UNITED NETWORK FOR ORGAN SHARING

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended September 30, 2021
(With Summarized Comparative Totals 2020)

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
United Network for Organ Sharing
Richmond, Virginia

Report on Financial Statements

We have audited the accompanying financial statements of United Network for Organ Sharing (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Network for Organ Sharing as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2020, financial statements and our report dated February 23, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

As discussed in Note 1 to the financial statements, the Organization's primary source of revenue is one contract with a department of the United States. Non-renewal of the contract would materially affect the activities and financial position of the Organization.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Richmond, Virginia
February 18, 2022

UNITED NETWORK FOR ORGAN SHARING
STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2020)

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 30,533,484	$ 26,950,038
Restricted cash	16,570,077	20,042,046
Investments	17,920,158	15,123,850
Restricted investments	16,919,073	14,370,276
Accounts receivable	13,193,488	10,512,077
Prepaid expenses	2,541,464	2,057,827
Total Current Assets	97,677,744	89,056,114
Property and equipment, net	22,572,433	24,064,020
Other assets	699,283	648,016
Total Assets	$ 120,949,460	$ 113,768,150
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current maturities of bonds payable	$ 625,000	$ 605,000
Deferred grant revenue - Paycheck Protection Program loan	7,250,000	7,250,000
Accounts payable and accrued expenses	4,567,371	4,056,791
Health insurance liability	876,407	951,043
Due to National Organ Procurement Transplantation Network	35,911,481	34,978,684
Total Current Liabilities	49,230,259	47,841,518
Long-Term Liabilities:		
Bonds payable, less current portion	3,460,000	4,085,000
Total Long-Term Liabilities	3,460,000	4,085,000
Total Liabilities	52,690,259	51,926,518
Net Assets:		
Without donor restrictions	68,177,967	61,570,033
With donor restrictions	81,234	271,599
Total Net Assets	68,259,201	61,841,632
Total Liabilities and Net Assets	$ 120,949,460	$ 113,768,150

UNITED NETWORK FOR ORGAN SHARING
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2020)

	OPTN	Network and Member Services	Management and General	Fundraising	2021 Total	Comparative 2020 Total
Change in Net Assets Without Donor Restrictions:						
Revenue and Other Support:						
OPTN patient registration fees	$ 47,190,245	$ -	$ -	$ -	$ 47,190,245	$ 49,773,213
Government contract - OPTN	6,234,602	-	-	-	6,234,602	5,500,000
UNOS fees	-	10,845,896	-	-	10,845,896	10,037,064
Contributions	-	-	-	415,523	415,523	527,991
Scientific and data analysis services	-	1,657,066	-	-	1,657,066	1,753,432
Regional and transplant forums	-	304,050	-	79,400	383,450	79,400
Miscellaneous	-	720,705	-	88,029	808,734	1,074,762
Satisfaction of program restrictions	-	623,544	-	-	623,544	152,158
Total Revenues Without Donor Restrictions	$ 53,424,847	$ 14,151,261	$ -	$ 582,952	68,159,060	68,898,020
Expenses:						
Salaries	$ 25,463,197	$ 5,548,993	$ 2,438,032	$ 193,060	33,643,282	32,458,084
Employee benefits and payroll taxes	11,292,116	1,048,612	1,136,760	78,743	13,556,231	14,067,713
Temporary help	155,645	3,622	31,160	-	190,427	1,758,071
Meetings and travel	66,911	186,580	41,521	11,067	306,079	1,718,076
Professional education programs and projects	-	43,686	-	-	43,686	348
Other purchased services	6,277,717	110,595	807,143	71,071	7,266,526	5,915,201
Telephone, telecommunications, and utilities	117,178	477,220	176,602	5	771,005	781,624
Equipment leases	-	6,227	82,923	-	89,150	129,828
Subscriptions and software	2,915,426	-	-	-	2,915,426	2,542,158
Repairs and maintenance	490,593	356,404	369,016	-	1,216,013	1,316,177
Depreciation and amortization	1,295,780	202,305	762,539	-	2,260,624	1,852,368
Indirect costs	6,897,240	-	(6,897,240)	-	-	-
Prior year indirect and benefit adjustment	(1,643,683)	-	1,643,683	-	-	-
Other	96,385	1,634,465	252,282	27,159	2,010,291	2,778,005
Total Expenses	$ 53,424,505	$ 9,618,709	$ 844,421	$ 381,105	64,268,740	65,317,653
Revenues over Expenses					3,890,320	3,580,367
Investment income, net					2,682,474	887,078
Unrealized gain on insurance					35,140	20,064
Change in Net Assets Without Donor Restrictions					6,607,934	4,487,509
Change in Net Assets With Donor Restrictions:						
Contributions					433,179	258,589
Net assets released from restrictions					(623,544)	(152,158)
Change in Net Assets With Donor Restrictions					(190,365)	106,431
Change in Net Assets					6,417,569	4,593,940
Net Assets, beginning of the year					61,841,632	57,247,692
Net Assets, end of the year					$ 68,259,201	$ 61,841,632

