

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
FINANCIAL REPORT  
NOVEMBER 30, 2003**



**Marvin** and  
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION**

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**RECEIVED**  
**WORKERS' COMPENSATION BOARD**  
**JUN 04 2004**  
**SELF INSURANCE OFFICE**



# Marvin and company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

Timothy N. O'Connor

Mary Ann Racicot

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Board of Trustees  
Community Residence Insurance Savings Plan  
Self-Insurance Trust for Workers' Compensation

We have audited the accompanying balance sheet of Community Residence Insurance Savings Plan Self-Insurance Trust for Workers' Compensation (the "Trust") as of November 30 2003, and the related statements of operations, changes in members' deficiency, and cash flows for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

□ We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

□ In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Community Residence Insurance Savings Plan Self-Insurance Trust for Workers' Compensation as of November 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

□ Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses on page 13 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Marvin and Company, P.C.*

□ March 25, 2004

AN INDEPENDENT MEMBER OF  
**BDO  
SEIDMAN  
ALLIANCE**

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 BALANCE SHEET  
 NOVEMBER 30, 2003**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	705,988
Investments		4,946,141
Accrued interest receivable		39,719
Contributions receivable		930,282
Prepaid expenses		47,006
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,669,136</u></b>

**LIABILITIES AND MEMBERS' DEFICIENCY**

**Current Liabilities**

Unearned contributions	\$	2,515,809
Liability for unpaid claims and claim adjustment expense		7,989,372
Accounts payable and accrued expenses		7,291
Liability for Workers' Compensation Board assessment		1,522,628
<b>Total Current Liabilities</b>		<b><u>12,035,100</u></b>

**Members' Deficiency**

Unreserved		(5,236,104)
Accumulated other comprehensive income		31,593
<b>Total Members' Deficiency before surcharges receivable</b>		<b><u>(5,204,511)</u></b>
Surcharges receivable		161,453
<b>Total Members' Deficiency</b>		<b><u>(5,365,964)</u></b>

<b>TOTAL LIABILITIES AND MEMBERS' DEFICIENCY</b>	<b>\$</b>	<b><u>6,669,136</u></b>
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See accompanying notes to financial statements.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED NOVEMBER 30, 2003**

		<u>Percent of Total Income</u>
<b>Contributions</b>		
Contributions written	\$ 7,077,930	
Less program administration commissions	(747,849)	
Contribution adjustments	286,652	
Net Contributions Written	<u>6,616,733</u>	
Change in unearned contributions	(96,287)	
Earned Contributions	<u>6,520,446</u>	
<b>Other Income (Expense)</b>		
Investment income	207,084	
Realized loss on sale of investments	(52,611)	
Interest expense	<u>(13,862)</u>	
<b>TOTAL INCOME</b>	<u>6,661,057</u>	<u>100.0%</u>
<b>Operating Expenses</b>		
Claims paid	4,638,200	69.6%
Claims reserve	13,572	0.2%
Loss adjustment expense	358,924	5.4%
Workers' compensation fund assessment	622,550	9.3%
Insurance expense	583,775	8.8%
Provision for doubtful accounts	138,617	2.1%
General and administrative expense	288,960	4.3%
Total Operating Expenses	<u>6,644,598</u>	<u>99.8%</u>
Income From Operations Before Provision For Income Taxes	16,459	0.2%
Provision for income taxes	<u>100</u>	<u>0.0%</u>
<b>NET INCOME</b>	<u>\$ 16,359</u>	<u>0.2%</u>

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+ → 7,364,582  
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See accompanying notes to financial statements.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN**  
**SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION**  
**STATEMENT OF CHANGES IN MEMBER DEFICIENCY**  
**FOR THE YEAR ENDED NOVEMBER 30, 2003**

