OFFICE OF THE
INSPECTOR GENERAL
DISTRICT OF COLUMBIA GOVERNMENT

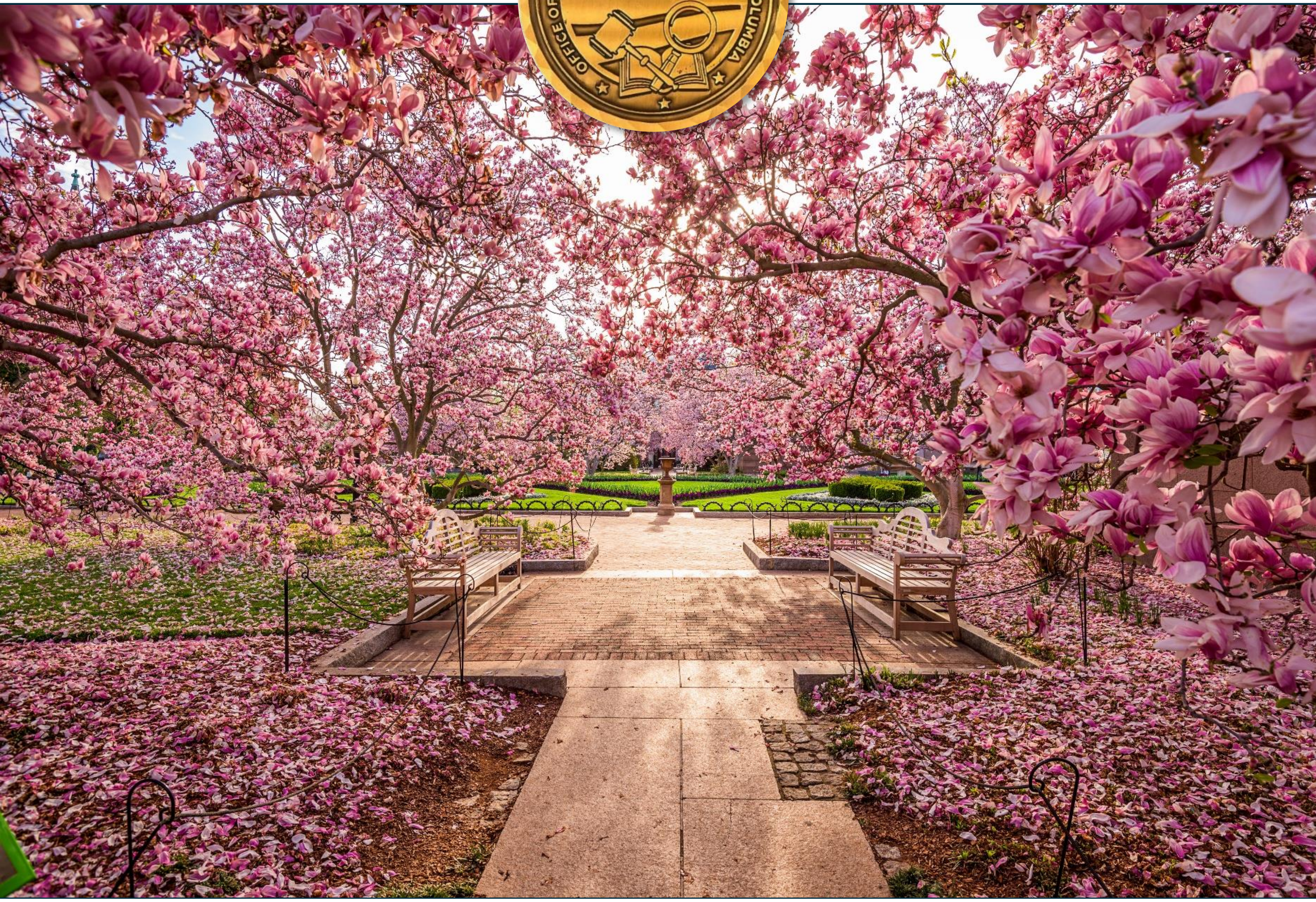
AUDIT REPORT

Washington Convention and Sports Authority

Annual Financial Statements and Independent Auditor's Reports for Fiscal Year 2025

OIG No. 25-1-12ES

January 30, 2026



DANIEL W. LUCAS
INSPECTOR GENERAL

OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

OUR VISION

We strive to be a world-class Office of the Inspector General that is customer focused and sets the standard for oversight excellence!

OUR VALUES

Accountability: We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

Continuous Improvement: We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

Excellence: Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

Integrity: Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

Professionalism: As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

Transparency: Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.

MEMORANDUM

To: The Honorable Muriel Bowser
Mayor of the District of Columbia

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

From: Daniel W. Lucas
Inspector General

Date: January 30, 2026

Subject: **Washington Convention and Sports Authority Annual Financial Statements | OIG No. 25-1-12ES**

This memorandum transmits the final *Washington Convention and Sports Authority Financial Statements and Independent Auditor's Reports* for fiscal year 2025. CliftonLarsonAllen LLP (CLA) conducted the audit and submitted these reports as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2025.

On January 5, 2026, CLA issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. CLA found no material weaknesses in internal control over financial reporting.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

WASHINGTON CONVENTION AND SPORTS AUTHORITY
T/A EVENTS DC

A COMPONENT UNIT OF THE DISTRICT OF COLUMBIA GOVERNMENT

FINANCIAL STATEMENTS
(Together with Report of Independent Public Accountants)
SEPTEMBER 30, 2025, and 2024

AND

MANAGEMENT'S DISCUSSION AND ANALYSIS

WASHINGTON CONVENTION AND SPORTS AUTHORITY
FINANCIAL STATEMENTS
AND MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025 and 2024

TABLE OF CONTENTS

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

To the Mayor, Members of the Council of the Government of the District of Columbia,
the Board of Directors of the Washington Convention and Sports Authority and
Inspector General of the Government of the District of Columbia
Washington, D.C

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Washington Convention and Sports Authority (the Authority) a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2025, and the respective changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Implementation of GASB 101

As discussed in Note 1, the 2024 financial statements have been restated to account for a change in accounting principle. Our opinion is not modified with respect to these matters.

Other Matter – Prior Year Financial Statements Audited by Another Auditor

The financial statements of the Authority as of September 30, 2024 were audited by another auditor, whose report dated January 3, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Mayor, Members of the Council of the Government of the District
the Board of Directors of the Washington Convention and Sports Authority and
Inspector General of the Government of the District of Columbia
Washington Convention and Sports Authority

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of net position by fund and schedule of revenues, expenses and changes in net position by fund (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the cover page, the mission, vision, values and the Authority's annual financial statements memorandum (collectively, the other information) but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026, on our consideration of the Authority'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 solely 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 the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
January 5, 2026

As the management of Washington Convention and Sports Authority (Authority) doing business as Events DC, we present this Management's Discussion and Analysis (MD&A) of the Authority's financial condition and the results of operations for the years ended September 30, 2025, and 2024, with comparative information for 2023. This discussion is a narrative overview and analysis of our financial activities and should be read in conjunction with the accompanying financial statements.

Introduction

In 1994, the Washington Convention Center Authority (WCCA) was created as a corporate body and an independent authority of the District of Columbia government responsible for managing and operating the District's Convention Center and for bringing national and international conventions, trade shows, and meetings in the District of Columbia. ["Washington Convention Center Authority Act of 1994," DC Law 10-188, effective September 28, 1994]. Pursuant to the Fiscal Year 2010 Budget Support Second Emergency Act of 2009 and the Fiscal Year 2010 Budget Support Act, the District of Columbia Sports and Entertainment Commission was merged into WCCA to form a new organization, the Washington Convention and Sports Authority (WCSA). The merger created one umbrella organization with a broadened charter to promote the District as a key sports, entertainment, and special events destination. Also, as part of the merger, WCSA gained control over the Nationals Park, the Robert F. Kennedy Memorial Stadium (RFK), and the non-military portions of the DC Armory. Facility maintenance for RFK and the Armory, previously performed by the DC Sports and Entertainment Commission, was assumed by the Department of Real Estate Services, now the Department of General Services.

In June 2011, the Washington Convention and Sports Authority launched a brand name, "Events DC." The entity fully encompasses the event experience in the city, elevates the organization's core assets and portfolio, and perhaps most importantly, aligns with the existing brands for Washington DC and the city's promotional arm, Destination DC.

About Our Business

The Authority operates three distinct business divisions that generate significant regional economic impact by hosting conventions, tradeshows, consumer shows, meetings, banquets, sports and entertainment and other special events.

Conventions & Meetings Division – operates the Walter E. Washington Convention Center and the historic Carnegie Library at Mount Vernon square. The Convention Center is a venue for large conventions, trade shows, and mid-sized to small meetings. Recognized as one of the most energy-efficient buildings of its size, the Convention Center has won awards both for inspiring design and as a major contributor toward urban renewal in downtown DC. Events DC generates economic activity at the Center which brings millions of visitors to a revitalized downtown and the historic Shaw neighborhood. To further leverage the power of large-scale meetings and conventions, Events DC made a significant investment in the Washington Marriott Marquis hotel and continues to create economic benefits for the District. Events DC sold the Marriott Marquis Hotel Building (Plumbers Building) in June of 2022 for $100 million. The Carnegie Library generates rental income after opening the Apple global flagship retail store in the first quarter of fiscal year 2019.

Sports and Entertainment Division – brings world-class sports, entertainment, cultural and hospitality events to the District while promoting the metropolitan region as a premier destination. It manages and programs the Robert F. Kennedy Memorial Stadium ("RFK Stadium"), the non-military functions of DC

Armory, the RFK Festival Grounds, the Skate Pa(formerly Stadium, the Fields at RFK, Gateway DC Pavilion, the RISE Demonstration Center and the CareFirst Arena (formerly the Entertainment and Sports Arena) on the St. Elizabeth East Campus. The Department of General Services (DGS) maintains the Stadium and the Armory based on the Memorandum of Understanding (MOU) signed with Events DC. The Deputy Mayor for Planning and Economic Development (DMPED) provides the funding for the operation of Gateway DC and the RISE Demonstration Center, based on the MOU with Events DC.

Creative Services Division – is actively involved in the planning and support of some of the city's most anticipated events, attracting thousands of attendees to locations around the city. Events DC makes strategic investments in various city-wide sports, entertainment and cultural events including the internationally renowned National Cherry Blossom Festival, an annual four-week long festival which features art, theater, and live performances throughout the city each spring; the annual DC Jazz festival, which showcases nearly 80 live performances in clubs, restaurants, hotels and galleries throughout the District and Events DC Embassy Chef Challenge, a month long celebration of DC's diplomatic community through the culinary arts.

Fiscal Year 2025 Awards and Recognitions

Events DC continued its success as an award-winning convention center and sports and entertainment organization around the country and the globe as demonstrated by the following awards:

Convention & Hospitality Industry Awards

EXHIBITOR Magazine – Centers of Excellence List

- Recognition: Named one of North America's best convention centers for trade shows and events for the sixth consecutive year

Industry & Convention/Hospitality Awards

Sports ETA National Industry Award

- Category: *Event Marketing Campaign of the Year*
- Event: WorldPride DC 2025

CitySCENE Washington, DC – Hospitality Design

- Recognition: Events DC venues and leadership spotlighted during Hospitality Design's CitySCENE networking event, showcasing innovation in hospitality and design.

Fiscal Year 2025 Program Highlights

In FY 2025, the Conventions and Meetings Division delivered another exceptional year of events at the Walter E. Washington Convention Center (WEWCC). This was highlighted by the return of anchor programs and a strong mix of rotating association meetings. The Authorities traditional anchor events such as the Association of the United States Army, Transportation Research Board (TRB), Satellite and OTAKON; returning rotating major events include American Geophysical Union (AGU) , the 36th Annual Transcatheter Cardiovascular Therapeutics (TCT) Association, Association For Talent Development (ATD) and other high-impact rotational groups that continue to choose Washington, DC as a premier host destination.

New events to the Authorities portfolio in FY2025 included: Nutanix. NEXT event, which was booked and contracted within 12 months of the convention and generated an economic impact of $8.3 million dollars. Additionally, the American Society of Landscape Architects (ASLA) and HYROX met for the first time at the WEWCC, each contributing to a diverse and strategically valuable event calendar.

In addition to these core highlights, FY2025 was distinguished by the return of a significant event to DC, the 2025 Presidential Inaugural Balls, which generated substantial attendance, economic impact, and visibility for the District.

Six years after the opening of the Entertainment and Sports Arena on the St. Elizabeths East Campus and following nearly two years of negotiations, in November 2024 Events DC executed a naming rights agreement solidifying a $10 million, ten year partnership with CareFirst Blue Cross Blue Shield, one of the country's largest not-for-profit healthcare organizations, to rename the Entertainment and Sports Arena to CareFirst Arena. Notably, the $10 million investment by CareFirst includes a $2 million commitment to funding local programming East of the River focused on work-force development, maternal health, food insecurity, and other critical quality-of-life issues. The rebranding was formally unveiled in February 2025.

