

\$333,050,000
WASHINGTON CONVENTION AND SPORTS AUTHORITY
(WASHINGTON, D.C.)

\$275,535,000
SENIOR LIEN DEDICATED
TAX REVENUE REFUNDING
BONDS
Series 2018A
(Tax-Exempt)

\$57,515,000
SENIOR LIEN DEDICATED
TAX REVENUE BONDS
Series 2018B
(Federally Taxable)

DATED: MARCH 6, 2018
BASE CUSIP⁺: 93878L



2021 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT

AS OF MARCH 29, 2022



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I. INTRODUCTION

The Washington Convention and Sports Authority (“WCSA”) issued \$333,050,000 Senior Lien Dedicated Tax Revenue Refunding Bonds consisting of \$275,535,000 Series 2018A (Tax-Exempt Bonds) (the “Series 2018A Bonds”) and \$57,515,000 Series 2018B (Federally Taxable) (the “Series 2018B Bonds”, and together with the Series 2018A Bonds, the “Series 2018 Bonds”).

The proceeds of the Series 2018 Bonds, together with certain other funds, were used primarily to (i) current refund the Senior Lien Dedicated Tax Revenue and Refunding Bonds Series 2007A (the “2007A Bonds”); (ii) advance refund the Senior Lien Dedicated Tax Revenue and Refunding Bonds (Convention Center Hotel Project) Series 2010C (Federally Taxable Bonds) (the “2010C Bonds” and together with the 2007A Bonds, the “Refunded Bonds”); and (iii) fund the Debt Service Reserve Account Requirement for each series of the Series 2018 Bonds.

WCSA issued \$53,500,000 Senior Lien Dedicated Tax Revenue Refunding Bonds Series 2021A (Tax-Exempt) (the “Series 2021A Bonds”). The proceeds of the 2021A Bonds, together with certain other funds, were used to refund all of the outstanding Senior Lien Dedicated Tax Revenue Bonds (Convention Center Hotel Project) Series 2010A (Tax-Exempt Recovery Zone Facility Bonds) (the “Series 2010A Bonds”). For additional information, reference is made to the Official Statement dated April 28, 2021.

WCSA issued \$99,715,000 Senior Lien Dedicated Tax Revenue Refunding Bonds consisting of \$70,355,000 Series 2021B (Tax-Exempt Bonds) (the “Series 2021B Bonds”) and \$29,360,000 Series 2021C (Federally Taxable) (the “Series 2021C Bonds”). The proceeds of the 2021B Bonds, together with certain other funds, were used to refund a portion of the outstanding Senior Lien Dedicated Tax Revenue Bonds (Convention Center Hotel Project) Series 2010B (the “Series 2010B Bonds”). The proceeds of the Series 2021C Bonds were used to refund the remaining portion of the outstanding Series 2010B Bonds, and refund a portion of the outstanding Series 2018A Bonds. For additional information, reference is made to the Official Statement dated May 14, 2021.

The Walter E. Washington Convention Center (“Convention Center”) is located in the Mount Vernon Square area of Northwest Washington, D.C., and is one of the largest buildings in the District of Columbia (“District”).

The Series 2018 Bonds are special obligations of WCSA and are secured by and payable solely from their respective Trust Estates and are secured on a parity with WCSA’s outstanding Series 2010A Bonds and Series 2010B Bonds and any future Senior Bonds or Parity Obligations by a senior lien on Dedicated Tax Receipts, as defined in the Official Statement dated February 22, 2018 (the “Official Statement”).

The Series 2018 Bonds are without recourse to the District, shall not be a pledge of or involve the full faith and credit or the taxing power of the District (except to the extent that the District imposes and collects the Dedicated Taxes and any Surtax thereon and the taxes generating TIF Revenues), shall not constitute a debt of the District, and shall not constitute a lending of the public credit for private undertakings as prohibited by the Home Rule Act. The Series 2018 Bonds are not secured by a lien on the Convention Center, the Convention Center Hotel, or any District Sports and Entertainment Facility. WCSA has no taxing power. Payment of the principal of and interest on the Series 2018 Bonds is not subject to annual appropriation by the Council of the District of Columbia or the Congress of the United States.

This Annual Continuing Disclosure Information Statement (“Report”) is being provided pursuant to a covenant made by WCSA for the benefit of the holders of the Series 2018 Bonds and includes the information specified in a Continuing Disclosure Agreement (“CDA”). For further information, a more complete description of WCSA and the Series 2018 Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by WCSA and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report, involve estimates, forecasts, and other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Furthermore, the information and expressions of opinion contained herein are subject to change without notice. The delivery of this Report does not, under any circumstances, create any inference that there has been no change in the affairs of the WCSA or other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY “WILLDAN”) DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS COMMUNICATION, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond Issue	As of September 30, 2021 (\$ in thousands)
Series 2018A Bonds	\$195,770 ⁽¹⁾
Series 2018B Bonds	56,500,

⁽¹⁾ Excludes the portion on the Series 2018A Bonds refunded by the 2021C Bonds

B. RESERVE ACCOUNTS ⁽¹⁾

Reserve Accounts	(Dollars in Thousands)		
	Investment Balances as of September 30, 2021	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
<u>Series 2018A Bonds and Series 2021C Bonds</u>			
Capital Renewal & Replacement Account	\$77,582	\$32,816	\$44,766
Debt Service	25,675	25,675	-
Debt Service Reserve Account	31,255	31,255	-
Operating and Marketing Reserve Account	88,375	35,352	53,023
Revenue Account	1,652	-	1,652
Totals	\$224,539	\$125,098	\$99,441
<u>Series 2021 Bonds and 2018B Bonds</u>			
Tax Increment Financing Accounts	\$18,300	\$18,300	\$-
Debt Service Reserve Account	23,788	23,788	-
Totals	\$42,088	\$42,088	\$-
Total Restricted and Non-restricted Investments	\$266,627	\$167,186	\$99,441

⁽¹⁾ This information is not required by the CDA.

