

**CONSOLIDATED
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

December 31, 2024



**WISCONSIN COUNCIL OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES
COUNCIL 32, AFSCME, AFL-CIO**

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO**

**CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Executive Board
AFSCME Wisconsin Council 32 of the American Federation
of State, County and Municipal Employees, AFL-CIO
Madison, Wisconsin

Opinion

We have audited the financial statements of AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO will continue as a going concern. As discussed in Note 12 to the financial statements, there is substantial doubt about AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AFSCME Wisconsin Council 32 of the American Federation of State, County and Municipal Employees, AFL-CIO'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating schedules of financial position and activities and supplementary information included in Schedules A through F 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
March 28, 2025

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and restricted cash	\$ 997,916	\$ 987,482
Per capita taxes receivable	138,966	88,172
Other receivables	16,364	16,953
Prepaid expenses	11,440	20,278
Property and equipment, net	324,663	343,167
Beneficial interest in remainder trust	788,680	719,879
Operating lease right-of-use asset	64,990	103,269
Finance lease right-of-use assets	37,869	4,459
Total assets	\$ 2,380,888	\$ 2,283,659
LIABILITIES		
Accounts payable	\$ 62,606	\$ 57,138
Per capita taxes payable	200,795	203,570
Accrued payroll and withholdings	35,208	29,043
Accrued vacation and legacy sick leave	172,805	197,967
Postretirement health care obligation	461,641	552,314
Deferred per capita taxes	3,929	3,929
Funds held for others	623,289	637,210
Operating lease liability	65,804	104,572
Finance lease liabilities	38,033	4,506
Total liabilities	1,664,110	1,790,249
NET ASSETS		
Net assets (deficit) without donor restrictions	(113,960)	(268,527)
Net assets with donor restrictions	830,738	761,937
Total net assets	716,778	493,410
Total liabilities and net assets	\$ 2,380,888	\$ 2,283,659

See accompanying notes.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUE		
Per capita taxes	\$ 1,408,378	\$ 1,367,758
Rental income	1,500	1,500
Print shop	182	2,410
Interest	3,808	857
Convention fees	-	3,370
Other	8,871	11,098
Total operating revenue	1,422,739	1,386,993
OPERATING EXPENSES		
Salaries	602,100	752,489
Payroll taxes	47,711	59,068
Pension	115,567	122,396
Insurance benefits	140,181	209,578
Change in vacation and sick leave benefits	(25,162)	(13,197)
Executive board	1,317	11,356
Legal and professional fees	192,266	185,237
Contributions and lobbying fees	3,200	300
Supplies	12,797	4,846
Postage and printing	3,919	3,611
Insurance	14,916	8,107
Equipment maintenance and lease	254	8,918
Building	76,341	75,945
Depreciation	25,732	19,340
Telephone	24,762	29,366
Travel and entertainment	29,763	38,704
Advertising	300	615
Bank fees	11,013	10,835
Scholarship	8,750	10,500
Miscellaneous	6,931	15,513
Interest	355	89
Total operating expenses	1,293,013	1,553,616
Net assets released from restrictions	-	127,276
Change in net assets without donor restrictions from operations	129,726	(39,347)
NONOPERATING ACTIVITIES		
Postretirement health care net periodic (cost) gain	24,841	(13,590)
Change in net assets without donor restrictions	154,567	(52,937)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
AFSCME grant	-	25,000
Change in value of beneficial interest in remainder trust	68,801	74,627
Net assets released from restrictions	-	(127,276)
Change in net assets with donor restrictions	68,801	(27,649)
Change in net assets	223,368	(80,586)
Net assets at beginning of year	493,410	573,996
Net assets at end of year	\$ 716,778	\$ 493,410