Our Sports and Entertainment Division sponsored the Coastal Athletic Association Men's and Women's Basketball Tournaments, the Howard University vs Hampton University women and men games and the first annual Mother's Day Gospel concert at the newly named CareFirst Arena, and events throughout the District and region including the ; Savannah Bananas at Nationals Park; the Army and Navy game at Northwest Stadium, the Military Bowl at Memorial Stadium in Annapolis, Made Hoops Basketball Tournament at the Walter E. Washington Convention Center, Old Glory Rugby at the Maryland SoccerPlex, international and soccer exhibition games with the Washington Spirit at Audi Field and the Mubadala Citi DC Open.

Events DC also sponsored and/or hosted signature community events such as the Chocolate City Criterium, a USA Cycling-sanctioned criterium bicycling event at the RFK Campus; DC Bike Ride 2025, a 20-mile cycling tour of car-free streets from the Tidal Basin through Downtown DC and the Wharf enjoyed by over ten thousand cycling enthusiasts; World Pride Festival at the RFK Campus, Because They're Funny Comedy Festival at the Wharf, and Afro Plus Music Festival. Finally, Events DC launched the Events DC Academy, a program to provide returning citizens, marginalized community seniors and veterans with a structured hands-on learning experience preparing participants for successful careers in hospitality and meeting the workforce needs of District hospitality and service providers. We facilitated an apprenticeship in partnership with Capital Business Solutions and the Eastern Atlantic States Regional Council of Carpenters (EASRCC) convention carpentry training program. The 8-week rigorous program produced 10 graduates that will be immediately employed in carpentry.

The Cultural Affairs Department works to enriches the lives of Washington, DC residents, and visitors by creating inclusive, meaningful, and accessible cultural and community experiences across all eight wards. We connect and elevate DC communities through promotion of and partnerships with the city's diverse neighborhoods, embassies, theaters, museums, historic landmarks, professional sports teams and hundreds of visual and performing artists.

Highlights for the Cultural Affairs Department for FY2025 include:

- Distributed $750,000 in community grants to 66 DC-based nonprofits that promote youth programs in arts and athletics in all eight wards.

- Distributed $3.5 million in grants to support 11 nonprofits that hosted events which attracted more than 2.7 million people and delivered an economic impact of $325 million to the city.
- Distributed $1 million in Youth Development Grants to five DC-based nonprofits who offered summer programs that delivered impactful, sports-related extracurricular programs and activities to educate, engage and empower young people across the District of Columbia.
- Produced more than 50 events across all eight wards including the signature events of Day of Play (3,300 guests), Passport DC (80,000+ guests), Art All Night (6,300 guests), Walking Town (2,100 guests) and Costume Carnival (660 guests) – drawing people to destinations and businesses in all eight wards. Participation at Costume Carnival increased by 300% from 2023 and Art All Night by over 50 % from 2024.
- Launched two new citywide programs to appeal to different demographic groups, including Dog Days of Summer which attracted 177 humans and their furry family members and Community Cooldowns in collaboration with four ice cream shop owners, bringing more than 1,000 people to their businesses for afternoons of music and ice cream.
- Welcomed the Jordan Brand Classic back to Washington after a 23-year absence with a community activation at Sycamore and Oak (S+OAK) on the St. Elizabeths campus. The Jordan Brand Classic: DC Tip-Off Community Experience brought more than 600 new patrons to the food and retail vendors in S+OAK, featured the renowned Hoop Bus, games, music and more prior to the basketball game in CareFirst Arena.
- Rebranded, expanded and elevated Passport DC's Around the World Embassy Tour with 63 Embassies, the largest number of embassy open houses in the event's history.
- Distributed over $250,000 in community sponsorships to 61 organizations throughout the eight wards with three international community sponsorships touch points (International Day for Women and Girls of African Descent - Cali, Colombia, Rhythms Across the Diaspora: Go-Go x Colombia Negra | Black Alley Global Couture U.S. - Cultural Sponsorship**)**

Fiscal Year 2025 Financial Highlights

- Operating revenues for fiscal year 2025 were $34.7 million, an increase of 5.2 million or 17.9% over fiscal year 2024 operating revenues.

- At the Convention Center, despite maintaining the same number of events as in fiscal year 2024, (114), the team delivered significant gains in license agreements and revenue. The Authority's efforts in securing higher revenue- generating events such as the 2025 Presidential Inaugural Balls, the Government Finance Officers Association Conference and our traditional anchoring events such as the Association of the United States Army, OTAKON and American Geophysical Union, not only helped maintain strong revenues but also aided to increase revenues in some of our other categories to include: Catering, Electrical and Rigging. The Conventions and Meeting Division brought in $28.1 million in revenue for fiscal year 2025.

- Fiscal Year 2025 closed with strong overall performance for the Sports and Entertainment Division's Booking team. While the number of events decreased, revenue growth was achieved, primarily driven by an increase in both the frequency and scale of festivals hosted at the RFK Campus.

- The St. Elizabeths East campus hosted a total of 171 events during fiscal year 2025. CareFirst - Arena was home to several events outside of our amazing Washington Mystics' home season games, including the Coastal Athletic Association (CAA) Men's and Women's Basketball Championships.

- The Authority hosted 106 events at the RFK Campus, an increase from 97 events in fiscal year 2024. Among the most significant were the Afro Plus Festival presented by Events DC, Project Glow. RFK also served as the venue for World Pride presented by Club Glow. These events for the Sports & Entertainment Division helped bring in $3.4 million in revenue for fiscal year 2025.

- Operating expenses for fiscal year 2025 increased by $17 million, or 11%, over the fiscal year ended September 30, 2024, as restated, due to increased spending on contractual services costs associated with professional services, other project costs and personnel costs due to increased hirings.

- The Authority ended fiscal year 2025 with $503.2 million in total net position, which is an increase of $19.6 million, or 4.1%, compared to the fiscal year ended September 30, 2024, as restated. This increase in net position is attributed to an increase in total revenues (Operating, Dedicated Tax Revenues and Other Revenues).

- The Authority's long-term liabilities decreased by $36 million, or 9.6%, compared to fiscal year 2024, primarily due to scheduled payments of outstanding debt and the defeasement of some of the Authority's Tax Incremental Financing (TIF) Hotel Bonds during fiscal year 2025.

- The Statement of Cash Flows reflects an increase in cash and cash equivalents of $5 million.

Fiscal Year 2024 Financial Highlights

- Operating revenues for fiscal year 2024 were $29.5 million, a slight increase over our fiscal year 2023 revenue. Fiscal year 2024 saw a slight decrease in the number of events at the Convention Center of 114 vs 117 in fiscal year 2023.

- While the number of events decreased in fiscal year 2024, revenues maintained and had a slight increase because of our efforts in securing higher revenue generating events such as the 75th NATO Conference and the return of some of our larger events to the Convention Center.

- Events DC saw the return of some of its larger events to include: OTAKON, The Association of the United States Army and the Washington Auto Show. And it welcomed some newcomers to include: The US African Leaders Summit, American Thoracic and ID Week.

- Our major events included our traditional anchor events such as the Association of the United States Army, the Washington Auto Show and OTAKON; returning rotating major events such as the American Academy of Pediatrics, Society for Neuroscience and American Institute of Architects; and new events such as the Krewe of Pyros 2024 Mardi Gras Ball, the REALTORS Mid-Year Legislative Conference, PCMA's Business Events Industry Week and the National League of

Cities. We also hosted NATO's 75th Anniversary Summit and the World Convention of Narcotics Anonymous."

- The St. Elizabeths East campus hosted a total of 206 events during fiscal year 2024, equaling the number of events held during fiscal year 2023.

- The RFK Campus hosted a total of 97 events during fiscal year 2024, a slight decrease from the 113 events held during fiscal year 2023. Significant St. Elizabeths East campus events included the Citi Shamrock Classic Women's Basketball, the Coast Athletic Association Men's and Women's Basketball Championships and the majority of the Washington Mystics home season at the Entertainment and Sports Arena; the Army Ten-Miler Expo and the DC Bar Exam at the DC Armory; and Project GLOW and the Chocolate City Criterium at the RFK Campus.

- Operating expenses increased by $14.7 million, or 11%, from fiscal year due to contractual services costs associated with professional services, other project costs and personnel costs due to increased hirings.

- The Authority ended the fiscal year with $484.8 million in total net position, which is an increase of $55.7 million, or 13%, compared to the fiscal year ended September 30, 2023. This increase in net position is primarily attributed to an increase in total revenues.

- The Authority's long-term liabilities decreased by $15.8 million, or 4%, compared to fiscal year 2023, primarily due to scheduled payments of outstanding debt.

- The Statements of Cash Flows reflect a decrease in cash and cash equivalents of $7.5 million.

(1) Overview of the Financial Statements

The Authority's financial report includes Management's Discussion and Analysis, the Financial Statements, and Notes to the Financial Statements.

- The Financial Statements are designed to provide readers with a broad overview of the Authority's financial activities in a manner similar to private sector business. These financial statements are prepared in conformity with the U.S. Generally Accepted Accounting Principles (GAAP) applied to governmental units on a full accrual basis. Under this basis of accounting, revenues are recognized in the period they are earned, while expenses are recognized in the period they are incurred. Depreciation and amortization of capital and intangible assets are recognized in the Statement of Revenues, Expenses, and Changes in Net Position. The basic financial statements include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. This report also includes notes accompanying the statements to explain the activities detailed therein fully.

- The Statements of Net Position present information on all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is classified as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Authority's financial situation is improving or declining.

- The Statements of Revenues, Expenses, and Changes in Net Position report both the operating and non-operating revenues and expenses and other changes in net position for the end of the fiscal year.

- The Statements of Cash Flows present information showing how the Authority's cash and cash-equivalents position changed during the fiscal years. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, noncapital financing activities capital and related financing activities, and investing activities.

- The Authority's bonds are rated "Aa3" by Moody's Investor Service, "A+" by Standard & Poor's Global Ratings, and "AA" by Fitch Ratings Services.

(2) Financial Analysis

The following table reflects a summary of the Authority's net position as of September 30, 2025, 2024, and 2023 (in thousands):

Table 1
Condensed Statements of Net Position
(in thousands)

				Percentage change	
	2025	**2024 as restated-See Note 1**	**2023**	**2025-2024**	**2024-2023**
Assets:					
Current assets	$ 293,981	$ 319,581	$ 295,393	-8%	8%
Capital assets, net of accumulated depreciation and amortization	420,092	420,034	433,739	0%	-3%
Other non-current assets	225,740	223,251	212,868	1%	5%
Total Assets	939,813	962,866	942,000	-2%	2%
Deferred outflows of resources	8,878	9,444	10,010	-6%	-6%
Total Assets and Deferred Outflow of Resources	948,691	972,310	952,010	-2%	2%
Liabilities:					
Current liabilities	55,423	60,229	78,992	-8%	-24%
Noncurrent liabilities	375,887	413,046	427,686	-9%	-3%
Total Liabilities	431,310	473,275	506,678	-9%	-7%
Deferred Inflows of resources	14,230	15,455	16,303	-8%	
Net Position:					
Net Investment in capital assets	158,530	196,906	204,810	-19%	-4%
Restricted	169,113	152,557	146,838	11%	4%
Unrestricted	175,508	134,117	77,381	31%	73%
Total Net Position	**$ 503,151**	**$ 483,580**	**$ 429,029**	4%	13%

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position
(in thousands)
For the years ended September 30,

	2025	2024 as restated-See Note 1	2023	Percentage change 2025-2024	Percentage change 2024-2023
Operating Revenues:					
Venue Rental	$ 8,890	$ 8,828	$ 8,286	1%	7%
Building Lease rental	1,800	549	617	228%	-11%
Ancillary charges	24,034	20,076	20,512	20%	-2%
Total Operating Revenues	34,724	29,453	29,415	18%	0%
Operating Expenses:					
Personal services	50,432	44,111	38,623	14%	14%
Contractual services	64,650	56,483	48,672	14%	16%
Depreciation	39,738	38,521	39,415	3%	-2%
Occupancy	7,884	6,608	6,082	19%	9%
Miscellaneous	5,285	5,153	3,393	3%	52%
Total Operating Expenses	167,989	150,876	136,185	11%	11%
Operating loss	(133,265)	(121,423)	(106,770)	10%	14%
Non-operating Revenues and (Expenses):					
Interest income	19,943	25,516	17,104	-22%	49%
Dedicated taxes	205,536	199,297	176,794	3%	13%
TIF revenue	18,026	20,494	15,163	-12%	35%
Miscellaneous Revenue	(1,324)	1,500	-	-188%	
Bond interest	(13,324)	(14,760)	(15,219)	-10%	-3%
Marketing agencies payments	(52,606)	(49,560)	(32,601)	6%	52%
Miscellaneous Expenses	-	(2,010)	(24,405)	-100%	-92%
Total Non-operating Revenues and (Expenses)	176,251	180,477	136,836	-2%	32%
Excess Cash Transfer to District	(23,415)	(3,322)	(9,027)	605%	-63%
Change in net position	19,571	55,732	21,039	-65%	165%
Restatment GASB 101	-	(1,181)	-	-100%	
Net Position, beginning of year as Restated	483,580	429,029	407,990	13%	5%
Net Position, End of Year	**$ 503,151**	**$ 483,580**	**$ 429,029**	4%	13%

2025 - The Authority's total net position increased by $19.6 million, or 4.1%, for the year ended September 30, 2025. As of September 30, 2025, the Authority had a total net position of approximately $503.2 million, made up of the following: $158.5 million in Net Investment in Capital Assets, $169.1 million Restricted Net Position and $175.5 million in Unrestricted Net Position. While the increase in net position is not as large as the $54.4 million or 13% increase in fiscal year 2024, as restated, it still shows the Authorities' continued improvements due to increases in Operating Revenues and Dedicated Tax Revenues (See Statement of Net Position on page 19).

