



UNITARIAN
UNIVERSALIST
ASSOCIATION OF
CONGREGATIONS

Treasurer's Report to the Finance Committee of the Board of Trustees

January 23, 2014

Tim Brennan
Treasurer & Chief Financial Officer



Outline

- 2nd Quarter Forecast (see handout)
- Audit update
- Property update
- Common Endowment Fund
- Liberal Religious Charitable Society



FY 13 audit update

- UUA audit
- Health Plan audit

Property update

- Construction underway: completion 4/26
- Budget monitoring, change orders
- Construction financing
- 25 Beacon and 6-7 Mount Vernon Pl. sold; close late March
- Back to market for 41 Mount Vernon St.
- Move: May

UUCEF Investment Performance

Periods ending 12/31/13

	1 Year	3 Years	5 Years
Gross return	12.3%	8.1%	13.3%
Net return	11.2%	7.1%	12.2%
Benchmark*	12.1%	6.9%	11.8%

* *Weighted average of underlying benchmarks for each asset class*

UU Common Endowment Fund – Fossil fuel divestment movement

- State of the movement: UCC, Episcopalians, Unity, Sisters of Mercy, Seattle
- Business resolution likely for GA 2014
- SRIC negotiated with proponents: fiduciary duty, sound investment practices; advocacy
- UN Summit on Climate Risk: discussion of stranded assets, capital investment
- Investment committee concern about fiduciary duty



UU Common Endowment Fund – Establishment of LLC; Other

- Application for 501(c)3 supporting organization status pending
- Many delays at IRS: Tea Party controversy, Sequester, Shut-down, review of status
- Muttontown dissolution

Liberal Religious Charitable Society

- Board voted to dissolve June 2014
- Request to transfer assets filed with Commonwealth 12/13/13
- Approval from AG in 4 to 6 months
- All funds will be distributed to UUA unrestricted
- Letter of intent: payout from \$1mm plus \$50K/year for theological education



Top Priorities

- Sale of Beacon Hill properties
- Loan documentation
- Legal and tax arrangements
- Transition to UUCEF, LLC
- Winding up of LRCS