

Unitarian Universalist Organizations Health Plan

Financial Report
June 30, 2020

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RSM US LLP

Independent Auditor's Report

Plan Participants and Benefits Trust Trustees of
Unitarian Universalist Organizations Health Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the Unitarian Universalist Organizations Health Plan (the Plan), which comprise the statements of net assets available for plan benefits and plan benefit obligations as of June 30, 2020 and 2019, the related statements of changes in net assets available for plan benefits and changes in plan benefit obligations for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of June 30, 2020 and 2019, and the changes in its financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Company has elected to change its method of accounting for claims paid in the years ended June 30, 2020 and 2019. Our opinion is not modified with respect to this matter.

Other Matter—Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, schedule of delinquent participant contributions, schedule of assets (held at end of year) as of June 30, 2020, and schedule of reportable transactions for the year ended June 30, 2020, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Boston, Massachusetts

April 15, 2021

Unitarian Universalist Organizations Health Plan

**Statements of Net Assets Available for Plan Benefits
June 30, 2020 and 2019**

	2020	2019
Assets		
Investments, at fair value:		
Corporate bonds	\$ 3,293,553	\$ 3,043,740
Equity securities	1,463,483	1,266,640
Exchange traded funds	702,782	1,366,637
Money market fund	332,010	292,422
Certificates of deposit	-	375,160
Governmental agency securities	-	200,206
Mutual funds	-	49,299
Total investments	5,791,828	6,594,104
Receivables:		
Interest income	29,833	34,078
Contributions from subscribing employers	71,733	75,786
Contributions from participants	30,743	32,480
	132,309	142,344
Other assets:		
Cash	1,305,116	831,524
Prepaid claim deposit	185,500	185,500
Due from group insurance plan	-	14,671
	1,490,616	1,031,695
Total assets	7,414,753	7,768,143
Liabilities		
Prepaid contributions	28,899	25,395
Accounts payable and accrued expenses	519,023	353,880
Due to group insurance plan	20,131	-
Total liabilities	568,053	379,275
Net assets available for plan benefits	\$ 6,846,700	\$ 7,388,868

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

**Statements of Changes in Net Assets Available for Plan Benefits
Years Ended June 30, 2020 and 2019**

	2020	2019
Additions to net assets attributed to:		
Investment income:		
Interest income and dividends	\$ 157,001	\$ 179,455
Net appreciation in fair value of investments	328,389	280,633
Total investment income	485,390	460,088
Contributions:		
Contributions from subscribing employers	8,801,745	8,184,469
Contributions from participants	3,772,176	3,507,630
Total contributions	12,573,921	11,692,099
Plan prescription rebates	333,910	237,058
Total additions	13,393,221	12,389,245
Deductions from net assets attributed to:		
Benefits paid to or on behalf of participants and beneficiaries	12,629,881	11,139,431
Premiums paid to insurance carrier for excess loss coverage	394,508	344,826
External plan administration fees	372,772	351,217
Administrative expenses	438,197	423,105
Professional fees	100,031	123,406
Total deductions	13,935,389	12,381,985
Net (decrease) increase	(542,168)	7,260
Net assets available for plan benefits:		
Beginning of year	7,388,868	7,381,608
End of year	\$ 6,846,700	\$ 7,388,868

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

**Statements of Plan Benefit Obligations
June 30, 2020 and 2019**

	2020	2019
Amounts currently payable:		
Claims payable and claims incurred but not reported	\$ 1,478,000	\$ 1,371,000
Total obligations other than postretirement benefit obligations	1,478,000	1,371,000
Total plan benefit obligations	\$ 1,478,000	\$ 1,371,000

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

**Statements of Changes in Plan Benefit Obligations
Years Ended June 30, 2020 and 2019**

	2020	2019
Amounts currently payable:		
Balance at beginning of year	\$ 1,371,000	\$ 699,000
Claims incurred	12,736,881	11,811,648
Claims paid	(12,629,881)	(11,139,648)
Balance at end of year	1,478,000	1,371,000
Total plan benefit obligations, at end of year	\$ 1,478,000	\$ 1,371,000

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 1. Description of Plan

The following description of Unitarian Universalist Organizations Health Plan (the Plan) provides only general information. Participants should refer to the Unitarian Universalist Organizations Health Plan Document (the Plan Document) for a more complete description of the Plan's provisions.

