

**Unitarian Universalist Association  
Annual Report of the Treasurer  
To the 2007 General Assembly in Portland, Oregon**

**Submitted by  
Tim Brennan, Treasurer & Vice President of Finance**

**Introduction**

I was appointed as Treasurer of the Association by the Board of Trustees at their meeting just prior to the 2006 General Assembly in St. Louis. Now, approaching the completion of my first year in office, I can say that it is both a privilege and a joy to serve the UUA in this position.

As treasurer, my role is to insure the effective stewardship of the Association's resources in service of our common purposes. This includes how funds are expended, how they are invested, and the proper care of our physical resources, including our headquarters, 25 Beacon Street. In this report I will present some key information on the budget of the Association, its financial performance, its investments, and measures we are taking to improve the care for our assets.

**Financial Condition of the Association**

The Association is in solid financial condition having added over three million dollars to its net assets in each of the last two years. When one looks at changes in unrestricted net assets, which is perhaps a better barometer of current financial health, the results are equally encouraging. Fiscal 2006 was basically a breakeven year with a very slight decrease in unrestricted net assets (before a one-time, non-cash accounting adjustment) following two years of increases. Beacon Press generated a small surplus in FY 2006 after showing similar results in FY 2005.

**Audited Financial Statements**

At the end of these UUA 2007 Annual Reports are the UUA's financial statements for the years ending June 30, 2006 and 2005. These statements have been audited by KPMG and judged to fairly present the financial condition of the Association in all material respects. This result is due to the diligent and careful work of the financial services staff of the UUA, which meticulously accounts for all receipts, disbursements and assets, as well as the oversight of the Finance and Audit Committees. The statements include Supplemental Schedules of assets, liabilities and net assets on pages 17 - 19 that detail business segment information for Current Operations, Beacon Press, Congregational Properties and Loan Commission, and the General Investment Fund (GIF). Additional GIF reporting begins on page 20 including the investment portfolio detail.

The Audit Committee, which is appointed by the board of trustees, selects the Association's audit firm. The auditors conduct their review of the Association's books and records and present their report to the committee. The committee then reports these results to the full board. The staff does not select the auditors nor is the report presented to them. In addition to the financial statements, the auditors each year present a "Management Letter" containing a set of recommendations aimed at improving the UUA's financial systems. In their 2006 Management Letter, KPMG suggested that the UUA review and update its documentation of policies and procedures, a process which is underway. In addition, they advised that we take further steps to

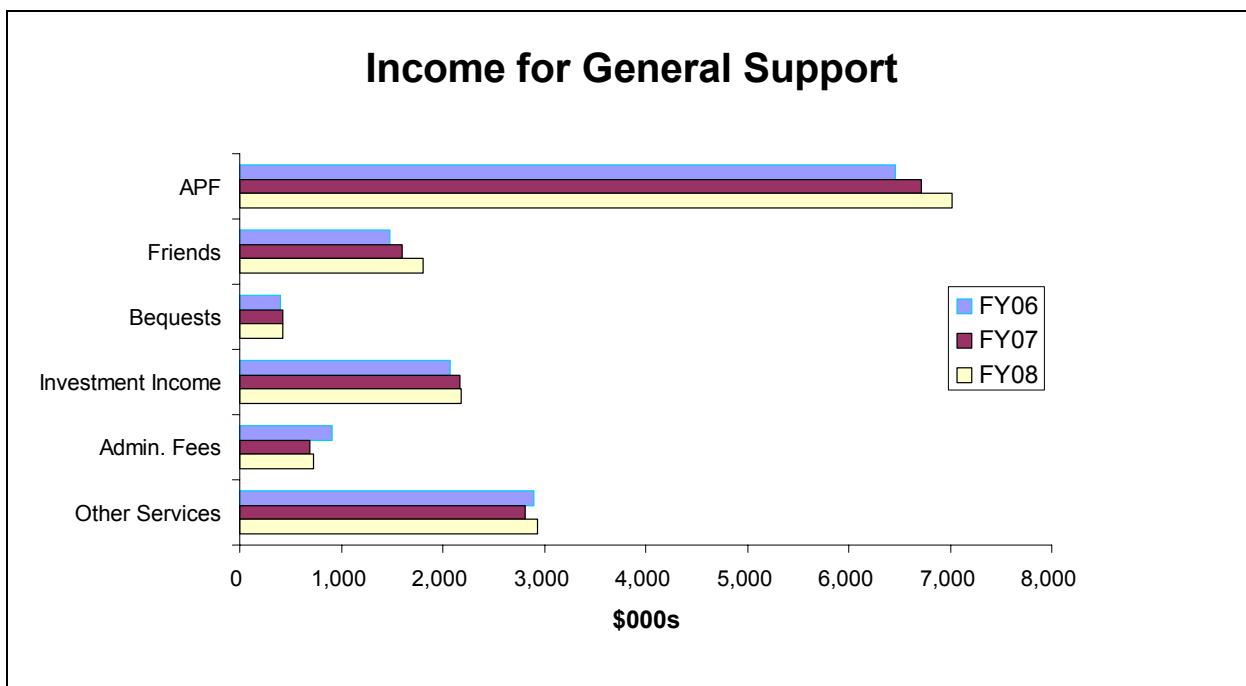
insure that certain investments in the General Investment Fund are valued accurately. This has now been incorporated into our regular investment management process.

## Operating Results and Budgets

The period covered by the audited financial statements is now a year past. For more current information and comparisons among years, please see the schedule of operating results and budgets following this narrative. It shows the actual results for FY 2006, the projected FY 2007 income and expense, and the budget for FY 2008 adopted by the Board of Trustees at its January 2007 meeting. The Operating Budget Supplement provides explanation and analysis of the numbers.

### ***Changes and Trends – Actual FY06 to Budget FY07***

As was reported to the Board of Trustees at its April meeting, actual results for FY07 are expected to come in very close to budget. Therefore, the numbers in the Budget FY07 column can be considered a reasonable proxy for projected results for this year.



