



5 Healthy Towns Foundation

Finance Committee Meeting

**~ April 19, 2016 ~
5:00 pm**

AGENDA

- I. Call to Order
- II. Approval of March 15, 2016 minutes*
- III. February 2016 month end*
 - a. Income & Expense
 - b. Balance Sheet
 - c. WC operations reports
- IV. Anticipated expenses in the first and early second quarter
 - a. We can anticipate the need for an additional \$600,000 in the next 4 months
 - i. Legal fees (current balance of \$375,000)
 - ii. DWC showers (meeting scheduled with Steve Brouwer)
 - iii. SHF upgrades (kitchen, door and signage)
 - iv. Excise tax

[*Internet and Password – 5healthytowns, 310nms203*]

*Material available online

**Material available at the meeting



**5 Healthy Towns Foundation
Finance Committee Meeting Minutes
March 15, 2016**

Present: Jeff Wallace, Mike Willis, Robert Stephens, Amy Heydlauff
Absent: Mark Royce, Scott Broshar

1. **Call to Order:** 5:00 p.m.
2. **Approval of Minutes:** Motion to approve February 16, 2015 minutes made, seconded and passed.
3. 2016-17 Budget Draft
 - a. Previously requested corrections are in red in the version reviewed by the committee at the 3/15/16 meeting.
 - b. The draft budget was approved for recommendation to the BOD contingent on the following additional corrections
 1. Update the percent of investment losses in the Funds Balance Oversight and Budget Summary before presenting to the Board. (6.3%)
 2. In Budget Summary clarify the losses are for 2015-16.
 3. Also in Budget Summary update Capital Expenditure table

Action: A. Heydlauff will prepare the Funds Balance Oversight, Total 5HF and Budget Summary sheets for presentation to the BOD on March 28.

4. Accounting firm RFP responses
 - a. See the table included in meeting documents

***Action: The following motion was made, seconded and passed:
5HF will use Plante Moran for 2015-16 year end review and tax filing. Following the 2015-16 tax filing we will terminate our routine accounting relationship with Plante Moran and use Rehman for review, tax filing and general accounting services.***

Meeting adjourned at 6:10 pm
Next meeting: April 19, 2016 @ 5:00 pm

Recorded by: Amy Heydlauff

Jeff Wallace
Treasurer, 5 Healthy Towns Foundation

Date

March 17, 2016 Adendum:

We were notified by Clocktower Commons they secured a lease for suite 201, in the clock tower. They will forward a final accounting and lease cancelation agreement to 5HF.

2016-17 budget was updated, removing lease expenses for April through July 2016.

April 5, 2016

We were notified by Clocktower Commons the new tenant lease won't begin until May 1, 2016 leaving 5HF responsible for all April expenses (approximately \$3000).

