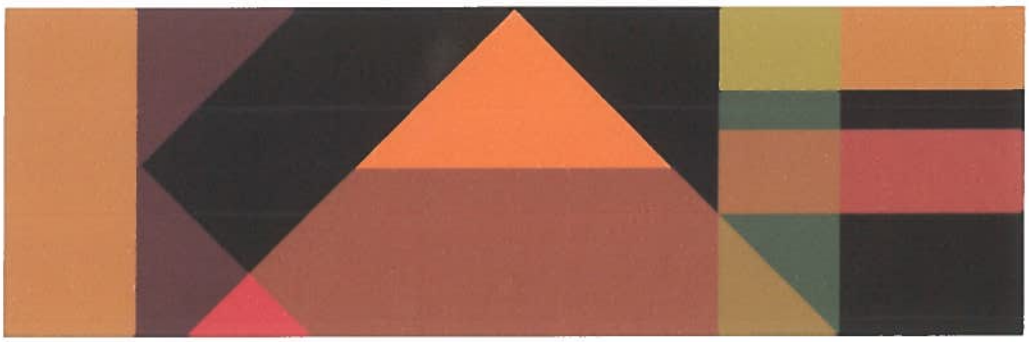


KAYENTA ARTS FOUNDATION

Ivins City Council
ATTN: Dale Coulam, City Manager/Solicitor
Ivins City Hall
55 North Main Street
Ivins, Utah 84738

September 16, 2015

RE: Request for RAP Tax Funds by Agreement

Dear Council Members:

By this letter and in accordance with Resolution 2015-03R, Kayenta Arts Foundation ("KAF") respectfully requests RAP tax funding by agreement with Ivins City in the amount of Ten Thousand Dollars ($10,000) annually for ten (10) years.

Request

KAF seeks the amount of Ten Thousand Dollars ($10,000) annually in RAP tax funds for 10 years to support the new Center for the Arts ("CFA") (including construction and installation/maintenance of chairs, sound system, etc.) and programming (such programming to include performances within the CFA, Art In Kayenta, and the Street Painting Festival). KAF would like its agreement with the City to allow KAF discretionary use of RAP funds between and among the line items delineated in Exhibit C, attached, so that these funds may be used where most needed in any one year.

KAF understands that RAP revenues may vary from year-to-year. KAF suggests that its agreement with Ivins could account for such variations in the event the amount available for the arts after Ivins meets its recent bond-related commitment to Tuacahn is less than the annual $10,000 KAF requests. KAF makes this request with the understanding that having an agreement with the

City does not prohibit KAF from also seeking RAP tax funds through the competitive process outlined in Resolution 2015-03R and/or seeking amendment to the agreement should RAP tax revenues exceed expectations.

Background and Rationale

KAF was incorporated as a Utah nonprofit corporation in February, 2011, and is one of the performing arts entities operating within Ivins. The Internal Revenue Service granted KAF 501 (c) (3) tax exempt recognition in September, 2011, retroactive to KAF's incorporation date. (Exhibit E) KAF is authorized by the State of Utah Office of Consumer Protection to solicit charitable donations. (Exhibit A)

KAF's nine to thirteen member Board of Directors ("Directors") serves as a management and policy governing body. KAF's Directors have adopted Bylaws and Policy Statements (Exhibit E) and Procedures, including for conflicts of interest, and a Code of Ethics. The Directors also have adopted the following:

> **Vision:** To be the premier venue in the greater southern Utah area for awareness, appreciation, education, and enjoyment of diverse artistic endeavors
>
> **Mission:** To develop and create an environment that fosters diverse artistic endeavors for educational and enrichment purposes

