

REPORT OF THE BUDGET COMMITTEE

The Budget Committee received an Executive Director's report that provided an update on three budget issues:

1. Completion of Calendar Year (CY) 2002 Audit
2. Status of 2003 Expenditures
3. Funding for 2004

CY 2002 Audit: Dr. John Coon provided copies of the completed financial audit report for calendar year 2002. The audit indicates the Council financial operations for the year ended in conformity with generally accepted accounting principles and compliance with OMB Circular A-133. There were no questioned costs for CY 2002.

Status of CY 2003 Expenditures: Dr. Don McIsaac reported the Council operating budget expenditures to date are on track for the first seven months of the calendar year. There have been some potential cost savings in the printing and postage categories with the reduction of copies and mailings. The Budget Committee will review the situation at the November Council meeting and if there is a projected surplus of funds, the Budget Committee and staff will make recommendations for utilizing the surplus.

Funding for 2004: In preparing the Council operating budget for 2004, Dr. McIsaac described the amount necessary to continue full Council operations at the level that has been in place this calendar year. He also described supplemental project funding from six separate sources that have been secured for use in 2004, amounting to about 15% of the target. The bulk of Council funding for 2004 will be in the base grant; the Senate and House conference committee need to agree upon final amounts for 2004 later this fall. There will likely be additional funds needed to achieve the full operational level, and Dr. McIsaac is actively seeking funding sources for the necessary amount.

The Budget Committee will meet again in November and review the status of CY 2003 expenditures and the status of the CY 2004 funding.

PFMC
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