp; RWF</b>																
<b>NYC CONTRIBUTION UP TO \$1 MILLION</b>																
Local 306 Municipal Employees WF	56	\$26,949	\$0	\$0	\$9,600	\$9,100	\$6,243	\$52	\$0	\$0	\$0	\$1,775	\$0	\$179	\$0	\$0
Local 14 --14B IUOE WF/RWF	37	\$23,580	\$1,434	\$13,523	\$0	\$0	\$3,120	\$0	\$253	\$779	\$1,088	\$3,383	\$0	\$0	\$0	\$0
Local No. 5 MNCPL Employees Benefit Trust Fund	84	\$25,437	\$0	\$20,300	\$0	\$0	\$4,200	\$0	\$0	\$0	\$937	\$0	\$0	\$0	\$0	\$0
NYC Muni. Steamfitters & Steamfitter Helpers RWF	87	\$25,262	\$0	\$0	\$11,081	\$1,500	\$10,794	\$0	\$0	\$0	\$0	\$1,887	\$0	\$0	\$0	\$0
NYC Muni. Steamfitters & Steamfitter Helpers WF	86	\$29,962	\$0	\$0	\$12,939	\$2,500	\$10,794	\$205	\$0	\$0	\$0	\$3,524	\$0	\$0	\$0	\$0
Local 15, 15A, 15C Operating Engineers WF/RWF	38	\$217,963	\$7,016	\$127,755	\$0	\$15,000	\$15,000	\$0	\$0	\$2,551	\$2,906	\$4,844	\$0	\$1,330	\$0	\$41,561
United Probation Officers Assoc RWF	110	\$260,214	\$24,235	\$151,286	\$24	\$4,450	\$15,000	\$2,925	\$2,864	\$54,124	\$4,352	\$5,378	\$0	-\$4,722	\$0	\$300
Local 300 Civil Service Forum RWF	54	\$179,708	\$28,979	\$20,006	\$79,217	\$10,000	\$11,500	\$0	\$0	\$2,077	\$6,910	\$0	\$624	\$13,526	\$0	\$6,870
Doctors Council RWF	21	\$177,871	\$14,015	\$33,036	\$54,435	\$5,526	\$20,431	\$0	\$44	\$1,747	\$24,612	\$420	\$0	\$15,894	\$0	\$7,711
<b>TOTAL UP TO \$1 MILLION CATEGORY</b>	<b>9 FUNDS:</b>	<b>\$966,946</b>	<b>\$75,679</b>	<b>\$365,906</b>	<b>\$167,296</b>	<b>\$48,076</b>	<b>\$97,082</b>	<b>\$3,182</b>	<b>\$3,161</b>	<b>\$61,278</b>	<b>\$40,805</b>	<b>\$21,211</b>	<b>\$624</b>	<b>\$26,207</b>	<b>\$0</b>	<b>\$56,442</b>
<b>NYC CONTRIBUTION \$1 TO \$3 MILLION</b>																
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	2	\$115,324	\$11,764	\$34,963	\$22,422	\$7,500	\$10,000	\$4,358	\$1,887	\$0	\$9,022	\$951	\$0	\$480	\$0	\$11,977
Doctors Council WF	22	\$322,211	\$22,798	\$80,507	\$70,564	\$23,416	\$26,961	\$1,238	-\$334	\$2,508	\$34,861	\$1,086	\$0	\$3,513	\$42,033	\$13,060
United Probation Officers Assoc WF	109	\$310,963	\$41,111	\$151,283	\$0	\$7,550	\$15,000	\$4,167	\$4,859	\$67,430	\$4,104	\$9,123	\$0	\$6,034	\$0	\$300
Local 1181 CWA Supervisory Employees WF/RWF	32	\$207,125	\$42,872	\$36,409	\$44,808	\$9,600	\$11,570	\$28,132	\$9,641	\$3,771	\$6,365	\$4,905	\$10	\$4,847	\$0	\$4,195
Correction Captains Assoc WF/CLRF	6/6.1	\$136,495	\$8,787	\$10,621	\$45,824	\$12,911	\$13,000	\$16,926	\$2,786	\$738	\$3,121	\$2,566	\$0	\$5,198	\$9,334	\$4,682
1199 SEIU Licensed Practical Nurses WF	68	\$202,742	-\$113	\$56,135	\$63,745	\$15,131	\$14,839	\$11,939	\$0	\$0	\$3,102	\$2,043	\$392	\$2,504	\$33,025	\$0
Local 300 Civil Service Forum WF	55	\$364,555	\$28,979	\$48,263	\$225,710	\$13,800	\$11,500	\$4,301	\$0	\$2,077	\$18,742	\$547	\$624	\$4,182	\$0	\$5,832
1199 SEIU NYC Ed/Child & Eldercare Fund	137	\$140,942	\$0	\$0	\$0	\$34,683	\$12,000	\$0	\$0	\$0	\$21,259	\$4,000	\$0	\$69,000	\$0	\$0
NYC Municipal Plumbers & Pipefitters WF	85	\$124,880	\$0	\$0	\$75,257	\$9,209	\$11,951	\$19,425	\$0	\$0	\$3,916	\$0	\$122	\$0	\$0	\$5,000
Local 3 IBEW Electricians RWF	50	\$201,123	\$4,810	\$86,746	\$46,496	\$6,178	\$10,000	\$2,961	\$2,263	\$1,373	\$10,888	\$2,562	\$0	\$6,665	\$0	\$20,183
Local 211 Allied Building Inspectors WF	42	\$208,392	\$28,698	\$57,454	\$48,655	\$12,000	\$24,000	\$0	\$3,582	\$3,396	\$16,815	\$13,792	\$0	\$0	\$0	\$0
DC 9 Painting Industry WF/RWF (Local 1969)	20	\$207,360	\$3,540	\$108,834	\$73,478	\$0	\$0	\$0	\$3,436	\$1,050	\$0	\$0	\$0	\$4,664	\$0	\$12,358
Local 246 SEIU RWF	46	\$282,803	\$21,806	\$65,725	\$122,666	\$7,003	\$6,500	\$12,794	\$3,792	\$3,457	\$5,131	\$3,778	\$0	\$4,869	\$0	\$25,282
Civil Service Bar Assoc WF	3	\$239,597	\$0	\$6,000	\$196,241	\$10,171	\$13,750	\$0	\$0	\$0	\$232	\$7,072	\$0	\$6,131	\$0	\$0
Local 444 Sanitation Officers WF	65	\$126,786	\$2,463	\$25,161	\$38,294	\$4,400	\$14,150	\$7,412	\$1,281	\$0	\$4,099	\$2,083	\$0	\$5,214	\$0	\$22,229
Local 3 IBEW Electricians WF	51	\$247,081	\$2,390	\$84,199	\$49,244	\$18,240	\$14,000	\$8,753	\$2,880	\$3,973	\$9,129	\$3,308	\$2,332	\$7,450	\$0	\$41,181
Local 246 SEIU WF	47	\$383,078	\$30,114	\$101,163	\$162,442	\$12,539	\$6,500	\$8,152	\$4,035	\$5,152	\$10,064	\$9,173	\$0	\$8,183	\$0	\$25,561
Local 891 School Custodian & Engineers WF/RWF/ED	80	\$391,517	\$42,802	\$65,614	\$64,605	\$24,500	\$43,000	\$9,224	\$1,191	\$5,616	\$28,347	\$4,602	\$0	\$3,052	\$69,204	\$29,760
Local 30 A-C Operating Municipal Engineers WF/RWF	57	\$373,524	\$18,774	\$104,698	\$123,056	\$36,000	\$42,942	\$10,688	\$0	\$568	\$21,580	\$6,337	\$56	\$8,825	\$0	\$0
Correction Captains Assoc RWF	5	\$180,420	\$15,819	\$13,331	\$79,995	\$7,931	\$10,000	\$16,926	\$5,016	\$1,328	\$4,975	\$3,143	\$0	\$9,361	\$7,576	\$5,020
<b>TOTAL \$1 TO \$3 MILLION CATEGORY</b>	<b>20 FUNDS:</b>	<b>\$4,766,918</b>	<b>\$327,414</b>	<b>\$1,137,106</b>	<b>\$1,553,502</b>	<b>\$272,762</b>	<b>\$311,663</b>	<b>\$167,396</b>	<b>\$46,315</b>	<b>\$102,437</b>	<b>\$211,836</b>	<b>\$84,987</b>	<b>\$3,415</b>	<b>\$160,294</b>	<b>\$161,172</b>	<b>\$226,620</b>
<b>NYC CONTRIBUTION \$3 TO \$10 MILLION</b>																
Local 444 Sanitation Officers RWF	64	\$235,242	\$2,463	\$23,198	\$87,309	\$4,400	\$13,750	\$4,378	\$1,281	\$0	\$20,557	\$5,413	\$0	\$0	\$0	\$72,493
House Staff Comm of Interns & Residents WF/Legal	24	\$611,264	\$6,039	\$384,200	\$11,219	\$19,175	\$32,650	\$13,662	\$1,667	\$43,712	\$36,319	\$6,451	\$0	\$2,510	\$0	\$53,660
Superior Officers Council (Police) WF/CLRF	106	\$417,375	\$55,259	\$369,153	\$16,250	\$794	\$13,265	\$0	\$5,208	\$23,155	\$41,293	\$17,915	\$0	-\$306,918	\$176,533	\$5,468
Local 854 Uniformed Fire Officers Assoc WF	77	\$261,940	\$16,988	\$113,003	\$0	\$0	\$22,358	\$5,608	\$97	\$0	\$17,596	\$5,288	\$0	\$22,781	\$58,221	\$0
Local 237 Teamsters RWF	44	\$2,185,275	\$120,625	\$1,175,209	\$379,580	\$43,931	\$34,836	\$39,513	\$7,511	\$38,418	\$175,696	\$23,937	\$0	\$32,995	\$0	\$113,024
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	33	\$1,065,134	\$82,550	\$470,503	\$300,381	\$36,000	\$24,000	\$17,141	\$5,994	\$24,771	\$14,309	\$19,650	\$34,534	\$13,691	\$0	\$21,610
Local 854 Uniformed Fire Officers Assoc RWF	78	\$656,679	\$27,181	\$211,511	\$15,000	\$0	\$25,290	\$11,530	\$456	\$0	\$16,807	\$6,775	\$0	\$16,314	\$325,815	\$0
Superior Officers Council (Police) RWF	105	\$782,603	\$22,103	\$149,053	\$16,250	\$2,230	\$13,658	\$0	\$2,083	\$2,740	\$21,483	\$5,103	\$0	\$0	\$536,811	\$11,089
New York City RWF	89	\$623,631	\$0	\$0	\$511,558	\$2,500	\$18,000	\$19,678	\$0	\$0	\$5,295	\$9,124	\$0	\$17,363	\$0	\$40,113
<b>TOTAL \$3 TO \$10 MILLION CATEGORY</b>	<b>9 FUNDS:</b>	<b>\$6,839,143</b>	<b>\$333,208</b>	<b>\$2,895,830</b>	<b>\$1,337,547</b>	<b>\$109,030</b>	<b>\$197,807</b>	<b>\$111,510</b>	<b>\$24,297</b>	<b>\$132,796</b>	<b>\$349,355</b>	<b>\$99,656</b>	<b>\$34,534</b>	<b>-\$201,264</b>	<b>\$1,097,380</b>	<b>\$317,457</b>