2024 - The Authority's total net position increased by $55.7 million, or 13%, for the year ended September 30, 2024. As of September 30, 2024, the Authority had a total net position of $484.8 million, with the largest portion of the Authority's net position, $196.9 million, or 41%, representing a net investment in capital assets. The Authority's remaining net position, $152.6 million, or 31%, reflects resources subject to external restrictions on how they may be used (primarily related to the Authority's bond indenture minimum reserve requirements). The unrestricted net position was $135.3 million.

The Authority continues its strong bounce back from the COVID -19 pandemic due to continued increases in Operating Revenues from Events, increase TIF Revenues and the sale of the Marriot Marquis Hotel Building in fiscal year 2022. The unrestricted reserves for fiscal year 2024 exceed Pre-pandemic numbers and is at its highest in more than five years at $135.3 million.

Analysis of Changes in Net Position

<u>Revenues</u>

For the fiscal years ended September 30, 2025, 2024, and 2023 the Authority's operating revenues were. $34.7 million, $29.5 million, and $29.4 million, respectively.

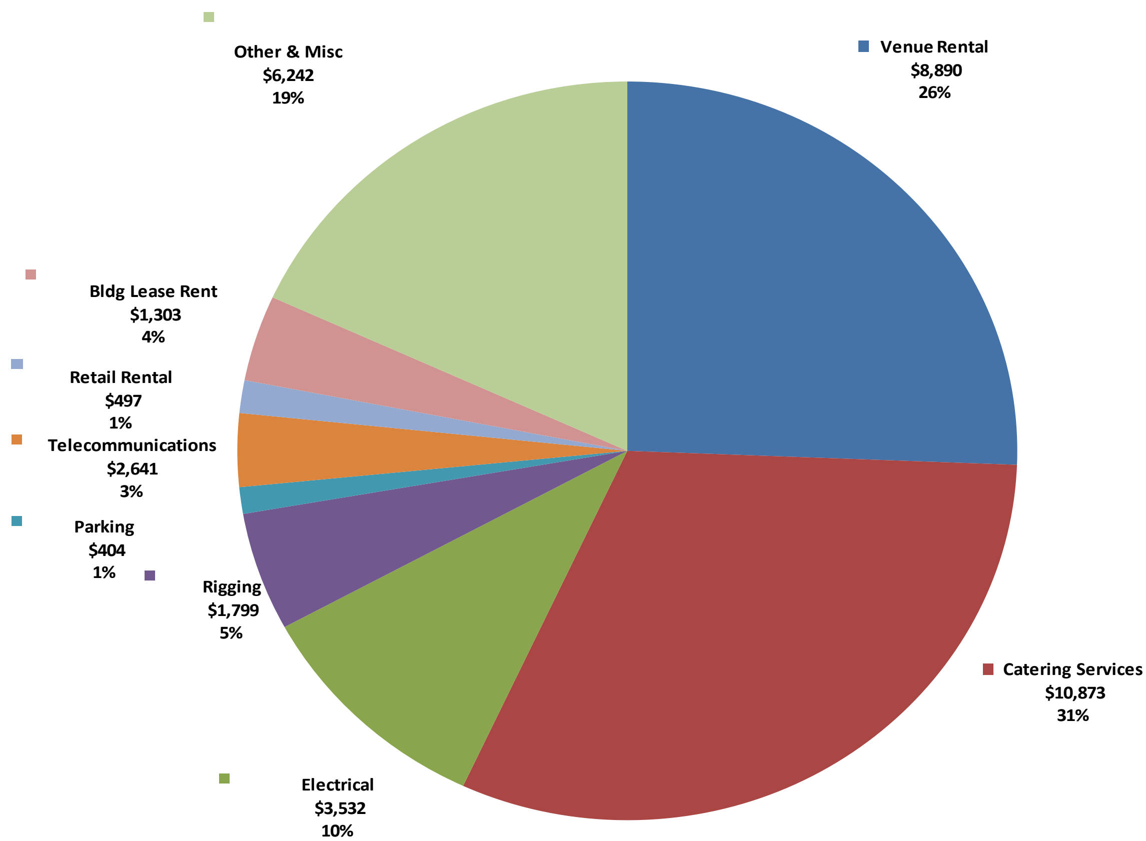
2025 – total operating revenues increased by $5.2 million, or 17.9%. While there was no increase in total events across all venues, the Authority maintained its levels from fiscal year 2024 but yielded higher revenue generating events for fiscal year 2025. This was accomplished by increased revenues in ancillary services related to these events to include: catering, rigging and electrical service revenues.

Dedicated Taxes and TIF Revenues are reported as non-operating revenues. Dedicated Tax Revenues showed an increase of $ 6.2 million while TIF revenues decreased by $2.5 million compared to fiscal year 2024 but this revenue is only provided for the payment of debt service on the Hotel TIF bonds any excess is returned to the district.

2024 – total operating revenues increased by $38 thousand, or 0.13%. This slight increase was due to hosting fewer events in FY24 compared to FY23, which were, however, higher revenue-generating events.

Dedicated Taxes and TIF revenues, which are non-operating revenues, increased by $22.5 million and $5.3 million respectively compared to fiscal year 2023. The continued post pandemic surges in economic growth resulted in increases in tax revenue throughout the city, which resulted in increased Dedicated taxes and TIF Revenue.

The following is a graphic illustration of 2025 operating revenues by source. (In Thousands)



Expenses

For fiscal years 2025, 2024, and 2023, the Authority's total operating expenses were $168 million, $150.9 million, and $136.2 million, respectively.

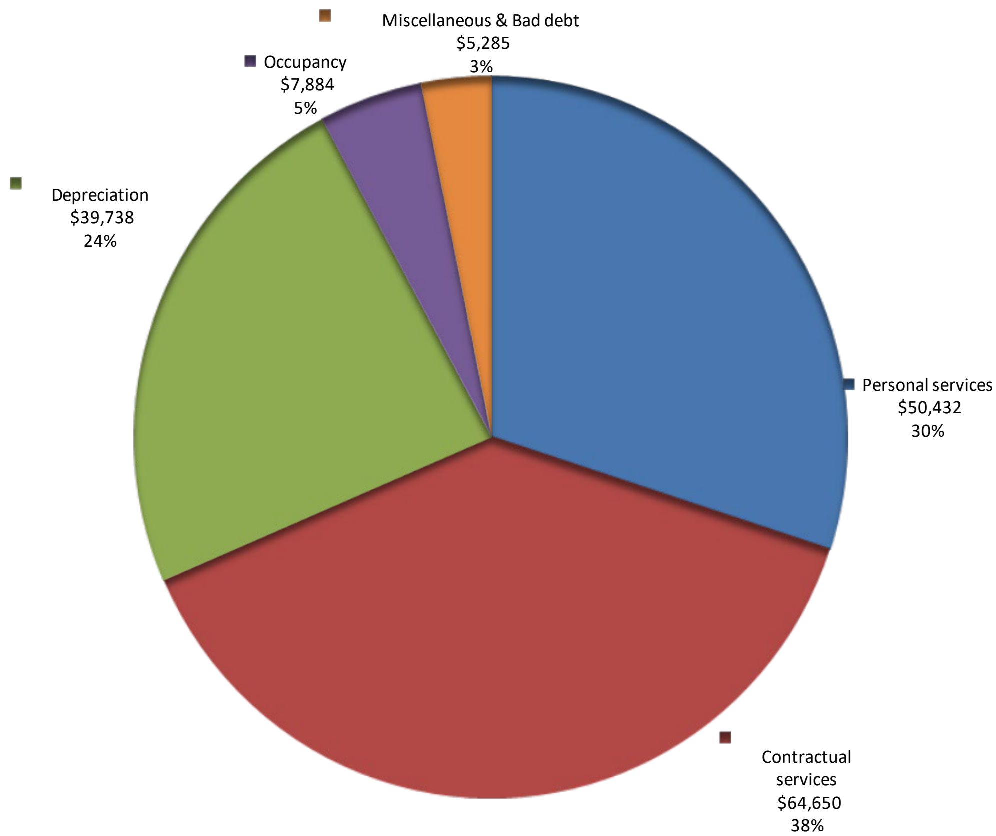
2025 - Total operating expenses increased by $17 million, or 11%, from fiscal year 2025 primarily due to increased spending on contractual services and personnel costs.

Personnel costs increased by $7.5 million due to aggressive measures taken by management to fill vacant positions in line with the increased level of operations throughout fiscal year 2025 and COLA increases for all employees covered by collective bargaining agreements and other staff.

Contractual Services related to professional services increased by $8.2 million primarily due to costs to continue the demolition of RFK Stadium, expenses related to National Stadium and other repairs and maintenance at the DC Armory and the Convention Center and Sponsorships to support other local business events.

2024 - Total operating expenses increased by $14.7 million, or 11%, from fiscal year 2023 primarily due to increased spending to generate revenue and economic impact for the District and strengthen Event DC internal operations, and community and partnership engagements. Personnel costs increased by $5.4 million because of aggressive measures taken by management to fill vacant positions in line with the increased level of operations throughout fiscal year 2024. Contractual Services related to professional services increased by $7.8 million primarily due to costs to continue the demolition of RFK Stadium, increases cost to support our information technology infrastructure and costs needed to support increased event engagements and to support community grant and sponsorship programs for fiscal year 2024.

The following is a graphic illustration of 2025 operating expenses. (In Thousands)



(3) Capital Asset and Debt Administration

Capital Assets

The Authority had invested $420.1 million, and $420 million in capital assets, net of depreciation as of September 30, 2025, and 2024, respectively. The Authority's 2025 net capital assets increased slightly from fiscal year 2024 as more assets that were in Construction in Progress (CIP) from prior fiscal years were transferred to Capitalized Assets in fiscal year 2025. The Authority's investments in fiscal year 2025 were related to major capital improvements that included: Roof Repairs, Restroom Upgrades and Concrete Restorations to the Convention Center.

Table 3 summarizes the Authority's capital assets, net of accumulated depreciation as of September 30, 2025, 2024, and 2023. The changes are presented in detail in Note 4 to the financial statements.

Table 3
Capital Assets and Right-to- Use -Asset (Net of Depreciation and Amortization)
(in thousands)

							Percentage Change	
		2025		**2024**		**2023**	**2025-2024**	**2024-2023**
Non-depreciable								
Land	$	4,785	$	4,785	$	4,785	0%	0%
Construction in progress		2,875		31,745		18,655	-91%	70%
Artwork		2,742		2,742		2,742	0%	0%
Total non-depreciable capital assets	**$**	**10,402**	**$**	**39,271**	**$**	**26,182**		
Depreciable and Amortizable								
Building		769,409		769,409		769,409	0%	0%
Building improvements		124,813		65,819		62,453	90%	5%
Stadium structure		19,037		19,037		19,037	0%	0%
Building Improvements/Displays (SED)		33,763		33,763		33,762	0%	0%
Building-CareFirst Arena		73,976		73,976		73,976	0%	0%
RFK Multi-Purpose Fields		39,261		39,261		39,261	0%	0%
Parking Lot improvements		8,415		8,415		7,474	0%	13%
Central plant		16,335		16,335		16,335	0%	0%
Right to Use-Building (Carnegie Library)		14,798		14,798		14,798	0%	0%
Financial systems		11,684		9,612		8,399	22%	14%
Furniture and fixtures		46,365		41,062		37,620	13%	9%
Machinery and equipment		45,736		43,446		40,684	5%	7%
Total depreciable and amortizable capital assets	**$**	**1,203,591**	**$**	**1,134,933**	**$**	**1,123,208**		
Less accumulated depreciation	$	793,901	$	754,170	$	715,651	5%	5%
Net depreciable and amortizable capital assets	**$**	**409,690**	**$**	**380,763**	**$**	**407,557**		

Debt Administration

The Authority had $392.6 million and $427 million in long-term liabilities outstanding, including current maturities, as of September 30, 2025, and 2024, as restated. Principal payments of $16.3 million and $13.5 million were made during the fiscal years 2025 and 2024, respectively. The Authority's long-term liabilities are summarized below and presented in more detail in the financial statements (see Note 7 for more information on long-term debt).

Table 4
Long-Term Debt Outstanding
(in thousands)

				Percentage change	
	2025	**2024 as Restated**	**2023**	**2025-2024**	**2024-2023**
Bonds Payable, Premium & Deferral	$ 384,985	$ 419,752	$ 434,977	-8%	-4%
Lease Liability	4,010	4,137	4,267	-3%	-3%
Compensated Absences	3,921	3,150	1,856	24%	70%
Total debt outstanding	392,916	427,039	441,100	-8%	-3%
Current portion of debt outstanding	16,285	13,570	13,040	20%	4%
Debt outstanding less current portion	**$ 376,631**	**$ 413,469**	**$ 428,060**	-9%	-3%

The Authority's bonds are rated "Aa3" by Moody's, "A+" by Standard & Poor's Corporation, and "AA" by Fitch Ratings Services.

