

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

November 8, 2022

The Special Meeting of the Board of Trustees of the Charles Hosmer Morse Foundation (Foundation) was reconvened on Tuesday, November 8, 2022, at 1:00 P.M., in the Board Room of the Elizabeth Morse Genius and Charles Hosmer Morse Foundations' office, 329 Park Avenue North, Winter Park, Florida, and by video conference.

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

Trustees attending

Harold A. Ward, III, Chairman
Susan F. McKean
Charles C. Ogden
Randolph J. Rush
Ann M. Saurman
Theodore E. Stebbins, Jr.
Richard M. Strauss
Leila E. Trismen

By teleconference:

Sandra M. Ogden
Lewis I. Sharp

Also attending:

Richard O. Baldwin
Mary W. Christian
Bonnie C. Hubbard

By teleconference:

R. Michael Strickland

PRK O'Connor Davies:

Thomas F. Blaney

By teleconference:

Anan Samara
Thomas J. DeMayo

The Chairman called the meeting to order.

PKF O'Connor Davies:

An update on the cybersecurity audit was presented by Thomas DeMayo, Principal, Cybersecurity and Privacy Advisory with PKF O'Connor Davies.

The cyber risk is low relating to both Foundations; there are 29 recommendations resulting from the audit. Most of the items are either configuration or a need for more robust malware protection. A detailed plan to handle these recommendations will be prepared by PKF O'Connor Davies to include a policies and incident response plan, updated policies, and employee training.

Mr. DeMayo discussed cyber insurance and the time-line for completion of the insurance application and what it does and does not insure. Mr. DeMayo reported that the Foundations have a reasonable cybersecurity program relative to their risks and that insurance can make them fundamentally secure.

Mr. Blaney, Director of Private Foundation Services, introduced Anan Samara, Partner, with PKF O'Connor Davies. Mr. Samara assisted Mr. Blaney with the presentation of the 990-PF for 2021.

Mr. Blaney explained that the 990-PF is a public document and that search engines can easily access this information.

Other notes: as seen by PKF O'Connor Davies, typical foundations investments are normally down 20% to 23%. The Foundation has no self-dealing violations. The IRS spends more time looking at grant files than any other aspect of foundation operations; the auditors found no discrepancies in the grant files.

Upon a motion duly made, seconded and unanimously carried, the 990-PF for 2021 by PKF O'Connor Davies, dated November 8, 2022, was accepted.

Mr. Blaney reviewed other current developments:

- The IRS did not include private foundations in its focus area for 2022.
- IRS will be getting \$80 billion over the next 10 years, most to be put into technology.
- Staffing at the IRS is becoming problematic as experienced agents retire.
- Staffing is becoming a problem with foundations, museums, etc., to find competent people. There's a lack in almost all different professions, as well as the nonprofit arena to find qualified personnel, especially in the IT technology area, the accounting area, etc.; there is a projected significant increase in salaries.

The Chairman thanked Messrs. Blaney, Samara and DeMayo for their presentations and excused them from the meeting.

There being no further business, the meeting was adjourned.

Approved,



Harold A. Ward, III
Chairman