

Educational Fund

GOULD, KOBRICK & SCHLAPP, P.C., CERTIFIED PUBLIC ACCOUNTANTS
Empire State Building, 350 Fifth Avenue, New York, N.Y. 10118-4309

Social Service Employees Union
Local 371 Educational Fund
817 Broadway, New York, New York 10003

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of benefit obligations and net assets available for benefits of the Social Service Employees Union Local 371 Educational Fund as of June 30, 2007 and 2006 and the related statements of changes in benefit obligations and in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of June 30, 2007 and 2006 and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

November 10, 2007

GOULD, KOBRICK & SCHLAPP, P.C.

STATEMENTS OF BENEFIT OBLIGATIONS AND NET ASSETS AVAILABLE FOR BENEFITS AT JUNE 30, 2007 AND 2006

	2007	2006
BENEFIT OBLIGATIONS		
Program expenses currently payable	\$51,239	\$57,767
Claims incurred but not reported	2,134	2,134
Total Benefit Obligations	<u>53,373</u>	<u>59,901</u>
ASSETS		
Receivables:		
Social Service Employees Union Local 371 Administrative Fund	64,806	63,438
Total Assets	<u>64,806</u>	<u>63,438</u>
LIABILITIES		
Cash, operating accounts overdraft	11,433	3,537
NET ASSETS AVAILABLE FOR BENEFITS	<u>53,373</u>	<u>59,901</u>
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	<u>\$ 0</u>	<u>\$ 0</u>

STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS AND IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
NET INCREASE (DECREASE) IN BENEFIT OBLIGATIONS		
Program expenses currently payable	(6,528)	4,104
Claims incurred but not reported	0	(294)
Net Increase (Decrease) in Benefit Obligations	<u>(6,528)</u>	<u>3,810</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO EMPLOYER CONTRIBUTION ALLOCATION	<u>346,368</u>	<u>391,531</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO BENEFITS PAID:		
Tuition reimbursements	322,843	364,524
Civil Service examination preparation courses	14,877	8,144
Dues for professional organizations	8,942	7,052
Fees for job related conferences	6,234	7,789
Other Benefits	0	212
Total Deductions	<u>352,896</u>	<u>387,721</u>
Net increase (decrease) in net assets available for benefits	<u>(6,528)</u>	<u>3,810</u>
Net increase (decrease) in excess of net assets available for benefits over benefit obligations	0	0
Excess of net assets available for benefits over benefit obligations:		
Beginning	0	0
Ending	<u>\$0</u>	<u>\$0</u>

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Social Service Employees Union Local 371 Educational Fund (the "Fund") provides only general information. Participants should refer to the benefit booklet and its Summary Plan Description for a more complete description of the Plan's provisions.

General: The Plan was established in 1965 for the purpose of providing educational benefits to eligible employees covered by the collective bargaining agreement between the Social Service Employees Union Local 371 (the "Union") and the City of New York (the "Employer"). It is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended but voluntarily files Form 5550.

Plan Administration: The administration of the Plan is the responsibility of a board of trustees comprised of seven trustees, six of whom are elected by the general membership of the Union and the seventh being the President of the Union.

Benefits: The Plan provides a schedule of reimbursements for job-related courses, conferences, etc. The Fund also provides its own training courses at no cost to the members.

Funding: Employer contributions are made by the City of New York to the Social Service Employees Union Local 371 Administrative Fund (the "Administrative Fund"), a related organization. The Plan receives, on an as needed basis, an allocation of these contributions (see Note 4).

Plan Termination: In the event of termination of the Plan, the Trust Agreement requires that the trustees pay all obligations of the Fund and shall distribute and apply any remaining surplus in such a manner as will, in their opinion, best effectuate the purpose of the Fund. In no circumstances shall any funds revert or accrue to the benefit of the City of New York or the Union.

Other: Although they have not expressed any intention to do so the Plan's Board of Trustees has the right under the Plan to modify the Trust and to terminate the Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The records of the Plan are maintained on the accrual basis of accounting.

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

Plan Benefits: Estimated liabilities for benefits incurred but not reported were estimated at 12.5% of benefits paid less actual accruals for benefits payable.

Administrative Expenses: The Administration Fund pays all administrative expenses of the Plan.