(4) Budgetary Controls

The Authority adopts an operating and capital budget approved by its Board of Directors in March of each year for the subsequent fiscal year. The budgets are reviewed and adjusted, if necessary, and the Board approves changes. The budgets are loaded into the Authority's Financial Management System. The Financial Management Division prepares monthly reports for the Board of Directors and its Finance Committee. The reports are reviewed and acted upon each month to ensure the Authority complies with its authorized budget levels.

After approval by the Board of Directors, the Authority is required to submit its annual operating and capital budgets to the Mayor and Council of the District of Columbia to be included in the District's budgets sent to the United States Congress for approval.

(5) Economic Factors

The District's efforts to adjust to a slowing economy and high inflation towards the later part of fiscal year 2025 had no immediate impact on the Authority. The Authority was still able to maintain the same level events as it did in fiscal year 2024. The Authority saw increase in operating revenues by $5.2 million to end the fiscal year at $34.7 million in operating revenues for fiscal year 2025. Dedicated taxes, which are derived from hotel and restaurant taxes increased by $6.2 million, or 3.13%.

On September 30, 2025, OCFO revenue estimates decreased Dedicated tax projections for fiscal year 2026 through fiscal year 2029 by an average of $8 million a year over the next four years. The Authorities fiscal years 2026-2029 financial plan will be revised in January 2026 to be in line with the decreased Dedicated taxes by adjusting planned spending on Capital Projects and Other Contractual Services.

(6) Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Financial Management Division, Attention, Veronica Taylor, Washington Convention and Sports Authority, 801 Allen Y. Lew Place N.W., Washington, DC 20001.

WASHINGTON CONVENTION AND SPORTS AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2025 AND 2024
(Dollar Amounts in Thousands)

	2025	2024 as Restated
Assets		
Current assets:		
Cash-Unrestricted	$ 13,659	$ 9,787
Cash-Restricted	6,450	5,311
Investment	232,256	254,858
Due From District	21,009	27,526
Accounts Receivable, Net of Allowance for Uncollectible Accounts	14,596	15,389
Prepaid and Others	3,495	3,762
Accrued Interest	2,516	2,948
Total current assets	**293,981**	**319,581**
Noncurrent Assets		
Lease Receivable	9,681	10,129
Restricted Investment	216,059	213,122
Non-Depreciable Capital Assets	10,402	39,271
Depreciable and Amortizable Capital Assets, Net	409,690	380,763
Total Noncurrent Assets	**645,832**	**643,285**
Total Assets	939,813	962,866
Total Deferred Outflows of Resources - Bond Refunding	8,878	9,444
Total Assets and Deferred Outflows of Resources	**$ 948,691**	**$ 972,310**
Liabilities		
Current Liabilities		
Accounts Payable	11,002	22,072
Other Current Liabilities	2,745	4,242
Due to DC Government	7,064	998
Accrued Compensation and Absences-Current	2,160	2,062
Unearned Revenue	8,704	9,098
Accrued Interest Payable	7,340	8,060
Lease- Current Portion	123	127
Debt- Current Portion	16,285	13,570
Total Current Liabilities	**55,423**	**60,229**
Noncurrent Liabilities		
Accrued Compensation and Absences	3,299	2,854
Lease- Long Term	3,887	4,010
Bonds Payable	368,701	406,182
Total Noncurrent Liabilities	375,887	413,046
Total Liabilities	**431,310**	**473,275**
Total Deferred Inflows of Resources - GASB 87 Leases	14,230	15,455
Net Position		
Investments in Capital Assets, Net	158,530	196,906
Restricted Net Position:		
Kenilworth Park	144	144
Debt Service & Capitalized	16,657	12,486
Capital Renewal	40,591	39,857
Operating & Marketing fund	68,173	64,962
Debt Service Reserve	43,548	35,108
Unrestricted Net Position	175,508	134,117
Total Net Position	**503,151**	**483,580**
Total Liabilities, Net Position and Deferred Inflow of Resources	**$ 948,691**	**$ 972,310**

The accompanying notes are an integral part of these financial statements

WASHINGTON CONVENTION AND SPORTS AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(Dollar Amounts in Thousands)

	2025	2024 as Restated
Operating Revenue and Expenses		
Operating Revenue:		
Venue Rental	$ 8,890	$ 8,828
Catering Services	10,873	5,671
Electrical Services	3,532	3,752
Rigging Services	1,799	1,597
Parking Revenue	404	248
Telecommunications Services	1,113	2,681
Retail & Office Space Rental	497	480
Advertising & Sponsorship	583	286
Building Lease Rental	1,303	549
Digital Revenue	178	191
Audio and Visual	1,136	1,047
Miscellaneous Revenue	4,416	4,123
Total Operating Revenues	**34,724**	**29,453**
Operating Expenses:		
Personnel and Payroll Services	50,432	44,111
Contractual Services	64,650	56,483
Occupancy	7,884	6,608
Miscellaneous Expenses	5,285	5,153
Depreciation and Amortization Expense	39,738	38,521
Total Operating Expenses	**167,989**	**150,876**
Operating Loss	**(133,265)**	**(121,423)**
Nonoperating Revenues and (Expenses)		
Debt Services	(13,324)	(14,760)
Marketing Agencies Payments	(52,606)	(49,560)
Miscellaneous Expenses	-	(2,010)
Interest Income-Total	19,943	25,516
Dedicated Tax	205,536	199,297
TIF Revenue	18,026	20,494
Miscellaneous -Non-operating	(1,324)	1,500
Total Nonoperating Revenues	**176,251**	**180,477**
Excess Cash Transfer to District	**(23,415)**	**(3,322)**
Increase in Net Position	**19,571**	**55,732**
Restatement GASB 101	**-**	**(1,181)**
Net Position, Beginning of Year, as Restated	**483,580**	**429,029**
Net Position, End of Year	**$ 503,151**	**$ 483,580**

The accompanying notes are an integral part of these financial statements

WASHINGTON CONVENTION AND SPORTS AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Dollar Amounts in Thousands)

	2025	2024
Cash flows from operating activities:		
Receipts from Customers	$ 35,571	$ 31,183
Payments to Suppliers	(90,119)	(84,498)
Payments to Employees	(48,708)	(44,462)
Other Receipts (Payments)	6,066	(976)
Net cash used in Operating Activities	(97,190)	(98,753)
Cash flows from Noncapital Financing Activities:		
Dedicated Tax Receipts	212,053	192,406
Tax Incremet Financing Tax Receipts	18,026	20,494
Transfer toTourism Responsibility Centers	(52,606)	(49,560)
Other Payments	(36,739)	(20,092)
Other Receipts	(2,549)	4,662
Net cash provided by Noncapital Financing Activities	138,185	147,910
Cash flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(39,787)	(24,817)
Proceeds from disposal of fixed assets	(8)	-
Lease Payments	(127)	(130)
Principal payment on bonds	(32,580)	(13,040)
Interest payments	(2,340)	(1,846)
Net cash used in Capital and Related Financing Activities	(74,842)	(39,832)
Cash flows from Investing Activities:		
Proceeds from sale and maturities of investment securities	270,911	202,321
Purchases of investment securities	(251,247)	(242,700)
Interest and dividends on investments	20,375	23,481
Net cash flow provided (used) by investing activities	40,039	(16,898)
Net (decrease) increase in cash and cash equivalents	6,192	(7,574)
Cash and Cash Equivalents, Beginning of Year	15,098	22,672
Cash and Cash Equivalents, End of Year	**$ 21,290**	**$ 15,098**
Reconciliation of Operating Loss to Net Cash Used In Operating Activities		
Operating Loss	**$ (133,265)**	**$ (121,423)**
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation and Amortization	39,738	38,521
Increase (Decrease) Allowance for Doubtful Accounts	402	237
Increase in Receivables	839	667
(Increase) in Prepaid Expenses and Other Assets	267	2,248
Increase in Accounts Payable	(4,875)	(19,417)
(Decrease) Increase in Compensation Absences	98	(412)
(Decrease) Increase in Unearned Revenue	(394)	826
Net Cash Used in Operating Activities	**$ (97,190)**	**$ (98,753)**

The accompanying notes are an integral part of these financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Washington Convention Center and Sports Authority's accounting policies conform to U.S. Generally Accepted Accounting Principles (GAAP) as applicable to government enterprises. The following is a summary of the Authority's significant accounting policies:

Reporting Entity

The Washington Convention Center Authority (WCCA, or Authority), a corporate body and independent Authority of the District of Columbia (District) Government, was created pursuant to the Washington Convention Center Authority Act of 1994 (the WCCA Act), effective September 28, 1994.

On October 1, 2009, the Washington Convention and Sports Authority (WCSA) was formed following the transfer of the DC Sports and Entertainment Commission's mission, responsibilities, and assets to WCCA in accordance with the Washington Convention Center Authority and Sports and EntertainmentCommission Merger Amendment Act of 2009.

Following the transfer, the Authority's Board of Directors (the Board) grew from nine to twelve members. Three members, including the District's Chief Financial Officer, the chief executive of the Hotel Association of Washington DC, and the third person designated by the mayor, serve as voting ex-officio members. The remaining nine public members are appointed by the mayor with the consent of the Council of the District of Columbia (the Council). The terms of the public members are four years. The mayor appoints one public member as chairperson with the advice and consent of the Council.

In June 2011, the Washington Convention and Sports Authority launched a new brand name, "Events DC."

Events DC receives its funding by generating operating revenues from conventions, meetings, sports events, parking, advertising, sponsorships, and ancillary operations. A significant part of the funding comes from dedicated taxes from the hospitality industry. In addition, it receives interest and dividend income from investments. The dedicated taxes were established pursuant to the WCCA Act. The dedicated taxes consist of separate sales and use tax of 4.45% (of the District's 14.5%) on hotel room charges and a sales and use tax of 1% (of the District's 10%) on restaurant meals, alcoholic beverages consumed on-premises, and rental vehicle charges. Effective October 1, 2017, the hotel room charges of 14.5% changed to 14.8% subsequently raised to 14.95% with an additional 0.3% increase going to Destination DC through the Authority for marketing and promoting the District of Columbia as a destination. The dedicated taxes are collected on behalf of the Authority in accordance with the September 1998 Lockbox and Collection Agreements executed by the Authority, the District, and a financial institution. Effective April 1, 2023, the dedicated taxes increased from 14.95% to 15.95% with 1% additional sales dedicated to Destination DC to boost tourism in the City. The transfer of the 1% hotel additional sales tax will end at the start of FY2026. Destination DC will continue to receive the 0.3% hotel sales tax.

The Authority is a component unit of the District of Columbia Government.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The Authority's basic financial statements are reported using the economic resources measurement focusand the full accrual basis of accounting. Revenues are recorded when earned and expenses are recordedwhen a liability is incurred, regardless of the timing of related cash flows. The economic measurement focus reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations, which are included in the Statements of Net Position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The financial statements have been prepared in accordance with GAAP as prescribed by the Governmental Accounting Standards Board (GASB). They are presented as required by these standards to provide a comprehensive perspective of the Authority's net position, changes in net position, and cash flows.

For financial reporting, the Authority is a single enterprise fund. However, for accounting purposes and to ensure observation of limitations and restrictions placed on the use of the resources available to the Authority, accounts are maintained in accordance with the principles of fund accounting.

The Authority accounts for its activities in six separate funds: the Operating (C&M) Fund, the Hotel TIF Fund, the Marketing Fund, Capital (C&M) Fund, operating (SED) RFK Campus Fund, and Operating (SED) Saint Elizabeth's Fund. The following activities are reported in each fund:

a. Operating (C&M) Fund – The operating fund accounts for the transactions related to the convention centers, Carnegie Library's operation and any operational transactions related to National's Park Stadium.

b. Hotel TIF Fund – The Hotel TIF fund accounts for the transactions related to the hotel bonds.

c. Marketing Fund – The marketing fund accounts for the transactions related to marketing and promoting conventions and tourism in the District.

d. Capital (C&M) Fund – The capital fund accounts for the transactions related to capital improvements for the Convention Center, Carnegie Library, RFK Memorial Stadium, DC Armory, ESA, Gateway, and the National's Park Stadium.

e. Operating (SED) Fund – The operating SED fund accounts for transactions related to the operation of Robert F. Kennedy Memorial Stadium and DC Armory.

f. Operating (St. Elizabeth's) Fund – the operating St. Elizabeth's Fund accounts for transactions related to the operation of the CareFirst Arena, The RISE Center and Gateway.

Current and Non-current

Current assets are used to designate cash and other assets, or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with normal business operations. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets or the creation of other current liabilities.

Use of Restricted Components of Net Position

The Authority spends restricted funds only on the purpose for which they were restricted a consideration may be granted to use the restricted operating and marketing funds when the unrestricted amounts are insufficient or unavailable.

Cash and Cash Equivalents

The Authority considers all highly liquid instruments purchased with an original maturity of less than ninety (90) days to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounts Receivable

Accounts receivable, which are recorded at net realizable value, are related to transactions involving building rental (related to events and conferences), electrical, telecommunications, audio-visual, advertising, sponsorships, parking, trade accounts receivable, tenant space rental and miscellaneous transactions. As of September 30, 2025, and 2024, accounts receivable, net was $14.6 million and $15.4 million, respectively.

Allowance for Uncollectible Accounts

The Authority establishes an allowance for uncollectible accounts for all accounts receivable aged over 180 days and based on management's review of specific accounts. As of September 30, 2025, and 2024, the allowance for uncollectible accounts was $1.3 million and $943 thousand, respectively. These amounts are included in the net accounts receivable balance reported on the Statements of Net Position.

