



**CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION**

December 31, 2023 and 2022

C O N T E N T S

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April 19, 2024

To the Board of Directors and Audit Committee
Wisconsin Professional Police Association, Inc.
Madison, Wisconsin

We have audited the financial statements of Wisconsin Professional Police Association, Inc. for the year ended December 31, 2023, and we will issue our report thereon dated April 19, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting which took place March 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wisconsin Professional Police Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of expense by function is based on an analysis of the hours and resources spent on the Association's program services and supporting activities. We evaluated the methods, assumptions, and data used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 19, 2024. Attached is a copy of management's written representations.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Recommendation

Documentation of Internal Control Activities

During our audit we noted that certain controls, such as Executive Director review of bank statements and check images, are completed, but are not formally documented. We recommend that all internal control activities be formally documented after the control activities are completed.

This information is intended solely for the use of the board of directors, audit committee, and management of Wisconsin Professional Police Association, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP



Glenn Miller, CPA
Partner

Wisconsin Professional Police Association, Inc.

To Wegner CPAs, LLP

This representation letter is provided in connection with your audit of the financial statements of Wisconsin Professional Police Association, Inc., which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 19, 2024, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 2, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Association's accounts.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

11. Guarantees, whether written or oral, under which the Association is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

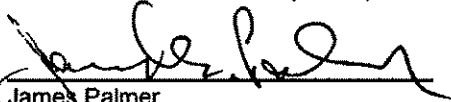
Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, grantors, regulators, or others.
17. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
19. We have disclosed to you the names of all of the Association's related parties and all the related-party relationships and transactions, including any side agreements.
20. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
22. Wisconsin Professional Police Association, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Association's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.


23. In regard to the tax services, preparation of the financial statements and supplementary information, and bookkeeping services performed by you, we have—

- Assumed all management responsibilities.
- Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.
- Ensured that the data and records are complete and we have sufficient information to oversee the services.

We have carefully read this letter before signing it and understand, while you have provided the language of this letter to us, we are making these representations to you. We understand our obligation to carefully consider the possibility that any of the representations are not accurate. We have inquired of other members of management or employees of Wisconsin Professional Police Association, Inc. to the extent necessary to obtain a high degree of assurance that these representations are true. We know that you will be relying on them in the issuance of your report.



James Palmer
Executive Director



Jean Steinhauer
Director of Finance



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wisconsin Professional Police Association, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Wisconsin Professional Police Association, Inc., which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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 Wisconsin Professional Police Association, Inc. as of December 31, 2023 and 2022, 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 Wisconsin Professional Police Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wisconsin Professional Police Association, Inc.'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 Wisconsin Professional Police Association, Inc.'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 Wisconsin Professional Police Association, Inc.'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.

Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities 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
April 19, 2024

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 436,667	\$ 322,904
Investments	1,268,798	1,234,742
Accounts receivable, net of allowance for credit losses of \$567 and \$902, respectively		
Dues	62,275	82,369
Other	981	2,554
Prepaid expenses	53,439	35,672
Inventory	4,098	4,098
Total current assets	1,826,258	1,682,339
Equipment and leasehold improvements, net	26,987	18,627
Operating lease right-of-use asset	1,079,347	1,162,954
Finance lease right-of-use asset	26,000	-
Deferred compensation investments	270,295	208,256
Total assets	\$ 3,228,887	\$ 3,072,176
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 36,725	\$ 1,261
Accrued payroll and payroll taxes	81,049	68,200
Other accrued expenses	16,813	12,865
Deferred revenue	119,414	118,649
Current portion of operating lease liability	71,238	66,775
Current portion of finance lease liability	5,866	-
Total current liabilities	331,105	267,750
LONG-TERM LIABILITIES		
Long-term operating lease liability	1,033,721	1,104,959
Long-term finance lease liability	20,615	-
Severance liability	148,184	143,866
Deferred compensation obligation	270,295	208,256
Total long-term liabilities	1,472,815	1,457,081
Total liabilities	1,803,920	1,724,831
NET ASSETS		
Board designated extended legal protection plan	237,753	136,069
Undesignated	1,187,214	1,211,276
Total net assets without member restrictions	1,424,967	1,347,345
Total liabilities and net assets	\$ 3,228,887	\$ 3,072,176

