

Unitarian Universalist Church of Bloomington, Indiana

Seeking the Spirit, Building Community, Changing the World



Board Minutes February 17, 2016

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Board members attending: Kathleen Sideli, Von Welch, Arzetta Hulst-Losensky, Deb Hutton, Ann LeDuc, Doug Cauble, Pat Brantlinger

Present by invitation of the Board: Mike Gricius, CPA

Ministers attending: Reverend Mary Ann Macklin and Reverend Doug Wadkins

Submitted by Ann LeDuc, Secretary

I. Call to Order 7:00 PM

Call to order by Kathleen Sideli, President, at 7:00 PM

Changes to the agenda: None

II. Chalice Lighting and Reading

Chalice lighting and reading by Arzetta.

III. Check-in

Attendance and check-in.

IV. Main Meeting

A. Presentation by Auditor Mike Gricius, CPA

See attached letter and final report from Blue and Co.

The audit is considered “clean.”

All non-profits have the same material weakness, the lack of an internal audit. In order to have an internal audit, the non-profit would need to employ a CPA on staff.

The final statement prepared by the auditor contains the auditor’s report, statement of cash receipts and disbursements, and disclosures.

Cash basis accounting is based on actual money going in and out of the organization.

Accrual basis accounting takes into account services received, even if the service has not been paid for yet.

Since this audit was performed on a cash basis, it counted all incoming and outgoing funds. Monies deposited into the church general fund from SPF were recorded as income, and monies that passed from the general fund to SPF were recorded as expenses.

If the audit was done on an accrual basis, SPF funds would be included in the audit.

Mr. Gricius suggested that in the future we have an accrual audit that would look at the accrual on T- accounts and SPF holdings. He estimated that the cost of an accrual audit would be about \$2000 more than this audit.

An annual compilation could be completed for between \$1200 and \$1500. There is no assurance to accounting accuracy tied to a compilation. If an outside party does the bookkeeping and the compilation, then there is more value in the compilation.

Motion by Pat: to accept the audit.

Seconded by Doug Cauble.

Unanimously approved.

B. Approval of Previous Board Minutes

Motion by Doug Cauble: to approve the January 2016 Board of Directors Meeting minutes.

Seconded by Pat.

Unanimously approved.

C. Minister's Report Reverend Mary Ann Macklin

Reverend Macklin has been devoting a significant amount of time and energy into the ministerial search.

Prior to today's Board meeting, Reverend Macklin distributed the Midwest Regional Assembly Resolution on Muslim Solidarity. She asked for a vote of support from the Board, before the resolution is presented at the Midwest Regional Assembly.

Motion to by Arzetta: to approve our support of the resolution.

Seconded by Kathy.

Unanimously approved.

There is a movement for openheartedness that has been started by a member of the Islamic Center of Bloomington. Most of the campaign communications are via social media. On the campaign's website, (<http://openheartedcampaign.org/>) individuals and organizations can pledge to be openhearted.

This year's stewardship campaign theme is "We are..." Open pledging will start this Sunday, February 21st.

Reverend Macklin received an invitation from Lisa Presley, MidAmerican Region staff, to bring a team of congregational leaders to Minnesota for the Mosaic Makers Conference. The conference will be held August 26th-28th in St. Paul, Minnesota. The MidAmerican Region is offering this opportunity for congregational leaders to assist their congregation in becoming a multicultural congregation. Suggested participants include ministers, religious educators, music directors, board members, social justice chairs, and other key leaders. Leaders from our congregation could car pool to this event.

Denny Davidoff will officiate the offertory at Shari Woodbury's ordination. Denny is a past moderator of the UUA. A Saturday evening social activity with the Board may take place on April 2nd, the evening before the ordination.

Reverend Macklin has agreed to be a judge for a sermon contest. Also, she recently was a guest speaker for a class at IU on Death with Dignity.

Reverend Macklin continues to emphasize our connections to the Bloomington community. In this mindset of connectedness, she envisions permaculture as a philosophy and way of being in the world. Rhonda Baird, Chair of our grounds committee, is an advocate and practitioner of permaculture. Permaculture pays

attention to interrelatedness, not just the end products. In addition to Rhonda, there are multiple advocates and practitioners of permaculture in our congregation.

Adult education continues to have a very basic existence for our congregation and will be explored more through the RE revisioning process.

There was a discussion about when Reverend Macklin might be able to take vacation this summer given the ministerial transition. This will depend on the start date for the new Associate Minister and the start date for Reverend Wadkins next position. Amy Taylor will be asked to contact Keith Kron to see what is customary for new Associate Minister start dates.

D. Old Business

1. Communications Policy Ad Hoc Committee Pat

Dan Wiseman, Angela Lexmond, and Pat are the members of the committee.

In May a healthy communications policy will be put forward to the Board from the committee. As a starting point for the policy, Dan Wiseman has offered to write the first draft.

