

2025

Annual Report

CSEA Employee Benefit Fund

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It is the policy of the CSEA Employee Benefit Fund to afford equal opportunity for employment regardless of race, color, religion, age, sex, national origin, sexual orientation or physical disability. The Fund has taken, and will continue to take, affirmative action to ensure that the principles involved in this policy of equal opportunity are implemented in promotion, training, benefits and all other personnel action.

CSEA Employee Benefit Fund Board of Trustees:



Mary E. Sullivan, *Chairperson*

CSEA President, Mary E. Sullivan, began her career as an employee of the Herkimer County Department of Social Services. She advanced through the union ranks, serving first as President of the Herkimer County Employees Unit and then of Herkimer County Local 822. She also served in several elected offices for CSEA's Central Region. Mary was the first local government official to serve in CSEA's statewide office when chosen by the CSEA statewide Board of Directors to fill a vacancy as Treasurer. She went on to win re-election twice by overwhelming response. In 1994, Mary was elected Executive Vice President and became an EBF Trustee. In 2019, she moved up to the position of CSEA President and EBF Chair, becoming only the second woman to lead our union, and the first from the local government division. In 2020, she was elected to her first full term as president.

Mary has been a driving force behind CSEA's Labor Education and Development (LEAD) program, helping to mold and mentor the next generation of union leaders. She has been an elected AFSCME International Vice President since 1996 and was elected a Vice President of the New York State AFL-CIO in 2020. For her service and achievement, she has received numerous awards from labor organizations, constituency groups and community groups, in which she has remained very active.



Lester I. Crockett, *Treasurer*

Lester began his union career at the NYS Insurance Fund in 1981. In 1983, he was appointed Shop Steward for the Payroll Audit Department. Later in 1992, Lester was elected President of Local 351. He served as President of the Local until October 2011 when Lester assumed the position of President of CSEA Metropolitan Region 2. He was re-elected as President in 2012, a position he still holds. Lester has also served as an AFSCME delegate since 1992. His union service includes serving as a Trustee for the CSEA Political Action Fund (2008-2019), Executive Board Member of the NYC Central Labor Council, member of the CSEA Board of Directors for 20 years, and member of the following statewide and regional committees: Men and Women's Education, Political Action, ADM, Constitution and Bylaws, Health & Safety. Lester was elected as a member of the CSEA Employee Benefit Fund Board of Trustees in September 2016.



Lynne Gamache, *Secretary*

Lynne serves as the President of the Dutchess County Educational Local 867 and was previously an officer for the same Local. Working for over 30 years in the Arlington School District, she has continuously been a well-respected activist and advocate not only with her members but with management as well. She is also a member of the CSEA Board of Directors. Lynne has served on

the Southern Region 3 Women’s Committee, Polar Plunge Committee, the Education & Training Committee, along with working on many other events throughout the years. In 2022, she was the recipient of the Nadra Floyd award for Organizing.

Dedicated to her community, Lynne serves as an EMT with the Putnam County Lake Carmel Volunteer Fire Department. Her passion and dedication are helping others, whether it be in the community, on the job or in her union is second to none. Lynne was appointed as a Trustee to the Employee Benefit Fund in April of 2023.



Bob Pazik

Bob is currently employed by the New York State Unified Court System. He started with the Courts in 1988 but was already a member of CSEA Local 815 since 1978 while employed with the Erie County Auto Bureau. After joining the CSEA Judiciary Local 335 his activism career began as a delegate, then moving up to 2nd Vice President and eventually President.

He served for 2 terms and represented 1200 members across 14 counties which covered both the 7th and 8th Judicial Districts. Bob also currently serves as the Treasurer of Western Region 6 and is a member of the CSEA Board of Directors where he sits and chairs some of the committees. Bob was appointed as a Trustee to the Employee Benefit Fund July of 2020.

Administrative Staff, Consultants & Third-Party Administration:

CSEA Employee Benefit Fund Administrative Staff

Bill Howard, *Director*
Cassandra Hope John, *Director of Finance*
Jane Balander, *Director of Human Resources*
Geoffrey Switts, *Director of Marketing*
Lea J. Guisti, *Sr. Dental Supervisor*
Amy Sutherland, *Accounting Supervisor*
William Ryan, *Member Services Supervisor*

Consultants & Third-Party Administrators

Prime Therapeutics, *Prescription Plan Administrators*
Davis Vision, *Vision Plan Administrators*
Rich Sweetman, FSA, MAAA,
Consulting Actuary
Bonadio & Co., LLP, *CPAs*
Keybank N.A., *Investment Manager*
Whiteman Osterman & Hanna LLP, *Counsel*

A Message From The Chairperson & Director:

*Brothers & Sisters,
we are pleased
to provide you with the
Annual Report of
the CSEA Employee
Benefit Fund (EBF) for
Fiscal Year 2025.*




In 2025, EBF continued our efforts to use technology to better serve our membership. We continued to refine and improve our online portals that serve members, providers, and participating employers. We continued to increase the number of members registered on our web portal, which facilitates more efficient connections with our membership. We continue to improve our benefit offerings. The EBF Board of Trustees approved an enhancement package for our local government dental plans that took effect on January 1, 2025. The EBF recognizes that our benefits must be reviewed periodically to ensure we keep pace with our competition, retain high-quality providers, and provide meaningful benefits during challenging economic times for our members. Our members count on EBF to efficiently administer their dental, vision, and other important benefits. We are committed to meeting that expectation. In 2025, EBF continued to improve our website, www.cseabf.com, by adding functionality for members, employers, and providers. The EBF is committed to providing more ways for our members to securely connect with the EBF to better access their benefits.