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT MEMBER RESTRICTIONS		
REVENUES		
Membership dues	\$ 2,929,894	\$ 2,867,745
Supervisory officers relations division dues	80,860	86,184
Extended Legal Protection Plan fees	213,674	164,076
Contributions	32,125	8,070
Convention	42,625	33,584
Investment return, net	157,384	(230,706)
Other	9,236	17,978
PAC income	16,579	33,438
 Total revenues without member restrictions	 3,482,377	 2,980,369
 EXPENSES		
Program services		
Collective bargaining	1,756,105	1,822,584
Extended Legal Protection Plan	164,529	118,510
Legislative	93,355	81,844
Other programs	142,305	128,201
 Total program services	 2,156,294	 2,151,139
Supporting activities		
Management and general	1,081,797	980,045
Membership development	166,664	165,931
 Total supporting activities	 1,248,461	 1,145,976
 Total expenses	 3,404,755	 3,297,115
 Change in net assets	 77,622	 (316,746)
 Net assets at beginning of year	 1,347,345	 1,664,091
 Net assets at end of year	 \$ 1,424,967	 \$ 1,347,345

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	Collective Bargaining	Extended Legal Protection Plan	Legislative	Other Programs	Management and General	Membership Development	Total Expenses
Personnel	\$ 1,557,485	\$ 157,548	\$ 25,128	\$ 26,288	\$ 694,343	\$ 137,480	\$ 2,598,272
Occupancy	21,269	-	-	-	169,661	-	190,930
Travel	112,844	578	180	-	42,191	337	156,130
Office	4,541	3,698	1,025	45,906	46,862	3,750	105,782
Professional fees	18,474	1,723	39,600	-	19,807	-	79,604
Conferences, conventions, and meetings	4,308	250	-	70,074	14,469	1,000	90,101
Dues & subscriptions	32,131	509	2,170	-	2,781	20,779	58,370
Grants & scholarships	-	-	25,216	-	-	-	25,216
Advertising & promotion	1,555	-	-	-	17,152	-	18,707
Information technology	543	-	-	-	48,998	3,123	52,664
Insurance	750	-	-	-	24,550	-	25,300
Depreciation	2,205	223	36	37	983	195	3,679
Total expenses	\$ 1,756,105	\$ 164,529	\$ 93,355	\$ 142,305	\$ 1,081,797	\$ 166,664	\$ 3,404,755

See accompanying notes.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Collective Bargaining	Extended Legal Protection Plan	Legislative	Other Programs	Management and General	Membership Development	Total Expenses
Personnel	\$ 1,555,669	\$ 100,131	\$ 23,242	\$ 28,932	\$ 704,095	\$ 131,193	\$ 2,543,262
Occupancy	108,080	8,582	1,739	2,165	59,908	9,816	190,290
Travel	96,170	272	3	174	24,369	23	121,011
Office	5,397	6,656	-	37,861	50,574	2,251	102,739
Professional fees	17,278	2,019	39,600	-	18,093	-	76,990
Conferences, conventions, and meetings	3,028	462	-	55,588	6,024	450	65,552
Dues & subscriptions	29,624	-	2,170	-	1,846	20,779	54,419
Grants & scholarships	-	-	15,000	3,000	24,325	-	42,325
Advertising & promotion	-	-	-	-	37,195	-	37,195
Information technology	557	-	-	369	26,044	910	27,880
Insurance	750	-	-	-	24,842	-	25,592
Depreciation	6,031	388	90	112	2,730	509	9,860
Total expenses	\$ 1,822,584	\$ 118,510	\$ 81,844	\$ 128,201	\$ 980,045	\$ 165,931	\$ 3,297,115

See accompanying notes.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 77,622	\$ (316,746)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	3,679	9,860
Amortization of operating lease right-of-use asset	83,607	8,780
Amortization of finance lease right-of-use asset	5,636	-
Net realized and unrealized (gains) losses on investments	(91,927)	313,362
(Increase) decrease in assets		
Accounts receivable	21,667	3,756
Prepaid expenses	(17,767)	14,970
Inventory	-	3
Increase (decrease) in liabilities		
Accounts payable	35,464	(27,102)
Accrued payroll and payroll taxes	12,849	6,070
Other accrued expenses	3,948	4,344
Deferred revenue	765	32,856
Severance liability	4,318	6,118
Deferred compensation obligation	62,039	(37,859)
Operating lease liability	(66,775)	-
Net cash flows from operating activities	135,125	18,412
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	50,000	60,000
Purchases of investments	(18,930)	(17,304)
Interest and dividends earned but retained in investments	(35,238)	(29,370)
Purchases of equipment and leasehold improvements	(12,039)	-
Net cash flows from investing activities	(16,207)	13,326
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liability	(5,155)	-
Net change in cash	113,763	31,738
Cash at beginning of year	322,904	291,166
Cash at end of year	\$ 436,667	\$ 322,904

