REDEVELOPMENT AGENCY OF CENTERVILLE CITY/DAVIS CENTER FOR THE PERFORMING ARTS ADMINSTRATIVE CONTROL BOARD MEETING AGENDA

NOTICE IS HEREBY GIVEN THAT THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY BOARD AND THE ADMINISTRATIVE CONTROL BOARD OF THE DAVIS CENTER FOR THE PERFORMING ARTS WILL HOLD A COMBINED PUBLIC MEETING AT 5:15 PM ON September 13, 2016 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Tentative Time: - The times shown below are tentative and are subject to change during the meeting.

5:15 PM **A. ROLL CALL**

B. NEW BUSINESS

1. Review and acceptance of the 2015 Audit Report for CenterPoint Theatre (CPT)
2. Review of funds transferred by CPT into the Maintenance Reserve Fund, Operating Reserve Fund and Capital Projects Reserve Fund; and review/approve use of Capital Projects Reserve Fund
3. Review of the 2016 six-month financial report and Semi-Annual Impact Report for CPT
4. Approval of lease amendments
   a. Amendment No. 9 re property insurance
   b. Amendment No. 10 re disposition of reserve funds if Operating Lease is terminated
5. Discussion of potential use of Centerville and Bountiful RAP tax revenue to benefit CPT/Performing Arts Center
6. Other business related to CPT/Performing Arts Center

C. ADJOURNMENT

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 1.

Short Title: Review and acceptance of the 2015 Audit Report for CenterPoint Theatre (CPT)

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Ask questions regarding the audit report for CenterPoint Theatre's fiscal year ending December 31, 2015. Then accept the audit report (attached).

BACKGROUND

Jan Davis, Executive Director for CPT, has been asked to bring someone to the meeting who can answer audit-related questions.

ATTACHMENTS:

Description

- 2015 CPT Audit Report

DAVIS PERFORMING ARTS ASSOCIATION
dba, CENTERPOINT LEGACY THEATRE

Financial Statements

As of December 31, 2015 and 2014
and For the Years Then Ended

Together with Independent Auditors' Report

CENTERPOINT LEGACY THEATRE

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CenterPoint Legacy Theatre as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

May 11, 2016

CENTERPOINT LEGACY THEATRE
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash, unrestricted	$ 909,491	$ 913,082
Cash, restricted	362,266	225,112
Pledges receivable	80,000	25,250
Prepaid expenses	38,641	69,392
Total current assets	1,390,398	1,232,836
Property and equipment, net	76,298	62,282
Total assets	$ 1,466,696	$ 1,295,118
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 60,059	$ 86,273
Accrued liabilities	33,492	60,739
Deferred ticket revenue	803,593	754,183
Total current liabilities	897,144	901,195
Net assets:		
Unrestricted	398,252	356,233
Temporarily restricted	171,300	37,690
Total net assets	569,552	393,923
Total liabilities and net assets	$ 1,466,696	$ 1,295,118

The accompanying notes are an integral part of these financial statements.

CENTERPOINT LEGACY THEATRE
Statement of Activities
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Public support:			
Ticket sales:			
Season sales	$ 719,573	$ -	$ 719,573
Individual sales	418,220	-	418,220
Concessions revenue	64,711	-	64,711
Donations and sponsors:			
Seat and paver donations	-	1,300	1,300
Other donations	290,494	177,500	467,994
Total public support	1,492,998	178,800	1,671,798
Other revenue:			
Academy tuition, fees and tickets	164,908	-	164,908
Facility and other rentals	36,733	-	36,733
Miscellaneous revenue	15,259	-	15,259
Interest income	807	-	807
In-kind revenue	8,500	-	8,500
Net assets released from restrictions	45,190	(45,190)	-
Total other revenue	271,397	(45,190)	226,207
Total public support and other revenues	1,764,395	133,610	1,898,005
EXPENSES			
Program services:			
Production expenses:			
Main stage	469,368	-	469,368
Performance hall	28,154	-	28,154
Indirect	202,339	-	202,339
Other expenses:			
Facilities allocation	273,057	-	273,057
Academy	145,685	-	145,685
Concessions	46,723	-	46,723
Facility and other rentals	13,353	-	13,353
Box office	99,630	-	99,630
Total program services	1,278,309	-	1,278,309
Supporting services:			
General and administrative	201,432	-	201,432
Marketing and development	236,778	-	236,778
Facilities allocation	5,857	-	5,857
Total supporting services	444,067	-	444,067
Total expenses	1,722,376	-	1,722,376
Changes in net assets	42,019	133,610	175,629
Net assets at beginning of year	356,233	37,690	393,923
Net assets at end of year	$ 398,252	$ 171,300	$ 569,552

The accompanying notes are an integral part of these financial statements.

CENTERPOINT LEGACY THEATRE
Statement of Activities
For the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Public support:			
Ticket sales:			
Season sales	$ 712,831	$ -	$ 712,831
Individual sales	433,312	-	433,312
Concessions revenue	60,015	-	60,015
Donations and sponsors:			
Seat and paver donations	-	2,150	2,150
Other donations	288,318	40,000	328,318
Total public support	1,494,476	42,150	1,536,626
Other revenue:			
Academy tuition, fees and tickets	147,607	-	147,607
Facility and other rentals	36,929	-	36,929
Miscellaneous revenue	9,366	-	9,366
Interest income	742	-	742
In-kind revenue	865	-	865
Net assets released from restrictions	39,460	(39,460)	-
Total other revenue	234,969	(39,460)	195,509
Total public support and other revenues	1,729,445	2,690	1,732,135
EXPENSES			
Program services:			
Production expenses:			
Main stage	462,231	-	462,231
Performance hall	21,923	-	21,923
Indirect	191,630	-	191,630
Other expenses:			
Facilities allocation	344,604	-	344,604
Academy	106,544	-	106,544
Concessions	50,106	-	50,106
Box office	88,669	-	88,669
Facility and other rentals	9,889	-	9,889
Total program services	1,275,596	-	1,275,596
Supporting services:			
General and administrative	181,905	-	181,905
Marketing and development	185,298	-	185,298
Facilities allocation	7,392	-	7,392
Total supporting services	374,595	-	374,595
Total expenses	1,650,191	-	1,650,191
Changes in net assets	79,254	2,690	81,944
Net assets at beginning of year	276,979	35,000	311,979
Net assets at end of year	$ 356,233	$ 37,690	$ 393,923

The accompanying notes are an integral part of these financial statements.

CENTERPOINT LEGACY THEATRE
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ 175,629	$ 81,944
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	12,734	11,207
Deferred construction expense amortization	-	56,000
Changes in assets and liabilities:		
Pledges receivable	(54,750)	(25,250)
Prepaid expenses	30,751	(12,412)
Accounts payable	(26,214)	52,910
Accrued liabilities	(27,247)	35,941
Deferred ticket revenue	49,410	36,312
Net cash provided by operating activities	160,313	236,652
Cash flows from investing activities:		
Purchase of property and equipment	(26,750)	(11,750)
Cash flows from financing activities:		
Payments on long-term debt	-	(56,000)
Net increase in cash	133,563	168,902
Cash at beginning of year	1,138,194	969,292
Cash at end of year	$ 1,271,757	$ 1,138,194

The accompanying notes are an integral part of these financial statements.

CENTERPOINT LEGACY THEATRE
Notes to the Financial Statements
December 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations The Davis Performing Arts Association, dba CenterPoint Legacy Theatre (the Theatre), is a Utah not-for-profit organization whose mission is elevating, educating and entertaining citizens of the surrounding communities of Davis County, Utah through participation in and enjoyment of the performing arts.

Basis of Presentation Not-for-profit organizations are required to provide a statement of financial position, a statement of activities, and a statement of cash flows which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Not-for-profit organizations are required to report total assets, liabilities, and net assets in a statement of financial position; change in net assets in a statement of activities; and changes in cash in a statement of cash flows. Not-for-profit organizations are also required to report expenses by their functional classification, such as major programs and supporting activities.

The Theatre maintains its accounts on the accrual basis of accounting. 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 as follows:

Permanently restricted net assets
Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained indefinitely by the Theatre. As of December 31, 2015 and 2014, the Theatre did not have permanently restricted net assets.

Temporarily restricted net assets
Temporarily restricted net assets are subject to donor-imposed stipulations that may be met by actions of the Theatre or will be met through the passage of time.

Unrestricted net assets
Unrestricted net assets are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Expirations of temporary restrictions on net assets, i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Occasionally, permanent restrictions will be released when a donor communicates to the Theatre that a previously permanently restricted endowment contribution can be used for unrestricted purposes. These modifications are reported as reclassifications between the applicable classes of net assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents For the purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, checking accounts, certificates of deposit and money market accounts with original maturities of ninety days or less.

Pledges Receivable Pledges receivable, when applicable, are recorded at their estimated fair value less an appropriate allowance for uncollectible accounts. The allowance, if any, is based on historical experience and management's analysis of specific balances.

Fair Values of Financial Instruments Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount which approximates fair value due to their short maturities.

Depreciation and Amortization The Theatre's policy is to capitalize all fixed asset purchases over $5,000 and with an estimated useful life of 3 or more years. Depreciation and amortization are computed on the straight-line method over the following estimated useful lives:

Sound/light/sewing equipment	5 - 7
Furniture and fixtures	7 - 20
Office equipment	5 - 7
Leasehold improvements (lease term)	15

Contributions and In-Kind Contributions Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of any donor restrictions. All contributions are considered to be available for unrestricted use in the appropriate time period (time restriction), unless specifically restricted by the donor. Amounts that are restricted for future periods or restricted for specific purposes (purpose restriction) are reported as temporarily restricted or permanently restricted support and increase these net asset classes. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and reported as satisfactions of restrictions and net assets released from restrictions on the statement of activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and In-Kind Contributions (Continued) Occasionally, the Theatre receives services, supplies, and other expendable items for use in its programs. Donated items are reported at their fair value as contributed in-kind revenue and the appropriate expenses. In-kind contributions of $8,500 and $865 were received during 2015 and 2014, respectively.

The Theatre also receives donated professional services for legal, management and accounting services. Management believes these services to be critical to the success of Theatre and its operations; however, the amounts are not recorded in the financial statements.

Deferred Ticket Revenue Proceeds from tickets purchased related to productions occurring during the year are recognized as revenue in the period received. Proceeds from tickets purchased related to productions occurring in the subsequent year, are recorded as deferred ticket revenue. Deferred ticket revenue is recognized as revenue as the productions occur.

Advertising Costs Advertising costs are charged to operations when incurred. Advertising expense was $49,081 and $35,642 for the years ended December 31, 2015 and 2014, respectively.

Income Taxes The Theatre qualifies as a tax-exempt Organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for Federal income tax. In general, the Theatre is required to separate its income and deductions into related and unrelated business income.

For federal tax purposes, the Theatre is taxed on all net income from un-related business activities, reduced only by expenses related to un-related activities for which a profit motive exists. The Theatre files Form 990. The Theatre did not have un-related business income for the years ended December 31, 2015 and 2014.

The Theatre's tax years subject to U.S. federal, state and local income tax examinations by tax authorities are 2012, 2013, 2014, and 2015.

Reclassifications Certain reclassifications have been made to the 2014 financial statements for comparative purposes to conform to the 2015 presentation.

