

bold transitions



**Pushing
beyond the
ordinary to
create the
amazing.**



Bold Transitions

In a world-class destination filled with cultural, culinary and artistic delights, every event has the potential to become history in the making. Events DC, the new face of conventions, sports, entertainment and cultural events, rises to the challenge by taking bold steps to leverage the astonishing beauty, history and diversity of the nation's capital. In doing so, Events DC attracts unforgettable events and experiences to generate economic and community benefits for Washington, DC.

- ▶ **320 events**
- ▶ **1.5+ million visitors**
- ▶ **\$22+ million in revenue**
- ▶ **\$360+ million in direct spending**





The organization's strength lies in its dynamic team. The Events DC team works tirelessly to deliver on the promise of exceptional service and amazing experiences to help the nation's capital stand out as a destination of choice on the global stage.

“Always revered for its astonishing collection of museums and historical troves, DC has become a burgeoning music hub and — more surprisingly — a foodie’s playground, with hotter-than-thou restaurants opening seemingly every week.”

- *Travel and Leisure*, Washington DC Travel Guide

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Engage. Excite. Entertain.

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Letter from the President and CEO



The past year has been a time of extraordinary achievement for our organization. Building on the momentum of our merger with the DC Sports and Entertainment Commission in FY2010, we saw a number of major projects move forward. Key among these accomplishments was the launch of Events DC, a new brand that elevates our visibility, creates a unified marketing presence for our city and more clearly communicates our offerings to the marketplace.

When I joined the Events DC team in 2008, we were an organization with one building and a decade's worth of effort to break ground on a headquarters hotel. Today, Events DC owns, operates or oversees seven of the city's most exciting event venues...and I'm proud to say the Washington Marriott Marquis is on track to open its doors in the spring of 2014. This is what we mean by "bold transitions," the theme of this FY2011 annual report.

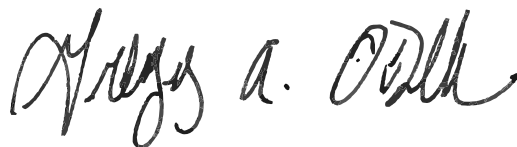
Since the merger nearly three years ago that created our organization, we have focused on a set of guiding principles to ensure we continue to not only maximize the economic and community benefits we create for the District of Columbia, but that we also create outstanding value and service for our customers. First, we are **forging alignment** with our stakeholders and partners to ensure Washington, DC is positioned as one of the premier convention, tourism, sports and entertainment destinations in the nation, and indeed the world. The introduction of the Events DC brand was an important part of this alignment, which also extends to a network of partnerships and collaboration designed to attract business and leisure travelers to the nation's capital. An example is our focus on international convention sales, which was on display this summer as we welcomed the XIX International AIDS Conference to Washington, D.C.

Next, we continue to make **strategic investments** in our facilities, our programming, our people and our city. Our Board of Directors has ensured we have a sufficient five-year capital budget to fund infrastructure expenditures in fiscal years 2013 to 2017, and our acquisition of the historic Carnegie Library at Mt. Vernon Square has brought new life and energy to a building that generations of Washingtonians have cherished. We have also

made a significant investment in the new Marriott Marquis, which will allow us to complete the original vision for the new Walter E. Washington Convention Center.

Finally, and perhaps most exciting, we have taken a proactive approach to **creating demand** for Events DC's services. We are actively engaging potential customers and attendees through ownership, production or promotion of exciting new events such as the AT&T Nation's Football Classic and the Maloof Money Cup, while also working to bring exceptional programming to the District like the HBO Capital Showdown boxing championship. These are just a few examples of the exciting things we have in store for the District.

In just two years, we have transformed our agency into one that delivers a wide range of world-class events in the heart of the most powerful city in the world, thanks to a series of bold transitions that took us from the Washington Convention Center Authority to Events DC. I am proud of our management team, employees and service partners for their work in this endeavor, and I am grateful for the continued support of our Board of Directors and our public stakeholders. Stay tuned, as the best is yet to come.



Gregory A. O'Dell
President and CEO

Letter from the Chairman



Change can be a challenge – especially in tough economic times – but through bold leadership, times of transition can bring new opportunities that create an even stronger organization. In the last few years, this has been the case for the Washington

Convention and Sports Authority, and especially so during FY2011. It was a year of signature achievements, including groundbreaking for a long-awaited headquarters hotel, the launch of our first owned-and-operated sports event, the re-opening of the historic Carnegie Library as a special events venue and the introduction of a new brand, Events DC.

Within the pages of this annual report, one can see why this is such an exciting time for the Authority. In the span of two years since our merger, our staff, working with the full support of the Board of Directors, has transformed the organization into an events powerhouse, creating an outstanding experience for the conventioners, attendees, athletes, fans and spectators who pass through our doors. We have new energy, new venues and new events, all designed to generate even greater economic and community benefits for the residents and businesses of this great city.

These achievements would not have been possible without the guidance and support of the Board and its standing committees, all of which have played a central role in providing the organization with the level of governance required to effect these impactful changes.

The last six months have also been a time of transition for the Authority's Board, as we welcomed four new members in February 2012, myself included. Even so, the Board's unwavering commitment to ensuring that Washington, DC is one of the world's premier event destinations remains strong. The 11 members of the Board of Directors each have hospitality in their blood and service to the District of Columbia in their hearts.

On behalf of the Board, I want to express our gratitude to the men and women who have made this year of accomplishments possible. The Authority's staff is, without a doubt, among the best in the nation, and it is an honor for us to serve alongside this talented team of professionals

A handwritten signature in black ink, appearing to read 'M. Hagans'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michele V. Hagans

Chairman
Washington Convention and Sports Authority
t/a Events DC

bold transitions

2011 marked a year of change, abundant with new synergies and a bold new mission for Events DC to create even more powerful events to drive greater community and economic benefits.



A New Brand, A Bright Future

The Events DC brand encompasses the event experience in the city, elevating the organization’s core assets and portfolio of services, as well as aligning with the existing brands for Washington, DC and the city’s promotional arm, Destination DC.

Prized for its museums and historical attractions, Washington, DC has built a well-founded reputation as a cultural and culinary powerhouse by hosting countless events and welcoming travelers from around the globe.

The electrifying energy and spirit of DC, its residents and visitors inspired a transformation to capture a new identity worthy of a storied city—one of the most desirable destinations in the world.

The transition began in June 2011 with the unveiling of a new identity to boost economic benefits and unify citywide efforts in the nation’s capital. It created a new organization far greater than the sum of its parts—one that underscores a position as the premier source of Washington, DC’s event experience.

Under the umbrella of a united organization, customers are offered a seamless experience and an extensive array of options for events of all kind. This new brand reflects a broader mission and conveys a one-stop shop in Washington, DC for preeminent venues and event services. It is the difference that will ultimately help to enhance venue bookings, hotel occupancy and business activity throughout the city.

Experience the excitement.
Experience Events DC.



Events DC Brand Evolution

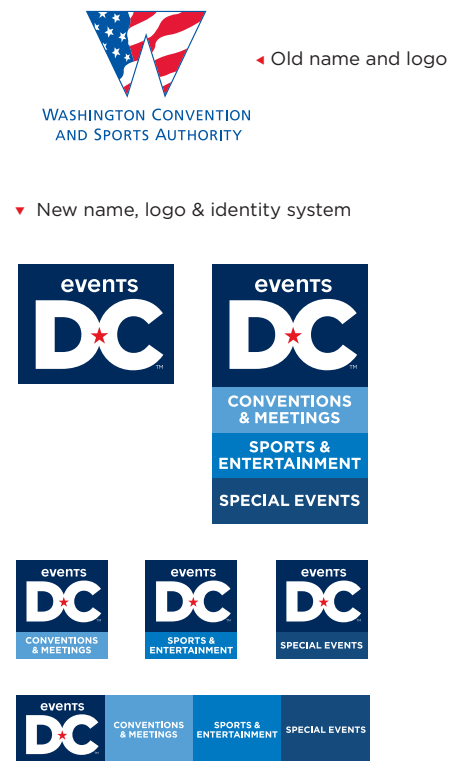


Image on left: Events DC Brand Map

Board of Directors

Left to right

Dr. Natwar Gandhi†

Chief Financial Officer
Government of the District of
Columbia

Chairman, Finance Committee
**Member, Sports & Entertainment
Committee**

Denise Rolark Barnes

Publisher
The Washington Informer

Member, Development Committee

Mimsy Lindner

Member, Operations Committee

William N. Hall

Partner
Venable LLP
**Chairman, Sports & Entertainment
Committee**
Member, Finance Committee

John Boardman

Executive Vice President
UNITE HERE Local 25
Member, Operations Committee

Emily Durso

*Assistant Superintendent for
Postsecondary Education and
Workforce Readiness*
Office of the State Superintendent
of Education
Treasurer, Board of Directors
Chairman, Development Committee
Member, Finance Committee





Michele V. Hagans

President

Fort Lincoln New Town Corporation Inc.
Chairman, Board of Directors

Solomon Keene

President

Hotel Association of Washington, DC
Member, Operations Committee

Linda Greenan

*Assistant Vice President for
External Relations*

Georgetown University
Secretary, Board of Directors
Member, Operations Committee
**Member, Sports & Entertainment
Committee**

Jay Haddock Ortiz

President

Capital Hotels
Vice Chairman, Board of Directors
Chairman, Operations Committee
Member, Finance Committee

Allen Y. Lew*†

City Administrator

Government of the District of
Columbia

† Denotes ex officio members
* Not pictured.



Bold Begins Here

Meet the Executive Committee. These individuals are the force behind this bold organization and are committed leaders within the Washington, DC community.

Left page (left to right)

Marlene L. Johnson, Esq.
General Counsel

Sean Sands
Chief of Staff

Henry W. Mosley, CPA
Chief Financial Officer

Erik A. Moses
*Senior Vice President and
Managing Director*

John Collins*
*Vice President
Facility Operations and
Services*

Right page (left to right)

Gregory A. O'Dell
President and CEO

Samuel R. Thomas, Jr.
*Senior Vice President and
General Manager*

Judy D. Banks
*Vice President
Human Resources*

Chinyere J. Hubbard
*Vice President
Communications and
Marketing*

* Not pictured



↑ 18%

Occupancy

↑ 8%

Events

↑ 28%

Revenue

↑ 21%

Direct Spending

Directors Committee

Left to right

Angelique Cofield
Quality Assurance Manager

Reginald L. Smith
Deputy General Counsel

Lillian Rumbaugh
Controller

Peter Shogren
Director, Facility Operations

Cathy Boles
Assistant Director, Development

Michael Waxer
Chief Technology Officer

Jonathan R. Butler
Director, Procurement

Candace G. Johnson
Director, Event Operations

Gerald Wilson
Director, Public Safety

Linda G. Erickson
Director, Sales

Troy D. Scott
Vice President, Operation

William Smith
Director, Meeting Services

Teri Washington
Director, Communications

Joyce Watson
*Director, Convention
Management*





synergies and successes



New Brand

A bold new brand, Events DC was unveiled to create a unified marketing presence for Washington, DC as a major event destination. Events DC more clearly communicates the organization's diverse capabilities to conference and event planners seeking memorable venues and an unforgettable event experience.

AT&T Nation's Football Classic™

The AT&T Nation's Football Classic, Event DC's first owned-and-operated sports event, brought 18,409 football fans together to watch Howard University and Morehouse College reignite their gridiron rivalry at RFK Stadium.

Military Bowl presented by Northrop Grumman

The Military Bowl presented by Northrop Grumman honored the courageous men and women in our armed forces by donating game tickets to military personnel and their families, as well as \$100,000 to the USO.

A Capital Approach to Building an Extraordinary International Destination

The year 2011 marked a year of unparalleled growth and bold achievements for Events DC.

The extraordinary accomplishments of this past year demonstrate the organization's ability to achieve innovative business initiatives. These monumental moments deliver significant value and credibility within the hospitality, entertainment and sports industries with key stakeholders and strategic partners nationwide. Our efforts create a well-deserved platform for Washington, DC.

The following represents a diverse sampling of Events DC's achievements over the past year:



Carnegie Library at Mt. Vernon Square

Events DC assumed administrative control of the historic Carnegie Library at Mt. Vernon Square, a versatile space that is one of the city's most sought-after special event venues.

Boxing Booms Back

The District staged its first major fight card since 1993. The event, where DC native Lamont Peterson defeated Amir Khan for the welterweight title at the Walter E. Washington Convention Center, was broadcast live on HBO's World Champion Boxing and marked HBO's first return to DC in 18 years.

RFK Stadium 50th Anniversary

Led by Events DC, the nation's capital commemorated the 50th anniversary of RFK Stadium and celebrated what is yet to come at the beloved stadium through a series of community and fan-based events. The anniversary celebration concluded with a star-studded VIP gala recognizing the historic moments, memories, teams, athletes and entertainers who have performed at RFK Stadium over the past 50 years.

Continued Growth Across the Board

Throughout Fiscal Year 2011, Events DC utilized strategic alliances, the creation of unique events and the attraction of some of the largest conventions and meetings in the country to leverage the District as a top destination.

Conventions & Meetings

The environmentally innovative Walter E. Washington Convention Center welcomes millions of visitors each year to its award-winning facility.

231 EVENTS

1M+ ATTENDEES

\$347M DIRECT SPENDING

Sports & Entertainment

Whether it's a day at Nationals Park or an afternoon at RFK Stadium, Events DC can host a wide array of events from Major League Soccer to legendary entertainers.

79 EVENTS

500K ATTENDEES

\$16.2M DIRECT SPENDING

Special Events

When it comes to hosting lavish seasonal balls or cultural events throughout the city, Events DC represents the future of audience experiences for DC residents and visitors alike.

10 EVENTS

1M+ ATTENDEES

\$4.2M DIRECT SPENDING

KEY EVENTS

- National Association for the Specialty Food Trade (NASFT)'s Summer Fancy Food Show
- 2011 BIO International Convention
- Association of the United States Army Annual Meeting
- Leukemia Ball
- NBC4 Health and Fitness Expo

KEY EVENTS

- Military Bowl p/b Northrop Grumman
- AT&T Nations Football Classic
- DC101 Chili Cookoff
- Tiësto Club Life Tour
- D.C. United
- Capital Showdown Boxing Match
- RFK Stadium 50th Anniversary

KEY EVENTS

- National Cherry Blossom Festival
- DC Jazz Festival's Jazz in the 'Hoods
- Washington International Horse Show
- Nation's Triathlon
- Washington Kastles

Events DC Rebranding Launch

The nation's capital serves as a leader in the travel and tourism industry through the attraction and promotion of premier events. In an effort to gain greater visibility, Events DC strategically adopted a new name and visual identity as part of its ongoing campaign to attract more events and provide greater economic benefits for the nation's capital.

On June 22, 2011, Events DC, the official convention and sports authority of the District of Columbia, was launched with a new identity. The brand was unveiled in style with a day-long celebration of events, beginning with a press conference at the Walter E. Washington Convention Center. The briefing was attended by city officials, sports, business and hospitality leaders.

The new Events DC brand complements and reinforces two other brands central to the District's meetings and tourism industry: Washington DC and Destination DC, the city's tourism and marketing arm. Building on the nexus between these organizations, Events DC more clearly aligns the three brands to create an environment that is easier for customers and consumers to navigate and understand.

