



Treasurer's Report to the Board of Trustees

October 16, 2014

**Tim Brennan
Treasurer & Chief Financial Officer**



Business resolution

- Green bonds and private capital investments e.g. green real estate
- New tools to assess Carbon Asset Risk
- Ramping up shareholder advocacy work on climate change



Forecast

- Interest income from investment of sale proceeds: - \$120,000.
- Adjustment for operating expenses and real estate taxes - \$149,000.
- Net: \$100,000 in contingency remains of \$388,000.
- Carpenter gift – eliminates need to borrow \$400K from endowment, head start on 16



Audit

- Health Plan - McGladrey
- UUA – Meyer Hoffman McCann – Tofias New England Division
- Will be presented to audit committee on 11/19 and to the board on a special call.
- Health Plan audit report will be presented to the Health Plan Board on 12/12.



Audit results

- Operating results: loss of \$1.07 million..
- Dramatic improvement in the balance sheet.
- Total net assets increase by \$42 million from \$132 to \$174 million
- Unrestricted net assets increase by \$34 mm from \$17 mm to \$51mm



Retirement plan participation agreements

- 3401 participants, balances of \$269 mm
- Of 683 congregations in Plan, 563 have renewed and 120 have not
- 6/30 deadline was extended to 9/3
- No new contributions accepted without new participation agreement
- Participants still have full access to their accounts



Health plan

- Plan is healthy, claims forecast to exceed premiums by 2% this year.
- \$4.9 mm in net assets \$4.2 mm net of IBNR
- Premium increase next year will be 9.5% in excess of average.
- Effect of ACA



Real estate transaction

- 25 Beacon, 6-7 Mount Vernon Place:
 - Gross: \$23.6 mm, Net: \$23.0
- 41 Mount Vernon Street
 - Gross: \$11.5, Net: \$11.2
- Total:
 - Gross: \$35.0, Net: \$34.2
- BRA Estimate: \$35.1 to 36 mm



Other issues

- New building construction
- UUCEF legal structure
- LRCS dissolution
- Enterprise risk management



Top Priorities

- Move assets to UUCEF LLC
- Management of building as landlord
- Enterprise Risk Management led by COO
- Climate change business resolution implementation