



FHWO FINANCE COMMITTEE MEETING MINUTES

Tuesday, July 30, 2024 at 12:00 p.m.

Via Teleconference

The Foundation for a Healthier West Orange Finance Committee met on Tuesday, July 30, 2024, via Zoom. T. Keating, Committee Chair, called the meeting to order at 12:01 p.m. A quorum was established with the following **Finance Committee Members Present:** B. Spong (remote), C. Evans (remote), T. Keating (remote) **Directors Present:** J. Whiddon (remote); **Finance Committee Members Absent:** none; **Staff Present:** T. Swanson (remote) and P. Brown (remote). **Others Present:** D. Blakeslee (remote)

PUBLIC COMMENT

Chair T. Keating 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 April 29, 2024 FHWO Finance Committee Meeting were unanimously approved.

FINANCE REPORTS – JUNE 2024

Chair T. Keating called upon P. Brown to present the HWO Inc. financial reports for June 30, 2024. P. Brown called attention to the June 2024 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 \$101.2 million at end of June 2024 with the primary assets being HWO Investments, LLC portfolio at \$76.3 million. The Foundation’s money market account and ICS accounts were \$17.3 million at end of June 2024. These funds are at Seacoast Bank primarily in Money Market and ICS accounts earning 525 basis points. Liabilities are \$2.6 million at end of June 2024 with the majority being the \$2.54 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 9 months ended June 30, 2024, net Investment Income was a gain of \$9.1 million with \$572 thousand in the month of June. The year-to-date total expenses were \$1.6 million compared to the annual budget of \$2.35 million.

P. Brown concluded the HWO Inc. Finance Report for June 2024 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. June 2024 Finance Reports.

BUDGET DISCUSSION

T. Swanson and P. Brown provided an overview of the FY2024 Budget to Actuals current state and yearend forecast for the Foundation, highlighting organizational structure, and direction for the coming year. P. Brown presented the FYE 2025 HWO, Inc. and Affiliates budget proposal and cause of change to FYE2024. Changes are largely driven by organizational realignments and expected growth as planned for Healthy West Orange including additional schools for Westly's Mile program. Tenant lease income will also increase due to annualization of a new lease.

P. Brown concluded the HWO Inc. Budget Presentation for FYE2025 by asking for questions, comments, or a motion.

Action: Upon a motion made and seconded, the Budget for FYE 2025 was unanimously approved to be brought with a recommendation for approval before the Board on August 15, 2024.

INVESTMENT QUARTERLY DISCUSSION

Chair T. Keating called upon P. Brown to present the Mariner June 30, 2024 Investment Performance Review – Flash Report and Q3 Investment Performance Review. P. Brown told the Committee that J. Breth from Mariner would be at the October Finance Committee meeting to fully discuss year-to-date performance and sensitivity analysis. At this time, J. Breth did not have any recommendations for changes to the Portfolio. P. Brown reported that overall returns from portfolio inception to date were up 6.31% and the fiscal year to date is up 13.42%. For the quarter ended 6/30/24, overall returns were up 1.03% with domestic equities up 2.63%, international equities up .61% and fixed composites up .4%. The Real Estate Composite was down 1.72% for the quarter.

As to asset allocation, P. Brown noted all investment allocations are near the policy range mid-point approved by the Board, with domestic equities being above the mid-point and Private Equity 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. T. Keating requested a cash flow analysis highlighting cash held in SeaCoast Bank for review at the next Finance Committee meeting.

Board Action: Upon a motion duly made and seconded, the Finance Committee Investment Report as presented on July 30, 2024, and the June 2024 Mariner Investment Report and June 2024 Flash Report were unanimously approved.

OPEN FORUM

The Committee officially welcomed Derek Blakeslee as a future Finance Committee member. The meeting was adjourned at 12:59 p.m.

DocuSigned by:

Tim Keating

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Tim Keating, Committee Chair