

**MINUTES
ANNUAL MEETING OF TRUSTEES
THE ELIZABETH MORSE GENIUS FOUNDATION**

May 3, 2022

A meeting of the Board of Trustees of the Elizabeth Morse Genius Foundation (Foundation) was commenced on Tuesday, May 3, 2022, in the offices of the Elizabeth Morse Genius and Charles Hosmer Morse Foundation, Winter Park, Florida and by teleconference.

Notice of the meeting was given to all Trustees of the Board in accordance with the Bylaws. Attending the meeting:

Trustees:

Harold A. Ward, III, Chairman
Richard O. Baldwin, Jr.
Mary W. Christian
Randolph J. Rush
Richard M. Strauss
Douglas A. Woodman

Others:

Bonnie C. Hubbard
Susan M. McKean
Charles C. Ogden
Laurence J. Ruggiero
Ann M. Saurman
Leila E. Trismen

By teleconference:

R. Michael Strickland

By teleconference:

Sandra M. Ogden

PRK O'Connor Davies

By teleconference:

Thomas F. Blaney
Anan Samara

Bank of America

David C. Cross
Andrew G. Davis
John G. Maus, Jr.
Brian J. O'Donnell

The Chairman called the meeting to order.

Presentation by PKF 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, regulations, and grant agreements. 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, tax compliance and grant due diligence. 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. The audit included review of 86% of total grants made for due diligence, milestones, and grant contracts; there were no issues.

Expenses and grants were in line with the prior year. The return on investments was 13%; average for private foundation in 2021 was between 11% to 16%. The Foundation assets were \$145,557,522 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 significant increases in concentration of IRS notices asking about particular lines of the return. EMGF has nothing that stands out.
- There is a proposal 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 Chairman thanked Mr. Blaney and Mr. Samara for their presentations. They were excused from the meeting.

Finance & Investment Committee - Bank of America – Investment Update:

Mr. Woodman introduced the representatives from Bank of America (BAC); David Cross, Senior Vice President, John Maus, Managing Director – Private Client Advisor, Andrew Davis, Philanthropic Client Manager, and Brian O'Donnell, Managing Director-Senior Institutional Portfolio Strategist. Mr. Cross thanked the Trustees for the opportunity to work with the foundation on investments.

Mr. O'Donnell reviewed the economic outlook. Included in their list of potential economic impacts included the Ukraine crisis and the U.S. response, inflation, monetary and fiscal policies, and U.S. – China relations.

Regarding the Foundation's investment portfolio, BAC wants it to be very diversified and have a balanced approach. They continue to want to own quality growth stocks, that is stock in businesses that actually generate quality cash flows, that no matter what the environment is their business isn't going away.

No significant changes were made in the Foundation's portfolio. The only manager change is BAC terminating Cambiar International Value and the move to Artisan International Value.

BAC recommended trimming Wellington Small Cap to maintain the asset allocation in small cap, at the end of the quarter Wellington was about 8% of the portfolio. To cover anticipated cash needs, distribution of funds would be reallocated half to cash, and the remainder into another small cap fund to stay within the same allocation. Mr. Strauss will contact Wellington Management to authorize this transaction.

Upon a motion duly made, seconded and unanimously carried, the Wellington Small Cap investment will be reduced by \$1,000,000 with the funds to be distributed \$500,000 to cash and \$500,000 to a U. S. Small Cap investment with Bank of America.

The Chairman thanked the Bank of America representatives who then left the meeting.

Approval of Minutes:

The following Minutes were presented by the Chairman; and upon a motion duly made, seconded and unanimously carried, were approved.