2. RESTRICTED CASH

Restricted cash represents the amounts held in reserves, as required by the lease agreement with the Redevelopment Agency of Centerville City (RDA), as discussed in Note 7, as well as temporarily restricted donations. As of December 31, 2015 and 2014, respectively, the restricted cash balance consisted of the following:

	2015	2014
Maintenance reserve	$ 160,610	$ 108,495
Operating reserve	110,356	78,927
Temporarily restricted donations	91,300	37,690
Total restricted cash	$ 362,266	$ 225,112

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2015	2014
Sound/light/sewing equipment	$ 139,992	$ 116,225
Furniture and fixtures	43,035	43,035
Office equipment	20,542	20,542
Leasehold improvements	21,733	7,000
Total depreciable assets	225,302	186,802
Construction in progress	-	11,750
Total assets	225,302	198,552
Less: accumulated depreciation	(149,004)	(136,270)
Total property and equipment	$ 76,298	$ 62,282

The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes as of December 31,:

	2015	2014
Capital improvements	$ 117,500	$ -
Upcoming performance season	44,500	35,540
Friend-to-Friend program	5,000	-
High School Bravo program	3,000	-
Seat and paver donations	1,300	2,150
	$ 171,300	$ 37,690

Of the amounts above, $80,000 and $25,250 were recorded as pledges receivable at December 31, 2015 and 2014, respectively.

5. CONCENTRATIONS OF CREDIT RISK

The Theatre maintains its cash balances with three banks located in Utah. Balances on deposit may, at times, exceed FDIC insured limits. The Theatre has not experienced any losses related to these accounts and believes it is not exposed to significant credit risk related to these accounts. As of December 31, 2015 and 2014, cash balances exceeded insured limits by $570,755 and $437,694, respectively.

6. DONATIONS IN-KIND

The Theatre donates gift certificates to some of its shows to various other organizations for use in auctions and marketing purposes. The gift certificates have no cash value, and are considered non-cash transactions. During 2015 and 2014, respectively, the Theatre donated gift certificates valued at $4,513 and $6,079.

7. BUILDING LEASE AGREEMENT

The Theatre entered into a lease agreement (the Agreement) with the RDA to occupy premises, owned by the RDA. The initial lease is for a period of twelve (12) years, effective December 2010, and is renewable for an additional ten (10) years. Rent payments consist of a monthly base rent and an annual variable rent. During 2015, the monthly base rental payment was $6,100 per month. The base rent is adjusted annually using a twelve (12) month average of the Consumer Price Index; however, the monthly rent will not decrease from the prior year's amount. The annual variable rent, if any, is calculated based on the previous year's annual profit, as defined by the Agreement.

7. BUILDING LEASE AGREEMENT (CONTINUED)

The Agreement also requires an Operating Reserve Fund (ORF) and a Maintenance Reserve Fund (MRF) to be established and funded by the Theatre, not to exceed totals of $200,000 and $300,000, respectively. The Theatre is required to fund the MRF in the amount of at least one percent of the previous year's annual revenue, as defined by the Agreement. As of December 31, 2015 and 2014, respectively, each reserve account had balances of $110,356 and $78,927 for the operating reserve and $160,610 and $108,495 for the maintenance reserve.

The building and most of the sound, stage, and lighting equipment for the main stage area are the property of the RDA. The Theatre purchased and owns the sound and lighting assets for the alternate stage. Funding for the building is largely from a recreation tax from Centerville City, Bountiful City, and a one-time contribution from Davis County, Utah. The Theatre is not liable for any of the debt on the land or building.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 11, 2016, the date on which the financial statements were available to be issued.

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 2.

Short Title: Review of funds transferred by CPT into the Maintenance Reserve Fund, Operating Reserve Fund and Capital Projects Reserve Fund; and review/approve use of Capital Projects Reserve Fund

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Review and approve the amounts transferred by CPT into the Operations Reserve Fund (ORF), Maintenance Reserve Fund and Capital Projects Reserve Fund (CPRF), as required by the Operating Lease.

Also review CPT's use of CPRF to date and approve proposed uses in future.

BACKGROUND

Sections 22, 23 and 23.1 of the Operating Lease pertain to the ORF, MRF and CPRF, respectively. These provisions establish guidelines for the annual allocations into these reserve funds. These provisions can be found in the attachment that includes Sections 19 - 33 of the Operating Lease. Staff will refer to these sections as they help the new RDA Board members understand the requirements that CPT must meet.

Section 23.1 (approved as Amendment No. 8 in December 2015) requires CPT to submit for RDA/ACB approval a list of projects to be funded with any transfer into the CPRF, and to account annually for actual uses of these funds. Therefore, CPT has been asked to provide this information at the meeting.

ATTACHMENTS:

Description

- Sections 19 - 33 of Operating Lease

item and any such defects. At the conclusion of the Shakedown Period, the Association's inspection of the Theatre and related facilities and improvements shall be deemed an acceptance of the Theatre and all related facilities and improvements.

18. Public Funds. The parties expressly acknowledge that the Theatre has been or will be constructed and financed almost entirely with public funds. It is further expressly acknowledged that the intended purpose of the construction of the Theatre is to provide a regional center for the use and enjoyment of the public providing an opportunity for public participation in and appreciation of the fine arts and family entertainment and expanding and enriching the cultural and educational opportunities available to the residents of Davis County and surrounding areas and communities. It is not the intent of the RDA or the public entities financing and/or providing for the construction of the Theatre that the Association, any individual, director, officer or entity profit from the use or operation of the Theatre. It is also not the intent of the RDA or the public entities financing and/or providing for the construction of the Theatre that any public entity profit from the use of operation of the Theatre. Rather, it is the intent of the RDA and the public entities financing and/or providing for the construction of the Theatre that all profits generated by the Theatre be invested back into the Theatre and the Site to provide for the long-term sustainability and viability of the project. It is further the intent of the parties to provide for the proper maintenance and repair of the Theatre to ensure long-term preservation of the building asset, including all related improvements and equipment, and to allocate funds in a manner that provides for an aggressive preventative maintenance program for the Theatre. For these reasons, the lease and operation of the Theatre by the Association is expressly conditioned upon any profits made by, through or in connection with the use and operation of the Theatre by the Association be funneled back into the Theatre in accordance with the Rent provisions more particularly provided herein. It is further the intent of the RDA that all rent proceeds received by the RDA from the Association be funneled back into the Theatre and the Site, including, but not limited to, the use of such funds for investment, financing, debt retirement, maintenance, repair, replacement, expansion, alteration, enhancement, betterment or operation of any buildings, grounds, facilities, programs, fixtures and related equipment and accessories associated with the Theatre, in accordance with the provisions of this Agreement. The RDA hereby covenants that no Rent proceeds can be used for debt retirement or service in order to maintain the tax-exempt status of interest on the tax-exempt bonds.

19. Rent. For purposes of this Agreement, the parties intend the rental payment charged for use and operation of the Theatre be fair, reasonable and flexible and set at an amount that will provide for the long-term viable lease and operation and maintenance of the Theatre. For the reasons set forth in Section 18 regarding the public funding and purpose of the Theatre, the rental payment due and owing for the use and operation of the Theatre under this Lease and Operating Agreement, shall be based on a minimum monthly base rent as more particularly set forth in Section xx and a variable annual rent calculated in accordance with the provisions set forth in Section 20 and a variable annual rent calculated in accordance with the provisions set forth in Section 21 (collectively referred to as ("Rent"). Rent shall be paid to the RDA when due without prior notice, demand, deduction, setoff or counterclaim. Interest on unpaid delinquent Rent shall accrue at the rate of ten (10%) per annum from the date due to the date of payment. Interest on delinquent Rent shall be in addition to any other rights and remedies available to the RDA for failure to pay Rent as a breach of this Agreement. All Rent and other payments due

under this Agreement shall be paid by the Association to the RDA at the RDA's office at 250 North Main, Centerville, Utah, 84014, or at such other place as may from time to time be designated in writing by the RDA.

20. Monthly Base Rent Payment. Commencing six (6) months from the Possession Date, the Association shall pay to the RDA a minimum monthly base rent and use fee ("Base Rent") in the amount of $6,000 per month. Except as provided herein for the first month's rent, Base Rent shall be paid monthly in advance due on the 20th day of the month for the next month's rent. For the first month, or any portion thereof commencing six (6) months from the Possession Date, the Association shall pay to the RDA a prorated portion of the current month's Base Rent and the next month's Base Rent in advance on the first day following six (6) months from the Possession Date. The Base Rent shall be adjusted annually each January beginning in 2014 using the Consumer Price Index for all Urban Consumers ("CPI-U") for the West Urban Area (Index Base Period 1982-84=100), as published by the United States Department of Labor, Bureau of Labor Statistics. The increase in the amount of each monthly Base Rent payment shall be directly proportional to the percentage change in the CPI-U index between the specified time periods; provided that under no circumstances shall the monthly Base Rent be less than the previous year's monthly Base Rent ("Adjusted Base Rent"). The Adjusted Base Rent shall be calculated using the average of the CPI-U for the current twelve (12) month period from October to September as compared to the previous twelve (12) month period from October to September. Starting in 2013, the RDA shall calculate the Adjusted Base Rent for the coming year and provide the Association with thirty (30) days notice of the Adjusted Base Rent for the coming year. Such notice is provided as a courtesy only. If the RDA does not send the notice of Adjusted Base Rent or the Association does not receive such notice, the Association is still bound and obligated to pay the Adjusted Base Rent when due and owing. If the United States Department of Labor revises the CPI-U or the index base period, the parties shall accept the method of revision or conversion recommended by said Department. If the CPI-U is discontinued or revised, such government indices or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the indices had not been discontinued or revised. [iii]

21. Annual Variable Rent. In addition to the Base Rent, for the reasons set forth in Section 18 regarding the public funding and purpose of the Theatre, the Association shall pay to the RDA a variable annual rental and use fee in an amount equal to the Association's previous year's annual profits as more particularly provided herein ("Variable Rent"). For purposes of this Section, annual profits shall be defined as any and all revenue generated by the operation of the Theatre, including, but not limited to, ticket sales, sponsorship, concessionaires, gift shop sales, etc., less all operating and production costs, expenses, and authorized reserves for each calendar year ("Annual Profits"). Annual Profits shall also include donations except as otherwise provided in Section 27 regarding donations earmarked for specified purposes. For purposes of determining Variable Rent, the parties expressly agree that part of the operating and production costs and expenses may include reasonable and necessary reservation of funds for purposes of funding the Association's Operations Reserve Fund, Maintenance Reserve Fund and Capital Reserve Fund as more particularly defined in Section 22, Section 23 and Section 23.1. Variable Rent for the current year shall be calculated based on the Annual Profits of the Association for the immediately preceding calendar year. Subject to the waiver period provided herein, Variable

Rent shall be due annually on June 30th of each calendar year. The Association shall be responsible for determining and calculating its Annual Profits in order to make timely payment of annual Variable Rent. Each annual Variable Rent payment shall be accompanied by a written statement, certified to be true, correct, and complete by an independent accountant or officer of the Association, showing for the previous calendar year the revenue, expenses, reserve funds and Annual Profit calculations. [iv], [v]

22. Association's Operations Reserve Fund. The Association shall create a reserve fund for purposes of funding the Association's current and future operations obligations set forth in this Lease and Operating Agreement ("Operations Reserve Fund"). The Association shall retain the Operations Reserve Fund in a specially created fund to be maintained by the Association and used solely for operations and production costs as more particularly provided herein. The Association shall use its best efforts to allocate funds to the Operations Reserve Fund in an amount that is reasonably adequate and necessary for purposes of fulfilling its operations obligations under this Lease and Operating Agreement; provided, the fund balance in the Operations Reserve Fund shall not exceed an amount equal to Two Hundred Thousand Dollars ($200,000). The Operations Reserve Fund shall only be used to fund the Association's operations obligations set forth in this Lease and Operating Agreement. In accordance with the provisions of Section 32, until and unless the Maintenance Reserve Fund is fully funded to the maximum fund balance for such fund, a minimum of fifty percent (50%) of the combined annual reservation of funds to both the Operations Reserve Fund and the Maintenance Reserve Fund shall be allocated to the Maintenance Reserve Fund, exclusive of earmarked donations. The combined amount calculations and percentage allocation requirements set forth herein may include the Minimum MRF Contribution set forth in Section 33. Allocations to the Operations Reserve Fund and the Maintenance Reserve Fund shall be subject to review and approval by the RDA and ACB in accordance with the provisions of Section 28. The Association may be required by the RDA as part of the budget process to utilize funds in the Operations Reserve Fund to pay for current or future operations obligations. The Association shall provide the RDA and ACB with at least thirty (30) days prior written notice of any proposed withdrawal and/or use of funds within the Operations Reserve Fund.