5 Healthy Towns Foundation
Income & Expenses
February 2016

	Total Centers Total		The Rents		The Foundation		TOTAL	
	Feb 16	Budget	Feb 16	Budget	Feb 16	Budget	Feb 16	Budget
Ordinary Income/Expense								
Income								
45000 - Investments								
45040 - Investment Manager Fees						-20,637	0	-20,637
45020 - Interest Earned					11		11	
45100 - Securities - Realized (G)/L					-3,479			
45300 - Securities - Unrealized (G)/L					-79,483	206,135		206,135
Total 45000 - Investments					-82,951	185,498	-82,951	185,498
46000 - Rentals								
46060 - ATI Physical Therapy Rent			11,978	4,298			11,978	4,298
46030 - U of M Land Rental			3,292	3,292			3,292	3,292
46040 - POB Land Rental			2,771	2,771			2,771	2,771
46050 - Ortho/PT Rental			16,676	16,676			16,676	16,676
Total 46000 - Rentals			34,717	27,037			34,717	27,037
47000 - Wellness Center Income								
47202 - CWC Revenue	204,777	218,243					204,777	218,243
47204 - DWC Revenue	181,487	198,812					181,487	198,812
47203 - MWC Revenue	8,519	10,469					8,519	10,469
47205 - SWC Revenue	7,960	11,941					7,960	11,941
Total 47000 - Wellness Center Income	402,743	439,465					402,743	439,465
Total Income	402,743	439,465	34,717	27,037	-82,951	185,498	354,509	652,000
Cost of Goods Sold								
51100 - Cost of Good Sold - WC								
Total COGS								
Gross Income	402,743	439,465	34,717	27,037	-82,951	185,498	354,509	652,000
Expense								
62100 - Contract Services								
62110 - Accounting Fees					6,443		6,443	
62140 - Legal Fees					392,801		392,801	
62150 - Outside Contract Services					34,541	1,450	34,541	1,450
Total 62100 - Contract Services					433,785	1,450	433,785	1,450
62800 - Facilities and Equipment								
62895 - Property Taxes					197,355	27,813	197,355	27,813
62890 - Foundation/Rent, Utilities					3,018	2,845	3,018	2,845
Total 62800 - Facilities and Equipment					200,373	30,658	200,373	30,658
64000 - Grants								
64001 - Grants to CCH (Ortho Lease)					11,673	11,673	11,673	11,673

5 Healthy Towns Foundation
Income & Expenses
February 2016

	Total Centers Total		The Rents		The Foundation		TOTAL	
	Feb 16	Budget	Feb 16	Budget	Feb 16	Budget	Feb 16	Budget
64002 · Grants - Other					6,000	48,955	6,000	48,955
Total 64000 · Grants					17,673	60,628	17,673	60,628
65000 · Operations								
65180 · Excise Taxes						5,333		5,333
65120 · Insurance - Liability, D and O					4,295	4,417	4,295	4,417
65099 · Over/Short	2				0		2	
65010 · Dues, Subscriptions, Reference					210	770	210	770
65020 · Postage, Mailing Service						40		40
65030 · Printing and Copying					209	520	209	520
65040 · Supplies					141	167	141	167
65050 · Telephone, Telecommunications					547	333	547	333
65060 · Meeting Expenses					1,186	583	1,186	583
65070 · Advertising and Promotion						1,250		1,250
65080 · Miscellaneous Expense					2		2	
65082 · CWC Operating Expenses	163,462	181,825					163,462	181,825
65085 · MWC Operating Expenses	13,433	15,060					13,433	15,060
65088 · Start Up/ CTR Paid - DWC								
65089 · DWC Operating Expense	156,941	165,434					156,941	165,434
65091 · SWC Operating Expenses	16,192	20,030					16,192	20,030
Total 65000 · Operations	350,030	382,349			6,590	13,413	356,620	395,762
65100 · Other Types of Expenses								
65190 · Bank fees & service charges					26		26	
Total 65100 · Other Types of Expenses					26		26	
66000 · Personnel Costs								
66100 · Salaries and Wages					20,574	20,088	20,574	20,088
66200 · Benefits & FICA					3,203	5,559	3,203	5,559
66300 · CTO					3,232		3,232	
66400 · Workers Compensation Insurance					327	87	327	87
66500 · Payroll Processing								
66900 · Officer Compensation					640		640	
Total 66000 · Personnel Costs					27,976	25,734	27,976	25,734
68300 · Travel and Meetings								
68310 · Conference, Convention, Meeting					158	100	158	100
68320 · Travel						500		500
68330 · Meals and Entertainment						50		50
68300 · Travel and Meetings - Other					2,260	50	2,260	50
Total 68300 · Travel and Meetings					2,418	700	2,418	700
Total Expense	350,030	382,349			688,841	132,583	1,038,871	514,932
Net Ordinary Income	52,713	57,116	34,717	27,037	-771,792	52,915	-684,362	137,068

