

**\$249,220,000**  
**WASHINGTON CONVENTION AND SPORTS AUTHORITY**  
**(WASHINGTON, D.C.)**

**\$66,710,000**  
**SENIOR LIEN DEDICATED TAX REVENUE BONDS**  
**(Convention Center Hotel Project)**  
**Series 2010A**  
**(Tax-Exempt Recovery Zone Facility Bonds)**

**\$109,670,000**  
**SENIOR LIEN DEDICATED TAX REVENUE BONDS**  
**(Convention Center Hotel Project)**  
**Series 2010B**

**\$90,000,000 Subseries 2010B-1**  
**(Federally Taxable – Issuer Subsidy –**  
**Recovery Zone Economic Development Bonds)**

**\$19,670,000 Subseries 2010B-2**  
**(Federally Taxable – Issuer Subsidy –**  
**Build America Bonds)**

**\$72,840,000**  
**SENIOR LIEN DEDICATED TAX REVENUE AND REFUNDING BONDS**  
**(Convention Center Hotel Project)**  
**Series 2010C**  
**(Federally Taxable Bonds)**

**DATED: OCTOBER 26, 2010**  
**BASE CUSIP<sup>+</sup>: 93878L**



**2018 ANNUAL CONTINUING DISCLOSURE**  
**INFORMATION STATEMENT**

**AS OF MARCH 29, 2019**

Also available at:



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## ***I. INTRODUCTION***

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Pursuant to an Official Statement dated October 20, 2010, the Washington Convention and Sports Authority (“WCSA”) issued \$249,220,000 Senior Lien Dedicated Tax Revenue Bonds (Convention Center Hotel Project) consisting of \$66,710,000 Series 2010A (Tax-Exempt Recovery Zone Facility Bonds) (the “2010A Bonds”); \$109,670,000 Series 2010B (the “2010B Bonds”), which consist of \$90,000,000 Subseries 2010B-1 (Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds) and \$19,670,000 Subseries 2010B-2 (Federally Taxable – Issuer Subsidy – Build America Bonds); and \$72,840,000 Senior Lien Dedicated Tax Revenue and Refunding Bonds (Convention Center Hotel Project) Series 2010C (Federally Taxable Bonds) (the “2010C Bonds” and together with the 2010A Bonds and the 2010B Bonds, the “2010 Bonds”).

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

The 2010 Bonds were issued to (i) make funds available to the Developer, as further described within the Official Statement, to pay a portion of the cost of acquiring, developing, constructing and equipping the Convention Center Hotel Project; (ii) fund capitalized interest on a portion of the 2010 Bonds during the construction of the Convention Center Hotel Project; (iii) fund the Debt Service Reserve Account Requirement for each series of the 2010 Bonds; (iv) defease to the earliest optional redemption date that portion of the WCSA’s outstanding Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A (the “2007A Bonds”) maturing on December 1, 2036; (v) make \$2,000,000 available to the WCSA for establishment of the D.C. Citizen’s Job Program created pursuant to the Hotel Act; and (vi) pay the Costs of Issuance of the 2010 Bonds.

Pursuant to an Official Statement dated February 22, 2018, the WCSA issued \$333,050,000 Senior Lien Dedicated Tax Revenue Refunding Bonds consisting of \$275,535,000 Series 2018A (Tax-Exempt) and \$57,515,000 Series 2018B (Federally Taxable) ( the “2018 Bonds”). The 2018A Bonds were issued to current refund 2007A Bonds and the 2018B Bonds were issued to advance refund the 2010C Bonds.

The 2010 Bonds are special obligations of the WCSA and are not secured by or payable from revenues of WCSA, except for Dedicated Tax Receipts and the other revenue sources included within the Trust Estate for each series of Series 2010 Bonds, as described within the Official Statement. Dedicated Tax Receipts consist of the Dedicated Hotel Sales Tax and Dedicated Restaurant/Rental Car Sales Tax collected by the District. The 2010 Bonds have a parity lien on Dedicated Tax Receipts with the 2018 Bonds. The holders of the Series 2010A & 2010B have a parity claim on the Tax Increment Financing (the “TIF Revenues”). The TIF Revenues are generated Dedicated Taxes and any Surtax. The TIF Revenues secure only the 2010A and 2010B. The 2018 Bonds are not secured by TIF Revenues. The 2010 Bonds are not secured by a lien on the Convention Center, the Hotel or any District Sports and Entertainment Facility.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the WCSA for the benefit of the holders of the 2010 Bonds and includes the information specified in a Continuing Disclosure Agreement. For further information and a more complete description of the WCSA and the 2010 Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the 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 Annual Continuing Disclosure Information Statement that involve estimates, forecasts, or 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. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the WCSA or any other parties described herein.