23. Association's Maintenance Reserve Fund. The Association shall create a reserve fund for purposes of funding the Association's current and future maintenance and repair obligations set forth in this Lease and Operating Agreement ("Maintenance Reserve Fund"). The Association shall retain the Maintenance Reserve Fund in a specially created fund to be maintained by the Association and used solely for maintenance and repair obligations as more particularly provided herein. The Association shall use its best efforts to allocate funds to the Maintenance Reserve Fund in an amount that is reasonably adequate and necessary for purposes of fulfilling its maintenance and repair obligations under this Lease and Operating Agreement; provided, the fund balance in the Maintenance Reserve Fund shall not exceed Three Hundred Thousand Dollars ($300,000). The Maintenance Reserve Fund shall only be used to fund the Association's maintenance and repair obligations set forth in this Lease and Operating Agreement, including, but not limited to, the maintenance, repair or replacement of any buildings, grounds, landscaping, facilities and improvements associated with the Theatre and the Site. The primary purpose and intent of the Maintenance Reserve Fund is to create a substantial and sufficient reserve fund to be used for major, non-routine or unexpected maintenance, repairs

and replacement obligations of the Association. Routine and preventative maintenance and recurring repair and replacement projects should be budgeted for and funded out of the Annual Operating Budget In accordance with the provisions of Section 32, until and unless the Maintenance Reserve Fund is fully funded to the maximum fund balance for such fund, a minimum of fifty percent (50%) of the combined annual reservation of funds to both the Operations Reserve Fund and the Maintenance Reserve Fund shall be allocated to the Maintenance Reserve Fund, exclusive of earmarked donations. The combined amount calculations and percentage allocation requirements set forth herein may include the Minimum MRF Contribution set forth in Section 33. Allocations to the Operations Reserve Fund and the Maintenance Reserve Fund shall be subject to review and approval by the RDA and ACB in accordance with the provisions of Section 28. The Association may be required by the RDA as part of the budget process to utilize funds in the Maintenance Reserve Fund to pay for current or future maintenance and repair obligations. The Association shall provide the RDA and ACB with at least thirty (30) days prior written notice of any proposed withdrawal and/or use of funds within the Maintenance Reserve Fund.

23.1. Association's Capital Projects Reserve Fund. The Association may create a reserve fund for purposes of funding special capital projects or improvements ("Capital Reserve Fund"). If created, the Association shall retain the Capital Reserve Fund in a specially created fund to be maintained by the Association and used solely for special capital projects or improvements as more particularly provided herein. The Association may only allocate funds to the Capital Reserve Fund after the appropriate and required annual amounts have been allocated to the Association's Operations Reserve Fund (in accordance with Section 22) and the Maintenance Reserve Fund (in accordance with Section 23), including the Minimum MRF Contribution (set forth in Section 33). Any allocation of funds to the Capital Reserve Fund must be approved by the RDA and ACB and must be tied to a list of specific approved capital projects or improvements. The Association shall provide the RDA and ACB with an annual accounting of the use of funds from the Capital Reserve Fund and evidence of appropriate use of funds for specific approved capital projects or improvements. If the Theatre's Operations Reserve Fund or the Maintenance Reserve Fund are determined by the RDA to be drained or underfunded, the Association may be required by the RDA as part of the annual budget process to transfer funds from the Capital Reserve Fund (other than specifically earmarked donations) to the Operations Reserve Fund and/or Maintenance Reserve Fund. [vi]

24. RDA Rent Proceeds. Monthly Base Rent and the annual Variable Rent shall be paid to the RDA. Base Rent and Variable Rent proceeds shall first be used to reimburse the RDA for any actual expenditures or expenses incurred by the RDA for the construction, financing, maintenance, repair, alteration, or operation of the Theatre or the Site. Such reimbursement amounts may be retained by the RDA from the Rent without prior approval of the ACB. The RDA shall be required to provide the ACB with itemized statements regarding any and all such reimbursements from Rent proceeds. Any remaining Base Rent or Variable Rent proceeds shall be used to fund the RDA's Theatre Reserve Fund as more particularly provided in Section 25. Use of funds within the Theatre Reserve Fund shall be subject to the specific conditions and limitations set forth in this Lease and Operating Agreement regarding the Theatre Reserve Fund as set forth in Section 25.

25. RDA Theatre Reserve Fund. The RDA shall create a reserve fund to be used solely for the Theatre and Site as more particularly provided herein ("Theatre Reserve Fund"). The RDA shall retain the Theatre Reserve Fund in a specially created fund to be maintained by the RDA and used solely for the purposes set forth herein. The Theatre Reserve Fund shall be funded with remaining Base Rent or Variable Rent proceeds as set forth in Section 24. Nothing herein is intended to or shall obligate the RDA to separately fund the Theatre Reserve Fund. The parties expressly acknowledge that the funding of the Theatre Reserve Fund is solely dependent upon the calculation and amount of Annual Profits and the payment of Base Rent and Variable Rent under the terms of this Lease and Operating Agreement. It is the intent of the parties to fund not only the Association's Operations Reserve Fund and Maintenance Reserve Fund, but also the RDA's Theatre Reserve Fund, in order to provide an equitable distribution of funds for the long-term success and viability of the Theatre operations and the long-term maintenance, repair and replacement of the Theatre and the Site. As such, the Association agrees to use its good faith best efforts to accurately and fairly allocate funds and expenses and to calculate Annual Profits in accordance with the stated intent of the parties as more particularly discussed herein and in Section 18 regarding the use of public funds for the project. The Theatre Reserve Fund shall only be used for investment, financing, maintenance, repair, replacement, expansion, alteration, enhancement, betterment or operation of any buildings, grounds, facilities, improvements, programs, fixtures and related equipment and accessories associated with the Theatre and the Site. Use of any portion of the Theatre Reserve Fund shall be pre-approved by the ACB, which approval shall not be unreasonably withheld. The parties, together with the ACB, may adopt policies for prioritizing projects, repairs, replacements, betterments, capital improvements, etc., with respect to the use and expenditures of the Theatre Reserve Fund. For purposes of prioritizing the use of the Theatre Reserve Fund it is the parties' intent to create a substantial and sufficient Theatre Reserve Fund for the primary purpose of providing for future repair, replacement and capital improvements associated with the Theatre and the Site. Standard calculations for repair and replacement costs for a building the size and quality of the Theatre suggest an annual fund contribution equal to one and one-half percent (1.5%) of the replacement value of the facility. Although permitted under the terms of this Lease and Operating Agreement, it is not the parties' intent that the Theatre Reserve Fund be used for routine maintenance until and unless a sufficient Theatre Reserve Fund is established and/or the use of such funds for routine maintenance is deemed necessary and appropriate under the circumstances. It is not the intent, and the RDA shall not use any Rent proceeds or the Theatre Reserve Fund for debt retirement or service with respect to the tax-exempt bonds.

26. Flow of Funds. Consistent with the provisions set forth in Sections 18-25, the allocation of revenues from the operation of the Theatre shall be distributed and allocated in the following order of intended priority: (1) payment of Base Rent; (2) payment of current operations, production and maintenance costs and expenses; (3) allocation of funds to the Maintenance Reserve Fund; (4) allocation of funds to the Operations Reserve Fund; (5) allocation of funds to the Capital Reserve Fund; and (6) distribution of Annual Profits as Variable Rent due to the RDA.

27. Exception for Earmarked Donations. It is the intent of the parties to encourage the donation of private funds to the Theatre to the broadest extent possible. In order to encourage such donations, the parties desire to provide an exception to Annual Profit calculations and

reserve fund maximum cap limitations for earmarked donations and the ability to use such donations for the intended purpose. The parties hereby agree that any legitimate private donation specifically earmarked for a particular specified purpose, such as donations for a specified capital improvement, specialized accessory or particular performance, may be used for the designated purpose without such donation being required to be designated as revenue for purposes of calculating Annual Profits. In addition, donations earmarked specifically to the Operations Reserve Fund or the Maintenance Reserve Fund shall not be subject to the maximum fund balance restrictions set forth in Section 22 or Section 23, but shall be utilized to determine whether the fund balance cap has been reached for purposes of calculating Annual Profits. In order to qualify for this exception, the donation must be expended or allocated in the budget for the designated purpose within the calendar year the funds are received. Any reservation of such earmarked donated funds shall be placed in a restricted account earmarked for the specified purpose in accordance with standard and acceptable accounting practices regarding the same. Any donations that are not earmarked for a particular specified purpose shall be deemed revenue for purposes of calculating Annual Profits in the calendar year they are received.

28. Budget Review and/or Approval. The Association shall prepare and abide by an annual budget or budgets, as more particularly required herein, setting forth a plan of financial operations for the fiscal period, including an estimate of proposed expenditures for given purposes and the proposed means of financing them. All budgets shall be prepared in accordance with standard and generally accepted accounting principles. The Association shall prepare for each budget period, an annual overall operating budget ("Annual Operating Budget") and a budget for the following budgetary funds: (1) the Operations Reserve Fund; (2) the Maintenance Reserve Fund; and (3) the Capital Reserve Fund (collectively referred to as "Annual Budgets"). The Annual Budgets of the Association and any amendments thereto shall be submitted to and reviewed by the RDA and the ACB prior to becoming final. The Association shall prepare budgets for the coming year and submit the same to the RDA and ACB by November 25th. Prior to November 25th, the Association's staff will meet with RDA staff to review those portions of the Annual Budget relating to facilities maintenance. The RDA and ACB shall have until December 10th to review the budgets and to submit any recommended changes to the Association. The final Annual Budgets, as reviewed by the RDA and ACB, shall be adopted by the Association by December 20th of each year. Notwithstanding the forgoing, and for the reasons set forth herein, the final budget for the Maintenance Reserve Fund and any portion of the Annual Operating Budget dealing with or relating to the current, future and on-going maintenance, repair or replacement of any portion of the Theatre or the Site, or any improvements, fixtures, equipment or accessories related thereto, shall be subject to approval by the RDA prior to final adoption by the Association. Such approval shall be provided in accordance with the above-described budget review process and time periods. The required budgetary review and/or approval by the RDA and the ACB as provided herein is not intended to micro-manage operations of the Theatre or to prioritize programs, but is intended to provide the RDA and the ACB with meaningful oversight in order to accomplish the goals and intent for the Theatre, to provide for timely, appropriate and sufficient maintenance and repair of the Theatre and its facilities, and to have review and oversight regarding the calculation of Annual Profits as used to determine annual Variable Rent. Any amendments to the Annual Budgets shall be subject to review and approval by the RDA prior to final adoption by the Association. [vii], [viii]

29. No Excessive Salaries. The parties expressly acknowledge that various decisions and factors will impact Annual Profits, such as, salaries, improvement projects, donations, ticket sales, ticket prices, repairs, equipment purchases, repair and maintenance reserves, etc. The RDA and the ACB shall have input regarding such matters as part of the annual budget process. The Association shall not pay any excessive salaries or wages, including benefits, to its executives, board members or staff. In order to determine what is deemed excessive under the provisions of this Section, the salaries or wages paid by the Association to its officers and employees shall not exceed the average salary and/or wage paid to similarly situated officers or employees of public community theatres and nonprofit theatre associations or entities in Utah of like size, budget and experience to the Association and the Theatre.

