Events DC Revenue Sufficiency Certification for Fiscal Year 2027

July 15, 2026

A report by the Office of the District of Columbia Auditor

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July 15, 2026

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Mayor
Government of the District of Columbia
1350 Pennsylvania Avenue NW
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The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
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Glen Lee
Chief Financial Officer
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Leif Dormsjo
Chairman
Board of Directors
Events DC
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Letter Report: Events DC Revenue Sufficiency Certification for Fiscal Year 2027

Dear Mayor Bowser, Chairman Mendelson, CFO Lee, and Chairman Dormsjo:

What follows is the Office of the District of Columbia Auditor report, entitled **Events DC Revenue Sufficiency Certification for Fiscal Year 2027**. Pursuant to D.C. Code § 10-1203.05(b), the District of Columbia Auditor is required to prepare and deliver to the Mayor, the Council of the District of Columbia, the Chief Financial Officer of the District of Columbia, and the Chairman of the Washington Convention and Sports Authority (WCSA, t/a Events DC), an annual certification of the sufficiency of WCSA's projected revenues and excess reserve to meet its projected expenditures and reserve requirements for the upcoming fiscal year (FY).

This certification letter report explains the Auditor's determination that the WCSA's FY 2027 projected revenues and excess reserves are sufficient to meet the requirements of the upcoming fiscal year.

Objective, Scope, and Methodology

The objective of this analysis was to determine whether Events DC's projected FY 2027 revenues from dedicated taxes and operations, plus excess amounts held in reserve, will be sufficient to meet its projected FY 2027 expenditures including operating costs, debt service, and any required deposits to reserves. This revenue sufficiency review was not conducted as an audit.

The scope of this analysis included WCSA's financial records and data for FYs 2023 through 2025 and FY 2026, as of March 31, 2026. Our analysis also included a review of WCSA's FY 2026 (April through September) and FY 2027 projected revenues, expenditures, and reserve balances.

To accomplish our objective, we conducted a detailed review of WCSA's actual and projected operating revenues and expenses for the Conventions and Meetings Division and Sports and Entertainment Division. This review included analysis of financial information included in WCSA's audited financial statements for FY 2023 through FY 2025 and WCSA's FY 2026 and FY 2027 budgets approved by the WCSA Board of Directors. We confirmed that Events DC's budgeted projections of dedicated tax revenues are consistent with the February 2026 revenue estimates issued by the Office of the Chief Financial Officer (OCFO). We also analyzed trends in events booked at WCSA facilities, reviewed WCSA's non-operating revenues and non-operating expenses, and obtained clarifying information from WCSA personnel.

ODCA relied on representations and other financial information provided by WCSA officials. Information on account balances was obtained from account statements prepared by outside financial institutions, including the bond trustee having custody of certain accounts.

ODCA independently verified the required minimum balance of each reserve account based on our review of the Master Trust Agreement, supplemental trust agreements, and other documents prepared in connection with Events DC's outstanding bonds. We also identified additional account balances that are restricted by agreements relating to Events DC's bonded indebtedness and other financial obligations and thus should not be treated as "excess" for purposes of our revenue sufficiency determination.

We note that revenue, reserve, and expense estimates are based on information that can change rapidly, which means there is the possibility of revisions to estimates after the Auditor's certification. Consequently, the Auditor does not guarantee the validity of revenue, reserve, and expense estimates.

Additionally, the validity and accuracy of the ODCA sufficiency analysis and calculations are predicated upon the extent to which WCSA officials fully disclosed and provided the Auditor with reliable and accurate information regarding WCSA's operating and non-operating revenue, operating and capital improvement expenses, debt service and marketing contract costs, and other expenses relevant to the Auditor's sufficiency certification, and that OCFO officials provided sound estimates of dedicated tax revenues for the upcoming fiscal year.

The Auditor here certifies that the revenue estimate, expense estimate, and excess reserve estimate at the time of certification, as presented in Figure 5, appeared sufficiently supported and achievable by WCSA.

This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA's Policies and Procedures.

Overview of the Components of the Sufficiency Review

WCSA's sufficiency calculation consists of WCSA's projected revenues, expenses, and excess reserves. An overview of each area reviewed is documented below.

