

**OPTN Finance Committee  
Meeting Summary  
February 26, 2021  
Conference Call**

**Robert Goodman, MBA, Chair**

## **Introduction**

The OPTN Finance Committee met via Citrix GoToMeeting teleconference on 02/26/2021 to discuss the following agenda items:

1. OPTN Financial Update
2. OPTN Investment Performance Review
3. Uniform Guidance Report

The following is a summary of the Committee's discussions.

### **1. OPTN Financial Update**

Robert Goodman, Chair, started the meeting by welcoming everyone in attendance and introduced UNOS' Director of Finance & Accounting, Dale Smith. Mr. Smith walked through the agenda, announcing that the main purpose of this meeting was to allow the Committee to hear from both the Investment Advisor and the Independent Auditor. Mr. Smith shared several slides detailing OPTN expenses compartmented to the budget, as well as monthly details for OPTN registrations. There were several questions:

- Mr. Goodman asked why professional expenses were over budget, and Mr. Smith identified the cause of the variance primarily to legal bills.
- Brad Kornfeld, incoming Treasurer, asked about a correlation between registrations being under budget, while we are reporting record transplants for the 10<sup>th</sup> year in a row. Mr. Smith talked clarified the difference between the two data points.
- Chris McLaughlin (HRSA) asked about technology costs being above budget, and Mr. Smith responded that the main reason at this time was due to timing of actual expenses coming in earlier than anticipated in the budget.

Mr. Smith wrapped up this portion of the agenda, and introduced Rob Norfleet, Truist Investment Advisor, to the Committee.

### **2. OPTN Investment Performance Review**

Mr. Norfleet presented the calendar year 2020 results for the OPTN Reserve account. He described the challenges faced throughout the year, beginning with the sudden drop in the market during the first quarter, which was completely reversed over the final 3 quarters, leading to an annual performance return of 12.46% for the year. Mr. Norfleet discussed the market fluctuations that arose from the political, economic and social pressures, all of which added challenges in the market and this portfolio. He reiterated Truist's position that they take a long term outlook with the portfolio, which is consistent with the investment policy that governs the OPTN Reserve. Mr. Norfleet also highlighted Truist's belief that we are in a new bull market, and are evaluating taking an increased position in equities during

2021. At the end of his presentation, Mr. Smith thanked Mr. Norfleet for his time, and then Mr. Smith introduced Renee Pendleton, Partner with Cherry Bekaert LLP, UNOS' independent audit firm.

### **3. Uniform Guidance Report**

Ms. Pendleton presented the required reports under the Title 2 US. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Cherry Bekaert, LLP reported that all the requirements were met, and issued a clean unmodified opinion for the overall program. Ms. Pendleton introduced her colleague, Katie Strader, who shared that during the audit work phase, there were no compliance findings in the test work. At the conclusion of their presentation, Mr. Smith thanked both Ms. Pendleton and Ms. Strader, and shared with the Committee that this year had additional challenges due to the pandemic, as this was the first time the UNOS audit had been completed 100% in a virtual environment.

### **Upcoming Meetings**

- May, 2021
- June, 2021

## Attendance

- **Committee Members**
  - Robert Goodman
  - Pono Shim
  - James Sharrock
  - Laura DePiero
  - Linda Cendales
  - Barry Massa
  - James Gleason
- **HRSA Representatives**
  - Christopher McLaughlin
- **UNOS Staff**
  - Dale Smith
  - Brian Shepard
  - Steve Harms
  - Chelsea Haynes
  - Susie Sprinson
- **Other Attendees**
  - Rob Norfleet
  - Katie Strader
  - Brad Kornfeld
  - Renee Pendleton