30. Preventative Maintenance Obligations. The RDA has a long-term interest in preserving its building asset and desires to ensure through the provisions of this Lease and Operating Agreement that proper maintenance practices are used for the inspection and upkeep of the Theatre. Preventative maintenance is widely recognized to extend the life of buildings and equipment, prevent premature breakdown of systems and ensure efficient operation of systems and equipment In consideration of the minimal Base Rent and for the purposes set forth in Section 18 regarding public funds used for the construction of the building, the Association's maintenance obligations set forth herein shall be a priority and shall be subject to the oversight and direction of the RDA. Specifically, the Association shall be required to pursue all of its repair and maintenance obligations under this Lease and Operating Agreement with due diligence and on a pro-active and preventative maintenance basis in order to ensure the long-term sustainability and maintenance of the Theatre. All maintenance and repairs shall be conducted in accordance with the approved Maintenance Plan as set forth in Section 31. All maintenance and repairs shall be performed by manufacturer authorized technicians and in accordance with the manufacturer's recommended maintenance schedule and warranty requirements for the particular equipment, improvement or system. Annual service contracts regarding maintenance and repair services shall be subject to review and approval of the RDA.

31. Comprehensive Maintenance Plan. As part of the budget process each year, the Association shall be required to prepare a long-range comprehensive maintenance plan ("Maintenance Plan"), which plan shall include at least a five (5) year projection and plan for dealing with and paying for all current, future and on-going maintenance and repair obligations and issues with respect to the Theatre and the Site. The Maintenance Plan shall include, but is not limited to, addressing the Association's maintenance and repair obligations regarding parking facilities, drive aisles, landscaping, plumbing, electrical, mechanical, HV AC Systems, carpeting, painting, stage facilities, lighting, telecommunications, seating, etc. The Maintenance Plan shall include scheduled maintenance and inspection programs and documentation of maintenance work performed. The Maintenance Plan shall be based on manufacturer's recommended maintenance schedules, warranty requirements, industry standards, benchmarks and best practices for asset management and shall include maintenance modeling that considers the size, design, life expectancy, age and replacement cost of the Theatre. The Association is encouraged to invest in computer software program(s) that will assist in establishing and implementing the Maintenance Plan. The Maintenance Plan shall also address and provide recommendations regarding how to best estimate and use the reserve funds for known and unknown repairs and maintenance obligations which may arise. The Association shall implement and comply with the

maintenance schedules and requirements set forth in the approved Maintenance Plan. The Maintenance Plan shall be reviewed and is subject to approval by the RDA as part of the annual budget approval process. Drafts of the Maintenance Plan shall be prepared by the Association and submitted annually to the RDA with the tentative budget and reviewed in accordance with the review and approval schedule for the budgets as set forth in Section 28. Any amendments to the Maintenance Plan shall be subject to the review and approval of the RDA.

32. Maintenance Budgeting and Funding Priorities. The Association shall be required to provide for current maintenance and repair obligations in its Annual Operating Budget, which allocations and budgeting shall be subject to the review and approval of the RDA in accordance with Section 28. The Association shall also be required to provide for known and unknown future and on-going maintenance and repair obligations in its annual Maintenance Reserve Fund budget, which allocations and budgeting shall be subject to the review and approval of the RDA in accordance with Section 28. The Association shall be required to actually transfer funds to the Maintenance Reserve Fund, including required minimum contributions set forth in Section 33, in accordance with the approved budget, on an annual basis. The purpose of the annual funding of the Maintenance Reserve Fund is to ensure that sufficient funds are reserved to pay for known and unknown current, future and on-going maintenance and repair obligations as provided herein. All budgeting and allocations for maintenance and repairs shall be sufficient to meet the Association's obligations set forth in this Lease and Operating Agreement and shall be provided in accordance with the Maintenance Plan as approved by the RDA. As indicated in Section 26 regarding flow of funds, the funding of current maintenance obligations and the reservation of funds for future maintenance obligations is a priority of the parties and an express requirement of this Lease and Operating Agreement. [ix]

33. Minimum Maintenance Reserve Fund Contribution. In order to ensure that maintenance spending is addressed on a continuous basis, rather than waiting until a problem occurs, the Association shall be required to contribute a minimum amount of funds to the Maintenance Reserve Fund on an annual basis as more particularly set forth herein. Starting in the calendar year 2012, and until and unless the maximum fund balance is met for the Maintenance Reserve Fund, the Association shall be required to contribute to the Maintenance Reserve Fund on an annual basis an amount equal to one percent (1 %) of the Association's previous year's annual revenues ("Minimum MRF Contribution"). For purposes of this Section, annual revenue shall be defined as the gross revenues generated by the operation of the Theatre, including, but not limited to, ticket sales, sponsorship, concessions, gift shop sales, etc. ("Annual Revenues"). Annual Revenues shall also include donations except as otherwise provided in Section 27 regarding donations earmarked for specified purposes. The Minimum MRF Contribution shall be addressed in the budget and shall be paid annually on or by June 30th. The Association shall be responsible for determining and calculating its Annual Revenues in order to make timely payment of the annual Minimum MRF Contributions to the Maintenance Reserve Fund. [x], [xi]

34. Financial Transparency. It is the intent of the parties that in order to accomplish the long-term viability of and the goals for the Theatre, financial information, budgets, salaries and expenditures of the Association relating to the operation of the Theatre must be transparent. The Association shall be required to hire and retain a professional accountant and/or financial

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 3.

Short Title: Review of the 2016 six-month financial report and Semi-Annual Impact Report for CPT

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Review and ask questions of CPT representatives about the attached six-month reports.

BACKGROUND

The four attachments all pertain to CPT operations for the first six months of 2016. The Executive Staff Report and Semi-Annual Impact Report include narrative that the RDA/ACB should find interesting and reassuring about current operations. The CPT Budget Report provides a summary of expenditures and revenues in the first six months of 2016 and a comparison with budget. The Facilities Expense Report is provided as a separate report because the RDA/ACB has a duty in the Operating Lease to see that CPT is adequately maintaining the facility.

ATTACHMENTS:

Description

- Executive Staff Report - Six Months Ending June 30, 2016
- CPT Budget Report - Six Months Ending June 30, 2016
- Facilities Expense Report - Six Months Ending June 30, 2016
- Semi-Annual Impact Report - January 1 to July 1, 2016

CenterPoint Legacy Theatre - Executive Staff Report – July 2016

General Note:

This financial report brings us halfway through our 2016 Season. In general, there is some very good news. At the end of June 2015 our Year-to-Date (YTD) Net Income Variance was plus $36,217. This year, our YTD Net Income Variance is plus $75,102.

Barlow Main Stage:

- We are pleased to confirm that our season ticket revenues have outpaced our budget projections.
- With the help of "Beauty & the Beast" and "The Foreigner" our YTD single ticket sales are above budget projection by $37,194.

Leishman Hall:

- Leishman Hall has also performed better than anticipated.

CenterPoint Academy:

- During the summer of 2016 we have greatly increased our Academy Summer School programs. These programs have been well received. We will evaluate them to see if they merit continuation.

Rentals:

- Though our rental programs show greater revenue than budgeted, they are not expected to generate a large income and are designed as services to the community.

Concessions:

- This is considered a small part of our revenue stream, but on occasion, with a production like "Beauty & the Beast", can perform much higher than expected.

Annual Fundraising Gala:

- Once again, our annual Gala added a substantial amount to our fundraising efforts and created additional good will with our local businesses and community leaders.

Marketing:

- Marketing is an area where being under budget can be a concern.
    - There were several months where marketing was in a state of limbo as we were in a process of replacing personnel and evaluating our current practices. We continued to follow our basic marketing plan during this period and now see that we have some additional funds available.
    - In the second half of the season the budget will begin to balance as we increased efforts to communicate with all of Davis County.

Facilities:

- Variances in our facility expenses have been due primarily to timing issue surrounding when certain services could be scheduled and a milder winter, which required fewer grounds keeping expenses.

Donations:

- Regardless of lower than anticipated grant revenue in the first six months of 2016, we have received increased donations in other areas helping us maintain our YTD overall expectations. We regularly look for grant opportunities and apply throughout the season.
- Planned Giving is another area of development we would like to explore. We are looking for counsel in the mechanics of such a program.

Information regarding Scott Van Dyke:

- Scott had an accident on Thursday afternoon; July 21 at CPT. He has some severe injuries to his head, ribs, and back. He is at home recuperating and according to the attending nurse, is healing nicely. We continue to stay in touch with him to keep him aware of our activities. In the meantime, our production process is still on track. And everyone has been very helpful.
- Worker Compensation issues are being managed.
- We do not have a firm understanding of the long term effect Scott's accident will create. We are addressing things as they come.

Impact Report:

You will also find our first semi-annual impact report. We are committed to doing a better job of collecting and reporting information on CenterPoint's impact on our community. Our plan is to report every six months with a semi-annual and annual report.

CenterPoint Legacy Theatre

Statement of Activities
Compared with Budget
For the Period April 1, 2016 to June 30, 2016

