

UUA Audit Committee
Friday, January 16, 2009
3rd Floor, 25 Beacon St, Boston

Minutes

Present: Chris Reece – Chair, David Friedman – Board Liaison, Carol Gable (via phone), Ed Merck, Dan Brody – UUA Financial Advisor
Staff: Tim Brennan, Rachel Daugherty; Javier Cabán, Kay Montgomery

Welcome and opening remarks – Merck

Minutes

- The minutes of the November 6th meeting were reviewed. Merck moved to approve, seconded by Brody. Motion moved.

Audited Financial Statements FY08

- Friedman moves to accept the FY08 audited financial statements, seconded by Brody. Motion moved.

CFO overview of audited financial statements and management letter

- Dramatic swings are in the trust funds and investments are due to the economic downturn
- New dramatic format of financial statements
 - Revenue looks pretty much the same as the old format, but any restricted gifts received now go through fundraising
 - Last year there were 18 lines of expenses, this year that has dropped down to 3
 - 2007 statements have been reformatted to match 2008
 - The Total Return line used to include a simplistic calculation that didn't properly reflect the cash flow. Two different numbers used to be reported to the investors. This year we included just one number with a footnote.

Executive Session

Reporting to the BOT

- Suggestion is to have a conference call (or webinar / Persony) in November where the chair of the AC discusses the financial reports. The board needs to determine who should be on the call. This possibly may just be the Finance Committee.

Motion: Brody moves to develop recommendation to address the timing of the Audit Committee's Report to the board of trustees, or the finance committee and all board members, via teleconference. Merck seconds, motion passed.

Action Item 1- Tim will be actively managing the content of the letter and keeping the AC advised.

Action Item 2 – The committee is interested in hearing from Tim an action plan to address some of these challenges. Tim's plan is to take the UUA to the next level, specifically addressing the comments in the management letter.

- The next meeting will address an external evaluation to get the organization to the next level – Tim to take a more strategic view
- Emphasis in looking out even further

Report from Javier – changes in Financial Services

- Javier has made a myriad of changes in the financial services department which has resulted in more control and faster month-end closings.
- The FY closing in June is a challenge.

Action Item 3- prepare a memo on alternative fiscal year closing dates - pros and cons.

Potential firm for EBT Audit

- Objective for going out to bid was recommended to go to a smaller, local fund

Action Item 4: Tim, Dan, and Jim Sargent will conduct the interviews and recommend one to the committee. The committee will then interview the finalist at the April meeting.

Action Item 5: Send RFP out mid-February and interview the finalist at the April meeting:

- Grant Thornton
- Kirkland Albrecht & Frederickson
- McGlandrey & Pullen
- Tofias
- Vitale

Future Agenda Items

Conference Call to discuss Policies

- 4:00 on the 27th or...
- 11 am on the 29th as back-up plan

Next meeting: April 20th

- meet with auditors about the management letter and discuss plan for audit for next year
- Finalizing one or both of the policies
- Look at a draft RFP to be ready to go by the fall meeting

Thanks to everyone. Meeting adjourned.