

Financial Report to 2012 Convention Delegates

PUBLIC SCHOOL EMPLOYEES OF WASHINGTON

Statement of Assets & Liabilities As of June 30, 2012

| Assets | |
|---|------------------|
| Cash on hand | 950 |
| Cash in bank | 4,051,263 |
| Receivables | 760,300 |
| Investments | 30,783 |
| Land, bldgs & equip | 3,349,294 |
| Cash in bank (restricted) | 11,514 |
| Inventory | 21,462 |
| Total Assets | 8,225,566 |
| Liabilities & Fund Balances | |
| Current payables | 393,583 |
| Accrued liabilities | 935,875 |
| Long-term liabilities | 1,612,265 |
| Total Liabilities | 2,941,723 |
| Betty Rankin sponsorship | 6,965 |
| Emergency relief fund | 19,699 |
| Operating fund | 5,210,069 |
| Building fund | 35,597 |
| Political fund | 11,514 |
| Total Fund Balances | 5,283,844 |
| Total Liabilities & Fund Balance | 8,225,566 |

Statement of Expenses and Income For the Ten Months ended June 30, 2012

| | Budgeted Amount | Year to Date Actual | % of Budget |
|--------------------------------|----------------------------|--------------------------------|------------------------|
| Expenses | | | |
| Personnel Services | 5,307,378 | 4,045,757 | 76.23% |
| Contractual Services | 422,988 | 409,855 | 96.90% |
| Program & Operational Expenses | 615,754 | 325,055 | 52.79% |
| Travel & Related Expenses | 570,700 | 518,051 | 90.77% |
| Professional Development | 34,450 | 26,001 | 75.47% |
| SEIU Dues | 2,398,070 | 2,223,964 | 92.74% |
| Facility & Equipment Expenses | 724,099 | 428,864 | 59.23% |
| General Expenses | 186,552 | 209,420 | 112.26% |
| Total Expenses | 10,259,991 | 8,186,967 | 79.80% |
| Income | | | |
| Dues | 8,408,652 | 6,963,607 | 82.81% |
| SEIU Rebates | 1,511,354 | 1,507,470 | 99.74% |
| SEIU Grants | 120,000 | - | 0.00% |
| Other Income | 164,111 | 168,339 | 102.58% |
| Investment Income | - | 1,841 | 0.00% |
| Total Income | 10,204,117 | 8,641,256 | 84.68% |
| Net Earnings (-Loss) | (55,874) | 454,289 | |

Explanatory Note:

These financial statements represent PSE's operations from September 1, 2011 through June 30, 2012. Expenses for the August 2012 Convention will have an impact on our over all net income. However, we expect to come in under budget.

Annual Budget

For the Year ending August 31, 2013

| | Budgeted Amount |
|-----------------------------|----------------------------|
| Expenses | |
| Salaries, taxes & benefits | 5,006,465 |
| Professional services | 391,225 |
| Program expenses | 586,727 |
| Travel & related expenses | 536,628 |
| Professional development | 22,400 |
| SEIU Dues | 2,579,824 |
| Facility & equipment | 790,184 |
| General expenses | 174,877 |
| Total Expenses | 10,088,329 |
| Income | |
| Dues | 8,332,695 |
| SEIU Rebates | 1,437,979 |
| SEIU Grants | 120,000 |
| Other income | 197,655 |
| Total Income | 10,088,329 |
| Net earnings (-Loss) | 0 |

The board of directors approved the 2012-2013 budget on June 10, 2012.

2012-2013 Major expense assumptions:

- Cover contractual obligations
- Increase line item for mortgage payment
- Continue transition for paying dues to SEIU International
- Pay for delegates to attend the 2016 International SEIU Convention
- Make adjustments to budgets based on prior budget experience
- With the prediction of minimal growth in revenue, the Board has made significant reductions in various areas of spending: zone budgets, board of director budget, staff development, lodging and travel.
- We will continue to find new efficiencies and/or areas of study that will help reduce expenses.

2012-2013 Income assumptions:

- Assumes revenue remains fairly flat.