	Current Quarter Actual	Current Quarter Budget	Current Quarter Variance	Year to Date	Year to Date	Year to Date
Revenues						
Season Ticket Sales	$ 154,370.58	$ 150,439.48	3,931.10	$ 368,697.23	$ 361,868.48	6,828.75
Individual Ticket Sales	52,053.79	63,200.00	(11,146.21)	208,393.79	171,200.00	37,193.79
Corporate Memberships	0.00	0.00	0.00	6,000.00	6,000.00	0.00
Ticket Exchange Fees	365.00	0.00	365.00	823.00	0.00	823.00
Show Sponsorship	45,000.00	40,000.00	5,000.00	60,000.00	60,000.00	0.00
Leishman Hall Revenue	11,557.29	7,600.00	3,957.29	20,874.29	15,200.00	5,674.29
Academy Tuition	68,587.51	32,500.00	36,087.51	112,783.81	76,000.00	36,783.81
Academy Materials Fee	670.00	0.00	670.00	2,845.00	0.00	2,845.00
Academy Costume Fee	891.00	650.00	241.00	4,380.00	2,900.00	1,480.00
Academy Theater Ticket Sales	9,930.00	13,500.00	(3,570.00)	11,527.00	14,200.00	(2,673.00)
Facility Rental	5,360.00	3,150.00	2,210.00	7,191.00	4,800.00	2,391.00
Costume Rental	4,770.00	3,000.00	1,770.00	9,245.00	6,000.00	3,245.00
Prop Rental	2,175.00	1,275.00	900.00	3,475.00	2,550.00	925.00
Concessions	14,926.71	15,000.00	(73.29)	39,025.62	30,000.00	9,025.62
Annual Fundraising Gala	111,230.00	118,000.00	(6,770.00)	111,230.00	118,000.00	(6,770.00)
Events	0.00	0.00	0.00	21,464.25	20,000.00	1,464.25
Miscellaneous Income	1,419.51	1,500.00	(80.49)	4,107.77	3,000.00	1,107.77
In-Kind Revenue	2,500.00	0.00	2,500.00	2,500.00	0.00	2,500.00
Total Revenues	485,806.39	449,814.48	35,991.91	994,562.76	891,718.48	102,844.28
Expenses						
Barlow Theatre Expenses						
Stage Manager	2,950.00	2,100.00	850.00	5,350.00	4,000.00	1,350.00
Director	6,350.00	2,900.00	3,450.00	9,450.00	5,900.00	3,550.00
Choreographer	1,350.00	2,200.00	(850.00)	2,750.00	3,300.00	(550.00)
Music Director	1,000.00	2,100.00	(1,100.00)	3,000.00	3,300.00	(300.00)
Costumer	4,000.00	2,800.00	1,200.00	7,950.00	5,400.00	2,550.00
Stitchers	1,025.00	1,400.00	(375.00)	4,600.00	3,200.00	1,400.00
Set Designer	1,400.00	1,750.00	(350.00)	2,600.00	3,250.00	(650.00)
Set Painter	2,500.00	4,000.00	(1,500.00)	8,521.30	7,800.00	721.30
Painters	0.00	800.00	(800.00)	0.00	1,200.00	(1,200.00)
Light Designer	2,000.00	1,800.00	200.00	3,800.00	3,600.00	200.00
Assistant Light Designer	0.00	1,000.00	(1,000.00)	0.00	1,700.00	(1,700.00)
Sound Designer	1,100.00	1,000.00	100.00	2,000.00	1,700.00	300.00
Music Designer	5,000.00	5,000.00	0.00	7,500.00	7,500.00	0.00
Prop Coordinator	900.00	600.00	300.00	1,650.00	1,200.00	450.00
SDC Fees	1,043.00	1,200.00	(157.00)	1,043.00	1,200.00	(157.00)
Show Stage Managers	1,320.00	2,340.00	(1,020.00)	3,030.00	3,510.00	(480.00)
Assistant Stage Managers	0.00	600.00	(600.00)	990.00	900.00	90.00
Sound Techs	3,195.00	3,240.00	(45.00)	5,910.00	5,220.00	690.00
Lighting Techs	2,005.00	2,160.00	(155.00)	4,545.00	2,160.00	2,385.00
Spotlight Techs	2,525.00	3,240.00	(715.00)	2,525.00	4,680.00	(2,155.00)
Stage Crew	5,855.00	1,800.00	4,055.00	14,105.00	7,200.00	6,905.00
Builders	2,313.00	5,200.00	(2,887.00)	7,050.45	6,700.00	350.45
Wig Mistress	2,785.00	800.00	1,985.00	3,887.50	1,500.00	2,387.50
Fight Coordinator	400.00	800.00	(400.00)	400.00	800.00	(400.00)
Live Musicians	0.00	0.00	0.00	5,600.00	1,200.00	4,400.00
Accompanist	187.50	800.00	(612.50)	475.00	1,200.00	(725.00)
Workers Compensation	1,666.62	1,764.00	(97.38)	1,666.62	2,646.00	(979.38)
Costume Material	20,007.06	11,000.00	9,007.06	36,892.41	27,500.00	9,392.41
Wigs	1,313.65	1,300.00	13.65	2,991.24	3,100.00	(108.76)
Paint & Supplies	537.50	900.00	(362.50)	1,342.39	2,000.00	(657.61)
Lighting Supplies	2,734.58	500.00	2,234.58	4,094.70	950.00	3,144.70
Sound Supplies	0.00	200.00	(200.00)	0.00	400.00	(400.00)
Batteries/Tape/etc.	0.00	0.00	0.00	30.00	0.00	30.00
Music Track Adjustments	275.00	500.00	(225.00)	400.00	750.00	(350.00)
Props	1,848.13	1,300.00	548.13	5,014.26	5,600.00	(585.74)
Special Effects	321.82	1,600.00	(1,278.18)	5,057.24	4,100.00	957.24
Construction Materials	8,922.46	7,400.00	1,522.46	16,898.16	17,200.00	(301.84)

CenterPoint Legacy Theatre

Statement of Activities
Compared with Budget
For the Period April 1, 2016 to June 30, 2016

	Current Quarter Actual	Current Quarter Budget	Current Quarter Variance	Year to Date	Year to Date	Year to Date
Royalties	37,501.22	37,600.00	(98.78)	69,602.00	64,200.00	5,402.00
Printing - Copies	610.38	3,000.00	(2,389.62)	658.19	5,700.00	(5,041.81)
Advertising/Promo/Pulicity	2,196.00	7,000.00	(4,804.00)	7,294.00	14,300.00	(7,006.00)
Mailing Charges	38.82	400.00	(361.18)	38.82	800.00	(761.18)
Dry Cleaning	1,756.15	2,400.00	(643.85)	2,025.95	2,900.00	(874.05)
Wig/Costume Maintenance	0.00	500.00	(500.00)	0.00	2,300.00	(2,300.00)
Food - Production	1,423.17	800.00	623.17	2,223.26	2,200.00	23.26
Recognition	2,103.89	585.00	1,518.89	3,302.17	1,595.00	1,707.17
Sales Tax Refund	(2,668.69)	0.00	(2,668.69)	(2,668.69)	0.00	(2,668.69)
Total Barlow Theatre Expenses	131,791.26	130,379.00	1,412.26	265,594.97	247,561.00	18,033.97
Leishman Hall Expenses						
Stage Manager	400.00	300.00	100.00	800.00	600.00	200.00
Director	900.00	800.00	100.00	1,800.00	1,600.00	200.00
Costumer	600.00	500.00	100.00	1,300.00	1,000.00	300.00
Light Designer	180.00	75.00	105.00	360.00	150.00	210.00
Sound Designer	0.00	75.00	(75.00)	0.00	150.00	(150.00)
Prop Coordinator	150.00	125.00	25.00	300.00	250.00	50.00
Show Stage Managers	0.00	400.00	(400.00)	490.00	800.00	(310.00)
Lighting Techs	0.00	425.00	(425.00)	490.00	850.00	(360.00)
Set construction	339.51	0.00	339.51	339.51	0.00	339.51
Builders	150.00	150.00	0.00	150.00	300.00	(150.00)
Workers Comp	0.00	107.00	(107.00)	0.00	214.00	(214.00)
Costume Material	576.85	400.00	176.85	576.85	800.00	(223.15)
Wigs	0.00	50.00	(50.00)	0.00	100.00	(100.00)
Lighting Supplies	0.00	75.00	(75.00)	0.00	150.00	(150.00)
Props	0.00	250.00	(250.00)	48.80	500.00	(451.20)
Construction Materials	40.14	150.00	(109.86)	298.47	300.00	(1.53)
Royalties	1,400.00	1,400.00	0.00	2,800.00	2,800.00	0.00
Program Printing	1,583.10	0.00	1,583.10	4,499.48	500.00	3,999.48
Printing-Copies	0.00	25.00	(25.00)	0.00	50.00	(50.00)
Dry Cleaning	0.00	0.00	0.00	200.00	0.00	200.00
Wig/Costume Maintenance	0.00	100.00	(100.00)	0.00	200.00	(200.00)
Marketing	64.25	1,579.00	(1,514.75)	64.25	3,158.00	(3,093.75)
Food	226.19	90.00	136.19	255.02	180.00	75.02
Recognition	50.96	0.00	50.96	50.96	0.00	50.96
Total Leishman Hall Expenses	6,661.00	7,076.00	(415.00)	14,823.34	14,652.00	171.34
Academy Expenses						
Academy Staff Salaries	29,245.00	19,945.00	9,300.00	54,670.00	46,345.00	8,325.00
Academy Production Staff Wag	5,880.00	4,850.00	1,030.00	6,930.00	6,250.00	680.00
Academy Technical Staff Wage	2,290.26	3,000.00	(709.74)	2,515.26	3,175.00	(659.74)
Payroll Taxes	3,505.14	3,084.53	420.61	5,572.64	6,182.53	(609.89)
Office Supplies-Instructional	152.31	300.00	(147.69)	187.89	750.00	(562.11)
Printing Expense	0.00	0.00	0.00	340.06	0.00	340.06
Royalties	3,537.00	2,800.00	737.00	6,529.00	4,300.00	2,229.00
Costumes	8,074.97	3,800.00	4,274.97	13,067.00	6,000.00	7,067.00
Props	222.14	500.00	(277.86)	241.77	1,000.00	(758.23)
Sets	316.70	500.00	(183.30)	372.47	1,000.00	(627.53)
Sound-Music, Effects	0.00	0.00	0.00	344.78	250.00	94.78
Marketing	0.00	1,656.00	(1,656.00)	98.06	3,312.00	(3,213.94)
Food	442.00	800.00	(358.00)	442.00	1,050.00	(608.00)
Miscellaneous Expense	500.06	300.00	200.06	717.16	600.00	117.16
Printing Programs & Scripts	1,757.07	560.00	1,197.07	1,757.07	760.00	997.07
Online Registration Fees	1,191.65	1,275.00	(83.35)	2,423.05	2,550.00	(126.95)
Friend to Friend	629.67	0.00	629.67	1,618.02	0.00	1,618.02
Total Academy Expenses	57,743.97	43,370.53	14,373.44	97,826.23	83,524.53	14,301.70
Facility Rental Expenses						
Facility Rental Overhead Wages	1,550.00	400.00	1,150.00	1,550.00	700.00	850.00

CenterPoint Legacy Theatre
Statement of Activities
Compared with Budget
For the Period April 1, 2016 to June 30, 2016

	Current Quarter Actual	Current Quarter Budget	Current Quarter Variance	Year to Date	Year to Date	Year to Date
Event Supplies	50.00	0.00	50.00	50.00	0.00	50.00
Equipment Rental	0.00	200.00	(200.00)	0.00	350.00	(350.00)
Total Facility Rental Expenses	1,600.00	600.00	1,000.00	1,600.00	1,050.00	550.00
Costume Rental Expenses						
Costume Rental Wages	2,175.00	1,500.00	675.00	3,937.50	3,000.00	937.50
Dry Cleaning	0.00	0.00	0.00	264.30	0.00	264.30
Total Costume Rental Expenses	2,175.00	1,500.00	675.00	4,201.80	3,000.00	1,201.80
Prop Rental Expenses						
Prop Rental Wages	2,756.25	956.25	1,800.00	2,756.25	1,912.50	843.75
Total Prop Rental Expenses	2,756.25	956.25	1,800.00	2,756.25	1,912.50	843.75
Concession Expenses						
Concession Wages	3,231.44	3,600.00	(368.56)	6,154.06	7,200.00	(1,045.94)
Concessions Payroll Taxes	379.09	406.35	(27.26)	602.67	812.70	(210.03)
Concessions Supplies	5,794.88	6,000.00	(205.12)	17,952.43	12,000.00	5,952.43
Miscellaneous	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)
Total Concession Expenses	9,405.41	10,006.35	(600.94)	24,709.16	21,012.70	3,696.46
Other Production Costs						
Production Overhead Wages	38,100.99	37,784.65	316.34	65,960.02	70,314.10	(4,354.08)
Overhead Payroll Taxes	4,700.76	4,169.42	531.34	7,675.95	7,936.82	(260.87)
Tools - supplies	2,722.77	525.00	2,197.77	3,185.89	1,050.00	2,135.89
Repair and Maintenance	8,420.17	0.00	8,420.17	8,420.17	4,000.00	4,420.17
Costumes	959.28	1,050.00	(90.72)	1,520.09	2,100.00	(579.91)
Props	0.00	0.00	0.00	0.00	100.00	(100.00)
Sound-Music, etc	908.46	1,650.00	(741.54)	3,763.90	3,300.00	463.90
Lights-gel, etc	1,228.84	450.00	778.84	1,974.26	900.00	1,074.26
Miscellaneous Expense	75.90	300.00	(224.10)	277.19	600.00	(322.81)
Total Other Production Expense	57,117.17	45,929.07	11,188.10	92,777.47	90,300.92	2,476.55
Marketing Expenses						
Marketing Wages	6,692.30	7,348.66	(656.36)	11,934.05	13,647.52	(1,713.47)
Marketing Payroll Taxes	701.38	810.39	(109.01)	1,102.37	1,540.47	(438.10)
Artistic Design/Photography	4,222.00	5,130.00	(908.00)	7,222.00	10,260.00	(3,038.00)
Printing	4,251.58	3,976.00	275.58	14,089.50	7,952.00	6,137.50
Advertising	5,238.35	11,826.00	(6,587.65)	16,213.06	23,652.00	(7,438.94)
Website	0.00	300.00	(300.00)	0.00	670.00	(670.00)
Community Events	401.61	820.00	(418.39)	401.61	1,000.00	(598.39)
Miscellaneous Marketing Exp	92.18	345.00	(252.82)	92.18	690.00	(597.82)
Total Marketing Expenses	21,599.40	30,556.05	(8,956.65)	51,054.77	59,411.99	(8,357.22)
Development Expenses						
Development Wages	13,829.27	12,546.92	1,282.35	23,065.45	23,429.99	(364.54)
Payroll Taxes	1,374.68	1,387.00	(12.32)	2,081.26	2,647.00	(565.74)
Correspondence	0.00	60.00	(60.00)	0.00	120.00	(120.00)
Decorations	42.73	200.00	(157.27)	593.15	500.00	93.15
Encore Club	157.16	325.00	(167.84)	1,620.74	1,255.00	365.74
Annual Fundraising Gala	45,021.81	29,500.00	15,521.81	47,987.38	30,000.00	17,987.38
Community Events	306.72	0.00	306.72	11,578.70	5,130.00	6,448.70
Guild	226.52	450.00	(223.48)	354.89	900.00	(545.11)
Outreach Programs	0.00	350.00	(350.00)	0.00	1,480.00	(1,480.00)
Fundraising Expenses	475.13	0.00	475.13	1,711.42	605.00	1,106.42
Legislative Performance	0.00	0.00	0.00	1,189.14	0.00	1,189.14
Theatre Relations	381.92	440.00	(58.08)	1,350.74	500.00	850.74
Total Development Expenses	61,815.94	45,258.92	16,557.02	91,532.87	66,566.99	24,965.88
Box Office Expenses						
Box Office Wages	20,298.96	22,416.24	(2,117.28)	36,762.53	41,630.10	(4,867.57)