Investments

Investments in money markets and repurchase agreements are recorded at fair value. Treasury obligations and commercial paper are recorded at amortized cost, which approximates fair value.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of the assets' availability. Such constraints are either externally imposed by creditors, contributors, grantors, or other governments' laws or are imposed by law through enabling legislation.

Capital Assets and Depreciation/Amortization

Capital assets are carried at cost. The Authority capitalizes assets with an original cost of $5,000 or greater. Donated capital assets are measured at the acquisition value on the date of donation in accordance with GASB Statement No. 72 *Fair Value Measurement and Application* and right-to-use assets are recorded at the net present value of minimum lease payments including all expected renewal periods. Land and artwork are carried on the Authority's books at cost and are not depreciated. Depreciation and amortization expense is calculated using the straight-line method over the following estimated useful lives. Right-to-use assets are amortized based on the lesser of the lease term or remaining estimated useful life. The categories of capitalized assets are listed below:

Financial Systems	5 years
Machinery and Equipment	5 years
Furniture and Fixtures	10 years
Central Plant	20 years
Building and Building Improvements	30 years
Structure and Parking Lot Improvements	5-35 years
RFK Stadium	50 years

Expenditures for repairs and maintenance that do not increase the useful economic lives of related assets are charged to operations during the fiscal year in which the costs are incurred. Improvements are capitalized.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred Outflows of Resources

On February 22, 2018, and on May 14, 2021, the Authority defeased series 2010C and Series 2010B bonds and incurred bond refunding costs. The cost is the difference between the reacquisition price and the net carrying amount of the old debts and is deferred and amortized over the remaining life of the old debt Series 2010C and 2021B bonds are amortized over 22 years. As of September 30, 2025, bond refunding costs, which are reflected as a deferred outflows of resources in the Statements of Net Position, totaled $8.9 million and $9.4 million for fiscal years 2025 and 2024 respectively.

Deferred Inflows of Resources

Deferred inflows of resources consist of unamortized lease revenue from leases where the Authority leases the space to third parties. As of September 30, 2025, and 2024 the deferred inflows of resources were $14.2 million and $15.5 million, respectively.

Bond Premium and Discount

The bond premium and discount are recorded as an increment of the carrying cost of the bonds. Both are amortized based upon the weighted average of bonds outstanding over the term of the bonds.

Unearned Revenue

Unearned revenue represents money and deposits received in advance from show managers and promoters for events booked at the Walter E. Washington Convention Center and the Sports & Entertainment Division.

Revenue Recognition

Revenues are recorded when earned. Dedicated and Tax Increment Financing taxes are recorded in the period when the exchange transaction on which the tax is imposed occurs.

Compensated Absences

The Authority accrues a liability for annual leave and now sick leave based on the implementation of GASB 101 in fiscal year 2024. This is based on salary rates and accumulated leave hours on September 30th.

Employees earn annual leave and sick leave during the year at varying rates, depending on their classification and years of service.

Generally, non-union employees may carry over a maximum of 240 hours for each leave type annually and union employees may carry a maximum of 320 hours beyond December 31 of each calendar year depending upon the terms of their collective bargaining agreements. Carryover of annual and sick leave in excess of 240 and 320 hours is permitted with appropriate Authority officials' approval. The accrued yearly maximum leave balance for annual leave is payable to employees upon termination of employment. There is no payout of sick leave balances upon termination of employment with the Authority.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Components of Net Position

Net position is reported in the following categories:

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Under the Bond Trust agreements, the Authority is required to maintain specific reserve requirements for debt service, operating and marketing, capital renewal and replacement, marketing, and hotel projects. As of September 30, 2025, and 2024, the Authority's restricted fund balance was $169.1million and $152.6 million, respectively.

Unrestricted - This amount is the portion of net position that does not meet the definition of net investment in capital assets or restrictions.

Revenues and Expenses

The Authority distinguishes between operating revenues and expenses and non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The Authority's principal operating revenues consist of building rental, electrical, telecommunications, food services, retail/office, advertisements and sponsorship, and miscellaneous revenues such as audio-visual, event services, meeting setup charges, and equipment rental. Operating expenses include personnel services, contractual services, depreciation, occupancy, payment to District of Columbia, and miscellaneous expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimatesand assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the financial statements' date. Estimates and assumptions may also affect the reported amounts of revenues and expenses. Accordingly, actual results could differ from those estimates.

Implemented New Accounting Standards

The Authority implemented GASB Statement No. 101 *Compensated Absences* as of fiscal year 2025 but have restated our fiscal year 2024 financials to reflect of the impact of the statement, which was effective after December 15, 2023, for comparison. See our restatement section within Note 1 and Note 3 detailing our approach to implementing GASB 101. The Authority also implemented GASB 102 *Certain Risk Disclosures* but determined there was no impact on the Authorities' fiscal year 2025 financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New Accounting Standards to be Implemented

The Authority has not determined the impact, if any, that implementation of GASB Standard No. 103 *Financial Reporting Model Improvements* and GASB *104 Disclosure of Certain Capital Assets,* but will have on its financial statements but will evaluate the impact of this standard in fiscal year 2026.

Reclassifications

Certain reclassifications were made to prior year's disclosures to conform to current year's presentation (See Note 2, Fair Value Measurement Table).

Restatement

In fiscal year 2025, the Authority adopted GASB Statement No. 101 Compensated Absences, which established a standardized approach for recognizing and measuring liabilities related to compensated absences. The standard broadens the definition of compensated absences to include all forms of leave that employees may use for time off, including leave that accumulates.

The implementation of GASB 101 resulted in a change in the method of calculating compensated absences, particularly related to sick leave and other leave types that were not previously recognized or measured differently. As a result, the Authority has restated its fiscal year 2024 financial statements to reflect the impact of adopting this new standard, as shown in the table below.

	Washington Convention and Sports Authority		
Description	**Fiscal Year 2024 as Reported**	**Effect of GASB 101 Restatement**	**Fiscal Year 2024 as Restated**
Compensated Liabilities	$1,673	$1,181	$2,854
Total Noncurrent Liabilities	$411,865	**$1,181**	$413,046
Total Liabilities	**$472,074**	**$1,181**	**$473,255**
Unrestricted Net Position	$135,298	-$1,181	$134,117
Total Net Position	**$484,761**	**-$1,181**	**$483,580**

NOTE 2 CASH DEPOSITS AND INVESTMENTS

Cash Deposits

The Authority's cash-carrying amounts as of September 30, 2025, and 2024 were $20.1 million and $15.1 million, respectively. The Authority's bank balances as of September 30, 2025, and 2024 were $20.1 million and $15.9 million, respectively. These bank balances are entirely insured or collateralized with third parties' securities in the Authority's name.

Investments

In accordance with the Authority's investment policy adopted in 1997 and amended in 2009, the Authority may invest in bonds, notes, certificates of indebtedness, treasury bills, or other securities guaranteed by the U.S. Government, its agencies such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); domestic interest-bearing savings accounts; certificates of deposit; time deposits or any other investments that are direct obligations of any bank; short-term obligations of U.S. Corporations; shares or other securities legally issued by state or federal savings and loan associations that are insured by the FDIC; money market mutual funds registered under the amended Investment Act of 1940; repurchase agreements with any bank, trust company, or national banking association or government bond dealer reporting to the Federal Reserve Bankof New York; and investment agreements which represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution.

As of September 30, 2025, and 2024, the Authority's investments were in money market, deposit accounts, U.S. treasury bills, U.S. treasury notes, and collateralized repurchase agreements. U.S. treasury bills, U.S. treasury notes and money market investments were rated AAA and/or collateralized.

***Fair Value Measurement**:* The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted Prices in Active Markets for Identical Assets
Level 2: Significant Other Observable Inputs
Level 3: Significant Unobservable Inputs.

Certain investments are measured at Net Asset Value as a practical expedient for fair value. Investments measured using NAV are not included within the fair value hierarchy.

NOTE 2 CASH DEPOSITS AND INVESTMENTS *(continued)*

The Authority has the following recurring fair value measurements as of September 30, 2025, and 2024.

Investment Instrument Measured at Fair Value
(In Thousands)

Fair Value Measurement Using

Investment by Fair Value Level	9/30/2025	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
US Treasuries	$ 254,116	$ 254,116	$ -	$ -
Total Debt Securities	**$ 254,116**	**$ 254,116**	$ -	$ -
Investment Measured at the net asset value (NAV)				
Money Market Deposits	$ 161,378			
Guaranteed Investment Contract (GIC)	32,821			
Total Investment Measured at NAV	**$ 194,199**			
Total Investments Measured at Fair Value	**$ 448,315**			

Fair Value Measurement Using

Investment by Fair Value Level	9/30/2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
US Treasuries	$ 265,041	$ 265,041	$ -	$ -
Total investments by fair value level	**$ 265,041**	**$ 297,862**	$ -	$ -
Investment Measured at the net asset value (NAV)				
Money Market Deposits	$ 170,118			
Guaranteed Investment Contract (GIC)	32,821			
Total Investment Measured at NAV	**$ 202,939**			
Total Investments Measured at Fair Value	**$ 467,980**			

NOTE 2 CASH DEPOSITS AND INVESTMENTS *(continued)*

The Authority’s investments are subject to certain risks. Those risks are as follows:

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not recover the value of its investments. As of September 30, 2025, and 2024, respectively, 7% and 7% of the Authority's investments were held by an insured and or collateralized counterparty.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. The risk may vary based on the type of investment. As of September 30, 2025, and 2024, all funds were invested in AAA-rated money market funds, AAA-rated U.S. treasury bills, AAA-rated U.S. treasury notes and collateralized repurchase agreements, thereby limiting the Authority's exposure to interest rate risk. In accordance with the Authority's investment policy, the investment maturities vary from 1-3 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority’s investment policy limits investments to investments that are highly rated by Moody’s or Standard & Poor’s. As of September 30, 2025, and 2024, the Authority's investments were all in AAA-rated short-term money market funds, AAA-rated U.S. treasury bills, AAA-rated U.S. treasury notes and collateralized repurchase agreements.

Concentration of Credit Risk: To limit exposure to credit risk concentrations, the Authority's investment policy limits investment in U.S. Treasuries to 100%, Federal Agencies to 40%, money market mutual funds and repurchase agreements to 25% each to any one issuer.

As of September 30, 2025, the Authority had the following investment concentrations: U.S. Treasuries 57%, Money Market (Invesco) funds 12%, Money Market (Dreyfuss) funds 24% and Guaranteed Investment Contracts, reclassified 7%.

As of September 30, 2024, the Authority had the following investment concentrations: Us Treasuries 53%, US Treasury Notes 3%, Money Market (Invesco) funds 12%, Money Market (Dreyfuss) funds 24% and Guaranteed Investment Contracts, reclassified 7%.

NOTE 2 CASH DEPOSITS AND INVESTMENTS *(continued)*

The Authority held funds in various reserve accounts to meet the requirements. As of September 30, 2025, and 2024, those restricted funds totaled approximately $216.1 million and $213.1 million, respectively.

The following tables summarize the minimum reserve requirements and restricted and unrestricted amounts as of September 30, 2025, and 2024 (in thousands).

Reserve Accounts	Investment Balance as of September 30, 2025	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
Series 2018 A, 2018 B and 2021C Bonds (Convention Center Bonds)			
Capital Renewal & Replacement	$ 149,729	$ 40,591	$ 109,137
Debt Service Account	23,892	23,892	-
Debt Service Reserve Acct	36,313	36,313	-
Operating & Marketing Reserve Acct	179,054	68,173	110,881
Revenue Account	12,237		12,237
Totals	**$ 401,225**	**$ 168,969**	**$ 232,255**
Series 2021A 2021B Bonds (Hotel Bonds)			
Tax Increment Financing Revenue Account	$ 32,947	$ 32,947	$ -
Debt Service Reserve Accounts	14,142	14,142	-
Totals	**$ 47,089**	**$ 47,089**	**$ -**
Total Restricted and non-restricted Investments	**$ 448,314**	**$ 216,059**	**$ 232,255**

Reserve Accounts	Investment Balance as of September 30, 2024	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
Series 2018 A and 2021C Bonds			
Capital Renewal & Replacement	$ 138,616	$ 39,857	$ 98,759
Debt Service Account	16,927	16,927	-
Debt Service Reserve Acct	30,667	30,667	-
Operating & Marketing Reserve Acct	195,840	63,808	132,032
Revenue Account	25,221		25,221
Totals	**$ 407,271**	**$ 151,259**	**$ 256,012**
Series 2021 and 2018B Bonds			
Tax Increment Financing Revenue Account	$ 38,194	$ 38,194	$ -
Debt Service Reserve Accounts	22,514	22,514	-
Totals	**$ 60,708**	**$ 60,708**	**$ -**
Total Restricted and non-restricted Investments	**$ 467,979**	**$ 211,967**	**$ 256,012**

NOTE 3 GASB No. 101 *Compensated Absences*

The Authority implemented GASB No. *101 Compensates Absences* related to sick leave beginning October 1, 2024. This standard requires an approach for estimating and reporting a liability for outstanding sick leave balances. To be consistent with the District, the Authority used the Days Used Approach proposed by the Government Financial Officers Association (GFOA) as a guide for calculating and reporting sick leave liability as required by the standard. The Days Used Approach involves analyzing historical data to determine the pattern of sick leave usage by employees and calculating an average usage rate to be applied to employee sick leave balances at the end of the fiscal year.