5 Healthy Towns Foundation
Income & Expenses
February 2016

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>Feb 16</u>	<u>Budget</u>	<u>Feb 16</u>	<u>Budget</u>	<u>Feb 16</u>	<u>Budget</u>	<u>Feb 16</u>	<u>Budget</u>
Other Income/Expense								
Other Expense								
65090 · Facility Charge	107,960	116,484	-107,960	-116,484			0	
65081 · Allocation from W.C. (Fit/Env)		-325	7,516	7,685			7,516	7,360
72100 · Interest Expense					26,637	25,049	26,637	25,049
71100 · Depr and Amort - Allowable	23,600	23,600			60,662	50,382	84,262	73,982
Total Other Expense	<u>131,560</u>	<u>139,759</u>	<u>-100,444</u>	<u>-108,799</u>	<u>87,299</u>	<u>75,431</u>	<u>118,415</u>	<u>106,391</u>
Net Other Income	<u>-131,560</u>	<u>-139,759</u>	<u>100,444</u>	<u>108,799</u>	<u>-87,299</u>	<u>-75,431</u>	<u>-118,415</u>	<u>-106,391</u>
Net Income	<u><u>-78,847</u></u>	<u><u>-82,643</u></u>	<u><u>135,161</u></u>	<u><u>135,836</u></u>	<u><u>-859,091</u></u>	<u><u>-22,516</u></u>	<u><u>-802,777</u></u>	<u><u>30,677</u></u>

5 Healthy Towns Foundation

Balance Sheet Prev Year Comparison

As of February 29, 2016

	<u>Feb 29, 16</u>	<u>Feb 28, 15</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
10000 · Cash	251,582.99	601,795.59	-350,212.60
Total Checking/Savings	<u>251,582.99</u>	<u>601,795.59</u>	<u>-350,212.60</u>
Accounts Receivable			
12000 · Accounts Receivable	63,987.81	25,488.77	38,499.04
Total Accounts Receivable	<u>63,987.81</u>	<u>25,488.77</u>	<u>38,499.04</u>
Other Current Assets			
14000 · Prepaid Expense	202,239.25	209,854.24	-7,614.99
13000 · Inventory	19,939.14	18,437.05	1,502.09
Total Other Current Assets	<u>222,178.39</u>	<u>228,291.29</u>	<u>-6,112.90</u>
Total Current Assets	537,749.19	855,575.65	-317,826.46
Fixed Assets			
16500 · Accum Depr Estimates	-259,600.00	-266,056.97	6,456.97
15000 · Building & Bldg Improvements	21,623,784.24	21,545,112.48	78,671.76
15200 · Moveable Equipment	1,542,436.52	1,518,207.20	24,229.32
15400 · IT Equipment & Software	412,860.54	406,081.11	6,779.43
15500 · Land	3,101,000.00	3,101,000.00	0.00
16000 · Accum. Depr. Bldg & Improve	-3,482,277.00	-2,730,522.68	-751,754.32
16200 · Accum. Depr. Moveable Equip.	-649,834.33	-496,238.98	-153,595.35
16400 · Accum. Depr. - IT Equip. & Soft	-259,560.13	-209,932.74	-49,627.39
Total Fixed Assets	<u>22,028,809.84</u>	<u>22,867,649.42</u>	<u>-838,839.58</u>
Other Assets			
18200 · LT Investments-Russell	23,771,479.00	23,447,058.55	324,420.45
18100 · LT Investment - Common Fund	0.00	4,787,256.51	-4,787,256.51
Total Other Assets	<u>23,771,479.00</u>	<u>28,234,315.06</u>	<u>-4,462,836.06</u>
TOTAL ASSETS	<u><u>46,338,038.03</u></u>	<u><u>51,957,540.13</u></u>	<u><u>-5,619,502.10</u></u>