C. DEBT SERVICE REQUIREMENTS⁽¹⁾

Unrefunded 2018A Bonds

Date	Principal	Interest	Total
10/1/2021	\$14,985,000	\$4,894,250	\$19,879,250
10/1/2022	9,335,000	9,039,250	18,374,250
10/1/2023	8,000,000	8,572,500	16,572,500
10/1/2024	8,400,000	8,172,500	16,572,500
10/1/2025	8,820,000	7,752,500	16,572,500
10/1/2026	26,465,000	7,311,500	33,776,500
10/1/2027	27,785,000	5,988,250	33,773,250
10/1/2028	29,175,000	4,599,000	33,774,000
10/1/2029	30,635,000	3,140,250	33,775,250
10/1/2030	32,170,000	1,608,500	33,778,500
Totals	\$195,770,000	\$61,078,500	\$256,848,500

2018B Bonds

Date	Principal	Interest	Total
10/1/2021	\$1,250,000	\$2,317,323	\$3,567,323
10/1/2022	1,370,000	2,278,548	3,648,548
10/1/2023	795,000	2,233,311	3,028,311
10/1/2024	910,000	2,205,374	3,115,374
10/1/2025	1,030,000	2,172,123	3,202,123
10/1/2026	1,870,000	2,133,611	4,003,611
10/1/2027	2,035,000	2,063,692	4,098,692
10/1/2028	2,210,000	1,986,993	4,196,993
10/1/2029	2,395,000	1,901,488	4,296,488
10/1/2030	2,595,000	1,807,628	4,402,628
10/1/2031	2,805,000	1,704,632	4,509,632
10/1/2032	3,030,000	1,591,899	4,621,899
10/1/2033	3,270,000	1,468,609	4,738,609
10/1/2034	3,520,000	1,333,917	4,853,917
10/1/2035	3,795,000	1,182,135	4,977,135
10/1/2036	4,080,000	1,018,494	5,098,494
10/1/2037	4,385,000	842,565	5,227,565
10/1/2038	4,705,000	653,484	5,358,484
10/1/2039	5,045,000	450,604	5,495,604
10/1/2040	5,405,000	233,064	5,638,064
Totals	\$56,500,000	\$31,579,491	\$88,079,491

(1) This information is not required by the CDA.

Note: Totals may not add up due to rounding.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The audited financial statements for the WCSA for the fiscal year ended September 30, 2021 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

B. STATEMENTS OF NET POSITION

The following table sets forth a five-year history of the WCSA's Assets, Liabilities, and Net Position (dollars in thousands).

	For Fiscal Years Ended September 30,				
	2017	2018	2019	2020	2021 ⁽¹⁾
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$13,285	\$14,522	\$17,146	\$10,263	\$11,716
Restricted Cash	9,690	8,974	5,414	14,512	6,429
Investments	176,323	206,758	140,100	127,900	99,441
Due from District of Columbia	12,909	13,344	21,259	5,277	12,390
Accounts Receivable, Net of Allowance for Uncollectible Accounts	3,851	3,449	5,656	4,426	2,217
Prepaid Expenses and Other Assets	988	1,162	4,970	5,142	4,619
Accrued Interest Receivable	644	511	687	478	467
Total Current Assets	\$217,690	\$248,720	\$195,232	\$167,998	\$137,279
Noncurrent Assets:					
Lease Receivable	\$ -	\$14,336	\$ -	\$ -	\$83
Other Receivable	46,000	39,410	28,443	18,543	11,464
Restricted Investments	230,635	190,331	214,339	190,102	167,186
Non-Depreciable Capital Assets	21,206	79,016	7,527	15,657	20,591
Depreciable Capital Assets, Net of Accumulated Depreciation	498,155	475,484	566,342	535,897	501,701
Total Noncurrent Assets	\$795,996	\$798,577	\$816,651	\$760,199	\$701,025
Total Assets	\$1,013,686	\$1,047,297	\$1,011,883	\$928,197	\$838,304
Deferred Outflow of Resources	13,320	10,692	-	9,639	11,141
Total Assets and Deferred Outflow of Resources	\$1,027,006	\$1,057,989	\$1,022,048	\$937,836	\$849,445

[Continued on next page]