CenterPoint Legacy Theatre

Statement of Activities
Compared with Budget
For the Period April 1, 2016 to June 30, 2016

	Current Quarter Actual	Current Quarter Budget	Current Quarter Variance	Year to Date	Year to Date	Year to Date
Box Office Payroll Taxes	2,300.42	2,472.02	(171.60)	3,566.92	4,699.07	(1,132.15)
Equipment/Supplies	119.61	2,500.00	(2,380.39)	119.61	4,000.00	(3,880.39)
Ticket Sales - Tix	473.95	900.00	(426.05)	3,265.91	1,700.00	1,565.91
Uniforms	0.00	0.00	0.00	0.00	150.00	(150.00)
Miscellaneous Expense	196.19	0.00	196.19	206.17	300.00	(93.83)
Total Box Office Expenses	23,389.13	28,288.26	(4,899.13)	43,921.14	52,479.17	(8,558.03)
Administrative Expense						
Administrative Wages	22,620.78	22,620.78	0.00	39,064.20	42,010.02	(2,945.82)
Employee Benefits - Insurance	1,346.10	1,346.16	(0.06)	2,499.90	2,501.16	(1.26)
Admin Payroll Taxes	2,364.83	2,643.03	(278.20)	3,711.05	5,025.03	(1,313.98)
Office Supplies	1,361.60	1,105.00	256.60	2,256.07	1,900.00	356.07
Telephone Expense	1,552.06	1,500.00	52.06	3,031.13	3,000.00	31.13
Postage	60.00	0.00	60.00	256.00	0.00	256.00
Printing Expense	0.00	0.00	0.00	80.42	0.00	80.42
Dues & Subscriptions	1,274.70	1,300.00	(25.30)	1,274.70	1,700.00	(425.30)
Business Meals/Entertainment	0.00	300.00	(300.00)	0.00	600.00	(600.00)
Insurance	2,947.32	3,450.00	(502.68)	6,102.48	6,900.00	(797.52)
Consulting-Professional	6,393.37	7,000.00	(606.63)	6,393.37	7,000.00	(606.63)
Miscellaneous Expense	265.00	0.00	265.00	494.23	375.00	119.23
Training/Education	278.50	2,500.00	(2,221.50)	1,208.50	4,000.00	(2,791.50)
Recognition/Appreciation	101.40	60.00	41.40	6,760.67	4,120.00	2,640.67
Computer/Copier Equipment	999.00	2,300.00	(1,301.00)	999.00	2,500.00	(1,501.00)
Banking Service Fees	5,667.26	5,100.00	567.26	13,276.32	12,200.00	1,076.32
Total Adminstrative Expenses	47,231.92	51,224.97	(3,993.05)	87,408.04	93,831.21	(6,423.17)
Facilities Expense						
Safety Program Expense	0.00	50.00	(50.00)	0.00	400.00	(400.00)
Contract Repairs & Maintenanc	2,905.34	2,865.00	40.34	5,934.88	5,730.00	204.88
Repairs & Maintenance	940.03	3,500.00	(2,559.97)	4,446.24	6,800.00	(2,353.76)
Janitorial Expense	8,870.31	14,100.00	(5,229.69)	17,740.62	23,100.00	(5,359.38)
Janitorial Supplies	1,102.20	900.00	202.20	1,676.10	1,800.00	(123.90)
Gas	4,308.38	3,500.00	808.38	10,787.76	11,400.00	(612.24)
Electricity	22,684.12	16,600.00	6,084.12	30,298.33	30,300.00	(1.67)
HVAC	1,158.57	3,000.00	(1,841.43)	2,199.53	4,250.00	(2,050.47)
HVAC Contract	4,815.00	4,425.00	390.00	9,630.00	8,850.00	780.00
Lamps/Ballast/Fixtures	899.42	1,200.00	(300.58)	2,131.82	2,400.00	(268.18)
Seat & Paver Expenses	28.00	0.00	28.00	36.00	0.00	36.00
Facility Lease Expense	18,851.40	18,960.00	(108.60)	37,702.80	37,920.00	(217.20)
Miscellaneous	613.34	300.00	313.34	613.34	600.00	13.34
Grounds/Snow Removal/MTC	14,680.82	14,000.00	680.82	17,904.45	21,000.00	(3,095.55)
Total Facilities Expenses	81,856.93	83,400.00	(1,543.07)	141,101.87	154,550.00	(13,448.13)
Depreciation	3,429.84	4,139.52	(709.68)	7,096.12	8,279.04	(1,182.92)
Total Expenses	508,573.22	482,684.92	25,888.30	926,404.03	898,132.05	28,271.98
Net Operating Income	($ 22,766.83)	($ 32,870.44)	10,103.61	$ 68,158.73	($ 6,413.57)	74,572.30
Other Income (Expense)						
Interest Income	$ 86.60	$ 0.00	86.60	$ 173.17	$ 0.00	173.17
Total Other Income (Expense)	86.60	0.00	86.60	173.17	0.00	173.17
Donations						
Seat Donations	0.00	0.00	0.00	1,000.00	0.00	1,000.00
Paver Donations	0.00	0.00	0.00	300.00	0.00	300.00
Donations	3,843.04	5,400.00	(1,556.96)	22,556.10	18,500.00	4,056.10
Donations - Restricted	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00
Grants	0.00	2,500.00	(2,500.00)	0.00	10,000.00	(10,000.00)
Total Donations	8,843.04	7,900.00	943.04	28,856.10	28,500.00	356.10

CenterPoint Legacy Theatre

Statement of Activities

Compared with Budget

For the Period April 1, 2016 to June 30, 2016

	Current Quarter Actual	Current Quarter Budget	Current Quarter Variance	Year to Date	Year to Date	Year to Date
Net Income	($ 13,837.19)	($ 24,970.44)	$ 11,133.25	$ 97,188.00	$ 22,086.43	$ 75,101.57

CenterPoint Legacy Theatre

1st Quarter Facility Expenses

Compared with Budget

June 30, 2016

	2nd Qtr Actual	2nd Qtr Budget	2nd Qtr Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Facilities Expense						
Safety Program Expense	0.00	50.00	(50.00)	0.00	400.00	(400.00)
Contract Repairs & Maintenance	2,905.34	2,865.00	40.34	5,934.88	5,730.00	204.88
Repairs & Maintenance	940.03	3,500.00	(2,559.97)	4,446.24	6,800.00	(2,353.76)
Janitorial Expense	8,870.31	14,100.00	(5,229.69)	17,740.62	23,100.00	(5,359.38)
Janitorial Supplies	1,102.20	900.00	202.20	1,676.10	1,800.00	(123.90)
Gas	4,308.38	3,500.00	808.38	10,787.76	11,400.00	(612.24)
Electricity	22,684.12	16,600.00	6,084.12	30,298.33	30,300.00	(1.67)
HVAC	1,158.57	3,000.00	(1,841.43)	2,199.53	4,250.00	(2,050.47)
Lamps/Ballast/Fixtures	4,815.00	4,425.00	390.00	9,630.00	8,850.00	780.00
Equipment Expense	899.42	1,200.00	(300.58)	2,131.82	2,400.00	(268.18)
Seat & Paver Expenses	28.00	0.00	28.00	36.00	0.00	36.00
Facility Lease Expense	18,851.40	18,960.00	(108.60)	37,702.80	37,920.00	(217.20)
Miscellaneous	613.34	300.00	313.34	613.34	600.00	13.34
Grounds/Snow Removal/MTC	14,680.82	14,000.00	680.82	17,904.45	21,000.00	(3,095.55)
	81,856.93	83,400.00	(1,543.07)	141,101.87	154,550.00	(13,448.13)

CenterPoint Legacy Theatre

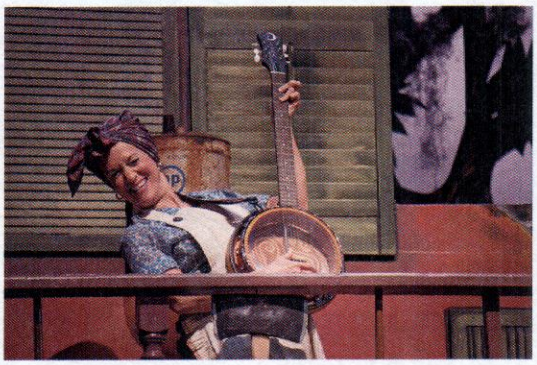
Semi-Annual Impact Report

January 1 - July 1, 2016

"The mission of CenterPoint Legacy Theatre is to provide theatrical experiences that engage, inspire, entertain, and enrich the lives of patrons and performers."

The following reports the impact CenterPoint Legacy Theatre had in the community for the first six months of 2016.

319 Volunteers
34,575 Volunteer Hours
127 CenterPoint program performances
37,364 Seats filled for CenterPoint program performances



Tickets

- 7252 season tickets sold for 2016
  - 5% approximate increase from 2015
  - Barlow Main Stage: *The Foreigner, Beauty and the Beast, and Curtains*
    - 14,019 adult (44%)
    - 1,752 child 15 and under (6%)
    - 1,807 student (6%)
    - 13,244 Senior 60+ (42%)
    - 959 Gallery seating for select shows (3%)
    - 31,781 total seats filled
    - 71% capacity average
  - Leishman Hall: *Crucible*
    - 943 seats filled
    - 67% capacity average
- 192 Comp tickets given to 47 nonprofit or charity organizations
  - Tickets given to organizations like Jobs Daughters, St. Peter & Pauls, St. Josephs Catholic, medical causes (Parkinson's, ALS, Hunstman), support groups, scouts, and various others community organizations.

