





**Exceeding
expectations:**

“To be greater than.”

This has been our vision since we launched the Events DC brand – and in 2014, we exceeded our own expectations. Join us to celebrate the experiences, events and people who are driving growth and making a big impact.

PRESIDENT AND CEO'S LETTER

If, as the saying goes, every challenge holds an opportunity, then the fiscal year that ended September 30, 2014 held great potential for Events DC. With the sales pipeline for citywide events narrowing in the years prior to the opening of our Headquarters Hotel project, the forecasts for FY14 were flat. Knowing that an increase in our citywide meeting bookings is on the horizon, we went into the year with a two-pronged strategy to create the momentum needed to position Events DC for success when our core convention business picks up starting in FY16.

First, we focused on maintaining our financial position through both the aggressive management of our operating expenses and by continued efforts to generate additional revenues at Events DC's venues. Second, we initiated a long-term approach to ensure that we fully optimize our assets, to include new business development opportunities at the Walter E. Washington Convention Center and the pursuit of new or enhanced uses for the Carnegie Library at Mt. Vernon Square and the Robert F. Kennedy Memorial Stadium campus.

Looking back on FY14, I am happy to say it was a year in which we exceeded expectations. From hosting our first citywide meeting headquartered at the new Marriott Marquis Washington DC, to creating new types of immersive event experiences on Mt. Vernon Square with Microsoft and at the Festival Grounds at RFK Stadium with the Red Bull Global Rallycross, our staff, customers and hospitality industry stakeholders produced some incredible events.

We demonstrated that, even in a "flat" year, we can work together to create opportunities to engage, excite and entertain visitors and residents in Washington, DC. I hope you enjoy this look back at an eventful year for our organization.



**“... our staff,
customers and
hospitality industry
stakeholders
produced some
incredible events.”**

A handwritten signature in black ink that reads "Gregory A. O'Dell". The signature is fluid and cursive.

Gregory A. O'Dell
President and Chief Executive Officer

CHAIRMAN'S LETTER

When we launched the Events DC brand in 2011, we began the conversation about our ability to create the *premier event experience* in the nation's capital – but what exactly does that mean?

On the surface, the event experience is about bringing people together. Whether it is 350,000 students and teachers attending the USA Science and Engineering Festival at the Convention Center, or more than 17,000 enthusiastic basketball fans taking in the U.S. Junior National Championships at the DC Armory, Events DC has the venues and resources to celebrate everything that makes the District of Columbia such a great place to live, work and visit.

The event experience is also about providing world-class service to our customers. Last spring, the American College of Cardiology brought its annual scientific session and exposition to the District for the first time, with show organizers uncertain as to whether or not we could support a show of its size. Not only did we create an environment where 19,000 of the world's top cardiovascular professionals could come together to share knowledge and research that is saving lives, but we also supported a customer who said afterward that our event manager had become an “extended part of the ACC family.”

Finally, and perhaps most importantly, a premier events experience is about the economic and community benefits that we generate for our city and its residents. All told, the events we hosted, produced and supported during the fiscal year generated an estimated \$375 million in visitor spending and about 325,000 hotel room nights. This is *real* impact that supports thousands of jobs in the District's largest private-sector industry.

In closing, I want to express my personal appreciation for both the work of Events DC's employees and for the support of our Board of Directors during the three years that I have served as Chairman. The District of Columbia is my home, and I have been humbled by the opportunity to lead our governance board during this significant time in the organization's history.



“The event experience is also about providing world-class service to our customers. ”

A handwritten signature in black ink, appearing to read 'Michele V. Hagans'. The signature is fluid and cursive, with a large loop at the end.

Michele V. Hagans
Chairman

WORKING TOGETHER TO DRIVE DEMAND FOR THE CITY WE LOVE

Events DC set ambitious goals when we launched our brand in 2011, from bringing in new and more diverse events to holding them at venues around the city. We did this - and more. Our growing event portfolio has greatly benefitted the local economy, positively impacted our community and cemented our team's enthusiastic commitment to delivering five-star customer service every single day. Here's to a strong 2014!

**Conventions
&
Meetings**

**Sports
&
Entertainment**

**Special
Events**

THE POWER OF EVENTS DC

Events



380+

Visitors



1.8m+

Visitor
Spending



\$375m+

Partnerships



25+

Booked
Hotel Rooms



325k+

Employees



236

Total Visitor
Spending
Since 2003



\$4b+


Growth
+

Impact
+

People



GROWTH

NEW AND DIVERSE EVENTS DEFINED 2014

2014 was truly a standout year for Events DC, as our growing portfolio was filled with a full roster of new and one-of-a-kind events, many of which took place at the iconic RFK Stadium Campus and the Walter E. Washington Convention Center.

The first hint that 2014 would be a year to remember came in April, when our in-house Convention and Meetings Division sales team booked a mind-blowing 41 events. Not to be outdone, our Sports and Entertainment Division hosted more than 125,000 people at the RFK Campus during a 5-week stretch in the fall – proving that we are just getting started!

New Events at RFK

Huge Variety of New Events

Trillectro

Life in Color

Red Bull Global Rallycross

Boxing at the Armory

American Beer Classic

Awesome Con

USA Science & Engineering Festival

National Book Festival

National Cherry Blossom Festival Parade
presented by Events DC

Reimagining Carnegie Library's Future

RFK Stadium Campus Helps Fuel Our Growth

An icon at work

From D.C. United and world-class soccer matches to fun runs, boxing matches, and endurance events, we are turning DC into a top destination for sports events of all shapes and sizes.



RFK Stadium
Campus

125k
Visitors on the
RFK Stadium
Campus in just 5
weeks

Huge Variety of New Events

Got glow sticks?

The Electric Run is easily the world's brightest and most electrifying nighttime 5k run/walk, and it's just one of many unique events our Sports and Entertainment Division brought to RFK Stadium Campus in 2014.



RFK Stadium
Campus

Trillectro

Homegrown music festival

During the Trillectro Music Festival, twenty-five performers on two stages brought the best of local and national hip-hop and electronic dance music to 5,000 fans on the sprawling campus, where numerous music legends have been performing for decades.

“Moving to the RFK Stadium Festival Grounds not only guaranteed increased promotional opportunities but also additional space and tighter logistics.”

RFK Stadium
Campus



Life in Color

Painting the perfect party

Another fun new event for us was Life in Color, the world's largest paint party, which featured high-energy music, art, dance, cirque-style acts, and the world-famous "Paint Blast" to the campus. This unique event provided a night to remember for thousands of ecstatic fans.