The new brand's graphic identity system uses color to define Events DC's three divisions—Conventions and Meetings, Sports and Entertainment, and Special Events—enabling customers to pinpoint the division they need.



Left to right

Michael A. Brown, Councilmember At Large; Elliott Ferguson, II, President & CEO, Destination DC; Allen Lew, Events DC Boardmember; Gregory A. O'Dell, President & CEO, Events DC; Emily Durso, Events DC Boardmember; Bill Hall, Events DC Boardmember; Jim Abdo, Former Events DC Boardmember; Jack Evans, Councilmember, Ward 2

Conventions & Meetings

Moving People



The National Association for Specialty Food Trade (NASFT)'s 2011 Summer Fancy Food Show

Food experts, entrepreneurs and producers showcased their culinary innovations and delicacies at the 2011 Summer Fancy Food Show. Held July 10-12, 2011, more than 30,000 exhibitors and attendees gathered at the Walter E. Washington Convention Center for North America's largest marketplace for specialty foods and beverages.

With more than 180,000 delectable products on display, this three-day show cemented Washington, DC's reputation as a booming food town. The city's restaurant scene was profiled in issues of Condé Nast Traveler and Cooking Light, while several notable DC chefs earned nods from the James Beard Foundation for their culinary achievements.

The economic impact of the Summer Fancy Food Show—at more than \$28 million in visitor spending—was particularly significant, as it took place during the non-peak summer months.

The 2011 Summer Fancy Food Show also coincided with DC Eats' "Summer of Food" initiative. Aimed at locals and visitors alike, DC Eats highlighted the District's vibrant and delicious dining scene with special discounts and deals at restaurants, bars and attractions throughout the metropolitan region. DC Eats also provided food-focused itineraries for visiting foodies.

"Washington, DC is the perfect host city for the Summer Fancy Food Show. We were impressed with all Washington, DC has to offer as a destination and knew it was a great fit."

Ann Daw
President
National Association of Specialty Food Trade



2011 BIO International Convention

The 2011 Biotechnology Industry Organization (BIO) International Convention, the largest global event for biotechnology, was an enormous success.

Set at the Walter E. Washington Convention Center, BIO International brought together more than 15,600 dignitaries and leaders from industry, government and academia from 48 states and 65 countries—including former British Prime Minister Tony Blair, Prince Philippe of Belgium, Deputy Prime Minister Steven Vanackere of Belgium, Deputy Prime Minister Tan Sri Muhyiddin Yassin of Malaysia and numerous elected U.S. officials—all working to solve some of the sector’s biggest challenges.

The convention included a record number of partnering meetings, increased international attendance and participation. Panel sessions focused on challenges facing the biotech industry—as well as the latest scientific and policy business opportunities.

“Bringing the global biotech industry to Washington, DC gave us the critical opportunity to showcase to key policymakers our industry’s promise to offer real solutions to the most pressing global challenges, such as curing disease, reducing health care costs, combating hunger, discovering alternative forms of energy and creating high-wage jobs.”

Jim Greenwood
President and CEO
BIO

More than 500 Army & Industry exhibitors used 500,000 square feet of exhibit space.

500,000 Sq. Feet



Association of the United States Army's 2011 Annual Meeting and Exhibition

The Association of the United States Army's 2011 Annual Meeting and Exhibition is the largest land-power exposition and professional development forum in North America. From October 10-12, 2011, the meeting welcomed more than 30,000 attendees—including senior leaders from the U.S. Army, the Department of Defense and foreign dignitaries—to the Walter E. Washington Convention Center.



The Leukemia & Lymphoma Society's Annual Ball

The Leukemia & Lymphoma Society's Annual Ball has raised more than \$45 million since its inception in 1988.

\$45 Million Raised



85,000 Attendees

NBC4 Health & Fitness Expo

Family activities combined with important health and medical information encouraged the Washington, DC greater community to maintain a healthy lifestyle.

Sports & Entertainment

Emotion in Motion



Military Bowl presented by Northrop Grumman

College football took center stage once again during the holiday season in the nation's capital as the Military Bowl presented by Northrop Grumman featured the University of Toledo Rockets and the Air Force Falcons at RFK Stadium. Continuing a tradition of exciting finishes, Toledo edged out Air Force in a 42-41 thriller in the fourth annual game.

The Military Bowl honors the heroic men and women in our armed forces and through its partnership with the USO raises funds to help thousands of military personnel and their families. In 2011, the Military Bowl donated \$100,000 to the organization and provided more than 5,000 game tickets for service members and their families.

During Military Bowl week, the participating schools enjoy a variety of activities, including tours to the city's monuments, receptions and the annual teams' luncheon at the JW Marriott Hotel. And the schools give back as well. Select players from each school visit service members at the Armed Forces Retirement Home and VA Medical Center each year.

New to Bowl week this year was the Military Village on the DC Armory Campus. Fans were able to experience military assets such as a nighthawk helicopter, drones, Humvees and a mobile USO station, and were also able to climb inside to see how they worked from a unique perspective.

"The game is all about the men and women of our military, and raising support and awareness for the USO."

Steve Beck
Executive Director
Military Bowl





25,000 Attendees

The Military Bowl generates broad support for the USO, positively impacts the regional economy, honors the U.S. military and solidifies the nation's capital as a leading college football destination.

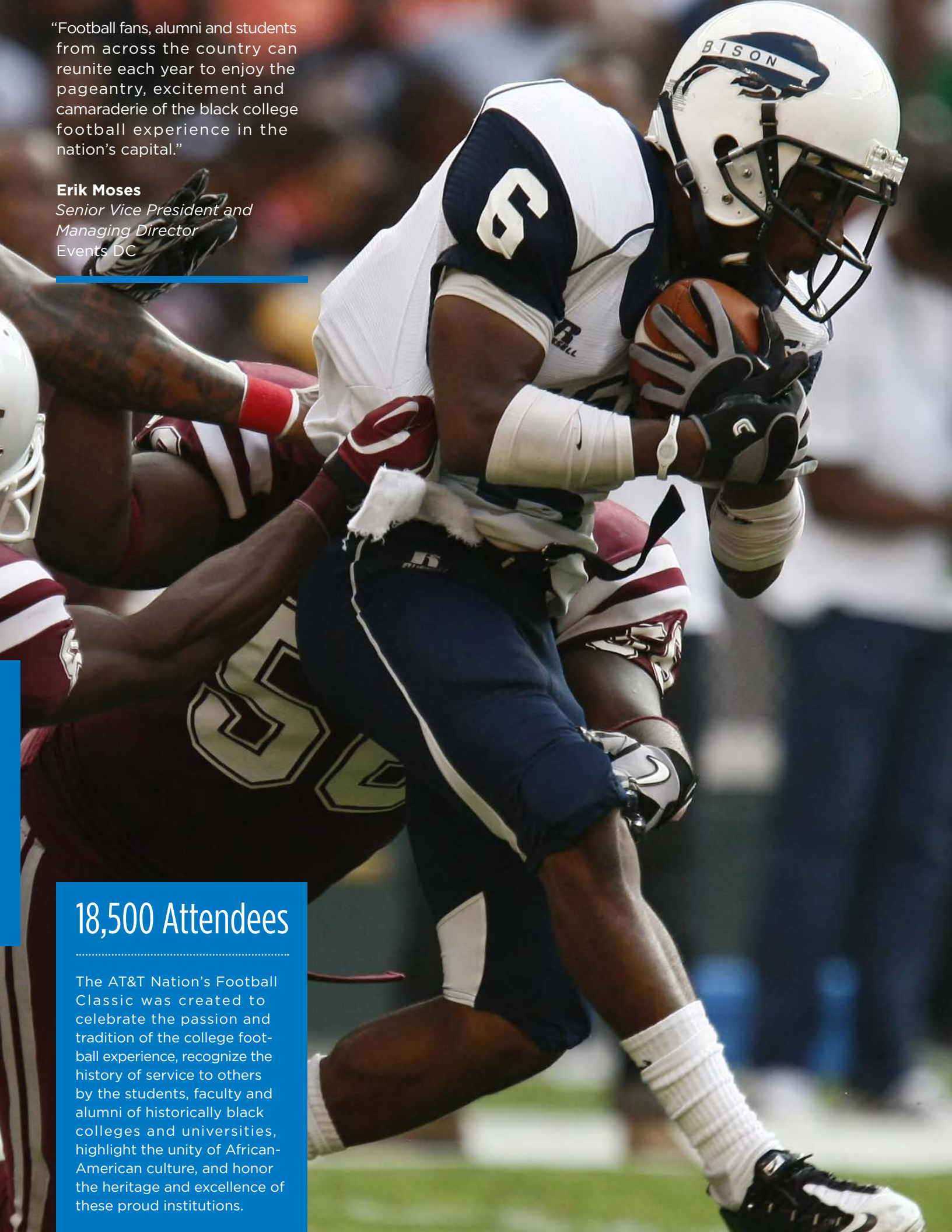
“Football fans, alumni and students from across the country can reunite each year to enjoy the pageantry, excitement and camaraderie of the black college football experience in the nation’s capital.”

Erik Moses

*Senior Vice President and
Managing Director
Events DC*

18,500 Attendees

The AT&T Nation’s Football Classic was created to celebrate the passion and tradition of the college football experience, recognize the history of service to others by the students, faculty and alumni of historically black colleges and universities, highlight the unity of African-American culture, and honor the heritage and excellence of these proud institutions.



AT&T Nation's Football Classic

Among the year's standout moments was the unveiling of DC's newest sports tradition: the inaugural AT&T Nation's Football Classic. The Classic kicked off with Howard University facing Morehouse College at RFK Stadium in a renewal of a historic rivalry between two premier institutions rich in heritage on and off the field.

True to its mission, the Classic proved to be more than a game—it was a celebration of culture and unity through a series of activities. Events surrounding the Classic included a diverse list of educational experiences, networking opportunities and entertainment for fans of all ages and interests, all culminating in a spirited matchup on the field, which Howard held on to win 30-27.

The Football Classic kicked off with a bang. Weekend event offerings included the Presidential Symposium, student debate, UNCF Empower Me Tour, the AT&T Kickoff Rally headlined with Sean "Diddy" Combs, Jermaine Dupri and Big Tigger, a Fan Festival on the RFK Stadium Festival Grounds, receptions, parties and, of course, a great deal of tailgating!

With the addition of the AT&T Nation's Football Classic to the DC sports scene, the city is truly becoming the nation's sports capital.

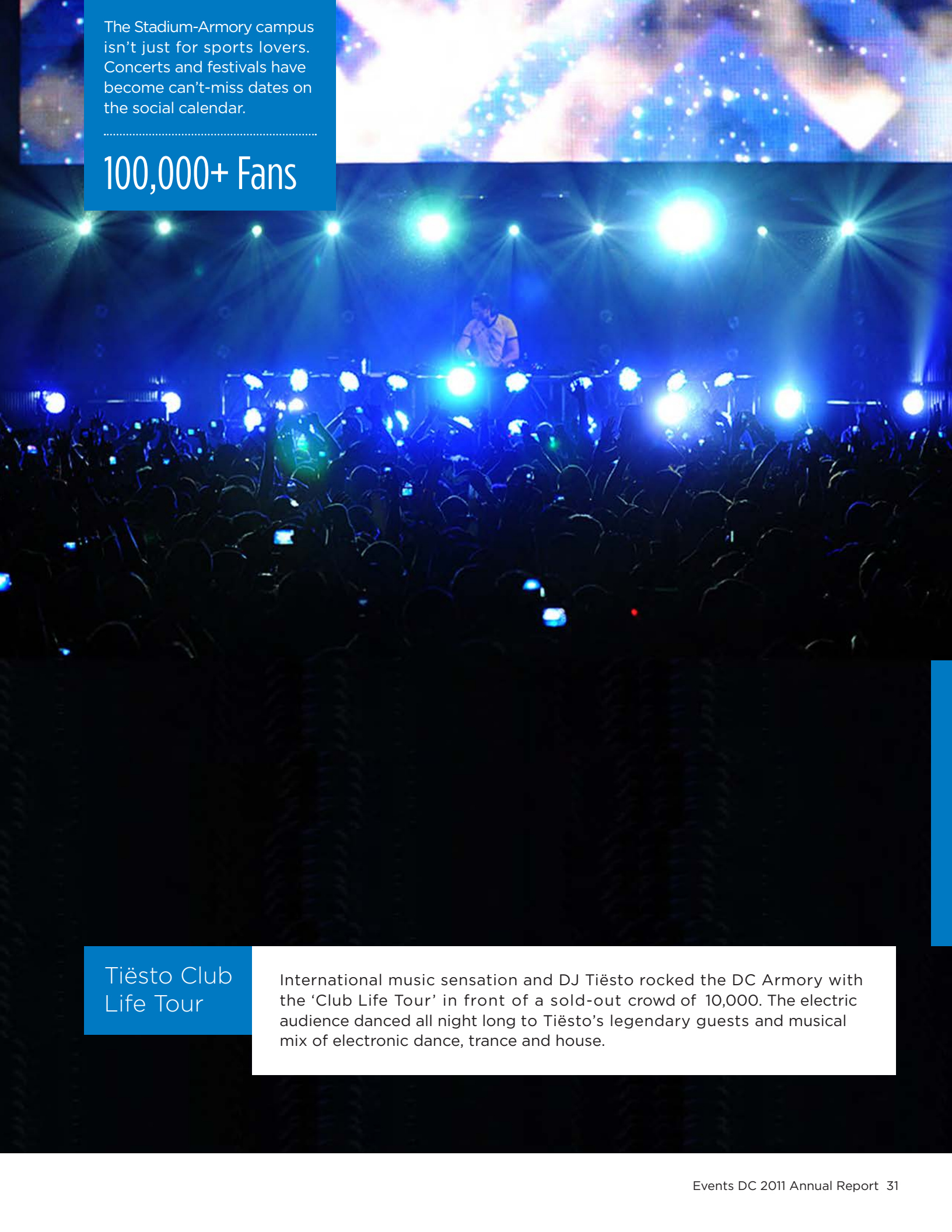




DC101 Chili Cook-Off

More than 20,000 music lovers rocked the RFK Stadium Festival Grounds during the annual DC101 Chili Cook-Off. Chart-topping American alternative rock band Weezer headlined the event, which benefited the National Kidney Foundation serving the metropolitan area.