General: The Plan is a multiple employer voluntary health and welfare benefit plan established by the Unitarian Universalist Association Employee Benefits Trust (the Trust or the Plan Sponsor), with an effective date of January 1, 2007, for the exclusive benefit of, and to provide health benefits to, eligible employees and eligible retirees (and their eligible dependents) of subscribing employers and subscribing individuals. The Benefits Trust Trustees serve as the trustees of the Plan and have been appointed by the trustees of the Unitarian Universalist Association (UUA). The Plan provides health insurance benefits, including pharmacy coverage under non-Medicare Supplement policies, for all covered employees and eligible retirees of UUA congregations and related organizations (the Company) as well as their covered dependents. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan Sponsor manages the Plan and is an independent not-for-profit corporation which is exempt from income taxes under section 501(c)(9) of the Internal Revenue Code.

Plan administration: Administration of the Plan is performed by employees of the UUA, the costs of which are absorbed by the Plan based on an estimate of time incurred.

The Plan is self-insured with respect to medical claims with the exception of certain "excess loss" insurance policies that cover certain large claims at both aggregate and individual participant levels.

Highmark, Inc. (Highmark) is the claims administrator of the Plan for medical benefits. As an outsourced contract administrator of the Plan, Highmark has discretionary authority over payment of medical claims submitted by participants. Furthermore, Consolidated Omnibus Budget Reconciliation Act (COBRA) administration is performed by HM Benefits Administrators, an affiliate of Highmark.

CDS Administrators, Inc. (CDS) collects the premiums of the Plan.

Milliman, Inc. (the Actuary) is engaged as a technical advisor on matters related to the operation, actuarial valuation and funding requirements of the Plan.

Eastern Bank and its affiliate, Eastern Wealth Management, Inc. serves the Plan as custodian of Plan investments and investment manager, respectively.

Benefits: The Plan provides health insurance benefits to participants pursuant to an insurance contract with Highmark. The Plan offers four levels of preferred provider coverage and a Medicare supplement plan. The Plan's health benefits (including information about the benefits available, required deductibles, co-payments, maximums, limits, and exclusions, as applicable) are summarized in the applicable coverage booklets.

Eligibility: A subscribing employer is defined as a UUA Congregation (or other entity that is a related organization of the UUA) that has subscribed to the Plan.

An eligible employee is defined as someone working at least 750 hours per year for a subscribing employer who also satisfies the specific eligibility requirements established by the subscribing employer in the respective employer subscription agreement.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

An eligible retiree is defined as someone meeting one of two criteria: (i) the retiree is under age 65 and has retired from a subscribing employer after performing services as a minister; or (ii) is age 65 or older, is enrolled in Medicare Parts A and B, is retired from a subscribing employer after performing services in any capacity and has worked at least 750 hours per calendar year for a subscribing employer in five of the ten calendar years preceding the year of retirement.

Eligible dependents allowed to participate in the Plan include the following: (i) a spouse under a legally valid marriage; (ii) an unmarried natural, step or adopted child that is under 26 or of any age if the child is physically or mentally incapable of caring for himself/herself due to certain disabilities; and (iii) a domestic partner (as defined in the plan document).

A subscribing individual includes an individual who is either (i) a self-employed Unitarian Universalist community minister or (ii) a Unitarian Universalist minister working in a ministerial capacity for an UUA Congregation (or other entity that is an affiliated member of the UUA) that does not offer a health insurance plan, each of whom has subscribed to the Plan.

Eligible employees, eligible retirees, eligible dependents, or subscribing individuals are hereinafter referred to as “covered persons” or “participants.”

Funding policy: The cost of all benefits is shared by the subscribing employers and participants. The subscribing employers make regular contributions in the amount required to fund benefits, insurance premiums and expenses of the Plan. Participants contribute specified amounts based upon coverage as determined by the subscribing employers. Participant contribution amounts for various benefits are the same for active and retired participants. Subscribing individuals must pay 100% of the cost of coverage, which varies based upon which coverage is elected.

Excess loss (stop-loss) coverage insurance policies: Since inception, the Plan has purchased stop-loss insurance coverage from HM Life Insurance Company (HM LIC), a division of Highmark, to cover health care benefits that exceed certain claim expense levels. The policies cover the respective calendar years and the policy terms have been modified each year in an effort to control Plan expenses. The stop-loss coverage works in the following manner: the Plan is responsible for paying qualified claim expenses and would get reimbursed by HM LIC for health care claim expenses that exceed the per participant deductible level. Reimbursement is limited to the per participant maximum coverage benefit, which is measured over the participants lifetime. The following table summarizes coverage levels for each calendar year that is reported in the financial statements.

	Deductible Per Participant	Maximum Benefit Coverage Per Participant	Maximum Benefit Coverage For the Plan
Calendar year 2018	\$ 500,000	Unlimited	Unlimited
Calendar year 2019	500,000	Unlimited	Unlimited
Calendar year 2020	500,000	Unlimited	Unlimited

The Plan did not experience claim losses at a per participant level or at the Plan level in excess of the respective deductibles during the Plan years ended June 30, 2020 and 2019.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Administrative expenses: All administrative expenses of the Plan, such as services provided by employees of the UUA to the Plan and rent are paid by the Plan and are classified as administrative expenses on the accompanying statements of changes in net assets available for plan benefits.

