



## ***5 Healthy Towns Foundation***

### **Finance Committee Meeting**

**~ May 16, 2017 ~**

**5:00 pm**

### **AGENDA**

- I. Call to Order
- II. Approval of March 21, 2017 minutes\*
- III. 2016-17 year-end reports\*
  - a. Balance Sheet
  - b. Income and expense
  - c. Investment report
- IV. WC monthly reports
- V. FYI
  - a. Silver Maples audit letter\*
  - b. Russell fees\*
  - c. Rehmann accounting review & PF 990 underway

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

\*Material available online

\*\*Material available at the meeting



**5 Healthy Towns Foundation  
Finance Committee Meeting Minutes  
March 21, 2017**

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

1. **Call to Order:** 5:05 p.m.
2. Approval of Minutes: Motion to approve February 14, 2017 minutes made, seconded and passed.
3. February financials
  - a. Generally meeting budget expectations
  - b. Investments continue to outpace benchmarks
  - c. Both Russell benchmarks are 75/25. Finance Committee would like one benchmark to be the more standard 70/30 benchmark.

**Action:** A. Heydlauff will review Investment and Spending policy regarding current policy defined benchmarks. We will address any possible benchmark policy changes at the April Finance Committee meeting.

4. Budget
  - a. Format much improved for BOD presentation. J. Wallace will present
    1. Budget Summary
    2. Funds Balance Oversight
  - b. Changes to the current document include
    1. FBO
      - a. remove \$941k (fixed asset expenditure) from 2014-15 and 2015-16 and put it in 2013-14
      - b. Update actuals through Feb.
    2. Changes that will impact Budget Summary
      - a. Revise MWC and SWC to account for increased personnel, proposed by Power Wellness on 3/20/17 (\$23k in M & \$20k in S)
      - b. Add \$2000 for Bank of NY Melon mortgage fees
      - c. Determine if we will add UM Family Practice rent over-payments as a liability in the current budget

- c. Principal underpayment of ~\$11,000 due to a Bank of Ann Arbor error in fixed rate mortgage is accounted for in this budget. Repayment of the interest overpayment of ~\$490/year is not included.
- d. Approve Wellness Center IT capital budget but request a copy of the Power Wellness IT plan for technology updates
- e. Not included in the budget is the impact of Power Wellness' recommendation (as of 3/20/2017) to revise Bridge and Freeze policies to allow members to take time off their membership without paying fees. Currently it is \$20/month to hold a membership.

Action:

- Waiting BAA offers in terms of adjustments. We may be interested in applying the underpaid \$11,000 to the variable rate mortgage product and reamortizing the fixed rate product.
- Requested the following information from Power Wellness
  - Current bridging revenue
  - # of members who leave in the spring and return in the fall (may be a challenge since the fall re-enrollment is consider a new membership).
  - Financials they consider prior to proposing bridge and freeze changes
  - Member longevity in years (to consider adding a longevity benefit)

Meeting adjourned at 6:35 pm

Next meeting: April 18, 2017 @ 5:00 pm

Recorded by: Amy Heydlauff

\_\_\_\_\_  
 Jeff Wallace  
 Treasurer, 5 Healthy Towns Foundation

\_\_\_\_\_  
 Date

3/22/17 Addendum

Ann Sinelli recommends we manage the U of M overpayment as follows: Leave it out of the budget since there is no certainty that the adjustment will occur in the coming year. Discuss with Rehmann regarding setup of contingent liability on financials. For next fiscal year, we will record the rent amount as only the \$2500/mo (already in the budget). Since we don't know when the overpay will be repaid, we won't show the repayment. We may be able to negotiate the timing of repayment.