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wisconsin Professional Police Association, Inc. (Association) serves the needs of law enforcement personnel in Wisconsin by providing employment relations, collective bargaining, legislative lobbying, and legal assistance services to its members. The Association's primary source of revenue is membership dues.

Principles of Consolidation

The consolidated financial statements include the accounts of Wisconsin Professional Police Association, Inc. (Association), Wisconsin Professional Police Association Political Action Committee (PAC), Cops for Justice Fund, and The Wisconsin Law Enforcement Museum of Valor (Museum). PAC, Cops for Justice Fund, and Museum are consolidated since the Association has both an economic interest in these entities and control of these entities through a majority voting interest in their governing bodies. All material intra-entity transactions have been eliminated. For purposes of the consolidating schedules of financial position and activities, the amounts reported for Wisconsin Professional Police Association, Inc. include the Association, PAC, and Cops for Justice Fund.

Investments

Wisconsin Professional Police Association, Inc. reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Accounts Receivable

Accounts receivable primarily represent payments owed to the Association for membership dues and services provided. The Association uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses for accounts receivable and believes the composition of accounts receivable at the end of the year is consistent with historical conditions because credit terms and practices and the client base has not changed significantly.

Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(5) of the Internal Revenue Code. PAC and Cops for Justice Fund are Section 527 political organizations and are subject to taxation on net investment income. Income tax expense is recorded on any unrelated business income. The Museum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which are allocated on a basis of estimates of time and effort, and office, information technology, occupancy, and depreciation, which are allocated based on personnel dollars.

Collective bargaining – Collective bargaining activities include ongoing contract negotiations and enforcement of labor contracts for approximately 6,000 active members of 370 law enforcement and civilian municipal employee bargaining units. Legislative successes have included securing passage of new laws that permit off-duty and former law enforcement officers to carry concealed weapons on or near school grounds, creating penalties for committing and/or threatening an officer with battery, expanding the lawful use of administrative subpoenas to investigate internet crimes against children, and introducing legislation to allow certain survivors of law enforcement officers that are killed in the line of duty to maintain their health insurance benefits.

Extended legal protection plan – The Association's in-house attorneys represent members in a wide variety of areas that are connected to their employment and the collective bargaining agreements that govern that vital service. Association attorneys also represent members in critical incidents, such as when officers are involved in shootings, squad accidents, or in-custody deaths.

Legislative –WPPA employs lobbyists to advocate for law enforcement officers and the law enforcement community at large on a wide variety of criminal justice, labor and professional policy matters before the state legislature. Along with passing the Law Enforcement Officers Bill of Rights, which established "just cause" as the standard of review for disciplinary actions against officers by employers, some of our more recent accomplishments include new laws that require employers to pay the legal fees of officers who are exonerated in criminal proceedings arising from on-duty conduct, establish tougher penalties for individuals that injure officers while trying to escape, and require independent and transparent investigations into officer involved deaths by outside agencies.

Other programs – Other programs consist of costs incurred for the Annual Convention, Wisconsin Police Journal, and the Wisconsin Law Enforcement Museum of Valor.

Management and general – Includes the activities necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities, and perform other administrative functions.

Membership development – Provides the structure necessary to encourage and secure Association membership including soliciting prospective members, collecting membership dues and performing membership relations activities.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The majority of the Association's revenues include membership dues, SORD dues, and ELPP fees, are recognized over time, and consist of performance obligations that are satisfied within one year or less. In addition, the majority of the Association's contracts do not contain variable consideration and contract modifications are generally minimal.

A portion of the Association's revenue from contracts with customers, including convention revenue, is recognized at a point in time based on the occurrence of the convention. In addition, the majority of the Association's contracts do not contain variable consideration and contract modifications are generally minimal.