KAF began with no endowment or funding. KAF funds its day-today operations primarily through donations (cash and in-kind), auction proceeds, event ticket sales, and grants. In 2012, 2013, and 2014, KAF received Capacity Building grants from Utah Division of Arts and Museums ("UDAM"). For 2015 and 2016, UDAM awarded KAF Sustainability grants. Ivins City has been an annual supporter of KAF's Street Painting Festival, one of KAF's two major annual festivals, the other being Art In Kayenta, that together bring an estimated 10,000 visitors to Ivins. Throughout the year, KAF offers a wide spectrum of performances from poetry slams to clogging to chamber concerts and play readings. The performances, on average, support themselves. Costs for the 2015 Art In Kayenta are estimated at $46,000 (cash and in-kind), but AIK brings revenue to KAF via live and silent auctions. The Street Painting Festival costs KAF between $25,000 and $32,000 a year in cash and in-kind expenses, but generates no net profit. Both festivals are free to the public, and performance ticket prices are moderate to allow access to a broad spectrum of the southern Utah residents and visitors. (Detailed budgets are in Exhibit C)

In 2013, KAF established a dedicated Building Fund and began a solicitation for contributions to fund a new Center for the Arts ("CFA") to be located in Kayenta Art Village and constructed under a written agreement with Kayenta's developer. To date, more than $525,000 has been received in contributions restricted to the CFA in addition to a substantial investment by the Kayenta Developer. September, 2015, will see the roll out of a formal capital campaign to raise the additional funds to complete and to help maintain the CFA. The CFA will be flexible space able to host meetings, receptions, and classes in addition to musical and dance performances, movies,

and in the round and proscenium theatre productions; all expecting to produce net revenues. The interior of the CFA also will provide exhibition space for the visual arts while the exterior areas will feature public art and desert landscaping. (Schedule of Values is in Exhibit C)

As KAF has grown, expenses for effective management and accountability have grown: legal and accounting services, web services, fundraising consultation, management and creative staff are all vital to sustaining KAF, yet strain its limited revenues. In addition to regular expenses, funding of KAF's Reserve Fund must be seen as an ongoing expense, that is, funds must be put aside to assure KAF adequately can address unanticipated needs and assure its sustainability. KAF's 2015 annual operating budget of $120,000 (excludes the CFA) is stretched to the limit. Additional revenues, such as RAP funding, are needed to maintain KAF and enable it to serve the community by fulfilling its Mission.

Exhibits

Additional information required by Resolution 2015-03R in support of this request is attached as follows.

*Proof of nonprofit status: **Exhibit A**
*A breakdown of other sources of funding for programming and the CFA: **Exhibit B**
* Proposed expenses to be paid for with RAP funds: **Exhibit C**
* KAF's 2015 Operating Budget for Art In Kayenta and the Street Painting Festival; Schedule of Values for the CFA: **Exhibit C**
*KAF's 2014 Financial Statement: **Exhibit D**
*Other information (Policy Statements; KAF's 501 (c) (3) recognition letter)**: Exhibit E**

KAF's website. www.kayentaartsfoundation.org, provides additional information about the organization, its Board of Directors, and its events. KAF's Chair and/or other Directors are available to answer any questions you may have.

We trust that this letter and the attachments fulfill the requirements of Resolution 2015-03R and that you will act favorably on this request and in a timely manner.

Respectfully submitted for Kayenta Arts Foundation,

Judith Kapuscinski, Chair

Judith Kapuscinski, Chair

Exhibit A
Proof of Nonprofit Status

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF CONSUMER PROTECTION

REGISTRATION

EFFECTIVE DATE: November 17, 2014

EXPIRATION DATE: January 1, 2016

ISSUED TO:

Kayenta Arts Foundation
800 N KAYENTA PARKWAY
IVINS UT 84738-6323

REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

8114098-CHAR Charitable Organization
76% of contributions REPORTED to be used in charitable purpose

Director, Division of Consumer Protection

STATEMENT: THE STATE OF UTAH MAKES NO CERTIFICATION AS TO THE CHARITABLE WORTHINESS OF ANY ORGANIZATION ON WHOSE BEHALF A SOLICITATION IS MADE NOR AS TO THE MORAL CHARACTER OF THE HOLDER OF THE PERMIT

KAYENTA ARTS FOUNDATION

Entity Number: 7906526-0140
Company Type: Corporation - Domestic - Non-Profit
Address: 800 North Kayenta Parkway Ivins, UT 84738
State of Origin:
Registered Agent: MATT MARTEN
Registered Agent Address:
800 N KAYENTA PARKWAY
IVINS, UT 84738

