Office of the District of Columbia Auditor

For immediate release
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Audit Finds Events DC Owes District $68.7 Million

Convention Center Authority erred in "excess cash" calculation

October 8, 2025—The Washington Convention and Sports Authority, known as Events DC, owes the District general fund $68.7 million—in addition to $17.7 million already paid—based on errors in calculating the amount of excess cash the quasi-public authority must repay for Fiscal Year 2024, according to a new report by the Office of the D.C. Auditor (ODCA).

D.C. Code requires Events DC to transfer excess cash to the District at the end of each fiscal year. In FY 2025 Events DC calculated the required transfer for FY 2024 to be $17.7 million. ODCA subsequently discovered a series of errors involving misapplication of the statutory requirements.

The excess cash transfer calculation is defined by D.C. Official Code §§ 10-1202.13(a) and (b). The amount due to the District is the sum of cash and investment balances held in the Convention Center Fund, minus the sum of the Fund's current liabilities, debt service reserves, operating reserves, capital replacement reserves, and any amounts expected to be used to purchase or redeem debt in the next fiscal year.

Using the statutory formula and figures from Events DC's financial records ODCA calculated the amount of excess cash at the end of FY 2024 to be approximately $86.4 million—$68.7 million more than Events DC's result of $17.7 million. This compares with $9 million for FY 2022 and $3.3 million for FY 2023. Events DC made the $17.7 million payment in April 2025, with $68.7 million outstanding. The report and comments provided by Events DC and included in the report note that Events DC's calculation was reviewed and accepted by an audit firm hired to review its financial statements.

"The Events DC officials state their calculation was audited by an independent firm," D.C. Auditor Kathy Patterson said. "The math may well have been correct but the problem presented was wrong. The auditors acknowledged to us that they didn't confirm whether management selected data that complied with the law. Erroneous inputs lead to erroneous outputs and that's what we have here. We stand by our financial and legal reviews."

The excess cash amount determined by Events DC was incorrect because the calculation rested on a series of errors cited in the report, including that Events DC incorrectly used operating budget instead of operating expenditures to calculate operating reserve.

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ODCA found:

- The statute allows Events DC to maintain an operating reserve 1.5 times greater than its annual “expenditures.” In its calculation and its comments on ODCA’s report, Events DC claims that *expenditures* means *budget.*

- Although the statute refers only to the Convention Center Fund, Events DC’s calculation further increased “expenditures” by erroneously including amounts attributed to other funds—including its Sports and Entertainment Fund and its Marketing Fund.

- Events DC’s calculation erroneously treated unaccrued interest as a current liability, contrary to its financial statements.

Events DC’s calculation also erroneously included some Tax Increment Financing (TIF) bond liabilities and excluded Series 2018B bond accounts and liabilities. On these points, Events DC agreed with ODCA’s conclusions.

ODCA recommends that Events DC transfer an additional $68.7 million to the District General Fund and that future excess cash calculations correct the errors found in the calculation for FY 2024.

In their response Events DC notes that, given their disagreement with ODCA’s findings, they believe it would be useful for the DC Council to clarify the Code requirements and ask that changes be consistent with financial documents negotiated by Events DC and the Office of the Chief Financial Officer.

Patterson, a former Councilmember, said, “The notion that the laws enacted by elected officials should be changed to reflect arrangements negotiated by appointed officials is a notion that should be rejected by the District’s lawmakers. We elect Councilmembers to make policy for the District and any subsequent negotiations by staff should comply with the Code.”

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