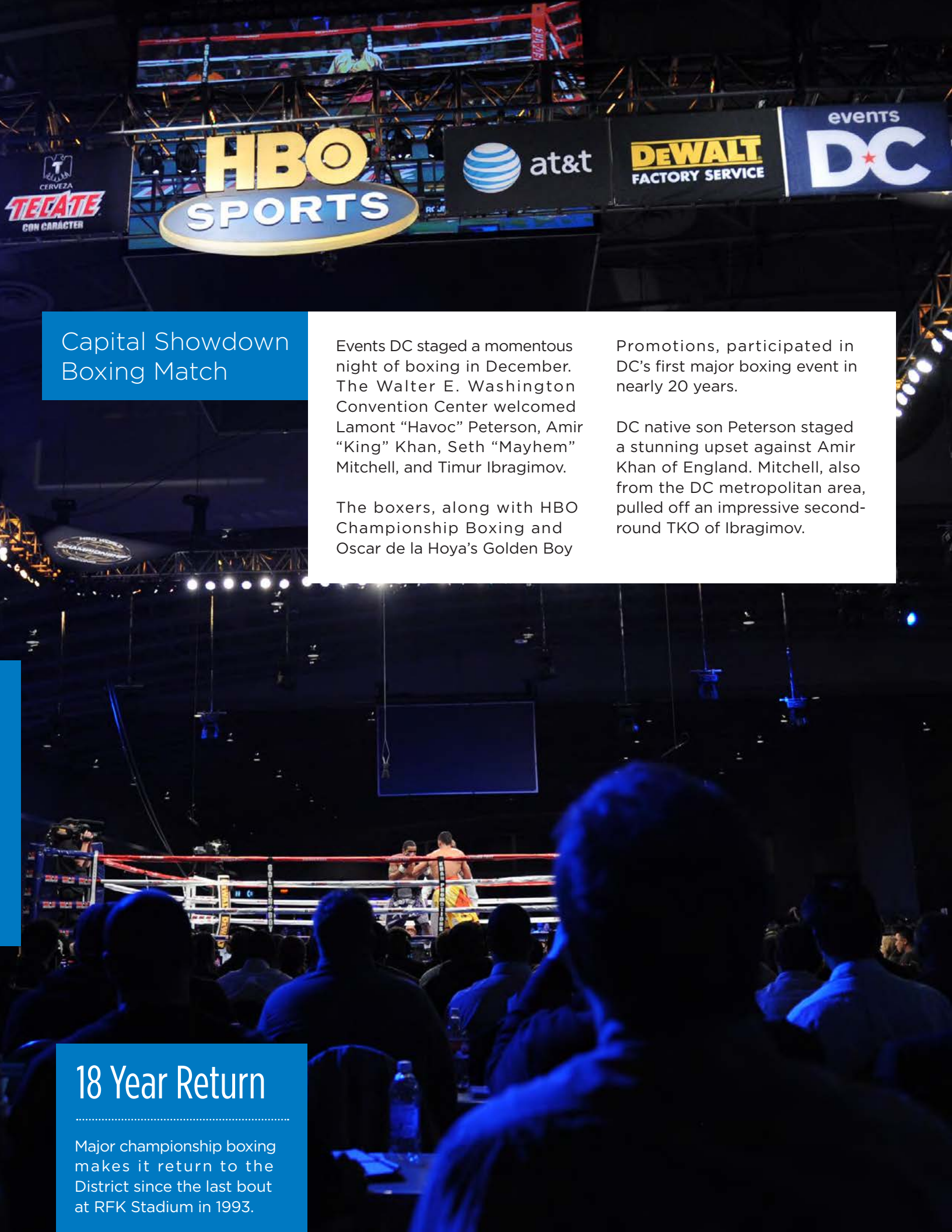


The Stadium-Armory campus isn't just for sports lovers. Concerts and festivals have become can't-miss dates on the social calendar.

100,000+ Fans

Tiësto Club Life Tour

International music sensation and DJ Tiësto rocked the DC Armory with the 'Club Life Tour' in front of a sold-out crowd of 10,000. The electric audience danced all night long to Tiësto's legendary guests and musical mix of electronic dance, trance and house.



Capital Showdown Boxing Match

Events DC staged a momentous night of boxing in December. The Walter E. Washington Convention Center welcomed Lamont “Havoc” Peterson, Amir “King” Khan, Seth “Mayhem” Mitchell, and Timur Ibragimov.

The boxers, along with HBO Championship Boxing and Oscar de la Hoya’s Golden Boy

Promotions, participated in DC’s first major boxing event in nearly 20 years.

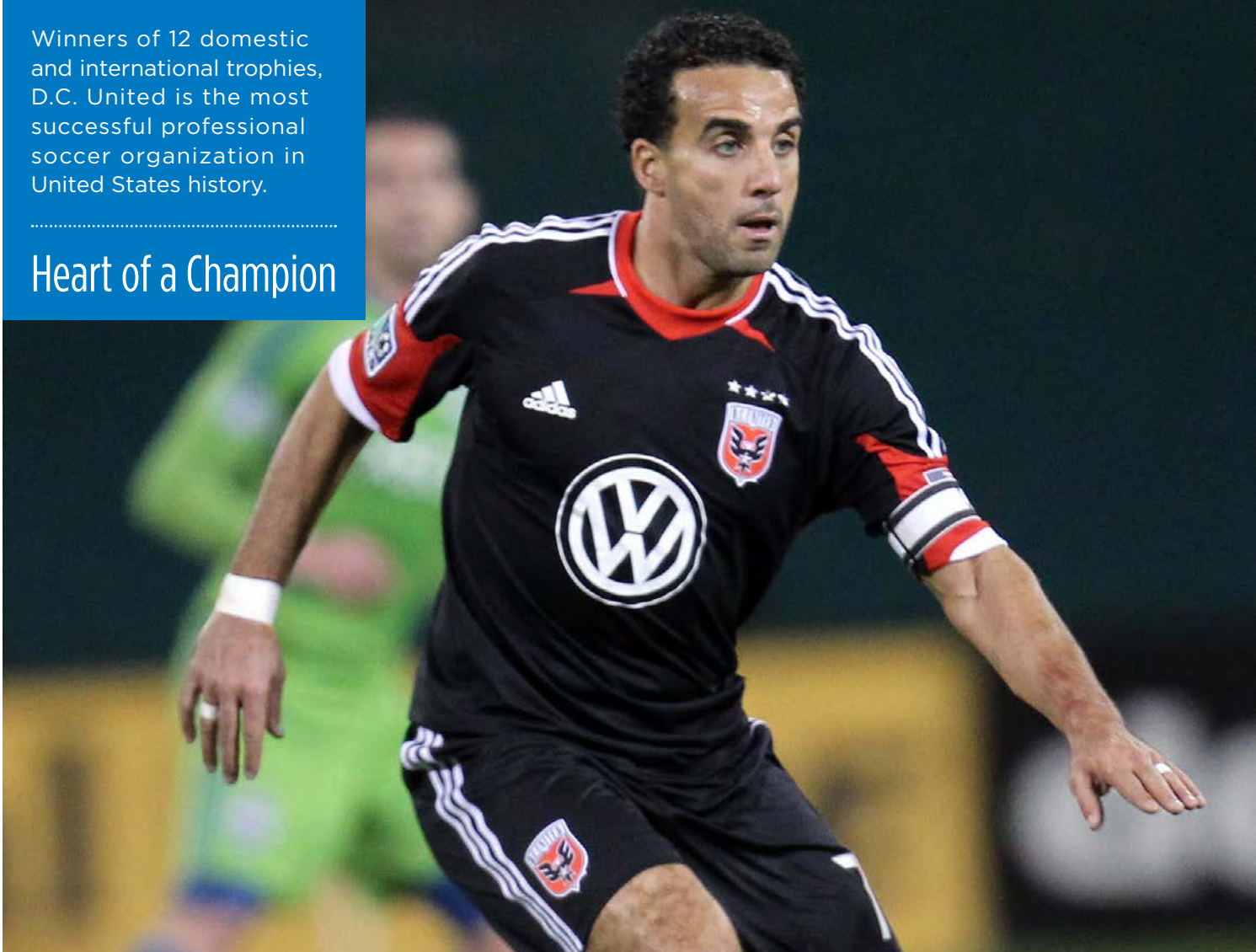
DC native son Peterson staged a stunning upset against Amir Khan of England. Mitchell, also from the DC metropolitan area, pulled off an impressive second-round TKO of Ibragimov.

18 Year Return

Major championship boxing makes it return to the District since the last bout at RFK Stadium in 1993.

Winners of 12 domestic and international trophies, D.C. United is the most successful professional soccer organization in United States history.

Heart of a Champion



D.C. United

D.C. United, a valued member of the local sports landscape and community, has called RFK Stadium home since the team's inception in 1996. With a reshaped roster and new head coach Ben Olsen, these are exciting times for United's loyal fan base. Led by reigning MLS Most Valuable Player Dwayne De Rosario, the resurgent United has arrived.

RFK Stadium opened its doors on October 1, 1961, and since that day has thrilled millions of fans with some of the most memorable moments in DC sports history.

50 Years of Memories





“The athletes and performers who have helped make RFK Stadium great are some of the finest ever to play in their respective sports or entertainment genre. We are thrilled to celebrate this important landmark in our nation’s capital.”

Gregory A. O’Dell
President and CEO
Events DC

RFK Stadium 50th Anniversary Celebration

The celebration commemorating 50 years of sports, entertainment and special events at the District’s revered Robert F. Kennedy Memorial Stadium honored a classic American venue that holds a special place in the hearts of fans and DC residents. In an evening filled with nostalgia, the anniversary dinner brought together current and former athletes, past performers, local dignitaries, politicians and other honored guests. Revelers commemorated and celebrated the historic venue and the countless players and personalities who contributed to the memories cherished by so many.

In a series of interactive events, fans voted for the RFK All-Stadium Team—a venerable roster of the 50 greatest athletes and entertainers in the stadium’s history, which included luminaries in football, soccer, baseball, and entertainment—The Beatles, Michael Jackson, the Rolling Stones, Elton John and Bruce Springsteen, among them. Through the “I Remember” campaign, fans were able to share videos, photos and comments about their most memorable RFK Stadium stories and history. Fans also celebrated “RFK Appreciation Day” with behind-the-scene tours and a booth that displayed a dazzling array of nostalgic memorabilia.



SPECIAL GUESTS

Joseph Kennedy III, Grandson of Robert Kennedy / **Mayor Vincent C. Gray**, District of Columbia / **Bruce Allen**, GM of the Washington Redskins / **Jack Evans**, Councilmember, Ward 2, Council of the District of Columbia / **Charles Mann**, Washington Redskins / **Kevin Payne**, President and CEO, D.C. United / **Ben Olsen**, Head Coach, D.C. United / **Gregory McCarthy**, Vice President, Washington Nationals / **Norm Neverson**, George Washington University

Special Events

Connecting with the Greater Community



1M ESTIMATED VISITORS AT THE 2012 NATIONAL CHERRY BLOSSOM FESTIVAL

VENUE: Downtown, DC

ROLE: Sponsor



150,000 ATTENDEES

VENUE: Verizon Center

ROLE: Sponsor



100+ PERFORMANCES

VENUES: 50

ROLE: Sponsor

National Cherry Blossom Festival Centennial Celebration Kickoff Luncheon

The National Cherry Blossom Festival hosted a sneak preview of the Centennial Celebration of Tokyo's gift of trees to Washington, DC at a fundraising luncheon at the Walter E. Washington Convention Center on September 28, 2011.



Washington International Horse Show

This championship event is a pinnacle of the annual equestrian season and draws top horses and riders from around the nation and the globe. The show takes place each October at the Verizon Center in Washington, DC, attracting the attention of tens of thousands of equestrians and non-equestrians.



DC Jazz Festival's Jazz in the 'Hoods

With more than 100 performances in venues throughout the city, the DC Jazz Festival is the District's largest music festival and one of the most highly anticipated cultural events in the nation. Jazz in the 'Hoods brings the excitement and atmosphere of larger festivals to more intimate local establishments.





4,600 COMPETITORS

VENUES: West Potomac Park
ROLE: Volunteer Sponsor



48,000 SPECTATORS

VENUE: Kastles Stadium at the Wharf
ROLE: Sponsor



150 KIDS

VENUE: Southeast Tennis & Learning Cntr.
ROLE: Sponsor

The Nation's Triathlon

The Nation's Triathlon to benefit The Leukemia & Lymphoma Society is the country's only triathlon dedicated to raising funds to support the most promising blood cancer research. The partnership has garnered an estimated \$11 million for research, patient education and support initiatives to help fund new discoveries and treatments.



Washington Kastles Tennis

Led by the legendary Williams sisters, Venus and Serena, the Washington Kastles have rewritten the history books. In 2011 the Kastles became the first team in the 36-year history of World Team Tennis to finish the season with a perfect 16-0 record.



Southeast Tennis & Learning Clinic with the Williams Sisters

More than 150 children participated in an inspirational tennis clinic conducted by tennis luminaries Venus and Serena Williams to celebrate the 10th anniversary of the Southeast Tennis and Learning Center. The Center has supported underserved youth in the District for a decade as a safe place to play, learn and study to more than 2,000 children.



venues

Venues

- Walter E. Washington Convention Center
- Robert F. Kennedy Stadium and Festival Grounds
- DC Armory
- Nationals Park
- Maloof Skate Park at RFK Stadium
- Carnegie Library at Mt. Vernon Square



Where the Action Is

Our award-winning facilities host millions of visitors each year. From our nationally recognized and environmentally innovative Walter E. Washington Convention Center to the riverside views of the Stadium-Armory Campus, we offer an array of choices for conventions, meetings, tradeshow and other special events to accommodate and delight crowds of any size.

Walter E. Washington Convention Center

The Walter E. Washington Convention Center is an extraordinary 2.3-million-square-foot convention and meetings facility. One of the most energy-efficient buildings of its size, the Center can handle a wide range of events, from small groups and break-out meetings to gatherings of 42,000 attendees. It also boasts 703,000 square feet of prime exhibit space, 198,000 square feet of flexible meeting space and, at 52,000 square feet, the largest ballroom in the region.



Robert F. Kennedy Memorial Stadium

Robert F. Kennedy Memorial Stadium, affectionately known as “RFK” around the globe, is an historic DC sports venue. It has entertained spectators with its crowd-pleasing sightlines since 1961. RFK is the home turf for professional, collegiate and high school games and was the first major stadium designed specifically as a multisport facility for both football and baseball. With a capacity for 45,000+ visitors, it is the current home for Major League Soccer’s D.C. United, the Military Bowl presented by Northrop Grumman and the AT&T Nation’s Football Classic. It also hosts concerts, charitable events and international sporting events. The amenities at RFK Stadium include the surrounding Festival Grounds and the Maloof Skate Park at RFK Stadium.

Nationals Park ▶

Nationals Park is located in Southeast Washington, along the fast-developing Capitol Riverfront adjacent to the Navy Yard. The Park opened in March 2008 and is the home of Major League Baseball's Washington Nationals. The exterior façade of the 41,546 seat venue features an innovative design of steel, glass and pre-cast concrete to create a facility that uniquely reflects the architecture of Washington, DC. Visitors witness panoramic views of the riverfront, Navy Yard and the surrounding city and landmarks such as the Capitol and the Washington Monument. Nationals Park is equipped with state-of-the-art video and audio technology, including a 4,500-square-foot high-definition scoreboard. Nationals Park features four large club spaces, luxurious suites and 8,000 square feet of conditioned meeting space and is the nation's first major professional stadium to become LEED Silver Certified by the U.S. Green Building Council. Events DC serves as landlord for the ballpark.



▼ DC Armory

The DC Armory first opened in 1941. Home of the DC National Guard and the DC Rollergirls, a women's flat-track roller derby league currently in its sixth season, the DC Armory is Washington, DC's auditorium, arena and ballroom, and one of the most versatile venues in the Mid-Atlantic region. Under its huge dome, visitors can enjoy a year-round parade of events as wide-ranging and diverse as the people who come through its doors. The DC Armory hosts conventions, circuses and inaugural balls, as well as concerts, expos, sporting events, trade shows and much more. The Armory can be adapted to audiences of varying sizes from 10 to 10,000 people and its interior features nearly 70,000 square feet of exhibition space.