Status: Active [redacted]

Status: Active *as of 02/10/2011*
Renew By: 02/29/2016
Status Description: Good Standing
The "Good Standing" status represents that a renewal has been filed, within the most recent renewal period, with the Division of Corporations and Commercial Code.
Employment Verification: Not Registered with Verify Utah

History [redacted]

Registration Date: 02/10/2011
Last Renewed: 01/07/2015

Additional Information

NAICS Code: 8132 **NAICS Title:** 8132-Grantmaking and Giving Services

<< Back to Search Results

Search by: Business Name | Number | Executive Name | Search Hints

Business Name:

Exhibit B
Breakdown of Other Sources of Funding for RAP Supported Programming and Center for the Arts: 2015-2016 Estimates (rounded up to nearest thousandth)

Revenue Sources

Item	Auctions	Donations/ Sponsorships	Earned Income	In-kind	Grants	Miscellaneous	Total
Art In Kayenta	$21,000		$22,000	$ 8,000	--	--	**$ 51,000**
Center for the Arts		$2,700,000 (Note 1)	$12,000 (Note 2)			$ 600,000 (Note 3)	**$3,312,000**
Street Painting Festival	--	$ 9,000	$ 5,000	$13,000	--	--	**$ 27,000**
Total	**$21,000**	**$2,709,000**	**$39,000**	**$21,000**		**$600,000**	**$3,390,000**

Notes:

1. **Capital Campaign goal**
2. **Estimate of first year of CFA shows: 100 tickets at $20 each for 6 shows**
3. **Investment to date by Kayenta Developer**

Exhibit C
Proposed Expenses to be Paid for with RAP Funds
and
KAF's Operating Budgets for Art In Kayenta and Street Painting Festival
and
Schedule of Values for Center for the Arts

Kayenta Arts Foundation
Art In Kayenta Festival
2015 Budget

CATEGORY	AMOUNT
Artists/Presenters	
Cash	
Featured Artists	$5,000
Musicians	$2,200
Food & Beverages	
Cash	
Snacks & Gatorade	$ 225
Ice	$ 250
Patron Party	$ 500
Volunteer training party	$ 500
Wine for Beer Garden	$ 400
Coupon Reimbursement	$ 350
In-Kind	
Beer for Beer Garden	$ 900
Marketing	
Cash	
Brochures/Post Cards	$ 920
Print Ads	$4,695
Media Advertising	$ 750

Miscellaneous	
Cash	
CAD/Copying - Festival Maps	$ 150
Signage – Directional	$ 950
Taylor Made fencing	$ 350
In-Kind	
Electrical enhancements	$1,020
Stage material/construction	$ 400
Permits/Licenses	
Cash	
Ivins City Event Permit	$ 100
Alcohol Permit	$ 100
UDABC Bond	$ 25

Personnel	
Cash	
Logistics (J. Keeley)	$1,500
Coordinators	$5,500
Commissions	$3,900
Auctioneer (Vern)	$ 600
Logistics Staff	$ 535
Security (overnight)	$ 450
Photographer	$ 150
Technicians	$ 200
In-Kind	
Festival Volunteers	$2,740
Postage/Mailing	
Cash	
Postage	$ 180
Rentals	
Cash	
Tent for Event	$ 715
Tables & Chairs	$ 525
Golf carts	$ 750
Dumpster	$ 300
No Parking Barricades	$1,000
Sound Equipment	$ 100
Port-a-Potties	$1,200
In-Kind	
Venue	$2,500
Supplies	
Cash	

Canvas/Tape for Quick Draw	$ 150
Auction Paddles	$ 100
Trash & Cleaning supplies	$ 300
Miscellaneous supplies	$ 675
Telephone/Web	
Cash	
Graphic art	$ 800
Facebook Coordinator	$ 500
Website development	$ 300
Website maintenance	$ 720
TOTAL	**$46,175**
CASH (SUBTOTAL)	$38,615
IN-KIND (SUBTOTAL)	$ 7,560

