received

KAYENTA ARTS FOUNDATION

Request for Ivins City RAP Funds Designated for the Arts

Kayenta Arts Foundation Applicant Information

Name: Kayenta Arts Foundation

Physical Address: 881 Coyote Gulch Court in the Kayenta Coyote Village

Mailing Address: 881 Coyote Guch Court
Ivins, Utah, 84738

Length of Existence: Incorporated in 2011

Amount of RAP Tax Request: $10,000

Description of Project

Kayenta Arts Foundation's stated mission is to "develop and create an environment that fosters diverse artistic endeavors for educational and cultural enrichment purposes." We are launching the Kayenta Arts Academy as a major component of our mission statement: To educate and provide a pathway of development for the young people of our community.

The Kayenta Arts Academy is a program conceived as a result of a fledgling program offered by the Foundation for the first time in the summer of 2019, called "Kids Create" Summer Arts Camp. It featured two 2 week programs introducing children from 8 to 12 years old to the performing arts. It culminated in the production by the children of *James and The Giant Peach.* The camps filled immediately demonstrating the need for an expanded program.

Kayenta Arts Academy's 2020 offering will include three consecutive 2-week camps, each providing full day instruction to forty to eighty, 8 to 14 year old children.

Timeline For Completion

The Academy will be offered in three consecutive 2-week periods (camps) beginning

the first week of June, 2020. Upon completion, a 7th week will include the production of a musical theater performance for those children who wish to take the next step of performing before an audience. A production will be selected that offers a maximum of participation for those children who have gained the confidence to participate before an audience.

Long Term Maintenance Requirements

This proposal does not include major physical improvements to our facilities so we do not anticipate long term maintenance requirements.

Benefits To The General Public

The Kayenta Arts Academy teaches young people life skills through participation in theater, music, dance, and visual art interactive workshops and performances. Life skills include communication and public speaking, creativity and problem solving, cooperation and team building, personal responsibility and commitment, acceptance and respect for others, integrity and leadership.

The Academy's primary objective is to give young people confidence in their skills to not only cope with the world they live in, but to teach them to overcome their fears, take responsible risks and become leaders in their community.

We found, during our initial Summer Arts Program in 2019, that many of attendees were Vista school students where elective coursework emphasizes the visual and performing arts. While we anticipate that the majority of our students will come from the Ivins community, Red Mountain Elementary, Vista, and Santa Clara Elementary, we will also market to the Southern Utah Homeschool Group and Washington County families in general.

We recognize the financial strain families in our community face, while still seeking top-quality experiences for their children. We will arrange customizable tuition payment schedules, regardless of income level or number of children enrolled. No child will be turned away because of financial need. We are committed to the idea that the disenfranchised young people of our community deserve to receive the full benefits of membership in the Academy and an equal opportunity to fulfill their potential as human beings.

Proposed Qualified Expenses to be paid for with RAP tax funds

As indicated in the attached budget, RAP tax funds would be used for Scholarships, Royalties, Costumes, Lighting, Sound, Music Director Tacks, Set Design Materials and Props.

Expenditures of RAP tax funds in the past 3 years

2017

Ivins City Award:	$4100. Used to supplement the costs of the annual Street Painting Festival
Wash. County Award::	$20,000. Used to supplement the cost of initial $180,000 outfitting ot the Center.

2018

Ivins City Award:	$10,000. Used to supplement the cost of initial $180,000 outfitting ot the Center.
Wash. County Award:	$24,500. $20,000 used to support a new facility manager and general manager. $4,500 used to support the Street Painting Festival.

2019

Ivins City Award:	$5,000. Used to supplement cost of performances of Latino Roots and The Neil Simons Festival at the Center. $10,000. Supplemental cost of Phase II outfitting. These funds are dedicated as match for an Eccles grant applied for but not. They are in a Restricted Funds account.
Wash. County Award:	$25,000. Used to supplement operating costs as a result of a one time $39,000 obligation of Ivins City Impact fees resulting form initial construction.

