



ANNUAL REPORT 2024

FIRED UP FOR THE FUTURE

LEADERSHIP REPORT

We are excited to celebrate another year of building power and growing our union. Across sectors, our members are winning campaigns that are transforming their working conditions and day-to-day lives. We have made remarkable strides this past year, strengthening our collective bargaining power and uplifting our members as leaders in the fight for workers' rights.

In the **private sector**, our human service and elder service members have won strong contracts at agencies across Massachusetts. This wave of victories has elevated industry standards by securing fair wages, benefits, and working conditions. **State workers** have been leading the fight in holding elected officials accountable by organizing their coworkers to collect petition signatures, speak out, and advocate for their raises. In the last year, we have grown our union by over 3,000 members in the **higher education** division, taking bold action to transform campuses into more equitable spaces for workers and students.

Our **family child care providers** are celebrating the ten year anniversary of a historic first contract victory! This year, they bargained another strong contract with hundreds of providers turning out for bargaining sessions. We honor our members' commitment to building a brighter future for child care providers and families everywhere.

Our solidarity principles compel us to fight for equity and justice across all movements, and we are proud to have expanded the scope of our **social justice committee** work this year. We have also continued to strengthen our labor and community partnerships by fighting for more accessible housing with the **Homes for All** coalition, and supporting the passage of the **Parentage Act**. We are committed to continuing the fight for racial, economic, and social justice at our worksites and in our communities through union contract wins, campaigns, and policy.

Our victories are creating a ripple effect that benefits the broader communities we serve. We are growing our collective bargaining power and positioning our members as leaders in advocating for the rights of workers in human service and education. We are not just securing wages and benefits for our members; we are creating a foundation for the future where we can thrive in our roles, provide quality services and education to individuals and families across the Commonwealth, and strengthen our union.

As we look toward the future, we know our work is far from over. Our accomplishments have paved the way for more victories, and we are committed to fighting for a world where every worker can form a union and be protected by a contract that ensures dignity and respect in the workplace.



Dave Foley
President

Israel Pierre
Treasurer

Kara Goodier
Recording Secretary



FAMILY CHILD CARE

A decade after our historic union victory for child care providers, our Family Child Care division is celebrating another strong new contract with big wins for our members!

After over a year of negotiations, we secured a new three-year agreement with:

- 5.5% increases to our base rates (with some regions receiving a 15% increase!)
- 5 additional days of PTO
- 1 new holiday- Veteran's Day for a total of 12 holidays!
- \$1 million dollars over 3 years to the Training Fund
- Establish a joint committee to explore retirement benefits
- Build union strength through mandatory union access at new member orientations

Hundreds of early educators participated in the bargaining process, which helped us secure this strong victory! We're proud of this new contract and of all the members who completed a survey, came to bargaining, and voted in ratification.

Every part of the process required us to come together to turn it into a victory. All of us have a role in building a strong union so we can raise standards in child care and early education for all providers in Massachusetts and beyond.



HIGHER EDUCATION

Over the past year, our union has made significant strides in the Higher Education division, securing fair wage increases, improved working conditions, and raising industry standards for graduate workers, resident assistants, and faculty across campuses.



Graduate workers at Boston University have been on strike since March, making it the longest graduate worker strike in history. They have set a powerful example for other graduate workers across the country. Alongside them, **ResLife workers at BU** ratified their first agreement that includes fair compensation and meal plan benefits.

BU part-time faculty achieved significant victories in their negotiations, including common good demands around disability and access needs. Additionally, **Postdoctoral Associates** in the Kilachand Honors College reached an agreement to be added to our salaried lecturers unit, growing our union presence on BU's campus!





AT TUFTS,

graduate workers ratified a new contract with an average first-year wage increase of over 20%!

After nine months of negotiations, **graduate workers in Arts & Sciences** won a strong contract that included approximately 42% wage increases over the life of the contract, parity between fields, and paid vacation day and holidays.



BRANDEIS

graduate workers ratified their first-ever contract for research assistants, who were added to the existing teaching assistant unit after a successful union election last fall!

By growing our union and joining forces with other SEIU locals and allies on campus, we built a contract campaign that secured stronger protections and significantly expanded our worker power, setting a new standard for collective bargaining at Brandeis.



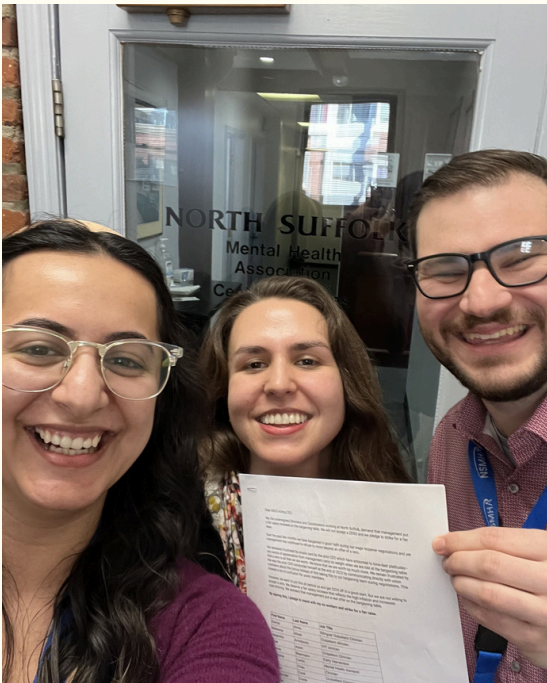
PRIVATE SECTOR

Our Private Sector Human Service and Elder Services members celebrated an extraordinary year of contract victories across multiple agencies! From historic wage increases to expanded paid time off and longevity incentives, our members took bold collective action and secured agreements that truly recognize their contributions.

At Comprehensive Mental Health Systems, Cooperative for Human Services, Guidewire, North Suffolk Community Services, Servicenet, Thrive Support & Advocacy, Walnut Street Center, and Waystone, members successfully bargained for meaningful improvements in wages, benefits, and protections.