	For Fiscal Years Ended September 30,				
	2017	2018	2019	2020	2021 ⁽¹⁾
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts Payable	\$12,126	\$16,754	\$13,632	\$8,391	\$9,394
Other Liabilities	8,845	8,275	6,151	15,085	7,374
Due to District Government	2,991	2,329	3,940	3,323	2,233
Compensation Liabilities	1,259	1,317	1,778	1,071	1,336
Unearned Revenue	3,394	3,273	7,211	6,885	6,784
Accrued Interest Payable	15,419	12,629	12,334	11,736	8,039
Capital Lease - Current portion	151	147	143	142	138
Bonds Payable - Current Portion	20,655	18,105	24,380	25,600	16,235
Total Current Liabilities	\$64,840	\$62,829	\$69,569	\$72,233	\$51,533
Noncurrent Liabilities:					
Compensated Absences	\$1,209	\$1,231	\$1,332	\$1,716	\$1,715
Capital Lease – Long Term	4,972	4,825	4,683	4,540	4,402
Notes Payable-PPP	-	-	-	-	5,251
Long-term Bonds Payable, including Premium	572,276	518,135	492,501	465,647	450,054
Total Noncurrent Liabilities	\$578,457	\$524,191	\$498,516	\$471,903	\$461,422
Total Liabilities	\$643,297	\$587,020	\$568,085	\$544,136	\$512,955
Net Position:					
Net Investment in Capital Assets	\$146,870	\$210,772	\$247,243	\$248,039	\$237,177
Restricted Net Position:					
Debt Service and Capital Interest	\$25,754	\$23,635	\$31,310	\$33,475	\$25,675
Capital Renewal	18,851	21,815	31,797	33,394	32,816
Operating Fund	48,812	50,635	67,677	42,129	35,352
Debt Service Reserve	33,700	27,554	27,554	27,554	31,255
ESA Project	23,559	6,621	-	-	-
Kenilworth Park	144	144	144	144	144
Unrestricted Net Position	86,019	115,871	48,239	8,965	(25,929)
Total Net Position	\$383,709	\$457,047	\$453,964	\$393,700	\$336,490

- (1) The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, in June 2017. The objective of GASB No. 87 is to improve the accounting and financial reporting for leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. GASB No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an asset. GASB No. 87 is effective for reporting periods beginning after June 15, 2021. This will be effective for WCSA in fiscal year 2022. WCSA is currently in the planning stage of adopting GASB No. 87 on its financial statements and disclosures in the fiscal year 2022.

C. STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table sets forth a five-year history of the WCSA's condensed revenues, expenses, and changes in net position (dollars in thousands).

Table 18, as Required by the CDA

	For Fiscal Years Ended September 30,				
	2017	2018	2019	2020	2021 ⁽¹⁾
Operating Revenues:					
Building Rental – Events Related	\$9,704	\$8,417	\$8,807	\$4,807	\$5,357
Food Services	8,505	7,721	6,549	1,527	31
Electrical	2,784	3,036	2,842	1,496	111
Rigging	1,681	2,014	1,504	894	35
Parking	536	425	608	312	206
Telecommunications	2,116	2,158	2,182	1,093	142
Retail and Office Space Rental	945	1,131	1,203	870	585
Advertising and Sponsorship	782	928	946	1,093	713
Building Lease Rental	2,440	3,246	3,419	3,922	3,912
Miscellaneous	3,527	2,425	3,105	2,329	2,555
Total Operating Revenues	\$33,020	\$31,501	\$31,165	\$18,343	\$13,647
Operating Expenses:					
Personnel Services	\$25,718	\$27,284	\$30,376	\$33,063	\$31,484
Contractual Services	20,763	23,113	33,058	25,537	25,413
Depreciation	32,543	33,996	37,828	39,599	40,722
Occupancy	5,249	6,433	6,796	5,698	4,484
Payment to District of Columbia	2,056	2,501	2,232	1,607	803
Miscellaneous	1,140	1,428	1,555	1,044	947
Bad Debt	64	16	74	265	(30)
Total Operating Expenses	\$87,533	\$94,771	\$111,919	\$106,813	\$103,824
Operating Loss	(\$54,513)	(\$63,270)	(\$80,754)	(\$88,470)	(\$90,177)
Non-operating Revenues and (Expenses):					
Investment Income	\$2,092	\$4,821	\$8,478	\$3,973	\$1,126
Dedicated Taxes	138,128	141,448	147,633	74,067	54,932
Tax Increment Financing Revenue	21,079	20,320	19,248	12,175	5,838
Miscellaneous Revenue	2,763	27,043	5,933	6,197	5,816
Interest Expense	(30,856)	(29,295)	(24,702)	(23,510)	(19,410)
Bond Amortization Expense	(675)	(294)	729	728	(349)
Marketing Agencies and Internal Marketing	(14,830)	(19,846)	(20,370)	(11,640)	(6,085)
Hospitality & Marketing Relief and other Grants	-	-	-	(22,814)	(822)
Miscellaneous Expenses	(3,000)	(7,589)	(11,971)	(10,970)	(8,080)
Total Non-operating Revenues and (Expenses)	\$114,701	\$136,608	\$124,978	\$28,206	\$32,967
Excess Cash Transfer	-	-	(47,847)	-	-
Increase (Decrease) in Net Position	60,188	73,338	(3,623)	(60,264)	(57,210)
Net Position, Beginning of Year	323,521	383,709	457,047	453,964	393,700
Change in Accounting Principle	-	-	540	-	-
Net Position, End of Year	\$383,709	\$457,047	\$453,964	\$393,700	\$336,490

- (1) In accordance with DC Code § 10-1202.13, Transfer of Excess Cash, if, at the end of a fiscal year, WCSA's balance of cash and investments in its Convention Center Operating Fund exceeds the balance of current liabilities, reserves, and any amounts WCSA will need to purchase or redeem its outstanding indebtedness during the upcoming fiscal year, WCSA must transfer the excess, in cash, to the District's General Fund. Consistent with District legislation, the Master Trust Agreement between WCSA and The Bank of New York (as Trustee), and a Memorandum of Understanding between the District and WCSA, WCSA must maintain the following reserves: (1) maximum annual debt service on outstanding bonds and notes issued by WCSA; (2) an operating reserve equal to 1.5 times the operating and marketing budget; and (2) a capital reserve of 5% of the original cost of the convention center adjusted for inflation. There was no excess cash transfer made in the fiscal year 2021.