Revenue

Operating Revenue

WCSA has two Divisions that generate operating revenue: The Conventions and Meetings Division and the Sports and Entertainment Division. The Conventions and Meetings Division includes the Walter E. Washington Convention Center and the Carnegie Library. The Sports and Entertainment Division includes RFK Stadium, the Fields at RFK Campus, the Festival Grounds at RFK Campus, the Skate Park at RFK Campus, the non-military functions of DC Armory, Nationals Park, Gateway DC, CareFirst Arena, and R.I.S.E. Demonstration Center.

WCSA's operating revenues include revenue generated from conventions and meetings, sports events, entertainment events, advertising, sponsorships, and retail space rentals. WCSA's FY 2027 operating revenue estimate is $30.29 million and accounts for 13.4% of the total FY 2027 projected revenue (including tax increment financing [TIF] revenue and revenue designated for Destination DC). Figure 1 presents WCSA's FY 2027 projected operating revenues per WCSA's FY 2027 budget.

Figure 1: WCSA's FY 2027 Projected Operating Revenues

Revenue Category	FY 2027 Projected Operating Revenue
Conventions & Meetings Division	$25,323,223
Sports and Entertainment Division	$4,971,296
Total Operating Revenue	**$30,294,519**

Source: WCSA. Amounts rounded to whole dollars.

Non-Operating Revenue

WCSA receives non-operating revenue from dedicated tax collections (a portion of which is transferred to Destination DC), interest income, and TIF sources. Revenues from the Destination DC tax and TIF sources are not included in Events DC's FY 2027 budget; the Destination DC tax is budgeted separately in the Marketing Fund, and TIF revenues are applied directly as provided in the supplemental trust agreement relating to Events DC's Series 2021A Bonds and Series 2021B Bonds. Revenues from interest are included in Events DC's FY 2027 budget with different interest rates than those used in the sufficiency calculation.[1]

1 Events DC made the decision to use a higher interest rate to forecast the interest revenue estimate in this sufficiency calculation. The sufficiency calculation also includes additional interest revenue from TIF accounts.

Of these sources, dedicated taxes transferred for use by WCSA represent 69.5% of the FY 2027 projected total revenues. These taxes consist of additional sales taxes imposed by the District in amounts equal to 4.45% of the gross receipts from hotel room payments, and 1% of the gross receipts from payments for restaurant meals; alcoholic beverages consumed on the premises; automobile rental or leasing charges; and spirit or malt liquors, beers, and wines sold by certain alcoholic beverage licensees.[2] The OCFO provides the dedicated tax revenue projection to WCSA. According to the OCFO's quarterly revenue estimate, as of February 27, 2026, the FY 2027 dedicated tax revenue estimate is $157.53 million. The annual transfer for Destination DC (DDC),[3] a private nonprofit that provides marketing services for the District, is projected to be an additional $6.81 million in FY 2027.[4]

WCSA also receives TIF revenues collected from a portion of the sales and use taxes and property taxes generated by the Marriott Marquis HQ/Convention Center hotel. The FY 2027 TIF revenue amount is projected to be $18.43 million. Figure 2 presents WCSA's FY 2027 projected non-operating revenues.

Figure 2: WCSA's FY 2027 Projected Non-Operating Revenues

Revenue Category	FY 2027 Projected Non-Operating Revenue
Dedicated Taxes	$157,528,000
Interest Income	$13,677,745
0.3% Tax for Destination DC	$6,811,000
TIF Revenue	$18,428,766
Total Non-Operating Revenues	**$196,445,510**

Source: WCSA. Amounts rounded to whole dollars.

Expenses

Operating Expenses

WCSA's operating expenses include staff salaries, professional/contractual services, utility costs, and the cost of equipment and supplies. As provided in Figure 3, WCSA's FY 2027 operating expenses projection is $147.07 million.

2 *See* D.C. Official Code §§ 47-2002.02 and 47-2002.03.
3 Destination DC is designated as the WCSA's primary contractor to: (i) market and sell meetings and conventions for the Walter E. Washington Convention Center and District hotels; (ii) market and promote the District as a destination; and (iii) increase revenue to the District and WCSA by maximizing sales of hotel rooms and restaurant meals.
4 In addition to the Code provisions in Footnote 2, there is an additional tax on gross receipts for transient lodgings or accommodations, currently at the rate of 0.3%, that is dedicated to WCSA and entirely transferred to Destination DC. *See* D.C. Official Code §§ 47-2202.03 and 47-2002.03a.