Some highlights of what they won:

- Cooperative for Human Services: 16.21% wage increases
- CMHS and Thrive Support & Advocacy: 10% wage increases across the board in the first year
- Guidewire: 12.5% wage increases and seniority bumps for the majority of workers
- Servicenet, Inc.: 17% wage increases for early intervention educators and Juneteenth as a paid holiday
- Walnut Street Center: Longevity bonuses and 4 weeks of vacation for employees with 5 or more years of service



PRIVATE SECTOR

Elder Services members at Boston Senior Home Care, Central Boston Elder Services, HESSCO, Mystic Valley Elder Services, Somerville-Cambridge Elder Services, and South Shore Elder Services stood together and won agreements that included significant wage increases, bonuses, and enhanced benefits.

We also welcomed Bridgewell nurses to our union this year, with 96% voting in favor of unionizing, as well as North Suffolk Community Services added Addiction Specialists and Clinical Coordinators to their unit. We are thrilled they have joined our 509 family!

These victories reflect the strength of our private sector members, who continue to fight tirelessly for the respect they deserve. Together, we have set a new standard for what is possible when we stand united. When we fight, we win!



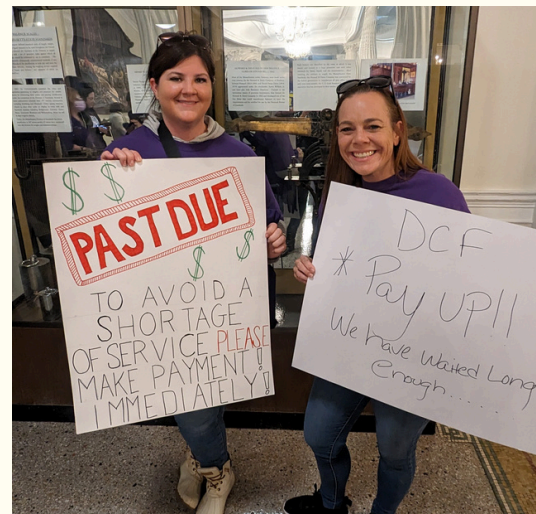
STATE WORKERS

In 2023, Local 509 state workers ratified a one-year contract extension that secured 8% raises with retro pay plus additional raises for certain titles that ensured a living wage for all state workers in our bargaining unit. That fall, when the state delayed the implementation of their raises, Local 509 created a coalition with other unions and community allies to put pressure on elected officials and secure the funding needed to move things forward. Through gathering signatures, rallying, and talking to legislators, they were able to get their raises by the end of the year.

This year, our members settled a contract that secured an 11% raise over the course of three years. Along with our 2023 contract victory, this amounts to a 19% raise over the course of four years.

They also won:

- Improved promotional language
- Increases in shift differentials and meal reimbursements
- Improved bereavement language





DMH MEMBERS

at **Tewksbury Hospital** came together with their co-workers and our allies at MNA to organize informational pickets outside of the hospital. This work is part of an ongoing campaign to bring the issues at Tewksbury to light. We will continue the fight to ensure every worker and client has the resources, safety, and support they need.

DCF FRAMINGHAM

members took a stand against mismanagement that had plagued the office for far too long. They organized a series of lunchtime walk-outs calling on the office to do right by workers and the families they serve, remove bad management, and work toward accountability.

Thank you to our members who showed up in support at solidarity actions!



MASSHEALTH

workers collected signatures from over 80% of their unit in a petition and organized a march on the boss. They successfully removed a temp agency that was being used to perform I'm bargaining unit work.

DTA

members have launched a pay equity campaign for equitable wages between new hires and current staff. They gathered over 75% of their unit's petition signatures. We are excited to support them as their campaign develops!

POLITICAL

In early October, Local 509 traveled to Northeastern Pennsylvania with a delegation of 29 people, including members, staff, retirees, and our sibling locals SEIU 32BJ and SEIU 888.

In Scranton and Hazleton, we talked with fellow union members and their families about the issues at stake in this election and why SEIU is supporting Kamala Harris, Tim Walz, and Pennsylvania Senator Bob Casey.

In total, our group knocked on over 2,500 doors and had more than 600 conversations! We are excited to move our political work to protect unions and the rights of all workers.



Agency fee letter and financials for the current year

**Submitted by:
Israel Pierre, Treasurer**





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Marlborough, MA 01752

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Annual Notice to Private Sector Human Services and Higher Education Bargaining Unit Members Regarding 2024-2025 Agency Fee Calculations and Procedures

Dear Local 509 Bargaining Unit Member:

Welcome to the Massachusetts Union for Human Service Workers & Educators, SEIU Local 509! Your work is represented by Local 509- and, if you have not done so already, we hope that you will choose to become a member.

Membership in Local 509 gives you a voice in decisions that affect your job. Membership rights include participating in meetings and decisions, electing stewards and officers, and even running for union office yourself. Private Sector employees who are not members are not permitted to participate in contract ratification votes.

Under the terms of the collective bargaining agreement in effect between your employer and the union, you are obligated as a condition of employment either to become a member of the union within 30 days of the effective date of the contract or your date of hire, whichever is later, and to remain a member, or to pay fees to the union equal to periodic dues. Some contracts also provide for charitable contributions in lieu of these fees. If you elect or have elected not to join the union, and thus have limited your obligation to the union to the payment of fees equal to periodic dues, you have the further right to object to providing financial support to union activities not germane to collective bargaining. If you choose not to become or to remain a member of the union and you object to supporting union activities not germane to collective bargaining, the union will reduce your fee to a “fair share” amount that corresponds to the percentage of the union’s total expenditures that are germane to collective bargaining. In **Private Sector Human Services**, for the most recent period, the fair share fee amounted to **75.38%** of the periodic dues, which would set your fee at **1.13%** of your weekly earnings. In **Private Sector Higher Education**, for the most recent period, the fair share fee amounted to **77.91%** of the periodic dues, which set your fee at **1.17%** of the weekly earnings.

The fair share fee reflects your share of the Union’s expenditures for collective bargaining, grievances and arbitrations, contract administration and representation, as well as other matters germane to collective bargaining and that may insure to the benefit of employees in your bargaining unit. Expenditures in the following categories of activity have been treated as chargeable in calculating the fair share fee:

1. Gathering information from employees concerning collective bargaining proposals.
2. Gathering information in preparation for the negotiation of collective bargaining agreements.
3. Negotiating collective bargaining agreements.
4. Adjusting grievances and conducting arbitrations pursuant to collective bargaining agreements.
5. Conducting ratification proceedings for negotiated agreements.
6. Providing information on negotiations, or on provisions in collective bargaining agreements, as well as on matters relating to representation in the collective bargaining process and contract administration.