Deferred Revenue

Income from membership dues is deferred and recognized over the periods to which the dues relate.

Estimates

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

Equipment and Leasehold Improvements

All acquisitions of equipment and leasehold improvements in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Equipment and leasehold improvements are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

WPPA does not recognize short-term leases in the statement of financial position. For these leases, WPPA recognizes the 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. WPPA 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, WPPA uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Date of Management's Review

Management has evaluated subsequent events through April 19, 2024, the date which the consolidated financial statements were available to be issued.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Association maintains its cash balance in several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023 the Association uninsured cash balance total approximately \$212,794. Management believes the risk in these situations to be minimal.

NOTE 3—LEASES

Wisconsin Professional Police Association, Inc. has a 10-year operating lease for office space which began on April 1, 2022 and contains an option to extend the lease term for an additional 3 years at the discretion of WPPA which is reasonably certain to be exercised. The lease contains a 3% annual payment escalator. The Association also entered into a lease for a copier which began January 1, 2023 and ends January 1, 2027 with fixed monthly payments of \$564.

The components of total lease costs are as follows:

	2023	2022
Finance lease cost		
Amortization of right-of-use assets	\$ 6,107	\$ -
Interest on lease liability	1,031	-
Operating lease cost	110,702	83,027
Short-term lease cost	-	22,282
	\$ 117,840	\$ 105,309

Other information related to leases is as follows:

	2023	2022
Operating cash flows from financing leases	\$ 6,186	\$ -
Operating cash flows from operating leases	93,870	68,850
Right-of-use assets obtained in exchange for new financing lease liability	32,107	-
Right-of-use assets obtained in exchange for new operating lease liability	-	1,224,640
Weighted-average remaining lease term		
Finance lease	5 years	-
Operating lease	11 years	12
Weighted-average discount rate		
Finance lease	3.87%	-
Operating lease	2.39%	2.39%

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 3—LEASES (continued)

The maturities of operating lease liabilities as of December 31, 2023 are as follows:

	Finance Leases	Operating Leases
Year ending December 31:		
2024	\$ 6,748	\$ 96,684
2025	6,748	99,583
2026	6,748	102,570
2027	6,748	105,647
2028	564	108,817
Thereafter	-	757,709
Total minimum lease payments	27,556	1,271,010
Imputed Interest	(1,075)	(166,051)
Total lease liabilities	\$ 26,481	\$ 1,104,959

NOTE 4—COMMITMENTS AND CONTINGENCIES

The Association has signed contracts with a hotel for its annual conferences through 2030. If the conferences get cancelled, or if the Association uses fewer than its contracted number of room nights, the Association could be subject to a maximum penalty of approximately \$64,000.

The Association has an employment contract with its executive director which requires deferred compensation and severance benefits. Under the contract, the Association will make voluntary contributions in the amount of 10% of the executive director's gross salary each year to the deferred compensation plan.

The contract also requires the Association to pay the executive director a severance benefit upon the expiration or termination of his employment. Payment will be equal to one month of the executive director's annual salary for the year in which the termination occurs for each year served as executive director, up to a maximum of ten months, rounded to the nearest year.

The Association represents members in qualifying litigation cases under the Extended Legal Protection Plan and could be liable for significant legal costs. Management is not aware of any such cases at the date which the financial statements were available to be issued.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5—INVESTMENTS

Investments at December 31, 2023 and 2022 consisted of the following:

	2023	2022
General investments		
Money market funds	\$ 31,595	\$ 77,899
Common stocks	89,866	78,554
Mutual funds	1,147,337	1,078,289
Deferred compensation investments		
Mutual funds	270,295	208,256
Total investments	\$ 1,539,093	\$ 1,442,998

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 statements of financial position.

Money market funds are valued using amortized cost, which approximates fair value. The investment objective of money market funds is to provide current income consistent with stability of principal. Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Association are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Association are considered to be actively traded. Fair values of common stocks are based on the closing prices reported on the active market where the individual securities are traded.

