



**FHWO FINANCE COMMITTEE MEETING MINUTES**  
**Wednesday, January 29, 2025, at Noon**  
**Via Teleconference**

The Foundation for a Healthier West Orange Finance Committee met on Wednesday, January 29, 2025, via Zoom. T. Keating, Committee Chair, called the meeting to order at 12:00 p.m. A quorum was established with the following **Finance Committee Members Present:** B. Spong, C. Evans, D. Blakeslee, T. Keating; **Finance Committee Members Absent:** none; **Staff Present:** T. Swanson and P. Brown; **Others Present:** F. Halikman (Forvis Mazars, LLP), L. Miranda (Forvis Mazars, LLP), and J. Breth (Mariner)

**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 October 31, 2024, FHWO Finance Committee Meeting were unanimously approved.

**FYE 2024 REPORT OF THE INDEPENDENT AUDITORS**

Chair T. Keating called upon F. Halikman and L. Miranda from the firm of Forvis Mazars, LLP, to review the draft of the HWO Inc. dba Foundation for a Healthier West Orange FYE2024 audit. L. Miranda reviewed the firm's responsibility under GAAS and noted that there were no significant accounting policy changes for the fiscal year 2024 and management estimates utilized were reasonable. L. Miranda discussed the positive investment returns experienced in the fiscal year as well as the positive audit outcome with the financial statements.

Foundation staff members were excused from the meeting for a Committee only session between the Committee members and the auditors. Upon return of staff to the meeting, no items were noted, or actions resulted.

After the audit began, the firm of MSL Certified Public Accountants merged with Forvis Mazars, LLP. MSL rendered an unqualified opinion on the Foundation's financial statements for the year ended September 30, 2024. Chair T. Keating thanked the auditors for their presentation and asked for further comments, questions, or a motion from Committee members.

**Board Action:** Upon a motion made and seconded, The HWO Inc. Consolidated Financial Statements audit for the fiscal year ended September 30, 2024, signed by MSL Certified Public Accountants, was unanimously approved for presentation to the HWO, Inc Board with recommendation for approval.

## INVESTMENT QUARTERLY DISCUSSION

Chair T. Keating called upon J. Breth to present the Mariner December 31, 2024, Q1 Investment Performance Review. J. Breth of Mariner Institutional provided an overview of December 31, 2024, QTD Investment Performance Review for HWO Investments, LLC portfolio. The portfolio's overall performance was down 1.00%, net of fees, for the quarter ending 12/31/2024. J. Breth said consistent with current market conditions the Portfolio's performance was up in Domestic Equity but down in International Equity and Domestic Fixed Composites.

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 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. At this time, J. Breth recommended a rebalancing of the Portfolio with \$1.5M moved from Domestic Equity Funds to a Domestic Fixed Income Fund.

Discussion ensued and it was agreed that rebalancing was appropriate, and a motion was put forth.

J. Breth will present a review of current Private Equity holdings, equity call timing with JP Morgan, and potential additional Private Equity funds at the next Finance Committee meeting.

**Board Action:** Upon a motion made and seconded, authorization to sell a total of \$1.5 million of Domestic Equity funds held in US Bank with \$750,000 from Vanguard Equity Income ADM (VEIRX) and \$750,000 from Touchstone Growth Opportunities (TGVVX) and invest the proceeds in the Dodge & Cox Income Fund (DODIX) was unanimously approved.

## FINANCE REPORTS – DECEMBER 2024

Chair T. Keating called upon P. Brown to present the HWO Inc. financial reports for December 31, 2024. P. Brown called attention to the December 2024 combined balance sheet that includes HWO, Inc. and its four affiliates: HWO Investments, LLC, HWO Holdings, LLC, Healthy West Orange, LLC and Creative Aging, LLC. On a combined basis, total assets were \$103.7 million at end of December 2024 with the primary assets being HWO Investments, LLC portfolio at \$79.8 million. The Foundation's money market account and ICS accounts were \$16.3 million at end of December 2024. These funds are at Seacoast Bank primarily in the Money Market and ICS accounts earning between 390 and 450 basis points. Liabilities are \$2.6 million at end of December 2024 with the majority being \$2.5 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 3 months ended December 31, 2024, net Investment Income was a loss of \$.9 million. The FYE25 total operating expenses were \$454 thousand compared to the annual budget of \$2.5 million. P. Brown called attention to the separate Creative Aging Financial Statement that will track the Grant spending compared to the forecasted amount for the year of \$373k. P. Brown also discussed the HWO Inc. Cash Flow Forecast. The Committee asked T. Swanson and P. Brown to work with Mariner's J. Breth to determine the appropriate cash balance and explore equity investment options. Priority being to

identify low-risk, high-return, liquid investment funds for a portion of the cash holdings. Staff continue to monitor interest rates to optimize liquidity and cash levels across Money Market, CD, and ICS accounts.

P. Brown referenced the Mariner December 31, 2024, Investment Performance Review and Flash Report. P. Brown reported that overall returns from portfolio inception to date were up 6.72% and the fiscal quarter to date 2025 is down 1.00%. For the quarter ending 12/31/24, overall returns were down but domestic equities were up 3.04%. International equities were down 8.50% and fixed composites down 2.26%. The Real Estate Composite was up at 1.91% for the quarter.

P. Brown concluded the HWO Inc. Finance Report for December 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. December 2024 Finance Reports and December 31, 2024, Mariner Investment Performance Review and Flash Report.

#### ITEMS WITH FINANCIAL IMPLICATIONS

P. Brown and T. Swanson updated the Finance Committee on a \$2,000 grant request from Oakland Nature Preserve for signage requested through the Healthy West Orange Trails Master Plan grant. The Finance Committee was also updated on tenants and tenant revenue in the HWO Holdings, LLC building.

#### OPEN FORUM

No further discussion.

The meeting was adjourned at 1:38 p.m.

  
Tim Keating, Committee Chair