

Edward M. Augustus
City Manager



COMMISSIONERS

John M. Harrity, Chairman
Jim Knowlton, Vice Chairman
Lowell Alexander
John P. Brissette
Patrick Lowe

**CIVIC CENTER COMMISSION
MEETING NOTICE**

2nd Floor Conference Room, DCU Center
50 Foster Street, Worcester, MA 01608
Thursday, February 28, 2019
8:00AM

AGENDA

- 1. Call to Order**
- 2. Acceptance of Meeting Minutes**
- 3. Rent Waiver Request – MA State Police**
- 4. Audit Report – Mathew Hunt of CliftonLarsenAllen**
- 5. Major Ongoing Projects**
 - a. Capital Projects
 - i. Vault Improvement – status update
 - ii. Master Plan – Phase 2 – status update
- 6. SMG Reporting**
 - a. Monthly Highlights/Financial Statements
 - b. Sales Report

Next meeting: March 28, 2019, 8 AM

The City of Worcester does not discriminate on the basis of disability. The Civic Center Commission will provide auxiliary aids and services, written materials in alternative formats, and reasonable modifications in policies and procedure to persons with disabilities upon advance request. Please contact

ADA Coordinator at
disabilities@worcesterma.gov.



CITY HALL, Room 100, 455 Main St., Worcester, MA 01608
TELEPHONE (508) 799-8325 | FAX (508) 799-1097





The Commonwealth of Massachusetts Department of State Police

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

THOMAS A. TURCO, III
SECRETARY

COLONEL KERRY A. GILPIN
SUPERINTENDENT

Massachusetts State Police Academy
340 West Brookfield Road
New Braintree, Massachusetts 01531

February 4, 2019

Civic Center Commission
c/o John Odell
455 Main Street, Room 101 City Hall
Worcester, MA 01608

Dear Commission Members,

Thank you for reviewing the attached Community Fee Day Application. Below, please find information required pursuant to the application.

1. **Description of Sponsoring Organization:** The Massachusetts State Police, established in 1865, is the nation's oldest statewide policing organization. It currently serves the citizens of the Commonwealth in a multitude of public safety endeavors and works collaboratively with municipal police agencies in the Commonwealth. The Massachusetts State Police is a part of the Commonwealth of Massachusetts Executive Office of Public Safety and Security.
2. **Budget Proforma:** The Massachusetts State Police, and any of our recruit training classes, are funded by the Massachusetts State Legislature as part of the Commonwealth of Massachusetts fiscal year 2019 budget.

Respectfully submitted,

SGT.  #2641

Jeffrey M. Lenti
Sergeant, #2641
Massachusetts State Police
Operations, 84th R.T.T.



**Civic Center Commission
Community Fee Day Application**



BACKGROUND

Organization Name: Massachusetts State Police
 Mailing Address: State Police Academy
340 West Brookfield Road
New Braintree, MA 01531
 Telephone Number: 509-867-1000
 Fax Number: 508-867-1100
 Email Address: jeffrey.lenti@pol.state.ma.us
 Website (if applicable): http://www.mass.gov/eopss/agencies/msp/

Please Check One: Non profit organization (Attach evidence of 501-C3)
 City of Worcester Municipal Organization
 Other (please specify below)
State Agency

Has this event occurred in the past? Yes No

If Yes, please list where and when.

Dates	Location
<u>2018</u>	<u>DCU Center</u>
<u>2016</u>	<u>DCU Center</u>
<u>2014</u>	<u>DCU Center</u>
<u>2012</u>	<u>DCU Center</u>

PROPOSED EVENT INFORMATION

Event Name: 84th Recruit Training Troop Graduation
Event Dates: June 26, 2019 (Rehearsal) June 27, 2019 (Ceremony)

Purpose of Event: Check all that apply

- Public Awareness of an issue
- Service to a constituency or group of individuals - specify: _____
- Fundraiser for organization
- Other - specify: Graduation ceremony for approximately 175 new Troopers

Projected Attendance at this event: 2500-3000

Estimated Economic Impact and/or anticipated hotel room nights: 100 hotel rooms

Will this event occur if application is not approved? Yes No

If yes: at DCU Center at (specify location) Review of other proposals necessary

Is this event a one time event (25 year celebration, capital fundraising campaign) or a planned annual event? One-Time Annual

Exact Rooms, Dates, and Activity (setup, event day, teardown) being requested:

Date	Room(s) Requested	Activity
<u>6/26/2019</u>	<u>Main Arena</u>	<u>Graduation Rehearsal</u>
<u>6/27/2019</u>	<u>Main Arena</u>	<u>Graduation Ceremony</u>

Submitted by:

Sgt. Jeffrey M. Lenti #2041
Signature

February 5, 2019
Date of Application

Sergeant Jeffrey Lenti, Operations
Name and Title (please print)

ITEMS THAT MUST BE ENCLOSED WITH YOUR APPLICATION

Enclosed (Check Items)

- X 1. Description of Sponsoring Organization. Include brochure (or written background), annual report, list of principals and/or current Board of Directors, and other information that may apply.
- X 2. Budget Proforma including anticipated revenues and expenses.
- 3. Letters of Support (if applicable)
- X 4. Two page signed application - Please make sure all areas are complete.

ADDITIONAL INFORMATION

Seven copies of the above information should be forwarded to the address noted below as early as possible. No consideration for a Community Fee Day will be provided without a completed application and applicable materials being forwarded in advance.

The Commission meets on a monthly basis. Upon receipt of a completed application, the item will be added to the next month's agenda. Commission may approve, deny, or request further information including but not limited to the attendance of a representative of the organization to the next regularly scheduled meeting to provide further information in person.

The application process may take 3 or more months to complete. Please ensure that your information is submitted well in advance of your event.

If approved, a report must be submitted after the event to the Commission. If this report is not submitted, future applications may not be considered.

Forward all information to: Civic Center Commission
 c/o Energy and Asset Management
 City Hall - 1st Floor, 455 Main Street
 Worcester, MA 01608

Attn: John Odell
 Director



CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Worcester Civic Center Commission and SMG Board Members
The DCU Center
City of Worcester, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the DCU Center (Center), an operating activity of the City of Worcester that is attributable to the transactions of the Center, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2018. We issued an adverse opinion for the financial statements being prepared on the basis of the financial reporting provisions of the City of Worcester, Massachusetts (City), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, MA
October 17, 2018

THE DCU CENTER

**INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

THE DCU CENTER

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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Independent Auditors' Report



Independent Auditors' Report

To the Worcester Civic Center Commission and SMG Board Members
The DCU Center
City of Worcester, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the DCU Center (Center), an operating activity of the City of Worcester (City) that is attributable to the transactions of the Center as maintained by SMG, as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the City. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared on the basis of the financial reporting provisions of the City and SMG agreement, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the City.

The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Center, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on City's Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with the financial reporting provisions of the City as described in Note 1.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the financial position, changes in financial position and cash flows of only that portion of the Center's activities that is attributable to the transactions of the Center as maintained by SMG.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Center's financial statements. The management's discussion and analysis and supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The management's discussion and analysis section has not been subjected to the auditing procedures applied in the audit of the Center's financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2018 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, MA
October 17, 2018

Management's Discussion and Analysis

DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

This section of the DCU Center's (Center) annual financial report presents a discussion and analysis of the Center's financial activities during the fiscal year ended June 30, 2018 to assist readers of the financial statements in understanding the financial activities of the Center. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The assets of the Center equaled its liabilities (i.e., net position) at the close of fiscal year 2018.
- Operating income of the Center was \$987,547 for the fiscal year ended June 30, 2018.

