



**FINANCE COMMITTEE MINUTES
8 AM, TUESDAY, JUNE 15, 2021
BOARD ROOM
1200 E. PLANT STREET
WINTER GARDEN, FL 34787
ZOOM 825 9721 0194**

The West Orange Healthcare District Finance Committee met on Tuesday, June 15, 2021 in the Boardroom of the Healthy West Orange building at 1200 E. Plant Street in Winter Garden. Chair Maryke Lee called the meeting to order at 8:00am. **Trustees Present:** Maryke Lee, Rod Talbot, Mark Griffith, Jaclyn Whiddon, Tim Keating and Jeff Sedloff. **Trustee Present ZOOM:** John Murphy. **Trustee Absent:** None. **Staff Present:** Chief Executive Officer Tracy Swanson and Chief Financial Officer Ken Harker. **Guest Present:** Patricia Brown, Controller, Foundation for a Healthier West Orange.

M. Lee asked if there were members of the public in attendance. There were none.

APPROVAL OF PRIOR MINUTES

Chair M. Lee asked if there were comments or a motion on the minutes of the Committee's prior meeting. There were no comments.

Action: Upon a motion made and seconded, the minutes of May 18, 2021 Committee meeting were unanimously approved.

FINANCIAL REPORTS FOR MAY 2021

Chair M. Lee called upon CFO K. Harker to present the internal financial reports. K. Harker responded that the financial statements are as of May 31st, the eighth month of the fiscal year. Referring to the Statements of Net Position, he commented that the total assets were \$74.5 million vs. \$85.5 million a year earlier. The contraction is due primarily to grant activity and funding of the Plant Street building construction, noting that the investment portfolio and the money market account at Seacoast Bank are the funding sources for this project. The money market account at Seacoast Bank is at \$8.8 million and earns the Bank's "special rate" of 44 basis points. K. Harker commented that the investment portfolio was at about \$58 million with a closer look at its performance to follow. The investment in the Plant Street property, including building construction and furnishings, was at \$6.7 million at month end, exclusive of retainage owed McCree Construction. As an update, the District has retained consultants affiliated with the audit firm of MSL, CPA's to do a cost allocation of the project's component costs for depreciation and renewal and replacement fund purposes. They have furnished a draft of some preliminary work they have done but a final report has not been received.



As to liabilities, K. Harker noted that grants currently payable are at \$1.1 million with details shown at Exhibit A. The District has also committed to funding grantee construction projects with unpaid balances totaling \$18.5 million, also detailed in Exhibit A.

After liabilities & construction grant commitments, the unrestricted resources of the District at May 31st were \$54.7 million, with \$20.3 million of that reserved for grants in process.

K. Harker then called attention to the Statement of Changes in Net Assets for the month of May. The top line shows that the investment portfolio had a good month in this very volatile market, producing returns of just over \$656 thousand. As to other monthly results, expense categories are generally within their monthly budgets, with the exception of "office occupancy". The reason that this category was not budgeted in the District is because the assumption was that building would have been granted to HWO, Inc. during the prior fiscal year. As to the bottom line for the month, expenditures exceeded revenues by \$537 thousand.

Moving to the Statement of Changes in Net Assets for the eight months ended May 31st, K. Harker commented that investment income was averaging over \$1 million per month and is at \$8.3 million for the year to date. He then reviewed actual year to date amounts compared to budgeted amounts for the four expense classifications noting that total actual expenses for the year to date of \$492 thousand is close to the budgeted amount for the eight months of \$493 thousand. For the eight months year to date, the bottom line shows a negative \$6 million, this roughly attributable to some \$8 million in investment income offset by \$14 million in grants and expenses.

K. Harker then called attention to the active grant status report. There were seven grants disbursed during May totaling \$480 thousand. Active grant awards were \$88 million of which some \$69 million has been disbursed, leaving \$19.6 million owed on them. K. Harker reminded the Committee that these numbers do not include grants that have been approved by the Board subject to execution of grant agreements nor those that the Priorities Task Force will recommend to the Board for approval.

Referring to the AndCo investment portfolio performance report for May, K. Harker called attention to page 1 which shows that the total portfolio returned a solid 1.12% for the month. The equities allocation led the way with 1.83% which was composed of domestic equities at 1.21% and international equities, that experienced a very good month, at 2.95%. The fixed income allocation returned 0.44%. For the fiscal year to date, K. Harker reported that results were excellent, calling attention to the overall return of over 14%, with equities returning 30%.

Directing attention to page 4 of the AndCo report, K. Harker noted that all asset allocations are within the ranges specified in the Investment Policy Statement but with some deviation from the mid-points of those ranges, as expected. He reminded the Committee that the District is in the que for liquidation of its real estate portfolio allocation and has received several payments in redemption of its interests as reported last month. No redemptions were received in May.

K. Harker then informed the Committee that the investment portfolio reduction and the related increase in the money market balance that the Committee approved at its last meeting is underway. He reminded the Committee that the purpose of this money movement is related to grant commitments and the ability to fund them. The reasoning is that once funds are committed to grants, they should be moved from the higher risk of the investment portfolio and placed in the low-risk money market accounts.

K. Harker then concluded his report and Chair M. Lee asked if there were questions or comments and, if none, a motion is needed.

Action: Upon a motion made and seconded, the Financial Report for May 2021 was unanimously approved.

2021-2022 BUDGET PLAN & TIMETABLE

Chair M. Lee called upon K. Harker to comment on the budget timetable for the 2021-2022 budget. As a unit of government, the District must comply with a timetable and disclosure rules even though it does not levy a property tax. K. Harker informed the Committee that in compliance with those rules, we will have a budget for the Committee's review at its July 20th meeting and will seek approval from the Board at its July 27th meeting. Following that approval, the budget availability will be made public on or about August 1st.

OPEN FORUM

Chair M. Lee asked if there was other business to come before the Committee. There was none.

ADJOURN

There being no further business to come before the Committee, upon a motion made and seconded, the meeting was adjourned at 8:45am.



Maryke Lee, Committee Chair