RFK Stadium
Campus



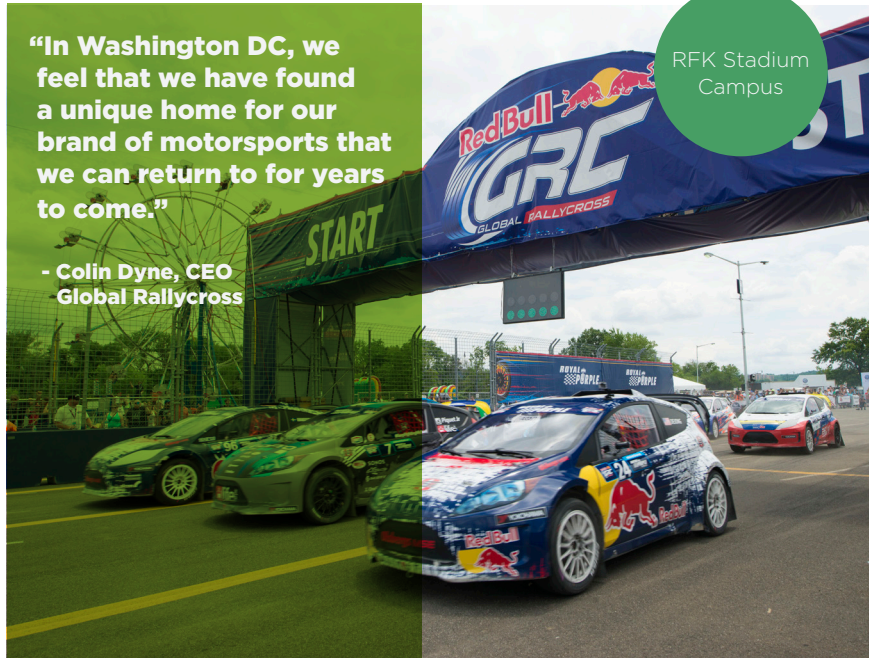
Red Bull Global Rallycross

Start your engines

The Red Bull Global Rallycross brought motorcross back to DC and allowed us to showcase the RFK grounds in a new way to a national audience. After working closely with the surrounding community to minimize noise impact, a temporary track was built on the south side of the stadium – and 10,000 people took it all in.

“In Washington DC, we feel that we have found a unique home for our brand of motorsports that we can return to for years to come.”

- Colin Dyne, CEO
Global Rallycross



Boxing Makes a Triumphant Return to DC

Raising DC's profile

We brought two high-profile, internationally televised boxing events to the Armory, putting DC back on the map as a great fight town. In January, DC native Lamont Peterson defended his title against Kendall Holt, and in April, Bernard Hopkins became the oldest boxer in history to win two world titles in a single bout, defeating former champ Beibut Shumenov.



American Beer Classic

Prost on the pitch

How often do you get to drink beer on a soccer pitch? Once a year during the American Beer Classic, whose goal is to serve “great beer on iconic fields.” This rollicking event allowed us to use the stadium in a new way – and more than 6,000 beer enthusiasts loved the experience of hanging out on the field while sampling beer from more than 60 micro-breweries.



RFK Stadium
Campus

60+
Breweries
showcased
their brews

Awesome Con

Pop culture fans fuel our growth

During 2014, we also expanded our portfolio of events at the Walter E. Washington Convention Center – and Awesome Con was key to this growth. The comic book and pop culture festival quadrupled attendance from 2013 to 2014 and injected \$4.5 million into the local economy. Its incredible success directly led to us winning even more one-of-a-kind events.



Walter E.
Washington
Convention
Center

30k+
Visitors
attended the
festival

USA Science & Engineering Festival

350,000 attendees shatter records

The largest and only national science festival has grown significantly in size every year – and in 2014, we shattered an attendance record at the Walter E. Washington Convention Center! More than 350,000 attendees engaged in activities and heard stories of inspiration and courage from some of the biggest names in STEM.



Walter E.
Washington
Convention
Center

National Book Festival

Bigger and better than ever

In 2014, this beloved annual event moved from the National Mall to the Walter E. Washington Convention Center – and it worked out beautifully. For the first time ever, the festival was able to offer nearly 100,000 attendees night-time hours, movie screenings, and cooking demonstrations in the comfort of our marquee venue.



Walter E.
Washington
Convention
Center

National Cherry Blossom Festival Parade Presented by Events DC

Another unforgettable experience

As title sponsor of the 2014 National Cherry Blossom Festival Parade, this nationally-televised event featured our story and kept our name front-and-center. We broke out all stops to make it an unforgettable family experience – and we succeeded.



Special Events

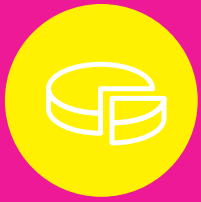
1.5m
Visitors
generating over
\$160m in added
tax revenue

Reimagining Carnegie Library's Future

We are always thinking about the best way to use our assets to their fullest potential. In 2014, we explored a partnership with the International SPY Museum to find a new home inside the Carnegie Library. Although redevelopment plans with SPY were halted – it has allowed for other future opportunities and capital improvements. We will continue to look at the venue with a unique lens to bring more sought-after special events.



Carnegie
Library at Mt.
Vernon
Square



IMPACT

Hosting unforgettable experiences that directly benefit the community

Planning and hosting events and experiences that leave a lasting impression is only part of what we do at Events DC. We also work hard to ensure that our efforts directly benefit the local community, whether it's increased tax revenue, a boost in visitors during slow periods, or creating events specifically for locals.