DAVID FOLEY
President

ISRAEL PIERRE
Treasurer

KARA GOODIER
Recording Secretary



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7. Purchasing books, reports, and advance sheets used in matters relating to representation in the collective bargaining process and contract administration.
8. Paying technicians and professionals in labor law, economics, and other subjects for services used in (a) negotiating and administering collective bargaining agreements, and (b) processing grievances and conducting arbitrations.
9. Opposing efforts by other unions and organizing committees to gain representations rights in units represented by the union.
10. Participating in proceedings regarding the jurisdiction of the union.
11. Publishing those portions of newspapers and newsletters, which relate to bargaining and representation.
12. Participating in lawful impasse procedures, and fact-finding, mediation, arbitration, and economic action intended to secure favorable collective bargaining agreement and favorable resolution of grievances.
13. Prosecuting and defending litigation or charges before administrative agencies relating to ratification, interpretation, or enforcement of collective bargaining agreement.
14. Supporting and paying affiliation fees to SEIU and subordinate bodies of the SEIU to extent that support and fees have been determined by SEIU to be germane to the union's representation activities.
15. Prosecuting and defending litigating or charges relating to concerted activity, the duty of fair representation and collective bargaining, as well as collective bargaining agreements and any other chargeable activities.
16. Providing social and recreational activities open to all represented employees.
17. Organizing in support of collective bargaining in labor markets where SEIU already represents workers.
18. Governing the union and conducting union elections.
19. Conducting general membership meeting and conventions.

In calculating the fair share fee, the Union did not include any share of expenditures relating to a number of activities, including the following:

1. Training in or actual voter registration, get-out-the-vote, and political campaigns.
2. Supporting and contributing to charitable organizations
3. Supporting and contributing to political organizations and candidates for public office.
4. Supporting and contributing to ideological causes and committees.
5. Supporting and contributing to activities relating to foreign affairs.
6. Providing benefits available only to members.
7. Litigation not related to collective bargaining or to the union's functions as an exclusive representative.

Immediately following this notice are financial documents, and the report by an independent Certified Public Accountant verifying the auditing of the union's expenditures, setting forth the union's major categories of expenditures, the percentage of each category which is attributable to activities being charged as the fair share of the expenses, and the percentage of each category attributable to activities as to which fair share fee payers are not being charged any share of the expenses.

DAVID FOLEY
President

ISRAEL PIERRE
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If you elect to limit your obligation to the union to the payment of fees or charitable contributions, you will lose all the rights of union membership, including the right attend union meetings, the right to vote for union officers, and the right to take advantage of other privileges of membership, include a low interest union credit card, legal services plan and travel and insurance benefits. The fair share fee reflects your share of the Union's expenditures for collective bargaining, grievances, and arbitrations, contract administration and representation, as well as other matters germane to collective bargaining that may inure to the benefit of employees in your bargaining unit.

Moreover, we believe that the more workers who elect full union membership the greater the strength to improve your wages, hours, and other working conditions through collective bargaining with your employers. However, if you elect to limit your obligation to the union to the payment of fees equal to periodic dues, or if you object to providing financial support to union activities not germane to collective bargaining, the union will nevertheless continue to fairly represent you.

Even if you choose to limit your obligation to the union to the payment of fees, we believe that all of the union's expenditures, both those germane and those not germane to collective bargaining, benefit you. For example, the union may support the extension of family and medical leave requirements through legislation rather than through collective bargaining. This would benefit all workers. We therefore believe that it is in your interest not to object to supporting financially all of the union's activities.

If you nevertheless wish to limit your obligations to the union to the payment of a fair share fee or charitable contribution, you must do so in writing by mailing notice of your objection to Treasurer, SEIU Local 509 at 293 Boston Post Road West, 4th Floor Marlborough MA 01742. You should include your name, address, social security number, employer, and work location. If you object to providing financial support to union activities not germane to collective bargaining and wish to pay only the fair share fee, you should include the word "objector" in your notice. Your objection must be postmarked no later than 30 days after the date that you receive this notice in order to be valid. You also have the right to challenge the amount of the fair share fee.

If you file a challenge, the union will place into an interest-bearing escrow account the portion of the fair share fees collected from you that is reasonable in dispute.

The Union participates in a procedure through the American Arbitration Association under which a reasonably prompt decision will be rendered by an independent decision-maker on all challenges to the amount of the fair share fee. The Arbitrator will be selected by the American Arbitration Association. All challenges will be consolidated for a single hearing.

DAVID FOLEY
President

ISRAEL PIERRE
Treasurer

KARA GOODIER
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The Arbitrator will have authority to determine if the amount of the fair share fee is correct and to order any adjustments therein, if necessary, and to order that the funds being held in the interest-bearing escrow account be distributed in accordance with the Arbitrator's opinion. The arbitration will be scheduled and conducted in accordance with the American Arbitration Association Rules and Regulations. The Arbitrator's fees and expenses will be paid by the Union. If you file a challenge, you may be represented at the arbitration hearing, but will be responsible for your own expenses for representation at the hearing.

If you wish to challenge the calculation of your fair share fee as described above, you must do so in writing by mailing notice of your challenge to Treasurer, SEIU Local 509, 293 Boston Post Road West, 4th Floor, Marlborough, MA 01752. You should include your name, address, social security number, employer, and work location, as well as the word "challenge". Your challenge must be postmarked no later than 30 days after receiving this notice.

In Unity,

Israel Pierre
SEIU Local 509 Treasurer

DAVID FOLEY
President

ISRAEL PIERRE
Treasurer

KARA GOODIER
Recording Secretary

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION

FINANCIAL STATEMENTS AND

SUPPLEMENTARY INFORMATION

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

To the Trustees
Local 509, Service Employees International Union
293 Boston Post Road West, 4th Floor
Marlborough, Massachusetts 01752

Opinion

We have audited the accompanying financial statements of Local 509, Service Employees International Union (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 financial position of Local 509, Service Employees International Union as of December 31, 2023, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Local 509, Service Employees International Union 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Local 509, Service Employees International Union's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 of the effectiveness of Local 509, Service Employees International Union'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Local 509, Service Employees International Union'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 Summarized Comparative Information

We have previously audited Local 509, Service Employees International Union's December 31, 2022 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated August 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental statement of allocation between chargeable and non-chargeable expenses – private higher education, and statement of allocation between chargeable and non-chargeable expenses – private human services for the year ended December 31, 2023, are presented for purposes of additional analysis and are 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 audit 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.