**Current Investment and Spending policy benchmark definition:**

**Policy and Traditional Portfolio Benchmarks**

**POLICY BENCHMARK**75% Multi-Asset Core Plus Composite Index<sup>1</sup>, 10% HFRI Fund of Funds Diversified Index, 15% Barclays US Aggregate Index

**TRADITIONAL BENCHMARK**75% Russell Global Index, 25% Barclays Aggregate Index

3/26/17 Addendum:

Current bridging revenue

*# of members who bridged their membership for relocation for at least 2 months between November 2016 and March 2017 and revenue collected through Bridge Fees for these same months:*

- *CHE - 91 members - \$2900*
- *DEX - 55 members - \$2020*

Number of members who leave in the spring and return in the fall

*Best estimate*

- *CHE - 243 members cancelled in April and May 2016 / of those members 26 re-joined in Sept or Oct 2016, 7 re-joined in Nov/Dec 2016 and 19 re-joined in Jan 2017*
- *DEX - 290 members cancelled in April and May 2016 / of those members 30 re-joined in Sept or Oct 2016, 1 re-joined in Nov/Dec 2016 and 13 re-joined in Jan 2017*

Financials they consider prior to proposing the changes

*Answer forthcoming*

Member longevity in years

*Special circumstances may account for the 25 member variance from Operations report totals*

*Chelsea Current*

*Members Join*

*Dates*

<i>2001</i>	<i>214</i>
<i>2002</i>	<i>91</i>
<i>2003</i>	<i>60</i>
<i>2004</i>	<i>80</i>
<i>2005</i>	<i>55</i>
<i>2006</i>	<i>78</i>
<i>2007</i>	<i>85</i>
<i>2008</i>	<i>82</i>
<i>2009</i>	<i>96</i>
<i>2010</i>	<i>128</i>
<i>2011</i>	<i>135</i>
<i>2012</i>	<i>158</i>
<i>2013</i>	<i>195</i>
<i>2014</i>	<i>252</i>
<i>2015</i>	<i>419</i>
<i>2016</i>	<i>785</i>
<i>2017</i>	<i>312</i>
<i>Current Total</i>	<i>3225</i>

3/27/17 Addendum:

Per Cindy Cope re: technology replacement at Wellness Centers

Workstations and Laptops have 3-year warranty when purchased.

In the fourth year of operation, that equipment will be budgeted to be replaced in the 5th year.

Center wide our goal is to work toward a technology refresh of one-third of the equipment each year.

Let me know if this answers the question or if you need more information.

**5 Healthy Towns Foundation**  
**Balance Sheet Prev Year Comparison**  
As of March 31, 2017

	<u>Mar 31, 17</u>	<u>Mar 31, 16</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
10000 · Cash	305,179.72	453,354.18	-148,174.46
<b>Total Checking/Savings</b>	<u>305,179.72</u>	<u>453,354.18</u>	<u>-148,174.46</u>
<b>Accounts Receivable</b>			
12000 · Accounts Receivable	13,729.78	43,677.38	-29,947.60
<b>Total Accounts Receivable</b>	<u>13,729.78</u>	<u>43,677.38</u>	<u>-29,947.60</u>
<b>Other Current Assets</b>			
14000 · Prepaid Expense	3,586.00	304,921.00	-301,335.00
13000 · Inventory	22,270.78	21,465.62	805.16
<b>Total Other Current Assets</b>	<u>25,856.78</u>	<u>326,386.62</u>	<u>-300,529.84</u>
<b>Total Current Assets</b>	344,766.28	823,418.18	-478,651.90
<b>Fixed Assets</b>			
15000 · Building & Bldg Improvements	21,778,109.34	21,645,961.98	132,147.36
15200 · Moveable Equipment	1,536,043.71	1,500,197.34	35,846.37
15400 · IT Equipment & Software	438,107.32	403,457.66	34,649.66
15500 · Land	3,101,000.00	3,101,000.00	0.00
16000 · Accum. Depr. Bldg & Improve	-4,360,229.87	-3,582,266.22	-777,963.65
16200 · Accum. Depr. Moveable Equip.	-927,624.97	-773,935.92	-153,689.05
16400 · Accum. Depr. - IT Equip. & Soft	-293,405.89	-261,521.85	-31,884.04
<b>Total Fixed Assets</b>	<u>21,271,999.64</u>	<u>22,032,892.99</u>	<u>-760,893.35</u>
<b>Other Assets</b>			
18200 · LT Investments-Russell	24,663,169.69	24,544,087.31	119,082.38
<b>Total Other Assets</b>	<u>24,663,169.69</u>	<u>24,544,087.31</u>	<u>119,082.38</u>
<b>TOTAL ASSETS</b>	<u><u>46,279,935.61</u></u>	<u><u>47,400,398.48</u></u>	<u><u>-1,120,462.87</u></u>