This Annual Continuing Disclosure Information Statement 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 Annual Continuing Disclosure Information Statements previously filed on Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

## **III. BOND INFORMATION**

### **A. PRINCIPAL OUTSTANDING**

Bond Issue	As of September 30, 2018 (in thousands)
2010A Bonds	\$66,710
2010B Bonds	\$99,480
<b>Total 2010 Bonds</b>	<b>\$166,190</b>

(1) On March 6, 2018, the 2018B Bonds advance refunded the 2010C Bonds  
The full redemption date is October 1, 2020.

### **B. RESERVE ACCOUNTS**

Reserve Accounts	Dollars in Thousands		
	Investment Balances as of September 30, 2018	Minimum Required Reserve (Restricted)	Available Reserve Above the Required Minimum
<b><u>Series 2018A</u></b>			
Capital Renewal & Replacement Account	\$69,521	\$21,815	\$47,706
Debt Service	23,635	23,635	0
Debt Service Reserve Account	31,041	27,553	3,488
Market Account	8,491	8,491	0
Operating and Marketing Reserve Account	187,264	42,143	145,121
Revenue Account	10,443	0	10,443
ESA Project	6,621	6,621	0
<b>Total</b>	<b>\$337,016</b>	<b>\$130,258</b>	<b>\$206,758</b>
<b><u>Series 2018B and 2010 Bonds</u></b>			
Tax Increment Financing Revenue Account	\$28,268	\$28,268	\$0
Debt Service Reserve Account	31,805	31,805	0
<b>Total</b>	<b>\$60,073</b>	<b>\$60,073</b>	<b>\$0</b>
<b>Total Restricted and Non-restricted Investments</b>	<b>\$397,089</b>	<b>\$190,331</b>	<b>\$206,758</b>