Maloof Skate Park at RFK Stadium

The Maloof Skate Park at RFK Stadium is an outdoor venue for skateboard lovers of all ages and skills. Built adjacent to RFK Stadium, the 15,000-square-foot facility is the first major skate park in Washington, DC. Designed by Pro Skater Geoff Rowley and California Skateparks and inspired by architecture from Freedom Plaza and Pennsylvania Avenue,

the skate park also includes a replica of the Golden Rail. Located by DC's Metro Center rail station, the Golden Rail was made world-famous by local skate boarders. In September 2011, the skate park hosted some of the world's best skaters in a professional event known as the Maloof Money Cup DC. The skate park is now open daily for public use from dawn to dusk.



The Carnegie Library at Mt. Vernon Square is one of Washington DC's most historic treasures and serves as an ideal venue for special events. Located across the street from the Walter E. Washington Convention Center, this celebrated landmark has awe-inspiring architecture, nine ornate rooms, a 150-seat theater and a grand exterior plaza. Originally dedicated in 1903 by

President Theodore Roosevelt and Andrew Carnegie, the Carnegie Library is an integral part of the 200-year history of Mt. Vernon Square and will deliver premier event experiences while showcasing the city's past and present.

Carnegie Library at Mt. Vernon Square

partnerships



Partnerships

- Cultural Tourism
- DC Chamber of Commerce
- Destination DC
- Greater Washington Hispanic Chamber of Commerce
- Greater Washington Sports Alliance
- National Cherry Blossom Festival

Synergy in the City

During the past year Events DC formed bold new partnerships and cemented existing ones with a variety of organizations—both national and international—establishing a solid path for advancing the organization’s reach to attract unforgettable events to Washington, DC.

Events DC and Destination DC have worked in close partnership for nearly 17 years. Destination DC will continue to serve as the marketing arm for promoting the city as a tourist destination and selling the Walter E. Washington Convention Center for domestic and international conventions and meetings. This relationship continues to generate momentum for efforts that draw premier events and tourists to the District from around the world—while encouraging audiences to stay in local hotels, dine in local restaurants and enjoy the city’s many attractions.

Over the last year, Events DC has maintained strategic partnerships with a number of organizations, including the National Cherry Blossom Festival and Cultural Tourism DC, a group that works to drive tourism to historic DC neighborhoods.

Active and engaged membership with the DC Chamber of Commerce and the Greater Washington Hispanic Chamber of Commerce has advanced, with the collaboration on a diverse range of events, as well as how best to represent the interests of the hospitality and convention industries in the District.

A continued partnership with the Greater Washington Sports Alliance has also allowed Events DC to further develop and promote sporting events and programs within the nation’s capital.

Events DC’s vision of what is possible continues to expand as the organization prepares to take bold leaps into a bright and prosperous future. The momentum is building for efforts that bring visitors to this remarkably vibrant city by lining up events that engage, excite and entertain visitors from all over globe.



DC Chamber of Commerce
delivering the capital



future forward

Fiscal 2012 and Beyond

In FY 2011, Events DC demonstrated distinctive value to key stakeholders and strategic partners and helped to define the District as a top travel destination. Today, Washington, DC sits on a global stage bringing together the best in meetings, conventions, sports and entertainment.

In the coming year, Events DC will continue to bring greater visibility to the organization's core lines of business through an exciting roster of events and conferences that will further define the city as a premier destination. Events DC also looks forward to further growth and continued successful execution to become the best-of-class in customer service.

In July 2012, Events DC hosts the XIX International AIDS Conference—an event two years in the making. The conference is the largest biennial global gathering for policymakers and activists working in the field of HIV research. The convergence of 25,000 delegates from all over the world at the Walter E. Washington Convention Center represents AIDS 2012's continued commitment to the global fight against AIDS. The conference is expected to generate more than \$33 million in delegate spending.

Events DC continues progress on the Washington Marriott Marquis Hotel, the organization's most important project since the opening of the new Convention Center. Set to open its doors in spring 2014, the \$520-million, four-star hotel will have the best of business, commerce and culture right outside its doors in the heart of Washington, DC.

As one of only five Marriott Marquis properties in the country, this hotel will drive the continued economic revitalization of the historic Shaw neighborhood. The 1,175-room, 49-suite Washington Marriott Marquis is designed to reflect its surroundings and complement the Walter E. Washington Convention Center.

Coming Up

- XIX International AIDS Conference
- National Cherry Blossom Festival Centennial Celebration
- SunTrust Rock 'n' Roll USA Marathon
- Washington Marriott Marquis in Motion



XIX International AIDS Conference

The XIX International AIDS Conference is the leading gathering for those working in the field of HIV, as well as policymakers, persons living with HIV and other individuals committed to ending this worldwide pandemic. It is a chance to assess accomplishments, evaluate recent scientific developments and lessons learned, and collectively chart a course forward.

During this monumental event, presenters introduce new scientific knowledge and offer many opportunities for structured dialogue on the major issues facing the global response to HIV. A variety of sessions—from presentations to symposia, bridging and plenary gatherings—meet the needs of various participants. Other related activities, including the Global Village, satellite meetings, exhibitions and affiliated independent events, contribute to an exceptional opportunity for professional development and networking.

National Cherry Blossom Festival Centennial Celebration

In the spring of 2012, Events DC commemorates the 100th anniversary of the gift of trees from Tokyo to Washington, DC and the enduring friendship between the United States and Japan, with a lineup of special events featuring diverse and creative programming that promotes traditional and contemporary arts and culture, natural beauty and community spirit. The planned celebration is expected to engage millions of residents and visitors, feature top celebrities and legendary performers and involve the highest levels of government and the District's greatest cultural institutions.



Misia, Japan's most popular female R&B recording artist, inspired by American R&B music, thrills the crowd with her powerful five-octave range



SunTrust Rock'n'Roll USA Marathon

Confirming Washington, DC's status as a major destination for endurance sports, the the San Diego-based Competitor Group will operate the SunTrust National Marathon and BlueCross BlueShield National Half Marathon under the international Rock 'n' Roll Marathon Series starting in 2012. The races, to be renamed the SunTrust Rock 'n' Roll USA Marathon and CareFirst Rock 'n' Roll USA Half Marathon, are run entirely within the District of Columbia. Marathon weekend opens with the Health & Fitness Expo at the DC Armory and continues with the start and finish on the RFK Stadium Festival Grounds. Added features to the event include live bands performing along both courses and the Finish Line Festival featuring live music and vendors on the DC Armory Mall on race day.



Washington Marriott Marquis Making Progress



Over the next couple of years, the Washington Marriott Marquis will employ approximately 1,600 people with construction jobs. Once it opens, the hotel is expected to create more than 1,000 hospitality jobs, which will become available to Washington, DC residents.

With more than 100,000 square feet of function space, a grand lobby, retail and restaurant outlets, and a pedestrian connector between the Walter E. Washington Convention Center and the hotel, the Washington Marriott Marquis is certain to become the District's newest hot spot.

An Architect's rendering of the Massachusetts Avenue, NW elevation.



from the inside out

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Independent Auditors' Report

September 30, 2011

To the Mayor and the Council of the Government of the District of Columbia Board of Directors Washington Convention and Sports Authority Washington, DC

We have audited the accompanying Statement of Net Assets 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, 2011 and 2010, and the related Statements of Revenues, Expenses, and Changes in Net Assets and Cash Flows for the years then ended. The basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Washington Convention and Sports Authority as of September 30, 2011 and 2010, and the changes in its financial position and its cash flows, where applicable, thereof and for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2012 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

other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 55 through 64 is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of net assets by fund and the schedule of revenues, expenses and changes in net assets by fund on pages 65 and 66 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of net assets by fund and schedule of revenues, expenses and changes in net assets by fund have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

KPMG LLP

January 26, 2012

Management's Discussion on Financial Responsibility

September 30, 2011

As management of Events DC (Authority), we present this Management's Discussion and Analysis (MD&A) of the Authority's financial condition and the results of operations for the year ended September 30, 2011, 2010 and 2009. This discussion is a narrative overview and analysis of our financial activities and should be read in conjunction with the accompanying financial statements.

Introduction

On October 1, 2009, in accordance with the Washington Convention Center Authority (WCCA) and DC Sports and Entertainment Commission (DCSEC) Merger Amendment Act of 2009, D.C. Law 18-111, DC Sports and Entertainment Commission was absorbed as a program of the WCCA and its mission, responsibilities and assets were transferred to WCCA. Following the transfer, the WCCA was renamed the Washington Convention and Sports Authority. This transfer created one umbrella organization with a broadened charter for increasing economic development through the promotion of key sports and entertainment offerings as well as major national and international conventions, meetings and special events held in the District of Columbia. As part of the Amendment Act, the District's Department of Real Estate Services (DRES) became responsible for the facility maintenance tasks previously performed by the DC Sports and Entertainment Commission.


To further the effort of the expanded mission, the Authority created a new brand identity "Events DC" on June 22, 2011. The new name will be the centerpiece of a marketing effort intended to draw more events to the convention center, RFK Stadium and the D.C Armory. The new name is also designed to align with the existing brands for Washington DC and the city's tourism arm, Destination DC.

About Our Business

The Authority operates two distinct business divisions that generate significant regional economic impact by attracting conventions, tradeshow, sports and entertainment and other special events. The Convention Center Operations Division includes the Walter E. Washington Convention Center (WEWCC), an anchor

of the District's hospitality and tourism economy that generates event-related revenue primarily from the sale and use of meeting and exhibition space, other ancillary services such as meeting room changes over and commissions on telecommunications, audio-visual, electrical and catering at the WEWCC. The Sports and Entertainment Division (SED), which includes Robert F. Kennedy Memorial Stadium, the DC Armory and the surrounding Festival Grounds and functions as a landlord for Nationals Park, generates revenue primarily from hosting a full season of DC United major league soccer games and other entertainment and community events.

The Authority also operates a public parking lot located at the old Washington Convention Center site at 900 9th Street, N.W., Washington D.C. The parking lot generates revenue primarily from parking fees and hosting special events such as holiday bazaars, sporting events, concerts and open air markets. Currently, the parking lot is managed through an agreement with an independent contractor.



Gregory A. O'Dell

President and Chief Executive Officer



Henry W. Mosley, CPA

Chief Financial Officer

Management's Discussion & Analysis

Fiscal 2011 Financial Highlights

- Net assets decreased by \$21 million, a decrease of 6% when compared to the year ended September 30, 2010. The principal factors in the decrease for FY 2011 were attributed to subsidizing the construction of privately owned and operated headquarters hotel. The financial impact of the transaction on net asset is that the bond proceeds were expended in accordance with draw down schedule of the hotel project.

- Operating expenses increased by \$4 million or 5% from fiscal year 2010, due to increases in cost related to personal services, contractual services, depreciation, occupancy and miscellaneous expenses.

- Operating revenue increased by \$3.1 million or 14% from fiscal year 2010, resulting in total operating revenue of \$25.5 million in FY11. The increase in operating revenue was as a result of hosting 17 citywide events in 2011 compared with 11 citywide events in FY2010.

- Assets exceed liabilities by \$353 million at the close of fiscal year 2011, a 6% decrease over FY2010.

- The Authority's long-term debt, including current maturities, increased by \$209 million to \$671 million or 45%, primarily due to the issuance of Senior Lien Dedicated Tax Revenue Bonds to subsidize the construction of the new convention center headquarters' hotel. The Authority issued Series 2010 Bonds with face value of \$249.2 million which are due in 2040. The Bonds are secured by specified revenue sources and carry an interest rate ranging from 3.1% to 7%.

- The statement of cash flows indicates a decrease in cash for the year by \$4.1 million.

- The Authority's bonds are rated "A2" by Moody's and "A" by both Standard & Poor's Corporation and Fitch Rating Services.



6%

Decrease in net assets



5%

Increase in operating expenses



14%

Increase in operating revenue



6%

Decrease in amount assets exceed liabilities



45%

Increase in long-term debt



4.1M

Decrease in cash for the year

A2/A

Moody's / Standard & Poor's and Fitch bond ratings

Management's Discussion & Analysis

(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 a private-sector business. These financial statements are prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as 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 deferred assets are recognized in the statement of revenues, expenses, and changes in net assets. The basic Financial Statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows. This report also includes notes accompanying the statements to fully explain the activities detailed therein.
- The Statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Net Assets report both the operating and non-operating revenues and expenses and other changes in net assets for the end of a fiscal year.
- The Statement of Cash Flows presents information showing how the Authority's cash and cash-equivalents position changed during the fiscal year. The Statement of Cash Flows classifies cash receipts and cash payments resulting from operating activities, capital and related financing activities, non capital financing activities and investing activities.

Management's Discussion & Analysis

(2) Financial Analysis

The Authority's audited Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; and Statement of Cash Flows are presented on pages 65 through 67. The following table reflects a summary of the Authority's net assets at September 30, 2011, 2010 and 2009 (in thousands).

For the year ended September 30, 2011 the Authority's financial position remained strong with total assets of \$1.072 million and liabilities of \$720 million. Total assets increased from fiscal year 2010 to fiscal year 2011 by \$201 million or 23% primarily due to \$190 million restricted investments purchased related to Convention Center Headquarters Hotel project.

The total net assets of the Authority decreased by 6% or \$21 million compared to the year ended September 30, 2010. As of September 30, 2011, the Authority had total net assets amounting to approximately \$353 million,

with the largest portion of the Authority's net assets, \$212 million or 60%, reflecting its investment in capital assets less any related debt used to acquire the assets.

The Authority uses its capital assets to fulfill its mission of promoting conventions, tourism and sports and entertainment events in the District of Columbia. The resources to repay the debt are derived from dedicated tax collections which are composed of (i) 4.45% sales and use tax on hotel room charges and (ii) a 1% sales and use tax on restaurant meals, alcoholic beverages consumed on premises and rental vehicle charges in the District of Columbia.

Of the Authority's remaining net assets, \$149 million or 42% represents resources that are subject to external restrictions on how they may be used (primarily related to the Authority's bond indenture reserve requirements).