RAMMYS Awards Gala

Marriott Marquis Washington, DC

American College of Cardiology

Microsoft Worldwide Partner Conference

World Cup Viewing at Freedom Plaza

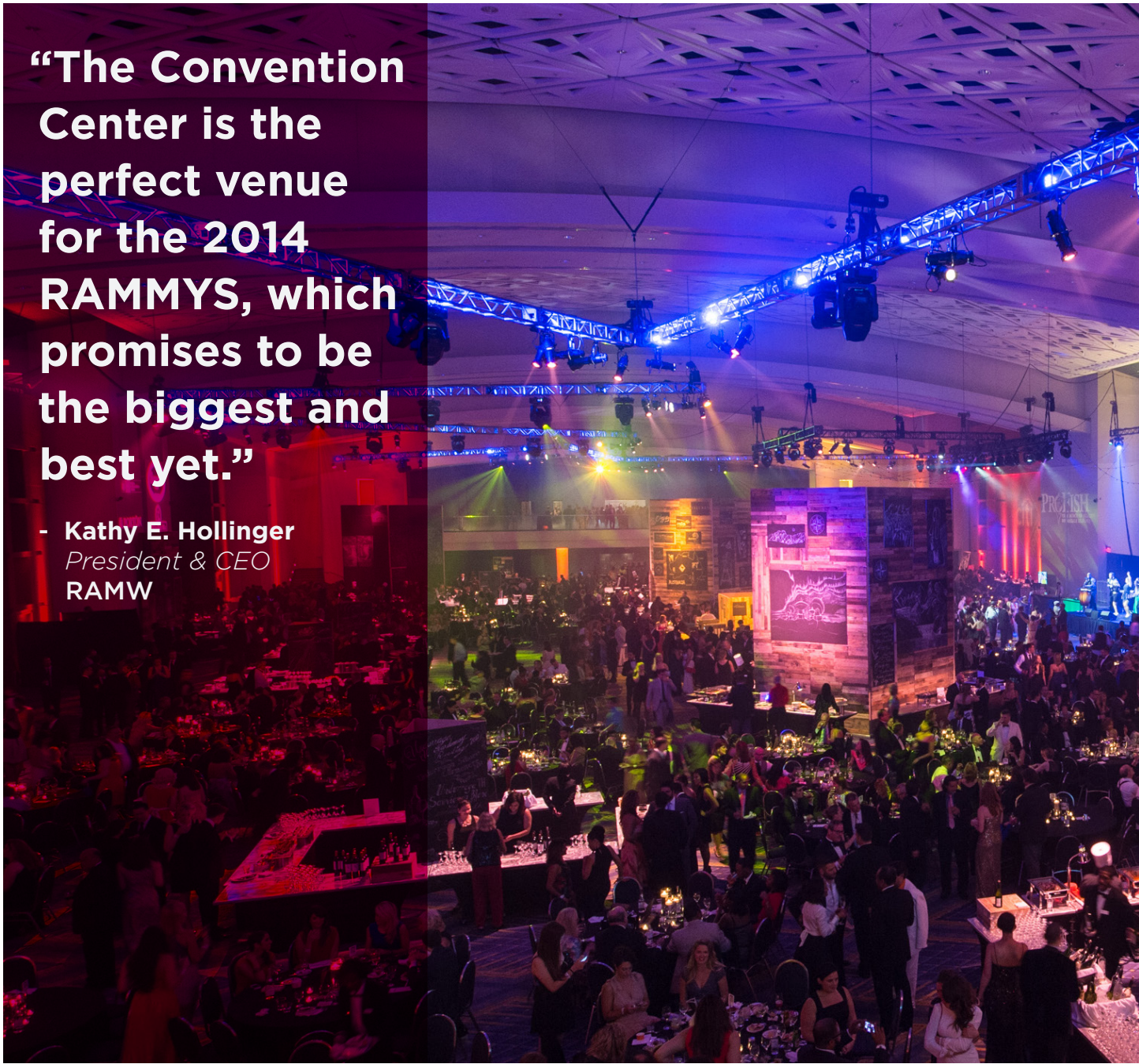
Events DC Nation's Triathlon

Citi Open Partnership

AT&T Nation's Football Classic[®]

“The Convention Center is the perfect venue for the 2014 RAMMYS, which promises to be the biggest and best yet.”

- Kathy E. Hollinger
President & CEO
RAMW





#1 Food & Restaurant Event

- BIZBASH Magazine

We cooked up a delicious night for the RAMMY Awards Gala

As DC has evolved into a world-class food town, our local restaurants have become one of the city's greatest assets and most important economic drivers. We worked with our marketing partner, the Restaurant Association Metropolitan Washington (RAMW), to cook up a dazzling RAMMY Awards Gala that accommodated more attendees, celebrated the industry's best and brightest, and further strengthened our partnership.



The Marriott Marquis Washington, DC creates new opportunities – for everyone

When the gorgeous new Marriott Marquis Washington, DC flung open its doors last spring, a project that Events DC and the local community had invested more than 10 years in was greeted with open arms. Bigger events and conventions immediately began using the new space, while attendees have taken advantage of the pedestrian connector and new escalators to easily travel between the hotel and Convention Center.

The hotel's impact began much earlier than opening day, when lead contractor Hensel Phelps and its subcontractor community made history by filling 30.7 percent of total project construction jobs with DC residents and awarding \$122.6 million in contracts to Certified Business Enterprises, exceeding the goal by 45 percent.





**The Marriott Marquis at
a glance:**

1,175 Rooms

105,000
Sq ft of meeting space

31,000
Sq ft Marquis Ballroom

2 x 11,000
Sq ft ballrooms

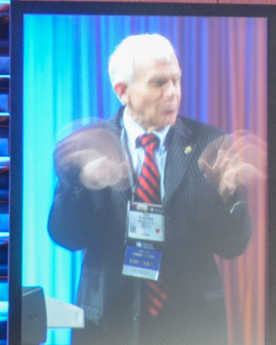
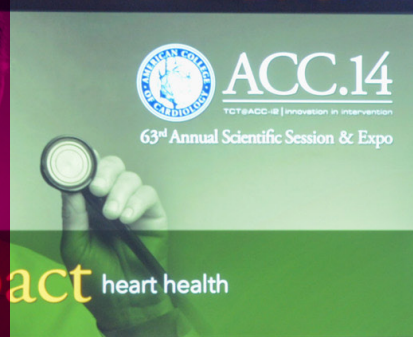
18,000
Sq ft indoor event
terrace

5,200
Sq ft outdoor event
terrace

5 Restaurants

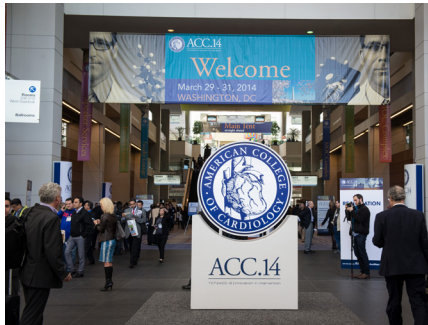
“Without you guys we cannot do what we do – you are an extended part of our ACC family, an integral part of our team, and we want you to also relish in the success of the meeting that we just pulled off together. Even more importantly, the friendship and camaraderie between all of us truly made each day on show site a joy, even during those rather more stressful moments!”

**- Sue Sears, Associate VP
Annual Meetings & Programs
American College of
Cardiology**





The American College of Cardiology brought 19,000 people – who can't wait to come back



We were committed to providing superior customer service and an extraordinary experience at the American College of Cardiology's annual conference at the Walter E. Washington Convention Center – and we nailed it. Even though they had already booked their 2017 conference elsewhere, they canceled it and booked us instead before they even left DC.