UNITED NETWORK FOR ORGAN SHARING
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 6,417,569	$ 4,593,940
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation and amortization	2,260,624	1,852,368
Bad debt expense	25,734	2,895
Gain on insurance values	(35,140)	(20,064)
Realized and unrealized gain on investments, net	(2,682,474)	(887,078)
Change in operating assets and liabilities:		
Accounts receivable	(2,707,145)	958,382
Prepaid expenses	(483,637)	380,314
Other assets	(16,127)	27,159
Accounts payable and accrued expenses	510,580	(149,399)
Health insurance liability	(74,636)	187,824
Due to National Organ Procurement Transplantation Network	(1,616,000)	(7,591,283)
Deferred grant revenue - Paycheck Protection Program loan	-	7,250,000
Net cash flows from operating activities	1,599,348	6,605,058
Cash flows from investing activities:		
Purchases of property and equipment	(769,037)	(4,661,513)
Purchases of investments	(113,834)	-
Net cash flows from investing activities	(882,871)	(4,661,513)
Cash flows from financing activities:		
Repayments of bonds and notes payables	(605,000)	(585,000)
Net cash flows from financing activities	(605,000)	(585,000)
Increase in cash, cash equivalents, and restricted cash	111,477	1,358,545
Cash, cash equivalents, and restricted cash, beginning of year	46,992,084	45,633,539
Cash, cash equivalents, and restricted cash, end of year	$ 47,103,561	$ 46,992,084

The accompanying notes to the financial statements are an integral part of these statements.

UNITED NETWORK FOR ORGAN SHARING
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2020)

	2021	2020
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 58,793	$ 127,624
Cash paid during the year for income taxes	$ 62,801	$ 71,990
Supplemental disclosures of noncash investing activities:		
Appreciation on restricted investments due to OPTN	$ 2,548,797	$ 839,659
Supplemental disclosures - cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 30,533,484	$ 26,950,038
Restricted cash	16,570,077	20,042,046
Cash, cash equivalents, and restricted cash, end of year	$ 47,103,561	$ 46,992,084

Note 1—Organization and nature of operations

United Network for Organ Sharing ("UNOS" or the "Organization"), a Virginia non-stock, not-for-profit corporation, operates the National Organ Procurement and Transplantation Network ("OPTN") established by the National Organ Transplantation Act passed by the U.S. Congress in 1984. Through a contract with the Health Resources and Services Administration ("HRSA") of the Department of Health and Human Services ("DHHS") (the "OPTN Contract"), the Organization functions as the sole national network whose mission is to improve the effectiveness of the United States organ procurement and transplantation system and to provide for the fair and equitable distribution of all donated organs. To carry out this mission, the Organization maintains a computerized database to identify potential transplant recipients and to provide for the systematic matching of donated organs with such recipients. The Organization is staffed 24 hours a day, 7 days a week, with specialists trained in assisting transplant centers and in administering Board of Directors-approved organ allocation policies. All organ procurement organizations ("OPO") and transplant facilities in the United States are required to be members of OPTN. The Organization's Board of Directors is currently made up of 42 voting members elected from the Organization's membership and the general public.

On September 12, 2013, the Organization was awarded an OPTN Contract from HRSA for the period September 30, 2013 through September 29, 2014, with additional one-year options to extend the OPTN Contract to September 29, 2015, 2016, 2017, and 2018, and a six-month option to extend the OPTN Contract from October 1, 2018 through March 31, 2019. On November 3, 2018, the Organization was awarded the latest OPTN Contract from HRSA for the period April 1, 2019 through September 29, 2019, with additional one-year options to extend the OPTN Contract to September 29, 2020, 2021, 2022, and 2023. During the year, HRSA opted to extend the OPTN Contract through September 29, 2022. The OPTN Contract is the primary source of revenue for the Organization. If the Organization is not awarded the new OPTN Contract, its future operations would be materially and adversely affected.