Professional Fees: Professional fees incurred by the Plan, such as audit fees, consulting fees and legal fees are also paid by the Plan and are classified as professional fees on the accompanying statements of changes in net assets available for plan benefits.

External administrative expenses: Expenses paid directly by the Plan also include those related to third-party claims administration, premiums collection, actuarial services, investment management services, and COBRA coverage under the Plan and are classified as external plan administration fees on the accompanying statements of changes in net assets available for plan benefits.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of estimates: The preparation of the financial statements in conformity with U.S. GAAP requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Plan benefit obligations and actuarial assumptions: The Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) provides for drug benefits for participants age 65 and over under the Medicare Part D program. For plan sponsors who continue to provide prescription drug programs for eligible former employees age 65 and over which are actuarially equivalent to the Medicare Part D program, there are subsidies available that are contained in the Act in the form of direct tax-exempt payments. As of June 30, 2020, the Plan does not offer a prescription drug program for eligible former employees age 65 and over. Accordingly, the change in benefit obligations does not reflect any amount associated with the Medicare subsidy.

Cash: The Plan maintains certain amounts in bank deposit accounts which, at times, may exceed federally insured limits, but does not believe it is exposed to any significant credit risk.

Receivables: Receivables at June 30, 2020 and 2019 in the amount of \$102,476 and \$108,266, respectively, represent amounts due from subscribing employer congregations and subscribing individuals for contributions to the Plan. Receivables at June 30, 2020 and 2019 in the amount of \$29,833 and \$34,078, respectively, represent accrued interest income on investment balances.

Prepaid claim deposit: The prepaid claim deposit is an escrow account which the Plan is contractually required to keep at Highmark. In the event that the Plan terminates, the prepaid claim deposit would be used to cover claims which are outstanding as of the termination date and is adjusted by Highmark based on the prior year's claims experience.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Valuation of investments and income recognition: The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Prepaid contributions: Prepaid contributions are contributions which have been made by subscribing employers or subscribing individuals for coverage to be provided in the future. In the event that a subscribing employer or subscribing individual was to terminate coverage, the Plan would be required to reimburse the participants or subscribing employers.

Due from/to group insurance plan: The Plan collects non-trust funds on behalf of other plans that the participants are enrolled in and these amounts are remitted to those plans monthly.

Payment of benefits: Claims payments are recorded when paid by Highmark. Amounts due to Highmark that have yet to be reimbursed by the Plan are recorded in accounts payable and accrued expenses in the accompanying statements of net assets available for plan benefits.

Claims payable and claims incurred but not reported: Plan obligations at June 30, 2020 and 2019 for claims payable and claims incurred by active participants but not reported at that date are based on an estimate, prepared by the Actuary, which is based on historical payment lags experienced by the Plan including factors of average days claims are outstanding and average dollars of such claims. The Plan had \$1,478,000 and \$1,528,000 of estimated claims payable and claims incurred but not reported for all active participants at June 30, 2020 and 2019, respectively.

Income taxes: Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan. The Plan Sponsor evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for plan years before June 30, 2017.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting change: On July 1, 2020, the Plan elected to change its method of recording claims payments when paid by Highmark, whereas in prior years, claims payments were recorded when paid by the Plan to Highmark for reimbursement. The new method of accounting for payment of claims was adopted to better align with the invoicing process of Highmark for claims processing. Comparative financial statement of prior years have been adjusted to apply the new method retrospectively. The following financial statement line items for the years ended June 30, 2020 and 2019 were affected by the change in accounting principle:

2020 Statement of Net Assets Available for Plan Benefits

	As Computed Previously	As Presented Currently	Effect of Change
Accounts payable and accrued expenses	\$ 199,407	\$ 519,023	\$ 319,616
Net assets available for plan benefits	\$ 7,166,316	\$ 6,846,700	\$ (319,616)

2019 Statement of Net Assets Available for Plan Benefits

	As Originally Reported	As Adjusted	Effect of Change
Accounts payable and accrued expenses	\$ 197,097	\$ 353,880	\$ 156,783
Net assets available for plan benefits	\$ 7,545,651	\$ 7,388,868	\$ (156,783)

2020 Statement of Changes in Net Assets Available for Plan Benefits

	As Computed Previously	As Presented Currently	Effect of Change
Benefits paid to or on behalf of participants and beneficiaries	\$ 12,310,265	\$ 12,629,881	\$ 319,616
Net decrease	\$ (222,552)	\$ (542,168)	\$ (319,616)