Based on this approach, the Authority calculated and reported a liability and expense of $1.3 million for compensated absences related to sick, vacation and other compensated absences for fiscal year 2025. For comparison, to fiscal year 2024, the Authority calculated the effects of GASB 101 on compensated absences as of October 1, 2024, which amounted to $1.2 million. The fiscal year 2024 financial statements are restated to reflect this amount.

NOTE 4 CAPITAL ASSETS

Capital asset balances as of September 30, 2025, are summarized as follows *(in thousands)*:

	Balance @ 09/30/2024	Additions	Disposals	Transfers/ Adjustments	CIP Transfers In(Out)	Balance @ 09/30/2025
Non-depreciable						
Land	$ 4,785					$ 4,785
Construction In Progress	31,744	1,274	-	-	(30,143)	2,875
Artwork	2,742					2,742
Total Non-depreciable Capital Assets	**$ 39,271**	**$ 1,274**	**$ -**	**$ -**	**$ (30,143)**	**$ 10,402**
Depreciable and Amortizable						
Building (WEWCC)	769,409					769,409
Building Improvements (WEWCC)	65,819	29,440		79	29,475	124,813
Stadium Structure	19,037					19,037
Building Improvements/Displays (SED)	33,763					33,763
Building-ESA	73,976					73,976
RFK Multi-Purpose Fields	39,261					39,261
Parking Lot Improvements (SED)	8,415					8,415
Central Plant	16,335					16,335
Right to Use-Building	14,798					14,798
Financial Systems	9,612	1,404			668	11,684
Furniture and Fixtures	41,062	5,278	(8)	32		46,364
Machinery and Equipment	43,446	2,290				45,736
Total Depreciable and Amortizable Capital Assets	**$ 1,134,933**	**$ 38,412**	**$ (8)**	**$ 111**	**$ 30,143**	**$ 1,203,591**
Less: Accumulated Depreciation/Amortization						
Building (WEWCC)	549,288	25,647				574,934
Building Improvements (WEWCC)	19,345	275				19,620
Stadium Structure	19,161	-				19,161
Building Improvements/Displays (SED)	33,763	-				33,763
Building-CareFirst Arena and RFK Multi-Purpose Fields	30,599	6,233				36,832
Parking Lot Improvements	6,617	398				7,015
Central Plant	16,389	8				16,398
Right to Use - Building	6,530	493				7,024
Financial Systems	4,666	1,677				6,343
Furniture and Fixtures	30,943	1,877	(8)			32,811
Machinery and Equipment	36,869	3,131				40,000
Total Accumulated Depreciation and Amortization	**754,170**	**39,738**	**(8)**	**$ -**	**$ -**	**793,901**
Total Net Depreciable and Amortizable Capital Assets	**$ 380,763**	**$ (1,327)**	**$ -**	**$ 111**	**$ 30,143**	**$ 409,690**

NOTE 4 CAPITAL ASSETS *(continued)*

Capital asset balances as of September 30, 2024, are summarized as follows *(in thousands)*:

	Balance @ 09/30/2023	Additions	Disposals	Transfers/ Adjustments	Balance @ 09/30/2024
Non-depreciable					
Land	$ 4,785				$ 4,785
Construction In Progress	18,655	11,895		1,195	31,745
Artwork	2,742				2,742
Total Non-depreciable Capital Assets	**$ 26,182**	**$ 11,895**	**$ -**	**$ 1,195**	**$ 39,271**
Depreciable and Amortizable					
Building (WEWCC)	769,409				769,409
Building Improvements (WEWCC)	62,453	4,764		(1,398)	65,819
Stadium Structure	19,037				19,037
Building Improvements/Displays (SED)	33,762				33,763
Building-ESA	73,976				73,976
RFK Multi-Purpose Fields	39,261				39,261
Parking Lot Improvements (SED)	7,474	941			8,415
Central Plant	16,335				16,335
Right to Use-Building	14,798				14,798
Financial Systems	8,399	1,213			9,612
Furniture and Fixtures	37,620	3,442			41,062
Machinery and Equipment	40,684	2,498		265	43,446
Total Depreciable Capital Assets	**$ 1,123,208**	**$ 12,857**	**$ -**	**$ (1,133)**	**$ 1,134,933**
Less: Accumulated Depreciation and Amortization					
Building (WEWCC)	524,175	25,647		(534)	549,288
Building Improvements (WEWCC)	25,354	1,229		(7,238)	19,345
Stadium Structure	19,161				19,161
Building Improvements/Displays (SED)	33,763				33,763
Building-ESA and RFK Multi-Purpose Fields	18,607	4,754		7,238	30,599
Parking Lot Improvements	6,361	256			6,617
Central Plant	16,381	8			16,389
Right to Use - Building	5,629	367		534	6,530
Financial Systems	3,264	1,402			4,666
Furniture and Fixtures	29,259	1,684			30,943
Machinery and Equipment	33,696	3,174			36,869
Total Accumulated Depreciation and Amortizatior	715,650	38,521	-	-	754,170
Total Net Depreciable Capital Assets	**$ 407,558**	**$ (25,664)**	**$ -**	**$ (1,133)**	**$ 380,763**

NOTE 5 LEASES

The Authority as a Lessee

In May 2011, the Authority entered into a Memorandum of Understanding (MOU) with the District Government in order to assume the District's responsibility for the operation and maintenance of the historic Carnegie Library and grounds. Under the MOU, the Authority was required to pay $9 million over three years based on an agreed-upon schedule. Previously, the District had a 99-year lease in place with the Historical Society of Washington, DC (HSW); under the terms of the former lease, HSW was allowed to use the entire Library interior for certain revenue-generating programs and activities that supported HSW's mission. The MOU required the Authority to negotiate a lease agreement with HSW, which was executed on November 9, 2011. On August 10, 2017, the Authority signed an amendment to the lease agreement. Under the amended lease agreement, the annual payment to HSW increased by $50,000 for the remaining 81-year term to use approximately 80% of the library interior. The Authority is currently generating revenues from the leasable space for events and tourism-related activities.

The following is a schedule by year of future minimum lease payments for the right-to-use asset:

Year Ending September 30,	Principal	Interest	Total
2026	$ 122,983	$ 65,108	$ 188,091
2027	119,403	68,690	188,093
2028	115,926	72,167	188,093
2029	112,547	75,543	188,090
2030	109,270	78,822	188,092
2031-2035	515,165	453,029	968,194
2036-2040	444,621	524,047	968,668
2041-2045	394,835	602,409	997,244
2046-2050	340,765	656,965	997,730
2051-2055	302,613	724,556	1,027,169
2056 and thereafter	1,432,286	7,910,062	9,342,348
Total minimum lease payments	**$ 4,010,414**	**$ 11,231,398**	**$ 15,241,812**

The carrying value of the right-to-use asset is $14.8 million less accumulated amortization recorded as of September 30, 2025, $7 million.

NOTE 5 LEASES *(continued)*

The Authority as the Lessor

The Authority leases buildings and retail space to outside parties under various lease agreements with terms through fiscal year 2037 including renewal options for some of the leases. The Authority has included these renewal periods in the lease term when they are both non-cancellable and reasonably certain to be exercised. The Authority's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the Authority's leases is not readily determined, the Authority utilizes its estimated incremental borrowing rate to discount the lease payments. Although the Authority is exposed to changes in the residual value at the end of the current leases, the Authority typically enters into new leases and, therefore, will not immediately realize any reduction in residual value at the end of these leases.

The total amount of deferred inflows of resources relating to leases recognized in fiscal years 2025 and 2024 were as follows (*In thousands*):

	Fiscal Year Ended September 30,	
	2025	**2024**
Lease Revenue	$ 1,800	$ 1,029
Interest Revenue	651	641
	$ 2,451	**$ 1,670**

NOTE 6 BONDS AND NOTE PAYABLE

The Authority was authorized to issue bonds to finance the new convention center's costs pursuant to the WCCA Act, as amended. On September 28, 1998, the Authority issued $524.5 million in senior lien dedicated tax revenue bonds (Series 1998A Bonds) to finance the new Walter E. Washington Convention Center's construction.

On February 1, 2007, WCCA issued $492.5 million in refunding Series 2007A Bonds, with a net premium of $15.6 million to affect a refunding for the Series 1998A Bonds. These refunding bonds were delivered on February 8, 2007, with maturities ranging from October 1, 2008, to October 1, 2036, at interest rates ranging from 3.75% to 5%. The net proceeds of these refunding bonds were used to 1) advance refund all of the Series 1998A Bonds in the aggregate principal amount of $480.6 million; 2) refinance a portion of the land acquisition cost of WCCA related to the Headquarters Hotel; 3) pay the premium for the Reserve Account Facility that funded the Series 2007A Debt Service Reserve Requirement; and 4) pay Costs of Issuance of the Series 2007A Bonds, including the premium for the Financial Guaranty Insurance Policy. As a result, the previously outstanding refunded bonds were defeased and the liabilities for those bonds were extinguished. The aggregate difference in debt service between the refunded debt and the refunded debt was $9.7 million (NPV).

Between June 2006 and July 2009, the D.C. City Council passed a series of legislative Acts (collectively, the "HotelActs"),[1] which authorized the financing, construction, and development of a privately owned and operatedHeadquarters Hotel (the "HQ Hotel") for the Convention Center, including a program to train DC residents for HQ Hotel jobs. In October 2010, the Authority issued senior lien dedicated tax revenue bonds (Series 2010 Bonds) with a $249.2 million face value. On October 26, 2010, these Bonds were delivered with maturities ranging from October 1, 2015, to October 1, 2040, at interest rates ranging from 3.1% to 7%. The proceeds were used to (i) make funds available to the Developer to pay a portion of the costs of acquiring,

NOTE 6 BONDS AND NOTE PAYABLE *(continued)*

developing, constructing, and equipping the Convention Center Hotel Project to be constructed on the Hotel Site adjacent to the Convention Center; (ii) fund capitalized interest for a portion of the Series2010 Bonds during the construction phase of the Convention Center Hotel Project; (iii) fund the Debt Service Reserve Account Requirement for each series of Series 2010 Bonds; (iv) defease to the earliest optional redemption date that portion of the Authority's outstanding Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A maturing on December 1, 2036, in the aggregate principal amount of $25.4 million; (v) make $2 million available to the Authority for the establishment of the DC Citizen's Job Program created pursuant to the Hotel Act; and (vi) pay the Cost of Issuance for the Series 2010 Bonds. As the hotel will be privately owned, the disbursement of the hotel-related bond proceeds was recorded as an expense by the Authority. A portion of the net proceeds from the issuance of Series 2010 Bonds was used to purchase U.S. Government Securities which were deposited in an irrevocable trust with an escrow agent to provide debt service payments on the $25.4 million defeased Series 2007 Bonds. The Trustee fully paid the amount on October 1, 2016.

On February 22, 2018, the Authority issued $333.1 million in Senior Lien Dedicated Tax Revenue Refunding Bonds, with a net premium of $37.9 million, with interest rates ranging between 1.39% - 3%. (Series A) and 2.05%-4.12% (Series B). The proceeds from the Series 2018A and 2018B Bonds were usedto refund the remaining outstanding maturities of the Series 2007 Bonds and advance refund the Series 2010C Bonds, respectively. The Authority deposited the net proceeds from Series 2018B along with otherfunds of the Authority in an irrevocable trust to provide for all future debt service on the refunded 2010C Bonds. As a result, the 2010C series bonds are considered legally defeased and, as such, are not reflected inthe Authority's books. The aggregate difference in debt service between the refunded debt and the refunding debt was $9.7 million Net Present Value (NPV).

In May 2021, the Authority issued $153.2 million of Senior Lien Dedicated Tax Revenue Refunding Bonds in three Series: $53.5 million of Series 2021A (Tax Exempt) which were sold on April 28, 2021: $70.35 million of Series 2021B (Tax Exempt) and $29.36 million of Series 2021C (Taxable), which sold on May 13, 2021. The proceeds of the Series 2021 Bonds were used to refund the Authority's outstanding Series 2010A and B Bonds and to advance refund a portion of its Series 2018A Bonds. That transaction resulted in aggregating Net Present Value savings of $28.5 million. The pricing of the three Series of Bonds was separated by 14 days for tax reasons. All three Series of Bonds closed on May 27. The proceeds of the Series 2021A Bonds were used, together with certain other funds of the Authority, to refund all the Outstanding Series 2010A Bonds. The proceeds of the Series 2021B Bonds were used, together with certain other funds of the Authority, to: (i) refund a portion of the Outstanding Series 2010B Bonds; (ii) fund the reserve requirement for the Series 2021B Bonds; and (iii) pay the costs of issuance of the Series 2021B Bonds and the TIF Note. The proceeds of the Series 2021C Bonds were used to: (i) refund the remaining portion of the Outstanding Series 2010B Bonds; (ii) refund aportion of the Outstanding Series 2018A Bonds; (iii) fund the reserve requirement for the Series 2021C Bonds, and (iv) pay costs of issuance of the Series 2021A Bonds and Series 2021C Bonds. The Series 2021A Bonds mature on October 1, 2026-2040 and bear interest rates between 4% and 5%. The Series 2021B Bonds mature on October 1 2029-2039 and bear interest rates from 4% to 5%. The taxable Series 2021C Bonds mature on October 1, 2023-2029 and bear interest rates from 0.56%-2.2%. Upon the issuance of the Series 2021 Bonds those Bonds and the unrefunded portion of the Authority's Series 2018 Bonds are the only Bonds of the Authority that are Outstanding.