- **Special Meeting of Trustees – November 9, 2021**
- **Executive Committee – December 20, 2021**
- **Joint Meeting of Trustees – January 17, 2022**

Committee on Trustees:

The Chairman of the Committee on Trustees, Douglas Woodman, nominated the following Trustees for re-election to the Board of Trustees:

Upon a motion duly made, seconded, and unanimously carried, the following Founding Members/Trustees and Members at Large were re-elected:

Mary W. Christian	Founding Member
Richard O. Baldwin, Jr.	Member at Large
Randolph J. Rush	Member at Large
Richard M. Strauss	Founding Member
R. Michael Strickland	Founding Member
Harold A. Ward, III	Founding Member
Douglas A. Woodman	Founding Member

The following Officers were nominated for election:

Harold A. Ward, III	Chairman of the Board
Randolph J. Rush	President
Richard M. Strauss	Executive Vice President & Treasurer
Douglas A. Woodman	Secretary
Bonnie C. Hubbard	Assistant Secretary
Susan M. Stavros	Assistant Treasurer

Upon a motion duly made, seconded and unanimously carried, the nominated Officers were elected as set forth.

Upon a motion duly made, seconded and unanimously carried, the following Trustees were re-elected to the Executive/Audit Committee.

Harold A. Ward, III, Chairman
Randolph J. Rush
Richard M. Strauss
Douglas A. Woodman

The President appointed the following persons to the Finance and Investment Committee and Committee on Trustees:

Finance and Investment:

Douglas A. Woodman, Chairman
Richard O. Baldwin, Jr.
Mary W. Christian
Randolph J. Rush

R. Michael Strickland
Richard M. Strauss
Harold A. Ward, III

Committee on Trustees:

Douglas A. Woodman, Chairman
Randolph J. Rush
Richard M. Strauss
Harold A. Ward, III

Chairman's Report:

- The Chairman thanked Dr. Ruggiero for the reception for the opening of The Stebbins Collection and noted the significant attendance for the event.
- Contribution to the Winter Park High School Foundation, Tyler Rush Fund: Mr. and Mrs. Ward attended the annual concert where the student performed The Music Man. There were about 350 students in the show.
- The Central Florida Zoo and Botanical Gardens requested permission to change the designation of the \$50,000 grant awarded in 2021 to be used for the expansion of the Amur Leopard Habitat.
- In 2002, the Bach Festival Society was awarded a \$1,000,000 matching grant with John Tiedtke with a resolution and formal letter that conditioned the grant upon the Bach Festival concerts being performed in Winter Park. This year there were several concerts held in other locations due to the COVID limitation of attendees in Knowles Chapel. Bach Festival did not notify the Foundation of the location changes for these concerts. The Chairman would like permission to write Bach Festival that they should notify us prior to the concert and get our permission.

Upon a motion duly made, seconded and unanimously carried, the Chairman's Report was approved.

President's Report:

- The appeal for the property tax classification for Lake Jessup was successful; the property will continue to be assessed as agricultural, saving the Foundation \$51,000 in taxes.
- Rollins College invited me, on behalf of the Genius Foundation, to a breakfast also attended by representatives from several other foundations that support Rollins College. Rollins College President, Grant Cornwell, shared a list of the positive reviews of the college, which included Rollins College as the number one regional university in the South and four Rollins College students earning a Fulbright scholarship.

- Additional Rollins updates announced: the opening of the new student residential dorms; the Alford Inn addition; Rollins broke ground on the Tiedtke Theater and Dance Center; received more than 8,400 applications for the fall semester and over 9,000 applications for January; a new fundraising campaign has met its goal but does have several cycles.

Upon a motion duly made, seconded and unanimously carried, the President's Report was approved.

Treasurer's Report:

The President asked Mr. Strauss to present the Treasurer's report. Mr. Strauss presented:

- Preliminary financial statements for periods ending March 31, 2022.
- A brief update on the properties and tenants. Current rates per square foot on the avenue are \$70 a square foot plus pass through. Origins is leaving at the end of June. Office space has remained fully leased.
- No capital expenditures to date for 2022.

The continuation of the Lake Jessup agricultural exemption resulted in a \$51,000 refund. To keep this exemption, Bill Lennon suggested putting cattle on the property instead of incurring the expense of replanting orange trees. The cost for repairing the fence is about \$21,000 for 6,000 lineal feet. No lease has been negotiated at this time. Further discussion will be held on this matter by the Executive Committee.

As a courtesy, the City of Winter Park contacted the Foundation regarding the replacement of the bandstand in Central Park; the Foundation does not have to give formal approval. The city is also installing a plaque in Central Park about Mr. Morse.