Munji & Associates L.L.C.

North Andover, Massachusetts
October 4, 2024

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS				
	Without Donor Restriction	With Donor Restriction	Total 2023	2022
CURRENT ASSETS				
Cash and cash equivalents	\$ 15,779	\$ -	\$ 15,779	\$ 10,114
Prepaid expenses	295,008	-	295,008	261,200
Dues receivable	871,427	-	871,427	815,755
Other receivable	62,015	32,338	94,353	155,565
	<u>1,244,229</u>	<u>32,338</u>	<u>1,276,567</u>	<u>1,242,634</u>
INVESTMENTS - FAIR VALUE				
Institutional cash	11,051,023	3,672,948	14,723,971	13,671,572
U.S. Treasury securities	198,616	-	198,616	390,211
	<u>11,249,639</u>	<u>3,672,948</u>	<u>14,922,587</u>	<u>14,061,783</u>
PROPERTY AND EQUIPMENT				
Equipment	121,426	-	121,426	94,209
Furniture and fixtures	315,590	-	315,590	315,590
Leasehold improvements	763,278	-	763,278	759,028
Software	255,998	-	255,998	247,298
	<u>1,456,292</u>	<u>-</u>	<u>1,456,292</u>	<u>1,416,125</u>
Less: Accumulated depreciation	<u>(1,167,511)</u>	<u>-</u>	<u>(1,167,511)</u>	<u>(1,045,134)</u>
	<u>288,781</u>	<u>-</u>	<u>288,781</u>	<u>370,991</u>
OTHER ASSETS				
Employee health reimbursement funding	242,354	-	242,354	288,684
Operating lease right-of-use asset	1,374,288	-	1,374,288	1,622,570
Deposits	2,235	-	2,235	2,235
	<u>1,618,877</u>	<u>-</u>	<u>1,618,877</u>	<u>1,913,489</u>
TOTAL ASSETS	<u>14,401,526</u>	<u>3,705,286</u>	<u>18,106,812</u>	<u>17,588,897</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	538,509	9,193	547,702	856,151
Accrued payroll and benefits	848,067	-	848,067	949,703
Deferred rent	180,671	-	180,671	210,572
Current portion of right-of-use operating lease liability	418,773	-	418,773	409,582
	<u>1,986,020</u>	<u>9,193</u>	<u>1,995,213</u>	<u>2,426,008</u>
LONG-TERM DEBT				
Right-of-use operating lease liability, net of current portion	942,594	-	942,594	1,209,934
TOTAL LIABILITIES	<u>2,928,614</u>	<u>9,193</u>	<u>2,937,807</u>	<u>3,635,942</u>
NET ASSETS	<u>11,472,912</u>	<u>3,696,093</u>	<u>15,169,005</u>	<u>13,952,955</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,401,526</u>	<u>\$ 3,705,286</u>	<u>\$ 18,106,812</u>	<u>\$ 17,588,897</u>

The accompanying notes are an integral part
of these financial statements.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2023
(with Summarized Financial Information for the year ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	<u>2023</u>	<u>2022</u>
REVENUE				
Dues	\$ 15,358,191	\$ -	\$ 15,358,191	\$ 14,063,840
COPE contributions	-	320,153	320,153	275,534
Agency fees	164,876	-	164,876	276,823
Grant income	-	121,460	121,460	167,901
Other income	68,186	-	68,186	1,101,524
Rental income	9,000	-	9,000	9,000
Interest income	429,959	-	429,959	44,056
Total revenues	<u>16,030,212</u>	<u>441,613</u>	<u>16,471,825</u>	<u>15,938,678</u>
INVESTMENT INCOME				
Unrealized gain (loss) on investments	22,153	-	22,153	(3,124)
Realized gain on investments	-	-	-	855
Total investment income	<u>22,153</u>	<u>-</u>	<u>22,153</u>	<u>(2,269)</u>
Total revenues	<u>16,052,365</u>	<u>441,613</u>	<u>16,493,978</u>	<u>15,936,409</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,124,586</u>	<u>(1,124,586)</u>	<u>-</u>	<u>-</u>
EXPENSES				
Program services				
Field services	6,303,020	-	6,303,020	5,230,943
Organizing	4,511,209	-	4,511,209	4,403,718
Political	689,969	-	689,969	1,030,416
Union administration	816,910	-	816,910	683,308
Contributions	908	-	908	1,763
Total program services	<u>12,322,016</u>	<u>-</u>	<u>12,322,016</u>	<u>11,350,148</u>
Management and general	<u>2,955,912</u>	<u>-</u>	<u>2,955,912</u>	<u>3,011,334</u>
Total expenses	<u>15,277,928</u>	<u>-</u>	<u>15,277,928</u>	<u>14,361,482</u>
INCREASE (DECREASE) IN NET ASSETS	1,899,023	(682,973)	1,216,050	1,574,927
NET ASSETS, BEGINNING OF YEAR	<u>9,573,889</u>	<u>4,379,066</u>	<u>13,952,955</u>	<u>12,378,028</u>
NET ASSETS, END OF YEAR	<u>\$ 11,472,912</u>	<u>\$ 3,696,093</u>	<u>\$ 15,169,005</u>	<u>\$ 13,952,955</u>

The accompanying notes are an integral part
of these financial statements.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023
(with Summarized Financial Information for the year ended December 31, 2022)