**2016 SCHEDULE OF ADMINISTRATIVE EXPENSES**

NAME OF FUND	REF	TOTAL ADMIN. EXPENSE	RENT	SALARIES	FEES & COMMSNS	LEGAL	ACCT'G	TRAVEL & CONF.	TELE-PHONE	OFFICE EQUIP & RENTAL	OTHER OFFICE EXPENSE	INSUR-ANCE	REPAIRS & MAINT	OTHER	INSURANCE RETENTION	INVEST & CUSTODIAL SERVICES
<b>SELF-INSURED WF &amp; RWF (continued)</b>																
<b>NYC CONTRIBUTION \$10 TO \$20 MILLION</b>																
Local 831 Uniformed Sanitationmen's Assoc WF	73	\$1,571,361	\$264,134	\$476,341	\$423,975	\$50,840	\$31,008	\$0	\$8,309	\$58,980	\$110,960	\$11,273	\$80,176	\$45,411	\$0	\$9,954
Local 1 Council of Supervisors & Admin WF	25	\$1,182,039	\$82,090	\$621,032	\$285,870	\$9,245	\$38,695	\$1,471	\$6,979	\$28,223	\$21,671	\$24,109	\$0	\$42,880	\$0	\$19,774
Organization of Staff Analysts WF/RWF/ED	93	\$1,537,528	\$197,356	\$883,328	\$299,919	\$0	\$25,140	\$0	\$8,137	\$0	\$28,227	\$23,158	\$22,924	\$49,339	\$0	\$0
Local 94 Uniformed Firefighters Assoc WF	83	\$1,068,170	\$37,185	\$335,819	\$232,643	\$18,000	\$12,000	\$835	\$6,109	\$48,285	\$12,933	\$7,064	\$512	\$32,982	\$0	\$323,803
Local 1 Council of Supervisors & Admin RWF	26	\$1,460,574	\$101,889	\$770,818	\$329,218	\$7,200	\$31,137	\$678	\$8,662	\$35,029	\$31,694	\$23,518	\$0	\$64,033	\$0	\$56,698
Local 831 Uniformed Sanitationmen's Assoc RWF	72	\$685,576	\$27,583	\$178,950	\$284,023	\$22,522	\$30,996	\$0	\$6,000	\$3,121	\$6,322	\$1,699	\$0	\$63,815	\$0	\$60,545
New York State Nurses Assoc WF	92	\$862,695	\$24,325	\$83,650	\$523,621	\$30,000	\$19,650	\$20,822	\$0	\$51,275	\$13,300	\$12,565	\$0	\$48,322	\$0	\$35,165
Correction Officers' Benevolent Assoc RWF	7	\$762,442	\$82,619	\$230,945	\$304,992	\$0	\$25,000	\$0	\$0	\$10,244	\$71,153	\$0	\$443	\$37,046	\$0	\$0
Correction Officers' Benevolent Assoc WF/CLRF	9	\$856,475	\$114,613	\$303,549	\$223,122	\$0	\$45,000	\$0	\$0	\$10,244	\$117,508	\$0	\$443	\$41,996	\$0	\$0
Local 94 Uniformed Firefighters Assoc RWF	81	\$934,678	\$37,185	\$333,618	\$292,041	\$9,700	\$12,000	\$836	\$6,108	\$47,903	\$11,223	\$5,978	\$512	\$32,570	\$0	\$145,004
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	113	\$1,206,075	\$14,092	\$611,649	\$341,219	\$128,000	\$23,500	\$5,928	\$4,058	\$16,809	\$25,449	\$4,026	\$28,243	\$3,102	\$0	\$0
<b>TOTAL \$10 TO \$20 MILLION CATEGORY</b>	<b>11 FUNDS:</b>	<b>\$12,127,613</b>	<b>\$983,071</b>	<b>\$4,829,699</b>	<b>\$3,540,643</b>	<b>\$275,507</b>	<b>\$294,126</b>	<b>\$30,570</b>	<b>\$54,362</b>	<b>\$310,113</b>	<b>\$450,440</b>	<b>\$113,390</b>	<b>\$133,253</b>	<b>\$461,496</b>	<b>\$0</b>	<b>\$650,943</b>
<b>NYC CONTRIBUTION MORE THAN \$20 MILLION</b>																
Local 237 Teamsters WF	45	\$4,266,766	\$525,614	\$2,381,965	\$458,278	\$181,055	\$75,104	\$16,890	\$12,947	\$147,638	\$177,760	\$24,591	\$87,631	\$93,667	\$0	\$83,625
Detectives Endowment Assoc WF/RWF/ADM	17	\$3,006,730	\$11,391	\$1,039,581	\$1,539,690	\$50,844	\$59,556	\$2,625	\$1,482	-\$55,098	\$74,687	\$15,535	\$0	\$972	\$0	\$265,467
Local 371 Social Service Employees WF/ED/Legal/ADM	62	\$2,837,464	\$246,391	\$2,001,206	\$247,273	\$166,157	\$45,750	\$26,827	\$24,140	\$182,631	\$140,868	\$35,718	\$33,467	-\$367,958	\$0	\$54,994
Professional Staff Congress CUNY WF/RWF	101	\$2,419,210	\$223,589	\$1,524,670	\$271,327	\$73,001	\$44,300	\$24,310	\$32,254	\$13,789	\$101,361	\$21,942	\$0	\$49,134	\$0	\$39,533
Patrolmen's Benevolent Assoc WF/CLRF	97	\$3,290,861	\$326,661	\$1,902,450	\$592,078	\$127,440	\$108,066	\$0	\$20,118	\$59,385	\$64,860	\$46,578	\$42,453	\$0	\$0	\$772
Patrolmen's Benevolent Assoc RWF	96	\$3,338,275	\$329,113	\$1,987,212	\$798,878	\$0	\$0	\$0	\$0	\$61,255	\$73,685	\$44,336	\$43,796	\$0	\$0	\$0
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	30	\$5,153,518	\$380,940	\$2,434,619	\$716,804	\$109,073	\$66,250	\$34,353	\$84,395	\$506,153	\$378,895	\$81,782	\$51,775	\$250,621	\$0	\$57,861
DC 37 WF	10	\$21,712,612	\$1,481,647	\$10,950,152	\$549,063	\$364,389	\$169,368	\$94,022	\$37,270	\$5,190,996	\$1,198,761	\$244,229	\$53,925	\$1,210,891	\$0	\$167,900
Local 2 United Federation of Teachers WF/RWF	41	\$22,932,147	\$3,018,888	\$11,703,668	\$5,559,894	\$145,834	\$74,481	\$29,071	\$174,821	\$575,840	\$816,569	\$94,091	\$390,659	\$8,818	\$0	\$339,514
<b>TOTAL MORE THAN \$20 MILLION CATEGORY</b>	<b>9 FUNDS:</b>	<b>\$68,957,583</b>	<b>\$6,544,234</b>	<b>\$35,925,523</b>	<b>\$10,733,285</b>	<b>\$1,217,793</b>	<b>\$642,875</b>	<b>\$228,098</b>	<b>\$387,427</b>	<b>\$6,682,589</b>	<b>\$3,027,446</b>	<b>\$608,802</b>	<b>\$703,706</b>	<b>\$1,246,145</b>	<b>\$0</b>	<b>\$1,009,666</b>
<b>TOTAL SELF-INSURED FUNDS</b>	<b>58 FUNDS:</b>	<b>\$93,658,203</b>	<b>\$8,263,606</b>	<b>\$45,154,064</b>	<b>\$17,332,273</b>	<b>\$1,923,168</b>	<b>\$1,543,553</b>	<b>\$540,756</b>	<b>\$515,562</b>	<b>\$7,289,213</b>	<b>\$4,079,882</b>	<b>\$928,045</b>	<b>\$875,532</b>	<b>\$1,692,878</b>	<b>\$1,258,552</b>	<b>\$2,261,128</b>
<b>INSURED WF &amp; RWF</b>																
<b>NYC CONTRIBUTION UP TO \$3 MILLION</b>																
NYC Deputy Sheriffs Assoc RWF	12	\$4,350	\$0	\$0	\$0	\$0	\$3,900	\$0	\$0	\$0	\$450	\$0	\$0	\$0	\$0	\$0
NYC Deputy Sheriffs Assoc WF	13	\$3,900	\$0	\$0	\$0	\$0	\$3,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Alarm Dispatchers Benevolent Assoc WF	23	\$83,784	\$7,875	\$39,200	\$21,821	\$0	\$0	\$0	\$5,919	\$362	\$942	\$2,359	\$0	\$5,306	\$0	\$0
Local 333 United Marine Division WF/RWF	60	\$107,861	\$1,843	\$47,931	\$0	\$12,018	\$27,362	\$0	\$1,442	\$4,167	\$1,236	\$8,493	\$2,620	\$748	\$0	\$0
<b>TOTAL UP TO \$3 MILLION CATEGORY</b>	<b>4 FUNDS:</b>	<b>\$199,895</b>	<b>\$9,718</b>	<b>\$87,131</b>	<b>\$21,821</b>	<b>\$12,018</b>	<b>\$35,162</b>	<b>\$0</b>	<b>\$7,361</b>	<b>\$4,529</b>	<b>\$2,628</b>	<b>\$10,852</b>	<b>\$2,620</b>	<b>\$6,054</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL SELF-INSURED AND INSURED FUNDS</b>	<b>62 FUNDS:</b>	<b>\$93,858,098</b>	<b>\$8,273,324</b>	<b>\$45,241,195</b>	<b>\$17,354,094</b>	<b>\$1,935,186</b>	<b>\$1,578,715</b>	<b>\$540,756</b>	<b>\$522,923</b>	<b>\$7,293,742</b>	<b>\$4,082,510</b>	<b>\$938,897</b>	<b>\$878,152</b>	<b>\$1,698,932</b>	<b>\$1,258,552</b>	<b>\$2,261,128</b>