Overview of the Financial Statements

The City, acting through the Worcester Civic Center Commission, has a management services agreement (management agreement) with SMG. These financial statements report the financial activities of the Center as maintained by SMG.

The financial statements do not reflect any assets, liabilities, net position, revenues and expenses under control of the City as these items are reflected only on the City's financial statements.

This discussion and analysis is intended to serve as an introduction to the Center's financial statements. The Center's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains supplementary information in addition to the financial statements themselves.

Financial Statements

The statement of net position presents information of the Center's assets, liabilities and deferred inflows/outflows of resources (as maintained by SMG), with the difference reported as net position. The management agreement between the City and SMG requires surplus distributions be made to the City unless there are projected cash flow shortfalls. Therefore, increases and decreases to net position over time is reflective of whether surplus distributions have been made or have been withheld for cash flow purposes.

The statement of revenues, expenses and changes in net position presents information showing how the Center's net position changed during fiscal 2018. All changes in net position are reported as soon as the underlying event causing the change takes place. Therefore, all of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position regardless of when cash is received or paid.

The statement of cash flows presents information showing how changes in balance sheet accounts and income affect cash and cash equivalents.

The financial statements can be found on pages 10-12.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 13-18.

DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents supplementary information related to management fees.

The supplementary information can be found on pages 20-21.

Financial Analysis

The following tables present current year and prior year data on the financial statements. As noted earlier, net position may serve as a useful indicator of financial position. In the Center's case, assets equaled liabilities at the close of the most recent fiscal year and are summarized as follows:

	<u>2018</u>	<u>2017</u>
Current assets.....	\$ 4,011,835	\$ 3,178,097
Noncurrent assets.....	<u>31,500</u>	<u>39,000</u>
Total assets.....	<u>4,043,335</u>	<u>3,217,097</u>
Current liabilities.....	4,011,835	3,178,097
Noncurrent liabilities.....	<u>31,500</u>	<u>39,000</u>
Total liabilities.....	<u>4,043,335</u>	<u>3,217,097</u>
Net position.....	<u>\$ -</u>	<u>\$ -</u>

The Center's total net position did not change during the recent fiscal year and is summarized as follows:

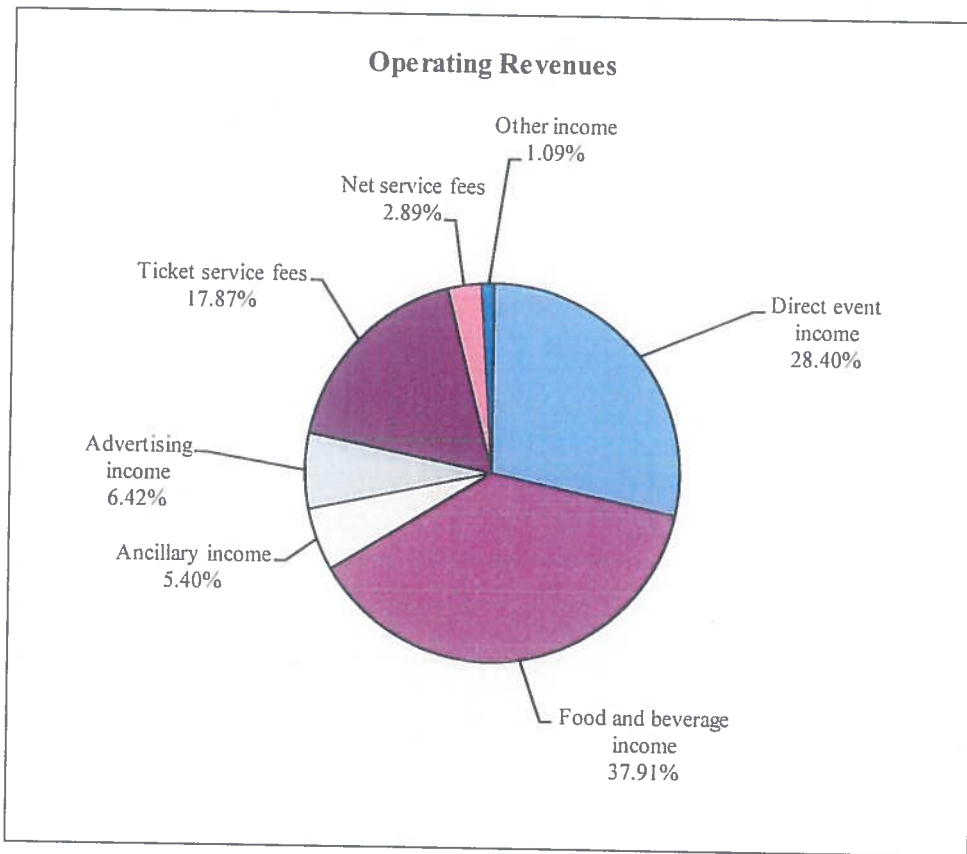
	<u>2018</u>	<u>2017</u>
Operating revenues.....	\$ 7,274,197	\$ 6,665,387
Operating expenses.....	<u>6,286,650</u>	<u>5,620,294</u>
Operating income.....	987,547	1,045,093
Nonoperating expenses (surplus distribution to City).....	<u>(987,547)</u>	<u>(1,045,093)</u>
Change in net position.....	-	-
Net position - beginning.....	<u>-</u>	<u>-</u>
Net position - ending.....	<u>\$ -</u>	<u>\$ -</u>

DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Operating Revenues

Total operating revenues were \$7,274,197, which was a \$608,810 or 9.1% increase from the previous fiscal year. Increases to food & beverage income (\$415,280 or 17.7%) and ticket service fees (\$304,181 or 30.6%) were primarily caused by an increase in the number of events held during the fiscal year.

Operating Revenues by Source



Operating Expenses

Total operating expenses were \$6,286,650, which was a \$666,356 or 11.86% increase from the previous fiscal year. The primary cause of the increase relates to increased costs (part-time staff, utilities, etc.) associated with the increase in the number of events.

Requests for Information

This financial report is designed to provide a general overview of the Center's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Worcester's Chief Financial Officer, City Hall, Worcester, Massachusetts 01608.

Financial Statements

THE DCU CENTER
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS	
Current:	
Restricted cash and cash equivalents.....	\$ 3,163,771
Account receivables, net of allowance for uncollectibles of \$40,959.....	665,838
Prepaid expenses.....	44,839
Inventory.....	<u>137,387</u>
Total current assets.....	<u>4,011,835</u>
Noncurrent:	
Restricted cash and cash equivalents.....	<u>31,500</u>
Total assets.....	<u>4,043,335</u>
LIABILITIES	
Current:	
Accounts payable.....	449,322
Accrued expenses.....	796,431
Due to City of Worcester.....	938,019
Advance deposits and ticket sales.....	1,631,787
Unearned revenue.....	<u>196,276</u>
Total current liabilities.....	<u>4,011,835</u>
Noncurrent:	
Advance deposits and ticket sales.....	<u>31,500</u>
Total liabilities.....	<u>4,043,335</u>
NET POSITION	
Unrestricted.....	<u><u>\$ -</u></u>