	2023							2022
	Field Services	Organizing	Political	Union Administration	Contributions	Management and General	Total	Total (for comparative purposes only)
Personnel								
Salaries and wages	\$ 2,867,986	\$ 1,116,435	\$ 290,765	\$ 387,095	\$ 591	\$ 1,246,978	\$ 5,909,850	\$ 5,961,875
Payroll taxes and benefits	1,569,939	562,346	155,604	207,156	317	667,327	3,162,689	2,858,055
Total personnel	4,437,925	1,678,781	446,369	594,251	908	1,914,305	9,072,539	8,819,930
Arbitrations	63,080	-	-	-	-	-	63,080	52,190
Chapter expenses	-	-	-	-	-	36,008	36,008	25,071
Conferences	17,115	9,677	3,932	2,863	-	14,770	48,357	28,071
Consultants	66,217	1,141	73,772	2,186	-	113,734	257,050	231,814
COPE	-	-	67,949	-	-	-	67,949	54,750
Depreciation	-	-	-	-	-	122,377	122,377	136,337
Donations	7,012	-	13,475	-	-	30,186	50,673	405,227
Elections	-	65	292	-	-	1,812	2,169	88,760
Insurance	43,156	15,417	3,833	12,468	-	7,581	82,455	75,534
Legal	3,460	27,683	-	-	-	449,457	480,600	515,686
Meetings	20,500	8,100	-	6	-	82,052	110,658	62,855
Member benefits	1,024,089	12,731	506	-	-	14,000	1,051,326	318,023
Negotiations	61,337	270	-	-	-	-	61,607	8,288
Occupancy	221,911	79,274	19,711	64,111	-	39,140	424,147	426,722
Office supplies	68,498	15,638	11,922	86,950	-	26,532	209,540	214,485
Officers' and stewards' expense	94,463	-	226	-	-	3,679	98,368	44,858
Per capita	-	2,591,189	-	-	-	-	2,591,189	2,482,927
Political contributions	-	-	29,150	-	-	-	29,150	45,850
Postage and printing	33,063	4,909	5,367	3,094	-	18,756	65,189	46,064
Professional fees	7,886	2,817	700	16,602	-	41,139	69,144	70,610
Staff expenses	11,222	7,407	848	5,950	-	9,665	35,092	19,580
Telephone	73,616	26,696	7,135	23,663	-	12,778	143,888	120,558
Travel and automobile	48,470	29,414	4,782	4,766	-	17,941	105,373	67,293
Total program expenses	<u>\$ 6,303,020</u>	<u>\$ 4,511,209</u>	<u>\$ 689,969</u>	<u>\$ 816,910</u>	<u>\$ 908</u>	<u>\$ 2,955,912</u>	<u>\$ 15,277,928</u>	<u>\$ 14,361,483</u>

The accompanying notes are an integral part of the financial statements.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2023
(with Summarized Financial Information for the year ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,216,050	\$ 1,574,927
Adjustments to reconcile increase in net assets provided (used) by operating activities:		
Depreciation	122,377	136,337
Operating lease right-of-use asset	248,282	(1,622,570)
(Increase) decrease in operating assets:		
Unrealized loss on investments	-	3,124
Realized gain on sale of investments	-	(855)
Right-of-use operating lease liability	(258,149)	1,619,516
Prepaid expense	(33,808)	25,753
Dues receivable	(55,672)	(508,219)
Other receivable	61,212	(44,888)
Employee health reimbursement funding	46,330	(121,073)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(308,449)	316,721
Accrued payroll and benefits	(101,636)	63,492
Deferred rent	(29,901)	(18,509)
Total adjustments	<u>(309,414)</u>	<u>(151,171)</u>
Net cash provided by operating activities	<u>906,636</u>	<u>1,423,756</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	198,000	200,000
Purchase of investments	(6,405)	(592,480)
Purchase of fixed assets	<u>(40,167)</u>	<u>(13,733)</u>
Net cash provided (used) by investing activities	<u>151,428</u>	<u>(406,213)</u>
NET INCREASE IN CASH AND EQUIVALENTS	1,058,064	1,017,543
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>13,681,686</u>	<u>12,664,143</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 14,739,750</u></u>	<u><u>\$ 13,681,686</u></u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Operating lease right-of-use asset	<u>\$ -</u>	<u>\$ 1,622,570</u>
Right-of-use operating lease liability	<u>\$ -</u>	<u>\$ 1,619,516</u>

The accompanying notes are an integral part
of these financial statements.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 1 - ORGANIZATION

Local 509, Service Employees International Union (the “Local”) is a Massachusetts, non-profit unincorporated association organized under the constitution of the Service Employees International Local (the “International Local”), dated in 1922. The International Local is affiliated with Change to Win and with Canadian Labor Congress (CLC). The Local was formed to organize and unite all workers, eligible for membership herein, for their mutual advancement, both socially and economically, eradicate discriminatory practices by employers and society at large, foster the value of a public commitment for human services and education and to promote and encourage the involvement of members in the political process, including elections and other forms of political activities.

The Local collects voluntary contributions from active and retired members to be used for political and legislative activities. The Committee on Political Education (COPE) endeavors to hold politicians accountable at every level of government and help the Local build political power to win strong contacts, better benefits and pass laws to protect jobs.

The Local is an affiliate of the Service Employees International Local (“SEIU”), headquartered in Washington, D.C. The Local abides by the constitution of the SEIU, and the SEIU has the right to trustee the Local for failure to uphold the constitution.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts of the Local are maintained on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Local's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Accounting Changes:

Effective January 1, 2022, the Local adopted Accounting Standards Codification Topic 842, Leases, which requires lessees to recognize leases on the balance sheet as a right-of-use asset and a lease liability. The Local elected to apply the modified retrospective transition approach, which resulted in the recognition of a lease liability and a right-of-use asset for all leases that were in effect at the effective date (adoption date) and recognizes a cumulative effect adjustment to the opening balance or retained earnings, if any, as of that date. The adoption date therefore represents the application date under this method.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Local's records are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. The Local has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Local is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

A description of the net asset categories is as follows:

Net assets without donor restrictions – Net assets that are not subject to collectively bargained stipulations and which the Trustees of the Local have discretionary control.

Net assets with donor restrictions – Net assets subject to collectively bargained stipulations that are maintained by the Local. Generally, the assets are permitted to be used by the Local for specific purposes. The collectively bargained stipulations will be met either by actions of the Local and/or passage of time.

Cash and Cash Equivalents

For the purposes of these statements, cash and cash equivalents include amounts held in interest bearing and non-interest bearing checking accounts (including donor restricted accounts), certificates of deposits and an interest bearing cash investment account.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is 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. See Note 6 for a discussion of fair value measurements.

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. Any unrealized gains and losses are included in the accompanying statements of activities.

