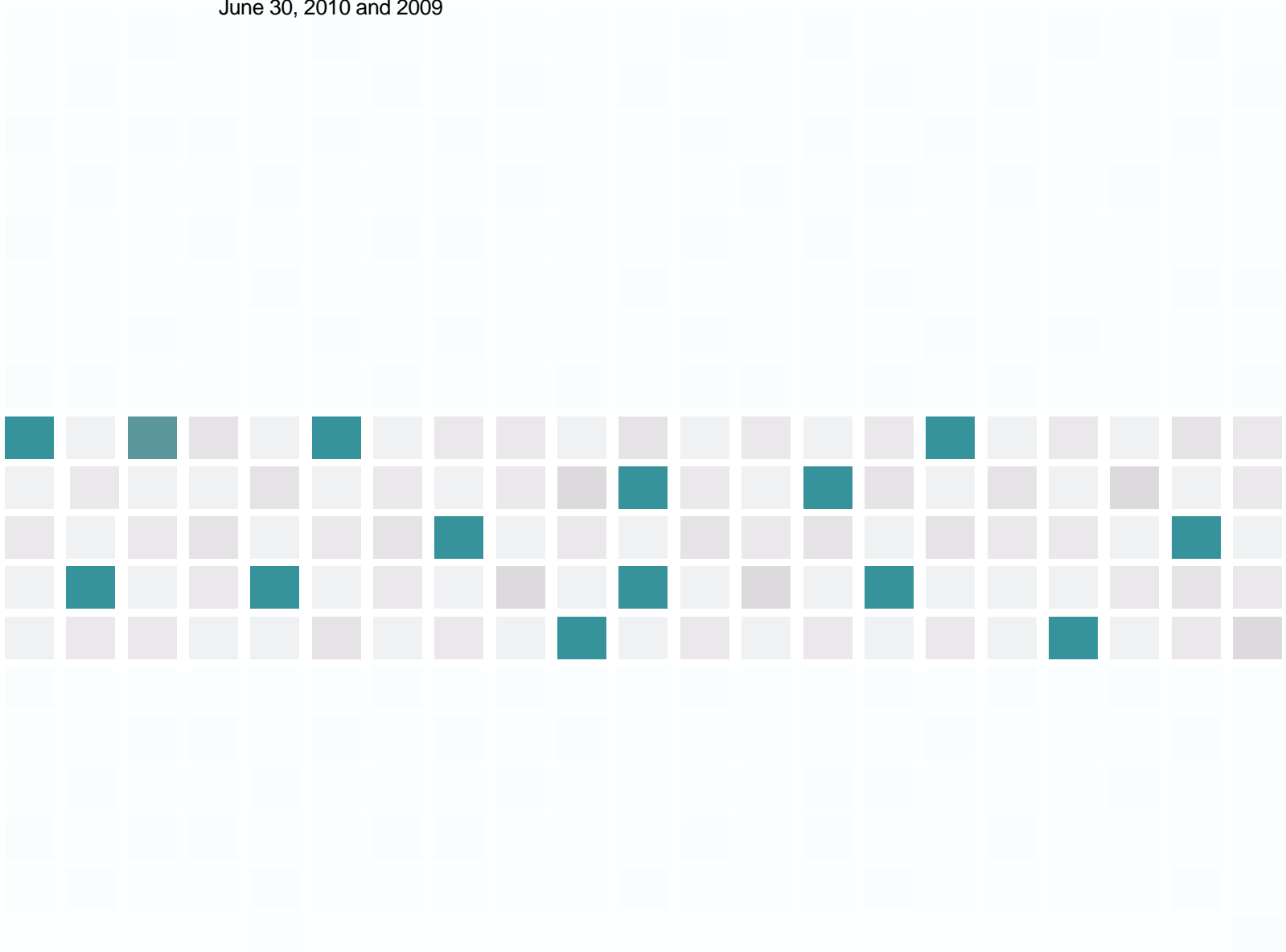


Unitarian Universalist Organizations Health Plan

Financial Statements and Supplemental Schedules

June 30, 2010 and 2009



Unitarian Universalist Organizations Health Plan

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES
June 30, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Unitarian Universalist Organizations Health Plan
Boston, Massachusetts