Our Dental and Vision Participating Provider Panels continue to grow. We continue to add quality providers to our panels in rural areas and have enhanced our efforts to recruit dental providers in out-of-state locations popular among CSEA retirees.

The EBF staff is dedicated to serving the CSEA membership. We continue to move the EBF forward. It remains our longstanding commitment to serve the CSEA family with pride. At the EBF, we aim to combine high-quality benefits with top-tier service to our members.

As always, we welcome and appreciate your suggestions and input. On behalf of the EBF Board of Trustees and the Fund staff, thank you for your support.

In solidarity, 
Mary E. Sullivan,
Chairperson

Fraternally, 
Bill Howard,
Director

Independent Auditor's Report:

Bonadio & Co., LLP
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Albany, New York 12205
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September 24, 2025

www.bonadio.com

The Board of Trustees, CSEA Employee Benefit Fund:

Opinion

We have audited the accompanying financial statements of CSEA Employee Benefit Fund (the Fund), which comprise the statements of benefit obligations and net assets available for benefits as of March 31, 2025 and 2024, and the related statements of changes in benefit obligations and net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits and benefit obligations of CSEA Employee Benefit Fund as of March 31, 2025 and 2024, and the changes in benefit obligations and net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSEA Employee Benefit Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CSEA Employee Benefit Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSEA Employee Benefit Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CSEA Employee Benefit Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of administrative expenses in Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bonadio & Co., LLP

Statement of Benefit Obligations & Net Assets Available for Benefits:

MARCH 31, 2025 & 2024

BENEFIT OBLIGATIONS	2025	2024
Claims Payable and Claims Incurred, but Not Reported:		
Dental	\$11,381,100	\$11,036,700
Drug	321,668	358,321
Vision	1,664,365	1,687,461
Miscellaneous and administrative	871,200	791,900
	14,238,333	13,874,382
NET ASSETS AVAILABLE FOR BENEFITS		
Assets – Investments, at Fair Value:	287,543,930	263,295,987
Assets – Receivables:		
Participating employers' contributions, net of allowance for credit losses of \$60,000 in 2025 and 2024	1,586,421	2,095,388
Other receivables	300,853	372,978
Accrued interest and dividends	949,570	867,513
	2,836,844	3,335,879
Assets – Other:		
Cash and cash equivalents	6,788,379	124,304
Prepaid expenses and other assets	722,324	581,880
Prepaid pension benefits	23,093,421	20,930,610
Prepaid post-retirement benefits	1,451,724	972,758
Property and equipment, net	364,473	468,294
Finance lease right-of-use-asset	712	4,978
Operating lease right-of-use-asset	1,613,563	176,781
	34,034,596	23,259,605
TOTAL ASSETS	324,415,370	289,891,471
Liabilities:		
Accounts payable and accrued liabilities	883,596	748,899
Deferred employer contributions	1,292,303	690,237
Finance lease liabilities	739	5,108
Operating lease liabilities	1,613,563	176,781
TOTAL LIABILITIES	3,790,201	1,621,025
Net Assets Available for Benefits	320,625,169	288,270,446
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	\$306,386,836	\$274,396,064

Statement of Changes in Benefit Obligations & Net Assets Available for Benefits:

FOR THE YEARS ENDED MARCH 31, 2025 & 2024

NET CHANGE IN BENEFIT OBLIGATIONS	2025	2024
Change During the Year Attributed to:		
Claims reported and approved for payment	\$(141,853,948)	\$(132,565,607)
Claims paid	141,489,997	131,017,344
Net Change in Benefit Obligations	(363,951)	(1,548,263)
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS		
Additions – Employer Contributions	165,554,455	157,986,056
Additions – Investment Income:		
Net appreciation in fair value of investments	7,891,807	16,254,562
Interest, dividends and realized gain on sale of investments	9,429,953	6,833,569
Total investment income	17,321,760	23,088,131
Less: Investment expenses	(202,810)	(173,644)
Net investment income	17,118,950	22,914,487
TOTAL ADDITIONS	182,673,405	180,900,543
Deductions – Payment for Claims:		
Dental claims	123,947,150	114,302,290
Vision care claims	11,782,586	11,930,436
Drug claims	2,891,190	2,092,229
Miscellaneous plan	2,869,071	2,692,389
TOTAL PAYMENTS FOR CLAIMS	141,489,997	131,017,344
Deductions – Other:		
Workplace security insurance premiums	59,165	66,765
Third party administration fees	443,349	513,964
Administrative expenses	11,968,253	11,371,757
TOTAL DEDUCTIONS	153,960,764	142,969,830
Change in Net Assets Available for Benefits Before Non-Operating Expenses	28,712,641	37,930,713
Non-Operating Expenses: Other components (benefit) of net periodic pension and postretirement costs	(805,713)	(391,269)
Change in Net Assets Available for Benefits	29,518,354	38,321,982
Increase in Excess of Net Assets Available for Benefits Over Benefit Obligations	29,154,403	36,773,719
Other Change in Net Assets: Pension and Other Post Retirement Related Changes Other than Net Periodic Pensions Cost	2,836,369	9,274,568
EXCESS OF NET ASSETS AVAILABLE, BEGINNING OF YEAR	\$274,396,064	\$228,347,777
EXCESS OF NET ASSETS AVAILABLE, END OF YEAR	\$306,386,836	\$274,396,064



