

Finance, Audit, and Administrative Committee (FAAC) Report

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PCORI Board of Governors

Washington, DC

September 24, 2012



- Unaudited Financial Statements
~ Results of Operations
- Revised 2012 Budget
- Budget Assumptions
- Cash Flow

Appendix

- Financial Statements
- CBO Updated Estimate for the Insurance Coverage Provisions of the Affordable Care Act

Results of Operations

The GFY 2013 Appropriation of \$150 million will be received on October 1, 2012, and will be taken into Operating Revenue at that time.

	UNAUDITED
	<u>JUNE 30, 2012</u>
OPERATING REVENUE	\$0
Program Expenses	
Communication and Engagement	1,435,365
Research	1,888,897
Methodology	<u>3,054,947</u>
Total Program Expenses	6,379,209
Administrative Expenses	
Board	739,262
Management and General	<u>3,312,271</u>
Total Administrative Expenses	4,051,533
Non-operating Interest Income	<u>35,190</u>
NET INCOME (LOSS)	<u><u>(\$10,395,552)</u></u>

Revised 2012 Budget



Unaudited June 30, 2012

The Board approved the 2012 budget subject to mid-year corrections.

	UNAUDITED JUNE 30, 2012	PROJECTED 3Q/4Q	REVISED BUDGET
OPERATING REVENUE	\$0	\$120,000,000	\$120,000,000
Program Expenses			
Communication and Engagement	1,435,365	4,347,026	5,782,391
Research	1,888,897	7,701,268	9,590,165
Methodology	3,054,947	3,002,344	6,057,291
Total Program Expenses	6,379,209	15,050,637	21,429,846
Administrative Expenses			
Board	739,262	1,414,026	2,153,288
Management and General	3,312,271	3,274,663	6,586,934
Total Administrative Expenses	4,051,533	4,688,689	8,740,222
Non-operating Interest Income	35,190	37,500	72,690
NET INCOME (LOSS)	(\$10,395,552)	\$100,298,174	\$89,902,622

[1]

[1] There will be \$96 million awarded for research in November 2012.

Budget Assumptions



Revenue Projections

\$320 million estimated for GFY 2013 less HHS/AHRQ

PCORI receives \$120 million in direct appropriation

Partial year collected on covered lives for
PCOR fee on health plan providers and the self-insured

IRS will collect the fee annually on the Quarterly Federal Excise Tax
Return Form 720 due July 31 of the following year

PCORI receives \$28 million between August 15, and October 15, 2013

Partial year collected on covered lives for
PCOR fee on Medicare/Medicaid/CHIP

PCORI receives \$6 million on July 31, 2013; actual timing unknown

Net Revenue

(Dollars in millions)

	2012	2013
CASH BALANCE	\$162	\$241
Appropriation	\$150	\$150
PCOR Fee	0	34
Subtotal	150	184
Less AHRQ/HHS	(30)	(37)
Less Program and Operating Expenses	(30)	(41)
Net Revenue	\$90	\$106
Research Contract Commitments	\$127	\$300
Research Outflows		
2012	(\$11)	(\$21)
2013		(139)
Total Outflows	(\$11)	(\$160)
CASH BALANCE	\$241	\$188

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