Microsoft Worldwide Partner Conference brought 15,000 people to DC during a slow period

We partnered with the city's hospitality community to roll out the red carpet for the Microsoft Worldwide Partner Conference, a major five-day event that attracted 15,000 attendees from 140 countries and generated \$29 million in tax revenue during a slow period for the city. The conference culminated in a spectacular block party for more than 7,000 of Microsoft's most important stakeholders from around the world. It was a huge success that further cemented our already-strong relationship with Microsoft.



The block party by the numbers:

10,000

Pounds of ice

6,000

Bars of ice cream

4,000

Bags of popcorn

3,600

Ears of corn

1,000

Pounds of watermelon

386

Servers

10

Food trucks





“The synergy from the District is what marked the 2014 Microsoft Worldwide Partner Conference as unforgettable. Events DC and its partners collaborated with us to create something so unique and amazing for our attendees. The impact was felt across all corners of the city and reached people who attended from all over the globe. The question remains – how are we going to top that!? And I can’t wait to find out!”

- Kati Quigley, CMP
Senior Director
Partner Community Marketing,
Microsoft Corporation

>40

Media outlets

More than 40 DC media outlets reported on the event, generating millions of impressions - while DC made history with nearly 12 million viewers, making it the second most viewed men's soccer match in the U.S.





#1

**Washington DC
had the Highest
Viewer Ratings
Recorded on
National Television**

We joined forces with numerous partners to organize a World Cup viewing event at Freedom Plaza - in less than 48 hours

On Tuesday, July 1, 5,000 soccer fans decked out in red, white and blue streamed into Freedom Plaza to enjoy a full day of activities and the much-anticipated USA v. Belgium FIFA World Cup game. Freedom Plaza is not one of our venues, but this event - organized in the space of 48 hours - came together smoothly thanks to a great partnership with the Executive Office of the Mayor, Downtown DC BID, D.C. United, DC Water, Akridge, Pepco, and CBS 94.7.

DC's only triathlon is now the most popular triathlon event in the U.S. – and Events DC is at the heart of the action

Though the Events DC Nation's Triathlon is just nine years old, the event has quickly grown in status around the globe and become the most popular triathlon in the U.S. In our second year as title sponsor, we worked hard to make this two-day event an amazing experience for the 4,300 participants from 17 countries. Not only does this event allow us to showcase the city in a new way for an international audience, it also increases our brand visibility on a global scale.



EVENTS DC

NATION'S TRIATHLON™

TO BENEFIT THE LEUKEMIA & LYMPHOMA SOCIETY



1:59:13



EVENTS DC
NATION'S TRIATHLON

TO BENEFIT THE LEUKEMIA & LYMPHOMA SOCIETY



EVENTS DC
NATION'S TRIATHLON

TO BENEFIT THE LEUKEMIA & LYMPHOMA SOCIETY



EVENTS DC
NATION'S TRIATHLON

TO BENEFIT THE LEUKEMIA & LYMPHOMA SOCIETY

Our new partnership with the Citi Open draws visitors and drives tourism

Previously known as the Legg Mason Tennis Classic, the Citi Open is DC's premier tennis tournament and one of the largest in the world, attracting some of the biggest names in professional tennis to Rock Creek Park each summer. Our new partnership is a great opportunity to support the city's long-standing tennis tradition, attract new fans from the community, and make a positive impact on our travel and tourism industry – the largest private-sector employer in Washington, DC.



“We’re excited to support an event of this caliber that brings more than 65,000 visitors and residents alike and creates over \$1.5 million in economic impact for the District. The tournament also directly benefits underserved children in the DC area through its beneficiary, the Washington Tennis and Education Foundation, which provides children with academic and athletic enrichment programs through the sport of tennis.”

- Erik A. Moses
Senior Vice President and Managing Director
Sports and Entertainment Division
Events DC

WASHINGTON TENNIS & EDUCATION FOUNDATION www.wtef.org

A Tennis Tradition

A great opportunity to support the city's long-standing tennis tradition



37X

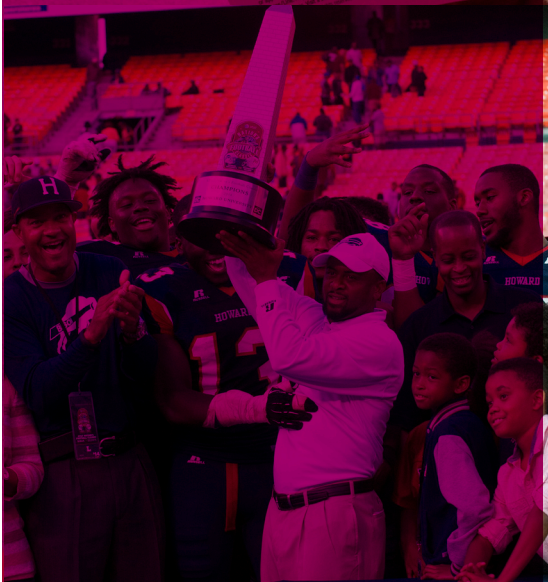
The Rivalry

The 2014 AT&T Nation's Football Classic[®] marked the 37th meeting between two rival football programs and ended their four-year run in DC's classic

Starts at \$130 per month

After the match, head referee...

...will be the referee...





I  **this rivalry**

It was a battle in the capital - AT&T Nation's Football Classic®

The annual gridiron classic between historic rivals Morehouse College and Howard University has always been about more than a football game. We work closely to plan numerous community-focused activities throughout the entire weekend to pull in more people and make a bigger impact. In 2014, we worked with partners to donate game tickets through several non-profit and community organizations, and we helped organize #HashtagLunchbagDC, a huge group effort to assemble and distribute lunches to the homeless and those in need.

This year's game was bittersweet, as it was the last meeting between Morehouse and Howard. However, it was a thrilling game for the 13,000+ fans at RFK Stadium, as Howard's senior quarterback Greg McGhee rushed for three touchdowns and threw for two more to lead the Bison to a 35-17 victory over the Morehouse College Maroon Tigers.



PEOPLE

Events DC is nothing without our people

The growth we have enjoyed and the impact we have made is directly linked to our extraordinary team of people, 47 percent of whom are DC residents. Every investment we make in them pays dividends – and it’s an investment we are happy to make. Not only are we creating a stronger organization, we’re creating a stronger DC.

Strive for 5

Employee of the Year

50-Year Employee Tribute

Chief People Officer

Goodwill Training Program



Strive for 5

**Respect. Professionalism.
Communication. Teamwork.
Accountability.**

These are the five guiding principles of our Strive for 5 program, which was put in place to help our entire team continually deliver five-star customer service. With the launch of this initiative, we met or exceeded the majority of the customer satisfaction goals for the organization.