2. RE Revisioning Update Reverend Wadkins

Emily and Adrienne will present to the Board in April.

3. Sign Mortgage Refinancing Document

See attached "Corporate Resolution to Borrow."

Arzetta will deliver the signed mortgage document to the bank tomorrow and arrange a Monday closing.

All Board members signed the mortgage document.

Motion by Arzetta: to refinance the church mortgage for approximately \$200k, to include \$20K for the HVAC system.

Seconded by Ann.

Unanimously approved.

E. New Business

1. Monitoring: SPF By-law Investments Von

▪ *Written report by the Special Purposes Fund Committee.*

Required exhibits: 6-month summary of performance of invested funds.

See attached "SPF Report."

Von believes that SPF may be ready to vote on whether or not to set up funds to give donors an option of divested donation investments.

2. Stewardship Campaign Update Kathy and Reverend Macklin

There will be some new ways to pledge this year.

Over a four-year period, pledges have increased from \$457K to \$506K to \$512K to \$525K.

There was a discussion about what would motivate congregants to increase their pledge.

Our pledge completion rates are very high.

\$565K will be our goal this year. The increased income will go far in helping us provide fair and sustainable compensation to the ministers and staff.

Stewardship is using social media and other forms of green communications this year. Pledge statements were mailed out recently.

3. Updated Letter of Agreement for Reverend Macklin

In preparation for the ministerial search, Reverend Macklin's current Letter of Agreement (LOA) was updated. The updated LOA was used to create an Associate Minister's LOA. Then it was discovered that the UUA has a template for creating LOA's, along with a form to record why the LOA deviates from UUA's recommendations. The template and form were used to create a new Associate Minister's LOA. We should use the UUA template to rewrite Reverend Macklin's LOA. Reverend Macklin and Von will work on writing an updated LOA based on the UUA template, bringing it back to the board for approval before execution.

4. Update: Policy Governance/Monitoring Von and Kathy

We will wait until after July 1 to start an examination of our policy governance and monitoring.

Kathleen, Pat, and Ann's current terms on the Board will end this summer.

V. Executive Session

The Board met in executive session at 8:50 PM.

VI. Adjournment 8:56 PM

Motion by Doug Cauble: to adjourn.

Seconded by Pat.

Approved unanimously.

The meeting adjourned at 8:56 PM.

**UNITARIAN UNIVERSALIST CHURCH OF
BLOOMINGTON, INDIANA INC.**

FINANCIAL STATEMENTS

(CASH BASIS)

JUNE 30, 2015

CPAs / ADVISORS



UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA INC.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Unitarian Universalist Church of Bloomington, Indiana Inc.
Bloomington, Indiana

Report on the Financial Statements

We have audited the accompanying statement of cash receipts and disbursements of Unitarian Universalist Church of Bloomington, Indiana Inc. (the "Church"), for the year ended June 30, 2015, 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 this financial statement in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for 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 this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of the Church for the year ended June 30, 2015, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Blue & Co., LLC
Seymour, Indiana

October 23, 2015

UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA INC.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS YEAR ENDED JUNE 30, 2015

Cash Receipts

Contributions	\$ 775,396
Plate offerings	38,752
Facilities use fees	4,996
Special events	13,158
Miscellaneous	<u>8,773</u>
Total cash receipts	841,075

Cash Disbursements

Childcare	8,626
Committees	293,195
Denominational	45,975
Ministry senior and interim	142,024
Ministry benefits	37,993
Ministry other	8,653
Music	36,255
Plant	117,306
Office	105,591
Outreach and campus	164
Religious education	<u>76,291</u>
Total disbursements	<u>872,073</u>

Excess of cash disbursements over cash receipts (30,998)

Cash, beginning of year 194,537

Cash, end of year \$ 163,539

See accompanying notes to financial statement.

UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Unitarian Universalist Church of Bloomington, Indiana Inc. ("the Church") is a not-for-profit organization that operates as a religious organization. The Church promotes a liberal religious community of inspiration, love and action by celebrating life, nurturing one another, caring for the earth, welcoming all, and working for the common good. The Church is supported primarily through contributions from the congregation.

Basis of Accounting

The accompanying financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statement. Revenues are recognized when cash is received and expenses are recorded when paid.

Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with their basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Functional Allocation of Expenses

The costs of providing the Church's various programs and activities have been summarized on a functional basis in the notes to financial statements. Accordingly, certain expenses have been allocated among the programs and supporting services benefited. While the methods of allocation are considered appropriate, other methods could produce different results.

Income Taxes

The Church is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements.

UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Subsequent Events

The Church has evaluated events or transactions occurring subsequent to the Statement of Cash Receipts and Disbursements date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is October 23, 2015.

