

# **Unitarian Universalist Organizations Health Plan**

Financial Report  
June 30, 2016 and 2015

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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 US 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>	20,513
	<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>	4,892,156
End of year	<u>\$ 3,837,597</u>	<u>\$ 4,554,612</u>

See notes to financial statements.

**Unitarian Universalist Organizations Health Plan**

**Statements of Plan Benefit Obligations**

**June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Amounts currently payable:		
Claims payable and claims incurred but not reported	\$ 631,000	\$ 991,000
<b>Total obligations other than postretirement benefit obligations</b>	<u>631,000</u>	<u>991,000</u>
<b>Total plan benefit obligations</b>	<u>\$ 631,000</u>	<u>\$ 991,000</u>

See notes to financial statements.

**Unitarian Universalist Organizations Health Plan**

**Statements of Changes in Plan Benefit Obligations  
Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Amounts currently payable:		
Balance at beginning of year	\$ 991,000	\$ 893,000
Claims incurred	9,968,764	9,519,562
Claims paid	<u>(10,328,764)</u>	<u>(9,421,562)</u>
<b>Balance at end of year</b>	<b><u>631,000</u></b>	<b><u>991,000</u></b>
<b>Total plan benefit obligations, at end of year</b>	<b><u>\$ 631,000</u></b>	<b><u>\$ 991,000</u></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