Table 1 / Condensed Statements of Net Assets

(in thousands)

				Percentage change	
	2011	2010	2009	2011-2010	2010-2009
Current assets	\$ 72,832	\$ 110,447	\$ 116,005	-34%	-5%
Capital assets net of accumulated depreciations	652,054	671,559	686,577	-3%	-2%
Other non-current assets	347,595	89,029	79,162	290%	12%
Total Assets	\$ 1,072,481	\$ 871,035	\$ 881,744		
Current liabilities	\$ 48,595	\$ 35,592	\$ 39,787	37%	-11%
Non-current liabilities	671,246	462,114	475,067	45%	-3%
Total Liabilities	\$ 719,841	\$ 497,706	\$ 514,854		
Net Assets					
Investment in capital assets, net of related debt	\$ 212,311	\$ 196,910	\$ 199,422	8%	-1%
Restricted	148,748	83,282	73,191	79%	14%
Unrestricted	(8,419)	93,137	94,277	-109%	-1%
Total Net Assets	\$ 352,640	\$ 373,329	\$ 366,890		

Note: Figures for FY 2009 represent the financial statements of WCSA on pro forma basis by combining the FY 2009 WCCA and DCSEC financial information

Management's Discussion & Analysis

Table 2 / Revenues, Expenses and Changes in Net Assets
(in thousands)

				Percentage change	
	2011	2010	2009	2011-2010	2010-2009
Operating Revenues:					
Building rental	\$ 9,151	\$ 8,126	\$ 9,721	13%	-16%
Ancillary charges	16,336	14,274	11,991	14%	19%
Total Operating Revenues	\$ 25,487	\$ 22,400	\$ 21,712		
Operating Expenses:					
Personal services	\$ 18,422	\$ 17,173	\$ 19,556	7%	-12%
Contractual services	18,201	16,105	13,864	13%	16%
Depreciation	33,215	32,385	32,271	3%	0%
Occupancy	7,003	6,598	7,286	6%	-9%
Payments to District	2,775	3,527	-	-21%	100%
Miscellaneous	1,013	936	1,509	8%	-38%
Bad debt	335	204	557	64%	-63%
Total Operating Expenses	\$ 80,964	\$ 76,928	\$ 75,043		
Operating loss	(55,477)	(54,528)	(53,331)	2%	2%
Non-operating Revenues and (Expenses):					
Interest income	\$ 2,094	\$ 959	\$ 160	118%	499%
Dedicated taxes	97,996	94,108	91,468	4%	3%
Parking lot revenue (old center site)			2,601		-100%
Miscellaneous	1,231	189	6,861	551%	-97%
Bond interest and amortization issue costs	(35,860)	(23,873)	(24,412)	50%	-2%
Marketing agencies payments	(10,073)	(10,416)	(10,740)	-3%	-3%
Parking lot expenses (old center site)			(915)	0%	-100%
Funding Hotel Project	(20,600)	-	-	100%	0%
Total Non-operating Revenues and (Expenses)	\$ 34,788	\$ 60,967	\$ 65,023		
Change in net assets	(20,689)	6,439	11,692	-421%	-45%
Net assets, beginning of year	373,329	366,890	355,198	2%	3%
Net assets, end of year	\$ 352,640	\$ 373,329	\$ 366,890		

Note: Figures for FY 2009 represent the financial statements of WCSA on pro forma basis by combining the FY 2009 WCCA and DCSEC financial information

Management's Discussion & Analysis

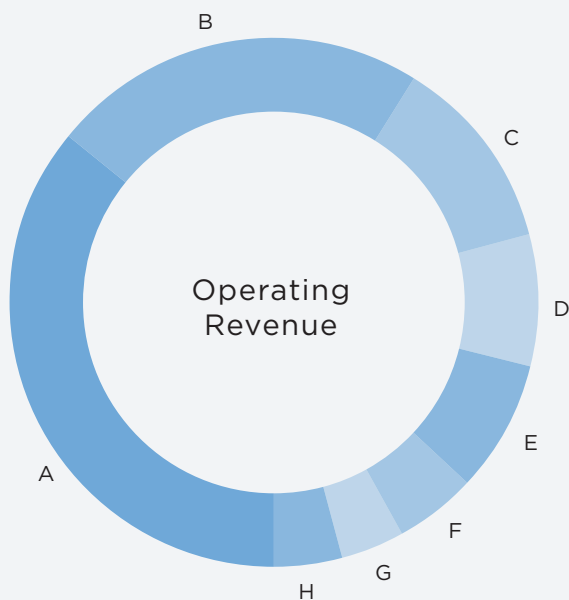
Analysis of Changes in Net Assets

Revenues

For the fiscal years ended September 30, 2011, 2010 and 2009 the Authority's operating revenues were \$25.5 million, \$22.4 million, and \$21.7 million, respectively.

Revenue increased by 14% compared to the previous year. The net increase is attributed to the rise in the volume of city-wide events hosted in FY2011. The Authority hosted a total of 17 city-wide events, 6 more city-wide events compared with FY2010 which positively impacted food service and other ancillary revenues. In addition, the Authority created the AT&T Nation's Football Classic game hosted at RFK stadium which increased revenues by \$1.04 million. Miscellaneous income sources including trash hauling charges, special meeting room setup charges, equipment rental, and fees earned from ATMs installed inside the Convention Center also contributed to the increase in operating revenues.

The following is a graphic illustration of operating revenue by source.



During FY2011, non-operating revenues of \$101.3 million were \$6 million or 6% higher than in FY2010. This is as a result of an increase in dedicated tax revenue and interest income. The increase in the interest income is attributed to interest earned on restricted investments related to Convention Center Headquarters Hotel project. Non-operating revenues decreased by \$5.8 million from 2009 to 2010. This is as result of the elimination of the District operating subsidy and recognition of non-operating revenue in FY 2009 as a result of forgiveness of payroll and benefit cost liability. The former DCSEC's full-time employees' salaries and wage and benefits were previously paid through the District's payroll, benefits, and retirement systems with the former DCSEC reimbursing the District for the costs associated therewith.

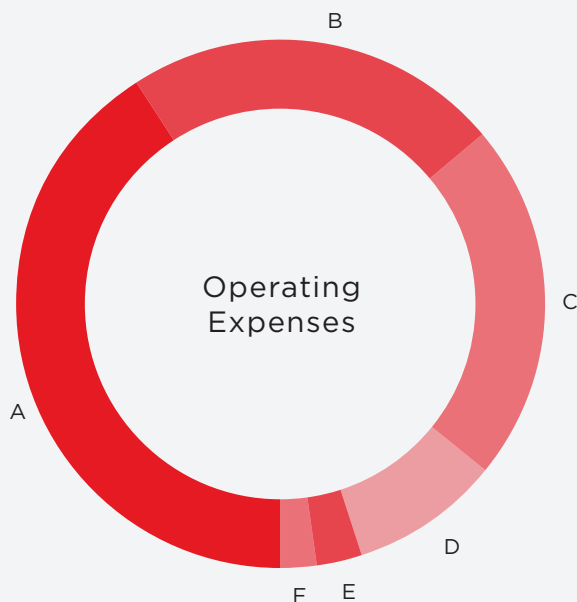
A	36%	Building Rental \$9,151
B	23%	Food Services \$5,765
C	12%	Electrical Services \$3,041
D	8%	Parking \$2,053
E	8%	Miscellaneous \$2,036
F	5%	Telecom \$1,236
G	4%	Retail & Office Retail Space \$1,111
H	4%	Advertising & Sponsorship \$1,094

Management's Discussion & Analysis

Expenses

For fiscal years 2011, 2010 and 2009, the Authority's total operating expenses were \$80.9 million, \$76.9 million and \$75 million, respectively. Total operating expenses increased by \$4 million or 5% from fiscal year 2010, primarily due to increase costs related to new marketing initiatives and contractual cost related to the AT&T Nation's Football Classic (NFC) hosted at RFK Stadium. Also contributing to the variance is an increase in health and retirement benefits compared to prior year. When compared to fiscal year 2009, fiscal year 2010 operating expenses increased by \$1.9 million or 3% due to cost related to new marketing initiatives and contractual cost related to Convention Center parking operations.

The following is a graphic illustration of operating expenses.



Salaries increased by \$1.2 million or 7%, due to growth in salaries, health and retirement benefits compared to prior year. Contractual services such as housekeeping, building insurance and security and marketing expenses accounted for \$18.2 million in FY2011, an increase of \$2.1 million or 13% compared to FY2010. The increase is attributed to contractual costs related to hosting the NFC event at RFK Stadium. The increase also relates to costs associated with new marketing initiatives launched in FY2010 to maintain and expand the number

and enhance the quality of events. Occupancy expense, which includes all utility related expenses such as electricity, telecommunication, water, sewer and natural gas expense accounted for \$7 million, an increase of 6% compared to FY2010. The increases in expenses were primarily due to slight upturn in price of KWH usage as well as increase in consumption directly related to the growth in number of events hosted in FY 2011. Depreciation expense, primarily for the building, amounted to \$33 million, a slight increase of \$831,000 in fiscal year 2011.

The Authority's non-operating expenses consisted of \$35.9 million in bond interest payment and amortized issuance costs, \$20.6 million to finance construction and development of a privately owned and operated headquarters hotel (the "HQ Hotel") for the Convention Center and \$10.1 million in payments to marketing agencies.

A	41%	Depreciation \$33,216
B	23%	Personal Services \$18,421
C	22%	Contractual Services \$18,201
D	9%	Occupancy \$7,003
E	3%	Transfer to District \$2,774
F	2%	Miscellaneous \$1,349

The Washington Convention Center Authority Act of 1994 (as amended in 1998) requires the Authority to transfer 17.4% of the hotel taxes received to the Marketing agencies for the purpose of promoting conventions and tourism in the District of Columbia.

Management's Discussion & Analysis

(3) Capital Asset and Debt Administration

Capital Assets

The Authority has invested \$652 million in capital assets (net of depreciation). Approximately 83% of this investment is related to the cost of the convention center building. The Authority's capital assets have increased by \$13.7 million compared to fiscal year 2010, which was primarily due to building improvements, the Convention Center headquarters' hotel pre-development costs, purchase of additional furniture, and the capital lease agreement for the Carnegie Library.

Table 3 summarizes the Authority's capital assets, net of accumulated depreciation at September 30, 2011, 2010 and 2009. The changes are presented in detail in Note 5 to the financial statements.

Table 3 / Capital Assets (Net of Depreciation)
(in thousands)

				Percentage Change	
	2011	2010	2009	2011-2010	2010-2009
Non-depreciable					
Land	\$ 4,785	\$ 4,785	\$ 4,785	0%	0%
Construction in progress	4,422	4,052	3,052	9%	33%
Plumber's building	33,425	33,425	33,425	0%	0%
Artwork	2,742	2,742	2,742	0%	0%
Total non-depreciable capital assets	\$ 45,374	\$ 45,004	\$ 44,004		
Depreciable					
Building	769,453	769,453	769,452	0%	0%
Building improvements	22,955	21,446	12,552	7%	71%
Building improvements-RFK	34,051	33,755	33,762	1%	0%
Stadium Structure	19,037	19,037	19,037	0%	0%
Parking Lot improvements	5,965	5,965	5,966	0%	0%
Central plant	16,265	16,265	16,266	0%	0%
Carnegie Library (Visitor Center)	8,985	-	-	100%	0%
Financial Systems	1,446	1,416	1,414	2%	0%
Furniture and Fixtures	18,596	16,507	9,777	13%	69%
Furniture and Fixtures-RFK	451	367	2,648	23%	-86%
Machinery and equipment	8,788	8,439	7,685	4%	10%
Total depreciable capital assets	\$ 905,992	\$ 892,650	\$ 878,559		
Less accumulated depreciation	299,312	266,095	235,986	12%	13%
Net capital assets	\$ 652,054	\$ 671,559	\$ 686,577		

Note: Figures for FY 2009 represent the financial statements of WCSA on pro forma basis by combining the FY 2009 WCCA and DCSEC financial information

Management's Discussion & Analysis

Debt Administration

The Authority had \$689 million and \$475 million in debt outstanding at the end of fiscal years September 30, 2011 and 2010 respectively. The increase of \$214 million or 45% is attributed to the sale of Series 2010 Bonds with the face value of \$249.2 million to partially finance construction and development of a privately owned and operated headquarters hotel (the "HQ Hotel") for the Convention Center. In addition, \$29 million was used to partially defease Series 2007A Bonds and principal payments of \$13 million made during fiscal year 2011.

The debt position of the Authority is summarized below and is more fully analyzed in the financial statements. (See Note 7 for more information on long-term debt).

In addition to the below long-term outstanding debt, the Authority has long-term liabilities related to compensated absences of \$1 million.

The Authority's bonds are rated "A2" by Moody's and "A" by both Standard & Poor's Corporation and Fitch Rating Services.

Table 4 / Long-Term Debt Outstanding
(in thousands)

				Percentage change	
	2011	2010	2009	2011-2010	2010-2009
Bonds Payable	\$ 672,309	\$ 465,998	\$ 477,785	44%	-2%
Capital Lease obligation	8,985	-	-	100%	-
Financing Arrangements	7,932	8,651	9,370	-8%	-8%
Total debt outstanding	689,226	474,649	487,155		
Current portion of debt outstanding	18,984	13,419	12,879	41%	4%
Debt outstanding less current portion	\$ 670,242	\$ 461,230	\$ 474,276		

Note: Figures for FY 2009 represent the financial statements of WCSA on pro forma basis by combining the FY 2009 WCCA and DCSEC financial information

(4) Factors Impacting Future Periods

On November 9, 2011, the Authority signed a new lease agreement with the Historical Society of Washington, D.C. (HSW). Under the agreement, the Authority makes an annual payment to HSW for an 87-year term with the initial three years lease payment of \$125,000 with an added escalation clause thereafter for the exclusive use of approximately 80% of the Carnegie Library. The Authority intends to use the Library interior and park land as additional revenue-generating leasable space for events and tourism-related activities, including a District of Columbia Visitors Center. The Visitors Center will be used to promote visitation and visitor spending in District neighborhoods and businesses.

Management's Discussion & Analysis

(5) Budgetary Controls

The Authority adopts an operating and capital budget, which are approved by its Board of Directors in February of each year for the subsequent fiscal year. The budget is reviewed and adjusted if necessary by the Board prior to the start of each new fiscal year. The budgets are loaded into the Authority's Financial Management System, which prevents overspending without appropriate approvals. 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 that are sent to the United States Congress for approval.

