



5 Healthy Towns Foundation

Finance Committee Meeting

~ June 20, 2017 ~

5:00 pm

AGENDA

- I. Call to Order
- II. Approval of May 16, 2017 minutes*
- III. April and May finance reports*
 - a. Income & expense
 - b. Balance sheet
- IV. 2016-17 Draft Rehmann Review**
 - a. General review
 - b. SMOC distribution*
- V. CWC & DWC purchase prices*
- VI. Revised IT expenses (FYI)*

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

*Material available online

**Material available at the meeting



5 Healthy Towns Foundation
Finance Committee Meeting Minutes
May 16, 2017

Present: Scott Broshar, Mike Willis, Jeff Wallace, Mark Royce Robert Stephens, Cindy Dresch, Sally DeVol, Amy Heydlauff, Ann Sinelli

Absent:

- 1. Call to Order:** 5:03 p.m.
- 2. Approval of Minutes:** Motion to approve March 21, 2017 minutes made, seconded and passed with one abstention.
- 3. Year-end financials**
 - a. Balance Sheet
 1. Wellness Center prepaid expenses and accounts payable year over year differences are related to report timing
 2. Investment income is \$1,000,000 greater than budgeted
 - b. Income and expenses
 1. Investments as noted above.
 2. Magazine revenue & expense were not in the original budget (the idea was developed after the 2016-17 budget was approved)
 3. Revenue for Chelsea, Dexter & Manchester wellness centers exceeded budget
 4. Expense for all 4 centers is below budget
 5. Contract service is over budget, primarily because of legal expenses (which have dropped off significantly so far in 2017)
 6. Facilities & equipment reflect the unanticipated property taxes on CWC
 7. General operations – Over budget primarily because of an error in Rehmann’s application of tax payments to an incorrect tax period (4th Q of 2016 and 1st Q of 2017). We will likely have a credit on our tax return.
 8. Personnel costs are over budget because FICA was miscalculated in the 2016-17 budget. It is corrected in the 2017-18 budget.
 9. Although grants are budgeted based on annual coalition planning, we allow up to 18 months for grant applications to be submitted. In 2015-16 we were below budget. We balanced out the grant expenditures in 2016-17.
 10. Interest expense reflects rising interest rates on our variable rate mortgage.
 11. S. Broshar asked why there is a nearly \$400k difference between gross revenue in Chelsea & Dexter Wellness Centers. Thought to be related to ancillary services

(particularly massage) and the difference in the total membership number. A. Heydlauff will confirm.

12. M. Royce asked if capital expenditures are enough to maintain our plants. In light of plant age in Dexter and 5 year capital budget projections, we believe they are.
- c. Investment report review – Robert Stephens
 1. Allocations are well aligned for current geo-political climate
 - a. 21% Multi Asset Core is weighted toward emerging markets and Europe. The same for 45% global equity investments
 - b. Currently underweight US, Canada & Australia
 - d. Per previous discussions, Russell benchmarks are 75/25. Finance Committee would like a benchmark to be the more standard 70/30 benchmark.
 - e. Wellness Center reports – see item b.11, above.

Action: A. Heydlauff will ask Darrin Hogshead to add a 70/30 benchmark to our current reporting.

4. Wellness Center reports reviewed.

5. Additional agenda item: Potential increase in facility charge¹ for Chelsea and Dexter Wellness Centers. Issues considered include
 - a. Current lease rate is \$17/sf, based on the lease of ATI (tenant in DWC). \$17/sf @ DWC approximately equals the current, annual mortgage payment at DWC.
 - b. Interest rates are rising which will increase mortgage payments.
 - c. ATI lease rate recently increased to \$18/sf
 - d. This is an internal accounting mechanism to allow us to track the real mission investment being made in our wellness centers.
 1. Difficult to explain to outside organizations
 2. Raising the rate may be misconstrued by external parties as an attempt to ‘pad our losses’

Action: By consensus, the Finance Committee does not believe the potential challenge by any outside parties is worth the change in rates, at this time.

Meeting adjourned at 6:00 pm

Next meeting: June 20, 2017 @ 5:00 pm

Recorded by: Amy Heydlauff

Scott Broshar

Date

¹ The facility charge on long-term assets (CWC & DWC) is considered an operational lease for our accounting purposes. The accounting adjustment is a liability on the Wellness Center books. The fixed assets are on the Foundation’s balance sheet because 5HF assumes the risk.

Treasurer, 5 Healthy Towns Foundation

5/17/17 Addendum

Re: The difference in gross revenue between Chelsea and Dexter Wellness Centers:

Wellness Center Revenue - comparison				
	Chelsea	Dexter	Variance	
Member Services				
Membership Dues	\$ 1,987,650	\$ 1,805,344	\$	182,306
Guest Fees	\$ 37,882	\$ 31,127	\$	6,755
Card replacement Fees	\$ 120	\$ 305	\$	(185)
Fitness			\$	-
Enrollment Fees	\$ 1,889	\$ 2,500	\$	(611)
Special Programs	\$ 5,245	\$ 3,700	\$	1,545
Community Education	\$ 9,269	\$ 32,459	\$	(23,190)
Ancillary			\$	-
Swim Programs	\$ 8,125	\$ 5,471	\$	2,654
General Medical Integration	\$ 20,404	\$ 14,637	\$	5,767
Café	\$ 27,738	\$ 22,340	\$	5,398
Proshop	\$ 35,654	\$ 13,542	\$	22,112
Personal Training/Pilates	\$ 89,479	\$ 62,475	\$	27,004
Massage	\$ 168,148	\$ 30,924	\$	137,224
Children's Area	\$ 46,018	\$ 62,463	\$	(16,445)
			\$	-
Rental and Other	\$ 523	\$ 2,114	\$	(1,591)
Total	\$ 2,438,144	\$ 2,089,401	\$	348,743

Addendum May 23, 2017

A 70/30 benchmark will be added to our Russell reporting.

