

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

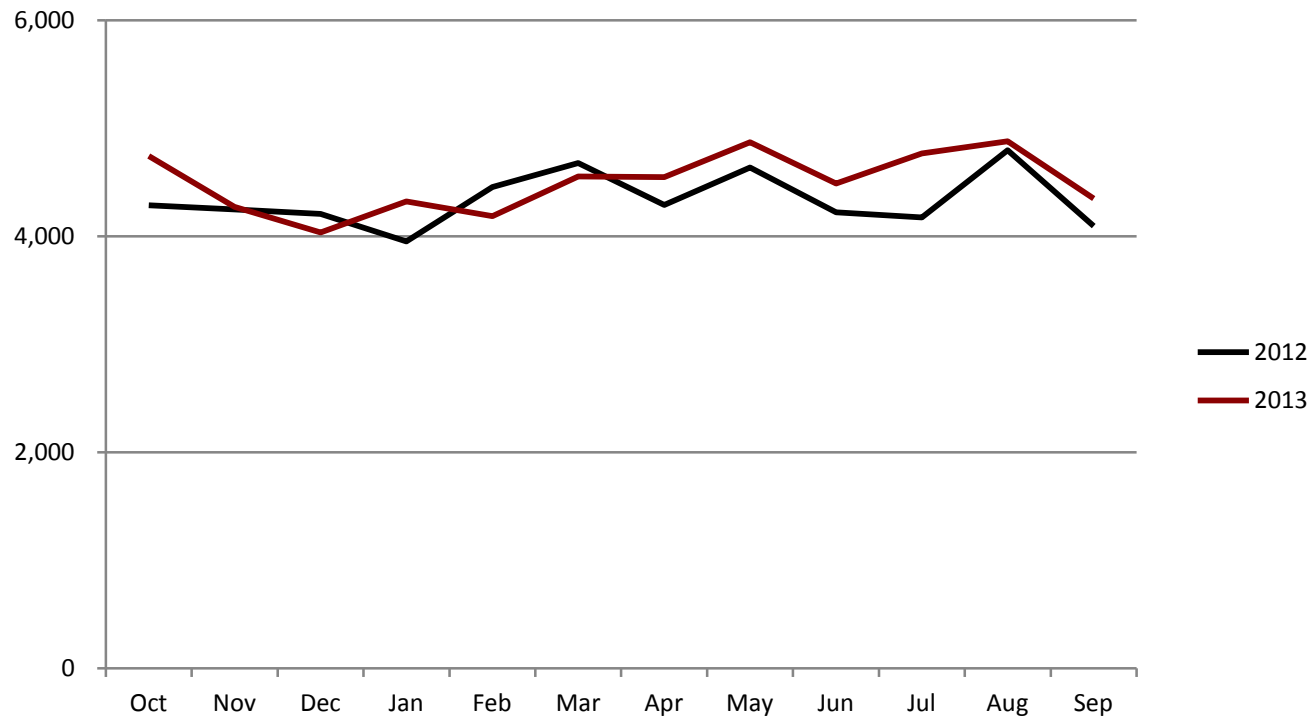
- Treasurer (Laura Murdock-Stillion)
- Board Members
 - Suzanne Lane-Conrad, RN, M.S.
 - James Kiehm
 - Kenyon W. Murphy, J.D.
 - Ed Zavala
- Advisors
 - Jerome Lienhard
 - Dan Vandenberghe, CPA
 - Barry Massa

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

OPTN FY 2014 Budget

- 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.



OPTN