We have audited the accompanying statements of net assets available for benefits and of plan benefit obligations of the Unitarian Universalist Organizations Health Plan (the "Plan") as of June 30, 2010, and the related statements of changes in net assets available for benefits and of changes in plan benefit obligations for the year ended June 30, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. The statements of net assets available for benefits and of plan benefit obligations of the Unitarian Universalist Organizations Health Plan (the "Plan") as of June 30, 2009, and the related statements of changes in net assets available for benefits and of changes in plan benefit obligations for the year ended June 30, 2009, were audited by Caturano and Company, P.C., independent accountants, (certain of) whose partners merged with McGladrey & Pullen, LLP on July 21, 2010. Caturano and Company, P.C.'s report dated April 15, 2010, expressed an unqualified opinion on that statement.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the changes in its financial status for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental schedules of assets held at end of year and reportable transactions as of and for the year ended June 30, 2010 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Schedule Act of 1974. These supplemental schedules are the responsibility of the Plan's management. These supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

December 14, 2010
Boston, Massachusetts

Unitarian Universalist Organizations Health Plan

Statements of Net Assets Available for Plan Benefits

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Investments, at fair value:		
Certificates of deposit	\$ 1,934,925	\$ 2,050,602
Money markets funds	798,714	339,755
Government obligations	-	19,977
Total investments	<u>2,733,639</u>	<u>2,410,334</u>
Receivables:		
Subscribing employers	27,974	18,112
Subscribing individuals	83,924	51,953
	<u>111,898</u>	<u>70,065</u>
Other assets:		
Cash and cash equivalents	425,574	92,069
Prepaid claim deposit	144,300	105,600
	<u>569,874</u>	<u>197,669</u>
 Total assets	 <u>3,415,411</u>	 <u>2,678,068</u>
LIABILITIES		
Prepaid contributions	156,043	102,068
Accounts payable and accrued expenses	136,151	105,251
	<u>292,194</u>	<u>207,319</u>
 Total liabilities	 <u>292,194</u>	 <u>207,319</u>
 Net assets available for plan benefits	 <u>\$ 3,123,217</u>	 <u>\$ 2,470,749</u>

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

Statements of Changes in Net Assets Available for Plan Benefits

Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions to net assets attributed to:		
Investment income (loss):		
Interest income and dividends	\$ 50,594	\$ 46,487
Net appreciation (depreciation) in fair value of investments	(9,253)	27,582
	<u>41,341</u>	<u>74,069</u>
Contributions:		
Contributions from subscribing employers	5,209,003	4,552,822
Contributions from participants	1,736,334	1,493,458
Plan prescription rebate	52,637	54,642
	<u>6,997,974</u>	<u>6,100,922</u>
 Total additions	 <u>7,039,315</u>	 <u>6,174,991</u>
 Deductions from net assets attributed to:		
Benefits paid:		
Benefits paid to or on behalf of participants and beneficiaries	5,386,038	4,598,760
 Premiums paid to insurance carriers for excess loss coverage	 315,171	 363,260
Plan administration fees	368,197	338,635
Administrative expenses	230,968	218,698
Professional fees	86,473	107,303
	<u>6,386,847</u>	<u>5,626,656</u>
 Total deductions	 <u>6,386,847</u>	 <u>5,626,656</u>
 Net increase	 652,468	 548,335
Net assets available for plan benefits:		
Beginning of year	<u>2,470,749</u>	<u>1,922,414</u>
 End of year	 <u>\$ 3,123,217</u>	 <u>\$ 2,470,749</u>

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

Statements of Plan's Benefit Obligations

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Amounts currently payable:		
Claims incurred but not reported	\$ 610,100	\$ 905,305
Total obligations other than postretirement benefit obligations	610,100	905,305
Postretirement benefit obligations, net of amounts currently payable:		
Active participants fully eligible for benefits	-	-
Total postretirement benefit obligations	-	-
Plan's total benefit obligations	<u>\$ 610,100</u>	<u>\$ 905,305</u>