	<u>Members'</u> <u>Deficiency</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>(Loss)</u> <u>Income</u>	<u>Total</u> <u>Members'</u> <u>Deficiency</u>
Balance, December 1, 2002	\$ (5,252,463)	\$ (26,566)	<u>\$ (5,279,029)</u>
Comprehensive income (loss):			
Net income	16,359		16,359
Other comprehensive income:			
Unrealized gains on investments arising during the period	-	75,370	75,370
Reclassification adjustment	-	<u>(17,211)</u>	<u>(17,211)</u>
Comprehensive Income			<u>74,518</u>
Balance, November 30, 2003	<u>\$ (5,236,104)</u>	<u>\$ 31,593</u>	<u>\$ (5,204,511)</u>

See accompanying notes to financial statements.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED NOVEMBER 30, 2003**

<b>Cash Flows From Operating Activities</b>	
Net income	\$ 16,359
Adjustments to reconcile net income to net cash provided by operating activities	
Amortization of premium on investments	30,515
Provision for doubtful accounts	138,617
Realized loss on sale of investments	52,611
Original issue discount included in investment income	(11,979)
(Increase) decrease in assets:	
Accrued interest receivable	(16,463)
Contributions receivable	124,368
Prepaid expenses	(9,168)
Increase (decrease) in liabilities:	
Unearned contributions	96,287
Liability for unpaid claims and claims adjustment expenses	13,572
Accounts payable and accrued expenses	(42,747)
Liability for Workers' Compensation Board assessment	98,428
Net Cash Provided by Operating Activities	<u>490,400</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of investments	(6,968,219)
Proceeds from sales and maturities of investments	<u>5,660,269</u>
Net Cash Used by Investing Activities	<u>(1,307,950)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	(817,550)
Cash and Cash Equivalents, Beginning of Year	<u>1,523,538</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 705,988</u>
<b>Supplemental Disclosures:</b>	
Interest paid	<u>\$ 13,862</u>
Income taxes paid	<u>\$ 100</u>

See accompanying notes to financial statements.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2003**

1. **DESCRIPTION OF THE TRUST**

***Nature of Activities***

Community Residence Insurance Savings Plan (CRISP) Self-Insurance Trust for Workers' Compensation (the Trust) was established October 31, 1995 and became operational on December 15, 1995. The Trust was established pursuant to the provisions of Subdivision 3-a of Section 50 of the Workers' Compensation Law. The Trust is governed by a Trust Agreement administered by a Board of Trustees, consisting of eight Trustees. The Trust receives the majority of its revenue from member contributions. Membership in the Trust is open to employers engaged in providing community services who are financially solvent; have an expected loss rate within set parameters; satisfy all other requirements of the Trust's excess carrier(s) and the Workers' Compensation Board of the State of New York and adhere to the safety policies and practices of the Trust. Voluntary termination of membership may only occur on the anniversary date of such membership. Upon termination of membership, such member shall remain liable for any and all dues and assessments applicable during any period during which the member was a participant in the Trust. During the year ended November 30, 2003, approximately 200 community service providers participated in the Trust.

***Purpose of the Trust***

The Trust was established for the purpose of meeting and fulfilling an employer's obligations and liabilities under Article 2 of the Workers' Compensation Law which provides for Workers' Compensation coverage and benefits; to form an overall Self-Insurance Trust pursuant to such Law, to provide maximum allowable advance discounts on contribution payments made by employers for Workers' Compensation coverage; and to minimize the cost of providing workers' compensation coverage by developing and refining specialized claim services and a loss prevention program for employers offering community services. A Program Administrator is employed by the Trust.

***Plan Benefits***

Workers' compensation benefits are provided by the Trust and administered under contract with the Trust's administrator. The Trust also has specific excess workers' compensation and employers' liability indemnity coverage with Safety National Casualty Corporation. Under the excess workers' compensation policy, the retained limit for workers' compensation coverage is \$400,000 each accident. In addition, the Trust's losses in excess of the greater of \$1.71 per \$100 of total trust annual remuneration or the minimum loss fund amount of \$7,264,345, in the aggregate, will be covered by the specific and aggregate workers' compensation insurance. Under the Employers' Liability policy, the limit is \$2,000,000 in the aggregate per policy year. The Trust pays annual premiums for the insurance coverage. Fees for claims administration are based on the number of claims incurred and are included in claims adjustment expenses.