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

THE DCU CENTER
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES	
Direct event income.....	\$ 2,066,116
Food and beverage income.....	2,757,896
Ancillary income.....	393,117
Advertising income.....	467,357
Ticket service fees.....	1,299,759
Net service fees.....	210,466
Other income.....	<u>79,486</u>
 TOTAL OPERATING REVENUES.....	 <u>7,274,197</u>
 OPERATING EXPENSES	
Salaries, wages and payroll taxes.....	3,120,370
Utilities.....	1,167,306
Fringe benefits.....	518,113
Maintenance.....	374,812
Supplies.....	379,335
Insurance.....	93,513
Food and beverage management fee.....	75,000
Food and beverage incentive fee.....	236,760
Data processing.....	107,300
Professional fees.....	65,076
Office.....	37,284
Travel and entertainment.....	19,847
Bank service charges.....	43,368
Advertising.....	15,284
Dues and subscriptions.....	6,239
Employee training.....	1,893
Other.....	<u>25,150</u>
 TOTAL OPERATING EXPENSES.....	 <u>6,286,650</u>
 OPERATING INCOME.....	 <u>987,547</u>
 NONOPERATING REVENUES (EXPENSES)	
Surplus distributions to the City of Worcester.....	<u>(987,547)</u>
 CHANGE IN NET POSITION.....	 -
 NET POSITION AT BEGINNING OF YEAR.....	 <u>-</u>
 NET POSITION AT END OF YEAR.....	 <u>\$ -</u>

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

THE DCU CENTER
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users.....	\$ 7,286,964
Payments to vendors.....	(3,824,686)
Payments to employees.....	<u>(2,602,257)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>860,021</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Surplus distributions to the City of Worcester.....	<u>(533,390)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	326,631
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,868,640</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 3,195,271</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Operating income.....	\$ <u>987,547</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Adjustments requiring current cash flows:	
Effect of changes in operating assets and liabilities:	
Account receivables.....	(484,060)
Prepaid expenses.....	(9,340)
Inventory.....	(6,207)
Accounts payable.....	(383,203)
Accrued expenses.....	252,704
Due to City of Worcester.....	(454)
Advance deposits and ticket sales.....	473,376
Unearned revenue.....	<u>29,658</u>
Total adjustments.....	<u>(127,526)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 860,021</u>

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

DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The DCU Center (Center) is a proprietary activity of the City of Worcester, Massachusetts (City). The City has a management services agreement (management agreement) with SMG. These financial statements have been prepared in accordance with the financial reporting provisions of the City as stated in the management agreement. This basis of accounting differs from accounting principles generally accepted in the United State of America in that these financial statements omit all fixed assets, associated debt and management fee expense and associated liabilities paid by the City. See the *Measurement Focus, Basis of Accounting and Basis of Presentation* below for further discussion of this departure from generally accepted accounting principles.

The significant accounting policies are described herein.

The financial statements have been prepared in accordance with the financial reporting provisions of the management agreement as noted above. This basis of accounting differs from accounting principles generally accepted in the United States of America as noted above.

B. Reporting Entity

The activities of the Center are directed by the five member Worcester Civic Center Commission (Commission) appointed by the City Manager. The Center is comprised of a convention center and arena. The convention center accommodates a variety of functions including trade shows, exhibitions, conventions, meetings, entertainment events and banquets. The arena is a 14,800 seat civic arena that hosts a variety of entertainment events, sporting events, and exhibitions.

C. Implementation of New Accounting Principles

For the year ending June 30, 2018, the Center implemented the following pronouncements issued by the GASB:

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- GASB Statement No. 81, Irrevocable Split-Interest Agreements
- GASB Statement No. 85, Omnibus 2017
- GASB Statement No. 86, Certain Debt Extinguishment Issues

The implementation of these GASB Statements had no reporting impact for the Center.

D. Measurement Focus, Basis of Accounting and Basis of Presentation

The Center's financial statements are reported using the current financial resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred, but long-term assets and any associated debt are recorded only at the City level. Generally accepted accounting principles require the economic resource measurement focus for proprietary funds. Additionally, management fees are paid to SMG by the City and are not included in the expenses or liabilities of the Center.

Operating revenues and expenses are segregated from nonoperating items. Operating revenues consist primarily of direct event income, food and beverage income, ticket service fees and advertising income. Operating expenses result from providing services in connection with the Center's principal operations. All revenues and expenses not meeting the definition of operating are reported as nonoperating revenues and expenses, consisting primarily of surplus distributions to the City in accordance with the management agreement.

DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

E. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

F. Accounts Receivable

Accounts receivable consist primarily of amounts owed for arena and convention center events, superbox seats and advertising fees. Management provides for losses on uncollectible accounts receivable principally on the basis of past collection experience applied to ongoing evaluations of the receivables. The allowance for uncollectible accounts at June 30, 2018 totaled \$40,959.

G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

H. Inventories

Inventories consist of food and beverage and are stated at cost based on last purchase price.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such limitations are externally imposed by the management agreement and other third parties.

J. Due to City of Worcester

Amounts due to the City consist primarily of surplus distributions owed to the City in accordance with the management agreement.

K. Advance Deposits and Ticket Sales and Unearned Revenue

Advance deposits and ticket sales and unearned revenue consist of monies received in advance for convention center and arena events and monies received in advance from advertising contracts.

L. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The Center does not have items that qualify for reporting in this category.

M. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Center does not have items that qualify for reporting in this category.

DCU CENTER
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

N. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates used.

NOTE 2 - DEPOSITS AND INVESTMENTS

The management agreement requires SMG to maintain separate operating bank accounts established at a banking institution located in the City. SMG's corporate policy guidelines suggest limiting investments to overnight sweep accounts, United States Treasury bills with maturities of 30-60 days, certificates of deposit with maturities of 90 days, mutual funds that have a constant per share purchase and redemption price and mutual funds that invest in United States government obligations.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Center's deposits may not be recovered. The Center's policy for custodial credit risk of deposits is to maintain FDIC insurance coverage for all deposits. As of June 30, 2018, \$3,556,776 of the Center's bank balance of \$3,806,776 was uninsured and uncollateralized, and therefore exposed to custodial credit risk.

Restricted Cash

Cash reported as restricted is based on limitations imposed by the management agreement, which requires cash either be distributed to the City quarterly or be held for the subsequent quarter's operations.

NOTE 3 - DUE TO THE CITY OF WORCESTER

The following represents a summary of amounts owed to the City at June 30, 2018:

Description	Amount
Surplus distribution for the fiscal year ended June 30, 2018.....	\$ 906,647
Audit fee accrual for the fiscal year ended June 30, 2018.....	19,000
Miscellaneous.....	12,372
Total.....	\$ 938,019

DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - FUNDING FROM THE CITY OF WORCESTER

A. Cash Flow Requirements

The management agreement contains provisions for the City to advance funds to SMG to meet the Center's cash flow requirements. The City may advance funds to SMG based on the following:

- No later than fifteen days prior to the beginning of each quarter, SMG submits a quarterly cash flow projection report to the City Manager, specifying cash flow requirements for the operation of the Center each month for the next two ensuing quarters. If the cash flow projection indicates a cash flow deficit for any month, the City may advance funds to SMG no later than the first business day of any such month.
- At any time, SMG may notify the City in writing of the need for additional cash flow required to sustain the operation of the Center for any period up to four weeks. Such notification shall indicate the amount of funding required and shall state in detail the reason for the need for additional funding and the reason such need was not included in prior cash flow projections. No later than fifteen days after receipt of such notice, the City may advance funds to SMG.