Note: Totals may not add up due to rounding.

Source: WCSA.

V. OPERATING INFORMATION

A. HISTORICAL DEDICATED TAX RECEIPTS

The dedicated taxes consist of separate sales and use tax of 4.45% (of the District's 14.5%) on hotel room charges and a sales and use tax of 1% (of the District's 10%) on restaurant meals, alcoholic beverages consumed on-premises, and rental vehicle charges. Effective October 1, 2017, the hotel room charges of 14.5% changed to 14.8% and subsequently raised to 14.95%, with the additional 0.3% increase going to Destination DC through WCSA for marketing and promoting the District of Columbia as a destination.

The following table shows a ten-year history of Dedicated Tax Receipts transferred to WCSA and the Total Hotel Sales and Use Tax collected by WCSA (calculated based on actual Hotel Sales and Use Tax transferred to WCSA) for fiscal years ended September 30, 2012 through 2021.

Table 2, as Required by the CDA
Receipts from Dedicated Taxes
(Dollars in Thousands)

Fiscal Year	Dedicated Hotel Sales Tax ⁽¹⁾	% Change	Dedicated Restaurant/Rental Car Sales Tax ⁽¹⁾	% Change	Total Dedicated Tax Receipts¹	% Change
2012	\$67,309	3.1%	\$33,717	3.1%	\$101,026	3.1%
2013	70,266	4.4%	33,842	0.4%	104,108	3.1%
2014	70,089	(0.2%)	35,362	4.5%	105,451	1.3%
2015	78,378	11.8%	38,070	7.7%	116,448	10.4%
2016	83,451	6.9%	40,100	4.4%	123,551	6.1%
2017	95,867	14.9%	42,261	5.4%	138,128	12.0%
2018	100,106	4.4%	41,342	(2.2%)	141,448	2.4%
2019	101,426	1.3%	46,207	11.8%	147,633	4.4%
2020	45,283	(55.4%)	28,784	(37.7%)	74,067	(49.8%)
2021	27,755	(38.7%)	27,178	(5.6%)	54,933	(25.8%)

(1) The breakdown between Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax is unaudited and based on the report from the D.C. Office of Tax and Revenue and the Lockbox Bank for specific year; reflected on an accrual basis accounting. However, the total dedicated tax receipts are audited.

B. VISITOR VOLUME-WASHINGTON, D.C.

The following table indicates the annual volume of domestic and international visitors to the District in calendar years 2016-2020.

Table 5, as Required by the CDA

(In Millions of Visitors)

Year	Domestic	Overseas	Total
2016	20.0	2.0	22.0
2017	20.8	2.0	22.8
2018	21.9	1.9	23.8
2019	22.8	1.8	24.6
2020	13.1	0.2	13.3

Sources: MMGY Travel Insights; Travel Market Insights, National Travel & Tourism Office, U.S. Department of Commerce; data reflects visitation to the District of Columbia only. Data is shown on a calendar year basis; 2021 visitor volume is expected to be available in the spring/summer of 2022.

C. DISTRICT OF COLUMBIA TEN LARGEST HOTELS BY NUMBER OF ROOMS

The following table sets forth the ten largest hotels in DC, including the number of guestrooms, as of September 30, 2021.

Table 6, as Required by the CDA

Hotel	Number of Rooms
1. Marriott Marquis Washington DC (the Convention Center Hotel)	1,175
2. Hilton Washington	1,107
3. Grand Hyatt Washington	897
4. Hyatt Regency Washington On Capitol Hill	838
5. Omni Shoreham Hotel	836
6. Renaissance Washington DC Downtown Hotel	807
7. JW Marriott Hotel Washington	777
8. Autograph Collection The Mayflower	581
9. Hilton The Capital	550
10. Holiday Inn Washington Capitol – National Mall	536
Total	8,104

Source: STR (formerly known as Smith Travel Research).

D. HOTEL OCCUPANCY RATES

The following tables set forth **percent of hotel occupancy** and **average daily room rates** in the District and in the United States in calendar years 2017 through 2021, and as of September 30, 2021.

Table 7, as Required by the CDA

Washington, D.C. Hotel Occupancy 2017-2021

Calendar Year	D.C.	National
2017	78.7%	65.9%
2018	77.5%	66.2%
2019	76.3%	66.1%
2020 ⁽¹⁾	30.1%	44.0%
2021	41.3%	57.6%

(1) Occupancy in 2020 was based on the available rooms in open hotels, not all rooms in the city.

Source: 2017-2020 STR (formerly known as Smith Travel Research)

Source: 2021 Destination DC.

