

9:00 – 9:30	Check In Without observers	
9:30 – 9:45	Opening Worship	Andy Burnette
9:45 – 10:00	Approval of Consent Agenda	Jim Key
10:00 – 10:20	Appointments Committee Report	Tim Atkins
10:20 – 10:40	President's Report	Peter Morales
10:40 – 10:55	Break	
10:55 – 11:10	Moderator's Report (including discussion/approval of Jan. 2018 meeting location)	Jim Key
11:10 – 11:40	General Assembly <ul style="list-style-type: none"> <li>• 2017 GA Fees</li> <li>• Bylaw changes</li> <li>• Program slots</li> <li>• 2020 Location</li> </ul>	Jim Key
11:40 – 11:55	Renewing the Covenant Task Force	Kathy Burek
11:55 – 12:15	Commission on Social Witness	Susan Goekler
12:15 – 1:00	Lunch	
1:00 -1:15	Journey Toward Wholeness Transformation Committee	Wendy von Courter
1:15 – 1:35	Regional Leaders' Group	Mary Lu Love
1:35 – 1:45	Vice Moderator's Report	Denise Rimes
1:50 – 2:05	Communications/Linkage Working Group	Christina Rivera
2:05 – 2:15	Congregational Boundaries Working Group	Denise Rimes
2:15 – 2:45	Secretary's Report	Rob Eller-Isaacs
2:45 – 3:00	Break	
3:00 – 3:15	Committees and Appointments Working Group	Tim Atkins
3:15– 3:45	Governance Working Group	Andy Burnette
3:45 – 4:00	Inclusion and Empowerment Working Group	Patrick McLaughlin

4:00 – 4:15	Board Actions to Report	
4:15 – 4:45	Process Observations	Dorothy Holmes
4:45 – 5:00	Closing words	Dick Jacke
6:00 – 7:00	Dinner at 24 Farnsworth	
7:00 – 7:30	Vespers	Rob Eller-Isaacs



BOARD OF TRUSTEES  
MEETING AGENDA  
*SATURDAY, JANUARY 28, 2017*

24 Farnsworth Street  
Boston, Massachusetts

9:00 – 9:15	Opening Words	Patrick McLaughlin
9:15 – 10:15	Generative Discussion (Bylaws Study Commission)	Jim Key
10:15 – 10:45	Treasurer's Report / Audit Update	Sean Rush Tim Brennan
10:45 – 11:00	Break	
11:00 – 11:15	Financial Advisor's Report	Lucia Santini Field
11:15 – 11:35	APF Task Force Update	Larry Ladd Mary Katherine Morn
11:35 – 12:00	Stewardship & Development	Mary Katherine Morn
12:00 – 12:45	Lunch	
12:45 – 1:30	Executive Session	Jim Key
1:30 – 2:30	Duty of Care Responsibilities (mini training session)	Jim Key Tom Bean
2:30 – 2:35	Financial Secretary's Report	Christina Rivera
2:35 – 2:50	Break	
2:50 – 3:30	BLUU Update/Funding	Jim Key Mary Katherine Morn
3:45 – 4:15	Motions and Action Items	Denise Rimes
4:15 – 4:45	Board Actions to Report	Christina Rivera
4:45 – 5:00	Process Observations	Sarah Dan Jones
5:00 – 5:10	Closing Reading	Jim Key
5:10	Adjourn	

Changes in Congregational Status  
January 2017 UUA Board of Trustees Meeting

**ITEMS FOR INFORMATION, AND REPORTING TO THE BOARD:**

SunPoint Farm (Derry, NH) has been accepted as a Covenanting Community

Castle Rock Unitarian Universalist Community (Sedalia, CO) has been accepted as a Covenanting Community.

Ann Arbor Unitarian Fellowship (Ann Arbor, MI) has dissolved.

The Hattiesburg Fellowship (Hattiesburg, MS) has dissolved.

**Formerly:** Atkinson Memorial Church (Oregon City, OR)  
**Now Known As:** UU Congregation at Willamette Falls



Brent Lewis  
Administrator, Congregational Life

## **MINUTES**

### **FIFTY-THIRD GENERAL ASSEMBLY OF THE UNITARIAN UNIVERSALIST ASSOCIATION HELD IN PROVIDENCE, RHODE ISLAND**

The General Assembly was convened on Wednesday, June 25, 2014, at 7:30 p.m. by Moderator Jim Key at the Rhode Island Convention Center, Providence, Rhode Island.

The Assembly adopted, by a vote of two-thirds or more, Rules of Procedure for the conduct of the meeting.

One new congregation was recognized as having entered into membership in the Unitarian Universalist Association during the past year: 2013.

The Assembly received written, and in some cases oral, reports from the President, the Moderator, the UUA staff, the Treasurer, the Financial Advisor, the Secretary, the Board of Trustees, the General Assembly Planning Committee, the Commission on Appraisal, the Commission on Social Witness, the Presidential Search Committee, Beacon Press, the Journey Toward Wholeness Transformation Committee, the Nominating Committee, the Unitarian Universalist Service Committee, and the Unitarian Universalist Women's Federation.

On the basis of an initial report by the Secretary of the Association, a quorum was declared present from the time the meeting was called to order.

Members of the Distinguished Service Award Committee presented the 2014 Award for Distinguished Service to the Cause of Unitarian Universalism to the Rev. Dr. Kenneth Torquil MacLean.

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## **Proposed CSAI: Renewing and Securing Our American Democracy**

### **Issue and Grounding in Unitarian Universalism**

- Negative campaigning,
- Voter suppression efforts,

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- Huge infusions of cash from super-rich donors and narrow special interests into our election and political processes,
- Hyper-partisan politics,
- The alienation of ordinary citizens,
- Decreasing voter turnout,
- The erosion of our civil liberties,

—All contribute to a growing fear that our American democracy and government of, by and for the people are in jeopardy.

What can we Unitarian Universalists—with our commitment to justice, equity and the use of the democratic process in society at large—do to protect, renew, secure and further democracy in America?

### **Topics for Congregational Study**

- Stop or restrict virtually unlimited contributions to political campaigns; if so, how?
- Publicly finance campaigns
- Support the “people’s pledge” by candidates to keep “outside money” out of campaigns
- Require much greater education in our public schools in the areas of civics, economics, current events, foreign affairs, international organizations
- Schedule a national voter information holiday one week before each federal election; would such a holiday, properly structured, promote “positive” campaigning?
- Oppose voter suppression efforts
- Support the National Popular Vote (for President) campaign
- Determine and advocate whether, and how, we can have security without sacrificing our civil liberties

### **Possible Congregational / District Actions**

- grassroots organizing
- legislative lobbying
- registration of voters
- develop and publish educational guides and hold pertinent educational and informational sessions
- host candidate forums
- support the establishment of independent, non-partisan boards to accomplish political redistricting
- work with groups such as Common Cause, National Popular Vote, ACLU, etc.
- support full restoration of the Voting Rights Act
- hold “brainstorming” sessions that would encourage people to think “outside the box” as to possible ways we can renew and secure our democracy

### **Related Prior Social Witness Statements**

- “Amend the Constitution: Corporations are not Persons and Money is not Speech” (Action of Immediate Witness, 2013);
- “Oppose Citizens United—Support Free Speech for People” (AIW, 2011);
- “Advocate Pending Legislation Toward Clean, Honest, and Fair Elections in the United States” (AIW, 2009);
- “Defending and Expanding Freedom of the Airwaves” (AIW, 2005);
- “Civil Liberties” (Statement of Conscience, 2004);
- “Electronic Voting” (AIW, 2004)

## **Proposed CSAI: Gun Violence: A Public Health Issue**

### **Issue**

Since 1963 166,500 children and teenagers have lost their lives to guns. That is an average of 3,470 deaths every year for 50 years. The number of children and teens killed by guns since 1963 is three times as great as the number of personnel killed in action in the Vietnam, Afghanistan, and Iraq wars combined. That is an average of eight children a day.

Every time a tragedy like Newtown occurs the gun industry would have us ask ourselves, “How did this happen?” The events of Newtown, Aurora, Columbine, Seattle, Fort Hood, Virginia Tech, Wisconsin and oh, so many more are not isolated. They are the direct result of the NRA’s perpetration to sell more guns, to make guns more accessible, to reduce the restrictions on gun purchasing. It is all about the selling of guns and creating new markets for guns.

We are in the midst of an epidemic of violence fueled by the gun industry. The problem of gun violence is a public health issue. We can approach the situation the same way we challenged the tobacco industry, namely by exposing the facts. Because of the facts we have learned to wear seat belts, we have safer highways. We have learned the dangers of smoking, and that foods and drugs need to be regulated.

It is our right as citizens to have access to this data and to all facts regarding consumer products. It is how we make informed decisions. It is unbelievable to me that guns and firearms are not regulated by the Consumer Product Safety Act. The gun industry has strategically protected itself from the consequences of its very harmful products. Let’s learn the facts and take on the national gun industry.

### **Grounding in Unitarian Universalism**

As our first UU Principle states, we affirm the worth and dignity of all people. We are called to action on behalf of the innocent victims of gun violence.

### **Topics for Congregational Study**

- What are the cultural factors that contribute to gun violence?
- How is the second amendment used to justify current gun laws?

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- What are the laws and policies of other nations in regard to gun laws?
- How does the culture of violence affect the lives of children?
- What is the relationship between gun violence and unaddressed mental health issues?

### **Possible Congregational / District Actions**

- Work with state and federal legislators to pass common sense gun laws.
- Work to create a federal agency to collect, integrate all data regarding gun crimes.
- Schedule a series of forums to educate the public about this issue.
- Initiate programs that support families affected by gun violence.
- Establish local vigils to build community awareness of this issue.
- Incorporate a time in your church services to remember victims of gun violence.
- Create study groups to educate and book clubs to educate and reflect on gun violence.

### **Related Prior Social Witness Statements**

- In 1972, 1976, 1991, 200, and 2004, the Unitarian Universalist General Assembly passed resolutions supporting commonsense gun laws.

### **Additional Documentation**

#### **Sources**

- Diaz, Tom; *"The Last Gun"*, The New Press, New York, 2013
- Edelman, Marion Wright, *Network Connection*, Second Quarter 2013
- Palfrey, Judith S. MD and Palfrey, Sean MD *"Preventing Gun Death in Children"* New England Journal of Medicine
- Hemnway, David Phd, and Miller Matthew MD, *"Public Health Approach to Prevention of Gun Violence"*; New England Journal of Medicine 2013

#### **Other Groups**

- [Mayors Against Illegal Guns](#)
- [Moms Demand Action](#)
- [UU Mass Action](#)
- [Violence Policy Center](#)

## **Proposed CSAI: Escalating Inequality**

### **Issue**

Upward mobility—the American Dream—has become a myth. Concentration of wealth and power has skyrocketed. King's dream of justice and equality has fractured. Half of all Americans are impoverished or struggling, as the middle class shrinks and billionaires take the profits. Where's our commitment to the Common Good?



### **Grounding in Unitarian Universalism**

Our Unitarian Universalist (UU) tradition places its faith in people to create a more loving community for all, guided by “justice, equity, and compassion in human relations”. Challenging extreme inequality has now become a moral imperative, just as prior generations have led movements from abolition to civil rights and marriage equality.

### **Topics for Congregational Study**

- What do the numbers show about the expansion of extreme wealth and increase in struggling households?
- What are the lessons to be learned from the history of movements for economic justice, here and abroad, dating back to the last Gilded Age?
- How are social classes formed and what practices will help us transcend class barriers in our congregations and communities?
- What do studies say about the indirect social outcomes of growing economic inequality? These include hidden effects on hierarchy, discrimination, segregation, minorities, physical and mental health, education, violence, punishment, political polarization, and public services.
- Study root causes of inequality, such as corporate globalization, “free trade”, outsourcing, privatization, tax shifting and evasion, subsidies and bailouts, monopoly, suppression of labor, money in politics, “externalizing” social and environmental costs, “free market” / libertarian ideologies, deregulation, unlimited income / wealth.
- Where to begin: Money out of politics, minimum / living wages, debt servitude / predatory lending. Justice and fairness in taxes and trade. Re-regulate Wall Street and empower workers. Grow opportunity through better healthcare, education, public services, cooperatives, media, and democracy. Develop a deeper understanding of classism.
- Distinguishing among the moral, social, economic, political, and sustainability implications of inequality, imagine a new strategy for the Common Good - “caring and sharing” on a societal level.

### **Possible Congregational / District Actions**

- Collect current and historical resources on inequality, written and online, from here and abroad.
- Enlighten yourselves via discussion / film / study groups on the effects, causes, and history of inequality.
- Develop a variety of spiritual experiences to inspire UUs to transcend barriers of class.
- Organize action agendas on select issues, networking with other congregations and allied secular and interfaith groups. Collaborate, as feasible, with UU organizations like state Legislative Networks, UUJEC, and UUSC.
- Join to develop a vision of the common good that animates a movement toward sustainable well-being for all, to reduce demands on the earth’s resources, and to nourish the soul by sharing life’s essentials.

### **Related Prior Social Witness Statements**

- AIW: Amend the Constitution: Corporations are not Persons and Money is not Speech (2013)
- AIW: Raise the Federal Minimum Wage to \$10 in 2010 ( 2008)
- AIW: Single Payer Health Care (2008)
- AIW: End Present Day Slavery in the Fields (2008)
- AIW: Support Immigrant Justice (2006)
- AIW: Support for the Millennium Development Goal One: Ending Extreme Poverty (2005)
- SOC: Economic Globalization (2003)
- SOC: Economic Injustice, Poverty, and Racism: We Can Make a Difference (2000)
- GR: Working for a Just Economic Community (1997)
- GR: A Job, A Home, A Hope (1995)

### **Endorsing Congregations**

- Unitarian Church of Evanston IL
- First UU Church of San Diego CA
- Unitarian Church of Staten Island NY

### **Attached Documentation**

#### **Sampling of Books / Websites / Videos**

- *The Spirit Level—Why Greater Equality Makes Societies Stronger* by Richard Wilkinson and Kate Pickett
- Film “[Inequality for All](#)” featuring by Robert Reich
- *Beyond Outrage* by Robert Reich
- Talk “[Capitalism Hits the Fan](#)” by Richard D. Wolff
- [Animated website](#) by the Economic Policy Institute
- *The Price of Inequality—How Today's Divided Society Endangers Our Future* by Joseph Stiglitz
- Project Syndicate: [Zombie Growth](#)
- [99 to 1 - How Wealth Inequality Is Wrecking the World and What We Can Do About It](#) by Chuck Collins
- [Videos](#) by Chuck Collins, Richard Wilkinson, and more
- [The End of Growth](#)—*Adapting to Our New Economic Reality* by Richard Heinberg
- *The End of Growth* by Jeff Rubin
- *Nickled and Dimed: On (Not) Getting By in America* by Barbara Ehrenreich
- [The Transition Companion](#)—*Making Your Community More Resilient in Uncertain Times* by Rob Hopkins
- *The Great Divergence—America's Inequality Crisis and What We Can Do About It* by Timothy Noah
- [People Like Us](#), a PBS series on social class with teacher's guide
- [Class Matters](#)

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- *The Economics of Good and Evil—The Quest for Economic Meaning from Gilgamesh to Wall Street* by Tomas Sedlacek
- *Agenda for a New Economy* by David Korten
  - *America Beyond Capitalism—Reclaiming our Wealth, our Liberty, and our Democracy* by Gar Alperovitz [Gar Alperovitz's Green Party Keynote \(video\)](#)
- *The Wal-Mart Effect: How the World's Most Powerful Company Really Works and How It's Transforming the American Economy* by Charles Fishman
- *The Global Class War* by Jeff Faux
- *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism* by Ha-Joon Chang
- *23 Things They Don't Tell You About Capitalism* by Ha-Joon Chang
- *The Inheritance: How Three Families and the American Political Majority Moved from Left to Right* by Samuel G. Freedman
- [Prosperity Economics \(PDF\)](#): *Building An Economy for All* by Jacob S. Hacker and Nate Loewentheil
- *Billionaire's Ball: Gluttony and Hubris in an Age of Epic Inequality* by Linda McQuaig and Neil Brooks
- *Reimagining Equality: Stories of Gender, Race, and Finding Home* by Anita Hill
- *Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes* by Chuck Collins and William H. Gass
- *Bridging the Class Divide: And Other Lessons for Grassroots Organizing* by Linda Stout
- *"They Take Our Jobs!": And 20 Other Myths About Immigration* by Aviva Chomsky
- *(Not) Keeping Up With Our Parents: The Decline of the Professional Middle Class* by Nan Mooney
- *Big-Box Swindle: The True Cost of Mega Retailers and the Fight for America's Independent Businesses* by Stacy Mitchell
- *Social Insecurity: 401(k)s and the Retirement Crisis* by James W. Russell
- *The Missing Class: Portraits of the Near Poor in America* by Katherine Newman and Victor Tan Chen
- *Traveling Light: On the Road with America's Poor* by Kath Weston
- *The Student Loan Scam: The Most Oppressive Debt in U.S. History—and How We Can Fight Back* by Alan Michael Collinge
- *The Great Risk Shift: The New Economic Insecurity and the Decline of the American Dream* by Jacob Hacker
- *Winner-Take-All Politics: How Washington Made the Rich Richer -- and Turned Its Back on the Middle Class* by Jacob Hacker and Paul Pierson
- *Unequal Democracy: The Political Economy of the New Gilded Age* by Larry Bartels
- *Affluence and Influence: Economic Inequality and Political Power in America* by Martin Gilens
- *Ill Fares the Land* by Tony Judt

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- *Who Rules America? The Triumph of the Corporate Rich* by William Domhoff
- *The Big Squeeze: Tough Times for the American Worker* by Steven Greenhouse

### **Sampling of Organizations**

- [Unitarian Universalists for a Just Economic Community](#)
- [Unitarian Universalist Service Committee](#)
- [United for a Fair Economy](#)
- [Institute for Policy Studies](#)
- [Economic Policy Institute](#)
- [Equality Trust](#)
- [Post Carbon Institute](#)
- [Transition Network](#)
- [Interfaith Worker Justice](#)
- [Americans for Financial Reform](#)
- [Move to Amend](#)
- [Public Citizen](#)
- [Dollars and Sense—Real World Economics](#)
- [Network of Spiritual Progressives](#)
- [Industrial Areas Foundation](#)

### **Additional Information on Social Class**

- *Elite: Uncovering Classism in Unitarian Universalist History*, written by UU minister Mark Harris. A discussion guide was created for the book by Gail Forsyth-Vail and Susan Dana Lawrence, both of the UUA.
- Mark Harris (2011) *A Faith of the Few? UU World*, pp 22-27
- Rev. Dr. Mark Morrison Reed at 2011 GA discussed that lack of racial diversity was a function of lack of class diversity--so if we want to grow a multicultural/multiracial diversity, we need to tackle inclusion of different classes of people.
- Suzanne Zilber, PhD, led a workshop exploring issues of class at Midwest Unitarian Universalist Summer Assembly (MUUSA). In October, Suzanne facilitated this 6 hour workshop at UU Fellowship of Ames, Iowa.
- Rev. Lynn Thomas Strauss has led workshops on Classism with Unitarian Universalism for UU ministers in five UUMA chapters around the country.
- Doug Muder in *UU World Magazine*, Fall 2007 wrote "Not my father's religion" about how uncomfortable UU would have been for his working class father.
- Stout, Linda (1996) *Bridging the Class Divide and other Lessons for Grassroots Organizing*. Boston, MA: Beacon Press.
- William Liu (2011) *Social Class and Classism in the Helping Professions*. Sage Publications
- Alvarez, L. and Kolker, A. (2001) *People Like Us: Social Class in America*. [Film] New York, NY: The Center for New America Media
- Smith, L. (2010) *Psychology, poverty and the end of social exclusion: Putting our practice to work*. New York, NY: Teacher's College Press

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- Barratt, W. (2011) *Social Class on Campus: Theories and Manifestations*. Sterling, VA: Stylus Publishing
- Hayes, C. (2012) *Twilight of the Elites: American after Meritocracy*. New York, NY: Random House
- Leondar-Wright, B. (2005) *Class Matters: Cross-Class Alliance Building for Middle Class Activists*. New Society Publishers
- Labonowski, P, and Freeman, P. ( 20??) *Created Equal: A Curriculum for High Schoolers and Middle Schoolers on Class and Classism*
- New York Times correspondents (2005) *Class Matters*. New York, NY: Henry Holt
- American Psychological Association (2008) *Report on the task force on resources for the inclusion of [social class in psychology curricula \(PDF\)](#)*
- Collins, C and Yeskel, F (2005) *Economic Apartheid: A primer on economic inequality and insecurity*, United for a Fair Economy

## **Proposed CSAI: Ending the War on Terror**

### **Issue**

Since September 11, 2001, the United States has been engaged in a “war on terror,” with the doctrine that “the world is a battlefield.” Torture, extraordinary rendition, detention without trial, extrajudicial assassination by drone strike, dragnet surveillance of phone and internet communications, and military intervention have been conducted in the name of combating terrorism. The military consumes a vast share of the discretionary Federal budget. Yet because much of this war is conducted in secret and constitutes killing by remote control, it is often virtually invisible in Americans’ daily lives, despite our collective responsibility for it. Making the invisible visible as the basis for moral choice is central to the religious practice.

### **Grounding in Unitarian Universalism**

Unitarian Universalist principles include “the goal of world community with peace, liberty, and justice for all.” But how do we live by this goal in a chaotic world? Unitarian Universalists have classically been divided between pacifists and those who accept Just War. The Unitarian Universalist Association (UUA) is still somewhat on the sidelines when there are peace initiatives (on Syria, for example); could a new Study/ Action Issue build upon yet move beyond the 2010 Statement of Conscience and bridge old divisions? By looking at the specifics of the post 9/11 world, can we reach consensus for engagement in issues of anti-imperialism and global peace and justice?

### **Topics for Congregational Study**

- What are the causes of terrorism?
- How does terrorism relate to insurgencies?
- Is the United States an empire? Are we “the indispensable nation”?
- Do we accept American exceptionalism?

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- What would a strengthened international peacekeeping force under United Nations auspices entail?
- How do wars and insurgencies end by political settlement?
- What are the legal, political, and ethical issues in extrajudicial assassination by drone strike?
- What are the legal, political, and ethical issues in the National Security Agency's surveillance of phone and internet communications?
- Should the United States develop and practice offensive cyber war, as it is now doing?
- How does American foreign and military policy relate to the economic interests of American and global corporations?
- Have techniques developed to combat foreign terrorism been applied to domestic activist groups, as well as communities of color and religious confession?
- Should the United States stop exempting itself from judgment by the International Criminal Court?
- How are peace and justice related? How does our economy have to change, how do we have to change, if we are to live in peace?

### **Possible Congregational / District Actions**

- Form coalitions with other local groups and work toward a City Council resolutions on drones. Resolutions could state that Economic Development money may not be used toward such projects.
- Work with immigrant rights groups to oppose the use of drones on the Mexican border.
- Partner with mosques to offer solidarity to the Islamic community, which has been subject to hate in the "war on terror."
- Form study groups, involve cyber specialists and Constitutional scholars in our congregations and communities to join us, and be in touch with elected officials on surveillance by the National Security Agency. Give leadership to younger congregants and community members with expertise in cyber issues.
- Talk with elected officials about surveillance and work for legislation protecting citizens' privacy from government and corporations.
- Educate ourselves via discussion / film / study groups.
- Identify local links in the "war on terror"—drone contractors, for example.
- Develop spiritual practices for peacemaking, including meditation, truth speaking, conciliation, and bridge-building.
- Explore opportunities for nonviolent resistance and non-cooperation with war and surveillance.
- Reach out to groups that have been marginalized or subjected to suspicion.
- Forming alliances with those working for economic justice in a joint campaign for budget priorities.
- 

### **Related Prior Social Witness Statements**

- "Creating Peace" Statement of Conscience adopted June 2010.

### **Attached Documentation**

- Jeremy Scahill, *Dirty Wars*.
- Medea Benjamin, *Drone Warfare*.
- James Bamford, *The Shadow Factory*
- Akbar Ahmed, *The Thistle and the Drone: How America's War on Terror Became a Global War on Islam*
- Richard Clarke and Robert Knake, *Cyber War*
- Audrey Kurth Cronin, *How Terrorism Ends* Marc Ambinder, *Deep State*
- David Keen, *Useful Enemies*
- John Paul Lederach, *Building Peace*
- Glen Greenwald
- [The National Security Agency \(NSA\) Files](#)

### **Sampling of Organizations**

- Unitarian Universalist Peacemakers
- Friends Committee on National Legislation
- Just Foreign Policy
- Electronic Frontier Foundation
- Foreign Policy in Focus
- UU United Nations Office
- Quaker Office at the United Nations
- Mennonite Peacemakers
- Peace Action

## **Proposed CSAI: Empowerment: Age and Ability Reconsidered**

### **Issue**

The personal is political. Young people and older people know what it's like to be abused, marginalized, and discriminated against because of their age and ability. How can congregations best empower young and old? How can people with different abilities, in different age groups, create the Beloved Community?

### **Grounding**

Be the change that you want to see in the world. A primary purpose of the Unitarian Universalist Association (UUA) is to organize and support congregations. Our congregations are voluntary, self-governing groups that can empower individuals and that can demonstrate new possibilities for creating love and justice.

### **Topics For Congregational Study**

- What's it like to be labeled as "young" or "old"?
- How do the different age groups experience age discrimination? What does "ableism" mean?
- What are the social trends that are relevant to aging and disability?

- Where do you want to be in ten years? How can your congregation be helpful?

### **Possible Congregational/District Actions**

- Consciousness Raising: Talk with others about aging and disability. Listen.
- Empower the Powerless: Build justice-making congregations for all age groups.
- Welcome all people to religious services. Love one another.
- Support lifespan religious education. Surround people with love.
- Involve your whole congregation in caregiving.
- Create a safe, accessible, attractive environment.

### **Prior Resolutions**

- Deepen our Commitment to an Anti-Oppressive, Multicultural UUA—2013 Responsive Resolution
- A Reminder to Support Our Youth and Young Adult Groups—2010 Responsive Resolution
- Accessibility for Persons with Disabilities—1997 Business Resolution
- Speak Out for Children—1996 General Resolution
- Older Women—1976 Business Resolution
- Senior Citizens Charter—1973 General Resolution
- Concern for Older Adults—1966 General Resolution

**Congregational Support:** Unitarian Universalist Fellowship of Falmouth, MA

### **Additional Documentation**

Because of new technology, and because of cultural changes, the discussion about age and ability is changing. The first person to live to age 150 has already been born. She may be a Unitarian Universalist already or she may decide to join one of our congregations as she grows older. She may give birth to her first child at age 60 and she may start a new career while she's in her 70s. If she lives with a wheelchair, she may never set foot in a church. What's the future for organized religion? How can congregations, districts, camps and schools, and national networks be helpful?

Love reaches out. Instead of focusing attention on one age group, or on one agency or program, this discussion is multigenerational and inclusive. Every age group knows age discrimination and every age group includes people with different abilities. Alzheimer's disease and autism, hearing and vision concerns, pastoral care arrangements, and the future of family life, are among the many topics that need congregational attention. Resources in the Unitarian Universalist Association are noted in the paragraphs that follow:

- Human Rights and Dignity: The personal is political. Decisions made in Congress, in corporate boardrooms, in universities, and in other power centers, will shape your personal experience. Consider the future of



- Social Security, the future of education and health care, and the future of the Americans with Disabilities Act. Social justice training for young people, for older people, and for disability rights activists is available. The Multicultural Growth and Witness staff group provides support.
- Celebrations: Look at the religious practices in your congregation. Congregations are often defined by what they celebrate and by when and how they celebrate. It's important to also ask, "Who's included? Are your religious events accessible? Does your congregation provide coming of age ceremonies and rituals that honor your congregation's elders? Equal Access is a Unitarian Universalist affinity group that can help your congregation to reduce barriers. The Unitarian Universalist Association can assist your congregation in developing multigenerational and multicultural celebrations.
  - Religious Education: The Unitarian Universalist Association provides religious education materials for all age groups. The Tapestry of Faith curricula and the Our Whole Lives series for sexuality education promote lifespan education. Support the networks and the service projects that serve youth and young adults. Should similar programs be developed for other age groups? What programs are needed for caregivers in their 40s and for retired people in their 70s?
  - Caregiving: Faith-based organizations are developing new programs for caregiving. Some congregations employ parish nurses, many sponsor wellness programs, and many are involved in advocacy programs for young people and older people. Some congregations provide transportation to religious gatherings and community programs. Because of climate change concerns, some congregations are becoming increasingly involved with emergency services work. "Buddy systems" and pastoral care teams have developed in some congregations. The Unitarian Universalist Trauma Response Ministry provides assistance in the wake of mass disasters.
  - Buildings and Grounds: Religious buildings and grounds should be safe, accessible, and attractive, and they should demonstrate best practices for the whole community. The Policy Committee of Equal Access has prepared access guidelines for congregations. The Green Sanctuary program is also involved with access issues and with health and safety concerns. Improve the usefulness, quality, and beauty of the built environment.

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## **Fossil Fuel Divestment**

### **Unitarian Universalist Association 2014 Business Resolution**

WHEREAS, Unitarian Universalist congregations covenant by our Second and

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Seventh Principles to affirm and promote justice, equity, and compassion in human relations and respect for the interdependent web of all existence of which we are a part; and

WHEREAS, the climate crisis threatens Earth systems through warming, destabilization of the atmosphere and climate, sea level rise, and the acidification of the oceans, of which the brunt of the burden has fallen and will fall on the poorest people in the world, who are least responsible for the crisis; and

WHEREAS, the 2006 Unitarian Universalist Association (UUA) General Assembly approved a Statement of Conscience on the Threat of Global Warming/Climate Change declaring “that we will not acquiesce to the ongoing degradation and destruction of life that human actions are leaving to our children and grandchildren”; and

WHEREAS, member congregations have demonstrated their commitment to environmental and climate justice by seeking Green Sanctuary accreditation, forming Climate Action Teams, divesting from fossil fuel companies, or other efforts; and

WHEREAS, if all known fossil fuel reserves are burned, they will produce five times the amount of greenhouse gas emissions required to raise global temperatures beyond 2°C, the level that leaders of 167 countries (including the United States) have agreed represents a threshold beyond which there would be dangerous human-caused interference with the climate system; and

WHEREAS, we have a moral responsibility to Earth, to all beings, and to future generations to do everything in our power to bring about a swift transition from fossil fuels to a sustainable energy economy; and

WHEREAS, a global and growing movement is calling upon universities, pension funds, public entities, and religious institutions to divest their holdings in the 200 major fossil fuel companies listed by the Carbon Tracker Initiative (CT200), which together control 26% of known reserves, in order to break the hold of fossil fuel corporations on markets and governments; and

WHEREAS, the Unitarian Universalist Association is a leader among religious institutions in shareholder activism to halt climate change by ending the use of fossil fuels and, in concert with global investors organized by Ceres and Carbon Tracker, is pressing fossil fuel companies to divest their most carbon-intensive operations and reinvest in lower-carbon energy sources; and

WHEREAS, the guidelines for socially responsible investment of the UU Common Endowment Fund (UUCEF) state that “The UUA seeks to avoid companies that . . . contribute in significant ways to climate change”; and

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WHEREAS, the 2013 General Assembly overwhelmingly passed an Action of Immediate Witness for congregations to “Consider Divestment from the Fossil Fuel Industry”;

THEREFORE BE IT RESOLVED that this General Assembly calls upon the UUA to cease purchasing securities of CT200 companies as UUCEF investments immediately; and

BE IT FURTHER RESOLVED that this General Assembly calls upon the UUA to continue to divest its UUCEF holdings of directly-held securities of CT200 companies, reaching full divestment of these companies within five years; and

BE IT FURTHER RESOLVED that this General Assembly calls upon the UUA to work with its current and prospective pooled-asset managers for the purpose of creating more fossil fuel-free investment opportunities, with the objective of full divestment of UUCEF indirect holdings in CT200 companies within five years; and

BE IT FURTHER RESOLVED that this General Assembly calls upon the UUA to invest an appropriate share of UUCEF holdings in securities that will support a swift transition to a clean energy economy, such as renewable energy and energy-efficiency-related securities; and

BE IT FURTHER RESOLVED that, notwithstanding any provision above, the UUA may retain investments in CT200 companies in which it is engaged in shareholder activism seeking environmental justice or transition to clean and renewable energy; and

BE IT FURTHER RESOLVED that, notwithstanding any provision above, the UUA may purchase the minimal shares of CT200 companies necessary to permit introduction of shareholder resolutions seeking environmental justice or transition to clean and renewable energy; and

BE IT FURTHER RESOLVED that, notwithstanding any provision above, the UUA shall not take any action inconsistent with its fiduciary duty or that is incompatible with the principles of sound investment; and

BE IT FURTHER RESOLVED that the President and the Treasurer of the UUA shall report to each General Assembly from 2015 through 2019 on our Association’s progress on the above resolutions; and

BE IT FINALLY RESOLVED that this General Assembly encourages Unitarian Universalist congregations and Unitarian Universalists to review their congregational and personal investments with a view to taking action to end climate change, such as public divestment of their holdings in fossil fuel companies, supporting shareholder activism designed to end use of fossil fuels, and investment in renewable energy and conservation.

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## **Election Results**

Susan Ritchie, UUA Board Secretary, announced the results of the election for Financial Advisor and for open positions for UUA Board of Trustees. Elected as Financial Advisor was Larry Ladd. Elected for the UUA Board of Trustees were Christina Rivera and Andy Burnette. Re-elected for another term on the UUA Board were Rob Eller-Isaacs and Susan Weaver.

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## **Action on Bylaw and Rule Amendments**

In January 2013, the UUA Board of Trustees voted to place the following note in the 2013 General Assembly Agenda:

The proposed Section **C-2.3** on Inclusion was part of a revision of Article II proposed by the Commission on Appraisal in 2009 in its role as a study commission, as authorized by Article XV. The 2009 General Assembly did not approve the Commission's revisions to Article II, but passed a responsive resolution to "request that the UUA Board of Trustees place a motion to substitute the recommended language of Section C-2.4 "Inclusion" for the current bylaw C-2.3 "Non-discrimination" on a General Assembly agenda as soon as possible." The Board has placed the Inclusion language on the 2014 General Assembly agenda, after making one change recommended by legal counsel.

Article XV requires that proposed amendments to Article II normally must be sent to a study commission for several years of review. The Board of Trustees has concluded that the Inclusion amendment has already received the type of study required by Article XV, and that another study commission is unnecessary. Therefore, during debate on whether to refer the proposed Inclusion amendment to a study commission, the Board of Trustees will move to dispense with the study commission and give preliminary adoption to the proposal. If the delegates approve this motion by a four-fifths vote, the proposed amendment to Article II will again appear on the agenda of the 2014 General Assembly, where a two-thirds vote will be required for its final adoption.

The Board of Trustees has determined that it is important to preserve and update the non-discrimination language that is presently in Section C-2.3.

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Therefore, the Board intends to place on the agenda of the 2014 General Assembly the creation of Rule G-2.3: Non-Discrimination, to be voted on after final adoption of the Inclusion language in Section C-2.3 of the bylaws. The Board decided to propose the adoption of a “G” rule by General Assembly, rather than to pass a regular rule on its own authority, to emphasize the importance of this issue and to give the General Assembly the opportunity to amend the proposed rule.

It is our current intent that this rule will be substantially the same as the current bylaw Section C-2.3: Non-Discrimination. But we intend to update the language in this section, in collaboration with our legal counsel, to reflect better our current understanding of identity categories. The Board will propose changes to include (but not be limited to) the replacement of “race” with “racialized identity,” the replacement of “gender” with “gender expression or identity,” and the addition of the category “sex.”

The mini-assembly for this item is in room 551 of the Convention Center on Friday at 12:30 PM.

**Underlining indicates insertion; brackets indicate deletion.**

## **ARTICLE II. Principles and Purposes**

### **[Section C-2.3. Non-discrimination.**

**The Association declares and affirms its special responsibility, and that of its member congregations and organizations, to promote the full participation of persons in all of its and their activities and in the full range of human endeavor without regard to race, ethnicity, gender, disability, affectional or sexual orientation, age, language, citizenship status, economic status, or national origin and without requiring adherence to any particular interpretation of religion or to any particular religious belief or creed.]**

### **Section C-2.3. Inclusion.**

**Systems of power, privilege, and oppression have traditionally created barriers for persons and groups with particular identities, ages, abilities, and histories. We pledge [to do all we can] to replace such barriers with ever-widening circles of solidarity and mutual respect. We strive to be an association of congregations that truly welcome all persons and commit to structuring congregational and associational life in ways that empower and enhance everyone’s participation.**

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The following are proposed amendments to UUA Bylaw provisions concerning investments. These proposed amendments were inadvertently omitted from the Tentative Agenda. While overwhelmingly approved at the 2013 General Assembly, amendments to C Bylaws require a two-thirds vote at the next General Assembly for final adoption.

The mini-assembly for this item is in room 551 of the Convention Center on Friday at 12:30 PM.

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**Underlining indicates insertion; brackets indicate deletion.**

**Section C-10.6. Authority to Hold Funds [Held] for the Benefit of Others.**  
**[With the approval of the Board of Trustees, the] The** Association may hold for investment and distribution funds **[belonging to or]** given **to the Association** for the benefit of a member congregation, associate member organization, independent affiliate organization, or other **Unitarian Universalist organization** **[organizations]**.

**[Such funds may be invested in the General Investment Fund of the Association unless they are subject to specific restrictions which require some other form of investment.]**

**Section C-10.7. Responsibility for [Investments] Funds Held by the Association.**

- (a) Board of Trustees. The Board of Trustees shall have ultimate responsibility for investing the funds **[belonging to or]** held by the Association.
- (b) President. The President shall invest the endowment funds held by the Association in the Unitarian Universalist Common Endowment Fund LLC.**

**[b] (c)** Investment Committee. The Investment Committee shall **[supervise] manage** the **[investments of] endowment funds held by** the Association, subject to control by the Board of Trustees.

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These proposed bylaw and rule changes establish regions as one possible unit of geographic responsibility and specifically acknowledge the MidAmerica Region.

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The mini-assembly for this item is in room 551 of the Convention Center on Friday at 12:30 PM.

**Underlining indicates insertion; brackets indicate deletion.**

### **Section C-3.6. Termination of Membership.**

A member congregation upon written notification to the Association may withdraw from the Association at any time. The Board of Trustees may terminate the membership of any congregation that, pursuant to the provisions of Section C-3.5, has been placed in an “inactive congregation” category maintained by the Association but shall do so only after consultation with:

the congregation in question, whenever possible; and

the President of the district or region in which the congregation is located or such other authorized official as the district or region designates in writing to the Association.

### **Section C-13.1. Districts and Regions.**

The Association shall support areas of geographic responsibility known as districts or regions.

### **Section C-13.2. Establishment.**

The establishment of districts or regions and the manner of determining which congregations are included in each district or region shall be in accordance with rules adopted by the General Assembly.

### **Section C-13.4 Autonomy.**

Each district or region shall be autonomous and shall be controlled by its own member congregations to the extent consistent with the promotion of the welfare and interests of the Association as a whole and of its member congregations.

### **Rule G-13.2.1 Establishing Districts.**

**[The] There shall be** districts **[shall be nineteen in number and]** named Ballou Channing, **[Central Midwest,]** Clara Barton, Florida, **[Heartland,]** Joseph Priestley, Massachusetts Bay, Metropolitan New York, MidAmerica, Mountain Desert, Mid-South, Northern New England, Ohio Meadville, Pacific Central, Pacific Northwest, Pacific Southwest, **[Prairie Star,]** St. Lawrence, Southeast, and Southwestern.

**Transition Provision. The amendments to Rule G-13.2.1 deleting the Central Midwest, Heartland, and Prairie Star districts, shall not become effective until those Districts dissolve. This transition provision shall automatically be deleted from the bylaws following the first regular General Assembly occurring after all of those districts have dissolved.**

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**Vote on a Study/Action Issue**

**Credentials Report**

The final credentials report of the Secretary of the Association was as follows: accredited and attending the 53rd General Assembly of the Unitarian Universalist Association were XXXXX member delegates, XXXXX ministerial delegates, XXXXX credentialed religious educators, XXXXX associate member delegates, XXXXX members of the Board of Trustees (not included as registered delegates from congregations), delegates representing the Church of the Larger Fellowship (included in member delegate count), and XX off-site delegates, for a total of XXXXX delegates representing XXXXX congregations, XXXXX states, and the District of Columbia. Total registration for the Assembly was XXXXX, including XXXXX youth.

Offsite attendance (included above): XXXXX individuals from XXXXX states, including XXXXX member delegates and XXXXX minister delegates.

**Closing**

The Assembly was adjourned *sine die* by Moderator Jim Key at XXXXX pm on Sunday, June 29, 2014.

Respectfully submitted,

/s/ Harlan Limpert  
Clerk



**MINUTES**

**FIFTY-FOURTH GENERAL ASSEMBLY OF THE  
UNITARIAN UNIVERSALIST ASSOCIATION  
HELD IN PORTLAND, OREGON**

The General Assembly was convened on Wednesday, June 24, 2015, at approximately 8:30 p.m. by Moderator Jim Key at the Oregon Convention Center in Portland, Oregon.

The Assembly adopted, by a vote of two-thirds or more, Rules of Procedure for the conduct of the meeting.

Five new congregations were recognized as having entered into membership in the Unitarian Universalist Association during the past year: All Souls in Miami, Florida; Iowa Lakes Unitarian Universalist Fellowship in Okoboji, Iowa; Open Door Unitarian Universalist Fellowship in Owensboro, Kentucky; Saint Croix Unitarian Universalist Fellowship in St. Croix Falls, Wisconsin; and Unitarian Universalist Bay de Noc Fellowship in Escanaba, Michigan.

The Assembly received reports from, among others, the President, the Moderator, the UUA staff, the Treasurer, the Financial Advisor, the Secretary, the Board of Trustees, the General Assembly Planning Committee, the Commission on Appraisal, the Commission on Social Witness, the Nominating Committee, the Unitarian Universalist Service Committee, and the Unitarian Universalist Women's Federation.

On the basis of an initial report by the Secretary of the Association, a quorum was declared present from the time the meeting was called to order.

Members of the Distinguished Service Award Committee presented the 2015 Award for Distinguished Service to the Cause of Unitarian Universalism to the Rev. Clark Olsen.

**Actions on Bylaw and Rule Amendments**

Proposed bylaw amendments that would have made the Commission on Appraisal a committee of the Board and would have made other changes to the Commission did not receive the requisite vote of two-thirds or more of the Assembly.