**2016 SCHEDULE OF ADMINISTRATIVE EXPENSES**

NAME OF FUND	REF	TOTAL ADMIN. EXPENSE	RENT	SALARIES	FEES & COMMSN	LEGAL	ACCT'G	TRAVEL & CONF.	TELE-PHONE	OFFICE EQUIP & RENTAL	OTHER OFFICE EXPENSE	INSUR-ANCE	REPAIRS & MAINT	OTHER	INSURANCE RETENTION	INVEST & CUSTODIAL SERVICES
<b>ANNUITY FUNDS</b>																
<b>NYC CONTRIBUTION UP TO \$1 MILLION</b>																
NYC Deputy Sheriffs Assoc AF	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assistant Dep Wardens/Dep Wardens AF	1	\$87,855	\$0	\$0	\$11,200	\$5,250	\$5,500	\$0	\$0	\$0	\$0	\$4,347	\$0	\$2,500	\$0	\$59,058
DC 9 Painting Industry AF (Local 1969)	19	\$71,517	\$704	\$14,132	\$657	\$1,232	\$2,093	\$420	\$112	\$0	\$1,668	\$2,662	\$839	\$1,272	\$0	\$45,726
Civil Service Bar Assoc AF	130	\$60,358	\$0	\$0	\$39,428	\$5,986	\$10,250	\$0	\$0	\$0	\$0	\$4,055	\$0	\$639	\$0	\$0
Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF	117	\$242,236	\$9,913	\$127,068	\$0	\$12,017	\$14,000	\$0	\$0	\$4,811	\$4,670	\$3,014	\$0	\$0	\$0	\$66,743
Local 3 IBEW Communications Electricians AF	127	\$37,637	\$0	\$0	\$5,228	\$14,231	\$7,500	\$0	\$0	\$0	\$0	\$8,178	\$0	\$2,500	\$0	\$0
Local 444 Sanitation Officers Supplemental AF	133	\$79,148	\$0	\$0	\$10,000	\$0	\$8,500	\$0	\$0	\$0	\$1,331	\$1,584	\$0	\$47,781	\$0	\$9,952
Correction Captains Assoc AF	4	\$217,913	\$8,202	\$6,912	\$15,000	\$19,989	\$11,000	\$16,926	\$2,601	\$689	\$1,878	\$7,323	\$0	\$2,500	\$0	\$124,893
<b>TOTAL UP TO \$1 MILLION CATEGORY</b>	<b>8 FUNDS:</b>	<b>\$796,664</b>	<b>\$18,819</b>	<b>\$148,112</b>	<b>\$81,513</b>	<b>\$58,705</b>	<b>\$58,843</b>	<b>\$17,346</b>	<b>\$2,713</b>	<b>\$5,500</b>	<b>\$9,547</b>	<b>\$31,163</b>	<b>\$839</b>	<b>\$57,192</b>	<b>\$0</b>	<b>\$306,372</b>
<b>NYC CONTRIBUTION \$1 TO \$3 MILLION</b>																
Local 300 SEIU Civil Service Forum AF	125	\$166,424	\$5,152	\$3,045	\$28,000	\$9,000	\$17,000	\$4,317	\$0	\$0	\$43	\$12	\$0	\$4,114	\$0	\$95,741
Local 246 SEIU NYC AF	128	\$194,274	\$0	\$0	\$18,000	\$8,515	\$7,000	\$10,729	\$0	\$0	\$1,906	\$6,261	\$0	\$957	\$0	\$140,906
<b>TOTAL \$1 TO \$3 MILLION CATEGORY</b>	<b>2 FUNDS:</b>	<b>\$360,698</b>	<b>\$5,152</b>	<b>\$3,045</b>	<b>\$46,000</b>	<b>\$17,515</b>	<b>\$24,000</b>	<b>\$15,046</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,949</b>	<b>\$6,273</b>	<b>\$0</b>	<b>\$5,071</b>	<b>\$0</b>	<b>\$236,647</b>
<b>NYC CONTRIBUTION \$3 TO \$10 MILLION</b>																
Doctors Council AF	124	\$351,718	\$31,009	\$128,327	\$4,991	\$43,226	\$15,800	\$0	\$161	\$10,102	\$48,704	\$17,755	\$0	\$34,297	\$0	\$17,346
Local 891(IUOE) AF	126	\$360,795	\$10,539	\$36,865	\$11,568	\$16,125	\$20,000	\$0	\$0	\$4,783	\$0	\$12,784	\$0	\$2,500	\$0	\$245,631
Detectives Endowment Assoc AF	14	\$1,346,033	\$0	\$51,041	\$18,619	\$18,958	\$27,500	\$656	\$6,175	\$1,326	\$20,609	\$19,902	\$0	-\$14,522	\$0	\$1,195,770
DC 37 AFSCME AF	121	\$984,082	\$0	\$297,943	\$494,518	\$23,795	\$21,165	\$788	\$0	\$2,486	\$11,484	\$34,637	\$0	\$0	\$0	\$97,266
Local 444 Sanitation Officers AF	63	\$347,988	\$1,777	\$25,094	\$11,203	\$4,400	\$20,500	\$4,378	\$924	\$0	\$3,991	\$16,914	\$0	\$0	\$0	\$258,805
Local 1180 CWA Members AF	119	\$411,225	\$19,027	\$0	\$105,300	\$12,934	\$14,000	\$0	\$0	\$0	\$2,278	\$23,976	\$0	\$2,490	\$0	\$231,220
Local 854 Uniformed Fire Officers Assoc AF	76	\$343,015	\$16,840	\$196,442	\$66,561	\$20,011	\$15,740	\$3,059	\$591	\$5,882	\$6,703	\$10,459	\$0	\$727	\$0	\$0
Council of Supervisors and Administrators AF	132	\$108,157	\$0	\$0	\$26,456	\$24,000	\$12,000	\$134	\$0	\$0	\$12,496	\$8,171	\$13	\$2,500	\$0	\$22,400
Superior Officers Council (Police) AF	104	\$442,770	\$11,052	\$72,717	\$0	\$71,823	\$16,000	\$37,863	\$1,042	\$138,684	\$59,667	\$7,709	\$0	\$1,113	\$0	\$25,100
Local 30 A-D IUOE Engineers AF	114	\$184,567	\$5,535	\$32,524	\$24,876	\$12,000	\$24,894	\$96	\$0	\$569	\$9,577	\$13,519	\$28	\$0	\$0	\$60,949
Sergeants Benevolent Assoc (Police) AF	112	\$1,010,828	\$7,047	\$133,225	\$48,312	\$48,000	\$17,500	\$0	\$2,090	\$716	\$2,906	\$17,412	\$7,724	\$4,016	\$0	\$721,880
Local 94 Uniformed Firefighters Assoc AF	82	\$465,209	\$19,228	\$236,572	\$29,081	\$9,700	\$4,500	\$0	\$6,317	\$4,529	\$8,653	\$25,538	\$530	\$0	\$0	\$120,561
Local 237 Teamsters AF	43	\$2,000,568	\$0	\$0	\$106,000	\$39,300	\$12,354	\$0	\$19,231	\$63,628	\$50,525	\$0	\$239,716	\$0	\$1,469,814	
Correction Officers' Benevolent Assoc AF	8	\$891,251	\$51,963	\$113,504	\$127,920	\$0	\$29,000	\$0	\$0	\$3,415	\$51,829	\$0	\$144	\$0	\$0	\$513,476
<b>TOTAL \$3 TO \$10 MILLION CATEGORY</b>	<b>14 FUNDS:</b>	<b>\$9,248,206</b>	<b>\$174,017</b>	<b>\$1,324,254</b>	<b>\$969,405</b>	<b>\$410,972</b>	<b>\$277,899</b>	<b>\$59,328</b>	<b>\$17,300</b>	<b>\$191,723</b>	<b>\$302,525</b>	<b>\$259,301</b>	<b>\$8,426</b>	<b>\$272,837</b>	<b>\$0</b>	<b>\$4,980,218</b>
<b>NYC CONTRIBUTION MORE THAN \$10 MILLION</b>																
Local 371 Social Service Employees AF	123	\$1,039,555	\$34,342	\$335,835	\$29,890	\$36,000	\$12,000	\$0	\$2,154	\$6,217	\$46,208	\$8,949	\$0	\$4,500	\$0	\$523,460
Patrolmen's Benevolent Assoc AF	95	\$811,860	\$16,171	\$145,621	\$606,371	\$0	\$0	\$0	\$0	\$459	\$10,184	\$31,612	\$1,442	\$0	\$0	\$0
Local 831 Uniformed Sanitationmen's Assoc AF	71	\$743,364	\$24,022	\$87,764	\$77,558	\$22,567	\$35,004	\$0	\$0	\$0	\$12,646	\$659	\$0	\$0	\$0	\$483,144
Steamfitters' Industry Supplemental AF	136	\$910,469	\$102,043	\$527,019	\$66,000	\$11,296	\$17,039	\$7,332	\$3,032	\$100,276	\$22,389	\$19,522	\$30,596	\$3,925	\$0	\$0
<b>TOTAL MORE THAN \$10 MILLION CATEGORY</b>	<b>4 FUNDS:</b>	<b>\$3,505,248</b>	<b>\$176,578</b>	<b>\$1,096,239</b>	<b>\$779,819</b>	<b>\$69,863</b>	<b>\$64,043</b>	<b>\$7,332</b>	<b>\$5,186</b>	<b>\$106,952</b>	<b>\$91,427</b>	<b>\$60,742</b>	<b>\$32,038</b>	<b>\$8,425</b>	<b>\$0</b>	<b>\$1,006,604</b>
<b>TOTAL ANNUITY FUNDS</b>	<b>28 FUNDS:</b>	<b>\$13,910,816</b>	<b>\$374,566</b>	<b>\$2,571,650</b>	<b>\$1,876,737</b>	<b>\$557,055</b>	<b>\$424,785</b>	<b>\$99,052</b>	<b>\$25,199</b>	<b>\$304,175</b>	<b>\$405,448</b>	<b>\$357,479</b>	<b>\$41,303</b>	<b>\$343,525</b>	<b>\$0</b>	<b>\$6,529,841</b>
<b>GRAND TOTAL</b>	<b>90 FUNDS:</b>	<b>\$107,768,914</b>	<b>\$8,647,890</b>	<b>\$47,812,845</b>	<b>\$19,230,831</b>	<b>\$2,492,241</b>	<b>\$2,003,500</b>	<b>\$639,808</b>	<b>\$548,122</b>	<b>\$7,597,917</b>	<b>\$4,487,957</b>	<b>\$1,296,377</b>	<b>\$919,455</b>	<b>\$2,042,456</b>	<b>\$1,258,552</b>	<b>\$8,790,969</b>

2016 SCHEDULE OF WELFARE FUND AVAILABLE BENEFITS

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	MEMBER BENEFITS PROVIDED BY EACH WELFARE FUND *																					OTHER BENEFITS Self-Insured unless (Ins) is specified														
			Dental		Optical		Prescription Drugs		Audiology/ Hearing Aids		Life and/or ADD Insurance		Legal Services		Supplemental/ Major Medical		Death		Short/Long Term Disability		Podiatry and/or Orthotics		Medical/Drug Reimbursements		Catastrophic		Education		Retirement/Pension Counseling									
			Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins		Self	Ins	Self	Ins	Self	Ins	Self							
<b>INSURED NYC CONTRIBUTION UP TO \$3 MILLION (4 FUNDS)</b>																																						
NYC Deputy Sheriffs Assoc RWF	12	\$76,359	X		X					X			X										X															
NYC Deputy Sheriffs Assoc WF	13	\$159,578	X		X					X			X										X														Tax Prep	
Fire Alarm Dispatchers Benevolent Assoc WF	23	\$354,749	X	X	X				X	X	X							X																			AFLAC Cancer Insurance (Ins), Imaging	
Local 333 United Marine Division WF/RWF	60	\$649,481	X		X					X									X																			
<b>SELF-INSURED NYC CONTRIBUTION UP TO \$1 MILLION (9 FUNDS)</b>																																						
Local 306 Municipal Employees WF	56	\$32,975		X		X			X														X															
Local 14 –14B IUOE WF/RWF	37	\$105,923	X			X			X								X						X															
Local No. 5 MNCPL Employees Benefit Trust Fund	84	\$99,547		X		X				X																												
NYC Muni. Steamfitters & Steamfitter Helpers RWF	87	\$181,536		X		X			X	X	X																											
NYC Muni. Steamfitters & Steamfitter Helpers WF	86	\$260,653		X		X			X	X									X				X															
Local 15, 15A, 15C Operating Engineers WF/RWF	38	\$518,921	X			X			X														X															
United Probation Officers Assoc RWF	110	\$391,085		X		X			X	X				X			X					X																Anesthesia, Emergency Room, Health and Wellness Symposium
Local 300 Civil Service Forum RWF	54	\$880,806		X		X			X	X							X																					
Doctors Council RWF	21	\$963,944		X		X			X	X												X		X														Mammogram, Physical Examinations, and Psychiatric

\* Each benefit is identified as either Insured (Ins) or Self-Insured (Self).  
Insured Benefits are listed in the shaded columns.