5 Healthy Towns Foundation
Balance Sheet Prev Year Comparison
As of April 30, 2017

	<u>Apr 30, 17</u>	<u>Apr 30, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
10000 · Cash	357,055.91	547,558.47	-190,502.56
Total Checking/Savings	<u>357,055.91</u>	<u>547,558.47</u>	<u>-190,502.56</u>
Accounts Receivable			
12000 · Accounts Receivable	42,711.31	46,944.51	-4,233.20
Total Accounts Receivable	<u>42,711.31</u>	<u>46,944.51</u>	<u>-4,233.20</u>
Other Current Assets			
14000 · Prepaid Expense	118,345.00	219,591.59	-101,246.59
12001 · Undeposited Funds	2,770.68	0.00	2,770.68
13000 · Inventory	20,807.55	19,588.34	1,219.21
Total Other Current Assets	<u>141,923.23</u>	<u>239,179.93</u>	<u>-97,256.70</u>
Total Current Assets	541,690.45	833,682.91	-291,992.46
Fixed Assets			
16500 · Accum Depr Estimates	-22,100.00	-21,850.00	-250.00
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	404,815.09	33,292.23
15500 · Land	3,101,000.00	3,101,000.00	0.00
16000 · Accum. Depr. Bldg & Improve	-4,420,125.70	-3,641,981.08	-778,144.62
16200 · Accum. Depr. Moveable Equip.	-927,669.97	-773,980.92	-153,689.05
16400 · Accum. Depr. - IT Equip. & Soft	-294,307.75	-262,423.71	-31,884.04
Total Fixed Assets	<u>21,189,056.95</u>	<u>21,951,738.70</u>	<u>-762,681.75</u>
Other Assets			
18200 · LT Investments-Russell	24,662,542.36	24,413,821.01	248,721.35
Total Other Assets	<u>24,662,542.36</u>	<u>24,413,821.01</u>	<u>248,721.35</u>
TOTAL ASSETS	<u><u>46,393,289.76</u></u>	<u><u>47,199,242.62</u></u>	<u><u>-805,952.86</u></u>

5 Healthy Towns Foundation
Balance Sheet Prev Year Comparison
As of April 30, 2017

	<u>Apr 30, 17</u>	<u>Apr 30, 16</u>	<u>\$ Change</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
24000 · Accounts Payable	205,510.17	249,347.35	-43,837.18
Total Accounts Payable	<u>205,510.17</u>	<u>249,347.35</u>	<u>-43,837.18</u>
Other Current Liabilities			
25000 · Accounts payable-Wellness Ctrs	197,469.89	312,909.85	-115,439.96
26100 · Accrued Liabilities 5HT	206,919.72	124,613.32	82,306.40
26500 · Current Portion of Deferred Rev	395,166.47	388,454.43	6,712.04
Total Other Current Liabilities	<u>799,556.08</u>	<u>825,977.60</u>	<u>-26,421.52</u>
Total Current Liabilities	1,005,066.25	1,075,324.95	-70,258.70
Long Term Liabilities			
28000 · Mortgage Payable	10,293,359.61	10,852,276.81	-558,917.20
29000 · Intercompany	0.00	0.00	0.00
Total Long Term Liabilities	<u>10,293,359.61</u>	<u>10,852,276.81</u>	<u>-558,917.20</u>
Total Liabilities	11,298,425.86	11,927,601.76	-629,175.90
Equity			
32000 · Unrestricted Net Assets	34,996,178.35	35,081,810.90	-85,632.55
Net Income	98,685.55	189,829.96	-91,144.41
Total Equity	<u>35,094,863.90</u>	<u>35,271,640.86</u>	<u>-176,776.96</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,393,289.76</u></u>	<u><u>47,199,242.62</u></u>	<u><u>-805,952.86</u></u>

5 Healthy Towns Foundation Income & Expenses April 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>
Ordinary Income/Expense								
Income								
48450 · Magazine Advertising Revenue					16,190		16,190	
45000 · Investments								
45040 · Investment Manager Fees					-48,904	-62,500	-48,904	-62,500
45020 · Interest Earned					6		6	
45100 · Securities Sales Realized (G)/L					46,805		46,805	
45300 · Securities - Unrealized (G)/L					251,471	184,878	251,471	184,878
Total 45000 · Investments					<u>249,378</u>	<u>122,378</u>	<u>249,378</u>	<u>122,378</u>
46000 · Rentals								
46060 · ATI Physical Therapy Rent			3,077	3,077			3,077	3,077
46030 · U of M Land Rental			2,500	2,500			2,500	2,500
46040 · POB Land Rental			2,771	2,771			2,771	2,771
46050 · Ortho/PT Rental			17,176	17,176			17,176	17,176
Total 46000 · Rentals			<u>25,524</u>	<u>25,524</u>			<u>25,524</u>	<u>25,524</u>
47000 · Wellness Center Income								
47202 · CWC Revenue	211,374	203,582					211,374	203,582
47204 · DWC Revenue	187,509	175,902					187,509	175,902
47203 · MWC Revenue	9,002	8,127					9,002	8,127
47205 · SWC Revenue	7,021	6,824					7,021	6,824
Total 47000 · Wellness Center Income	<u>414,906</u>	<u>394,435</u>					<u>414,906</u>	<u>394,435</u>
Total Income	<u>414,906</u>	<u>394,435</u>	<u>25,524</u>	<u>25,524</u>	<u>265,568</u>	<u>122,378</u>	<u>705,998</u>	<u>542,337</u>
Cost of Goods Sold								
51100 · Cost of Good Sold - WC								
Total COGS								
Gross Income	<u>414,906</u>	<u>394,435</u>	<u>25,524</u>	<u>25,524</u>	<u>265,568</u>	<u>122,378</u>	<u>705,998</u>	<u>542,337</u>

