

## Communication with Those Charged with Governance at the Conclusion of the Audit

October 18, 2021

To the Board of Directors  
National Foundation for Transplants

We have audited the financial statements of National Foundation for Transplants for the year ended June 30, 2021, and we will issue our report thereon dated October 28, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 11, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by National Foundation for Transplants are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

#### Useful Lives of Furniture and Equipment

Management's estimate of the useful lives of furniture and equipment are based on historical cost recovery patterns and other relevant data. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Functional Allocation of Expenses

Management's allocation of indirect expenses to the applicable functional categories (programs, management and general, administrative) is based on estimates of employee time and overhead costs needed to achieve each function.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 18, 2021.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Other Matters*

This information is intended solely for the use of Board of Directors of National Foundation for Transplants and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Watkins Uihlsall, PLLC*

Client: **National Foundation for Transplants**  
Period Ending: **6/30/2021**  
Workpaper: **A-42.1 - Passed Adjusting Entries Report**

| <b>Account</b>              | <b>Description</b>           | <b>Debit</b>           | <b>Credit</b>          |
|-----------------------------|------------------------------|------------------------|------------------------|
| <b>Proposed JE # 30</b>     |                              |                        |                        |
| To true up vacation accrual |                              |                        |                        |
| 00-2015-14                  | Annual Leave Payable         | 1,927.00               |                        |
| 10-8010-05                  | AD Accrued Annual Leave Used |                        | 1,927.00               |
| <b>Total</b>                |                              | <b><u>1,927.00</u></b> | <b><u>1,927.00</u></b> |