2016 SCHEDULE OF WELFARE FUND AVAILABLE BENEFITS

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	MEMBER BENEFITS PROVIDED BY EACH WELFARE FUND *																				OTHER BENEFITS Self-Insured unless (Ins) is specified								
			Dental		Optical		Prescription Drugs		Audiology/ Hearing Aids		Life and/or ADD Insurance		Legal Services		Supplemental/ Major Medical		Death		Short/Long Term Disability		Podiatry and/or Orthotics			Medical/Drug Reimbursements		Catastrophic		Education		Retirement/Pension Counseling	
			Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self		Ins	Self	Ins	Self	Ins	Self	Ins	Self
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	2	\$832,394	X	X		X		X	X		X	X		X															X	Full Body Scan, Health and Wellness, In-Hospital, Maternity, and New Dependent	
Doctors Council WF	22	\$1,297,862		X		X		X	X		X	X							X		X		X							Mammogram, Maternity/Adoption, Physical Examinations, and Psychiatric	
United Probation Officers Assoc WF	109	\$761,917		X		X		X						X		X		X		X										Anesthesia, Emergency Room, Health and Wellness Symposium, and Maternity	
Local 1181 CWA Supervisory Employees WF/RWF	32	\$941,715		X		X		X			X																				
Correction Captains Assoc WF/CLRF	6/6.1	\$1,159,635	X	X		X		X	X		X		X										X							Ambulance, In-Hospital, Maternity, and Body Scans	
1199 SEIU Licensed Practical Nurses WF	68	\$1,454,587		X		X		X	X									X									X			Social Services	
Local 300 Civil Service Forum WF	55	\$1,327,361		X		X		X			X					X		X		X								X		Heart Scans	
1199 SEIU NYC Ed/Child & Eldercare Fund	137	\$291,163																								X				Child and Eldercare	
NYC Municipal Plumbers & Pipefitters WF	85	\$1,221,547		X		X		X	X									X		X		X								Chiropratic, Health Club Membership, Health Screening, and Vacation Ben.	
Local 3 IBEW Electricians RWF	50	\$2,027,596		X		X		X			X					X				X		X								Heart Scans	
Local 211 Allied Building Inspectors WF	42	\$1,550,141		X		X		X			X					X		X													
DC 9 Painting Industry WF/RWF (Local 1969)	20	\$1,483,085		X		X		X	X		X		X																	<i>Note: New members receive delayed benefits.</i>	
Local 246 SEIU RWF	46	\$1,684,738		X		X		X														X									
Civil Service Bar Assoc WF	3	\$1,611,474		X		X	X	X	X									X												Lifestyle, Nurse Helpline, and Nursery	
Local 444 Sanitation Officers WF	65	\$1,391,262		X		X		X			X		X																		
Local 3 IBEW Electricians WF	51	\$2,306,763	X	X		X					X					X	X					X								Employee Assistance and Heart Scans	
Local 246 SEIU WF	47	\$2,389,208		X		X		X								X															
Local 891 School Custodian & Engineers WF/RWF/ED	80	\$1,997,571		X		X		X	X		X												X				X			Variable and Survivor Continuation,	
Local 30 A-C Operating Municipal Engineers WF/RWF	57	\$1,839,017		X		X										X						X									
Correction Captains Assoc RWF	5	\$2,568,225	X	X		X		X					X									X	X							In-Hospital and Examinations	

\* Each benefit is identified as either Insured (Ins) or Self-Insured (Self). Insured Benefits are listed in the shaded columns.

2016 SCHEDULE OF WELFARE FUND AVAILABLE BENEFITS

			MEMBER BENEFITS PROVIDED BY EACH WELFARE FUND *																				OTHER BENEFITS Self-Insured unless (Ins) is specified									
FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	Dental		Optical		Prescription Drugs		Audiology/ Hearing Aids		Life and/or ADD Insurance		Legal Services		Supplemental/ Major Medical		Death		Short/Long Term Disability		Podiatry and/or Orthotics			Medical/Drug Reimbursements		Catastrophic		Education		Retirement/Pension Counseling		
			Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self		Ins	Self	Ins	Self	Ins	Self	Ins	Self	
<b>SELF-INSURED NYC CONTRIBUTION \$3 TO \$10 MILLION (9 FUNDS)</b>																																
Local 444 Sanitation Officers RWF	64	\$3,757,061		X		X					X					X									X							
House Staff Comm of Interns & Residents WF/Legal	24	\$4,969,819	X	X		X		X	X				X		X				X	X				X				X				
Superior Officers Council (Police) WF/CLRF	106	\$4,114,572	X	X		X		X																X								
Local 854 Uniformed Fire Officers Assoc WF	77	\$5,399,980		X		X		X		X																						
Local 237 Teamsters RWF	44	\$20,370,527		X		X		X					X		X		X											X				
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	33	\$4,562,866		X		X			X				X						X													
Local 854 Uniformed Fire Officers Assoc RWF	78	\$13,170,467		X		X		X		X																						
Superior Officers Council (Police) RWF	105	\$7,558,198	X	X		X		X									X							X		X						
New York City RWF	89	\$6,790,196		X		X		X	X				X		X																	
<b>SELF-INSURED NYC CONTRIBUTION \$10 TO \$20 MILLION (11 FUNDS)</b>																																
Local 831 Uniformed Sanitationmen's Assoc WF	73	\$12,988,463	X	X		X			X						X																	
Local 1 Council of Supervisors & Admin WF	25	\$11,779,431	X	X		X		X		X					X																	
Organization of Staff Analysts WF/RWF/ED	93	\$10,383,925		X		X			X						X			X						X				X		X		
Local 94 Uniformed Firefighters Assoc WF	83	\$12,862,241		X		X		X	X																							
Local 1 Council of Supervisors & Admin RWF	26	\$10,868,048	X	X		X			X						X																	
Local 831 Uniformed Sanitationmen's Assoc RWF	72	\$13,420,992	X	X		X									X																	
New York State Nurses Assoc WF	92	\$15,215,973		X		X		X	X						X		X	X		X									X			
Correction Officers' Benevolent Assoc RWF	7	\$14,274,006	X			X		X	X				X																			
Correction Officers' Benevolent Assoc WF/CLRF	9	\$17,167,695	X			X		X	X				X																			
Local 94 Uniformed Firefighters Assoc RWF	81	\$25,619,557		X		X		X	X						X																	
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	113	\$19,640,263		X		X		X					X	X			X									X						

\* Each benefit is identified as either Insured (Ins) or Self-Insured (Self).  
Insured Benefits are listed in the shaded columns.

2016 SCHEDULE OF WELFARE FUND AVAILABLE BENEFITS

FUND NAME (BY REVENUE CATEGORY)	REF	TOTAL BENEFIT EXPENSE	MEMBER BENEFITS PROVIDED BY EACH WELFARE FUND *																				OTHER BENEFITS Self-Insured unless (Ins) is specified								
			Dental		Optical		Prescription Drugs		Audiology/ Hearing Aids		Life and/or ADD Insurance		Legal Services		Supplemental/ Major Medical		Death		Short/Long Term Disability		Podiatry and/or Orthotics			Medical/Drug Reimbursements		Catastrophic		Education		Retirement/Pension Counseling	
			Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self	Ins	Self		Ins	Self	Ins	Self	Ins	Self	Ins	Self
Local 237 Teamsters WF	45	\$38,385,427		X		X		X		X				X				X		X										X	College Guidance and Financial Counseling
Detectives Endowment Assoc WF/RWF/ADM	17	\$27,512,528	X	X		X		X		X							X					X		X						Body Scans, Appliance Rider (Ins), and Hospital Rider (Ins)	
Local 371 Social Service Employees WF/ED/Legal/ADM	62	\$22,897,041		X		X		X	X			X				X		X		X							X			Abortion, Diagnostic Examinations, Health and Safety, and Prosthetic Appliances	
Professional Staff Congress CUNY WF/RWF	101	\$29,738,332	X	X	X	X	X	X				X	X		X	X															
Patrolmen's Benevolent Assoc WF/CLRF	97	\$34,420,285		X		X		X			X		X											X					X	Supplemental Benefits	
Patrolmen's Benevolent Assoc RWF	96	\$35,515,856		X		X		X				X																		Supplemental Benefits	
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	30	\$43,008,930	X	X		X		X	X			X						X		X		X				X		X	Clinical and Maternity		
DC 37 WF	10	\$250,249,212		X		X		X		X					X		X		X		X			X		X		X	Second Surgical Consultation, Social Services Crisis Intervention Program, and Survivor		
Local 2 United Federation of Teachers WF/RWF	41	\$282,405,231		X		X		X		X					X		X					X							Anesthesia, Durable Med Equip., Prescription Appliance, Private Duty Nursing, Retiree Programs, and SLOAC (Ins)		

WELFARE FUNDS BENEFITS SUMMARY (62 FUNDS)

SUBTOTAL (Insured vs. Self-Insured)

TOTAL

22	54	5	57	2	44	0	42	32	8	4	29	4	19	0	19	11	12	0	11	1	20	5	4	0	9	0	9
76	62	46	42	40	33	23	19	23	11	21	9	9	9														

\* Each benefit is identified as either Insured (Ins) or Self-Insured (Self). Insured Benefits are listed in the shaded columns.