Respectfully submitted:

Jane Blackwell, Board Chair

Attachments:

Detailed Cost Estimate
Proof of Tax Exmpt Status
Proposed Funding Sources
Financial Statement

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
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

ID# 31452

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)

Kayenta Arts Foundation

Kayenta Arts Academy Funding Sources

Budget for 2020

Income			
	Tuition	$	26,000
	Ticket Sales	$	6,000
	Ivins City	**$**	**10,000**
	Sorensen Foundation	$	20,000
	Art Works For Kids	$	5,000
	Wells Fargo Foundation	$	7,500
	Simmons Family Foundation	$	4,500
Total		$	79,000

Kayenta Arts Foundation

Kayenta Arts Academy Projected Expenses

Budget for 2020

Expenses

No.	Item	Unit Cost	No. of Weeks		
	Scholarships			**$**	**13,000**
	Royalties			**$**	**1,200**
	Costumes			**$**	**2,500**
	Lighting			**$**	**300**
	Sound			**$**	**300**
	Music Dir, Tracks			**$**	**1,200**
	Set Design/Materials			**$**	**2,500**
	Props			**$**	**500**
	Scenic Artists			**$**	**1,000**
	Classroom Materials			**$**	**2,500**
4	Teaching Artists	$ 500	6	$	12,000
5	Teaching Assistants	$ 250	6	$	7,500
1	Headmaster	$ 650	6	$	3,900
1	Director	$ 1,200		$	1,200
1	Choreographer	$ 750		$	750
2	Technicians	$ 75	6	$	900
1	House Manager	$ 50	6	$	300
3	Crew	$ 75	8	$	1,800
4	Administration	$ 425	6	$	10,200
	Stage Manager	$ 250	4	$	1,000
	Payroll Taxes	15%		$	5,783
	Marketing			$	5,000
	Contingency			$	2,000
Total				$	77,333

3/21/19

Kayenta Arts Foundation
(A Nonprofit Organization)
Financial Statements
For the Six Months Ended June 30, 2018
and the Year Ended December 31, 2017

Kayenta Arts Foundation

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SAVAGE ESPLIN & RADMALL, PC
▪ Certified Public Accountants ▪

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Kayenta Arts Foundation
Ivins, Utah

We have reviewed the accompanying financial statements of Kayenta Arts Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the periods then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Savage & Esplin Radmall, PC

SAVAGE ESPLIN & RADMALL, PC
St. George, Utah
January 3, 2019

Kayenta Arts Foundation
Statements of Financial Position
As of June 30, 2018 and December 31, 2017

	06/30/18	12/31/17
Assets:		
Current Assets		
Cash and cash equivalents	$ 78,608	$ 146,016
Accounts Receivable	844	1,600
Prepaid Expenses	0	2,500
Total Current Assets	79,452	150,116
Fixed Assets		
Fixtures & Equipment	511,019	419,057
Buildings	1,540,489	1,540,489
Accumulated Depreciation	(121,712)	(48,411)
Total Fixed Assets	1,929,796	1,911,135
Total Assets	$ 2,009,248	$ 2,061,251
Liabilities and Net Assets:		
Current Liabilities		
Accounts Payable	$ 160,427	$ 171,077
Accrued Expenses	6,230	5,197
Total Current Liabilities	166,657	176,274
Total Liabilities	166,657	176,274
Net Assets:		
Unrestricted	1,842,591	1,884,977
Temporarily Restricted	0	0
Permanently Restricted	0	0
Total Net Assets	1,842,591	1,884,977
Total Liabilities and Net Assets	$ 2,009,248	$ 2,061,251

See Independent Accountant's Review Report and Notes to Financial Statements

Kayenta Arts Foundation
Statement of Activities
For the Six Months Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:				
Grant Income	$ 0	$ 40,600	$ 0	$ 40,600
Contribution Income	119,167	0	0	119,167
Gifts in Kind	970	0	0	970
Membership Donations	4,004	0	0	4,004
Investment Income	103	0	0	103
Gross Special Events Revenue	99,092	0	0	99,092
Less Cost of Direct Benefits to Donors	(78,059)	0	0	(78,059)
Net Special Events Revenue	21,033	0	0	21,033
Net Assets Released from Restrictions	40,600	(40,600)	0	0
Total Revenues, Gains and Other Support	185,877	0	0	185,877
Expenses and Losses:				
Program Expenses	169,795	0	0	169,795
Support Services:				
Management and General Expenses	55,903	0	0	55,903
Fundraising Expenses	2,565	0	0	2,565
Total Expenses and Losses	228,263	0	0	228,263
Changes in Net Assets	(42,386)	0	0	(42,386)
Net Assets at Beginning of Period	1,884,977	0	0	1,884,977
Net Assets at End of Period	$ 1,842,591	$ 0	$ 0	$ 1,842,591