Kayenta Arts Foundation
Street Painting Festival
2015 Budget

CATEGORY	AMOUNT
Artists/Presenters	
Cash	
Musicians	$ 300
Presenters	$ 300
Stipends	$2,500
Awards/Gifts	
Cash	
Cash Awards	$1,000
Certificates	$ 150
T-Shirts	$ 170
Trophies	$ 134
In-Kind	
T-Shirts & Gift Bags	$ 231
Food & Beverages	
Cash	
Snacks & Gatorade	$ 75
Ice	$ 50
Coupon Reimbursement	$ 250
In-Kind	
Xetava Gift cards	$ 120
Water	$ 85
Lodging	
In-Kind	
Lodging for Artists	$4,090
Marketing	
Cash	
Brochures/Post Cards	$ 350
Print Ads	$1,000
Posters & poster paper	$ 100
In-Kind	
Print Ads	$2,840

Miscellaneous	
Cash	
CAD/Copying - Festival Maps	$ 35
Signage – Directional	$ 500
Permits/Licenses & Other Fees	
Cash	
Ivins City Event Permit	$ 100
PayPal service fee	$ 170
Personnel	
Cash	
Logistics (J. Keeley)	$1,500
Coordinators	$3,000
Logistics Staff	$ 200
Technicians	$ 150
In-Kind	
Festival Volunteers	$2,300
Rentals	
Cash	
Tent for Event	$ 300
Golf carts	$ 500
Dumpster	$ 300
No Parking Barricades	$ 700
Port-a-Potties	$1,045
In-Kind	
Venue	$2,000
Walkie-talkies	$ 400
Supplies	
Cash	
Chalk plus cash for sales	$1,700
Miscellaneous supplies	$ 90
Telephone/Web	
Cash	
Facebook Coordinator	$ 500
Website development	$ 300
Website maintenance	$ 720
TOTAL	**$30,255**
CASH (SUBTOTAL)	$18,189
IN-KIND (SUBTOTAL)	$12,066

CENTER FOR THE ARTS
SCHEDULE OF VALUES

Description	Projected Cost/Value				
	Pre Construction	Phase 1	Phase 2	Phase 3	Phase 4
Pre-Construction					
Storage	$ 5,000.00				
Construction Site Fence	$ 300.00				
Demolition	$ 24,000.00				
New Parking/Walking Path	$ 61,000.00				
Design Consultation, Management, Value Engineering (discounted)	$ 15,000.00				
Architect, Structural Engineer, Mechanical, Plumbing, Electrical Engineering	$ 50,000.00				
Ivins City Permit/Impact Fees	$ 95,000.00				
Dumpster/Portapotty	$ 6,000.00				
Temporary Power	$ 2,000.00				
Plan & Document Printing	$ 1,500.00				
Insurance	$ 10,000.00				
Conditional Use Permit	$ 1,000.00				
Builder's Management Fee	$ 36,730.00				
Sub Total	**$ 307,530.00**				
Phase 1					
Earthwork		$ 90,000.00			
Sewer Extension		$ 15,000.00			
Water Extention		$ 3,000.00			
Water Connection		$ 6,000.00			
Power incl. 3 Phase Trans.		$ 26,000.00			
Gas		$ 1,000.00			
Drainage Modifications		$ 10,000.00			
Underground Plumbing		$ 12,000.00			
Footings/Foundation		$ 115,000.00			
Floor Slab/Ret. Walls		incl. abv.			
Masonry		$ 25,000.00			
Masonry Courtyard Walls		$ 8,000.00			
Builder's Management Fee		$ 31,100.00			
Sub Total		**$ 342,100.00**			
PHASE 2					
Lumber			$ 60,000.00		
Framing Labor			$ 60,000.00		
Trusses			$ 8,000.00		
Structural Steel/Fabrication			$ 60,000.00		