5 Healthy Towns Foundation Income & Expenses April 2017

Expense	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>
65200 · Wellness Center Operations								
65089 · DWC Operating Expense	136,599	162,079					136,599	162,079
65085 · MWC Operating Expenses	15,064	16,772					15,064	16,772
65091 · SWC Operating Expenses	16,970	19,180					16,970	19,180
65082 · CWC Operating Expenses	178,685	181,659					178,685	181,659
Total 65200 · Wellness Center Operations	347,318	379,690					347,318	379,690
65095 · Magazine								
65098 · Printing/Design					21,434		21,434	
65096 · Mailing					2,600		2,600	
Total 65095 · Magazine					24,034		24,034	
62100 · Contract Services								
62130 · Contract Services - PR Firm						4,167		4,167
62110 · Accounting Fees					1,800	1,800	1,800	1,800
62140 · Legal Fees			1,127		36,843	20,834	37,970	20,834
62150 · Outside Contract Services					4,848	5,567	4,848	5,567
62100 · Contract Services - Other								
Total 62100 · Contract Services			1,127		43,491	32,368	44,618	32,368
62800 · Facilities and Equipment								
62893 · Personal Property Taxes								
62895 · Real Property Taxes								
62840 · Equip Rental, Purch, Maint					194		194	
62890 · Foundation/Rent, Utilities		810						810
Total 62800 · Facilities and Equipment		810			194		194	810
64000 · Grants								
64001 · Grants to CCH (Ortho Lease)					8,588	8,588	8,588	8,588

5 Healthy Towns Foundation Income & Expenses April 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>
64002 · Grants - Coalitions					17,250	39,167	17,250	39,167
64000 · Grants - Other								
Total 64000 · Grants					25,838	47,755	25,838	47,755
65000 · General Operations								
65185 · CEO/BOD Assessment						75		75
65180 · Excise Taxes						2,666		2,666
65120 · Insurance - Liability, D and O					3,885	4,166	3,885	4,166
65099 · Over/Short	0						0	
65010 · Dues, Subscriptions, Reference					625	142	625	142
65020 · Postage, Mailing Service						40		40
65030 · Printing and Copying						190		190
65040 · Supplies					283	333	283	333
65050 · Telephone, Telecommunications					588	300	588	300
65060 · Meals & Meeting Expenses					119	592	119	592
65070 · Advertising and Promotion						375		375
65080 · Miscellaneous Expense					27	167	27	167
65088 · Start Up/ CTR Paid - DWC								
Total 65000 · General Operations	0				5,527	9,046	5,527	9,046
66000 · Personnel Costs								
66100 · Salaries and Wages					32,549	19,731	32,549	19,731
66200 · Benefits & FICA					7,054	4,645	7,054	4,645
66300 · CTO					3,259	2,072	3,259	2,072
66400 · Workers Compensation Insurance					63	50	63	50
66500 · Payroll Processing					416	416	416	416
66900 · Officer Compensation					982		982	
Total 66000 · Personnel Costs					44,323	26,914	44,323	26,914
68300 · Travel and Meetings								
68310 · Conference, Convention, Meeting					80	100	80	100

5 Healthy Towns Foundation
Income & Expenses
April 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>	<u>Apr 17</u>	<u>Budget</u>
68320 - Travel						425		425
68330 - Meals and Entertainment						30		30
68300 - Travel and Meetings - Other						30		30
Total 68300 - Travel and Meetings					<u>80</u>	<u>585</u>	<u>80</u>	<u>585</u>
Total Expense	<u>347,318</u>	<u>380,500</u>	<u>1,127</u>		<u>143,487</u>	<u>116,668</u>	<u>491,932</u>	<u>497,168</u>
Net Ordinary Income	67,588	13,935	24,397	25,524	122,081	5,710	214,066	45,169
Other Income/Expense								
Other Expense								
65090 - Facility Charge	111,836	111,836	-111,836	-111,836				
65081 - Allocation from W.C. (Fit/Env)			6,526	6,704			6,526	6,704
72100 - Interest Expense					25,915	27,481	25,915	27,481
71100 - Depr and Amort - Allowable	22,100	22,100			60,843	60,166	82,943	82,266
Total Other Expense	<u>133,936</u>	<u>133,936</u>	<u>-105,310</u>	<u>-105,132</u>	<u>86,758</u>	<u>87,647</u>	<u>115,384</u>	<u>116,451</u>
Net Other Income	<u>-133,936</u>	<u>-133,936</u>	<u>105,310</u>	<u>105,132</u>	<u>-86,758</u>	<u>-87,647</u>	<u>-115,384</u>	<u>-116,451</u>
Net Income	<u><u>-66,348</u></u>	<u><u>-120,001</u></u>	<u><u>129,707</u></u>	<u><u>130,656</u></u>	<u><u>35,323</u></u>	<u><u>-81,937</u></u>	<u><u>98,682</u></u>	<u><u>-71,282</u></u>