The Assembly passed by a vote of two-thirds or more amendments to the bylaws and rules so as to read as follows:

**Underlining indicates insertion; brackets indicate deletion.**

**7.5 Executive Committee**

The Executive Committee shall consist of the Moderator, the First Vice Moderator, the Secretary, the Financial Advisor, and the **Financial Secretary [Chair of the Finance Committee]**. The position on the committee occupied by the First Vice Moderator shall be filled by the

Second Vice Moderator at any meeting of the committee from which the First Vice Moderator is absent or at which the First Vice Moderator is presiding in the absence of the Moderator. The position on the committee occupied by the Secretary shall be filled by the Assistant Secretary at any meeting of the committee from which the Secretary is absent. The Executive Committee shall conduct the current and ordinary business of the Association between meetings of the Board of Trustees. If, between meetings of the Board of Trustees, matters arise which (1) in the opinion of the Executive Committee are not current and ordinary business but in the best interests of the Association must nevertheless be acted upon, or (2) the Executive Committee has been authorized by the Board to be acted upon, then the Executive Committee may act thereon for the Board of Trustees, but only if four or more members vote the action.

**[Section 7.7 Finance Committee**

**The Finance Committee shall consist of the Financial Advisor, the Treasurer, five trustees, and the Moderator without vote. The duties of the Finance Committee are set forth in Article X.]**

**Section 7.14 Audit Committee**

The Audit Committee shall consist of **[five] no fewer than four members** as follows:

- (a) **[three]** persons appointed by the Board, none of whom are members of the Board or hold a salaried position with the Association;
- (b) and the Financial Advisor. **[; and]**
- [(c) a member of the Finance Committee, who shall be appointed by the Board.]**

No member of the Audit Committee shall serve for more than four terms on the Audit Committee. The duties of the Audit Committee are set forth in Article X.

**10.2 [Duties of the Finance Committee] Election and Duties of the Financial Secretary**

**The Financial Secretary shall be elected by the Board from among its members. The Financial Secretary facilitates the Board's conversations in order to fulfill its financial responsibilities. [The Finance Committee shall submit proposed annual budgets for the Association to the Board of Trustees and make recommendations to the Board with respect to major financial policies of the Association other than those pertaining to investments. It shall review the use made of specific funds held by the Association and shall also recommend long-range financial plans.]**

**ARTICLE III Membership**

**Section 3.4. Church of the Larger Fellowship.**

The Church of the Larger Fellowship, Unitarian Universalist, shall be a member congregation which is not considered to be located in any particular district **or region**.

## ARTICLE IV General Assembly

### Section 4.4. Special General Assembly.

A special General Assembly may be called by the Board of Trustees at any time, and shall be called upon petition of not less than fifty certified member congregations by action of the governing boards or their congregations. No more than twenty of the fifty congregations may be from the same district.

### Section 4.11. Tentative Agenda for Regular General Assemblies.

The Board of Trustees shall prepare a Tentative Agenda for each regular General Assembly which shall include:

- (a) reports and other matters required by these Bylaws to be submitted to the General Assembly;
- (b) proposed amendments to these Bylaws which are submitted as prescribed in Article XV, Section 15.2;
- (c) items referred by the preceding General Assembly;
- (d) Business Resolutions and proposed amendments to Bylaws and Rules submitted by the Commission on Appraisal;
- (e) all proposed amendments to Rules and all Business Resolutions as defined in Rule G-4.18.2, submitted by:
  - (1) the Board of Trustees or the Executive Committee;
  - (2) not less than fifteen certified member congregations by action of their governing boards or their congregations; or
  - (3) a petition by not less than 250 members of certified member congregations with no more than 10 members of any one member congregation counted as part of the 250;
- (f) proposed amendments to Rules and Business Resolutions submitted by a district **or region** by official action at a duly called meeting at which a quorum is present but not in excess of three Business Resolutions per district. **In a district or region that does not maintain a formal governance structure, a meeting for this purpose may be convened by vote of the governing bodies or membership of at least fifteen congregations in that region in good standing with the UUA. A quorum for such a meeting shall require that at least one-third of the congregations of the district or region be represented by one or more formally credentialed delegates;** and
- (g) Proposed Congregational Study/Action Issues submitted by the Commission on Social Witness pursuant to Section 4.12(a).

Resolutions submitted under (d), (e)(2), (e)(3) and (f) must be received by the Board of Trustees by February 1 whenever the regular General Assembly opens in June. If the General Assembly opens in a month other than June, the Business Resolutions submitted under (d), (e)(2), (e)(3) and (f) must be received no later than 110 days before the date set for the opening of that General Assembly. The UUA Statements of Conscience process deadlines are established by

Sections 4.12(a) and (c) and by the Board of Trustees pursuant to Section 4.13 whenever one or more regular General Assembly is scheduled to begin in a month other than June. The Board of Trustees shall include on the Tentative Agenda all items so submitted. It may submit alternative versions of Business Resolutions in addition to the original ones submitted if in its judgment such alternatives clarify the resolutions and may make such changes in the Business Resolutions as are necessary to make each conform to a standard format. It may also submit one or more alternative versions for the purpose of combining two or more Business Resolutions. Adoption of Business Resolutions by a General Assembly shall be by two-thirds vote. The Tentative Agenda shall be mailed to each member congregation, associate member organization and trustee by March 1 if the General Assembly opens in June; otherwise, not less than 90 days before the opening of the General Assembly.

**\*Section 4.12. UUA Statements of Conscience.**

The purpose of the Congregational Study/Action Process is to provide the member congregations of the Association with an opportunity to mobilize energy, ideas, and resources around a common issue. The end result will be a deeper understanding of our religious position on the issue, a clear statement of Association policy as expressed in a Statement of Conscience, and a greater capacity for the congregations to take effective action. The process for adoption of UUA Statements of Conscience shall be as follows:

(a) First Cycle Year

- (1) Each member congregation[, **district,**] and sponsored organization (as designated by the Board of Trustees), may submit to the Commission on Social Witness by October 1 in the year preceding a General Assembly one proposed Congregational Study/Action Issue, such proposed Congregational Study/Action Issue to be approved at a duly called meeting of its members or its governing board at which a quorum is present. This commences the process of a four-year UUA Statement of Conscience cycle ("the Cycle"). A Cycle year ends at the close of General Assembly.
- (2) The Commission on Social Witness shall by November 1 of that year submit to the Board of Trustees for inclusion on the Tentative Agenda of the regular General Assembly not more than ten proposed Congregational Study/Action Issues, each of which shall be based in whole or in part on the issues submitted to it as described in the previous subsection. The Commission on Social Witness shall verify with the proposing congregation[, **district,**] or sponsored organization that the proposed Study/Action Issue reflects the intent of the proposer prior to being included in the poll ballot. The ten proposed Congregational Study/Action Issues shall be included for approval by the congregations on the Congregational Poll ballot, such ballot to be available and congregations notified of its availability by November 15 of the same year. Congregational Poll ballots concerning the proposed Congregational Study/Action Issue shall be due by February 1 of the following year (the first Cycle year).

- (3) For the proposed Congregational Study/Action Issue to be placed on the Final Agenda of the General Assembly, twenty-five percent (25%) of all certified congregations must participate in the ballot vote concerning the proposed Congregational Study/Action Issues.
  - (4) The proposed Congregational Study/Action Issue shall be ranked in the order of the votes received in the Congregational Poll. The Study/Action Issues receiving the most votes (not to exceed five in number) shall be submitted to the General Assembly as follows:
    - (i) Each of the Proposed Congregational Study/Action Issues shall be presented to the General Assembly by a delegate, and one such proposed Congregational Study/Action Issue shall be referred for study by virtue of having received the highest number of votes among all proposed Congregational Study/Action votes cast by the General Assembly; provided, however, that if no proposed Congregational Study/Action Issue receives a majority of the votes cast, then a second vote shall be taken between the two issues receiving the highest number of votes cast in the initial election.
    - (ii) After one Congregational Study/Action Issue has been referred for study in accordance with (i), above, the UUA staff shall conduct a workshop to discuss processes for study and action on the selected issue. By November 1 following the General Assembly, the UUA staff shall have developed a resource guide pertaining to the Congregational Study/Action Issue selected by the General Assembly. The resource guide shall be made available and congregations notified of its availability.
  - (5) If a UUA Statement of Conscience has been adopted in the previous year, the regular meeting of the General Assembly shall also conduct workshops on the implementation of such UUA Statement of Conscience.
  - (6) If no proposed Congregation Study/Action Issues are on the Final Agenda in the first Cycle year, or if no Congregational Study/Action Issue is referred for study by the General Assembly, then following the regular meeting of the General Assembly, the Cycle shall begin again as set forth in this subsection.
- (b) Second Cycle Year
- (1) Member congregations **[and the districts]** shall submit by not later than March 1 of the second Cycle year comments regarding the Congregational Study/Action Issue and the related resource guide to the Commission on Social Witness.
  - (2) During the meeting of the General Assembly in the second Cycle year the Commission on Social Witness shall conduct workshops on the Congregational Study/Action Issue.

(c) Third Cycle Year

- (1) Member congregations **[and the districts]** shall submit by not later than March 1 of the third Cycle year comments regarding the Congregational Study/Action Issue and the related resource guide to the Commission on Social Witness.
- (2) During the General Assembly in the third Cycle year, the Commission on Social Witness shall conduct workshops on the Congregational Study/Action Issue. Following the General Assembly, the Commission on Social Witness shall then compose a draft UUA Statement of Conscience.
- (3) The draft UUA Statement of Conscience, a draft Statement of Conscience congregational comment form, and a ballot to place the draft UUA Statement of Conscience on the Final Agenda shall be included in the Congregational Poll, to be made available and congregations notified of its availability by November 15, following the General Assembly. Notice of the availability of these items shall be given to the congregations. Congregational Poll ballots and the congregational comment forms concerning the draft UUA Statement of Conscience shall be due by February 1 of the following year (the fourth Cycle year).
- (4) The Commission on Social Witness shall then prepare a revised draft of the UUA Statement of Conscience taking into consideration comments received by the member congregations **[and districts]** and place this revised draft of the UUA Statement of Conscience on the Final Agenda.
- (5) For a draft UUA Statement of Conscience to be placed on the Final Agenda of the General Assembly, twenty-five percent (25%) of all certified congregations must participate in the ballot vote concerning such draft UUA Statement of Conscience.

(d) Fourth Cycle Year

- (1) If the draft UUA Statement of Conscience is placed on the Final Agenda for the next regular meeting of the General Assembly, then the next General Assembly must debate and vote on the proposed UUA Statement of Conscience. Adoption of the UUA Statement of Conscience shall require a two-thirds vote.
- (2) If (i) the proposed UUA Statement of Conscience is not placed on the Final Agenda for the next regular meeting of the General Assembly; or (ii) the General Assembly chooses, by a two-thirds vote, to refer the proposed UUA Statement of Conscience to the Commission on Social Witness for one additional year of study/action, then the Commission of Social Witness shall continue the study and revision of the proposed UUA Statement of Conscience for one more year. The revised UUA Statement of Conscience may be placed on the Final Agenda for the next regular meeting of the General Assembly pursuant to subsections (c)(3), (c)(4) and (c)(5) above. If by the regular meeting of the General Assembly following the additional year the Commission on Social Witness has been unable to find support to generate an acceptable UUA Statement of Conscience, the Congregational Study/Action Issue may be placed on the Final Agenda with a proposal to drop such Congregational Study/Action Issue.

- (3) Following the regular meeting of the General Assembly in the fourth Cycle year, the Cycle shall begin again as set forth in Section 4.12(a) above.
- (e) The Cycle may begin again, as set forth in Section 4.12(a), only after the General Assembly in the second Cycle year of a Congregational Study/Action Issue, and as provided in Sections 4.12(a)(6) and 4.12(d)(3).

**Section 4.13. Revision of UUA Statements of Conscience Process Schedule.**

If the Board of Trustees votes to schedule one or more regular General Assemblies to begin in a month other than June, the Board of Trustees shall forthwith revise the UUA Statements of Conscience process schedule set forth in Section 4.12 accordingly and shall immediately notify the member congregations[, **the districts**] and the Commission on Social Witness of the revised schedule in writing.

**Section 4.15. Agenda for Special General Assemblies.**

The Board of Trustees shall prepare the agenda for each special General Assembly which shall include resolutions and proposed amendments to Rules submitted by:

- (a) the Board of Trustees;
- (b) the petition, if any, which calls the special General Assembly; or
- (c) not less than 50 certified member congregations by action of their governing boards or their congregations, with no more than 20 of the 50 congregations from the same district.

The agenda shall be mailed to each member congregation, associate member organization and trustee not less than 30 days before the General Assembly.

**\*Section 4.16. Additions to the Agenda of Regular General Assemblies.**

- (a) Non-substantive items related to greetings and similar matters may be admitted to the agenda by a regular General Assembly.
- (b) Prior to 2013, there will be no General Assembly Actions of Immediate Witness on the agenda.
- (c)
  - (1) A General Assembly Action of Immediate Witness is one concerned with a significant action, event or development, the timing or specificity of which makes it inappropriate to be addressed by a UUA Statement of Conscience pursuant to the Study/Action process.
  - (2) Beginning with General Assembly 2013, no more than three General Assembly Actions of Immediate Witness may be admitted to the agenda of a regular General Assembly.
  - (3) A petition to admit an Action of Immediate Witness to the agenda must be submitted by a delegate and signed by 150 delegates from at least 25 congregations [**in at least five districts**]. If six petitions or fewer are received, all petitions received that have the requisite level of delegate and congregation

support are eligible to be considered for possible admission to the agenda. In the event more than six petitions are submitted that satisfy the sponsorship requirement, the Commission on Social Witness shall select six from among those which meet the criteria for a General Assembly Action of Immediate Witness, and shall submit those six actions to the agenda of the General Assembly for possible admission. The Commission on Social Witness shall prepare summaries of no more than six petitions and present those summaries to the General Assembly for a vote to rank the petitions in order of delegate support. The three petitions receiving the most votes are eligible for admission to the agenda. If there are submitted three or fewer petitions meeting the criteria for a General Assembly Action of Immediate Witness, each of the petitions is eligible for admission to the agenda.

- (4) The motion to admit each General Assembly Action of Immediate Witness ruled eligible is not debatable, but an opportunity for a two-minute statement of advocacy to the General Assembly for each eligible action by one of its sponsors prior to any such motion shall be provided. Admission of a General Assembly Action of Immediate Witness shall be by a two-thirds vote.
  - (5) During the General Assembly, a mini-assembly shall be held during which each admitted action shall be discussed and amendments shall be accepted in writing. All such amendments shall be made available in writing to the General Assembly. The Commission on Social Witness shall finalize each General Assembly Action of Immediate Witness, and the chairperson of the Commission on Social Witness, in consultation with the moderator of the General Assembly, the parliamentarian, and legal counsel, shall prioritize unincorporated amendments for consideration by the General Assembly.
  - (6) Adoption of a General Assembly Action of Immediate Witness shall be by a two-thirds vote.
  - (7) Actions submitted pursuant to this Section 4.16(c) must be in writing and filed with the Chair of the Commission on Social Witness or the Commission's designee by the deadline established by the Commission and announced at the opening session of the General Assembly.
- (d) Responsive Resolutions may be admitted to the agenda of a regular General Assembly and acted upon.
- (1) A Responsive Resolution is a resolution made in response to a substantive portion of a report by an officer or committee reporting to a regular General Assembly.
  - (2) Adoption of a Responsive Resolution shall be by two-thirds vote.

#### **Section 9.6. Nomination by Petition.**

- (a) For Moderator and President. A nomination for the office of Moderator or President, for a regular or special election, may be by petition signed by no fewer than twenty-five certified member congregations **[including no fewer than five certified member congregations located in each of no fewer than five different districts]**. A certified



member congregation may authorize the signing of a petition only by vote of its governing board or by vote at a duly called meeting of its members. Such a petition shall be filed with the Secretary of the Association, only in such form as the Secretary may prescribe, not later than February 1 of the year of the election and not earlier than the preceding March 1.

- (b) For other Elective Positions. A nomination for any elective position, for a regular or special election, may be by petition signed by not less than fifty members of certified member congregations, with no more than ten signatures of members of any one congregation counted toward the required fifty. A separate petition, in form prescribed by the Secretary, shall be filed for each nomination not later than February 1 of the year of the election and not earlier than the preceding October 1. A petition for nomination to the Board of Trustees must designate the position number for which the person is being nominated.

### **ARTICLE XIII Regional Organizations**

#### **Section C-13.1. Districts and Regions.**

The Association shall support areas of regional responsibility known as districts or regions.

#### **\*Section C-13.2. Establishment.**

The establishment of districts or regions and the manner of determining which congregations are included in each district or region shall be in accordance with rules adopted by the General Assembly.

#### **Section 13.3. Members.**

All member congregations of the Association located within the district or region shall be entitled to be member congregations of that district or or region.

#### **Section C-13.4. Autonomy.**

Each district or region shall be autonomous and shall be controlled by its own member congregations to the extent consistent with the promotion of the welfare and interests of the Association as a whole and of its member congregations.

#### **Section 13.5. District or Region Bylaws or Policies.**

Each district or region shall adopt bylaws or policies which are not in conflict with these Bylaws.

### **ARTICLE XV Amendment**

#### **Section C-15.1. Amendment of Bylaws.**

- (a) Amendments to Bylaws. These Bylaws may be amended by a two-thirds vote at a regular General Assembly if a proposed amendment has been placed on the agenda; provided, however, that proposals to amend, repeal, or add a new section of these

Bylaws whose section number is preceded by a “C” (hereinafter a “C Bylaw”) shall be governed by subsections (b) or (c) hereof.

- (b) Amendments to C Bylaws Other Than in Article II. A proposal to amend, repeal or add a new C Bylaw, other than those C Bylaws in Article II of these Bylaws, shall be subject to a two-step approval process.

- (1) Such proposals must be placed on the agenda of a regular General Assembly and approved preliminarily by a majority vote at such regular General Assembly. Following such preliminary approval, the proposal to amend, repeal or add a new C Bylaw shall be placed on the agenda of the next regular General Assembly for final adoption. Final adoption shall require a two-thirds vote.

- (2) The text of a proposed amendment which has been approved by one General Assembly, may be amended at any time prior to final adoption. If the Moderator rules that the amendment to the proposal is substantive, final adoption shall only be by a subsequent General Assembly except that any such proposal that has been under consideration for final approval at three successive regular General Assemblies shall not be subject to substantive amendment and shall be submitted to a vote for final approval at the third such regular General Assembly.

- (3) Such a proposal which, on any vote for final adoption, receives a majority but not a two-thirds vote, shall be placed on the agenda of the next regular General Assembly, at which it may be finally adopted if it receives the requisite approval. If the proposal is not passed by a two-thirds vote at the third regular General Assembly at which it is considered for final approval, neither the proposal nor another proposal that is substantively similar shall be placed on the agenda of the next regular General Assembly.

- (c) Amendments to C Bylaws in Article II. A proposal to amend, repeal or add a new C Bylaw in Article II of these Bylaws shall be subject to the following process

- (1) Such a proposal shall be admitted to the agenda of a regular General Assembly for the purpose of determining whether the proposal shall be referred to a commission appointed by the Board of Trustees for study. Such a study shall involve member congregations. A majority vote at a regular General Assembly shall be required to refer such a proposal to the study commission. Once the study of the proposal is complete, which shall be completed in no more than two years, the study commission shall submit to the Board of Trustees for 1789 inclusion on the agenda of the next regular General Assembly any amendments to Article II that the study commission recommends. The Board of Trustees shall also include on the agenda any amendments that it recommends to the study commission proposal.

- (2) A motion to dispense with the study process and give preliminary approval to a proposal to amend, repeal or add a new C Bylaw in Article II shall be in order during the General Assembly at which consideration of a motion to refer the proposal to the study process is authorized. A motion to dispense with the study process shall require a four-fifths vote for passage. Such a proposal shall then be

placed on the agenda of the next regular General Assembly for final adoption without amendment. Final adoption shall require a two-thirds vote.

- (3) At the first General Assembly following the completion of the study process, amendments to the Article II proposal may be considered only as follows:
  - (i) During the General Assembly there shall be a mini-assembly held during which amendments to the Article II proposal recommended by the study commission shall be considered.
  - (ii) A delegate may submit in writing at the mini-assembly an amendment to an Article II proposal. All such amendments shall be made available in writing to the General Assembly. The Moderator, in consultation with the chair of the study commission, the parliamentarian and legal counsel shall prioritize proposed amendments for consideration by the General Assembly. A majority vote of the General Assembly is required for approval of any amendment proposed in the mini-assembly.
  - (iii) Following the vote on any amendments proposed in the mini-assembly, the General Assembly shall vote on any amendments proposed by the Board of Trustees. A majority vote is required to adopt such amendments. Following the vote on all amendments, the General Assembly shall vote on preliminary approval of the Article II proposal. A majority vote is required for preliminary approval.
  - (iv) If no amendments proposed in the mini-assembly are adopted by the General Assembly pursuant to subsection (c)(3)(ii) above, the Article II proposal shall be submitted for final approval to the next regular General Assembly. Final approval requires a two-thirds vote of the General Assembly. No amendments may be considered.
  - (v) If one or more amendments proposed in the mini assembly are adopted by the General Assembly, the Article II proposal shall be referred to the study commission. Within six months after the close of the General Assembly, the study commission, taking into account the decisions of the General Assembly, shall prepare the proposal to amend Article II. The Board of Trustees shall put this proposal on the agenda of the next regular General Assembly.
- (4) At the next regular General Assembly following the process described in subsection (c)(3)(v), above, the Article II proposal is subject to amendment only by a three-fourths vote in favor of an amendment submitted to the General Assembly in writing by the Board of Trustees, **[a district,]** or a minimum of fifteen (15) certified congregations, as described in Section 15.2 of these Bylaws. Final approval of the Article II proposal requires a two-thirds vote of the General Assembly.
- (5) If the Article II proposal does not receive the requisite approval at the General Assembly following the completion of the study process described in subsection (c)(3)(iv) or subsection (c)(4), above, neither the proposal nor another proposal

that is substantively similar shall be placed on the agenda of the next regular General Assembly.

- (6) If no study process of Article II has occurred for a period of fifteen years, the Board of Trustees shall appoint a commission to study Article II for not more than two years and to recommend appropriate revisions, if any, thereto to the Board of Trustees for inclusion on the agenda of the next regular General Assembly. The Board of Trustees shall also include on the agenda any amendments that it recommends to the study commission proposal. Notwithstanding anything to the contrary contained herein, proposals to amend Article II which are promulgated by a study commission in accordance with this paragraph shall be subject to a two-step approval process as described in subsections (c)(3) and (c)(4), above.

**\*Section 15.2. Submission of Proposed Amendment.**

Proposed amendments to these Bylaws may be submitted only by:

- (a) the Board of Trustees;
- (b) the General Assembly Planning Committee;
- (c) the Commission on Appraisal; or
- (d) not less than fifteen certified member congregations by action of their governing boards or their congregations; such proposed amendments to Bylaws must be received by the Board of Trustees on February 1 whenever the regular General Assembly opens in June; otherwise, not less than 110 days before the General Assembly.]; **or]**
- [(e) a district by official action at a duly called district meeting at which a quorum is present, such proposed amendment to be received by the Board of Trustees on February 1 whenever the regular General Assembly opens in June; otherwise, not less than 110 days before the next General Assembly.]**

**Rule G-4.12.1. Report of Comments on UUA Statements of Conscience.**

The Commission on Social Witness shall report to the General Assembly in summary fashion those comments on UUA Statements of Conscience submitted to it by member congregations **[and districts]**.

**Rule G-4.12.2. Study/Action Issues for Social Justice.**

The Commission on Social Witness shall prepare (and the Board of Trustees shall include with the Tentative Agenda) a report summarizing the numbers and topics of the proposed Congregational Study/Action Issues submitted by the certified member congregations **[districts,]** and sponsored organizations as defined in Section 4.12(a)(1), and the criteria which it used in selecting proposed Congregational Study/Action Issues included in the Congregational Poll. Each proposed Congregational Study/Action Issue that appears on the Tentative Agenda shall be accompanied by previous General Resolutions, actions and statements on related issues, with dates (if applicable), and the names or number of congregations submitting issues included within such proposed Congregational Study/Action Issue.

**Rule G-4.12.3 Report on Implementation of UUA Statements of Conscience.**

The UUA Administration shall report at each regular General Assembly regarding implementation of UUA Statements of Conscience with particular reference to the most recently adopted Statement of Conscience. Such report shall summarize implementation by member congregations, **[Districts,]** UUA staff and other Unitarian Universalist groups.

**Section 4.18. Agenda Rules.**

**Rule G-4.18.1. Notice to Member Congregations [and Districts].**

By November 1 whenever in the fiscal year the General Assembly opens in June, otherwise not less than two hundred and ten days before each regular General Assembly, each certified member congregation **[and district]** shall be notified of the dates for submitting items for the Tentative and Final Agenda, the procedure to be followed, and the forms to be used.

**RULE XIII Regional Organizations**

**Section C-13.2. Establishment.**

**Rule G-13.2.1. Establishing Districts or Regions.**

- (a) **[There shall be districts named Ballou Channing, Clara Barton, Florida, Joseph Priestley, Massachusetts Bay, Metropolitan New York, MidAmerica, Mountain Desert, Mid-South, Northern New England, Ohio Meadville, Pacific Central, Pacific Northwest, Pacific Southwest, St. Lawrence, Southeast, and Southwestern.] Authority to recognize a new district or region as a unit of the UUA, or to remove that recognition, shall reside with the General Assembly; provided, however, that a district or region may request that the UUA cease to recognize it without approval from the General Assembly. The UUA Secretary shall maintain a current list of the districts and regions of the UUA as recognized by the General Assembly.**
- (b) Each district **or region** shall be composed of the congregations assigned to that district **or region** by the Board of Trustees.
- (c) The boundaries of each district **or region** encompass the areas served by its member congregations.
- (d) Upon application to the Board of Trustees and after notice and an opportunity to be heard is afforded the affected districts **or regions**, a congregation may change its district **or regional** membership with approval of the Board of Trustees.
- (e) The **[District]** Map of **Districts and Regions published on the UUA Website [published in the Annual Directory]** contains boundaries that are an approximation only of the boundary lines determined pursuant to subparagraph (c) above and are intended primarily as a guide for the newly admitted congregation in determining its membership.
- (f) Transition Provision. The amendments to Rule G-13.2.1 deleting the Central Midwest, Heartland, and Prairie Star Districts shall not become effective until those Districts dissolve. This transition provision shall automatically be deleted from the bylaws following the first regular General Assembly occurring after all of those districts have dissolved.

**Section 15.2. Submission of Proposed Amendments. Rule G-15.2.1. Form of Submission.**

A proposed amendment to the Bylaws submitted by certified member congregations [or a district] must include:

- (a) the Article and Section which it is proposed to amend or repeal;
- (b) a concise summary of the principal arguments on which the proponents rely; and
- (c) other Articles (or Sections) or “G” Rules affected by the proposed amendment and proposed text of any necessary conforming amendments and “G” Rules.

**Underlining indicates insertion; brackets indicate deletion.**

**Rule G-9.13.8 Campaign Finances Disclosures and Limitations.**

**Candidates for UUA President are limited to spending no more than \$100,000 on their campaign for election. No single donor, including the candidate themselves and any organization or group, may contribute more than \$5,000 in total, to a presidential campaign. In-kind donations of greater than \$500 equivalent cash value are reportable, but do not count against these totals.**

All candidates for at-large elective positions shall keep detailed and accurate records of:

- (a) their campaign expenses (stated in United States dollars) by categories of travel, postage, telephone, printing and other such categories as seem appropriate; **and**
- (b) the number of contributors to their campaigns, including the number of contributors in each of the following categories:
  - (1) under \$50.00,
  - (2) \$50.00 to **[\$100.00] \$250.00,**
  - (3) **[\$101.00] \$251.00 to [\$250.00] \$1,000.00,** [(4) \$251.00-\$500.00, and]
  - (4) **Over [\$500.00] \$1,000.00,** and
  - (5) **In-kind donations with an equivalent cash value of \$500 or more.**
- [(c) the number of contributions and the total amount of contributions received from each group or organization supporting the campaign.]**

No candidate for any elective position shall solicit or knowingly accept any contribution that is given through a tax-exempt entity with the purpose of conferring tax-exempt status to the contribution to which it would not otherwise be entitled. Such exempt entities include but are not limited to member congregations, associate member organizations and independent UUA affiliates.

The names of contributors shall be disclosed. Each such report shall identify by name any member congregation, associate member organization or independent affiliate of the Association and any other tax-exempt organization (including specifically, but without limitation to, any minister’s discretionary fund or similar account) that has made any contribution to the campaign and shall state the amount of each such contribution. Such reports shall be filed with the Secretary of the Association. A preliminary report shall be due at the close of the first day

of the regular General Assembly at which the election occurs. A final report shall be due 60 days thereafter. The Secretary shall upon written request from a member of a member congregation furnish such information from these reports as requested. These reports shall be made available for inspection by any member of a member congregation at the principal offices of the Association and shall be brought by the Secretary to the next General Assembly and made available for inspection there by any delegate.

### **Actions of Immediate Witness**

The Assembly adopted by a vote of two-thirds or more the following three Actions of Immediate Witness:

#### **Support the Black Lives Matter Movement**

**WHEREAS**, Unitarian Universalists strive for justice, equity and compassion in human relations;

**WHEREAS**, Unitarian Universalists have a goal of world community with peace, liberty, and justice for all;

**WHEREAS**, allowing injustice to go unchallenged violates our principles;

**WHEREAS**, the Black Lives Matter movement has gained powerful traction in conjunction with recent tragic events involving, in particular, police brutality and institutionalized racism that target the black community;

**WHEREAS**, Tanisha Anderson, Rekia Boyd, Michael Brown, Miriam Carey, Michelle Cusseaux, Shelly Frey, Eric Garner, Freddie Gray, Trayvon Martin, Kayla Moore, Tamir Rice, and Tony Robinson are just a few names of people who were recently killed by the racism that exists in the United States today;

**WHEREAS**, people of all ages and races are killed by law enforcement, yet black people ages 20-24 are seven times more likely to be killed by law enforcement;

**WHEREAS**, mass incarceration fueled by for-profit prisons and racially biased police practices drive the disproportionate imprisonment of black and brown Americans;

**WHEREAS**, the school-to-prison pipeline is an urgent concern because 40% of students expelled from U.S. public schools are black and one out of three black men is incarcerated during his lifetime; and<sup>[1]</sup>

**WHEREAS**, we must continue to support the Black Lives Matter movement and Black-led racial justice organizations;

**THEREFORE, BE IT RESOLVED** that the 2015 General Assembly of the Unitarian Universalist Association calls member congregations to action, to become closer to a just world community, and to prevent future incidents of this nature;

**BE IT FURTHER RESOLVED** that the 2015 General Assembly urges member congregations to engage in intentional learning spaces to organize for racial justice with recognition of the interconnected nature of racism coupled with systems of oppression that impact people based on class, gender identity, sexual orientation, ability and language;

**BE IT FURTHER RESOLVED** that the 2015 General Assembly encourages member congregations and all Unitarian Universalists to work toward police reform and prison abolition (which seeks to replace the current prison system with a system that is more just and equitable); and

**BE IT FURTHER RESOLVED** that the 2015 General Assembly recognizes that the fight for civil rights and equality is as real today as it was decades ago and urges member congregations to take initiative in collaboration with local and national organizations fighting for racial justice against the harsh racist practices to which many black people are exposed.

No matter who you are, black lives matter, and a system of fair, transformative, and restorative justice that is accountable to communities is something to which each of us has a right. Unitarian Universalists and our greater society have the power to make this happen. Let's do it!

**Footnote**

*[1] This sentence was edited for accuracy. The original clause, as adopted by the General Assembly, read "WHEREAS, the school-to-prison pipeline is an urgent concern because 40% of black students are expelled from the U.S. public schools and one out of three black men is incarcerated during his lifetime; and".*

**Support a Strong, Compassionate Global Climate Agreement in 2015:  
Act for a Livable Climate**

**WHEREAS**, global climate change is fundamentally a moral and ethical crisis induced and exacerbated by human activity that can and must be modified to maintain a livable world for ourselves, our descendants, and other species;

**WHEREAS**, looming ecological catastrophes impacting food, water, and disease threaten the vulnerable and our descendants with mass suffering;

**WHEREAS**, Peter Morales (UUA President) and Bill Schulz (UUSC President and CEO) recently wrote that *"The crisis of climate change is the gravest threat facing our world today";*



**WHEREAS**, we can act to limit the harmful consequences of climate change by effective risk management (adaptation and mitigation, including emission reductions, development of renewable energy, etc.), with sufficient motivation, persistence, optimism, and will;

**WHEREAS**, our Principles impel us to act on climate change: The web of life is threatened: climate catastrophes (in near- and long-term) disproportionately impact the poor, disadvantaged, elderly, women, and children; issues of equity, justice, democracy, speaking truth, and defending the right of conscience are associated; and our descendants are threatened, raising intergenerational equity issues;

**WHEREAS**, Unitarian Universalists overwhelmingly voted to adopt a Statement of Conscience on the Threat of Global Warming and Climate Change in 2006, calling Unitarian Universalists into action to mitigate climate change;

**WHEREAS**, there can be no long-term solution to many social justice issues with which Unitarian Universalists are concerned without a viable solution to the climate problem; and

**WHEREAS**, we are responsible as people of faith to mitigate, avert, and limit the potential catastrophes of climate change, standing with other faith traditions caring for our common home;

**WHEREAS**, Unitarian Universalists have made a commitment to climate justice and stand in solidarity with first nation peoples, who are disproportionately affected by climate disruption;

**WHEREAS**, an international climate agreement is critical for reducing risk of the myriad severe climate impacts and also increasing positive opportunities for all people; and

**WHEREAS**, an December 2015, many nations of the world will gather in Paris for their last opportunity to negotiate the most important climate agreement in history;

**THEREFORE, BE IT RESOLVED** that the 2015 UU General Assembly calls on Unitarian Universalists to unify and provide ethical and moral leadership for climate action and to do so within our congregations and within our multi-faith communities;

**BE IT FURTHER RESOLVED** that Unitarian Universalists will support local actions such as the Lummi Nations' opposition to the Gateway Pacific Coal Terminal on sacred lands;

**BE IT FURTHER RESOLVED** that Unitarian Universalists will participate in and support mobilizations nationally such as the Moral March for Climate Justice in September 2015 during the Papal visit to Washington DC, pressing our government to act urgently and responsibly; and

**BE IT FURTHER RESOLVED** that the 2015 UU General Assembly endorses a Unitarian Universalist delegation to the UN Climate Agreement Talks in December 2015 to support a

strong, compassionate, fair, ambitious, binding, and enforceable international climate agreement. Without a global climate agreement, the climate crisis will not be sufficiently addressed, and many social justice issues will continue to magnify.

### **End Immigrant Child and Family Detention Now**

**WHEREAS**, our Unitarian Universalist values call on us to honor the inherent worth and dignity of every person;

**WHEREAS**, the Unitarian Universalist Association (UUA) of congregations affirmed in its 2013 Statement of Conscience on Immigration as a Moral Issue that a moral immigration policy would provide alternatives to detention for those not considered a threat to society and humane treatment for those being detained;

**WHEREAS**, the recently enacted practice of family detention is inconsistent with our Unitarian Universalist values;

**WHEREAS**, thousands of children and their mothers have been coming to the United States during the past two years to escape violence in their Central American home countries;

**WHEREAS**, these women and children are treated without dignity, without access to sanitary conditions, clean water, or healthy food, and are forced to wear prison clothes;

**WHEREAS**, immigrants imprisoned in detention centers (including, but not limited to, former prisons and for-profit detention centers operating under deplorable conditions), often experience permanent psychological damage, physical violence, and emotional, verbal, and sexual abuse during their incarceration;

**WHEREAS**, these women and children are generally not considered to be a threat, nor do they meet the Department of Homeland Security priority categories; and

**WHEREAS**, there are many other ways, with documented success, that the government can ensure that immigrants appear at their hearings, such as non-profit shelters and family or community placements, that can connect them with needed services and U.S. relatives (when applicable).

**THEREFORE, BE IT RESOLVED** that the Unitarian Universalist Association urges the United States government to treat all immigrants humanely, and in particular to use alternatives to incarceration to ensure that immigrants appear at their hearings;

**BE IT FURTHER RESOLVED** that the Unitarian Universalist Association calls on President Obama, Congress, and U.S. Immigration and Customs Enforcement (ICE) to close the family detention centers and immediately release those detained who do not meet priority criteria; and

**BE IT FURTHER RESOLVED** that the 2015 General Assembly of the Unitarian Universalist Association encourages member congregations to take actions, such as:

1. Educating ourselves and others about the family detention centers (“UU World”, May 8, 2015);
2. Signing the Unitarian Universalist Service Committee’s petition calling on Immigration and Customs Enforcement (ICE) and the White House to end family detention;
3. Reaching out to and partnering with community organizations in their areas working to end family detention, including connecting with groups organizing visits to detention centers;
4. Contacting elected officials and encouraging them to stand on the side of love and end family detention by closing family detention centers; and
5. Connecting with and supporting Unitarian Universalist Refugee and Immigrant Services and Education (UURISE) in their work connecting and supporting Unitarian Universalists, member congregations, and state advocacy networks in their work for immigrant justice.

#### **UUA Statement of Conscience**

By a vote of two-thirds or more, the Assembly adopted the following Statement of Conscience.

As Unitarian Universalists, we embrace the reproductive justice framework, which espouses the human right to have children, not to have children, to parent the children one has in healthy environments and to safeguard bodily autonomy and to express one's sexuality freely. *The reproductive justice movement was founded at a time when the unique range of issues faced by women of color were not addressed by the predominantly white middle class women’s rights and reproductive rights movements nor the predominantly male civil rights movement. Those issues have included forced sterilization, forced contraception, and higher rates of removal of children from families due to accusations of abuse or neglect. These issues, coupled with systemic racism, have frequently made parenting or co-parenting more difficult due to many factors, including but not limited to, discriminatory and unequal implementation of laws and incarceration rates, prohibitions imposed on people after incarceration, unjust immigration policies, and economic insecurity.*

Reproductive justice is the term created by women of color in 1994, to center the experience of the most vulnerable, and to bridge the gap between reproductive rights and other social justice movements. Some of these women helped to found SisterSong and have explained that the reproductive justice framework “represents a shift for women advocating for control of their bodies—from a narrower focus on legal access and individual choice . . . to a broader analysis of racial, economic, cultural, and structural constraints on [their] power. Reproductive justice addresses the social reality of inequality, specifically, the inequality of opportunities that

[women of color] have to control [their] reproductive destiny.”<sup>1</sup> We as Unitarian Universalists declare that all people have the right to self-expression with regard to gender and sexuality and the right to live free from sexual violence, intimate partner violence, and exploitation including sexual and reproductive exploitation.

The reproductive justice movement envisions the liberation of people of all genders, sexual orientations, abilities, gender identities, ages, classes, and cultural and racial identities. Such liberation requires not only accurate information about sexuality and reproduction and control of personal reproductive decisions, but also living wages, safe and supported housing, high quality and comprehensive medical and reproductive health care, access to voting and the political process, affordable legal representation, fair immigration policies, paid parental leave, affordable childcare, and the absence of individual and institutional violence.

The world we envision includes social, political, legal, and economic systems that support everyone’s freedom of reproductive choice and expression of gender identity and sexuality, especially the most vulnerable and marginalized. In such a world, all communities are places of equality, abundance and safety, free from violence, oppression, and hazardous environments. This world includes access to safe, affordable, and culturally and developmentally appropriate child care and health care. In our vision, everyone has access to accurate information about sexuality and family planning, and safe, healthy, and culturally sensitive reproductive health services.

Our faith tradition has a long history of progressive witness for freedom and justice. Soon after the merger of Universalism and Unitarianism, the new Association (1961) adopted statements in support of civil rights and the rights of women. In time, the Unitarian Universalist Association of Congregations added advocacy for those facing oppression based on their sexual orientation or gender identity and expression. We have offered sexuality education across the lifespan within our congregations, and have advocated for these beliefs in the public sphere.

As participants in the reproductive justice movement, Unitarian Universalists commit to follow the lead of, act in solidarity with, and be accountable to communities of color and other marginalized groups, using our positions of power to support those communities’ priorities. Both those affected and their allies play important roles. Unitarian Universalists are laying the groundwork for the transformative power of multicultural organizing in partnership with reproductive justice organizations and leaders, looking for leadership from those most affected. We will use our position to speak loudly in the religious arena, as the religious voice has often been used to limit access to reproductive justice.

#### THEOLOGICAL GROUNDING

As Unitarian Universalists we covenant to uphold our seven principles. The first, second and sixth principles are the most applicable to Reproductive Justice. We are all relational beings

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<sup>1</sup> From “Why is Reproductive Justice Important for Women of Color?” on the SisterSong website

with varying abilities, preferences, and identities. Unitarian Universalism calls us to advocate for the positive expression of sexuality, including choices about reproduction and nurturing, and for a culture of respect and empowerment. Our commitment to our principles calls us to support and partner with oppressed communities as we work together to build the world we dream about. In order to embody our principles, we as Unitarian Universalists must listen to and follow the lead of those from the affected communities, especially women of color, and reach outside our cultural assumptions.

Unitarian Universalists support gender equity, positive sexuality, diverse sexual expression and the individual's right to make reproductive choices. Such choices are influenced by social and political systems as well as by factors such as racial/cultural identity, economic status, immigration/citizenship status, relationship with the justice system, health status, and ability. Our religious tradition directs us to respect the diversity of faith traditions that surround us and insists that no singular religious viewpoint or creed guide the policies of our governments. Our pluralistic congregations include diverse beliefs, backgrounds, and personal stories. Yet we unite in striving to live out the values and principles that call us to work for reproductive justice in spite of the complexities of the issues.

## ACTIONS

We commit to putting our values into action, striving for equality and justice and honoring the rights, needs and choices of everyone. Affirming the interconnected web of life with justice for all people, we commit to undertake actions that could include the following.

As individuals we can

- Study reproductive justice issues, including sexuality, gender identity, classism, ableism, sexual violence, immigration, and racism.
- Seek to understand and take responsibility for our personal biases.
- Risk telling our own stories, and be willing to truly hear and trust the stories of others.
- Work to accept one's own body, sexuality, and abilities.
- Adopt spiritual practices that contribute to self-care.
- Advocate for reproductive justice and related issues through op-ed pieces, letters to the editor, letters and visits to legislators, and direct action.
- Volunteer with and/or provide financial support to organizations that provide reproductive health services at little or no cost, abortion clinics, women's shelters, and child and family community support centers.
- Protest violations of basic human rights, including sexual trafficking and the inhumane treatment of sex workers.
- Support reproductive health/abortion clinics that are experiencing intimidation and spiritual or physical violence.
- Effect positive change within our own social circles and professions.
- Support reproductive justice groups as active participants or accountable allies.
- Consider these issues when voting.

- Eliminate barriers (economic, educational, language, accessibility, etc.) to reproductive justice services.
- Provide leadership in our congregation and community on these issues.
- Contribute financially to organizations that advocate for reproductive justice issues, including the social determinants underlying racism, classism, sexism, ageism, ableism, homophobia, transphobia, and other forms of oppression.
- Work to ensure equity and respect and eliminate discrimination and coercion for all participants in the adoption and foster care system.