Geography

- Primary patron geography - Ogden to Provo
- Secondary patron geography - Pocatello, ID to St, George, UT
- Extended patron geography includes 32 States

Employees and Volunteers

(Jan 1 – June 30)

- 35 Theatre employees
- 19 Academy employees
- 68 Theatre independent contractors (production teams, stitchers, accompanist, etc.)

Barlow Main Stage Production Personnel

- 130 Cast Members
- 21,580 Cast Member hours
- 25 Production Team members (Director, Stage Manager, Choreographer, Music Director, Designers, etc.)
- 6 Instrumentalists *The Foreigner*
- Provo - Ogden geographic area covered by Cast Members and Production Support
- 16 - 60 Age range for Cast Members

Leishman Hall Production Personnel

- 30 Cast Members
- 4,420 Leishman Cast Member hours
- 210 Producer hours
- 360 Directors hours
- 400 Stage Managers hours
- 100 Property Manager hours
- 165 Set Builder hours
- 75% of Leishman Hall hours are volunteer
- 4,445 Leishman Hall volunteer hours

Production Support

For future reports we will be collecting more detailed information regarding production support (i.e. set design, make-up artists, wig design, painters, etc.) For the first six months of this season we had:

- 22 Costume Shop Stitchers

- 2,200 Costume Shop volunteer time
- 26 Tech Crew members
- 4,235 Tech Crew hours worked
- Tech Crew Age range 16-45
- Tech Crew Geographic area - Layton to Provo
- 60 House Management Team
- 720 house management hours (*Foreigner*)
- 840 house management hours (*Beauty and the Beast* - 2 added Matinee's)
- 720 house management hours (*Curtains*)
- 56 house management hours (*Crucible*)
- 2,336 total house management hours
- Two Down Syndrome ushers kindly help on the house management team. They have studied the map diligently and with some parental assistance help get patrons to their seats.
- We have a 95 year old usher that has faithfully helped at the theatre every Monday since opening.
- 52 hours served by special needs volunteer (Jena) and her mother as they give 1 hour each week folding material in the costume shop.
- Props and set dressings rented to schools and theaters at very affordable prices. Patrons repeatedly say that could not afford to produce their high quality productions or events without CenterPoint Legacy Theatre services.

Education and Outreach Programs

Bravo

- 30 Bravo tickets redeemed for Foreigner
- 50 Bravo tickets redeemed for Beauty and the Beast
- 7 schools utilizing Bravo

Friend to Friend

- 54 Friend to Friend students
- 3 Friend to Friend instructors
- 20 Friend to Friend coaches
- 1352 Friend to Friend volunteer hours (2 hours a week for coaches, 4 hours for instructors)
- 2 Friend to Friend performances of *Lion King, Jr.*

- 1000 total attendance for Friend to Friend performances
- Utah Down Syndrome Foundation publicized Friend to Friend and CEO attended production

Events

- 500 attended Hats Off Party (annual thank you celebration for our volunteers)
- 30 CenterPoint Legacy Gala volunteers
- 550 CenterPoint Legacy Gala volunteer hours
- 440 attended CenterPoint Legacy Gala (not including volunteers or performers)
- 320 attended first annual Legislator Appreciation Evening

Academy

- 502 students as of the end of Spring 2016 classes + Summer Camps
- 402 families represented
- 183 (37%) Ages 5-9
- 319 (63%) Ages 10-18

Productions

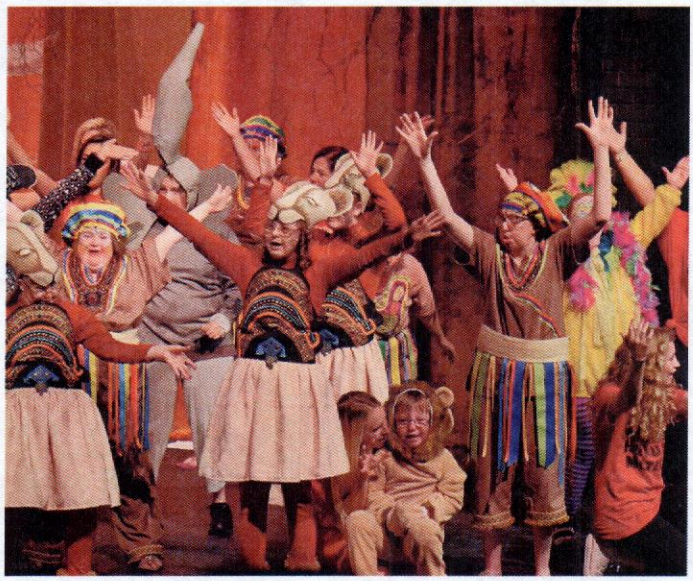
- Peter Pan (Ballet)
- Thoroughly Modern Millie Jr
- AristoCats Kids
- Jazz/Tap Revue
- 35 Total performances

Academy Patron and Volunteers

- 2,793 patrons attending
- 35 parent volunteers
- 105 parent volunteer hours

Academy Geography

- 96% of students from Davis County
- 38% from Bountiful and Centerville
- 4% from outside Davis County - Ogden, Salt Lake, Park City, Morgan



Additional Community Involvement

- 3 BDAC Exhibits in conjunction with Barlow Main Stage shows
- Hosted Improv Troupe Shows
    - 26 Improv Troupe performances
    - 1560 Improv Patrons
    - 15 Improv Cast Members
- Hosted BYU Ambassadors
    - 2 performances
    - 968 total patrons attended
- Hosted Distinguished Young Miss
- Hosted Centerville Junior High's musical production(s)

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 4.

Short Title: Approval of lease amendments

Initiated By:

Scheduled Time:

SUBJECT

a. Amendment No. 9 re property insurance
b. Amendment No. 10 re disposition of reserve funds if Operating Lease is terminated

RECOMMENDATION

a. Approve Amendment No. 9 re property insurance.
b. Discuss Amendment No. 10 and either approve, agree on revisions, or table to a later meeting.

BACKGROUND

a. Amendment No. 9 – The RDA Board (both prior and current) has authorized RDA funding to pay property insurance premiums for the performing arts center building. This was done with the intent to amend the Operating Lease, which requires that CPT pay the cost for both general liability and property insurance. To conform the Operating Lease with this decision of the RDA Board, Amendment No. 9 has been drafted for approval by the RDA/ACB. The adopted RDA Budget for the current fiscal year includes a line item of $12,210 for property insurance premium for this facility. The actual premium amount, which has already been paid by the RDA for the current fiscal year, is $12,654. CPT would continue to be responsible for the cost of general liability insurance, as well as property insurance on personal property owned by CPT within the facility.

b. Amendment No. 10 – In their December 1, 2015 meeting (see attached minutes, page 2, lines 11-23) the RDA Board directed staff to "look into what would happen to the funds [i.e. ORF, MFR and CPRF] in the unlikely event that the Lease is terminated."

In response to this directive, City Attorney Lisa Romney drafted Amendment No. 10. RDA Executive Director Steve Thacker recommends the RDA/ACB and CPT reps discuss whether the disposition of the reserve funds--in the manner as drafted--is fair to all parties. CPT received this draft on Thursday, September 8, so they may want more time to evaluate and respond to this draft. Action on this amendment could be tabled to a later meeting.

ATTACHMENTS:

Description

- 12-01-2015 RDA/ACB meeting minutes
- Amendment No. 9

- Amendment No. 10

Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts Administrative Control Board meeting held Tuesday, December 1, 2015 at 5:30 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT
Ken Averett, RDA of Centerville City, ACB Secretary
Paul Cutler, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
Tamilyn Fillmore, RDA of Centerville City
John T. Higginson, RDA of Centerville City Vice Chair/ACB Vice Chair
Stephanie Ivie, RDA of Centerville City
John Marc Knight, ACB Board Member, Bountiful City Council (left at 6:26 p.m.)
Lawrence Wright, RDA of Centerville City, ACB Board Member

MEMBER ABSENT
John Pitt, ACB Board Member, Bountiful City Council

STAFF PRESENT
Steve Thacker, RDA Executive Director
Lisa Romney, Centerville City Attorney
Jacob Smith, Management Assistant
Jansen Davis, CPT Executive Director
Katie Rust, Recording Secretary

STAFF ABSENT
Blaine Lutz, Centerville Finance Director

MINUTES REVIEW AND ACCEPTANCE

The minutes of the October 20, 2015 RDA/ACB meeting were reviewed. ACB Board member Knight made a **motion** to approve the minutes. Vice Chair Higginson seconded the motion, which passed by unanimous combined vote of the RDA and ACB (7-0).

AMENDMENTS TO OPERATING LEASE

In their April 2015 meeting, the RDA/ACB directed staff to prepare amendments to the Lease Agreement to accomplish the following: 1) create a Capital Projects Reserve Fund (CRF); and 2) change the due date for the annual audited financial statements from 120 days to 150 days following close of the CenterPoint Theatre (CPT) fiscal year. The need for a CRF became apparent at the end of 2014 when CPT management expressed a desire to use some of the donated funds to construct a partition at the west end of the mezzanine. As a temporary solution, CPT was allowed to deposit those funds into the Maintenance Reserve Fund (MRF) for later use in 2015, but the RDA/ACB agreed in April 2015 that it would be appropriate to create a third reserve fund – in addition to the MRF and ORF (Operations Reserve Fund) – to hold funds designated for specific capital projects. Steve Thacker, RDA Executive Director, explained that regular monthly rent will continue to go to the Theater Reserve Fund (TRF), controlled by the RDA. The Operating Lease amendment would allow CPT to place surplus revenues in the CRF instead of becoming variable rent after caps in the MRF and ORF are reached, to save for capital projects and enable projects to take place across fiscal years. Chair Cutler and ACB Board member Knight both commented they suspect CPT will not be at the variable rent stage for quite some time. Jan Davis, CPT Executive Director, stated that, although the CRF would be controlled by CPT, the CPT Board has a desire to work with the RDA/ACB on individual projects. Director Wright expressed a desire for a clear separation between the 501(c)(3) (CPT) and the owner of the property (the City). He said he feels strongly that the property owner should make the decisions regarding physical capital improvements. Mr. Davis clarified that CPT would propose a capital improvement to the RDA; if the RDA does not agree to the

improvement, CPT would need to revise its proposal. ACB Board member Knight said he does not have any concern with creation of the CRF, considering all decisions are made by the RDA/ACB. Director Fillmore commented that, if CPT is making enough revenue to save money toward building improvements, the City benefits as the building owner. Director Wright said he feels there must be a separation between government and the 501(c)(3), and this would take away the separation. Vice Chair Higginson responded that RDA/ACB approval is still required for capital projects.

Lisa Romney, Centerville City Attorney, explained that CPT would like to have five months after close of their fiscal year to submit the audited financial statements rather than the current four months. Director Wright asked what would happen to the funds if CPT were to leave the Center for the Performing Arts. Mayor Cutler stated that CPT has no plan to leave the Performing Arts Center, but it would be worth looking into.

ACB Board member Knight made a **motion** for the ACB to recommend RDA approval of Amendment No. 8 to the Lease and Operating Agreement for the Davis Center for the Performing Arts. ACB Secretary Averett seconded the motion, which passed by unanimous vote of the ACB (5-0).

RDA Director Wright made a **motion** to approve Amendment No. 8 to the Lease and Operating Agreement for the Davis Center for the Performing Arts, with the stipulation that staff look into what would happen to the funds in the unlikely event that the Lease is terminated. RDA Director Ivie seconded the motion, which passed by unanimous of the RDA (6-0).