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

Statements of Changes in Plan's Benefit Obligations

Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Amounts currently payable:		
Balance at beginning of year	\$ 905,305	\$ 374,000
Claims reported and approved for payment, including benefits reclassified from benefit obligations, and increase in claims incurred but not reported	5,090,833	5,130,065
Claims paid	<u>(5,386,038)</u>	<u>(4,598,760)</u>
Balance at end of year	<u>610,100</u>	<u>905,305</u>
Postretirement obligations, net of amounts currently payable:		
Balance at beginning of year	-	11,000
Increase (decrease) in postretirement benefits attributable to:		
Transfers in	-	-
Transfers out	-	-
Reversal of obligation	-	<u>(11,000)</u>
Balance at end of year	<u>-</u>	<u>-</u>
Plan's total benefit obligations, at end of year	<u>\$ 610,100</u>	<u>\$ 905,305</u>

See notes to financial statements.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

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 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.

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.

Claims administration of the Plan has been delegated to Highmark Inc. ("Highmark") for medical benefits. As an outsourced contract administrator of the Plan, Highmark has discretionary authority over payment of medical claims submitted by participants. Furthermore, COBRA administration is performed by HM Benefits Administrators, an affiliate of Highmark.

Certain administrative expenses, including administrative services fees paid to Highmark, were paid directly by the Plan during the Plan years ended June 30, 2010 and 2009.

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

Plan investments are managed by Heritage Capital Management, Inc. and Charles Schwab & Co, Inc. serves the Plan as custodian of Plan investments, both as appointed by the Plan Sponsor.

Benefits

The Plan provides health insurance benefits to participants pursuant to an insurance contract with Highmark. The Plan offers three 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. As of January 1, 2009 the Plan removed the limits on the number of mental health inpatient days as well as the number of mental health.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

1. DESCRIPTION OF PLAN...continued

Benefits...continued

Also, effective January 1, 2010 the Plan eliminated cost-sharing for diagnostic services. There were no other additions or deletions of benefit for years ended June 30, 2010 and 2009.

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.

As of January 1, 2008, an eligible employee was 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. Prior to January 1, 2008, an eligible employee was defined as someone working at least 1,000 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.

As of January 1, 2008 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. Prior to January 1, 2008 an eligible retiree was required to have worked at least 1,000 hours per calendar year for a subscribing employer in five of the ten calendar years preceding the year of retirement. Subscribing employers and the eligible retirees are responsible for all current and future obligations that arise from this benefit as described in the Funding Policy note below.

Eligible dependents include the following: (i) a spouse under a legally valid marriage; (ii) through April 30, 2010 an unmarried natural, step or adopted child that is under 19 (or under age 25, unless mandated otherwise by state law, if the child is enrolled full-time as a student for 12 or more credit hours in an accredited school) and depends on the eligible subscriber (or his or her spouse or domestic partner) for more than half of their financial support or of any age if the child or children are physically or mentally incapable of caring for themselves due to certain disabilities was allowed to participate in the Plan. Effective May 1, 2010 the Plan was amended to allow coverage for children to age 26, regardless of their dependent status; 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."

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

1. DESCRIPTION OF PLAN...continued

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") 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 2008	\$ 150,000	\$ 850,000	\$ 1,000,000
Calendar year 2009	\$ 200,000	\$ 800,000	\$ 1,000,000
Calendar year 2010	\$ 200,000	\$1,000,000	\$ 1,800,000

The Plan has not experienced claim losses at a per participant level in excess of the deductible per participant level during the Plan's years ended June 30, 2010 and June 30, 2009.

Administrative Expenses

The Plan absorbs all administrative expenses of the Plan, such as services provided by employees of the UUA to the Plan, rent, audit fees, consulting fees and legal fees. Expenses paid directly by the Plan include those related to third-party claims administration, actuarial services, and COBRA coverage under the Plan. Plan administration fees for services provided by Highmark are paid directly by the Plan.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

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 Company'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 cash payments. As of June 30, 2010, the Plan Sponsor has not determined whether the Plan's benefits are actuarially equivalent to the Medicare Part D program and has not received a subsidy under the Act. Accordingly, the change in the benefit obligations does not reflect any amount associated with the Medicare subsidy because the Plan is not directly entitled to the Medicare subsidy.