In our relationships we can

- Respect all people and their decisions regarding reproduction, even those with whom we disagree.
- Minister to one another around reproductive health and reproductive justice issues.
- Be sensitive to others' stories, respecting their life experiences and lived realities.
- Accept people of all abilities, identities, orientations, and generations as sexual beings.
- Accompany anyone wanting support (e.g., while seeking government assistance, in making decisions for their families about pregnancy and adoption, during abortions, and during childbirth).
- Engage children and youth in dialogue and learning about sexuality and relationships in ways that respect their self-expression and contributions.
- Seek and accept leadership from people most affected by reproductive injustice.
- Believe the survivors who share their experience of sexual and/or interpersonal violence. Listen with compassion, offer support, and avoid victim-blaming language.

In our congregations we can

- Form a reproductive justice group, task force, committee, or interfaith coalition.
- Invite and consult with reproductive justice advocates and groups to share their understanding and expertise, and/or conduct reproductive justice trainings.
- Connect religious professionals and lay leaders with organizations and networks that promote reproductive and economic justice and human rights.
- Encourage religious professionals and lay leaders to participate in reproductive justice-related education and training.
- Provide ministry and pastoral care that is inclusive of all people and reproductive justice issues.
- Offer worship, discussion, and small group ministry on reproductive justice issues.
- Develop and promote congregational statements on reproductive justice.
- Provide spaces, programs, and teaching for community groups working on reproductive justice issues.
- Provide education to children, youth and adults that are age, ability, and identity appropriate.
- Engage children, youth, and adults in dialogue and learning about healthy sexuality and relationships in ways that respect their self-expression and contributions.

- Join with state legislative ministry organizations and interfaith networks in their advocacy for reproductive rights or organize such advocacy.
- Communicate reproductive justice information using the congregation's virtual community networks, newsletters, and orders of service.
- Implement Safe Congregations guidelines and practices.
- Continue Welcoming Congregation advocacy and education efforts related to gender and sexuality.
- Reach out and participate in interfaith and secular work on racism, classism, gender and/or sexual health issues.
- Welcome breastfeeding in our shared spaces.

As an Association we can

- Publicly witness and advocate for sexual and reproductive justice in the US and around the world.
- Advocate for just legislation and policies and the rights of families and individuals at the state and federal levels.
- Advocate for comprehensive reproductive health services, including contraception, prenatal care, abortion, and infertility treatment.
- Advocate for the right to access comprehensive and medically accurate reproductive health information.
- Support UU state legislative ministry organizations in their work that supports reproductive justice.
- Provide curricula, resources, current information, and networking opportunities that congregations can use in their reproductive justice education and advocacy efforts.
- Collaborate with other faith-based and secular organizations working for reproductive justice and related issues, in order to build a stronger, more intersectional justice movement.
- Present reproductive justice workshops at district/regional, national, and international meetings.

With open minds, helping hands, and loving hearts, we work toward reproductive justice, and commit to replacing insecurity with safety, fear with acceptance, judgment with love, and shame with compassion.

### **Elections**

The following persons were elected in uncontested elections:

#### **UUA Board of Trustees (three-year terms)**

Gregory Boyd

Tim Atkins

Rev. Patrick McLaughlin

**Board of Review** (eight-year terms)

John Bohman  
Rev. Brian Covell

**Commission on Appraisal** (six-year terms)

Kathleen Henry  
Peter Kandis  
Brian Chenowith

**Commission on Social Witness**

Dr. Susan Goekler (four-year term)  
Richard Bock (two-year term)

**General Assembly Planning Committee** (four-year terms)

Ila Klion  
Rev. Paul Langston-Daly  
Rev. Jennifer Gray  
Katherine Allen

**Nominating Committee** (three-year terms)

Elissa McDavid  
Rev. Joe Cherry  
Steven Ballesteros  
Aisha Hauser

**Credentials Report**

The final credentials report of the Secretary of the Association was as follows: Accredited and attending the 54th General Assembly of the Unitarian Universalist Association were 1,398 member delegates, 347 ministerial delegates, 1 credentialed religious educator, 2 associate member delegates, and 12 members of the Board of Trustees (not included as registered delegates from congregations). On-site delegates totaled 1,748, representing 580 congregations, 49 states, 1 Canadian province, and the District of Columbia. Total on-site registration was 4,508, including 275 youth.

Additionally, there were 128 off-site delegates, including 115 member delegates and 13 ministerial delegates. Represented were 83 congregations from 31 states. Total off-site registration was 157.



**Closing**

The Assembly voted to adjourn *sine die* at approximately 4:45 pm on Sunday, June 28, 2015.

Respectfully submitted,

/s/ Harlan Limpert  
Clerk

DRAFT 7/8/2016  
2:30 p.m.

MINUTES

**FIFTY-FIFTH GENERAL ASSEMBLY OF THE**  
**UNITARIAN UNIVERSALIST ASSOCIATION**  
**HELD IN COLUMBUS, OHIO**

The General Assembly was convened on Thursday, June 23, 2016, at 8:15 a.m., by Moderator Jim Key at the Columbus Convention Center, Columbus, Ohio.

The Assembly adopted, by a vote of two-thirds or more, Rules of Procedure for the conduct of the meeting.

One new congregation was recognized as having entered into membership in the Unitarian Universalist Association during the past fiscal year: Unitarian Universalists of Benton County, which serves northwest Arkansas.

The Assembly received written and, in some cases verbal, reports from the President, the Moderator, the Treasurer, the Financial Advisor, the Secretary, the Board of Trustees, the General Assembly Planning Committee, the Commission on Social Witness, the Commission on Appraisal, Beacon Press, the Journey Toward Wholeness Transformation Committee, the Unitarian Universalist Service Committee, the UU College of Social Justice, and the Unitarian Universalist Women's Federation.

On the basis of an initial report by the Secretary of the Association, a quorum was declared present from the time the meeting was called to order.

Members of the Distinguished Service Award Committee presented the 2016 Award for Distinguished Service to the Cause of Unitarian Universalism to the Rev. Dr. Laurel Hallman.

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**Action on Bylaw Amendment**

The Assembly passed by a vote of two-thirds or more an amendment to the bylaws so as to read as follows:

**Underlining indicates insertion; brackets indicate deletion.**

**Section 4.16. Additions to the Agenda of Regular General Assemblies.**

- (a) Non-substantive items related to greetings and similar matters may be admitted to the agenda by a regular General Assembly.

- (b) Prior to **[2013] 2018**, there will be no General Assembly Actions of Immediate Witness on the agenda.
- (c) (1) A General Assembly Action of Immediate Witness is one concerned with a significant action, event or development, the timing or specificity of which makes it inappropriate to be addressed by a UUA Statement of Conscience pursuant to the Study/Action process.
- (2) **[Beginning with General Assembly 2013,]** No more than three General Assembly Actions of Immediate Witness may be admitted to the agenda of a regular General Assembly.

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**Vote on Study/Action Issue**

A Study/Action Issue on The Corruption of our Democracy received a majority vote of the Assembly and was referred for study in accordance with Bylaw Section 4.12.

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**Business Resolutions**

A proposed business resolution entitled “Screening Out Investment in Corporations Complicit in the Violation of Human Rights Including Palestinian Rights” did not receive the requisite vote of two-thirds or more of the Assembly.

The following business resolution received the requisite vote of two-thirds or more of the Assembly.

**Thanksgiving Day Reconsidered**

WHEREAS, the year 2020 marks the 400th anniversary of the arrival of the ship “Mayflower” in the region now known as New England; and

WHEREAS, concern has been expressed by Native American tribal leaders, by human rights advocates, by environmental justice advocates, and by others, about the celebration of the 400th anniversary of the colonization of New England; and

WHEREAS, several of the New England congregations that were established during the 1600s continue today as Unitarian Universalist congregations; and

NOTING the role of Unitarian Universalists in developing the holiday that is known as “the American Thanksgiving Day”; and

NOTING the desire of Unitarian Universalists to work for peace and justice for all the world's people;

THEREFORE, BE IT RESOLVED that this General Assembly encourages all Unitarian Universalists to enter a time of education, careful reflection, and healing, during the years 2016-2021, and that special attention be given to the suffering, indignity, and loss that native peoples have suffered since the early 1600s; and

BE IT FURTHER RESOLVED that this General Assembly asks the President of the Unitarian Universalist Association to report to the 2017 General Assembly on national, tribal, and congregational plans for both the 400th anniversary of the "Mayflower" voyage and the 400th anniversary of the first harvest festival in Plymouth Colony; and

BE IT FURTHER RESOLVED that this General Assembly asks the President of the Association to work in consultation with Native American peoples to present recommendations to UU congregations, districts, camps, and theological schools that wish to observe what is often called "the first Thanksgiving Day in America;" and

BE IT FINALLY RESOLVED that we encourage Unitarian Universalists to work with all of the religious groups that trace their religious root to the Pilgrims and the Puritans. When we confront the past that we share with others, we ask for wisdom with charity as we try to better understand the people and the environment of the 1600s. To prepare for the future, we must make peace with our past. As we approach the Plymouth Colony quadricentennial dates, we ask for religious education programs that acknowledge the Radical Reformation and the religious Dissenters and Separatists of the 1600s. The story of religious Dissenters and Separatists is part of our Unitarian Universalist story, and their influence is still with us. We ask for religious education programs that honor and respect the spiritual wisdom of indigenous people, including the Wampanoag Tribal Nation (of Mashpee, Massachusetts), who first met the Pilgrims. We ask for all UU congregations across the United States of America to enter into dialogue with the local Native People in their areas about the Thanksgiving holiday and its history. In today's world, we know that we are part of an interdependent web of all existence. With this awareness in mind, we ask for a time of truth and reconciliation for all Americans, including Native People, during the years 2016-2021.

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### **Election Results:**

The following individuals were elected in uncontested elections:

Financial Advisor – three-year term

Lucia Santini Field

UUA Board of Trustees – three-year term

Dorothy Holmes  
Richard Jacke  
Denise Rimes  
Elandria Williams

Nominating Committee – three-year terms

Randy Burnham  
Ken Wagner  
Amanda Weatherspoon

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**Actions of Immediate Witness**

The Assembly adopted by a vote of two-thirds or more the following three Actions of Immediate Witness:

**Build Solidarity with our Muslim Neighbors**

BECAUSE Unitarian Universalist Association’s Principles call us as member congregations to affirm and promote “The inherent worth and dignity of every person” and “The goal of world community with peace, liberty, and justice for all”;

WHEREAS, our living tradition draws from many sources, including “Wisdom from the world’s religions which inspires us in our ethical and spiritual life” and “Jewish and Christian teachings which call us to respond to God’s love by loving our neighbors as ourselves”;

WHEREAS, the United States Constitution is founded in part on the freedom of religious belief and practice;

WHEREAS, the histories of Unitarianism, Universalism, and Unitarian Universalism affirm the importance and centrality of freedom of religious belief and practice in this country;

WHEREAS, Muslims and others perceived as Muslims in the United States have faced increased levels of discrimination and hate crimes since 9/11;

WHEREAS, an additional layer of fear, prejudice and xenophobia have arisen following the Paris and San Bernardino terrorist attacks in 2015 and the Belgium and Orlando

attacks in 2016; and some politicians have called for a ban on immigration and increased (unnecessary) surveillance for all Muslims following these events;

WHEREAS, the refugee crisis in Syria has become a target of this fear, prejudice and xenophobia;

WHEREAS, Muslim leaders have reached out to Unitarian Universalists asking for our partnership to combat Islamophobia, and congregations have responded with support;

THEREFORE, BE IT RESOLVED that the 2016 General Assembly of the Unitarian Universalist Association expresses its love, respect and support for Muslims in our communities and encourages its member congregations to:

- build bridges of partnership with Muslim neighbors in our local areas;
- increase understanding of Islam within and beyond our local congregations especially in this political moment;
- learn more about and act on the realities of religious discrimination and the various refugee crises and offer support to refugees (Syrian and other) within our communities;
- challenge acts and words of Islamophobia in solidarity and coordination with Muslims;
- advocate in opposition to Islamophobic bills and actions in our local and national governments, paying particular attention to increased surveillance and anti-immigration efforts; and
- work in this election cycle to foster greater inclusion of all peoples, regardless of their religious, ethnic, national, or racial identity(ies).

**Stop the Hate: Protect and Support our Transgender  
and Gender Non-Conforming Family**

BECAUSE – “Injustice at Every Turn,” a 2011 nationwide survey of transgender and gender non-conforming people, detailed overwhelming discrimination across multiple major areas of their lives: education, employment, health, family life, housing, and public accommodations;

BECAUSE – Equality in all these areas is a fundamental human right;

BECAUSE – Transgender and gender non-conforming people are routinely mistreated while in law enforcement custody;

BECAUSE – Transgender and gender non-conforming people face obstruction, harassment, and abuse in attempting to obtain identity documents in their true gender, which serves to increase the social isolation transgender and gender non-conforming people experience and diminishes their ability to participate fully in society;

BECAUSE – Transgender and gender non-conforming people are frequently isolated socially as a result of hate and discrimination, which leads to a general lack of understanding in our society concerning transgender and gender non-conforming people;

BECAUSE – Hate and discrimination lead to transgender and gender non-conforming persons being at substantially increased risk of violent attack;

BECAUSE – All of the discrimination, harassment and increased risk of physical, sexual and psychological violence that transgender and gender non-conforming people suffer contribute to a shockingly high rate of attempted suicide - a rate ten times higher than the average for the general population; and

WHEREAS, is in keeping with our First Principle - The inherent worth and dignity of every person; our Second Principle - Justice, equity and compassion in human relations; and our Sixth Principle - The goal of world community with peace, liberty, and justice for all; the following actions are immediately needed to improve the life situations and safety of transgender and gender non-conforming persons

THEREFORE, BE IT RESOLVED that We, the Delegates of the 2016 UUA General Assembly, call on Unitarian Universalists to:

1. Strongly condemn the anti-transgender legislation recently passed in North Carolina, known as HB-2, in Tennessee as HB-1840, and in Mississippi as HB-1523, and call for their immediate and full repeal;
2. Make a strong statement against the passage of any further bills targeting transgender and gender non-conforming persons in other states where they are pending;
3. Support passage of The Fairness Act<sup>1</sup> and similar federal anti-discrimination legislation so that transgender and gender non-conforming persons might have their ability to fully participate in society affirmed and protected;
4. Pledge to educate ourselves and our faith and civic communities to provide ever safer, more inclusive, and potentially healing spaces for transgender and gender non-conforming people;
5. Pledge to educate social workers and educators about transgender and gender non-conforming people's needs;

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<sup>1</sup> The Fairness Act amends existing state or local civil rights laws to include sexual orientation and gender identity or expression. Typically, this will prohibit discrimination in employments, public accommodations, education, credit or lending, and housing; create a private right of action for aggrieved individuals and provide for enforcement through a government agency.

6. Pledge to educate health care professionals and law enforcement officers about transgender and gender non-conforming people's needs;
7. Pledge to educate legislators and other government officials about the need for transgender and gender non-conforming people's need for proper identification documents; and
8. Pledge to educate employers, agencies, and institutions about the needs of transgender and gender non-conforming people who might be employees, students, clients and customers, and encourage these employers, agencies and institutions to adopt affirming policies.

### **Some Guns, All Guns: Legislating Appropriate Restrictions**

As the United States engages in a national discussion on ending gun violence, tragedy continues. The recent attack at the Pulse nightclub in Orlando, Florida, which took the lives of 49 people and injured 53 more, highlights an epidemic that claims 89 lives a day across the nation. While some aspects of gun violence are complex and systemic, we can take immediate action.

We can ensure responsible gun ownership with laws that keep **some guns** out of the hands of all people, and **all guns** out of the hands of some people.

First, we the delegates of the 2016 Unitarian Universalist General Assembly call upon state and federal legislators to make it a crime for civilians to knowingly import, sell, manufacture, retrofit or transfer a semiautomatic assault weapon or large capacity ammunition feeding device. Private citizens have no reason to have access to weapons like the MCX Carbine firearm used to murder 49 people in the Pulse nightclub in Orlando on June 12, 2016. These weapons have immense destructive power and do not belong in civilian hands. Specifically, we call on legislators to follow the lead of the seven states – California, Connecticut, Massachusetts, Hawaii, Maryland, New Jersey and New York – that already ban assault weapons for any purpose other than law enforcement or military and to join those seven states plus Colorado in prohibiting large capacity ammunition feeding devices that hold over 10 rounds.

Second, we call upon the states and the federal government to implement comprehensive, universal background checks. Legal access to guns is still too easy – and this recent tragedy is only the latest in a long line of examples. We call on states to require that all parties (private or licensed) conduct a background check of the proposed purchaser before selling any firearm. All states that do not currently do so should ensure that all relevant records are provided to the FBI's National Instant Criminal Background Check (NICS).



Policies such as expanding background checks to cover all gun sales would help keep guns out of the hands of those already deemed illegal purchasers. Ninety (90) percent of Americans, including the vast majority of gun owners, support background checks because they make us all safer. Since 1994, the Brady law has blocked over 2.4 million purchases.

These actions will not finish the task of building the world we dream of, but they will keep innumerable people safe as we continue to address broader issues of hate rhetoric, cultural violence, suicide, and access to mental health care.

As Unitarian Universalists we affirm the worth and dignity of all people, and promote justice, equity, and compassion in human relations. This General Assembly calls on Unitarian Universalists to work together and in collaboration with others to ensure that the states and federal government create safe and responsible gun ownership legislation and a more just and compassionate world.

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### **Responsive Resolution**

The Assembly adopted by a vote of two-thirds or more the following Responsive Resolution:

#### **Reaffirmation of Commitment to Racial Justice**

WHEREAS, Unitarian Universalist congregations and individuals covenant in our first and sixth principles to affirm the inherent worth and dignity of every person as well as work toward a world community with peace, liberty and justice for all;

WHEREAS, the Unitarian Universalist Association lists as part of its primary purpose “to . . . extend and strengthen Unitarian Universalist institutions and implement its principles”;

WHEREAS, in our UUA Bylaws and Statement of Inclusion, we pledge to “replace widening barriers with ever-widening circles of solidarity and mutual respect as well as striving to be an association of congregations that truly welcomes all persons and are committed to structuring congregational and associational life in ways that empower and enhance everyone’s participation”;

WHEREAS, the Action of Immediate Witness, “*Support the Black Lives Matter Movement*,” was passed by the General Assembly in 2015;

WHEREAS, the Black Lives Matter AIW has been frequently referenced as satisfactory proof of our progress towards racial justice;

WHEREAS, the Board of Trustees of the Unitarian Universalist Association, in their 2016 report to the Assembly, called upon the Association to “find the will and the way to do a better job” in the fight for racial justice;

THEREFORE, BE IT RESOLVED that we hold ourselves accountable to less witness and more action;

BE IT FINALLY RESOLVED that the Board of Trustees shall issue a multi-year report on the board, staff, congregational, and denominational responses to Black Lives Matter, and particularly examine the year-to-year growth in these responses, at General Assembly 2017, 2018, and 2019.

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### Credentials Report

The final credentials report of the Secretary of the Association, as corrected, was as follows: accredited and attending the 55th General Assembly of the Unitarian Universalist Association were 1391 member delegates, 311 ministerial delegates, 1 credentialed religious educator, 3 associate member delegates, 10 delegates representing the Church of the Larger Fellowship (included in member delegate count), and 126 off-site delegates, for a total of 1832 delegates representing 562 congregations, 48 states, and the District of Columbia. Total on-site registration for the Assembly was 3780 including 204 youth.

Offsite attendance included 154 individuals from 27 states, including 112 member delegates and 14 minister delegates. Nineteen congregations registered only off-site delegates.

### Closing

The Assembly was adjourned *sine die* by Moderator Jim Key at approximately 3:50 p.m. on Sunday, June 26, 2016.

Respectfully submitted,

/s/ Harlan Limpert  
Clerk

UUA Board of Trustees  
October 14 & 15, 2016

**DRAFT - NOT YET APPROVED BY THE UUA BOARD.**

**MINUTES**  
**BOARD OF TRUSTEES**  
**UNITARIAN UNIVERSALIST ASSOCIATION**

October 14 & 15, 2016

Pursuant to notice duly given, a meeting of the Board of Trustees of the Unitarian Universalist Association was held on Thursday, October 14 and Friday, October 15, 2016 at the UU Congregation at Shelter Rock in Manhasset, New York.

**MEMBERS**

**PRESENT:** Tim Atkins, Greg Boyd, Andy Burnette, Rob Eller-Isaacs, Dorothy Holmes, Richard Jacke, Sarah Dan Jones, Jim Key, Patrick McLaughlin, Peter Morales, Denise Rimes, Christina Rivera, Lucia Santini-Field, Elandria Williams.

**MEMBERS**

**ABSENT:** None.

**ALSO**

**PRESENT:** Tim Brennan, Andrea Briscoe (youth observer), Sarah Lammert, Bailey Saddlemire (youth observer), and observers.

Following a day-long training in AR/AO/MC work Moderator Jim Key called the official board meeting to order at 9:22 AM on Friday, October 14, 2016. Board members and guests introduced themselves.

All board members read the covenant out loud in unison.

Rob Eller-Isaacs moved to approve the consent agenda. It was approved with no changes. The consent agenda included the following motions:

- Approval of the UUA Board Minutes from 6-21-2016 & 6-22-2016
- Approval of the UUA Board Minutes from 6-27-2016

The following reports were presented:

**PRESIDENT'S REPORT** Peter Morales presented his president's report.

**MODERATOR'S REPORT** - Jim Key presented his moderator's report.

UUA Board of Trustees  
October 14 & 15, 2016

**SECRETARY'S REPORT** – Rob Eller-Isaacs presented his secretary's report.

**VICE MODERATOR'S REPORT** – Denise Rimes presented her vice moderator's report.

**BLACK LIVES FOR UU (BLUU) REPORT** – Carlton Elliot Smith and Leslie MacFayden presented a report from BLUU.

A motion was made by Rob Eller-Isaacs and seconded by Andy Burnette that the UUA Board approve in principle the funding of Black Lives UU, and that the staff be directed to bring to the January, 2017 Board meeting a plan that will fund both the immediate (\$300,000) and long-term (\$5 million to be directly controlled by the Black Lives UU Collective) operating costs of the collective's request. The plan should include an assurance that 5 million dollars of existing common endowment funds will guarantee the pledge of \$5 million. Approved by unanimous affirmation.

**DISCUSSION WITH UU CONGREGATION AT SHELTER ROCK** – Jim Key offered deep thanks to our hosts for their hospitality and for their generous pledge of \$5 million for the Collaborative Campaign's Legacy Giving program as well as their generosity over the decades.

**TREASURER'S REPORT** – Tim Brennan presented his treasurer's report.

**FINANCIAL ADVISOR'S REPORT** – Lucia Santini Field presented her financial advisor's report.

**FINANCE SECRETARY'S REPORT** – Christina Rivera presented her finance secretary's report.

**DISCUSSION OF WORKING GROUPS** – Denise Rimes presented a report on working group assignments.

**GOVERNANCE WORKING GROUP REPORT** – Andy Burnette presented the governance working group report. Andy Burnette moved and Tim Atkins seconded approval of the monitoring reports 2.2 (as amended to non-compliance) 2.2.2, 2.2.1, 2.4, 2.9, 2.7, 2.7.2, 2.7.3 & 2.7.4.

**COMMITTEES WORKING GROUP REPORT** – Tim Atkins presented a report from the committees working group. Tim Atkins moved and Andy Burnette seconded a motion accept a proposal to create a Leadership Development Task Force. Motion passed.

**PROCESS OBSERVATION** – Tim Atkins shared process observations and at 5:46 PM Moderator Key declared the meeting recessed until Saturday morning.

UUA Board of Trustees

October 14 & 15, 2016

**MEETING RECOVERED** Jim Key, Moderator, reconvened the meeting at 9:11 AM on Saturday, October 15, 2016.

**GENERATIVE DISCUSSION** Jim Key led an open-ended discussion. Topics included stewardship and board facilitation process.

**MODERATOR NOMINATING PROCESS REPORT** (PART 1) – Tim Atkins gave a report about the moderator nominating committee process.

**APF TASKFORCE PRESENTATION** – Denise Rimes and Mary Katherine Morn presented the report of the APF taskforce (due to communication technology issues with Chair Larry Ladd). Patrick McLaughlin moved and Tim Atkins seconded a motion to affirm the notion of over time, moving APF to a formula based on percentage of expenses. The motion passed with two abstentions. Andy Burnette thanked the APF team for their excellent service.

### **EXECUTIVE SESSION**

Christina Rivera made a motion to move into Executive Session (no second needed). Tim Atkins moved to stay in Executive Session for the purpose of discussing nominations. Motion carried.

Patrick McLaughlin moved and Lucia Santini Field seconded that the Board move out of Executive Session.

Upon returning from Executive Session Tim Atkins announced that the following appointments were made:

#### **Investment Committee**

Brian Lasher

#### **Audit Committee**

Mary Byron

#### **Moderator Nominating Committee**

Chip Roush

Theresa Soto

Izabella Spriggs

Isabelle McCurdy

Caitlin Cotter (form coming in the AM)

Charles Du Mond (form coming in the AM)

Lauren Way (form coming in the AM)

#### **Open UUA**

Cheri Cody as Chair (already serves on the committee)

Jim Key noted that the Board approved a compensation and benefits package for the President for FY18.

UUA Board of Trustees  
October 14 & 15, 2016

**COMMUNICATIONS AND LINKAGE WORKING GROUP REPORT** – Christina Rivera gave a report from the Communications and Linkage working group and led those present in an exercise.

**CONGREGATIONAL BOUNDARIES WORKING GROUP REPORT** – Denise Rimes presented a report from the Congregational Boundaries working group.

**INCLUSION AND EMPOWERMENT WORKING GROUP REPORT** – Patrick McLaughlin presented a report from the Inclusion and Empowerment working group.

**MOTIONS AND ACTION ITEMS** –

The Governance Working Group moves to approve monitoring reports 2.2 (as amended to non-compliance), 2.2.2, 2.2.1, 2.4, 2.9, 2.7, 2.7.2, 2.7.3, and 2.7.4.

**MODERATOR NOMINATING PROCESS REPORT (PART 2)** Tim Atkins and Greg Ward discussed the methodology of voting for the moderator candidates.

**PROCESS OBSERVATION** – Patrick McLaughlin shared process observations and at 4:05 PM Moderator Key declared the meeting adjourned.

Respectfully submitted,

/s/ Harlan Limpert  
Clerk

**BOARD OF TRUSTEES SCHEDULE**

- **Conference Call: November 2016**  
Thursday, November 17, 2016  
8:00 PM - 9:30 PM (Eastern)
- **Conference Call: December 2016**  
Thursday, December 15, 2016  
8:00 PM - 9:30 PM (Eastern)
- **Meeting: January, 2017, Boston, MA**  
Friday, January 27 - Saturday, January 28, 2017

UUA Board of Trustees

October 14 & 15, 2016

- **Conference Call: February 2017**  
Thursday, February 23, 2017  
8:00 PM - 9:30 PM (Eastern)
- **Conference Call: March 2017**  
Thursday, March 23, 2017  
8:00 PM - 9:30 PM (Eastern)
- **Meeting: April, 2017, Boston, MA**  
Friday, April 21 - Saturday, April 22, 2017
- **Conference Call: May 2017**  
Thursday, May 25, 2017  
8:00 PM - 9:30 PM (Eastern)
- **Meetings: June 2017, New Orleans, LA**  
Tuesday, June 20—Wednesday, June 21: Board of Trustees Meeting  
Wednesday, June 21—Sunday June 25: General Assembly  
Monday, June 26: Board of Trustees Meeting
- **Meeting: October 2017, Boston, MA**  
Thursday, October 19 - Saturday, October 21, 2017
- **Meeting: January, 2018, Boston, MA**  
Friday, January 19 - Saturday, January 20, 2018
- **Meeting: April, 2018, Boston, MA**  
Friday, April 20 - Saturday, April 21, 2018
- **Meetings: June 2018, Kansas City, MO**  
Tuesday, June 19 - Wednesday, June 20: Board of Trustees Meeting  
Wednesday, June 20 - Sunday June 24: General Assembly  
Monday, June 25: Board of Trustees Meeting

# ***DRAFT - NOT YET APPROVED BY THE BOARD***

UUA Board Executive Committee

Minutes of the meeting of December 15<sup>th</sup>, 2016

Attending: Jim Key, Christina Rivera, Denise Rimes, Lucia Santini-Field, Rob Eller-Isaacs

Staff: Peter Morales, Harlan Limpert, Tim Brennan, Mary Katherine Morn, John Hurley, Tacquina Boston

Of Counsel: Tom Bean

The meeting was convened at 8:00 pm eastern by Moderator Key. We began by hearing from President Morales who filled us in on his activities both pastoral and prophetic in the wake of the recent election. He emphasized his meeting with our interfaith partners and with the leadership of the UUMA as we prepare to step up to whatever human rights challenges may emerge as the new administration takes office.

The primary purpose of the meeting was to receive an interim progress report from the staff team responsible for working out the details of the October 2016 Board vote authorizing “in principle” making a \$5.3 million commitment to funding Black Lives Unitarian Universalist.

Following a brief personal check-in, UUA counsel, Tom Bean made a presentation on the “duty-of-care” dynamics inherent in the Board’s decision. UUA treasurer, Tim Brennan, then led us through the outlines of the funding proposal. In the discussion that followed a number of questions of interpretation were raised as to the particulars of the Board’s intentions. Moderator Key took responsibility for framing the questions for the Board’s January meeting in order to achieve the clarity staff needs in order to proceed.

After the funding presentation stewardship and development director, Mary Katherine Morn made a brief presentation on the plan to raise the necessary funds. The Board will be approached for their pledges to this campaign at the January meeting with an initial goal of \$50,000 to come from the Board.

Following the development conversation, communications director, John Hurley, sketched out the communications plan stressing the importance of the Board and the leadership of BLUU working together to craft the narrative.

The meeting ended at 9:45 eastern with expressions of appreciation for the good work of the staff team and a list of discussion points which will be brought to the full Board at its January meeting.

Respectfully submitted,

Rob Eller-Isaacs

Secretary



## MONITORING REPORT – 2.7.1 ANNUAL AUDIT

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*Submitted on December 20, 2016.*

### 2.7.1 ANNUAL AUDIT

**Policy:** [The President shall not] Fail to cooperate fully with the annual audit of the Association's financial statements, or to sign the financial statements and certify that they fairly represent the financial condition and operations of the Association.

**Operational definition:** The audit plan of the independent auditing firm is presented to the Audit Committee in advance of the commencement of audit procedures. This typically happens at the Committee's spring meeting. Beginning in fiscal year 2016, the UU Common Endowment Fund, LLC will be audited as a separate entity and a separate report will be issued. The plan will include testing on each of the following items:

- the financial statements have been prepared in compliance with Generally Accepted Accounting Principles (GAAP),
- financial procedures and staff responsibilities have been documented,
- any secured debt has appropriate Board approval,
- Association resources, including staff time, have not been used in such way as to be of primary benefit to a private purpose rather than to the Association and its mission,
- Association funds, funds received by the Association in connection with charitable gift annuities and similar instruments, and funds held in trust by the Association for the benefit of member congregations and other entities have been received, held, and disbursed in accord with applicable law, trust documents, and prudent financial management practices,
- board-restricted funds have not been used for purposes other than those specified by the Board,
- financial obligations have been met in a timely manner, and
- financial operations have been carried out in a way that complies with the requirements for maintaining the Association's nonprofit, charitable tax status under federal and state laws.

**Rationale:** The auditors' plan is the guiding document for the audit process. The Board, acting through the Audit Committee, assures that the plan covers all areas of concern to the board.

**Supporting evidence:** Direct inspection by the Board of Trustees acting through the Audit Committee. The Audit Committee received the reports of Meyer Hoffman

## **MONITORING REPORT – 2.7.1 ANNUAL AUDIT**

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McCann, PC, the auditing firm selected by the Audit Committee, at its meeting of November 21, 2016 and voted to recommend that the Board of Trustees accept both reports. The auditors report stated that the UUA reports “present fairly, in all material respects, the consolidated financial position of the Unitarian Universalist Association as of June 30, 2016 and 2015, and the consolidated changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.” The report for UUCEF also contained a clean opinion as well. The audited financial statements for the Association and the UUCEF were distributed to the Board on December 2, 2016 along with a certification signed by the president and the treasurer. The Audit Committee will present the Committee's report to the Board of Trustees at their January 2017 meeting.

**Therefore, I report compliance.**

## MONITORING REPORT – 2.8 ASSET PROTECTION

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*Submitted on December 20, 2016.*

### 2.8 ASSET PROTECTION

**Policy:** The President shall not allow the Association's tangible, intangible and intellectual assets to be unprotected from undue risk.

**Operational definition:** As the terms are used in the accounting profession, "tangible assets" refers to real property (land and buildings), personal property (e.g. automobiles, tools, furniture) and financial assets (cash, securities and receivables). "Intangible assets" describes something which a person or corporation can have ownership of and can transfer ownership of to another person or corporation, but has no physical substance, e.g. copyright, trademarks, or patents. In the case of the UUA, our primary intangible assets are copyrights on books, periodicals, and web content and our trademarks. "Intellectual assets" are encompassed in intangible assets. We understand protecting the Association's assets from loss or damage to mean taking the following actions:

To protect tangible assets, the UUA:

- conducts a Facilities Condition Assessment annually,
- develops and monitors security policies and procedures, and
- obtains reasonable levels of insurance.

To protect financial assets, the UUA:

- obtains crime insurance on all employees who handle funds at reasonable levels;
- does background checks on employees who handle funds; and
- documents and enforces policies and procedures regarding the handling of cash, securities and financial transactions.
- Fully cooperates with annual audits of the Association's books and records and those of the UUCEF and the Employee Benefits Trust, or UUA Health Plan (see 2.7.1).

To protect its intangible assets, the UUA:

- registers and monitors copyrights on all Beacon and Skinner publications
- registers and monitors UUA trademarks
- works with legal counsel to issue cease and desist letters when unauthorized use of intellectual property is discovered.

**Rationale:** Assets are best protected through pro-active policies and procedures that prevent their loss or damage. This includes having a diligent and responsive operations staff, conducting an annual Facilities Condition Assessment, developing procedures that balance safety and security with the culture of openness valued by the UUA,

## MONITORING REPORT – 2.8 ASSET PROTECTION

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having rigorous financial policies and procedures, registering and monitoring copyrights and trademarks, and acting when unauthorized use is discovered. When the inevitable losses do occur, assets are further protected through a program of insurance appropriate for the level of risk.

### **Supporting data:**

#### **Physical assets**

*Facilities Condition Assessment:* A Facilities Condition Assessment (FCA) is a process of reviewing all of the building systems (roof, plumbing, HVAC, etc.), estimating when they would have to be replaced based on their useful lives, and calculating the cost of doing so, including a factor for inflation. The UUA annually conducts an FCA in the winter prior to the preparation of the budget.

*Ongoing maintenance:* The UUA is fortunate to have a Director of Operations with over 25 years of service to the Association and a dedicated staff. He has an intimate knowledge of each of the Association's facilities and reports on their condition twice per month to the Treasurer/CFO. In addition, the UUA has engaged a professional building management firm to manage the leased space in 24 Farnsworth Street as well as overall building projects. Each year, during the budget process, the Administration prepares a capital budget itemizing investments in facilities necessary to keep the building safe and well maintained. This budget uses the FCA as a starting point but varies from it based on resources available and other priorities.

*Security procedures:* The UUA's employee manual specifies security procedures covering:

- Routine and emergency building security
- Emergencies and first aid
- Fire

Furthermore, the Administration has engaged a firm with expertise in building and personnel security to review our procedures and make recommendations. The firm will also conduct a security training for staff in the early winter. The employee manual and the report of the security consultants are available for direct inspection.

The security consultants have also assisted us to revise our emergency procedures guidelines original published in December 2011. The guidelines cover the following issues:

- Fire
- Medical emergencies
- Intruders
- Extreme weather
- Bomb threat

*Insurance coverage:* The UUA maintains a full suite of insurance policies itemized

## MONITORING REPORT – 2.8 ASSET PROTECTION

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below. Policies and coverage levels are reviewed with the Association's agent and carrier, Church Mutual Insurance Company. In addition, the UUA periodically reviews insurance coverage with a third party insurance consultant. The UUA carries the following policies:

- Multi-Peril
  - Property
  - Business income
  - General liability
  - Directors, officers and trustees and Employment practices liability
  - Employee benefits liability
  - Counseling
- Flood
- Workers Comp
- Auto
- Umbrella
- Media
- Fiduciary liability
- Crime coverage

### **Financial assets**

#### *Policies and procedures*

The financial services staff has created a comprehensive policy and procedures manual that is regularly updated to reflect current practices and is available for direct inspection. Part of the audit process is to test selected transactions to ensure that they follow written procedures. There were no exceptions noted in the FY 2016 audit report from Mayer, Hoffman McCann.

#### *Background checks*

The UUA Human Resources department conducts background checks on all UUA staff (excluding Beacon Press staff, but including Beacon financial staff) as a condition of hire through Oxford Document Management Company. The check includes criminal background (state and county), Social Security Number trace, and credit report review.

#### *Crime insurance*

As stated above, the UUA has obtained \$1 million in crime coverage that covers employee dishonesty and ERISA related claims (re: health insurance, retirement plan, and benefits) for all employees who have been subjected to a criminal background check.

### **Intangible assets**

#### *Copyright protection*

Both Beacon Press and Skinner House register all published materials with the US Copyright Office and monitor infringements. There is no practical way to systematically

## MONITORING REPORT – 2.8 ASSET PROTECTION

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detect unauthorized use; one typically learns about infringements, which are very rare in the UUA's experience, through whistleblowers or professional networks. When the UUA is notified of an infringement, legal counsel issues a 'cease and desist' letter to the offending party and follows up with any needed enforcement actions.

Both of the UUA's publishing houses are moving into electronic book publication ("e-books"), which presents many more challenges for copyright protection. The environment for publishing rights is evolving rapidly since each publishing platform (e.g. smart phones, i-Pads, Kindle, Nook, etc.) has its own Digital Rights Management (DSM) rules, which vary significantly one to another. The UUA monitors this rapidly changing landscape by assigning staff to track general and trade news sources and by consulting with legal counsel. The Beacon Press Board of Advisors, which consists of leading professionals in the publishing industry, also provides intelligence about trends and issues in publication rights. Further, Beacon's distributor, Random House, oversees the electronic use of Beacon's copyrighted material including the monitoring of rights, management of permissions, and piracy.

The UUA also carries media insurance coverage of \$5 million, which protects the Association should it be accused of violating the copyrights of others in its publishing activities.

### *Trademark protection*

The UUA has registered its critical trademarks with the US Patent and Trademark Agency and with the Commonwealth of Massachusetts, and the Association employs the services of legal counsel to prepare filings and advise on related legal issues. In the spring of 2010, the UUA, with the advice of counsel, conducted a review of all registered trademarks. It was determined that the list of protected marks was out of date and that the list should be narrowed to those in active use. Additionally, Beacon Press has trademarked the name Beacon Press, their logo and "The King Legacy."

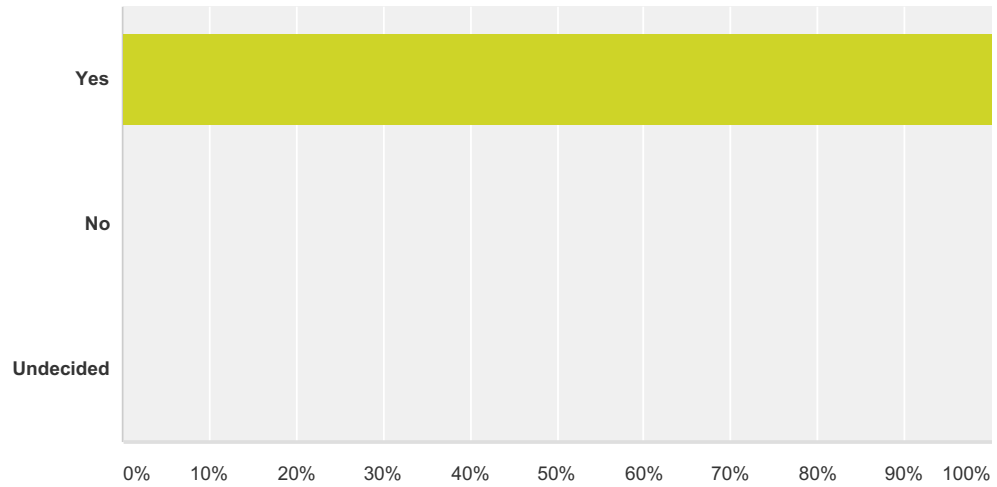
Currently, we have registered the following marks:

- Unitarian Universalist Association
- Unitarian Universalist
- The chalice logo we're currently using
- UU World: the magazine of the Unitarian Universalist Association of congregations
- uuworld.org
- Beacon Press
- Beacon Press logo
- The King Legacy
- Standing on the Side of Love

**Therefore, I report compliance.**

## Q1 Is the interpretation reasonable?

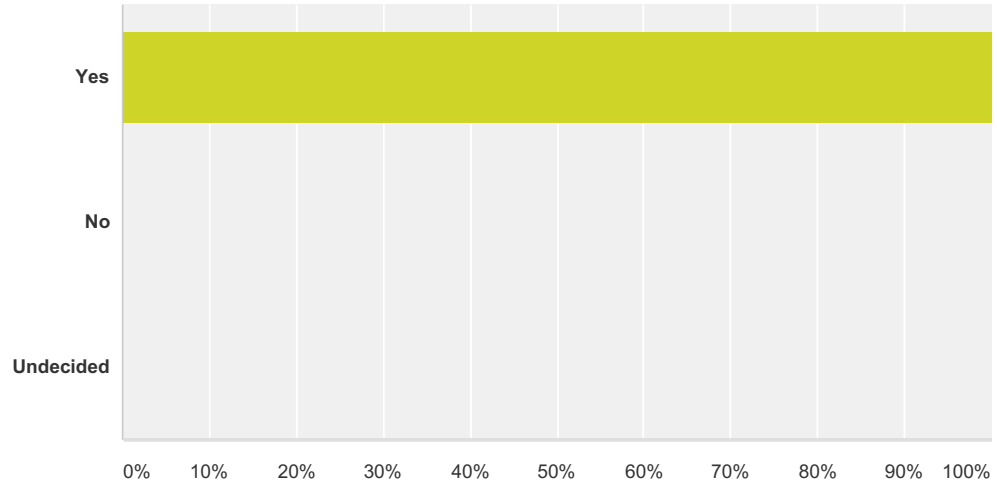
Answered: 11 Skipped: 0



Answer Choices	Responses	
Yes	100.00%	11
No	0.00%	0
Undecided	0.00%	0
<b>Total</b>		<b>11</b>

## Q2 Does the evidence provided demonstrate the level of compliance reported by the Administration?

Answered: 11 Skipped: 0

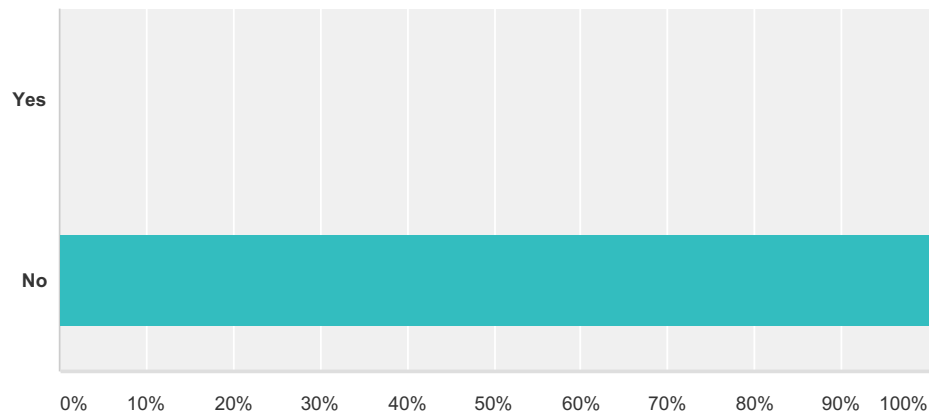


Answer Choices	Responses	
Yes	100.00%	11
No	0.00%	0
Undecided	0.00%	0
<b>Total</b>		<b>11</b>



### Q3 Would you recommend a revision of this policy?

Answered: 8 Skipped: 3



Answer Choices	Responses	
Yes	0.00%	0
No	100.00%	8
<b>Total</b>		<b>8</b>

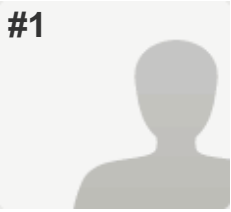
**Q4 If you recommend a revision of this policy, why, and what is the suggested revision?**

Answered: 0 Skipped: 11

**Q5 Please provide your name.**

Answered: 8 Skipped: 3

#1

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Wednesday, December 21, 2016 3:01:17 PM**Last Modified:** Wednesday, December 21, 2016 3:02:33 PM**Time Spent:** 00:01:16**IP Address:** 38.97.75.130

PAGE 1

**Q1: Is the interpretation reasonable?**

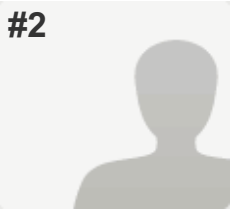
Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?***Respondent skipped this question***Q4: If you recommend a revision of this policy, why, and what is the suggested revision?***Respondent skipped this question***Q5: Please provide your name.***Respondent skipped this question*

#2

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Thursday, December 22, 2016 4:25:56 PM**Last Modified:** Thursday, December 22, 2016 4:26:45 PM**Time Spent:** 00:00:48**IP Address:** 67.160.119.70

PAGE 1

**Q1: Is the interpretation reasonable?**

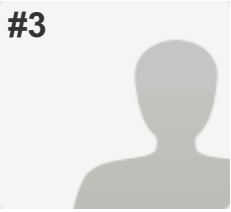
Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?***Respondent skipped this question***Q4: If you recommend a revision of this policy, why, and what is the suggested revision?***Respondent skipped this question***Q5: Please provide your name.***Respondent skipped this question*

#3

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Thursday, December 22, 2016 4:48:09 PM**Last Modified:** Thursday, December 22, 2016 4:48:47 PM**Time Spent:** 00:00:37**IP Address:** 184.98.190.53

PAGE 1

**Q1: Is the interpretation reasonable?**

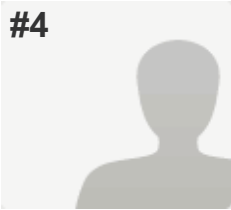
Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?***Respondent skipped this question***Q4: If you recommend a revision of this policy, why, and what is the suggested revision?***Respondent skipped this question***Q5: Please provide your name.***Respondent skipped this question*

#4



## COMPLETE

**Collector:** Web Link 1 (Web Link)

**Started:** Friday, December 23, 2016 1:38:25 PM

**Last Modified:** Friday, December 23, 2016 1:39:49 PM

**Time Spent:** 00:01:23

**IP Address:** 199.241.209.25

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

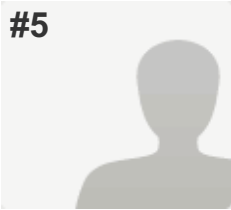
*Respondent skipped this question*

**Q5: Please provide your name.**

Jim Key

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#5



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Monday, January 02, 2017 10:07:17 AM

**Last Modified:** Monday, January 02, 2017 10:18:11 AM

**Time Spent:** 00:10:53

**IP Address:** 73.17.225.196

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

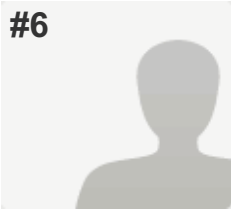
**Q5: Please provide your name.**

Sarah Dan Jones

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#6



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Monday, January 02, 2017 8:16:17 PM

**Last Modified:** Monday, January 02, 2017 8:16:39 PM

**Time Spent:** 00:00:22

**IP Address:** 68.195.113.160

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

**Q5: Please provide your name.**

Tim Atkins

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#7



## COMPLETE

**Collector:** Web Link 1 (Web Link)

**Started:** Tuesday, January 03, 2017 9:57:32 PM

**Last Modified:** Tuesday, January 03, 2017 9:58:22 PM

**Time Spent:** 00:00:50

**IP Address:** 66.206.145.13

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

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**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

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**Q3: Would you recommend a revision of this policy?**

No

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**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

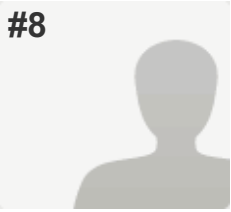
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**Q5: Please provide your name.**

Bailey Saddlemire

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#8



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Wednesday, January 04, 2017 11:26:13 AM

**Last Modified:** Wednesday, January 04, 2017 11:26:40 AM

**Time Spent:** 00:00:26

**IP Address:** 23.30.237.57

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

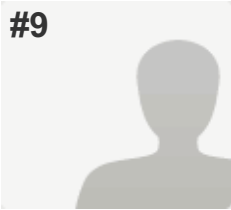
*Respondent skipped this question*

**Q5: Please provide your name.**

Rob Eller-Isaacs

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#9



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Wednesday, January 04, 2017 2:08:16 PM

**Last Modified:** Thursday, January 05, 2017 8:03:28 AM

**Time Spent:** 17:55:12

**IP Address:** 216.162.88.226

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

**Q5: Please provide your name.**

Andrea Briscoe

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#10



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Monday, January 09, 2017 2:47:15 PM

**Last Modified:** Monday, January 09, 2017 2:48:55 PM

**Time Spent:** 00:01:39

**IP Address:** 216.16.213.113

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

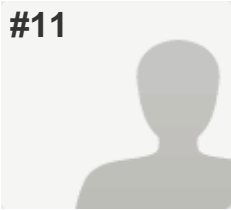
*Respondent skipped this question*

**Q5: Please provide your name.**

Dorothy Holmes

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#11



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Tuesday, January 10, 2017 11:36:58 PM

**Last Modified:** Tuesday, January 10, 2017 11:38:03 PM

**Time Spent:** 00:01:04

**IP Address:** 73.38.226.25

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

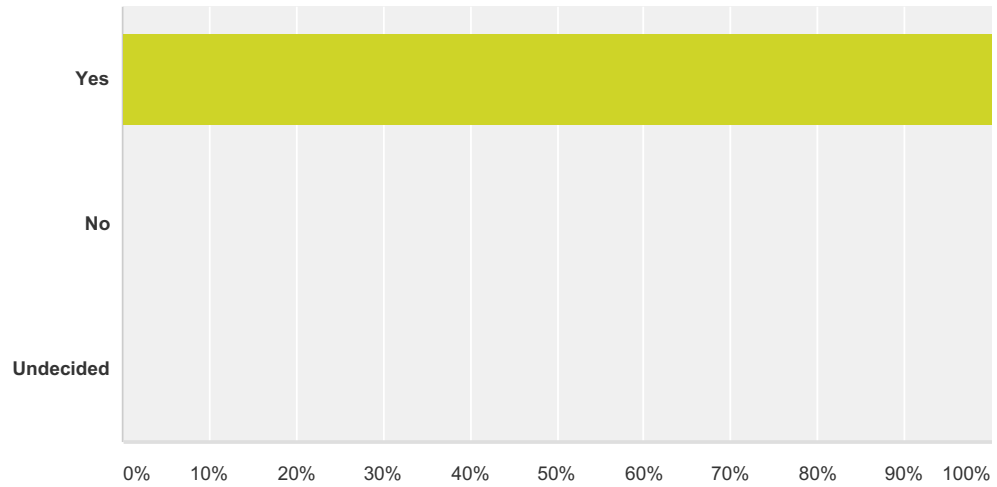
**Q5: Please provide your name.**

Patrick McLaughlin

---

## Q1 Is the interpretation reasonable?

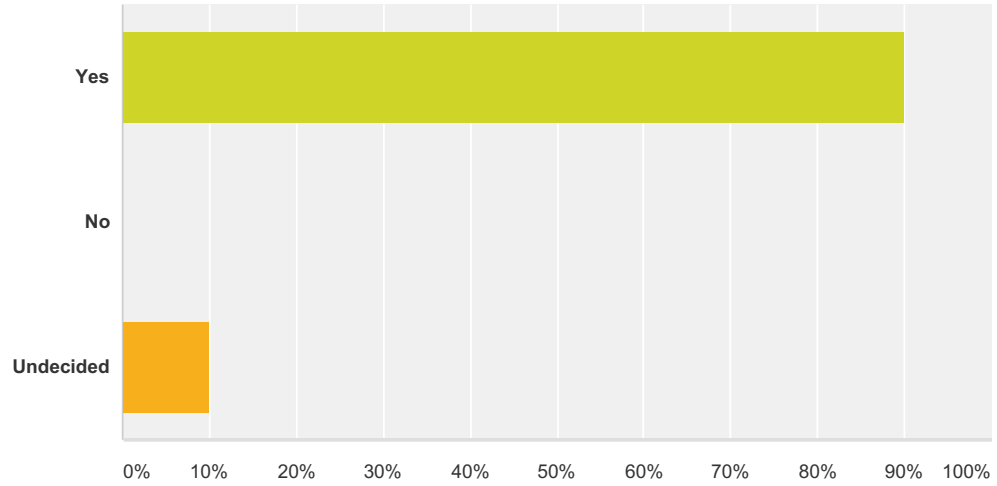
Answered: 10 Skipped: 0



Answer Choices	Responses	
Yes	100.00%	10
No	0.00%	0
Undecided	0.00%	0
<b>Total</b>		<b>10</b>

## Q2 Does the evidence provided demonstrate the level of compliance reported by the Administration?

Answered: 10 Skipped: 0

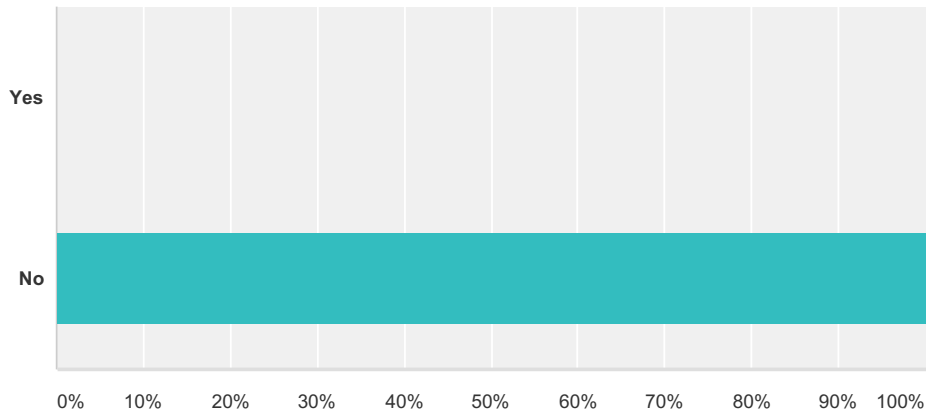


Answer Choices	Responses	
Yes	90.00%	9
No	0.00%	0
Undecided	10.00%	1
<b>Total</b>		<b>10</b>



### Q3 Would you recommend a revision of this policy?

Answered: 9 Skipped: 1



Answer Choices	Responses	
Yes	0.00%	0
No	100.00%	9
<b>Total</b>		<b>9</b>

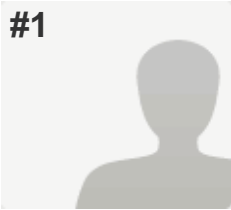
**Q4 If you recommend a revision of this policy, why, and what is the suggested revision?**

Answered: 0 Skipped: 10

**Q5 Please provide your name.**

Answered: 9 Skipped: 1

#1



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Thursday, December 22, 2016 4:27:05 PM

**Last Modified:** Thursday, December 22, 2016 4:27:22 PM

**Time Spent:** 00:00:16

**IP Address:** 67.160.119.70

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

*Respondent skipped this question*

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

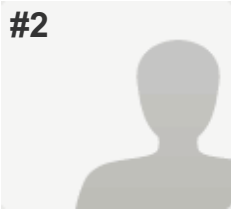
*Respondent skipped this question*

**Q5: Please provide your name.**

*Respondent skipped this question*

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#2



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Friday, December 23, 2016 1:42:02 PM

**Last Modified:** Friday, December 23, 2016 1:42:23 PM

**Time Spent:** 00:00:20

**IP Address:** 199.241.209.25

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

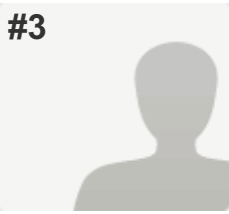
*Respondent skipped this question*

**Q5: Please provide your name.**

Jim Key

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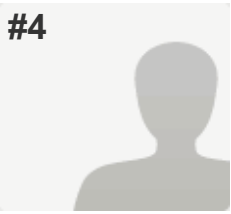
#3

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Monday, January 02, 2017 10:09:13 AM**Last Modified:** Monday, January 02, 2017 10:35:01 AM**Time Spent:** 00:25:48**IP Address:** 73.17.225.196

PAGE 1

<b>Q1: Is the interpretation reasonable?</b>	Yes
<b>Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?</b>	Undecided, Comments As a worship leader, I want to have a conversation around the issue of copyright protection as to how it pertains to individual congregations. I have no issues with the other parts of the compliance.
<b>Q3: Would you recommend a revision of this policy?</b>	No
<b>Q4: If you recommend a revision of this policy, why, and what is the suggested revision?</b>	<i>Respondent skipped this question</i>
<b>Q5: Please provide your name.</b>	Sarah Dan Jones

#4



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Monday, January 02, 2017 12:41:02 PM

**Last Modified:** Monday, January 02, 2017 12:41:24 PM

**Time Spent:** 00:00:22

**IP Address:** 174.26.132.129

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

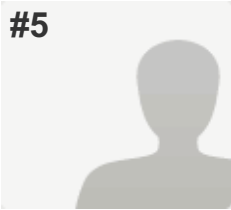
*Respondent skipped this question*

**Q5: Please provide your name.**

Andy Burnette

---

#5



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Monday, January 02, 2017 8:16:19 PM

**Last Modified:** Monday, January 02, 2017 8:16:58 PM

**Time Spent:** 00:00:38

**IP Address:** 68.195.113.160

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

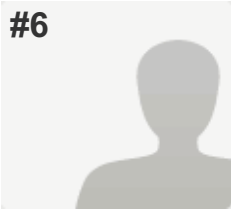
**Q5: Please provide your name.**

Tim Atkins

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#6



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Wednesday, January 04, 2017 11:29:17 AM

**Last Modified:** Wednesday, January 04, 2017 11:29:31 AM

**Time Spent:** 00:00:14

**IP Address:** 23.30.237.57

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

**Q5: Please provide your name.**

Rob Eller-Isaacs

---

#7



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Wednesday, January 04, 2017 5:22:30 PM

**Last Modified:** Wednesday, January 04, 2017 5:29:09 PM

**Time Spent:** 00:06:38

**IP Address:** 38.97.75.130

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes,

Comments

Are the copyrights and trademarks the Association's only intangible assets?

---

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

---

**Q3: Would you recommend a revision of this policy?**

No

---

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

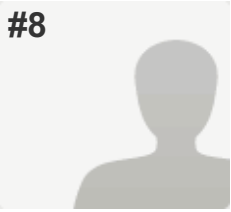
---

**Q5: Please provide your name.**

Lucia Field

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#8



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

**Started:** Thursday, January 05, 2017 8:03:44 AM

**Last Modified:** Thursday, January 05, 2017 8:10:06 AM

**Time Spent:** 00:06:21

**IP Address:** 216.162.88.226

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PAGE 1

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

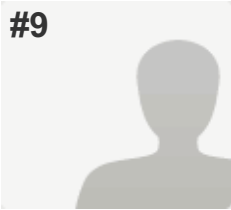
*Respondent skipped this question*

**Q5: Please provide your name.**

Andrea Briscoe

---

#9

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Monday, January 09, 2017 2:56:39 PM**Last Modified:** Monday, January 09, 2017 3:04:09 PM**Time Spent:** 00:07:30**IP Address:** 216.16.213.113

PAGE 1

**Q1: Is the interpretation reasonable?**

Yes,

**Comments**

Wording for first bullet in the section entitled "to protect financial assets, the UUA" could be improved to: "obtain crime insurance at reasonable levels on employees who handle funds"; On page 3, in Crime Insurance section, a clarification may be needed. Specifically, should "per employee" be inserted after word "million" in, ...the UUA has obtained \$1 million.. On page 4, should "per occurrence" be inserted after "\$5 million" in paragraph beginning with "The UUA also carries...." (2nd full paragraph, p.4

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?***Respondent skipped this question***Q5: Please provide your name.**

Dorothy Holmes

#10



**COMPLETE**

**Collector:** Web Link 1 (Web Link)

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**Q1: Is the interpretation reasonable?**

Yes

**Q2: Does the evidence provided demonstrate the level of compliance reported by the Administration?**

Yes

**Q3: Would you recommend a revision of this policy?**

No

**Q4: If you recommend a revision of this policy, why, and what is the suggested revision?**

*Respondent skipped this question*

**Q5: Please provide your name.**

Patrick McLaughlin

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# Memorandum

To: Board of Trustees  
Subject: President's Report  
From: Peter Morales  
Date: January 19, 2017

This report continues my practice of bringing to the Board's attention significant information that will not come via monitoring reports.



- **New cooperation with UUSC**—The leadership of the UUSC shares my view that the new national administration is likely to take action that we feel violates basic human rights. The most likely immediate targets are undocumented immigrants from Mexico and Central America and Muslims. However, other groups were also targeted during the campaign and will be at risk. We have just sent a joint declaration (the Board received advanced notice). Beyond this, we are committed to two main courses of action. First, we will support efforts of our congregations to provide sanctuary (in a number of forms). The UUA will take the lead in this effort which will require a new level of coordination of staff in the field and at headquarters. Second, we are beginning a communications campaign to help change attitudes. The UUA will work closely with the UUSC, but the UUSC will take the lead in developing a strategy and messaging. This is a very fluid environment and we need to be agile.
- **Multi-faith Outreach**—I just returned from a meeting of more than 30 denominational leaders. The meeting, held in Austin, Texas, was a follow up to the meeting of more than 80 religious (and quasi religious) entrepreneurs at Harvard Divinity School. The meeting included Jewish and Christian officials a wide variety of denominations including Methodists, UCC, Presbyterians, Baptists, Lutherans, Catholics, Reform Jews, Conservative Jews, the Jewish Renewal Movement and Unitarian Universalists. The next challenge is to find collaborative ways to nurture spiritual innovation and spread the learnings.



## Report to the UUSC & UUA Boards of Trustees, January 2017

Greetings, and Happy New Year! Here are highlights of our work from the last quarter:

### New Collaborations

We have initiated a number of important collaborations in recent months, stepping into new opportunities as they arose. These include:

-- With the Pacific Western Region of the UUA, CSJ undertook a complete revision of the popular leadership training for high school youth known as *Goldmine*. We were asked to make the justice track of this week-long training more central and robust; we offered the pilot version in Edmonds, WA this summer, and will present a further iteration in Denver this spring.

-- Again with the Pacific Western Region, we participated in a three-day *Youth Ministry Revival* in September, attended by 130 youth and adults, offering two youth-focused, intergenerational workshops on spiritually-centered social justice activism, as well as two sessions on spiritual practices to strengthen our work for justice.

-- Working intensively with UUA regional staff and the local UU minister in Bismarck, North Dakota, CSJ helped mobilize and support faith communities in solidarity with the Standing Rock pipeline resistance. CSJ revised our existing First Nations Study Guide (<http://uucsj.org/first-nations-toolkit>), created and disseminated a toolkit for with solidarity resources (<http://tinyurl.com/UUsolidarityStandingRock>), and administered registration for 200 faith leaders to respond to Chief Arvol Looking Horse's Call to the Interfaith Day of Prayer on December 4<sup>th</sup>. We also convened a webinar conversation on UU Solidarity with Standing Rock, in which more than 300 people participated live; another 110 have watched the recording at: <https://www.youtube.com/watch?v=l6U2x1igWVU&feature=youtu.be>

-- In the wake of the election, CSJ has helped craft a proposal with UUSC and UUA staff for how we can support our constituents especially in solidarity with Islamic and refugee communities. As part of meeting this new challenge, we are re-writing and updating the UUA Sanctuary Toolkit, to help our congregations expand their capacity for active resistance to the most unethical dimensions of the new administration.

-- We are lead presenters for the UU-UNO Spring Seminar this spring, bringing the UUCSJ training expertise into workshops focused on resisting and reducing violence in our communities through integrating spirituality and social justice activism. We will also be helping to train small group facilitators, designing an "Action Fair" for participants, and supporting racial identity caucus work.

### Immersion Learning Journeys

-- We have led two Border Witness programs to the Arizona/Mexico border so far this fall, with three more planned. Winter programs will include training in helping congregations consider Sanctuary.

-- In November, our first seminarian immersion program in Nicaragua brought thirteen participants from six different seminaries to learn about the intersection of liberation theology and climate justice. Our robust enrollment was supported by new funds made available as travel grants from the UUA Panel on Theological Education.

-- The Portsmouth, NH congregation travels with us to Nicaragua in January, and two interfaith journeys with Equal Exchange are planned for February and May, focused on fair trade and climate justice.

### Youth and Young Adults

In addition to the collaborations noted above for expanding youth justice curricula and training:

-- We have enrolled our first youth service journey to Immokalee, FL, focused on the intersection between economic and immigrant justice (it pilots in the spring)

-- We have successfully enrolled two youth service journeys to the border this spring, which will merge elements of our *Activate* training with hands-on learning about the consequences of current immigration policy.

-- We have just launched our Summer Justice Internships for the coming summer, and will be receiving applications over the next six weeks for as many as 21 internships for young adults (ages 19-26).

-- In collaboration with UUA staff, we are in the planning stages for two large programs at GA in New Orleans: both *Activate Racial Justice* (for youth) and *Grow Racial Justice* (for adults 18-30) will have intensive pre-GA components as well as programming throughout GA.

### Program Leader Update

In October we brought together our team of 21 Program Leaders for our annual retreat and training, which included an opportunity for them to meet with UUA President Peter Morales and our new UUSC President Tom Andrews. In addition to their pivotal role leading our trainings and immersion journeys, our Program Leaders are primed to help with some new post-election initiatives, particularly in supporting more UU congregations to become Sanctuary Churches. You can find photos and brief biographies of our Program Leaders here: <http://uucsj.org/programleaders/>

Please visit [uucsj.org](http://uucsj.org) for details on these and all of our programs!

-- Kathleen McTigue, Director



Jim Key  
UUA Moderator and  
Chief Governance Officer

January 2017

Report to the UUA Board of Trustees

### **Congregational and other visits**

October 29, 2016	River Road UU; participated in "Trustee Day" training for six area congregations' boards
December 3, 2016	Met with MFC to observe interview process
January 13, 2017	Met with GAPC regarding both NOLA and KC GAs for 2017 and 2018
January 14, 2017	Delivered Key Note for the 150 <sup>th</sup> Anniversary celebration of 5 congregations in Cleveland
January 15, 2017	Preached at First Unitarian Church of Cleveland and met with board
January 22, 2017	Preached at UUs of the Susquehanna (PA)

### **Narrative**

BLUU - Since our historic October board meeting when the Board approved a commitment of \$5.3 million to Black Lives Unitarian Universalism (BLUU), the staff and Executive Committee of the board have been in discernment on how and when to respond. I asked Christina Rivera as Communications WG convener to work with BLUU representative Leslie MacFadyen to craft a document that reflects the narrative of how this ministry came to fruition and why it is an important step for our movement. Many of us had discussed informally about the possibility of such a grant, how it might be structured, and what entity would be the proper vessel.

I have also been in conversation with Lena Gardner and Royce James of BLUU. They have the BLUU portfolio of researching organizational options and requirements as well as financial management options.

They are requesting that the board and staff slow the process begun in October down. BLUU leadership is highly focused on planning the Convening in March in New Orleans and wishes to wait until after receiving input from those who will participate before considering how they will be organized and receive manage financial resources. For the moment, the UUA financial staff is acting as Fiscal Agent without fee to sign contracts with providers of services in New Orleans, pay bills, etc. I have assured Lena and Royce that the UUA board is fully committed to the \$5.3 guarantee and the details of this new covenantal relationship will come later. BLUU leadership and I have agreed to stay in relationship and communications as organizational and financial plans become clearer. I will keep the board apprised as I have additional information.

Bylaw initiatives – Two groups have satisfied the bylaw requirements to bring forward amendments to Article II, Section c-2.1. One petition seeks a change in line 12 of the Principles, from “inherent worth and dignity of every person to every being”. The second petition seeks a change in line 26 of Sources from “prophetic words of women and men to people. Additionally, there is an initiative that does not currently have the requisite number of congregations supporting it. That proposed bylaw amendment would seek to change line 31 of Sources to add Muslim teachings to the current Jewish and Christian teachings.

Given the two and potentially three initiatives that will come before the delegates over the next several years, I recommend the board identify and charge a committee or commission to study these initiatives and bring forward recommendations to the board for consideration for the GA Agenda for 2018. This committee or commission should be identified and approved at April meeting to be placed on the GA 2017 Agenda.

*Operative bylaws with line numbers:*

1776 Amendments to C Bylaws in Article II. A proposal to amend,  
1777 repeal or add a new C Bylaw in Article II of these Bylaws shall  
1778 be subject to the following process  
1779 (1) Such a proposal shall be admitted to the agenda of a  
1780 regular General Assembly for the purpose of determining  
1781 whether the proposal shall be referred to a commission  
1782 appointed by the Board of Trustees for study. Such a  
1783 study shall involve member congregations. A majority  
1784 vote at a regular General Assembly shall be required to  
1785 refer such a proposal to the study commission. Once the

1786 study of the proposal is complete, which shall be  
1787 completed in no more than two years, the study  
1788 commission shall submit to the Board of Trustees for  
1789 inclusion on the agenda of the next regular General  
1790 Assembly any amendments to Article II that the study  
1791 commission recommends. The Board of Trustees shall  
1792 also include on the agenda any amendments that it  
1793 recommends to the study commission proposal.

GA 2017 – The Vice Moderator and I have been working with the GA Office on scheduling mini-assemblies and other board-approved workshops and the VM has included those in her report.

The GAPC has recommended a GA registration fee for 2017 of \$360. The fee for 2015 and 2016 was \$350. This increase represents an increase of 2.9 percent, and I recommend the Trustees approve this fee.

GAPC - The Vice Moderator and I participated in the GAPC meeting in Kansas City, January 12-15. The GAPC has recommended holding GA 2020 in Providence, RI. The Vice-Moderator and I participated in that discussion, and she will include in her report as she participated in the full discussion and I for only one day.

January 2018 Board Meeting - We have received an invitation from Rev. Jake Morrill of the Oak Ridge UU Church for the East Tennessee Cluster to host the January 2018 board meeting. Board policy manual section 3, procedures states “Regularly hold meetings in sites other than Boston, to strengthen relationships with the Association’s Member Congregations and other Sources of Authority and Accountability, and also to learn first-hand about vital interests of the Association.” While not a formal policy, I recommend to the board that we accept the invitation.

Presidential Candidates Forums – Working with the Board Secretary, Chair of Election Campaign Practices Committee, and Congregational Life staff, I am scheduled to facilitate five forums: February 25, Eugene, OR; April 1, Bethesda, MD; April 8, Charleston, SC, April 29, Oak Brook, IL, and May 6, Walnut Creek, CA.

Special Collection at GA – I have received a request from Mary Katherine Morn for the board to consider and approve a collection for the Standing on the Side of Love ministry and I urge your approval. This is the only collection during General Sessions. The collection

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during the Service of the Living goes to the Living Tradition Fund, the collection during Synergy service goes to the Katie Tyson Fund, and the collection during Sunday service goes to a local partner.

Board Liaisons – During our board retreat in October, the trustees raised the possibility to reach out and explore establishing board-to-board liaisons with other communities. To that end, I have asked Susan Weaver, former trustee and Vice-Moderator, to act as the UUA board liaison to the UUSC board where Brock Leach has been named the liaison to the UUA board. Susan and Brock have spoken and will be working on a process of liaising with perhaps their first report to the UUA board in April.

Board Development – At the UUA Board Retreat in October 2014 soon after I was first elected as Moderator, I shared with the board my professional views on governance and presented slides that outlined the three primary roles of boards: Fiduciary, Strategic, and Generative. I regret that I have not included the full presentation with new trustees as they come onto the board and pledge to do so when we orient new trustees this summer. I want to review in this meeting the importance of the Fiduciary role and share that presentation which is included in the board packet.

Moderator Nominating Committee – I have asked Rev. Chip Roush to convene the newly appointed committee at GA in New Orleans. Denise Rimes is preparing a charge to the committee that the board will review and approve at the April board meeting.

**Renewing the Covenant Task Force**  
**Report to UUA Board**  
**January 27, 2017**

The Task Force attempted this past fall to replicate the planned activity at General Assembly by organizing gatherings of congregational leaders in various parts of the country. However, that effort turned out to be too complex and time-consuming to be successful.

The Task Force is preparing to lead discussions at GA, via a short report during plenary session, as well as a workshop.

We will present a prototype for renewal of covenant, focusing on three areas:

- The covenant between congregations, covenanted communities, and the UUA
  - Periodic renewal of the covenant between congregations and the UUA
  - Congregations and covenanted communities as Sources of Authority and Accountability for the UUA Board (e.g., helping the UUA Board shape the Ends of the Association)
  - Congregations and covenanted communities as “citizens” of the UUA (e.g., how our congregations and covenanted communities live out the UUA Ends, mission, and purpose)
- The covenant among congregations and covenanted communities (e.g., how our congregations work together for justice, share resources, etc.)
- The covenant within congregations and covenanted communities—provide a model for how congregations and covenanted communities can renew covenants among their members.

As of this month, we are down to only four members. We are concerned that we do not represent the diversity of UUs. We feel it is late in our process to bring on new members. Instead, we will circulate our prototype to leaders of communities not represented on our Task Force. We will also invite feedback from our Presidential candidates.

The Task Force will use the feedback at GA 2017 to develop formal recommendations for GA 2018.

Denise Rimes  
UUA Vice Moderator  
January, 2017  
Report to the UUA Board of Trustees

### Congregational and other visits

- Ministerial Search Committee meeting (in role as MSR) Williamsburg, VA – December 12, 2016
- Congregational consulting Charlottesville, VA – December 18, 2016
- Ministerial Search Committee Skype meeting (in role as MSR) Memphis, TN – December 19, 2016

### Narrative

Since our meeting in June, I have attended meetings on the following topics:

- General Assembly Planning Committee Kansas City, MO – January 13-15, 2017
- APF Task Force
- Congregational Boundaries
- Generosity Network ongoing efforts
- Attended UUA Investment Committee Meeting
- GA Planning Committee monthly calls
- Executive Committee calls

Work has begun to fill Board slots for General Assembly 2017, with presentations from the Journey Towards Wholeness Team, Renewing the Covenant, Commission on Social Witness, and Beloved Conversations.

Slots Av	Primary Contact Organization	Program Title
1	UUA Nominating Committee	Candidate's Forum for UUA Nominating and Appointments Committees
1	UU Funding Program	Funding Our Faith, Funding Our Future
2	Commission on Social Witness	Miniassembly on SOC: Escalating Inequality
1	Journey Toward Wholeness Transformation Committee	Rejoicing in Relationship: Sacred Sharing to Resist Isolation
1	Commission on Appraisal	Commission on Appraisal Report on Class in UUA
1	Commission on Social Witness	Social Witness Sermon Contest
1	Commission on Social Witness	Social Witness Workshop
1	UUA/Socially Responsible Investment Committee	UU Common Endowment Investing in New Orleans Communités
1	Commission on Social Witness	Taking Action to Make Democracy Work
1	Commission on Social Witness	Collective Liberation Decision-making: Reflections for UU Social Witness
1	Ministerial Fellowship Committee	MFC: Aspiring To Be a Learning Committee/Community
4	Board of Trustees	Business Mini-Assemblies
	First Principle By-Law Amendment Mini Assembly	will be submitted by Denise Rimes
	Prophetic People By-Law Amendment Mini Assembly	will be submitted by Denise Rimes
	Appointments Committee	has been submitted by Joe Cherry
	Renewing the Covenant Task Force	will be submitted by Susan Ritchie
1	Board of Trustees	Budget Hearing
1	Beloved Conversations	Denny Davidoff

There are two bylaws amendments that will be brought before the delegates in 2017:

**8 ARTICLE II Principles and Purposes**

**9 Section C-2.1. Principles.**

10 We, the member congregations of the Unitarian Universalist

11 Association, covenant to affirm and promote

12 • The inherent worth and dignity of every ~~person~~ being;

*The amendment that each congregation would approve reads as follows:*

*We the (insert congregation name) do hereby call on the General Assembly of the UUA to omit “every person” and replace with “every being” in Article II Principles and Purposes, Section c-2.1 Principles, Line 12, UUA bylaws.*

*The goals for this change include change the conversation about the religious, spiritual and ethical aspects of living in a multispecies world, changing ourselves by guiding Unitarian Universalists as they seek to improve their ability to participate in, and change these discussions, reflecting more deeply and broadly about what it means to be compassionate in a multispecies world. Changing the first Principle contributes to changing the conversation and changing ourselves.*

**8 ARTICLE II Principles and Purposes**

**9 Section C-2.1. Principles.**

The living tradition which we share draws from many sources:

23 • Direct experience of that transcending mystery and wonder,

24 affirmed in all cultures, which moves us to a renewal of the spirit

25 and an openness to the forces which create and uphold life;

26 • Words and deeds of prophetic ~~women and men~~ people which challenge

27 us to confront powers and structures of evil with justice,

28 compassion and the transforming power of love;

*The proposed change will move from women and men gender binary language to reflect more gender neutral and inclusive terminology and will simple read “people”.*

Both submissions fulfill the bylaws requirements for amendments:

**1732 ARTICLE XV Amendment**

1773 (c) Amendments to C Bylaws in Article II. A proposal to amend,

1774 repeal or add a new C Bylaw in Article II of these Bylaws shall

1775 be subject to the following process

1776 (1) Such a proposal shall be admitted to the agenda of a

1777 regular General Assembly for the purpose of determining

1778 whether the proposal shall be referred to a commission

1779 appointed by the Board of Trustees for study. Such a

1780 study shall involve member congregations. A majority

1781 vote at a regular General Assembly shall be required to

1782 refer such a proposal to the study commission. Once the  
1783 study of the proposal is complete, which shall be  
1784 completed in no more than two years, the study  
1785 commission shall submit to the Board of Trustees for  
1786 inclusion on the agenda of the next regular General  
1787 Assembly any amendments to Article II that the study  
1788 commission recommends. The Board of Trustees shall  
1789 also include on the agenda any amendments that it  
1790 recommends to the study commission proposal.

1873 **\*Section 15.2. Submission of Proposed Amendment.**

1874 Proposed amendments to these Bylaws may be submitted only by:

1875 (a) the Board of Trustees;

1876 (b) the General Assembly Planning Committee;

1877 (c) the Commission on Appraisal; **or**

1878 (d) not less than fifteen certified member congregations by action

1879 of their governing boards or their congregations; such

1880 proposed amendments to Bylaws must be received by the

1881 Board of Trustees on February 1 whenever the regular

1882 General Assembly opens in June; otherwise, not less than

1883 110 days before the General Assembly.

Respectfully submitted,  
*Denise Rimes*



**General Assembly Planning Committee Liaison Report**  
**Report to UUA Board of Trustees**  
**January 2017**

The General Assembly Planning Committee (GAPC) met on January 13-15, 2017 to begin pre-planning for GA 2018 in Kansas City, MO and continue planning for GA 2017. The outcomes of the meeting included decisioning on future GA locations, updates on specific tasks for GA 2017, and the beginning of a new mission statement for the GAPC.

General Assembly 2020 is being planned for Providence, Rhode Island. The decision was made based on several factors:

- 2020 is the 400<sup>th</sup> anniversary of the Mayflower landing. This location fits with our call in the 2016 business resolution “Thanksgiving Reconsidered.” We have an opportunity to revisit our work on the Doctrine of Discovery and other related historical elements.
- It is customary to rotate locations throughout the various regions in the U.S. and New England is coming up in the rotation.
- The costs of having GA in Providence are very reasonable compared to other locations.

GAPC continues to work on building a greater sense of transparency in its activities. Ongoing work to define roles and responsibilities is a key part of that effort. Each of the key teams reported on their planning progress, with all tasks well on track for New Orleans. A reception for Kansas City UU ministers and lay leaders was a good chance to build excitement for next year, although inclement weather limited attendance. GAPC is in need of a local area coordinator for Kansas City, and welcome any recommendations.

The GA planning committee meets monthly and will meet virtually again in February.

Respectfully submitted,

*Denise Rimes*

Denise Rimes  
Vice Moderator and Liaison to the GAPC

## Planning Committee Site Recommendation for GA 2020

A site selection team of Jan Sneegas, Director of General Assembly and Conference Services, Don Plante, General Assembly Meeting Planner, and Katherine Allen, Planning Committee member, visited three cities that submitted proposals to host General Assembly 2020: Richmond, VA; Atlanta, GA; and Providence, RI.

After very careful consideration of each city, weighing relative merits and how each city reflects our values and needs (including but not limited to physical accessibility, economic justice, racial justice, and fiscal stewardship) the **Planning Committee recommends Providence as the site of GA 2020.**

### Physical Accessibility

The Rhode Island Convention Center and The Dunkin Donut Arena, while not ideal, are accessible to people with mobility impairments. Hotels and dorms are in close proximity to the convention center.

### Economic Justice

Providence is one of very few East Coast cities that is still relatively affordable in the current seller's market. The city is economically depressed with higher unemployment rates, lower per capita income and lower median household income than the national average.

Our meeting in Providence in 2014 was the third largest in GA history drawing nearly 4800 attendees, even though our room block was severely curtailed due to labor disputes at two contracted hotels. Those labor disputes have been settled. Five new hotels are being built in the city that will provide 618 new rooms in 2020. Guaranteed room rates for 2020 range from \$179 - \$199. A major consideration in the choice for Providence is the 300+ dorm rooms at Brown University and the Rhode Island School of Design that provide a very economical option for our people (rates in 2014 averaged \$50 per night).

The geographic rotation of General Assembly increases economic accessibility. The proximity of Providence to the largest geographic concentration of Unitarian Universalists makes it more economically accessible to a very large number of people who will not have to pay expensive transportation costs to attend GA. In 2020 GA will have been in every other region since last being in the New England Region in 2014.

### Racial Justice

Demographics of Providence (according to Cubit, 2017) are 40.2% Hispanic, 35.9% White and 13% Black.

Providence offers opportunities to engage the Association in further work around the Thanksgiving Business Resolution (2016) and the repudiation of the Doctrine of Discovery (2012). The 400th anniversary of the landing of the Mayflower will be in 2020 when we are in Providence less than 60 miles from the landing site. This fortuitous timing creates a unique opportunity to further our work as individuals, congregations, and an Association around our history in this story of domination and dehumanization.

## Other Sites

Richmond, VA, was ultimately unable to guarantee the number of hotel rooms needed without requiring shuttling. The GAPC adopted a policy after GA 2008 in Fort Lauderdale that due to sustainability priorities and responsible fiscal stewardship, cities that required shuttling would be considered only if other options did not exist.

Atlanta, GA, is in the Southern Region which is also the site of GA 2017. The convention center in Atlanta has serious accessibility concerns with only one small passenger elevator going down to the general session and exhibit hall level. The freight elevator opens onto the back dock so doesn't provide a good remedy. Atlanta was much more expensive for ancillary services (one gallon of coffee at the convention center is \$150).

**Congregational Boundaries Working Group**  
**Report to UUA Board of Trustees**  
**January 2017**

Moderator Key and I continue to meet with stakeholders and advisors in our ongoing effort to continue to refine and improve the process of handling clergy misconduct. We have added additional members to our advisory group, which serves to bring additional voices to the table. New members include Board members Dorothy Holmes and Rev. Patrick McLaughlin, and Sara Surface, a young adult from First UU in Richmond, Virginia.

The advisory group will continue to collaborate with the staff in identifying areas of opportunity, but will not make decisions or become involved with specific situations within congregations or with individuals. We will continue to learn from the many sources of information (Berry Street Essay, Dr. Marie Fortune, Deborah Pope-Lance, etc.) Of specific interest is the appeals process. While the work is just beginning and no decisions have been made, it will be important to determine where responsibility lies for appeals and a clear articulation of responsibilities in the decisioning process.

Respectfully submitted,

*Denise Rimes*

## UUA Secretary's Report

January 2107

- 1) Distinguished Service Award: As of January 24<sup>th</sup> we have received one new nomination and a number of support letters. The deadline for nominations is March 1<sup>st</sup>.
- 2) Debra Gray Boyd has filed to run by petition for a seat on the General Assembly Planning Committee. I have reviewed the petitions submitted and determined that they meet the criteria laid out in the UUA By-laws Article 9.6 b. I have notified Ms. Boyd that her candidacy is approved.
- 3) Election Update: Six Board-sponsored and one on-line forums have been arranged. Thanks to Scott Tayler and the Regional Staff for their cooperation in getting this new initiative in support of the democratic process up and running.

Thanks to the Rev. Manish Mishra-Marzetti and the other members of the Election Campaign Practices Committee for safeguarding the process and addressing candidate's concerns as they arise.

An interim finance report is due on January 31<sup>st</sup>. I will review the reports for any indications of error or confusion and will file them with the Office of the Treasurer.

In fulfillment of a 2011 Board directive to staff to initiate the by-law and administrative changes needed to move toward electronic voting and a 2013 by-law revision authorizing the change the 2017 UUA Presidential election will be conducted electronically. Paper ballots will be available by request but we have planned for most of the votes to be cast on line. In order to clarify and publicize the new procedures staff has prepared both delegate voting instructions and a background piece explaining the changes. Both of these documents are included in the supporting documents for this report.

I want to acknowledge the exemplary work of the staff elections team in operationalizing the Board's electronic voting proposal.

# Unitarian Universalist Association 2017 Elections

DRAFT v7

## Introduction

Part of the bedrock of our liberal religious community is our shared belief in the value of democracy. In 1985, the UUA General Assembly (GA) in Atlanta formally adopted the 5th Principle which is, “the right of conscience and the use of the democratic process within our congregations and in society at large.” The [By-Laws and Rules](#) further define the process used to elect a president and other officials.

Voting in elections is distinct from voting on questions during a General Session at GA. Electronic voting has been in use by off-site delegates for years, but elections have always been conducted using paper ballots and postal mails. *This document focuses on the new options for voting in elections.*

## The Current Election Process

1. Certification. Each year, between November 15 and February 1, congregations certify that they are qualified to send voting delegates to General Assembly. The number of delegates awarded to each congregation is primarily based on the size of that congregation.
2. Delegate Credentials Delivered. Per the Bylaws, not less than 45 days before GA starts, the UUA sends to each certified congregation credentials for the number of delegates to which it is entitled. If an election is to be held, ballots are included with the credential documents. Since 2015, electronic credentials have been sent to the congregations' primary email address and directly to the administrator, president, and ministers of the congregation well in advance of the 45-day requirement.
3. Delegate Credentials Assigned. Congregations develop processes to assign credentials to individuals who agree to serve and vote as delegates. Because credentials are sent to congregations, not individuals, the UUA cannot determine the identity of a delegate. Per UUA bylaws, no person shall cast more than one ballot.
4. Absentee Voting. Beginning June 1 at 9 am CT, a delegate may access their election ballot by following the voting link found on their delegate credential document. Per the Bylaws as amended in 2013, electronic votes may be cast any time before the polls close on election day at General Assembly (5 pm CT on June 24).

Those unable to vote electronically may request and cast a paper ballot. However, completed paper ballots must be received by the UUA Secretary no later than 7 days prior to the start of GA (Wednesday, June 14). Instructions to request a paper ballot will be included on the delegate credential document.

5. In Person Voting. Delegates attending GA may vote at an onsite polling place on election day. Equipment and assistance are available at the polling place.

6. Counting of Ballots. At GA on election day (Saturday), absentee ballots and in-person ballots are tabulated. After the polls close, the last of the ballots are counted and the results announced that evening.

### **How will the 2017 election be different from previous elections?**

Prior to the 2013 bylaw changes:

- Before GA began, any delegate, whether they intended to attend GA or not, could vote by mailing their absentee ballot to the UUA Board Secretary so they are received no later than 7 days before the first day of GA. In recent elections, absentee ballots were a majority of the votes cast.
- At GA, any delegate who had not already voted absentee could cast a ballot in person at an onsite polling place on election day.
- A delegate who expected to vote in person at GA but did not attend would forfeit their vote unless a substitute was designated.
- Votes could be submitted only between the 45th day and the 7th day prior to GA, and while the polls were open at GA on election day.

With the bylaw changes made in 2013:

- Any delegate, whether they intend to attend GA or not, may vote electronically any time between June 1 and the closing of the polls at GA. For a delegate to cast a paper absentee ballot, it must be received by the UUA Board Secretary no later than 7 days before GA (Wednesday, June 14).
- At GA, any delegate who has not already voted may cast a ballot in person at an onsite polling place on election day.
- A delegate who expects to vote in person at GA but then does not attend may still vote online.
- Electronic ballots may be submitted any time up until the polls close on election day.

### **History**

At the 2010 GA in Minneapolis, plans for a Justice GA in Phoenix in 2012 included a charge to the staff to make it possible for delegates to participate in the daily business of GA from off-site, if possible. Staff began preparing, and the Board of Trustees authorized a pilot program for the 2011 GA in Charlotte. The pilot was judged a success and development continued.

Concurrent with the growth and acceptance of the electronic presence of off-site delegates, folks began noticing the availability of commercial electronic voting systems and asked whether such systems could be used for electing officers, rather than continuing to rely on paper ballots and the US mail.

In response, UUA staff and interested members of the Board began investigating voting systems. The Bylaws specifically mandated the use of only paper ballots and mail, and the investigators led a project to draft changes to enable electronic voting that would eventually be approved at the 2013 General Assembly.

With the enabling Bylaw changes in place and with encouragement from Moderator Jim Key, the staff set a goal of conducting an electronic election for the next President which would be in 2017.

The GA office and Information Technology Services collaborated on due diligence of vendors, with SimplyVoting being chosen. The Bylaws offer the Secretary flexibility in implementing the process. To take advantage of the speed of electronic voting, the Secretary determined that the window for electronic absentee voting could be shortened to begin on June 1, rather than 45 days before GA.

*Submitted by Mark Steinwinter, Director of Information Technology Systems  
Reviewed and Approved by Rob Eller-Isaacs, Secretary, and Tom Bean, General Counsel*





# UUA Election 2017

## Delegate Voting Information

Accredited delegates from certified member congregations, certified associate member organizations, and trustees will receive unique voting credentials by March 1. Each certified member congregation is entitled to be represented at each General Assembly by delegates who are members of such congregation, selected in accordance with its bylaws or procedures.

### BE AN INFORMED VOTER

The UUA presidential candidates are scheduled to appear at the following UUA Board-sponsored forums:

**Feb  
25**

#### **Pacific Northwest District Assembly**

10:15 am (PT)  
Unitarian Universalist Church, Eugene, OR

**April  
1**

#### **Central East Region Leadership Day**

10:00 am (ET)  
Cedar Lane Unitarian Universalist Church, Bethesda, MD

**April  
8**

#### **Southern Region Spring Gathering**

11:00 am (ET)  
Unitarian Church in Charleston, SC

**April  
21**

#### **New England Regional Assembly**

7:30 pm (ET)  
Hilton Boston/Woburn Hotel, Woburn, MA

**April  
28**

#### **Mid-America Regional Assembly**

7:30 pm (CT)  
Oak Brook Marriott, IL

**May  
6**

#### **Pacific Central District Annual Meeting**

1:00 pm (PT)  
Mt. Diablo Unitarian Universalist Church, Walnut Creek, CA

**June  
23**

#### **Live Streamed General Assembly Presidential Candidates Forum**

8:00 – 9:30 pm (CT). New Orleans, LA. Watch the live stream and recording on [uua.org/ga](http://uua.org/ga). Sponsored by the Election Campaign Practices Committee

### IN-PERSON VOTING IN NEW ORLEANS

On Saturday, June 24 from 9:00 am to 5:00 pm (CT), scan your GA name badge at the voting kiosks located in the Great Hall Lobby of the New Orleans Convention Center to access your election ballot.

### ONLINE ABSENTEE VOTING

June 1, 9:00 am to June 24, 5:00 pm (CT), delegates may access their election ballot by following your voting link found on your delegate credential document.

### ABSENTEE VOTING BY MAIL

Those unable to vote electronically may request to have a paper ballot sent to them at [uua.org/paperballotrequest](http://uua.org/paperballotrequest). Completed paper ballots must be received by June 14, 2017.

### RANKED VOTING

The ballot allows voters to rank the candidates, so that if more than two candidates run and no candidate receives a majority of the first-choice votes cast, the candidate receiving the fewest first-choice votes is eliminated and their votes are redistributed in accordance with the second choice indicated.

### ADDITIONAL RESOURCES

UUA Elections - [uua.org/elections](http://uua.org/elections)  
General Assembly - [uua.org/ga](http://uua.org/ga)  
UU World Coverage - [uuworld.org/topics/uua-elections](http://uuworld.org/topics/uua-elections)

### QUESTIONS?

Technical Support - [delegatesupport@uua.org](mailto:delegatesupport@uua.org)  
Election Questions - [secretary@uua.org](mailto:secretary@uua.org)  
General Assembly Questions - [generalassembly@uua.org](mailto:generalassembly@uua.org)

	C	D	E	F	G	H	I
2	<b>Unitarian Universalist Association</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY17</b>	<b>Percent</b>
3	<b>Budget Overview</b>	<b>Results</b>	<b>Results</b>	<b>Budget</b>	<b>1Q17 Fcst</b>	<b>2Q17 Fcst</b>	<b>Inc/(Dec)</b>
4	<b>Current Operations</b>						<b>G to H</b>
5							
6	\$ in Thousands						
7	<b>Income:</b>						
8	<b>Income for General Support</b>						
9	Annual Program Fund	6,532	6,538	6,750	6,750	6,750	0.0%
10	Annual Program Fund - Regional	0	468	490	1,738	1,695	-2.5%
11	Unrestricted Gifts	1,333	957	1,451	1,451	1,270	-12.5%
12	Bequest Income	450	445	500	500	500	0.0%
13	Administrative Fees	2,037	2,216	2,327	2,247	2,221	-1.1%
14	Investment Income	3,288	3,148	2,971	2,971	2,971	0.0%
15	Net Lease Income	319	954	975	976	968	-0.8%
16	Other Current Fund Income	1,908	1,746	1,952	1,940	1,917	-1.2%
17	Total Income for General Support	15,867	16,472	17,416	18,572	18,292	-1.5%
18							
19	<b>Income for Designated Purposes</b>						
20	Campaign Income	1,774	1,507	1,577	1,424	1,494	4.9%
21	UUCSR Veatch Grants	2,320	2,372	2,316	2,499	2,508	0.4%
22	Grants and Scholarships	1,086	1,006	991	991	991	0.0%
23	Ministerial Aid Funds	543	522	474	474	479	1.0%
24	Holdeen and International Trusts	1,940	2,000	1,390	1,449	1,555	7.4%
25	Income for Other Purposes	951	1,158	1,177	1,945	2,139	10.0%
26	Total Inc for Designated Purposes	8,614	8,564	7,925	8,782	9,167	4.4%
27	<b>Total Income</b>	<b>24,481</b>	<b>25,035</b>	<b>25,341</b>	<b>27,354</b>	<b>27,459</b>	<b>0.4%</b>
28							
29	<b>Expenses:</b>						
30	<b>Board &amp; Volunteer Leadership</b>	<b>550</b>	<b>467</b>	<b>502</b>	<b>497</b>	<b>500</b>	<b>0.5%</b>
31							
32	<b>Programs:</b>						
33	Program and Strategy Office	803	815	582	589	590	0.2%
34	Multicultural Growth and Witness	1,217	1,309	1,144	1,160	1,142	-1.6%
35	International Programs	1,770	1,936	1,432	1,497	1,509	0.8%
36	Congregational Life	2,969	3,450	3,553	5,536	5,637	1.8%
37	Ministries and Faith Development	4,824	4,877	5,031	4,923	4,917	-0.1%
38	UU Funding Program	1,320	1,405	1,341	1,364	1,373	0.7%
39	Crisis Relief & Misc. Programs	60	158	61	61	417	586.8%
40	Communications	2,654	2,660	2,804	2,800	2,778	-0.8%
41							
42	<b>Total Programs</b>	<b>15,617</b>	<b>16,611</b>	<b>15,949</b>	<b>17,930</b>	<b>18,364</b>	<b>2.4%</b>
43							
44	<b>Administration</b>	<b>1,211</b>	<b>1,358</b>	<b>1,521</b>	<b>1,514</b>	<b>1,544</b>	<b>2.0%</b>
45	<b>Contingency/Salary Increase</b>	<b>0</b>	<b>0</b>	<b>604</b>	<b>555</b>	<b>208</b>	<b>-62.5%</b>
46							
47	<b>Infrastructure</b>						
48	Stewardship and Development	1,920	1,867	2,072	2,176	2,193	0.8%
49	Information Technology Services	1,443	1,441	1,553	1,542	1,510	-2.1%
50	Internal Services	3,731	2,883	3,540	3,540	3,551	0.3%
51	<b>Total Infrastructure</b>	<b>7,094</b>	<b>6,191</b>	<b>7,165</b>	<b>7,258</b>	<b>7,254</b>	<b>-0.1%</b>
52							
53	<b>Total Expenses</b>	<b>24,473</b>	<b>24,628</b>	<b>25,741</b>	<b>27,754</b>	<b>27,869</b>	<b>0.4%</b>
54							
55	<b>Depreciation Spending</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>400</b>	<b>400</b>	
56							
57	<b>Current Section Excess/(Deficit)</b>	<b>8</b>	<b>407</b>	<b>0</b>	<b>0</b>	<b>(10)</b>	

	D	E	F	G	H	I	J
1	Unitarian Universalist Association	FY15	FY16	FY17	FY17	FY17	Percent
2	Forecast Summary	Results	Results	Budget	1Q17 Fcst	2Q17 Fcst	Inc/(Dec)
3	Current Operations Expenses						H to I
4							
5	\$ in Thousands						
6	Income:						
7	Income for UUA General Support						
8	Annual Program Fund	6,532	6,538	6,750	6,750	6,750	0.0%
9	Annual Program Fund - Regional	0	468	490	1,738	1,695	-2.5%
10	Unrestricted Gifts	1,333	957	1,451	1,451	1,270	-12.5%
11	Bequest Income	450	445	500	500	500	0.0%
12	Administrative Fees	2,037	2,216	2,327	2,247	2,221	-1.1%
13	Endowment Income	3,370	3,148	2,971	2,971	2,971	0.0%
14	Net Lease Income	319	953	975	976	968	-0.9%
15	Investment Income	(82)	0	0	0	0	#DIV/0!
16	Other Current Income	1,908	1,746	1,952	1,940	1,917	-1.2%
17		15,867	16,471	17,416	18,572	18,292	-1.5%
18	Income for Designated Purposes						
19	Campaign Income	1,774	1,507	1,577	1,424	1,494	4.9%
20	Veatch Grants	2,320	2,372	2,316	2,499	2,508	0.4%
21	Grants and Scholarships	1,086	1,006	991	991	991	0.0%
22	Ministerial Aid Funds	543	522	474	474	479	1.0%
23	Holdeen & International Trusts	1,940	2,000	1,390	1,449	1,555	7.4%
24	Income for Other Purposes	951	1,158	1,177	1,945	2,139	10.0%
25		8,614	8,564	7,925	8,782	9,167	4.4%
26	Total Income	24,481	25,035	25,341	27,354	27,459	0.4%
27							
28	Board & Volunteer Leadership						
29	Board of Trustees	221	183	193	193	196	1.6%
30	Board Committees	101	85	94	89	89	-0.7%
31	Board Task Forces	7	4	5	5	5	3.7%
32	Moderator	28	23	24	24	20	-14.9%
33	Nominating Committee	27	16	19	19	19	1.3%
34	Commission on Appraisal	20	21	31	31	31	0.0%
35	Ministerial Fellowship Committee	119	114	103	103	103	0.0%
36	Commission on Social Witness	29	21	34	34	37	9.4%
37	Total Board & Volunteer Leadership	550	467	502	497	500	0.5%
38							
39	Programs:						
40	Program Strategy Office (former Growth Strategies)	803	815	582	589	590	0.2%
41							
42	Multicultural Growth and Witness	1,217	1,309	1,144	1,160	1,142	-1.6%
43							
44	International Office	230	219	203	220	213	-2.9%
45	Holdeen International Partners	143	165	154	154	154	0.0%
46	Holdeen India Program	1,101	1,239	785	859	870	1.2%
47	UU-UNO	296	314	289	264	271	2.7%
48	Total International	1,770	1,936	1,432	1,497	1,509	0.8%
49							
50	Congregational Life						
51	Congregational Life	2,756	2,267	2,309	1,352	1,359	0.5%
52	Southern Region	0	1,118	1,166	1,128	1,199	6.3%
53	New England Region	0	0	0	1,213	1,202	-0.9%
54	Central East Region	0	0	0	1,765	1,803	2.2%
55	Office of Congregational Stewardship Services	213	66	78	78	75	-3.9%
56	Total Congregational Life	2,969	3,450	3,553	5,536	5,637	1.8%
57							
58	Ministries and Faith Development						
59	Resource Development Director	139	146	155	147	147	-0.3%
60	Resource Development Office	507	454	474	482	463	-4.0%
61	Youth and Young Adult Ministries	528	580	609	625	622	-0.5%
62	Director of Ministries and Faith Development	364	426	410	415	427	2.9%
63	Director of RE Credentialing	70	98	132	45	69	54.1%
64	Director of Ministerial Credentialing	200	193	196	189	186	-1.7%
65	Director of Transitions	334	339	320	319	318	-0.3%
66	Office of Church Staff Finances	592	580	720	684	654	-4.3%
67	Office of UUA Health Plan	240	244	242	241	250	3.8%
68	Director of Professional Development	193	208	212	211	210	-0.2%
69	Scholarships and Ministerial Ed Grants	350	334	336	336	336	0.0%
70	Continuing Education	65	65	82	82	82	0.0%

	D	E	F	G	H	I	J
1	Unitarian Universalist Association	FY15	FY16	FY17	FY17	FY17	Percent
2	Forecast Summary	Results	Results	Budget	1Q17 Fcst	2Q17 Fcst	Inc/(Dec)
3	Current Operations Expenses						H to I
71	Aid Funds	606	589	540	540	545	0.9%
72	Panel on Theological Education	634	621	603	608	608	0.0%
73	<b>Total Ministries and Faith Development</b>	4,824	4,877	5,031	4,923	4,917	-0.1%
74							
75	UU Funding Program	1,320	1,405	1,341	1,364	1,373	0.7%
76	Crisis Relief & Misc. Programs	60	158	61	61	417	586.8%
77							
78	<b>Communications</b>						
79	IPW Office	349	368	389	388	386	-0.7%
80	Periodicals Office	952	917	957	955	949	-0.6%
81	Publications Administration	526	559	577	580	576	-0.6%
82	UUA Bookstore	827	815	882	877	867	-1.2%
83	<b>Total Communications</b>	2,654	2,660	2,804	2,800	2,778	-0.8%
84							
85	<b>Total Programs</b>	15,617	16,611	15,949	17,930	18,364	2.4%
86							
87	<b>Administration</b>						
88	Office of the President	500	526	557	550	561	2.1%
89	Office of the Executive Vice President	331	407	392	392	410	4.4%
90	Contingency Expense	0	0	376	327	0	-100.0%
91	Salary Increase	0	0	228	228	228	0.0%
92	Human Resources	379	426	572	572	553	-3.2%
93	<b>Total Administration</b>	1,211	1,358	2,125	2,069	1,752	-15.3%
94							
95	<b>Infrastructure:</b>						
96	<b>Stewardship and Development</b>						
97	Vice President, Development	59	48	53	52	264	404.0%
98	APF Campaign	270	290	424	410	382	-6.7%
99	Friends Campaign	291	289	300	295	329	11.4%
100	Charitable Gift and Estate Planning	154	155	189	352	324	-8.1%
101	Comprehensive Campaign	1,146	1,085	1,107	1,067	895	-16.1%
102	<b>Total Stewardship and Development</b>	1,920	1,867	2,072	2,176	2,193	0.8%
103							
104	<b>Information Technology Services</b>	1,443	1,441	1,553	1,542	1,510	-2.1%
105							
106	<b>Internal Services:</b>						
107	<b>Finance</b>						
108	Treasurer and Vice President of Finance	381	367	378	377	391	3.8%
109	Financial Services	615	662	668	680	682	0.3%
110	<b>Total Finance</b>	996	1,029	1,046	1,057	1,074	1.6%
111							
112	<b>Facilities</b>						
113	41 Mt Vernon Street	29	0	0	0	0	#DIV/0!
114	24 Farnworth Street	2,706	1,854	2,493	2,484	2,477	-0.3%
115	<b>Total Operations Services</b>	2,735	1,854	2,493	2,484	2,477	-0.3%
116							
117	<b>Total Internal Services</b>	3,731	2,883	3,540	3,541	3,551	0.3%
118							
119	<b>Total Infrastructure</b>	7,094	6,191	7,165	7,259	7,253	-0.1%
120	<b>Total Expenses</b>	24,473	24,628	25,741	27,754	27,869	0.4%
121							
122	<b>Depreciation Spending</b>	0	0	400	400	400	
123							
124	<b>Current Section Excess/(Deficit)</b>	8	407	0	0	(10)	

## **FY 17 2<sup>nd</sup> Quarter Budget Variance Analysis**

### **Summary**

The variance analysis describes the key differences between the first quarter FY 2017 forecast presented to the Board at the October meeting and the second quarter forecast. At this time, we are forecasting a small deficit of \$10,000 for the year. This is driven by the commitment of \$300K to Black Lives of UU. Overall, both income and expense variances from the first quarter forecast are less than a half percent. Significant changes from the budget are described below.

### **Variances from 1<sup>st</sup> to 2<sup>nd</sup> Quarter Forecast**

#### **Overall income – up 0.4%**

##### **Annual Program Fund – Regional – down 2.5%**

The decline in regional APF revenue is offset by reduced expenses.

##### **Unrestricted gifts – down 12.5%**

The current forecast is \$180K below the first quarter expectation. This is primarily due to direct mail, particularly direct mail gifts in excess of \$500. Other parts of the program are on track. We are working with our direct mail consultant to improve the program.

##### **Campaign income – up 4.9%**

This primarily reflects the release of temporarily restricted funds accumulated in previous periods. Projections for campaign gifts in this fiscal year remain unchanged.

##### **Holdeen and international trusts – up 7.4%**

Reflects approximately \$100,000 from the Holdeen Designation Trust that is applied to UUA grants outside of the International Office. This was erroneously omitted from the first quarter forecast.

##### **Income for other purposes – up 10.0%**

The increase is the result an increase in conference income from two regions: Southern and Central East. This is largely offset by increased meeting expenses.

#### **Overall Expenses – up 0.4%**

##### **Crisis relief & miscellaneous programs – up 587%**

This includes the first year commitment to BLUU of \$300,000. There is no offsetting income in the forecast.


##### **Contingency – None remains**


The contingency has been eliminated to offset the \$300,000 commitment to BLUU. The remaining \$208,000 is for cost of living salary increases that were implemented in January 2017.

Peter Morales, President, and Timothy Brennan, Treasurer and Chief Financial Officer, individually certify that:

1. Each of us has reviewed the audited Financial Statements of the Unitarian Universalist Association for fiscal years 2016 and 2015 and the audited Financial Statements of the Unitarian Universalist Common Endowment Fund (UUCEF) for fiscal year 2016;
2. Based on our knowledge, these reports do not contain any untrue statement of a material fact or omit to state a material fact;
3. Based on our knowledge, the financial statements, and other financial information included in these reports, fairly present in all material respects the financial condition, results of operations and cash flows of the Association and the UUCEF as of, and for the period presented in these reports;
4. We have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Association's auditors and the audit committee of the UUA Board of Trustees:
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 1, 2016

  
\_\_\_\_\_  
Peter Morales  
President

  
\_\_\_\_\_  
Timothy Brennan  
Treasurer & Chief Financial Officer

**Consolidated Financial Statements  
and Supplemental Schedules**

**Unitarian Universalist Association  
and Subsidiary**

**June 30, 2016 and 2015**



# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Consolidated Financial Statements and Supplemental Schedules*

### *Table of Contents*

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500 Boylston Street ■ Boston, MA 02116  
Tel: 617.761.0600 ■ Fax: 617.761.0601 ■ [www.cbiztofias.com](http://www.cbiztofias.com)

### *Independent Auditors' Report*

The Board of Trustees  
Unitarian Universalist Association and Subsidiary  
Boston, Massachusetts

We have audited the accompanying consolidated financial statements of the Unitarian Universalist Association and Subsidiary (the "Association"), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 consolidated 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 consolidated financial statements.

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



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### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Unitarian Universalist Association as of June 30, 2016 and 2015, and the consolidated changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

### *Supplemental Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information included in Schedules I through III is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

*Mayer Hoffmann McCann P.C.*

November 30, 2016  
Boston, Massachusetts

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Consolidated Statements of Financial Position*

(in thousands)

	<i>June 30,</i>	
	<i>2016</i>	<i>2015</i>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,554	\$ 11,636
Accounts receivable, net	2,584	2,020
Pledges receivable, net	582	218
Inventories, net	1,294	1,258
Other assets	1,582	1,474
Investments	81,818	90,841
Investment funds managed for others	88,750	95,114
Funds held in trust by others	42,075	44,552
Funds held in support of split-interest agreements	9,130	10,404
Loans to member congregations, net	5,303	5,543
Property and equipment, net	36,026	36,846
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 278,698</b>	<b>\$ 299,906</b>
	<hr/>	<hr/>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,287	\$ 6,603
Annuity liabilities	2,073	2,211
Bank debt	10,310	11,447
Obligations under split-interest agreements	5,218	6,040
Accumulated postretirement benefit obligation	1,937	1,991
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>25,825</b>	<b>28,292</b>
	<hr/>	<hr/>
<b>Minority interest in UUCEF</b>	<b>88,750</b>	<b>95,114</b>
	<hr/>	<hr/>
Net assets:		
Unrestricted	53,876	59,080
Temporarily restricted	52,541	59,238
Permanently restricted	57,706	58,182
	<hr/>	<hr/>
<b>Total net assets</b>	<b>164,123</b>	<b>176,500</b>
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 278,698</b>	<b>\$ 299,906</b>
	<hr/>	<hr/>

See accompanying notes to consolidated financial statements.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## Consolidated Statement of Activities

(with comparative totals for 2015)

(in thousands)

	For the Years Ended June 30, 2016				2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenue:					
Fundraising and gifts and bequests	\$ 11,953	\$ 1,439	\$ 19	\$ 13,411	\$ 14,471
Net sales from publishing activities	7,445	-	-	7,445	7,362
Sales and administrative services	2,276	-	-	2,276	2,460
Investment return authorized for operations	4,857	-	-	4,857	5,072
Distributions from Holdeen Trusts	1,203	115	-	1,318	1,348
Other investment income	284	-	-	284	221
Rental income	1,600	-	-	1,600	692
Other income	5,390	-	-	5,390	4,949
Net assets released from restriction	1,795	(1,795)	-	-	-
Total support and revenue	36,803	(241)	19	36,581	36,575
Expenditures:					
Programs	27,751	-	-	27,751	26,029
General and administration	6,263	-	-	6,263	7,123
Stewardship and development	1,867	-	-	1,867	1,920
Rental expense	626	-	-	626	347
Total expenditures	36,507	-	-	36,507	35,419
Changes in net assets from operations	296	(241)	19	74	1,156
Nonoperating income (expense):					
Investment return, net of amounts authorized for operations and debt financing	(10,063)	(4,358)	-	(14,421)	(5,083)
Decrease in value of funds held in support of split-interest agreements and trusts	(113)	(2,184)	(495)	(2,792)	(2,328)
Postretirement benefit plan expense	-	-	-	-	(382)
Investment return - debt financing	811	-	-	811	-
Gain on sale of real estate	-	-	-	-	8,323
Donation from Liberal Religious Charitable Society	-	-	-	-	(12)
Bequest income - Board restricted	-	-	-	-	276
Other income	-	-	-	-	876
Other expense	-	-	-	-	(88)
Other releases and changes in net assets	(86)	86	-	-	-
Unfunded depreciation	(633)	-	-	(633)	(372)
Change in net assets from nonoperating activities	(10,084)	(6,456)	(495)	(17,035)	1,210
Minority interest in investment losses of UUCEF	4,584	-	-	4,584	39
<b>Change in net assets</b>	<b>(5,204)</b>	<b>(6,697)</b>	<b>(476)</b>	<b>(12,377)</b>	<b>2,405</b>
Net assets, beginning of year	59,080	59,238	58,182	176,500	174,095
<b>Net assets, end of year</b>	<b>\$ 53,876</b>	<b>\$ 52,541</b>	<b>\$ 57,706</b>	<b>\$ 164,123</b>	<b>\$ 176,500</b>

See accompanying notes to consolidated financial statements.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Consolidated Statement of Activities*

*For the Year Ended June 30, 2015*

*(in thousands)*

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Support and revenue:				
Fundraising and gifts and bequests	\$ 11,948	\$ 2,364	\$ 159	\$ 14,471
Net sales from publishing activities	7,362	-	-	7,362
Sales and administrative services	2,460	-	-	2,460
Investment return authorized for operations	5,072	-	-	5,072
Distributions from Holdeen Trusts	1,205	143	-	1,348
Other investment income	221	-	-	221
Rental income	692	-	-	692
Other income	4,949	-	-	4,949
Net assets released from restriction	1,722	(1,722)	-	-
Total support and revenue	<u>35,631</u>	<u>785</u>	<u>159</u>	<u>36,575</u>
Expenditures:				
Programs	26,029	-	-	26,029
General and administration	7,123	-	-	7,123
Stewardship and development	1,920	-	-	1,920
Rental expense	347	-	-	347
Total expenditures	<u>35,419</u>	<u>-</u>	<u>-</u>	<u>35,419</u>
Changes in net assets from operations	<u>212</u>	<u>785</u>	<u>159</u>	<u>1,156</u>
Nonoperating income (expense):				
Investment return, net of amounts authorized for operations	(2,426)	(2,657)	-	(5,083)
Increase (decrease) in value of funds held in support of split-interest agreements and trusts	55	(1,978)	(405)	(2,328)
Postretirement benefit plan expense	(382)	-	-	(382)
Gain from sale of real estate	8,323	-	-	8,323
Donation from Liberal Religious Charitable Society	2,014	(2,026)	-	(12)
Bequest income - Board restricted	276	-	-	276
Other income	876	-	-	876
Other expense	(88)	-	-	(88)
Unfunded depreciation	(372)	-	-	(372)
Change in net assets from nonoperating activities	<u>8,276</u>	<u>(6,661)</u>	<u>(405)</u>	<u>1,210</u>
Minority interest in investment losses of UUCEF	<u>39</u>	<u>-</u>	<u>-</u>	<u>39</u>
<b>Change in net assets</b>	<b>8,527</b>	<b>(5,876)</b>	<b>(246)</b>	<b>2,405</b>
Net assets, beginning of year	<u>50,553</u>	<u>65,114</u>	<u>58,428</u>	<u>174,095</u>
<b>Net assets, end of year</b>	<b>\$ <u>59,080</u></b>	<b>\$ <u>59,238</u></b>	<b>\$ <u>58,182</u></b>	<b>\$ <u>176,500</u></b>

*See accompanying notes to consolidated financial statements.*

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Consolidated Statements of Cash Flows*

*(in thousands)*

	<i>For the Years Ended June 30,</i>	
	<i>2016</i>	<i>2015</i>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (12,377)	\$ 2,405
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,326	1,067
Change in allowance for uncollectible loans to member congregations	(7)	(31)
Gain from sale of real estate	-	(8,323)
Net realized and unrealized losses on investments	4,206	368
Contributions restricted for long-term investment	(19)	(159)
Net change in value of funds held in support of split-interest agreements and trusts	2,792	2,328
Minority interest in investment losses of UUCEF	4,584	39
Changes in assets and liabilities:		
Accounts receivable, net	(564)	87
Pledges receivable, net	(364)	1,980
Inventories, net	(36)	(34)
Other assets	(108)	430
Accounts payable and accrued expenses	(316)	(5,083)
Accumulated postretirement benefit obligation	(54)	301
<b>Net cash used in operating activities</b>	<b>(937)</b>	<b>(4,625)</b>
<b>Cash flows from investing activities:</b>		
Cost of purchases of investments	(29,799)	(98,714)
Proceeds from sales of investments	31,811	116,284
Purchases of property and equipment	(506)	(28,463)
Proceeds from sales of real estate, net of expenses	-	11,785
Change in obligations for funds managed for others	-	1,317
Additions to loans to member congregations	(450)	(75)
Repayments on loans to member congregations	697	898
<b>Net cash provided by (used in) investing activities</b>	<b>1,753</b>	<b>3,032</b>
<b>Cash flows from financing activities:</b>		
Repayment of bank debt	(1,137)	(880)
Proceeds from bank debt	-	104
Capital contributions by minority partners in UUCEF	6,164	9,801
Capital withdrawals by minority partners in UUCEF	(7,944)	(8,776)
Contributions restricted for long-term investment	19	159
<b>Net cash provided by (used in) financing activities</b>	<b>(2,898)</b>	<b>408</b>
<b>Change in cash and cash equivalents</b>	<b>(2,082)</b>	<b>(1,185)</b>
Cash and cash equivalents as of beginning of year	11,636	12,821
<b>Cash and cash equivalents as of end of year</b>	<b>\$ 9,554</b>	<b>\$ 11,636</b>

See accompanying notes to consolidated financial statements.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 1 - The Association's Background and History***

The Unitarian Universalist Association (the "Association") was formed in 1961, when the American Unitarian Association and the Universalist Church of America merged to form one entity with the purpose of creating an association of congregations in support of liberal religion. The Association is governed by a board of trustees elected by the delegates of the General Assembly. An elected president, a board-appointed treasurer, a chief operating officer and nine other staff group directors form the leadership council, which manages the day-to-day business of the Association.

The consolidated financial statements include the results of the activities of the Unitarian Universalist Common Endowment Fund, LLC "UUCEF" which is organized as a supporting organization to the Association under Section 501(c)(7) of the Internal Revenue Code. UUCEF serves as an endowment investment solution for the Association and member congregations. UUCEF provides access to professional investment management, administration and reporting. All investors share proportionately in the underlying money-management, operational and custody costs. UUCEF investors retain full ownership of their invested assets with access to their funds as outlined in the UUCEF subscription agreement. This entity was established on October 11, 2012 and funded on January 1, 2016 via the legal transfer of monies previously accounted for as a component of the Association's operations. The Association's Board of Trustees appoints the investment committee who oversees UUCEF and its related investments.

The Association is the largest owner and acts as the record keeper for UUCEF. The Association had a 47.9% and 48.8% ownership interest in UUCEF in 2016 and 2015, respectively. The interests owned by others are presented as minority interest in the consolidated financial statements.

The primary purposes of the Association are to serve the needs of its member congregations, organize new congregations, extend and strengthen Unitarian Universalist institutions, and implement its principles. These financial statements only include the activity of the Association and UUCEF, but not of its member congregations. The activities and assets of the Association are comprised of six business segments: Current Operations, General Assembly, Group Insurance Plans, Beacon Press, Congregational Properties and Loan Fund "CPLF", and UUCEF as outlined above. The Current Operations section manages the general operations of the Association including fundraising and program activities. Group Insurance Plans "GIP" operate group insurance plans for member congregations. General Assembly is the annual gathering of Association congregational delegates organized to conduct the business of the Association. Beacon Press is the Association's trade publishing group. CPLF provides loans and loan guarantees to member congregations.

### ***Note 2 - Summary of Significant Accounting Policies***

#### ***Basis of Consolidated Financial Statement Presentation***

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany accounts and transactions have been eliminated in consolidation. Minority interest is presented below liabilities on the consolidated statements of financial position.

The accompanying consolidated financial statements are presented on the accrual basis of accounting and have been prepared to focus on the Association and UUCEF as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Basis of Consolidated Financial Statement Presentation (Continued)*

*Unrestricted net assets* – represent those assets that the Association may use at its discretion.

*Temporarily restricted net assets* – result from contributions subject to donor-imposed use or time related restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the period in which the donor-imposed stipulation is met or that the stipulated time restrictions have passed. Net appreciation (depreciation) of permanently restricted long-term investments is recognized within the temporarily restricted net asset category until such monies are available for expenditure under the Association's spending policy and a qualifying expenditure is incurred unless otherwise directed by the underlying arrangements with the donor in accordance with law. Charitable lead trusts, in which a donor establishes and funds a trust with distributions to be made to the Association over a specified period no matter what duration, are categorized as temporarily restricted net assets.

*Permanently restricted net assets* – result from contributions which stipulate that the resources be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use or expend part or all of the returns derived from the donated assets for general or specific purposes.

Fundraising support, gifts and bequests are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed time and/or purpose restrictions. If time and/or purpose restrictions are associated with support, these resources are accounted for as temporarily or permanently restricted support as applicable. If a restriction on a gift is fulfilled in the same time period in which the contribution is received, the contribution is reported as an unrestricted contribution. Expenses are reported as decreases in unrestricted net assets.

Amounts reported as nonoperating in the statement of activities include investment return net of amounts authorized for operations and other miscellaneous nonrecurring events or activities such as contributions of long-lived assets, contributions of cash or other assets that must be used to acquire long-lived assets, large one time donations, changes in value of certain split-interest agreements and trusts, postretirement benefit plan expense, gain on sale of real estate, unfunded depreciation, and other releases and changes in net assets.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements relate to the allowance for doubtful accounts and pledges receivable, reserve for finished goods inventory, fair value of certain investments as well as funds held in support by others and split-interest agreements, allowance for doubtful loans, capitalization of property and equipment and useful lives of such depreciable assets, accumulated postretirement benefit obligation, the allocation of common expenses over program functions, and releases from restrictions through satisfaction of donor restrictions.



# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### ***Cash and Cash Equivalents***

The Association considers highly liquid instruments with maturities of three months or less at the date of purchase to be cash equivalents. Cash equivalents held by investment managers are considered part of investments given the expectation of near term reinvestment. Cash equivalents include treasury money market and money market mutual funds that are not Federally insured. The Association maintains its cash balances at several financial institutions, which, at times, may exceed federally insured limits. The Association monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

#### ***Accounts Receivable***

Accounts receivable are carried at their net realizable value. Management estimates the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible and recoveries of previously written off receivables are recorded as revenue when received. The reserve was \$34 at June 30, 2016 and 2015.

#### ***Contributions and Pledges Receivable***

Unconditional promises to give are recorded at fair value when initially pledged. Initial recording for pledges expected to be collected in one year or more is arrived at by using the present value of a risk adjusted rate to account for the inherent risk associated with expected future cash flows. The initially recorded fair value is considered a Level 2 fair value approach. Amortization of the discount is included in gift and contribution revenue. Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful collections. Management estimates the allowance by review of historical experience and a specific review of collection trends that differ from plans on individual accounts. Conditional promises to give are not included as support until the conditions are substantially met.

#### ***Inventory***

Inventory consists of finished goods and outside prepublication costs. Finished goods inventories, consisting primarily of books, are stated at the lower of weighted average cost or market. Outside prepublication costs related to preparing a manuscript for printing are capitalized into finished goods at the time of first printing of the book. The Association reserves against finished goods based on a systematic approach as the inventories age. The reserve was \$45 and \$52 at June 30, 2016 and 2015, respectively.

#### ***Investments***

Investments are reported at fair value. Fair value is determined as per the fair value policies described later in this section. Interest, dividends and net gains or losses on investments are reported as increases or decreases in permanently restricted net assets if the terms of the original gift require that they be applied to the principal of a permanent endowment fund; as increases or decreases in temporarily restricted net assets if the terms of the gift and/or relevant state law impose restrictions on the current use of the income or net gains and losses; and as increases or decreases in unrestricted net assets in all other cases.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### ***Fair Value Measurements***

The Association reports certain assets and liabilities at fair value on a recurring and nonrecurring basis depending on the underlying accounting policy for the particular item. Recurring fair value measures include the Association's investment accounts and funds held in trust and in support of split-interest agreements. Nonrecurring fair value measures include initial accounting for pledges receivable and obligations under split-interest agreements. These fair value standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, the Association reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this are met. Fair value standards also require the Association to classify financial instruments (except for those measured using NAV) into a three-level hierarchy, based on the priority of inputs to the valuation technique as follows:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the financial statements.

#### ***Funds Held in Trust by Others***

The Association accounts for its beneficial interests in trusts as support upon notice of it being a beneficiary of such trusts. Support is recorded at the fair value of the underlying assets of the trust given the irrevocable right to receive income/benefits from the trust assets even though the Association will never receive the principal of these trusts. The fair value of the trust assets are recorded using a Level 3 fair value approach. Changes in the fair value of the trusts are reported as increases or decreases in the related net asset category. These trusts have various purpose restrictions.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Funds Held in Trust by Others (Continued)*

A major portion of funds held in trust by others are charitable lead trusts established by Jonathan Holdeen (the Holdeen Trusts) in which the Association has an irrevocable right to the trust income for periods of 500 or 1,000 years after which the assets revert to the Commonwealth of Pennsylvania. Under the terms of the Holdeen Trusts' instruments, the income is to be used primarily for support of the Holdeen India Program and other charities designated by the Association's Board of Trustees. Given the long-term nature of this arrangement, the beneficial interest was determined to be equal to the fair value of the assets for reporting purposes.

#### *Split-Interest Agreements*

Split-interest agreements include contributions received which require payment of an annuity to a specified beneficiary and contributions received which require payment of income earned on the investment of such contribution to a specified beneficiary over their life. Assets and obligations to beneficiaries are recorded at fair value when initially arranged and are separately managed apart from other investments of the Association. Subsequent changes in fair value of funds held in support of split-interest agreements are reported as a change in fair value of funds held in support of split-interest agreements in the period of change of value of the underlying assets. Obligations are based on the present value of the annual distribution specified in the agreements and the estimated life expectancy of the beneficiaries. Subsequent changes in the recorded amount of obligations are impacted by changes in life expectancy; however, the present value discount rate remains the same over the life of the instrument. The initially recorded fair value of the donated investments are determined based on the underlying nature of the investments received which have generally represented Level 1 measurements while the initial measurement of the related obligations are Level 2 measurements.

#### *Loans to Member Congregations*

The Association has receivables related to loans to member congregations. Interest income is recorded when received. Loans receivable are written off when deemed uncollectible. Recoveries of loans receivable previously written off are recorded as a reduction of bad debt expense. Loans receivable are considered past due if any portion of the balance due is outstanding for more than 30 days. Interest on past due amounts are recorded when received.

#### *Property and Equipment*

Land, buildings, improvements, furniture and fixtures, and equipment are stated at cost at the date of acquisition or improvement at fair market value at the date of donation in the case of gifts. Fair value of donated property and equipment is effectively recorded using a Level 3 market approach when applicable. Minor renovations and repairs are charged to operations and maintenance as incurred. Depreciation of property and equipment is computed on the straight-line basis over the expected lives of the respective assets.

With respect to its primary operating facility, the Association allocates costs to its activities based on operating expenses, estimated long-term funding for reserves for repair and replacement and debt service. Any excess costs of operating the facility is considered nonoperating. Such amounts represent unfunded depreciation which management has determined does not require funding given its long-term expected costs of operating this property.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Revenue Recognition and Royalty Advances from Publishing Activities*

Revenue is recorded upon shipment, net of estimated returns. Sales to two customers represented approximately 50% and 41% of total revenue of Beacon Press for the years ended June 30, 2016 and 2015, respectively. Of the total amount of receivables from Beacon Press of \$796 and \$761 at June 30, 2016 and 2015, respectively, amounts due from one customer represented approximately 97% at June 30, 2016 and 2015.

Royalty advances are negotiated on a contract-by-contract basis and are recorded as other assets when paid. As sales occur, royalty advances are reduced. Write-offs of advances are recorded when it appears that advances are not expected to be recovered from future sales. The Association reserves against unrealizable advances based on a systematic approach as the related publications age. The reserve was \$1,810 and \$1,700 at June 30, 2016 and 2015, respectively, against royalty advances of \$2,896 and \$2,687 at June 30, 2016 and 2015, respectively, included in other assets.

#### *Outstanding Legacies*

From time to time, the Association is named as a beneficiary under various wills and trust agreements, the total realizable amounts of which are not immediately determinable. Such bequests are recorded only when there is an irrevocable right to the bequest and the value of the proceeds are determinable.

#### *Income Taxes*

The Association is a tax-exempt church organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

#### *Uncertain Tax Positions*

The Association accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Association has a number of tax positions, none of which result in an uncertainty requiring recognition. The Association is not currently under examination by any taxing jurisdiction. As a tax-exempt church related organization, the Association is exempt from filing certain non-profit filings. The Association does file a Form 990T.

#### *Functional Expense Allocation*

Costs have been allocated to functional classifications based on percentage of effort, usage, square footage and other criteria. Accordingly, costs and expenses have been allocated to the benefiting function using various assumptions and estimates. Rental expense related to property leased to outside parties is not allocated given that it pertains to income received from the rental property.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Fundraising Expenditures*

Fundraising costs are reported as stewardship and development expense in the statement of activities.

#### *Group Insurance Plan*

The Association procures various insurance products from third parties for the use of the Association and member congregations. Under this arrangement, the Association is centrally billed for insurance based on its needs and member congregations that elect to participate. The Association in turn invoices various participating member congregations. The Association does not assume insurance risk under these arrangements.

#### *Reclassifications*

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. There is no effect on previously reported net assets.

### *Note 3 - Pledges Receivable*

Pledges receivable relates to amounts received as part of the campaign fundraising. The rate used to discount pledges receivable was 4% as of June 30, 2016 and 2015.

Pledges receivable consisted of the following as of June 30:

	<i>2016</i>	<i>2015</i>
Amounts due in:		
Less than one year	\$ 145	\$ 73
Two to five years	<u>505</u>	<u>168</u>
	650	241
Less allowance for uncollectible pledges and present value discount	<u>(68)</u>	<u>(23)</u>
<b>Pledges receivable, net</b>	<b>\$ <u>582</u></b>	<b>\$ <u>218</u></b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### **Note 4 - Investments**

Investments are recorded in the statement of financial position as follows at June 30:

	<b>2016</b>	<b>2015</b>
Investments (UUA)	\$ 81,818	\$ 90,841
Investment funds managed for others (member congregations)	<u>88,750</u>	<u>95,114</u>
<b>Total</b>	<b>\$ <u>170,568</u></b>	<b>\$ <u>185,955</u></b>

Total investment return from working capital investments, long-term investments and restricted cash consisted of the following for the years ended June 30:

	<b>2016</b>	<b>2015</b>
Investment income	\$ 1,054	\$ 1,351
Net realized gain on investments	254	2,171
Net change in unrealized loss on investments	(4,460)	(2,539)
Less investment expenses	<u>(733)</u>	<u>(734)</u>
<b>Total return on investments</b>	<b>\$ <u>(3,885)</u></b>	<b>\$ <u>249</u></b>

Following is a reconciliation of total investment return to amounts reported in the statement of activities for the years ended June 30:

	<b>2016</b>	<b>2015</b>
Investment return authorized for operations	\$ 4,857	\$ 5,072
Other investment return - operating activities	284	221
Investment return, net of amounts authorized for operations - nonoperating - unrestricted	(10,063)	(2,387)
Investment return - nonoperating - temporarily restricted	(4,358)	(2,696)
Investment return - debt financing	811	-
Minority interest in investment in UUCEF	<u>4,584</u>	<u>39</u>
<b>Total return on investments</b>	<b>\$ <u>(3,885)</u></b>	<b>\$ <u>249</u></b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 5 - Fair Values of Financial Instruments*

The following tables present financial assets at June 30, 2016 that the Association measures fair value on a recurring basis, by level, within the fair value hierarchy:

<i>Investments</i>				
<i>2016</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Investments Measured at NAV</i>	<i>Total</i>
<b>UUCEF investments</b>				
Equity securities:				
Domestic securities	\$ 44,074	\$ -	\$ 3,276	\$ 47,350
Foreign securities	11,801	-	25,902	37,703
Fixed income funds:				
Domestic funds	18,680	-	-	18,680
Global fixed income funds	-	-	20,991	20,991
Global asset allocation funds	17,806	-	-	17,806
Hedge fund of funds	-	-	11,702	11,702
Private opportunities	-	-	3,099	3,099
Community investments	-	1,617	-	1,617
<b>Total UUCEF investments</b>	<b>92,361</b>	<b>1,617</b>	<b>64,970</b>	<b>158,948</b>
<b>Short-term investments</b>				
Cash and equivalents	11,620	-	-	11,620
<b>Total investments</b>	<b>\$ 103,981</b>	<b>\$ 1,617</b>	<b>\$ 64,970</b>	<b>\$ 170,568</b>

<i>Funds Held by Others and Split-interest Agreements</i>				
<i>2016</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Funds held by others:				
Holdeen Trusts	\$ -	\$ -	\$ 31,272	\$ 31,272
Other trusts	-	-	10,803	10,803
	-	-	42,075	42,075
Split-interest agreements:				
Charitable gift annuity	6,108	-	-	6,108
Charitable remainder trust	-	-	714	714
Pooled income funds	2,308	-	-	2,308
	8,416	-	714	9,130
<b>Total funds held by others and split-interest agreements</b>	<b>\$ 8,416</b>	<b>\$ -</b>	<b>\$ 42,789</b>	<b>\$ 51,205</b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 5 - Fair Values of Financial Instruments (Continued)*

The following tables present financial assets at June 30, 2015 that the Association measures at fair value on a recurring basis, by level, within the fair value hierarchy:

<i>Investments</i>				
<i>2015</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Investments Measured at NAV</i>	<i>Total</i>
<b>UUCEF investments</b>				
Equity securities:				
Domestic securities	\$ 41,832	\$ -	\$ -	\$ 41,832
Foreign securities	27,720	-	12,961	40,681
Fixed income funds:				
Foreign funds	19,635	-	21,006	40,641
Global asset allocation funds	18,605	-	17,945	36,550
Hedge fund of funds	-	-	13,297	13,297
Private opportunities	-	-	1,334	1,334
Community investments	-	1,537	-	1,537
<b>Total UUCEF investments</b>	<b>107,792</b>	<b>1,537</b>	<b>66,543</b>	<b>175,872</b>
<b>Short-term investments</b>				
Cash and equivalents	10,083	-	-	10,083
<b>Total investments</b>	<b>\$ 117,875</b>	<b>\$ 1,537</b>	<b>\$ 66,543</b>	<b>\$ 185,955</b>

<i>Funds Held by Others and Split-interest Agreements</i>				
<i>2015</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Funds held by others:				
Holdeen Trusts	\$ -	\$ -	\$ 33,254	\$ 33,254
Other trusts	-	-	11,298	11,298
	-	-	44,552	44,552
Split-interest agreements:				
Charitable gift annuity	7,187	-	-	7,187
Charitable remainder trust	-	-	758	758
Pooled income funds	2,459	-	-	2,459
	9,646	-	758	10,404
<b>Total funds held by others and split-interest agreements</b>	<b>\$ 9,646</b>	<b>\$ -</b>	<b>\$ 45,310</b>	<b>\$ 54,956</b>



# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## Notes to Consolidated Financial Statements (in thousands)

### Note 5 - Fair Values of Financial Instruments (Continued)

<i>Level 3 Roll Forward</i>				
<i>2016</i>				
	<i>Holdeen Trusts</i>	<i>Other Trusts</i>	<i>Charitable Remainder Trust</i>	<i>Total</i>
Beginning balance	\$ 33,254	\$ 11,298	\$ 758	\$ 45,310
Distributions	(1,594)	(497)	-	(2,091)
Sales/fees	729	334	-	1,063
Unrealized loss	(1,117)	(332)	(44)	(1,493)
<b>Ending balance</b>	<b>\$ 31,272</b>	<b>\$ 10,803</b>	<b>\$ 714</b>	<b>\$ 42,789</b>

<i>Level 3 Roll Forward</i>				
<i>2015</i>				
	<i>Holdeen Trusts</i>	<i>Other Trusts</i>	<i>Charitable Remainder Trust</i>	<i>Total</i>
Beginning balance	\$ 35,100	\$ 11,638	\$ 937	\$ 47,675
Distributions	(1,581)	(500)	-	(2,081)
Sales/fees	947	559	-	1,506
Unrealized loss	(1,212)	(399)	(179)	(1,790)
<b>Ending balance</b>	<b>\$ 33,254</b>	<b>\$ 11,298</b>	<b>\$ 758</b>	<b>\$ 45,310</b>

All trusts are invested in a diversified portfolio of stocks, bonds and mutual funds both domestic and international.

Investments measured at NAV have the following redemption notice periods:

Weekly	\$ 10,242
Monthly	28,227
Bi-monthly	11,700
Quarterly	11,702
Illiquid	3,099
<b>Total</b>	<b>\$ 64,970</b>

Unfunded commitments to the investment vehicles amounted to \$3,544 at June 30, 2016. Funds allow for managers to limit normal redemptions under certain circumstances which could impact the ultimate availability of funds. In addition, funds in trust are controlled by outside organizations and thus are not redeemable.

Management has no intentions or plans to liquidate any net asset value per share practical expedient investments at other than net asset value per share.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 6 - Loans to Member Congregations***

Loans to member congregations for capital purposes, primarily for buildings, are as follows at June 30:

	<b>2016</b>	<b>2015</b>
Mortgage loans to member congregations at interest rates from 0% to 5.25% due through 2035	\$ 5,643	\$ 5,890
Less allowance for uncollectible loans	<u>(340)</u>	<u>(347)</u>
<b>Net loans to member congregations</b>	<b>\$ <u>5,303</u></b>	<b>\$ <u>5,543</u></b>

Loans to member congregations are written for revolving terms ranging from 1 to 7 years, with the total amortization period ranging from 15 to 25 years. Expected payments for the mortgaged loans to member congregations, reflecting the full amortization period, are as follows for the years ending June 30:

2017	\$ 493
2018	323
2019	309
2020	368
2021	2,247
Thereafter	<u>1,903</u>
<b>Total</b>	<b>\$ <u>5,643</u></b>

Only a small portion of the loans are non-interest bearing, and accordingly, management determined that applying a present value to such loans would not result in a material difference in reported amounts.

At June 30, 2016 and 2015, the following amounts were past due under loans to member congregations:

<b><i>June 30,</i></b>	<b><i>Loans Past Due</i></b>	<b><i>Loans in Default</i></b>	<b><i>Total Past Due/Default</i></b>	<b><i>Current</i></b>	<b><i>Total Receivable</i></b>
2016	\$ 2	\$ 176	\$ 178	\$ 5,465	\$ 5,643
2015	\$ 4	\$ 176	\$ 180	\$ 5,710	\$ 5,890

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 7 - Property and Equipment***

Property and equipment was composed of the following as of June 30:

	<i>Estimated Useful Lives</i>		<b>2016</b>		<b>2015</b>
Land, buildings and improvements	20-40 yrs	\$	35,946	\$	35,621
Computer equipment	4 -7 yrs		1,568		1,935
Office furniture and fixtures	7 yrs		2,071		2,056
			<u>39,585</u>		<u>39,612</u>
Less accumulated depreciation			<u>(3,559)</u>		<u>(2,766)</u>
<b>Property and equipment, net</b>		<b>\$</b>	<b><u>36,026</u></b>	<b>\$</b>	<b><u>36,846</u></b>

As more fully described in Note 8, the land, building and improvements serve as collateral under a term note agreement.

### ***Sale of Real Estate***

In August 2014, the Association sold its building at 41 Mount Vernon Street, Boston for \$11,500. The Association used the proceeds to invest in the endowment. The net gain on sale after sale expenses and write-off of undepreciated assets was \$7,663. During 2015, the Association also received an additional \$660 contingency payment related to sale of certain real estate in 2014.

### ***Allocation of Depreciation Between Operating and Nonoperating***

Consistent with the Association's policy, during fiscal year 2015, the Association performed a facilities condition assessment as part of the building purchase and determined that over a 9 year period \$496 represented the annual replacement funding needed. The excess depreciation of \$633 in 2016 and \$372 in 2015 is considered unfunded and included in nonoperating expense on the statement of activities.

### ***Note 8 - Bank Debt***

The Association has the following bank debt at June 30:

	<b>2016</b>	<b>2015</b>
Member lending credit line	\$ 1,816	\$ 2,144
Term note payable	<u>8,494</u>	<u>9,303</u>
<b>Total bank debt</b>	<b>\$ <u>10,310</u></b>	<b>\$ <u>11,447</u></b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 8 - Bank Debt (Continued)***

#### ***Member Lending Credit Line***

The member lending credit line is a revolving line of credit with an aggregate borrowing limit of \$4,000. The line contains certain financial covenants and expires on December 31, 2016, at which time it will be reviewed for renewal. The term expiration and renewal apply to the unused balance of the credit line. Draws outstanding at term expiration date will remain outstanding and payable in accordance with current agreement terms. This line of credit is used to provide mortgage loan financing to member congregations according to the existing lending standards used by the Association. Draws on the line of credit bear interest at various rates between 3.09% and 5.25% and mature at various dates through February 25, 2020.

#### ***Mortgage Note Payable***

The Association has a mortgage note payable which is due in monthly installments of \$95 including principal and interest at a fixed rate of 3.60% with a final due date of April 1, 2022. The agreement contains certain financial and nonfinancial covenants and is collateralized by the Association's headquarters.

#### ***Line of Credit***

The Association has a \$500 line of credit available with a bank of which no amounts were outstanding at June 30, 2016 and 2015. The line of credit bears interest at the bank's base lending rate with a floor of 3.99% during the draw period as defined by the agreement. The actual rate was 3.99% at June 30, 2016 and 2015. The line is collateralized by cash deposits. The line contains certain financial covenants and expires on December 31, 2016 at which time it will be reviewed for renewal.

Interest expense for the years ended June 30, 2016 and 2015 was \$417 and \$430, respectively. Cash paid for interest was \$419 and \$430 for the years ended June 30, 2016 and 2015, respectively.

Expected payments for the bank debt are as follows for the years ending June 30:

2017	\$	1,361
2018		921
2019		2,082
2020		1,003
2021		972
Therafter		<u>3,971</u>
<b>Total</b>	<b>\$</b>	<b><u><u>10,310</u></u></b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 9 - Net Assets and Endowment Matters***

#### ***Temporarily Restricted Net Assets***

Temporarily restricted net assets consisted of the following as of June 30:

	<b>2016</b>	<b>2015</b>
Accumulated unspent gains:		
General operating	\$ 3,904	\$ 5,131
Scholarships for ministerial students	5,862	7,713
Ministerial aid	5,875	6,680
Other programs	<u>1,553</u>	<u>1,887</u>
<b>Total accumulated unspent gains</b>	<b><u>17,194</u></b>	<b><u>21,411</u></b>
Purpose restrictions:		
Split-interest agreements	1,346	1,546
Building loan fund	<u>201</u>	<u>201</u>
<b>Total purpose restrictions</b>	<b><u>1,547</u></b>	<b><u>1,747</u></b>
Time and purpose restrictions:		
Funds held in trust by others - Holdeen Trusts	31,272	33,254
Amounts restricted by donors for programs	<u>2,528</u>	<u>2,826</u>
<b>Total time and purpose restrictions</b>	<b><u>33,800</u></b>	<b><u>36,080</u></b>
<b>Total temporarily restricted net assets</b>	<b>\$ <u><u>52,541</u></u></b>	<b>\$ <u><u>59,238</u></u></b>

Net assets released from temporarily restricted net assets were as follows for the years ended June 30:

	<b>2016</b>	<b>2015</b>
Ministerial programs	\$ <u><u>1,795</u></u>	\$ <u><u>1,722</u></u>

From time to time on further review of donor restrictions, management may make net asset reclasses based on donor intent.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 9 - Net Assets and Endowment Matters (Continued)*

#### *Permanently Restricted Net Assets*

Permanently restricted net assets consisted of the following as of June 30:

	<b>2016</b>	<b>2015</b>
Endowment funds:		
General operating	\$ 27,209	\$ 27,209
Scholarships for ministerial students	11,614	11,614
Other programs	2,236	2,217
Ministerial aid	1,377	1,377
	<hr/>	<hr/>
<b>Total endowment funds</b>	<b>42,436</b>	<b>42,417</b>
Building loan fund	4,412	4,412
Funds held in trust by others for restricted purposes	10,803	11,298
Wilton Peace Prize Fund	55	55
	<hr/>	<hr/>
<b>Total permanently restricted net assets</b>	<b>\$ <u>57,706</u></b>	<b>\$ <u>58,182</u></b>

#### *Endowment*

The Association's endowment consists of a number of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

A significant portion of the permanently restricted and unrestricted net assets is a trust that under the following circumstances could result in termination of the trust and the return of such funds: the Association declares bankruptcy; terminates or liquidates its existence or ceases to operate as a religious, charitable or educational organization.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 9 - Net Assets and Endowment Matters (Continued)*

#### *Interpretation of Relevant Law*

The Board of Trustees of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Chapter 180A of the general laws of the Commonwealth of Massachusetts, as requiring the preservation of the historic dollar value of the original gifts to donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively, these amounts are referred to as the historic dollar value of the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Association and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Association
- (7) The investment policies of the Association

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 9 - Net Assets and Endowment Matters (Continued)*

Changes in endowment net assets and those functioning as endowment net assets for the fiscal year ended June 30, 2016 are as follows:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Endowment net assets, beginning of year	\$ <u>26,852</u>	\$ <u>21,411</u>	\$ <u>42,417</u>	\$ <u>90,680</u>
Investment return:				
Investment income (net of expenses)	(64)	(63)	-	(127)
Net appreciation (realized and unrealized)	<u>(2,112)</u>	<u>(2,092)</u>	<u>-</u>	<u>(4,204)</u>
Total investment return	(2,176)	(2,155)	-	(4,331)
Contributions	1,123	149	19	1,291
Adjust for Underwater Funds	(86)	86	-	-
Investment return authorized for operations	<u>(3,702)</u>	<u>(2,297)</u>	<u>-</u>	<u>(5,999)</u>
<b>Endowment net assets, end of year</b>	<b>\$ <u>22,011</u></b>	<b>\$ <u>17,194</u></b>	<b>\$ <u>42,436</u></b>	<b>\$ <u>81,641</u></b>

Endowment net asset composition by type of fund consists of the following at June 30, 2016:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor-imposed endowment funds	\$ 4,893	\$ 17,194	\$ 42,436	\$ 64,523
Unrestricted quasi endowment funds	<u>17,118</u>	<u>-</u>	<u>-</u>	<u>17,118</u>
<b>Total endowed net assets</b>	<b>\$ <u>22,011</u></b>	<b>\$ <u>17,194</u></b>	<b>\$ <u>42,436</u></b>	<b>\$ <u>81,641</u></b>



# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 9 - Net Assets and Endowment Matters (Continued)*

Changes in endowment net assets and those functioning as endowment net assets for the fiscal year ended June 30, 2015 are as follows:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Endowment net assets, beginning of year	\$ <u>20,582</u>	\$ <u>22,481</u>	\$ <u>42,258</u>	\$ <u>85,321</u>
Investment return:				
Investment income (net of expenses)	107	105	-	212
Net appreciation (realized and unrealized)	<u>(193)</u>	<u>(169)</u>	<u>-</u>	<u>(362)</u>
Total investment return	(86)	(64)	-	(150)
Contributions	8,609	1,736	159	10,504
Investment return authorized for operations	<u>(2,253)</u>	<u>(2,742)</u>	<u>-</u>	<u>(4,995)</u>
<b>Endowment net assets, end of year</b>	<b>\$ <u>26,852</u></b>	<b>\$ <u>21,411</u></b>	<b>\$ <u>42,417</u></b>	<b>\$ <u>90,680</u></b>

Endowment net asset composition by type of fund consists of the following at June 30, 2015:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
Donor-imposed endowment funds	\$ 7,753	\$ 21,411	\$ 42,417	\$ 71,581
Unrestricted quasi endowment funds	<u>19,099</u>	<u>-</u>	<u>-</u>	<u>19,099</u>
<b>Total endowed net assets</b>	<b>\$ <u>26,852</u></b>	<b>\$ <u>21,411</u></b>	<b>\$ <u>42,417</u></b>	<b>\$ <u>90,680</u></b>

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 9 - Net Assets and Endowment Matters (Continued)*

#### *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were four funds totaling \$86 with deficiencies as of June 30, 2016 and no funds with deficiencies as of June 30, 2015.

#### *Return Objectives and Risk Parameters*

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that match or exceed a custom benchmark weighted by asset class while assuming a moderate level of investment risk. The Association expects its endowment funds, over time, to provide an average rate of return of approximately 6.3% annually. Actual returns in any given year may vary from this amount.

#### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Association's spending policy determines the amount made available for expenditure from the Association's endowment in a fiscal year using a calculation based on a weighted average of the prior year's spending adjusted for inflation (weighted at 70%), and 5.5% of the trailing four-quarter average market value of the endowment as of the previous December (weighted at 30%). However, the spending rate must be at least 4.5% and not more than 6.25% of the trailing four-quarter average market value of the endowment as of the previous December. Spending from new gifts will be calculated at the effective spending policy rate as approved by the Board of Trustees.

In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long term, the Association expected the current spending policy to allow its endowment to maintain its value adjusted for inflation. This was consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 10 - Leases and Other Commitments*

#### *Leases as Lessor*

A portion of the Association's headquarters facility is leased to unrelated entities under operating lease agreements that expire at various times through 2020. Such leases provide for various escalations for operating and real estate taxes. Rental income was \$1,600 and \$692 for the year ended June 30, 2016 and the six months ended June 30, 2015, respectively.

Future rental income under these non-cancelable leases is as follows for the years ending June 30:

2017	\$	1,445
2018		1,468
2019		1,487
2020		<u>138</u>
<b>Total</b>	<b>\$</b>	<b><u><u>4,538</u></u></b>

#### *Leases as Lessee*

The Association leases certain office equipment under operating lease agreements. Future minimum rental payments required under operating leases are as follows as of June 30:

2017	\$	94
2018		59
2019		<u>12</u>
<b>Total</b>	<b>\$</b>	<b><u><u>165</u></u></b>

Rent expense was \$109 and \$1,078 for the years ended June 30, 2016 and 2015, respectively. Rent expense in 2016 reflects the fact that prior to January 2015, the Association leased its primary operating facility which is now owned by the Association.

#### *Guarantees*

The Association guarantees certain loans extended by various lending institutions to member congregations. The outstanding guarantees were \$929 and \$479 on loans totaling \$1,867 and \$967 for June 30, 2016 and 2015, respectively. The loan guarantees were extended to the member congregations through the Association's loan guarantee program. The Association's policy is to guarantee 50% of the outstanding loan principal up to a maximum guarantee of \$450. The Association determined the value of these guarantees was not significant given its experience.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### *Note 10 - Leases and Other Commitments (Continued)*

#### ***Insurance***

The Association operates a self-funded medical health insurance program for Association employees and the employees of congregations and affiliates. The Association is administrator and sponsor of the plan. The Trustees of the plan determine premiums to be charged and use a service organization to process benefit payments. In the event that assets accumulated in the trust are insufficient to cover the expected benefit payments, the Association has provided the plan with a guarantee to satisfy any unfunded obligations of the trust. As of June 30, 2016 and 2015, the plan was sufficiently funded to cover all actuarially determined obligations. The Association maintains stop loss insurance coverage that will pay claims for an individual once a \$500 calendar year threshold is reached, up to an unlimited lifetime maximum. The Association has determined the value of this guarantee to not be a significant obligation given the funded status of the plan.

#### ***Employment Related Agreements***

The Association had an outstanding loan receivable from an employee in the amount of \$200 as of June 30, 2015 included in other assets. Interest of 5% is paid annually. The loan was fully paid in January 2016. In addition, the Association has employment contracts with key employees, which extend over multiple fiscal years that contain provisions for payments when they retire.

#### ***Legal***

The Association is subject to various claims and legal proceedings that may arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the Association.

#### ***Other Commitments***

The Association acts as agent for certain donors that wish to donate funds to the Association for distribution to an outside organization. Occasionally, these funds are held at the Association pending final distribution determination by the donor and are accounted for in cash and accounts payable. Agency funds held at the Association as of June 30, 2016 and 2015 were \$1,501 and \$1,651, respectively.

### *Note 11 - Benefit Plans*

The Association has a qualified defined contribution retirement plan covering all employees who have satisfied initial age and hour requirements. The Association makes a pension contribution of 11% of employee salary (plus housing allowance for ministers) for all employees who have elected to participate in the plan upon completing one year of employment. Employees may make additional voluntary contributions to the plan up to the established IRS limits. Contributions to the plan are fully vested immediately. Retirement plan costs were \$942 and \$859 for the years ended June 30, 2016 and 2015, respectively.

The Association provides a healthcare retirement plan (the Plan) to certain employees retired prior to 2002, as well as to certain active employees who were over age 45 on April 1, 2002. The measurement date used to determine benefit measures for the Plan is June 30.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### **Note 11 - Benefit Plans (Continued)**

The following table presents the Plan's funded status at June 30:

	<b>2016</b>	<b>2015</b>
Changes in benefit obligation:		
Benefit obligation at beginning of year	\$ 1,991	\$ 1,690
Service cost	2	2
Interest cost	72	68
Actuarial loss	-	352
Benefits paid	<u>(128)</u>	<u>(121)</u>
Benefit obligation at end of year	<u>1,937</u>	<u>1,991</u>
Change in plan assets:		
Employer contribution	128	121
Benefits paid	<u>(128)</u>	<u>(121)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
<b>Accumulated postretirement benefit obligation</b>	<b>\$ <u>1,937</u></b>	<b>\$ <u>1,991</u></b>

Assumptions used to determine the benefit obligation are as follows as of June 30:

	<b>2016</b>	<b>2015</b>
Discount rate	3.75%	3.75%
Rate of increase in healthcare costs	5.50	5.50

The ultimate healthcare cost trend rate assumption of 4.70% Pre-65 and 4.50% Post-65 used to calculate the benefit obligation is expected to be reached by 2091 for Pre-65 and 2083 for Post-65. In addition, updated mortality tables were used in 2015 to measure obligations.

A one-percentage-point change in assumed healthcare cost trend rates would have the following effects as of June 30, 2016:

	<b>One- Percentage- Point Increase</b>	<b>One- Percentage- Point Decrease</b>
Effects on total service and interest cost components for 2016	\$ 81	\$ 68
Effects on year-end 2016 accumulated postretirement benefit obligation	2,099	1,753

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 11 - Benefit Plans (Continued)***

The following expected future benefit payments are as follows for the years ending June 30:

2017	\$	150
2018		151
2019		150
2020		149
2021		148
2022-2025		<u>686</u>
<b>Total</b>	<b>\$</b>	<b><u><u>1,434</u></u></b>

The expected benefits are based on the same assumptions used to measure the Association's benefit obligation at June 30, 2016 and 2015.

Net periodic postretirement benefit cost reported as expense in the statement of activities included the following components for the years ended June 30:

	<b><i>2016</i></b>	<b><i>2015</i></b>
Service cost	\$ 2	\$ 2
Interest cost	72	68
Amortization of gain	<u>-</u>	<u>(3)</u>
<b>Net periodic benefit cost</b>	<b>\$ <u><u>74</u></u></b>	<b>\$ <u><u>67</u></u></b>

Assumptions used to determine the net periodic postretirement benefit cost as of June 30, 2016 and 2015 are as follows:

	<b><i>2016</i></b>	<b><i>2015</i></b>
Discount rate	3.75%	3.75%
Rate of increase in healthcare costs	5.50	5.70

The ultimate healthcare cost trend rate assumption of 4.70% used to calculate the net periodic postretirement benefit cost is expected to be reached by 2092.

# UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## *Notes to Consolidated Financial Statements (in thousands)*

### ***Note 12 - Program Expenses***

The Association's program expenses and costs were as follows for the years ended June 30:

	<b><i>2016</i></b>	<b><i>2015</i></b>
Costs of goods sold and publishing expenses	\$ 7,009	\$ 6,672
Ministries and faith development	5,927	5,851
Congregational life	6,196	5,413
Other programs	3,060	2,801
International programs	1,936	1,770
Communications	2,314	2,305
Multicultural growth & witness	1,309	1,217
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 27,751</b>	<b>\$ 26,029</b>

### ***Note 13 - Cash flow information***

During 2016, the Association disposed of \$532 of fully depreciated computer equipment.

### ***Note 14 - Subsequent Events***

The Association has evaluated subsequent events through November 30, 2016, the date the financial statements were authorized to be issued.

Subsequent to year end, the Board approved a long-term \$5,300 funding commitment to the Black Lives UU (BLUU) guaranteed by the common endowment fund.

In addition, two of the Association's previously independent regional operations merged into the Association as of July 1, 2017, resulting in a \$1,211 increase in net assets.

### *Supplemental Schedules*



## UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

*Supplemental Schedule of Assets by Business Segment**June 30, 2016**(in thousands)*

	<i>Current</i>	<i>General Assembly</i>	<i>Group Insurance Plan</i>	<i>Beacon Press</i>	<i>CPLF</i>	<i>UUCEF</i>	<i>Eliminations</i>	<i>Total</i>
Assets:								
Cash and cash equivalents	\$ 5,013	\$ 617	\$ 1,199	\$ 1,178	\$ 1,547	\$ -	\$ -	\$ 9,554
Accounts receivable, net	1,788	-	-	796	-	-	-	2,584
Pledges receivable, net	582	-	-	-	-	-	-	582
Inventories, net	530	-	-	764	-	-	-	1,294
Other assets	465	-	-	1,086	-	31	-	1,582
Investments	80,633	-	-	1,072	-	170,504	(81,641)	170,568
Funds held in trust by others	41,914	-	-	-	-	-	161	42,075
Funds held in support of split-interest agreements	9,130	-	-	-	-	-	-	9,130
Loans to member congregations, net	-	-	-	-	5,303	-	-	5,303
Property and equipment, net	35,949	-	-	13	-	64	-	36,026
Amounts due from other business segments	21	-	-	-	800	-	(821)	-
<b>Total assets</b>	<b>\$ 176,025</b>	<b>\$ 617</b>	<b>\$ 1,199</b>	<b>\$ 4,909</b>	<b>\$ 7,650</b>	<b>\$ 170,599</b>	<b>\$ (82,301)</b>	<b>\$ 278,698</b>

## UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

*Supplemental Schedule of Liabilities and Net Assets by Business Segment**June 30, 2016**(in thousands)*

	<i>Current</i>	<i>General Assembly</i>	<i>Group Insurance Plan</i>	<i>Beacon Press</i>	<i>CPLF</i>	<i>UUCEF</i>	<i>Eliminations</i>	<i>Total</i>
Liabilities:								
Accounts payable and accrued expenses	\$ 4,794	\$ -	\$ -	\$ 1,361	\$ 3	\$ 129	\$ -	\$ 6,287
Annuity liabilities	2,073	-	-	-	-	-	-	2,073
Bank debt	8,494	-	-	-	1,816	-	-	10,310
Obligations under split-interest agreements	5,218	-	-	-	-	-	-	5,218
Accumulated postretirement benefit obligation	1,937	-	-	-	-	-	-	1,937
Amounts due to (from) other business segments	762	-	-	21	(41)	79	(821)	-
<b>Total liabilities</b>	<b>23,278</b>	<b>-</b>	<b>-</b>	<b>1,382</b>	<b>1,778</b>	<b>208</b>	<b>(821)</b>	<b>25,825</b>
<b>Minority interest in UUCEF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,750</b>	<b>-</b>	<b>88,750</b>
Net assets:								
Unrestricted	47,505	617	1,199	3,296	1,259	81,641	(81,641)	53,876
Temporarily restricted	52,150	-	-	190	201	-	-	52,541
Permanently restricted	53,092	-	-	41	4,412	-	161	57,706
<b>Total net assets</b>	<b>152,747</b>	<b>617</b>	<b>1,199</b>	<b>3,527</b>	<b>5,872</b>	<b>81,641</b>	<b>(81,480)</b>	<b>164,123</b>
<b>Total liabilities and net assets</b>	<b>\$ 176,025</b>	<b>\$ 617</b>	<b>\$ 1,199</b>	<b>\$ 4,909</b>	<b>\$ 7,650</b>	<b>\$ 170,599</b>	<b>\$ (82,301)</b>	<b>\$ 278,698</b>

## UNITARIAN UNIVERSALIST ASSOCIATION AND SUBSIDIARY

## Supplemental Schedule of Unrestricted Activities by Business Segment

For the Year Ended June 30, 2016

(in thousands)

	Current	General Assembly	Group Insurance Plan	Beacon Press	CPLF	UUCEF	Eliminations	Total
Operating:								
Support and revenue:								
Fundraising and gifts and bequests	\$ 11,781	\$ -	\$ -	\$ 172	\$ -	\$ -	\$ -	\$ 11,953
Net sales from publishing activities	996	-	-	6,449	-	-	-	7,445
Sales and administrative services	1,572	1,471	-	-	-	-	(767)	2,276
Investment return authorized for operations	4,835	-	-	-	22	-	-	4,857
Distributions from Holdeen Trusts	1,203	-	-	-	-	-	-	1,203
Other investment income	-	-	-	18	266	-	-	284
Rental income	1,600	-	-	-	-	-	-	1,600
Other income	3,762	-	1,527	251	-	-	(150)	5,390
Net assets released from restriction	1,720	-	-	75	-	-	-	1,795
<b>Total support and revenue</b>	<b>27,469</b>	<b>1,471</b>	<b>1,527</b>	<b>6,965</b>	<b>288</b>	<b>-</b>	<b>(917)</b>	<b>36,803</b>
Expenses:								
Board and volunteer leadership	467	-	-	-	-	-	-	467
Multicultural growth and witness	1,309	-	-	-	-	-	-	1,309
International	1,936	-	-	-	-	-	-	1,936
Congregational life	6,196	-	-	-	-	-	-	6,196
Ministry and faith development	4,877	-	1,411	-	-	-	(361)	5,927
UU Funding Program	1,405	-	-	-	-	-	-	1,405
Crisis Relief Program	158	-	-	-	-	-	-	158
Communications	2,314	-	-	-	-	-	-	2,314
Cost of goods sold and publishing expenses	346	-	-	6,813	-	-	(150)	7,009
Administration	1,358	-	-	-	-	-	-	1,358
Stewardship and development	1,867	-	-	-	-	-	-	1,867
Information technology services	1,441	-	-	-	-	-	-	1,441
Internal services	2,575	-	-	-	-	-	-	2,575
Rental expense	626	-	-	-	-	-	-	626
General assembly	-	1,497	-	-	-	-	-	1,497
Expenses associated with investment pools	-	-	-	-	240	-	(237)	3
Interest expense	329	-	-	-	90	-	-	419
<b>Total expenses</b>	<b>27,204</b>	<b>1,497</b>	<b>1,411</b>	<b>6,813</b>	<b>330</b>	<b>-</b>	<b>(748)</b>	<b>36,507</b>
<b>Increase (decrease) in unrestricted net assets from operations</b>	<b>265</b>	<b>(26)</b>	<b>116</b>	<b>152</b>	<b>(42)</b>	<b>-</b>	<b>(169)</b>	<b>296</b>
Nonoperating:								
Investment income	(10,478)	-	-	15	-	(8,916)	9,316	(10,063)
Increase in value of funds held in support of split-interest agreements and trusts	(113)	-	-	-	-	-	-	(113)
Investment return - debt financing	811	-	-	-	-	-	-	811
Other releases and changes in net assets	(86)	-	-	-	-	-	-	(86)
Unfunded depreciation	(633)	-	-	-	-	-	-	(633)
<b>Total decrease in net assets from nonoperating activities</b>	<b>(10,499)</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>(8,916)</b>	<b>9,316</b>	<b>(10,084)</b>
<b>Minority interest in investment (earnings) of UUCEF</b>	<b>4,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,584</b>
<b>Increase (decrease) in unrestricted net assets</b>	<b>\$ (5,650)</b>	<b>\$ (26)</b>	<b>\$ 116</b>	<b>\$ 167</b>	<b>\$ (42)</b>	<b>\$ (8,916)</b>	<b>\$ 9,147</b>	<b>\$ (5,204)</b>

**Financial Statements**

**Unitarian Universalist  
Common Endowment Fund LLC**

**June 30, 2016**



# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Financial Statements*

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500 Boylston Street ■ Boston, MA 02116  
Tel: 617.761.0600 ■ Fax: 617.761.0601 ■ [www.cbiztofias.com](http://www.cbiztofias.com)

### *Independent Auditors' Report*

The Board of Trustees  
Unitarian Universalist Common Endowment Fund LLC  
Boston, Massachusetts

We have audited the accompanying financial statements of the Unitarian Universalist Common Endowment Fund LLC ("UUCEF") and the underlying activities associated with these funds previously held and managed by the Unitarian Universalist Association from July 1, 2015 through December 31, 2015, which comprise the statement of net assets and the schedule of investments as of June 30, 2016, and the related statements of operations, changes in net assets and cash flows for year ended June 30, 2016, 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.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 auditors' 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.



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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UUCEF as previously described as of June 30, 2016, and the operations, changes in net assets and cash flows for the year ended June 30, 2016 in accordance with accounting principles generally accepted in the United States of America.

*Mayer Hoffmann McCann P.C.*

November 30, 2016  
Boston, Massachusetts

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Statement of Net Assets*

*June 30, 2016*

*(in thousands)*

Assets:

Investments, at fair value (cost \$153,357)	\$	158,948
Cash and cash equivalents		11,556
Other current assets		31
Software implementation costs, net of accumulated amortization of \$39		<u>64</u>

Total assets		170,599
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Liabilities:

Accrued expenses and other liabilities		<u>208</u>
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<b>Net assets</b>	<b>\$</b>	<b><u><u>170,391</u></u></b>
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Shares of beneficial interest outstanding		<u><u>23,817,905.6216</u></u>
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Net asset value per share	\$	<u><u>7.1337</u></u>
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# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Schedule of Investments*

*June 30, 2016*

*(in thousands)*

<i>Description</i>	<i>Security Type</i>	<i>Initial Investment Date</i>	<i>Fair Value</i>
Domestic Equity			
	Traded Equities	Various	\$ 44,074
	Pooled Fund	4/1/2016	3,276
			<b>47,350</b>
International Equity			
	Traded Equities	5/1/2010	11,801
	Mutual Fund	4/1/2013	11,700
	Pooled Fund	Various	14,202
			<b>37,703</b>
Fixed Income			
	Traded Fixed Income	11/1/2014	8,798
	Pooled Fund	Various	30,873
			<b>39,671</b>
Hedge Fund			
	Northern European Focused Fund	4/1/2015	4,524
	Fund of Funds	8/1/2009	7,178
			<b>11,702</b>
Private Markets			
	UK Sterling Pooled Real Estate Fund	8/1/2015	1,567
	Private Investment Fund	6/1/2014	1,532
			<b>3,099</b>
Other			
	Global Asset Allocation Mutual Fund	1/1/2008	17,806
	Loans and Depository Agreements	Various	1,617
			<b>19,423</b>
<b>Total Investments</b>			<b>\$ 158,948</b>

See accompanying notes to the financial statements.

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Statement of Operations*

*For the Year Ended June 30, 2016*

*(in thousands)*

Investment income	\$ <u>1,600</u>
Expenses:	
Investment manager fees	992
Consultant and other expenses	489
UUA administrative fees	344
Audit fees	<u>38</u>
Total expenses	<u>1,863</u>
<b>Net investment loss</b>	<u><b>(263)</b></u>
Realized and unrealized gain (loss) from investments:	
Net realized gain from investments sold	520
Net change in unrealized investment losses	<u>(9,173)</u>
<b>Net realized and unrealized loss from investments</b>	<u><b>(8,653)</b></u>
<b>Net decrease in net assets funds from operations</b>	\$ <u><u><b>(8,916)</b></u></u>

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Statement of Changes in Net Assets*

*For the Year Ended June 30, 2016*

*(in thousands)*

Net assets July 1, 2015	\$ <u>185,794</u>
Change in net assets from operations:	
Net investment income	(263)
Net realized gains	520
Net change in unrealized depreciation	<u>(9,173)</u>
Change in net assets from operations	(8,916)
Change in net assets from fund share transactions	<u>(6,487)</u>
Total change in net assets	<u>(15,403)</u>
<b>Net assets June 30, 2016</b>	<b>\$ <u><u>170,391</u></u></b>

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Statement of Cash Flows*

*For the Year Ended June 30, 2016*

*(in thousands)*

### **Cash flows from operating activities:**

Change in net assets	\$	(8,916)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in unrealized losses on investments		7,797
Amortization		26
Purchase of investments		(22,684)
Proceeds from sales and maturities of investments		31,811
Changes in assets and liabilities:		
Other current assets		6
Accounts payable and accrued expenses		(25)

<b>Net cash provided by operating activities</b>		<b>8,015</b>
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### **Cash flows from financing activities:**

Capital contributions		7,543
Capital withdrawals		(14,030)

<b>Net cash used in financing activities</b>		<b>(6,487)</b>
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<b>Net increase in cash and cash equivalents</b>		<b>1,528</b>
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Cash and cash equivalents as of beginning of period		10,028
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<b>Cash and cash equivalents as of end of period</b>	<b>\$</b>	<b>11,556</b>
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# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### ***Note 1 - Business and Organization***

The Unitarian Universalist Common Endowment Fund LLC (“UUCEF”) is a Massachusetts limited liability company formed pursuant to a Limited Liability Operating Agreement (“Agreement”) dated October 11, 2012. Activities commenced on January 1, 2016 with the transfer of assets and related ownership interests as of that date. The purpose of the entity is to provide a centralized investment vehicle for the Unitarian Universalist Association (the “Association”), its member congregations, and certain other qualified entities. The Association provides oversight of UUCEF. The Association had long managed such an investment vehicle; however, for business reasons, the Association determined that it would be prudent to house such activities within its own entity dedicated to such efforts. However, activities for the full year include the period July 1, 2015 through December 31, 2015 while such funds were still legally under direct management by the Association. This was done in deference to the needs of users relative to annual information on an audited basis.

UUCEF provides an opportunity for member congregations to invest their funds utilizing professional investment management, administration and reporting capabilities. The funds are operated much like a mutual fund with the investments of UUCEF and member congregations being co-mingled such that each participant will share in the returns on the funds in pro-rata relationship to their units of ownership. New units are issued when new monies are to be invested, while redemptions reduce units outstanding. The net asset value per unit is adjusted monthly based on underlying changes in the fair value of investments.