The City retains the right to advance funds to SMG at levels that the City deems to be in its best interests. If the City fails to provide sufficient funding to cover cash flow deficits, SMG (upon request from the City or on its own initiative) shall submit a plan to reduce expenses to a level consistent with the funding available from the City. If SMG, after implementation of the plan to reduce expenses, believes the level of City funding will have a material adverse effect on their ability to perform its duties, SMG may elect to terminate the management agreement. The termination requires thirty days written notice and shall not occur more than sixty days after the effective date of the City's failure to provide sufficient funding to cover cash flow deficits.

During the fiscal year ended June 30, 2018, the City did not advance any funds to SMG related to cash flow requirements.

NOTE 5 - MANAGEMENT FEES

A. Management Fees Payable to SMG by the City

The management agreement requires the City to pay management fees to SMG, which consist of a fixed fee and an incentive fee.

Fixed Fee

The fixed fee for the fiscal year ended June 30, 2018 totaled \$329,699. Since the fixed fee is paid by the City, it is not reported as an expense in the Statement of Revenues, Expenses and Change in Net Position.

The base annual fixed fee is adjusted based on the annual percentage change (over the twelve-month period ending in June of the preceding fiscal year) in the Consumer Price Index (All Items, All Urban Consumers, Boston-Brockton-Nashua Average, as published by the United States Department of Labor, Bureau of Labor Statistics). The base annual fixed fee was \$322,918 for the fiscal year ended June 30, 2017.

Incentive Fee

For the fiscal year ended June 30, 2018, the incentive fee equals fifty percent of the amount by which operating revenues exceed \$4,800,000; provided, that in no event shall the incentive fee exceed the fixed fee.

DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

The incentive fee for the fiscal year ended June 30, 2018 totaled \$329,699. Since the incentive fee is paid by the City, it is not reported as an expense in the Statement of Revenues, Expenses and Change in Net Position.

B. Management Fees Payable to SMG Food and Beverage, LLC (SMGFB) by SMG

The Center has a food and beverage services agreement (food and beverage agreement) with SMGFB. The food and beverage agreement requires the Center to pay management fees to SMGFB, which consists of a fixed fee and an incentive fee.

Fixed Fee

The annual fixed fee is \$75,000 for each fiscal year of operations.

The fixed fee for the fiscal year ended June 30, 2018 totaled \$75,000 and is reported as food and beverage management fee in the Statement of Revenues, Expenses and Change in Net Position.

Incentive Fee

The incentive fee equals the sum of the following:

- Fifteen percent of gross food and beverage revenue in excess of the gross food and beverage revenue threshold (average gross food and beverage revenues for the prior two fiscal years)
- Twenty percent of net food and beverage operating income in excess of the net food and beverage operating income threshold (average net food and beverage operating income for the prior two fiscal years).

The incentive fee for the fiscal year ended June 30, 2018 totaled \$236,760 and is reported as food and beverage incentive fee in the Statement of Revenues, Expenses and Change in Net Position.

NOTE 6 - SURPLUS DISTRIBUTIONS TO THE CITY OF WORCESTER

The management agreement requires the Center, on a quarterly basis, to distribute surplus to the City. The management agreement defines surplus as the amount by which operating revenue for the prior quarter exceeded operating expenses for the prior quarter, less the projected cash flow shortfall for the subsequent quarter.

During the fiscal year ended June 30, 2018, surplus distributions totaled \$987,547 and are reported as surplus distributions to the City of Worcester in the Statement of Revenues, Expenses and Change in Net Position. Of this amount, \$906,647 is still owed to the City of Worcester as of June 30, 2018, and is reported as "Due to City of Worcester" in the Statement of Net Position.

NOTE 7 - COMMITMENTS

In March 2014, the City, the Center and the Digital Federal Credit Union (DCU) amended a Naming Rights Agreement (agreement). The agreement is for the period of March 1, 2015 through February 28, 2025. As part of the agreement, an Event Development Fund (fund) was created. The fund is managed by SMG to purchase talent, underwrite events, or otherwise incentivize new events.

DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

When promoting events directly, a normal and customary rental fee shall be paid to the Center when the event activities result in a profit. In this case, all monies in excess of the normal and customary rental and use fees shall be deposited into the fund. When the event results in a loss, such losses shall be offset by the City and the Center providing for the rent fee and all additional expenses paid out of the fund.

At the expiration or termination of the agreement, any monies remaining in the fund shall revert to the City to be used at the City's sole discretion.

In fiscal year 2014, DCU made a payment of \$200,000 to the Center for deposit into the fund. During fiscal year 2016, incentive fees of \$22,102 were deposited into the fund. None of the deposits have been expended as of June 30, 2018. The \$222,102 is included in advance deposits and ticket sales in the Statement of Net Position.

Supplementary Information

THE DCU CENTER
 SCHEDULE OF MANAGEMENT FEES PAID BY THE CITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FIXED MANAGEMENT FEE PAID TO SMG BY CITY OF WORCESTER

Base fee.....	\$	322,918
Consumer Price Index (CPI) - annual percentage change 2016-2017 (A).....		2.1%
CPI adjustment to base fee (\$322,918 x 2.1%).....		6,781
Total fixed management fee.....		329,699

MANAGEMENT INCENTIVE FEE OWED TO SMG BY CITY OF WORCESTER

Operating revenues (as defined in the management agreement).....		7,251,564
Less: Incentive benchmark.....		(4,800,000)
Excess of operating revenues over incentive benchmark.....		2,451,564
Management incentive fee percentage.....		50%
Excess of operating revenues multiplied by incentive fee percentage.....		1,225,782
Management incentive fee cap (B).....		329,699
Total management incentive fee.....		329,699
Total management fees.....	\$	659,398

(A) Based on the Consumer Price Index, All Items, All Urban Consumers, Boston-Brockton-Nashua Average, as published by the United States Department of Labor, Bureau of Labor Statistics

(B) Cannot exceed fixed management fee

THE DCU CENTER
 SCHEDULE OF FOOD AND BEVERAGE MANAGEMENT FEES PAID BY THE CENTER
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FIXED MANAGEMENT FEE PAID TO SMG FOOD AND BEVERAGE (SMGFB) BY SMG

Base fee..... \$ 75,000

MANAGEMENT INCENTIVE FEE OWED TO SMGFB BY SMG

Gross Revenue Component

Gross food and beverage revenues (as defined in the food and beverage agreement).... \$ 5,081,509
 Less: Gross food and beverage revenue threshold (A)..... (4,036,755)
 Excess (deficiency) of gross revenues over threshold..... 1,044,754
 Management incentive fee percentage..... 15%
 Excess of gross revenues multiplied by incentive fee percentage..... 156,713

Net Operating Income Component

Net food and beverage operating income..... 2,030,464
 Less: Net food and beverage operating income threshold (B)..... (1,630,231)
 Excess (deficiency) of net operating income over threshold..... 400,233
 Management incentive fee percentage..... 20%
 Excess of net operating income multiplied by incentive fee percentage..... 80,047
 Total management incentive fee..... \$ 236,760

- (A) Average of the gross food and beverage revenues for the prior two fiscal years
 (B) Average of the net food and beverage operating income for the prior two fiscal years