Dues Receivable

Dues receivables are determined from information submitted for dues and assessments owed through December 31. The Local considers the receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to Dues when that determination is made. Collections on accounts previously written off are included in income as received.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. The Local's policy is to capitalize property and equipment costs of \$2,000 or more. Major additions and improvements are capitalized, while maintenance and repairs, which do not extend the lives of the respective assets, are expended in the year incurred. Depreciation is computed on the straight-line method for financial statement purposes. Upon retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the accounts and any resulting gain or loss is included in the statement of activities for the respective period. The Local recognized depreciation expense for the years ended December 31, 2023 and 2022 of \$122,377 and \$136,337, respectively.

Promotional and Advertising Expenses

The Local expenses promotional costs as they are incurred.

Revenues

All dues and other support are considered to be available for unrestricted use, unless specifically restricted.

Chargeable Expenses

Chargeable expenses, as shown on the Statements of Allocation Between Chargeable and Non-chargeable expenses, are those incurred by the Local that reflect the share of the costs of operations of the Local which are considered necessary and reasonably incurred for the purpose of performing the Local's duty as a representative of the employees in dealing with the employer on labor management issues, including the costs of negotiating and administering collective bargaining management issues, settling grievances and disputes by mutual agreement or in arbitration, court or otherwise, increasing the market employed to implement the duties of the Local as representative of the employees in the bargaining unit, and the maintenance of the Local's associational existence.

Non-Chargeable Expenses

Non-chargeable expenses, as shown on the Statements of Allocation Between Chargeable and Non-chargeable expenses, are those incurred by the Local for the benefit of and advancement of represented employees, which are not considered representation activities for non-members. Non-chargeable activities include those services that are ideological or political in nature, those that are exclusively for the benefit of full union members, and those that otherwise are not considered germane to the collective bargaining process.

Subsequent Events

The Local has evaluated subsequent events through October 4, 2024, the date the financial statements were available to be issued.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 3 – DONOR RESTRICTED CASH

Reimbursement Trust Fund – In December 2020, the Local signed a Memorandum of Understanding, also known as the Reimbursement Trust Fund, with the Massachusetts Department of Early Education and Care (“EEC”) in the amount of \$3,000,000. The funds are to be used to provide assistance for expenses for active Family Child Care Providers in the bargaining unit. The Local is required to provide quarterly reports to the EEC’s General Counsel detailing the use of the funds. The total funds received as of December 31, 2023 were \$3,000,000. As of December 31, 2023 and 2022, \$963,371 and \$141,723 of funds were expended, respectively. The Fund earned \$77,597 and \$1,979 of interest during the years ended December 31, 2023 and 2022, respectively.

Student Loan Debt Relief – In March 2020, the Local received \$1,000,000 in funds from the Commonwealth of Massachusetts to be used to provide student loan debt relief to bargaining unit members. As of December 31, 2023 and 2022, \$3,000 and \$3,000 of funds were expended, respectively. These funds earned \$27,462 and \$566 of interest during the years ended December 31, 2023 and 2022, respectively.

Emergency Fund – The Local established this fund to defray the costs of food and lodging of needy members who are participating in a strike authorized by the Local.

COPE Fund – The Committee On Political Education (COPE) is part of SEIU Local 509 and serves as our political action fund. Money contributed to COPE goes directly toward electing pro-worker, pro-labor legislators as well as working for or against ballot measures that would affect our members.

The following represents a reconciliation of cash and restricted cash that sum to the total of cash and restricted cash on the Statements of Cash Flows as of December 31, 2023 and 2022:

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 3 – DONOR RESTRICTED CASH (Continued)

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,066,802	\$ 9,313,299
Restricted Cash - Reimbursement Trust Fund	1,980,057	2,838,403
Restricted Cash - Student Loan Debt Relief	841,451	813,989
Restricted Cash - Emergency Fund	9,193	7,192
Restricted Cash - COPE Fund	<u>842,247</u>	<u>708,803</u>
Total Cash and cash equivalents and Restricted Cash	<u>\$ 14,739,750</u>	<u>\$ 13,681,686</u>

NOTE 4 – BOARD DESIGNATED FUNDS

Included in net assets without restrictions, for the years ended December 31, 2023 and 2022, is \$1,000,000 and \$1,000,000, respectively, which the Board of Directors has designated towards strike funds.

NOTE 5 – REVENUES

The Local receives dues from its members deducted by the various employers and paid to the Local on a monthly basis. The contribution rate for dues is 1.5%.

NOTE 6 – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and disclosures, provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

Level 2

Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2023.

Institutional Cash

Institutional cash includes money market accounts and investment cash accounts and are valued at their cost-plus interest earned, which approximates fair value.

US Government and Agency Securities

Valued at the closing price reported in the active market in which the individual security is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Local believes its valuation methods 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.

The following tables set forth by level, within the fair value hierarchy, the Local's assets at fair value for the years ended December 31, 2023 and 2022:

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

	Assets at Fair Value as of			
	<u>December 31, 2023</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Institutional cash	\$ 14,723,971	\$ 14,723,971	\$ -	\$ -
U.S. Government and Agency Securities	<u>198,616</u>	<u>198,616</u>	<u>-</u>	<u>-</u>
Total Assets in the Fair Value Hierarchy	<u>\$ 14,922,587</u>	<u>\$ 14,922,587</u>	<u>\$ -</u>	<u>\$ -</u>

	Assets at Fair Value as of			
	<u>December 31, 2022</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Institutional cash	\$ 13,671,572	\$ 13,671,572	\$ -	\$ -
U.S. Government and Agency Securities	<u>390,211</u>	<u>390,211</u>	<u>-</u>	<u>-</u>
Total Assets in the Fair Value Hierarchy	<u>\$ 14,061,783</u>	<u>14,061,783</u>	<u>\$ -</u>	<u>\$ -</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2023 and 2022 are reported in net appreciation in fair value of investments in the Statements of Activities.

During 2023, the Local's investment (including investments bought, sold, and held during the year) appreciated in value by \$22,153. This is comprised of unrealized appreciation of \$22,153. During 2022, the Local's investment (including investments bought, sold and held during the year) depreciated in value by \$2,269. This is comprised of unrealized depreciation of \$3,124 and realized gains of \$855.