NOTE 6—RETIREMENT PLAN

The Association sponsors a safe harbor 401(k) plan and contributed 8% of all participants' compensation to the plan for the years ended December 31, 2023 and 2022, respectively. Retirement expense was \$138,835 and \$141,408 for the years ended December 31, 2023 and 2022.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 7—LIQUIDITY AND AVAILABILITY

Wisconsin Professional Police Association, Inc. had financial assets available within one year of the dates of the consolidated statements of financial position to meet cash needs for general expenditures consisting of the following:

	2023	2022
Cash	\$ 436,667	\$ 322,904
Accounts receivable	63,256	84,923
Investments	1,268,798	1,234,742
Financial assets available within one year to meet cash needs for general expenditures	\$ 1,768,721	\$ 1,642,569

None of these financial assets are subject to member or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statements of financial position dates. The Association also has \$270,295 and \$208,256 in deferred compensation investments as of December 31, 2023 and 2022, which have been set aside to for the deferred compensation obligation, but could be available for general expenditures with approval of the Board of Directors. As part of the Association'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.

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2023

	WPPA	Museum	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS				
Cash	\$ 372,240	\$ 64,427	\$ -	\$ 436,667
Investments	1,203,539	65,259	-	1,268,798
Accounts receivable, net				
Dues	62,275	-	-	62,275
Accounts receivable other	981	-	-	981
Prepaid expenses	53,439	-	-	53,439
Inventory	-	4,098	-	4,098
Total current assets	1,692,474	133,784	-	1,826,258
Equipment and leasehold improvements, net	13,487	13,500	-	26,987
Operating lease right-of-use asset	1,079,347	-	-	1,079,347
Finance lease right-of-use asset	26,000	-	-	26,000
Deferred compensation investments	270,295	-	-	270,295
Total assets	\$ 3,081,603	\$ 147,284	\$ -	\$ 3,228,887
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 36,725	\$ -	\$ -	\$ 36,725
Accrued payroll and payroll taxes	81,049	-	-	81,049
Other accrued expenses	16,813	-	-	16,813
Deferred revenue	119,414	-	-	119,414
Current portion of operating lease liability	71,238	-	-	71,238
Current portion of finance lease liability	5,866	-	-	5,866
Total current liabilities	331,105	-	-	331,105
LONG-TERM LIABILITIES				
Long-term operating lease liability	1,033,721	-	-	1,033,721
Long-term finance lease liability	20,615	-	-	20,615
Severance liability	148,184	-	-	148,184
Deferred compensation obligation	270,295	-	-	270,295
Total long-term liabilities	1,472,815	-	-	1,472,815
Total liabilities	1,803,920	-	-	1,803,920
NET ASSETS				
Board designated extended legal protection plan	237,753	-	-	237,753
Undesignated	1,039,930	147,284	-	1,187,214
Total without member restrictions	1,277,683	147,284	-	1,424,967
Total liabilities and net assets	\$ 3,081,603	\$ 147,284	\$ -	\$ 3,228,887

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2022

	<u>WPPA</u>	<u>Museum</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 282,550	\$ 40,354	\$ -	\$ 322,904
Investments	1,170,726	64,016	-	1,234,742
Accounts receivable, net				
Dues	82,369	-	-	82,369
Accounts receivable other	2,554	-	-	2,554
Prepaid expenses	35,672	-	-	35,672
Inventory	-	4,098	-	4,098
	<u>1,573,871</u>	<u>108,468</u>	<u>-</u>	<u>1,682,339</u>
Total current assets	1,573,871	108,468	-	1,682,339
Equipment and leasehold improvements, net	5,127	13,500	-	18,627
Operating lease right-of-use asset	1,162,954	-	-	1,162,954
Finance lease right-of-use asset	-	-	-	-
Deferred compensation investments	208,256	-	-	208,256
	<u>208,256</u>	<u>-</u>	<u>-</u>	<u>208,256</u>
Total assets	<u>\$ 2,950,208</u>	<u>\$ 121,968</u>	<u>\$ -</u>	<u>\$ 3,072,176</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 1,261	\$ -	\$ -	\$ 1,261
Accrued payroll and payroll taxes	68,200	-	-	68,200
Other accrued expenses	12,865	-	-	12,865
Deferred revenue	118,649	-	-	118,649
Current portion of operating lease liability	66,775	-	-	66,775
Current portion of finance lease liability	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	267,750	-	-	267,750
LONG-TERM LIABILITIES				
Long-term operating lease liability	\$ 1,104,959	-	-	1,104,959
Long-term finance lease liability	-	-	-	-
Severance liability	143,866	-	-	143,866
Deferred compensation obligation	208,256	-	-	208,256
	<u>208,256</u>	<u>-</u>	<u>-</u>	<u>208,256</u>
Total long-term liabilities	1,457,081	-	-	1,457,081
Total liabilities	1,724,831	-	-	1,724,831
NET ASSETS				
Board designated extended legal protection plan	136,069	-	-	136,069
Undesignated	1,089,308	121,968	-	1,211,276
	<u>1,225,377</u>	<u>121,968</u>	<u>-</u>	<u>1,347,345</u>
Without member restrictions	1,225,377	121,968	-	1,347,345
Total liabilities and net assets	<u>\$ 2,950,208</u>	<u>\$ 121,968</u>	<u>\$ -</u>	<u>\$ 3,072,176</u>

