

FHWO FINANCE COMMITTEE MEETING MINUTES
Tuesday, October 28, 2025, at 11:00 a.m.
Via Teleconference

The Foundation for a Healthier West Orange Finance Committee met on Tuesday, October 28, 2025, via Zoom. Co-Chair B. Spong called the meeting to order at 11:01 a.m. A quorum was established with the following **Finance Committee Members Present:** B. Spong, C. Evans, D. Blakeslee; **Finance Committee Members Absent:** none; **Staff Present:** T. Swanson, P. Brown and K. Carter; **Others Present:** J. Whiddon (HWO Inc. Board Chair), F. Halikman, N. Davenport, A. Arnold and A. Bibby all of Forvis Mazars, J. Breth of Mariner, and J. Jonasen of Gunster.

PUBLIC COMMENT

Co-Chair B. Spong 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 July 30, 2025, FHWO Finance Committee Meeting were unanimously approved.

FYE 2025 AUDIT DISCUSSION

F. Halikman of Forvis Mazars CPA's (engagement relationship partner) updated the Finance Committee on plans for the FYE2025 Audit as well as introduced the Audit Partner Nate Davenport. N. Davenport shared that Forvis Mazars would be focused this year on documenting internal controls as well as use of an outside firm that would provide a third-party valuation of the Investments held by HWO Investments, LLC. He also asked the Finance Committee for any specific areas the audit should focus on. B. Spong requested reporting of the internal controls evaluation and the results of the valuation of investments performed.

FOUNDATION STRUCTURE DISCUSSION

A. Arnold and A. Bibby of Forvis Mazars discussed the Public Support Test that is part of the annual Form 990 Schedule A, and the recommendation that the HWO Inc. organizational structure be reviewed and analyzed. A. Arnold provided expert insight into the legal considerations of remaining a 501(c)(3) public charity, including as a possible supporting organization, as well as the pros and cons of a private foundation. She reviewed the procedural requirements and timeline should the Board determine that a change aligns with the company's strategic direction.

Further research and details will be brought to future Board meetings to determine the proper structure and direction that best fulfills the HWO Inc. mission and vision.

FINANCE REPORTS – September 2025

Co-Chair B. Spong called upon P. Brown to present the HWO Inc. and Affiliates financial reports for September 30, 2025. P. Brown called attention to the September 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 \$111.7 million at the end of September 2025, with the primary assets being the HWO Investments, LLC portfolio at \$94.8 million. The Foundation's money market account and ICS accounts were \$9.5 million. These funds are at Seacoast Bank, primarily in the Money Market and ICS accounts, earning between 300 and 415 basis points. Liabilities are \$2.6 million at the end of September 2025, with the majority being \$2.5 million in Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 12 months ending September 30, 2025, net Investment Income was a gain of \$8.94 million and \$550 thousand of interest income. The FYE25 total operating expenses were \$2.42 million to date compared to the annual budget of \$2.55 million.

P. Brown referenced the Mariner September 30, 2025, Investment Performance Review – Flash Report, reporting that overall returns from portfolio inception to date were up 7.88% and the fiscal year to date 2025 were up 10.8%. For the quarter to date, overall returns were up 4.86% with domestic equities up 8.12%. International equities were up 6.37% and fixed composites were up 2.43%. J. Breth of Mariner would report on the detailed Quarterly Investment report.

P. Brown concluded the HWO Inc. and Affiliates Finance Report for September FYE2025 by asking for questions, comments, or a motion.

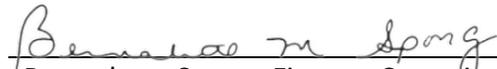
Board Action: Upon a motion duly made and seconded, the Finance Committee unanimously approved the HWO Inc. and Affiliates September FYE2025 Finance Reports and the September 30, 2025, Mariner Investment Performance Review and Flash Report.

INVESTMENT QUARTERLY DISCUSSION

Co-Chair B. Spong called upon J. Breth to present the September 30, 2025 Quarterly Mariner Investment Performance Review. J. Breth provided an overview of the HWO Investments, LLC portfolio. The portfolio's overall performance was up 4.86%, net of fees, for the quarter ending 9/30/2025. J. Breth said, consistent with current market conditions, the Portfolio's performance was up in Domestic Equity, International Equity and Domestic Fixed Composites. J. Breth advised maintaining the long-term asset allocation strategy noting all asset classes were compliant with the allocation ranges approved in the Investment Policy. J. Breth discussed possible future Private Equity investments to balance out the portfolio more between domestic equity and private equity. He will provide further guidance in future Finance Committee meetings.

OPEN FORUM

The meeting was adjourned at 12:33 p.m.


Bernadette Spong, Finance Committee