CENTER FOR THE ARTS
SCHEDULE OF VALUES

Roofing			$ 40,000.00		
Exterior Plaster (Grey Coat)			$ 40,000.00		
Windows/Glass			$ 25,000.00		
Exterior Doors			$ 8,000.00		
Door Hardware			$ 1,500.00		
Plumbing incl. Roof Drains			$ 52,000.00		
Fire Supression Sprinklers			$ 40,000.00		
Electrical - Panel/Wire			$ 125,000.00		
Data/Communication-Wire			incl. above		
HVAC/Mechanical			$ 90,000.00		
Builder's Management Fee			$ 51,950.00		
Sub Total			**$ 661,450.00**		
Phase 3					
Exterior Plaster/Color				incl. above	
Insulation				$ 30,000.00	
Sound Insulation				$ 10,000.00	
Drywall				$ 40,000.00	
Interior Doors				$ 7,000.00	
Interior Door Hardware				$ 1,500.00	
Paint				$ 30,000.00	
Floor Finish				$ 14,000.00	
Electrical Finish				incl. above	
Plumbing /Restroom Finish				$ 18,000.00	
Millwork, Cabinets, Shelving				$ 15,000.00	
Concrete Pavement/Approach				$ 45,000.00	
Catch Basins				$ 4,000.00	
Metal Fascia				$ 4,500.00	
2 Gates at Transformers				$ 2,000.00	
Signage				$ 10,000.00	
Landscape				$ 20,000.00	
Rock Retaining Walls				$ 2,000.00	
Dumpster Enclosure				$ 10,000.00	
Builders Management Fee				$ 26,300.00	
Sub Total				**$ 289,300.00**	
Contingency 10% if construction delays				$ 85,000.00	
Construction Misc. Overhead				$ 10,000.00	
Construction Management				$ 9,500.00	
Sub Total				**$ 104,500.00**	

CENTER FOR THE ARTS
SCHEDULE OF VALUES

Total Cost at Completion of Construction/Certificate of Occupancy				$ 1,704,880.00	
Phase 4					
Theater Lighting Equipment					$ 152,000.00
Theater Sound Equipment					$ 55,800.00
Admin. Computer Equipment					$ 24,400.00
Scene Shop Equipment					$ 15,000.00
seating/risers, lobby dressing					$ 100,650.00
Consession Equipment					$ 1,570.00
					$ 349,420.00
Total including all Phases					$ 2,054,300.00
Pledge Investment/Contribution					
*Land **					*$ 440,000.00*
*Adjacent Property Relocation**					*incl. above*
*New Road**					*$ 42,000.00*
Preliminary Design					*$ 75,000.00*
Project Completed Value					$ 2,611,300.00

Exhibit D
KAF's 2014 Financial Statement

KAYENTA ARTS FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

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HINTONBURDICK
CPAs & ADVISORS

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PHILLIP S. PEINE, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Trustees
Kayenta Arts Foundation
Ivins, Utah 84738

We have reviewed the accompanying statement of net assets of Kayenta Arts Foundation (a nonprofit organization) as of December 31, 2014, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

HintonBurdick, PLLC
HintonBurdick, PLLC
August 6, 2015

CEDAR CITY • FLAGSTAFF • HURRICANE • MESQUITE • PHOENIX • RICHFIELD • ST. GEORGE
www.hintonburdick.com

KAYENTA ARTS FOUNDATION
Statement of Net Assets
For the Year Ended December 31, 2014

Assets

Current assets:		
Cash and cash equivalents	$	36,967
Accounts receivable		1,000
Prepaid Expense		558
Inventory		3,188
Total current assets		41,713
Capital assets:		
Furnitures, fixtures, and equipment		4,924
Accumulated depreciation		(1,686)
Temporarily restricted assets		
Temporarily restricted cash		449,296
Total capital and restricted assets		452,534
Total assets	$	494,247

Liabilities and Net Assets

Net assets		
Unrestricted		44,978
Temporarily restricted for building		449,269
Total net assets		494,247
Total liabilities and net assets	$	494,247

See the independent accountants' review report.
The accompanying notes are an integral part of the financial statements