The investments of UUCEF are deployed under the general direction of an Investment Committee appointed by the Association’s Board of Trustees. The Investment Committee has contracted with an outside consultant to assist in the selection and oversight of professional investment management firms, an asset allocation policy and guidelines for rebalancing asset classes. The professional investment management firm, under the oversight of the Investment Committee, manages the investment portfolio.

### ***Note 2 - Summary of Significant Accounting Policies***

#### ***Basis of Financial Statement Presentation***

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America. UUCEF is considered a non-profit entity that follows investment type Company accounting and reporting guidance in accordance with Financial Accounting Standards Board (“FASB”) ASC No. 946, *Financial Services – Investment Companies*. The significant accounting policies followed by UUCEF are as follows:

#### ***Cash and Cash Equivalents***

UUCEF considers highly liquid instruments with maturities of three months or less at the date of purchase to be cash equivalents. Cash equivalents held by investment managers are considered part of investments given the expectation of near term reinvestment. Cash equivalents include treasury money market and money market mutual funds which are not insured. UUCEF maintains its cash balances at several financial institutions, which, at times, may exceed federally insured limits. UUCEF monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Investments*

Investments are stated at fair value, as determined by quoted market prices, where available. Where quoted market prices are not available, fair value is determined either by reference to similar investments or to values established by the managers of such investments. Certain investments are not readily marketable (alternative investments) and are recorded at fair value based on UUCEF's proportionate share of the fair value of underlying investments. The fair value of investments is determined by the individual investment manager.

UUCEF estimates that this valuation method most fairly presents the amount that would have been realized had the investment been sold to a willing buyer as of the date of the financial statements. Because of the inherent uncertainty of valuations, and changes in valuations over time, the estimated values may differ from the realized values at the point of sale. The estimated amounts may differ from the values that would have been available had a ready market existed. Increases or decreases in fair value are recorded in the accompanying statement of operations.

UUCEF has implemented policies and procedures to assess the reasonableness of the fair values provided and it believes that the reported fair values are reasonable.

#### *Software*

Software is stated at cost at the date of acquisition and is being amortized on a straight-line basis over 4 years.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Investment Transactions and Investment Income, Realized and Unrealized Gains and Losses*

Investment transactions are recorded on a trade-date basis. The identified cost method is used in determining realized gains and losses. Current market value measured against historical value is used in determining unrealized gains and losses. Dividend income is recognized on the ex-dividend date, and interest income is recognized on the accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with UUCEF's understanding of the applicable country's tax rules and rates.

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Fair Value Measurements*

UUCEF reports certain assets and liabilities at fair value on a recurring and nonrecurring basis depending on the underlying accounting policy for the particular item. Recurring fair value measures include UUCEF's investment. The fair value standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, UUCEF reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this is met. Fair value standards also require UUCEF to classify financial instruments (except for those measured using NAV) into a three-level hierarchy, based on the priority of inputs to the valuation technique.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in the financial statements.

#### *Income Taxes*

UUCEF has been determined to be exempt from Federal income taxes under Section 501(c)(7) of the Internal Revenue Code (the Code). UUCEF is classified under the Code as a public charity Type I supporting organization under Section 509(a)(3).

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### *Note 2 - Summary of Significant Accounting Policies (Continued)*

#### *Uncertain Tax Positions*

UUCEF accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. UUCEF has a number of tax positions, none of which result in an uncertainty requiring recognition. UUCEF is not currently under examination by any taxing jurisdiction. As a tax-exempt church related organization, UUCEF is exempt from filing certain non-profit filings. UUCEF does file a Form 990T.

### *Note 3 - Fair Values of Financial Instruments*

The following tables present financial assets at June 30, 2016 that UUCEF measures fair value on a recurring basis, by level, within the fair value hierarchy:

<i>Investments</i>				
<i>2016</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Investments Measured at NAV</i>	<i>Total</i>
Equity securities:				
Domestic securities	\$ 44,074	\$ -	\$ 3,276	\$ 47,350
Foreign securities	11,801	-	25,902	37,703
Fixed income funds:				
Domestic funds	18,680	-	-	18,680
Foreign funds	-	-	20,991	20,991
Global asset allocation funds	17,806	-	-	17,806
Hedge fund of funds	-	-	11,702	11,702
Private opportunities	-	-	3,099	3,099
Community investments	-	1,617	-	1,617
<b>Total investments</b>	<b>\$ 92,361</b>	<b>\$ 1,617</b>	<b>\$ 64,970</b>	<b>\$ 158,948</b>



# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### ***Note 3 - Fair Values of Financial Instruments (Continued)***

Investments measured at NAV have the following redemption notice periods:

Weekly	\$ 10,242
Monthly	28,227
Bi-monthly	11,700
Quarterly	11,702
Illiquid	<u>3,099</u>
Total	<u>\$ 64,970</u>

Unfunded commitments to the investment vehicles amounted to \$3,544 at June 30, 2016. Funds allow for managers to limit normal redemptions under certain circumstances which could impact the ultimate availability of funds. In addition, funds in trust are controlled by outside organizations and thus are not redeemable.

Management has no intentions or plans to liquidate any net asset value per share practical expedient investments at other than net asset value per share.

### ***Note 4 - Membership Interest and Related Party Transactions***

The beneficial interests in UUCEF for the Association, affiliated member congregations and other qualified entities is represented by units without par value. Each unit represents an equal beneficial interest in the net assets of UUCEF. The Association, as manager of UUCEF, has full power and authority to issue additional units, redeem or cause the redemption of units, or take such other action with respect to the units as provided for under the Agreement.

The net increase (decrease) in net assets resulting from operations is allocated to each member on a monthly basis in proportion to the number of units held by them as of the valuation date.

The Association's endowment owned 47.9% of the units outstanding as of June 30, 2016. Association administered trusts for the benefit of affiliated congregations and qualified entities accounted for 8.3% of the units outstanding as of June 30, 2016. One member owned 2.6% and one member owned 1.7% but no other individual member owned greater than 1.3% of the units outstanding as of June 30, 2016.

The Association was paid \$344 in administrative fees to manage UUCEF.

# UNITARIAN UNIVERSALIST COMMON ENDOWMENT FUND LLC

## *Notes to Financial Statements (in thousands)*

### ***Note 5 - Financial Highlights***

Per unit operating performance (for a participating unit outstanding) for year ended June 30, 2016:

<b>Net asset value at July 1, 2015</b>	<b>\$ 7.4957</b>
Net investment loss	(0.0110)
Net realized and unrealized loss	<u>(0.3510)</u>
<b>Net asset value at June 30, 2016</b>	<b>\$ <u>7.1337</u></b>
Total return (a)	-4.60%
Ratio of expenses to net assets	1.07%

- (a) UUCEF's rate of return is calculated by the Association's investment consultant in accordance with the Global Investment Performance Standards (GIPS) which take into account intra-period cash flows, distributions and the relative weighting of asset classes.

Rollforward of number of beneficial shares in units outstanding for the year ended June 30, 2016:

<b>Beneficial shares in units outstanding at July 1, 2015</b>	<b>24,715,241</b>
Units issued	1,094,928
Units redeemed	<u>(1,992,263)</u>
<b>Beneficial shares in units outstanding at June 30, 2016</b>	<b><u>23,817,906</u></b>

At June 30, 2016, UUCEF had approximately \$480,558 pending issuance of beneficial shares. Subsequent to year end, 67,364 units were issued.

### ***Note 6 - Subsequent Events***

UUCEF has evaluated subsequent events through November 30, 2016, the date the financial statements were authorized to be issued.

# **Audit Committee's Report to the Board of Trustees**

January 28, 2017



# Agenda

- Committee charter and membership
- Audit results
- Financial highlights
- Enterprise Risk Management

# Audit Committee Charter

- **Purpose** – “to assist the Board in fulfilling its oversight responsibilities...”
- **Authority** – Established by the Board in 2003 and added to bylaws in 2006. Empowered to:
  - Appoint the accounting firm
  - Resolve disagreements
  - Pre-approve all audit services
  - Retain counsel, accountants, and others in the conduct of an investigation
  - Seek any information it requires from employees or external parties
  - Meet with officers, auditors, or counsel

# Audit Committee Charter

- **Meetings** – At least three times per year
- **Responsibilities** –
  - Financial Statements
  - Internal Control
  - External Audit
  - Compliance
  - Reporting
  - Enterprise risk management
  - Other Responsibilities
  - Advisory to the Health Plan board (a separate legal entity).

# Audit Committee Members

- **Composition –**
  - **Independent and financially literate**
    - Sean Rush, Chair – former CEO, JA Worldwide
    - Chris Chepel – KPMG
    - Mary Byron – retired from Goldman Sachs
  - **Financial Advisor**
    - Lucia Santini Field – Walden Asset Management

# Audit Results

- UUA, UUCEF auditors: Mayer, Hoffman, McCann P.C., CBIZ Tofias, New England Division
- For the first time a separate audit report for the UUCEF, LLC (a subsidiary of UUA)
- UUA report presented on a consolidated basis
- Employee Benefits Trust (UUA Health Plan) auditors: RSM
- All three considered “Unqualified” or “Clean” opinions
- Positive evaluation of senior management in executive session
- Finding of a significant deficiency on EBT



# **Financial Highlights**

Independent Auditors Report

November, 2016

# Auditors' opinion

*“In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Unitarian Universalist Association as of June 30, 2016 and 2015.”*

-- Meyer, Hoffman, McCann

# Financial Position (page 3)

(in thousands)

	FY 2016	FY 2015
Total assets	\$278,698	\$299,906
Total liabilities	25,827	28,292
Minority interest in UUCEF	88,750	95,114
Net assets	164,123	176,500
Total liabilities and net assets	\$278,698	\$299,906

# Changes from FY 2015 to FY 2016

- As a result of the funding of UUCEF LLC, UUA financial presentation includes “minority interest” along with the prior year for comparison purposes.
- Nonoperating investment return of -\$14Min FY16 compared to -\$5M in FY15
- Total revenue remained relatively consistent year over year with slight overall increase of \$6K
- Total expenditures increased by approximately \$1.1M or 3% as a result of merger of the Southern Region
- Funds held in trust by others decreased by approximately \$2.5M or 6%
- Investment return was -3.6% compared to an aggregate benchmark of -0.9%.

# Change in Net Assets (page 4)

(in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted
From Operations	\$296	(\$241)	\$19
From Non Operations	(10,184)	(6,456)	(495)
Minority investment in losses of UUCEF	4,584	0	0
Change in Net Assets	5,204	(6,697)	(476)
Net Assets End of Year	\$53,876	\$52,541	\$57,706

# Cash Flow (page 6)

(in thousands)

Cash Flows	FY 2016
Net cash provided by operating activities	(\$937)
Net cash provided by investing activities	1,753
Net cash provided by financing activities	(2,898)
Change in cash and cash equivalents	(\$2,082)

# Enterprise Risk Management

- Other major focus of Audit Committee's work
- Committee working in concert with management
- Key issues examined:
  - Data and network security
  - Health Plan and Affordable Care Act
  - Governmental compliance
  - Ministerial misconduct

# Appendix



# EBT Financial Position

(in thousands)

	FY 2016	FY 2015
Total assets	\$4,890	\$4,802
Total liabilities	1,053	247
Net assets available for plan benefits	3,838	4,555

# EBT Change in Net Assets

(in thousands)

	FY 2016	FY 2015
Total Income	\$10,660	\$10,252
Deductions from Net Assets	11,502	10,590
Net decrease	(717)	(338)
Net assets available for plan benefits beginning of year	4,555	4,892
End of Year	\$3,838	\$4,555

# **Unitarian Universalist Organizations Health Plan**

Financial Report  
June 30, 2016 and 2015

## Contents

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## **Independent Auditor's Report**

To the Plan Participants and Benefits Trust Trustees of  
Unitarian Universalist Organizations Health Plan  
Boston, Massachusetts

### **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 of plan benefit obligations as of June 30, 2016 and 2015, and the related statements of changes in net assets available for plan benefits and of 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, 2016 and 2015, 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.

**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 schedule of assets (held at end of year) as of June 30, 2016, is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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 VS LLP*

Boston, Massachusetts  
January 26, 2017

## Unitarian Universalist Organizations Health Plan

### Statements of Net Assets Available for Plan Benefits June 30, 2016 and 2015

	2016	2015
<b>Assets</b>		
Investments, at fair value:		
Certificates of deposit	\$ 1,074,506	\$ 2,443,608
Governmental agency securities	943,754	1,417,715
Equity securities	545,703	-
Corporate bonds	462,036	-
Exchange traded funds	166,462	-
Money market fund	57,754	206,067
<b>Total investments</b>	<b>3,250,215</b>	<b>4,067,390</b>
Receivables:		
Interest income	13,016	16,321
Contributions from subscribing employers	58,272	56,319
Contributions from participants	24,974	24,137
	<b>96,262</b>	<b>96,777</b>
Other assets:		
Cash and cash equivalents	1,358,836	451,886
Prepaid claim deposit	185,500	185,500
	<b>1,544,336</b>	<b>637,386</b>
<b>Total assets</b>	<b>4,890,813</b>	<b>4,801,553</b>
<b>Liabilities</b>		
Prepaid contributions	163,911	17,962
Accounts payable and accrued expenses	363,803	236,615
Due to group insurance plan	525,502	(7,636)
<b>Total liabilities</b>	<b>1,053,216</b>	<b>246,941</b>
<b>Net assets available for plan benefits</b>	<b>\$ 3,837,597</b>	<b>\$ 4,554,612</b>

See notes to financial statements.

## Unitarian Universalist Organizations Health Plan

### Statements of Changes in Net Assets Available for Plan Benefits Years Ended June 30, 2016 and 2015

	2016	2015
Investment income:		
Interest income and dividends	\$ 77,832	\$ 69,491
Net appreciation (depreciation) in fair value of investments	28,053	(17,112)
	<u>105,885</u>	<u>52,379</u>
Contributions:		
Contributions from subscribing employers	7,462,090	7,125,649
Contributions from participants	3,198,038	3,053,849
	<u>10,660,128</u>	<u>10,179,498</u>
Plan prescription rebates	<u>18,517</u>	<u>20,513</u>
	<u>10,784,530</u>	<u>10,252,390</u>
Deductions from net assets attributed to:		
Benefits paid to or on behalf of participants and beneficiaries	10,328,764	9,421,562
Premiums paid to insurance carrier for excess loss coverage	211,623	197,663
External plan administration fees	496,661	536,294
Administrative expenses	374,416	345,377
Professional fees	90,081	89,038
<b>Total deductions</b>	<u>11,501,545</u>	<u>10,589,934</u>
<b>Net decrease</b>	<b>(717,015)</b>	<b>(337,544)</b>
Net assets available for plan benefits:		
Beginning of year	<u>4,554,612</u>	<u>4,892,156</u>
End of year	<u><u>\$ 3,837,597</u></u>	<u><u>\$ 4,554,612</u></u>

See notes to financial statements.



**Unitarian Universalist Organizations Health Plan**

**Statements of Plan Benefit Obligations**

**June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
Amounts currently payable:		
Claims payable and claims incurred but not reported	<b>\$ 631,000</b>	<b>\$ 991,000</b>
<b>Total obligations other than postretirement benefit obligations</b>	<b>631,000</b>	<b>991,000</b>
 <b>Total plan benefit obligations</b>	 <b>\$ 631,000</b>	 <b>\$ 991,000</b>

See notes to financial statements.

**Unitarian Universalist Organizations Health Plan**

**Statements of Changes in Plan Benefit Obligations  
Years Ended June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
Amounts currently payable:		
Balance at beginning of year	\$ 991,000	\$ 893,000
Claims incurred	9,968,764	9,519,562
Claims paid	(10,328,764)	(9,421,562)
<b>Balance at end of year</b>	<b>631,000</b>	<b>991,000</b>
 <b>Total plan benefit obligations, at end of year</b>	 <b>\$ 631,000</b>	 <b>\$ 991,000</b>

See notes to financial statements.

## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### 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 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.

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.

## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### Note 1. Description of Plan (Continued)

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 or children are physically or mentally incapable of caring for themselves 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 2014	500,000	1,000,000	Unlimited
Calendar year 2015	500,000	Unlimited	Unlimited
Calendar year 2016	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, 2016 and 2015.

**Administrative expenses:** The Plan absorbs all administrative expenses of the Plan, such as services provided by employees of the UUA to the Plan and rent. Audit fees, consulting fees and legal fees incurred are also paid by the plan and are classified as professional fees on the statements of changes in net assets available for plan benefits. 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 statements of changes in net assets available for plan benefits.

## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### 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, 2016, 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 and cash equivalents:** Cash and cash equivalents are securities which mature within 90 days and are held in bank deposit accounts. 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, 2016 and 2015 total \$83,246 and \$80,456, respectively, and represent amounts due from subscribing employer congregations and subscribing individuals 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 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.

**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 (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 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 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 included in accounts payable and accrued expenses in the accompanying statements of net assets available for plan benefits.

## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### Note 2. Summary of Significant Accounting Policies (Continued)

**Claims payable and claims incurred but not reported:** Plan obligations at June 30, 2016 and 2015 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 \$631,000 and \$991,000 of estimated claims payable and claims incurred but not reported for all active participants at June 30, 2016 and 2015, 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, 2013.

**Reclassification:** Certain deductions on the statement of changes in net assets available for plan benefits for the year ended June 30, 2015 have been reclassified for comparative purposes to conform to the presentation of the financial statements for the year ended June 30, 2016. Total deductions are unchanged due to this reclassification.

#### 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.

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

#### Note 3. Fair Value Measurements (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, 2016 and 2015.

**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.

**Equity securities and exchange traded funds:** The fair value of equity securities and exchange traded 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 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 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, 2016 and 2015.

Assets at fair value at June 30, 2016:

	Balance as of June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market fund	\$ 57,754	\$ 57,754	\$ -	\$ -
Equity securities	545,703	545,703	-	-
Exchange traded funds	166,462	166,462	-	-
Corporate bonds	462,036	-	462,036	-
Government agency securities	943,754	-	943,754	-
Certificates of deposit	1,074,506	-	1,074,506	-
Total investments at fair value	<u>\$ 3,250,215</u>	<u>\$ 769,919</u>	<u>\$ 2,480,296</u>	<u>\$ -</u>

## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### Note 3. Fair Value Measurements (Continued)

Assets at fair value at June 30, 2015:

	Balance as of June 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market fund	\$ 206,067	\$ 206,067	\$ -	\$ -
Government agency securities	1,417,715	-	1,417,715	-
Certificates of deposit	2,443,608	-	2,443,608	-
Total investments at fair value	<u>\$ 4,067,390</u>	<u>\$ 206,067</u>	<u>\$ 3,861,323</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

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 Benefits Trust Trustees. Plan administration expenses charged by the UUA to the Plan totaled \$374,416 and \$345,377 for the years ended June 30, 2016 and 2015, 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.

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

The Plan Sponsor, with the advice from the Plan's Actuary, determined that postretirement benefit obligations, if any, 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, 2016 and 2015.



## Unitarian Universalist Organizations Health Plan

### Notes to Financial Statements

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#### 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, 2016 and 2015:

	2016	2015
Net assets available for plan benefits per the financial statements	\$ 3,837,597	\$ 4,554,612
Less claims payable and claims incurred but not reported	(631,000)	(991,000)
Net assets available for plan benefits per Form 5500	<u>\$ 3,206,597</u>	<u>\$ 3,563,612</u>

The following is a reconciliation of the net decrease per the financial statements to the net decrease per the Form 5500 for the plan years ended June 30, 2016 and 2015:

	2016	2015
Net decrease per the financial statements	\$ (717,015)	\$ (337,544)
Claims payable and claims incurred but not reported in current year	(631,000)	(991,000)
Claims payable and claims incurred but not reported in prior year	991,000	893,000
Net decrease per Form 5500	<u>\$ (357,015)</u>	<u>\$ (435,544)</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. Subsequent Events

The Company has evaluated subsequent events through January 26, 2017, 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 4i - Schedule of Assets (Held at End of Year)  
June 30, 2016**

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
	Goldman Sachs Bank	Certificate of Deposit	9/3/2020	2.35%	n/a	\$ 200,000	\$ 200,000	\$ 206,458
	Discover Bank	Certificate of Deposit	4/2/2019	1.90%	n/a	150,000	150,000	153,495
	Compass Bank	Certificate of Deposit	10/2/2018	2.00%	n/a	150,000	150,000	153,143
	CIT Bank	Certificate of Deposit	8/17/2016	1.80%	n/a	150,000	150,000	150,231
	Celtic Bank	Certificate of Deposit	12/20/2019	2.05%	n/a	100,000	100,000	103,372
	Enerbank USA	Certificate of Deposit	8/28/2020	2.25%	n/a	75,000	75,000	77,612
	Barclays Bank	Certificate of Deposit	8/20/2020	2.35%	n/a	75,000	75,000	77,576
	Compass Bank	Certificate of Deposit	9/18/2018	1.95%	n/a	75,000	75,000	76,526
	Goldman Sachs Bank	Certificate of Deposit	1/28/2020	2.00%	n/a	25,000	25,000	25,636
	Discover Bank	Certificate of Deposit	12/4/2017	1.45%	n/a	25,000	25,000	25,257
	Goldman Sachs Bank	Certificate of Deposit	12/4/2017	1.45%	n/a	25,000	25,000	25,200
	Intel Corp.	Corporate bond	10/1/2021	3.30%	n/a	50,000	51,502	54,207
	Fluor Cor.	Corporate bond	9/15/2020	3.38%	n/a	50,000	52,035	53,169
	Kellogg, Inc.	Corporate bond	5/21/2018	3.25%	n/a	50,000	51,388	51,875
	John Deere Capital Corp.	Corporate bond	4/17/2019	2.25%	n/a	50,000	50,577	51,383
	Morgan Stanley	Corporate bond	6/16/2020	2.80%	n/a	50,000	50,352	51,231
	Ecolab, Inc.	Corporate bond	1/12/2020	2.25%	n/a	50,000	50,000	50,899
	Laboratory Corp. of America	Corporate bond	11/1/2018	2.50%	n/a	50,000	50,451	50,791
	NYSE Euronext	Corporate bond	10/5/2017	2.00%	n/a	50,000	50,443	50,754
	EMC Corp.	Corporate bond	6/1/2020	2.65%	n/a	50,000	50,614	47,727
	Apple	Equity security	n/a	n/a	n/a	n/a	32,824	29,636
	Chevron Corp.	Equity security	n/a	n/a	n/a	n/a	24,288	26,522
	Alphabet, Inc. CL A	Equity security	n/a	n/a	n/a	n/a	21,953	21,106
	Emerson Electric Co.	Equity security	n/a	n/a	n/a	n/a	20,914	21,072
	Becton Dickinson Co.	Equity security	n/a	n/a	n/a	n/a	16,995	19,164
	Costco Wholesale Corp.	Equity security	n/a	n/a	n/a	n/a	17,735	18,531
	Analog Devices	Equity security	n/a	n/a	n/a	n/a	16,447	16,652
	Cardinal Health, Inc.	Equity security	n/a	n/a	n/a	n/a	17,807	16,538
	Coca-Cola Co.	Equity security	n/a	n/a	n/a	n/a	15,106	15,865
	Walt Disney Productions	Equity security	n/a	n/a	n/a	n/a	16,605	15,847
	Celgene Corp.	Equity security	n/a	n/a	n/a	n/a	17,491	15,485
	Conocophillips	Equity security	n/a	n/a	n/a	n/a	16,415	15,347
	Amgen, Inc.	Equity security	n/a	n/a	n/a	n/a	15,246	15,215
	Bank America Corp.	Equity security	n/a	n/a	n/a	n/a	16,701	14,756
	Chubb Ltd.	Equity security	n/a	n/a	n/a	n/a	12,284	14,640
	Home Depot, Inc.	Equity security	n/a	n/a	n/a	n/a	12,729	13,280
	Salesforce.Com	Equity security	n/a	n/a	n/a	n/a	11,837	13,182
	Allstate Corp.	Equity security	n/a	n/a	n/a	n/a	12,487	12,941
	Visa, Inc.	Equity security	n/a	n/a	n/a	n/a	12,745	12,906
	Starbucks Corp.	Equity security	n/a	n/a	n/a	n/a	12,256	12,338
	Stryker Corp.	Equity security	n/a	n/a	n/a	n/a	9,889	12,223
	Johnson & Johnson	Equity security	n/a	n/a	n/a	n/a	9,606	11,766
	J P Morgan Chase & Co.	Equity security	n/a	n/a	n/a	n/a	10,714	10,688
	General Elec Co.	Equity security	n/a	n/a	n/a	n/a	9,221	10,609
	Duke Energy Corp.	Equity security	n/a	n/a	n/a	n/a	8,984	10,122
	Walgreens Boots Alliance, Inc.	Equity security	n/a	n/a	n/a	n/a	10,274	10,076
	Verizon Communications, Inc.	Equity security	n/a	n/a	n/a	n/a	8,319	9,940

**Unitarian Universalist Organizations Health Plan**

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)  
June 30, 2016**

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
	Fedex Corp.	Equity security	n/a	n/a	n/a	n/a	9,598	9,866
	SPDR Consumer Discretionary Sector	Equity security	n/a	n/a	n/a	n/a	9,146	9,445
	Xcel Energy, Inc.	Equity security	n/a	n/a	n/a	n/a	7,536	9,270
	Suntrust Banks	Equity security	n/a	n/a	n/a	n/a	8,925	9,243
	Alcoa, Inc.	Equity security	n/a	n/a	n/a	n/a	10,312	9,112
	Time Warner, Inc.	Equity security	n/a	n/a	n/a	n/a	8,044	8,384
	Dow Chemical Co.	Equity security	n/a	n/a	n/a	n/a	7,742	8,152
	Ford Motor Co.	Equity security	n/a	n/a	n/a	n/a	8,653	8,069
	Kimberly Clark Corp.	Equity security	n/a	n/a	n/a	n/a	6,934	7,974
	Procter & Gamble Co.	Equity security	n/a	n/a	n/a	n/a	7,095	7,959
	Morgan Stanley	Equity security	n/a	n/a	n/a	n/a	9,381	7,768
	Merck & Co., Inc.	Equity security	n/a	n/a	n/a	n/a	7,131	7,662
	Alphabet, Inc. CL C	Equity security	n/a	n/a	n/a	n/a	7,823	7,613
	Invesco Ltd.	Equity security	n/a	n/a	n/a	n/a	9,139	7,177
	PayPal Holdings, Inc.	Equity security	n/a	n/a	n/a	n/a	4,892	5,111
	Wells Fargo & Co.	Equity security	n/a	n/a	n/a	n/a	3,622	3,360
	SPDR Technology Index	Equity security	n/a	n/a	n/a	n/a	1,519	1,605
	Facebook CL A	Equity security	n/a	n/a	n/a	n/a	1,451	1,486
	SPDR Barclays High Yield Bond ETF	Exchange traded fund	n/a	n/a	n/a	n/a	101,997	102,216
	iShares Floating Rate Bond ETF	Exchange traded fund	n/a	n/a	n/a	n/a	53,524	53,607
	iShares Intermediate Credit Bond	Exchange traded fund	n/a	n/a	n/a	n/a	5,802	6,008
	iShares 7-10 Year Treasury Bond	Exchange traded fund	n/a	n/a	n/a	n/a	4,460	4,631
	Federal Farm Credit Bank	Governmental Obligation	10/28/2016	1.70%	n/a	250,000	250,007	251,020
	Federal Farm Credit Bank	Governmental Obligation	9/12/2019	2.53%	n/a	200,000	204,110	210,581
	Federal Home Loan Bank	Governmental Obligation	6/9/2017	1.35%	n/a	100,000	100,651	150,587
	Federal Home Loan Bank	Governmental Obligation	11/30/2017	1.35%	n/a	75,000	75,254	101,074
	Federal Farm Credit Bank	Governmental Obligation	6/28/2019	2.02%	n/a	75,000	75,214	77,494
	Federal Home Loan Bank	Governmental Obligation	3/9/2018	2.38%	n/a	75,000	77,083	77,123
	Federal Home Loan Bank	Governmental Obligation	3/9/2018	1.38%	n/a	75,000	74,811	75,875
*	Federated Government Obligation Tax Managed Fund	Money Market Fund	n/a	0.01%	n/a	57,754	57,754	57,754
								<u>\$ 3,250,215</u>

\* Represents a party-in-interest to the Plan

## Financial Advisor's Report

January, 2017

Despite my best intentions, I fear I let you all down during my first Board meeting. I had come eager to contribute to the advancement of the Association, open and desiring to explore new forms of governance, and enthusiastic about the potential of the BLUU Organizing Collective, which had so inspired and impressed me with its celebration of spiritual connections and reflections from visionary leaders. I regret that I was unaware such a momentous proposal would be presented for action by the Board. In retrospect, I did not sufficiently emphasize the importance of the duty of care and of loyalty in my recommendations, though they served as the foundation.

I have now had the opportunity to participate in several meetings of most of the committees as Financial Advisor, including the Health Plan, Retirement Plan, Audit Committee, Investment Committee, SRI Committee and APF Task Force. I find them all to be supported by knowledgeable, responsible staff and committed, informed volunteers. I am committed to working closely with the Appointments Committee to ensure committees have appropriate volunteers and the leadership of committees is involved as appropriate. My summer review of upcoming appointments indicated no immediate action was necessary, I recently learned that changes may be required sooner than anticipated.

Following our meeting in October, the staff hired Dan Brody as a consultant to analyze the massive data which guided and resulted from the APF Task Force pilot project in the Southern District. Dan has not yet had sufficient time to complete the assignment or make a recommendation. The goal of the task force is to replace the "head tax", which has been in place for many years, with a more equitable and sustainable formula.

I am pleased to note that the Association's leadership in ESG (environmental, social and governance) or SRI (sustainable and responsible investment) continues to develop. As you know, Tim and his team continue to be active in corporate engagement on a variety of important issues such as climate change and economic justice. We are proud that Tim is a key member of the Board of the Interfaith Center on Corporate Responsibility. The Investment Committee and SRI Committee are committed to finding ways to integrate their efforts, consistent with the UN Principles for Responsible Investment and, effective in 2017, have scheduled their meetings to overlap to permit joint discussions and more integrated, informed decisions.

I am delighted to note that Jim Key recently appointed Susan Weaver as the inaugural liaison from the UUA Board to the UUSC Board. Over the summer Rev. Brock Leach was appointed UUSC's liaison to the UUA Board. Susan and Brock have begun to discuss their vision for ensuring the continued informed collaboration of the governing bodies of these important UU institutions.

I am grateful to the staff for your patience and support. I thank my Board colleagues for your service and commitment.



UNITARIAN  
UNIVERSALIST  
ASSOCIATION

# Putting the Trust in Trusteeship

Trustee Day

[uua.org](http://uua.org)



## Trustee

Any person who holds property, authority, or a position of trust or responsibility for the benefit of others.

Accountable for the association's actions.

Legally required to be informed and active participants in governance in acting to fulfill the association's mission.





## Trustee as a Fiduciary

- The relationship role is one-sided
  - meets only the needs of the association
  - must act without regard to their own needs
- The relationship is a legal one
  - board members have an obligation to monitor and oversee financial dealings.

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# Trustee's Legal Duties

**Duty of care:** A trustee has a responsibility to participate in decision-making on behalf of the organization, and must exercise independent judgment while doing so.

The duty of care means that you must act with such care as an ordinarily prudent person would employ in your position. (MA)

**Duty of loyalty:** When acting on behalf of an organization, trustees must set aside their own interests. Simply put, the association must come first.

**Duty of obedience:** Trustees have a responsibility to be faithful to the association's stated mission and not to act or use its resources in incompatible ways or purposes.





## Legal Consequences

- If a trustee breaches any of these duties or otherwise harms the association, they may be personally liable.
- Members of the association may sue a trustee on the association's behalf because of a breach of duty.
- Donors also may sue, alleging misuse of gifts or assets.
- The government may bring actions against board members for violation of state or federal laws



## Type I: Fiduciary Governance

Prevents theft, waste or misuse of resources.



Ensures that resources are deployed effectively.



Promotes lawful and ethical behavior.



Speaks with one voice.



Safeguards the mission against unintentional drift and unauthorized shifts in purpose



# Type I: Fiduciary Governance

## Type 1 Questions

- Can we afford it?
- Is the budget balanced?
- Is it legal?
- Should we move resources from one program to another?
- Is insurance coverage adequate?
- Are we treating staff equitably and respectfully?
- Do we have professional audits periodically?



# Fiduciary Considerations

- Advocate for stewardship and development
- Obtain professional audits
  - Annually for most congregations
  - Change in Treasurer
- Set term limits of Treasurer
- Separate duties of receiving, disbursing, reconciling, recording



# Fiduciary Considerations

- Review financials monthly
  - Balance sheet, income and expense, budget YTD and outlook, reconciliations
- Disclose periodically
  - Report to the congregation at least quarterly
  - Make available on members' section of website monthly





## Fiduciary Considerations

- Establish covenants (board, staff, congregation, meeting)
- Educate congregation on giving, estate planning
- Provide board training on financial competence
- Understand resources available in the Region and the Association



# Fiduciary Considerations

- Establish child-safety policies
- Establish safe congregation policy
- Establish property use and rental policies
- Establish charges to committees
- Establish policies for small-group ministries

## CONSIDERATIONS AND RECOMMENDATIONS CONCERNING UUA BOARD'S BLUU FUNDING RESOLUTION

**January 17, 2017**

The following recommendations come from the UUA's Leadership Council's BLUU Task Force (Harlan Limpert, Taquiena Boston, Tim Brennan, John Hurley, Sarah Lammert, and Mary Katherine Morn). They are informed by conversations with BLUU, general counsel Tom Bean, Financial Advisor Lucia Santini Field, and the executive committee of the UUA board.

We make these recommendations in order to:

- fulfill the promise extended at the October 2016 meeting of the UUA Board to provide financial support for the work of BLUU,
- to answer BLUU's call to make URGENT the work of creating communities and a world where Black Lives Matter,
- and, in keeping with the Board's Ends, to create and sustain healthy Unitarian Universalist community that is alive with transforming power, moving our communities and the world toward more love, justice, and peace in a manner which assures institutional sustainability.

The Board's adopted motion at their October 2016 Board meeting affirmed **in principle** 5.3 million dollars in funding for BLUU. The staff was directed to make recommendations concerning the legal, financial, and covenantal details of this action. The discussion of the proposal at the Board meeting left a number of issues unanswered. There are several areas where differing interpretations leave questions as to the Board's intent. We have outlined the critical issues that need to be addressed and our best understanding of the Board's intent.

### 1. Legal structure for BLUU.

- Recommendation: BLUU will establish itself as a legal entity. We believe the best options are either an independent 501(c)3 organization or a church auxiliary, each of which has advantages and disadvantages. If



assistance is desired, the UUA will support BLUU in its work to establish their legal status. There may be other options to be explored. BLUU will establish legal organization as soon as possible, with a goal of completion by December 2017.

- Recommendation: BLUU's organizational mission and purpose will be consistent with the mission and purposes of the UUA as articulated in the by-laws and board policies.

## 2. Short-term funding structure.

- Recommendation: the UUA should serve as the fiscal agent for BLUU until it is legally organized and should do so with no administrative charge. Thus the initial \$300,000 funding would be used to fund expenses supporting BLUU's mission until the UUA has paid the full \$300,000 commitment. The UUA is currently acting as fiscal agent, having signed the meeting contract with the hotel, obligating the Association to guarantee \$70,000, paid an advance to the hotel of \$15,000, offered the use of the UUA's travel agent, and provided the services of our meeting planning office. We think it appropriate for the UUA to continue in this role.

## 3. Long-term funding structure.

- Recommendation: BLUU should be legally organized before funding from the payout of the \$5 million commences.
- Recommendation: the funds should be accumulated in the UU Common Endowment Fund in an account dedicated to the support of BLUU. The fund would pay out a sum each quarter to BLUU based on the UUA's standard spending formula. BLUU would have discretion over how to use those funds consistent with its organizational mission and purpose.
- Recommendation: If, at the end of 5 years, the \$5 million fundraising goal has not been reached, the balance would be funded from UUA unrestricted endowment assets. See below for an example.

## 4. BLUU funding during the fundraising period, which is estimated to be 5 years (a three-year campaign with pledges paid over 5 years).

- Recommendation: BLUU ought to benefit from the payout proceeds of the full \$5 million beginning in January 2018 (first payment in April 2018), even as the fundraising continues to take place. Therefore, the UUA would pay out an amount equal to the spending formula multiplied by \$5 million regardless of the amount raised to date. The commitment would be to accumulate a corpus of \$5 million at the end of 5 years. Thus any amounts paid out in excess of the actual payout generated by the accumulated balance would add to the fundraising goal. If, at the end of 5 years, the goal has not been reached, the balance would be funded from UUA unrestricted endowment assets. See below for an example.
- Recommendation: The \$5 million fund should benefit BLUU as long as they are pursuing their mission and purpose. As is the case with our congregations, there should be a dissolution provision should they cease operating or change their mission in a way that is inconsistent with the UUA's mission.

#### 5. Mutual accountability.

- Recommendation: No specific accounting reports or written reports beyond what is required by IRS regulations would be expected from BLUU, though BLUU could, of course, provide any reports or documents it wishes. There will be annual in-person meetings between BLUU leaders and the UUA board which would provide an opportunity for learning and conversation about the mission and purpose of BLUU and the UUA.
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Example of 5-year financial plan

	Endowment fund Cash raised	Endowment fund Year-end balance	BLUU Initial Expenses	BLUU Initial funding	Balance needed Payout	Balance needed over payout	Total Revenue
year 1	1,000,000	1,000,000	300,000	300,000	-		300,000
year 2	1,000,000	1,820,000	225,000		45,000	180,000	225,000
year 3	1,000,000	2,676,900	225,000		81,900	143,100	225,000
year 4	1,000,000	3,572,361	225,000		120,461	104,540	225,000
year 5	1,491,883	5,000,000	225,000		160,756	64,244	225,000
year 6		5,000,000	225,000		225,000	0	225,000
<b>Total</b>	5,491,883		1,425,000		633,117	491,883	1,425,000

**Notes:**

Payout = 4.50%

Payout is based on the previous year's ending balance.

Balance needed is the difference between the endowment payout and total expenses for the year.

Cumulative amount raised is reduced by the cumulative balance needed, which is assumed to be drawn from the BLUU dedicated endowment fund.

Note that the ending BLUU endowment is less than the \$5 million raised.

January 30<sup>th</sup>, 2017

Dear Members of the BLUU Collective,

This past weekend the UUA Board reviewed our unanimous decision to affirm and fund the ministry you outlined at our October 2016 meeting. We want to reaffirm not only the Association's financial commitment but also our enthusiastic intention to work in close partnership with you and the UUA administration to help to bring your vision to life.

We are convinced the BLUU proposal is grounded in our Unitarian Universalist purposes and principles and that providing both the start-up funds and an initial endowment to address ongoing operating costs is both a timely and prudent use of our resources.

We are encouraged by your plan to use the March Convening to broaden and deepen the conversation by involving participants in the planning process. We recognize that it takes time to develop a sustainable organizational structure and want to support you in taking the time you need to do it right. We admire your intention to align your organizational structure with the principles and values outlined in your proposal.

Our understanding is that you are in conversation with UUA staff about the day-to-day management of the effort. As one who works very closely with UUA senior staff I want to assure you not only of their integrity but also of their passionate devotion to the values that undergird our aspirations.

We want to suggest that a planning team be established to help to guide and monitor the relationship between BLUU and the

Association. It should be small and agile. Might you be willing to designate 3-4 members of the Collective who with a like number of Board and Staff leaders would constitute the team?

In closing I want to say that the BLUU's ministry reflects and furthers the promise of Unitarian Universalism. Grounded in the vision outlined in the BLUU proposal and made real by the creativity and courage already at work the Board and I pledge to do our utmost to support your labor of love.

With deep respect,

Jim Key  
UUA Moderator

## **Discussion of BLUU at the October-14-2016 UUA Board Meeting (text from audio recording v2)**

JIM KEY: I'm going to defer to our secretary, who wants the privilege of making a motion, but before that, any clarifying questions just on what you've heard? Tim and then Greg.

TIM ATKINS: I just want to make sure I know, the \$300,000 short-term ask, that's \$300,000 in new funding, correct? OK. Just wanted to make sure.

LESLIE MAC: That is correct. That would be new funding.

JIM KEY: Greg.

GREGORY BOYD: I don't have a question. I have many different points of procedure that I think are directly related to this situation. And so I want to remind us who we are and how we are as a board. We are a mission and vision board, we are not a funding panel.

So what we're being asked to do is to affirm a prioritization of how the administration of our association spends money on racial justice work. That's what we're being asked to do right now, that's what we can do. We decided our budget back in April and it was affirmed in June at our General Assembly. So that that's one part of that.

In the long-term ask, we are similarly asking our administration, so our current president and our presidential candidates, to interpret our ends around racial justice in a way that prioritizes black racial justice work, in particular, in a way that does intersectional work in a very specific way that we have been very general about in the past. In our leadership work, because of the way we use policy governance, we are going to be working with congregations through linkage work to get them to affirm of vision of the beloved community that centers blackness, at least for this period of time so that the vision that we're crafting together emerges from our congregations. We are not setting a vision and taking it to them, we're helping them to understand the vision of racial justice work that centers blackness. And we're also doing some internal auditing work that talks about how we are currently and inadequately supporting the needs of people who are raised Unitarian Universalist because that's part of the structure that we have to do as well. So I want us to be very clear on how we can respond to these asks.

JIM KEY: Thank you Greg. Mr. Secretary.

ROB ELLER-ISAACS: Acknowledging that there are some disagreements between how Greg has framed the situation and this motion, I move-- and Stephanie you have a copy of this if you want to put it up on the-- I move that the UUA board approve in principle

the funding of Black Lives UU and that the staff be directed to bring to the board meeting of January 2017 a plan that will fund the immediate operating costs of the collective's plan while providing a schedule for the transfer of \$5 million from existing common endowment funds into the direct control of the Black Lives Matter collective.

JIM KEY: OK. So we have it up there. Andy?

ANDY BURNETTE: Just a second.

JIM KEY: So we're ready to discuss this. Now let me just say, procedurally, this is a big deal. You know that. We don't have to make this decision today. We've got two days if you need to think on it but this a good time to discuss what's on the table and get a sense of where the trustees are on this. So, are there comments about this motion that you would like to discuss? Denise, and then Lucia.

DENISE RIMES: Just a question, a point of clarification. The \$5 million would cover what time period? Until it runs out or is there a--

LESLIE MAC: So we would hope it would be set up endowment style so that we would be continually doing this work. It wouldn't stop, there's no expiration date on liberation work. And so that's what our hope would be. Yeah we want to fund the work itself and have that be something that's always in existence within our faith.

DENISE RIMES: So it would be a separate endowment, if you will, the proceeds from which would help continue to work. OK.

CARLTON ELLIOT SMITH: Right, and that would not be the end of our fundraising endeavors. It would also other things that we would be doing to generate income as well.

JIM KEY: Lucia? Thank you Denise.