**5 Healthy Towns Foundation**  
**Balance Sheet Prev Year Comparison**  
As of March 31, 2017

	<u>Mar 31, 17</u>	<u>Mar 31, 16</u>	<u>\$ Change</u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
24000 - Accounts Payable	184,039.78	353,403.88	-169,364.10
<b>Total Accounts Payable</b>	<u>184,039.78</u>	<u>353,403.88</u>	<u>-169,364.10</u>
<b>Other Current Liabilities</b>			
25000 - Accounts payable-Wellness Ctrs	104,720.23	461,905.26	-357,185.03
26100 - Accrued Liabilities 5HT	229,269.05	226,073.84	3,195.21
26500 - Current Portion of Deferred Rev	384,350.39	382,118.79	2,231.60
<b>Total Other Current Liabilities</b>	<u>718,339.67</u>	<u>1,070,097.89</u>	<u>-351,758.22</u>
<b>Total Current Liabilities</b>	902,379.45	1,423,501.77	-521,122.32
<b>Long Term Liabilities</b>			
28000 - Mortgage Payable	10,381,377.81	10,895,085.81	-513,708.00
29000 - Intercompany	0.00	0.00	0.00
<b>Total Long Term Liabilities</b>	<u>10,381,377.81</u>	<u>10,895,085.81</u>	<u>-513,708.00</u>
<b>Total Liabilities</b>	11,283,757.26	12,318,587.58	-1,034,830.32
<b>Equity</b>			
32000 - Unrestricted Net Assets	35,081,810.90	39,414,178.97	-4,332,368.07
Net Income	-85,632.55	-4,332,368.07	4,246,735.52
<b>Total Equity</b>	<u>34,996,178.35</u>	<u>35,081,810.90</u>	<u>-85,632.55</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>46,279,935.61</u></u>	<u><u>47,400,398.48</u></u>	<u><u>-1,120,462.87</u></u>

5 Healthy Towns Foundation  
YTD Actual vs Annual Budget  
For the period ending MAR 2017 BOD Reports Only.xlsx

Ordinary Income/Expense	Apr - Mar 17	12 mo Budget	YTD Actual to Annual Budget %
<b>Income</b>			
48450 - Magazine Advertising Revenue	\$ 23,900.00		100.00%
40000 - Contribution Revenue	\$ 1,260.00	\$ -	100.00%
45000 - Investments	\$ 2,849,187.11	\$ 1,829,964.00	155.70%
46000 - Rentals	\$ 330,530.57	\$ 322,019.20	102.64%
<b>47000 - Wellness Center Income</b>			
47204 - DWC Revenue	\$ 2,089,400.00	\$ 2,045,755.00	102.13%
47203 - MWC Revenue	\$ 102,232.00	\$ 92,046.00	111.07%
47205 - SWC Revenue	\$ 88,346.00	\$ 107,012.00	82.56%
47202 - CWC Revenue	\$ 2,438,144.00	\$ 2,391,263.00	101.96%
<b>Total 47000 - Wellness Center Income</b>	<b>\$ 4,718,122.00</b>	<b>\$ 4,636,076.00</b>	<b>101.77%</b>
<b>Total Income</b>	<b>\$ 7,922,999.68</b>	<b>\$ 6,788,059.20</b>	<b>116.72%</b>
<b>Gross Income</b>	<b>\$ 7,922,999.68</b>	<b>\$ 6,788,059.20</b>	<b>116.72%</b>
<b>Expense</b>			
<b>65200 - Wellness Center Operations</b>			
65089 - DWC Operating Expense	\$ 1,921,877.00	\$ 1,940,087.00	99.06%
65085 - MWC Operating Expenses	\$ 189,105.00	\$ 191,040.00	98.99%
65091 - SWC Operating Expenses	\$ 201,809.00	\$ 230,040.00	87.73%
65082 - CWC Operating Expenses	\$ 2,187,442.00	\$ 2,184,000.00	100.16%
<b>Total 65200 - Wellness Center Operations</b>	<b>\$ 4,500,233.00</b>	<b>\$ 4,545,167.00</b>	<b>99.01%</b>
65095 - Magazine	\$ 26,077.58	\$ -	100.00%
62100 - Contract Services	\$ 560,348.08	\$ 504,296.00	111.11%
62800 - Facilities and Equipment	\$ 449,880.33	\$ 361,996.00	124.28%
64000 - Grants	\$ 610,969.61	\$ 485,306.00	125.89%
65000 - General Operations	\$ 139,301.45	\$ 125,445.00	111.05%
66000 - Personnel Costs	\$ 352,345.94	\$ 339,576.00	103.76%
68300 - Travel and Meetings	\$ 602.76	\$ 4,860.00	12.40%
<b>Total Expense</b>	<b>\$ 6,639,758.75</b>	<b>\$ 6,366,646.00</b>	<b>104.29%</b>
<b>Net Ordinary Income</b>	<b>\$ 1,283,240.93</b>	<b>\$ 421,413.20</b>	<b>304.51%</b>
<b>Other Income/Expense</b>			
<b>Other Expense</b>			
71200 - (Gain) Loss on Asset Disposal	\$ 3,596.00	\$ -	0.00%
65090 - Facility Charge	\$ -	\$ -	0.00%
65081 - Allocation from W.C. (Fit/Env)	\$ 88,393.00	\$ 92,376.00	95.69%
72100 - Interest Expense	\$ 308,645.63	\$ 292,182.00	105.63%
71100 - Depr and Amort - Allowable	\$ 968,238.85	\$ 982,944.00	98.50%
<b>Total Other Expense</b>	<b>\$ 1,368,873.48</b>	<b>\$ 1,367,502.00</b>	<b>100.10%</b>
<b>Net Other Income</b>	<b>\$ (1,368,873.48)</b>	<b>\$ (1,367,502.00)</b>	<b>100.10%</b>
<b>Net Income</b>	<b>\$ (85,632.55)</b>	<b>\$ (946,088.80)</b>	<b>9.05%</b>