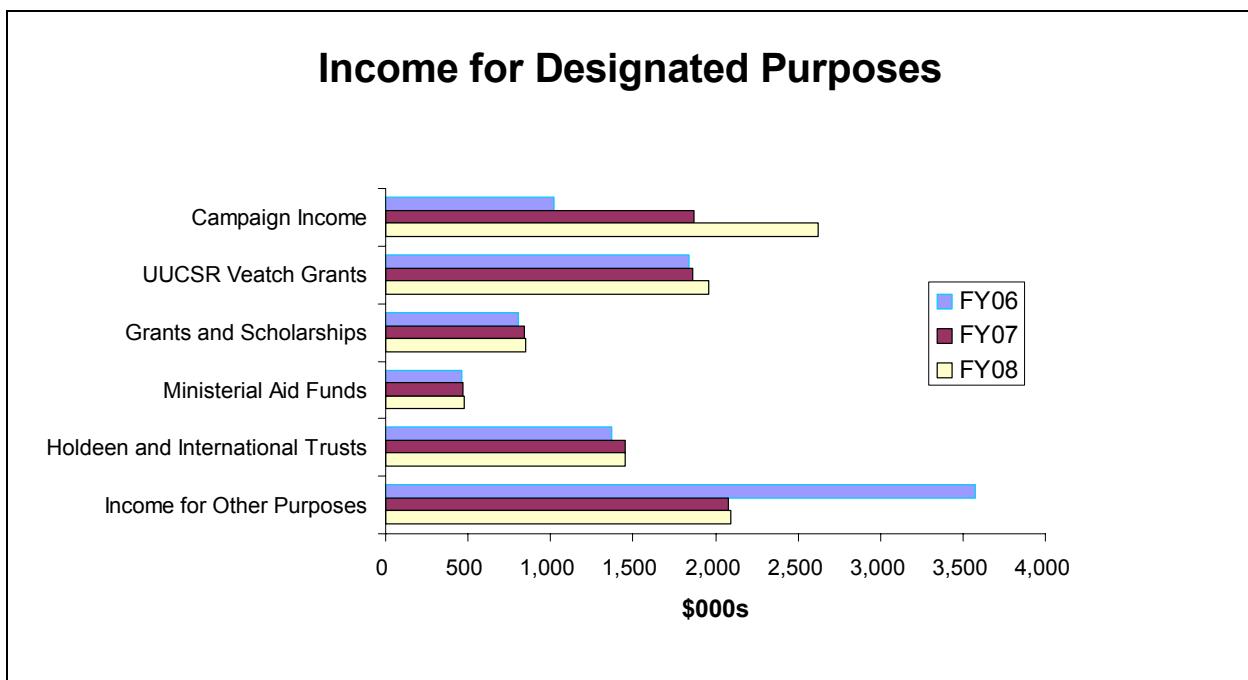
Overall, both revenue and expense decreased slightly between FY06 and FY07. The most significant changes in income are as follows:

- APF and Friends donations increased steadily, leading to a 4.8% increase in Fundraising
- Cutting the management fee for the GIF in half caused Administrative Fees to drop by 23%
- The three capital campaigns showed a combined increase of over \$800K or 83% due to the ramp-up of the new campaign, Now is the Time

- Income from the Holdeen and other trusts increased due to strong investment performance
- Donations to the Gulf Coast Relief Fund are captured in the Income for Other Purposes category, thus showing a drop of \$1.5 million or 42%

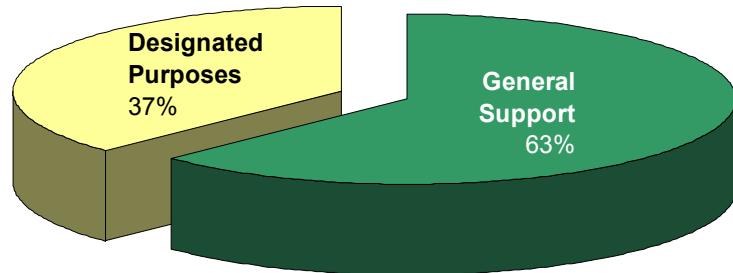
The most significant changes in expenses are as follows:

- District Services increased by 11.6% as staff compensation was increased
- Additional program funds were made available to Identity Based Ministries through the generosity of capital campaign donors, increasing this line by 34%
- The Tapestry of Faith program grew in 2007, again through the generosity of capital campaign donors, leading to an increase of 25% in Lifespan Faith Development
- The increase in Communications reflects the shift of website programs from ITS to this department
- Beacon Press required no UUA subsidy in 2006 and is expected to generate a surplus again in 2007
- Internal Services is where grants and expenses related to the Gulf Coast Relief effort accounted for thus showing a 43% decline as this program winds down