See accompanying notes.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services						Supporting Activities			Total Expenses
	Member Activation	Legal Representation	Member Advocacy	Bargaining Services	Convention	PEOPLE	Scholarship	Management and General	Membership Development	
Salaries	\$ 91,977	\$ -	\$ 140,989	\$ 112,487	\$ 9,469	\$ 5,933	\$ 3,500	\$ 125,073	\$ 112,672	\$ 602,100
Payroll taxes	7,288	-	11,172	8,914	750	470	277	9,912	8,928	47,711
Pension	17,654	-	27,061	21,591	1,817	1,139	672	24,007	21,626	115,567
Insurance benefits	21,414	-	32,825	26,189	2,205	1,381	815	29,120	26,232	140,181
Change in vacation and sick leave benefits	(3,844)	-	(5,892)	(4,701)	(396)	(248)	(146)	(5,226)	(4,709)	(25,162)
Executive board	-	-	-	-	-	-	-	1,317	-	1,317
Legal and professional fees	-	133,063	-	-	-	-	-	59,203	-	192,266
Contributions and lobbying fees	-	-	-	-	-	-	-	3,200	-	3,200
Supplies	543	-	543	543	-	217	217	10,082	652	12,797
Postage and printing	274	-	-	-	-	-	-	3,371	274	3,919
Insurance	-	-	-	-	-	-	-	14,916	-	14,916
Equipment maintenance and lease	-	-	-	-	-	-	-	254	-	254
Building	5,576	27	4,654	4,162	-	81	81	60,346	1,414	76,341
Depreciation	2,238	-	1,881	1,743	-	-	-	19,137	733	25,732
Telephone	2,457	-	4,006	2,953	175	180	75	11,864	3,052	24,762
Travel and entertainment	4,387	-	7,087	6,996	1,320	162	280	2,885	6,646	29,763
Advertising	150	-	-	-	-	-	-	-	150	300
Bank fees	1,374	81	970	970	-	242	242	5,760	1,374	11,013
Scholarships	-	-	-	-	-	-	8,750	-	-	8,750
Miscellaneous	171	10	116	116	2,905	29	29	3,384	171	6,931
Interest	-	-	-	-	-	-	-	355	-	355
Total expenses	\$ 151,659	\$ 133,181	\$ 225,412	\$ 181,963	\$ 18,245	\$ 9,586	\$ 14,792	\$ 378,960	\$ 179,215	\$ 1,293,013

See accompanying notes.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Program Services						Supporting Activities			
	Member Activation	Legal Representation	Member Advocacy	Bargaining Services	Convention	PEOPLE	Scholarship	Management and General	Membership Development	Total Expenses
Salaries	\$ 113,171	\$ -	\$ 138,631	\$ 108,000	\$ 20,168	\$ 9,055	\$ 3,048	\$ 225,630	\$ 134,786	\$ 752,489
Payroll taxes	8,884	-	10,882	8,478	1,583	711	239	17,711	10,580	59,068
Pension	18,408	-	22,549	17,567	3,280	1,473	496	36,700	21,923	122,396
Insurance benefits	31,398	-	38,461	29,963	5,595	2,512	846	63,408	37,395	209,578
Change in vacation and sick leave benefits	(1,985)	-	(2,431)	(1,894)	(354)	(159)	(53)	(3,957)	(2,364)	(13,197)
Executive board	-	-	-	-	4,572	-	-	6,784	-	11,356
Legal and professional fees	-	131,313	-	-	-	-	-	53,924	-	185,237
Contributions and lobbying fees	-	-	-	-	-	-	-	300	-	300
Supplies	156	-	156	156	-	63	63	4,063	189	4,846
Postage and printing	226	-	-	-	-	-	-	3,158	227	3,611
Insurance	-	-	-	-	-	-	-	8,107	-	8,107
Equipment maintenance and lease	-	-	-	-	-	-	-	8,918	-	8,918
Building	4,069	-	3,450	-	-	3,022	-	64,803	601	75,945
Depreciation	2,238	-	1,881	-	-	1,743	-	12,745	733	19,340
Telephone	2,217	-	2,668	1,680	348	198	60	19,571	2,624	29,366
Travel and entertainment	5,574	-	6,545	6,361	6,719	416	204	5,716	7,169	38,704
Advertising	308	-	-	-	-	-	-	-	307	615
Bank fees	1,299	76	917	917	-	229	229	5,869	1,299	10,835
Scholarship	-	-	-	-	-	-	10,500	-	-	10,500
Miscellaneous	1,481	71	132	132	6,967	38	33	5,174	1,485	15,513
Interest	-	-	-	-	-	-	-	89	-	89
Total expenses	\$ 187,444	\$ 131,460	\$ 223,841	\$ 171,360	\$ 48,878	\$ 19,301	\$ 15,665	\$ 538,713	\$ 216,954	\$ 1,553,616