Notes to Financial Statements:

MARCH 31, 2025 & 2024

1. The Fund

The CSEA Employee Benefit Fund (Fund) was formed on May 4, 1979, under an agreement between the Civil Service Employees Association, Inc., (CSEA, Inc.), and the State of New York (State). The purpose of the Fund is to provide health and welfare benefits to certain public employees in the State of New York and their eligible dependents.

The Fund receives employer contributions pursuant to the aforementioned and subsequent agreements between CSEA, Inc. and the State to provide specified benefits to administrative, operational, and institutional service units, and the Division of Military and Naval Affairs. These agreements provide for quarterly contributions from the State for each covered employee, and resulted in revenue of approximately \$68 million and \$64 million for the years ended March 31, 2025 and 2024, respectively. The Fund has also entered into similar agreements with various other state, county, and political subdivisions. These agreements with state, county, and political subdivisions resulted in revenue of approximately \$98 million and \$94 million for the years ended March 31, 2025 and 2024, respectively.

The following description of the benefits that the Fund presently provides is general information only. Participants should refer to the applicable plan descriptions for more complete information on the benefits provided by the Fund:

- **Dental Benefit Coverage Plan** - The dental benefit coverage plan (Plan) is totally self-insured. Dental benefits are extended according to a reimbursement schedule specified in the Plan. Dental benefits are subject to a \$3,000 limit per plan, per employee or dependent, per calendar year, and management review and determination before work begins, if treatments are expected to exceed \$500. The Plan covers up to two implants a year and the cost of these are not included in the range dollar limit stated above. Retiree members are eligible for coverage of up to two implants a year and the cost of these are not included in the range dollar limit stated above.
- **Vision Care Benefit Plan** - The vision care benefit plan (Plan) is totally self-insured and is administered by a third-party administrator. The Plan allows for covered employees and eligible dependents to receive optical services once every 24-month period. Employees whose job duties require 50% or more of their work hours either working on a computer, driving a vehicle or working outdoors may be eligible for a second pair of glasses. Benefits are obtained either through a participating optometrist or the employee may claim directly for reimbursement of vision care expenses if a non-participating optometrist is used. The Fund reimburses these claims based upon the Plan's established schedule of standard rates.
- **Medical Prescription Benefit Plan** - The medical prescription benefit plan is a self-insured plan with a third-party administrator. Under this arrangement, prescription drugs are available from participating pharmacists at no cost to the members.
- **Miscellaneous Benefit Plan** - This multi-benefit plan is offered to political subdivisions and includes coverage for legal, prescription drug co-pay, health insurance co-pay, maternity, hearing aids, and annual physicals. The State of New York offers a prescription drug co-pay benefit. Members are reimbursed up to a maximum of \$400 per family per calendar year after incurred prescription drug co-pays exceed \$200 in that year.
- **Workplace Security Plan** - The workplace security plan's benefits are paid for from an insurance contract. Under this plan, benefits are paid for injuries or death caused by assault or captivity while performing job-related duties.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Fund's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and such differences may be significant.

Estimated Claims Payable

Fund liabilities for claims incurred but not reported are estimated by the Fund's actuary in accordance with generally accepted actuarial principles. Management believes these estimates are adequate to cover the ultimate cost of claims incurred through March 31. Such estimates, however, may be more or less than the amount ultimately paid when the majority of claims are settled during the next year.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid debt instruments purchased with a maturity of three months or less. The Fund's cash balances may at times exceed federally insured limits. The Fund has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

Investments

The Fund invests in various types of investment securities which are stated at fair value based on quoted market prices. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying financial statements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Fund's gains and losses on investments bought and sold as well as held during the year.

Receivables, Net

Employer contributions receivable represents amounts due from local governmental units for contributions billed but not received net of allowances for credit losses. This balance is stated at the amount billed, which is due on the first of each month. Unpaid contributions with invoice dates over 60 days old are considered delinquent. Payments received are allocated to the specific invoices identified or, if unspecified, are applied to the earliest unpaid invoices.

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Receivable balances are charged off against the

allowance for credit losses after recovery efforts have ceased.

The Fund uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices has not changed significantly. The current and expected future economic conditions have remained consistent as compared with the economic conditions included in the historical information. Based on this information, management believes the Fund is not likely to experience additional credit losses than historically experienced. As such, the allowance for credit losses for employer contributions as of March 31, 2025 and 2024 was \$60,000.

Property and Equipment, Net

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 10 years. Leasehold improvements, exclude leases under common control, are amortized over the shorter of the estimated life of the asset or the remaining lease term.