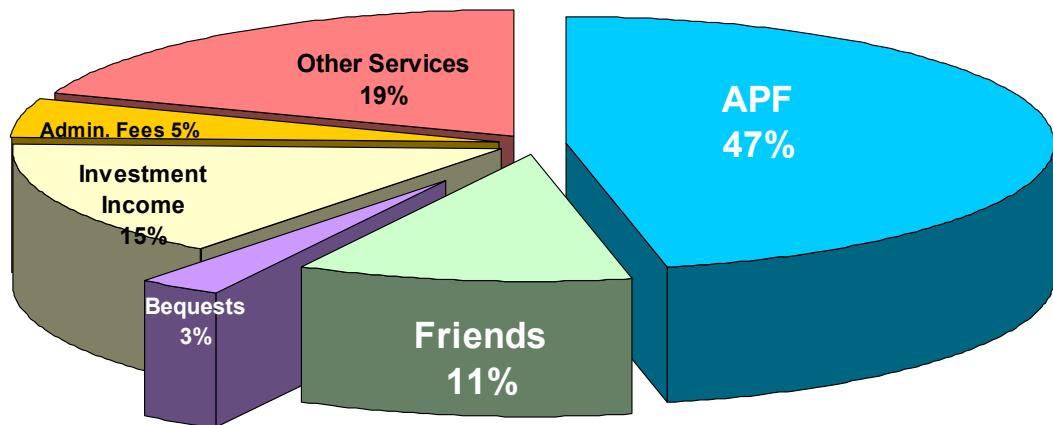


## Budget for Fiscal Year Ending June 30, 2007

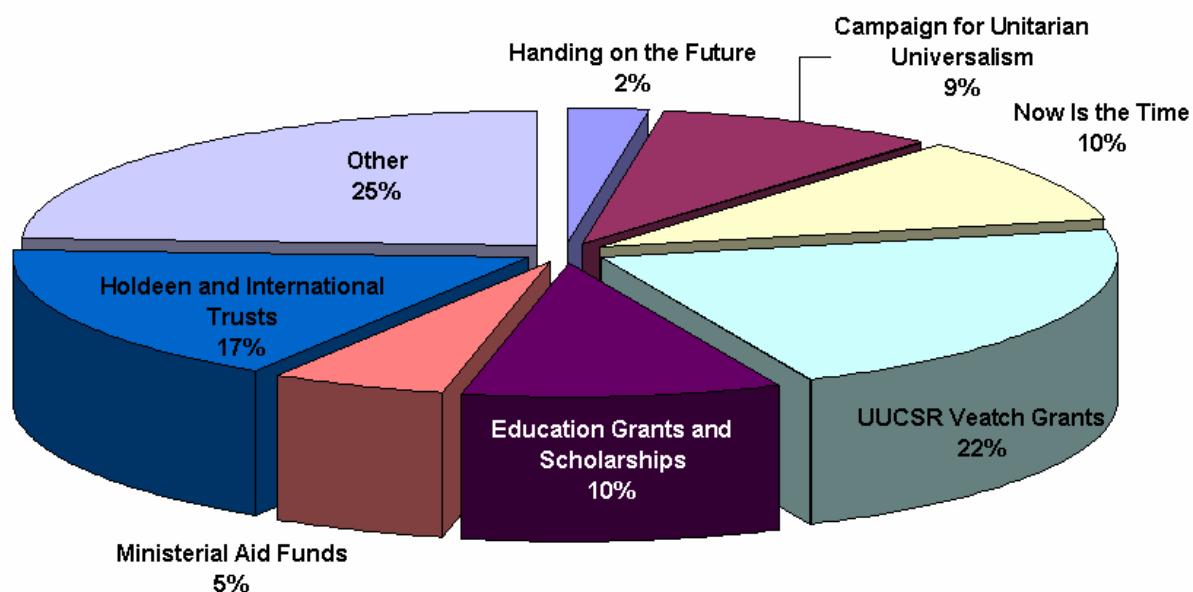
FY07 Total Income: \$22,983,962



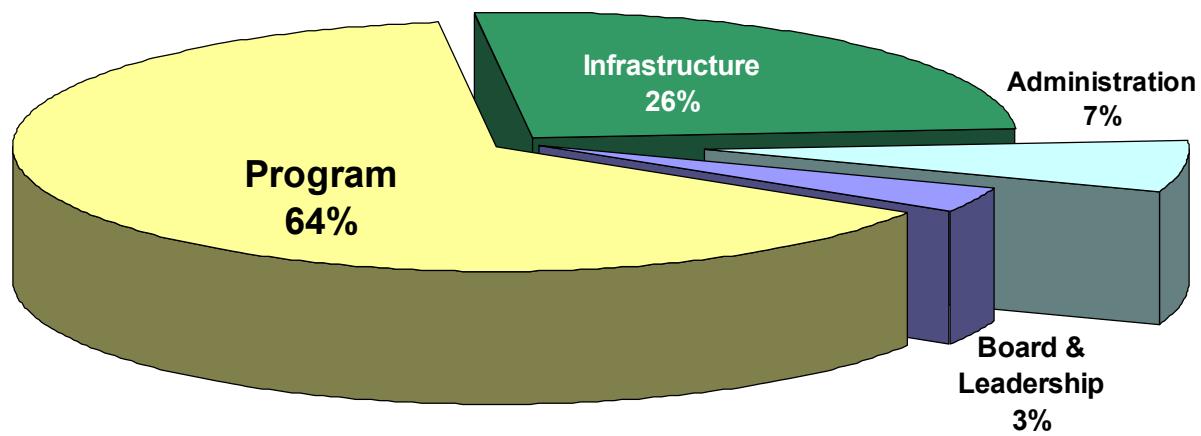
FY07 Income for General Support: \$14,410,229



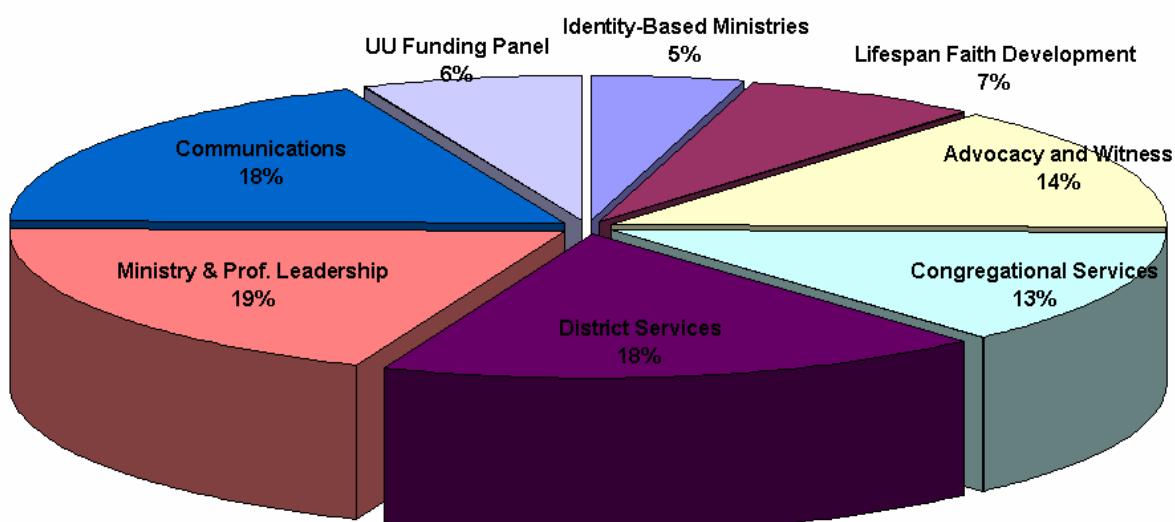
FY07 Income for Designated Purposes: \$8,573,733