See accompanying notes.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 223,368	\$ (80,586)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization of operating and finance lease right-of-use assets	45,507	46,672
Depreciation	18,504	19,340
Change in value of beneficial interest in remainder trust	(68,801)	(74,627)
Postretirement health care obligation	(90,673)	(66,130)
Per capita taxes receivable	(50,794)	32,103
Other receivables	589	24
Prepaid expenses	8,838	87,926
Increase (decrease) in liabilities		
Accounts payable	5,468	30,909
Per capita taxes payable	(2,775)	(6,634)
Accrued payroll and withholdings	6,165	7,470
Accrued vacation and legacy sick leave	(25,162)	(13,047)
Funds held for others	(13,921)	107,482
Operating lease liability	(38,768)	(37,714)
Net cash flows from operating activities	17,545	53,188
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease right-of-use assets	(7,111)	(8,941)
Net change in cash and restricted cash	10,434	44,247
Cash and restricted cash at beginning of year	987,482	943,235
Cash and restricted cash at end of year	<u>\$ 997,916</u>	<u>\$ 987,482</u>
CASH AND RESTRICTED CASH		
Cash	\$ 246,201	\$ 216,745
Restricted cash		
Held for others	626,335	637,210
Held for scholarships	93,586	101,836
Held for People Fund, Arbitration Fund, Member Relief Fund	31,794	31,691
	<u>\$ 997,916</u>	<u>\$ 987,482</u>

See accompanying notes.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

AFSCME Wisconsin Council 32 of the American Federation of State, County, and Municipal Employees, AFL-CIO (Council 32) promotes and assists affiliated American Federation of State, County and Municipal Employees (AFSCME) locals and their members in Wisconsin. In 2015, AFSCME members voted to create a new, unified structure to foster growth and activism in Wisconsin. On June 1, 2015, Council 32 officially became the single voice for AFSCME members in Wisconsin when it combined the membership and resources of Wisconsin's historic Council 24, Council 40, and Council 48. Council 32 is primarily funded by per capita taxes paid by members.

Principles of Consolidation

The financial statements include the accounts of Council 32 and Wisconsin State, County, and Municipal Employees Union Building Corporation (Building Corporation). The Building Corporation is consolidated since Council 32 has both an economic interest in the Building Corporation and control of the Building Corporation through a majority voting interest in its governing body. All material intra-entity transactions have been eliminated.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions 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.

Receivables

Accounts receivable consist of dues from members, of which Council 32 has an unconditional right to receive. Council 32 uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

	<u>2024</u>	<u>2023</u>
Beginning of year deferred revenue	\$ 88,172	\$ 120,276
End of year deferred revenue	138,966	88,172

Depreciation

Property and equipment purchases are capitalized at cost. Depreciation is computed using the straight-line method over. The costs of repairs and maintenance are charged against operations as incurred.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Postretirement Health Care Obligation

Council 32 has various agreements with former employees of Councils 24, 40, and 48 to pay health care premiums for a certain period of time subsequent to retirement. Council 32's estimated costs to be paid, discounted for net present value, are recorded as postretirement health care obligation in the consolidated statement of financial position.

Funds Held for Others

Council 32 holds funds for inactive local councils. When these councils become inactive, they transfer their remaining cash to Council 32 to hold in the event that they become active again in the future.

Per Capita Taxes

Per capita taxes are based on a fixed rate per member per month and are recognized as revenue when earned. Per capita tax received in advance of the applicable membership period are deferred and recognized as revenue in that future period.

Advertising

Production costs of advertising are expensed as incurred.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. The consolidated statement of functional expenses presents the natural classification of expenses by function.

Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The following program services and supporting activities are included in the accompanying financial statements:

Member activation—Council 32 works with local leadership and members to take action on issues that affect members and their communities.

Legal representation—Council 32 provides special representation and legal services to its affiliates on labor relations matters including those before the courts or state or federal administrative agencies.

Member advocacy—Council 32 provides support to members with research, preparation, and presentations on adverse employment actions taken by management. The council also works to advocate for members politically.

Bargaining services—Council 32 assists members with research, preparation, and negotiation of collective bargaining agreements.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Convention—Council 32 holds annual state conventions for the purpose of setting goals and policies. All affiliates are entitled to representation at the convention.

PEOPLE—Council 32 and AFSCME's political action committee.

Scholarship—Council 32 funds scholarships for members and their children.

Management and general—Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of Council 32's program strategy through the office of the president; secure proper administrative functioning of the board of directors; maintain competent legal services for program administration; and manage the financial and budgetary responsibilities of Council 32.

Membership development—Encompasses the identification, cultivation, and expansion of Council 32's membership as the primary effort to promote awareness and increase public involvement.

Leases

Council 32 does not recognize short-term leases in the consolidated statement of financial position. For these leases, Council 32 recognizes lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Council 32 also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Council 32 uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Income Tax Status

Council 32 is exempt from federal income tax under Section 501(c)(5) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through March 28, 2025, the date which the financial statements were available to be issued.

NOTE 2—TRANSACTIONS WITH AFFILIATES

Council 32 occupies office space in Milwaukee, Wisconsin owned by Wisconsin State, County, and Municipal Employees Union Building Corporation. Council 32 pays no rent to the Building Corporation.

Council 32 collects per capita taxes from its members. Council 32 remits the portion of per capita taxes for AFSCME dues to the International Secretary-Treasurer, retains the portion of per capita taxes for its dues, and remits the unallocated portion of per capita taxes collected to the local.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3—COMMITMENTS AND CONTINGENCIES

The field representatives and the support staff employees of Council 32 are members of and are represented by the Council 32 Field and Support Staff Union in two separate bargaining units. Salaries, benefits, and other terms of employment are contained in annual agreements. The field representatives and support staff agreements expire on December 31, 2028. Council 32 management and administrative staff are not covered by either of these collective bargaining agreements.

Council 32 has employment agreements with the management and administrative staff. The agreements with the executive director, the controller and executive assistant expire on December 31, 2028.

In December 2024, Council 32 entered into a one year service agreement with a law firm to provide legal services through December 31, 2025. The commitment under this agreement is approximately \$168,000 for 2025.

NOTE 4—PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Land	\$ 83,625	\$ 83,625
Buildings	366,375	366,375
Furniture and equipment	38,319	38,319
Computer software	66,652	66,652
Total property and equipment	554,971	554,971
Less accumulated depreciation	(230,308)	(211,804)
Property and equipment, net	<u>\$ 324,663</u>	<u>\$ 343,167</u>

NOTE 5—PENSION PLAN

Council 32 is a participant in the AFSCME Employees Pension Plan (Plan) which covers employees of the International Union and AFSCME Councils and Locals that have officially adopted the Plan. The Plan is a multiple employer contributory defined benefit pension plan and covers all Council 32 employees who have attained minimum age and service requirements. The Plan is regulated and administered as a single employer plan. Therefore, the present value of accumulated plan benefits and net assets available for benefits relating to Council 32 employees are not readily ascertainable. For the years ending December 31, 2024 and 2023, pension expense was \$115,567 and \$122,396, respectively.

NOTE 6—BENEFICIAL INTEREST IN REMAINDER TRUST

Council 24 was the sole remainder beneficiary of a trust established by Joseph Wieland for the payment of litigation funds for the benefit of employees of the Wisconsin Department of Revenue

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
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NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6—BENEFICIAL INTEREST IN REMAINDER TRUST (continued)

or other qualified employees until March 2030. At the end of the trust's term the remaining trust assets are available for the general use of Council 24. As the successor entity of Council 24, Council 32 was named the sole remainder beneficiary effective January 1, 2017. The portion of the trust attributable to the present value of the future benefits to be received by Council 32 is recorded in the consolidated statement of financial position as beneficial interest in remainder trust and the change in value of the remainder trust is recorded in the consolidated statement of activities. Annually, Council 32 evaluates the expected trust income return (6% at December 31, 2024) and the discount rate of future payments (7.5% at December 31, 2024) and other assumptions for measuring the beneficial interest. As the amounts in this trust will not be available for general use until March 2030, it is classified as net assets with donor restrictions.