Ordinary Income/Expense	YTD Actual to Annual Budget %		
	Apr-17 YTD	12 mo Budget	
Income			
48450 · Magazine Advertising Revenue	\$ 16,190.00	\$ -	100.00%
40000 · Contribution Revenue	\$ -	\$ -	100.00%
45000 · Investments	\$ 249,379.02	\$ 1,968,547.00	12.67%
46000 · Rentals	\$ 25,523.25	\$ 327,712.00	7.79%
47000 · Wellness Center Income			
47204 · DWC Revenue	\$ 187,509.00	\$ 2,139,277.00	8.77%
47203 · MWC Revenue	\$ 9,002.00	\$ 99,977.00	9.00%
47205 · SWC Revenue	\$ 7,021.00	\$ 82,238.00	8.54%
47202 · CWC Revenue	\$ 211,374.00	\$ 2,441,274.00	8.66%
Total 47000 · Wellness Center Income	\$ 414,906.00	\$ 4,762,766.00	8.71%
Total Income	\$ 705,998.27	\$ 7,059,025.00	10.00%
Gross Income	\$ 705,998.27	\$ 7,059,025.00	10.00%
Expense			
65200 · Wellness Center Operations			
65089 · DWC Operating Expense	\$ 136,599.00	\$ 1,954,495.00	6.99%
65085 · MWC Operating Expenses	\$ 15,064.00	\$ 201,264.00	7.48%
65091 · SWC Operating Expenses	\$ 16,970.00	\$ 230,160.00	7.37%
65082 · CWC Operating Expenses	\$ 178,685.00	\$ 2,179,898.00	8.20%
Total 65200 · Wellness Center Operations	\$ 347,318.00	\$ 4,565,817.00	7.61%
65095 · Magazine	\$ 24,034.00	\$ -	100.00%
62100 · Contract Services	\$ 44,617.97	\$ 417,204.00	10.69%
62800 · Facilities and Equipment	\$ 194.00	\$ 491,670.00	0.04%
64000 · Grants	\$ 25,837.79	\$ 546,695.00	4.73%
65000 · General Operations	\$ 5,525.70	\$ 115,760.00	4.77%
66000 · Personnel Costs	\$ 44,321.90	\$ 356,937.00	12.42%
68300 · Travel and Meetings	\$ 80.00	\$ 7,020.00	1.14%
Total Expense	\$ 491,929.36	\$ 6,501,103.00	7.57%
Net Ordinary Income	\$ 214,068.91	\$ 557,922.00	38.37%
Other Income/Expense			
Other Expense			
71200 · (Gain) Loss on Asset Disposal	\$ -	\$ -	0.00%
65090 · Facility Charge	\$ -	\$ -	0.00%
65081 · Allocation from W.C. (Fit/Env)	\$ 6,526.00	\$ 80,450.00	8.11%
72100 · Interest Expense	\$ 25,914.67	\$ 322,225.00	8.04%
71100 · Depr and Amort - Allowable	\$ 82,942.69	\$ 987,192.00	8.40%
Total Other Expense	\$ 115,383.36	\$ 1,389,867.00	8.30%
Net Other Income	\$ (115,383.36)	\$ (1,389,867.00)	8.30%
Net Income	\$ 98,685.55	\$ (831,945.00)	-11.86%

5 Healthy Towns Foundation

Balance Sheet Prev Year Comparison

As of May 31, 2017

	<u>May 31, 17</u>	<u>May 31, 16</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
10000 · Cash	324,235.18	566,907.65	-242,672.47
Total Checking/Savings	<u>324,235.18</u>	<u>566,907.65</u>	<u>-242,672.47</u>
Accounts Receivable			
12000 · Accounts Receivable	39,629.78	39,046.33	583.45
Total Accounts Receivable	<u>39,629.78</u>	<u>39,046.33</u>	<u>583.45</u>
Other Current Assets			
14000 · Prepaid Expense	217,452.65	223,981.01	-6,528.36
13000 · Inventory	21,821.07	17,775.78	4,045.29
Total Other Current Assets	<u>239,273.72</u>	<u>241,756.79</u>	<u>-2,483.07</u>
Total Current Assets	603,138.68	847,710.77	-244,572.09
Fixed Assets			
16500 · Accum Depr Estimates	-44,200.00	-43,700.00	-500.00
15000 · Building & Bldg Improvements	21,797,982.34	21,645,961.98	152,020.36
15200 · Moveable Equipment	1,539,125.62	1,508,428.89	30,696.73
15400 · IT Equipment & Software	438,107.32	404,815.09	33,292.23
15500 · Land	3,101,000.00	3,101,000.00	0.00
16000 · Accum. Depr. Bldg & Improve	-4,480,155.23	-3,701,695.94	-778,459.29
16200 · Accum. Depr. Moveable Equip.	-927,733.15	-774,025.92	-153,707.23
16400 · Accum. Depr. - IT Equip. & Soft	-293,703.85	-263,325.57	-30,378.28
Total Fixed Assets	<u>21,130,423.05</u>	<u>21,877,458.53</u>	<u>-747,035.48</u>
Other Assets			
18200 · LT Investments-Russell	24,897,491.83	24,415,965.17	481,526.66
Total Other Assets	<u>24,897,491.83</u>	<u>24,415,965.17</u>	<u>481,526.66</u>
TOTAL ASSETS	<u><u>46,631,053.56</u></u>	<u><u>47,141,134.47</u></u>	<u><u>-510,080.91</u></u>