Expenditures for maintenance, repairs, and renewals of relatively minor items are generally charged to expense as incurred while replacements of significant items are capitalized. The cost and accumulated depreciation of property items sold or retired are eliminated from the accounts, and the resulting profit or loss is included in income.

Leasehold Improvements

The Fund holds leasehold improvements relating to leases between entities under common control. As lessees, the Fund controls the underlying assets by virtue of the respective lease agreement. Such leasehold improvements are required to be amortized over the remaining useful life of the improvements, regardless of the lease term. The remaining useful lives of the leasehold improvements associated with the common control arrangement exceed the lease term. As of March 31, 2025 and 2024, the unamortized balance of the leasehold improvements totaled \$251,732. The remaining useful life of the leasehold improvements range between one and ten years under a lease with a remaining term of 10 years.

Leases

The Fund determines if an arrangement is a lease at inception. Right-of-use ("ROU") assets represent the Fund's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Fund is reasonably certain to exercise these options.

For all underlying classes of assets, the Fund has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Fund is reasonably certain to exercise. The Fund recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Fund elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

Variable lease costs paid to or on behalf of the lessor, consisting mainly of property taxes, are excluded from the

(Continued)

measurement of the right-of-use asset and lease liability and are expensed in the period incurred unless the amount is fixed and explicitly stated in the lease agreement.

In evaluating contracts to determine if they qualify as a lease, the Fund considers factors such as if the Fund obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Fund uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

Revenue Recognition (Contributions)

The Fund derives its revenue primarily through the collection of employer contributions for health and welfare benefits based on a per member per month contribution rate using the agreements signed between Civil Services Employees Association, Inc. (CSEA, Inc.) and the State of New York (State). In return for their contributions, the Fund provides specified benefits to administrative, operational, and institutional service units, the Division of Military and Naval Affairs for the State as well as with various other state, county, and political subdivisions (Local Governmental Units). Contributions are provided on a quarterly basis from the State and on a monthly basis from other Local Governmental Units. Therefore, revenue from contributions is recognized ratably over the course of the agreement period as the related performance obligations are provided consistently throughout the period. The transaction price is the amount of employer contributions to which the Fund expects to be entitled in exchange for providing the health and welfare benefits, which are established in the Fund's agreement with the State and each Local Governmental Unit.

For the years ended March 31, 2025 and 2024 revenue from one member group made up approximately 41% and 40%, respectively, of total revenue.

Disaggregation & Timing of Revenue Recognition

All contract revenues are for contributions are earned over time. A breakdown of goods and services transferred over time as of March 31 is as follows:

CONTRIBUTION BY LOCAL	2025	2024
New York State	\$67,791,351	\$63,803,541
Local Government	97,763,104	94,182,515
	\$165,554,455	\$157,986,056

Contract Balances

The timing of revenue recognition may not align with the right to invoice the participating group. The fund records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, unearned revenue (a contract liability) is also recorded. Contract balances were as follows as of March 31:

CONTRACT ASSETS	2025	2024	2023
Other receivables	\$300,853	\$372,978	\$196,937

CONTRACT LIABILITIES	2025	2024	2023
Unearned revenue - deferred employer contributions	\$1,292,303	\$690,237	\$1,150,212

Concentrations of Credit Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist of the employer receivables from New York State.

Tax Status

The Fund is a not-for-profit corporation and is exempt from income taxes as an organization qualified under Section 501(c)(9) of the Internal Revenue Code. The Organization has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

3. Investments

The Fund's investments are held at a brokerage firm and managed under a separate contract by an investment management company. The following presents the fair values of investments as of March 31:

	2025	2024
Mutual funds	\$168,414,265	\$160,882,935
Corporate bonds	69,520,355	60,726,144
U.S. treasury securities	29,960,254	30,743,474
U.S. government and government agencies	–	2,936,610
Hedge Funds	11,015,600	–
Limited Partnerships	8,633,456	8,006,824
TOTAL INVESTMENTS	\$287,543,930	\$263,295,987

4. Property and Equipment, Net

The following is a summary of property and equipment at cost, less accumulated depreciation and amortization, at March 31:

	2025	2024
Furniture and fixtures	\$1,066,820	\$1,030,149
Leasehold improvements	251,732	251,732
Computer equipment	3,023,518	2,998,734
	4,342,070	4,280,615
Less: Accumulated depreciation and amortization	(3,977,597)	(3,812,321)
NET PROPERTY AND EQUIPMENT	\$364,473	\$468,294

Depreciation and amortization expense amounted to \$169,542 and \$154,431 for the years ended March 31, 2025 and 2024, respectively.

5. Leases

The Fund leases its office facilities from the Civil Service Employees Association, Inc. The lease is an operating lease and expires in 2034. The lease does not contain renewal options.

The Fund leases various copy, fax and print equipment through September 2024 and May 2025, at which time title will transfer to the Fund and meet the criteria of a finance lease.