Figure 3: WCSA's FY 2027 Projected Operating Expenses

Expense Category	FY 2027 Projected Operating Expenses
Conventions & Meetings Division	$93,403,643
Sports and Entertainment Division	$53,668,129
Total Operating Expenses	**$147,071,772**

Source: WCSA. Amounts rounded to whole dollars.

Non-Operating Expenses

Non-operating expenses include payments to marketing agencies to promote conventions and tourism, debt service payments, community grants, and possessory interest tax.[5] As provided in Figure 4, WCSA's FY 2027 non-operating expenses projection is $83.02 million.

Figure 4: WCSA's FY 2027 Projected Non-Operating Expenses

Expense Category	FY 2027 Projected Non-Operating Expenses
Transfer to Marketing Fund	$28,262,880
Community Grants	$885,000
Debt Service	$46,861,216[6]
Possessory Interest Tax	$202,529
Subtotal	**$76,211,626**
0.3% Tax for Destination DC	$6,811,000
Total Non-Operating Expenses	**$83,022,626**

Source: WCSA. Amounts rounded to whole dollars.

5 District-owned real property used for governmental purposes is exempt from taxation. D.C. Official Code § 47-1002(2). Even though the CareFirst Arena is owned by the District, a portion of it is leased for business purposes that are non-governmental uses and, therefore, is subject to possessory interest tax under D.C. Official Code § 47-1005.01(b).

6 Of this amount, $42,432,215 (representing debt service on the 2018A Bonds, 2018B Bonds, and 2021C Bonds) is budgeted to be paid from dedicated taxes. The remaining $4,429,000 (representing debt service on the 2021A Bonds and 2021B Bonds) is not identified in the budget but is expected to be paid from TIF revenues. The 2021A Bonds and 2021B Bonds are payable from TIF revenues and may be paid from dedicated taxes only if an insufficient amount of TIF revenue is available.

Excess Reserves

The Amended and Restated Master Trust Agreement requires WCSA to establish and maintain certain funds and accounts in connection with WCSA's issuance of bonds. The establishment and funding of the various required funds and accounts ensures that WCSA will have funds available for the repayment of bond principal and interest. Balances remaining in the various required funds and accounts, after deducting the minimum balance requirements and other amounts restricted by debt obligations, represent WCSA's excess reserves.

In addition, some funds are excluded from excess reserves because they are restricted by contractual arrangements that are not related to bonded indebtedness. WCSA's Capital Reserve Fund is restricted because it receives the District's annual contribution of $1.5 million toward the cost of maintaining the baseball stadium (and these receipts also are not considered as non-operating revenues for purposes of this report). WCSA's New Stadium Construction Account holds $697,956 (as of March 31, 2026) remaining from construction of the baseball stadium; this account's balance is designated in WCSA's financial statements as Due to DC Government. The Academy Improvements Account holds funds that WCSA receives from the District and transfers to the Washington Nationals Youth Baseball Academy pursuant to a ground lease. WCSA also holds $150,863 (as of March 31, 2026) restricted funds remaining from the construction at Kenilworth Park of a soccer field that was jointly funded by the District's Department of Parks and Recreation, the Washington Nationals, and the federal government.

Results of the Auditor's Examination

We conducted detailed analysis over each component of WCSA's FY 2027 sufficiency calculation presented in Figure 5 (page 8). Noted below are key observations based on our review.

Conventions and Meetings Division

For FYs 2023 through 2025, the Conventions and Meetings Division consistently exceeded its operating revenue projections. As of March 31, 2026, the Conventions and Meetings Division had exceeded its budgeted operating revenue projection for the first half of FY 2026 by $693,645 (5%). Total expenses for the first half of FY 2026 were under budget by approximately 4%.

"City-wide events" are a category of convention center business that includes conventions, meetings, and trade shows that are international, national, or regional in nature, and have a significant economic impact on the hotel community, with a minimum of 2,500 room nights at the peak.[7] Nine city-wide events were held at the Convention Center during the first half of FY 2026, and as of March 31, 2026, an additional nine city-wide events were booked for the second half of FY 2026. As of May 2026, Events DC had booked 19 city-wide events for FY 2027.

7 Peak room nights refer to the nights during an event when most rooms are occupied by those in attendance.

WCSA has retail lease tenants on the ground level of the Convention Center building around its perimeter. Lease agreements that have been executed with eight retailers will be in effect during FY 2027.