***Contributions Earned***

Contributions are billed to the members based on experience ratings and estimated covered payrolls of the participating members. Contributions are considered short-duration contracts and revenue is recognized as earned ratably over the coverage period and the balance is recorded as unearned contributions. No final adjustment has been made in these financial statements for the difference between estimated contributions and contributions calculated based on audited payroll of the members. Such final adjustments will be made prospectively upon completion of such audits.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2003**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Liability for Reported and Incurred but Not Reported Claims***

The Trust establishes claims liabilities (see Note 5) based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the nature of the claim. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily rest in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors and are reported at their estimated present value. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

***Reinsurance***

The Trust uses reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Trust and the members as direct insurer of the risks reinsured. To the extent that the reinsurance company should be unable to meet its obligations under the existing agreements, the Trust would be liable for such defaulted amounts. The Trust does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. No amount was deducted from claims liabilities as of November 30, 2003 for reinsurance.

***Income Taxes***

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax law and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant estimate included in these financial statements is the liability for reported and incurred but not reported claims.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 NOTES TO FINANCIAL STATEMENTS  
 NOVEMBER 30, 2003**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash and Equivalents***

For financial statement purposes, all highly liquid investments are considered cash equivalents.

The Trust places its cash balances with high credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limit.

***Investments***

Investments, classified as available for sale, are recorded at market value. Unrealized gains and losses are recognized as a separate component of members' deficiency. Realized gains and losses on investments are determined by specific identification and are charged or credited to current earnings.

**3. CASH AND EQUIVALENTS**

At November 30, 2003 cash and equivalents consists of:

Cash	\$	6,358
Money market funds		<u>699,630</u>
 Total Cash and Cash Equivalents		 <u>\$ 705,988</u>

For the year ended November 30, 2003, the Trust had cash balances in financial institutions, which exceeded Federal Depository Insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these deposits is minimal.

**4. INVESTMENTS**

Investments are classified as available for sale. Investments at November 30, 2003 consist of:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
Government securities	\$ 4,288,709	\$ 4,306,620	\$ 17,911
Equity securities	<u>599,273</u>	<u>639,521</u>	<u>40,248</u>
	<u>\$ 4,887,982</u>	<u>\$ 4,946,141</u>	<u>\$ 58,159</u>

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 NOTES TO FINANCIAL STATEMENTS  
 NOVEMBER 30, 2003**

**5. LIABILITY FOR REPORTED AND INCURRED BUT NOT REPORTED CLAIMS**

Liabilities for reported claims and incurred but not reported claims are estimated by the Trust with input from consulting actuaries. The Trust's policy is to establish reserves for losses for reported claims on a case basis and for incurred but not reported claims on a basis of historically established industry statistical data and the Trust's own historical experience. The Trust management believes that it has recorded liability for unpaid claims and claim adjustment expenses as of November 30, 2003 that is reasonable in the circumstances. However, because the Trust does not yet have sufficient historical loss experience to determine whether actual incurred claims and claim adjustment expenses will reasonably conform to the assumptions used in the determination of the estimated liability for unpaid claims and claim adjustment expenses, the ultimate amount of unpaid claims and claim adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. The Trust also takes into account the time value of money by reporting claims liabilities at their present value.

Liability for Workers' Compensation Board assessment includes amounts due to the Workers' Compensation Board and an estimate based on the liability for reported and incurred but not reported claims.

Consulting actuaries have provided an estimate of reported claims and incurred but not reported claims as of November 30, 2003, on both a discounted and non-discounted basis. The non-discounted estimate is \$9,771,927 for 2003.