# 2016 SCHEDULE OF BENEFIT FUND RATIOS

NAME OF FUND	REF	DEVIATION		DEVIATION		DEVIATION		DEVIATION		EXCESS/ TOTAL REV.	DEVIATION FROM CAT. AVERAGE
		BEN EXP/ TOTAL REV.	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL REV.	FROM CAT. AVERAGE	BEN EXP/ TOTAL EXP	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL EXP	FROM CAT. AVERAGE		
<b>SELF-INSURED WF &amp; RWF</b>											
<u>NYC CONTRIBUTION UP TO \$1 MILLION</u>											
Local 306 Municipal Employees WF	56	35.07%	-52.95%	28.66%	37.15%	55.03%	-28.42%	44.97%	94.48%	36.28%	694.04%
Local 14 –14B IUOE WF/RWF	37	81.31%	9.08%	18.10%	-13.38%	81.79%	6.39%	18.21%	-21.26%	0.59%	-87.05%
Local No. 5 MNCPL Employees Benefit Trust Fund	84	47.36%	-36.46%	12.10%	-42.09%	79.65%	3.61%	20.35%	-11.99%	40.54%	787.40%
NYC Muni. Steamfitters & Steamfitter Helpers RWF	87	93.00%	24.77%	12.94%	-38.07%	87.78%	14.19%	12.22%	-47.17%	-5.94%	-230.00%
NYC Muni. Steamfitters & Steamfitter Helpers WF	86	95.54%	28.18%	10.98%	-47.44%	89.69%	16.67%	10.31%	-55.41%	-6.52%	-242.73%
Local 15, 15A, 15C Operating Engineers WF/RWF	38	77.12%	3.46%	32.39%	55.02%	70.42%	-8.40%	29.58%	27.92%	-9.51%	-308.14%
United Probation Officers Assoc RWF	110	55.25%	-25.87%	36.76%	75.93%	60.05%	-21.89%	39.95%	72.78%	7.99%	74.85%
Local 300 Civil Service Forum RWF	54	90.42%	21.30%	18.45%	-11.72%	83.05%	8.04%	16.95%	-26.72%	-8.86%	-293.99%
Doctors Council RWF	21	95.78%	28.50%	17.67%	-15.42%	84.42%	9.82%	15.58%	-32.63%	-13.45%	-394.38%
UP TO \$1 MILLION CATEGORY AVERAGE	<b>9 FUNDS:</b>	74.54%		20.90%		76.88%		23.12%		4.57%	
<u>NYC CONTRIBUTION \$1 TO \$3 MILLION</u>											
Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF	2	70.63%	-5.28%	9.79%	-21.95%	87.83%	3.17%	12.17%	-18.17%	19.58%	51.93%
Doctors Council WF	22	100.33%	34.54%	24.91%	98.66%	80.11%	-5.89%	19.89%	33.75%	-25.24%	-295.86%
United Probation Officers Assoc WF	109	63.48%	-14.88%	25.91%	106.63%	71.02%	-16.58%	28.98%	94.91%	10.61%	-17.64%
Local 1181 CWA Supervisory Employees WF/RWF	32	70.18%	-5.89%	15.44%	23.12%	81.97%	-3.71%	18.03%	21.24%	14.38%	11.59%
Correction Captains Assoc WF/CLRF	6/6.1	77.19%	3.50%	9.09%	-27.54%	89.47%	5.10%	10.53%	-29.18%	13.73%	6.52%
1199 SEIU Licensed Practical Nurses WF	68	88.78%	19.05%	12.37%	-1.31%	87.77%	3.10%	12.23%	-17.74%	-1.15%	-108.95%
Local 300 Civil Service Forum WF	55	78.93%	5.84%	21.68%	72.90%	78.45%	-7.84%	21.55%	44.90%	-0.61%	-104.73%
1199 SEIU NYC Ed/Child & Eldercare Fund	137	16.43%	-77.97%	7.95%	-36.58%	67.38%	-20.85%	32.62%	119.34%	75.62%	486.84%
NYC Municipal Plumbers & Pipefitters WF	85	65.38%	-12.33%	6.68%	-46.69%	90.73%	6.57%	9.27%	-37.63%	27.93%	116.76%
Local 3 IBEW Electricians RWF	50	99.78%	33.79%	9.90%	-21.06%	90.98%	6.87%	9.02%	-39.32%	-9.67%	-175.06%
Local 211 Allied Building Inspectors WF	42	65.87%	-11.68%	8.85%	-29.38%	88.15%	3.55%	11.85%	-20.31%	25.28%	96.15%
DC 9 Painting Industry WF/RWF (Local 1969)	20	67.17%	-9.94%	9.39%	-25.10%	87.73%	3.06%	12.27%	-17.51%	23.44%	81.92%
Local 246 SEIU RWF	46	85.84%	15.11%	14.41%	14.93%	85.63%	0.58%	14.37%	-3.34%	-0.25%	-101.97%
Civil Service Bar Assoc WF	3	80.83%	8.39%	12.02%	-4.15%	87.06%	2.26%	12.94%	-12.96%	7.15%	-44.50%
Local 444 Sanitation Officers WF	65	62.94%	-15.60%	5.74%	-54.25%	91.65%	7.66%	8.35%	-43.84%	31.32%	143.05%
Local 3 IBEW Electricians WF	51	92.09%	23.48%	9.86%	-21.33%	90.33%	6.10%	9.67%	-34.94%	-1.95%	-115.13%
Local 246 SEIU WF	47	92.75%	24.38%	14.87%	18.61%	86.18%	1.24%	13.82%	-7.08%	-7.63%	-159.17%
Local 891 School Custodian & Engineers WF/RWF/ED	80	70.73%	-5.15%	13.86%	10.57%	83.61%	-1.78%	16.39%	10.20%	15.40%	19.52%
Local 30 A-C Operating Municipal Engineers WF/RWF	57	60.66%	-18.66%	12.32%	-1.74%	83.12%	-2.36%	16.88%	13.53%	27.02%	109.71%
Correction Captains Assoc RWF	5	81.51%	9.30%	5.73%	-54.33%	93.44%	9.76%	6.56%	-55.86%	12.76%	-0.98%
\$1 TO \$3 MILLION CATEGORY AVERAGE	<b>20 FUNDS:</b>	74.58%		12.54%		85.13%		14.87%		12.89%	
<u>NYC CONTRIBUTION \$3 TO \$10 MILLION</u>											
Local 444 Sanitation Officers RWF	64	87.24%	0.00%	5.46%	-35.63%	94.11%	3.52%	5.89%	-35.20%	7.30%	70.75%
House Staff Comm of Interns & Residents WF/Legal	24	86.15%	-1.25%	10.60%	24.87%	89.05%	-2.05%	10.95%	20.45%	3.25%	-23.92%
Superior Officers Council (Police) WF/CLRF	106	86.44%	-0.91%	8.77%	3.33%	90.79%	-0.13%	9.21%	1.28%	4.79%	12.00%
Local 854 Uniformed Fire Officers Assoc WF	77	104.05%	19.28%	5.05%	-40.52%	95.37%	4.91%	4.63%	-49.12%	-9.10%	-312.86%
Local 237 Teamsters RWF	44	80.97%	-7.18%	8.69%	2.37%	90.31%	-0.65%	9.69%	6.54%	10.34%	141.84%
Local 1182 CWA Security Benefits Fund WF/RWF/Legal	33	74.16%	-14.99%	17.31%	104.02%	81.07%	-10.82%	18.93%	108.13%	8.52%	99.37%
Local 854 Uniformed Fire Officers Assoc RWF	78	116.98%	34.09%	5.83%	-31.27%	95.25%	4.78%	4.75%	-47.77%	-22.81%	-633.54%
Superior Officers Council (Police) RWF	105	82.65%	-5.26%	8.56%	0.85%	90.62%	-0.32%	9.38%	3.19%	8.80%	105.73%
New York City RWF	89	66.50%	-23.77%	6.11%	-28.02%	91.59%	0.75%	8.41%	-7.49%	27.39%	540.63%
\$3 TO \$10 MILLION CATEGORY AVERAGE	<b>9 FUNDS:</b>	87.24%		8.49%		90.91%		9.09%		4.28%	

## 2016 SCHEDULE OF BENEFIT FUND RATIOS

NAME OF FUND	REF	DEVIATION		DEVIATION		DEVIATION		DEVIATION		EXCESS/ TOTAL REV.	DEVIATION FROM CAT. AVERAGE
		BEN EXP/ TOTAL REV.	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL REV.	FROM CAT. AVERAGE	BEN EXP/ TOTAL EXP	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL EXP	FROM CAT. AVERAGE		
<b>SELF-INSURED WF &amp; RWF (continued)</b>											
<b>NYC CONTRIBUTION \$10 TO \$20 MILLION</b>											
Local 831 Uniformed Sanitationmen's Assoc WF	73	110.14%	26.75%	13.33%	90.92%	89.21%	-3.64%	10.79%	45.35%	-23.47%	-483.47%
Local 1 Council of Supervisors & Admin WF	25	89.77%	3.30%	9.01%	29.06%	90.88%	-1.83%	9.12%	22.82%	1.22%	-80.07%
Organization of Staff Analysts WF/RWF/ED	93	71.03%	-18.26%	10.52%	50.69%	87.10%	-5.91%	12.90%	73.69%	18.45%	201.44%
Local 94 Uniformed Firefighters Assoc WF	83	78.45%	-9.72%	6.52%	-6.66%	92.33%	-0.26%	7.67%	3.27%	15.03%	145.62%
Local 1 Council of Supervisors & Admin RWF	26	69.87%	-19.60%	9.39%	34.53%	88.15%	-4.78%	11.85%	59.55%	20.74%	238.90%
Local 831 Uniformed Sanitationmen's Assoc RWF	72	78.72%	-9.42%	4.02%	-42.39%	95.14%	2.77%	4.86%	-34.55%	17.26%	182.04%
New York State Nurses Assoc WF	92	99.04%	13.96%	5.61%	-19.55%	94.63%	2.22%	5.37%	-27.74%	-4.65%	-175.98%
Correction Officers' Benevolent Assoc RWF	7	87.88%	1.12%	4.69%	-32.75%	94.93%	2.54%	5.07%	-31.71%	7.43%	21.41%
Correction Officers' Benevolent Assoc WF/CLRF	9	96.50%	11.05%	4.81%	-31.02%	95.25%	2.89%	4.75%	-36.00%	-1.32%	-121.53%
Local 94 Uniformed Firefighters Assoc RWF	81	73.79%	-15.09%	2.69%	-61.43%	96.48%	4.22%	3.52%	-52.60%	23.52%	284.25%
Sergeants Benevolent Assoc (Police) WF/RWF/CLRF	113	100.71%	15.89%	6.18%	-11.40%	94.21%	1.77%	5.79%	-22.08%	-6.89%	-212.62%
<b>\$10 TO \$20 MILLION CATEGORY AVERAGE</b>	<b>11 FUNDS:</b>	<b>86.90%</b>		<b>6.98%</b>		<b>92.57%</b>		<b>7.43%</b>		<b>6.12%</b>	
<b>NYC CONTRIBUTION MORE THAN \$20 MILLION</b>											
Local 237 Teamsters WF	45	83.95%	2.04%	9.33%	13.19%	90.00%	-0.99%	10.00%	9.91%	6.72%	-29.18%
Detectives Endowment Assoc WF/RWF/ADM	17	77.90%	-5.32%	8.51%	3.26%	90.15%	-0.83%	9.85%	8.24%	13.59%	43.28%
Local 371 Social Service Employees WF/ED/Legal/ADM	62	75.89%	-7.76%	9.40%	14.07%	88.97%	-2.12%	11.03%	21.14%	14.71%	55.06%
Professional Staff Congress CUNY WF/RWF	101	71.79%	-12.74%	5.84%	-29.16%	92.48%	1.74%	7.52%	-17.35%	22.37%	135.89%
Patrolmen's Benevolent Assoc WF/CLRF	97	87.61%	6.49%	8.38%	1.60%	91.27%	0.41%	8.73%	-4.12%	4.02%	-57.67%
Patrolmen's Benevolent Assoc RWF	96	76.25%	-7.32%	7.17%	-13.06%	91.41%	0.56%	8.59%	-5.60%	16.58%	74.84%
Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM	30	86.12%	4.68%	10.32%	25.18%	89.30%	-1.76%	10.70%	17.56%	3.56%	-62.49%
DC 37 WF	10	99.23%	20.61%	8.61%	4.43%	92.02%	1.23%	7.98%	-12.29%	-7.84%	-182.62%
Local 2 United Federation of Teachers WF/RWF	41	81.71%	-0.68%	6.64%	-19.52%	92.49%	1.75%	7.51%	-17.49%	11.66%	22.89%
<b>MORE THAN \$20 MILLION CATEGORY AVERAGE</b>	<b>9 FUNDS:</b>	<b>82.27%</b>		<b>8.24%</b>		<b>90.90%</b>		<b>9.10%</b>		<b>9.49%</b>	
<b>SELF-INSURED FUNDS AVERAGE</b>	<b>58 FUNDS:</b>	<b>81.10%</b>		<b>11.43%</b>		<b>87.28%</b>		<b>12.72%</b>		<b>7.47%</b>	
<b>INSURED WF &amp; RWF</b>											
<b>NYC CONTRIBUTION UP TO \$3 MILLION</b>											
NYC Deputy Sheriffs Assoc RWF	12	86.62%	7.86%	4.93%	-45.69%	94.61%	5.45%	5.39%	-47.57%	8.44%	-20.37%
NYC Deputy Sheriffs Assoc WF	13	89.86%	11.89%	2.20%	-75.83%	97.61%	8.80%	2.39%	-76.80%	7.95%	-25.05%
Fire Alarm Dispatchers Benevolent Assoc WF	23	73.82%	-8.08%	17.43%	91.88%	80.89%	-9.84%	19.11%	85.84%	8.74%	-17.55%
Local 333 United Marine Division WF/RWF	60	70.94%	-11.67%	11.78%	29.65%	85.76%	-4.42%	14.24%	38.53%	17.28%	62.97%
<b>INSURED FUNDS AVERAGE</b>	<b>4 FUNDS:</b>	<b>80.31%</b>		<b>9.09%</b>		<b>89.72%</b>		<b>10.28%</b>		<b>10.60%</b>	
<b>SELF-INSURED AND INSURED FUNDS AVERAGE</b>	<b>62 FUNDS:</b>	<b>80.97%</b>		<b>11.04%</b>		<b>87.68%</b>		<b>12.32%</b>		<b>7.99%</b>	