**FY07 Total Expenses: \$22,983,963**



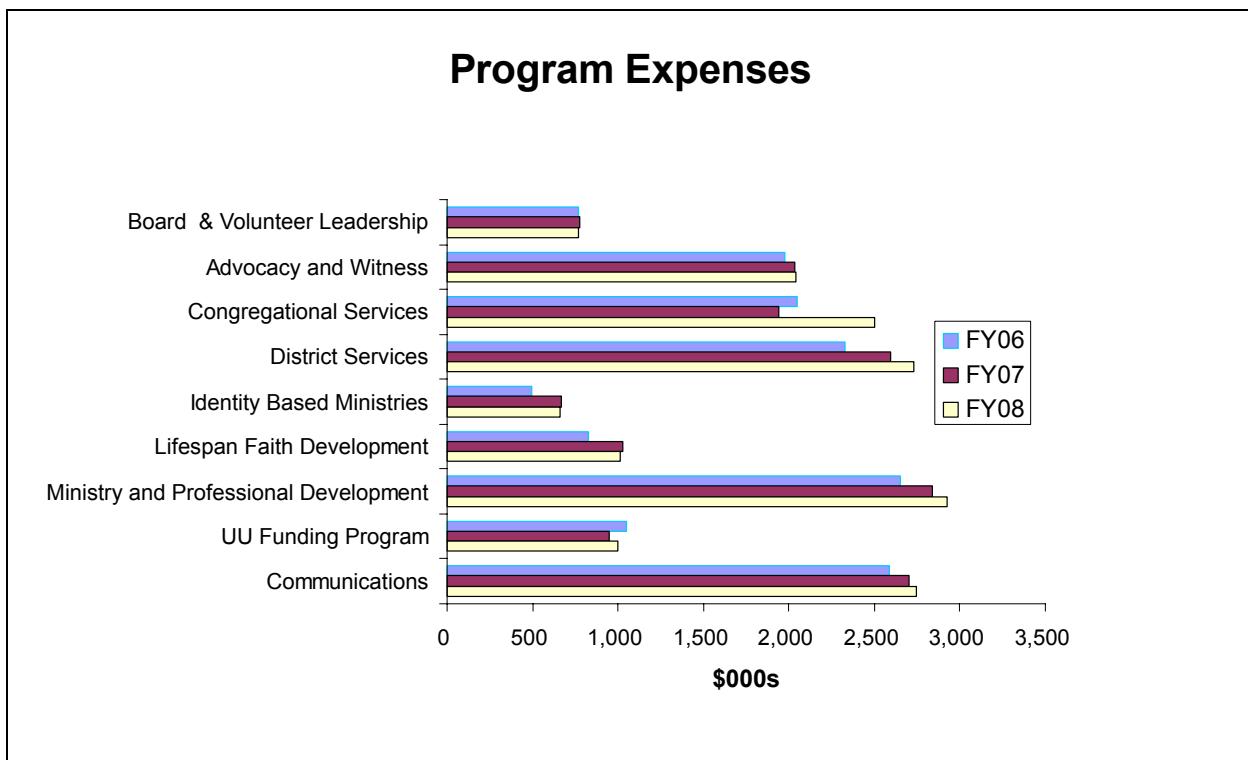
**FY07 Program Expenses: \$14,754,322**



## *Changes and Trends – Budget FY07 to Budget FY08*

**Overall income** is budgeted to increase by \$1.5 million. This is principally due to the following items:

- Fundraising: Budgeted to increase by \$500K, \$300K from APF and \$200K from Friends.
- Capital Campaigns: Projected to increase by \$755K due to the ramping up of the Now is the Time campaign.



**Overall expenses** increase by about \$1.5mm as well. Nearly all of that change is made up of the following five items:

- Health insurance: FY 2008 will be the first full fiscal year in which the UUA staff is covered by the new health plan, increasing by \$200K from the '07 budget. The cost will increase from \$726K in FY06 to \$1.07 million in FY08, a 47% increase. This sum, along with all other benefits, are spread throughout the departments proportional to salaries. Total benefits in FY08 are projected to be \$2.2mm.
- Salaries: we have set aside \$260K for raises, representing an average of 4%. This is currently carried in the Administration category, but will be applied to staff group budgets after raises are awarded.

- Congregational Services: Includes \$500K for a national marketing campaign that will be funded through "Association Sunday."
- District Services: increases by \$125K reflecting the multi-year commitment to increase salaries.
- Stewardship & Development: Increases by \$300K, most of which is for an expanded campaign. Associated revenue is reflected in the Fundraising line.
- Information Technology: Increases by \$120K due to increased staffing dedicated to Tapestry of Faith. This is largely funded through generous campaign gifts.

## General Investment Fund

The UUA's General Investment Fund holds the Association's endowment (including both restricted and unrestricted funds), trusts invested on behalf of others, and funds invested by congregations and other UU organizations. The GIF is organized as a unitized common trust, which means it operates like a mutual fund with investing organizations (including the UUA) purchasing units and sharing proportionally in the income, gains, losses, and expenses of the fund.

As of March 31, the GIF held assets valued at \$135 million. About \$100 million of that is the Association's endowment, and the balance represents investments from other institutions.