The components of total lease cost for the year ended March 31, are as follows:

	2025	2024
Operating lease cost	\$235,806	\$235,806
Variable lease cost	36,285	18,188
Finance lease cost:		
Amortization of the right-of-use asset	4,266	4,266
Interest on lease liabilities	72	184
TOTAL LEASE COST	\$276,429	\$258,444

Supplemental cash flow information related to leases are as follows at March 31:

Cash paid for amounts included in the measurement of lease liabilities:	2025	2024
Operating cash flows from operating leases	\$235,806	\$235,806
Operating cash flows from finance leases	81	193
Financing cash flows from finance leases	4,359	4,247
	\$240,246	\$240,246

ROU assets obtained in exchange for lease obligations:	2025	2024
Operating leases	\$1,619,120	-
	\$1,619,120	\$-

Other information related to leases at March 31:

Weighted-average remaining lease term:	2025	2024
Operating leases	9.28	1.26
Finance leases	0.17	1.17

Weighted-average discount rate:	2025	2024
Operating leases	4.24%	2.49%
Finance leases	2.61%	2.61%

Maturities of lease liabilities are as follows for the years ending March 31:

	Operating	Finance
2026	\$235,806	\$740
2027	209,509	-
2028	200,743	-
2029	200,743	-
2030	200,743	-
Thereafter	903,345	-
Total lease payments	1,950,889	740
Less: Interest	(337,326)	(1)

Total present value of lease liabilities	1,613,563	739
Less: Current portion	171,425	739
LONG-TERM PORTION OF LEASE LIABILITIES	\$1,442,138	\$-

6. Pension and Post-Retirement Benefit Plans

The Fund maintains a non-contributory defined benefit pension plan, (Plan) that covers substantially all Fund employees, based upon length of service requirements.

The Fund provides health care benefits for its employees, spouses or domestic partners and their dependents upon retirement. The benefits for union employees are based on contractual agreements, providing for an annual contribution of 100% of individual coverage. For those union employees who retire at normal retirement age and with twenty or more years of service, the Fund will provide health coverage to a spouse or domestic partner at no cost during the lifetime of the retiree. Payments for management confidential employees are calculated based on longevity based cost-sharing formula for health insurance coverage.

OBLIGATIONS AND FUNDED STATUS	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Change in Benefit Obligation:				
Benefit obligation at beginning of year	\$23,555,942	\$24,490,490	\$19,857,369	\$19,918,515
Service cost	948,489	978,178	670,760	697,063
Interest cost	1,155,068	1,125,585	972,417	881,518
Plan participants' contributions	-	-	33,411	24,485
Actuarial gain	(1,471,336)	(1,501,842)	(183,693)	(1,071,530)
Benefits paid to participants	(408,026)	(1,536,469)	(652,355)	(592,682)
BENEFIT OBLIGATION AT END OF YEAR	\$23,780,137	\$23,555,942	\$20,697,909	\$19,857,369

OBLIGATIONS AND FUNDED STATUS	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Change in Plan Assets:				
Fair value at beginning of year	\$44,486,552	\$39,783,049	\$20,830,127	\$17,970,531
Actual investment returns	2,795,032	6,069,493	1,319,506	2,859,596
Reimbursement to trust	-	170,479	-	-
Benefits paid to participants	(408,026)	(1,536,469)	-	-
Fair value at end of year	\$46,873,558	\$44,486,552	\$22,149,633	\$20,830,127
FUNDED STATUS AT END OF YEAR	\$23,093,421	\$20,930,610	\$1,451,724	\$972,758

Amounts recognized in the statements of benefit obligations and net assets available for benefits as of March 31 consist of:

OBLIGATIONS AND FUNDED STATUS	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Asset / (Liability) for benefits	\$23,093,421	\$20,930,610	\$1,451,724	\$972,758
Net assets available for benefits:				
Prior service cost	-	-	672,390	805,608
Gains	(10,884,082)	(8,678,538)	(4,614,620)	(4,117,013)

(Continued)

Components of net periodic benefit cost and other amounts recognized in net assets are as follows:

OBLIGATIONS AND FUNDED STATUS	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Net Periodic Benefit Cost:				
Service cost benefits earned during the year	\$948,489	\$978,178	\$670,760	\$697,063
Interest cost on projected benefit obligation	1,155,068	1,125,585	972,417	881,518
Expected return on Plan assets	(1,768,705)	(1,579,930)	(833,205)	(718,821)
Amortization of prior service cost	–	–	133,218	134,477
Amortization of net loss	(292,119)	–	(172,387)	(63,619)
NET PERIODIC BENEFIT COST	\$42,733	\$523,833	\$770,803	\$930,618

OBLIGATIONS AND FUNDED STATUS	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Other Changes in Plan Assets and Benefit Obligations recognized in Net Assets:				
Change in unamortized items – Actuarial (gain)	\$2,497,663	\$5,991,405	\$(669,994)	\$(3,212,305)
Actuarial (gain)				
Amortization of:				
Prior service cost	–	–	(133,218)	(134,477)
Actuarial (gain)	292,119	–	172,387	63,619
Total Changes recognized in net assets	(2,205,544)	(5,991,405)	(630,825)	(3,283,163)
TOTAL RECOGNIZED IN NET PERIODIC BENEFIT COST AND NET ASSETS	\$(2,162,811)	\$(5,467,572)	\$139,978	\$(2,352,545)

The service cost component of net periodic pension and post-retirement benefit costs are included in operating expenses as part of administrative costs within other employee compensation costs. The other components of the net periodic pension and post retirement benefit costs are classified as non-operating expenses on the face of the statement of changes in benefit obligations and net assets available for benefits.