KAYENTA ARTS FOUNDATION
Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Event income	$ 40,957	$ 33,239	$ 74,196
Government grants	3,000	5,000	8,000
Contributions	91,986	223,693	315,679
Other Income	1,235	-	1,235
Interest revenue	-	3	3
Net assets released from restrictions:			
Satisfaction of program restrictions	5,501	(5,501)	-
Total revenues, gains and other support	142,679	256,434	399,113
Expenses and losses:			
Program services	68,900	28,596	97,496
Management and general	53,340	-	53,340
Fundraising	-	26,341	26,341
Total expenses and losses	122,240	54,937	177,177
Change in net assets	20,439	201,497	221,936
Net assets at beginning of year	24,539	247,772	272,311
Net assets at end of year	$ 44,978	$ 449,269	$ 494,247

See the independent accountants' review report.
The accompanying notes are an integral part of the financial statements

KAYENTA ARTS FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2014

Cash flows from operating activities:	
Cash received from events	$ 74,196
Cash received from grants	8,000
Cash received from contributions	336,433
Cash received from other income	1,235
Cash received from income on operating bank accounts	3
Payments for program expenses	(112,222)
Payments for management and general expenses	(52,636)
Payments for fundraising expenses	(26,341)
Net cash flows from operating activities	228,668
Net change in cash and cash equivalents	228,668
Cash and cash equivalents, beginning of year	257,595
Cash and cash equivalents, end of year	$ 486,263
Reconciliation of change in net assets to net cash used by operating activities:	
Change in net assets	$ 221,936
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	703
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	24,500
Decrease/(Increase) in prepaid expense	(558)
Decrease/(Increase) in inventories	(3,187)
Increase/(Decrease) in accounts payable	(14,726)
Net cash flows from operating activities	$ 228,668

See the independent accountants' review report.
The accompanying notes are an integral part of the financial statements

NOTE 1. Significant Accounting Policies

Date of Management's Review

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through the date of the independent accountants' review report, the date the financial statements were available to be issued.

Nature of Activities

Kayenta Arts Foundation (Foundation) was organized in 2011 as a tax-exempt organization to develop and create an environment that fosters diverse artistic endeavors for educational and enrichment purposes and provide a venue in the greater St. George, Utah area for awareness, appreciation, education, and enjoyment of diverse artistic endeavors. The Foundation is a nonprofit organization, and as such, certain accounting policies differ from those required of for-profit businesses. The Foundation's major source of revenue is contributions from the general public.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

The Foundation recognizes contribution revenue for donated property and equipment in the period received at the property or equipment's fair value. If donated assets have questionable or uncertain value and no alternative use that adds value to the assets, the Foundation does not recognize them in the financial statements.

Donated Services

Also, the Foundation receives donations or contributions in the form of services performed. The fair value of the donated services is recognized in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by the entities or persons possessing those skills. Services that do not meet either of the preceding criteria are not recognized. Donated services are recorded at their fair value.

NOTE 1. Significant Accounting Policies, Continued

The Foundation receives donated volunteer services from the general public assisting with venues and events. There is no objective way to measure the value these donated services.

Grants and Donations

Grants and donations are provided to Kayenta Arts Foundation in cash and in-kind.

Income Taxes

No amounts have been paid or accrued for income taxes as the Foundation is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Advertising

The Foundation expenses the cost of advertising as incurred. For the year ended December 31, 2014, the Foundation incurred $17,609 in advertising expenses.

Fundraising

The Foundation expenses fundraising costs as incurred. For the year ended December 31, 2014, the Foundation incurred $26,341 in fundraising expenses.

NOTE 2. Cash and Cash Equivalents

The Foundation's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of this note and the statement of cash flows.

At December 31, 2014, the carrying amount of the Foundation's deposits was $486,262 and the bank balance was $474,659 of which, $250,000 was covered by federal depository insurance. Deposits are not collateralized nor are they required to be by state statute.

Exhibit E
Other Information:
Policy Statements
and
Internal Revenue Service Exempt Recognition Letter

Policy Statements Through August 11, 2015

Accessibility and Accommodation

KAF meets legal requirements for accessible venues and facilities and makes reasonable accommodations to its staff, artists, and the public.