2. COMMITMENT

The Church has a mortgage note payable with a bank that carries an interest rate based on an index of the 5-year Treasury Securities Rate. This rate was 5.59% at June 30, 2015. The note requires mandatory monthly payments of \$3,024 with a final balloon payment in July 2016, and the Church is subject to a prepayment penalty if any part of the principal balance is repaid prior to maturity. The Church has outstanding borrowings of \$186,610 as of June 30, 2015 and is secured by a mortgage on the real estate.

3. RETIREMENT PLAN

The Church has a defined contribution plan covering eligible employees. The Church makes contributions of 5% of compensation or higher as elected by the Church. The Church contributed \$26,604 to the defined contribution plan during for the year ended June 30, 2015.

4. FUNCTIONAL EXPENSES

Expenses for the year ended June 30, 2015, are classified as follows:

Program expense	\$ 649,176
Management and general	<u>222,897</u>
	<u>\$ 872,073</u>

5. CONCENTRATIONS

The Church maintains its cash in a bank account insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Church has not experienced any losses in such account. Management does not believe a significant credit risk on cash exists.



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October 23, 2015

Board of Directors
Unitarian Universalist Church of Bloomington, Indiana Inc.
Bloomington, Indiana

Dear Members of the Board:

We have audited the financial statements of Unitarian Universalist Church of Bloomington, Indiana Inc. (the "Church") for the year ended June 30, 2015, and have issued our report thereon dated as of the date of this letter. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 31, 2015. Professional standards also require that we communicate to you the following information related to our audit.

OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS

As stated in our engagement letter dated July 16, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting, another comprehensive basis of accounting. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Church. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. Our audit of the financial statements does not relieve you or management of your responsibilities.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Church are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Church during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The significant area with the most sensitive estimate affecting the financial statements was:

- Management's estimate of the allocation of functional expenses. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

We believe the disclosures in the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the audit, we noted the following significant adjusting entry:

- Adjustments were made to convert reported revenue and expense into actual cash receipts and cash disbursements.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Church's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Church's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

INTERNAL CONTROL MATTERS

In planning and performing our audit of the financial statements of the Church as of and for the years ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Church's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control. Accordingly, we do not express an opinion on the effectiveness of the Church's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control

that might be material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Church's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the Church's internal control to be a material weakness:

Preparation of internal financial statements and related note disclosures

We are required to give consideration to the Church's ability to prepare financial statements and related note disclosures, as well as the oversight of the financial reporting process by those charged with governance. The Church does not have in place controls that would assure the preparation of internal financial statements and related note disclosures in accordance with the cash basis of accounting.

The Church engages the independent auditors to draft the financial statements, which includes drafting the primary financial statements and the disclosures, as well as performing procedures to ensure that the disclosures are complete. Once drafted, the financial statements are submitted to the Church for review and approval. While this practice is common and practical, we must inform those charged with governance that this must be considered a material weakness in internal control since the financial statement preparation cannot be performed in-house.

OUR RECOMMENDATIONS FOR YOUR ORGANIZATION

During the course of an audit, we frequently become aware of matters which are opportunities to strengthen internal controls or improve operating efficiency or effectiveness.

Reconciliation of Asset Accounts

During the audit, we noted several assets listed on the general ledger that related to either unreconciled accounts or duplicate entries of investments. These accounts are a product of prior year transactions and do not reflect a current asset for the Church. We recommended that these accounts be adjusted to net assets to correctly remove them from the general ledger. This action was approved by management and

To the Board of Directors
Unitarian Universalist Church of Bloomington, Indiana Inc.
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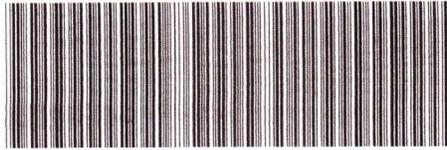
recently completed. Going forward, we recommend that management carefully review all general ledger accounts for accuracy and completeness.

This communication is intended solely for the information and use of management, the Board of Directors and its relevant committees and others within the Church, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to be of service and extend our thanks to everyone at the Church for their cooperation and assistance. We would be pleased to discuss any of the above matters with you at your convenience.

Very truly yours,

Blue & Co., LLC



02192016%0280%#####

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal \$200,000.00	Loan Date 02-19-2016	Maturity 02-19-2021	Loan No 20005490354	Call / Coll 162 / 14	Account 0000512130	Officer ***	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Corporation: UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC.
2120 N FEE LN
BLOOMINGTON, IN 47408-1698

Lender: OLD NATIONAL BANK
269 BLM-Bloomington Business Center
121 E Kirkwood Ave
Bloomington, IN 47408

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC. ("Corporation"). The Corporation is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Indiana. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 2120 N FEE LN, BLOOMINGTON, IN 47408-1698. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICERS. The following named persons are officers of UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC.:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
REVEREND MARY ANN MACKLIN	SENIOR MINISTER	Y X	_____
ARZETTA HULTS-LOSENSKY	TREASURER	Y X	_____

ACTIONS AUTHORIZED. Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury, as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officers named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)**

Loan No: 20005490354

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CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, we have hereunto set our hand and attest that the signatures set opposite the names listed above are their genuine signatures.

