

**MINUTES
RECONVENED ANNUAL MEETING OF TRUSTEES
CHARLES HOSMER MORSE FOUNDATION**

May 3, 2022

The Annual Meeting of the Board of Trustees of the Charles Hosmer Morse Foundation (Foundation) was reconvened on Tuesday, May 3, 2022, and was held in the Board Room of the Elizabeth Morse Genius and Charles Hosmer Morse Foundation office, 329 Park Avenue North, Winter Park, Florida, and by teleconference.

Notice of the meeting was given to all Trustees and Members of the Board in accordance with the Bylaws.

Trustees Attending in Person

Harold A. Ward, III, President
Susan F. McKean
Charles C. Ogden
Sandra M. Ogden
Randolph J. Rush
Ann M. Saurman
Richard M. Strauss
Leila E. Trismen

Attending by teleconference:

Sandra M. Ogden

Others Attending in Person:

Richard O. Baldwin, Jr.
Mary W. Christian
Bonnie C. Hubbard
Laurence J. Ruggiero
Douglas A. Woodman

Attending by teleconference:

R. Michael Strickland

PRK O'Connor Davies

By teleconference:
Thomas F. Blaney
Anan Samara

The President called the meeting to order.

Presentation by PFK O'Connor Davies – 2021 Audit Report:

Mr. Anan Samara, Partner with PKF O'Connor Davies, reviewed the Required Communications and Responsibilities with those charged with governance. Management sets the tone and establishes internal controls; the auditors review these controls and are comfortable that the Foundation abides by these rules and regulations.

Excellent cooperation was provided by management and there was no disagreement from management; an unqualified clean opinion was issued.

Mr. Samara discussed risk assessment which includes internal controls, cash and credit card usage, payroll and journal entries, investments, and tax compliance. The last cybersecurity assessment was in 2019, and it is suggested an assessment be conducted every three to four years. Fraud interviews were conducted with several employees and Trustees, with nothing of concern to report.

Expenses were in line with the prior year. The return on investments was 10%, the average for private foundations in 2021 was between 11% to 16%. The Foundation assets were \$63,171,758 at the end of year 2021.

Upon a motion duly made, seconded and unanimously carried, the audit report for the 2021 fiscal year by PKF O'Connor Davies, dated May 3, 2022, was accepted.

Mr. Blaney then discussed several topics of interest to the Trustees including:

- The IRS changed the tax rate to a flat 1.39% from the 2% or 1%.
- The IRS now requires the tax returns to be filed electronically. The IRS is able to look for anything that stands out, that should be looked at, for example certain lines on the 990s, such as receivables from disqualified persons which is basically management or officers., or something like a travel advance. Because of the electronic filing, auditors have seen an significant increases in concentration of IRS notices asking about particular lines of the return. CHMF has nothing that stands out.
- Proposed by the Senate called the Accelerating Charitable Efforts Act (ACE), which will forbid a foundation to give a grant to a donor advised fund (DAF) and count that to their 5% annual payout unless the DAF make a qualifying distribution the same year. This is proposed legislation.

The President thanked Mr. Blaney and Mr. Samara for their presentations. They were excused from the meeting.

There being no further business, the meeting was adjourned.

Approved,



Harold A. Ward, III
Chairman