DCU Center - Capital Project Update 2-22-19

1/18/2009 rev	1/19/2019 Rev												
Funding Source	Projects	Assignment	Estimated Value	Current/Actual Value	Status	Expected Completion	Comments						
DCU - Special District	Vault Upgrade	JO/RT	\$ 790,000.00	\$ 790,000.00	Design	Summer 2019	New Engineering firm, EDM, putting together proposal to review refurbishing existing vault or moving vault overhead.						
DCU - Special District	Basketball Hoops (3)	RT	\$ 47,000.00	\$ 46,842.00	Installation	Spring 2019	Engineering of ballast box complete- construction of box pending- floor reconfiguration design details complete.						
DCU - Special District	DCU - Barricade Parts	RT	\$ 10,000.00	\$ 10,000.00	Pending	Winter-Spring 2019	Priority 1 - scope defined and quotes being obtained						
DCU - Special District	DCU - 1 Man Mini Lift	RT	\$ 25,000.00	\$ 25,000.00	Pending	Winter-Spring 2019	Priority 1 - scope defined and quotes being obtained						
DCU - Special District	Telephone System	RT	\$ 175,000.00	\$ 175,000.00	Pending	Summer 2019	SMG - putting together draft scope - noting requirements for voice and data						
DCU - Special District	Pipe/Drage and Table Skirting	RT	\$ 25,000.00	\$ 25,000.00	Pending	Winter 2018-Spring 2019	Priority 1						
DCU - Special District	Ice Deck Replacement Pieces	RT	\$ 25,000.00	\$ 25,000.00	Pending	Winter 2018-Spring 2019	Priority 1						
DCU - Special District	Exterior DCU Signs (5)	RT	\$ 110,000.00	\$ 110,000.00	Pending	Winter 2018-Spring 2019	Priority 1						
DCU - Special District	Replace Northeast Ext Handrails	RT	\$ 38,500.00	\$ 38,500.00	Pending	Winter 2018-Spring 2019	Priority 1						
DCU - Special District	Dasher Glass System	RT	\$ 120,000.00	\$ 120,000.00	Pending	Summer 2019	LLB - Design work underway						
DCU - Special District	DCU - Hockey Net Replacement	RT/JO	\$ 10,000.00	\$ 10,000.00	Pending	Spring 2019	LLB - Design work underway						
DCU - Special District	DCU - Iceplant Control System	LLB	\$ 12,000.00	\$ 12,000.00	Pending	Summer 2019	LLB - Design work underway						
DCU - Special District	Hockey Glass retrofit	LLB	\$ 20,000.00	\$ 20,000.00	Pending	Spring 2019	LLB - Design work underway						
DCU - Special District	Replace Ice Deck Seal	LLB	\$ 15,000.00	\$ 15,000.00	Pending	Spring/Summer 2019	LLB - Design work underway						
DCU - Special District	Repaint Exhibit Hall/Gallery	LLB	\$ 75,000.00	\$ 75,000.00	Pending	Spring/Summer 2019	LLB - Design work underway						
DCU - Special District	Parapet Netting System	LLB	\$ 25,000.00	\$ 25,000.00	Pending	Winter 2018-Spring 2019	LLB - Design work underway						
DCU - Special District	Ride on Vacuum	RT	\$ 16,000.00	\$ 16,000.00	Pending	Spring 2019	Priority 2						
DCU - Special District	Wide Area Vacuums (4)	RT	\$ 17,000.00	\$ 17,000.00	Pending	Spring 2019	Priority 2						
DCU - Special District	Ballroom Chairs	RT	\$ 240,000.00	\$ 240,000.00	Pending	Spring 2019	Priority 2						

Total =	\$ 1,795,500	\$ 1,795,342
Variance	\$ (158)	-0.01%

LLB Architect -	\$	277,000.00
Project Value	\$	



**CIVIC CENTER COMMISSION
MONTHLY HIGHLIGHTS
February 2019**

FOOD AND BEVERAGE DEPARTMENT – SAVOR

FIGS & PIGS

During the Colonial Classic Synchronized Skating Event, Figs & Pigs was not only used as a full food & beverage location but was set up to service all skating teams for pre-order boxed lunches. Figs & Pigs prepared and served over 350 boxed lunches throughout the run of the show, creating an additional \$4,500 in revenue. This approach will be used to service other clients with similar needs.

Figs and Pigs also partnered with local bakery “The Queens Cup” to create Cirque du Soleil Signature cupcakes throughout the run of the performances. These were paired with liquor infused coffee drinks. The cupcakes were a huge success and we sold out almost every performance.

Also this past month, the Railers found themselves without hospitality space for a corporate client interested in attending a game. Figs & Pigs was reorganized to be utilized as a bar and catered environment. Both the Railers staff and the attendees were thrilled with the solution which should open this opportunity for other events. This was always envisioned for the space but until it is actually utilized, it is difficult to realize how well it can work.

CONCESSIONS

Our concessions department was able to finish out the month \$43,996 over planned sales. This bump in revenue can be credited to better than expected per caps for the Worcester Railers’ Games. Throughout the dips and increases in attendance, we have always been able to maintain a baseline \$8 per cap for our hockey tenant. We credit this to the variety of items being offered, including our newest homemade clam chowder prepared in fresh bread bowls by locally owned Helen’s Bakery.





To keep our offerings fresh, Executive Chef Scott Campbell & Concession Manager Joanne Staruk are rolling out (2) new concept stands on the concourse. The first will be “Sir Loin’s” featuring hand carved sandwiches on fresh ciabatta rolls. In addition, “Cousin Sal’s



World-Famous Meatballs” will be offered as a true take on comfort food. Both concepts will be served from fully branded portables as if they were stand-alone operators mimicking a food truck style. One pound of deliciousness.

FINANCE AND HUMAN RESOURCES DEPARTMENTS

HUMAN RESOURCES

SMG, working with our national payroll service provider, ADP has transitioned to an automated personal time off tracking throughout the company. Nationally, SMG has over 25,000 employees with varying State laws, collective bargaining agreements, and localized exceptions. Automating company wide was several years in the making with the final transfer taking place January 1, 2019. This change is expected to reduce staff time in tracking the information manually and ensure real time results for employees.

BOX OFFICE

The Worcester Common Oval had another successful month. Our box office has designated a supervisor to oversee the admission and skate rentals. This ensures the Oval’s day to day operations and cash handling are properly organized to SMG’s best practices.

	<u>1/31/19</u>	<u>1/31/18</u>	<u>1/31/17</u>	<u>1/31/16</u>
# of Admissions tix	5867	2368	4821	5452
# of Skate Rentals tix	4286	1764	3452	3830
# of Days Open	29	23	28	29
# of Days Cancelled	7	13	3	3
Admissions Gross Revenue	17,945	7,165	12,280	7,012
Skate Rentals Gross Revenue	17,370	7,000	10,017	11,214
Other revenues	3,671	3,761	1,861	1,979
Gross Revenue:	38,985	17,930	24,158	20,205

FINANCIAL HIGHLIGHTS – December 2018 – January 2019

Financial Highlights - YTD FY2019

No. of Events	Dec	Jan	YTD FY2019
Assemblies	1		2
Banquets	3		10
Entertainment			6
Concerts	1		6
Consumer Shows	2	7	23
Conventions		2	24
Family Shows		6	12
Meetings	2	10	35
Performing Arts			1
Sporting Events	3	1	6
Railers Hockey	9	5	23
Trade Shows	4		22
Arena Football			3
Total	25	31	173
Budget	24	29	142
Variance	1	2	31
Total Event Income			
Actual	330,131	460,780	2,804,527
Budget	345,661	606,889	2,717,087
Variance	(15,530)	(146,109)	87,440
Other Operating Income			
Actual	74,816	72,809	468,443
Budget	64,004	67,436	481,860
Variance	10,812	5,373	(13,417)
Indirect Expenses			
Actual	512,747	533,916	3,531,316
Budget	546,750	555,286	3,633,171
Variance	(34,003)	(21,370)	(101,855)
Net Income			
Actual	(107,800)	(327)	(258,347)
Budget	(137,085)	119,039	(434,224)
Variance	29,285	(119,366)	175,877

Highlights:

Although event income was behind budget for December and January despite 3 additional events – 56 vs. 53 – increases in other operating income and reductions in expenses plus the positive results of the previous 5 months put us at \$175,877 ahead of budget at the end of January.