Cash and Cash Equivalents

Cash and cash equivalents are securities which mature within 90 days and are held in bank deposit accounts. The Plan believes that it is not exposed to any significant credit risk as bank deposit accounts do not exceed federally insured limits.

Receivables

Receivables at June 30, 2010 and June 30, 2009 total \$111,898 and \$70,065 and represent amounts due from subscribing employer congregations and participants for contributions to the Plan.

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 claims 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
June 30, 2010 and 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Valuation of Investments and Income Recognition

The Plan's investments are stated 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. See Note 5 for discussion of fair value measurements. If available, quoted market prices are used to value investments. The amounts shown for investments that have no quoted market price represent estimated fair values. 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 (depreciation) 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 event that a subscribing employer or subscribing individual was to terminate coverage the Plan would be required to reimburse the participants.

Claims Incurred But Not Reported

Plan obligations at June 30, 2010 and 2009 for 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 \$610,100 and \$905,305 of estimated claims incurred but not reported for all active participants at June 30, 2010 and 2009, respectively.

3. NEW ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board (the "FASB") approved the FASB Accounting Standards Codification (the "Codification") as a single source of authoritative nongovernmental U.S. Generally Accepted Accounting Principles ("GAAP") to be launched on July 1, 2009. The Codification does not change current GAAP, but is intended to simplify user access to all authoritative GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered nonauthoritative. The Codification is effective and has been adopted by the plan as of June 30, 2010. The Codification does not have an impact on the plan's financial condition or results of operations. However, because the Codification completely replaces existing standards, it will affect the way GAAP is referenced within the financial statements.

The Financial Accounting Standards Board issued new guidance on accounting for uncertainty in income taxes. The Plan adopted this new guidance for the year ended June 30, 2010. Management 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 adjustment to 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 the years before June 30, 2007.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

3. NEW ACCOUNTING PRONOUNCEMENTS...continued

In May 2009, the FASB issued additional guidance addressing the accounting and disclosures of subsequent events not addressed in other pronouncements which require entities to address the accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued.

In January 2010, the FASB issued an amendment that requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment was effective and adopted for periods beginning on or after December 15, 2009. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010. Management is currently evaluating the impact of the guidance on financial statement disclosures.

In April 2009, FASB issued new guidance for *"Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased"*. This provides additional guidance on estimating the fair value of an asset where the level of activity has decreased significantly, and affirms that the objective fair value is the price that would be received to sell the asset in an orderly transaction, even when the market for the asset is not active. The Plan adopted the guidance effective June 30, 2010.

4. INVESTMENTS

The following table presents the fair value of Plan investments at June 30, 2010 and 2009. Investments that represent five percent or more of the Plan's net assets are identified separately.

	<u>2010</u>	<u>2009</u>
Investments at fair value as determined by quoted market price:		
Money market funds:		
Charles Schwab Govt. Money Fund	\$ <u>798,714</u>	\$ <u>339,755</u>
Investments at estimated fair value:		
Government obligations*	<u>-</u>	<u>19,977</u>
Certificates of deposit:		
First Bank of Puerto Rico N.A. *	-	200,000
GreenBack N.A.*	-	200,000
GMAC Bank of Utah N.A.*	-	199,700
American Express Cent Bank	200,490	-
GE Money Bank N.A.	200,000	-
Greystone Bank N.A.	199,700	-
Other	<u>1,334,735</u>	<u>1,450,902</u>
	<u>1,934,925</u>	<u>2,050,602</u>
Total investments at fair value	<u>\$ 2,733,639</u>	<u>\$ 2,410,334</u>

* Did not represent 5% of plan assets in 2010

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

4. INVESTMENTS...continued

During the years ended June 30 2010 and 2009, the Plan's investments (including investments bought, sold, as well as held, during the year) appreciated (depreciated) in fair value as follows:

	<u>2010</u>	<u>2009</u>
Net appreciation (depreciation) in fair value:		
Investments at estimated fair value:		
Certificates of deposit	\$ <u>(9,253)</u>	\$ <u>27,582</u>
	<u>\$ (9,253)</u>	<u>\$ 27,582</u>

5. FAIR VALUE DISCLOSURE

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.

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.

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

5. FAIR VALUE DISCLOSURE...continued

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, 2010 and 2009.