Individuals may not invest in the GIF. Under the oversight of the Investment Committee, the GIF pursues a strategy designed to achieve real returns (after inflation) of 5% per year within a moderate risk tolerance. It pursues this goal through diversification – diversification among asset classes (large cap equities, small cap equities, fixed income, high-yield fixed income, alternative assets), geography (U.S. and international), and managers (the GIF uses 12 money management firms, each with its own specialty).

### GIF Target Asset Allocation (12/31/06)

Non-Correlated	International Equity	Small Cap Equity	Large Cap Equity	Domestic Fixed	High Yield	Global Bonds
20%	15%	10%	25%	20%	5%	5%

The Investment Committee pursues its long-term investment strategy by focusing on asset allocation targets, manager selection, and the incorporation of UU values into its investment decisions. During the past year, the Committee has:

- Increased the allocation to international equities from 15% to 20%
- Decreased the allocation to small capitalization US equities from 10% to 5%
- Added a new international equities manager

- Replaced the US small capitalization growth manager

The Investment Committee and the Committee on Socially Responsible Investing (CSRI) have worked together to strengthen the GIF's socially responsible investing (SRI) practices. Currently, 100% of domestic stocks held directly by the GIF are screened as is the domestic fixed income fund. Overall, 57% of the assets in the fund are subject to SRI screens. The balance is in pooled funds where the UUA's investments are co-mingled with those of other institutions so that the UUA cannot control the individual assets included. Collaborating with the CSRI, the Investment Committee has taken the following steps:

- Commissioned an SRI consulting firm to rate the 1000 largest US companies (Russell 1000) according to how their performance measures up to UU values
- Instructed the GIF's fund managers to eliminate all stocks in companies falling below a specific threshold on that analysis
- Adopted a policy to divest the GIF of any shares in companies providing significant support to the government of the Sudan
- Adopted a community investing policy and invested nearly one million dollars of the GIF's funds in these investments. This represents a major step towards meeting the goal set the Board of Trustees of investing 1% of the GIF's assets in community investments.

The UUA is an active shareholder, witnessing for social justice through its ownership position in companies. During the 2006-2007 shareholder season, the UUA filed 11 shareholder resolutions, four of them as the lead filer. The issues addressed included health care policies, workplace diversity, LGBT non-discrimination, and executive compensation. In response to the Statement of Conscience on the Threat of Global Warming/Climate Change adopted at the 2006 General Assembly, the UUA filed its first resolutions on climate change. One, with Starwood Hotels and Resorts, resulted in the company acceding to the proposal and agreeing to work with shareholders to improve their disclosure of emissions data and management of energy resources.

The Association encourages member congregations, districts and affiliates to invest endowment funds in the GIF along with the UUA's endowment portfolio. Investing with the UUA offers the advantage of investment and administrative stability without the need for periodic retraining and with the comfort of having the Association's Investment Committee oversight.

## **Retirement Plan**

As of April 30, 2007, the Unitarian Universalist Organizations Retirement Plan had a total balance of \$176,134,302 with 2,663 plan participants and 679 congregations and other Unitarian Universalist organizations. In the past year, the plan's assets increased by 13%. The Plan currently offers 24 fund options, including a socially responsible fund option in each asset category. We continue to appreciate the excellent customer service that we receive from Fidelity Investment's Tax-Exempt Services Company.

Early in 2007 we learned that the Fidelity Diversified International Fund owns shares in a company that pays significant royalties to the Sudanese government which has been implicated

in the genocide in Darfur. Therefore, in April 2007, all plan participants received a letter from President William Sinkford and the UUA's Office of Church Staff Finances encouraging plan participants to divest their money from the Fidelity Diversified International and move it into one of the other international alternatives – the Calvert International Equity Fund or the new Fidelity Spartan International Index Fund that was added to the plan on May 21, 2007.

### **Holdeen and Outside Trusts**

Under the terms of the Holdeen and certain other trusts, the Association has an irrevocable right to receive and to use the income earned on the trust assets for designated purposes, but the principal itself will never be available to the Association nor does the UUA control how these funds are invested. As of June 30, 2006, in accordance with Generally Accepted Accounting Principles, the fair value of the trust assets was recorded as temporarily and permanently restricted net assets amounting to \$41.6 million, comprised of the Holdeen and other trusts.

### **Stewardship of Physical Assets**

In the latter part of 2007, we will be conducting a Facilities Condition Assessment, a thorough review of the UUA's physical plant and a long-term plan for its upkeep. As a part of this process we will be commissioning an engineering firm to develop an energy masterplan with the goal of reducing the environmental footprint of our operations.

### **Future Priorities**

Over the coming year, I look forward to working with the Financial Advisor, the Board of Trustees, and UUA committees to address the following issues:

- Complete documentation of policies and procedures
- Business practices review plan
- GIF – improving marketing and investor communications
- Facility Condition Assessment
- LEED certification/energy masterplan
- Cash management/funding of capital items