NOTE 7—POSTRETIREMENT HEALTH CARE OBLIGATION

Prior to unification, Councils 24, 40, and 48 offered postretirement health care benefits to retirees under various benefit plans. Upon unification, the postretirement health care obligations under these plans were assumed by Council 32. The information below summarizes the terms of the various plans assumed by Council 32.

Council 40

Council 40 sponsored a defined benefit postretirement health care plan that covered all employees. The plan called for the provision of the single premium for health, dental, and vision coverage for ten or twelve years after retirement for employees eligible to retire depending on the employee's hire date. In 2014, Council 40 negotiated reduced health care plan coverage to five or six years after retirement depending on date of hire. Employees were eligible to retire at age 55 with 20 years of service or at age 65. Employees hired on or after January 1, 2010, must have had at least ten years of employment with Council 40 to qualify for the retiree insurance benefit, as well as all other conditions.

Council 24

Council 24 had an agreement with its employees to apply unused sick leave to pay health, dental, and vision insurance premiums for the employee and/or spouse after retirement. If an employee has 10 years of service or more and retires after age 55 but before they are eligible for Medicare, Council 24 agrees to pay their entire single health, dental and vision premium. Any cost for the premiums for their spouse or dependents is deducted from the employee's unused sick leave. Once the retiree becomes eligible for Medicare, then their premium is also 100% deducted from their unused sick leave until their sick leave balance is depleted.

Council 48

Council 48 also provided postretirement health care benefits for retired employees. In August 2015, notices were sent to retirees stating that current retiree health benefits would continue through December 31, 2015, when coverage would cease. If retirees enrolled in an Affordable Care Act health insurance plan effective January 1, 2016, they will be reimbursed up to 85% of the lowest cost "gold plan" single premium or 100% of the lowest cost "silver plan" single premium for which the retiree is eligible. When the retirees qualify for Medicare, they are to be reimbursed \$175 each month for the purchase of single premium supplemental coverage or \$350 each month for the purchase of supplemental coverage for the retiree and his/her spouse. The future postretirement benefit obligation

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
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NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7—POSTRETIREMENT HEALTH CARE OBLIGATION (continued)

for retirees of Councils 24, 40, and 48 was measured using a 6% annual growth rate of health care premiums. The discount rate used was 5%.

For 2024 and 2023, postretirement health care benefits paid to plan participants totaled \$65,832 and \$79,720, respectively. Plan benefits expected to be paid are \$59,746, \$65,388, \$56,394, \$53,638 and \$47,277 for the years ending December 31, 2025, 2026, 2027, 2028, 2029 respectively, and \$179,198 thereafter.

NOTE 8—NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Beneficial interest in remainder trust	\$ 788,680	\$ 719,879
Funds to be used for organizing position	58	58
Funds to be used for PEOPLE	22,000	22,000
Funds to be used to pay for lost time	<u>20,000</u>	<u>20,000</u>
Net assets with donor restrictions	<u>\$ 830,738</u>	<u>\$ 761,937</u>

NOTE 9—LIQUIDITY AND AVAILABILITY

Council 32's financial assets available within one year of the date of the consolidated statement of financial position for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 246,201	\$ 216,745
Per capita taxes receivable	138,966	88,172
Other receivables	<u>16,364</u>	<u>16,953</u>
	<u>\$ 401,531</u>	<u>\$ 321,870</u>

Council 32 has a goal to maintain financial assets on hand to meet 45 days of normal operating expenses, which are, on average, approximately \$160,000. As part of Council 32's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Council 32 invests cash in excess of daily requirements in various short-term investments, including insured sweep and money market accounts.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows at December 31:

