



FHWO FINANCE COMMITTEE MEETING MINUTES - Draft
Wednesday, January 31, 2024, at 12:00 p.m.
Via Teleconference

The Foundation for a Healthier West Orange Finance Committee Directors met on Wednesday, January 31, 2024, via teleconference. Chair T. Keating called the meeting to order at 12:03 p.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**: 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 October 30, 2023, were unanimously approved.

FYE 2023 AUDIT DISCUSSION

The HWO Inc. audit was begun in December and should be completed in February. The CPA Firm, MSL Accountants, was delayed and intends to send a draft the second week of February. The Finance Committee discussed reviewing the draft when available and having a future meeting to review and approve.

INVESTMENT DISCUSSION

J. Breth of AndCo. provided an overview of the December 2023 QTD Investment Report for HWO Investments, LLC portfolio. The portfolio's overall performance was up 8.17% for the quarter ended 12/31/2023. J. Breth said consistent with current market conditions the Portfolio's performance was up in all categories for the quarter except the Real Estate Composite which was down 4.38%. As to asset allocation, J. Breth noted all investment allocations are near the policy range mid-point approved by the Board, with alternative composites being slightly below the mid-point. This allocation will be closer to mid-point when the equity call is completed for the private equity investment with JP Morgan. J. Breth also agreed to look into the ongoing Trumbull fees as they slowly liquidate HWO's holdings.

J. Breth announced that "AndCo would be joining Mariner, a national advisory firm, as their new institutional platform." J. Breth said that HWO Inc. would continue to be serviced by the same consulting team. This merger will take place on April 2, 2024 and will operate under a combined brand, Mariner Institutional, with over \$108 billion in assets with 100 associates.

FOUNDATION

For A Healthier West Orange

FINANCE REPORTS – December 2023

Chair T. Keating called upon P. Brown to present the HWO Inc. financial reports for December 31, 2023. P. Brown called attention to the December 2023 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 2023 with the primary assets being HWO Investments, LLC portfolio at \$72.8 million. The Foundation's money market account and ICS accounts were \$17.6 million at end of December 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 December 2023 with the majority being the \$2.98 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 3 months ended December 31, 2023, net Investment Income was a gain of \$5.5 million with \$2.8 million in the month of December. The year-to-date total expenses were \$486k compared to the annual budget of \$2.35 million.

P. Brown concluded her comments on the financial statements and moved to the HWO Investments, LLC investment reports dated December 2023 provided by Investment Advisor AndCo Consultants. The overall returns from portfolio inception to date were up 5.98% and the fiscal year to date is up 8.17%. For the quarter ended 12/31/23, domestic equities were up 11.9%, international equities were up 10.99% and alternatives composites were up 8.36%. The Real Estate Composite was down 4.38% for the quarter.

P. Brown also presented a Financial Snapshot of the Balance Sheet as of December 31, 2023. The analysis detailed the Investment and Cash Balances as well as the Restricted Grant balances.

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

Board Action: Upon a motion duly made and seconded, the Finance Committee unanimously approved the HWO Inc. December 2023 Finance Report.

OPEN FORUM

No Open Forum items.

The meeting was adjourned at 1:16 p.m.


Tim Keating, Committee Chair