*Chelsea Wellness Center  
Operations Report  
March 2017*

	Current Month			Fiscal Year 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Members (net):</b>						
New	95	77	23%	1245	1185	5%
Cancelled	73	131	44%	1216	1141	-7%
Net	22	(54)	141%	29	44	-34%
Ending Net Billable Members	3220	3210	0%	3220	3210	0%
Ending Net Members - ALL	3422					
CCH Members - Total	166					
Other Corporate Members - Total	218					
	<u>Month</u>	<u>Total</u>				
Next Steps Enrollments	26	261				
	<u>Month</u>	<u>Total</u>				
Next Steps Pre-assessments	29	249				
Next Steps Post-assessments	21	190				
New member Assessments	31	454				
Re-assessments	9	117				

*Ancillary Services  
(7 month review)*

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Group Exercise Classes	253	246	249	252	295	274	309
Massage Units	171	254	246	230	256	218	223
Massages as % of mbrs	6%	8%	8%	7%	8%	7%	7%
Personal Training Units	163	185	202	208	237	225	294
Pers. Training as % of mbrs	5%	6%	7%	7%	7%	7%	9%
Café Sales	\$2,066	\$2,058	\$2,254	\$2,013	\$2,652	\$2,239	\$2,726
Logo Shop Sales	\$2,368	\$3,112	\$3,056	\$2,719	\$3,659	\$2,613	\$3,842
Center Usage	13,997	14,849	16,147	16,139	20,735	18,443	21,846
Visits per Member	4.4	4.5	4.9	4.9	6.1	5.4	6.4
Childcare Visits	590	593	659	637	770	682	663
	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Monthly Attrition	3%	3%	3%	3%	4%	3%	2%
Membership dues revenue	\$164,455	\$162,723	\$167,408	\$168,065	\$173,463	\$175,346	\$175,134
Dues per billable membership	\$55	\$53	\$54	\$55	\$54	\$55	\$54