Table 8, as Required by the CDA

Washington, D.C. Average Daily Room Rate 2017-2021

Calendar Year	D.C.	National
2017	\$233.68	\$126.72
2018	\$221.47	\$129.83
2019	\$225.93	\$131.21
2020	\$172.41	\$103.25
2021	\$171.39	\$124.67

Source: 2021 Destination DC.

E. DEBT SERVICE COVERAGE RATIO

The following table sets forth the Debt Service Coverage ratio from Dedicated Tax Receipts for fiscal years 2017 through 2021.

Table 3, as Required by the CDA
Debt Service Coverage Ratio
(Dollars in Thousands)

	FY 2017	FY 2018	FY 2019	FY 2020	FY2021
Dedicated Hotel Sales Tax Receipts ^(1,2)	\$95,256	\$100,106	\$101,426	\$45,283	\$27,755
Dedicated Restaurant /Rental Car Sales	42,872	41,342	46,207	28,784	27,178
Total Dedicated Tax Receipts ^(1,2)	\$138,128	\$141,448	\$147,633	\$74,067	\$54,933
Net Debt Service (All Bonds)	\$51,041	\$40,991	\$47,932	\$47,927	\$34,464
DSCR (without credit for prior application of Other Principal Revenue Sources)	2.71x	3.45x	3.08x	1.55x	1.59x
DSCR (without credit for prior application of Other Principal Revenue Sources)	4.12x	4.11x	3.66x	1.98x	2.01x

- (1) The breakdown between Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax is unaudited and based on the report from the D.C. Office of Tax and Revenue and the Lockbox Bank for specific year; reflected on an accrual basis accounting.
- (2) Revised Sales Tax and Restaurant/Rental Car Sales Tax. Historically, the breakdown between the Hotel tax and Restaurant tax would result in the total allocations. The Total Dedicated Tax Receipts are audited. In 2021, the Office of Tax and Revenue provided the details from its newly implemented tax system.

F. HOTEL SALES TAX COLLECTION HISTORY

The largest portion of the Dedicated Tax Receipt is derived from the Dedicated Hotel Sales Tax. Effective October 1, 2018, the hotel room charges of 14.8% changed to 14.95% with the additional 0.15% increase going to Destination DC through WCSA for the purposes of marketing and promoting the District of Columbia as a destination.

Table 9, as Required by the CDA

**Hotel Sales Tax Collection History
Fiscal Years 2017 – 2021
(Dollars in Thousands)**

	2017	2018	2019	2020	2021
Number of Hotels	132	137	140	124	137
Number of Rooms	31,673	32,593	33,434	26,597	31,837
Total Hotels Sales Tax	\$312,374	\$311,909	\$319,224	\$142,523	\$87,354
Total Dedicated Hotel Sales Tax	\$95,867	\$100,106	\$101,426	\$45,283	\$27,755

Source: Number of Hotels and Number of Rooms – Destination DC.

Source: Total Hotel Sales Tax and Total Dedicated Hotel Sales Tax – WCSA.

G. NUMBER OF EATING AND DRINKING ESTABLISHMENTS IN THE DISTRICT

Table 10, as Required by the CDA

Year	Establishments⁽¹⁾
2017	2,325
2018	2,438
2019	2,493
2020	2,508
2021	(2)

(1) Includes only establishments with payroll employees.

(2) Data for 2021 is not available.

Source: Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages.

H. NUMBER OF JOBS IN EATING AND DRINKING ESTABLISHMENTS IN THE DISTRICT

Table 11, as Required by the CDA

Year	Jobs ⁽¹⁾
2016	51,500
2017	52,800
2018	54,800
2019	55,500
2020	37,300
2021	⁽²⁾

(1) Includes only payroll employees.

(2) Data for 2021 is not available.

Sources: Bureau of Labor Statistics; National Restaurant Association.

I. RESTAURANT INDUSTRY SALES IN THE DISTRICT

Table 12, as Required by the CDA

Calendar Year	Sales
2016	\$4.0 billion
2017	\$4.2 billion
2018	\$4.1 billion
2019	\$4.6 billion
2020	\$2.8 billion
2021	⁽¹⁾

(1) Data for 2021 is not available.

Source: Office of Revenue Analysis

Table 13, as Required by the CDA

**Restaurant/Rental Car Sales Tax at 10% for Fiscal Years 2017 – 2021 ⁽¹⁾
(Dollars in Thousands)**

	2017	2018	2019	2020	2021
Total Restaurant/Rental Car Sales Tax	\$422,614	\$413,419	\$462,254	\$279,670	\$272,185
Total Dedicated Restaurant/Rental Car Sales Tax	42,261	41,342	46,207	28,784	27,178

(1) Revised Sales Tax and Restaurant/Rental Car Sales Tax. Historically, the breakdown between the Hotel tax and Restaurant tax would result in the total allocations. The Total Dedicated Tax Receipts are audited. In 2021, the Office of Tax and Revenue provided the details from its newly implemented tax system.

