

**OPTN/UNOS Finance Committee
Report to the Board of Directors
November 16 – 17, 2009
Orlando, Florida**

Summary

I. Action Items For Board Consideration

- None

II. Other Significant Items

- Review of July OPTN Financial Statements and Year-End Projection (Item 1, Page 3)
- Review of OPTN Registrations (Item 2, Page 3)
- Update on OPTN Accounts Receivable Balances (Item 3, Page 3)
- Update on OPTN Investment (Item 4, Page 3)
- Review of 2010 OPTN Budget (Item 5, Page 4)
- Committee Meeting Dates for 2010 (Item 6, Page 4)

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Arthur L. Thomson, Chairman

The Finance Committee met via conference call on September 24, 2009, and discussed the following:

1) Review of Interim 2008 OPTN Financial Results and Registrations

Financial statements were presented for the period of October 1, 2008, through July 31, 2009. As of July 31, 2009, OPTN expenses are \$1,782,000 less than budget. The variance is due to cost savings methodologies (freeze of open positions, salary cuts, cancellation of salary increases, and cancellation of travel costs) implemented earlier in the year by UNOS management in response to concerns about declining OPTN registrations. It is estimated that by September 30, 2009, OPTN expenditures will be approximately \$2,476,000 below budget. See Exhibit A.

2) Review of OPTN Registrations

In February, UNOS expected annual registrations to be approximately 49,458 based upon trend analysis at that time. Based on more recent data, annual registrations are expected to be 50,830, which is 1,372 greater than the February estimate. Registrations are still expected to be less than the budget of 53,280, but due to cost saving methodologies, it is expected that funding from registrations will exceed expenditures. The resulting excess is improving OPTN cash flow that was constricted over the past twelve months. See Exhibit A.

3) Update on the OPTN Accounts Receivable Balances

UNOS staff reported that progress has been made in collecting past-due OPTN registrations. The past-due balance as of July 31, 2009 was \$544,047, of which, \$147,000 is due from one center. Staff reported that the center has promised to make payment in full by month-end, bringing past due balances below \$400,000. Note: subsequent to the Finance Committee conference call, payment was received in full from this center on September 28th. Excluding this large past-due balance, most past due balances are less than \$30,000. UNOS staff reported that copies of past-due letters are being sent to transplant administrators to help facilitate payments from their centers. See Exhibit A.

4) Review of OPTN Investment

UNOS staff reported the \$100,000 American General Financial (AGF) corporate note held in the OPTN Brokerage Account has increased in value. The market value of the note had declined earlier in the year from \$100,000 to approximately \$50,000. Since AGF is a subsidiary of AIG, AIG's financial instability caused a decrease in the market value of the investment. As of August 31, 2009, the market value of the note has increased to \$89,526. The note is expected to mature in September 2010, and the goal is to hold the note to maturity, eliminating the variations in market value.

5) Review of OPTN 2010 Budget

As new members joined the Finance Committee in July, the Committee reviewed highlights of the 2010 OPTN Budget, including OPTN fees and projected OPTN registrations. The 2010 Budget was based upon OPTN registrations of 49,783. Current registration trends indicate registrations may

exceed this figure, but UNOS management is unsure what impact the H1N1 flu pandemic will have on patient listing behavior.

6) Committee Meeting Dates for 2010

Tentative Committee meeting dates were scheduled for next year. The dates are:

Thursday, February 4, 2010	Conference call at 2PM EST
Thursday, April 8, 2010	Conference call at 2PM EST
Thursday, May 13, 2010	Chicago, IL from 10AM CST – 2PM CST

**Attendance at the Finance Committee Meeting
September 24, 2009
Conference Call**

Committee Members Attending:

Arthur L. Thomson	Chair
Dara Washburn	Region 1
Andrea Tietjen	Region 2
Susan Allen-Umerley	Region 4
Tammy Kispert	Region 7
Anthony Flores	Region 8
David Bekofsky	Region 9
G. Kent Holloway	Region 10
Betty Crandall	Region 11
Jarold Anderson	At Large
Daniel Barker	At Large
Cataldo Doria, MD	At Large
Peter Farstad	At Large
Mesmin Germain	Ex. Officio

Committee Members Unable to Attend:

Youmin Wu, MD	Region 3
Michael Seeley	Region 6
Christopher J. McLaughlin	Ex. Officio

Staff Attending:

Douglas E. Harvey, Director of Finance	UNOS
Doug Heiney, Director of Admin.	UNOS
Matt Lovetro, Asst. Director Finance	UNOS

There is currently no Region 5 representative. Over the summer, Laura Aguiar resigned her position as Region 5 representative. The position is in process of being filled.