



Statement from the Outgoing Chairman of the Carson Center Board

This is my final letter as Chairman of the Luther F. Carson Four Rivers Center, having served in that position from November 2004 - August 2008. Prior to this opportunity, I had the pleasure of serving as the Chair of Building for the Arts, which was the campaign to raise the needed local and regional financial support to pay for the facility beyond the State, County, and City support. And prior to that I had the pleasure of serving as the Chair of the Architect Selection process and Building Design phase of the project. All of these activities have provided me with many good memories.

The vision, initiated by Dr. Ted Borodofsky was compelling. I believed then and now that more adults and youth would have the opportunity to be impacted positively by such a Center than any other project that I had witnessed in my lifetime in Western Kentucky. I still believe that vision was correct and the results are continuing to demonstrate the values of Ted's vision.

As of June 30, 2008, I am pleased to report the following:

- The Carson Center debt was fully paid as of August 2007 thanks to six hundred thirty four donors who have supported the building project financially.
- The amounts pledged to the Building for the Arts campaign in excess of the amount needed to retire the debt are creating a Maintenance and Enhancement Fund which has a balance of \$512,180 at the end of the fiscal year and we still have \$247,111 of remaining pledges outstanding. Your board assessed that your gifts were for the building and that we had deferred some items that needed to be purchased; and needed to maintain the building that you made your gift to build; thus, these dollars have been devoted in that spirit. Thru the date of this writing the board has authorized \$82,336 (\$37,737 in February 2008, and \$44,599 in August 2008). Approvals by your board for about half of the total were for audio and video equipment that had been previously rented when needed. The remainder of the approvals were for better spot lighting, cooling of the hall, and new headset microphones. Most of the approvals will reduce operating expenses over time.
- The total charge offs of pledges to date has been \$47,370 or .38%, which has been far below the normal amount experienced in such campaigns. A third of this total is attributed to deaths, commitments from former dismissed staff, or relocation of the donors.
- We have an Endowment with a current value of \$6,297,193, and have current pledges for an additional \$7.7 million over the next several years. That balance needs to reach \$20 million for the long term stability of the Carson Center given current yields on investments and the need to underwrite down years, and to allow for expand programming.
- You have an excellent board of directors. They are dedicated and provide insightful and thought provoking input on goals for the Center and quorums at meetings and are ready with agreements to serve when asked for special tasks.



Statement from the Outgoing Chairman of the Carson Center Board (cont.)

➤ Brian Laczko has demonstrated excellent skills in managing programming, staff, and the financials of the Center. Brian joined the Center as CEO in January 2005, and has performed in that role in exemplary fashion. The board has reviewed Brian's performance annually, and have consistently rendered very positive marks. The Carson Center is fully dependent upon having an outstanding CEO and through him an outstanding staff. We have a lot to appreciate in both the CEO and his supporting staff.

➤ Your board is operating under a Policy Governance process, which stipulates the roles of the Board vs. Staff, expectations of the Staff, and goals for the Center to be achieved collectively.

Our global goals include: The Carson Four Rivers Center will enhance the quality of life of the adults and children of the Four Rivers Region. This Global goal is supported by detailed measurable items. For the year ended June 30, 2008, the results have been:

➤ 376 events (up 16% from the prior year) at the Center including 67 Center presented performances. Our goal has been 600 per year, and that goal may well be overstated.

➤ 19% of the attendees at Carson Center performances have come from beyond fifty miles of Paducah. Our goal has been 10%, and it has been exceeded each of the last two years where we have had the tracking data available.

➤ Of further interest, 45% of the ticket buyers are from McCracken County. Thus the impact of the Carson Center is truly regional with 55% of the buyers beyond the local county.

➤ Youth programming has experienced a heavy amount of study by your board over the past two years. As a result, you may have already witnessed "Sleeping Beauty" in June 2008, and will see significant expansions of Arts education for our youth in the current year.

From an operational financial viewpoint, our policies provide that the CEO must balance the budget for each two-year period. We had an unexpected positive budget result a year ago in the third year which we are told is very rare. This past fiscal year we had an operating loss of (\$90,339). Much due to scheduling too many high priced performers, and to weather impacts. Our board and staff will learn from this experience and plan for better results going forward.

During the design phase of the Carson Center, the site location was an issue to consider. The South side of downtown was one of the options. That side of downtown Paducah needed redevelopment, and it was chosen. Now a few years later, we are proud to see that the site selection for the Carson Center has also resulted in several decisions by neighbors to invest in new construction that enhances the neighborhood along the Marine Way. Welcome to the neighborhood, and to community redevelopment in action.



Statement from the Outgoing Chairman of the Carson Center Board (cont.)

I am just delighted that Mike Stone has become your new Chairman. Mike is ready for the task, and should serve us all very well. He has an excellent group of officers supporting him and a great board of directors.

Thanks for the opportunities to serve the region. I will cherish these experiences for many years. Your support has been wonderful to witness, and I can only say thank you for the support for this great mission.

John A. Williams, Sr.