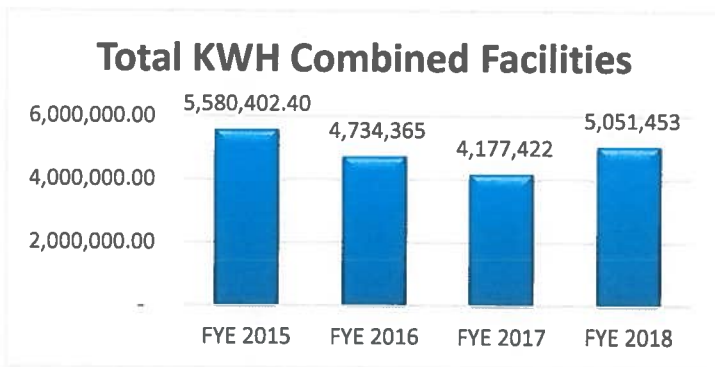
The next several months have several high income producing events which allows us to project a year end at or ahead of the current budget.

BUDGET

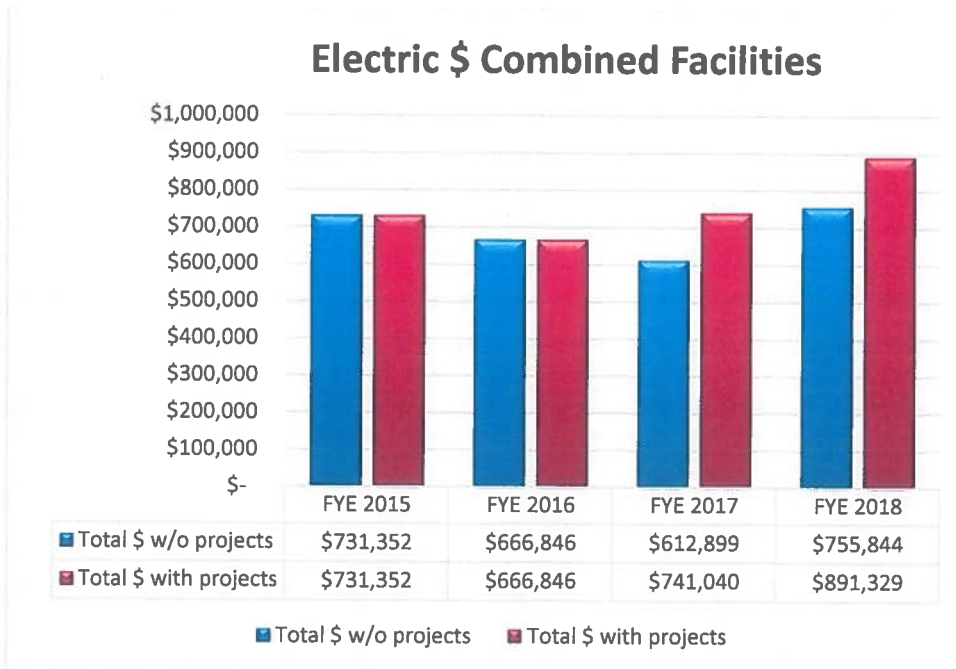
The FY2020 Budget was completed and approved by SMG and forwarded to the budget office in early February. The summary is attached for easier reading. SMG is available to review detailed budget information as requested by Commission members.

UTILITIES

The continually rising costs of utilities continues to be a challenge as they significantly exceed normal annual increases. In the last 2.5 years, we have proceeded with the lighting capital project to reduce kwh but provided for a capital payback through our utility bills over 3 years. The hockey team has returned which significantly increases costs to operate the ice plant. And the City has, fortunately, put us into a solar credit program which has helped in reducing our overall costs. Following is a quick view of the changes.

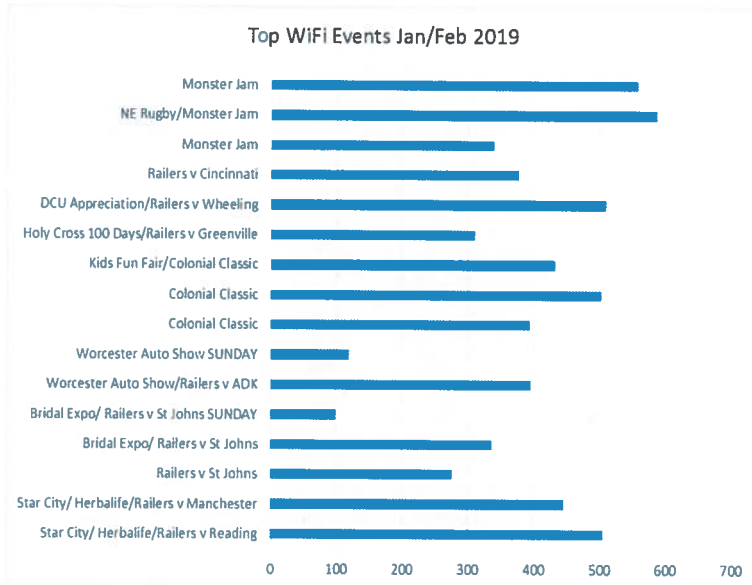


Lighting project payback began Feb 2017 (for 3 years) at approximately \$25k/month, \$300k/year. Solar credits began Sept 2017. The Solar project credits provided a \$172k savings in FYE 2018. Sharks last season FYE 2015. Railers first season was FYE 2018.



WiFi

In addition to significantly increased electric costs, this year had unbudgeted costs for the wifi project as the full financial impact to operating costs were not clarified until late in the project. Annual operating costs for wifi are approximately 172,000 and the budget for this year reflected \$60,000. To date, we have been unable to offset this cost by sponsorship or advertising income but continue to work with the Railers on this opportunity. On the positive side, we have booked our first EGames competition and we expect to launch a food and beverage app in the next couple of months for concession pre-ordering which should also result in some potential advertising.



We are beginning to track wifi usage at events to provide comparisons in the future. Monster Jam has a sophisticated fan judging system deployed during the event which increased usage. Railers games average 328 +/- per game. This takes into account games with no concurrent events or events that typically have low use. Video slides now encourage fans to log on to the application and it is expected that events will continue to develop in event applications for fan engagement.

EVENTS & MARKETING

SMG Announces Merger with AEG Facilities

In one of the most significant announcements in the live entertainment business, SMG will enter into a merger with industry competitor AEG Facilities to create a new, independent venue management company called ASM Global. Wes Westley, Chief Executive Officer and President of SMG, said, "This merger is a major step for our industry. We are excited to bring together these complementary businesses to further elevate the standard of excellence in venue management. We plan to accelerate innovation by combining our expertise to deliver increased value and offer enhanced capabilities to municipalities and venue owners worldwide." ASM will be headquartered in Los Angeles, CA, with key operations based in West Conshohocken, PA, a suburb of Philadelphia. Led by the most experienced team in the industry, the company will operate a diversified portfolio of arenas, stadiums, convention centers and performing arts centers, with more than 310 venues across five continents and over 50,000 employees. The final merger will take 4-9 months through the normal regulatory process. Until the final date, both companies are operating business as usual.