On a discounted basis, the estimate is \$7,989,372 for 2003. Management believes these amounts fairly present the liability for estimated future claims based upon current assumptions and levels of activity. At November 30, 2003 the liability for unpaid claims consists of:

Liability for known claims	\$ 3,691,935
Liability for incurred but not reported claims	<u>6,079,992</u>
Total Liability for Unpaid Claims	<u>\$ 9,771,927</u>
Discounted at 5% in 2003	<u>\$ 7,989,372</u>

**6. INCOME TAXES**

The provisions (benefits) for federal income tax differ from the amount of income tax determined by applying the federal statutory rate to pre-tax income. The difference is primarily due to the valuation allowance on deductible temporary differences and the net operating loss carryforward.

Income tax provisions (benefits) consist of the following:

Current	
State	\$ 100
Total Current Taxes	<u>100</u>
Deferred	
Total Income Tax Provision	<u>\$ 100</u>

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 NOTES TO FINANCIAL STATEMENTS  
 NOVEMBER 30, 2003**

**6. INCOME TAXES**

Differences between the provision for income tax expense at statutory income tax rates and the provision in the statement of operations and changes in members' deficiency follows:

Benefit at federal statutory rate	\$ 74,107
Capital losses	(17,888)
Change in valuation allowance	(67,559)
Other	11,440
Provision for Income Taxes	<u>\$ 100</u>

The Trust has available approximately \$4.3 million of net operating loss carryforwards which can be used to reduce future taxable income. The net operating loss carryforwards begin to expire in 2020.

***Deferred Tax Assets***

Financial accounting presentation requirements and tax basis regulations result in differences between the basis of certain assets and liabilities for financial reporting purposes and tax purposes. The tax effects of these differences, to the extent they are temporary, are recorded as deferred tax assets and liabilities and consist of the following at November 30, 2003:

Deferred revenue	\$ 171,075
Allowance for doubtful accounts	35,700
Net operating loss	<u>1,446,838</u>
Deferred Tax Asset	1,653,613
Less valuation allowance	<u>(1,653,613)</u>
Net Deferred Tax Asset	<u>\$ -</u>

A valuation allowance has been provided to reduce deferred tax assets to amounts management believes are likely to be realizable in the near term.

**7. LETTER OF CREDIT**

The Trust has an unused \$2,300,000 irrevocable letter of credit with a bank which expires on April 30, 2004. The letter of credit is collateralized by cash and investments held at this bank.

**8. TRUST ADMINISTRATOR AND CLAIMS ADJUSTER**

Program Risk Management, Inc. is the Trust's administrator and PRM Claim Services, Inc. (an affiliate of the Trust's administrator) is the claims adjuster for the Trust. The Trust paid approximately \$359,000 in loss adjusting expense in 2003 to PRM Claim Services, Inc. In addition, the Trust paid approximately \$374,000 in program administration commissions in 2003, to Program Risk Management, Inc. PRM Claim Services, Inc. was holding \$6,358 in 2003 in a claim trust account to pay claims on behalf of the Trust. This amount is included in cash and cash equivalents.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2003**

**9. COMMITMENTS AND CONTINGENCIES**

The Trust has entered into a participation agreement with each member to provide risk management services, workers' compensation and employer's liability coverage. The agreement stipulates, among other things, that each member is jointly and severally liable for the workers' compensation and employer's liability obligations of the Trust and its members which were incurred during the member's period of membership in the Trust, irrespective of the subsequent termination of membership in the Trust, the insolvency or bankruptcy of another member of the Trust, or other facts or circumstances. Accordingly, the financial viability of the Trust is contingent, among other factors, upon the financial viability of the individual members.

**10. SURCHARGES RECEIVABLE**

The Trust billed its members a surcharge on November 30, 2001 of approximately \$1,503,000. Although most members have paid the amount of the surcharge, certain former members have not remitted the amounts due. Some former members have gone out of business and several have refused to pay. As explained in Note 1, the Trust agreement provides that a member shall remain liable for any and all dues and assessments applicable during any period during which the member was a participant in the Trust. The Trust has provided an allowance for doubtful accounts against the remaining surcharges receivable of \$162,000 at November 30, 2003.