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



*Dexter Wellness Center  
Operations Report  
March 2017*

	Current Month			Fiscal Year 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Members (net):</b>						
New	122	80	53%	1407	1225	15%
Cancelled	133	129	-3%	1291	1096	-18%
Net	(11)	(49)	78%	116	129	-10%
Ending Net Billable Members	3049	2993	2%	3049	2993	2%
Ending Net Members - ALL	3147					
Corporate Members - Total	217					
	<u>New</u>	<u>Total</u>				
Next Steps Enrollments	16	170				
	<u>Month</u>	<u>Total</u>				
Next Steps Pre-assessments	26	172				
Next Steps Post-assessments	19	117				
New member Assessments	25	389				
Member Re-assessments	50	178				

*Ancillary Services  
(7 month review)*

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Group Exercise Classes	235	252	262	251	288	272	316
Massage Units	35	46	43	38	47	36	46
Massages as % of mbrs	1%	2%	1%	1%	2%	1%	2%
Personal Training Units	112	117	154	148	153	192	227
Pers.Training as % of mbrs	4%	4%	5%	5%	5%	6%	7%
Café Sales	\$1,349	\$1,542	\$1,817	\$1,945	\$2,408	\$2,245	\$2,604
Logo Shop Sales	\$863	\$804	\$970	\$1,271	\$2,173	\$1,392	\$2,104
Center Usage	12,930	14,664	16,206	17,227	22,396	19,424	23,752
Visits per Member	4.7	5.1	5.5	5.8	7.2	6.2	7.5
Childcare Visits	608	637	661	642	946	761	799

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Monthly Attrition	4%	4%	3%	3%	3%	2%	4%
Membership dues revenue	\$146,301	\$145,136	\$153,825	\$154,626	\$161,662	\$163,606	\$168,795
Dues per billable membership	\$55	\$52	\$54	\$54	\$53	\$53	\$55

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

*Manchester Wellness Center  
Operations Report  
March 2017*

	Current Month			Fiscal Year 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Members (net):</b>						
New	9	9	0%	137	153	-10%
Cancelled	9	14	36%	147	134	10%
Net	0	(5)	100%	(10)	19	-153%
Ending Net Billable Members	272	274	-1%	272	274	-1%
Ending Net Members - ALL	289					
Corporate Members Total	34					
	<u>Month</u>	<u>Total</u>				
New member Assessments	4	33				
Re-assessments	2	16				

*Ancillary Services  
(7 month review)*

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Group Exercise Classes	44	44	45	50	46	46	53
Personal Training Units	0	5	4	1	0	0	2
Pers.Training as % of mbrs	0%	2%	2%	0%	0%	0%	1%
Center Usage	1,359	1467	1,495	1,449	1,871	1,771	1,872
Visits per Member	4.8	5.5	5.6	5.3	6.4	6.0	6.5

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Monthly Attrition	5%	11%	4%	4%	5%	3%	3%
Membership dues revenue	\$8,304	\$7,504	\$7,612	\$7,781	\$7,685	\$7,692	\$7,768
Dues per billable member	\$31	\$31	\$31	\$31	\$28	\$28	\$29

*Stockbridge Wellness Center  
Operations Report  
March 2017*

	Current Month			Fiscal Year 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Members (net):</b>						
New	12	14	-14%	160	199	-20%
Cancelled	5	18	72%	161	165	-2%
Net	7	(4)	275%	(1)	34	-103%
Ending Net Billable Members	248	315	-21%	248	315	-21%
Ending Net Members - ALL	262					
Corporate Members Total	7					
	<u>Month</u>	<u>Total</u>				
New member Assessments	4	51				
Re-assessments	-	7				

*Ancillary Services  
(7 month review)*

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Group Exercise Classes	25	37	36	36	36	43	39
Personal Training Units	2	0	0	0	0	0	0
Pers.Training as % of mbrs	1%						
Center Usage	798	831	1,009	938	1,272	1,404	1,600
Visits per Member	3.6	3.6	4.3	4.1	5.1	5.5	6.1

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<i>Monthly Attrition</i>	9%	8%	5%	8%	6%	4%	2%
<i>Membership dues revenue</i>	\$6,580	\$6,360	\$6,542	\$6,671	\$6,745	\$7,096	\$7,170
<i>Dues per billable member</i>	\$31	\$29	\$29	\$31	\$28	\$29	\$29