(6) Request 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:

Mr. Henry W. Mosley
Chief Financial Officer
Washington Convention and Sports Authority
801 Mount Vernon Place, NW
Washington, D.C. 20001

Statement of Net Assets (in thousands)

Assets	2011	2010
Current assets:		
Cash and Cash Equivalents	\$ 11,611	\$ 14,103
Restricted Cash	936	2,500
Due from District of Columbia	8,405	8,487
Accounts Receivable, Net of Allowance for Uncollectible Accounts	3,846	2,185
Prepaid Expenses and Other Assets	27	1
Accrued Interest Receivable	2,925	1,526
Investments	45,082	81,645
Total current assets	72,832	110,447
Noncurrent Assets		
Restricted Investments	337,476	83,137
Non-Depreciable Capital Assets	45,374	45,004
Depreciable Capital Assets, Net of Accumulated Depreciation	606,680	626,555
Unamortized Bond Issue Costs	10,119	5,892
Total Noncurrent Assets	999,649	760,588
Total Assets	\$ 1,072,481	\$ 871,035
Liabilities		
Current Liabilities		
Accounts Payable	\$ 8,222	\$ 5,234
Due to District Government	791	2,422
Compensation Liabilities	361	599
Deferred Revenue	2,561	2,807
Accrued Interest Payable	17,676	11,111
Other Financing Arrangement Payable, Current Portion	719	719
Other Short-Term Liabilities	5,000	-
Bonds Payable, Current Portion	13,265	12,700
Total Current Liabilities	48,595	35,592
Noncurrent Liabilities		
Compensated Absences	1,004	884
Long-term Bonds Payable including Premium	659,044	453,298
Other Long-Term Liabilities	3,985	-
Long-term Other Financing Arrangement Payable	7,213	7,932
Total Noncurrent Liabilities	671,246	462,114
Total Liabilities	\$ 719,841	\$ 497,706
Net Assets		
Invested in Capital Assets, Net of Related Debt	212,311	196,910
Restricted for:		
Debt Service and Capital Interest	38,135	23,811
Capital Renewal	17,445	17,221
Operating Fund	31,098	28,126
Senior Proceeds Account	2	2
Debt Service Reserve	36,919	13,977
Kenilworth Park	145	145
Hotel Project	25,004	-
Unrestricted Net Assets	(8,419)	93,137
Total Net Assets	\$ 352,640	\$ 373,329

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

Statement of Revenues, Expenses and Changes in Net Assets (in thousands)

	2011	2010
Operating Revenue and Expenses		
Operating Revenues:		
Building Rental	\$ 9,151	\$ 8,126
Food Services	5,764	4,739
Electrical	3,041	2,172
Parking	2,053	2,981
Telecommunications	1,236	1,350
Retail & Office Space Rental	1,111	1,038
Advertising & Sponsorship	1,094	500
Miscellaneous	2,037	1,494
Total Operating Revenues	\$ 25,487	\$ 22,400
Operating Expenses		
Personal Services	\$ 18,422	\$ 17,173
Contractual Services	18,201	16,105
Depreciation	33,215	32,385
Occupancy	7,003	6,598
Payment to District	2,775	3,527
Miscellaneous	1,013	936
Bad Debt	335	204
Total Operating Expenses	80,964	76,928
Operating Loss	\$ (55,477)	\$ (54,528)
Nonoperating Revenues and (Expenses)		
Interest Income	\$ 2,094	\$ 959
Dedicated Taxes	97,996	94,108
Miscellaneous Revenue	1,230	959
Interest Expense	(35,526)	(23,649)
Amortization of Bond Issuance Costs	(334)	(224)
Marketing Agencies & Internal Marketing Expenses	(10,073)	(10,416)
Funding Hotel Project	(20,600)	-
Miscellaneous Expenses	-	(485)
Prior Year Cost Recovery	1	(273)
Loss on Disposal of Fixed Assets	-	(12)
Total Nonoperating Revenues and (Expenses)	34,788	60,967
Increase in Net Assets before changes related to contribution of DCSEC	(20,689)	6,439
Contribution of Net Assets of DCSEC	-	19,844
Increase in Net Assets	(20,689)	26,283
Net Assets, Beginning of Year	373,329	347,046
Net Assets, End of Year	\$ 352,640	\$ 373,329

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

Statement of Cash Flows (in thousands)

	2011	2010
Cash flows from operating activities:		
Receipts from customers	\$ 23,246	\$ 22,032
Payments to suppliers	(24,887)	(27,899)
Payments to employees	(18,538)	(17,376)
Other payments	(2,774)	(3,527)
Net cash used in operating activities	(22,953)	(26,770)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,725)	(17,380)
Other financing arrangement payment	(719)	(719)
Bond proceeds	215,829	-
Bonds payable payment	(12,700)	(12,160)
Interest payments	(28,476)	(23,545)
Net cash used in capital and related financing activities	169,209	(53,804)
Cash flows from noncapital financing activities:		
Dedicated tax receipts	98,078	94,059
Payments to tourism responsibility centers	(10,074)	(10,416)
Other receipts (payments)	(22,877)	200
Net cash provided by noncapital financing activities	65,127	83,843
Cash flows from investing activities:		
Proceeds from sale and maturities of investment securities	244,252	136,169
Purchases of investment securities	(462,029)	(141,149)
Interest and dividends on investments	2,338	28
Contribution From DCSEC	-	11,046
Net cash used in investing activities	(215,439)	6,094
Net (decrease) increase in cash and cash equivalents	(4,056)	9,363
Cash and cash equivalents, beginning of year	16,603	7,240
Cash and cash equivalents, end of year	\$ 12,547	\$ 16,603
Reconciliation of Operating Loss to Net Cash Used In Operating Activities		
Operating Loss	\$ (55,477)	\$ (54,528)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation	33,216	32,385
Provision for Doubtful Accounts	335	204
Increase in receivables	(1,995)	(688)
Increase (Decrease) in prepaid expenses and other assets	(25)	229
Increase (Decrease) in accounts payable	1,357	(4,490)
Decrease in compensation liabilities	(117)	(202)
(Decrease) Increase in deferred revenue	(247)	320
Net Cash Used in Operating Activities	\$ (22,953)	\$ (26,770)
<i>Interest expense paid</i>	\$ (28,810)	\$ (23,545)

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

Notes to Financial Statement

Note 1. Reporting Entity

The Washington Convention Center Authority (WCCA), a corporate body and independent authority of the District of Columbia government was created pursuant to the "Washington Convention Center Authority Act of 1994," D.C. Law 10-188 (the WCCA Act), effective September 28, 1994.

The Authority was established for the purpose of acquiring, constructing, equipping, maintaining, and operating a new convention center in the District of Columbia. The Authority engages in activities deemed appropriate to promote trade shows, conventions, and other events closely related to activities of the new convention center.

The Washington Convention and Sports Authority (the Authority or WCSA) was formed on October 1, 2009 following the transfer of D.C. Sports and Entertainment Commission's mission, responsibilities and assets to WCCA in accordance with the Washington Convention Center Authority and Sports and Entertainment Commission Merger Amendment Act of 2009, D.C. Law 18-111.

Following the transfer, the Authority's Board of Directors (the Board) grew from nine to eleven members. Two members serve as ex-officio voting members of the Board. One of the ex-officio members must be the chief financial officer of the District of Columbia and the mayor designates the other. 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.

The Authority receives its funding by generating operating revenue from meetings, sports events, parking, advertising, sponsorships, and ancillary operations. In addition, it receives dedicated taxes from the hospitality industry as well as interest and dividend income from investments. The dedicated taxes were established pursuant to the WCCA Act. Effective October 1, 1998, the dedicated taxes consist of a 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 1.0% (of the District's 10.0%)

on restaurant meals, alcoholic beverages consumed on premises, and rental vehicle charges. 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.

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

Note 2. Business Combinations

On October 1, 2009, the District of Columbia Government dissolved the D.C. Sports and Entertainment Commission (DCSEC) and transferred its net assets to the Washington Convention Center Authority (WCCA). Following the transfer, the WCCA was renamed the Washington Convention and Sports Authority (the Authority or WCSA).

DCSEC was established pursuant to D.C. Law 10-152, Omnibus Sports Consolidation Act of 1994 for the purpose of promoting and managing sports and entertainment events primarily in the District. The WCSA maintained and enhanced the mission of the former DCSEC through the creation of a separate program for this purpose.

The transfer of net assets provides the Authority an opportunity to expand its service area not only by running a world-class convention and meetings facility, but also through the promotion and coordination of key sports and entertainment activities for the District. A separate Sports and Entertainment Division (SED) was formed to provide these services, while the core Conventions and Meetings Division team remains unchanged.

The Authority recognized net assets of the former DCSEC of \$19.8 million in its Statement of Revenues, Expenses, and Changes in Net Assets. The net assets consisted of \$12.4 million invested in capital assets, net of related debt; \$146,000 of temporarily restricted assets for Kenilworth Park improvements, and unrestricted net assets of \$7.3 million for the year ended September 30, 2010.

Notes to Financial Statement

In June 2011, Washington Convention and Sports Authority launched a new brand name, “Events DC”. The new brand 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.

Events are at the heart of the organization’s work to create economic and community benefits for the District of Columbia, and adopting the name Events DC underscores both the mission and the agency’s core strengths. In addition, the name Events DC, which aligns with the existing Washington, DC brand identity, defines the Authority’s ownership of the events and visitors experience in Washington, DC, creating consistency among its core lines of business while adding an exciting new energy to the organization’s work.

Note 3. Summary of Significant Accounting Policies

The accounting policies of the Authority 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:

Basis of Accounting

The Authority’s basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The measurement focus is on the flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements. The Authority has elected to apply only those Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board

(APB) Opinions, and Accounting Research Bulletins, issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

For the purposes of financial reporting, the Authority is considered to be 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 ten separate funds: the Operating (WEWCC) Fund, the Building Fund, the Marketing Fund, Capital (WEWCC) Fund, the Demolition Fund, Operating (S&E) Fund, New Stadium Fund, S&E Capital Fund, Operating (Visitor Center) Fund and Capital (Visitor Center) Fund. The following activities are reported in each fund.

- a. Operating Fund** – The operating fund accounts for the transactions related to the operation of the convention center.
- b. Building Fund** – The building fund accounts for the transactions related to the new hotel and expansion projects.
- c. Marketing Fund** – The marketing fund accounts for the transactions related to marketing and promoting conventions and tourism in the District of Columbia.
- d. Capital Fund** – The capital fund accounts for the transactions related to the improvement of the convention center.
- e. Demolition Fund** – The demolition fund accounts for the transactions related to the demolition of the old convention center, construction of a parking lot, and management of parking operations.
- f. Operating (S&E) Fund** – The operating S&E fund accounts for transactions related to the operation of Robert F. Kennedy Memorial Stadium and DC Armory.
- g. New Stadium Fund** – The new stadium fund accounts for transactions related to the new Nationals Park Stadium.
- h. Capital (S&E) Fund** – The S&E capital fund accounts for the transactions related to the improvement of the Robert F. Kennedy Memorial Stadium and DC Armory.
- i. Operating (Visitor Center) Fund** – The operating visitor center fund accounts for transactions related to the operation of the Visitor Center (Carnegie Library).
- j. Capital (Visitor Center) Fund** – The visitor center capital fund accounts for the transactions related to the improvement of the Visitor Center (Carnegie Library).

Notes to Financial Statement

Current and Noncurrent

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.

Cash and Cash Equivalents

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

Receivables

Receivables relate to transactions involving building rental, electrical, telecommunications, audio-visual, advertising, sponsorships, parking, and miscellaneous revenue.

Allowance for Doubtful Accounts

The Authority establishes an allowance for doubtful accounts for all account receivables over 180 days old. At September 30, 2011 and 2010, accounts receivable were shown net of allowance for doubtful accounts of \$3.8 million and \$2.2 million respectively.

Investments

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

Capital Assets and Depreciation

Capital assets are carried at cost at the date of acquisition less accumulated depreciation. The Washington Convention and Sports Authority capitalized assets with an original cost of \$5,000 or greater. Donated capital assets are recorded at fair market value at the date donated. Depreciation expense is calculated using the straight-line method over the following estimated useful lives:

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

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

Amortization of Bond Premium, Bond Deferral and Issuance Costs

The bond premium is recorded as an increment of the carrying cost of the bonds. Bond premium and issuance costs are amortized based upon the weighted average of bonds outstanding over the term of the bonds. Bond deferral is the result of defeasance of Series 1998A bonds which was the difference between the reacquisition price and the net carrying amount of the old debt and the defeasance of the \$25 million of the 2007A bonds obtained for a portion of the land acquisition of related to headquarters hotel for the convention center. It is deferred and amortized over the remaining life of the old or new debt, whichever is shorter. It is being amortized over twenty two (22) years, the remaining life of the old bonds.

Deferred Revenue

Deferred revenue represents revenue 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.

Operating Component

The financial statement operating component includes all transactions and other events that are not defined as capital and related financing, noncapital financing or investing activities.

Notes to Financial Statement

Revenue Recognition

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

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 operation. The principal operating revenues of the Authority consist of building rental, electrical, telecommunications, food services, audiovisual, retail/office space rental, event services, advertisements and sponsorship and miscellaneous revenues. Operating expenses include personnel services, contractual services, depreciation, occupancy, supplies, transfer to District and miscellaneous expenses. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Compensated Absences

The Authority accrues a liability for annual leave based on salary rates and accumulated leave hours at September 30. Employees earn annual leave during the year at varying rates, depending on the employee's classification and years of service. Generally, non-union employees may carry a maximum of 240 hours of annual leave and union employees may carry a maximum of 320 hours beyond December 31 of each calendar year. Carryover of annual leave in excess of 240 and 320 hours is permitted with the approval of appropriate Authority officials. The accrued maximum annual leave balance is payable to employee's upon termination of employment.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP) require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates and assumptions may also affect the reported amounts of revenues and expenses. Accordingly, actual results could differ from those estimates.

Note 4. Cash Deposit and Investments

The Authority complies with GASB Statement No. 40, Deposit and Investment Risk Disclosures. Cash, cash equivalents and investments are separately held within several of the Authority's funds.

Cash Deposits

The carrying amount of the Authority's cash as of September 30, 2011 and 2010 were \$12.5 million and \$16.6 million respectively. The Authority's bank balance at September 30, 2011 and 2010 were \$12.9 million and \$17.3 million. These bank balances are entirely insured or collateralized with securities held by third parties in the Authority's name.

Investments

In accordance with the Authority's investment policy adopted in 1999 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, and instrumentalities, domestic interest bearing savings accounts, certificate of deposits, 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 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 Bank of New York, and investment agreement 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, 2011 and 2010, the Authority's investments were in money market, agency securities and certificate of deposits. Agency Securities and Money Market investments were rated AAA and/or collateralized by the fund provider. However, the certificate of deposit is collateralized at 102% by the bank pledging of securities with a safekeeping agent to cover the uninsured deposit.

Notes to Financial Statement

As of September 30, 2011 and 2010, the Authority had the following investments (in thousands):

Investment Type	2011	2010	Maturity Date
Agency Securities	\$ 75,014	\$ 81,500	November, 2011
Money Market	102,117	36,032	
Certificate of Deposits (CDs)	47,000	47,000	November, 2011
GICs	158,427	-	December, 2013
Repos	-	250	
Totals	\$ 382,558	\$ 164,782	

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 be able to recover the value of its investments. As of September 30, 2011, 53% of the Authority's investments were held by a counterparty that is insured and collateralized.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The risk may vary based on the type of investment. As of September 30, 2011, all funds are invested in triple A rated money market funds, agency securities and certificate of deposits (CDs) thereby limiting the Authority's exposure to interest rate risk. In accordance with the Authority's investment policy, the investments maturity varies from 1- 5 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 or Standard and Poor. As of September 30, 2011, the Authority's investments were all in a AAA rated short term money market funds, triple A rated agency securities, guaranteed investment contracts, and certificate of deposits.

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

As of September 30, 2011 the following represent 5 percent or more of the Authority's investments (in thousands):

Investment	Fair Value	%
Collateralized Repurchase agreements (Duetche Bank)	\$ 158,427	41%
Money Market (Invesco)	102,117	27%
US Agency Securities	75,014	20%
Certificate of Deposit (BB&T)	47,000	12%
Total	\$ 382,558	

Notes to Financial Statement

Required Reserves: Under the Bond Trust agreements, the Authority is required to maintain certain reserve requirements for debt service, operating and marketing, capital renewal and replacement, marketing, and hotel projects. The Authority maintained the above investment in various reserve accounts to meet the requirements. At September 30, 2011 and 2010, those restricted investments totaled approximately \$337.5 million and \$83.1 million respectively.