- ★ **RESPECT**
- ★ **PROFESSIONALISM**
- ★ **COMMUNICATION**
- ★ **TEAMWORK**
- ★ **ACCOUNTABILITY**



Arlene Noyes
2014 Employee of the Year

As our Event Manager for American College of Cardiology (ACC) conference, Arlene and her team pulled out all the stops to exceed expectations. Every detail was taken care of to ensure this huge conference would be a success – and their efforts paid off. The ACC’s 19,000 attendees had such a great time, they committed to come in 2017 – before they even left.

“Communication is vital and built around touching the customer – making their life easier, and ensuring that their employees and customers are handled well.”



Willie Leak
50-Year Tribute

For 50 years, Willie Leak has carefully tended the grounds of RFK Stadium as if it were his own. The experience he gained while working 2,000 sporting events, dozens of major concerts, and numerous historic events propelled him to Head Groundskeeper. This year, we paid tribute to his loyalty, longevity, and loving care of RFK. Thank you Willie!

- Arlene Noyes
Senior Event Manager
**Convention Services,
Events DC**



Misty Johnson Oratokhai
Chief People Officer (CPO)

“Events DC has an exceptional workforce. We have people who put everything they have on the line every day to ensure that we make our clients’ dream events come true.”

- Misty Johnson Oratokhai
Chief People Officer
Events DC

A Word From Our CPO

Events DC welcomed a new “people person” to our team this year, who is working hard to make our people the best in the business!

“An organization is only as good as its people. When I arrived at Events DC a little more than a year ago, Mr. O’Dell, our CEO, made it abundantly clear that we do operations well, but need to do people better. His vision is to strengthen our workforce through increased col-

laboration, engagement, training and development, as well as recognition and rewards. In order to keeping doing what they do, our people require support on a number of levels. As important as engagement is to a thriving workforce, education and development are just as important. Our ultimate goal is to retain top talent and leverage our organization as ‘the best place to work’ in the DC Metro Area.”



3,000

**Residents from all
eight wards
participated**



Goodwill Training Program

To ensure that Events DC is by, for, and of the people in Washington, DC, we funded a \$2 million workforce intermediary program with Goodwill of Greater Washington to train District residents for jobs at the Marriott Marquis Washington, DC. Goodwill, along with their partners at One DC, the University of District of Columbia Community College, the United Way, the District Department of Employment Services and other local organizations, recruited and screened over 3,000 residents from all eight wards. The results have exceeded expectations:

- **719 residents were trained and referred to Marriott**
- **178 were hired, making up 35 percent of opening day hotel staff**
- **80 percent retention rate – unheard of in the hospitality industry**



SYNERGY

AS EVENTS DC GROWS, SO TOO DO OUR STRATEGIC PARTNERSHIPS ACROSS THE DISTRICT

The meaningful community partnerships we continue to develop directly impacts our ability to create unforgettable experiences for city residents and visitors. Even more importantly, these partnerships allow us to fulfill our social responsibility mission. Not only do our partners help us enrich the lives of everyone we touch, but they embrace our sustainable and environmentally-friendly practices, too.

Marketing Partners

Media and Community Partnerships

THE POWER OF OUR NETWORK

Marketing Partners

To attract visitors and diversify experiences for District residents, we strategically collaborate with, and make investments in, community organizations to define even greater success for the city. Our unique position allows us to tap into new opportunities and use our robust network to connect our partners and clients.



800
Members



624
Members



940
Members



1.5m+
Visitors



200
Affiliates



1,710
Members

IN THE SPIRIT OF PARTNERSHIP

Community initiatives are powering our local economic engine

Events DC doesn't want to just help fuel the city's economic growth - we also want to help make it a great place to visit and live. Our strategic partnerships and investments allow us to do both. We focus on attracting larger events to the city and strategically support partners and community initiatives that drive tourism into our neighborhoods. The result? Residents, visitors, and local businesses *all* benefit.

And we're doing even more!

- Southeast Tennis & Learning Center
- Military Bowl Youth Clinic
- District of Columbia State Athletic Association HS Baseball Clinic
- District of Columbia State Athletic Association Turkey Bowl
- Safeway Feast of Sharing
- Winter Wonderland

Community partnerships inspire growth and help drive engagement

Events DC teams up with media partners to create enriching collaborations

Washington City Paper's Best of DC

Media Partner



DC Magazine Men of Style

Media Partner



Washington Nationals Youth Baseball Academy

Community Partner

On March 29, 2014, the Washington Nationals Youth Baseball Academy celebrated the opening of their new facilities, where they will continue to bring high-quality youth development programs that are grounded in the values of baseball to DC's young residents. We were one of many community partners that worked with MLB and the District of Columbia government on this wonderful initiative.



DC Jazz Festival

Community Partner

The 2014 DC Jazz Festival celebrated its 10th anniversary and Events DC continued its long-standing support, bringing jazz to neighborhoods throughout DC. The Festival celebrated with nearly 70 performances held across all 8 wards of the District from June 24 - 29. The showcase event - *DC Jazz Festival and Events DC Present: Jazz at the Capitol Riverfront* - featured eight performances at the Capitol Riverfront, one of the city's newest neighborhoods.



National Title IX Holiday Invitational

Community Partner

The 5th Annual National Title IX Holiday Invitation Conference and Classic presented by The Sankofa Project and Events DC showcased 42 teams from eight states competing at Trinity University and Coolidge High School over the course of three days. In addition to action-packed games, the weekend was filled with educational workshops for students, parents, and coaches.





FUTURE FORWARD



Foo Fighters Headlining July 4 Concert

Continuing the tradition of hosting legendary performers, RFK Stadium will welcome the Foo Fighters on July 4, 2015 as the band celebrates its 20th anniversary with an all-day celebration and once-in-a-lifetime concert.



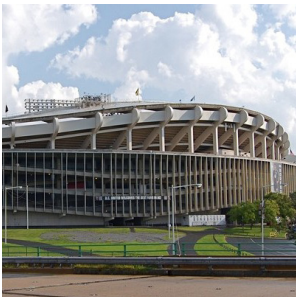
World Police and Fire Games Coming to Town

Following a spectacular opening ceremony at RFK Stadium, first responders and public safety personnel from 70 countries will compete in 61 sporting events at 53 venues across the city – and fill 12,000 hotel rooms, attract 30,000 visitors, and generate \$60-80 million in revenue during a slow time of the year.



Bring Your Imagination Campaign Launches

We invite every event planner to expect the unexpected: “If you can imagine it – Events DC can create it.” Our portfolio of offerings and planning assets are on display at [Events DC.com/plan](http://EventsDC.com/plan).



RFK Stadium Economic Impact Study Gets Underway

Community members from the neighborhoods surrounding RFK Stadium and the Festival Grounds are working with us and a team of consultants to study the redevelopment and future use of this iconic venue. Our goal: Continue to bring new and diverse events to the area.



