

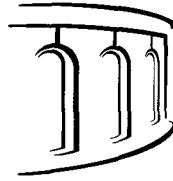
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**GALLO CENTER**  
FOR THE ARTS

May 29, 2012

Stanislaus County Board of Supervisors  
1010 Tenth St. Place  
Modesto, Ca 95354

Dear Supervisors:

Attached you will find the proposed 2012-13 budget for the Gallo Center for the Arts. I am happy to report it is a balanced budget, excluding depreciation and amortization.

We are very proud of the progress we have made in improving the financial condition of the Gallo Center for the Arts over the past three years. The improvement has come from increased ticket sales, prudent expense control and continued generosity from donors.

For next fiscal year, we need to sell approximately \$4.2M of tickets and raise approximately \$1.8M in donations to achieve this budget. While ambitious, based on past performance, we believe attainment is not only possible but probable.

We are on target with our debt repayment, steadily paying down our outstanding construction bond debt.

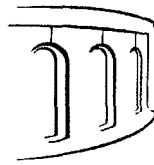
Our 12-13 season will go in the record books as our most successful yet. Over 27,000 school kids saw a show at the Gallo Center this season, up from 16,100 last season. We had more than 30 "sell outs" and sold 72% of the house for the season as a whole, up from 59% just three years ago. Recent market research among first time attendees showed approximately 50% of first time ticket buyers enjoyed a meal in downtown Modesto before or after the show.

I continue to believe the Gallo Center is not only a cultural hub for the Central Valley but an economic engine for downtown Modesto.

Thank you for your support and rest assured the County asset is being well cared for and adding greatly to the quality of life in Stanislaus County and the surrounding region.

Sincerely,

Lynn Dickerson



GALLO CENTER  
FOR THE ARTS

Board of Supervisors  
County of Stanislaus

Re: Gallo Center for the Arts 2012-2013 Budget

Attached are the following as required by the Operating Agreement dated February 17<sup>th</sup>, 2004:

- Projected Budget for Fiscal Year 2012-2013,
- Leases, prices, concessions, fees,
- Schedule for the 2012/2013 season

Please let me know if you need any other information.

Sincerely,

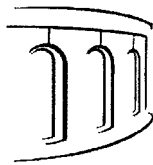
A handwritten signature in black ink, appearing to read 'Bryan Branco'. The signature is fluid and cursive.

Bryan Branco  
Director of Finance  
Gallo Center for the Arts

Projected Budget  
Gallo Center for the Arts  
2012 - 2013

**EXHIBIT C, PROJECTED BUDGET**

	(In 000) FY Ending 6/30/2013
<b>INCOME</b>	
<b>EARNED INCOME</b>	
Ticket Revenue	\$ 4,209
Fees, Facility Use, Parking, Concessions	\$ 1,194
Endowment and Other Interest	<u>\$ -</u>
EARNED INCOME TOTAL	\$ 5,403
<b>CONTRIBUTED INCOME</b>	
Central Valley Center for the Arts	\$ 81
Others	<u>\$ 1,823</u>
CONTRIBUTED INCOME TOTAL	<u>\$ 1,904</u>
INCOME TOTAL	\$ 7,307
<b>EXPENSES</b>	
Center's Presentations	\$ 3,431
Facility Use	\$ 246
Ticket Office	\$ 356
Fundraising	\$ 323
Marketing	\$ 551
Bond Interest	\$ 464
Other General & Administrative Costs	\$ 1,936
Non-Cash: Depreciation and Amortization and Interest Rate Swap	<u>\$ 946</u>
EXPENSES TOTAL	<u>\$ 8,253</u>
GALLO CENTER FOR THE ARTS P/L	<u><u>\$ (946)</u></u>



**GALLO CENTER  
FOR THE ARTS**

**EXHIBIT "D" LEASES, PRICES, CONCESSIONS, FEES**

**Subleases and License Agreements**

There are no subleases and/or license agreements in excess of 60 days.

**Admission Prices**

It is estimated that ticket prices will be between \$5 and \$129 depending on the performance, the seating, the status of attendee and non-ticket support for the program. It is estimated that the average ticket price for the year will be approximately \$40.

**Concessions:**

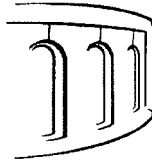
Concessions will be operated in-house and managed by the Gallo Center for the Arts for the 2012 – 2013 season; for reference, below are the current description of concession services and the projected food and refreshment prices.

*Description of Services*

The Gallo Center for the Arts will sell food and beverages from the five concession locations located in the theater as well as utilizing rolling bars. They are (1) to sell food and beverages including alcoholic beverages to the general public attending performances at the Gallo Center and (2) to provide alcoholic beverage catering for all Gallo Center and third party events on the premises unless otherwise mutually agreed by the two parties.

*Food and Refreshment Prices*

Beverages	<u>Current</u>
Non alcoholic	\$2 - \$3
Wine	\$7 - \$12
Champagne	\$15
Beer	\$4 - \$5
 Food	
Candy	\$2
Cookies	\$2
Chips	\$2
Nuts	\$4
Snack Plate	\$9



**GALLO CENTER**  
FOR THE ARTS

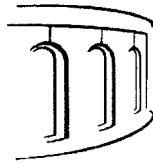
**Facility Use Charges:**

Facility use charges range from \$950 to \$5,000 depending on the tax status of the attendee, the part of the facility being utilized (e.g. theater, lobby, etc.), and the type of event. There are additional charges for production staffing (\$30/hour), equipment rental, and security costs to be reimbursed at actual costs.

In addition to the above facility use charges, the user will also incur a service fee of 6% of gross ticket sales and 3.5% credit card fee for all credit card purchases. The user may also incur facility restoration and consignment ticket charges.

**Service Charges:**

The Gallo Center charges \$4 per ticket for purchases made over the phone and on the website, with walkup ticket purchases having no service charge. In addition, there is a \$1 per ticket charge for facility restoration.



**GALLO CENTER**  
FOR THE ARTS

EXHIBIT "E" PRESENTATION SCHEDULE

Schedule for the 2012/2013 Season

It is presently anticipated that the season will be comprised of:

**Gallo Center For the Arts Presents:**

Broadway Series: 3 runs, 15 performances total  
Mega Hits Series: 4 runs, 11 performances total  
Just for Laughs Series: 7 runs, 8 performances total  
Country Series: 5 runs, 5 performances total  
Let's Talk Series: 4 runs, 4 performances total  
Latino Series: 6 runs, 6 performances total  
Holiday Series: 4 runs, 10 performances total  
Christian Series: 4 runs, 4 performances total  
Family Series: 7 runs, 8 performances total  
Children's Theatre Series: 10 runs, 15 performances total  
Rock n Roll: 6 runs, 6 performances total  
Purely Pop Series: 5 runs, 5 performances total  
Piano: 3 runs, 3 performances total  
Bette Belle Smith Holiday Series: 3 runs, 7 performances total  
Other performances: 22 runs, 26 performances total

**Resident Company Presentations:**

Modesto Symphony Orchestra	16 performances
Townsend Opera Players	4 performances
Central West Ballet	9 performances
Modesto Community Concert Association	7 performances
Yes Company	7 performances
Modesto Performing Arts	13 performances

**Other Presenters:**

Estimated performances from renters	32 performances
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This program is subject to modification.