Note 2—Summary of significant accounting policies

Basis of Accounting – The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Presentation – The financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements as of and for the year ended September 30, 2020, from which the summarized information was derived.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Costs that are billed under the provisions of the OPTN Contract are reflected as costs of the program. Network and member services include items such as educational initiatives to increase organ donation and other non-contract expenses.

Certain categories of expenses are attributable to more than one program or supporting service function and are allocated on a reasonable basis that is consistently applied. These remaining costs are allocated based on estimates of time and effort.

Note 2—Summary of significant accounting policies (continued)

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Net Assets – The Organization's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

> *Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions that may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.
>
> *With Donor Restrictions* – Net assets whose use by the Organization is subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature and can be fulfilled by actions of the Organization pursuant to those stipulations or expire by the passage of time. Other donor-imposed restrictions are perpetual in nature and should be maintained in perpetuity by the Organization. At September 30, 2021, no amounts were required to be held in perpetuity.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, cash in banks, and highly liquid cash management funds with an original maturity of three months or less.

Restricted Cash and Investments – Restricted cash and investments represent those funds that have been collected from OPTN members on behalf of the OPTN, for which cost reimbursement vouchers have not been submitted to the DHHS, or contributions received subject to donor-imposed stipulations.

Concentrations of Credit Risk – The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation provides insurance coverage up to $250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of September 30, 2021 and 2020, the Organization had $46,887,060 and $47,324,626, respectively, in deposits that exceeded these insured amounts.

Historically, the Organization has not experienced significant losses related to accounts receivable and, therefore, believes that the credit risk related to accounts receivable is minimal. The Organization derived approximately 78% and 81% of its revenue without donor restrictions from government contracts for the years ended September 30, 2021 and 2020, respectively.

Investments – The Organization accounts for investments in accordance with Financial Accounting Standards Board ("FASB") guidance on accounting for investments held by not-for-profit organizations. The guidance requires certain investments to be reflected at fair value in the statement of financial position. The fair value of investments is determined by an independent market valuation service using quoted closing prices at the end of the period. Interest income and dividends are recorded on the accrual basis. Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported in the financial statements.

Note 2—Summary of significant accounting policies (continued)

Property and Equipment – Property and equipment are carried at historical cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the assets estimated useful lives of 39 years for the building, 3 to 15 years for furniture and non-computer equipment, and 3 to 5 years for computer equipment. Expenditures of less than $5,000 for property and equipment are expensed as incurred. The cost and accumulated depreciation applicable to assets retired or sold are removed from the respective accounts, and gains or losses thereon are included in changes in net assets.

The carrying value of property and equipment is evaluated when certain events or changes in circumstances indicate that the carrying amount may exceed fair value. Fair value is calculated by estimating cash flows produced by the assets over their remaining useful lives. If undiscounted projected cash flows are less than the carrying amount, an impairment would be recognized. No impairments were identified during 2021.

Income Taxes – The Organization has been granted an exemption from federal income taxes under Internal Revenue Code Section 501(c)(3) except for income generated from unrelated business activities. Unrelated business activities include rental income on debt financed property and travel agency services. Income tax benefit on losses from these activities was $62,801 for the year ended September 30, 2021. Income tax expense on income from these activities was $40,738 for the year ended September 30, 2020, and is included in other expenses in the statement of activities.

Due to OPTN – Due to OPTN represents total OPTN registrations billed to OPTN members, less OPTN registration funding claimed by the Organization on the OPTN vouchers submitted to DHHS.

Compensated Absences – The Organization accrues a provision for vacation and holiday pay due to employees, which is reflected in accounts payable and accrued expenses on the statement of financial position.

Donated Services – The Organization recognizes donated services as contributions in accordance with guidance issued by FASB. Under this guidance, such services are recorded if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Gifts-In-Kind – Gifts-in-kind revenue is recognized in accordance with FASB Accounting Standards Codification ("ASC") 958-605. In circumstances in which the Organization distributes gifts-in-kind as part of its programs, it reports an expense which is reported in the functional classification for the program in which the gifts-in-kind were used. The Organization did not receive gifts-in-kind contributions of goods used for special events for the years ended September 30, 2021 or 2020.