Kayenta Arts Foundation
Statement of Activities
For the Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support:				
Grant Income	$ 0	$ 24,131	$ 0	$ 24,131
Contribution Income	97,023	317,831	0	414,854
Gifts in Kind	59,989	0	0	59,989
Membership Donations	15,109	0	0	15,109
Investment Income	0	0	0	0
Gross Special Events Revenue	131,184	0	0	131,184
Less Cost of Direct Benefits to Donors	(104,534)	0	0	(104,534)
Net Special Events Revenue	26,650	0	0	26,650
Net Assets Released from Restrictions	341,962	(341,962)	0	0
Total Revenues, Gains and Other Support	540,733	0	0	540,733
Expenses and Losses:				
Program Expenses	93,480	0	0	93,480
Support Services:				
Management and General Expenses	52,524	0	0	52,524
Fundraising Expenses	2,696	0	0	2,696
Total Expenses and Losses	148,700	0	0	148,700
Changes in Net Assets	392,033	0	0	392,033
Net Assets at Beginning of Period	1,492,944	0	0	1,492,944
Net Assets at End of Period	$ 1,884,977	$ 0	$ 0	$ 1,884,977

See Independent Accountant's Review Report and Notes to Financial Statements

Kayenta Arts Foundation
Statement of Functional Expenses
For the Six Months Ended June 30, 2018

	Program Expenses	Management and General	Fundraising	Total
Payroll Expenses				
Salaries and Wages	$ 42,400	$ 21,053	$ 0	$ 63,453
Payroll Taxes	3,068	1,786	0	4,854
Total Payroll Expenses	45,468	22,839	0	68,307
Other Expenses				
Advertising and Marketing	20,902	4,588	0	25,490
Artists and Presenters	38,926	0	0	38,926
Contract Labor	420	893	0	1,313
Depreciation	73,301	0	0	73,301
Insurance	6,385	0	0	6,385
Miscellaneous Fees	1,710	6,412	2,565	10,686
Other Operating Costs	16,599	0	0	16,599
Professional Fees	8,366	16,987	0	25,353
Rent Expense	4,407	383	0	4,790
Sales Tax	3,518	1,301	0	4,819
Supplies	3,315	2,501	0	5,816
Theatre Expenses	24,537	0	0	24,537
Total Other Expenses	202,386	33,064	2,565	238,015
Total Expenses by Function	247,854	55,903	2,565	306,322
Less Expenses Included with Revenues on the Statement of Activities Cost of direct Benefits to Donors	(78,059)	0	0	(78,059)
Total Expenses Included in the Expense Section on the Statement	$ 169,795	$ 55,903	$ 2,565	$ 228,263

Kayenta Arts Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2017

	Program Expenses	Management and General	Fundraising	Total
Advertising and Marketing	$ 30,602	$ 6,718	$ 0	$ 37,320
Artists and Presenters	35,921	0	0	35,921
Contract Labor	3,386	7,194	0	10,580
Depreciation	45,318	0	0	45,318
Miscellaneous Fees	1,797	6,740	2,696	11,233
Other Operating Costs	21,435	0	0	21,435
Professional Fees	11,624	23,601	0	35,225
Rent Expense	9,916	862	0	10,778
Supplies	9,821	7,409	0	17,230
Theatre Expenses	28,194	0	0	28,194
Total Expenses by Function	198,014	52,524	2,696	253,234
Less Expenses Included with Revenues on the Statement of Activities Cost of direct Benefits to Donors	(104,534)	0	0	(104,534)
Total Expenses Included in the Expense Section on the Statement	$ 93,480	$ 52,524	$ 2,696	$ 148,700

See Independent Accountant's Review Report and Notes to Financial Statements

Kayenta Arts Foundation
Statements of Cash Flows
For the Six Months Ended June 30, 2018 and the Year Ended December 31, 2017

	06/30/18	12/31/17
Cash Flows From Operating Activities		
Change in Net Assets	$ (42,386)	$ 392,033
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	73,301	45,318
(Increase)/Decrease in Accounts Receivable	756	2,022
(Increase)/Decrease in Prepaid Expenses	2,500	(2,500)
Increase/(Decrease) in Accounts Payable	(10,650)	169,356
Increase/(Decrease) in Accrued Expenses	1,033	5,197
Net Cash Provided/(Used) by Operating Activities	24,554	611,426
Cash Flows From Investing Activities		
Purchase of Fixtures & Equipment	(91,962)	(657,823)
Net Cash (Used) by Investing Activities	(91,962)	(657,823)
Net Increase (Decrease) in Cash and Cash Equivalents	(67,408)	(46,397)
Cash and Cash Equivalents, Beginning of Year	146,016	192,413
Cash and Cash Equivalents, End of Year	$ 78,608	$ 146,016

See Independent Accountant's Review Report and Notes to Financial Statements

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Kayenta Arts Foundation (the Foundation) is a private nonprofit incorporated in the state of Utah and began operations on February 10, 2011. The Foundation was organized to be the premier venue in the greater southern Utah area for awareness, education, and enjoyment of diverse artistic endeavors. Funding is provided through contributions from local corporations, individuals, and governmental entities.