## 2016 SCHEDULE OF BENEFIT FUND RATIOS

NAME OF FUND	REF	DEVIATION		DEVIATION		DEVIATION		DEVIATION		EXCESS/ TOTAL REV.	DEVIATION FROM CAT. AVERAGE
		BEN EXP/ TOTAL REV.	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL REV.	FROM CAT. AVERAGE	BEN EXP/ TOTAL EXP	FROM CAT. AVERAGE	ADMIN EXP/ TOTAL EXP	FROM CAT. AVERAGE		
<b>ANNUITY FUNDS</b>											
<u>NYC CONTRIBUTION UP TO \$1 MILLION</u>											
NYC Deputy Sheriffs Assoc AF	11	83.60%	-21.15%	0.00%	-100.00%	100.00%	9.76%	0.00%	-100.00%	16.40%	-189.51%
Assistant Dep Wardens/Dep Wardens AF	1	78.43%	-26.02%	6.70%	-45.53%	92.13%	1.12%	7.87%	-11.51%	14.87%	-181.18%
DC 9 Painting Industry AF (Local 1969)	19	43.57%	-58.91%	3.63%	-70.45%	92.31%	1.31%	7.69%	-13.43%	52.80%	-388.25%
Civil Service Bar Assoc AF	130	264.05%	149.05%	40.45%	229.10%	86.71%	-4.83%	13.29%	49.47%	-204.50%	1016.49%
Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF	117	187.97%	77.29%	25.74%	109.39%	87.96%	-3.46%	12.04%	35.50%	-113.71%	520.78%
Local 3 IBEW Communications Electricians AF	127	54.90%	-48.22%	4.51%	-63.32%	92.41%	1.43%	7.59%	-14.62%	40.59%	-321.60%
Local 444 Sanitation Officers Supplemental AF	133	66.96%	-36.84%	8.47%	-31.07%	88.77%	-2.57%	11.23%	26.38%	24.57%	-234.12%
Correction Captains Assoc AF	4	68.71%	-35.20%	8.84%	-28.11%	88.60%	-2.75%	11.40%	28.21%	22.46%	-222.61%
<b>TOTAL UP TO \$1 MILLION CATEGORY</b>	<b>8 FUNDS:</b>	<b>106.02%</b>		<b>12.29%</b>		<b>91.11%</b>		<b>8.89%</b>		<b>-18.32%</b>	
<u>NYC CONTRIBUTION \$1 TO \$3 MILLION</u>											
Local 300 SEIU Civil Service Forum AF	125	39.75%	-28.68%	9.46%	22.60%	80.78%	-6.66%	19.22%	42.87%	50.79%	38.96%
Local 246 SEIU NYC AF	128	71.72%	28.68%	5.97%	-22.60%	92.32%	6.66%	7.68%	-42.87%	22.31%	-38.96%
<b>TOTAL \$1 TO \$3 MILLION CATEGORY</b>	<b>2 FUNDS:</b>	<b>55.73%</b>		<b>7.71%</b>		<b>86.55%</b>		<b>13.45%</b>		<b>36.55%</b>	
<u>NYC CONTRIBUTION \$3 TO 10 MILLION</u>											
Doctors Council AF	124	34.84%	-49.85%	6.87%	8.93%	83.53%	-7.81%	16.47%	75.23%	58.29%	140.70%
Local 891(IUOE) AF	126	33.73%	-51.46%	6.58%	4.32%	83.67%	-7.64%	16.33%	73.67%	59.69%	146.50%
Detectives Endowment Assoc AF	14	63.95%	-7.95%	6.52%	3.33%	90.75%	0.17%	9.25%	-1.61%	29.53%	21.93%
DC 37 AFSCME AF	121	50.25%	-27.67%	10.13%	60.56%	83.23%	-8.14%	16.77%	78.43%	39.62%	63.61%
Local 444 Sanitation Officers AF	63	62.15%	-10.54%	3.86%	-38.87%	94.16%	3.93%	5.84%	-37.86%	33.99%	40.37%
Local 1180 CWA Members AF	119	53.84%	-22.51%	5.65%	-10.41%	90.50%	-0.11%	9.50%	1.05%	40.51%	67.29%
Local 854 Uniformed Fire Officers Assoc AF	76	227.83%	227.93%	9.44%	49.59%	96.02%	5.99%	3.98%	-57.70%	-137.27%	-666.85%
Council of Supervisors and Administrators AF	132	17.31%	-75.08%	1.92%	-69.53%	90.01%	-0.65%	9.99%	6.27%	80.76%	233.51%
Superior Officers Council (Police) AF	104	82.25%	18.39%	3.34%	-47.06%	96.10%	6.07%	3.90%	-58.50%	14.41%	-40.50%
Local 30 A-D IUOE Engineers AF	114	36.46%	-47.52%	1.33%	-78.99%	96.49%	6.51%	3.51%	-62.70%	62.21%	156.92%
Sergeants Benevolent Assoc (Police) AF	112	140.98%	102.92%	16.94%	168.58%	89.27%	-1.46%	10.73%	14.12%	-57.92%	-339.19%
Local 94 Uniformed Firefighters Assoc AF	82	56.27%	-19.01%	3.08%	-51.16%	94.81%	4.65%	5.19%	-44.78%	40.65%	67.88%
Local 237 Teamsters AF	43	57.30%	-17.53%	6.87%	8.85%	89.30%	-1.43%	10.70%	13.83%	35.84%	47.98%
Correction Officers' Benevolent Assoc AF	8	55.50%	-20.12%	5.79%	-8.14%	90.55%	-0.06%	9.45%	0.56%	38.71%	59.84%
<b>TOTAL \$3 TO \$10 MILLION CATEGORY</b>	<b>14 FUNDS:</b>	<b>69.48%</b>		<b>6.31%</b>		<b>90.60%</b>		<b>9.40%</b>		<b>24.22%</b>	
<u>NYC CONTRIBUTION MORE THAN \$10 MILLION</u>											
Local 371 Social Service Employees AF	123	52.20%	-12.00%	8.69%	72.96%	85.73%	-7.25%	14.27%	88.48%	39.11%	9.68%
Patrolmen's Benevolent Assoc AF	95	86.24%	45.38%	6.79%	35.29%	92.70%	0.29%	7.30%	-3.51%	6.97%	-80.45%
Local 831 Uniformed Sanitationmen's Assoc AF	71	64.20%	8.23%	3.16%	-37.12%	95.31%	3.12%	4.69%	-38.06%	32.64%	-8.47%
Steamfitters' Industry Supplemental AF	136	34.64%	-41.61%	1.45%	-71.13%	95.98%	3.84%	4.02%	-46.91%	63.91%	79.24%
<b>TOTAL MORE THAN \$10 MILLION CATEGORY</b>	<b>4 FUNDS:</b>	<b>59.32%</b>		<b>5.02%</b>		<b>92.43%</b>		<b>7.57%</b>		<b>35.66%</b>	
<b>ANNUITY FUNDS AVERAGE</b>	<b>28 FUNDS:</b>	<b>72.64%</b>		<b>7.83%</b>		<b>90.17%</b>		<b>9.83%</b>		<b>19.53%</b>	
<b>GRAND TOTAL</b>	<b>90 FUNDS:</b>	<b>77.64%</b>		<b>9.76%</b>		<b>88.68%</b>		<b>11.32%</b>		<b>12.61%</b>	