Health Insurance – In January 2018, the Organization switched from a fully-insured health insurance plan for employees to a self-funded plan. There is no limit per claim on the Organization's self-insured health insurance. The specific stop loss limit as of September 30, 2021 and 2020 is $150,000. The estimated liability as of September 30, 2021 and 2020 is $876,407 and $951,043, respectively, and is reported as health insurance liability in the accompanying statement of financial position.

Note 2—Summary of significant accounting policies (continued)

Adopted Accounting Pronouncements – As of October 1, 2020, the Organization adopted the provisions of FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amended the existing accounting standards for revenue recognition. ASU 2014-09 established principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. Following the adoption of the ASU, the Organization continues to recognize revenue from contracts as services are provided, which corresponds to the year in which the performance obligations for services are rendered. There was no material impact to the financial statements as a result of this adoption.

Upcoming Accounting Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases*. ASU 2016-02 is intended to improve financial reporting about leasing transaction. The ASU will require organizations that lease assets to recognize assets and liabilities on the balance sheet for the rights and obligations created by those leases.

In June 2020, FASB issued ASU 2020-05, *Effective Dates for Certain Entities*, which provides immediate, near-term relief for certain entities as a result of the widespread business disruptions caused by the novel coronavirus disease (“COVID-19”). The ASU provides a limited deferral of the effective date of ASU 2016-02 for entities for whom the update is either currently or imminently effective. As such, ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presentation of contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial assets. It also requires a disclosure of disaggregated contributions of nonfinancial assets by category that depicts the type of contributed nonfinancial assets. This distinction will increase transparency of contributions recognized. This standard will be effective for fiscal years beginning after June 15, 2021.

The Organization is currently in the process of evaluating the impact of adopting these future accounting pronouncements on the financial statements.

Note 3—Revenue recognition

The Organization oversees the OPTN as their primary source of revenue. Related revenues directly related to administering the OPTN accounts for over 93% of the total revenue in year ended September 30, 2021 which includes the OPTN Patient Registration Fees, the Government appropriated funds, and the UNOS Fee. Other revenue streams include scientific and data services, grants, and educational forums which are a direct result of the Organization’s role in being the OPTN contractor. Items such as contributions are strictly a UNOS engagement, as soliciting contributions are excluded from the OPTN contract.

Note 3—Revenue recognition (continued)

The Organization's revenue streams consist of the following:

OPTN Registration Fees – Member organizations are billed monthly based on data obtained from the Organization's registration system for all registrations added in the previous month at the federally approved fee. When the OPTN registration fee is billed to the member organizations, no revenue is recognized at this stage. As the Organization performs the work under the contract with the DHHS, the Organization submits a monthly voucher that details all of the direct labor costs, direct purchased costs, indirect, administrative costs, a fringe benefit rate, and an indirect cost rate. When HRSA approves the voucher, the revenue is recognized. At that time, the Organization determines the conditions of the contract have been satisfied. The transaction price for the OPTN Registration Fee is set each year and ultimately approved by the Secretary of HHS. Revenue from each registration is recognized at a point in time because the customer benefits from and consumes the services immediately. Services provided for OPTN registrations is considered a single performance obligation that is a series of individually distinct goods or services.

UNOS Fee – The UNOS Fee is a monthly charge based on additional work to include analysis and data related services provided to all transplant community members that the Organization bills to those same member organizations that received an OPTN fee and is solely a UNOS based fee. Transplant community members who register patients each month receive a UNOS fee invoice that aligns with the number of registrations from the prior month, similar in timing to the OPTN billing practice. The UNOS Fee revenue is recognized immediately as revenue as all of the services have been provided at the time of billing. The transaction price for the UNOS Fee is set each year and ultimately approved by the UNOS Board of Directors. Revenue from each UNOS fee is recognized at a point in time because the customer benefits from and consumes the services immediately. UNOS fee revenue is a single performance obligation that is a series of individually distinct goods or services.

Government Contract – As a result of this contract being a cost reimbursement contract, monthly costs are compiled together to create an invoice to the Federal Government. Costs incurred under the provisions of the contract are reflected as costs of the program. Under this contract, the government pays the amount based on a floating cost sharing agreement, equivalent to approximately between 10% and 11% of total contract expenses, and the remainder is paid through collected organ listing registration fees that are drawn out of the OPTN bank account, which is managed and collected by the Organization on behalf of OPTN. The annual amount of revenue can be split into two categories. In the first category of revenue, the fixed amount of revenue from the federal government is part of the formal federal government. The fiscal year budget is negotiated and agreed to at the execution of the 5-year OPTN contract. Revenue is recognized over the life of the contract as the Organization performs the required monthly services. In the second category of revenue, HRSA has the option to request and execute optional Tasks under the contract, which is also negotiated at the execution of the 5-year OPTN contract. The contract specifies that based on the estimated size of the work, a specific revenue amount has been previously calculated. Revenue is recognized over time as services are performed under the contract.