Transfers between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the report period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2023 and December 31, 2022, there were no significant transfers in or out of levels 1, 2, 3.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 7 – COMPENSATED ABSENCES

Employees of the Local are entitled to paid vacation and paid sick leave, depending on job classification, length of service, and other factors. Employees are able to cash-out up to a maximum of ten days of vacation at the end of each calendar year. Upon separation, employees are also entitled to accrued sick leave compensated at a rate between 5% and 20%, depending on years of service. Employees may donate their sick leave to other employees who have exhausted their sick leave. For the years ended December 31, 2023 and 2022, accruals for compensated absences totals \$732,455 and \$767,808, respectively, and are included in accrued payroll and benefits on the Statements of Financial Position.

NOTE 8 – TAX STATUS

The Internal Revenue Service has determined the Local is exempt from federal income taxes under Section 501(C)(5) of the Internal Revenue Code. Accordingly, no provision or liability for federal income taxes has been included in the accompanying financial statements. The Local believes that it continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Local and recognized a tax liability (or asset) if the Local has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. Management has analyzed the tax positions taken by the Local, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Local is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9 – RISKS AND UNCERTAINTIES

The Local invests in various investments. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

In the normal course of operations, the Local may be subject to certain claims and litigations. In the opinion of management, the outcome of any such matters will not have a material effect on the financial position of the Local.

NOTE 10 – CONCENTRATIONS OF CREDIT RISK

The Local maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Local has not experienced any losses in such accounts. Management believes that the Local is not exposed to any significant credit risk related to cash.

The Local derived approximately 57% and 56% respectively, of its revenue from members working directly for the Commonwealth of Massachusetts for the years ended December 31, 2023 and 2022.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 11 - RECLASSIFICATION

Items for the year ended December 31, 2022 have been reclassified for comparative purposes.

NOTE 12 – RELATED PARTY

The Local incurred \$2,487,065 and \$2,381,970 in per capita taxes due to the SEIU International for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, \$219,408 and \$399,418, respectively, were payable to the SEIU International.

As of December 31, 2023 and 2022, the Local is owed \$32,338 and \$17,931, respectively, from the SEIU for COPE overages.

NOTE 13 – LIQUIDITY AND AVAILABILITY

The Local has \$11,032,582 and \$9,284,620 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$10,066,802 and \$8,313,300 and accounts receivable of \$965,780 and \$971,320 as of December 31, 2023 and 2022, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The accounts receivable are subject to time restrictions but are expected to be collected within one year. The Local has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Local invests cash in excess of daily requirements in various investments, including certificates of deposit. These funds could be drawn upon in the event of an unanticipated liquidity need within the parameters of the donor stipulations.

NOTE 14 – COLLECTIVE BARGAINING AGREEMENT

The Local has a collective bargaining agreement with the Staff Employees Union, Local 509 (The Union). The Local recognizes the Union as the sole and exclusive bargaining representative of the employees in the following units: all full-time and regular part-time clerical employees, field representatives, business agents, organizers and the directors of legislation, and communication, strategic researchers, advocate liaisons, and researcher/organizers; excluding supervisors, managerial employees, confidential employees, business manager, general counsel, student interns, and temporary employees. For the years ended December 31, 2023 and 2022, 62% and 76% respectively, of the Local's employees were covered under the agreement.

NOTE 15 – LEASE COMMITMENTS

In September 2013, the Local entered into a non-cancelable operating lease for approximately 1,850 square feet of office space located in West Springfield, Massachusetts. The lease term is five years and commenced on January 1, 2014. In November 2017, the Local exercised the first option of the lease and extended the terms for an additional five years commencing on January 1, 2019. In August 2023, the Local extended the lease for an additional five years commencing on January 1, 2024, through December 31, 2028.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 15 – LEASE COMMITMENTS (Continued)

The lease has met the criteria of being an Operating Lease under ASC 842. As this operating lease does not have non lease components, the Local has not elected to adopt the available practical expedient option. The Local adopted the retrospective transition approach, with the initial measurement date of January 1, 2022. The present value of the future minimum payments was calculated to be \$151,433 under this lease. A resulting operating and right-of-use asset and respective short-term and long-term operating right-of-use liability was established.

In May 2016, the Local entered into a non-cancelable operating lease for approximately 15,188 square feet of office space and 2,500 square feet of storage located in Marlborough, Massachusetts. In July 2017, the storage space was reduced to 1,764 square feet. The landlord provided a build-out allowance of \$759,400, of which \$121,504 was available to pay for relocation costs. The lease term is 10 years and 7 months and commenced on October 1, 2016. The Local had free rent for the first full seven months of the lease term. The lease required a security deposit of \$68,438, consisting either of cash or an irrevocable letter of credit, and is subject to a partial return payment of 33.33% on each of the successive 12-month anniversaries commencing with the first anniversary date following the end of the free rent period on April 30, 2017. The Local entered into a letter of credit with a bank in May 2016 in the amount of \$68,438. The letter of credit was reduced to \$45,625 in August 2018 and \$22,813 in March 2020.

The lease has met the criteria of being an Operating Lease under ASC 842. As this operating lease does not have non lease components, the Local has not elected to adopt the available practical expedient option. The Local adopted the retrospective transition approach, with the initial measurement date of January 1, 2022. The present value of the future minimum payments was calculated to be \$1,168,993 under this lease. A resulting operating and right-of-use asset and respective short-term and long-term operating right-of-use liability was established.

In February 2018 the Local entered into a memorandum of understanding with the Service Employees International Union Massachusetts State Council for approximately 159 square feet of office space located in Boston, Massachusetts. This agreement requires monthly payments of \$3,500 through December 31, 2024. As this operating lease does not have non lease components, the Local has not elected to adopt the available practical expedient option. The present value of the future minimum payments was calculated to be \$40,940 and a resulting operating right-of-use asset and respective short-term and long-term operating right-of-use liabilities were established.

Rent expense is recorded on a straight-line basis under generally accepted accounting principles. The difference between straight-line rent expense and the required lease payments is reflected as deferred rent of \$180,971 and \$210,572 at December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, aggregate rent expense under the leases was \$379,682 and \$386,496, respectively.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 15 – LEASE COMMITMENTS (Continued)

Future minimum lease payments under the lease agreements as of December 31, 2023 are as follows:

2024	\$ 434,541
2025	403,932
2026	415,323
2027	161,907
2028	33,300
	<u>1,449,003</u>
Less amounts representing interest	<u>(87,636)</u>
Present value of net minimum payments	<u>\$ 1,361,367</u>

NOTE 16 – MULTIEMPLOYER PENSION PLAN

The Local participates in the SEIU Affiliates' Officers and Employees Pension Fund (the SEIU Pension Fund). The SEIU Pension Fund is a multiemployer defined benefit pension plan covering all employees meeting the minimum service requirements. The plan benefits are based on the participant's accumulated service credits and the highest consecutive three-year average monthly compensation. The policy of the Local is to fund pension costs as incurred. For the years ended December 31, 2023 and 2022, the Local made contributions of \$1,162,314 and \$1,099,508, respectively.

The SEIU Pension Fund mandates that contributions made to the SEIU Pension Fund be paid entirely by the Local. Percentage contributions are established each calendar year by the SEIU Pension Fund. The contribution percentage was 21% for 2023 and 21% for 2022.

Legal Name of Pension Plan	Pension Plan's Employer Identification Number	Pension Plan's Plan Number	Pension Protection Act Zone Status				Expiration Date of Collective Bargaining Agreement
			Zone Status	Contribution	Zone Status	Contribution	
			January 1, 2023		January 1, 2022		
SEIU Affiliates' Officers and Employees Pension Fund	52-0812348	001	Green Zone 106.4% Funded	1,162,314	Green Zone 109.9% Funded	1,099,508	6/30/2027

NOTE 17 – FUNCTIONAL EXPENSES

The program service costs of the Local are the costs related to providing the services in accordance with its defined mission. These costs can be further disaggregated and classified as Representational activities, Political and Lobbying activities, Contributions, Gifts and Grant activities, and Local Administration activities. Expenses that require allocation are allocated on a reasonable basis that is consistently applied. These activities are defined by the U.S. Department of Labor, the Office of Labor-Management Standards under the Labor Management Reporting and Disclosure Act, as amended (LMRDA).

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 (with summarized comparative totals for 2022)

NOTE 18 – REIMBURSEMENT TRUST FUND

In December 2020, the Local signed a Memorandum of Understanding, also known as the Reimbursement Trust Fund, with the Massachusetts Department of Early Education and Care (“EEC”) in the amount of \$3,000,000. The funds are to be used to provide assistance for expenses for active Family Child Care Providers in the bargaining unit. The Local is required to provide quarterly reports to the EEC’s General Counsel detailing the use of the funds. The total funds received as of December 31, 2023 were \$3,000,000. As of December 31, 2023 and 2022, \$963,371 and \$141,423 of funds were expended, respectively. The Fund earned \$77,597 and \$1,979 of interest during the years ended December 31, 2023 and 2022, respectively.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENT OF ALLOCATION BETWEEN CHARGEABLE
AND NON-CHARGEABLE EXPENSES - PRIVATE - HIGHER EDUCATION
For the Year Ended December 31, 2023

	<u>Total Expenses</u>	<u>Chargeable Expenses</u>	<u>Non- Chargeable Expenses</u>
Personnel			
Salaries and wages	\$ 5,909,850	\$ 5,236,193	\$ 673,657
Payroll taxes and benefits	3,162,689	2,809,933	352,756
Total personnel	9,072,539	8,046,126	1,026,413
Arbitrations	63,080	63,080	-
Chapter expenses	36,008	36,008	-
Conferences	48,357	41,841	6,516
Consultants	257,050	198,278	58,772
COPE	67,949	-	67,949
Depreciation	122,377	122,377	-
Donations	50,673	-	50,673
Elections	2,169	1,877	292
Insurance	82,455	78,622	3,833
Legal	480,600	474,037	6,563
Meetings	110,658	110,331	327
Member benefits	1,051,326	1,050,820	506
Negotiations	61,607	61,607	-
Occupancy	424,147	424,147	-
Office supplies	209,540	192,051	17,489
Officers' and stewards' expense	98,368	98,142	226
Per capita	2,591,189	265,358	2,325,831
Political contributions	29,150	-	29,150
Postage and printing	65,189	59,438	5,751
Professional fees	69,144	67,420	1,724
Staff expenses	35,092	32,483	2,609
Telephone	143,888	136,183	7,705
Travel and automobile	105,373	94,071	11,302
Total expenses	15,277,928	11,654,297	3,623,631
Less: political expenses paid from voluntary contributions	(320,153)	-	(320,153)
Net expenses	<u>\$ 14,957,775</u>	<u>\$ 11,654,297</u>	<u>\$ 3,303,478</u>
Percentages	<u>100.00%</u>	<u>77.91%</u>	<u>22.09%</u>

The accompanying notes are an integral part of the financial statements.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION
STATEMENT OF ALLOCATION BETWEEN CHARGEABLE
AND NON-CHARGEABLE EXPENSES - PRIVATE - HUMAN SERVICES
For the Year Ended December 31, 2023

	Total Expenses	Chargeable Expenses	Non- Chargeable Expenses
Personnel			
Salaries and wages	\$ 5,909,850	\$ 4,954,228	\$ 955,622
Payroll taxes and benefits	3,162,689	2,641,552	521,137
Total personnel	9,072,539	7,595,780	1,476,759
Arbitrations	63,080	63,080	-
Chapter expenses	36,008	36,008	-
Conferences	48,357	37,029	11,328
Consultants	257,050	197,137	59,913
COPE	67,949	-	67,949
Depreciation	122,377	122,377	-
Donations	50,673	-	50,673
Elections	2,169	1,812	357
Insurance	82,455	78,622	3,833
Legal	480,600	459,479	21,121
Meetings	110,658	102,728	7,930
Member benefits	1,051,326	1,038,089	13,237
Negotiations	61,607	61,337	270
Occupancy	424,147	424,147	-
Office supplies	209,540	192,692	16,848
Officers' and stewards' expense	98,368	98,142	226
Per capita	2,591,189	400,283	2,190,906
Political contributions	29,150	-	29,150
Postage and printing	65,189	58,225	6,964
Professional fees	69,144	66,440	2,704
Staff expenses	35,092	28,387	6,705
Telephone	143,888	136,577	7,311
Travel and automobile	105,373	77,341	28,032
Total expenses	15,277,928	11,275,712	4,002,216
Less: political expenses paid from voluntary contributions	(320,153)	-	(320,153)
Net expenses	\$ 14,957,775	\$ 11,275,712	\$ 3,682,063
Percentages	100.00%	75.38%	24.62%

The accompanying notes are an integral part of the financial statements.