FINANCIALS

Financial Statements

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

Report on Financial Statements

We have audited the accompanying statements of net position 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 years ended September 30, 2014 and 2013, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Accounting Change

As discussed in Note 2 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported As Assets and Liabilities. The Authority reclassified as deferred outflows and inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources,

certain items that were previously reported as assets and liabilities. Bond issuance costs that were previously recorded as an asset is expensed. As a result of this implementation, the Authority adjusted the fiscal year 2013 beginning net position to properly state the effect of implementation of GASB Statement No. 65. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information Accounting principles

generally accepted in the United States require that the management's discussion and analysis information on pages 48 through 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Boards, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic or historic context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of net assets by fund and the schedule of revenues, expenses and changes in net position by fund are presented for the purposes of additional analysis and are not a required part of the basic financial state-

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated January 28, 2015, 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 in considering the Authority's internal control over financial reporting and compliance.



BertSmith & Co.
Washington, D.C.
January 28, 2015

Discussion and Analysis

As management of Washington Convention and Sports Authority (Authority) doing business as Events DC, we present this Management's Discussion and Analysis (MD&A) of the Authority's financial condition and the results of operations for the years ended September 30, 2014 and 2013. 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 D.C. Sports and Entertainment Commission (DCSEC) Merger Amendment Act of 2009, D.C. Law 18-111, D.C. 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 (the District). As part of the Amendment Act, the District's Department of General Services (DGS) 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 is the centerpiece of a marketing effort intended to draw more events to the convention center, RFK Stadium, the DC Armory and Carnegie Library at Mount Vernon Square. The new name is also designed to align with the existing brands for Washington D.C. and the city's tourism arm, Destination DC.

About Our Business

The Authority operates three distinct business divisions that generate significant regional economic impact by attracting conventions, tradeshows, sports and entertainment and other special events. The Convention & Meetings Operations Division includes the Walter E. Washington Convention Center (WEWCC) and Carnegie Library at Mt. Vernon Square which generate event-related revenues primarily from the sale and use of meeting and exhibition space and other ancillary services such as commissions on telecommunications, audio-visual, electrical and catering services. The Sports and Entertainment Division (SED), which includes Robert F. Kennedy Memorial Stadium, the DC Armory, and the surrounding Festival Grounds, and functions as landlord for Nationals Park. SED generates revenue primarily from hosting a full season of DC United major league soccer games and other entertainment and community events. Through the Special Events Division, the Authority is actively involved in the planning and support of some of the city's most anticipated events, attracting thousands of attendees to locations around the city which bring economic impact to our nation's capital.



Gregory A. O'Dell
President and Chief Executive Officer



Henry W. Mosley, CPA
Chief Financial Officer

Management's Discussion & Analysis

Fiscal Year 2014 Financial Highlights

- Net position increased by \$6.1 million or 3%, when compared to the fiscal year ended September 30, 2013.
- Operating expenses increased by \$6.4 million or 8% from fiscal year 2013, due to increases in personnel services.
- Operating revenues decreased by \$1.2 million or 4% from fiscal year 2013, resulting in total operating revenues of \$25.3 million.
- Assets plus deferred outflow of resources exceeded liabilities by \$239.8 million at the end of fiscal year 2014, a 3% increase over fiscal year 2013.
- The Authority's long-term debt, including current maturities, decreased to \$638.1 million or 4% over fiscal year 2013.
- The Statements of Cash Flows reflect a decrease in cash and cash equivalents of \$2.3 million.
- The Authority's bonds are rated "A1" by Moody's and "A" by both Standard & Poor's Corporation and Fitch Rating Services.
- investments balance related to construction of the convention center headquarters' hotel project.
- Operating expenses decreased by \$.5 million or 1% from fiscal year 2012, due to decreases in costs related to contractual services, utilities, payment to the District for maintenance services and miscellaneous expenses.
- Operating revenues increased by \$4 million or 18% from fiscal year 2012, resulting in total operating revenues of \$26.5 million in FY 2013. The increase in operating revenue was a result of growth in Carnegie Library operations, hosting eight additional large non-city wide events and increased services request by show managers.
- Assets exceed liabilities by \$233.6 million at the close of fiscal year 2013, a 29% decrease over FY 2012.
- The Authority's long-term debt, including current maturities, decreased by \$25.2 million to \$662.6 million or 4%, over FY 2012.
- The Statements of Cash Flows reflect an increase in cash and cash equivalents for fiscal year 2013 by \$7.4 million.

Fiscal Year 2013 Financial Highlights

- Net position decreased by \$103.8 million, a decrease of 31% when compared to the fiscal year ended September 30, 2012. The net decrease in net position primarily resulted from a reduction in restricted

(1) Overview of the Financial Statements

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 Position. The basic financial statements include the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. This report also includes notes accompanying the statements to fully explain the activities detailed therein.
- The Statements of Net Position present information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is classified as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

- The Statements of Revenues, Expenses and Changes in Net Position report both the operating and non-operating revenues and expenses and other changes in net position for the end of the fiscal year.
- The Statements of Cash Flows present information showing how the Authority's cash and cash equivalents position changed during the fiscal years. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, capital and related financing activities, noncapital financing activities and investing activities.

(2) Financial Analysis

The Authority's audited Statements of Net Position (p. 53) and Statements of Revenues, Expenses and Changes in Net Position (pgs. 54-55) are included here. A Statements of Cash Flows can be found online as part of the FY14 Complete Financial Documents.

2014 - The Authority's overall financial position improved during fiscal year 2014. The Authority's total net position at September 30, 2014 is \$239.8 million a 3% increase over September 30, 2013 net position, as restated, of \$233.6 million. Of the Authority's net position, \$162 million, or 68% represents investment in capital assets and \$113 million or 47% represents resources that are subject to external restriction on how they may be used (primarily related to the Authority's bond indenture reserve requirements).

Management's Discussion & Analysis

The table on page 53 (Table 1) reflects a summary of the Authority's net position at September 30, 2014, 2013 and 2012 (in thousands).

The deficit of \$35,650 in unrestricted net position is primarily related to the funding of the construction of convention center hotel. A portion of the project cost for the Marriot Marquis Convention Center Headquarters' Hotel was funded by an issuance of debt by the Authority and a contribution from its restricted net assets. At the end of fiscal year 2014, the balance decreased from the prior year by \$19.2 million as a result of completing the hotel project spending combined with excess revenues over expenses for the year. The hotel opened in May 2014.

Some of the 2013 balances presented have been reclassified and adjusted to reflect the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65 that resulted in a change in financial reporting for deferred inflows and outflows of resources and a change in accounting in principle. For more information on the change in accounting principle view the fiscal year 2014 complete financial statements that are available online.