Money Market Fund

The money market fund is valued at the quoted net asset value (NAV) of shares held by the Plan. These securities are categorized in Level 1 of the fair value hierarchy as they are actively traded and no valuation adjustments have been applied.

Certificates of Deposit

Certificates of deposit are priced using pricing models which consists of a compilation of inputs from observable market information including broker quotes, recent trades, supply information, benchmark yields (treasury curves) and security specific historic 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 Obligations

Government obligations 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 table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2010 and 2009.

Assets at fair value at June 30, 2010:

	Balance As of June 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 798,714	\$ 798,714	\$ -	\$ -
Certificates of deposit	<u>1,934,925</u>	<u>-</u>	<u>1,934,925</u>	<u>-</u>
Total investments at fair value	<u>\$ 2,733,639</u>	<u>\$ 798,714</u>	<u>\$ 1,934,925</u>	<u>\$ -</u>

Unitarian Universalist Organizations Health Plan

Notes to Financial Statements
June 30, 2010 and 2009

5. FAIR VALUE DISCLOSURE...continued

Government Obligations...continued

Assets at fair value at June 30, 2009:

	Balance As of June 30, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 339,755	\$ 339,755	\$ -	\$ -
Certificates of deposit	2,050,602	-	2,050,602	-
Government obligations	19,977	-	19,977	-
	<u>\$ 2,410,334</u>	<u>\$ 339,755</u>	<u>\$ 2,070,579</u>	<u>\$ -</u>
Total investments at fair value	<u>\$ 2,410,334</u>	<u>\$ 339,755</u>	<u>\$ 2,070,579</u>	<u>\$ -</u>

Level 3 Gains and Losses

The Plan held no level 3 assets during the years ended June 30, 2010 and 2009.

6. 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 Sponsor has obtained a favorable tax determination letter, dated March 12, 2009, from the Internal Revenue Service and the Sponsor believes that the Trust, as amended, continues to qualify and operate as designed.

7. PARTY-IN-INTEREST TRANSACTIONS

Plan administration is performed by the employees of the UUA and the Plan is charged at cost for the services provided to the Plan. Such expenditures are reviewed and approved annually by the Trustees. Plan administration expenses totaled \$230,968 and \$218,698 for the years ended June 30th, 2010 and 2009, respectively. Additionally, investments of the Plan include a money market fund managed by Charles Schwab, the custodian of the Plan. These transactions qualify as party-in-interest transactions as that term is defined in Section 3(14) of ERISA.

8. PLAN TERMINATION

Although the Plan Sponsor and 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
June 30, 2010 and 2009

9. PLAN BENEFIT OBLIGATIONS AND CHANGES IN PLAN BENEFIT OBLIGATIONS

During 2009 the Plan Sponsor, with the advice from the Plan's Actuary, determined that postretirement benefit obligations related to the Plan were the responsibility of subscribing employers and not of the Plan and therefore no postretirement benefit obligation existed at June 30, 2010 and 2009.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the accompanying June 30, 2010 and 2009 financial statements to the Form 5500:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statement	\$ 3,123,217	\$ 2,470,749
Less – amounts payable at end of year	<u>(610,100)</u>	<u>(905,305)</u>
Net assets available for benefits per Form 5500	<u>\$ 2,513,117</u>	<u>\$ 1,565,444</u>

The following is a reconciliation of the net increase per the financial statements to the net increase per the Form 5500 for the plan year ended June 30, 2010:

	<u>2010</u>	<u>2009</u>
Net increase per the financial statements	\$ 652,468	\$ 548,335
Claims incurred but not reported 2010	(610,100)	-
Claims incurred but not reported 2009	<u>905,305</u>	<u>(905,305)</u>
Net increase (decrease) per Form 5500	<u>\$ 947,673</u>	<u>\$ (356,970)</u>

Amounts currently payable to or for participants, beneficiaries and dependents are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to the last day of June but not yet paid as of that date.

11. 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 statement of net assets available for benefits.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through December 14, 2010, the date which the financial statements were available to be issued. There were no additional matters requiring accrual or disclosure in the financial statements.