Source: WCSA

J. NET DEBT SERVICE COVERAGE FROM OTHER PRINCIPAL REVENUE SOURCES

**Table 4, as Required by the CDA
(Dollars in Thousands)**

2010A/B and 2021 A/B Bonds				Series 2010C and Series 2018B Bonds			Debt Service to be paid and Expected to be paid from Dedicated Tax Receipts				
Fiscal Year	Net Debt Service ⁽¹⁾	TIF Revenues	Debt Service Coverage from TIF Revenues	Net Debt Service	WCSA Lease Payments and Loan Prepayments	Debt Service Coverage from WCSA Lease Payments and Loan Prepayments	Series 2007A/2018A/2021C Net Debt Service	Remainder of Net Debt Services to be paid from Dedicated Tax Receipts	Aggregate Debt Service paid and Expected to be paid from Dedicated Tax Receipts	Dedicated Tax Receipts	Debt Service Coverage (with Credit for Prior Application of Other Principal Revenue Sources)
2021	\$6,340	\$5,838	1.09 X	\$3,421	\$2,746	0.80 X	\$24,570	\$0	\$24,570	\$54,933	2.24 X

(1) Includes 2010A and 2010B interest paid on April 1, 2021.

K. ACTUAL EVENTS BY FISCAL YEAR

Table 14, as Required by the CDA

Fiscal Year	Actual Number of Events	Number of Attendees
2017	186	1,154,624 ⁽¹⁾
2018	167 ⁽²⁾	1,563,622 ⁽³⁾
2019	147	1,066,175
2020	57	569,534 ⁽⁴⁾
2021	24	118,119

- (1) The drop in number of attendees in WCSA events is primarily attributable to a biennial public show that typically attracts approximately 250,000 attendees; a one-time date shift for the annual Auto Show, resulting in a decline in attendance; and a restating of the attendance for an annual volleyball tournament to reflect unique registrants rather than daily total registrants. The biennial public show takes place in even-numbered years and is scheduled to return in Fiscal Year (“FY”) 2020; the Auto Show has returned to its regular booking pattern.

Unlike venues that charge ticketed admission to events, attendance is not a primary key performance indicator for major convention centers. Convention center revenues are based on rent and certain ancillary concession revenues. Attendance is useful for measuring usage, but not as a key performance indicator for revenues.

- (2) Regarding the total number of events: While the total number of events has declined, the decline is largely the result of reduction of internal bookings of single-day events that do not materially affect the Convention Center’s overall occupancy or revenue performance.
- (3) Regarding the total attendance: The FY 2019 Citywide events equaled the same number of Citywide events as FY 2018 but included fewer building-wide events. The year-over-year comparison of Citywide events show an average attendance of 23,235 for FY 2018 Citywide and an average attendance of 16,889 for FY 2019 Citywide. This is paralleled with a reduction in average leased space per Citywide event, from 746,319 Gross Square Footage (GSF) in FY 2018 to 684,890 in FY 2019. Given the unusual performance of FY 2018, FY 2019 was expected to be a correction year.
- (4) Prior to the COVID-19 pandemic, the Authority had projected a total of 1,174,550 in number of attendees for 2020.

Note: Unlike venues that depend on direct sales from ticketed admission events as a primary revenue source, attendance is not a key performance indicator for major convention centers. Convention center revenues are based on rent and certain ancillary services revenues. Attendance is useful for measuring venue usage, and is a factor for determining per capita performance metrics, but is not a true Key Performance Indicator (KPI) for measuring convention center performance.

Source: WCSA

L. TOP TEN EVENTS BY ATTENDANCE

**Table 15, as Required by the CDA
Fiscal Years 2017-2021**

	Meeting Name	Attendance	Date of Event
1.	USA Science and Engineering Festival ^(1,2)	370,000	Apr 7 – 8, 2018
2.	Washington Auto Show ^(1,3)	250,000	Jan 25 – Feb 2, 2020
3.	National Book Festival ^(1,2)	150,000	Aug 31, 2019
4.	GEICO All Star FanFest ⁽⁴⁾	112,390	Jul 13 – 17, 2018
5.	Mizuno Capitol Hill Volleyball Classic ⁽⁵⁾	95,177	Feb 18 – 20, 2017
6.	NBC Health & Fitness Expo ^(1,2)	83,500	Jan 7 – 8, 2017
7.	Awesome Con DC ^(1,3)	69,000	Apr 26 – 28, 2019
8.	DC Covid Vaccination Clinic ⁽⁶⁾	60,052	Mar 16 - May 31, 2021
9.	Association of the US Army ⁽⁴⁾	32,872	Oct 14 – 16, 2019
10.	Otakon 2021	25,170	Aug 5 – 8, 2021

1. Annual or semi-annual consumer event; highest attendance recorded, Fiscal Years 2017-2021.
2. Free admission; attendance estimate provided by event organizer.
3. Ticketed event; attendance estimate provided by event organizer.
4. Audited official attendance number provided by event organizer.
5. Prior to Fiscal Year 2019, event organizer provided aggregate total attendance for entire event. For Fiscal Years 2019 and 2020, event organizer provided unique registrant total only – 33,000 in Fiscal Year 2019 and 36,053 in Fiscal Year 2020.
6. Aggregate attendance from multiple clinics scheduled through DC Department of Health master agreement.

M. MAJOR EVENTS BY FISCAL YEAR

The following major events were held at the Convention Center during the fiscal years 2017 through 2021, beginning with the most recent completed fiscal year.