NOTE 3 - TAX STATUS

The Trust established under the Plan to hold the Plan's assets is qualified pursuant to Section 501(c)(3) of the Internal Revenue Code, as amended and, accordingly, the trust's net investment income is exempt from income taxes. The Plan has obtained a favorable tax determination letter from the Internal Revenue Service, and Plan management believes that the Trust, as amended, continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

NOTE 4 - AGREEMENTS AND TRANSACTIONS WITH RELATED PARTIES

The trustees of the Social Service Employees Union Local 371 Administrative, Educational, Legal Services and Welfare Funds decided that to simplify operations and record keeping all administrative expenses of the above-mentioned benefit plan would be paid by the Administrative Fund.

As stated in Note 1 the Administrative Fund is the recipient of employer contributions. These contributions are then allocated on an as needed basis to cover the costs of the Plan's benefit programs and related expenses.

NOTE 5 - RISKS AND UNCERTAINTIES

The balance of claims incurred but not reported is reported based on certain assumptions, which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 6 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	June 30,	
	2007	2006
Net assets available for benefits per the financial statements	\$ 53,373	\$ 59,901
Less - Benefit obligations currently payable	53,373	59,901
Net assets available for benefits per the Form 5500	<u>\$ 0</u>	<u>\$ 0</u>

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	Year Ended June 30,	
	2007	2006
Benefits paid per the financial statements	\$352,896	\$387,721
Add - Benefits obligations currently payable, end of year:	53,373	59,901
Less - Benefit obligations currently payable, beginning of year:	(59,901)	(56,091)
Benefits paid per Form 5500	<u>\$346,368</u>	<u>\$ 391,531</u>

Amounts currently payable to or for participants, dependents and beneficiaries are recorded on the Form 5500 for benefits that have been processed and approved for payment prior to June 30, but not yet paid as of that date, and for estimates of claims incurred but not yet reported to the Plan.

Legal Services Fund

GOULD, KOBRICK & SCHLAPP, P.C., CERTIFIED PUBLIC ACCOUNTANTS
Empire State Building, 350 Fifth Avenue, New York, N.Y. 10118-4309

Social Service Employees Union
Local 371 Educational Fund
817 Broadway, New York, New York 10003

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of benefit obligations and net assets available for benefits of the Social Service Employees Union Local 371 Legal Services Fund as of June 30, 2007 and 2006 and the related statements of changes in benefit obligations and in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Social Service Employees Union Local 371 Legal Services Fund as of June 30, 2007 and June 30, 2006 and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

November 12, 2007

GOULD, KOBRICK & SCHLAPP, P.C.

STATEMENTS OF BENEFIT OBLIGATIONS AND NET ASSETS AVAILABLE FOR BENEFITS AT JUNE 30, 2007 AND 2006

	2007	2006
BENEFIT OBLIGATIONS		
Benefits currently payable	\$90,602	\$91,380
ASSETS		
Receivables:		
Social Service Employees Union Local 371 Administrative Fund	90,029	89,381
Other assets:		
Bail bond imprest account	13,000	13,000
Total Assets	<u>103,029</u>	<u>102,381</u>
LIABILITIES		
Cash, operating account (overdraft)	12,427	11,001

NET ASSETS AVAILABLE FOR BENEFITS	90,602	91,380
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	<u>\$ 0</u>	<u>\$ 0</u>

STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS AND NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
NET (DECREASE) IN BENEFIT OBLIGATIONS		
Benefits currently payable	\$ (778)	\$ (121,868)
ADDITIONS TO NET ASSETS ATTRIBUTED TO EMPLOYER CONTRIBUTION ALLOCATION	<u>3,679,648</u>	<u>3,611,202</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO LEGAL SERVICE BENEFITS PAID:		
Civil	2,148,727	2,071,030
Criminal representation	1,355,278	1,318,008
F.I.C.A. expense	132,443	272,742
Court costs	38,978	71,290
Bail bond imprest account replenishments	5,000	0
Total Deductions	<u>3,680,426</u>	<u>3,733,070</u>
Net (decrease) in net assets available for benefits	<u>(778)</u>	<u>(121,868)</u>
Net increase (decrease) in excess of net assets available for benefits over benefit obligations	0	0
Excess of net assets available for benefits over benefit obligations:		
Beginning	0	0
Ending	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Social Service Employees Union Local 371 Legal Services Fund (the "Plan") provides only general information. Participants should refer to the Plan's benefit booklet and its Summary Plan Description for a more complete description of the Plan's provisions.

General: The Plan was established in 1974 for the purpose of providing prepaid legal benefits to eligible employees covered by the collective bargaining agreement between the Fund, the Social Service Employees Union Local 371 (the "Union") and the City of New York (the "Employer"). It is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan Administration: The administration of the Plan is the responsibility of a board of trustees comprised of seven Trustees, all of who must be members of the Legal Assistance Committee of the Social Service Employees