**WILLIS & JURASEK**

CPAS AND CONSULTANTS

March 15, 2017

To the Board of Directors  
Silver Maples of Chelsea

We have audited the financial statements of Silver Maples of Chelsea for the year ended December 31, 2016, and have issued our report thereon dated March 15, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in the engagement letter dated December 21, 2016. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Silver Maples of Chelsea 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 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on 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 most sensitive estimates affecting the financial statements were:

Management's estimate of the expected lives of fixed assets, which is the foundation for depreciation, is based on an anticipated useful life for each fixed asset. A second estimate related to fixed assets is used in recording the disposal of assets related to apartment renovations. The initial costs were included as a component of total building costs and management estimates the component historical costs associated with any renovations which replace a portion of those building costs. We evaluated the key factors and assumptions used to develop the estimates in determining reasonableness in relation to the financial statements taken as a whole.

The calculation for recognizing the revenue from nonrefundable entry fees includes estimates related to the life expectancies of the residents. We evaluated the key factors and assumptions used to develop the estimates in determining reasonableness in relation to the financial statements taken as a whole.

The financial statement disclosures 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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any such misstatements were provided to management along with the management representations letter. None of the misstatements detected as a result of audit procedures and provided to management were material, either individually or in the aggregate, to the financial statements as a whole.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 15, 2017.

*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 Organization's financial statements or a determination of the type of auditors' 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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Silver Maples of Chelsea and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Willis & Jurasek, P.C.*

Willis & Jurasek, P.C.

# Account Review

## Chelsea-Area Wellness Foundation

As of April 30, 2017

5 Healthy Towns Foundation Investment Account

# Important Information

RIIFL funds are investment funds of the Russell Investments Institutional Funds, LLC; they are private placements.

An investment in the Russell Investments Institutional Funds, LLC private placement involves certain risks and considerations that prospective investors should evaluate before making a decision to invest. The information provided in this material is for the exclusive use of the recipient for the sole purpose of evaluating the Russell Investments Institutional Funds, LLC private placement. The material may not be reproduced, provided or disclosed to others or used for any other purpose without prior written authorization. No investment may be made in any fund unless the investor has reviewed the Private Placement Memorandum ("PPM") and the PPM Supplement with respect to the particular fund(s) under consideration. Prospective investors should read all of the materials carefully before investing, and are advised to consult with their own legal, tax and financial advisers as to the consequences of an investment in any fund.

The Total Return Fund (Quarterly) Ltd. is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law (2010 Revision) of the Cayman Islands. It is offered as a private placement to qualified recipients of the offering for investment purposes only. There can be no assurance that a Fund will achieve its investment objective. An investment in the Fund carries with it a significant degree of risk. The value of Participating Shares may fall as well as rise and investors may not get back the amount originally invested. Accordingly, an investment in the Fund should only be made by persons who are able to bear the risk of loss of all the capital invested. The Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. All prospective shareholders should read the private placement memorandum and the articles of association of the fund before making a decision to purchase participating shares.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

Indexes and/or benchmarks are unmanaged and cannot be invested in directly. Past performance is not indicative of future results.

Performance is gross of fees unless otherwise noted. Fees will reduce the overall performance of the fund. Only client account performance is reflective of actual investments from the client's investment inception date. Fund performance shown does not reflect individual client investment inception dates or other client specific actions such as contributions.

Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

Standard & Poor's Corporation is the owner of the trademarks, servicemarks, and copyrights related to its indices.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Source: BofA Merrill Lynch, used with permission. BofA Merrill Lynch is licensing the BofA Merrill Lynch Indices "as is", makes no warranties regarding same, does not guarantee the quality, accuracy, and/or completeness of the BofA Merrill Lynch Indices or any data included therein or derived there from, and assumes no liability in connection with their use.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners and Russell Investments' management.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

Copyright© 2017 Russell Investments Group, LLC. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

RIIFL+TRFQ



# Asset Summary Report

## Chelsea-Area Wellness Foundation

As of April 30, 2017

### 5 Healthy Towns Foundation Investment Account - SIMX

	<b>Market Value</b>	<b>Actual Holding</b>	<b>Policy Holding</b>	<b>Holding Variance</b>
<b>Total Assets</b>	<b>\$24,662,542</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>
Multi-Asset Core Plus Fund <sup>(1)</sup>	18,458,532	74.84	75.00	-0.16
Core Bond Fund <sup>(1)</sup>	3,485,455	14.13	15.00	-0.87
Total Return Fund (Qtrly) CI B Srs 6 <sup>(2),(3)</sup>	2,718,554	11.02	10.00	1.02

Please read the endnotes included with the report.  
05/05/2017 10:28:05 AM  
Copyright (c) Russell Investments 2017. All rights reserved.