5 Healthy Towns Foundation
Balance Sheet Prev Year Comparison
As of February 29, 2016

	<u>Feb 29, 16</u>	<u>Feb 28, 15</u>	<u>\$ Change</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
24000 - Accounts Payable	405,713.13	19,687.60	386,025.53
Total Accounts Payable	<u>405,713.13</u>	<u>19,687.60</u>	<u>386,025.53</u>
Other Current Liabilities			
25000 - Accounts payable-Wellness Ctrs	141,531.96	305,039.52	-163,507.56
26100 - Accrued Liabilities 5HT	204,680.61	266,732.38	-62,051.77
26500 - Current Portion of Deferred Rev	379,240.03	384,530.99	-5,290.96
Total Other Current Liabilities	<u>725,452.60</u>	<u>956,302.89</u>	<u>-230,850.29</u>
Total Current Liabilities	1,131,165.73	975,990.49	155,175.24
Long Term Liabilities			
28000 - Mortgage Payable	10,937,894.81	11,408,470.84	-470,576.03
27000 - Deferred Revenue	0.00	16,458.32	-16,458.32
29000 - Intercompany	0.00	0.00	0.00
Total Long Term Liabilities	<u>10,937,894.81</u>	<u>11,424,929.16</u>	<u>-487,034.35</u>
Total Liabilities	12,069,060.54	12,400,919.65	-331,859.11
Equity			
32000 - Unrestricted Net Assets	39,414,178.97	40,200,553.39	-786,374.42
Net Income	-5,145,201.48	-643,932.91	-4,501,268.57
Total Equity	<u>34,268,977.49</u>	<u>39,556,620.48</u>	<u>-5,287,642.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,338,038.03</u></u>	<u><u>51,957,540.13</u></u>	<u><u>-5,619,502.10</u></u>

*Chelsea Wellness Center
Operations Report
February 2016*

	Current Month			Fiscal Year 2016		
	Actual	Budget	Variance	Actual	Budget	Variance
Members (net):						
New	107	125	-14%	1,100	1,178	-7%
Cancelled	94	99	35%	1,045	1,016	-3%
Net	43	26	65%	55	162	-66%
Ending Net Billable Members	3,210	3,312	-3%	3,210	3,312	-3%
Ending Net Members - ALL	3,403					
CCH Members - Total	190					
Corporate Members - Total	216					
	<u>New</u>	<u>Total</u>				
Medical/Transition Members	25	378				

*Ancillary Services
(7 month review)*

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Group Exercise Classes	304	263	336	309	298	318	306
Massage Units	183	233	206	189	195	170	204
Massages as % of mbrs	6%	8%	7%	6%	7%	5%	6%
Personal Training Units	210	175	166	156	222	221	235
Pers.Training as % of mbrs	7%	6%	5%	5%	7%	7%	7%
Café Sales	\$3,121	\$2,761	\$3,405	\$3,239	\$3,299	\$3,459	\$3,165
Logo Shop Sales	\$2,632	\$2,989	\$3,131	\$1,852	\$2,953	\$2,935	\$3,626
Center Usage	13,630	12,668	14,453	15,726	15,664	20,698	18,676
Visits per Member	4.3	4.0	4.5	4.9	4.9	6.2	5.5
Fitness Assessments	69	57	87	77	37	88	66
Childcare Visits	715	525	564	587	595	710	621

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
<i>Monthly Attrition</i>	3%	3%	3%	3%	3%	3%	2%
<i>Membership dues revenue</i>	\$157,004	\$157,531	\$159,029	\$164,964	\$161,389	\$166,106	\$172,211
<i>Dues per billable membership</i>	\$53	\$53	\$52	\$55	\$54	\$52	\$54

Training includes all fee for service sessions (swim lessons, Pilates and personal training). Dues include Childcare dues.