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

	<u>May 31, 17</u>	<u>May 31, 16</u>	<u>\$ Change</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
24000 - Accounts Payable	145,854.97	376,903.54	-231,048.57
Total Accounts Payable	<u>145,854.97</u>	<u>376,903.54</u>	<u>-231,048.57</u>
Other Current Liabilities			
25000 - Accounts payable-Wellness Ctrs	361,197.51	304,884.02	56,313.49
26100 - Accrued Liabilities 5HT	171,360.24	119,029.44	52,330.80
26500 - Current Portion of Deferred Rev	387,340.78	370,428.64	16,912.14
Total Other Current Liabilities	<u>919,898.53</u>	<u>794,342.10</u>	<u>125,556.43</u>
Total Current Liabilities	1,065,753.50	1,171,245.64	-105,492.14
Long Term Liabilities			
28000 - Mortgage Payable	10,293,359.61	10,809,467.81	-516,108.20
29000 - Intercompany	0.00	0.00	0.00
Total Long Term Liabilities	<u>10,293,359.61</u>	<u>10,809,467.81</u>	<u>-516,108.20</u>
Total Liabilities	11,359,113.11	11,980,713.45	-621,600.34
Equity			
32000 - Unrestricted Net Assets	34,996,178.35	35,081,810.90	-85,632.55
Net Income	275,762.10	78,610.12	197,151.98
Total Equity	<u>35,271,940.45</u>	<u>35,160,421.02</u>	<u>111,519.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,631,053.56</u></u>	<u><u>47,141,134.47</u></u>	<u><u>-510,080.91</u></u>

5 Healthy Towns Foundation Income & Expenses May 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>
Ordinary Income/Expense								
Income								
48450 · Magazine Advertising Revenue					1,783		1,783	
45000 · Investments								
45040 · Investment Manager Fees								
45020 · Interest Earned					6		6	
45100 · Securities Sales Realized (G)/L					17,301		17,301	
45300 · Securities - Unrealized (G)/L					317,648	184,879	317,648	184,879
Total 45000 · Investments					<u>334,955</u>	<u>184,879</u>	<u>334,955</u>	<u>184,879</u>
46000 · Rentals								
46060 · ATI Physical Therapy Rent			3,077	3,077			3,077	3,077
46030 · U of M Land Rental			2,500	2,500			2,500	2,500
46040 · POB Land Rental			2,771	2,771			2,771	2,771
46050 · Ortho/PT Rental			17,689	17,689			17,689	17,689
Total 46000 · Rentals			<u>26,037</u>	<u>26,037</u>			<u>26,037</u>	<u>26,037</u>
47000 · Wellness Center Income								
47202 · CWC Revenue	204,354	202,012					204,354	202,012
47204 · DWC Revenue	186,021	173,302					186,021	173,302
47203 · MWC Revenue	7,759	8,231					7,759	8,231
47205 · SWC Revenue	6,686	6,584					6,686	6,584
Total 47000 · Wellness Center Income	<u>404,820</u>	<u>390,129</u>					<u>404,820</u>	<u>390,129</u>
Total Income	404,820	390,129	26,037	26,037	336,738	184,879	767,595	601,045
Cost of Goods Sold								
51100 · Cost of Good Sold - WC								
Total COGS								
Gross Income	404,820	390,129	26,037	26,037	336,738	184,879	767,595	601,045

5 Healthy Towns Foundation
Income & Expenses
May 2017

Expense	Total Centers Total		The Rents		The Foundation		TOTAL	
	May 17	Budget	May 17	Budget	May 17	Budget	May 17	Budget
65200 · Wellness Center Operations								
65089 · DWC Operating Expense	163,074	162,215					163,074	162,215
65085 · MWC Operating Expenses	16,137	16,772					16,137	16,772
65091 · SWC Operating Expenses	19,671	19,180					19,671	19,180
65082 · CWC Operating Expenses	180,519	181,659					180,519	181,659
Total 65200 · Wellness Center Operations	379,401	379,826					379,401	379,826
65095 · Magazine								
65096 · Mailing					67		67	
65095 · Magazine - Other					90		90	
Total 65095 · Magazine					157		157	
62100 · Contract Services								
62130 · Contract Services - PR Firm					863	4,167	863	4,167
62110 · Accounting Fees					15,000	14,800	15,000	14,800
62140 · Legal Fees			588		17,608	20,833	18,196	20,833
62150 · Outside Contract Services					38,098	5,567	38,098	5,567
62100 · Contract Services - Other								
Total 62100 · Contract Services			588		71,569	45,367	72,157	45,367
62800 · Facilities and Equipment								
62893 · Personal Property Taxes								
62895 · Real Property Taxes								
62840 · Equip Rental, Purch, Maint					119		119	
62890 · Foundation/Rent, Utilities		810						810
Total 62800 · Facilities and Equipment		810			119		119	810
64000 · Grants								
64003 · Grants - Gifts					1,215		1,215	