<u>2024</u>			
<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in remainder trust	<u>\$ 788,680</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 788,680</u>		<u>\$ 788,680</u>
<u>2023</u>			
<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in remainder trust	<u>\$ 719,879</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 719,879</u>		<u>\$ 719,879</u>

Council 32's beneficial interest in remainder trust represents the present value of the beneficial interest described in Note 6. The beneficial interest is not actively traded and significant other observable inputs are not available. The present value of the estimated future benefits is calculated using the applicable discount rates and estimated investment return. The estimated value does not necessarily represent the amount that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. The table below presents a reconciliation from the beginning balance to the ending balance of the beneficial interest in remainder trust measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 719,879	\$ 645,252
Change in value of beneficial interest in remainder trust	<u>68,801</u>	<u>74,627</u>
Ending balance	<u>\$ 788,680</u>	<u>\$ 719,879</u>

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 11—LEASES

Council 32 leases office space under a noncancelable operating lease that expires on August 31, 2026. Council 32 also leases equipment under various noncancelable finance leases that expire on October 31, 2029.

The components of total lease costs are as follows:

	2024	2023
Finance lease costs		
Amortization of right-of-use assets	\$ 7,221	\$ 8,918
Interest on lease liabilities	355	89
Operating lease cost	39,423	39,423
Short-term lease cost	-	1,157
Total lease costs	<u>\$ 46,999</u>	<u>\$ 49,587</u>

Other information relating to leases is as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 248	\$ 97
Financing cash flows from finance leases	6,495	8,933
Operating cash flows from operating leases	39,912	39,384
Right-of-use assets obtained in exchange for new finance lease liabilities	39,139	-
Weighted-average remaining lease term		
Finance leases	4.75 years	.5 years
Operating leases	1.67 years	2.67 years
Weighted-average discount rate		
Finance leases	3.55%	1.04%
Operating leases	1.37%	1.37%

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 11—LEASES (continued)

The maturities of lease liabilities are as follows as of December 31, 2024:

	Finance Leases	Operating Lease
Year ending December 31:		
2025	\$ 8,687	\$ 39,912
2026	8,687	26,608
2027	8,687	-
2028	8,687	-
2029	6,515	-
Total minimum lease payments	41,263	66,520
Imputed interest	(3,230)	(716)
Total lease liabilities	<u>\$ 38,033</u>	<u>\$ 65,804</u>

NOTE 12—GOING CONCERN CONTINGENCY

As indicated in the accompanying financial statements, Council 32 has negative net assets without donor restrictions, which has created uncertain conditions that create substantial doubt about Council 32's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Council 32 has evaluated these conditions and believes that a reduction of expenditures and reduction of employee hours would alleviate this uncertainty. Council 32 also could use the sale of assets to increase available cash and to increase net asset balances. The ability of Council 32 to continue as a going concern is dependent on the impact of the expense reductions and sale of assets. The financial statements do not include any adjustments that might be necessary if Council 32 is unable to continue as a going concern.

NOTE 13—CONCENTRATION OF CREDIT RISK

Council 32 maintains cash balances at a financial institution located in Madison, Wisconsin, which exceed the federally insured limit of \$250,000. The amount of the uninsured cash balance at December 31, 2024, was approximately \$63,000.

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2024**

	Council 32	Building Corporation	Consolidated Totals
ASSETS			
Cash and restricted cash	\$ 985,694	\$ 12,222	\$ 997,916
Per capita taxes receivable	138,966	-	138,966
Other receivables	15,539	825	16,364
Prepaid expenses	11,440	-	11,440
Property and equipment, net	2,894	321,769	324,663
Beneficial interest in remainder trust	788,680	-	788,680
Operating lease right-of-use asset	64,990	-	64,990
Finance lease right-of-use assets	37,869	-	37,869
Total assets	\$ 2,046,072	\$ 334,816	\$ 2,380,888
LIABILITIES			
Accounts payable	\$ 62,606	\$ -	\$ 62,606
Per capita taxes payable	200,795	-	200,795
Accrued payroll and withholdings	35,208	-	35,208
Accrued vacation and legacy sick leave	172,805	-	172,805
Postretirement health care obligation	461,641	-	461,641
Deferred per capita taxes	3,929	-	3,929
Funds held for others	623,289	-	623,289
Operating lease liability	65,804	-	65,804
Finance lease liabilities	38,033	-	38,033
Total liabilities	1,664,110	-	1,664,110
NET ASSETS			
Net assets (deficit) without donor restrictions	(448,776)	334,816	(113,960)
Net assets with donor restrictions	830,738	-	830,738
Total net assets	381,962	334,816	716,778
Total liabilities and net assets	\$ 2,046,072	\$ 334,816	\$ 2,380,888