## Market Value Reconciliation Chelsea-Area Wellness Foundation

As of April 30, 2017

### 5 Healthy Towns Foundation Investment Account - SIMX

	One Month	Three Months	Year to Date	FYTD 03/31	One Year	Two Years	Since Inception 12/18/14
Beginning Market Value (\$)	24,663,170	24,686,976	24,406,894	24,663,170	24,413,821	26,592,412	0
Inflows (\$)	0	0	0	0	0	1,662,181	28,184,100
Outflows (\$)	-298,904	-1,003,904	-1,127,132	-298,904	-2,749,706	-5,872,308	-6,898,862
Net Inflows / Outflows (\$)	-298,904	-1,003,904	-1,127,132	-298,904	-2,749,706	-4,210,127	21,285,238
Appreciation / Depreciation (\$)	298,276	979,470	1,382,780	298,276	2,998,427	2,280,257	3,377,304
Income Earned (\$)	0	0	0	0	0	0	0
Net Market Gain/Loss (\$)	298,276	979,470	1,382,780	298,276	2,998,427	2,280,257	3,377,304
Ending Market Value (\$)	24,662,542	24,662,542	24,662,542	24,662,542	24,662,542	24,662,542	24,662,542

Please read the endnotes included with the report.  
05/05/2017 10:28:05 AM  
Copyright (c) Russell Investments 2017. All rights reserved.

# Performance Report

## Chelsea-Area Wellness Foundation

As of April 30, 2017

### 5 Healthy Towns Foundation Investment Account - SIMX

	Market Value	One Month	Three Months	Year to Date	FYTD 03/31	Annualized			Inception Date
						One Year	Two Years	Since Inception	
<b>Total Assets - Gross</b> <sup>[4],[5],[6]</sup>	<b>\$24,662,542</b>	<b>1.22%</b>	<b>4.07%</b>	<b>5.79%</b>	<b>1.22%</b>	<b>13.04%</b>	<b>5.08%</b>	<b>6.51%</b>	<b>12/18/2014</b>
<b>Total Assets - Net</b> <sup>[4],[5],[6]</sup>	<b>24,662,542</b>	<b>1.16</b>	<b>3.85</b>	<b>5.50</b>	<b>1.16</b>	<b>12.05</b>	<b>4.17</b>	<b>5.59</b>	<b>12/18/2014</b>
Custom Benchmark <sup>[7]</sup>	--	1.11	3.94	5.49	1.11	11.06	3.46	4.86	--
Custom Benchmark #2 <sup>[8]</sup>	--	0.96	4.22	5.75	0.96	13.46	7.46	7.90	--
<b>Multi-Asset Core Plus Fund - Gross</b> <sup>[1],[4]</sup>	<b>18,458,532</b>	<b>1.42</b>	<b>4.99</b>	<b>7.03</b>	<b>15.22</b>	<b>16.63</b>	<b>6.40</b>	<b>7.85</b>	<b>12/19/2014</b>
<b>Multi-Asset Core Plus Fund - Net</b> <sup>[1],[4]</sup>	<b>18,458,532</b>	<b>1.34</b>	<b>4.75</b>	<b>6.71</b>	<b>14.32</b>	<b>15.53</b>	<b>5.40</b>	<b>6.83</b>	<b>12/19/2014</b>
Multi-Asset Core Plus Composite Bmk <sup>[9]</sup>	--	1.30	4.73	6.61	13.36	13.98	4.25	5.98	--
Volatility Equivalent Target <sup>[10]</sup>	--	1.35	4.84	6.72	13.95	14.27	4.67	6.35	--
<b>Core Bond Fund - Gross</b> <sup>[1],[4]</sup>	<b>3,485,455</b>	<b>0.94</b>	<b>1.38</b>	<b>1.95</b>	<b>-0.74</b>	<b>1.44</b>	<b>2.27</b>	<b>2.56</b>	<b>12/18/2014</b>
<b>Core Bond Fund - Net</b> <sup>[1],[4]</sup>	<b>3,485,455</b>	<b>0.89</b>	<b>1.24</b>	<b>1.77</b>	<b>-1.19</b>	<b>0.89</b>	<b>1.71</b>	<b>2.00</b>	<b>12/18/2014</b>
Bloomberg Barclays US Aggregate Bond Idx <sup>[11]</sup>	--	0.77	1.40	1.59	-0.98	0.83	1.77	2.11	--
<b>Total Return Fund (Qtrly) CI B Srs 6 - Gross</b> <sup>[3],[5],[6],[12]</sup>	<b>2,718,554</b>	<b>0.25</b>	<b>1.30</b>	<b>2.40</b>	<b>4.50</b>	<b>4.70</b>	--	<b>-0.71</b>	<b>07/01/2015</b>
<b>Total Return Fund (Qtrly) CI B Srs 6 - Net</b> <sup>[3],[5],[6],[12]</sup>	<b>2,718,554</b>	<b>0.18</b>	<b>1.07</b>	<b>2.10</b>	<b>3.73</b>	<b>3.77</b>	--	<b>-1.60</b>	<b>07/01/2015</b>
HFRI Fd of Fds-Div Index 1 mo lag <sup>[13]</sup>	--	0.24	1.90	3.03	4.43	5.35	--	-0.73	--
Bloom Barclays Gbl Agg Bond Idx 1 mo lag <sup>[11]</sup>	--	0.15	1.76	1.29	-1.87	-1.90	--	1.81	--
Russell Global Index 1 mo lag	--	1.22	6.90	9.25	13.86	15.98	--	4.52	--