2016 BUDGET FOR CENTERPOINT THEATRE

The Lease and Operating Agreement between the RDA and CPT requires CPT to submit an annual budget for the next year to the RDA/ACB for review and comment. The Lease Agreement specifically requires approval from the RDA/ACB of the facilities maintenance portion of that budget. Mr. Thacker reported that he met with Mr. Davis to review the proposed budget, and he recommends approval of the 2016 Facilities Maintenance Budget by the RDA. Mr. Davis presented the CPT 2016 Budget compared to the 2015 Budget, and answered questions from the RDA/ACB. Director Wright asked if it would be possible for CPT to provide a free production to Centerville and Bountiful citizens to give the opportunity to those who cannot usually afford to attend. Mr. Davis responded it is an interesting idea that he will take back to the CPT Board. ACB Board member Knight made a **motion** to return to discussion of the Budget, which was seconded by ACB Secretary Averett. ACB Board member Knight later withdrew his motion. Mr. Davis discussed facility rentals with the RDA/ACB, and explained specific Budget projections.

Mr. Davis stated that the biggest change in the 2016 Facilities Maintenance Budget is the addition of the HVAC contract. Mr. Thacker expressed the hope that once the HVAC maintenance contract is in place and the system is working efficiently the HVAC costs will reduce. Director Wright made a **joint motion** of the RDA/ACB to approve the 2016 Facilities Maintenance Budget and acknowledge the overall 2016 Budget, and to ask that CPT consider offering a free production for non-ticket holders in the community. Vice Chair Higginson seconded the joint motion, which passed by unanimous combined vote of the RDA/ACB (7-0).

With the conclusion of ACB business, ACB Board member Knight left the meeting at 6:26 p.m.

RDA BUSINESS – STATUS OF DEBT SERVICE

Mr. Thacker presented outstanding debt data for the last ten fiscal years by type. It is projected that the Performing Arts Center bond will be completely paid off by 2021. The Parrish Lane Gateway RDA Project Area will also end in 2021. Chair Cutler mentioned the possibility of setting up a revolving loan fund that would essentially extend some of the RDA capabilities in the area. Director Fillmore said she feels it would be prudent to save funds for betterment costs when the overpass is redone. Director Wright said he feels the RDA needs to be smart and not spend the principal so that revenue is generated. Director Fillmore requested a report from staff regarding expiration of the Project Area and what can be done with the funds. Mr. Thacker explained the opportunity utilized by the City when Freedom Hills Park was initiated to keep a portion of the "haircut" tax dollars that would otherwise have returned to taxing entities, as reimbursement for the costs of constructing that park. Those "haircut" revenues are now being used to pay a portion of the City's annual UTOPIA pledge. The RDA discussed aspects of the planned Fire District property tax.

ADJOURNMENT

At 6:48 p.m. Director Wright made a **motion** to adjourn the meeting. Chair Cutler seconded the motion, which passed by unanimous vote (6-0).

Paul A. Cutler, RDA Chair

12-15-2015
Date Approved

Steve Thacker, RDA Executive Director

Katie Rust, Recording Secretary

REDEVELOPMENT AGENCY CORPORATE Seal OF CENTERVILLE CITY

AMENDMENT NO. 9 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS

THIS AMENDMENT NO. 9 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS ("Amendment") is entered into this _____ day of, September, 2016, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY** ("RDA"), a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, with principal offices located at 250 North Main, Centerville, Utah 84014, and the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE** ("Association"), a Utah nonprofit corporation, with principal offices located at 525 North 400 West, Centerville, Utah 84014.

RECITALS

WHEREAS, the RDA and the Association have previously entered into that certain Lease and Operating Agreement for the Davis Center for the Performing Arts dated May 5, 2009, regarding the lease and operation of a performing arts theatre on property located at approximately 525 North 400 West, Centerville, Utah, as amended by Amendment No. 1 through Amendment No. 8, adopted by the parties (collectively "Lease and Operating Agreement"); and

WHEREAS, the RDA and the Association desire to amend the Lease and Operating Agreement to revise the provisions regarding property insurance; and

WHEREAS, the RDA and the Association are willing to amend the Lease and Operating Agreement regarding property insurance as more particularly set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Amendment. The Lease and Operating Agreement is hereby amended to revise Subsection 64(e) regarding property insurance to read in its entirety as follows:

64. Insurance Coverage.

* * *

e. Under the original terms of this Lease Agreement the Association was required to obtain property and general insurance for the Theatre. Pursuant to amendments to the original terms, the RDA has agreed to obtain and maintain property insurance for the Theatre building as part of its public buildings coverage for so long as the RDA determines appropriate. If the RDA decides it is no longer willing to provide property insurance for the Theatre building, the Association

shall thereafter be required to provide such property insurance. The RDA shall provide the Association with at least nine months notice of the RDA's intent to terminate its obligation to provide property insurance and to transfer that obligation to the Association. During such period the RDA provides property insurance for the Theatre building, it is expressly acknowledged by the parties that the RDA's property insurance does not provide coverage for property or equipment owned by the Association. The Association shall obtain and maintain additional insurance for personal property or other specialty fixtures or equipment within the Theatre as deemed necessary and appropriate by the Association. ~~The Association is required to obtain property and general liability insurance for the Theatre. If agreed to by the RDA, the RDA may obtain such insurance for the building and bill the Association for the cost of such insurance. The Association shall pay such invoices within thirty (30) days from the date of receipt.~~

* * *

2. Full Force and Effect. The terms of this Amendment are hereby incorporated as part of the Lease and Operating Agreement. All other terms and conditions of the Lease and Operating Agreement not modified by this Amendment shall remain the same and are hereby ratified and affirmed. To the extent the terms of this Amendment modify or conflict with any provisions of the Lease and Operating Agreement, the terms of this Amendment shall control.

3. Binding Effect. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective officers, employees, representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

"RDA"
Redevelopment Agency of Centerville City

By: _____
Paul A. Cutler, Chair

ATTEST:

_____
Executive Director

"Association"
Davis Performing Arts Association
dba Centerpoint Legacy Theatre

By: _____
Its: _____

ATTEST:

_____
Secretary

Approved as to Form:

Administrative Control Board

By: _____
Its: _____

RDA ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the _____ day of _____, 2016, personally appeared before me Paul A. Cutler, who being duly sworn by me did say that he is the Chairperson of the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY,** a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, and that the foregoing instrument was signed on behalf of said Agency by authority of its Board and said Chairperson acknowledged to me that said Agency executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____

ASSOCIATION ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the _____ day of _____, 2016, personally appeared before me _____, who being duly sworn by me did say that (s)he is the _____ of the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE,** a Utah non-profit corporation, and that the forgoing instrument was signed on behalf of said non-profit corporation by authority of a resolution of its Board of Directors and that said non-profit corporation executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____

AMENDMENT NO. 10 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS

THIS AMENDMENT NO. 10 TO THE LEASE AND OPERATING AGREEMENT FOR THE DAVIS CENTER FOR THE PERFORMING ARTS ("Amendment") is entered into this _____ day of September, 2016, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY** ("RDA"), a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, with principal offices located at 250 North Main, Centerville, Utah 84014, and the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE** ("Association"), a Utah nonprofit corporation, with principal offices located at 525 North 400 West, Centerville, Utah 84014.

RECITALS

WHEREAS, the RDA and the Association have previously entered into that certain Lease and Operating Agreement for the Davis Center for the Performing Arts dated May 5, 2009, regarding the lease and operation of a performing arts theatre on property located at approximately 525 North 400 West, Centerville, Utah, as amended by Amendment No. 1 through Amendment No. 9, and adopted by the parties (collectively "Lease and Operating Agreement"); and

WHEREAS, the RDA and the Association desire to amend the Lease and Operating Agreement regarding allocation of any remaining funds in the Capital Reserve Fund, Maintenance Reserve Fund, or Operations Reserve Fund in the event of termination of the Lease and Operating Agreement;

WHEREAS, the RDA and the Association are willing to amend the Lease and Operating Agreement as more particularly set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Amendment.** Section 68 of the Lease and Operating Agreement is hereby amended to to read in its entirety as follows:

> **68. Termination.** In the event of termination of the Lease and Operating Agreement, either voluntary or involuntary, the Association shall at its sole cost and expense remove all of its personal property, trade fixtures and other equipment and accessories owned by the Association from the Theatre and Site and repair any damages to the Theatre or Site caused by the Association's use of the Theatre and Site within thirty (30) days from the effective date of termination, normal wear and tear excepted. Any personal property, trade fixtures, equipment, or accessories remaining in the Theatre or on the Site longer than thirty (30) days after the effective date of termination shall be

deemed abandoned and forfeited and may be removed and retained or disposed of or sold by the RDA. The Association shall be required to reimburse the RDA for any costs incurred by the RDA for such removal, disposal or sale of the Association's property, or for any costs incurred by the RDA to remedy any damages to the Theatre or Site caused by the Association. In the event of termination of the Lease and Operating Agreement for any reason, either voluntary or involuntary, the Association shall transfer and donate any remaining funds within the Association's Maintenance Reserve Fund, Operations Reserve Fund, and Capital Reserve Fund to the RDA within thirty days from the effective date of termination. The RDA shall deposit all such funds from the Association to the RDA's Theatre Reserve Fund as more particularly described in Section 25. The following Sections shall survive any termination of this Lease and Operating Agreement: Section 61 (Hazardous Waste); Section 64 (Insurance); Section 65 (Indemnification); Section 66 (Remedies); Section 67 (Receivership and Foreclosure); 68 (Termination); Section 78 (Risks and Liabilities); and Section 80 (Remedies at Law).

2. Full Force and Effect. The terms of this Amendment are hereby incorporated as part of the Lease and Operating Agreement. All other terms and conditions of the Lease and Operating Agreement not modified by this Amendment shall remain the same and are hereby ratified and affirmed. To the extent the terms of this Amendment modify or conflict with any provisions of the Lease and Operating Agreement, the terms of this Amendment shall control.

3. Binding Effect. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective officers, employees, representatives, successors and assigns.

[signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

"RDA"
Redevelopment Agency of Centerville City

By: _____
Paul A. Cutler, Chair

ATTEST:

_____
Executive Director

"Association"
Davis Performing Arts Association
dba Centerpoint Legacy Theatre

By: _____
Its: _____

ATTEST:

_____
Secretary

Approved as to Form:

Administrative Control Board

By: _____
Its: _____

RDA ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the _____ day of _____, 2016, personally appeared before me Paul A. Cutler, who being duly sworn by me did say that he is the Chairperson of the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY,** a community development and renewal agency and public body organized and existing under the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act of the State of Utah, and that the forgoing instrument was signed on behalf of said Agency by authority of its Board and said Chairperson acknowledged to me that said Agency executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____

ASSOCIATION ACKNOWLEDGMENT

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the _____ day of _____, 2016, personally appeared before me _____, who being duly sworn by me did say that (s)he is the _____ of the **DAVIS PERFORMING ARTS ASSOCIATION, dba CENTERPOINT LEGACY THEATRE,** a Utah non-profit corporation, and that the forgoing instrument was signed on behalf of said non-profit corporation by authority of a resolution of its Board of Directors and that said non-profit corporation executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 5.

Short Title: Discussion of potential use of Centerville and Bountiful RAP tax revenue to benefit CPT/Performing Arts Center

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Discuss the possibility of using RAP Tax revenue from Centerville and Bountiful for CPT/performing arts center purposes. This discussion should also include a report/update on efforts to obtain funding from County tourism taxes.

BACKGROUND

CENTERVILLE
RDA/ACB MEETING
Staff Backup Report
9/13/2016

Item No. 6.

Short Title: Other business related to CPT/Performing Arts Center

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND