



# Annual Report 2025



# Leadership Report

This year, we've faced tremendous challenges at our worksites and in our communities. At every turn, SEIU 509 members across sectors met these moments with courage, coming together to advocate for their fellow union siblings, their clients, and themselves.

**State workers** stood on the front lines of a critical fight to save mental health services and two essential state hospitals. Through tireless organizing – including coalition-building with clients and allies, sharing testimonies at the State House, and organizing statewide informational pickets – we successfully defended DMH case managers' jobs and saved Pocasset and Pappas hospitals.

Despite the challenges, we also had a lot to celebrate! Our **family child care providers** celebrated two major milestones: the one-year anniversary of the Common Start legislative victory and the ten-year anniversary of their first union contract victory. In the **private sector**, workers at **human service and elder service** agencies across the Commonwealth won unprecedented raises, retirement benefits, and protections that bring more stability and recognition to their work. These wins didn't just lift up our members – they inspired other human service providers to join us. We're thrilled to welcome **MAB Community Services** workers who won their union with SEIU 509, growing our membership and joining us in the fight to set new standards for the industry!

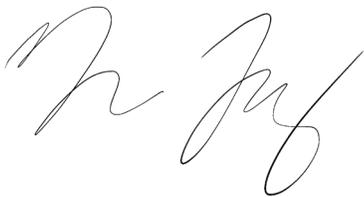


In the midst of attacks on higher education, political expression, and workers' rights, our higher education members are not backing down. **School of Engineering graduate workers** at Tufts University ratified their first contract, while **Teaching Professors** went on a two-day strike that garnered community support across campus. **Simmons University adjuncts** also joined our membership in one of the largest organizing victories of the year, and we're excited to welcome them into our union family!

Through our **political advocacy**, we made sure our voices were heard here at the State House and across the country. In a year marked by horrific attacks on immigrant and working-class communities, our members showed up to defend their union siblings who were unjustly detained by ICE. Member leaders joined other SEIU members and allies for the Justice Journey trip to bring attention to cruel immigration policies that are tearing our communities apart. The labor movement plays a pivotal role in the fight for social justice, and now more than ever, it's important that we continue to rise to the challenge.

Whether protecting jobs, growing our local's membership, raising wages, or defending our communities, SEIU 509 members continue to lead with strength and compassion. We're proud of the ground we've gained in what has been an extraordinarily difficult year, and we know solidarity is the only way forward.

**In solidarity,**



Dave Foley  
President



Israel Pierre  
Treasurer



Kara Goodier  
Recording Secretary



# Family Child Care

**Our Family Child Care members had a lot to celebrate in 2025, including the first year anniversary of the passage of Common Start Coalition's policies in July.** Together with our partners in Common Start, SEIU Local 509 FCC members have been advocating at the State House for high-quality, accessible, affordable early education and child care! Through hard work, our movement has taken steps toward making a more equitable Massachusetts into a reality.

This past December, **Family Child Care members commemorated ten years since winning their first contract!** For over a

decade, our FCC members have worked together to raise standards for early educators throughout Massachusetts. Together, they have bargained for increased rates, an increased number of PTO days and holidays, the creation of a training fund with major investments in the professional development of educators, and a committee to explore retirement benefits. We're proud of the progress we've made, and we look forward to continuing to fight for better working conditions as we start contract negotiations next year.





# Private Sector

Private Sector Human Service and Elder Services members celebrated another year of groundbreaking victories, raising standards and setting new benchmarks across the sector. PSHS members secured strong wage increases, new minimum wage floors, significant bonuses, stronger retirement contributions, and expanded holidays and leave time.

From **Tapestry** and **Triangle** to **Incompass**, **Delta**, **Bridgewell**, **Edinburg**, **Old Colony Elder Services**, **Community Healthlink**, and **Highland Valley Elder Services**, members fought hard and won transformative gains: major raises, first-ever 401k matches, tuition assistance, licensure stipends, workload protections, and expanded union rights.

**These wins didn't just improve paychecks – they are creating long-term security and recognition for thousands of PSHS workers.** Together, our private sector and elder services members showed that collective action delivers life-changing improvements and the respect their essential work deserves.





# State Workers



As public sector services faced threats from Governor Healey's FY26 budget cuts, our members – workers in the **Department of Mental Health** and at **Pocasset Mental Health Center** and **Pappas Rehabilitation Hospital for Children** – fought hard for their clients, their communities, and the essential care that they provide.

From the State House to our neighborhoods and streets, we organized informational pickets and did public outreach, called and emailed legislators, and shared testimony. We met with families and clients. We organized with labor and community allies. **We did not back down, and after months of tireless advocacy, we saved over 200 jobs and stopped the closures of Pappas and Pocasset hospitals!**

**DCF members** dedicate countless hours to meeting the needs of children and families across the Commonwealth. This year, they

organized actions throughout the state to demand fair compensation for overtime and recognition of their work. At the DCF Cambridge Office, members continued their fight against a bad boss by holding a lunchtime walkout. From demanding fair compensation for their labor to fighting against retaliation at work, our members sent a clear message: respect the work, respect the worker!

**DTA members** stood up for pay equity, demanding that the Commonwealth meet with workers and begin the process of addressing inequities. After a successful petition delivery and a state audit, several of our members received pay adjustments. There is still work to be done, but this victory was a direct result of members pushing the state to take action on this issue for years, and it's an inspiration to continue fighting for it across all agencies!



# Higher Education

**At Tufts University, both School of Engineering graduate workers and teaching professors made historic strides, demonstrating the strength of collective action on our campuses.** These two units organized to secure contracts that raise standards and win long-overdue recognition of their labor. Their victories were made possible not only by their organizing and tenacity, but also through the solidarity of allies, other unions on campus, and students who stood with them every step of the way!

Their new contracts serve as a powerful

example of what's possible when workers stand united for what they deserve. **School of Engineering graduate workers** ratified their first contract, earning significant raises, cost-of-living adjustments, access to Emergency and Childcare Funds, and full parity with their unionized colleagues.

**Teaching Professors** went on a two-day strike and secured new titles recognizing their essential role, guaranteed pay for all work, major wage increases, promotion and compression adjustments, one-time bonuses, and backpay.





# New Organizing

This year, over 660 **Simmons University adjunct faculty** voted to join SEIU 509, marking a historic victory in our Higher Education sector! Simmons adjuncts soon will begin bargaining their first union contract to secure fair compensation, stability, and stronger workplace protections.

We also celebrated a win at **MAB Community Services**, where workers secured their union to demand respect and a voice on the job. These victories add to the growing wave of human service workers and educators across Massachusetts who are choosing to join the labor movement and our union. Each new unit strengthens our power and brings us closer to achieving transforming conditions for all workers!

***Welcome to the Local 509 family!***



# Solidarity Scrapbook



# Political

**In an extraordinarily challenging year, Local 509 members rose to the occasion.**

Our membership organized to fight back against austerity cuts that threatened to layoff public sector members who do critical care and life-saving work. As a local, we successfully fought against these cuts, saving both jobs and essential services. We showed communities across the Commonwealth that 509 is a force to be reckoned with. In April, at one of our most engaged and energized Lobby Days ever, over 200 members marched to the State House to speak directly with legislators about our legislative priorities like Corporate Fair Share, raising wages for Local 509 members, rent control, immigrant rights, strong retirement benefits – and more! At a time when our communities are facing attacks at the state and federal levels, SEIU 509 members are stepping up for ourselves and for the communities we serve.

Our work and political advocacy has stretched across the country. Here at home, we organized solidarity actions for our union sibling, Rümeyza Ozturk, who was unjustly detained for exercising her right to freedom of speech. Members rallied in Boston, organized visits in support of her at

court hearings, and called for her release. We made our voices heard in solidarity with SEIU members detained across the country, from David Huerta in Los Angeles to Lewelyn Dixon in Seattle. In June, member leaders traveled to Louisiana for the SEIU Justice Journey trip to stand up against rising attacks on immigrants and workers. We also visited Washington D.C. to voice strong opposition to the devastating cuts to Medicaid and other social safety nets in the Trump administration's budget bill, which Republicans in Congress unfortunately passed.

Despite the many difficulties that working people face, we are succeeding in our mission to elect member leaders to public office in the Commonwealth with 13 member candidates running for election or re-election this year. Our electoral program continues to elect and support pro-worker candidates across Massachusetts, strengthening our movement.

**As we face the fight ahead, we won't back down. While billionaires and the politicians they control are trying to divide working families and struggling communities by pitting us against one another, we will stand together.**

***We showed communities across the Commonwealth that 509 is a force to be reckoned with.***



**Agency fee letter and financials for  
the current year**

**Submitted by:  
Israel Pierre, Treasurer**





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Marlborough, MA 01752

1275 Elm Street, Suite C  
West Springfield, MA 01089



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## Annual Notice to Private Sector Human Services and Higher Education Bargaining Unit Members Regarding 2025-2026 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 **79.64%** of the periodic dues, which would set your fee at **1.19%** of your weekly earnings. In **Private Sector Higher Education**, for the most recent period, the fair share fee amounted to **75.2%** of the periodic dues, which set your fee at **1.13%** of the weekly earning.

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 inure 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.

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DAVID FOLEY  
*President*

ISRAEL PIERRE  
*Treasurer*

KARA GOODIER  
*Recording Secretary*



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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.
  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

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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.

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, 4<sup>th</sup> 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. 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

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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, 4<sup>th</sup> 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

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DAVID FOLEY  
*President*

ISRAEL PIERRE  
*Treasurer*

KARA GOODIER  
*Recording Secretary*

## **2024-2025 Trustees Annual Report**

The Trustees are pleased to present the Audit for the year ending December 31, 2024 performed by Manzi and Associates. This is the 5<sup>th</sup> consecutive year they performed our audit. In compliance with our policy to change auditors every few years, to bring in “fresh eyes” and to maintain the highest standards of financial accountability we are presently interviewing several accounting firms to select a new auditor to conduct annual audits for 2025, 2026 and 2027. The new auditor will meet with our staff and examine the finances to present us with an audit for 2025 that we will then present to the members at the 2026 Annual Meeting.

In addition, when we meet monthly, we review the financial statements of the local, examine the bank statements and learn about matters that will affect Local 509’s finances. In 2024 and 2025 we reviewed credit card statements, prompted the business office to identify and contact long-time members to obtain beneficiary information, monitored vacancies to determine financial savings, monitored investments and interest rates and reviewed documents to be filed with the IRS and the Department of Labor.

We also serve as members of the Local 509 Joint Executive Board.

During this term, our union’s officers, members, and Trustees navigated significant challenges. At the request of Treasurer Pierre, and in response to the need for greater consistency in contractual documentation, the Trustees accepted the challenge to develop a Consultants, Contracts, and Professional Fees Policy. Working in collaboration with the Treasurer and his staff, the Trustees created a policy to standardize contracts, which was approved in June and adopted by President Foley. This policy not only addresses past inconsistencies but also ensures transparency for any new contracts that were not part of the annual budgeting process.

At the same time, shifts in political leadership in Washington have brought renewed attacks on unions and reduced funding for state programs that directly impact our members. Over many years, and the continued efforts of our elected officers, Local 509 remains on solid financial footing. With prudent management and a strong commitment to our mission, we have the resources necessary to continue representing our members effectively, even in the face of an uncertain future.

It has been a privilege to serve as Trustees during this term, and we remain deeply committed to protecting the financial integrity of Local 509 and the interests of all our members.

**Michael Grunko, Trustee   Ed Cote, Trustee   Brian Castellanos, Trustee**

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
Years Ended December 31, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To the Trustees  
Local 509, Service Employees International Union  
293 Boston Post Road West, 4<sup>th</sup> 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, 2024, 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, 2024, 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, 2023 financial statements, and expressed an unmodified audit opinion on those audited financial statements in their report dated October 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year December 31, 2023, 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, 2024, 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.