Changes in Actuarial Assumptions - Post-Retirement Benefits

The following changes in actuarial assumptions have been implemented for the year ended March 31, 2025:

- As of April 1, 2024, the baseline claims used to project future retiree healthcare costs were updated to reflect the plan design and actuarial models for the current valuation date.
- As of April 1, 2024, the annual claim cost premiums were updated to reflect the recent model updates. Increased premiums resulted in greater than expected increases in retiree contributions. The change in retiree contributions resulted in a decrease in liabilities.
- As of March 31, 2025, the discount rate was increased from 4.96% to 5.38%.
- As of March 31, 2025, the annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2024_1b (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change.

Changes in Actuarial Assumptions - Pension Benefits

The following changes in actuarial assumptions have been implemented for the year ended March 31, 2025:

- As of March 31, 2025, the expected long-term rate of return on plan assets assumption was updated from 4.00% to 6.20%.
- As of March 31, 2025, the discount rate was increased from 4.96% to 5.37%.

The expected effect of unamortized items in net assets in the next fiscal year is as follows:

	Pension Benefits	Postretirement Benefits
	2025	2025
Prior service cost	\$-	\$672,390
(Gains) / losses	(10,884,082)	(4,614,620)
TOTAL	\$(10,884,082)	\$(3,942,230)

Weighted Average Actuarial Assumptions

The weighted average actuarial assumptions used to determine benefit obligations as of March 31, were as follows:

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Discount rate	5.37%	4.96%	5.38%	4.96%
Compensation increase	5.00%	5.00%	-	-
Long-term rate of return	6.20%	4.00%	6.20%	4.00%

The weighted average actuarial assumptions used to determine net periodic pension cost / (income) for the years ended March 31, were as follows:

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Discount rate	4.96%	4.65%	4.96%	4.65%
Compensation increase	5.00%	5.00%	-	-
Long-term rate of return	4.00%	4.00%	4.00%	4.00%

For measurement purposes, the 2025 estimates of pre-65 medical trend rates and post-65 medical trend rates for post-retirement costs assumed an inflation rate of 7.750%. The 2025 estimate of drug trend rates assumed an inflation rate of 7.750% for prescription drug costs. The rates for pre-65 and post-65 medical are assumed to decrease gradually to 4.037%, reaching that rate in fiscal year 2075 and are expected to remain level thereafter. The rates for prescription drug are assumed to decrease gradually to 4.037% reaching that rate in fiscal year 2075 and are expected to remain level thereafter.

Determination of Investment Policy

The general direction of the investments will be to achieve the optimum return while preserving principal and providing income and appreciation. The portfolio will maintain a balanced allocation of equities and fixed income securities unless directed otherwise by the Fund sponsor. A balanced allocation will be defined as an equity allocation ranging from 30% to 70% of the total portfolio. Investments in companies currently on AFL-CIO "boycott" list shall be avoided. Commercial paper must have a minimum rating from Standard & Poor's or Moody's of A-2 or P-2, respectively.

(Continued)

Expected 2025-2026 Contributions

For the year ending March 31, 2025, the Fund is not expected to make a contribution to the pension fund.

For the year ending March 31, 2025, the Fund is expected to make a \$698,605 contribution to the post-retirement fund.

Allocation of Plan Assets

The fair values of the Fund's pension and post-retirement benefit plan assets and allocation of plan assets at March 31, 2025, by asset category are as follows:

PENSION BENEFITS	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$2,663,104	\$-	\$-	\$2,663,104
U.S. government issues	-	3,856,497	-	3,856,497
Corporate bonds	-	4,769,341	-	4,769,341
Domestic common stocks	25,808,723	-	-	25,808,723
Foreign stocks	2,007,155	-	-	2,007,155
Mutual Funds – equity	2,960,802	-	-	2,960,802
Mutual Funds – fixed income	4,807,936	-	-	4,807,936
TOTAL	\$38,247,720	\$8,625,838	\$-	\$46,873,558

POSTRETIREMENT BENEFITS	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$903,609	\$-	\$-	\$903,609
Mutual funds	-	13,411,847	-	13,411,847
Corporate bonds	-	6,860,772	-	6,860,772
Common stocks – closed end stock funds	973,405	-	-	973,405
TOTAL	\$1,877,014	\$19,554,094	\$-	\$22,149,633

The estimated fair values of Level 1 investments are determined using quoted market prices that are readily available. The fair value for Level 2 investments are determined using quoted market prices for similar assets in active markets.