5 Healthy Towns Foundation Income & Expenses May 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>
64001 · Grants to CCH (Ortho Lease)					6,169	6,192	6,169	6,192
64002 · Grants - Coalitions					9,995	39,167	9,995	39,167
64000 · Grants - Other								
Total 64000 · Grants					<u>17,379</u>	<u>45,359</u>	<u>17,379</u>	<u>45,359</u>
65000 · General Operations								
65185 · CEO/BOD Assessment						75		75
65180 · Excise Taxes						2,667		2,667
65120 · Insurance - Liability, D and O					3,892	4,167	3,892	4,167
65099 · Over/Short	1						1	
65010 · Dues, Subscriptions, Reference						142		142
65020 · Postage, Mailing Service						40		40
65030 · Printing and Copying						190		190
65040 · Supplies					394	333	394	333
65050 · Telephone, Telecommunications					364	300	364	300
65060 · Meals & Meeting Expenses					826	592	826	592
65070 · Advertising and Promotion						375		375
65080 · Miscellaneous Expense					134	167	134	167
65088 · Start Up/ CTR Paid - DWC								
Total 65000 · General Operations	<u>1</u>				<u>5,610</u>	<u>9,048</u>	<u>5,611</u>	<u>9,048</u>
66000 · Personnel Costs								
66100 · Salaries and Wages					21,379	22,702	21,379	22,702
66200 · Benefits & FICA					1,546	5,346	1,546	5,346
66300 · CTO					2,172	2,396	2,172	2,396
66400 · Workers Compensation Insurance					72	50	72	50
66500 · Payroll Processing					417	417	417	417
66900 · Officer Compensation					703		703	
Total 66000 · Personnel Costs					<u>26,289</u>	<u>30,911</u>	<u>26,289</u>	<u>30,911</u>
68300 · Travel and Meetings								

5 Healthy Towns Foundation Income & Expenses May 2017

	<u>Total Centers Total</u>		<u>The Rents</u>		<u>The Foundation</u>		<u>TOTAL</u>	
	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>	<u>May 17</u>	<u>Budget</u>
68310 · Conference, Convention, Meeting					1,140	100	1,140	100
68320 · Travel					3	425	3	425
68330 · Meals and Entertainment						30		30
68300 · Travel and Meetings - Other						30		30
Total 68300 · Travel and Meetings					<u>1,143</u>	<u>585</u>	<u>1,143</u>	<u>585</u>
Total Expense	<u>379,402</u>	<u>380,636</u>	<u>588</u>		<u>122,266</u>	<u>131,270</u>	<u>502,256</u>	<u>511,906</u>
Net Ordinary Income	25,418	9,493	25,449	26,037	214,472	53,609	265,339	89,139
Other Income/Expense								
Other Expense								
65090 · Facility Charge	111,836	111,836	-111,836	-111,836				
65081 · Allocation from W.C. (Fit/Env)			6,675	6,704			6,675	6,704
72100 · Interest Expense						27,367		27,367
71100 · Depr and Amort - Allowable	22,100	22,100			60,166	60,166	82,266	82,266
Total Other Expense	<u>133,936</u>	<u>133,936</u>	<u>-105,161</u>	<u>-105,132</u>	<u>60,166</u>	<u>87,533</u>	<u>88,941</u>	<u>116,337</u>
Net Other Income	<u>-133,936</u>	<u>-133,936</u>	<u>105,161</u>	<u>105,132</u>	<u>-60,166</u>	<u>-87,533</u>	<u>-88,941</u>	<u>-116,337</u>
Net Income	<u><u>-108,518</u></u>	<u><u>-124,443</u></u>	<u><u>130,610</u></u>	<u><u>131,169</u></u>	<u><u>154,306</u></u>	<u><u>-33,924</u></u>	<u><u>176,398</u></u>	<u><u>-27,198</u></u>