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2023

	<u>WPPA</u>	<u>Museum</u>	<u>Eliminations</u>	<u>Consolidated</u>
NET ASSETS WITHOUT MEMBER RESTRICTIONS				
REVENUES				
Membership dues	\$ 2,929,894	\$ -	\$ -	\$ 2,929,894
Supervisory officers relations division dues	80,860	-	-	80,860
Extended Legal Protection Plan fees	213,674	-	-	213,674
Contributions	1,017	31,108	-	32,125
Convention	42,625	-	-	42,625
Investment return, net	156,126	1,258	-	157,384
Other	9,236	-	-	9,236
PAC income	16,579	-	-	16,579
	<u>3,450,011</u>	<u>32,366</u>	<u>-</u>	<u>3,482,377</u>
Total revenues without member restrictions	3,450,011	32,366	-	3,482,377
EXPENSES				
Program services				
Collective bargaining	1,756,105	-	-	1,756,105
Extended Legal Protection Plan	164,529	-	-	164,529
Legislative	93,355	-	-	93,355
Other programs	135,255	7,050	-	142,305
	<u>2,149,244</u>	<u>7,050</u>	<u>-</u>	<u>2,156,294</u>
Total program services	2,149,244	7,050	-	2,156,294
Supporting activities				
Management and general	1,081,797	-	-	1,081,797
Membership development	166,664	-	-	166,664
	<u>1,248,461</u>	<u>-</u>	<u>-</u>	<u>1,248,461</u>
Total supporting activities	1,248,461	-	-	1,248,461
Total expenses	<u>3,397,705</u>	<u>7,050</u>	<u>-</u>	<u>3,404,755</u>
Change in net assets	52,306	25,316	-	77,622
Net assets at beginning of year	<u>1,225,377</u>	<u>121,968</u>	<u>-</u>	<u>1,347,345</u>
Net assets at end of year	<u>\$ 1,277,683</u>	<u>\$ 147,284</u>	<u>\$ -</u>	<u>\$ 1,424,967</u>

WISCONSIN PROFESSIONAL POLICE ASSOCIATION, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2022

	<u>WPPA</u>	<u>Museum</u>	<u>Eliminations</u>	<u>Consolidated</u>
NET ASSETS WITHOUT MEMBER RESTRICTIONS				
REVENUES				
Membership dues	\$ 2,867,745	\$ -	\$ -	\$ 2,867,745
Supervisory officers relations division dues	86,184	-	-	86,184
Extended Legal Protection Plan fees	164,076	-	-	164,076
Contributions	-	8,070	-	8,070
Convention	33,584	-	-	33,584
Investment return, net	(230,714)	8	-	(230,706)
Other	17,978	-	-	17,978
PAC income	33,438	-	-	33,438
Total revenues without member restrictions	2,972,291	8,078	-	2,980,369
EXPENSES				
Program services				
Collective bargaining	1,822,584	-	-	1,822,584
Extended Legal Protection Plan	118,510	-	-	118,510
Legislative	81,844	-	-	81,844
Other programs	125,387	2,814	-	128,201
Total program services	2,148,325	2,814	-	2,151,139
Supporting activities				
Management and general	980,045	-	-	980,045
Membership development	165,931	-	-	165,931
Total supporting activities	1,145,976	-	-	1,145,976
Total expenses	3,294,301	2,814	-	3,297,115
Change in net assets	(322,010)	5,264	-	(316,746)
Net assets at beginning of year	1,547,387	116,704	-	1,664,091
Net assets at end of year	\$ 1,225,377	\$ 121,968	\$ -	\$ 1,347,345