2013 - The total net position of the Authority decreased by \$103.8 million or 31% for the year ended September 30, 2013. As of September 30, 2013, the Authority had total net position amounting to approximately \$233.6 million, with the largest portion of the Authority's net position, \$176.3 million, or 75%, reflecting its investment in capital assets used to acquire the assets. Of the Authority's remaining net

position, \$112 million, or 48%, represents resources that are subject to external restrictions on how they may be used (primarily related to the Authority's bond indenture reserve requirements).

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.

Table 1 / Condensed Statements of Net Position

(in thousands)

| | | | | Percentage change | |
|--|-------------------|-------------------|---------------------|-------------------|-----------|
| | 2014 | 2013 | 2012 | 2014-2013 | 2013-2012 |
| Current Assets | \$ 114,424 | \$ 97,689 | \$ 87,620 | 17% | 11% |
| Capital Assets, Net of Accumulated Depreciation | 581,821 | 616,969 | 638,952 | -6% | -3% |
| Other Non-Current Assets | 219,350 | 219,030 | 336,788 | - | -35% |
| Total Assets | \$ 915,595 | \$ 933,688 | \$ 1,063,360 | | |
| Deferred Outflow of Resources | \$ 16,871 | \$ 19,622 | \$ 20,279 | -14% | -3% |
| Total Assets and Deferred Outflows of Resources | \$ 932,466 | \$ 953,310 | \$ 1,083,639 | | |
| Current Liabilities | \$ 54,575 | \$ 57,125 | \$ 58,427 | -4% | -2% |
| Noncurrent Liabilities | 638,116 | 662,551 | 687,773 | -4% | -4% |
| Total Liabilities | \$ 692,691 | \$ 719,676 | \$ 746,200 | | |
| Net Investment in Capital Assets, Net of Related Debt | \$ 162,200 | \$ 176,359 | \$ 170,797 | -8% | 3% |
| Restricted | 113,225 | 112,112 | 160,454 | 1% | -30% |
| Unrestricted (Deficit) | (35,650) | (54,837) | 6,188 | -35% | 986% |
| Total Net Position | \$ 239,775 | \$ 233,634 | \$ 337,439 | 3% | -31% |

Continued on page 54

Table 2 / Statements of Revenues, Expenses, and Changes in Net Position

(in thousands)

| | | | | Percentage change | |
|---------------------------------|------------------|--------------------|------------------|-------------------|------------|
| | 2014 | 2013 (restated) | 2012 | 2014-2013 | 2013-2012 |
| Operating Revenues: | | | | | |
| Building Rental | \$ 9,508 | \$ 10,030 | \$ 8,536 | -5% | 18% |
| Ancillary Charges | 15,842 | 16,475 | 14,017 | -4% | 18% |
| Total Operating Revenues | \$ 25,350 | \$ 26,505 | \$ 22,553 | -4% | 18% |
| Operating Expenses: | | | | | |
| Personal Services | \$ 21,929 | \$ 19,964 | \$ 18,291 | 10% | 9% |
| Contractual Services | 18,267 | 18,207 | 18,064 | - | 1% |
| Depreciation | 36,368 | 30,510 | 31,442 | 19% | -3% |
| Occupancy | 5,803 | 6,925 | 7,056 | -16% | -2% |
| Payments to District | 1,995 | 2,292 | 2,380 | -13% | -4% |
| Miscellaneous | 822 | 915 | 964 | -10% | -5% |
| Provision for Doubtful Accounts | 117 | 100 | 1,213 | 17% | -92% |
| Total Operating Expenses | \$ 85,301 | 78,913 | 79,410 | 8% | -1% |
| Operating Loss | \$ (59,951) | \$ (52,408) | \$ (56,857) | 14% | -8% |

Continued on page 55

Table 2 / Statements of Revenues, Expenses, and Changes in Net Position (Continued)

(in thousands)

| | | | | Percentage change | |
|--|-------------------|--------------------|-------------------|-------------------|-----------|
| | 2014 | 2013 (restated) | 2012 | 2014-2013 | 2013-2012 |
| Non-Operating Revenues and (Expenses): | | | | | |
| Investment Income | \$ 3,322 | \$ 614 | \$ 2,006 | 441% | -69% |
| Dedicated Taxes | 105,451 | 104,108 | 101,026 | 1% | 3% |
| Tax Increment Financing (TIF) Taxes | 4,131 | - | - | 100% | - |
| Miscellaneous | 2,792 | 3,085 | 4,284 | -9% | -28% |
| Bond Interest and Amortization | (35,395) | (35,835) | (36,320) | -1% | -1% |
| Marketing Agencies Payments | (10,578) | (10,844) | (10,610) | -2% | 2% |
| Funding Hotel Project | (1,335) | (95,197) | (18,730) | -99% | 408% |
| Funding Baseball Academy | (2,296) | (7,925) | - | -71% | 100% |
| Total Non-Operating Revenues and (Expenses) | \$ 66,092 | \$ (41,994) | \$ 41,656 | | |
| Change in Net Position | \$ 6,141 | \$ (94,402) | \$ (15,201) | -107% | 521% |
| Net Position, Beginning of Year | 233,634 | 337,439 | 352,640 | -31% | -4% |
| Change in Accounting Principle | - | (9,403) | - | | |
| Net Position, End of Year | \$ 239,775 | \$ 233,634 | \$ 337,439 | | |

Analysis of Changes in Net Position

Revenues

For the fiscal years ended September 30, 2014 and 2013, the Authority's operating revenues were \$25.3 million and \$26.5 million, respectively.

2014 - Operating revenues decreased by 4% compared to the previous year. The net decrease is attributed to the nature of events and the amount of revenue derived from each event hosted during the year. There was one less city-wide event held in fiscal year 2014 that contributed for 4% decrease in revenue compared to fiscal year 2013. Ancillary revenues decreased by 4% in fiscal year 2014 as a result of less demand for food, electrical and rigging services, a reflection of the type of events hosted during the fiscal year. Parking, retail office space rental and advertising revenues also contributed for the decrease. Miscellaneous income sources including trash hauling charges, special meeting room setup charges, equipment rental, and fees earned from ATMs installed inside the Convention Center were less than prior year also contributed to the decrease in operating revenues.

During fiscal year 2014, non-operating revenues of \$115.7 million increased by 7% compared to fiscal year 2013. This was due to the fact that fiscal year 2014 represented the first year in which TIF revenue was received by the Authority. Interest income which is related to the \$25 million promissory note entered with Marriot Marquis Headquarters' Hotel, LLC, also contributed for the increase. The growth was offset by a reduction in interest income related to investment and miscellaneous income.