Scientific and Data Analysis Services – Individual contracts between the Organization and other organizations for a variety of work including collaborative registries, post-market study registries, research consulting, logistics, transplant analytics, and scientific data and analysis. Each hour is distinct and revenue is recognized over time and substantially the same with the same pattern of transfer. Services provided by each hourly contract employee is a single performance obligation that is a series of individually distinct goods or services. The Organization charges up-front fees for development costs. Revenue is recognized over the life of the contract. Contracts are billed accorded to the agreement in each contract.

Note 3—Revenue recognition (continued)

Miscellaneous Revenue – Other services that may be subject to unrelated business income tax (UBIT) as non-mission focused services and are recognized as revenue as the service is rendered.

Contributions revenue with donor restrictions represents funds received through a gift or grant that are restricted by the donor to be expended for a specific purpose and are recognized as revenue when received. The satisfaction of the restrictions are reported as increases to net assets without donor restrictions and decreases to net assets with donor restrictions under net assets released from restrictions. If the expiration of restrictions occurs in the same fiscal year as the contribution is received, the contributions are shown as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Note 4—Liquidity and availability of resources

The following represents financial assets at September 30, 2021:

Financial assets at year-end:	2021	2020
Cash and cash equivalents	$ 30,533,484	$ 26,950,038
Restricted cash	16,570,077	20,042,046
Investments	17,920,158	15,123,850
Restricted investments	16,919,073	14,370,276
Accounts receivable	13,193,488	10,512,077
	95,136,280	86,998,287
Less amounts not available to be used for general expenditures within one year:		
Restricted by donors for specific purposes	(81,234)	(271,599)
Internally designated for debt service	(786,752)	(945,165)
Reimbursements for previously incurred OPTN Contract expenses	(1,109,422)	(974,445)
Financial assets available to meet general expenditures within one year	$ 93,158,872	$ 84,807,078

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures relating to its mission-related activities and supporting services to be general expenditures. Additionally, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by the OPTN Contract.

As discussed in Note 2, certain financial assets are restricted for use by the OPTN Contract. This results when collection of OPTN registration fees exceed the reimbursable costs incurred at a given point in time by the Organization. The Organization has determined that the use of the restricted cash and investments amounts will be for mission-related activities within one year and, accordingly, these amounts are included in financial assets available to meet general expenditures within one year.

In addition to financial assets available to meet general expenditures within one year, the Organization, through its budgeting process, anticipates collecting sufficient registration fees to cover general expenditures that are not covered by reimbursements from the OPTN Contract.

Note 5—Investments

Investments at fair market value as of September 30 consist of the following:

	2021	2020
Money markets	$ 1,416,891	$ 921,013
Equity securities	9,016,010	8,775,305
Mutual funds	24,406,330	19,797,808
Total investments	$ 34,839,231	$ 29,494,126
Investments	$ 17,920,158	$ 15,123,850
Restricted investments	16,919,073	14,370,276
	$ 34,839,231	$ 29,494,126

All investments are short-term as of September 30, 2021 and 2020.

Interest income earned on bank account balances for the years ended September 30, 2021 and 2020 was $50,954 and $53,563, respectively.

Note 6—Accounts receivable

Accounts receivable as shown in the accompanying statement of financial position as of September 30 consist of the following:

	2021	2020
OPTN registration fees	$ 9,660,067	$ 7,418,209
UNOS membership fees	2,291,661	1,772,957
Government contracts	1,109,422	974,445
Other	132,338	346,466
	$ 13,193,488	$ 10,512,077

Accounts receivable consist of OPTN registration fees, UNOS fees, government contracts, and other receivables and are carried at original amounts. Other receivables primarily consist of amounts due to the Organization from non-affiliate entities that are associated with the Organization as a result of various transactions that were entered into prior to year-end but have not yet been received as of September 30, 2021. No allowance for uncollectible amounts was considered necessary as of September 30, 2021 and 2020, as OPTN and UNOS members are required by federal regulation to pay the respective registration fee. Bad debt expense totaled $25,734 and $2,895 for the years ended September 30, 2021 and 2020, respectively, and is included in other expenses in the statement of activities.