2019 Statement of Changes in Net Assets Available for Plan Benefits

	As Originally Reported	As Adjusted	Effect of Change
Benefits paid to or on behalf of participants and beneficiaries	\$ 10,982,648	\$ 11,139,431	\$ 156,783
Net increase	\$ 164,043	\$ 7,260	\$ (156,783)

2020 Statement of Plan Benefit Obligations

	As Computed Previously	As Presented Currently	Effect of Change
Claims payable and claims incurred but not reported	\$ 1,798,000	\$ 1,478,000	\$ (320,000)

2019 Statement of Plan Benefit Obligations

	As Originally Reported	As Adjusted	Effect of Change
Claims payable and claims incurred but not reported	\$ 1,528,000	\$ 1,371,000	\$ (157,000)

(Continued)

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

2020 Statement of Changes in Plan Benefit Obligations

	As Computed Previously	As Presented Currently	Effect of Change
Balance at beginning of year	\$ 1,528,000	\$ 1,371,000	\$ (157,000)
Claims incurred	\$ 12,417,265	\$ 12,736,881	\$ 319,616
Claims paid	\$ (12,310,265)	\$ (12,629,881)	\$ (319,616)
Balance at end of year	\$ 1,798,000	\$ 1,478,000	\$ (320,000)

2019 Statement of Changes in Plan Benefit Obligations

	As Originally Reported	As Adjusted	Effect of Change
Balance at beginning of year	\$ 873,000	\$ 699,000	\$ (174,000)
Claims incurred	\$ 11,654,865	\$ 11,811,648	\$ 156,783
Claims paid	\$ (10,982,865)	\$ (11,139,648)	\$ (156,783)
Balance at end of year	\$ 1,528,000	\$ 1,371,000	\$ (157,000)

Note 3. Fair Value Measurements

Fair Value Measurements and Disclosures, issued by the FASB, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 3. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Plan's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Plan uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Money market fund: The money market fund is valued at the quoted net asset value (NAV) of shares held by the Plan. This security is categorized in Level 1 of the fair value hierarchy as it is reported daily.

Equity securities, exchange traded funds, and mutual funds: The fair value of equity securities, exchange traded funds, and mutual funds is the market value based on quoted market prices reported on the active market on which the individual securities are traded. These securities are categorized in Level 1 of the fair value hierarchy as they have observable inputs.

Certificates of deposit: Certificates of deposit are priced using pricing models which consists of a combination of inputs from observable market information including broker quotes, recent trades, supply information, benchmark yields (treasury curves) and security specific historical information, returns, and yields. These securities are categorized in Level 2 of the fair value hierarchy as they have observable inputs but are not actively quoted.

Government agency securities and corporate bonds: Government agency securities and corporate bonds are valued using bond pricing models consisting of observable market inputs including broker quotes, recent trades, and specific historical information on returns and yields. These securities are categorized in Level 2 of the fair value hierarchy.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2020 and 2019.

Assets at fair value at June 30, 2020:

	Balance as of June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 3,293,553	\$ -	\$ 3,293,553	\$ -
Equity securities	1,463,483	1,463,483	-	-
Exchange traded funds	702,782	702,782	-	-
Money market fund	332,010	332,010	-	-
Total investments at fair value	<u>\$ 5,791,828</u>	<u>\$ 2,498,275</u>	<u>\$ 3,293,553</u>	<u>\$ -</u>

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 3. Fair Value Measurements (Continued)

Assets at fair value at June 30, 2019:

	Balance as of June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate bonds	\$ 3,043,740	\$ -	\$ 3,043,740	\$ -
Exchange traded funds	1,366,637	1,366,637	-	-
Equity securities	1,266,640	1,266,640	-	-
Certificates of deposit	375,160	-	375,160	-
Money market fund	292,422	292,422	-	-
Governmental agency securities	200,206	-	200,206	-
Mutual funds	49,299	49,299	-	-
Total investments at fair value	<u>\$ 6,594,104</u>	<u>\$ 2,974,998</u>	<u>\$ 3,619,106</u>	<u>\$ -</u>

Note 4. Tax Status

The Trust is intended to be organized and operated as an employee welfare benefit plan described in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Trust is a voluntary employees' beneficiary association as described in Internal Revenue Service Code (IRC) Section 501(c)(9). The Plan Sponsor has obtained a favorable tax determination letter, dated March 12, 2009, from the Internal Revenue Service stating that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code.

Although the Plan has been amended subsequent to March 12, 2009, the Plan Sponsor believes that the Plan is currently designed and being operated in compliance with applicable requirements of the Code.