The fair values of the Fund's pension and post-retirement benefit plan assets and allocation of plan assets at March 31, 2024, by asset category are as follows:

PENSION BENEFITS	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$1,667,649	\$-	\$-	\$1,667,649
U.S. government issues	-	6,597,683	-	6,597,683
Corporate bonds	-	4,089,562	-	4,089,562
Domestic common stocks	22,819,163	-	-	22,819,163
Foreign stocks	1,248,380	-	-	1,248,380
Mutual Funds – equity	4,392,398	-	-	4,392,398
Mutual Funds – fixed income	3,671,717	-	-	3,671,717
TOTAL	\$33,799,307	\$10,687,245	\$-	\$44,486,552

POSTRETIREMENT BENEFITS	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$450,288	\$-	\$-	\$450,288
Mutual funds	-	13,478,590	-	13,478,590
Corporate bonds	-	6,075,504	-	6,075,504
Common stocks – closed end stock funds	825,745	-	-	825,745
TOTAL	\$1,276,033	\$19,554,094	\$-	\$20,830,127

Estimated Future Benefit Payments

The following are the estimated future benefits expected to be paid, which reflect future service, as appropriate:

	Pension Benefits	Postretirement Benefits
2026	\$702,027	\$698,605
2027	720,879	710,605
2028	742,860	767,087
2029	817,212	773,874
2030	1,058,667	885,396
2031 - 2035	6,304,453	4,875,292
TOTAL	\$10,346,098	\$8,710,859

The Fund also offers a qualified, defined contribution 401(k) retirement plan for employees with more than three months of service.

7. Fair Value Measurements

The fund follows FASB ASC 820, Fair Value of Measurements and Disclosures. FASB ASC 820 establishes a common definition for fair values to be applied to U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements. FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). FASB ASC 820 classifies the inputs used to measure fair value into the following hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are derived principally from or corroborated by observable market data by correlation or other means, or inputs other than quoted prices that are observable for the asset or liability;

Level 3: Unobservable inputs for the asset or liability based on the Fund's own assumptions.

The methods described above may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

During the years ended March 31, 2025 and 2024, there were no changes in the valuation methodologies used to determine fair value.

(Continued)

Fair values of assets measured on a recurring basis at March 31, 2025 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$9,765,542	\$-	\$-	\$9,765,542
U.S. government and government agencies	-	-	-	-
U.S. treasury securities	-	29,960,254	-	29,960,254
Corporate bonds	-	69,520,355	-	69,520,355
1825 Capital Enhanced Income Strategy, LLC	-	-	8,633,456	8,633,456
Aleutian Fund, LTD	-	-	11,015,600	11,015,600
Mutual Funds	-	168,414,265	-	168,414,265
TOTAL	\$9,765,542	\$267,894,874	\$19,649,056	\$297,309,472

Fair values of assets measured on a recurring basis at March 31, 2024 are as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
Money market funds	\$4,022,943	\$-	\$-	\$4,022,943
U.S. government and government agencies	-	2,936,610	-	2,936,610
U.S. treasury securities	-	30,743,474	-	30,743,474
Corporate bonds	-	60,726,144	-	60,726,144
1825 Capital Enhanced Income Strategy, LLC	-	-	8,006,824	8,006,824
Mutual Funds	-	160,882,935	-	160,882,935
TOTAL	\$4,022,943	\$255,289,163	\$8,006,824	\$267,318,930

The following table presents a reconciliation of Level 3 assets held during the year ended March 31, 2025:

	2025	2024
Balance – beginning of year	\$8,006,824	\$8,000,000
Purchases	10,000,000	-
Unrealized gain (losses) relating to instruments still held at the reporting date	1,642,232	6,824
TOTAL	\$19,649,056	\$8,006,824

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Frequency <i>(If currently eligible)</i>	Trade Date to Settlement Terms	Redemption Notice Period
Limited Partnerships	\$8,633,456	\$ -	N/A	Quarterly	90 Days	90 Days
Hedge Fund	\$ 11,015,600	\$ -	N/A	Monthly	30 Days	90 Days

Management reviews the fair value measurement valuation policies and procedures, including those for Level 3 measurements. Quantitative unobservable inputs are not developed by CSEA Employee Benefit Fund in measuring fair value. Third party pricing information is used without adjustment. There were no changes in valuation techniques during the current year.

The following table presents information about significant unobservable inputs related to the Plan's investment in assets categorized as Level 3 in the ASC 820 fair value hierarchy at March 31, 2025:

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENTS			
	Fair Value at 3/31/2025	Valuation Techniques	Unobservable Inputs
Limited Partnerships	8,633,456	Undiscounted cash flows	Enterprise value of a portfolio company
Hedge Fund	11,015,600	Undiscounted cash flows	Broker quotes via pricing agent

8. Risks & Uncertainties

Collective Bargaining Agreement

Approximately 75% of the Fund's employees are covered by a collective bargaining agreement. The labor contract with the Office & Professional Employees International Union - Local 153 - AFL-CIO covers a 4-year period ending June 30, 2029.

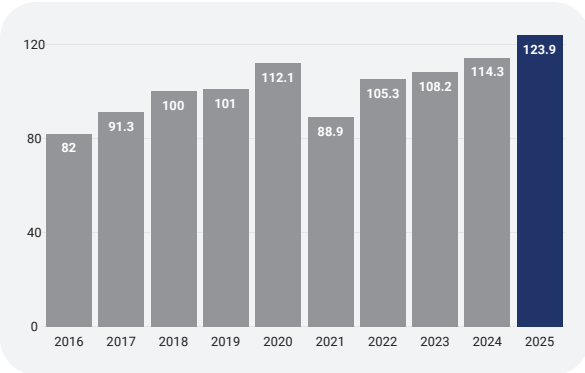
9. Subsequent Events

Subsequent events have been evaluated through September 24, 2025, which is the date these financial statements were available to be issued.