Note 7—Property and equipment

Cost and accumulated depreciation as of September 30 are summarized as follows:

	2021	2020
Land	$ 1,113,000	$ 1,113,000
Building	24,996,026	24,950,068
Donor memorial	1,714,512	1,714,512
Computer hardware	19,033,036	18,410,409
Furniture and other equipment	3,349,407	3,349,407
Other fixed assets	588,931	588,931
	50,895,364	50,126,327
Less accumulated depreciation	(28,322,931)	(26,062,307)
Property and equipment, net	$ 22,572,433	$ 24,064,020

Depreciation expense related to property and equipment for the years ended September 30, 2021 and 2020 was $2,260,624 and $1,852,368, respectively.

Note 8—Accounts payable and other accrued expenses

As of September 30, accounts payable and other accrued expenses consist of the following:

	2021	2020
Trade	$ 352,321	$ 739,116
Accrued operating expenses	1,236,115	155,961
Accrued benefit contributions	15,000	261,714
Accrued compensation absences	2,963,935	2,900,000
	$ 4,567,371	$ 4,056,791

Note 9—Long-term liabilities

In December 2010, the Organization paid off the 2002 bonds payable originally issued in the amount of $12,000,000, which were used to finance the construction of the corporate headquarters and obtained $9,720,000 from the issuance of the 2010 bonds payable. Interest is payable on the 2010 bonds payable on the first day of each month. Interest rates were initially determined on the 2010 bonds payable based on a weekly rate as determined by the bank serving as agent for the bond issuance. The Organization has the option to convert the rate to a term rate, as defined, for two or more semi-annual periods, which is determined by the bank such that there is no premium or discount on conversion. The Organization also has the option to convert the rate to a fixed rate to maturity, which is determined by the bank, provided that there is no discount or premium on conversion. At no time may the interest rate exceed 12%. The applicable interest rate as of September 30, 2021 and 2020 was 1.59% and 1.64%, respectively.

Note 9—Long-term liabilities (continued)

The Organization incurred approximately $66,000 and $121,000 of interest expense for the years ended September 30, 2021 and 2020, respectively. Interest expense is included with other expenses on the statement of activities. The bonds payable contain restrictive covenants, including the requirement to maintain a minimum debt service coverage ratio and a minimum level of unrestricted liquidity. As of September 30, 2021, the Organization was in compliance with those covenants. Management is reserving cash to meet the required principal and interest payment in accordance with the payment deadlines.

Long-term liabilities as of September 30 consist of the following amounts:

	2021	2020
2010 bonds	$ 4,085,000	$ 4,690,000
Less current maturities	(625,000)	(605,000)
Long-term liabilities, less current portion	$ 3,460,000	$ 4,085,000

Future maturities on bonds payable at September 30, 2021 are as follows:

Years Ending September 30,	
2022	$ 625,000
2023	645,000
2024	670,000
2025	690,000
2026	715,000
Thereafter	740,000
	$ 4,085,000

Note 10—Fair value measurements

The Organization has adopted FASB guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under U.S. GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This guidance requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. This guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels.

Note 10—Fair value measurements (continued)

The Organization's assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

Level 1 – Inputs that are based upon quoted prices for identical instruments traded in active markets.

Level 2 – Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are, therefore, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. The Organization has no Level 3 investments.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodology used for assets measured at fair value.

Equity Securities and Mutual Funds – Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no transfers between levels or change in methodology during the years ended September 30, 2021 and 2020.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2021:

	Fair Value Using			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Equity securities	$ 9,016,010	$ -	$ -	$ 9,016,010
Mutual funds	24,406,330	-	-	24,406,330
	33,422,340	-	-	33,422,340
Money market, carried at cost	-	-	-	1,416,891
Total Investments	$ 33,422,340	$ -	$ -	$ 34,839,231

Note 10—Fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2020:

	Fair Value Using			
	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	$ 8,775,305	$ -	$ -	$ 8,775,305
Mutual funds	19,797,808	-	-	19,797,808
	28,573,113	-	-	28,573,113
Money market, carried at cost	-	-	-	921,013
Total Investments	$ 28,573,113	$ -	$ -	$ 29,494,126

Note 11—Employee benefit plans

Retirement benefits for all full-time employees are provided through a qualified defined contribution pension plan. Under the terms of the plan, all employees of the Organization who have completed 1,000 hours of continuous employment earn a year of vesting for plan purposes. All employees are eligible for participation coincident with employment. The Organization contributed an amount equal to 4% of each participant's compensation and matched participant deferrals dollar for dollar up to 6% of employee compensation for the years ended September 30, 2021 and 2020. Employees become fully vested after six years of vesting service, as defined in the plan. Forfeitures serve to reduce the total contribution required of the Organization. Contributions made by the Organization for the years ended September 30, 2021 and 2020 amounted to $3,054,522 and $3,003,126 respectively. Contributions are included with employee benefit and payroll taxes on the statement of activities.