Note 5. Party-In-Interest Transactions

Certain plan expenses are paid by the UUA and reimbursed by the Plan. These amounts consist primarily of the salaries, payroll taxes, and benefits of the personnel providing management and administrative services for the Plan. There are also certain services provided by the UUA and paid for by the Plan. These services include full service office space and equipment, information technology services, and accounting and benefits administration. The Plan is charged at cost for the services provided to the Plan. Such expenditures are reviewed and approved annually by the Benefits Trust Trustees. Plan expenses paid by the UUA and reimbursed by the Plan as well as expenses paid by the Plan to the UUA totaled \$297,678 and \$279,005 for the years ended June 30, 2020 and 2019, respectively. Investments of the Plan include a money market fund managed by Eastern Bank, the custodian of the Plan. Contributions for the group insurance plan are collected by CDS and held by the Plan until remitted to the other plans on a monthly basis. These transactions qualify as party-in-interest transactions as that term is defined in Section 3(14) of ERISA.

Note 6. Plan Termination

Although the Plan Sponsor and Benefits Trust Trustees contemplate the continuation of the Plan in the form presented, the Plan Sponsor has the right under the Plan to terminate the Plan or modify the benefits provided at any time subject to provisions of ERISA.

In the event the Plan terminates, the net assets of the Plan shall be used in accordance with the Plan for the benefit of the covered persons to the extent the Plan will permit.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements

Note 7. Plan Benefit Obligations and Changes in Plan Benefit Obligations

The Plan Sponsor, with the advice from the Plan's Actuary, determined that there are no postretirement benefit obligations related to the Plan as the cost of all benefits, including those for eligible retirees, are the responsibility of subscribing employers and not of the Plan. Therefore, no postretirement benefit obligation has been recorded at June 30, 2020 and 2019.

Note 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the accompanying financial statements to the Form 5500 as of June 30, 2020 and 2019:

	2020	2019
Net assets available for plan benefits per the financial statements	\$ 6,846,700	\$ 7,388,868
Less claims payable and claims incurred but not reported	(1,478,000)	(1,371,000)
Net assets available for plan benefits per Form 5500	<u>\$ 5,368,700</u>	<u>\$ 6,017,651</u>

The following is a reconciliation of the net (decrease) increase per the financial statements to the net decrease per the Form 5500 for the plan years ended June 30, 2020 and 2019:

	2020	2019
Net (decrease) increase per the financial statements	\$ (542,168)	\$ 7,260
Claims payable and claims incurred but not reported in current year	(1,478,000)	(1,371,000)
Claims payable and claims incurred but not reported in prior year	1,371,000	699,000
Impact of change in accounting principle	-	173,783
Net decrease per Form 5500	<u>\$ (649,168)</u>	<u>\$ (490,957)</u>

Note 9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the statements of net assets available for plan benefits.

Note 10. Prohibited Transactions

During the years ended June 30, 2019 and 2018, the Plan Sponsor failed to deposit a total of \$18,535 of participant deferrals within the required timeframe as stated by the DOL regulations. The Plan Sponsor reimbursed the Plan for lost earnings and paid the applicable excise tax out of Plan Sponsor funds during the year ended June 30, 2020.

Note 11. Subsequent Events

The Company has evaluated subsequent events through April 15, 2021, the date which the financial statements were available to be issued. There were no additional matters requiring accrual or disclosure in the financial statements.