During March 2003, the Trust commenced an action against six of the former members, with a total surcharge receivable of \$533,079, seeking to enforce the Trust agreement and to recover the amounts due. The Trust reached settlement agreements with three of six former members for \$149,100, which has been reclassified, to Contributions Receivable. During 2003 the Trust determined that \$81,617 of the surcharges receivable were uncollectible. Legal actions are on-going relative to two former members in the amount of \$308,150. Management believes that it has a strong case and will ultimately prevail and recover these funds. In the event of an unfavorable outcome, the Trust also has the option to surcharge the remaining members for these amounts, however, the Trust has indicated that it is reluctant to do this. Due to the uncertain nature of the recovery, the amount of unpaid surcharges receivable has been reflected in the balance sheet as an equity offset and an addition to members' deficiency.

**11. MANAGEMENT'S PLANS**

The Trust at November 30, 2003 had a member's deficiency (excess of liabilities over assets) of approximately \$5,400,000. Management of the Trust has undertaken a number of initiatives designed to improve its profitability and reduce the deficit. These initiatives include the following:

- The Trust continues to apply an underwriting and pricing philosophy that focuses on writing profitable new members when applicable. In addition, existing members with loss frequency and severity problems are identified on a continual basis. These members are provided with aggressive loss prevention services, including action plans to reduce exposures. In addition, members are implementing return-to-work programs, which reduce ultimate losses at the case level by 25-35%. Accounts who do not respond favorably to these loss reduction and prevention measures are removed from the Trust.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2003**

**11. MANAGEMENT'S PLANS**

- Claims management tools such as Section 32 settlements, Return-To-Work counseling, transitional work programs and conservative ultimate reserving practices have greatly improved loss results for the Trust. Claim case reserves were reduced during the year through more assertive resolution and closure of claims, as well as a reduction in claim frequency.
- Trust administrator reviews of each member's experience and operations are systematically performed, with the objective of utilizing specific tools to improve loss experience through use of the above processes.

Consistent with regulations governing all group self-insurance trusts, the New York State Workers' Compensation Board is completing a thorough review of the Trust's operations and financial status. Currently, the Trust is considered under funded as it relates to New York State regulations. The Trust management is cooperating with this review, and the establishment of a plan of deficit reduction that will include the initiatives listed above and a timetable for return to fully funded status is expected to be implemented in 2004.

While there can be no assurances that the initiatives and plan of deficit reduction will be successful, management believes that their impact will be sufficient to support operations and provide sufficient resources to discharge its obligations as they become due, for at least the next twelve months. Over the long term, these initiatives and the plan are designed to eliminate the deficit. In addition, the Trust has the ability to assess its members, who are jointly and severally liable, for additional funds to eliminate its deficit.

**COMMUNITY RESIDENCE INSURANCE SAVINGS PLAN  
 SELF-INSURANCE TRUST FOR WORKERS' COMPENSATION  
 SCHEDULE OF EXPENSES  
 FOR THE YEAR ENDED NOVEMBER 30, 2003**

		<b>Percent of <u>Income</u></b>
<b>Insurance Expense</b>		
Trust reinsurance	\$ 513,275	7.7%
Surety bond insurance	34,500	0.5%
Directors and officers insurance	36,000	0.5%
Total Insurance	<u>\$ 583,775</u>	<u>8.8%</u>
<b>General and Administration</b>		
Actuarial services	\$ 18,750	0.3%
Legal	26,310	0.4%
Accounting and auditing	76,162	1.1%
Loss control service	60,000	0.9%
Workers' compensation audits	32,653	0.5%
Letter of credit expense	20,930	0.3%
Trust and investment administration	37,761	0.6%
Office expense and other	1,767	0.0%
Financing subsidy	59	0.0%
Trustee fees	10,875	0.2%
Trustee expense	3,693	0.1%
Total General and Administration	<u>\$ 288,960</u>	<u>4.3%</u>