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2024**

	<u>Council 32</u>	<u>Building Corporation</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
OPERATING REVENUE				
Per capita taxes	\$ 1,408,378	\$ -	\$ -	\$ 1,408,378
Rental income	-	1,500	-	1,500
Contributions	-	45,937	(45,937)	-
Print shop	182	-	-	182
Interest	3,739	69	-	3,808
Other	8,871	-	-	8,871
Total operating revenue	<u>1,421,170</u>	<u>47,506</u>	<u>(45,937)</u>	<u>1,422,739</u>
OPERATING EXPENSES				
Salaries	602,100	-	-	602,100
Payroll taxes	47,711	-	-	47,711
Pension	115,567	-	-	115,567
Insurance benefits	140,181	-	-	140,181
Change in vacation and sick leave benefits	(25,162)	-	-	(25,162)
Executive board	1,317	-	-	1,317
Legal and professional fees	192,266	-	-	192,266
Contributions and lobbying fees	49,137	-	(45,937)	3,200
Supplies	12,568	229	-	12,797
Postage and printing	3,050	869	-	3,919
Insurance	14,916	-	-	14,916
Equipment maintenance and lease	254	-	-	254
Building	35,412	40,929	-	76,341
Depreciation	11,077	14,655	-	25,732
Telephone	19,415	5,347	-	24,762
Travel and entertainment	29,763	-	-	29,763
Advertising	300	-	-	300
Bank fees	10,964	49	-	11,013
Scholarships	8,750	-	-	8,750
Miscellaneous	6,931	-	-	6,931
Interest	355	-	-	355
Total operating expenses	<u>1,276,872</u>	<u>62,078</u>	<u>(45,937)</u>	<u>1,293,013</u>
Change in net assets without donor restrictions from operations	<u>144,298</u>	<u>(14,572)</u>	<u>-</u>	<u>129,726</u>
NONOPERATING ACTIVITIES				
Postretirement health care net periodic cost	<u>24,841</u>	<u>-</u>	<u>-</u>	<u>24,841</u>
Change in net assets without donor restrictions	<u>169,139</u>	<u>(14,572)</u>	<u>-</u>	<u>154,567</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Change in value of beneficial interest in remainder trust	<u>68,801</u>	<u>-</u>	<u>-</u>	<u>68,801</u>
Change in net assets	<u>237,940</u>	<u>(14,572)</u>	<u>-</u>	<u>223,368</u>
Net assets at beginning of year	<u>144,022</u>	<u>349,388</u>	<u>-</u>	<u>493,410</u>
Net assets at end of year	<u>\$ 381,962</u>	<u>\$ 334,816</u>	<u>\$ -</u>	<u>\$ 716,778</u>

OTHER FINANCIAL INFORMATION

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
SCHEDULE OF EXECUTIVE BOARD
Year Ended December 31, 2024

	Chad Birkholz	Daniel Bonneau	Matthew Moerg	Mark Pelzek	Paul Spink	Derek Wallace	Other	Total
Salary	\$ -	\$ -	\$ -	\$ -	\$ 233	\$ -	\$ -	\$ 233
FICA	-	-	-	-	18	-	-	18
Salary and fringe benefits	-	-	-	-	251	-	-	251
Mileage/travel cost	109	107	17	115	113	7	-	468
Hotel/motel	-	-	-	-	-	-	103	103
Per diem	-	-	-	-	-	-	-	-
Miscellaneous	-	-	55	-	-	-	440	495
Travel expenses	109	107	72	115	113	7	543	1,066
Executive board	\$ 109	\$ 107	\$ 72	\$ 115	\$ 364	\$ 7	\$ 543	\$ 1,317

