

FOUNDATION

For A Healthier West Orange

FHWO FINANCE COMMITTEE MEETING MINUTES

1200 E. Plant St, Suite 200

Winter Garden, FL 34787

Friday, January 27, 2023

Zoom Meeting ID: 860 9701 4135

The Foundation for a Healthier West Orange Finance Committee met on Friday, January 27, 2023, via Zoom and in person. J. Whiddon, acting as Committee Chair, called the meeting to order at 8:31 a.m. A quorum was established with the following **Directors Present:** B. Spong (remote), C. Evans (remote), J. Whiddon (remote), K. Vargas (remote), N. Sutton; **Directors Absent:** T. Keating; **Others Present:** T. Wilson and F. Halikman of MSL, CPA's; J. Breth of AndCo Consulting (remote); T. Swanson, P. Brown and L. Boettcher (remote).

PUBLIC COMMENT

Acting Chair, J. Whiddon, noted no members of the public were in attendance; therefore, no public comment period was necessary.

APPROVAL OF MINUTES

Board Action: Upon a motion duly made and seconded, the minutes of the November 2, 2022, FHWO Finance Committee Meeting were unanimously approved.

REPORT OF THE INDEPENDENT AUDITORS

Acting Chair, J. Whiddon, called upon F. Halikman and T. Wilson from the firm of MSL, P.A. to review the draft of the West Orange Healthcare District (WOHD) FYE2022 audit. T. Wilson presented the financial statements of the WOHD noting that all assets and liabilities were transferred to HWO, Inc in accordance with the management agreement and therefore all balances on the Statements of Net Position are zero at fiscal yearend September 30, 2022. T. Wilson also noted the footnotes that describe the history of the WOHD (Note 1) as well as the explanation of the Dissolution (Note 7).

Action: Upon a motion made and seconded, the audit of the West Orange Healthcare District Financial Statements for the fiscal year ended September 30, 2022 was unanimously approved to be presented to the HWO Inc. Board and recommended for approval.

Acting Chair, J. Whiddon, called upon F. Halikman and T. Wilson from the firm of MSL, P.A. to review the draft of the HWO Inc. dba Foundation for a Healthier West Orange FYE 2022 audit. T. Wilson reviewed the firm's responsibility under GAAS and noted that there were no significant accounting policy changes for the fiscal year 2022. T. Wilson also discussed the management estimates that are contained within the financial statements noting they were reasonable.

The firm of MSL, P.A. rendered an unqualified opinion on the Foundation's financial statements for the year ended September 30, 2022. CEO T. Swanson thanked the auditors for their presentation and asked for further comments, questions, or a motion from Committee members.

Action: Upon a motion made and seconded, the audit of the HWO Inc. Consolidated Financial Statements for the fiscal year ended September 30, 2022 was unanimously approved to be presented to the HWO Inc. Board and recommended for approval.

FINANCE REPORTS – December 2022

Chair J. Whiddon called upon P. Brown to present the financial reports for December 2022. P. Brown called attention to the combined balance sheet that includes HWO, Inc. and its three affiliates, HWO Investments, LLC, HWO Holdings, LLC and Healthy West Orange, LLC. On a combined basis, total assets were \$93.4 million at end of December 2022 with the primary assets being the HWO Investments, LLC portfolio at \$69.5 million at December 2022. The primary increase is due to gains in the Fund in Q1. The Foundation's money market account and CD accounts were \$16.2 million at end of December 2022. These funds are at Seacoast Bank primarily in Money Market and CD accounts earning 250 basis points. The primary increase is due to the West Orange Healthcare District (WOHD) remaining Grants received in Seacoast bank in October 2022. Liabilities are \$3.3 million at end of December 2022 with the increase being the \$3.2 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 3 months ended December 31, 2022, net Investment Income was a gain of \$5.6 million. All sub-categories for expenses on the HWO Inc. Income Statement are well within budget. Year to date total expenses through December 2022 are \$413 thousand compared to the full year budget of \$2.25 million. Expenses for the 1st quarter were 18.3% of the total budget.

Board Action: Upon a motion duly made and seconded, the Finance Committee Report as presented on January 27, 2023, and the December 2022 HWO Inc. Finance Reports were unanimously approved.

INVESTMENT QUARTERLY DISCUSSION

P. Brown concluded her comments on the financial statements and moved to the HWO Investments, LLC investment reports dated December 2022 provided by Investment Advisor AndCo Consultants. The overall returns from portfolio inception to date were 4.32%. For the quarter ended December 2022, the return was up 5.37%. The allocation to domestic equities performed well at 7.6% while the international equities was up 14.58%. The fixed income allocation was up 2.57% while the total alternatives composite allocation performed positively for the month at 6.15%.

Jon Breth of AndCo. presented AndCo's Quarterly report ended December 2022 for HWO Investments, LLC. Jon Breth also said the HWO Investments, LLC's Private Equity investment of \$2 million should be complete by February 2023. Discussion ensued regarding asset allocations including the Private Equity investments. J. Breth does not recommend any reallocations at this time and believes the allocation to Private Equity is appropriate for the HWO Investments, LLC portfolio.

P. Brown concluded the HWO Inc. Investment report for December 2022 by asking for questions, comments, or a motion.

Board Action: Upon a motion duly made and seconded, the HWO Inc. Investment Report dated December 2022 were unanimously approved.

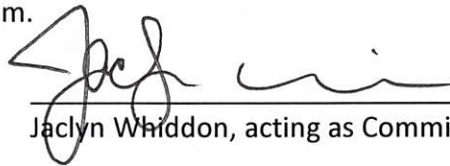
OPEN FORUM

P. Brown presented financial information to be reviewed further at the HWO Inc. Board Meeting on February 7, 2023. Discussion ensued on the future timing and availability of funding that will be further discussed at the February 7th meeting.

There was discussion of amount of cash that should be held on hand by the Foundation. Six months was deemed a reasonable amount. With rising interest rates, this discussion will be continually revisited.

ADJOURN

There being no further business to come before the Committee, upon a motion made and seconded, the meeting was adjourned at 10:08 a.m.



Jaclyn Whiddon, acting as Committee Chair