Fiscal Year End

The board of trustees voted to change the Foundation's fiscal year end from December 31 to June 30. An application was submitted to the Internal Revenue Service to change the tax year of the foundation and the change was approved effective for the short-year beginning January 1, 2018 and ended June 30, 2018.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, permanent endowment, or other long-term purposes are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for event sales (program income). The Foundation determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2018 and December 31, 2017, there was no allowance for uncollectable accounts receivable.

Property and Equipment

Property and equipment additions over $2,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the

estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the periods ended June 30, 2018 and December 31, 2017.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Board of Directors.

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Foundation's actions. The restrictions stipulate that resources be maintained permanently but permit expending the income generated in accordance with the provisions of the agreements. At June 30, 2018 and December 31, 2017, the Foundation did not have any permanently restricted net assets.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred, and totaled $25,490 and $37,320 during the periods ended June 30, 2018 and December 31, 2017, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is organized as a nonprofit organization in accordance with the laws of the State of Utah and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), that qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1).

The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported

amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit could exceed insured limits or include uninsured investments in money market mutual funds. The Foundation maintains four bank accounts which it uses in its daily operations. To date, the Foundation has not exceeded the insured levels in any of these accounts, placed any of its funds in money market mutual funds, or experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates.

Date of Management Review

Management has evaluated subsequent events through January 3, 2019, the date the financial statements were available to be issued.

Note 2 – Restricted Net Assets

Net assets were released as follows during the periods ended June 30, 2018 and December 31, 2017:

	6/30/2018	12/31/2017
Satisfaction of Purpose Restrictions		
Building Fund	$0	$317,831
Street Painting Festival	40,600	24,131
	$40,600	$341,962

Note 3 - Donated Professional Services and Materials

Donated professional services and materials received during the periods ended June 30, 2018 and December 31, 2017 are as follows:

	Program Services	Management and General	Fundraising and Development	Total
6/30/2018				
Products	$970	$0	$0	$970
	$970	$0	$0	$970

12/31/2017	Program Services	Management and General	Fundraising and Development	Total
Products	$29,386	$22,168	$0	$51,554
Services	2,784	5,651	0	8,435
	$32,170	$27,819	$0	$59,989

Note 4 - Contingent Liability

In February 2014, the Foundation entered into an agreement with Terry Marten to develop and build the Kayenta Center for the Arts (the Center). In this agreement, Terry Marten was responsible for overseeing the construction of the building. The Foundation was obligated to pay for certain tenant improvements and other costs necessary to its use and occupancy of the Center, including landscaping expenses, audio and visual equipment, computer system, theatre seating, lobby and box office, and other final improvements.

In connection with this agreement, the Foundation leases land and office space under an operating lease expiring five years from the date of the opening night of the first public performance, which was held on October 21, 2017. Under the operating lease, the Foundation will pay $10 per year and five percent of all ticket sales for events in the Center or the Kayenta Outdoor Theatre for events produced by the Foundation; and five percent of all rental fees collected for use of the Center by users other than the Foundation. In years two through five the Foundation will be responsible for the payment of all utilities. Further, from the date of commencement, the Foundation will pay all taxes and fees assessed against the building. During the period ended June 30, 2018, the Foundation paid $3,497 in rental costs and recorded $0 in donated facilities. During the year ended December 31, 2017, the Foundation paid $3,497 in rental costs and recorded $0 in donated facilities.

Five years from the date of opening night of the first public performance, the Center will be transferred to the Foundation as long as certain conditions have been met. Conveyance of the Center and associated land shall be made in exchange for $250,000, less any amount paid by the Foundation on behalf of Terry Marten under the Center. As of June 30, 2018, and December 31, 2017, the Foundation has not incurred any costs on behalf of Terry Marten. The Foundation and Terry Marten have entered into discussions that could result in the transfer of the land and building occurring prior to the fifth anniversary of the aforementioned lease commencement date. In addition, impact fees of $79,000 are due to Ivins City in association with the construction of the Center. Ivins City Council has authorized a deferred payment plan for these fees to be paid through 2026, notwithstanding the total outstanding fees must be paid prior to the conveyance of the Center to the Foundation. The Foundation did not pay any impact fees during the periods ended June 30, 2018 and December 31, 2017.