Unitarian Universalist Organizations Health Plan

**Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
Year Ended June 30, 2020**

Employer Identification Number: 20-8079417
Plan Number: 501

Participant Contributions Transferred Late to Plan			Total that Constitutes Nonexempt Prohibited Transactions				
			Check if Late Participant Loan Repayments	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
Amount Withheld	Date Withheld	Date Remitted					
\$ 191	3/15/2018	11/25/2019		\$ -	\$ 191	\$ -	\$ -
191	3/31/2018	11/25/2019		-	191	-	-
191	4/15/2018	11/25/2019		-	191	-	-
191	4/30/2018	11/25/2019		-	191	-	-
289	5/15/2018	11/25/2019		-	289	-	-
289	5/31/2018	11/25/2019		-	289	-	-
289	6/15/2018	11/25/2019		-	289	-	-
289	6/30/2018	11/25/2019		-	289	-	-
289	7/15/2018	11/25/2019		-	289	-	-
289	7/31/2018	11/25/2019		-	289	-	-
289	8/15/2018	11/25/2019		-	289	-	-
289	8/31/2018	11/25/2019		-	289	-	-
289	9/15/2018	11/25/2019		-	289	-	-
290	9/30/2018	11/25/2019		-	290	-	-
580	10/15/2018	11/25/2019		-	580	-	-
580	10/31/2018	11/25/2019		-	580	-	-
580	11/15/2018	11/25/2019		-	580	-	-
580	11/30/2018	11/25/2019		-	580	-	-
580	12/15/2018	11/25/2019		-	580	-	-
580	12/31/2018	11/25/2019		-	580	-	-
950	1/15/2019	11/25/2019		-	950	-	-
950	1/31/2019	11/25/2019		-	950	-	-
950	2/15/2019	11/25/2019		-	950	-	-
950	2/28/2019	11/25/2019		-	950	-	-
950	3/15/2019	11/25/2019		-	950	-	-
950	3/31/2019	11/25/2019		-	950	-	-
950	4/15/2019	11/25/2019		-	950	-	-
950	4/30/2019	11/25/2019		-	950	-	-
950	5/15/2019	11/25/2019		-	950	-	-
950	5/31/2019	11/25/2019		-	950	-	-
950	6/15/2019	11/25/2019		-	950	-	-
950	6/30/2019	11/25/2019		-	950	-	-
<u>\$ 18,535</u>				<u>\$ -</u>	<u>\$ 18,535</u>	<u>\$ -</u>	<u>\$ -</u>

Unitarian Universalist Organizations Health Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
June 30, 2020