**2016 FUNDS THAT DO NOT USE CPAs**  
**FROM THE COMPTROLLER'S PREQUALIFIED CPA LIST\***

- |  |  |   |
|--|--|---|
| 1. Sergeants Benevolent Assoc (Police) AF          | 23. Detectives Endowment Assoc AF                      | 45. House Staff Comm of Interns & Residents WF/Legal      |
| 2. Sergeants Benevolent Assoc (Police) WF/RWF/CLRF | 24. Detectives Endowment Assoc CLRF                    | 46. Steamfitters' Industry Supplemental AF                |
| 3. Local 444 Sanitation Officers RWF               | 25. Detectives Endowment Assoc WF/RWF/ADM              | 47. NYC Deputy Sheriffs Assoc AF                          |
| 4. Local 444 Sanitation Officers Supplemental AF   | 26. Local 1180 CWA Members AF                          | 48. NYC Deputy Sheriffs Assoc RWF                         |
| 5. Local 444 Sanitation Officers WF                | 27. Local 1180 CWA Municipal Mgt WF/RWF/Legal/ED/ADM   | 49. NYC Deputy Sheriffs Assoc WF                          |
| 6. Local 444 Sanitation Officers AF                | 28. Local 1181 CWA Supervisory Employees WF/RWF        | 50. Local 94 Uniformed Firefighters Assoc AF              |
| 7. Fire Alarm Dispatchers Benevolent Assoc WF      | 29. Local 1182 CWA Security Benefits Fund WF/RWF/Legal | 51. Local 94 Uniformed Firefighters Assoc RWF             |
| 8. New York State Nurses Assoc WF                  | 30. Local 3 IBEW Communications Electricians AF        | 52. Local 94 Uniformed Firefighters Assoc WF              |
| 9. Pavers & Road Builders District Council WF      | 31. Local 3 IBEW Electricians RWF                      | 53. Committee of Interns and Residents ED                 |
| 10. Doctors Council WF                             | 32. Local 3 IBEW Electricians WF                       | 54. DC 37 AFSCME AF                                       |
| 11. Doctors Council RWF                            | 33. Local 300 Civil Service Forum RWF                  | 55. DC 37 WF  |
| 12. Local 831 Uniformed Sanitationmen's Assoc RWF  | 34. Local 300 Civil Service Forum WF                   | 56. Local 211 Allied Building Inspectors WF               |
| 13. Local 831 Uniformed Sanitationmen's Assoc WF   | 35. Local 300 SEIU Civil Service Forum AF              | 57. Local 14 -14B IUOE WF/RWF                             |
| 14. Local 333 United Marine Division WF/RWF        | 36. Local 371 Social Service Employees AF              | 58. Local 15, 15A, 15C (IUOE) Operating Muni Engineers AF |
| 15. NYS Court Officers Assoc RWF                   | 37. Local 371 Social Service Employees WF/ED/Legal/ADM | 59. Local 15, 15A, 15C Operating Engineers WF/RWF         |
| 16. 1199 SEIU Licensed Practical Nurses WF         | 38. Organization of Staff Analysts WF/RWF/ED           | 60. NYC DC of Carpenters WF/RWF                           |
| 17. Civil Service Bar Assoc AF                     | 39. United Probation Officers Assoc WF                 | 61. Local 1 Council of Supervisors & Admin RWF            |
| 18. Civil Service Bar Assoc WF                     | 40. United Probation Officers Assoc RWF                | 62. Local 1 Council of Supervisors & Admin WF             |
| 19. Correction Captains Assoc AF                   | 41. Doctors Council AF                                 | 63. Local No. 5 MNCPL Employees Benefit Trust Fund        |
| 20. Correction Captains Assoc RWF                  | 42. Assistant Dep Wardens/Dep Wardens AF               | 64. Local 246 SEIU RWF                                    |
| 21. Correction Captains Assoc WF/CLRF              | 43. Assistant Dep Wardens/Dep Wardens WF/RWF/CLRF      | 65. Local 246 SEIU NYC AF                                 |
| 22. Council of Supervisors and Administrators AF   | 44. Local 831 Uniformed Sanitationmen's Assoc AF       | 66. Local 246 SEIU WF                                     |

\* The City of New York Procurement Policy Board Rules ("PPB") authorize the Comptroller to maintain a list of prequalified auditors. PPB rule §3-10(k) states: A Prequalified List of Auditors shall be maintained by the Comptroller in accordance with this section. An agency seeking to award an audit contract shall solicit only those suppliers that have been prequalified by the Comptroller." Directive #12 §5.23 states "Benefit Funds contract only with firms included on the Office of the Comptroller's prequalified list of CPAs." Comptroller's Prequalified CPA List as of July 5, 2017.



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

**INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES**

**DIRECTIVE #12: EMPLOYEE BENEFIT FUNDS**

**INTRODUCTION**

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 to 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).

This Directive is issued pursuant to the authority of the Office of the Comptroller, as provided in Chapter 5, Section 93 of the [New York City Charter](http://www.nyc.gov/html/dycd/downloads/pdf/citycharter2004.pdf).  
(<http://www.nyc.gov/html/dycd/downloads/pdf/citycharter2004.pdf>)

*Note: Directive #12 provides guidelines for both Municipal (12A) and Non-Municipal (12B) Labor Committee Union Employee Benefit Funds. Only Non-Municipal Benefit Funds must include a Multi-Employer Analysis Schedule.*

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## 1. GENERAL INFORMATION

### *1.1 Directive Organization*

The Directive is divided into the following primary sections:

[General Information](#)  
[Definitions](#)  
[General Guidelines and Requirements](#)  
[Annual Reporting Requirements](#)  
[Independent Annual Audit](#)  
[Trustee Representation Letter](#)  
[Federal ERISA Reporting Requirements](#)  
[Annual Report to Fund Membership](#)  
[Supporting Schedules](#)  
[Appendices](#)

### *1.2 Effective Date*

This Directive is effective immediately and supersedes the previous version, issued in February 1997.

### *1.3 Assistance*

Questions or comments concerning this Directive should be addressed to: The Office of the Comptroller, Attention: Directives/Policy Unit, Bureau of Accountancy, Municipal Building, One Centre Street, Room 200 South, New York, NY 10007, (212) 669-3675, email: [directives@comptroller.nyc.gov](mailto:directives@comptroller.nyc.gov).

### *1.4 Comptroller's Internal Control and Accountability Directives*

An inventory of existing [Comptroller's Internal Control and Accountability Directives](#) is available on the [Comptroller's Website](#).

## 2. DEFINITIONS

This Section defines 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 [New York City Charter](#), Chapter 52, Section 1150, Sub- Division 2.

### ***2.3 Benefit Expense***

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

1. Claims paid by the Fund for self-insured benefits.
2. Insurance premium payments, less any retention charges.
3. The cost of providing medical referral services.
4. Salaries or other payments to:
  - a) Attorneys who provide direct legal services to members.
  - b) Instructors who conduct in-house training for members.
  - c) Physicians who examine members for workers' disability purposes.
  - d) 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:

1. Salaries and allowances for the Fund's administrative support staff.
2. Rents and other occupancy costs.
3. Insurance policies for offices, equipment, and other general business purposes.

4. Fees paid to third party or Fund administrators for administrative purposes.
5. Miscellaneous fees and commissions.
6. 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.

[Back to the Beginning of the Directive](#)

## **3. 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 (GAAP), file annual trustees' statements with the Office of the Comptroller containing substantiation and other information that the Comptroller shall prescribe, as per individual Fund supplemental agreement, 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. In addition, 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 that 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 GAAP.

### ***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 ensure that New York City Contributions are spent appropriately and monitored carefully. This includes:

1. Restricting their use only for expenditures and programs that directly or indirectly benefit fund members.
2. Carefully controlling Administrative Expenses and ensuring that they do not exceed a reasonable percentage of total Benefit Fund revenue.
3. Ensuring 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.
4. Using competitive processes to the greatest degree practicable to procure goods and services.

In addition:

1. Political and charitable contributions of any kind paid from the New York City Contribution or related investment earnings are prohibited.
2. 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, which 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**

#### **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 its policy and procedures.

#### **Investment Policy Recommendation**

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

1. Ensures that the Fund has a written investment policy that 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.
2. Conducts annual reviews of the Fund's compliance with the investment policies and procedures.
3. Ensures that the investment policy and procedures are periodically reviewed and revised, as necessary, to reflect changes in available investment opportunities and market conditions.
4. Establishes a trustee investment committee that includes the Fund's chief fiscal officer, to oversee the investment function.
5. Ensures that internal accounting and procedural controls provide an environment that encourages adherence to the Fund's investment policies and procedures. The internal controls should:
  - a) Separate the investment authorization and accounting functions.
  - b) Ensure that investment transactions are fully recorded at an appropriate level of detail.
  - c) Mandate that all transactions are based on written authorizations.
  - d) Regularly report on all investment activity to Trustees.
  - e) 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.



The travel policy, at a minimum, must:

1. Prohibit first-class travel.
2. Provide that reimbursement of expenses will be made only upon submission of a completed request, with supporting documents attached.
3. 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 made in writing.

In addition, it is recommended that the travel policy:

1. 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, professional development courses, or industry conferences/trade shows.
2. Establish reasonable per diem rates, such as the [Federal General Services Administration's](#) per diem rates, by locality, for normal daily travel expenditures.
3. State that Level II Funds comply with the Comptroller's Internal Control and Accountability [Directive #6 – Travel, Meals, Lodging and Miscellaneous Agency Expenses](#).

### **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 that 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.

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## **4. 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 that 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 on the following page.

<b>Reporting Requirements</b>			
<b>Report/Information</b>	<b>Directive Reference</b>	<b>Level I</b>	<b>Level II</b>
<b>Annual Independent Auditor's (CPA) Report</b>	5	<b>Yes</b>	<b>Yes</b>
Statement of Net Assets Available for Benefits	5.3		
Statement of Changes in Net Assets Available for Benefits	5.3		
Footnotes to Financial Statements	5.3		
Auditor's Opinion on Financial Statements	5.4		
Administrative Expense Schedule	5.3/9.1		
Benefit Expense Schedule	5.3/9.2		
<b>Auditor's Management Letter</b>	5.7	<b>Yes</b>	<b>Yes</b>
<b>Trustee Representation Letter</b>	6	<b>No</b>	<b>Yes</b>
Fund Name, Address, etc.	6.1		
Trustee Names, Addresses, etc.	6.1		
Fund Administrator, Name, Address, etc.	6.1		
New York City Contribution	6.1		
Total Benefit Fund Revenue	6.1		
Number of City Employees/Retirees	6.1		
Percent NYC Employees to Total Fund Enrollment	6.1		
Allocation Methodologies	3.8/6.1		
Travel Policy	3.7/6.1		
Trustee/Staff Travel Report	3.7/6.1		
Payments to Trustees	6.1		
Payments to Top Five Officers/Trustees/Staff	6.1		
Fee/Commission Payments	3.5/6.1		
Benefit Plan Amendments	6.1		
Insurer Changes	6.1		
IRS 5500, 5500c or 990	7.0/6.1		
Investment Policies and Procedures	3.6/6.1		
Audit Contract	5.5/6.1		
<b>ERISA Reports 5500 &amp; 5500C (if filed)</b>	7/6.1	<b>Yes</b>	<b>Yes</b>
Level I Fund Addendum	7	<b>Yes</b>	<b>No</b>
<b>Annual Report to Fund Membership</b>	8	<b>Yes</b>	<b>Yes</b>
Administrative Expense Schedule	9.1		
Benefit Expense Schedule	9.2		
Key Ratios Schedule	9.3		

### **4.3 Filing Address**

All filings required by the Directive must be submitted electronically to:

[Directive12@comptroller.nyc.gov](mailto:Directive12@comptroller.nyc.gov)

Or by mail to:

The City of New York  
Office of the Comptroller  
Bureau of Audit  
1 Centre Street, Room 1310 North  
New York, NY 10007

Attention: Ms. Auldith Abraham  
(212) 669-8048

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## **5. INDEPENDENT ANNUAL AUDITS**

All Benefit Funds must prepare annual financial statements in accordance with GAAP. Financial statements must be audited annually by independent Certified Public Accountants (CPAs).