2013 - Operating revenues increased by 18% compared to the previous year. The net increase is attrib-

uted to the rise in the volume of non-city-wide events hosted in fiscal year 2013. The Authority hosted eight additional large non-city wide events compared with fiscal year 2012 which positively impacted food service and other ancillary revenues. In addition, fiscal year 2013 was the first full year for Carnegie Library operations which contributed 4% to the overall revenue increase. 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.

During fiscal year 2013, non-operating revenues of \$107.8 million slightly increased by 0.05% compared to fiscal year 2012. This was the result of an increase in dedicated tax revenue offset by a decrease in interest income and miscellaneous income.

A graphic illustration of 2014 operating revenue by source is included on page 58.

Expenses

For fiscal years 2014 and 2013, the Authority's total operating expenses was \$85.3 million and \$78.9 million, respectively.

2014 - Total operating expenses increased by \$6.4 million, or 8%, from fiscal year 2013. The increase was driven by rise in salary and fringe benefit associated with new hiring's and increase depreciation expenses offset by specific cost containment efforts by management in the area of utility expenses.

Expense reductions occurred in utilities, payments to District for maintenance services and miscellaneous expense categories.

Salaries increased by \$1.9 million or 10%. The increase was due to four new hires, alignment of salaries, and shifting from contracting outside central plant management services to hiring in-house engineers. Contractual services costs slightly increased compared to fiscal year 2013. Occupancy expense, which includes all utility related costs such as electricity, telecommunications, water, sewer and natural gas, totaled \$5.8 million, a decrease of 16% from fiscal year 2013. This was mainly due to the cost savings associated with management decision to hire in house engineers to run the central plant operations that was previously managed by outside contractor. Depreciation expense, primarily for the convention center building, amounted to \$36.4 million, an increase of \$5.9 million from fiscal year 2013.

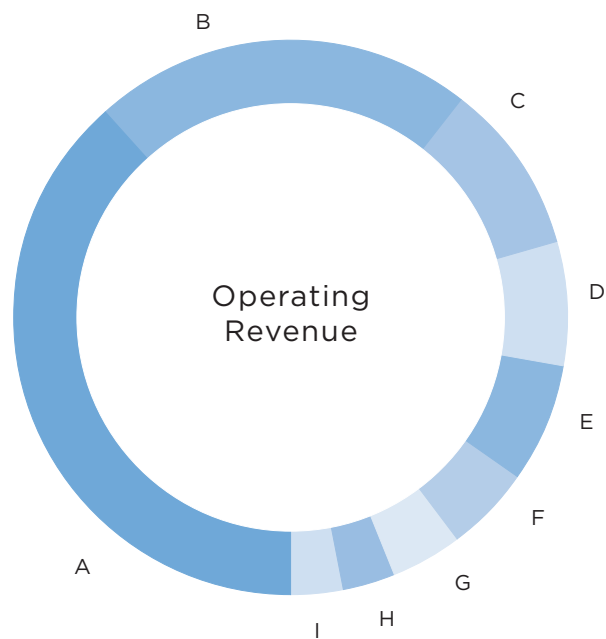
The Authority's non-operating expenses consisted of \$35.4 million in bond interest and amortization, \$1.3 million for job training of D.C. residents at the Headquarters Hotel (the "HQ Hotel"), \$2.3 to finance the construction of youth baseball academy, and \$10.6 million in payments to marketing entities. 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 Fund for the purpose of promoting conventions and tourism in the District of Columbia.

2013 - Total operating expenses decreased by \$.5 million, or 1%, from fiscal year 2012. Expense reductions occurred in utilities, payments to District (Department

of General Services) for facility maintenance services and miscellaneous expense categories.

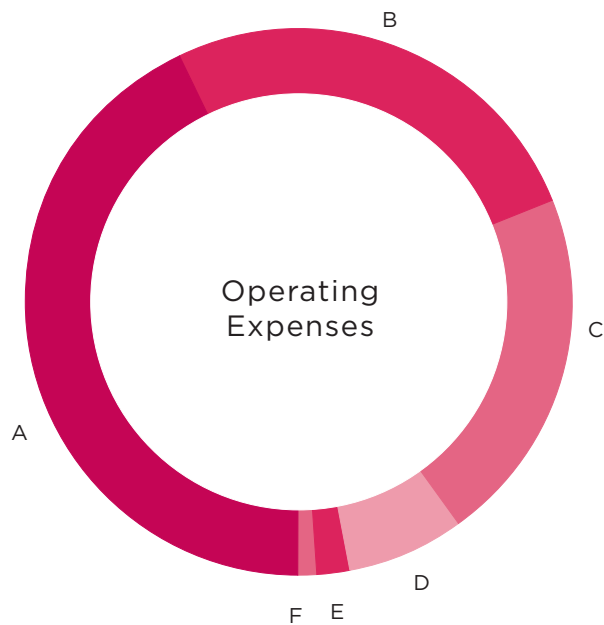
Salaries increased by \$1.7 million, or 9%, due to cost of living adjustments and shifting from contracting outside security services to hiring in-house public safety officers. Expenses associated with a full year's Carnegie Library operations also contributed to the increase in salaries. Contractual services costs showed a slight increase compared to fiscal year 2012. Occupancy expense, which includes all utility related costs such as electricity, telecommunications, water, sewer and natural gas, totaled \$6.9 million, a decrease of 2% from fiscal year 2012. Depreciation expense, primarily for the convention center building, amounted to \$30.5 million, a decrease of \$0.9 million from fiscal year 2012.

A graphic illustration of 2014 operating expenses by category is included on page 59.



2014 Operating Revenue By Source
(in thousands)

| | | |
|---|------------|---|
| A | 38% | Building Rental \$9,508 |
| B | 22% | Food Services \$5,693 |
| C | 10% | Miscellaneous \$2,589 |
| D | 7% | Telecommunication \$1,835 |
| E | 7% | Electrical Services \$1,882 |
| F | 5% | Advertising & Sponsorship \$1,165 |
| G | 4% | Rigging \$1,035 |
| H | 3% | Parking \$826 |
| I | 3% | Retail & Office Retail Space Rental \$817 |



2014 Operating Expenses By Category
(in thousands)

| | | |
|---|------------|---|
| A | 43% | Depreciation \$36,368 |
| B | 26% | Personnel Services \$21,929 |
| C | 21% | Contractual Services \$18,267 |
| D | 7% | Occupancy \$5,803 |
| E | 2% | Payments to District \$1,995 |
| F | 1% | Miscellaneous \$939 |

To read the fiscal year 2014 complete financial statements, visit:
www.eventsdcc.com/AboutUs/Governance/FinancialDisclosures.aspx

Acknowledgements

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