The Division's projections of operating revenue for FY 2027 appear reasonable.

Sports and Entertainment Division

The Sports and Entertainment Division (SED) has over-estimated revenue in recent years, and actual revenue was less than budgeted for the three years we reviewed (FYs 2023-2025). FY 2024 was the largest under-performance of $1.4 million (21%), with actual revenues not meeting budget amounts across nearly every category. FY 2025 revenue had a smaller underperformance of $655,460 (-9.6%). As of March 31, 2026, the Sports and Entertainment Division had over-performed its budgeted operating revenue projection for the first half of FY 2026 by approximately $402,794 (21%).

Given these observations, ODCA is unable to conclude that SED is reasonably likely to collect the amount of revenue assumed in the FY 2027 budget. However, because SED's operating revenues represent only 2.2% of Events DC's projected revenues in FY 2027 (including all budgeted amounts, tax revenues designated for Destination DC, and TIF revenue), ODCA concludes that this limitation will not materially impair Events DC's FY 2027 budget or the sufficiency of revenues to pay debt service and fund reserves at required minimum balances.

Marketing Contracts

WCSA has established FY 2026 marketing contracts with Destination DC, the DC Chamber of Commerce, and the Greater Washington Hispanic Chamber of Commerce. WCSA has a new statutory requirement to also establish a marketing contract with the Washington DC Economic Partnership, but this contract has not yet been established.[8] ODCA concluded that compliance or lack of compliance with this Code requirement will not impact Events DC's FY 2027 sufficiency review.

Conclusion

Based upon a comparative analysis of WCSA's projected revenues and excess reserve, the Auditor determined that WCSA's projected revenues and excess reserve should be sufficient to cover its expenditures and reserve requirements for FY 2027.

As stated above, the Auditor certifies only that the revenue estimate, expense estimate, and excess reserve estimate at the time of certification, as shown in Figure 5 below, appeared sufficiently supported and achievable by WCSA.

ODCA's analysis indicated that WCSA's projected FY 2027 revenues and excess reserve should exceed expenditures by approximately $113.33 million. Figure 5 presents WCSA's FY 2027 sufficiency calculation.

8 D.C. Official Code § 10-1202.08a(e) requires WCSA to establish marketing contracts with specified organizations. This section was updated to add the Washington DC Economic Partnership by the Fiscal Year 2026 Budget Support Act of 2025 (D.C. Law 26-55, § 2092, effective from December 6, 2025).

Figure 5: Fiscal Year 2027 Sufficiency Calculation

CATEGORY	AMOUNT
Revenues	
Dedicated Tax Estimate	$157,528,000
0.3% Additional Hotel Tax	$6,811,000
TIF Revenue Estimate	$18,428,766
Operating Revenue Estimate	$30,294,519
Interest Income Estimate	$13,677,745
Subtotal Revenues	**$226,740,029**
Reserves	
Beginning Cash Balance Over the Required Minimum Reserves	$158,715,489
Sum of Projected FY 2027 Revenues and Excess Reserve Estimate	**$385,455,518**
Expenditures	
Debt Service	$46,861,216
Operating Expenditures	$147,071,772
Marketing and Partnership Agreements	$28,262,880
Projected 0.3% Additional Hotel Taxes to DDC	$6,811,000
Community Grants	$885,000
Possessory Interest Tax	$202,529
Capital Improvement Expenditures	$42,031,167
Sum of Projected FY 2027 Expenditures	**$272,125,564**
Projected Revenue and Excess Reserve Estimate Over Projected Expenditures (End of Fiscal Year)	**$113,329,954**

Source: WCSA. Amounts rounded to whole dollars.

Auditor's Certification

Based upon the Auditor's analysis of information provided by the Washington Convention and Sports Authority (WCSA) and the Office of the Chief Financial Officer (OCFO), as of the date of this certification, July 15, 2026, WCSA's total projected revenues and excess reserve estimate for FY 2027 are sufficient to cover its projected expenditures and debt obligations. WCSA's FY 2027 estimated revenues and excess reserve are expected to exceed its projected expenditures and reserve requirements by $113.33 million.

We believe this constitutes a reasonable basis for the Auditor's sufficiency certification.

Sincerely yours,

Kathleen Patterson
District of Columbia Auditor

cc: Councilmembers
Angie Gates, Events DC
Veronica Taylor, Events DC
Angell Jacobs, OCFO

About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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