Agenda

Once a duly constituted quorum of the Directors votes on a matter, that matter cannot come before the Board for reconsideration for six (6) months or until and unless the Chair and one other officer determine that (a) information now is available which, if it had been presented to the Directors at the time of the vote, may have altered the outcome of the prior vote and (b) reconsideration will result in no substantial adverse consequences to KAF. *(Adopted 09.27.11)*

Alcoholic Beverage Control Act Compliance

KAF sells or furnishes alcoholic beverages at its events only as permitted by law and takes steps (see Exhibit 5, Procedures) to assure its compliance with these laws, while working to maintain KAF as a viable entity. *(Adopted 09.23.14)*

Conflicts of Interest

KAF prohibits any Director with a conflict of interest from voting or participating in the discussion of a matter involving the conflict and determines whether a conflict of interest exists in accordance with its Conflicts of Interest Procedures as in effect from time-to-time. (See attached Exhibit 1)

Donations

Donations: KAF takes steps (see Exhibit 4) to assure it promptly receives, deposits into the appropriate accounts, and acknowledges all donations. *(Adopted 04.22.14)*

Contributions are to be used in accordance with a donor's written explicit restrictions. Explicit written authorization is to be obtained from the contributor before such a restricted gift is used in an alternative manner or for an alternative purpose. (*Adopted* 04.26.11)

Endowment Fund

At such time that KAF is able to establish an endowment fund, the original principal amount deposited into the Fund and any subsequent contributions to it, other than investment income earned on it, shall be designated as the "Original Principal Balance" and shall be committed to the Endowment Fund irrevocably, shall not be invaded for any reason, and shall be subject to KAF's Investment Policy Statement and Procedures to be adopted at the time the Fund is established. (*Adopted 07.28.15)*

Ethical Conduct

KAF's business is to be conducted in an ethical manner, which, at a minimum means in accordance with KAF's Code of Ethical Conduct (See attached Exhibit 2), Policy Statements, and procedures that the Board may adopt from time-to-time. *(Adopted 04.26.11)*

Information Management

All information on donors, employees, and agents is confidential, not to be released outside of the organization unless authorized in writing by the donors, employees, or agents or as permitted/required by law. When information is maintained in electronic format, reasonable precautions are to be taken to prevent unauthorized access. *(Adopted 04.26.11)*

Non-Discrimination (including harassment)

KAF does not discriminate, and no person acting on its behalf is to discriminate, including to harass, against any person in employment matters or in any KAF endeavors on the basis of race, religion, color, national origin, marital status, gender, sexual orientation, presence or degree of disability, or any other status protected from discrimination or harassment by state or federal law.

No-Retaliation

KAF does not retaliate against any person who makes a good faith report to a Director or outside entity that a Director, staff or other agent of KAF has violated KAF's Policy Statements, Code of Ethical Conduct, or law.

Reserve Fund

KAF maintains a Reserve Fund to ensure the stability of its mission, programs and ongoing operations during difficult financial times and to provide an internal source of funds for situations such as: sudden increase in expenses, unanticipated loss in funding, one-time unbudgeted expenses, or nonrecurring expenses that will build long-term capacity for the foundation.

The Reserve Fund is to be maintained and accessed in accordance with the Reserve Fund Procedures in effect from time-to-time (see Exhibit 3). Reserve funds are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. Funds utilized from the Reserve shall be replenished within a reasonable period of time. *(Adopted 03.25.14)*

Public Policy Advocacy

KAF does not act for or against any public policy matter until and unless the Board adopts the position in accordance with procedures in its Bylaws after taking reasonable steps to assure that such action does not violate any laws applicable to its public charity and nonprofit status. *(Adopted 04.26.11)*

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: SEP 30 2011

KAYENTA ARTS FOUNDATION
800 N KAYENTA PKY
IVINS, UT 84738-6323

Employer Identification Number:
90-0642659
DLN:
17053161334001
Contact Person:
CARA D FRANCZAK
ID# 31452
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
February 10, 2011
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)