Employer Identification Number: 20-8079417
Plan Number: 501

(a)	(b)	(c)					(d)	(e)
		Description of Investment						
Identity of Issue, Borrower, Lessor or Similar Party	Type of Investment	Maturity Date	Rate of Interest	Collateral	Par or Maturity Value	Cost	Current Value	
Comcast Corp. CI A	Corporate Bond	3/1/2024	3.60%	n/a	150,000	\$ 150,104	\$ 166,416	
CSX Corporation	Corporate Bond	3/1/2028	3.80%	n/a	100,000	99,790	114,906	
Glaxo	Corporate Bond	5/15/2025	3.63%	n/a	100,000	100,369	112,946	
Pfizer Inc.	Corporate Bond	12/15/2026	3.00%	n/a	100,000	103,135	112,949	
Charles Schwab	Corporate Bond	1/25/2028	3.20%	n/a	100,000	102,125	111,809	
Target Corporation	Corporate Bond	7/1/2024	3.50%	n/a	100,000	103,323	111,695	
Kimberly Clark Corp	Corporate Bond	8/15/2025	3.05%	n/a	100,000	101,089	110,529	
Ingersoll-Rand	Corporate Bond	6/15/2023	4.25%	n/a	100,000	101,909	110,151	
American Electric Power Co.	Corporate Bond	11/13/2027	3.20%	n/a	100,000	104,838	109,866	
CBS	Corporate Bond	6/1/2028	3.70%	n/a	100,000	100,219	108,756	
CVS Health Corporation	Corporate Bond	6/1/2026	2.88%	n/a	100,000	102,693	108,246	
Dr. Pepper Snapple Group Inc.	Corporate Bond	9/15/2026	2.55%	n/a	100,000	104,172	107,161	
Union Pacific Corp.	Corporate Bond	2/5/2027	2.15%	n/a	100,000	100,059	105,919	
Amgen Inc.	Corporate Bond	2/21/2027	2.20%	n/a	100,000	101,330	105,457	
Vodafone Group	Corporate Bond	2/19/2023	2.95%	n/a	100,000	100,800	105,099	
CVS Health Corporation	Corporate Bond	3/9/2021	3.35%	n/a	100,000	99,840	101,984	
UnitedHealth Group Inc.	Corporate Bond	7/15/2025	3.75%	n/a	50,000	50,610	56,966	
Bank of America Corp.	Corporate Bond	8/1/2025	3.88%	n/a	50,000	49,685	56,611	
Ameriprise Financial, Inc.	Corporate Bond	10/15/2024	3.70%	n/a	50,000	51,644	55,795	
State Street Corporation	Corporate Bond	12/16/2024	3.30%	n/a	50,000	49,595	55,683	
Metlife, Inc.	Corporate Bond	4/10/2024	3.60%	n/a	50,000	50,927	55,445	
FedEx Corporation	Corporate Bond	1/15/2024	4.00%	n/a	50,000	50,658	55,393	
Prudential Financial	Corporate Bond	5/15/2024	3.50%	n/a	50,000	51,442	55,362	
Ameriprise Financial, Inc.	Corporate Bond	10/15/2023	4.00%	n/a	50,000	50,914	55,210	
McDonald's Corporation	Corporate Bond	6/10/2024	3.25%	n/a	50,000	51,460	54,923	
Bristol-Myers Squibb Company	Corporate Bond	11/1/2023	3.25%	n/a	50,000	50,975	54,393	
Whirlpool Corporation	Corporate Bond	3/1/2023	3.70%	n/a	50,000	51,205	53,689	
PepsiCo, Inc.	Corporate Bond	3/1/2023	2.75%	n/a	50,000	50,440	53,087	
UnitedHealth Group Inc.	Corporate Bond	7/15/2022	3.35%	n/a	50,000	51,285	53,069	
Cardinal Health, Inc.	Corporate Bond	3/15/2023	3.20%	n/a	50,000	50,752	52,880	
Blackrock, Inc.	Corporate Bond	6/1/2022	3.38%	n/a	50,000	50,943	52,856	
Omnicom Group Inc.	Corporate Bond	5/1/2022	3.63%	n/a	50,000	50,992	52,709	
V F Corp., Inc.	Corporate Bond	4/23/2025	2.40%	n/a	50,000	52,852	52,658	
General Electric Capital Corporation	Corporate Bond	9/7/2022	3.15%	n/a	50,000	50,750	52,362	
Celgene Corporation	Corporate Bond	8/15/2022	3.55%	n/a	50,000	51,190	52,153	
J.M. Smucker Company	Corporate Bond	10/15/2021	3.50%	n/a	50,000	50,778	51,942	
Intel Corp.	Corporate Bond	10/1/2021	3.30%	n/a	50,000	50,433	51,904	
Praxair, Inc.	Corporate Bond	9/1/2021	3.00%	n/a	50,000	50,688	51,505	
Bank of America Corp.	Corporate Bond	4/19/2021	2.63%	n/a	50,000	50,101	50,885	
Wells Fargo & Company	Corporate Bond	1/22/2021	3.00%	n/a	50,000	50,387	50,729	
Monsanto Company	Corporate Bond	7/15/2021	2.75%	n/a	50,000	50,423	50,650	
Textron Inc.	Corporate Bond	3/1/2021	3.65%	n/a	50,000	50,580	50,580	
American International Group	Corporate Bond	8/15/2020	3.38%	n/a	50,000	50,307	50,170	
McDonald's Corporation	Corporate Bond	7/15/2020	3.50%	n/a	50,000	50,380	50,055	
iShares Russell 1000 Index Fund	Equity Security	n/a	n/a	n/a	n/a	220,877	249,623	
Calvert High Yield Bond Fund	Equity Security	n/a	n/a	n/a	n/a	87,749	93,996	
Calvert Floating Rate Advantage	Equity Security	n/a	n/a	n/a	n/a	87,749	93,350	
Microsoft	Equity Security	n/a	n/a	n/a	n/a	28,367	55,151	
Alphabet Inc. CI A	Equity Security	n/a	n/a	n/a	n/a	26,411	35,451	
JPMorgan Chase & Co.	Equity Security	n/a	n/a	n/a	n/a	31,490	31,886	
Facebook CI A	Equity Security	n/a	n/a	n/a	n/a	25,019	30,427	
Home Depot Inc.	Equity Security	n/a	n/a	n/a	n/a	22,199	30,061	
Apple Inc.	Equity Security	n/a	n/a	n/a	n/a	25,693	29,549	
Mastercard	Equity Security	n/a	n/a	n/a	n/a	18,604	28,092	
PayPal Holdings Inc.	Equity Security	n/a	n/a	n/a	n/a	17,641	26,309	
SPDR S&P Biotech	Equity Security	n/a	n/a	n/a	n/a	18,567	25,637	
Walmart, Inc.	Equity Security	n/a	n/a	n/a	n/a	19,978	25,034	
Air Products & Chemicals	Equity Security	n/a	n/a	n/a	n/a	15,818	24,387	
Broadcom Inc.	Equity Security	n/a	n/a	n/a	n/a	17,672	23,986	
Adobe Inc.	Equity Security	n/a	n/a	n/a	n/a	11,478	23,942	

(Continued)

Unitarian Universalist Organizations Health Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
June 30, 2020