Upon a motion duly made, seconded and unanimously carried, the Treasurer's Report was approved.

Consideration of Grants:

The President reviewed the payout status:

The estimated amount currently required to be contributed before December 31, 2022, to satisfy the 5% payout requirement:	\$7,000,000
Less paid contributions:	(\$5,000)
Less anticipated contributions and associated costs:	(\$4,538,575)
Leaving a balance of contributions necessary to satisfy the payout requirement for 2021:	\$2,456,425

Grant Requests:

The Minutes for the April 19, 2022, Executive Committee were presented by the Chairman; and upon a motion duly made, seconded and unanimously carried, were approved.

The President requested the Board of Trustees consider the recommendations of the Executive Committee with respect to grants:

- **Recurring Grants:**

The President presented the Recurring Grants totaling \$258,500.

Upon a motion duly made, seconded and unanimously carried, the Recurring Grants were approved. A list of the recurring grants is attached to these minutes and made a part hereof.

- **Memberships:**

The list of memberships for the Foundation totaling \$3,125 was reviewed; payment of qualifying memberships can be included in the pay-out amounts.

Upon a motion duly made, seconded and unanimously carried, the memberships were approved. A list of the memberships is attached to these minutes and made a part hereof.

- **Grant Requests**

Upon a motion duly made, seconded and unanimously carried, the following grant requests totaling \$389,580 were unanimously approved. Mr. Baldwin recused himself on the votes involving The Gardens at DePugh Nursing, Welbourne Nursery & Preschool, and Winter Park Public Library.

<u>Grant Recipient</u>	<u>Amount</u>	<u>Remarks</u>
Boys Town – Central Florida	\$25,000	Program support for In-Home Family Services and Common Sense Parenting.
Canine Companions for Independence	\$10,000	Support training and veterinary care of service dogs.
Conductive Education Center of Orlando	\$5,000	Support for Full Day Program for ages K – 12.
Dr. Phillips Center for the Performing Arts	\$50,000	Support for the Applause Awards program for high school musical theater education.
Florida Native Plant Society	\$5,000	Purchase plants for native habitat restoration at Mead Botanical Garden.
Foundation for Foster Children	\$30,000	Provide enrichment opportunities, tutoring and support, life skills for youth in Central Florida.
The Gardens at DePugh Nursing Center	\$75,000	Partially re-outfitting and re-equipping kitchen in nursing center.
Grace Medical	\$35,000	Purchase laptops and scanners, IT support an eMC licenses to support increase in technology needs.
Orlando Ballet	\$50,000	Funding for professional orchestra for 5 performances of the <i>Moulin Rouge</i> , <i>The Ballet</i> . Requested \$100,791.

Orlando Science Center	\$50,000	Support the construction and implement of <i>Life</i> , a nature and environment exhibit hall.
Support Our Scholars	\$12,000	Funding for tuition and stipend for female freshman to Rollins College.
Welbourne Avenue Nursery & Kindergarten	\$30,000	Providing a Teachers Breakroom and an upgrade to the Outdoor Classroom.
Winter Park Historical Association, Inc.	\$12,580	Museum services and exhibition enhancement projects and office improvements.

Grants Requests Denied:

Upon a motion duly made, seconded and unanimously carried, the Board denied the grant requests listed below:

<u>Organization</u>	<u>Amount</u>	<u>Remarks</u>
Opera Orlando	\$1,000,000	Funds to match challenge grant of \$1,000,000 to begin endowment fund.
Orlando Health	\$248,230	Development and application of 3D printing technologies with Digital Anatomical Simulation for Healthcare.
Rollins College	\$2,000,000	To establish and endow a fund dedicated to sustaining curricular and research efforts based on the Genius Preserve and the WP Chain of Lakes, Wekiva and St. Johns River.

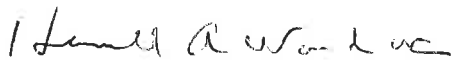
The Chairman explained that the request for Opera Orlando and Rollins College were essentially gifts for their endowments which the Foundation traditionally does not fund.

Other Business:

The Special Meetings of Trustees for 2022 will be held on November 7th and 8th.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Harold A. Ward, III
Chairman