



FHWO FINANCE COMMITTEE MEETING MINUTES

Monday, October 30, 2023, at 9:00 a.m.

Via Teleconference

The Foundation for a Healthier West Orange Finance Committee Directors met on Monday, October 30, 2023, via teleconference. Chair T. Keating called the meeting to order at 9:02 a.m. A quorum was established, with the following **Directors Present**: T. Keating, B. Spong, and C. Evans. **Directors Absent**: None. **Staff Present**: T. Swanson, L. Boettcher, and P. Brown. **Guests Present**: F. Halikman of MSL CPA, B. Roberts of MSL CPA, and J. Breth of AndCo.

PUBLIC COMMENT

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 FHWO Finance Committee Meeting held on August 1, 2023, were unanimously approved.

FYE 2023 AUDIT DISCUSSION

F. Halikman and B. Roberts of MSL CPA updated the Finance Committee on plans for the FYE2023 Audit. B. Roberts, who has prior nonprofit experience, will be the new audit Manager. F. Halikman asked the Finance Committee for any specific areas the audit should focus on. The Finance Committee did not note any specific areas but were appreciative of B. Roberts' professional background with nonprofit experience and the possible insights that can be gained while performing the audit. The HWO Inc. audit will begin in early November and will be completed by mid-January with a full report-out scheduled for the Finance Committee on January 30th.

INVESTMENT DISCUSSION

J. Breth of AndCo. provided an overview of the September QTD Investment Report for HWO Investments, LLC portfolio. The portfolio's overall performance was down 2.99% for the quarter ended 9/30/2023 but up 8.51% for the 2023 fiscal year. J. Breth said consistent with current market conditions the Portfolio's performance was down in all categories for the quarter. As to asset allocation, J. Breth noted all investment allocations are near the policy range mid-point approved by the Board, with domestic equities being slightly above the mid-point and alternative composites being slightly below the mid-point. These two allocations will be closer to mid-point when the equity call is completed for the private equity investment with JP Morgan. This equity call is expected before end of December 2023.

FINANCE REPORTS – September 2023

Chair T. Keating called upon P. Brown to present the HWO Inc. finance reports for September 30, 2023. P. Brown called attention to the September 2023 combined balance sheet

FOUNDATION

For A Healthier West Orange

(unaudited) 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 \$92.7 million at end of September 2023 with the primary assets being HWO Investments, LLC portfolio at \$68.3 million. The Foundation's money market account and ICS accounts were \$16.7 million at end of September 2023. These funds are at Seacoast Bank primarily in Money Market and ICS accounts earning 525 basis points. Liabilities are \$3.1 million at end of September 2023 with the majority being the \$2.98 million Grant payables for WOHD grants.

For the HWO Inc. Combined Statement of Revenues and Expenses (unaudited) for the 12 months ended September 30, 2023, net Investment Income was a gain of \$6.0 million for the fiscal year but down \$2.2 million in the month of September. The final Year to date total expenses were \$2.24M compared to the full year budget of \$2.25 million.

P. Brown concluded her comments on the financial statements and moved to the HWO Investments, LLC investment reports dated September 2023 provided by Investment Advisor AndCo Consultants. The overall returns from portfolio inception to date were up 4.26% and the fiscal year to date is up 8.51%. For the quarter to date ended September 2023, the return was down 2.99%. Domestic equities were down 2.58% while the international equities were down 6.74%. The alternatives composite allocation was down for the quarter 2.23% as was the fixed income allocation 2.51%.

P. Brown concluded the HWO Inc. Finance Reports by asking for questions, comments, or a motion.

Board Action: Upon a motion duly made and seconded, the Finance unanimously approved the HWO Inc. September 30, 2023 Financial Statements (unaudited).

OPEN FORUM

No Open Forum items.

The meeting was adjourned at 10:09 a.m.



Tim Keating, Committee Chair