*Manji & Associates L.L.C.*

North Andover, Massachusetts  
August 22, 2025

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2024 and 2023

ASSETS

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	Total	
			<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,956	\$ -	\$ 2,956	\$ 15,779
Prepaid expenses	301,586	-	301,586	295,008
Dues receivable	902,203	-	902,203	871,427
Accrued interest	29,771	-	29,771	-
Other receivable	89,383	-	89,383	94,353
	<u>1,325,899</u>	<u>-</u>	<u>1,325,899</u>	<u>1,276,567</u>
<b>INVESTMENTS - FAIR VALUE</b>				
Institutional cash	14,150,996	3,364,584	17,515,580	14,723,971
U.S. Treasury securities	-	-	-	198,616
	<u>14,150,996</u>	<u>3,364,584</u>	<u>17,515,580</u>	<u>14,922,587</u>
<b>PROPERTY AND EQUIPMENT</b>				
Equipment	151,889	-	151,889	121,426
Furniture and fixtures	315,590	-	315,590	315,590
Leasehold improvements	764,163	-	764,163	763,278
Software	255,998	-	255,998	255,998
	<u>1,487,640</u>	<u>-</u>	<u>1,487,640</u>	<u>1,456,292</u>
Less: Accumulated depreciation	<u>(1,251,168)</u>	<u>-</u>	<u>(1,251,168)</u>	<u>(1,167,511)</u>
	<u>236,472</u>	<u>-</u>	<u>236,472</u>	<u>288,781</u>
<b>OTHER ASSETS</b>				
Employee health reimbursement funding	354,107	-	354,107	242,354
Operating lease right-of-use asset	971,283	-	971,283	1,374,288
Deposits	2,235	-	2,235	2,235
	<u>1,327,625</u>	<u>-</u>	<u>1,327,625</u>	<u>1,618,877</u>
<b>TOTAL ASSETS</b>	<u><u>17,040,992</u></u>	<u><u>3,364,584</u></u>	<u><u>20,405,576</u></u>	<u><u>18,106,812</u></u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	862,580	10,921	873,501	547,702
Accrued payroll and benefits	1,018,301	-	1,018,301	848,067
Deferred rent	139,380	-	139,380	180,671
Current portion of right-of-use operating lease liability	381,765	-	381,765	418,773
	<u>2,402,026</u>	<u>10,921</u>	<u>2,412,947</u>	<u>1,995,213</u>
<b>LONG-TERM DEBT</b>				
Right-of-use operating lease liability, net of current portion	<u>561,554</u>	<u>-</u>	<u>561,554</u>	<u>942,594</u>
<b>TOTAL LIABILITIES</b>	<u>2,963,580</u>	<u>10,921</u>	<u>2,974,501</u>	<u>2,937,807</u>
<b>NET ASSETS</b>	<u>14,077,412</u>	<u>3,353,663</u>	<u>17,431,075</u>	<u>15,169,005</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 17,040,992</u></u>	<u><u>\$ 3,364,584</u></u>	<u><u>\$ 20,405,576</u></u>	<u><u>\$ 18,106,812</u></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, 2024  
(with Summarized Financial Information for the year ended December 31, 2023)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>				
Dues	\$ 17,236,504	\$ -	\$ 17,236,504	\$ 15,358,191
COPE contributions	-	357,908	357,908	320,153
Agency fees	147,749	-	147,749	164,876
Grant income	-	100,000	100,000	121,460
Other income	11,365	-	11,365	68,186
Rental income	9,950	-	9,950	9,000
Interest income	623,625	-	623,625	429,959
Total revenues	<u>18,029,193</u>	<u>457,908</u>	<u>18,487,101</u>	<u>16,471,825</u>
<b>INVESTMENT INCOME</b>				
Unrealized gain on investments	-	-	-	22,153
Realized gain on investments	384	-	384	-
Total investment income	<u>384</u>	<u>-</u>	<u>384</u>	<u>22,153</u>
Total revenues	<u>18,029,577</u>	<u>457,908</u>	<u>18,487,485</u>	<u>16,493,978</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>800,338</u>	<u>(800,338)</u>	<u>-</u>	<u>-</u>
<b>EXPENSES</b>				
Program services				
Field services	6,306,335	-	6,306,335	6,299,560
Organizing	4,713,088	-	4,713,088	4,483,526
Political	906,392	-	906,392	689,969
Union administration	984,422	-	984,422	816,910
Contributions	47,750	-	47,750	908
Total program services	<u>12,957,987</u>	<u>-</u>	<u>12,957,987</u>	<u>12,290,873</u>
Management and general	<u>3,267,428</u>	<u>-</u>	<u>3,267,428</u>	<u>2,987,055</u>
Total expenses	<u>16,225,415</u>	<u>-</u>	<u>16,225,415</u>	<u>15,277,928</u>
INCREASE (DECREASE) IN NET ASSETS	2,604,500	(342,430)	2,262,070	1,216,050
NET ASSETS, BEGINNING OF YEAR	<u>11,472,912</u>	<u>3,696,093</u>	<u>15,169,005</u>	<u>13,952,955</u>
NET ASSETS, END OF YEAR	<u>\$ 14,077,412</u>	<u>\$ 3,353,663</u>	<u>\$ 17,431,075</u>	<u>\$ 15,169,005</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, 2024  
 (with Summarized Financial Information for the year ended December 31, 2023)

