FOUNDATION

For A Healthier West Orange

FHWO FINANCE COMMITTEE MEETING MINUTES
Wednesday, January 28, 2026, at 11:00 a.m.
Via Teleconference

The Foundation for a Healthier West Orange Finance Committee met on Wednesday, January 28, 2026, via Zoom. Co-Chair B. Spong called the meeting to order at 11:00 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 and P. Brown; **Others Present:** F. Halikman, N. Davenport, and L. Miranda 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 October 28, 2025, FHWO Finance Committee Meeting were unanimously approved.

REPORT OF THE INDEPENDENT AUDITORS

Co-Chair B. Spong called upon Audit Partner N. Davenport and Manager L. Miranda from the firm of Forvis Mazars to review the draft of the HWO Inc. dba Foundation for a Healthier West Orange FYE 2025 audit. L. Miranda reviewed the firm's responsibilities under GAAS, including the requirement to plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. He noted that there were no significant accounting policy changes for fiscal year 2025 and reported that the audit did not identify any material weaknesses or significant deficiencies in internal control. He also presented the financial statements and accompanying schedules included in the report and confirmed that all required disclosures had been made.
C. Evans requested that the report include additional background on the Foundation's former auditors, MSL, CPA's. MSL, CPAs merged with Forvis Mazars in 2025, after which the combined firm, Forvis Mazars, was engaged as the Foundation's auditors. L. Miranda noted that he would incorporate an added sentence in Note 1 of the Audit Report.

T. Swanson and P. Brown exited the meeting for a brief period for an Executive Finance Committee meeting with the auditors. Upon T. Swanson and P. Brown returning to the meeting, B. Spong noted that no action items resulted from the Executive session. She also shared audit partner, F. Halikman, announced his upcoming retirement.

The firm of Forvis Mazars rendered an unqualified opinion on the Foundation's financial statements for the year ended September 30, 2025. B. Spong thanked the auditors for their presentation and asked for further comments, questions, or a motion from Committee members.

Action: Upon a motion made and seconded, the audit of the HWO Inc. Consolidated Financial Statements for the fiscal year ended September 30, 2025, was unanimously approved to be presented to the HWO Inc. Board and recommended for approval.

FINANCE REPORTS – December 2025

Co-Chair B. Spong called upon P. Brown to present the HWO Inc. and Affiliates financial reports for December 31, 2025. P. Brown called attention to the December 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 $113.4 million at the end of December 2025, with the primary assets being the HWO Investments, LLC portfolio at $99.8 million. The Foundation's money market account and ICS accounts were $6.3 million. These funds are at Seacoast Bank, primarily in the Money Market and ICS accounts, earning between 300 and 375 basis points. Liabilities are $2.7 million at the end of December 2025, with the majority being $2.6 million in Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 3 months ending December 31, 2025, net Investment Income was a gain of $2.25 million and $72 thousand of interest income. The FYE26 total operating expenses were $581k to date compared to the annual budget of $2.78 million.

P. Brown referenced the Mariner December 31, 2025, Investment Performance Review – Flash Report, reporting that overall returns from portfolio inception to date were up 7.97%, and the fiscal year to date 2026 is up 2.4% with domestic equities up 2.36%. International equities were up 5.95% and fixed composites were up 1.39%. J. Breth of Mariner will report on the detailed Quarterly Investment report.

P. Brown concluded the HWO Inc. and Affiliates Finance Report for December FYE2026 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 December FYE2026 Finance Reports and the December 31, 2025, Mariner Investment Performance Review and Flash Report.

TENANT UPDATES

T. Swanson and P. Brown informed the Committee that the tenant, Body Street's lease was terminated December 31st, and the space was vacated effective January 15th. Additional research and information will be presented at future Board meetings to evaluate potential tenants.

INVESTMENT QUARTERLY DISCUSSION

Co-Chair B. Spong called upon J. Breth to present the December 31, 2025 Quarterly Mariner Investment Performance Review. J. Breth provided an overview of the HWO Investments, LLC portfolio. The portfolio's overall performance was up 2.48%, net of fees, for the quarter ending 12/31/2025. 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 between domestic equity and private equity. He agreed to present updated investment return scenarios at future Finance Committee meetings. These scenarios will include a retrospective analysis showing how returns might have differed had the Foundation increased its allocation to Private Equity.

FOUNDATION STRUCTURE DISCUSSION

T. Swanson and P. Brown discussed the Public Support Test that is part of the annual Form 990 Schedule A. Learnings were shared from discussions held with subject matter experts in the community. The procedural steps and timeline should the Board determine that a structural change aligns with the organization's long-term direction was reviewed, noting September 30, 2028, as a decision point. The Finance Committee concluded that public charity status warrants ongoing monitoring but no further research was necessary at this time.

OPEN FORUM

No items noted.

The meeting was adjourned at 1:01 p.m.

Bernadette Spong

Bernadette Spong, Finance Committee Co-Chair