SYNCHRONIZED SKATING CHAMPIONSHIP

Figure Skaters from far and wide took to the ice at DCU Center during the first weekend in February for the 2019 Eastern Synchronized Skating Sectional Championships. Groups of 8-20 skaters competed for the opportunity to compete at the National Championship in Plymouth, MI at the beginning of March. Between rehearsals and the competitive skating programs, teams and their families could be spotted throughout downtown Worcester Wednesday through Sunday. Over 1,000 competitors were in Worcester during the Championship.

MONSTER JAM

Engines roared and vehicles soared as Feld Entertainment's Monster Jam returned to DCU Center February 15th through the 17th. Over 25,000 patrons ventured to the annual celebration of all things large and loud as Monster Jam staples like Gravedigger and Megalodon launched over a telephone-pole's height in the air before the eyes of the families in attendance. One of the many events that SMG incorporates into an event season that presents a spectacle for all ages to enjoy.

PROFESSIONAL BULLRIDING

Ticket sales for this year's Professional Bull Riders Velocity Tour clearly indicate that the popularity of a primarily southern sport is beginning to gain serious ground in the Northeast. Fortunately we locked in this event in its early years blocking out several of the other venues in the marketplace. As it grows in popularity, our co-promotion relationship has begun to provide the revenues expected. This year is one of the best-selling PBR dates in the DCU Center's recent history with an expectation of over 6,000 tickets.

8 CALENDAR DAYS – 22 EVENT DAYS – 50,000 PATRONS

February / March are stacking up as very busy in both the arena and the convention center. As a courtesy to our neighbors and to request assistance in ensuring that sidewalks are clear of snow and ice, a letter was sent to many of the businesses and property owners providing them a peek at the next 10 days. Several are on a regular monthly email and many check our listings but others were very thankful to receive the detailed information. We also promised to do our annual neighbors meeting in the Spring with many new faces in the area.

Date	Event	Space	Times	Expected Attendance
Fri.-2/22/19	RV and Camping Show	Hall	4pm-8pm	750
Sat.-2/23/19	RV & Camping Show	Hall	10am-8pm	2,000
	Hall of Fame Dance	B/R	7am-10pm	1,000
	Professional Bull Riding Arena	7pm, doors 6pm		6,500
Sun.-2/24/19	RV & Camping Show	Hall	10am-5pm	2,000
	Hall of Fame Dance	B/R	7am-1pm	1,000
Tues.-2/26/19	Mass Fire Chiefs Convention	Hall	7am-5pm	500

	National Grid	B/R	7am-5pm	200
	Michael Buble –Concert Arena		8pm, doors 7pm	9,000
Wed.-2/27/19	Mass Fire Chiefs Convention	Hall	7am-4pm	500
	Disturbed – Concert	Arena	7:30pm	7,500
Thur.-2/28/19	Mass Fire Chiefs Convention	B/R	7am-4pm	500
	American Dance Competition	Hall	4pm-10pm	500
Fri.-3/1/19	First Friday Club	B/R	7am-9am	120
	Real Estate Seminar	B/R	11am-4pm	60
	American Dance Competition	Hall	2:30-10pm	1,000
Sat.-3/2/19	American Dance Competition	Hall	6:30am-11pm	1,000
	College Planning Workshops	B/R	6:30am-6pm	180
	Luke Combs – Concert	Arena	7pm, doors 5:30pm	10,000
Sun.-3/3/19	College Planning Workshops	B/R	6:30am-6pm	180
	American Dance Competition	Hall	6:30am-7pm	750
	Railers/Adirondack, Hockey	Arena	3:05pm	3,500

ON SALES

Pentatonix – June 8

MA Pirates Individual Game Tickets – 2019 Season

OPERATIONS, HOUSEKEEPING, & PHYSICAL PLANT DEPARTMENTS

THE FACILITY HOUSE CREW GOES PINK!



The Operations Change Over Crew did a spectacular Job getting the Ice to turn Pink for the Railers 3 Day home stand for Pink in the Rink.. This process takes 24 hours to complete.

ARENA HAPPENINGS

Repairs and Upgrades

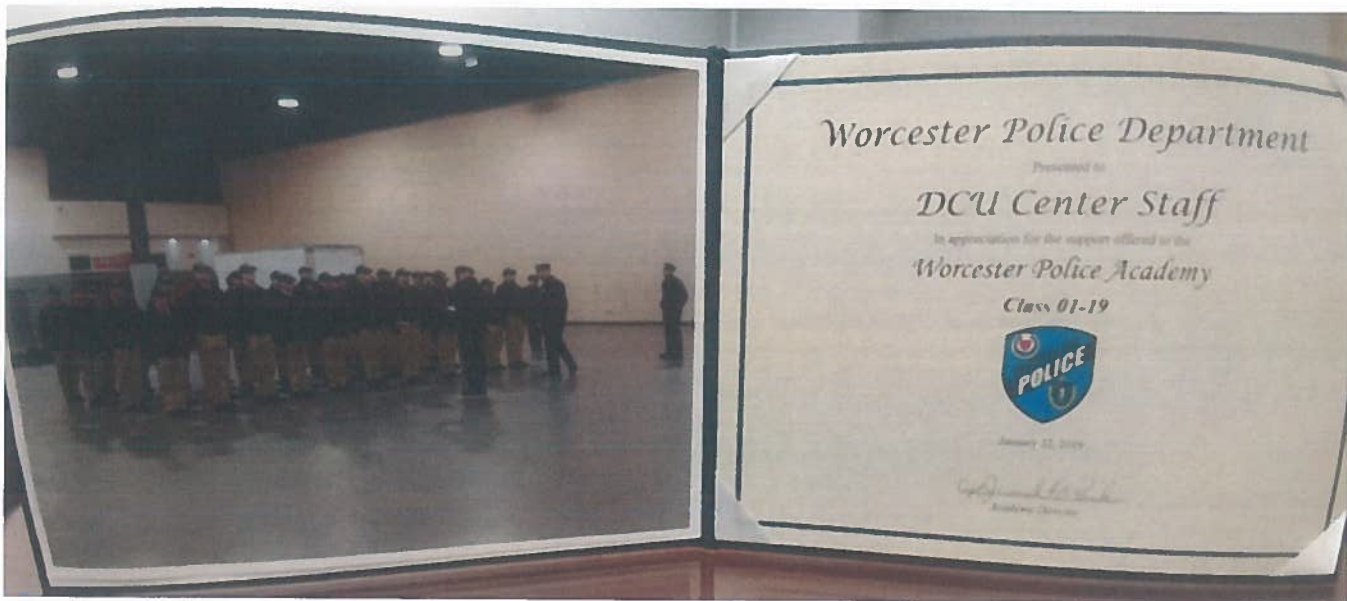
Plumbing - The Railer' Coaches restroom require some attention, the toilet developed a hairline crack in the base and the sink drain had rotted due to age. We replaced both and upgraded the sink and faucet set. The plumbing in the building will need to be replaced over the next few years in the lower rooms that have not been touched by upgrades or retrofits for the past 20 years.

Exterior Signage - It had been reported that again some of the back lit letter of the DCU Center naming right signage was out. Seven transformers were replaced in the signs as well as resetting the time clocks back to 6pm and all are presently up and running. This Arena lighting had an estimated life cycle of twelve to fifteen years we are now into our fourteenth year and some of the LED bulbs themselves are going dim. The naming rights agreement requires these repairs to be done within a short period of time. A retrofit for the signs has been part of our capital projects for 2 years.