LUCIA SANTINI FIELD: So that was one of my questions. So I do think that's a really helpful clarification. But I just want to echo something that Carlton said early on, which I believe very passionately, and that, is that it's not a zero sum game and that is that this is an opportunity for this board to engage in stewardship writ large in a variety of ways. And so my only concern about the wording that the secretary has proposed is that it's a transfer of \$5 million from the existing common endowment funds, which to an extent, I think, removes both some urgency and an enormous opportunity for the board to use this to exert its leadership in support of this movement by raising those funds itself specifically for this purpose, and articulating the mission and goals of the movement in the process. And that by taking it from existing funds, we cut ourselves off from that enormous and urgent opportunity. And I would regret that.

JIM KEY: Dorothy and then Rob.

DOROTHY HOLMES: I think Lucia's point is connected very vitally to what I want to say, which is I think money, in a way, is the easiest thing to promote. If we have an easy way to raise the money, I think, it makes it more than just possible that, in a more profound way, we're going to disconnect from this. As a black person of age now, there was a time when I used to be the youngest person on boards and so on, no more. But age has its benefits.

As is one who's in academia, been at the forefront of many movements for inclusion, it's very easy to set up things in such a way that it looks like we're being generous and involved when we're not. And my greatest fear, I can't connect all the dots, but it's based on my experience, is that we would end up one day with the equivalent in Unitarianism of the AME in Methodism. In other words, that you'll end up with a vitalized group of black folks who, more or less, are tied to Unitarian principles and beliefs but through bitter, bitter, bitter experience, end up separating out.

I think we have to have a very profound set of guidelines for inclusion all along the way. And so we need to discuss that in addition to discussing funding. You know, Jesus had 12 disciples. As far as I can tell, this movement has five, when I think about the collective.

And everything you've said to me Carlton and Leslie, convinces me of your clarity, your strength, your absolute commitment, your devotion, your high energy, but it won't be enough. And you know, burnout is a real thing. And I hear you dashing around here and there. I will push back to you and challenge you to create more of you.

It can't be just five. I don't care how brilliant you are, it's not going to last. And so that is my only misgiving, not about your qualities or strength or wonderfulness. And I will say, we will let you do it. We will let you do it to the point that you are extinguished. I mean, you may not feel that way now because you're so inspired and you're so wonderful

CHRISTINA RIVERA: I'm already tired.

DOROTHY HOLMES: Tired and exhausted are different. I'll hold my piece there.

JIM KEY: Yeah. Did you want to go Rob?

No, let me-- I've got Rob--

DOROTHY HOLMES: I spoke to several things.

JIM KEY: You want to come back?

DOROTHY HOLMES: No. I just want them heeded.



JIM KEY: Rob and then Jeanne Pupke and then Andrea, and then Greg. And then let's see where we are, and we may want to--

CHRISTINA RIVERA: I'm going through a process observation in here. So Dorothy had some specific comments. And I felt like you all wanted to address those, and I'm not sure that you want to wait until--

JIM KEY: Oh, I'm sorry, I misread that Dorothy. I thought she was deferring until she wanted to come back around to it.

CHRISTINA RIVERA: I'm not talking about Dorothy, I'm talking about the group behind you because you can't see them.

JIM KEY: I can't see them.

CHRISTINA RIVERA: So I just want make sure that we're having a conversation here and not doing the queue in line that we talked about yesterday.

JIM KEY: Thank you, because I can't see behind you.

CARLTON ELLIOT SMITH: Ralph's going to go.

JIM KEY: Hold on a minute. But I do want to check in with Dorothy. Do you--

DOROTHY HOLMES: I'm fine what--

JIM KEY: OK. Very good.

CHRISTINA RIVERA: Jim, can you move over a little bit and then [INAUDIBLE]

JIM KEY: You just need to be on the microphone.

CHRISTINA RIVERA: But Rob's going to talk [INAUDIBLE]

ROB ELLER-ISAACS: I've got a mic. So I actually agree with you Christina, and this is a point of personal privilege because I have to walk out the door in what is no doubt, the most important conversation that I've been in as a member of this board. So just let me make two fairly simple points. With the agreement of the seconder of the motion, I'm perfectly comfortable with having the existing endowment funds guarantee the raising of the funds and that we--

?????: I wasn't the seconder but that--

ROB ELLER-ISAACS: No, but he's the seconder. Are you comfortable with that? So will you work on perfecting language after I go? The other issue here is a little more

complicated, and that is, that we are slowly learning to defer to young black leadership. We're learning it in our settings, congregational settings, we're learning it right now in this room. The risk that they're taking around burnout, the risk that they're taking if they control this money themselves, which is certainly the intention of the motion, that we're starting a new ministry, a new organization here, that will not be under the supervision of the administration or of the UUA.

This motion is framed in the spirit of that kind of affirmation, the affirmation that we will be led now, and that our concerns either about tactics or about organizational development will take a second position, at best, to our radical affirmation of what we're being asked to support. Thank you. Forgive me for leaving I but I have to.

ELANDRIA WILLIAMS: So I just want to say one thing to Miss Dorothy. So some of us are highly southern in this room, and so there are things that we shall never do, which is not ignore things. So one, I've been at UU for, let's see, I started in the third grade, I'm now 37. So we'll figure out what that means. And I've known people much longer than me that are UUs and with me. So this thing got started out of one thing that happened. There are new members on out of what's happened.

And the hope to have a gathering that's inviting black ministers, black DREs, black lay people, to come join and say, let's figure this out. Like who's going to be helping the staff, who's going to be on whatever board? This is not the beginning nor at the end.

I think I just needed to say it because even talking about this, I talked to six people who've been working with us forever, who were in DRUUM and [INAUDIBLE]. So I just want to put that on the table so it doesn't sound like this is a five-person thing that will be in perpetuity. The hope is to change it very quickly.

LESLIE MAC: Super quickly. Very, very quickly. Yeah, that just goes back to the point of us not being consultative. Our goal is, in the gathering, is to allow as many entry points and as much participation as possible so that this is not on our shoulders. And truthfully, it hasn't been. We've been, up until this point, a very project-focused, organizing collective. So we haven't had the opportunity to do this larger work that we need to do because we just don't have capacity.

What we've been able to do is respond to crisis and have very specific projects that we've been able to work on. And what we're looking to do now is to expand this work into a much broader sense and bring more people into the fold so that we can have a larger vision and a larger impact, not just in our faith but also in the world.

CARLTON ELLIOT SMITH: All of that is true. And just for example, looking to see how we can create a national pastoral care network for black Unitarian Universalists. As wonderful as our white and other ministers are inside of our congregations, there's ways in which, when a killing happens of an unarmed black person, that impacts those of us who are black differently.

I mean, I'm just thinking, when I saw the tape of Eric Garner's killing in Staten Island, I was out of commission for two days behind that. I mean, like, literally just in the bed because I'd been in that situation, where my life has been threatened but you know because of the police. So that's just like an example of something we're working on.

JIM KEY: Thank you. Jeanne and then Andrea.

LESLIE MAC: Just to respond. And also, your point about the is AME is super important and super real. When I made that analogy that Carlton mentioned about popping the bubbles within, our hope is, again, to fulfill that dream I mentioned, which is that all of our congregations would be affirming the lives of all people, and that by focusing on-- by us collectively as black people-- being able to focus on ourselves, that that expands into the rest of the faith.

DOROTHY HOLMES: May I just have a response, quickly?

JIM KEY: Sure, Dorothy.

DOROTHY HOLMES: Again, I want to make everyone understands, my comments had really nothing to do with the quality or purposes or vision of your work. My concern is letting the rest of us off the hook. I'm just not prepared to do that.

?????: It won't work.

DOROTHY HOLMES: So, it won't work. We will end up a separate organization. So that's my concern. I don't like this vision but white UUism going to take these issues on in parallel or--

LUCIA SANTINI FIELD: In concert, ideally.

DOROTHY HOLMES: You know, so that we're not ships passing in the night, and if so, guilt isn't relieved through \$5,300,000, however it is raised. It's a real danger, in my view.

JIM KEY: Thanks Dorothy. Jeanne.

JEANNE PUPKE: Thank you for permission to speak. I've said publicly that I'm in support of this amount of money. And I just want to hold up a religious thread that I don't want us to forget, that I think, in part, deals with Dorothy's issue, and the challenge that would lie in leadership trying to make this discernment. This is money we didn't pay. This is the present value, coincidentally, this is the present value, roughly, conservatively, of how we didn't work out our differences, how we could not hold ourselves in accountable relationship with respect and love sufficient to continue the conversation not because of all that we didn't do or did. All that true. There was a lot

going on at the time, as Mark Morrison Reed has taken great pains to remind us.

This is a religious question that I do not want us to forget. In creating these funds, whatever the amount and the amount ongoing, demands of us an unusual thing in our faith, which is a long-term commitment to a vision. And we cannot give the funds and fail to create the vision that is holy supported, and going to go through the process, willing to fail, and find difficulty, and stay at the damn table.

We're picking up, as [INAUDIBLE] said, we haven't had an agenda in so long. We haven't had an analysis in so long that we've been out wandering in an unaccountable way. How do we bring ourselves, as religious people, into this event as an accountable people? I know this process is going to teach me and I'm going to come up short. And I think we all ought to know that and say that up front and do it anyway.

JIM KEY: Thank you Jeanne. Andrea and then Greg. then Tim, then Peter.

ANDREA BRISCOE: So I've heard you talk about having ministers, and DREs, and laypeople go to these events but I also wanted to make sure that-- I'm sure you are doing this, but include youth in this because I'm looking at this thread of comments from a post that I made just a couple of days ago, that is over 50 comments long, of what youth want to have happen in this movement, many from youth of color. And they're ready to get involved. And I want to make sure that some of this money to help people go to these events will go to youth because I know specifically, a lot of youth, especially, the ones that authored the response of resolution this past year, would be so excited to be able to have their voice heard in this movement.

And I just wanted to lift up that we need to make sure to have youth at the table because-- I also have a specific comment from one that I was really inspired by, that is speaking to the entire UUA saying, why do y'all think the youth of color aren't the future of our movement?

LESLIE MAC: So one, youth is awesome. I take all of my direction from people way, way younger than me. It's my goal in life, generally speaking. I actually don't decide anything in my work. I just say, what do you need? And I say, OK, I'll go do that. So that's really critical for me, just personally speaking, in how I do the work that I do.

But also, one of the things that's been great about the collective is we couldn't be more different than each other if we tried, literally, both in our connection to this faith and also what we do generally in our lives. So you know, Kenny Wylie is part of the collective, and he is really involved with youth and young adults as a DRE and then also just as himself, as a UU. And being born a UU and raised a UU, it's really critical for him. And so we spent a lot of time ensuring that.

But one of the things that we also know is that without youth at the table we don't get to decide how they want to be involved and how they get to be involved. And so, the convening is exactly where the youth would be there to say, this is what we need, this is what we want. And we'd be there to say, sweet, here you go. Let's do it. So. for sure. Love all of that.

JIM KEY: Thanks for all those comments. Greg.

GREGORY BOYD: In that vein, I don't want us to make this decision this way. This is not beautiful. This is not beautiful. I don't want us voting to fund justice. I want us to find a different way to encourage the same outcome that is not in motion form. I want us to find a way to make this decision, where ultimately, the elected trustees are not the only ones who get to affirm it because that powerfully leaves out the youth voices that we do have at the table. Let's make this decision differently so that it can be beautiful so that the decision that we make is in line with the vision of beloved community we have in mind.

JIM KEY: Thanks Greg. Tim.

TIM ATKINS: So I've got three, I don't want to say small points, but three minor points I want to ask about. The first is, if we approve something like this, because I think this presentation you all gave us is one of the best I've heard as a board member, and I want to know if we could keep that going, like a once a year check in with the board? Not like a report to the board but a check in with the board about how the work's been going. Is that amenable?

LESLIE MAC: Yeah. And I think that the report would come back to us. So, what you guys have done as well. So I'm all about all of that, for sure.

TIM ATKINS: My next question is just a quick question to Tim, Fellow Tim. Could you just give us a quick heads up of how much is actually in our endowment because it's \$5 million and 20 cents, that's a different question than if it's more than that? I just want to-- I don't really know the off the top of my head. So I just want to double-check.

JIM KEY: Tim (Brennan)?

TIM ATKINS: It can be a rough estimate. I don't need it down to the--

TIM BRENNAN: The answer is more complicated than--

TIM ATKINS: Of course.

TIM BRENNAN: --I can actually give you this exact second, although, I can probably tell you in about five minutes. But I think the way to think about this is not so much the amount as what it means to the payout. So it would have to come out of unrestricted

endowment. And what this would mean in rough numbers, if you take away \$5 million, the payout is around 5%, a little less actually, but around 5%. So call it \$250,000 a year.

So that would be the budget challenge is figuring out, without a fundraising effort, that would be the challenge, is where does that \$250,000 come from? And probably it would be the flip of it too, to say, if there was \$5 million dedicated to the clearing, then that would produce revenue, annual perpetual revenue, of about \$250,000, and it would increase with inflation, too. That would be the long-term goal. So that's really what we're talking about. And I'd hate to give you a number offhand, but I would say that unrestricted endowment is \$25 million, something like that.

TIM ATKINS: That answers my question.

JIM KEY: Thanks Tim.

TIM ATKINS: Oh, and my third point, there's one more, is with the actual motion itself, to me, the plan to fund the immediate operating costs, the immediate operating cost is a little vague and I appreciate that specificity you had in your report, saying it would be probably around \$300,000. I'm just wondering Andy, since you're in charge of perfecting the motion now, if we could put something like that in there? You know, immediate operating cost around \$300 or up to a certain amount, something like that.

ANDY BURNETTE: Say again?

TIM ATKINS: Were you not paying attention to me Andy? Something like a to fund the immediate operating costs, parentheses, around \$300,000, parentheses.

JIM KEY: Let me interject here. Before we get to wordsmithing a proposal, I want to come back to Greg's comment. But I want to hear from Peter before we come back to that, if we can hold off on what it might look like and say. Peter.

PETER MORALES: OK. So several things. The overall idea and the presentation of the work is fabulous stuff. And the administration has, I hope, been supportive of this all the way along. And I have to put that in context because I have some cautionary concerns. One, we're talking about asking-- and also part of the context is, I realize, that the implementation of this will not fall to me, it would be to my successor. So this is kind of a legacy thing.

But as I understand this, this is asking for something that's not part of the UUA. That's my understanding. It's creating a separate organization that is not part of the administration. And that goes to Dorothy's point. I think that's something that the board should not do without thinking that through very carefully. So that's a piece of it.

One of the things I've seen in our association is a tendency, and if I'm not chief among sinners I'm one of the chief among sinners in this, is to fall in love with an idea and a

proposal, and then you get yourself in the position of having a position that you're defending, advocating and defending, any criticisms of. I have a concern that we haven't looked thoroughly and carefully enough at other organizational alternatives to this that are more agile. I worry about five years, 10 years, 20 years out, are we creating a separate, essentially, nonprofit organization in response to a need that we feel now? What's it going to look like in 10 years.

A lot more thought, I think, needs to go into that. I mean, part of what we've been doing for some time in the administration, little catchphrases, we have been trying to move from program to ethos, which means that we try to spread, for example, the anti-racism, anti-oppression stuff, not essentially ghettoize it and one little organizational unit, but make it part of the attitude and the functioning of the entire organization. I would want to look for a way of supporting this effort, which is a fabulous effort, which is not going from ethos to program, which is not undoing that. So I would be an advocate for much more thoughtful reflection and discussion and work with the administration on that.

JIM KEY: Thanks Peter. I'm going to go to Christine.

LESLIE MAC: Jim, can I just respond real quick to that? Is that OK? Sorry. The first part about the creating of something outside of the UUA. I think that we run the danger of assuming how things are going to be because that's how they have been. And what we're asking for is a different vision for what can happen within our association. We're not looking to be separate from it but we're also not looking to be under the currently defined criteria for being a part of the UUA.

We're looking for a way to have self-determination but still being a part of this movement in a real fundamental way. And we need to talk about what that looks like. But I don't think it's a binary question. It's not an either/or. I want to be clear that we don't need to do that with this particular, that piece of the conversation.

PETER MORALES: Can I respond very quickly because I realize I'm making a mistake I criticize others for doing? Sometimes we talk about the UUA as a movement, and sometimes we talk about the UUA as the administrative structure of the UUA. I was talking about the administrative structure.

ELANDRIA WILLIAMS: So was I.

PETER MORALES: But it's easy to talk past one another on that.

ELANDRIA WILLIAMS: So I need to say something. I'm sorry. Can I not say it?

JIM KEY: Please.

ELANDRIA WILLIAMS: So I'm going to say this in love, respect, and honor, and complete disagreement, in every way disagreement. We had a strategy that was

moving. So there are two things that have happened since I've been in UU that broke my heart. We want to talk about heartbreak moments? One, I was born and raised a UU. That's why it's tattooed on my wrist.

We sat there and talked about, how do we get young people to be more on the board? How do they get this, how do they get that? And we're like, oh my god, most of the ways we did it are gone, gone, gone.

It was so easy at one point to go, yes, this is how you get on the board. This is how you can become DREs. Jim called when he ran as city leader, why are so many members from your church that were youth DREs, ministers, on boards, and major leadership positions? Because our church helped train them up and then sent them to national gatherings for them to meet other young people.

Do you know how hard the responsive resolution fight was? People grabbed me and said, we don't know who else to talk to. Bart said you worked with him when he was a youth, can you please help us? People didn't know where to go to. So the hardest thing ever was having-- at this point, I was doing work with the denom--

The administration had a plan. Some people decided they didn't like the plan because that was not in their vision, destroyed the plan, and now there is hardly no way to do youth leadership development on a national way that is helpful for young people. It happened twice as a youth. So when we talk about why youth is important, that is how I got into this work.

Second, DRUUM used to get money from the UUA. So I had to explained to folks why we don't have multiracial family retreats anymore, why we don't go to Murray Grove anymore, why there is no ability for youth of color, young adults of color, youth of color to meet adults of color. So there is this disconnect between adults and youth. So unless you have kids, the two shall not meet.

So while I understand what you were saying, it was not DRUUMS decision to define DRUUM. It was white leadership, along with leadership of color, who decided they couldn't do that anymore. If it was up to DRUUM, we would have still had multiracial family retreats, we would have still done all of these things. We didn't get to make that decision.

So I want to just hold where we sit, and [INAUDIBLE] I'm very passionate about it because it impacted a lot of people I know, and me, which is the only reason why, part of way, I'm on this board is because someone had to call me and say, please. People have had to call lots of times because I was out. I work a job that we do [INAUDIBLE] to people.

So what I'm saying is, if the people that need it are not in some ways in control of what it looks like, it doesn't have to be one person in control, there can be 20 of us in this room



with different ideas of what it means to have happen, but if those 20 people can't ever come together and say, here's what we should do, then they will never be support of them. Other people will always be making the decisions for them. That is the history of this country. People come in and decide we're going to colonize and decide to tell you what to do. So at some point you have to have a both/and.

We do not have an administration right now, and will not have for the next probably, 100 years, that can actually say, here is what people of color, youth of color, pick a-- poor people, whatever, need because they are the ones leading and deciding. So I'm not saying things have to be completely outside or completely inside but there has to be some sort of collectively determined purpose that helps you move forward. Otherwise, it's always other people making decisions for you. And that is, to me, been the history of this faith.

So I may be completely wrong, and you all can be like, no, she's completely wrong, and that's fine. I just know what I've lived through, and what people who have been hurt by the most by this faith tell me all the time, which is why they won't come back. So what we have been trying to do is create space for people to say, I can come home again. I can be free in this space. That might help me come back to being a Unitarian Universalist.

That is our goal, is to help people feel like they can be within this faith. And that means that sometimes cannot be determined by the administration because the administration may not know. The other thing I want to say is to tells us what it means to say, you haven't done enough research, you haven't done enough this, it needs to be more agile. Don't assume that we are like, we are not going to be agile. That's an assumption.

And so I would just say, there's a thing that it just felt odd. It felt odd. We can hold that things can feel odd, and to hold a both/and around what it means to have another institution tell a group of self-determined people what to do is a little weird. It is not going so well for some people in our faith.

JIM KEY: Thank you. Christina and Lucia, and then I'm going to take a time break and see where we are and how we want to proceed after lunch.

CHRISTINA RIVERA: So I think it's really important to-- what you lifted up Peter is really important, that we're sending the money outside the UUA, that we're a fiscal responsible board. That's something we need to own as a board that we're doing. So I appreciate you lifting that particular point up in our board responsibility hat. And I would submit, it's a good thing to send it outside of the UUA. I would submit that if we had the ability to do this we would have already done it.

That if this institution was able to be an institution that didn't perpetuate systems of power and oppression and white supremacy, we would already be that. That while we work at that and we hold that as our highest aspiration and our ideal of what we want to

center, we are not that yet. And we have the ability-- I don't want to monitor what they're doing. I don't want to have to do what we have to do for the association, the administration, the monitoring reports that we get and we have to decide whether or not they're appropriate measures of what we're trying to move towards the ends. I don't want to do that for you all. I love you guys. I don't want to do that.

I don't think that's appropriate. And we would have to do that if that was inside the UUA. We would be saying, OK, we got to get a new monitoring way of doing this. If we could've done it we would have already done it. I really, deeply respect the work that the UUA does. That's why I'm on the board.

It's not to denigrate anything that we have already done and where we have come. It's not what I'm saying. I'm saying what they are wanting to do is wholly in line with our values, and our mission, and the way we want to see beloved community occur within our faith. And I have no problem sending that money outside of our fiscal control, absolutely none.

That's what we sign on for, is allyship, right? To say, this is what you need. We asked you to tell you what do you need. No, maybe that's not really what you need, let me tell you what you need. No. That's bullshit. Sorry. This is what they need. We asked them to tell us. Here it is. It's a big ask. What are we going to do?

JIM KEY: Thanks Christina. Lucia.

LUCIA SANTINI FIELD: I just wanted to say that I also thought that Peter's concern was a very good and appropriate one, and lines up very strongly with Dorothy's. And yet, I don't think that needs to mean that the answer is no. I think it should mean that we consider thoughtfully and together the most appropriate models for the best success long term.

And I completely agree that the autonomy is so important to the self-determination and the continued creativity and constructive energy, and yet we don't want it to become two separate and really only loosely connected things going forward. So I encourage us to explore various models. And having had the privilege of serving on the board of the Church of the Larger Fellowship for a number of years, I know that there are models of separation and integration at the same time, that preserve the strong link (recording ends and continues moments later).

LUCIA SANTINI FIELD: [INAUDIBLE] (recording continues)...and community between Church of the Larger Fellowship and the UUA, because it is indeed the largest congregation, but it has a separate board. It has a separate endowment. It has independent functioning. And so that might not be the ideal structure for this. But I think it's one way to think about how we might proceed differently.

And the only other thing I want to throw in, other than the things I said earlier about wanting us to speak to the mission and vision and raise the money and the awareness simultaneously with our commitment, is that I would like the Board to consider one additional tweak to the proposal, in that we respect and include their intention that it serve as an endowment for the long-term support and future growth of BLUU, because that's their goal. And I think that is what is powerfully speaking to me and that I would feel best having that reflected in the language that, however we approve it, whether it's by vote or by acclamation or consensus or any other way, that it's an agreement and a collaboration and a shared vision.

JAMES KEY: Thank you Lucia. Dorothy, I'll give you the final word here.

DOROTHY HOLMES: Yeah, a couple of attributions were made to me that I want to try to clarify.

[LAUGHTER]

DOROTHY HOLMES: Oh, I don't know. It's so much. I think maybe we need two resolutions. If it goes the way it's being proposed-- and I'm not against that-- it is an implicit statement that, in some ways, we failed. And I think we have to take up that matter and decide what we're going to do about it as an organization and as a Board. If we affirm this consistent with what Christina said and, I think, what Jeanne was saying also, it implies we have stumbled badly. We have failed.

We're trying to remedy that in part by passing this resolution. But that's not the end of our job. We would have to take up something else and resolve to do it. So that's what I also.

JAMES KEY: Thank you all for this-- rich discussion seems to understate it all. But I want to come back, before we break for lunch, to Greg's notion. I'm rather intrigued, particularly building on our workshop of yesterday, and approach where we can affirm something without voting and recording the yeses and nos and the abstentions and whatever.

First of all, we have a motion on the table that's been seconded. Somebody is going to have to table that if we don't want to vote on that soon. We could certainly table that till tomorrow so it doesn't die, that we can finish that discussion. But we have some time scheduled in the morning for generative discussion. It seems to me this fits.

Would someone like to work with Greg to bring forward-- I'll just call it a proposal-- something that captures the mood of the Board that moves this forward. I get the sense that the trustees are in favor of responding fairly enthusiastically in some way. Am I reading the trustees correctly?

And I really like the notion of including the youth trustees in this vote, or whatever this affirmation that we do. Is that amenable to the trustees to table this until we get some language that we think is more consistent? Dorothy?

DOROTHY HOLMES: I don't [INAUDIBLE].

JAMES KEY: OK.

DOROTHY HOLMES: That's my only thing. Because I think we've just built such intensity. I think our presenters won't be here tomorrow, is that right? OK, they're leaving.

JAMES KEY: What time are you leaving?

DOROTHY HOLMES: Their presence is not-- their energy is so wonderful.

JAMES KEY: No, no, I hear you.

DOROTHY HOLMES: I just think taking till tomorrow might be all of our obsessionism, our fears, maybe a few too many sidebar conversations. I think we should try to conclude it by today.

JAMES KEY: Is there a consensus on that, Richard?

RICHARD JACKE: [INAUDIBLE]. I thought that the intention was to address this as the January meeting.

JAMES KEY: We're going to approve whatever the funding is at the January meeting. This is approving something to move forward, to direct the administration to respond to this in a concrete way that we can approve in January. What I see happening, logistically, is the Board's going to have to have a couple of conversations on the phone as this thing evolves in terms of the logistics of it. What I would like for us to achieve, whether it's today or whether it's tomorrow, is this a consensus that we're moving forward, either naming our concerns or anxieties or whatever? Christina?

CHRISTINA RIVERA: So to Greg's point of wanting it to be beautiful, right? I think that's where we started, right? I don't think it's an either or. So I think we could-- right here we've got many religious professionals in the room-- craft something that does our due diligence of taking a vote, but frankly, also has some spiritual component to it. And I mean, if it was me and they were willing, I would love a laying on of hands and a prayer for the work that's going forward, but something that roots us in our selves as a religion and a faith movement that says that this is really different from business as usual.

JAMES KEY: Andy.

ANDY BURNETTE: That's fantastic, I think. And to do that without real financial support would seem to me empty. And so I think they need to go together somehow. I have language that I've sent to Stephanie as a proposal. I guess that's what will be tabled?

JAMES KEY: Well, I'm not suggesting we table. I'm just trying to see where we want to go as a group. I'm not advocating for tabling. Patrick?

PATRICK MCLAUGHLIN: At the risk of wordsmithing, what I'm hearing is this concern about approving. And maybe what we want is for the Board to commit in principle. We are making a commitment about where we're going. Approval is where we're expecting to be in January.

JAMES KEY: I'm going to turn to you, Andy, in terms of where do you think you want to go with the language? I'm getting now a sense that the Board would like to approve something and then do a ritual after lunch perhaps.

ANDY BURNETTE: The language that I've suggested is up on the screen. And the amounts are all in there. And I think Rob's intent is still honored.

JAMES KEY: I don't know who was up first, Lucia and then Tim.

LUCIA SANTINI FIELD: So the one thing that it doesn't include is my more recent suggest and request that it include language which respects the intentionality that the funding be used as an endowment to ensure the perpetuity of this effort so that the \$5 million is not 10 years of \$500,000 of funding. It is indeed the beginning of an endowment for the future of BLUU.

ANDY BURNETTE: And I wasn't certain that that was a consensus, so sorry I didn't get it in. And also, I'm not sure that we want that level of this direction when it comes to the money. I think that the intent, the original intent of this proposal, was that we are very clear that \$5 million is under the authority of Black Lives UU, and that even that has to be used in typical endowment fashion, was more control than I--

DOROTHY HOLMES: I thought they didn't want that. Did you--

ANDY BURNETTE: Was that [INAUDIBLE]?

LUCIA SANTINI FIELD: They did affirm it.

[INTERPOSING VOICES]

LUCIA SANTINI FIELD: They do--

ANDY BURNETTE: Do you affirm putting it in the proposal so that five years from now that is still binding on the way that those resources--

CARLTON ELLIOT SMITH: That the money would be set aside as an endowment. I'm thinking we--

LUCIA SANTINI FIELD: We can't.

JAMES KEY: I'm getting the sense that we're going in a lot of different directions here, Tim, and that we probably need to do some convening over lunch and bring something back after lunch to be followed. And I like the notion. Tim is next and then Greg, and then we'll be back to Lucia.

TIM ATKINS: So one of the things I heard was that we don't want this to maybe just be a vote about voting in January on something. That might have more meaning now if we attach some kind of dollar amount. I for one would be in favor of us approving the \$300,000 of immediate funding and then coming back in January with a plan for this greater discussion about \$5 million, but that's just me. I'm not saying we have to do it that way. I'm just offering that as a possibility for [INAUDIBLE].

JAMES KEY: Well, I think we have the realistic-- \$300,000 not budgeted. And that's got to be resolved. And I'm not comfortable as Chief Governance Officer of resolving that today until-- that's a means discussion and we need to have a collegial discussion of what that might look like. That's why I was looking forward to something that we could-- we could approve the logistics and the programming of it in January, if you will, but it's something that we can agree with today.

And I'm going back to Greg's notion that affirms the direction we're in. This is a big, significant, and important event, ministry, direction. And let me just add-- we were talking about the both/and and how it would be organized and who would control it. I don't think that's something we need to be terribly concerned about with today.

Remember, we've got this parallel piece of work going on of renewing covenant. And that group is out looking, a network of networks. And this sort of activity fits into that, what might be a nice first network, if you will-- for lack of a better name-- a first entry into covenant with something we've never done before in this particular way. So I think there's a great opportunity here on a number of different levels.

But we've got a motion. We've got a second. Do you want to vote now or do you want to wait until after lunch? I don't mind recessing and calling the vote when we reconvene. But I'm hearing any preponderance of ideas on it.

So what I think I'm going to do, until somebody changes my mind on this, is to let's move into recess, let's enjoy our lunch and thank our hosts when they come in after lunch, and then resume this and either vote on it or table it until we have something that the Board is more comfortable with, or both. Are we good with that?

DOROTHY HOLMES: When you say motion, you mean Rob's motion or this one?

JAMES KEY: I can't hear.

DOROTHY HOLMES: Rob's motion or this motion? Which motion?

JAMES KEY: Well, we only have one more. This is an amended motion that I'm offering up recessing. It's still active. And we concluded after lunch. And after lunch we voted up or down or we table it or we have another approach to it. I just think people need more time with this.

CHRISTINA RIVERA: Board, do we need more time with this? I'm not getting that same sense. So I'm just--

JAMES KEY: Are you ready to-- Lucia?

LUCIA SANTINI FIELD: So I just want to say, my enthusiasm is so different as the Financial Advisor and the fiduciary. If this proposal committed us to raising the funds in a more powerful way, I appreciate that the language has been tweaked. But as it stands now, I'm just terribly concerned that we'll do the easy money thing, which may be easy for us and horrible for those outside the room years from now. Because if \$5 million is 25% or 20% of the unrestricted endowment of the association and we remove it without a commitment on our parts to replace it and we give it to an organization without even a loose requirement or expectation that it be serving as an endowment, I view that as not consistent with my fiduciary duty, because it's an enormous responsibility and resource. And I just feel as though, as enthusiastic as I am about this, I have a fundamental fiduciary duty to express those concerns and ask us to reflect those concerns in a meaningful way.

JAMES KEY: Andy.

ANDY BURNETTE: OK. First, I want to expand fiduciary to include the soundness and wholeness of the movement, even outside finances. So my sense of our being in an historic moment is pretty strong right now. And I think that the finances of the issue need to be held together with the fact that we as a movement have talked about this for a long time. I think most of us expected this to be a big financial ask. And so to me, I think that it is within my fiduciary duty-- fiduciary seen as a whole, a holistic term-- not to place conditions on the money that--

?????: I want them on us. I want the conditions on us.

ANDY BURNETTE: The other thing I wanted to say was, I'm not sure how to put in here that the Board is committed to-- I think we need to commit to that. But I'm not sure that it needs to be in this motion. I think we do need to commit to raising money, but I'm not sure that we need to put that in this motion. However, I'm open to an amendment if that's what we need to do.

JAMES KEY: Well, let me comment. This reads to me like we are approving a principle that we have yet to see the details on. So again, speaking as the Chief Governance Officer, I don't see a problem or significant risk of approving something that we need to do some refining on. So are you ready for me to call a vote?

ANDY BURNETTE: No, you can call the question.

JAMES KEY: Thank you. So let's--

GREGORY BOYD: So we're not going to do that, all right? No, no, I've had my card up for about 15 minutes. So we're not going to call that question. We are not approving something of this magnitude in this way. I'm not going to see it happen, I'm really not.

I requested that we make this beautiful. We are not required to have perfect language. We are only required to make a decision. Can we make a decision about the bare minimum of the facts that it's funding in this amount at this point, funding at this amount at this point, and we can make it beautiful later?

I want to invite us to go back and read the original 1968 resolution to make sure that what we're committing to is in line with what we're already on the hook for and make it beautiful later. So right now, I don't care what this says. I don't think we need that level of precision in the language. I think all we need to know is that we want the administration to immediately fund \$300,000, that they're going to look at how to make \$5 million happen from unrestricted endowment. And we'll do some more stuff later. I think those are the only two things we actually need to decide right now.

JAMES KEY: Denise?

DENISE RIMES: This is an act of faith. And if there's a legal element to this act of faith, so be it. But an act of faith-- I mean, I'm with Greg. I mean, I see myself-- or as I-- I wish I could see myself in a fundamentalist setting where people give up their vacation earning or plans, their vacation funds, or their new home funds for the good of the church. That's what I want this to feel like.

And I just implore us to do this as an act of faith and, to your point Greg, leave the rest aside for right now. We'll figure it out. I have faith that we will.

JAMES KEY: So we ready to do this leap of faith?

DOROTHY HOLMES: Yes.

JAMES KEY: So be it. Do you want to call the question? Or how do you want to proceed, Greg?

GREGORY BOYD: I think we just decided.



JAMES KEY: Thank you. We are in recess until probably 1:30. I think we've got to have 45 minutes for lunch and meeting our hosts. And are we going to do that now or after lunch?

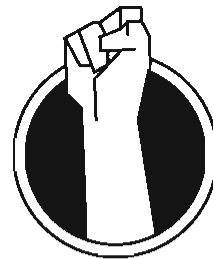
[INAUDIBLE]

JAMES KEY: Thank you.

[APPLAUSE]

JAMES KEY: Thank you all.

[APPLAUSE]



# **BLACK LIVES** of UU and The Clearing

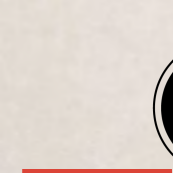
## A PRESENTATION TO THE UUA BOARD

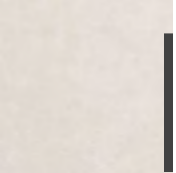
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Rev. Carlton Elliott Smith & Leslie Mac

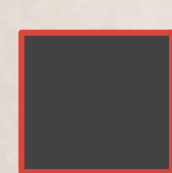
Friday, October 14, 2016

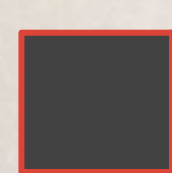
The Unitarian Universalist Congregation at Shelter Rock  
Manhasset, NY

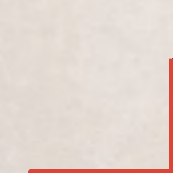




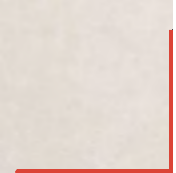


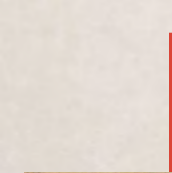




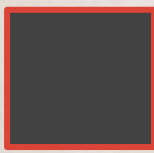


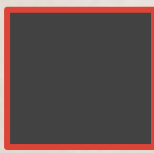






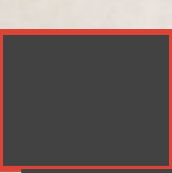






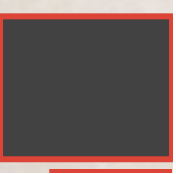








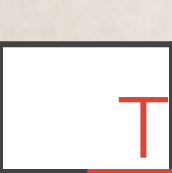












December 2, 2016

Jesse Rodriguez-Hammond  
2217 Leness Lane  
Crest Hill, IL 60403

Dear Mr. Rodriguez-Hammond,

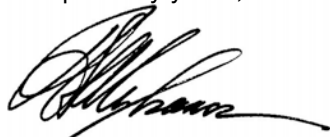
We deeply appreciate your thoughtful, heartfelt letter and hope this reply helps to clarify the reasons that our UUA Board, Administration, and many Unitarian Universalist congregations stand in solidarity with Black Lives Matter. From our perspective, Black Lives Matter serves as a powerful reflection of our first principle. You are concerned that our support of Black Lives Matter has “singled out one group as more important than another.” We need to understand Black Lives Matter in the context of the larger narrative of American history. Far from fostering exceptionalism as you suggest, Black Lives Matter, may well pave the way for an intersectional approach to movement building. One might say, when black lives matter all lives will matter. We share your concern about creating a hierarchy of oppressions. But our experience is that Black Lives Matter has fostered a broadly-based coalition across racial divides. It may seem counter-intuitive but Black Lives Matter moves us toward “the inherent worth and dignity of every person” by addressing America’s original sin of slavery.



It is important to understand that the 5.3 million dollars voted by the Board is intended to fund a newly formed ministry called Black Lives Unitarian Universalist. It is not a gift to an outside organization. Rather it implies a long-term commitment to helping our faith become a more inclusive, more welcoming religious community. Rather than saying “let’s forget about the others,” we are saying let’s align ourselves with the most hopeful, most effective organizers we know as we do all we can to help build a world where your husband, your son, and all people, especially those most marginalized here in America, will know themselves beloved. Our work is to help to build a more just and peaceful world.

You asked for help in understanding our recent action in support of Black Lives Unitarian Universalist and our public alignment with the Black Lives Matter movement. We hope this response begins to address your concerns. As always there is room for disagreement. We can all be thankful that “we need not think alike to love alike.”

Respectfully yours,



Rev. Rob Eller-Isaacs  
Secretary  
UUA Board of Trustees

Cc: Linda Kremsner, Board President, Universalist Unitarian Church of Joliet

Jesse Rodriguez-Hammond  
2217 Leness Lane  
Crest Hill, IL 60403

11/16/2016

Unitarian Universalist Association  
Board of Trustees  
24 Farnsworth Street  
Boston, MA 02210-1409

Dear Board of Trustees,

I have been a member of a Universalist Unitarian church since 2006 and have been involved, at some point with UU Churches in Boston, Lincoln, Omaha going back over 23 years -- I feel it my obligation to voice my concern and officially make a complaint. I received the minutes of the October 14&15, 2016 meeting where it was published that the Black Lives Matter group within the UUA would be receiving 5.3 million dollars. I am both outraged and disappointed that we are singling out one group and forgetting another, and both with relatively the same plight.

One month ago, my husband, who happens to be Hispanic, and I started the process of adopting our foster son, also Hispanic. Our foster son has never been to a UU church before and he expressed his doubts in god and organized religion. I explained to him that our church was different than most because our number one principle is "The inherent worth and dignity of every person". After coming with us for a month, last week my brown, Hispanic, son asked me "So, why do some of the people wear Black Lives Matter buttons"? It was a naive statement and made with no malice behind it. This is even more ironic and infuriating since only the white congregants in our church wear the pins. At any rate, I had no words for him. What was going through my mind was "I got him to go to our church because I told him that we believe in the inherent worth and dignity of every person knowing, I lied to him because [I feel] that our church has singled out one group as more important than another". This only amplified my frustration when I saw that the UUA was giving such a large amount of money to Black Lives Matter.

Yes, I understand and know the statistics. As of July 2016, 28 percent (123) black and 18 percent (80) were Hispanics who were fatally shot by a police officer. [and] Yes, as a researcher, I know the ethnic makeup of the US is 17.6 percent Hispanic and 13.3 percent Black (July 2015 US Census data). However, if we are talking percentages -- Native Americans only make up 0.8 percent of the population, they make up 1.9 percent of all police killings. I understand that there is disparity. But does that diminish the inherent worth and dignity of my son and husband?

As a parent and husband of Hispanic men, I understand the fear of prejudice. I know that when my son walks out of the house, he could be targeted, he could be asked for his papers and without them he can be detained and threatened with deportation even though he was born in the United States to Puerto Rican parents, who are born citizens. I know this scenario all too well, last year, my husband was



detained on a trip because of his name. The fear is real for all of us and I am even more fearful given recent political events.

Please do not get me wrong. I understand the purpose of the movement, but by its name alone, it is not an inclusive movement. By its name alone it segregates the UUA Family into the "Black Lives Matter" and gives the perception of, "let's forget about the others", including my brown son and husband.

This is how I see it. When we became a welcoming congregation, we were open to Lesbian, Gay, Transgender, and bisexuals. We didn't say we were a welcoming Gay only Church or a Lesbian only Church -- because we aren't exclusive we are inclusive and when we weren't inclusive enough we added the Questioning Plus. Again, we believe in the inherent worth and dignity of everyone. This is such an important principle that we made it the first one.

Having said this, I understand that the UUA has already made up its mind and I don't expect the UUA to back out on a commitment. However, I would like some guidance from the UUA as to what to tell my son, husband, and the other Hispanic families in my congregation when they see the Black Lives Matter buttons and they hear that 5.3 million dollars was spent to help one ethnic group over them. I need to understand, so that I can explain to them why we say "Black Lives Matter" instead of just "Lives Matter". As the vice president on my local UU Church board, I honestly don't know what to say. Please, tell me what to tell them, when they come to church and put money in the offering plate and make a commitment of time and money to the church -- a church that says they believe in the inherent worth and dignity of all, yet by the church's actions, has chosen one ethnic group over another. Do their 80 lives lost this year not matter? Again, given the current political climate, things are only going to get worse for the Hispanic community; when they are faced with the real threat that 11 million of their friends and families face deportation and we haven't even mentioned the casualties suffered in the Native American community.

Thank you for taking the time to read my letter and listen to my concern and frustration. The UU Church has always been my home where I have always felt welcome, sadly, I am kind of feeling excluded right now. Thank you in advance for any help and understanding you can give me.

Very Sincerely Yours,

A handwritten signature in black ink, appearing to read "Jesse", with a long, sweeping horizontal line extending to the right.

Jesse Rodriguez-Hammond

Cc Universalist Unitarian Church of Joliet  
(Linda Kremsner, Board President and Board of directors)  
3401 W Jefferson St, Joliet, IL 60431