	2024						2023	
	Field Services	Organizing	Political	Union Administration	Contributions	Management and General	Total	Total (for comparative purposes only)
Personnel								
Salaries and wages	\$ 3,224,149	\$ 1,131,632	\$ 312,826	\$ 444,682	\$ -	\$ 1,366,118	\$ 6,479,407	\$ 5,909,850
Payroll taxes and benefits	1,668,701	597,707	162,769	231,377	-	710,820	3,371,374	3,162,689
Total personnel	4,892,850	1,729,339	475,595	676,059	-	2,076,938	9,850,781	9,072,539
Arbitrations	57,732	-	-	-	-	-	57,732	63,080
Chapter expenses	-	285	-	-	-	40,742	41,027	36,008
Conferences	26,440	1,113	2,880	1,686	-	58,835	90,954	48,357
Consultants	93,575	8,737	13,544	57,155	-	164,128	337,139	257,050
COPE	-	-	166,193	-	-	-	166,193	67,949
Depreciation	-	-	-	-	-	83,657	83,657	122,377
Donations	4,314	-	9,817	-	47,750	-	61,881	50,673
Elections	-	286	-	-	-	1,974	2,260	2,169
Insurance	39,941	17,662	3,956	13,186	-	9,800	84,545	82,455
Legal	-	2,004	1,800	-	-	499,714	503,518	480,600
Meetings	27,104	1,419	300	1,540	-	91,295	121,658	110,658
Member benefits	617,524	33,656	3,471	350	-	21,900	676,901	1,051,326
Negotiations	39,529	725	318	-	-	1,802	42,374	61,607
Occupancy	210,647	109,170	16,213	55,494	-	38,204	429,728	424,147
Office supplies	77,189	24,763	50,676	94,642	-	61,626	308,896	209,540
Officers' and stewards' expense	51,755	70	4,287	-	-	32,072	88,184	98,368
Per capita	-	2,706,473	-	-	-	-	2,706,473	2,591,189
Political contributions	-	-	58,241	-	-	-	58,241	29,150
Postage and printing	11,871	3,928	37,075	3,159	-	9,026	65,059	65,189
Professional fees	7,725	4,217	763	45,345	-	41,430	99,480	69,144
Staff expenses	11,813	6,142	-	2,570	-	8,520	29,045	35,092
Telephone	58,164	30,788	6,417	31,181	-	16,469	143,019	143,888
Travel and automobile	78,162	32,311	54,846	2,055	-	9,296	176,670	105,373
Total program expenses	<u>\$ 6,306,335</u>	<u>\$ 4,713,088</u>	<u>\$ 906,392</u>	<u>\$ 984,422</u>	<u>\$ 47,750</u>	<u>\$ 3,267,428</u>	<u>\$ 16,225,415</u>	<u>\$ 15,277,928</u>

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	<u>\$ 2,262,070</u>	<u>\$ 1,216,050</u>
Adjustments to reconcile increase in net assets provided (used) by operating activities:		
Depreciation	83,657	122,377
Operating lease right-of-use asset	403,005	248,282
(Increase) decrease in operating assets:		
Realized gain on sale of investments	(384)	-
Prepaid expense	(6,578)	(33,808)
Dues receivable	(30,776)	(55,672)
Accrued interest	(29,771)	-
Other receivable	4,970	61,212
Employee health reimbursement funding	(111,753)	46,330
Increase (decrease) in operating liabilities:		
Right-of-use operating lease liability	(418,048)	(258,149)
Accounts payable and accrued expenses	325,799	(308,449)
Accrued payroll and benefits	170,234	(101,636)
Deferred rent	(41,291)	(29,901)
Total adjustments	<u>349,064</u>	<u>(309,414)</u>
Net cash provided by operating activities	<u>2,611,134</u>	<u>906,636</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	199,000	198,000
Purchase of investments	-	(6,405)
Purchase of fixed assets	(31,348)	(40,167)
Net cash provided by investing activities	<u>167,652</u>	<u>151,428</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<b>2,778,786</b>	<b>1,058,064</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>14,739,750</u>	<u>13,681,686</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 17,518,536</u></u>	<u><u>\$ 14,739,750</u></u>

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

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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, 2023, from which the summarized information was derived.

Accounting Policies:

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, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes

Effective January 1, 2023, the Local adopted Accounting Standards Codification Topic 326, Current Expected Credit Loss Standard (CECL), which requires Local management to measure potential credit losses on accounts receivable on an expected loss model vs. as incurred loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The impact of the adoption was not considered to be material to the financial statements and primarily resulted in new disclosures only.

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.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dues Receivable

Dues dues receivable are determined from information submitted by the Employers for hours worked through December 31. These receivables are stated at the amount Union management expects to collect, based on balances that the Union has an unconditional right to receive, less Union management's estimate of amounts that may not be collectible. After applying the expected loss model, in accordance with CECL, no allowance for credit losses has been provided since Union management has determined that the expected credit loss is not material at the balance sheet dates. If accounts become uncollectible, they will be charged to contributions when that determination is made. Collections on accounts previously written off are included in dues income as received.

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, 2024 and 2023 of \$83,657 and \$122,377, 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.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 August 22, 2025, the date the financial statements were available to be issued.

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 that made the contributions only. 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, 2024 were \$3,000,000. As of December 31, 2024 and 2023, \$608,771 and \$963,371 of funds were expended, respectively. The Fund earned \$76,848 and \$77,597 of interest during the years ended December 31, 2024 and 2023, 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, 2024 and 2023, \$0 and \$3,000 of funds were expended, respectively. These funds earned \$40,406 and \$27,462 of interest during the years ended December 31, 2024 and 2023, 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. As of December 31, 2024 and 2023, \$300 and \$0 of funds were expended, respectively. These funds earned \$2,028 and \$2,001 of interest during the years ended December 31, 2024 and 2023, respectively.

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.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

NOTE 3 – DONOR RESTRICTED CASH (Continued)

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, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 14,153,952	\$ 11,066,802
Restricted Cash - Reimbursement Trust Fund	1,448,134	1,980,057
Restricted Cash - Student Loan Debt Relief	881,857	841,451
Restricted Cash - Emergency Fund	10,921	9,193
Restricted Cash - COPE Fund	1,023,672	842,247
Total Cash and cash equivalents and Restricted Cash	\$ 17,518,536	\$ 14,739,750

NOTE 4 – BOARD DESIGNATED FUNDS

Included in net assets without restrictions, for the years ended December 31, 2024 and 2023, is \$1,250,000 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, 2024 and 2023

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, 2024.

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, 2024 and 2023:

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

Assets at Fair Value as of December 31, 2024				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Institutional cash	<u>\$17,515,580</u>	<u>\$ 17,515,580</u>	<u>\$ -</u>	<u>\$ -</u>
Total Assets in the Fair Value Hierarchy	<u>\$17,515,580</u>	<u>\$ 17,515,580</u>	<u>\$ -</u>	<u>\$ -</u>
Assets at Fair Value as of December 31, 2023				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Institutional cash	<u>\$14,723,971</u>	<u>\$ 14,723,971</u>	<u>\$ -</u>	<u>\$ -</u>
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>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2024 and 2023 are reported in net appreciation in fair value of investments in the Statements of Activities.

During 2024, the Local's investment (including investments bought, sold, and held during the year) appreciated in value by \$384. This is comprised of realized gain of \$384. 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.

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, 2024 and December 31, 2023, 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, 2024 and 2023

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, 2024 and 2023, accruals for compensated absences totals \$841,796 and \$732,455, 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, 2024, 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 56% and 57% respectively, of its revenue from members working directly for the Commonwealth of Massachusetts for the years ended December 31, 2024 and 2023.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

NOTE 11 - RECLASSIFICATION

Items for the year ended December 31, 2023 have been reclassified for comparative purposes.

NOTE 12 – RELATED PARTY

The Local incurred \$2,608,615 and \$2,487,065 in per capita taxes due to the SEIU International for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, \$452,676 and \$219,408, respectively, were payable to the SEIU International.

As of December 31, 2024 and 2023, the Local is owed \$0 and \$32,338, respectively, from the SEIU for COPE overages.

NOTE 13 – LIQUIDITY AND AVAILABILITY

The Local has \$14,145,538 and \$11,032,582 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$13,153,952 and \$10,066,802 and accounts receivable of \$991,586 and \$965,780 as of December 31, 2024 and 2023, 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.

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, 2024 and 2023

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 \$139,380 and \$180,671 at December 31, 2024 and 2023, respectively.

For the years ended December 31, 2024 and 2023, aggregate rent expense under the leases was \$377,481 and \$379,682, respectively.

LOCAL 509, SERVICE EMPLOYEES INTERNATIONAL UNION  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2024 and 2023

NOTE 15 – LEASE COMMITMENTS (Continued)

Future minimum lease payments under the lease agreements as of December 31, 2024 are as follows:

2025	\$	403,932
2026		415,323
2027		161,907
2028		33,300
		1,014,462
Less amounts representing interest		(71,143)
Present value of net minimum payments	\$	943,319

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, 2024 and 2023, the Local made contributions of \$1,173,653 and \$1,162,314, 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 2024 and 21% for 2023.

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, 2024		January 1, 2023		
SEIU Affiliates' Officers and Employees Pension Fund	52-0812348	001	Green Zone 103.9% Funded	1,173,653	Green Zone 106.4% Funded	1,162,314	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  
STATEMENT OF ALLOCATION BETWEEN CHARGEABLE  
AND NON-CHARGEABLE EXPENSES - PRIVATE - HIGHER EDUCATION  
For the Year Ended December 31, 2024

	Total Expenses	Chargeable Expenses	Non-Chargeable Expenses
Personnel			
Salaries and wages	\$ 6,479,407	\$ 5,599,697	\$ 879,710
Payroll taxes and benefits	3,371,374	2,912,465	458,909
Total personnel	9,850,781	8,512,162	1,338,619
Arbitrations	57,732	57,732	-
Chapter expenses	41,027	41,027	-
Conferences	90,954	88,088	2,866
Consultants	337,139	323,595	13,544
COPE	166,193	-	166,193
Depreciation	83,657	83,657	-
Donations	61,881	-	61,881
Elections	2,260	2,260	-
Insurance	84,545	80,589	3,956
Legal	503,518	497,709	5,809
Meetings	121,658	120,917	741
Member benefits	676,901	673,430	3,471
Negotiations	42,374	42,056	318
Occupancy	429,728	429,728	-
Office supplies	308,896	254,673	54,223
Officers' and stewards' expense	88,184	83,893	4,291
Per capita	2,706,473	246,505	2,459,968
Political contributions	58,241	-	58,241
Postage and printing	65,059	27,656	37,403
Professional fees	99,480	98,717	763
Staff expenses	29,045	29,045	-
Telephone	143,019	131,751	11,268
Travel and automobile	176,670	106,927	69,743
Total expenses	16,225,415	11,932,117	4,293,298
Less: political expenses paid from voluntary contributions	(357,908)	-	(357,908)
Net expenses	\$ 15,867,507	\$ 11,932,117	\$ 3,935,390
Percentages	100.00%	75.20%	24.80%

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, 2024

	<u>Total Expenses</u>	<u>Chargeable Expenses</u>	<u>Non- Chargeable Expenses</u>
Personnel			
Salaries and wages	\$ 6,479,407	\$ 5,971,776	\$ 507,631
Payroll taxes and benefits	3,371,374	3,125,702	245,672
Total personnel	<u>9,850,781</u>	<u>9,097,478</u>	<u>753,303</u>
Arbitrations	57,732	57,732	-
Chapter expenses	41,027	41,027	-
Conferences	90,954	87,750	3,204
Consultants	337,139	323,595	13,544
COPE	166,193	-	166,193
Depreciation	83,657	83,657	-
Donations	61,881	-	61,881
Elections	2,260	2,260	-
Insurance	84,545	80,589	3,956
Legal	503,518	496,372	7,146
Meetings	121,658	120,933	725
Member benefits	676,901	643,005	33,896
Negotiations	42,374	41,431	943
Occupancy	429,728	429,728	-
Office supplies	308,896	252,875	56,021
Officers' and stewards' expense	88,184	83,831	4,353
Per capita	2,706,473	396,721	2,309,752
Political contributions	58,241	-	58,241
Postage and printing	65,059	27,747	37,312
Professional fees	99,480	97,953	1,527
Staff expenses	29,045	29,045	-
Telephone	143,019	130,127	12,892
Travel and automobile	176,670	113,004	63,666
Total expenses	<u>16,225,415</u>	<u>12,636,860</u>	<u>3,588,555</u>
Less: political expenses paid from voluntary contributions	<u>(357,908)</u>	<u>-</u>	<u>(357,908)</u>
Net expenses	<u>\$ 15,867,507</u>	<u>\$ 12,636,860</u>	<u>\$ 3,230,647</u>
Percentages	<u>100.00%</u>	<u>79.64%</u>	<u>20.36%</u>

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