**Unitarian Universalist Association  
Budget Overview – Current Operations**

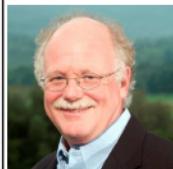
	<b>FY06 Results</b>	<b>FY07 Budget</b>	<b>Percent Inc/Dec 06 to 07</b>	<b>FY08 Budget</b>	<b>Percent Inc/Dec 07 to 08</b>
<b>INCOME</b>					
<b>Income for General Support</b>					
Fundraising	8,343,543	8,742,684	4.8%	9,348,952	6.9%
Administration Fees	905,963	694,697	-23.3%	723,762	4.2%
General Investment Income	2,074,665	2,164,738	4.3%	2,182,002	0.8%
Other Current Fund Income	2,902,158	2,808,110	-3.2%	2,828,175	0.7%
<b>Total Income for General Support</b>	<b>14,226,329</b>	<b>14,410,229</b>	<b>1.3%</b>	<b>15,082,891</b>	<b>4.7%</b>
<b>Income for Designated Purposes</b>					
Handing on the Future Income	208,852	209,500	0.3%	350,000	67.1%
Campaign for Unitarian Universalism	721,367	762,450	5.7%	612,573	-19.7%
Now is the Time Campaign	89,657	895,500	898.8%	1,660,000	85.4%
UUCSR Veatch Grants	1,839,028	1,859,444	1.1%	1,961,558	5.5%
Grants and Scholarships	803,562	841,542	4.7%	847,935	0.8%
Ministerial Aid Funds	465,491	470,000	1.0%	480,000	2.1%
Holdeen and International Trusts	1,370,100	1,455,168	6.2%	1,452,683	-0.2%
Income for Other Purposes	3,572,555	2,080,129	-41.8%	2,090,838	0.5%
<b>Total Income for Designated Purposes</b>	<b>9,070,612</b>	<b>8,573,733</b>	<b>-5.5%</b>	<b>9,455,587</b>	<b>10.3%</b>
<b>General Assembly - net</b>	<b>172,039</b>	<b>0</b>		<b>0</b>	
<b>Total Income</b>	<b>23,468,980</b>	<b>22,983,962</b>	<b>-2.1%</b>	<b>24,538,478</b>	<b>6.8%</b>
<b>EXPENSES</b>					
<b>Board &amp; Volunteer Leadership</b>					
	769,598	773,827	0.5%	765,875	-1.0%
<b>Programs</b>					
Advocacy and Witness	1,978,577	2,034,436	2.8%	2,040,360	0.3%
Congregational Services	2,049,302	1,943,594	-5.2%	2,501,952	28.7%
District Services	2,325,293	2,594,686	11.6%	2,728,915	5.2%
Identity Based Ministries	495,145	665,285	34.4%	660,901	-0.7%
Lifespan Faith Development	827,718	1,031,229	24.6%	1,010,551	-2.0%
Ministry and Professional Development	2,652,777	2,836,999	6.9%	2,925,974	3.1%
UU Funding Program	1,050,553	946,944	-9.9%	999,469	5.5%
<b>Total Programs</b>	<b>11,379,365</b>	<b>12,053,171</b>	<b>5.9%</b>	<b>12,868,123</b>	<b>6.8%</b>
<b>Communications</b>					
Communications	2,587,055	2,701,149	4.4%	2,748,338	1.7%
Beacon Press supplement	0	0		0	
<b>Total Publishing</b>	<b>2,587,055</b>	<b>2,701,149</b>	<b>4.4%</b>	<b>2,748,338</b>	<b>1.7%</b>
<b>Administration</b>					
	1,423,403	1,545,452	8.6%	1,802,325	16.6%
<b>Infrastructure</b>					
Stewardship and Development	2,365,429	2,478,944	4.8%	2,769,076	11.7%
Information Technology Services	911,230	1,142,840	25.4%	1,267,520	10.9%
Internal Services	3,988,221	2,288,577	-42.6%	2,317,221	1.3%
<b>Total Infrastructure</b>	<b>7,264,880</b>	<b>5,910,362</b>	<b>-18.6%</b>	<b>6,353,818</b>	<b>7.5%</b>
<b>Total Expenditures</b>	<b>23,424,301</b>	<b>22,983,962</b>	<b>-1.9%</b>	<b>24,538,478</b>	<b>6.8%</b>
<b>Expenditures (over) under Income</b>	<b>44,679</b>	<b>0</b>		<b>0</b>	

The UUA Committee for Socially Responsible Investing  
presents

## Ben Cohen

### Socially Responsible Investing and the Maturation of Capitalism

*Thurs, June 21 at 1PM - 2:15 PM — Oregon Convention Center -- F150*



Ben Cohen (co-founder of Ben & Jerry's) shares how ethical business models are transforming capitalism by adopting human rights and sustainability standards, and internalizing (not externalizing) costs to the environment and communities. SRI Committee Chair *Rev. Sydney Morris* and UUA Treasurer *Tim Brennan* respond with ways UUs can contribute to this 'maturation of capitalism.'

— Visit our booth in the exhibit hall! —

*Making a Difference with Ideals, Impact, and Involvement — [www.uua.org/finance/sri/](http://www.uua.org/finance/sri/)*

## **Operating Budget Supplemental**

## BUDGET SUPPLEMENT

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The following supplemental information is provided as an aid to help you understand the major categories of the Association's budget.

### INCOME

#### INCOME FOR GENERAL SUPPORT

##### *Annual Program Fund*

The Annual Program Fund (APF) provides for about 46% of the UUA's budgeted income for general support of current operations. The APF Program concentrates its efforts on raising revenue from member congregations: the suggested contribution for fiscal year 2005 was \$50 per member, while fiscal year 2006 is \$51 per member and fiscal year 2007 is \$53 per member. The UUA bylaws restrict budgetary increases in APF contributions to no more than 7% over the previous year's actual income. APF income is projected to increase by 3.5% to 5% through fiscal year 2007.

##### *Fundraising - Friends of the UUA*

The Friends of the UUA campaign is directed to individual Unitarian Universalists. Through direct mail, phone, and personal visits by staff and volunteers, the Friends campaign raises about 8-11% of the Association's annual income for general support of current operations. The projected giving from current and new Friends donations was \$1,092,000 in FY2005, \$1,482,279 in FY2006 and budgeted at \$1,600,000 in FY2007.

##### *Unrestricted Gifts and Bequests*

Charitable Gifts and Estate Planning encourages individuals to include the UUA in their financial estate plans and to create charitable trusts. Such income was \$369,669 in FY2005 \$397,408 in FY2006 and budgeted at \$425,000 in FY 2007.

##### *Administration Fees*

The Association charges the General Investment Fund, the UUA Retirement Plan, and other funds an annual administrative fee equal to the approximate cost of administration.