In connection with the Series 2007A Bonds, the Debt Service Reserve Account requirement is satisfied by the deposit of a surety bond (the Reserve Account Credit Facility) provided by AMBAC Assurance Corporation (“Ambac Assurance” the “Reserve Account Credit Facility Provider”). If there are insufficient funds in the debt service account, the series 2007A Bonds are insured against non-payment by a Municipal Bond Insurance Policy issued by AMBAC Assurance Corporation (Ambac

Assurance or “Insurer”). However, due to the lowering of AMBAC’s credit rating, the Authority is obligated to provide a disclosure with respect to the downgrade of AMBAC who provided the surety policy for the 2007 Convention Center Revenue and Refunding Bonds and the Authority is required either to provide a substitute surety or post cash or other collateral in the debt service reserve account. The Indenture requires that the Authority fill the debt service reserve fund in 10 equal installments on each April 1 and October 1 over the next five years or fully fund it. The Authority has opted to fully fund the maximum required amount of \$33.7 million.

The following table summarizes the minimum reserve requirements and restricted amounts as of September 30, 2011 and 2010.

	Investment Balance as of September 30, 2011	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
Reserve Account			
Series 2007A			
Capital Renewal & Replacement Account	\$ 32,470	\$ 17,445	\$ 15,025
Debt Service & Capitalized Interest	38,135	38,135	-
Debt Service Reserve Account	36,919	36,919	-
Senior Proceeds Account	2	2	-
Marketing Account	1,501	1,501	-
Operating and Marketing Reserve Account	36,563	28,597	7,966
Revenue Account	22,091		22,091
WCSA Hotel Contribution	25,004	25,004	-
	192,685	147,603	45,082
Series 2010			
Bond Issuance cost	268	268	-
Capitalized Interest	20,910	20,910	-
Debt Service Reserve Account	28,177	28,177	-
Hotel Project	140,518	140,518	-
	\$ 189,873	\$ 189,873	\$ -
Total	\$ 382,558	\$ 337,476	\$ 45,082

Notes to Financial Statement

	Investment Balance as of September 30, 2010	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
Reserve Account			
WCSA Bond Fund Senior Proceeds Account	\$ 2	\$ 2	-
Revenue Account	29,704	-	29,704
Debt Service Reserve Account	52,383	37,788	14,595
Capital Renewal & Replacement Account	32,060	17,221	14,839
Operating and Other Accounts	336	-	336
Marketing Account	557	-	557
Operating and Marketing Reserve Account	49,740	28,126	21,614
Total	\$ 164,782	\$ 83,137	\$ 81,645

Note 5. Capital Assets

Capital asset balances at September 30, 2011 are summarized as follows (in thousands):

	Balance @ 9/30/2010	Additions	Disposals	Adjustments	Balance @ 9/30/2011
Non-Depreciable					
Land	\$ 4,785	\$ -	\$ -	\$ -	\$ 4,785
Construction in Progress	4,052	370	-	-	4,422
Plumber's Building	33,425	-	-	-	33,425
Artwork	2,742	-	-	-	2,742
Total Non-Depreciable Capital Assets	\$ 45,004	\$ 370	\$ -	\$ -	\$ 45,374
Depreciable					
Building (WEWCC)	\$ 769,453	\$ -	\$ -	\$ -	\$ 769,453
Building Improvements (WEWCC)	21,445	1,510	-	-	22,955
Stadium Structure	19,037	-	-	-	19,037
Building Improvements/Displays (SED)	33,755	296	-	-	34,051
Parking Lot Improvements (SED)	5,965	-	-	-	5,965
Central plant	16,265	-	-	-	16,265
Carnegie Library (Visitor Center)	-	8,985	-	-	8,985
Financial systems	1,416	30	-	-	1,446
Furniture and fixtures	16,508	2,088	-	-	18,596
Furniture & Equipment (SED)	367	84	-	-	451
Machinery and Equipment	8,439	349	-	-	8,788
Total Depreciable Capital Assets	\$ 892,650	\$ 13,342	\$ -	\$ -	\$ 905,992
Less: Accumulated Depreciation	266,095	33,217	-	-	299,312
Total Net Depreciable Capital Assets	\$ 626,555	\$ (19,875)	\$ -	\$ -	\$ 606,680

Notes to Financial Statement

	Balance @ 9/30/2009	Additions	Disposals	Adjustments	Balance @ 9/30/2010
Non-Depreciable					
Land	\$ 4,785	\$ -	\$ -	\$ -	\$ 4,785
Construction in Progress	3,052	1,000	-	-	4,052
Plumber's Building	33,425	-	-	-	33,425
Artwork	2,742	-	-	-	2,742
Total Non-Depreciable Capital Assets	\$ 44,004	\$ 1,000	\$ -	\$ -	\$ 45,004
Depreciable					
Building (WEWCC)	\$ 769,452	\$ -	\$ -	\$ 1	\$ 769,453
Building Improvements (WEWCC)	12,552	8,894	-	(1)	21,445
Stadium Structure	-	-	-	19,037	19,037
Building Improvements/Displays (SED)	-	-	-	33,755	33,755
Parking Lot Improvements (SED)	-	-	-	5,965	5,965
Central plant	16,266	-	-	(1)	16,265
Financial systems	1,414	1	-	1	1,416
Furniture and fixtures	9,777	6,731	-	-	16,508
Furniture & Equipment (SED)	-	-	(2,283)	2,650	367
Machinery and Equipment	7,685	754	-	-	8,439
Total Depreciable Capital Assets	\$ 817,146	\$ 16,380	\$ (2,283)	\$ 61,407	\$ 892,650
Less: Accumulated Depreciation	186,980	32,385	(2,283)	49,013	266,095
Total Net Depreciable Capital Assets	\$ 630,166	\$ (16,005)	\$ -	\$ 12,394	\$ 626,555

Construction in Progress

The construction in progress represents predevelopment costs related to construction of the new headquarters hotel project.

Note 6. Capital Lease

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2011 (see Note 11 capital lease arrangement for more information) (in thousands):

Year Ended September 30	Amount
2011	\$ 5,000
2012	2,000
2013	2,000
Total minimum lease payments	9,000
Less: Amount representing imputed interest costs	(15)
PV* of minimum lease payments	\$ 8,985

* PV = Present value

Note 7. Financing Arrangements Payable

The Authority entered into an arrangement with a vendor to finance the construction of the Central Plant for the Authority. The Central Plant, which is part of the convention center, provides hot and chilled water to the facility. The total construction cost of the Central Plant was approximately \$16 million. The vendor financed \$14 million and the Authority paid the remaining balance of \$1.8 million with bond proceeds. Under the financing arrangement, the Authority agreed to pay the vendor \$0.7 million annually for twenty years and will assume ownership of the plant at the end of the lease term. The Authority is exploring the options to purchase the Central Plant on the next anniversary date (June 2012) in accordance with the conditions set forth in the Agreement.

Notes to Financial Statement

The following reflects the annual financing arrangement payable through maturity as of September 30, 2011 (in thousands):

Year Ended September 30	Amount
2012	\$ 1,099
2013	1,063
2014	1,027
2015	991
2016	955
2017-2021	4,237
2022	764
Total	\$ 10,136
Less Interest	(2,204)
Total Financing Arrangement Payable	\$ 7,932
Less Current Portion	719
Long Term Portion	\$ 7,213

Note 8. Bond Payable

The Authority was authorized to issue bonds to finance the costs of the new convention center 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 construction of the new Washington Convention Center. On February 1, 2007, WCCA issued \$492.5 million of refunding Series 2007A Bonds, with a net premium of \$15.6 million to effect 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 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 Credit Facility that funds the Series 2007A Bonds, including the premium for the Financial Guaranty Insurance Policy. As a result, the previously outstanding refunded bonds were considered to be defeased and the liabilities for those bonds had been extinguished. The aggregate difference in debt service between the refunded debt and the refunding debt was \$10 million (NPV). In October 2008, the defeased bonds that were outstanding were paid by the escrow held by the Escrow Agent.

Between June, 2006 and July, 2009, the Council passed a series of legislative Acts (collectively, the "Hotel Acts"),¹ which authorized the financing, construction and development of a privately owned and operated headquarters hotel (the "HQ Hotel") for the Convention Center, including a program to train D.C. residents for HQ Hotel jobs.

In October 2010, the Authority issued senior lien dedicated tax revenue bonds (Series 2010 Bonds) with face value of \$249.2 million. These Bonds were delivered on October 26, 2010, with maturities ranging from October 2015 to October 2040, at interest rates ranging from 3.1% to 7%. The proceeds are to be used to (i) make funds available to the Developer to pay a portion of the costs of acquiring, developing, constructing and equipping the Convention Center Hotel project to be constructed on the Hotel Site adjacent to the Walter E. Washington Convention Center; (ii) fund capitalized interest for a portion of the Series 2010 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 WCSA'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 WCSA for establishment of the D.C. 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 will be recorded as an expense by the Authority.

Portion of the net proceeds from the issuance of Series 2010 Bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt services payments until the Series 2007A bonds are called or matures. As a result, the aggregate principal amount of \$25.4 million from Series 2007A Bonds is considered to be defeased and therefore removed as a liability from the Authority's financial statements. In connection with the issuance of the bonds, the District and the WCSA entered into lockbox and collection agreements with a local bank into which the dedicated taxes are deposited and transferred to the bond trustee. Dedicated taxes are collected one month in arrears.

Notes to Financial Statement

The WCCA Act provides that on or before July 15 of each year, the District's Auditor shall deliver a certification relating to the sufficiency of the projected dedicated tax revenues, WCCA 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 in an amount sufficient to meet the projected deficiency. The District's Auditor determined that the projected dedicated taxes for fiscal year 2011 were expected to be sufficient to meet the projected expenditures and reserve requirements. Therefore, no surtax was imposed by the Mayor.

As of September 30, 2011, the Authority's bond liability totaled approximately \$679.8 million. A summary of annual maturities of the bonds payable for the years ending September 30, are as follows (in thousands):

Fiscal year		Principal		Interest		Total Debt Service
2012	\$	13,265	\$	34,752	\$	48,017
2013		13,865		34,073		47,938
2014		15,625		33,384		49,009
2015		18,200		32,652		50,852
2016		18,970		31,769		50,739
2017-2021		111,360		143,459		254,819
2022-2026		146,360		111,649		258,009
2027-2031		199,540		68,472		268,012
2032-2036		71,970		36,214		108,184
2037-2040		70,635		10,742		81,377
Total	\$	679,790	\$	537,165	\$	1,216,955

As of September 30, 2010, the Authority's bond liability totaled approximately \$469 million. A summary of annual maturities of the bonds payable for the years ending September 30, are as follows (in thousands):

Fiscal year		Principal		Interest		Debt Service
2011	\$	12,700	\$	21,655	\$	34,355
2012		13,265		21,055		34,320
2013		13,865		20,375		34,240
2014		14,545		19,687		34,232
2015		15,235		18,988		34,223
2016-2020		87,955		82,282		170,237
2021-2025		111,860		57,355		169,215
2026-2030		141,520		26,451		167,971
2031-2035		48,505		3,936		52,441
2036-2037		9,225		212		9,437
Total	\$	468,675	\$	271,996	\$	740,671

¹ See New Convention Center Hotel Omnibus Financing and Development Act of 2006 (D.C. Law 16-163); New Convention Center Hotel Omnibus Financing and Development Amendment Act of 2008, D.C. Law 17-144; New Convention Center Hotel Technical Amendments Act of 2008, D.C. Law 17-399; New Convention Center Hotel Emergency Amendment Act of 2009, D.C. Bill No. 18-391; and New Convention Center Hotel Amendment Act of 2009, D.C. Bill No. 18-310.

Notes to Financial Statement

At September 30, 2011 and 2010, the unamortized bond premiums were \$13.5 million and \$13.7 million respectively, and bond deferral were \$20.9 million and \$16.4 million respectively.

Note 9. Change in Long Term Liabilities

	Balance @ 9/30/2010	Additions	Reductions	Balance @ 9/30/2011	Amount Due Within One Year
Series 2007A Bond Payable	\$ 468,675	\$ -	\$ (38,105)	\$ 430,570	\$ 13,265
Series 2007A Unamortized Bond Premium	13,715	-	(521)	13,194	-
Series 2007A Bond Deferral	(16,392)	(5,215)	671	(20,936)	-
Series 2010 Bond Payable	-	249,220	-	249,220	-
Series 2010 Unamortized Bond Premium	-	362	(101)	261	-
Capital Lease obligation	-	8,985	-	8,985	5,000
Financing Arrangement Payable	8,651	-	(719)	7,932	719
Total Long Term Liabilities	\$ 474,649	\$ 253,352	\$ (38,775)	\$ 689,226	\$ 18,984

	Balance @ 9/30/2009	Additions	Reductions	Balance @ 9/30/2010	Amount Due Within One Year
Bond Payable	\$ 480,835	\$ -	\$ (12,160)	\$ 468,675	\$ 12,700
Unamortized Bond Premium	14,236	-	(521)	13,715	-
Bond Deferral	(17,286)	-	894	(16,392)	-
Financing Arrangement Payable	\$ 9,370	\$ -	\$ (719)	\$ 8,651	\$ 719
Total Long Term Liabilities	\$ 487,155	\$ -	\$ (12,506)	\$ 474,649	\$ 13,419

In addition to the above long-term outstanding debt, the Authority has long-term liabilities related to compensated absences of \$1 million and \$0.9 million at the end of fiscal years September 30, 2011 and 2010 respectively.

Note 10. Retirement Plan

Effective April 1998, all Events DC full-time employees are covered by a defined contribution plan. The plan, which is managed by ICMA Retirement Corporation, requires no employee contributions. All employees are vested after four years of service. The contribution is 7% of total employee's salaries. The total employer's contribution for FY2011 and 2010 were \$0.94 million and \$0.87 million respectively.

Note 11. 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 2007A Bonds. In FY2011, the Authority recognized revenue from dedicated tax receipts of \$98 million. As of September 30, 2011 and 2010, the dedicated taxes due from the District government were \$8.4 million and \$8.5 million respectively. These receivables represent September tax payments collected by the District in October.

Notes to Financial Statement

Revenue Share Agreement with the District

The Authority entered into a Lease Agreement with the District dated July 1, 2004 for the use of the old convention center site located on 900 9th Street, N.W., Washington D.C. solely for the operation of a public parking lot. To secure the funding for the demolition of the old convention center and the construction of parking lots, on July 1, 2004 the Authority signed a \$17 million non-revolving construction line of credit with a financial institution. The Authority drew a total of \$15.8 million from the line of credit to construct the parking lots. The Authority finished paying the loan in July 2009 using the revenue generated from parking lots.

In FY2010, the Authority and the District executed the third amendment of their Lease Agreement to provide the District a portion of the revenues received by the Authority for the parking operations and events held at the parking lot. In FY2011 and 2010, the total amount paid to the District under the agreement totaled \$235,484 and \$774,516 respectively.

District's (DRES) Management Agreement

On October 1, 2009, under the Washington Convention Center Authority and Sports and Entertainment Commission Merger Amendment Act of 2009, D.C. Law 18-111, 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 Real Estate Services (DRES) became responsible for the facility maintenance tasks on RFK stadium and the D.C. Armory previously performed by the DC Sports and Entertainment Commission.

In FY2011 and 2010, the Authority paid DRES \$2.5 million each year for facility maintenance services.

Relationship to the U.S. 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 land owned by the United States government. (DC ST 3-322).

In 1988, the United States government deeded, pursuant to Public Law 99-581, "all right, 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 consideration for 50 years.