Table 16, as Required by the CDA

Meeting Name	Attendance
FY2021⁽¹⁾	
DC Covid Vaccination Clinic	60,052
Otakon	25,170
Awesome Con	23,501
AWS World Wide Public Sector Summit	4,200
Rammys	1,950
FY2020	
Washington Auto Show	250,000
NBC4 Health & Fitness Expo	70,000
Capitol Hill Classic Volleyball Tourney	36,053
Association of the US Army	32,872
American Israel Public Affairs Committee	18,544
FY2019	
Washington Auto Show	187,500
National Book Festival	150,000
NBC4 Health and Fitness Expo	70,000
Awesome Con	69,000
Capitol Hill Classic Volleyball Classic	33,000
FY2018	
USA Science and Engineering Festival	370,000
Washington Auto Show	250,000
National Book Festival	150,000
GEICO All-Star FanFest	112,390
Mizuno Capitol Hill Volleyball Classic	93,066
FY2017	
Washington Auto Show	250,000
Mizuno Capitol Hill Volleyball Classic	95,177
National Book Festival 2017	85,000
NBC4 Health & Fitness Expo	83,500
Awesome Con DC	60,000

[Footnotes continued on next page]

- (1) Except for the public health use of the venue Events DC was restricted by capacity limits until May. Regular event programming resumed in July 2021, with large events resuming in August 2021.

Note: The events listed do not necessarily include the top-five events by attendance in such fiscal years. The listed events generally represent the largest events that require significant overnight lodging commitments for event attendees. Such events are not the most attended events, which are primarily local consumer events. Some local events are shown to demonstrate growth, but these events have little or no impact on hotel occupancy. Such events do have some impact on restaurant sales, but such impact is not typically significant. The events shown are selected because of their positive impact on hotel occupancy and restaurant sales.

We have developed a methodology for assigning a total valuation for an event based on four factors: Attendance, Actual Total Room Nights, Final Total Net Revenue to Events DC and Actual Economic Impact. This appears to yield a balanced picture of the total value of the event to Events DC. Thus, events that generate significant revenue to Events DC are not penalized because of lack of hotel room night production; and events that generate significant hotel room night production but do not yield significant revenue or economic impact are not overweighted.

Source: WCSA

N. FUTURE MAJOR EVENTS BY FISCAL YEAR

The following table reflects certain future major events scheduled to be held at the Convention Center during Fiscal Years 2021 through 2025. Attendance estimates have been adjusted to reflect the impact of COVID-19 and related public health restrictions with additional details described in the footnotes to the table.

Table 17, as Required by the CDA

Meeting Name	COVID Adjusted Attendance
FY 2022⁽¹⁾	
Washington Auto Show	150,000
National Book Festival	80,000
Association of the US Army	30,000
Otakon 2022*	27,000
American Academy of Family Physicians 2022 Assembly	11,000
American College of Cardiology Annual Scientific Session	10,000
2022 ASCRS*ASOA Annual Symposium & Congress	9,000
Travel and Adventure Show*	8,000
Satellite 2022	8,000
Transportation Research Board Annual Meeting	7,000
FY 2023⁽²⁾	
Washington Auto Show*	200,000
National Book Festival*	150,000
Association of the US Army*	30,000
National Association for the Education of Young Children	20,000
American Thoracic Society International Conference	16,000
2023 AWS Public Sector Summit*	15,000
2023 USA Jr. National Championships	12,000
Transportation Research Board Annual Meeting*	10,500
2023 Capitol Hill Classic Volleyball Tourney*	8,000
2023 Annual Green Building Conference and Expo	8,000

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Meeting Name	COVID Adjusted Attendance
FY 2024	
Digestive Disease Week	25,000
Society for Neuroscience Annual Convention	25,000
American Academy of Pediatrics	15,000
Satellite 2024	15,000
ASCD Annual Conference & Exhibit Show	15,000
AIA National Convention 2024	14,000
2024 USA Jr. National Championships	12,000
National Council of Teachers of Mathematics	10,000
2023 American Physical Society - Division of Fluid Dynamics	9,500
AAAAI Annual Convention	8,000
FY 2025	
2025 Presidential Inaugural	42,500
AGU Fall Meeting	24,000
eXp Shareholder Summit	21,600
American College of Rheumatology Annual Meeting	15,000
American Chemical Society Annual Meeting	15,000
ASTRO's 64th Annual Convention	12,500
Transcatheter Cardiovascular Therapeutics Annual Meeting	12,000
American Veterinary Medical Association Annual Convention	10,500
Delta Sigma Theta Sorority Inc. 57th National Convention	10,000
IHI National Forum 2024	8,000
FY 2026	
American Dental Association's Annual Meeting	40,000
44th Annual ICNA Convention	20,000
American Urological Association	17,000
2026 ASCRS*ASOA Annual Symposium & Congress	15,000
ASM Microbe	15,000
American College of Surgeons Annual Clinical Congress	15,000
American Psychological Association Annual Meeting	14,000
American Public Health Association's Annual Convention	12,500
American College of Obstetricians and Gynecologists	12,000
Cable-Tech Expo 2025	11,000
<p>(1) Full return to business travel by end of FY 2022.</p> <p>(2) Annual legacy events (*) return to full operation by FY 2023 and are shown at projected normal attendance. These events will not be duplicated in the lists for FY 2024 - 25.</p>	