*Dexter Wellness Center
Operations Report
February 2016*

	Current Month			Fiscal Year 2016		
	Actual	Budget	Variance	Actual	Budget	Variance
Members (net):						
New	108	153	-29%	1,223	1,441	-15%
Cancelled	76	98	22%	1,040	946	-10%
Net	32	55	-42%	183	495	-63%
Ending Net Billable Members	2,975	3,318	-10%	2,975	3,318	-10%
Ending Net Members - ALL	3,076					
Corporate Members - Total	191					
	<u>New</u>	<u>Total</u>				
Medical/Transition Members	13	229				

*Ancillary Services
(7 month review)*

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Group Exercise Classes	285	267	260	276	283	286	238
Massage Units	32	49	44	52	46	43	32
Massages as % of mbrs	1%	2%	2%	2%	2%	1%	1%
Personal Training Units	107	126	148	175	167	239	244
Pers.Training as % of mbrs	4%	5%	6%	6%	6%	8%	8%
Café Sales	\$1,468	\$1,404	\$1,378	\$1,704	\$1,762	\$2,229	\$2,087
Logo Shop Sales	\$629	\$621	\$369	\$610	\$1,569	\$1,804	\$1,083
Center Usage	12,582	13,058	14,243	15,415	16,756	22,006	19,751
Visits per Member	4.6	4.9	5.2	5.5	5.9	7.3	6.4
Fitness Assessments	41	52	71	68	36	53	33
Childcare Visits	802	564	598	638	706	1,022	1,044
	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	
Monthly Attrition	4%	3%	4%	2%	3%	3%	3%
Membership dues revenue	\$136,867	\$142,316	\$140,116	\$146,514	\$149,321	\$157,061	\$159,895
Dues per billable membership	\$53	\$55	\$53	\$54	\$55	\$53	\$54

Training includes all fee for service sessions (swim lessons, Pilates and personal training). Dues include Childcare dues.

*Manchester Wellness Center
Operations Report
February 2016*

	Current Month			Fiscal Year 2016		
	Actual	Budget	Variance	Actual	Budget	Variance
<i>Members (net):</i>						
New	25	16	56%	136	190	-28%
Cancelled	12	10	-20%	122	138	12%
Net	13	6	117%	14	52	-73%
Ending Net Billable Members	270	338	-20%	270	338	-20%
Ending Net Members - ALL	306					
Corporate Members Total	18					

*Ancillary Services
(7 month review)*

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Group Exercise Classes	39	43	45	43	50	47	49
Personal Training Units	3	0	2	0	5	0	0
Pers.Training as % of mbrs	1%	0%	1%	0%	2%	0%	0%
Center Usage	1,192	1,182	1,361	1,538	1,637	1,811	1,757
Visits per Member	4.8	5.1	5.4	6.1	6.3	6.6	5.7
Fitness Assessments	8	7	16	3	3	6	8

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
<i>Monthly Attrition</i>	4%	7%	4%	3%	3%	3%	5%
<i>Membership dues revenue</i>	\$6,435	\$6,785	\$6,276	\$7,203	\$7,127	\$7,382	\$7,750
<i>Dues per billable member</i>	\$28	\$31	\$27	\$31	\$29	\$29	\$29

*Stockbridge Wellness Center
Operations Report
February 2016*

	Current Month			Fiscal Year 2016		
	Actual	Budget	Variance	Actual	Budget	Variance
Members (net):						
New	12	18	-33%	139	215	-35%
Cancelled	9	11		187	156	
Net	3	7	-57%	(48)	59	-181%
Ending Net Billable Members	246	346	-29%	246	346	-29%
Ending Net Members - ALL	261					
Corporate Members Total	11					

*Ancillary Services
(7 month review)*

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Group Exercise Classes	41	33	40	36	39	43	41
Personal Training Units	1	4	0	0	0	3	0
Pers.Training as % of mbrs		2%				1%	
Center Usage	1,085	988	976	1,078	1,153	1,494	1,352
Visits per Member	4.0	3.9	3.9	4.1	4.5	5.8	5.2
Fitness Assessments	11	1	11	3	1	4	0

	Aug	Sept	Oct	Nov	Dec	Jan	Feb
<i>Monthly Attrition</i>	7%	7%	8%	4%	4%	9%	4%
<i>Membership dues revenue</i>	\$7,511	\$7,710	\$7,191	\$7,673	\$7,638	\$7,382	\$7,753
<i>Dues per billable member</i>	\$29	\$32	\$30	\$31	\$32	\$29	\$32