Relationship to the D.C. Government

Prior to the merger, the D.C. Sports and Entertainment Commission (DCSEC) entered into a lease agreement on 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 the amount of one dollar (\$1) for the entire term. The DCSEC subsequently entered into a Lease Agreement dated March 6, 2006 with Baseball Expos, L.P 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 for an initial lease payment of \$3.5 million and with an added escalation clause thereafter. 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 amounts that it receives or is entitled to receive under or related to the March 6, 2006 Lease Agreement with the Team. During FY2011, the District received annual rent equal to \$4.5 million. The District uses the rent revenue to pay the outstanding debt related to the Baseball Stadium Bonds.

The Authority assumed all rights and obligations of the former DCSEC pursuant to the merger.

Notes to Financial Statement

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, N.W. under a grant of jurisdiction dated March 3, 1899 from the Fifty-Fifth session of the Congress of the United States of 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, D.C. (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.

In 2006, the United States of America transferred to the District administrative jurisdiction of U.S. Reservation 8, being the land underneath and adjacent to the Building.

On May 5, 2011, the District and the Authority entered into a Memorandum of Understanding (MOU) Regarding The Carnegie Library and Reservation 8, whereby the District transferred to the Authority all of 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 year (3-year) installments beginning November 30, 2011. The MOU shall be effective from May 1, 2011 through April 30, 2110. In addition, both Events DC and HSW desire to amend and restate the Original Lease, as modified by the First Amendment and the Second Amendment.

The Authority reported the lease as capital asset and the related debt as long-term liability in the Authority's statement of net assets.

Note 12. Marketing Service Contracts

In accordance with the provisions of Section 208(c) 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 to be based on 17.4% of the hotel sales tax received.

During FY2011 and 2010 the total amount of dedicated taxes allocated to the Marketing Fund was \$10.1 million and \$10.4 million respectively. The Authority incurred the following marketing services expenses in FY2011 and FY2010 (in thousands) respectively:

Marketing Agencies	2011	2010
Washington D.C. Convention and Tourism Corporation	\$ 9,682	\$ 10,015
D.C. Chamber of Commerce	175	201
Greater Washington IBERO American Chamber of Commerce	200	200
Totals	\$ 10,057	\$ 10,416

Note 13. Baseball Stadium

Team Contingency Fund

On November 10, 2008 the Washington Nationals, the District, and the former DCSEC entered into a settlement agreement to settle all disputes related to the construction of the New Baseball Stadium Complex. Under the agreement, the former DCSEC and the District agreed to provide an additional \$4.25 million to a Team Contingency Fund and to complete all construction related tasks set forth in the settlement agreement. The Team Contingency Fund is managed by the Authority. In December 2010, the Team Contingency Fund was depleted and the bank account was closed.

Capital Fund Reserve

Pursuant to the Lease Agreement dated March 6, 2006 the District makes a contribution of \$1.5 million to the Capital Reserve Fund each year to be used for necessary Baseball Stadium improvements and repairs costs. The Capital Reserve Fund balance is managed by the Authority and has a balance of \$125,116 as of September 30, 2011, which is reflected as a liability Due to the District in the financial statements.

Notes to Financial Statement

Close Out Project

A memorandum agreement was signed between the District and former DCSEC on September 30, 2009 to close out all spending for construction and development of the Baseball Stadium. A transfer of \$1.9 million was made to the New Stadium Account, which is managed by the Authority. During FY2011 and FY 2010 the Authority expensed \$461,640 and \$772,591 respectively. The remaining balance of \$665,769 is reflected as a liability Due to the District in the financial statements.

Note 14. 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 FY 2008. At the time of the merger the Kenilworth fund had a balance of \$145,537. This project had no activities besides monthly interest/service charge payments in fiscal years 2011 and 2010. As of September 30, 2011 and 2010, the account has a balance of \$144,830 and \$145,193 respectively. These amounts were reflected as restricted net assets in the financial statements.

Note 15. Commitments and Contingencies

The Authority is exposed to various asserted claims arising from the normal course of business. As of September 30, 2011 and 2010, the Authority did not record an additional liability as the potential exposures for the current or pending contingencies to the Authority cannot be determined at this time.

Note 16. Subsequent Events

In May, 2011 the Authority entered into a Memorandum of Agreement (MOA) with the District Government in order to assume the District's responsibility for the operation and maintenance of the historic Carnegie Library and grounds. The Authority is now responsible for the operation, upkeep and maintenance of the historic building and Mount Vernon Square parkland. The District had a 99-year lease in place with the Historical Society of Washington, DC (HSW); under the terms of the existing lease HSW was allowed the use of the entire Library interior for certain revenue-generating programs and activities that supported HSW's mission. The MOA required the Authority to negotiate a new lease agreement with HSW, which was executed on November 9, 2011. Under the new lease agreement, the Authority makes an annual payment to HSW for the 87-year term with the initial three years lease payments of \$125,000 and with an added escalation clause thereafter for the exclusive use of approximately 80% of the Library interior. The Authority intends to use the Library interior and park land as additional revenue-generating leasable space for events and tourism-related activities, including a District of Columbia Visitors Center. The Visitors Center will be used to promote visitation and visitor spending in District neighborhoods and businesses. The Authority is completing repairs, maintenance and upgrades to the building and grounds, providing tenant services to HSW as required in the new lease, and developing its staffing and programming for the ongoing use of the Library and grounds.

Schedule of Net Assets by Fund

(in thousands)

	Operating (WEWCC) Fund	Operating (SED) Fund	Marketing Fund	Capital Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,201	\$ 4,905	\$ 962	\$ 1,365
Restricted cash		145	-	-
Due from District of Columbia	7,333		1,072	
Accounts receivable, net of allowance for uncollectable accounts	1,389	2,421		32
Prepaid expenses and other assets	26	1	-	-
Accrued interest receivable	2,429	-	-	-
Interfund receivable (payable)	45,796	(632)	(4,217)	(34,526)
Investments	44,576		5 06	
Total current assets	103,750	6,840	(1,677)	(33,129)
Noncurrent Assets				
Restricted investments	147,603	-	-	-
Capital assets, net of accumulated depreciation	569,600	2,908	-	32,355
Unamortized bond issue costs	4,985	-	-	-
Total Noncurrent Assets	722,188	2,908	-	32,355
Total Assets	\$ 825,938	\$ 9,748	\$ (1,677)	\$ (774)
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 2,065	\$ 3,442	\$ 1,591	\$ 1,014
Due to District Government				
Compensation liabilities	361		-	-
Deferred revenue	2,559	2	-	-
Accrued interest payable	10,256	-	-	-
Other Short-Term Liabilities				
Other financing arrangement payable	719	-	-	-
Bonds payable, current portion	13,265	-	-	-
Total Current Liabilities	29,225	3,444	1,591	1,014

Building Fund	Demolition Fund (Parking Lot)	New Stadium Fund	SED Fund Capital	Visitor Center Operating Fund	Visitor Center Capital Fund	TOTAL
\$ 152	\$ 920	\$ -	\$ 1,106	\$	\$	\$ 11,611
	-	791				936
-	-	-	-			8,405
-	4					3,846
-	-	-				27
496	-	-				2,925
(5,434)	13		(1,000)			-
-	-	-	-			45,082
(4,786)	937	791	106	-	-	72,832

189,873	-	-	-			337,476
37,848		-	358	8,985		652,054
5,134	-	-	-			10,119
232,855	-	-	358	8,985	-	999,649
\$ 228,069	\$ 937	\$ 791	\$ 464	\$ 8,985	\$ -	\$ 1,072,481

\$ 54	\$ 22	\$ -	\$ 34	\$	\$	\$ 8,222
		791				791
-	-	-	-			361
-	-	-	-			2,561
7,420	-	-	-			17,676
				5,000		5,000
-	-	-	-			719
-	-	-	-			13,265
7,474	22	791	34	5,000	-	48,595

Schedule of Net Assets by Fund

(in thousands)

	Operating (WEWCC) Fund	Operating (SED) Fund	Marketing Fund	Capital Fund
Noncurrent Liabilities				
Compensated absences	912	92	-	-
Bonds payable including premium	409,563		-	-
Other Long-Term Liabilities			-	
Other financing arrangement payable	7,213		-	
Total Noncurrent Liabilities	417,688	92	-	-
Total Liabilities	446,913	3,536	1,591	1,014
NET ASSETS				
Net Assets				
Invested in capital assets, net of related debt	138,842	2,908	-	32,355
Restricted for:				
Debt service Reserve and capitalized interest	38,135	-	-	
Capital renewal	17,445	-	-	
Operating fund	31,098	-	-	
Senior Proceeds	2	-	-	
Debt services reserve	36,919	-	-	
Kenilworth Park	-	145	-	
Hotel Project	25,004	-	-	
Unrestricted Net Assets	91,581	3,158	(3,269)	(34,143)
Total Net Assets	\$ 379,026	\$ 6,211	\$ (3,269)	\$ (1,788)

See independent auditor's report.

Building Fund	Demolition Fund (Parking Lot)	New Stadium Fund	SED Fund Capital	Visitor Center Operating Fund	Visitor Center Capital Fund	Total
-	-	-				1,004
249,481	-	-				659,044
-	-	-	-	3,985		3,985
-	-					7,213
249,481	-	-		3,985		671,246
256,955	22	791	34	8,985		719,841
37,848		-	358			212,311
-	-	-			-	38,135
-	-	-			-	17,445
-	-					31,098
-						2
-	-					36,919
-	-	-				145
	-	-				25,004
(66,733)	915	-	72			(8,419)
\$ (28,885)	\$ 915	\$ -	\$ 430	\$ -	\$ -	\$ 352,640

Schedule of Revenues, Expenses and Changes in Net Assets By Fund (in thousands)

	Operating (WEWCC) Fund	Operating (SED) Fund	Marketing Fund	Capital Fund
Operating Revenues				
Building rental	\$ 8,182	\$ 969	\$ -	\$ -
Food services	5,268	496	-	-
Electrical	3,041	-	-	-
Parking	-	728	-	-
Telecommunications	1,236	-	-	-
Retail/ office rental	471	640	-	-
Advertising & Sponsorship	-	1,094	-	-
Miscellaneous	1,001	1,036	-	-
Total Operating Revenues	19,199	4,963	-	-
Operating Expenses				
Personal services	16,865	1,557	-	-
Contractual services	11,413	2,055	3,705	430
Depreciation	27,238	4,758	-	1,197
Occupancy	5,697	1,274	-	-
Payment to District	-	2,539	-	-
Miscellaneous	928	85	-	-
Bad debt	279	56	-	-
Total Operating Expenses	62,420	12,324	3,705	1,627
Operating Loss	(43,221)	(7,361)	(3,705)	(1,627)
Nonoperating Revenues and (Expenses)				
Interest Income	1,235	9	-	-
Dedicated taxes	84,779	1,856	11,361	-
Miscellaneous revenue	-	-	-	-
Interest expense	(21,716)	-	-	-
Amortization of Bond issuance costs	(200)	-	-	-
Marketing Agencies & Internal Marketing Expense	-	-	(10,073)	-
Funding to Hotel Project	-	-	-	-
Prior year cost recovery	1	-	-	-
Total Nonoperating Revenues and (Expenses)	64,099	1,865	1,288	-
Increase (Decrease) in Net Assets	20,878	(5,496)	(2,417)	(1,627)
Net assets, Beginning of Year	358,148	11,707	(852)	(161)
Net assets, End of Year	\$ 379,026	\$ 6,211	\$ (3,269)	\$ (1,788)

See independent auditor's report.

	Building Fund	Demolition Fund (Parking Lot)	New Stadium Fund	SED Fund Capital	Visitor Center Operating Fund	TOTAL			
\$	-	\$	-	\$	-	\$	9,151		
	-		-		-		5,764		
	-		-		-		3,041		
	-	1,325	-	-	-		2,053		
	-	-	-	-	-		1,236		
	-	-	-	-	-		1,111		
	-	-	-	-	-		1,094		
	-	-	-	-	-		2,037		
	-	1,325	-	-	-		25,487		
	-	-	-	-	-		18,422		
	-	576	-	22	-		18,201		
	-	-	-	22	-		33,215		
	-	32	-	-	-		7,003		
	-	236	-	-	-		2,775		
	-	-	-	-	-		1,013		
	-	-	-	-	-		335		
	-	844	-	44	-		80,964		
	-	481	-	(44)	-		(55,477)		
	847	-	-	3	-		2,094		
	-	-	-	-	-		97,996		
	1,230	-	-	-	-		1,230		
	(13,810)	-	-	-	-		(35,526)		
	(134)	-	-	-	-		(334)		
	-	-	-	-	-		(10,073)		
	(20,600)	-	-	-	-		(20,600)		
	-	-	-	-	-		1		
	(32,467)	-	-	3	-		34,788		
	(32,467)	481	-	(41)	-		(20,689)		
	3,582	434	-	471	-		373,329		
\$	(28,885)	\$	915	\$	-	\$	430	\$	352,640

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Events DC:

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Photography:

Page 2, 6, 8, 12 - 17: Mike B Photography
Page 18: New Brand - Mike B Photography; AT&T Nation's Football Classic - Alan Lessig Photography; Military Bowl presented by Northrop Grumman - Imagine Photography
Page 19: Carnegie Library at Mt. Vernon Square - Mike B Photography; Boxing Booms Back - Mike B Photography; Washington Marriott Marquis - Imagine Photography; RFK Stadium 50th Anniversary - Imagine Photography
Page 21: Left - Mike B Photography; Right - Imagine Photography
Page 22: Mike B Photography
Page 23: Courtesy of Biotechnology Industry Organization
Page 24: Courtesy of the United States Army
Page 25: Top - Jack Hartzman Photography; Bottom - Courtesy of NBC4 Health & Fitness Expo
Page 26, 27: Imagine Photography
Page 28, 29: Alan Lessig Photography
Page 30: Imagine Photography
Page 31: Courtesy of Tiesto Club Life Tour
Page 32: Imagine Photography
Page 33: Courtesy of D.C. United
Page 34, 35: Lateef Mangum, Imagine Photography
Page 36: Photo 1 - Courtesy of National Cherry Blossom Festival; Photo 2 - Courtesy of Washington International Horse Show; Photo 3 - Imagine Photography
Page 37: Photo 1 - Imagine Photography; Photo 2 - Courtesy of Washington Kastles; Photo 3 - Courtesy of Department of Parks and Recreation
Page 38: Courtesy of Events DC
Page 40: Paul Morse Photography
Page 41: Top - Courtesy of the Washington Nationals; Bottom - Imagine Photography
Page 42: Courtesy of Maloof Money Cup
Page 43: Mike B Photography
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Page 48: Courtesy of the International AIDS Conference
Page 49: Courtesy of the National Cherry Blossom Festival
Page 50: Courtesy of the Greater Washington Sports Alliance
Page 51: Courtesy of Marriott

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ENVIRONMENTAL IMPACT STATEMENT



The use of these environmentally responsible papers conserves the following:

Trees 14
Energy 6,000,000 BTU's
Greenhouse Gases 2,222 CO₂
Wastewater 5,595 gallons
Solid Waste 1,052 lbs.

Environmental impact statements we produced using the Environmental Defense Paper Calculator.