O. FISCAL YEAR 2022 BUDGET

Table 19, as Required by the CDA

Description	Original	Revised	Variance
<u>Operating Revenues</u>			
Building Rental	\$8,193,645	\$7,851,131	(\$342,514)
Food Service	505,780	1,598,898	1,093,118
Electrical	2,240,909	1,946,684	(294,225)
Rigging	1,057,167	866,667	(190,500)
Telecommunications	1,584,993	1,305,993	(279,000)
Audio Visual	170,294	125,488	(44,806)
Retail Space Rental	95,468	79,718	-
Digital Signage	702,133	702,133	(15,750)
Parking	551,034	569,960	18,926
Event Services	1,429,362	442,272	(987,090)
Advertising and Sponsorship	1,140,404	1,140,404	-
Office Rent	70,000	70,000	-
Facility Fee	289,383	467,838	178,455
Carnegie Library	816,605	816,605	-
Miscellaneous	271,143	280,901	9,758
Ticket Sales	281,744	607,466	325,722
Total Operating Revenues	\$19,400,065	\$18,872,159	(\$527,905)
<u>Operating Expenses</u>			
<u>Personal Services</u>			
Full-time Salaries	\$25,013,151	\$26,133,331	\$1,120,181
Part-time Salaries	1,834,620	1,984,620	150,000
Overtime	709,953	709,953	-
Fringe Benefits	8,342,904	8,738,851	395,947
Total Personal Services	\$35,900,628	\$37,566,756	\$1,666,128
<u>Non-Personal Services</u>			
Supplies	\$809,064	\$881,164	\$72,100
Utilities	6,083,058	6,083,058	-
Professional/Contractual	27,832,151	31,393,703	3,561,552
Equipment	422,265	422,265	-
Subsidies and Transfers	905,000	905,000	-
Total Non-Personal Services	\$36,051,538	\$39,685,190	\$3,633,652
Total Operating Expenses	\$71,952,166	\$77,251,946	\$5,299,780
Net Operating Loss/Surplus	(52,552,102)	(58,379,787)	(5,827,685)

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Description	Original	Revised	Variance
<u>Non-Operating Revenue</u>			
Dedicated Taxes - Convention Center	\$93,977,000	\$85,921,000	(\$8,056,000)
Interest Income	412,128	780,270	368,142
Lease Income (Plumber's Building)	-	2,828,710	2,828,710
Dedicated Taxes - Destination DC	3,824,000	2,584,000	(1,240,000)
Hotel Contribution Reimbursement	6,947,724	6,947,724	-
Ballpark Maintenance Fee	1,500,000	1,500,000	-
Total Non- Operating Revenue	\$106,660,852	\$100,561,704	(\$6,099,148)
<u>Non-Operating Expenses</u>			
Marketing Fund	\$10,823,842	\$12,882,951	\$2,059,109
Dedicated Taxes - Destination DC	3,824,000	2,584,000	(1,240,000)
Debt Service	37,426,297	22,408,985	(15,017,312)
Possessory Interest Tax	855,000	202,529	(652,471)
Total Non-Operating Expenses	\$52,929,139	\$38,078,466	(\$14,850,673)
Net Non-Operating (Loss)/Surplus	53,731,713	62,483,238	8,751,525
Total Revenue	\$126,060,917	\$119,433,863	(\$6,627,054)
Total Expense	\$124,881,305	\$115,330,412	(\$9,550,893)
Total Surplus (Operating + Non-Operating)	\$1,179,612	\$4,103,451	\$2,923,840
<i>Less Capital & Other</i>			
Capital Expenditures	\$28,820,000	\$37,697,150	\$8,877,150
Destination Marketing	3,000,000	3,000,000	-
Total Capital & Other	31,820,000	40,697,150	8,877,150
Total Surplus/(Loss)	(\$30,640,388)	(\$36,593,699)	(\$5,953,310)

Note: Totals may not add due to rounding.

P. SUMMARY REVENUE AND EXPENSES

Table 20, as Required by the CDA

Fiscal Year End 2021

	<u>Actual</u>
<u>Operating</u>	
Revenue	\$10,899,490
Expenses	<u>54,548,689</u>
Surplus/(Deficit)	(\$43,649,199)
<u>Non-Operating</u>	
Revenue	\$67,175,330
Expenses	<u>39,096,724</u>
Surplus/(Deficit)	\$28,078,606
Total Surplus/(Deficit)	(\$15,570,593)
<u>Capital & Other</u>	
Capital	\$13,596,922
Other	<u>3,935,400</u>
Total Capital & Other	\$17,532,322
Surplus/(Deficit)	(\$33,102,915)

VI. RECENT EVENTS–FUTURE IMPACTS

Due to the nature of the WCSA's business, it is involved in several claims and lawsuits. In the opinion of management and legal counsel, the expected outcome of claims and lawsuits, individually, or in the aggregate will not have a material adverse effect on the audited financial statements for the fiscal year ended September 30, 2021.

The WCSA evaluated the subsequent events and transactions through January 3, 2022, the date the audited financial statements for the fiscal year ended September 30, 2021 were available for issue, and have determined that no subsequent material events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure individually or in the aggregate, will not have a material adverse effect on the financial statements.

VII. OCCURRENCE OF LISTED EVENTS

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***irrespective of any determination as to whether such event may or may not be deemed material.*** The WCSA has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2021.

1. Principal and interest payment delinquencies on the Series 2018 Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to WCSA.
9. Ratings changes.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***if deemed material.*** The WCSA has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended September 30, 2021.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all the assets of WCSA or the dissolution of WCSA.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the Series 2018 Bonds.