### C. SENIOR DEBT SERVICE REQUIREMENTS

Fiscal Year	Outstanding Debt Service <sup>(1)</sup>	2018A Principal	2018A Interest	Total	2018B Principal	2018B Interest	Total	Aggregate Gross Debt Service	Projected DSRF Earnings <sup>(2)</sup>	Aggregate Net Debt Service	Subsidy Payments (for Series 2010B Bonds) <sup>(3)</sup>
2019	\$12,567,040	\$20,735,000	\$13,040,750	\$33,775,750	\$365,000	\$2,340,462	\$2,705,462	\$49,048,252	\$946,850	\$48,101,402	\$2,498,131
2020	12,515,701	21,770,000	12,004,000	33,774,000	450,000	2,330,571	2,780,571	49,070,272	946,850	48,123,422	2,448,658
2021	12,461,368	22,855,000	10,915,500	33,770,500	1,250,000	2,317,323	3,567,323	49,799,191	946,850	48,852,341	2,396,572
2022	12,386,920	24,005,000	9,772,750	33,777,750	1,370,000	2,278,548	3,648,548	49,813,218	946,850	48,866,368	2,331,412
2023	12,299,998	8,000,000	8,572,500	16,572,500	795,000	2,233,311	3,028,311	31,900,809	946,850	30,953,959	2,252,849
2024	12,212,862	8,400,000	8,172,500	16,572,500	910,000	2,205,374	3,115,374	31,900,736	946,850	30,953,886	2,172,094
2025	14,275,251	8,820,000	7,752,500	16,572,500	1,030,000	2,172,123	3,202,123	34,049,874	946,850	33,103,024	2,089,039
2026	14,280,191	26,465,000	7,311,500	33,776,500	1,870,000	2,133,611	4,003,611	52,060,302	946,850	51,113,452	2,003,682
2027	14,267,554	27,785,000	5,988,250	33,773,250	2,035,000	2,063,692	4,098,692	52,139,496	946,850	51,192,646	1,893,611
2028	14,245,986	29,175,000	4,599,000	33,774,000	2,210,000	1,986,993	4,196,993	52,216,979	946,850	51,270,129	1,779,555
2029	14,225,036	30,635,000	3,140,250	33,775,250	2,395,000	1,901,488	4,296,488	52,296,774	946,850	51,349,924	1,661,513
2030	14,198,702	32,170,000	1,608,500	33,778,500	2,595,000	1,807,628	4,402,628	52,379,830	946,850	51,432,980	1,539,350
2031	14,176,208	-	-	-	2,805,000	1,704,632	4,509,632	18,685,840	373,737	18,312,103	1,412,926
2032	14,147,903	-	-	-	3,030,000	1,591,899	4,621,899	18,769,802	373,737	18,396,065	1,277,461
2033	14,108,012	-	-	-	3,270,000	1,468,609	4,738,609	18,846,621	373,737	18,472,884	1,137,022
2034	14,070,695	-	-	-	3,520,000	1,333,917	4,853,917	18,924,612	373,737	18,550,875	991,465
2035	14,029,365	-	-	-	3,795,000	1,182,135	4,977,135	19,006,500	373,737	18,632,763	840,648
2036	13,982,595	-	-	-	4,080,000	1,018,494	5,098,494	19,081,089	373,737	18,707,352	684,288
2037	13,929,047	-	-	-	4,385,000	842,565	5,227,565	19,156,612	373,737	18,782,875	522,242
2038	13,877,383	-	-	-	4,705,000	653,484	5,358,484	19,235,867	373,737	18,862,130	354,369
2039	13,820,676	-	-	-	5,045,000	450,604	5,495,604	19,316,280	373,737	18,942,543	180,383
2040	7,187,250	-	-	-	5,405,000	233,064	5,638,064	12,825,314	373,737	12,451,577	-
	<b>\$293,265,743</b>	<b>\$260,815,000</b>	<b>\$92,878,000</b>	<b>\$353,693,000</b>	<b>\$57,315,000</b>	<b>\$36,250,527</b>	<b>\$93,565,527</b>	<b>\$740,524,270</b>	<b>\$15,099,570</b>	<b>\$725,424,700</b>	<b>\$32,467,270</b>

(1) Does not include debt service of the Refunded Bonds.

(2) Debt Service Reserve Fund earnings assumes a 2.08% rate.

(3) Subsidy Payment calculated net of fiscal year 2018 sequestration rate of 6.6%.

(4) Excludes the October 1, 2018 debt service.

## IV. FINANCIAL INFORMATION

### A. AUDITED FINANCIAL STATEMENTS

The audited financial statements for the WCSA for the fiscal year ended September 30, 2018 have been separately filed on EMMA and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

### 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,				
	2014	2015	2016	2017	2018
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$8,828	\$13,162	\$10,501	\$13,285	\$14,522
Restricted Cash	8,975	7,094	8,204	9,690	8,974
Investments	80,866	99,912	119,329	176,323	206,758
Due from District of Columbia	12,370	11,258	13,161	12,909	13,344
Accounts Receivable, Net of Allowance for Uncollectible Accounts	3,160	1,845	2,287	3,851	3,449
Prepaid Expenses and Other Assets	35	275	357	988	1,162
Accrued Interest Receivable	190	219	397	644	511
<b>Total Current Assets</b>	<b>\$114,424</b>	<b>\$133,765</b>	<b>\$154,236</b>	<b>\$217,690</b>	<b>\$248,720</b>
<b>Noncurrent Assets:</b>					
Notes Receivable	\$27,181	\$ -	\$ -	\$ -	\$ -
Lease Receivable	-	-	-	-	14,336
Other Receivable	47,000	47,000	47,000	46,000	39,410
Long-Term Investments	-	20,000	-	-	-
Restricted Investments	145,169	180,860	231,782	230,635	190,331
Non-Depreciable Capital Assets	7,527	7,527	8,370	21,206	79,016
Depreciable Capital Assets, Net of Accumulated Depreciation	574,294	547,298	521,522	498,155	475,484
<b>Total Noncurrent Assets</b>	<b>\$801,171</b>	<b>\$802,685</b>	<b>\$808,674</b>	<b>\$795,996</b>	<b>\$798,577</b>
<b>Total Assets</b>	<b>\$915,595</b>	<b>\$936,450</b>	<b>\$962,910</b>	<b>\$1,013,686</b>	<b>\$1,047,297</b>
Bond Deferral of Refunding Costs	16,871	15,688	14,504	13,320	10,692
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$932,466</b>	<b>\$952,138</b>	<b>\$977,414</b>	<b>\$1,027,006</b>	<b>\$1,057,989</b>