We each have read all the provisions of this Resolution, and we each personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated February 19, 2016.

CERTIFIED TO AND ATTESTED BY:

X _____
KATHLEEN SIDELI, DIRECTOR

X _____
VON WELCH, DIRECTOR

X _____
ANN LEDUC, DIRECTOR

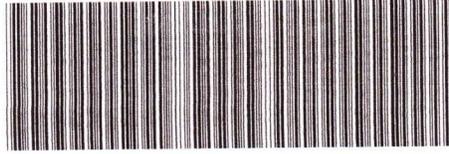
X _____
ARZETTA HULTS-LOSENSKY, DIRECTOR

X _____
PAT BRANTLINGER, DIRECTOR

X _____
DOUG CAUBLE, DIRECTOR

X _____
DEB HUTTON, DIRECTOR

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.



02192016%0280%#####

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal \$200,000.00	Loan Date 02-19-2016	Maturity 02-19-2021	Loan No 20005490354	Call / Coll 162 / 14	Account 0000512130	Officer ***	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Corporation: UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC.
2120 N FEE LN
BLOOMINGTON, IN 47408-1698

Lender: OLD NATIONAL BANK
269 BLM-Bloomington Business Center
121 E Kirkwood Ave
Bloomington, IN 47408

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC. ("Corporation"). The Corporation is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Indiana. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 2120 N FEE LN, BLOOMINGTON, IN 47408-1698. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICERS. The following named persons are officers of UNITARIAN UNIVERSALIST CHURCH OF BLOOMINGTON, INDIANA, INC.:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
REVEREND MARY ANN MACKLIN	SENIOR MINISTER	Y	X _____
ARZETTA HULTS-LOSENSKY	TREASURER	Y	X _____

ACTIONS AUTHORIZED. Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury, as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officers named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)**

Loan No: 20005490354

Page 2

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Special Purposes Fund Board Report – 07/01/15 to 12/31/15

								Notes	
Endowment Accounts									
	Beginning Balance	Earnings	Distribution	Other Transfers	Deposits	Expenses	Ending Balance		
	98,604.08	-216.92	-1,716.43	-830.17			95,840.56		
Investments									
	100% Vanguard Wellington fund (approximately 2/3 equities and 1/3 bonds)								
	Investment profile has not changed in this period.								
General Accounts									
	Beginning Balance	Earnings	Distribution	Other Transfers	Deposits	Expenses	Ending Balance		
	176,112.05	-183.60	1,716.43	830.17	3,063.71	-6,244.46	175,294.30		
Income									
8/26/2015	Harv Hegarty, for "Special Projects" R Special Projects Fund				1,500.00				
9/15/2015	Return of unused SJ Funds, i - Lundin S.J. Grant Fund				13.71				
10/30/2015	Legacy Fund: in honor of Dan Willard				1,500.00				
12/21/2015	Legacy Fund: in memory of Paul Lane				50.00				
	Income Total				3,063.71				
Expenses									
7/15/2015	MidAmerica Region Nancy Heege, Carol Shapiro Fund				1,500.00				
8/14/2015	UU Church: Grounds Endowment income 15Q4				197.02				
8/19/2015	Harland Clarke check printing - 2 signor checks				39.09				
9/18/2015	Amethyst House - per Harv Hegarty, special projects fund				1,000.00				
9/23/2015	IU - racial justice project - per Guy Loftman				99.60				
12/1/2015	UU Church: Grounds Endowment Inc 16Q1				208.75				
10/14/2015	UU Church: Fall 2015 Social Justice Grants				3,200.00				
	Expense Total				6,244.46				
Investments									
	10%	Checking Register							
	1%	Hilliard Lyons: Canada precious metals							
	14%	Vanguard ...4291 I-T Investment-Grade Inv							
	14%	Vanguard ...4291 S-T Investment-Grade Inv							
	61%	Vanguard ...0780 Wellington Fund Inv							
	No change in investment profile in this period.								
Comments									
	A Town Hall meeting September 26th provided a valuable opportunity to share information on investment/divestment approaches with congregants and hear their views. The UUA Common Endowment Fund is no longer considered a viable divestment vehicle. An alternative divestment vehicle is under investigation, along with approaches that will reflect our church values while maintaining fiduciary responsibility, and provide divested donation opportunities.								
Committee									
	Chris Haynes (Chair), Arzetta Hulst-Losensky (Board Treasurer), Von Welch (Board appointed), Joanne Wilhelm (Secretary), and Stuart Yoak (Vice-chair)								