NOTE 6 BONDS AND NOTE PAYABLE *(continued)*

The WCCA Act states that on or before July 15 of each year, the District's Auditor should deliver a certification relating to the sufficiency of the projected dedicated tax revenues, Authority's operating revenues, and any amounts in excess of the minimum reserve account deposits to meet the sum of the projected operating and debt service expenditures and reserve requirements. If the projected revenues are insufficient, the WCCA Act requires the mayor to impose a surtax on an amount sufficient to meet the projected deficiency. The District's Auditor determined that the projected dedicated taxes for the fiscal year 2026 were expected to be sufficient to meet the projected expenditures and reserve requirements. Therefore, no surtax was imposed by the mayor.

The Tax Increment Financing (TIF) revenue generated from the HQ Hotel operations is projected to cover the hotel project's debt services. If the TIF revenue is not sufficient to pay the debt service, the Authority will utilize dedicated taxes to meet the requirements.

Under Article 4 of the Seventh Supplemental Indenture, which governs the agreement between WCSA and its bondholders, WCSA must establish specific accounts, deposit funds, and allocate revenues to ensure bondholder repayment and compliance with contractual terms. At the close of FY2024, excess cash remained in the TIF revenue account, which WCSA used to defease certain bonds. Section 4.04k and related provisions authorize WCSA to apply surplus Tax Increment funds to (i) redeem bonds, (ii) purchase bonds on the open market, or (iii) defease bonds. In FY2025, WCSA used $21.8 million of excess TIF revenues to defease $19.010 million of par amounts maturing between 2026 and 2030 (and the associated interest) for the Series 2021 A and B bonds.

As of September 30, 2025, and 2024, the Authority's bond liability totaled approximately $ 332.9 million and $365.5 million, respectively. A summary of annual maturities of the bonds payable as of September 30, 2025, is as follows (in thousands):

Fiscal Years	Principal	Interest	Total Debt Service
2026	16,285	7,340	**23,625**
2027	32,545	14,124	**46,669**
2028	34,190	12,671	**46,861**
2029	36,525	11,130	**47,655**
2030	33,730	9,486	**43,216**
2031 -2035	87,015	28,549	**115,564**
2036-2040	80,320	12,754	**93,074**
2041	12,315	509	**12,824**
Total	**$ 332,925**	**$ 96,563**	**$ 429,488**

As of September 30, 2025, and 2024, the unamortized bond premiums were $52.1 million and $54.2 million, respectively.

NOTE 7 LONG-TERM LIABILITIES

The following summarizes long-term liabilities as of September 30, 2025, and 2024 *(in thousands)*:

	Balance @ 09/30/2024	Additions	Reductions	Balance @ 09/30/2025	Amount Due Within One Year
Series 2018 Bonds Payable	$ 216,535	$ -	$ (9,310)	$ 207,225	$ 16,285
Series 2021 Bonds Payable*	148,970	(19,010)	(4,260)	125,700	-
Series 2018 Bond Premium	28,710	-	(1,228)	27,481	-
Series 2021 Bond Premium	25,537	-	(958)	24,579	-
Bonds Payable, net	$ 419,752	$ (19,010)	$ (15,756)	$ 384,985	$ 16,285
Lease Obligations	4,137	-	(127)	4,010	123
Compensated Absences-Restated	3,150	2,275	(1,504)	3,921	622
Total Long-term Liabilities	**$ 427,039**	**$ (16,735)**	**$ (17,387)**	**$ 392,916**	**$ 17,030**

*** Redeemed FY2021 Bonds from Excess TIF revenues**

	Balance @ 09/30/2023	Additions	Reductions	Balance @ 09/30/2024	Within One Year
Series 2018 Bonds Payable	$ 225,330	$ -	$ (8,795)	$ 216,535	$ 12,660
Series 2021 Bonds Payable	153,215	-	(4,245)	148,970	910
Series 2018 Bond Premium	29,938	-	(1,228)	28,710	-
Series 2021 Bond Premium	26,495	-	(958)	25,537	-
Bonds Payable, net	$ 434,977	$ -	$ (15,226)	$ 419,752	$ 13,570
Lease Obligations	4,268	-	(127)	4,137	127
Compensated Absences-Restated	1,856	1,340	(46)	3,150	296
Total Long-term Liabilities	**$ 441,101**	**$ 1,340**	**$ (15,399)**	**$ 427,039**	**$ 13,993**

NOTE 8 RETIREMENT PLAN

Since April 1998, all full-time Events DC employees have been covered by a defined contribution plan. The plan,which is managed by Mission Square Retirement (formerly ICMA Retirement Corporation), requires no employee contributions. All employees are fully vested after four years of service. The contribution is 7% of total employee's salaries. The Authority’s contributions for fiscal years 2025 and 2024 were approximately $2.5 million and $2.3 million, respectively. The Plan’s administrator issues financial statements and required supplemental information, which is available upon request. This report may be obtained from the following location: Mission Square Retirement Corporation, 777 North Capitol Street, NE, Washington, DC 20002-4240.

NOTE 9 RELATED-PARTY TRANSACTIONS

Dedicated Taxes

In accordance with the WCCA Act and amended Master Trust Agreement, the District of Columbia Government collects and forwards to the Authority the dedicated tax receipts that are used to fund the debt service and reserve requirements of its Series 2018A Bonds. In fiscal years 2025 and 2024, the Authority recognized transfers from dedicated tax receipts of $205.5 million and $199.3 million, respectively. The transfers include the 1.3% hotel room tax that is dedicated to Destination DC which amounts to $33.8 million and $32.2 million in fiscal years 2025, and 2024, respectively. As of September 30, 2025, and 2024, the dedicated taxes due from the District Government were $19.1 million and $21.8 million, respectively. These receivables represent September tax payments collected by the District in October and November.

Tax Increment Financing (TIF) Revenue

The District issued the TIF Note to the WCSA, and the WCSA pledged the TIF Note to the Trustee to secure the payment of the Series 2021A Bonds and the 2021B Bonds (collectively, the "Bonds"). Pursuant tothe TIF Note, the District has agreed to make regularly scheduled payments of principal and interest (the"Regular Payments") to the extent that funds are available in the New Convention Center Hotel Fund. TIF revenue is from the sales and use taxes and property taxes generated by the operation of the HQ Hotel. In fiscal years 2025 and 2024, the Authority recognized revenue from TIF tax receipts of $18.0 million and $20.5 million, respectively. As of September 30, 2025, and 2024, TIF receivables due from the District Government were $1.9 million and $2.2 million, respectively.

Excess Cash Transfer to the District's General Fund

Pursuant to DC Code § 10-1202.13, the Authority is required to transfer any excess cash from the Convention Center Operating Fund to the District's General Fund at the close of each fiscal year. Excess cash is defined as the amount by which the Authority's cash and investment balance exceeds its current liabilities, required reserves, and amounts necessary to service outstanding indebtedness during the subsequent fiscal year.

In accordance with District legislation, the Master Trust Agreement with The Bank of New York (Trustee), and the Memorandum of Understanding between the District and the Authority, the Authority must maintain the following reserves:

- **Debt Service Reserve:** An amount equal to the maximum annual debt service on all outstanding bonds and notes.
- **Operating Reserve:** An amount equal to 1.5 times the combined operating and marketing budget.
- **Capital Reserve:** An amount equal to 5% of the original cost of the convention center, adjusted for inflation.

Based on the audits completed in December 2023 (FY2023) and December 2024 (FY2024), the Authority recorded excess cash liabilities of $3.3 million for FY2023 and $17.7 million for FY2024. Events DC subsequently updated the methodology used to calculate the fiscal year 2024 excess cash amount. Following this revision, Events DC recalculated the amount and recognized an additional liability of $5.8 million. This amount is scheduled to be transferred to the District's General Fund in February 2026.

NOTE 9 RELATED-PARTY TRANSACTIONS *(continued)*

The District's Department of General Services (DGS) Management Agreement

On October 1, 2009, under the Washington Convention Center Authority and Sports and Entertainment Commission Merger Amendment Act of 2009, the Authority merged with the DC Sports and Entertainment Commission to form the Washington Convention and Sports Authority (WCSA). As part of the merger, the District of Columbia's Department of General Services (DGS), formerly known as Department of Real Estate Services (DRES), became responsible for the facility maintenance tasks on RFK Stadium and the DC Armory previously performed by the DC Sports and Entertainment Commission. The Authority has agreed to pay DGS up to $2.5 million each year for facility maintenance services. In FY2025, there was no MOU in place for DGS to provide maintenance services at RFK and no payments were made during FY2025.

Relationship to the United States Government

The United States Government contracted with the DC Sports and Entertainment Commission's predecessor, the District of Columbia Armory Board, for the construction of RFK Stadium while the United States Government constructed the surrounding motor vehicle parking areas. Both were constructed on landowned by the United States Government (DC Official Code § 3–322).

In 1988, the United States Government deeded, pursuant to Public Law 99-581, "all rights, title, and interest of the United States in and to the Stadium" to the District. In addition, the United States Department of the Interior leased to the District the land occupied by the stadium and the parking areas without considerationfor 50 years.

Relationship with the District of Columbia Government

Prior to the merger, the DC Sports and Entertainment Commission (DCSEC) entered into a lease agreement in March 2006 with the government of the District of Columbia under which the District leased the Baseball Stadium Site and the Baseball Stadium complex to the DCSEC for a 99-year term, for one dollar ($1) for the entire term. The DCSEC subsequently entered into a Lease Agreement dated March 6, 2006, with Baseball Expos, LP, which is now the Washington Nationals Baseball Club (the "Team"). The agreement established provisions for the DCSEC, as lessor, to sublease the Baseball Stadium Site and the Baseball Stadium Complex to the Team. The lease term extends for 30 years with an initial lease payment of $3.5 million and with an added escalation clause after that. The Team is required to pay additional rent in each lease year in which the number of certain tickets issued exceeds $2.5 million.

The former DCSEC also entered into a Funding and Assignment Agreement dated May 1, 2006, with the District of Columbia whereby the DCSEC assigned to the District all rent and other revenue amount that it receives or is entitled to receive under or related to the March 6, 2006, Lease Agreement with the Team. During fiscal years 2025 and 2024, the District received annual rent equal to $6.1 million respectively. The District uses the rent revenue to pay the outstanding debt related to the Baseball Stadium Bonds. The Authority assumed all the rights and obligations of the former DCSEC pursuant to the merger.

Leasing Arrangements-Carnegie Library (Visitor Center)

The District of Columbia holds the former Central Public Library known as the Carnegie Library at Mount Vernon Square situated on Lot 800 in Square 403N, with a street address at 801 K Street, NW, under a grant of jurisdiction dated March 3, 1899, from the Fifty-Fifth session of the Congress of the United Statesof America, in Chapter 455, entitled "An act to provide a site for a building for the Washington Public Library."

On June 1, 1999, the District and the Historical Society of Washington, DC (HSW) entered into a lease agreement with respect to the building as the leased premises for a term of ninety-nine (99) years commencing on June 1, 1999, and ending on May 31, 2098. The Original Lease was amended on April 17,2002, and May 29, 2002.

NOTE 9 RELATED-PARTY TRANSACTIONS *(continued)*

In 2006, the United States of America transferred to the District administrative jurisdiction of U.S. Reservation eight, the land underneath and adjacent to the building.

On May 5, 2011, the District and the Authority entered a Memorandum of Understanding (MOU) regarding the Carnegie Library and Reservation 8, whereby the District transferred to the Authority all its rights and obligations with respect to the administrative jurisdiction over the Carnegie Library and with respect to the Original Lease, as amended, as well as setting forth certain obligations and rights with respect to Reservation 8, among other items, for $9 million payable in three annual installments beginning November 30, 2011. The MOU is effective from May 1, 2011, through April 30, 2112.

The Authority reported the lease as a right to use asset and the related debt as a long-term liability (lease obligation) in the Authority's Statements of Net Position.

NOTE 10 MARKETING SERVICE CONTRACTS

In accordance with the provisions of Section 208(a) of the Washington Convention Center Act of 1994 (as amended in 1998), the Authority is required to maintain a Marketing Fund for the payment of marketing service contracts to promote conventions, tourism, and leisure travel in the District. The Act states that the total payment amount of the marketing service contracts is based on 17.4% of the hotel sales tax received. Effective October 1, 2017, under the Hospitality Tax Dedication section of the Act, an additional 0.3% hotel room tax was imposed. The 0.3% tax is dedicated to Destination DC through the Authority for marketing and promoting the District of Columbia as a destination. Effective, April 1, 2023, the additional tax was raised to 1.3%.