(Continued on next page)



	For Fiscal Years Ended September 30,				
	2014	2015	2016	2017	2018
<b>LIABILITIES AND NET POSITION</b>					
<b>Current Liabilities:</b>					
Accounts Payable	\$3,719	\$5,209	\$6,273	\$12,126	\$16,754
Other Liabilities	9,965	8,518	7,951	8,845	8,275
Due to District of Columbia	3,535	1,703	2,051	2,991	2,329
Compensation Liabilities	1,254	1,572	1,141	1,259	1,317
Unearned Revenue	2,980	3,486	2,365	3,394	3,273
Accrued Interest Payable	16,692	16,326	15,884	15,419	12,629
Capital Lease - Current portion	115	113	110	151	147
Bonds Payable - Current Portion	16,315	18,900	19,760	20,655	18,105
<b>Total Current Liabilities</b>	<b>\$54,575</b>	<b>\$55,827</b>	<b>\$55,535</b>	<b>\$64,840</b>	<b>\$62,829</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences	\$1,061	\$1,003	\$1,205	\$1,209	\$1,231
Bonds Payable, Net of Current Portion	633,117	613,708	593,439	572,276	518,135
Capital Lease, Net of Current Portion	3,938	3,824	3,714	4,972	4,825
<b>Total Noncurrent Liabilities</b>	<b>\$638,116</b>	<b>\$618,535</b>	<b>\$598,358</b>	<b>\$578,457</b>	<b>\$524,191</b>
<b>Total Liabilities</b>	<b>\$692,691</b>	<b>\$674,362</b>	<b>\$653,893</b>	<b>\$643,297</b>	<b>\$587,020</b>
<b>Deferred Inflow of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$13,922</b>
<b>Net Position:</b>					
Net Investment in Capital Assets, Net of Related Debt	\$162,200	\$151,890	\$142,344	\$146,870	\$210,772
<b>Restricted:</b>					
Debt Service and Capital Interest	\$26,214	\$24,857	\$25,273	\$25,754	\$23,635
Capital Renewal	18,134	18,370	18,609	18,851	21,815
Operating and Marketing Fund	35,031	36,959	42,330	48,812	50,635
Senior Proceeds Account	2	-	-	-	-
Debt Service Reserve	33,700	33,700	33,700	33,700	27,554
ESA Project	-	-	37,238	23,559	6,621
Kenilworth Park	144	144	144	144	144
<b>Unrestricted (Deficit)</b>	<b>(35,650)</b>	<b>11,856</b>	<b>23,883</b>	<b>86,019</b>	<b>115,871</b>
<b>Total Net Position</b>	<b>\$239,775</b>	<b>\$277,776</b>	<b>\$323,521</b>	<b>\$383,709</b>	<b>\$457,047</b>

