OPTN Finance Committee

Chair
Laura Murdock-Stillion
November 12, 2013
November Report

- Committee overview
- Meeting schedule and activities
- Projected financial results
- Questions
OPTN Finance Cmte. Overview

**OPTN Finance Committee Reports to the Board**
Format changed from regional representation in July 2013

**Members:**
- Treasurer
- 4 members of the Board
- Outside advisors with strong credentials in healthcare and finance.
- HRSA staff as Ex-Officio members

**Duties:**
- Review financial policies, goals and budgets that support OPTN’s mission and strategic plan

**Meeting schedule:**
- Committee meets quarterly and as needed, usually via conference call
OPTN Finance Cmte. Overview

Current Composition

- Treasurer (Laura Murdock-Stillion)
- Board Members
  - Suzanne Lane-Conrad, RN, M.S.
  - James Kiehm
  - Kenyon W. Murphy, J.D.
  - Ed Zavala
- Advisors
  - Jerome Lienhard
  - Dan Vandenberghe, CPA
  - Barry Massa
OPTN Finance Committee Meetings Held

- July 24, 2013 Conference Call
  - Review, approve and recommend the OPTN 2014 Operating Budget and associated fee to the Board of Directors.

- October 3, 2013 Conference Call
  - Met with audit firm to discuss expectations for next A-133 audit (component of UNOS audit)
  - Review July financial statements
  - Discuss process to develop an OPTN Reserve Policy
OPTN Financial Results FY 2013

- 2013 Registrations of 54,015
  - 3.75% Above Budget
  - 3.72% Above 2012 Results
OPTN Financial Results for FY 2013

- July financials are included with Committee report.
- Preliminary September financials

- Revenues
  - Registrations were 3.75% above budget.
  - Within the 4% ‘normal’ variability of registrations per year
  - Registrations were 54,015 compared to budget of 52,063
  - Funding was over budget by $1,271,000
  - Offset to funding under budget by $1,084,000 last year

- Federal Funding of $3,208,420
- $2,500,000 Base + $708,420 for labeling project
OPTN Financial Results for FY 2013

- Expenses
  - (6.7%) and $2,430,000 less than Budget

- Variance from Budget
  - Salary and benefits were $1,790,000 under budget
    - vacancies in IT, DEQ, and Education areas
    - 1.3% lower billable benefit rate.
  - Committee costs were $126,000 under budget due to moving all committees to a two “in person” meeting per year cycle
OPTN Financial Results for FY 2013

- Expenses
  - Variance from Budget (continued)
    - General travel down $140,000 due to vacant positions and streamlining of audit visits
    - Depreciation under budget $373,000 due to less capital expenditures than expected in FY 2012 and FY 2013
    - Indirect costs were down $371,044 as a function of direct expense categories being below budget
OPTN Financial Results for FY 2013

- Revenues - Expenses
  - OPTN Resources (Cash and Receivables) increased $4,350,000
    - Higher than expected registrations
    - Lower than expected expenses
    - Increased Federal funding for Organ Labeling Project
  - OPTN is in the same financial position as it was at the end of FY 2011
New fiscal year and budget began October 1st.

The new budget includes:

- ITAC recommendations and associated expenses
- Increased OPTN registration fees
- OPTN reserve fee of $10 per registration.

Once set, it is expected that it will take multiple years to meet OPTN reserve goals.