



UNITARIAN  
UNIVERSALIST  
ASSOCIATION

# Treasurer's Report to the Board of Trustees

January 19, 2018

Tim Brennan  
Treasurer & Chief Financial Officer



# Agenda

- FY 17 Audit
- FY18 2<sup>nd</sup> quarter forecast
- UU Common Endowment Fund, LLC performance
- Socially Responsible Investing



## UUA audit process

- Essential element of board oversight process
- Board appoints audit committee consisting of experts
- Committee hires auditing firm to review systems and reports for accuracy and consistency with GAAP
- Auditors review financial reports prepared by UUA staff
- Reported to audit committee, Health Plan board Nov 20
- Report distributed to board Dec 18
- Report from audit committee TBD



# UUA legal and financial structure







## Fiscal year 2017 audits

- 3 legal entities, 3 audits: UUA, UUCEF, Health Plan
- UUA, UUCEF audited by Mayer Hoffman McCann, Tofias New England Division
- UUA Health Plan audited by RSM
- Audit committee, Health Plan Board receive reports Nov 20
- BOT receives audit report 12/15
- “Clean opinion” for both entities
- Management comments: deficiencies (if any), recommendations



## UUA income statements

<b>Through 6/30 (in \$000s)</b>	<b>2017</b>	<b>2016</b>
Total revenue	40,618	36,581
Total expenses	38,832	36,507
Surplus (deficit)	1,786	74



## Current operations

<b>Through 6/30 (in \$000s)</b>	<b>2017</b>	<b>2016</b>
Total revenue	28,590	27,469
Total expenses	28,238	27,204
Surplus (deficit)	352	265



## UUA balance sheets

As of June 30 (in \$000s)	2017	2016
Total assets	294,227	278,698
Total liabilities	23,961	25,825
Minority interest in UUCEF	94,754	88,750
Total net assets	175,512	164,123





## UUA balance sheets

<b>As of June 30 (in \$000s)</b>	<b>2017</b>	<b>2016</b>
Net assets:		
Unrestricted	57,430	53,876
Temporarily restricted	59,732	52,541
Permanently restricted	58,350	57,706
<b>Total net assets</b>	<b>175,512</b>	<b>164,123</b>



## FY 18 2<sup>nd</sup> Quarter Forecast

- Forecast for current operations
- See BOT meeting packet under Treasurer's Report
- Headline: projecting breakeven for the year with contingency still in reserve



# FY18 2<sup>nd</sup> quarter forecast

## Current operations (in \$000s)

Through 1/11/18	FY18 Budget	FY18 Forecast	Percent Inc/(Dec)
Total revenue	27,155	28,388	4.3%
Total expenses	27,605	28,751	4.0%
Depreciation spending	450	450	0%
Surplus (deficit)	0	87	



# FY18 Annual Program Fund Paid to Date (in \$000s)

<b>FY</b>	<b>Through</b>	<b>Actual</b>	<b>Goal</b>	<b>% of Goal</b>
FY 17	01/16/17	2,933	6,750	43%
FY 18	01/16/18	3,138	6,750	46%



## FY18 Annual Program Fund Pledges to Date (in \$000s)

<b>FY</b>	<b>Number</b>	<b>Amount (in \$000s)</b>
FY 17	535	4,214
FY 18	584	5,085





# UUCEF, LLC

## Investment Performance

Periods ending 11/30/17

	<b>1 Month</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Gross return	0.8%	18.5%	5.9%	7.3%
Net return	0.8%	17.5%	4.9%	6.3%
Benchmark*	1.4%	17.2%	6.3%	7.6%

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



# Socially Responsible Investing

- Shareholder advocacy campaigns – 10 resolutions, 7 other engagements
  - Climate change
  - Election and lobbying spending
  - Executive compensation
- Board service with the Interfaith Center on Corporate Responsibility
- Faith Consistent Investing conference in Switzerland
- UN Investor Summit on Climate Change
- Impact investments



## Top priorities

- Impact investing
- Shareholder advocacy and leadership at ICCR
- Application for group exemption