

**NOTICE OF PUBLIC MEETING OF THE HEATHER GARDENS METROPOLITAN DISTRICT  
FOUNDATION COMMITTEE  
April 12, 2023, at 1:00 PM**

Pursuant to Section 24-6-402(2)(c), C.R.S., the Foundation Committee to the Board of Directors of the Heather Gardens Metropolitan District hereby gives notice that it will hold a regular meeting at the Heather Gardens Clubhouse 2888 S Heather Gardens Way Aurora, CO 80014 in the board room and via Zoom videoconference at **1:00 PM on April 12, 2023**. The meeting will be held for the purpose of conducting such business as may come before the Committee. This meeting is open to the public.

**Join Zoom Meeting**

<https://us06web.zoom.us/j/84650615754?pwd=akFaQ0E2SElsVEFaSVJ1V3A3VmxxUT09>

**Meeting ID: 846 5061 5754**

**Password: 425988**

**or**

**Dial-In Number: +1 346 248 7799 US**

**AGENDA**

Committee Members: Eloise Laubach Chair, Charlane Pluchek, Becky Cole, Terry Schumacher, Mavis Richardson, and Vicki Spillane

- 1) Determine Quorum Present
- 2) Call meeting to order
- 3) Chair Comments: The Foundation is not a 501(c)(3). However, donations to the Foundation can be used as a Deduction on Federal Taxes. (See attachment.)
- 4) Review/Approval of notes from the regular meeting on February 8, 2023
- 5) Review of Financial Report – February and March 2023
- 6) Unfinished Business
  - a. The Management Fee of \$8,922.45 will be returned to the Foundation by being incorporated into the 2024 budget.
- 7) New Business
  - a. **We must revise the Donation Form as soon as possible, so it reflects the correct information re: Donations used as a deduction.** Please review the current form and bring to the meeting any edits/corrections. The forms (2 versions) were sent to you. Please include pictures and verbiage that need changes.
- 8) Residents wishing to speak on non-agenda items – time limit 3 minutes
- 9) Adjournment

Residents wishing to speak on agenda items will be given the opportunity at the time the item is discussed.

**Note:** When held, Foundation Committee meetings are on the second Wednesday of each month at 1:00 PM.

The next meeting will be held on Wednesday, May 10, 2023 at 1:00 PM.

Local governments may accept donations, but are those donations deductible from the donor's federal income taxes? In most cases, yes.

A gift to a local government entity is tax deductible if it is solely for "public purposes." The IRS Code, at 26 U.S.C. §170(c)(1), defines "charitable contribution" (which is tax deductible) to include "a contribution or gift to or for the use of":

A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

Note that a local government – a city, county, or special purpose district – is considered to be a "political subdivision" of the state.

So, when would a gift to a local government *not* be "for exclusively public purposes"? I'm not a tax expert, but I would think that most gifts to local governments would be given only for public purposes. The IRS code does not specifically define "public purpose," but it has been interpreted in part to mean that the contribution or gift must not be intended to benefit any particular individual. If a donor has any question about this, he or she should consult a tax expert.

What does a local government need to provide a donor to substantiate the gift for IRS purposes? See IRS Publication 1771, "Charitable Contributions – Substantiation and Disclosure Requirements."

## Foundation Committee Report For February 8, 2023

**Committee:** Eloise Laubach, Chair, Becky Cole, Charlene Plucheck, Terry Schumacher, Mavis Richardson, Vicki Spillane

The meeting was called to order at 1:00. A quorum was present. Terry and Vicki had excused absences. Phil Hughes building 244, sat in on the meeting.

Chair Comments centered on a meeting I had with Jon Rea and Matt Martella concerning suitable projects for Foundation funding.

Notes of the January 11, 2023 meeting were reviewed and accepted.

Financial reports were reviewed.

**Unfinished Business:** Updating the Foundation Donation form will not be done until we have current pictures of Foundation Projects.

**New Business:** The Committee felt there was no need to update the Procedure Memorandum at this time.

### **Management Fee Discussion:**

We had a lengthy discussion regarding the **Management Fee of \$1,415.45 being charged to the Foundation**. The Committee is concerned that at the current time expenditures exceed donations and interest income. Jerry Counts joined the meeting, and when asked, he had no problem with the fee **being returned to the Foundation and charged to the Enterprise Fund and, in the future, the fee be charged to the Enterprise Fund**. He stated that with approval from the Board, it would be easy to correct. Below are two motions made and passed by the committee and will be sent to the HGMD Board.

#### **Motion 1:**

**I move that the HGMD administrative fee currently being charged to The Foundation be eliminated and future Foundation T-bill interest be deposited into the Foundation Fund effective January 2023.**

#### **Motion 2:**

**I move that any Interest earned from the Foundation T-bills between the years of 2015-2022 be transferred from the Enterprise Fund to the Foundation Fund.**

Mavis has a long history of serving on this committee and has some history of Foundation Finances, but it is not complete. She asked me to contact Bill Archambault if he has a history of Foundation expenditures and donations from 2010 to date.

The Committee would like management to send the committee projected needs for 2023, so we can budget and decide if we need to tap into investments.

Submitted by,  
Eloise Laubach

**HEATHER GARDENS FOUNDATIONS  
FOUNDATION DONATION SUMMARY  
1/1/2023 - 2/28/2023**

Description	General	Roads & Grounds	Club House	Golf	Trees	Totals
Balance at beginning of January	170,246.99	324.50	425.70	40.00	15,217.59	186,254.78
Donations for Jan 2023	290.00					290.00
Jan Interest Income on US Treasury Bills and Notes	305.32					305.32
Donations for Feb 2023	50.00					50.00
Feb Interest Income on US Treasury Bills and Notes	341.21					341.21
Balance at end of the month <b>2/28/2023</b>	171,233.52	324.50	425.70	40.00	15,217.59	187,241.31

**RECONCILIATION TO GL**

D103.5 Foundation Checking Account - February 2023	\$ 37,735.64
Add back Bond Discount Amortization	205.53
D106.1/D106.11 Foundation Investment Accounts - February 2023	\$ 149,250.14
D121 Owed to the Foundation from MD	\$ 50.00
D121 Owed to MD from the Foundation	
	\$ 187,241.31

**HEATHER GARDENS FOUNDATIONS  
FOUNDATION DONATION SUMMARY  
1/1/2023 - 3/31/2023**

Description	General	Roads & Grounds	Club House	Golf	Trees	Totals
Balance at beginning of January	170,246.99	324.50	425.70	40.00	15,217.59	186,254.78
Donations for Jan 2023	290.00					290.00
Jan Interest Income on US Treasury Bills and Notes	305.32					305.32
Donations for Feb 2023	50.00					50.00
Feb Interest Income on US Treasury Bills and Notes	341.21					341.21
Donations for Mar 2023	225.00					225.00
Mar Interest Income on US Treasury Bills and Notes	377.76					377.76
Balance at end of the month <b>3/31/2023</b>	171,836.28	324.50	425.70	40.00	15,217.59	187,844.07

**RECONCILIATION TO GL**

D103.5 Foundation Checking Account - March 2023	\$ 37,785.64
Add back Bond Discount Amortization	392.91
D106.1/D106.11 Foundation Investment Accounts - March 2023	\$ 149,440.52
D121 Owed to the Foundation from MD	\$ 225.00
D121 Owed to MD from the Foundation	
	<u>\$ 187,844.07</u>