

FOUNDATION

For A Healthier West Orange

FHWO FINANCE COMMITTEE MEETING MINUTES Thursday, April 17, 2025, at Noon Via Teleconference

The Foundation for a Healthier West Orange Finance Committee met on Thursday, April 17, 2025, via Zoom. T. Keating, Committee Chair, called the meeting to order at 12:02 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:** 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 January 29, 2025, FHWO Finance Committee Meeting were unanimously approved.

HWO Inc. 2023 Form 990

Chair T. Keating called upon Controller P. Brown to present the draft HWO Inc. Form 990 for the 2023 Tax Return (tax year beginning Oct. 1, 2023 and ending Sept. 30, 2024). P. Brown will work with Forvis Mazars, LLP, the CPA firm who prepared the 990, to update the CEO hours and add clarifying language on spending details. P. Brown will also obtain clarification for the Committee on fundraising expenses on the Statement of Functional Expenses in the Form 990.

P. Brown asked for further comments, questions, or a motion from Committee members.

Board Action: Upon a motion made and seconded, the draft HWO Inc. Form 990 Tax Return for 2023, with updates for CEO hours and clarifying language on spending details, was unanimously approved to be presented to the HWO Inc. Board and recommended for approval.

FINANCE REPORTS – March 2025

Chair T. Keating called upon P. Brown to present the HWO Inc. financial reports for March 31, 2025. P. Brown called attention to the March 2025 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 \$103.6 million at end of March 2025 with the primary assets being HWO Investments, LLC portfolio at \$80.3 million. The Foundation's money market account and ICS accounts were \$15.8 million. These funds are at Seacoast Bank primarily in the Money Market and ICS accounts earning between 400 and 465 basis points.

Liabilities are \$2.6 million at end of March 2025 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 6 months ended March 31, 2025, net Investment Income was a loss of \$.3 million offset by \$.3 million of interest income. The FYE25 total operating expenses were \$1.02 million to date 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 which is \$143k to date compared to the forecasted amount for the year of \$373k. P. Brown also discussed the HWO Inc. Cash Flow Forecast. Staff continues to monitor interest rates to optimize liquidity and cash levels across Money Market, CD, and ICS accounts.

P. Brown referenced the Mariner March 31, 2025 Flash Report reporting that overall returns from portfolio inception to date were up 6.53% and the fiscal year to date 2025 were down .36%. For the quarter ending 3/31/25, overall returns were up a fraction at .63% with domestic equities down 4.42%. International equities were up 7.87% as well as fixed composites were up 2.57%. The real estate composite was up .78% for the quarter.

P. Brown concluded the HWO Inc. Finance Report for March 2025 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. March 2025 Finance Reports and March 31, 2025, Mariner Investment Performance Review - Flash Report.

INVESTMENT QUARTERLY DISCUSSION

Chair T. Keating called upon J. Breth to present the Mariner March 31, 2025, Mariner Investment Performance Review- Flash Report. J. Breth of Mariner noted that the Quarterly Report was not available at the time of the Finance Committee meeting. J. Breth provided an overview for HWO Investments, LLC portfolio. The portfolio's overall performance was up slightly at .63%, net of fees, for the quarter ending 3/31/2025. J. Breth said, consistent with current market conditions, the Portfolio's performance was down in Domestic Equity but up in International Equity and Domestic Fixed Composites. J. Breth advised maintaining the long-term asset allocation strategy despite market volatility.

J. Breth recommended liquidating the Touchstone Growth Opportunities fund (TGVVX) valued at 8,027,396 at 3/31/2025 and investing the proceeds in the Fidelity Large Cap Growth Index Fund (FSPGX). J. Breth said the Touchstone liquidation is based on a change in the underlying sub-advisor to the Fund and their mandated change from an all cap growth Fund to only a large cap growth Fund. Mariner will continue to evaluate new options. The Committee also discussed investing \$5

million from the Foundation's money market accounts and CDs into the diversified stock portfolio over the next month to enhance long-term returns while reducing cash exposure.

Discussion ensued and it was agreed that the liquidation was appropriate as well as investment of the \$5 million from the Foundation's money market and CD holdings, and two motions were put forth.

Board Action: Upon a motion made and seconded, authorization to sell the total Touchstone Growth Opportunities fund (TGVVX) valued at 8,027,396 at 3/31/2025 and reinvest it into the Fidelity Large Cap Growth Index Fund (FSPGX) was unanimously approved.

Board Action: Upon a motion made and seconded, authorization to invest \$5 million over the next month from the Foundation's money market and CD accounts into the HWO Investments, LLC diversified stock investment portfolio was unanimously approved.

ITEMS WITH FINANCIAL IMPLICATIONS

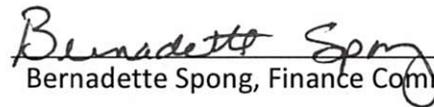
P. Brown and T. Swanson updated the Finance Committee on the City of Ocoee grant. The Finance Committee was also updated on details and premium amounts of all insurance policies as well as tenant revenue and tenant updates in the HWO Holdings, LLC building.

T. Swanson agreed to obtain clarification from the Foundation's lawyer Jeff Jonasen of the Finance Committee's responsibilities as the Investment Committee and Audit Committee for the May 1st Board meeting.

OPEN FORUM

No further discussion.

The meeting was adjourned at 1:35 p.m.


Bernadette Spong, Finance Committee