During fiscal years 2025 and 2024, the total amount of dedicated taxes allocated to the Marketing Fund was approximately $17.3 million and $16.3 million excluding the 1.3% additional taxes collected for Destination DC (DDC), respectively. The Authority incurred the following marketing services expenses in fiscal years 2025 and 2024 (in thousands), respectively:

	FY2025	FY2024
Destination DC	$ 17,337	$ 16,369
Destination DC 1.30% Additional	33,819	31,875
DC Chamber of Commerce	250	250
Ibero Chamber of Commerce	350	350
Total	**$ 51,756**	**$ 48,844**

NOTE 11 BASEBALL STADIUM

Capital Fund Reserve

Pursuant to the lease agreement dated March 6, 2006, the District contributes $1.5 million to the Capital Reserve Fund each year to be used for necessary improvements and repairs costs to the Baseball Stadium. The Authority manages The Authority manages the Capital Reserve Fund balance and the contribution received in FY2025 and FY2024 were fully utilized.

Close Out Project

A memorandum of agreement was signed between the District and former DCSEC on September 30, 2009, to close out all spending to construct and develop the Baseball Stadium. A transfer of $1.9 million was made to the New Stadium Account, which is managed by the Authority. During fiscal years 2025 and 2024, there was no activity other than a bank service charge fee. As of September 30, 2025, and 2024, the remaining balance of $664,840 and $664,840, respectively, is reflected in Due to District Government in the financial statements.

Contingency Reserve Fund

Pursuant to the lease agreement dated March 6, 2006, the District was required to contribute $5 million, on or before the Commencement Date's fifth anniversary, to the Contingency Reserve Fund. The fund is to be used for necessary and appropriate expenditures to preserve, maintain, or enhance the Baseball Stadium complex's value. The Authority manages the Contingency Reserve Fund. As of September 30, 2025, and 2024, the remaining balance of $1.4 million and $3.4 million is included in Other Liabilities in the financial statements.

NOTE 12 BASEBALL ACADEMY

On March 7, 2012, the District entered into a ground lease agreement with the Washington Nationals Youth Baseball Academy, Inc. (the "Academy") for a portion of the Fort DuPont Park Site that the Academy will use to construct and operate a youth baseball academy. In accordance with the lease agreement, the District is to make payments for the Academy improvements and has requested the Authority to facilitate the timely transfer of these payments. As of September 30, 2025, and 2024, the Authority continues to hold in receipt the amount of $1 million, which is included in Other Liabilities in the financial statements. There have been no disbursements from, or additional funds transferred into this account for the purpose of exercising this lease agreement sense the funds were transferred to the Authority in 2012.

NOTE 13 KENILWORTH PARK PROJECT

The former DCSEC received funds from the Federal Government, the Washington Nationals and the District of Columbia Department of Parks and Recreation to renovate a soccer field at Kenilworth Fort Greble fields, which was completed in the fiscal year 2008. At the time of the merger, the Kenilworth fund had a balance of $145 thousand. This project had no activities besides monthly interest/service charge payments in fiscal years 2025 and 2024. As of September 30, 2025, and 2024, there was an account balance of $144 thousand. The amounts are reflected as Restricted Net Position in the financial statements.

NOTE 14 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage for property, liability, errors and omissions, employee accidents and suretybonds.

NOTE 15 CONTINGENCIES

Due to the nature of the Authority's business, it is involved in several claims and lawsuits. In the opinion of management and legal counsel, the expected outcome of claims and lawsuits, individually or in the aggregate for fiscal year 2025, will not have a material adverse effect on the financial statements.

NOTE 16 COMMUNITY GRANT AND OTHER GRANT PROGRAMS

In Fiscal Year 2025, the Authority continued to support the district in administering critical grant programs. The Authority distributed $850,000 in community and other related grants to 66 plus DC-based nonprofits that promoted youth programs in arts and athletics in all eight wards, $3.5 million in grants to support eleven non-profits in support of the District's Tourism Grant Program, and finally the Authority distributed $1 million in Youth Development Grants to five DC-based nonprofits delivering sports-related extracurricular programs over the summer.

NOTE 17 SUBSEQUENT EVENTS

The Authority evaluated the subsequent events and transactions through January 5th, 2026, the date these financial statements were available for issue and has determined that no subsequent material events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure, individually or in the aggregate, will not have a material adverse effect on the financial statements.

WASHINGTON CONVENTION AND SPORTS AUTHORITY
SUPPLEMENTAL FINANCIAL INFORMATION

STATEMENTS OF NET POSITION BY FUND
AS of September 2025
(ACTUAL DOLLARS)

	C&M	Marketing	Capital	Hotel -TIF	RFK Campus (SED)	CareFirst (St Elizabeth)	All Fund Values
Assets							
Current assets:							
Total Cash	$ 5,598,773	$ 568,149	$ 2,532,531	$ -	$ 2,091,840	$ 2,867,496	$ 13,658,789
Cash-Restricted	-	-	5,214,928	-	1,235,534	-	6,450,462
Investment	183,127,324	49,129,156	-	-	-	-	232,256,480
Due From District	14,120,194	5,031,682	-	-	-	-	19,151,876
Accounts Receivable	12,464,589	-	-	1,857,023	1,202,755	929,165	16,453,532
Prepaid and Others	3,481,420	-	-	-	8,700	4,824	3,494,944
Accrued Interest	2,376,143	-	-	139,555	-	-	2,515,698
Intercompany Receivables (Payables)	8,345	-	-	-	(26,028)	17,683	-
Total current assets	**221,176,788**	**54,728,987**	**7,747,459**	**1,996,578**	**4,512,801**	**3,819,168**	**293,981,781**
Noncurrent Assets							
Lease Receivable	9,680,983						9,680,983
Net Capital Assets	201,170,335	-	208,519,687	-	-	-	409,690,022
Other Receivables	-	-	-	-	-	-	-
Restricted Investment	168,969,255	-	-	47,089,498	-	-	216,058,752
Non-Depreciable Capital Assets	7,510,395	-	2,891,366	-	-	-	10,401,761
Total Noncurrent Assets	**387,330,968**	**-**	**211,411,053**	**47,089,498**	**-**	**-**	**645,831,518**
Total Assets	608,507,756	54,728,987	219,158,512	49,086,076	4,512,801	3,819,168	939,813,299
Deferred Outflows of Resources	1,525,874	-	-	7,352,165	-	-	8,878,039
Total Assets and Deferred Outflow of Resources	**$ 610,033,630**	**$ 54,728,987**	**$ 219,158,512**	**$ 56,438,241**	**$ 4,512,801**	**$ 3,819,168**	**$ 948,691,339**
Liabilities and Net Position							
Current Liabilities							
Accounts Payable	$ 3,052,106	$ 4,467,468	$ 1,761,088	$ 500,000	$ 498,817	$ 722,513	$ 11,001,992
Other Current Liabilities	68,654	-	1,379,872	-	1,255,969	40,000	2,744,495
Due to DC Government	5,896,666	-	664,840	-	30,253	472,257	7,064,016
Compensation Liabilities	1,756,418	-	-	-	158,977	245,056	2,160,450
Unearned Revenue	6,308,552	-	-	-	97,185	2,298,117	8,703,854
Accrued Interest Payable	5,125,627	-	-	2,214,500	-	-	7,340,127
Lease- Current Portion	122,984	-	-	-	-	-	122,984
Debt- Current Portion	16,285,000	-	-	-	-	-	16,285,000
Total Current Liabilities	**38,616,007**	**4,467,468**	**3,805,800**	**2,714,500**	**2,041,201**	**3,777,943**	**55,422,918**
Noncurrent Liabilities							
Compensated Absences	2,788,883	-	-	-	181,065	328,845	3,298,793
Capital Lease-Long Term	3,887,430	-	-	-	-	-	3,887,430
Bonds Payable	239,276,175	-	-	129,424,512	-	-	368,700,687
Total Noncurrent Liabilities	**245,952,488**	**-**	**-**	**129,424,512**	**181,065**	**328,845**	**375,886,910**
Total Liabilities	**284,568,495**	**4,467,468**	**3,805,800**	**132,139,012**	**2,222,265**	**4,106,788**	**431,309,828**
Deferred Inflows of Resources	14,230,260	-	-	-	-	-	14,230,260
Net Position							
Net Position							
Invested in Capital Assets, Net	(52,864,967)	-	211,394,658	-	-	-	158,529,691
Restricted Net Position:							-
Kenilworth Park	-	-	-	-	144,014	-	144,014
Debt Service & Capitalized	16,656,756	-	-	-	-	-	16,656,756
Capital Renewal	40,591,112	-	-	-	-	-	40,591,112
Operating & Marketing fund	68,173,410	-	-	-	-	-	68,173,410
Senior Proceeds	10,261,993	-	-	-	-	-	10,261,993
Debt Service Reserve	33,285,985	-	-	-	-	-	33,285,985
Unrestricted Net Position	241,995,856	81,625,296	(29,528,867)	(135,765,501)	178,334	(2,568,403)	155,936,716
YTD Net Position	(46,865,271)	(31,363,777)	33,486,921	60,064,730	1,968,188	2,280,784	19,571,574
Total Net Position	**311,234,874**	**50,261,519**	**215,352,712**	**(75,700,771)**	**2,290,536**	**(287,619)**	**503,151,251**
Total Liabilities, Net Position and Deferred Inflow of Resources	**$ 610,033,629**	**$ 54,728,987**	**$ 219,158,512**	**$ 56,438,241**	**$ 4,512,801**	**$ 3,819,169**	**$ 948,691,339**

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION YTD BY FUND
AS of September 2025
(ACTUAL DOLLARS)

	C&M	Marketing	Capital	Hotel - TIF	RFK Campus (SED)	CareFirst (St Elizabeth)	All Fund Values
Operating Revenue and Expenses							
Operating Revenue:							
Venue Rental	$ 8,469,690	$ -	$ -	$ -	$ 315,400	$ 104,829	$ 8,889,919
Catering Services	10,522,692	-	-	-	239,335	110,846	10,872,874
Electrical Services	3,532,200	-	-	-	-	-	3,532,200
Rigging Services	1,798,636	-	-	-	-	-	1,798,636
Parking Revenue	-	-	-	-	352,464	51,267	403,731
Telecommunications Services	1,112,816	-	-	-	-	32	1,112,848
Retail & Office Space Rental	484,973	-	-	-	-	12,000	496,973
Advertising & Sponsorship	-	-	-	-	157,132	425,772	582,904
Building Lease Rental	287,547	-	-	-	-	1,016,053	1,303,600
Digital Revenue	178,039	-	-	-	-	-	178,039
Audio and Visual	1,129,111	-	-	-	6,827	-	1,135,938
Miscellaneous Revenue	1,103,523	-	-	-	1,134,664	2,178,606	4,416,793
Total Operating Revenues	**$ 28,619,227**	**$ -**	**$ -**	**$ -**	**$ 2,205,823**	**$ 3,899,404**	**$ 34,724,455**
Operating Expenses							
Personnel and Payroll Services	42,091,284	-	-	-	3,360,318	4,979,893	50,431,495
Contractual Services	29,082,999	10,579,937	13,606,644	-	6,094,639	5,286,250	64,650,469
Occupancy	6,773,384	-	-	-	202,622	907,712	7,883,718
Miscellaneous Expenses	4,419,476	886	5,015	-	495,311	364,163	5,284,850
Depreciation Expense	26,353,617	-	13,385,175	-	-	-	39,738,792
Total Operating Expenses	**108,720,759**	**10,580,823**	**26,996,833**	**-**	**10,152,890**	**11,538,017**	**167,989,323**
Operating Profit /(Loss)	**$(80,101,532)**	**$ (10,580,823)**	**$ (26,996,833)**	**$ -**	**$ (7,947,067)**	**$ (7,638,613)**	**$ (133,264,868)**
Nonoperating Revenues and (Expenses)							
Debt Services	(8,264,252)	-	-	(4,795,964)	-	(202,529)	(13,262,745)
Leases - Interest Expense	(61,414)	-	-	-	-	-	(61,414)
Marketing Agencies Payments	(850,000)	(51,755,863)	-	-	-	-	(52,605,863)
Payment to District – NOE	(23,415,373)	-	-	-	-	-	(23,415,373)
Interest Income-Total	17,658,888	84,463	194,567	1,906,765	60,891	37,936	19,943,512
Dedicated Tax	152,497,189	19,808,482	-	-	-	-	172,305,671
TIF Revenue	-	-	-	18,026,613	-	-	18,026,613
Additional DDC Tax	-	33,230,299	-	-	-	-	33,230,299
Miscellaneous -Non-operating	-	-	1,500,000	(2,824,257)	-	-	(1,324,257)
Total Nonoperating Revenues and (Expenses)	**137,565,039**	**1,367,381**	**1,694,567**	**12,313,156**	**60,891**	**(164,592)**	**152,836,443**
Increase (Decrease) in Net Position	**$ 57,463,507**	**$ (9,213,442)**	**$ (25,302,266)**	**$ 12,313,156**	**$ (7,886,176)**	**$ (7,803,206)**	**$ 19,571,574**

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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 Mayor, Members of the Council of the Government of the District of Columbia,
the Board of Directors of Washington Convention Center and Sports Authority and
Inspector General of the Government of the District of Columbia
Washington, D.C.

We were engaged to 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, the financial statements of the Washington Convention and Sports Authority (the Authority), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 or significant deficiencies may exist that were not identified.

Mayor, Members of the Council of the Government of the District of Columbia,
the Board of Directors of Washington Convention Center and Sports Authority and
Inspector General of the Government of the District of Columbia
Washington Convention Center and Sports Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
January 5, 2026

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