Note 12—Operating leases

On June 22, 2015, the Organization entered into a lease agreement with Virginia Commonwealth University ("VCU"), which stipulates that VCU is to lease a portion of the Jackson Center from the Organization for a period of ten years and six months, commencing on February 16, 2016. Rental revenue totaled $544,804 and $548,004 for the years ended September 30, 2021 and 2020, respectively, and is included with miscellaneous revenue on the statement of activities. Rental revenue is recognized on a straight-line basis over the term of the lease agreement which resulted in rent receivable totaling $307,797 and $328,887 as of September 30, 2021 and 2020, respectively, which is included with other assets on the statement of financial position.

Note 12—Operating leases (continued)

Future amounts of rental payments due from VCU at September 30, 2021 are as follows:

Years Ending September 30,		
2022	$	582,782
2023		597,352
2024		612,286
2025		627,593
2026		374,702
	$	2,794,715

The Organization leases certain office equipment under noncancelable operating leases through 2025. Equipment lease expense was $89,150 and $129,828 for the years ended September 30, 2021 and 2020, respectively. Future minimum lease payments under the remaining portion of noncancelable operating leases are as follows:

Years Ending September 30,		
2022	$	81,686
2023		81,686
2024		81,686
2025		20,422
	$	265,480

Note 13—Commitments and contingencies

DHHS and the General Accounting Office (“GAO”) are entitled to review the accounting and other records of the Organization. DHHS is primarily responsible for determining the acceptability of estimated or incurred costs as allowable contract costs under the OPTN Contract. GAO is responsible for determining that procurement actions are made in conformity with applicable laws and regulations. Management is of the opinion that the Organization is in compliance with applicable provisions of the OPTN Contract.

The Organization, in the ordinary course of its business to provide for the fair and equitable distribution of donated organs, is sometimes named as a defendant in litigation involving claims related to its operation of the OPTN. While it is the Organization’s policy to handle all claims promptly, efficiently, fairly, and in accordance with the provisions of the OPTN Contract and applicable laws, the Organization may be subjected to a plaintiff’s allegations seeking a reimbursement of legal fees. On the basis of information provided by in-house and external counsel and others, the Organization believes there are no contingencies that will materially affect the financial statements.

The Organization maintains medical, professional, and general liability coverage under various insurance policies.

Note 13—Commitments and contingencies (continued)

On December 17, 2020, the Organization entered into a Mutual Non-Disclosure Agreement with Accenture Federal Services, LLC. Under the terms of this agreement, for work performed between the Organization and Accenture, both parties may disclose to the other party (the “Recipient”) information it considers confidential. The Recipient may use confidential information only for the purposes agreed upon by both parties. The Recipient shall return or destroy all confidential information (including copies) that the Disclosing Party made available to the Recipient under the agreement when (a) the purpose for disclosing the confidential information is completed, or (b) within ten (10) days upon written request by the Disclosing Party. Each Party may retain, subject to the terms of the agreement, a copy of the confidential information required for compliance with its internal recordkeeping requirements. Neither Party may use the name, trade name, trademark, logo, acronym or other designation of the other in connection with any press release, advertising, publicity materials or otherwise without the prior written consent of the other Party. The agreement is governed by and construed in accordance with the laws of Delaware, without giving effect to conflict of law rules.

On March 18, 2021, the Organization entered into an agreement with Accenture Federal Services, LLC. Under the terms of this agreement, Accenture will provide services to the Organization to enhance its ability to provide exceptional services as the OPTN Contractor. Under the agreement, the Organization guarantees Accenture a role on the Organization’s team for the duration of the remaining OPTN Contract and for the duration of the next two iterations of the OPTN Contract as issued by HHS. The Organization guarantees Accenture a minimum of $1,500,000 in consulting services for each contract year of the OPTN Contract commencing with fiscal year 2022 under this agreement. The parties agree that for a period of ten years after the Effective Date of this agreement, Accenture will not at any time or in any manner, use for the benefit of Accenture, or divulge, disclose, or communicate in any manner any information that is proprietary to the Organization. If the terms of this agreements are violated by the Organization, they may be subject to litigation pursuant to terms of the agreements. The agreement is governed by and construed in accordance with the laws of the state of Virginia.