SECURITY & EVENT STAFF

See Something, Say Something - During the recent Herbalife show our on site EMT noticed a women who appeared in some type of distress. The EMT informed the security staff and requested that they periodically check on her while she was on site. A short time later, a staff member observed her looking pale and sweaty and contacted the EMT. The patron was stabilized for transport to the hospital. It was later reported that the women had a stroke and because of the quick actions of our staff and the EMT on duty she should make a full recovery.

WORKING WITH CITY DEPARTMENTS



As in the past, particularly during the winter months, the Worcester Police Department requested access to the facility during non-event times to work with the new recruits which, of course, we are happy to oblige. On January 14th they kicked off their 1st day of training for the class. The trainers assembled the class in the South Hall at 7:30 am and continued until 2:00pm.

On January 25th, they returned with the class to continue with the physical training of the program. The arena was separated into sections so they could run the stairs while others were timed running the concourse.

SALES DEPARTMENT

Every year PriceWaterhouse Coopers LLC conducts a Convention Center Survey, of which the DCU Center always partakes in. A few of the takeaway notes from this past year are listed below along with attachments.

The DCU Center is considered a Small Center with less than 100,000 sq. ft. of exhibit hall space and based on this would like to offer the following statistics as it relates to other buildings of the same size and larger for comparisons.

Center Utilization/Occupancy: As it relates to the Exhibit Hall Space, the DCU Center for the last reporting season had 63% occupancy of the Exhibit Hall vs. 50% average for small buildings and 43% for regional centers. The Ballroom during the same period had an occupancy rate of 35.3% vs. an average of 35% for other small buildings.

Average Event Revenue: As for average event rentals our Convention/Trade Show rate averages \$.141 per square foot and \$.122 per square foot for Consumer Shows, vs. \$.138-\$.149 for the industry for Trade Shows and \$.088-\$.136 for Consumer Shows. As it relates to Food and Beverage Gross sales per attendee we stand at \$27.74 per person for Convention and Trade Shows and \$2.48 per person for Consumer Shows.



**Civic Center Commission
Monthly Sales Report January 2019**

Name	Banquet /Social	Conference /Convention /Tradeshow	Date of Event	# of Days	Anticipated Attendance	New Business	Repeat Business
Banquet/Social Contracts							
T&G Best of Worcester Awards	1		11/21/2019	1	500		1
Conference/Convention/Tradeshow Contracts							
MassINC Gateway Cities Innovation Conf.		1	11/20/2019	1	400		1
Landrics Exotic Car Show		1	4/3-5/19	3	3,000	1	
Ammonia Certification Class		1	03/30/19	1	150		1
FDSS LLC		1	02/25/19	1	8	1	
Church of Jesus Christ of Latter Day Saints		1	10/20/19	1	14,000		1
New England Promotional Products		1	9/21-22/20	1	400		1
2019 OSD Conference		1	11/6-7/19	2	1,000		1
Commerford Petting Zoo		1	1/31-2/2/20	3	7,500		1
NACA Neighborhood Assistance Corp		1	7/24-28/19	5	2,000		1
Hall of Fame Dance		1	2/27-3/1/20	4	1,500		1
League of Champions Dance		1	3/12-15/20	4	1,500		1
MA Downs Syndrome Congress		1	03/28/20	1	600		1
MA Downs Syndrome Congress		1	03/27/21	1	600		1
Imperial Distributors		1	8/12-15/19	4	500		1
Import Evolution Car Show		1	8/30-31/19	2	1,200		1
Homes for Families Conference		1	08/15/19	1	375		1
Latino Business Expo		1	09/28/19	1	750		1
E sports Shine 2019		1	8/22-26/19	4	2,000	1	
Opiate Crisis Symposium		1	05/21/19	1	250		1
MA Public Health Association		1	11/13/19	1	350		1
Assumption College Graduation		1	05/10/20	1	6,000		1
Northeast Canvas Products Conf.		1	01/17/20	1	450		1
StarQuest Performing Arts Comp.		1	4/30-5/3/20	4	2,500		1
Consigli Learning Conference		2	4/25&5/2/19	2	1,000		2
Daughters of Deborah Conf.		1	5/23-25/19	3	200	1	
New England LARP Expo		1	2/7-9/20	3	1,000	1	
VegFest		1	04/28/19	1	4,500		1
Jane Doe Inc. Prevention Summit		1	06/21/19	1	200		1
Armenian Youth Fed. Olympian Reception		1	9/4-6/20	3	3,000	1	
		30		61	56,933	6	24

Proposals

T-Mobile 2019 Kick-Off		1	Feb/Mar. 2019	1	2000	1	
Bridal and Wedding Expo		1		1	500	1	
MassINC Gateway Cities Innovation Conf.		1	11/20/19	1	400		1
MA Rehab. Comm. Pre-ETS Conf.		1	02/11/19	1	100	1	
Coaches Learning Conference		1	Apr/May 2019	1	250	1	
Umass Providers Forum		1	Nov. 2019	1	200	1	
NEREUG Conf. 2nd Proposal		1	10/01/19	1	400	1	
MA Dept. of Ed.		1	03/18/19	1	60	1	
Worcester Business Journal		1	06/11/19	1	200		1
The Royal Dance Company Conv.		1	10/27/19	1	500	1	
Gregory Baby Shower	1		04/11/19	1	40	1	
60th Birthday Party	1		4/20/2019	1	200	1	
Lopez/Martinez Wedding	1		43624	1	70	1	
Brennan/Carvalho Wedding	1		June. 2021	1	150	1	
Cicero/Nader Wedding	1		11/6/2020	1	150	1	
Francois/Etienne Wedding	1		10/12/2019	1	300	1	
Moore/Nichols Wedding	1		04/04/20	1	85	1	
Cooper/Fisher Wedding	1		June. 2019	1	100	1	
Sequira Vow Renewal	1		08/15/20	1	75	1	
Green Career Conference		1	03/20/20	1	500		1
Landrics Exotic Car Show		1	4/4-5/20	2	3,000	1	
NGLC 2019 Education Meeting		1	05/29/19	1	120	1	
LDS Church Devotional		1	10/20/19	1	14,000		1
NACA Neighborhood Assistance Corp		1	7/25-28/19	4	2,000		1
MDSC		1	03/28/20	1	600		1
MDSC		1	03/27/21	1	600		1
Parenting Workshop		1	3/30-31/19	2	240	1	
e Sports Shine 2019 updated		1	8/23-25/19	3	2,000	1	
Mass Society for Respiratory Coare		1	10/8-9/19	2	1,000		1
		9	20	37	29,840	21	8

Site Visits & Appointments

Lopez/Martinez Wedding
 NE LARP Expo Planning Committee
 Daughters of Deborah Planners
 Scott Heaton - First Robotics
 Anna Maria College President - Graduation
 Joe Pinzerault - Great Beginnings

Reginald Calixte - Concert Promoter
 Richard Moscoffian - Landrics Exotic Cars
 Andrea Shaye Veg Fest
 Church of Latter-Day Saints Staff
 NEWWA Staff
 Mike Rice - Hip Hop Concert Promoter

Conf./On sale Arena Events

Klose to My Life Indian Concert	4/12/2019
Stars on Ice	4/28/2019
Pentatonix	6/8/2019

Track able overnight room pick-up for Jan. 2019

Event	Date	# of Days	Rm Nights
City of 7 Hills Cheer	1/4-5/19	2	
Hurst NCLEX Review	1/7-9/19	3	
Crisis Prevention Institute	1/8-11/19	4	
Herbalife	1/12-13/19	2	
Eastern Synchronized Skating	1/29-2/2/19	5	