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
SCHEDULE OF FIELD REPRESENTATIVES
Year Ended December 31, 2024**

	Sean Daley	Mark DeLorme	Neil Rainford	Ben Ratliffe	Total
Salary	\$ 92,000	\$ 92,000	\$ 78,564	\$ 18,654	\$ 281,218
FICA	7,190	6,880	6,253	1,492	21,815
Pension fund	18,367	18,396	16,833	2,731	56,327
Life insurance	1,219	1,219	1,016	264	3,718
Health, dental, and vision	12,530	30,365	32,791	4,181	79,867
Wellness program	356	-	500	-	856
Salary and fringe benefits	131,662	148,860	135,957	27,322	443,801
Mobile phone	2,100	2,400	2,084	800	7,384
Hotel/motel	2,292	-	-	-	2,292
Meetings - food	146	-	1,290	429	1,865
Mileage/travel cost	8,851	1,924	1,511	58	12,344
Per diem	1,195	-	-	-	1,195
Miscellaneous	4	-	114	17	135
Travel expenses	12,488	1,924	2,915	504	17,831
Office allowance	2,700	-	-	-	2,700
Field representatives	\$ 148,950	\$ 153,184	\$ 140,956	\$ 28,626	\$ 471,716

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO**
SCHEDULE OF ADMINISTRATIVE STAFF
Year Ended December 31, 2024

	Michelle Byrne	Chelsea Flores	Patrick Wycoff	Other	Total
Salary	\$ 13,645	\$ 57,000	\$ 105,000	\$ -	\$ 175,645
FICA	1,105	4,758	8,177	-	14,040
Pension fund	3,355	10,450	24,200	-	38,005
Life insurance	149	757	1,391	-	2,297
Health, dental, and vision	664	3,838	24,333	-	28,835
Wellness program	-	70	-	-	70
Salary and fringe benefits	18,918	76,873	163,101	-	258,892
Mobile phone	200	1,500	1,500	-	3,200
Hotel/motel	-	-	1,868	-	1,868
Meetings - food	-	-	492	-	492
Mileage/travel cost	-	56	4,500	-	4,556
Per diem	-	-	917	-	917
Miscellaneous	-	-	1,350	371	1,721
Travel expenses	-	56	9,127	371	9,554
Administrative staff	\$ 19,118	\$ 78,429	\$ 173,728	\$ 371	\$ 271,646

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
SCHEDULE OF SUPPORT STAFF
Year Ended December 31, 2024**

	<u>Kelly Becker</u>
Salary	\$ 70,000
FICA	5,243
Pension fund	13,837
Life insurance	929
Health, dental, and vision	<u>20,546</u>
Salary and fringe benefits	110,555
Mobile phone	1,500
Mileage/travel cost	209
Miscellaneous	<u>6</u>
Travel expenses	<u>215</u>
Support staff	<u>\$ 112,270</u>

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO**
SCHEDULE OF TEMPORARY STAFF
Year Ended December 31, 2024

	David Eisner
	<hr/>
Salary	\$ 21,379
FICA	<hr/> 1,635
	<hr/>
Salary and fringe benefits	23,014
	<hr/>
Mobile phone	874
	<hr/>
Temporary staff	<hr/>\$ 23,888<hr/>

**AFSCME WISCONSIN COUNCIL 32 OF THE AMERICAN FEDERATION
OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, AFL-CIO
SCHEDULE OF ORGANIZING STAFF
Year Ended December 31, 2024**

	<u>Juan Martinez</u>
Salary	\$ 53,858
FICA	4,257
Pension fund	10,600
Life insurance	702
Health, dental, and vision	<u>7,923</u>
Salary and fringe benefits	77,340
Mileage/travel cost	1,417
Telephone	<u>2,400</u>
Organizing staff	<u>\$ 81,157</u>