### **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:

1. The audit selection process is 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 ensure 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.
2. 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 [Section 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 (Appendix A) and Benefit Expense Schedule (Appendix 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 GAAP.

### **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 Guides](#). 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 Fund's internal control structure, the auditor should take special note of the following areas:

1. Adequacy of expenditure documentation and approval processes.
2. Expense allocations for Benefit Funds that share their premises with other organizations.
3. The adequacy and propriety of the Fund's investment policies and procedures, and of the Fund's compliance with them.
4. Competitive procurement practices.
5. Staff utilization, including the reasonableness of staffing in relation to workload requirements.
6. 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.

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## 6. 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 [Section 7](#).

### ***6.1 Trustee Representation Letter Requirements***

The trustee representation letter must contain:

- The Benefit Fund's name, address and telephone number.
- The names and business addresses of all board of trustee members.
- The Fund administrator's name, address, and telephone number.
- The total amount of New York City Contributions for the Fund's fiscal or calendar year.
- Total Benefit Fund revenue from all sources.
- The number of City employee and retiree members at year-end.
- The number of City employees and retirees expressed as a percentage of the total number of covered Benefit Fund members.
- 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 ([Section 3.8](#)).
- A copy of the Fund's travel policy ([Section 3.7](#)).
- 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 ([Section 3.7](#)).
- A listing of all amounts paid to any trustee and a description of the work or services rendered.
- A statement disclosing the total remuneration for the five most highly paid individuals from among trustees, officers, and staff.
- 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 ([Section 3.5](#)).
- For insured benefit contracts, certification of the competitive selection process as described in [Section 3.9](#).
- 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.

- 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.
- If required to file with the IRS, a copy of IRS Form 5500 or 5500C (or IRS Form 990).
- A copy of the Benefit Fund's investment policy and procedures and the certification described in [Section 3.6](#).
- A copy of the independent audit contract ([Section 5.5](#)).

### ***6.2 Substitution of Statements or Filings***

Funds may, in lieu of any specific requirement in [Section 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 [Section 6.1](#).

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## **7. 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. 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. 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 Appendix 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](#). 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 Appendix 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 [Section 7](#). 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 Appendix 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.

## 10. APPENDIX D: Multi-Employer Analysis Schedule

Appendix D provides the *Multi-Employer Analysis Schedule*. 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](#) of this directive.

### 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.
- 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 the following *Appendices* section. 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.

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**11. APPENDICES**

*Appendix A: Administrative Expense Schedule*

DESCRIPTION	2012 <sup>*</sup>	2013	2014
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):			
<b>Total Administrative Expense</b>			
<b>Total Benefit Fund Revenue</b>			
<b>% Administrative/Revenue</b>			

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<sup>\*</sup> Required if Fund has a current year's operating deficit in excess of five times its Fund balance.

*Appendix A: Administrative Expense Schedule (continued)*

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.

*Appendix 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

*Appendix C: Benefit Fund Key Ratio Schedule*

	2014	2015
Total Revenue		
Administrative Expense		
% of Revenue		
Benefit Expense		
% of Revenue		
Total Expense		
Net Surplus/(Deficit)		
Fund Balance Year-End		
% of Total Revenue		

*Appendix D: Multi-Employer Analysis Schedule for Funds Not Established and Maintained by  
Municipal Labor Committee Unions*

<b>Multi-Employer Analysis Schedule</b>		
<b>Reporting Year</b> _____		
<b>Employers</b>	<b>Number of Employee and/or Retiree Members</b>	<b>Contribution Per Employee and/or Retiree Member</b>
New York City		
Five Largest Non-City Contributors: (enter name)		
1)		
2)		
3)		
4)		
5)		
Benefit Fund/Trustee		

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**COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUNDS**

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
Benefit processing system	<ul style="list-style-type: none"> <li>- Funds do not verify eligibility of employees' dependents. Documentation, such as marriage or birth certificates, is not reviewed before processing benefits for members' dependents.</li> </ul>
	<ul style="list-style-type: none"> <li>- Funds do not always check the eligibility database before processing benefit claims.</li> </ul>
	<ul style="list-style-type: none"> <li>- Funds paid benefits not in accordance with guidelines.</li> </ul>
	<ul style="list-style-type: none"> <li>- Funds pay claims without obtaining the proper documentation.</li> </ul>
	<ul style="list-style-type: none"> <li>- Funds improperly delay eligibility.</li> </ul>
	<ul style="list-style-type: none"> <li>- Benefit payments are made without being reviewed and approved by an individual other than the claims processor.</li> </ul>
	<ul style="list-style-type: none"> <li>- Coordination of benefits provisions are not properly applied.</li> </ul>
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	<p>Expenses are allocated between funds and related entities without:</p> <ul style="list-style-type: none"> <li>- Funds establishing a reasonable basis for the allocation (i.e. contribution rate, number of participants, actual usage).</li> <li>- Funds maintaining supporting documentation that substantiates the percentage of expenses allocated.</li> </ul>
Documentation for expenses	<ul style="list-style-type: none"> <li>- Amounts expended by Funds do not have supporting documentation such as approved vouchers, bills and receipts.</li> </ul>
	<ul style="list-style-type: none"> <li>- Questionable expenses charged to fund.</li> </ul>
	<ul style="list-style-type: none"> <li>- Benefit expenses were not recorded by the Fund.</li> </ul>
	<ul style="list-style-type: none"> <li>- Payment to consultants did not specify service rendered, amount, method of compensation or period covered.</li> </ul>



**COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUNDS**

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
Travel and conference expenses	<p>Funds do not follow the following guidelines:</p> <ul style="list-style-type: none"> <li>- The number of conference attendees is not kept to an absolute minimum.</li> <li>- 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.</li> <li>- Coach airfare or group rates are not used.</li> <li>- Reimbursements are made for personal expenditures (flowers, entertainment, etc.)</li> <li>- Meal advances are not limited.</li> <li>- Reimbursement for local transportation and meals are made despite failure to present properly documented expense vouchers.</li> <li>- Persons attending conferences do not submit written reports on the sessions they attended.</li> <li>- Summary reports were not discussed or recorded at Board of Trustees meetings.</li> <li>- Fund per diem expenses for trustees exceeded IRS guidelines.</li> <li>- Fund officials routinely have business lunches during the day with staff.</li> </ul>
Payments to trustees	<ul style="list-style-type: none"> <li>- Trustees received fixed monthly allowances.</li> <li>- Trustees did not submit documentation for such allowances.</li> <li>- Insufficient guidelines for paying trustees for performing fund work.</li> </ul>
Written contracts	<p>Funds do not maintain written contracts or agreements with:</p> <ul style="list-style-type: none"> <li>- Consultants</li> <li>- Accountants</li> <li>- Attorneys</li> </ul>

**COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUNDS**

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
Competitive bidding for professional services	<p>Funds do not competitively bid or consider alternative and benefit services providers for the following types of professional services:</p> <ul style="list-style-type: none"> <li>- Consultants (actuary, computer, investments)</li> <li>- Attorneys</li> <li>- Fiduciary liability and bonding insurance</li> <li>- Third party benefit administrators</li> </ul>
Retention charges for insured benefits	<ul style="list-style-type: none"> <li>- The funds do not have a formal package of all the solicitation materials including a complete description of benefits, estimated retentions, and all conditions which the successful bidder must meet.</li> </ul>
	<ul style="list-style-type: none"> <li>- 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 compensation.</li> </ul>
	<ul style="list-style-type: none"> <li>- Retention charges, expressed as percentage of premiums are higher than the limits established by the NYS Insurance Department.</li> </ul>
	<ul style="list-style-type: none"> <li>- Commissions expressed as a percentage of premiums are higher than guidelines established by the NYS Insurance Department.</li> </ul>
Internal Controls	<p>Funds do not maintain an adequate set of accounting records, including the following:</p> <ul style="list-style-type: none"> <li>- General Ledger</li> <li>- Cash disbursements journal</li> <li>- Cash receipts journal</li> </ul>
	<p>Funds do not:</p> <ul style="list-style-type: none"> <li>- Stamp paid on all vouchers (indicating date and check number)</li> <li>- Segregate incompatible duties between personnel</li> <li>- Prohibit writing checks to cash or bearer</li> </ul>

**COMMONLY FOUND UNACCEPTABLE PRACTICES OF WELFARE FUNDS**

<u>AREA</u>	<u>UNACCEPTABLE PRACTICE</u>
Significant Operating Deficits	- Substantial operating deficits have exhausted the fund's reserve.
	- Funds maintain inadequate level of reserves.
High Administrative Expenses	A significant larger percentage of total revenue was spent on administrative expenses, in comparison to other similar funds.
Postretirement benefits	The Funds financial statements do not present the Plan's obligation to provide health and welfare benefits to participants after retirements (postretirement benefit obligations) as required by generally accepted accounting principles. The effects of the omission of postretirement benefit obligation information of the Plan's financial statements are presumed to be material.
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 2018**

<b><u>Report Number</u></b>	<b><u>Title</u></b>	<b><u>Date Issued</u></b>
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
C 88-200	Patrolmen's Benevolent Association of the City of New York Retiree Health and Welfare Fund	06/06/88

**Comptroller's Audit Reports on Benefit Funds**  
**Issued in Fiscal Years 1985 to 2018**

<b><u>Report Number</u></b>	<b><u>Title</u></b>	<b><u>Date Issued</u></b>
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
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

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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
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

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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
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
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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
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FL02-086A	Detectives Endowment Association Health Benefit Fund-Retirees	04/26/02
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FL03-088A	Local 300 SEIU Civil Service Forum Retired Employees Welfare Fund	06/10/03
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FL03-151A	Local 444 Sanitation Officers Security Benefit Fund	06/30/03
FL04-093A	Local 721 Licensed Practical Nurses Welfare Fund	06/30/04
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FL04-095A	Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan	06/30/04
FL05-088A	Municipal Employees Welfare Fund of the International Union of Operating Engineers Local Union 15, 15A and 15C	03/29/06
FL05-090A	Local 333 Insurance Fund for New York City Employees	06/26/07
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FL09-099A	Superior Officers Council Health & Welfare Fund Of the New York City Police Department	09/30/09
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FL10-123A	Social Service Employees Union Local 371 Welfare Fund	04/29/11
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FL10-125A	Social Service Employees Union Local 371 Legal Services Fund and Educational Fund	04/29/11
FM16-069A	United Probation Officer's Association Welfare Fund	05/23/17
FM16-070A	United Probation Officer's Association Retirement Welfare Fund	05/23/17