Ordinary Income/Expense			YTD Actual
	May-17 YTD	12 mo Budget	to Annual Budget %
Income			
48450 · Magazine Advertising Revenue	\$ 17,972.50	\$ -	100.00%
40000 · Contribution Revenue	\$ -	\$ -	100.00%
45000 · Investments	\$ 584,334.41	\$ 1,968,547.00	29.68%
46000 · Rentals	\$ 51,560.36	\$ 327,712.00	15.73%
47000 · Wellness Center Income			
47204 · DWC Revenue	\$ 373,530.00	\$ 2,139,277.00	17.46%
47203 · MWC Revenue	\$ 16,761.00	\$ 99,977.00	16.76%
47205 · SWC Revenue	\$ 13,707.00	\$ 82,238.00	16.67%
47202 · CWC Revenue	\$ 415,728.00	\$ 2,441,274.00	17.03%
Total 47000 · Wellness Center Income	\$ 819,726.00	\$ 4,762,766.00	17.21%
Total Income	\$ 1,473,593.27	\$ 7,059,025.00	20.88%
Gross Income	\$ 1,473,593.27	\$ 7,059,025.00	20.88%
Expense			
65200 · Wellness Center Operations			
65089 · DWC Operating Expense	\$ 299,673.00	\$ 1,954,495.00	15.33%
65085 · MWC Operating Expenses	\$ 31,201.00	\$ 201,264.00	15.50%
65091 · SWC Operating Expenses	\$ 36,641.00	\$ 230,160.00	15.92%
65082 · CWC Operating Expenses	\$ 359,204.00	\$ 2,179,898.00	16.48%
Total 65200 · Wellness Center Operations	\$ 726,719.00	\$ 4,565,817.00	15.92%
65095 · Magazine	\$ 24,190.61	\$ -	100.00%
62100 · Contract Services	\$ 116,773.66	\$ 417,204.00	27.99%
62800 · Facilities and Equipment	\$ 313.00	\$ 491,670.00	0.06%
64000 · Grants	\$ 43,217.09	\$ 546,695.00	7.91%
65000 · General Operations	\$ 11,136.38	\$ 115,760.00	9.62%
66000 · Personnel Costs	\$ 70,611.61	\$ 356,937.00	19.78%
68300 · Travel and Meetings	\$ 1,222.65	\$ 7,020.00	17.42%
Total Expense	\$ 994,184.00	\$ 6,501,103.00	15.29%
Net Ordinary Income	\$ 479,409.27	\$ 557,922.00	85.93%
Other Income/Expense			
Other Expense			
71200 · (Gain) Loss on Asset Disposal	\$ -	\$ -	0.00%
65090 · Facility Charge	\$ -	\$ -	0.00%
65081 · Allocation from W.C. (Fit/Env)	\$ 13,201.00	\$ 80,450.00	16.41%
72100 · Interest Expense	\$ 25,914.67	\$ 322,225.00	8.04%
71100 · Depr and Amort - Allowable	\$ 164,531.50	\$ 987,192.00	16.67%
Total Other Expense	\$ 203,647.17	\$ 1,389,867.00	14.65%
Net Other Income	\$ (203,647.17)	\$ (1,389,867.00)	14.65%
Net Income	\$ 275,762.10	\$ (831,945.00)	-33.15%

John

From: Amy Heydlauff [mailto:amy@5healthytowns.org]
Sent: Monday, May 01, 2017 8:45 AM
To: John Thorhauer <JThorhauer@umrc.com>
Subject: RE: distribution

2
John,

We changed accounting firm last fall (as a matter of governance, not performance). I am building a relationship with our new tax expert. This is a good question for me to ask. There are a number of issues we need to consider, some of them we hope are time-limited.

I'll stay in touch with you on this subject.

Amy

From: John Thorhauer [mailto:JThorhauer@umrc.com]
Sent: Sunday, April 30, 2017 11:05 AM
To: Amy Heydlauff <amy@5healthytowns.org>
Subject: distribution

1
Amy,

At an earlier meeting, we discussed whether it may be appropriate for 5 Healthy Towns and UMRC to receive a distribution, perhaps in the form of return of initial investment. At that time, you were uncertain whether or not 5HT could receive anything.

Have you had a chance to look into this matter? If not, can you do so and let me know your thoughts?

Thanks,
John

Amy,

5
The question has come up regarding how we are deploying resources to enhance our Mission. A few things have been discussed from time to time as follows:

1. Should the partners recoup the initial investment made in Silver Maples and/or earn interest on that investment?
2. How much is too much accumulated cash for SMOC to hold? Could a return on investment enhance the ability of the partners to achieve their Mission.

Below is my opinion only:

5HT and UMRC should be reimbursed for their initial investment plus reasonable interest. This repayment could easily occur over a number of years as a scheduled payment (i.e. over 5 years in annual installments). I believe that SMOC has the strength and resources to do so without jeopardizing its Mission.

Thanks,
John

From: Amy Heydlauff [<mailto:amy@5healthytowns.org>]
Sent: Wednesday, June 14, 2017 4:49 PM
To: John Thorhauer <JThorhauer@umrc.com>
Cc: sbroshar@absolutetitleinc.com
Subject: RE: distribution

4
John,

This question will be addressed with our accounting firm at our June Finance Committee meeting (6/20).

Can you give me some context? How often would you like to distribute? How much? Under any special circumstances? Is there anything else you'd like us to know?

Amy

From: John Thorhauer [<mailto:JThorhauer@umrc.com>]
Sent: Friday, June 09, 2017 5:34 PM
To: Amy Heydlauff <amy@5healthytowns.org>
Subject: RE: distribution

3
Amy,

This question came up again at the UMRC Board Meeting today. Have you had a chance to get on answer on your end?

Have a great weekend!

Income and Expense Summary
Chelsea

5 Healthy Towns Foundation Chelsea Wellness Center	2016-17 Actual
CWC Revenue	\$ 2,438,144
CWC Operations	\$ (2,187,442)
Property taxes	\$ (105,201)
Depreciation	\$ (465,120)
Net	\$ (319,619)
Add : Depreciation	\$ 465,120
Net Cash flow	\$ 145,501
Less Additional Facility Charge	\$ (70,421)
Net from Operations	\$ 75,080

5 Healthy Towns Foundation Chelsea Wellness Center	2017-18 Budget
CWC Revenue	\$ 2,441,274
CWC Operations	\$ (2,179,898)
Property taxes	\$ (117,500)
Depreciation	\$ (474,000)
Net	\$ (330,124)
Add : Depreciation	\$ 474,000
Net Cash flow	\$ 143,876
Less Additional Facility Charge	\$ (58,123)
Net from Operations	\$ 85,753