##### *General Investment Fund (GIF) Income*

Represents income on investments made with funds donated or bequeathed to the Association by individuals and organizations. The unitized "common trust" fund is valued quarterly and distributions paid based on a thirteen quarter rolling average of the market value of the fund. The conservative projection for FY2007 through FY2008 is based on the assumption of a flat market. The GIF includes a \$20 million endowment donated to the Association by the Unitarian Universalist Congregation at Shelter Rock (UUCSR) of Manhasset, New York. The spending rate or draw is 5%, paid quarterly.

##### *Other Current Fund Income*

The Other Current Fund Income is included on a gross basis, before the cost of services provided. It consists of UUA bookstore sales, our lodging house for Unitarian Universalists rental income, periodicals subscriptions and advertising income, office facilities rental income from affiliates, income received from outside trusts, investment income from community and minority banks, fundraising consultation fees related to congregational annual fund and capital campaigns and other miscellaneous income. In FY2005 the income increased overall due to periodicals advertising, Eliot & Pickett UU lodging, fees for consultation, bookstore, and other miscellaneous and a reduction in LRCS distributions. In FY2006 income decreased about 2% from reduced fees for building programs and LRCS distributions partially offset by increased periodicals advertising.

## **INCOME FOR DESIGNATED PURPOSES**

### ***Handing on the Future Income***

Income from the completed Handing on the Future capital campaign is reflected as the planned program expenditures are provided. This includes the annual earnings on ministry-related endowments (identifying and recruiting promising candidates, scholarship aid to students and continuing education grants) plus the commitments made against four ‘spend down’ funds for recruitment of ministerial candidates, youth and young adult ministry, public relations, and nurturing congregational growth. Pledge payments have largely been realized as of the end of FY2007.

### ***Campaign for Unitarian Universalism***

Income from the Capital Campaign for Unitarian Universalism includes the Pathways, Metropolitan Strategy, Growth Team and the marketing campaign, religious education curriculum visioning, and the implementation of the Young Adult Campus Ministry long range plan “Searching for the Future.”

### ***Now is the Time Campaign***

The UUA’s current comprehensive campaign will go public in 2007 with a goal of \$50 million, \$20 million from cash pledges and \$30 million from bequests and planned gifts.

### ***UUCSR Veatch Grants***

Grants from the Veatch Program of the Unitarian Universalist Congregation of Shelter Rock allow the UUA program staff groups, including Congregational and District Services extension programs, Lifespan Faith Development and Lay Leadership development to support the growth of mission-based, faith-filled Unitarian Universalist congregations. Also included are the Unitarian Universalist Funding Program grants. Veatch Grants of \$835,000 in FY2007 will be dedicated to Growth, RE Credentialing, Lay Leadership, Ethics in Congregational Life, and to Identity Based Ministries (IdBM), Advocacy and Witness (A&W), Young Adult and Campus Ministry (YACM) Young Adults, and UU&Me.

### ***Educational Grants and Scholarships***

Reflects income from \$9 million endowment from the Unitarian Universalist Congregation at Shelter Rock for theological education, from two-thirds of the St Lawrence Educational trust income, UUA endowed scholarship funds and the Living Tradition fund.

### ***Ministerial Aid Funds***

Represents income from Ministerial Aid endowment funds and the Living Tradition fund.

### ***Holdeen and International Trusts***

Includes income from the Holdeen Trust funds for Holdeen India Program grants, for the designation trust recipients and other international program charitable service activity.

### ***Other Purposes***

Capital Gains for Fundraising income represents accumulated gains on endowment funds that are used for funding expenses of the Capital Campaign for Unitarian Universalism. These funds will be returned to the endowment as the proceeds of the campaign are received. Other income is from a variety of sources including the Liberal Religious Charitable Society (LRCS), with program support and other subsidy income of \$320,000 in FY2007. Funds from the John Cross trust are included to be used for staffing support related to gay and lesbian issues. Also, income is provided by the Council on Church Staff Finances, the UUMA and LREDA in support of administrative staffing expenses incurred by the Office of Church Staff Finances.

### ***General Assembly***

When the General Assembly earns an excess of income over expenses, this excess is added to the general income of the Association. When there is an excess of expense over income, the resulting loss is recorded as an expense and made up from the Association' unrestricted funds. The financial objective of the General Assembly is to break even.

## **EXPENSES**

### ***Board and Volunteer Leadership***

The Board of Trustees serves as the chief governance body of the Association when the General Assembly is not in session. The budget provides for travel accommodations and meals for the Board of Trustees and all Board level and elected committees and task forces, so that they can conduct the affairs of the Association as set forth in the bylaws. Expenses for the Moderator and Financial Advisor's travel and activities are also covered.

The UU Funding Program receives grants from the Veatch Program of the Unitarian Universalist Congregation of Shelter Rock and administers four lay leadership led grant making panels.

## ***Programs***

### ***Advocacy and Witness***

This staff group includes the UU Washington Center – advocacy and witness programs; the Office of Information and Public Witness, the International Office and work with the Holdeen India Program and Holdeen International Partners.

The UUA Holdeen India Program distributes trust income designated for use in India for charitable purposes. The fund enables some of the poorest and weakest groups in India to improve their lives and change their social and economic conditions in directions of their own choosing. Particular attention is paid to the needs of low-income women. The FY2005 Holdeen India Program grants totaled \$512,000 and \$525,000 in FY2006. The FY2007 grants budget is \$580,000.

### ***Congregational Services***

This staff group provides services to support the growth, health, vitality and diversity of Unitarian Universalist congregations around the continent, including: New Congregation and Growth Resources, Congregational Justice Making Resources, Young Adult Campus Ministry, Congregational Fundraising Services, Lay Leadership Development, and Services to Large Congregations. The mission of Congregational Services is to inspire and support Unitarian Universalist congregations and communities to more fully embody our Principles and to continue their transformation into vital, growing, anti-racist and anti-oppressive institutions offering witness and ministry to their communities. These offices provide training for ministers and laypeople committed to growth, support for ministries to young adults, fundraising services (annual canvass, capital campaign and more) and administration for the building loan, loan guarantee and first home grant programs. With generous support from the Veatch Program of the Unitarian Universalist Congregation at Shelter Rock, grants have been made for support of extension ministry and new congregation ministry, as well as historic urban churches.