Please read the endnotes included with the report.

05/05/2017 10:28:05 AM

Copyright (c) Russell Investments 2017. All rights reserved. Past performance is not indicative of future results.

# Endnotes

## Chelsea-Area Wellness Foundation

As of April 30, 2017

- [1] Effective November 1, 2016, each of the Russell Investments Institutional Funds was renamed to remove the word "Russell".
- [2] Total Return Fund (Quarterly) market value is as of the month ending 03/31/17.
- [3] Effective June 28, 2016, the Russell Total Return Fund (Quarterly) Ltd. was renamed the Total Return Fund (Quarterly) Ltd.
- [4] Net of fee adjusted returns are estimated using basis point adjustments. Returns are geometrically linked and could experience compounding effects.
- [5] The Total Return Fund (Quarterly) Ltd. is a monthly valued fund with fund valuations occurring on the last day of the month. Trade date is the beginning of the day on the 1st of the month with a value of \$1000 per share. Client inception date is the beginning of day on trade date, giving the client a full month of performance for the funding month.
- [6] Total Return Fund (Quarterly) market value is as of the month ending 03/31/17. The market value is reported net of fees while returns are reported gross of fees unless otherwise noted. Fee adjusted returns are estimated using basis point adjustments. The gross of fee returns are geometrically linked and could experience compounding effects.
- [7] Custom Benchmark currently consists of: 75.0% Multi-Asset Core Plus Composite Bmk, 15.0% Bloomberg Barclays Aggregate, 10.0% HFRI FOF Div (one month arrears).
- [8] Custom Benchmark #2 currently consists of: 75.0% S&P 500, 25.0% Bloomberg Barclays Aggregate.
- [9] The Multi-Asset Core Plus Composite Bmk is appropriate for evaluating the Fund over a 3 to 5 year horizon.
- [10] The Volatility Equivalent Target is appropriate for evaluating the Fund over a 5 to 7 year horizon.
- [11] Effective August 24, 2016, the Barclays Fixed Income benchmark indices, including the Barclays Aggregate family of indices, were renamed the Bloomberg Barclays family of indices.
- [12] True inception date is 06/01/2015. Total Return Fund (Quarterly) market values and performance are reported one month in arrears.
- [13] Prior three months of this index are left as estimates and are subject to change. All performance prior to that is locked and is no longer subject to change. Returns are reported net of fees.