Employer Identification Number: 20-8079417
Plan Number: 501

(a)	(b)	(c)					(d)	(e)
		Description of Investment						
	Identity of Issue, Borrower, Lessor or Similar Party	Type of Investment	Maturity Date	Rate of Interest	Collateral	Par or Maturity Value	Cost	Current Value
	SPDR Technology Index	Equity Security	n/a	n/a	n/a	n/a	16,779	22,674
	McDonald's Corporation	Equity Security	n/a	n/a	n/a	n/a	20,626	21,952
	UnitedHealth Group Inc.	Equity Security	n/a	n/a	n/a	n/a	17,802	21,826
	Abbott Laboratories	Equity Security	n/a	n/a	n/a	n/a	13,981	20,663
	Burlington Stores, Inc.	Equity Security	n/a	n/a	n/a	n/a	16,248	20,087
	Allstate Corporation	Equity Security	n/a	n/a	n/a	n/a	17,643	19,689
	Merck & Co., Inc.	Equity Security	n/a	n/a	n/a	n/a	14,843	19,333
	Johnson & Johnson	Equity Security	n/a	n/a	n/a	n/a	16,890	19,266
	Blackrock, Inc.	Equity Security	n/a	n/a	n/a	n/a	14,844	19,043
	Nextera Energy Inc.	Equity Security	n/a	n/a	n/a	n/a	12,535	18,493
	Salesforce.com, Inc.	Equity Security	n/a	n/a	n/a	n/a	9,050	18,358
	Illinois Tool Works	Equity Security	n/a	n/a	n/a	n/a	18,532	17,660
	Thermo Fisher Scientific, Inc.	Equity Security	n/a	n/a	n/a	n/a	16,161	17,392
	Danaher Corporation	Equity Security	n/a	n/a	n/a	n/a	9,759	17,153
	American Tower REIT	Equity Security	n/a	n/a	n/a	n/a	15,163	16,805
	Northrop Grumman	Equity Security	n/a	n/a	n/a	n/a	15,437	16,602
	Procter & Gamble Company	Equity Security	n/a	n/a	n/a	n/a	11,358	16,022
	PNC Bank Corp.	Equity Security	n/a	n/a	n/a	n/a	20,474	15,992
	DFA U.S. Sustainability Core 1	Equity Security	n/a	n/a	n/a	n/a	17,304	15,932
	Walt Disney Productions	Equity Security	n/a	n/a	n/a	n/a	15,380	15,500
	Intercontexchange Group Inc.	Equity Security	n/a	n/a	n/a	n/a	12,443	15,480
	Raytheon Technologies Corp.	Equity Security	n/a	n/a	n/a	n/a	16,360	14,974
	Verizon Communications Inc.	Equity Security	n/a	n/a	n/a	n/a	12,149	14,279
	Sysco Corp.	Equity Security	n/a	n/a	n/a	n/a	14,279	14,266
	Alphabet Inc. Cl C	Equity Security	n/a	n/a	n/a	n/a	10,006	14,136
	Applied Materials	Equity Security	n/a	n/a	n/a	n/a	12,569	14,085
	Eaton Corporation, PLC	Equity Security	n/a	n/a	n/a	n/a	11,923	14,084
	Motorola Solutions Inc.	Equity Security	n/a	n/a	n/a	n/a	13,545	13,593
	Idex Corporation	Equity Security	n/a	n/a	n/a	n/a	12,505	13,433
	PepsiCo, Inc.	Equity Security	n/a	n/a	n/a	n/a	11,674	13,226
	CVS Health Corporation	Equity Security	n/a	n/a	n/a	n/a	14,778	13,124
	Analog Devices	Equity Security	n/a	n/a	n/a	n/a	8,821	13,000
	Automatic Data Processing	Equity Security	n/a	n/a	n/a	n/a	14,256	12,953
	ConocoPhillips	Equity Security	n/a	n/a	n/a	n/a	19,382	12,312
	Honeywell International Inc.	Equity Security	n/a	n/a	n/a	n/a	15,017	11,856
	Xcel Energy Inc.	Equity Security	n/a	n/a	n/a	n/a	8,617	11,250
	AT&T Inc.	Equity Security	n/a	n/a	n/a	n/a	11,017	11,004
	Calvert Income Fund	Exchange Traded Fund	n/a	n/a	n/a	n/a	448,257	467,451
	iShares Barclays 7-10 Year Treasury Bond Fund	Exchange Traded Fund	n/a	n/a	n/a	n/a	200,415	235,331
	Calvert Mid Cap Fund	Equity Security	n/a	n/a	n/a	n/a	37,486	39,105
	Federated Government Obligation Tax Managed Fund	Money Market	n/a	n/a	n/a	n/a	332,010	332,010
								<u>\$ 5,791,828</u>

Unitarian Universalist Organizations Health Plan

**Schedule H, Line 4j – Schedule of Reportable Transactions
Year Ended June 30, 2020**

Employer Identification Number: 20-8079417
Plan Number: 501

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Identity of Party Involved	Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	Purchase Price	Selling Price	Expenses Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (or Loss)
<i>Category 3 - Series of transactions in the same security exceeds 5% of value</i>							
SPDR	SPDR Portfolio Mortgage Backed Bond Fund	\$ -	\$ 217,891	\$ -	\$ 215,475	\$ 217,891	\$ 2,416
SPDR	SPDR Portfolio Mortgage Backed Bond Fund	215,457	-	-	215,475	215,457	-