### ***District Services***

District Services provided or managed by district staff are available to congregations under the auspices of the district in which they are located. The mission of the district staff is to foster the spiritual and institutional health of Unitarian Universalism by serving as leaders, consultants, advocates and educators in our community of congregations.

Through the APF Grants program, districts benefit directly from the success of the Annual Program Fund. The Association redistributes a portion of the total APF contributions to all 20 districts in the form of Grants. Today the Basic Grant is 11% of the District's percentage of Fair Share attained, up to 100%, times the total amount the district contributed to the Association in the prior year. In addition to the Basic Grant, a Fair Share Congregations' Grant of \$1,000 is given when 75% or more of a district's member congregations are full Fair Share. If at least 90% of the congregations in a district are full Fair Share, the district will receive \$5,000.

### ***Identity-Based Ministries (IdBM)***

This staff group provides leadership toward our becoming an anti-racist, anti-oppressive, multicultural religious community. The plan going forward is to continue establishing the

Journey Toward Wholeness collaboratively with Unitarian Universalists in congregations, districts, seminaries, all board level committees and task forces and associate and affiliate groups, through assistance to congregations in developing social justice programs, oversight and support of the UUA's anti-racism initiative.

In addition, Identity-Based Ministries provides support to all UUA staff groups to develop their anti-oppression knowledge, skills, and competencies, and consults with the Association and families of color. Finally, Identity-Based Ministries works with volunteer committees, and affiliate organizations to develop resources for congregations doing anti-racism and anti-oppression transformation work.

### ***Lifespan Faith Development***

The Lifespan Faith Development staff group offers curricula, resources, leadership training and a vision for lifespan religious education programs for member congregations.

Curriculum Development promotes life-long learning with resource development; including major initiatives in Sexuality Education (Our Whole Lives) and a comprehensive core curriculum that is currently being developed (Tapestry of Faith). Also provided are family ministry packets, consultations, lay religious education training and support for lay religious educators.

The Youth Office provides services in: communication, publication/resources, consultation, training, and event planning, including YRUU Youth Council and Youth Programs.

### ***Ministry and Professional Leadership***

The Ministry and Professional staff group serves the needs of congregations, ministers, and religious educators by providing counsel, leadership, and resources. It develops and delivers programs ranging from credentialing and settlement, counsel in career development, scholarships and grants, ministerial/congregational relations, church staff finances and retirement financial planning and counseling. The department administers the income from substantial endowment funds for designated purposes, the Living Tradition Fund, monies contributed at the Service of the Living Tradition and from services honoring ministry such as Installations and Ordinations. The Ministerial Fellowship Committee, a standing committee of the UUA Board of Trustees, now has six regional subcommittees on candidacy (RSCCs) to provide earlier guidance to aspiring ministers.

### ***Publishing***

The Communications staff group publishes information that enriches the lives of individual UUs, supports the work of their congregations, promotes UUA programs and articulates UU values. UU World Magazine reaches approximately 120,000 households; Skinner House, the UUA imprint, publishes books especially for Unitarian Universalists; the Publications office edits, designs, and produces many other UUA publications. The UUA Bookstore distributes books of interest to religious liberals.

### ***Beacon Press***

Beacon Press publishes general interest books that promote UU values to a broad constituency. Beacon continues to be the most highly regarded and distinguished denominationally owned

publishing house in America. The quality of Beacon books and their commitment to diversity is often recognized and frequently celebrated.

### ***Administration***

This area includes expenses for the UUA President and the Executive Vice President, including legal expenses and Human Resources. A provision for contingencies is made in accordance with the Bylaws, which provide for three percent of the Association's unrestricted income to be available to meet the cost of unforeseen expenditures.

### ***Stewardship and Development***

This staff group plans and implements fund-raising strategies for the long-term growth and financial health of Unitarian Universalism. Different programs target the needs of congregations, districts, ministers and outreach programs. Funding for the capital campaign development expenses through the use of accumulated gains on unrestricted and temporarily restricted endowment funds has been authorized by the Finance Committee and the Board, with a plan for the return of these funds from the funds to be raised during the Campaign for Unitarian Universalism. The Board authorized the transfer of \$2 million from the sale of the 8 Mt Vernon Place building into the endowment to be used toward paying the accumulated gains that would otherwise be drawn to fund the campaign expenses.

### ***Internal Services***

#### ***Finance***

This staff group, including the Treasurer's office and the Financial Services staff group, provides administration of the financial, audit and banking relationships, plus building loan, loan guarantee and first home grant applications from congregations and related expenses. Financial services is responsible for: maintaining the Association's financial accounting systems and records; issuing timely payments to staff, volunteers and vendors; issuing periodic financial statements on the activity of the Current Operations Section, the Congregational Properties & Loan Commission and building loan program; accounting administration and reporting for the UUA's General Investment Fund, plus Beacon Press, with consolidating quarterly financial statements and the Association's annual financial statements; and administering the financial aspects of the UU Organization's Retirement Plan.

#### ***Information Technology Services***

This staff group manages the computer-related hardware and software support needs in the Boston area and electronic mail connections among field staff and volunteer Board and committee members.

#### ***Facilities / Operations Services***

The Operations staff group provides support services and maintains the Association's physical facilities at staff office locations. This staff group also maintains the Eliot & Pickett lodging house and meeting facility for the economical housing of the UUA staff, the board, committees and Unitarian Universalists meeting and doing business in Boston.

***Depreciation Expense***

Property and equipment are recorded at cost. Depreciation is computed on a straight-line method over the estimated useful lives of the assets. Maintenance renewals and repairs under \$500 are expensed as incurred and renovations, renewals and betterments are capitalized. The depreciation expenses have been reclassified into the Information Technology Services, 41 Mount Vernon Street and Operations staff groups.