Note 14—Deferred grant revenue

In April 2020, the Organization received a Paycheck Protection Program loan (“PPP”) in the amount of $7,250,000. The PPP loan is granted by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities-Revenue Recognition*. The loan must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities.

The Organization has deferred recognition of grant revenue for the year ended September 30, 2021, because the conditions for forgiveness have not yet been substantially met; however, the Organization believes it will substantially meet the conditions required for forgiveness in the following year.

Under the terms of the loan, all, a portion, or none of the loan may be forgiven, based on criteria established by the SBA PPP Loan Program. Any portion of the loan that is not forgiven will bear interest at a fixed rate of 1% per annum and be repaid in 18-monthly installments of principal and interest. Under the original terms of the SBA PPP Loan Program, principal and interest payments would have commenced on November 1, 2020. However, due to changes in regulations for the SBA PPP Loan Program, commencement of principal and interest payments were extended until ten months after the completion of the borrower’s “Covered Period”, as defined by the SBA PPP Loan Program to provide borrowers sufficient time to submit loan forgiveness applications. Under these guidelines, the Organization’s principal and interest payments would commence on August 15, 2021 for the PPP loan if the Organization does not qualify for loan forgiveness.

Note 14—Deferred grant revenue (continued)

During fiscal year 2021, the Organization applied for loan forgiveness with the SBA. The Organization received notification of forgiveness from the bank in November 2021 as described in Note 16.

Note 15—Risks and uncertainties

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may negatively impact the Organization's financial position, changes in net assets, and cash flows.

Note 16—Subsequent events

Management has evaluated subsequent events for potential recognition and/or disclosure through February 18, 2022, the date the financial statements were available to be issued. Subsequent to September 30, 2021, the Organization received notification from the bank that the PPP loan application had been accepted by the SBA, and the $7,250,000 loan was forgiven. The Organization will recognize approximately $2,600,000 of grant revenue in the year ending September 30, 2022 for amounts attributable to Organization specific costs. The remaining approximately $4,650,000 has been reimbursed by HRSA to the Organization during the covered period and will be reimbursed to OPTN in the year ending September 30, 2022.

SUPPLEMENTARY INFORMATION

UNITED NETWORK FOR ORGAN SHARING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
Department of Health and Human Services			
Direct Payments			
Health Resources and Services Administration	Organ Procurement and Transplantation Network (93.231-00-0115)	N/A	$ 6,234,602
			$ 6,234,602

The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the United Network for Organ Sharing (the "Organization") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2—Summary of significant accounting policies

Basis of Accounting – Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable.

Indirect Cost Rate – The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Subrecipients

There were no amounts of federal expenditures presented in the schedule that were provided to subrecipients.

COMPLIANCE REPORTS

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
United Network for Organ Sharing
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of United Network for Organ Sharing (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Richmond, Virginia
February 18, 2022

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
United Network for Organ Sharing
Richmond, Virginia

Report on Compliance for Each Major Federal Program

We have audited United Network for Organ Sharing's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Richmond, Virginia
February 18, 2022

Section I – Summary of Auditor's Results

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified? _______ yes ___X___ none reported
- Significant deficiencies identified? _______ yes ___X___ none reported
- Noncompliance material to financial statements noted? _______ yes ___X___ none reported

Federal Award

Internal control over major federal programs:

- Material weaknesses identified? _______ yes ___X___ none reported
- Significant deficiencies identified that are not considered to be material weaknesses? _______ yes ___X___ none reported
- Noncompliance material to financial statements noted? _______ yes ___X___ none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Grant Guidance? _______ yes ___X___ none reported

Identification of major programs:

Federal Project/Assistance Listing Number	Program Name
Department of Health and Human Services / 93.231-00-0115	Organ Procurement and Transplantation Network

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ___X___ yes _______ no

Section II – Findings Relating to the Financial Statements which are Required to Be Reported in Accordance with Government Auditing Standards

None reported

Section III – Findings and Questioned Costs Relating to Federal Awards

None reported

UNITED NETWORK FOR ORGAN SHARING
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED SEPTEMBER 30, 2020

There were no items reported for the year ended September 30, 2020.