Employee Benefit Fund Plans:

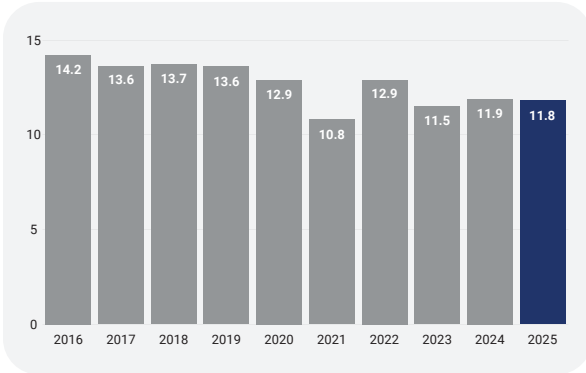
Dental Claims

Includes All Dental Plans



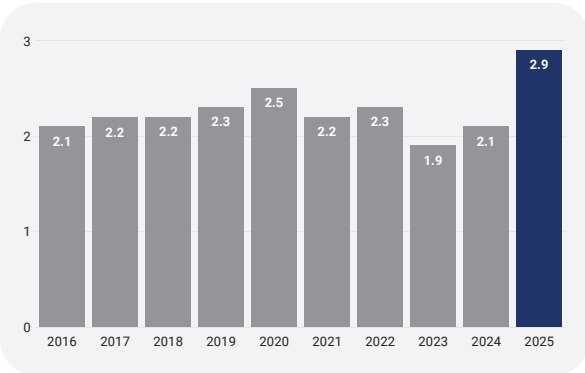
Vision Claims

Includes All Vision Plans



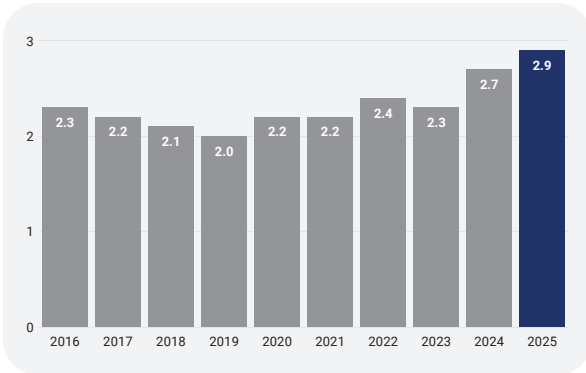
Prescription Claims

Includes All Prescription Plans

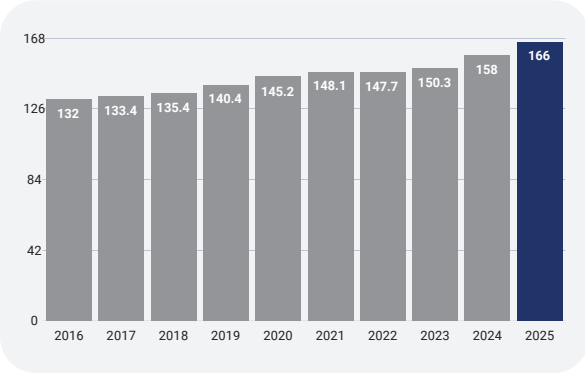


Miscellaneous Claims

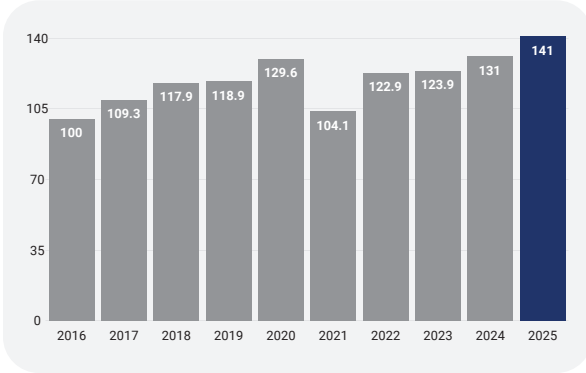
Includes All Miscellaneous Plans



Contributions



Claims Expense



Administrative Expenses:

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REPORT

FOR THE YEARS ENDED MARCH 31, 2025 & 2024

SCHEDULE 1	2025	2024
Salaries and fringe benefits	\$8,772,063	\$8,250,491
Services	871,122	749,446
Shipping and postage	259,046	269,885
Legal and audit fees	253,337	245,356
Administrative expenses	246,245	271,533
Printing expense	241,481	243,439
Office rent	212,109	235,806
Bank charges	202,538	176,984
Insurance expense	194,405	183,092
Depreciation and amortization	169,542	154,431
Consultants	125,109	141,188
Promotional items	86,863	66,149
Data processing	75,000	81,020
Trustee time and expense	60,780	11,831
Post-retirement benefits	51,816	128,866
Office supplies	51,229	52,408
Telephone	48,772	79,681
Equipment rental	36,285	13,748
Provision for credit losses	4,821	11,895
Interest expense	71	184
Miscellaneous expenses	5,619	4,324
TOTAL	\$11,968,253	\$11,371,757



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