*Does not include projected capital expenditures

Chelsea Wellness Center FY2017

*Chelsea Wellness Center
Income Statement - FYE 2017*

	FY 2017				YTD Actual	YTD Budget	YTD Variance
	1st Qtr Actual	2nd Qtr Actual	3rd Qtr Actual	4th Qtr Actual			
Revenue	\$ 616,013	\$ 584,151	\$ 598,653	\$ 639,326	\$ 2,438,144	\$ 2,391,261	\$ 46,883
Operating Expenses	504,983	502,150	588,465	498,993	2,094,591	2,093,488	(1,103)
Net Operating Income	111,030	82,001	10,188	140,333	343,553	297,773	45,780
Non-Operating Expenses	205,933	208,371	206,116	201,566	821,986	791,982	(30,004)
Net Income (Loss)	\$ (94,903)	\$ (126,370)	\$ (195,928)	\$ (61,233)	\$ (478,433)	\$ (494,209)	\$ 15,776

Chelsea Wellness Center FY2017

Chelsea Wellness Center Operations Report

	4th Qtr			FYE 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<i>Members (net):</i>						
New	418	397	21	1,245	1,185	60
Cancelled	281	282	1	1,216	1,141	(75)
Net	<u>137</u>	<u>115</u>	<u>22</u>	<u>29</u>	<u>44</u>	<u>(15)</u>
Ending Net Members	<u>3,220</u>	<u>3,210</u>	<u>10</u>	<u>3,220</u>	<u>3,210</u>	<u>10</u>

	Memberships (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

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Monthly Attrition	3%	3%	3%	3%	4%	3%	2%
Member/Kids dues revenue	\$164,455	\$162,723	\$167,408	\$168,065	\$173,463	\$175,346	\$175,134
Dues per billable member	\$55	\$53	\$54	\$55	\$54	\$55	\$54

Income and Expense Summary
Dexter

5 Healthy Towns Foundation Dexter Wellness Center	2016-17 Actual
DWC Revenue	\$ 2,089,400
DWC Operations	\$ (1,921,877)
Mortgage Pmts (P&I)	\$ (822,354)
Property taxes	\$ (338,166)
Depreciation	\$ (476,654)
Net	\$ (1,469,651)
Add : Depreciation	\$ 476,654
Net Cash flow	\$ (992,997)

5 Healthy Towns Foundation Dexter Wellness Center	2017-18 Budget
DWC Revenue	\$ 2,139,277
DWC Operations	\$ (1,954,945)
Mortgage Pmts (P&I)	\$ (865,414)
Property taxes	\$ (362,100)
Depreciation	\$ (482,580)
Net	\$ (1,525,762)
Add : Depreciation	\$ 482,580
Net Cash flow	\$ (1,043,182)

Dexter Wellness Center FY2017

Dexter Wellness Center Income Statement - FYE 2017

	FY 2017				YTD Actual	YTD Budget	YTD Variance
	1st Qtr Actual	2nd Qtr Actual	3rd Qtr Actual	4th Qtr Actual			
Revenue	\$ 530,466	\$ 492,181	\$ 508,959	\$ 557,795	\$ 2,089,400	\$ 2,045,755	\$ 43,645
Operating Expenses	420,860	434,554	458,910	512,548	1,826,872	1,845,077	18,205
Net Operating Income	109,606	57,627	50,049	45,247	262,528	200,678	61,850
Management Fee	23,751	23,751	23,751	23,751	95,004	94,992	(12)
Depreciation	33,600	33,600	36,300	40,574	144,074	134,400	(9,674)
Loss on Sale of Fixed Asset	0	0	0	3,596	3,596	0	(3,596)
Facility Charge	195,603	195,603	195,603	195,603	782,412	782,407	(5)
Net Income (Loss)	\$ (143,348)	\$ (195,327)	\$ (205,606)	\$ (218,278)	\$ (762,557)	\$ (811,121)	\$ 48,564

Dexter Wellness Center FY2017

Dexter Wellness Center Operations Report

	4th Qtr			FYE 2017		
	Actual	Budget	Variance	Actual	Budget	Variance
<i>Members (net):</i>						
New	457	411	46	1,407	1,225	182
Cancelled	285	269	(16)	1,291	1,096	(195)
Net	<u>172</u>	<u>142</u>	<u>30</u>	<u>95</u>	<u>129</u>	<u>(34)</u>
Ending Net Members	<u>3,049</u>	<u>2,993</u>	<u>56</u>	<u>3,049</u>	<u>2,993</u>	<u>56</u>

	Memberships (7 month review)						
	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Group Exercise Classes	235	252	262	251	286	238	313
Massage Units	35	46	43	38	43	32	42
Massages as % of mbrs	1%	2%	1%	1%	1%	1%	1%
Personal Training Units	112	117	154	148	239	244	252
Pers. Training as % of mbrs	4%	4%	5%	5%	8%	8%	9%
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	22,006	19,751	19,369
Visits per Member	4.7	5.1	5.5	5.8	7.2	6.4	6.4
Childcare Visits	608	637	661	642	946	761	799

	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Monthly Attrition	4%	4%	3%	3%	3%	3%	4%
Member/Kids dues revenue	\$146,301	\$145,136	\$153,825	\$154,626	\$157,061	\$159,895	\$161,670
Dues per billable member	\$55	\$52	\$54	\$54	\$53	\$54	\$55