SUPPLEMENTAL SCHEDULES

Unitarian Universalists Organizations Health Plan

Employer Identification Number 20-8079417

Plan Number 501

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

June 30, 2010

(a)	(b)	(c) Description of Investment					(d)	(e)
Identity of Issue, Borrower, Lessor or Similar Party	Type of Investment	Maturity Date	Rate of Interest	Collateral	Par or Maturity Value	Cost	Current Value	
* Schwab Government Money Fund	Money Market	n/a	n/a	n/a	n/a	\$ 798,714	\$ 798,714	
American Express Century Bank	Certificate of Deposit	03/16/2011	1.00%	n/a	200,000	200,000	200,490	
GE Money Bank National Association	Certificate of Deposit	10/22/2010	0.80%	n/a	200,000	200,000	200,000	
Greystone Bank National Association	Certificate of Deposit	09/18/2010	0.50%	n/a	200,000	200,000	199,700	
Bank of Hampton	Certificate of Deposit	10/22/2010	0.85%	n/a	150,000	150,000	150,050	
GE Money Bank National Association	Certificate of Deposit	07/05/2011	2.10%	n/a	120,000	120,000	121,537	
Johnson Bank National Association	Certificate of Deposit	03/09/2011	2.35%	n/a	100,000	100,000	101,146	
Riverbank Minnesota National Association	Certificate of Deposit	03/14/2011	2.30%	n/a	100,000	100,000	101,139	
Hillcrest Bank	Certificate of Deposit	01/13/2011	2.30%	n/a	100,000	100,000	100,876	
Bank of America	Certificate of Deposit	10/22/2010	1.70%	n/a	100,000	100,000	100,328	
Ally Bank GMAC National Association	Certificate of Deposit	01/21/2011	0.50%	n/a	100,000	100,000	99,800	
Branch Banking National Association	Certificate of Deposit	07/08/2010	1.00%	n/a	100,000	100,000	99,800	
Discover Bank National Association	Certificate of Deposit	08/08/2011	4.55%	n/a	90,000	90,000	93,606	
Cole Taylor Bank National Association	Certificate of Deposit	12/13/2010	4.00%	n/a	90,000	90,000	91,333	
Lehman Commercial Bank	Certificate of Deposit	08/06/2010	4.25%	n/a	100,000	100,000	90,173	
New South Federal Bank	Certificate of Deposit	08/30/2010	4.20%	n/a	80,000	80,000	79,982	
Alliance Bank AZ	Certificate of Deposit	11/04/2010	0.96%	n/a	55,000	55,000	54,945	
Cathay Bank National Association	Certificate of Deposit	05/02/2011	0.75%	n/a	50,000	50,000	50,020	
							<u>\$ 2,733,639</u>	

* Represents a party-in-interest to the Plan

Unitarian Universalists Organizations Health Plan

Employer Identification Number 20-8079417

Plan Number 501

Schedule H, Line 4j - Schedule of Reportable Transactions
Year End June 30, 2010

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expenses Incurred	(g) Cost of Asset	(h) Current Value	(i) Net Gain (Loss)
Category 1 - Single transaction exceeds 5% of value								
Charles Schwab & Co., Inc.	American Express Century Bank	\$ 200,000	\$ -	n/a	n/a	\$ 200,000	\$ 200,490	\$ 490
Charles Schwab & Co., Inc.	GE Money Bank National Association	\$ 200,000	\$ -	n/a	n/a	\$ 200,000	\$ 200,000	\$ -
Charles Schwab & Co., Inc.	Greystone Bank National Association	\$ 200,000	\$ -	n/a	n/a	\$ 200,000	\$ 199,700	\$ (300)
Charles Schwab & Co., Inc.	GMAC Bank Utah	\$ -	\$ 200,000	n/a	n/a	\$ 200,000	\$ -	\$ -
Charles Schwab & Co., Inc.	Greenback National Association	\$ -	\$ 200,000	n/a	n/a	\$ 200,000	\$ -	\$ -
Category 3 - Series of transactions in the same security exceeds 5% of value								
Charles Schwab & Co., Inc.	FirstBank of Puerto Rico FDIC Insured	\$ 200,000	\$ -	n/a	n/a	\$ 200,000	\$ 200,000	\$ -