Treasurer’s Report
to the Board of Trustees

April 17, 2010

Tim Brennan
Treasurer & Chief Financial Officer
Outline

- Transitions
- Building loan program line of credit
- UU Common Endowment Fund
- Retirement Plan
- Independent audits
- Shareholder advocacy
- Priorities
Transitions

Karen Wheeler, Controller
- Director of finance and administration – MassEquality
- MBA, CPA
- 4 years in public accounting
- 10 years at IBM
- 10 years in nonprofit financial management
- Starts April 26 - Audit Committee Meeting
# Building Loan Line of Credit

<table>
<thead>
<tr>
<th>Old terms</th>
<th>New terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-year treasury + 1% (+2% to borrower)</td>
<td>7-year treasury + 2% (+3% to borrower)</td>
</tr>
<tr>
<td>Current rate to borrower = 5.28%</td>
<td>Current rate to borrower = 6.28%</td>
</tr>
<tr>
<td>No minimum rate</td>
<td>Minimum rate of 4.75%</td>
</tr>
<tr>
<td>No prepayment penalty</td>
<td>Prepayment penalty declining over time</td>
</tr>
<tr>
<td>One year term</td>
<td>Two-year term</td>
</tr>
</tbody>
</table>
## UUA Invested Funds

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>March 2009</th>
<th>March 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Plan</td>
<td>128</td>
<td>175</td>
</tr>
<tr>
<td>UUCEF</td>
<td>85</td>
<td>119</td>
</tr>
<tr>
<td>Holdeen Trusts</td>
<td>23</td>
<td>29</td>
</tr>
</tbody>
</table>
**UUCEF “Flash” Performance Report**  
Periods Ending 3/31/10

<table>
<thead>
<tr>
<th></th>
<th>Last Month</th>
<th>YTD</th>
<th>Fiscal YTD (June)</th>
<th>Last Year</th>
<th>Last 3 Years</th>
<th>Last 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite</td>
<td>4.3%</td>
<td>3.4%</td>
<td>22.5%</td>
<td>39.1%</td>
<td>1.8%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Composite - Net</td>
<td>4.2%</td>
<td>3.1%</td>
<td>21.6%</td>
<td>38.0%</td>
<td>0.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Allocation Index</td>
<td>4.1%</td>
<td>3.7%</td>
<td>20.7%</td>
<td>37.5%</td>
<td>1.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Market Value</td>
<td>$119,277,242</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Prepared by NEPC.*

- The Endowment’s +4.3% return in the fourth quarter of 2009 ranked in the 9th percentile of the custom universe of like-sized endowments.
- In 2009, the Endowment’s +28.2% return ranked in the 8th percentile of the custom universe.
- Three-, and five-year returns ranked in the top quartile of the custom universe.
New UUCEF Fund Managers

- 5% international equity allocation to:
  - Boston Common Asset Management
  - Global Currents
- Both SRI managers
- Approximately 50% of UUCEF subject to values screens
UU Organizations Retirement Plan

- “The UUA’s primary responsibility is to provide a quality retirement plan. So it is a ‘business decision.’ But, for us, the values of providers figure in our business decisions, most especially if there is comparability of service and cost.” – Bill Sinkford

- Three issues:
  1. Capability of firm to provide excellent service
  2. Fund selection, performance, and fees
  3. Alignment with UU values

- Every concern addressed
- Fiduciary oversight improved
Independent audits

- UU Organizations Health Plan
  - FY08 audit issued April 12 (adiós KPMG)
  - FY09 audit issued April 15 (Caturano)
  - Form 5500 filed April 15

- Selection of new auditors for UUA
  - CBIZ Tofias/Mayer Hoffman McCann
Shareholder Advocacy

- 12 resolutions on Global Warming, Executive Compensation, Gender Identity/Expression non-discrimination; Human Rights (co-file at Chevron)
- Global Warming: Withdrew at Alpha (Foundation Coal)*, vote at SunTrust Bank
- SOGIND: Agreement with Travelers*, Home Depot*; votes at Verizon, Wal-Mart, Conoco
- Exec Comp: Agreement at Bristol Myers*; votes at EMC, Abbott Labs, State Street

* Dialogue with management
Top Priorities

- Bringing new controller up to speed
- Revamp chart of accounts
- Implement budgeting software
- UUCEF – improve quarterly reporting
- Retirement plan conversion
- Fiduciary oversight of retirement plan