### 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).

	For Fiscal Years Ended September 30,				
	2014	2015	2016	2017	2018
<b>Operating Revenues:</b>					
Building Rental – events related	\$9,508	\$10,316	\$10,231	\$9,704	\$8,417
Building Rental	-	2,300	2,369	2,440	3,246
Ancillary Charges and other	15,842	15,988	17,830	20,876	19,838
<b>Total Operating Revenues</b>	<b>\$25,350</b>	<b>\$28,604</b>	<b>\$30,430</b>	<b>\$33,020</b>	<b>\$31,501</b>
<b>Operating Expenses:</b>					
Personal Services	\$21,929	\$23,092	\$24,407	\$25,718	\$27,284
Contractual Services	18,267	17,432	19,341	20,763	23,113
Depreciation	36,368	31,890	32,032	32,543	33,996
Occupancy	5,803	9,085	6,478	5,249	6,433
Payments to District	1,995	2,378	2,643	2,056	2,501
Miscellaneous	822	1,009	1,199	1,140	1,428
Bad Debt	117	231	176	64	16
<b>Total Operating Expenses</b>	<b>\$85,301</b>	<b>\$85,117</b>	<b>\$86,276</b>	<b>\$87,533</b>	<b>\$94,771</b>
<b>Operating Loss</b>	<b>(\$59,951)</b>	<b>(\$56,513)</b>	<b>(\$55,846)</b>	<b>(\$54,513)</b>	<b>(\$63,270)</b>
<b>Non-operating Revenues and (Expenses):</b>					
Interest Income	\$3,322	\$2,744	\$970	\$2,092	\$4,821
Dedicated Taxes	105,451	116,448	123,551	138,128	141,448
Tax Increment Financing Revenue	4,131	18,298	19,513	21,079	20,320
Miscellaneous Revenues	2,792	2,634	2,615	2,763	27,043
Bond Interest and Amortization Issue Costs	(35,395)	(33,340)	(32,458)	(31,531)	(29,589)
Marketing Agencies Payments	(10,578)	(12,270)	(12,600)	(14,830)	(19,846)
Funding Hotel Project	(1,335)	-	-	-	-
Funding Baseball Academy	(2,296)	-	-	-	-
Miscellaneous Expenses	-	-	-	(3,000)	(7,589)
<b>Total Non-operating Revenues and (Expenses)</b>	<b>\$66,092</b>	<b>\$94,514</b>	<b>\$101,591</b>	<b>\$114,701</b>	<b>\$136,608</b>
Change in Net Position	6,141	38,001	45,745	60,188	73,338
Net Position, Beginning of Year	\$233,634	\$239,775	\$277,776	\$323,521	\$383,709
<b>Net Position, End of Year</b>	<b>\$239,775</b>	<b>\$277,776</b>	<b>\$323,521</b>	<b>\$383,709</b>	<b>\$457,047</b>

## 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 1% sales and use tax (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% with the additional 0.3% increase going to Destination DC through the Authority for the purposes of marketing and promoting the District of Columbia as a destination.

The following table shows a ten-year history of Dedicated Tax Receipts transferred to the WCSA and the Total Hotel Sales and Use Tax collected by the WCSA (calculated based on actual Hotel Sales and Use Tax transferred to the WCSA).

**Receipts from Dedicated Taxes  
(Dollars in Thousands)**

<b>Fiscal Year</b>	<b>Dedicated Hotel Sales Tax <sup>(1)</sup></b>	<b>% Change</b>	<b>Dedicated Restaurant/Rental Car Sales Tax <sup>(1)</sup></b>	<b>% Change</b>	<b>Total Dedicated Tax Receipts <sup>(2)</sup></b>	<b>% Change</b>
2009	\$62,070	(0.4%)	\$29,398	0.7%	\$91,468	0.0%
2010	61,927	(0.2%)	32,181	9.5%	94,108	2.9%
2011	65,291	5.4%	32,705	1.6%	97,996	4.1%
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	6.5%	40,100	5.3%	123,551	6.1%
2017	95,256	14.1%	42,872	6.9%	138,128	11.8%
2018	98,608	3.5%	42,840	(0.1%)	141,448	2.4%

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

(2) Historical Total Dedicated Tax Receipts are based on audited financial statements of the WCSA.

**B. DEBT SERVICE COVERAGE RATIO**

**Net Debt Service Coverage from Principal Revenue Sources  
and Debt Service paid and Expected to be Paid from Dedicated Tax Receipts  
(Dollars in Thousands)**

2010A and 2010B Bonds				Series 2018B Bonds			Debt Service to be paid and Expected to be paid from Dedicated Tax Receipts				
Fiscal Year	Series 2010A/B Net Debt Service	TIF Revenues	Series 2010A and Series 2010B Debt Service Coverage from TIF Revenues	Series 2018B Net Debt Service <sup>(1)</sup>	WCSA Lease Payments and Loan Prepayments <sup>(2)</sup>	Series 2018B Debt Service Coverage from WCASA Lease Payments and Loan Prepayments	Series 2018A Net Debt <sup>(1)</sup>	Remainder of Series 2010A, 2010B and 2018B and Series 2010C/2018B Net Debt Services to be paid from Dedicated Tax Receipts	Aggregate Debt Service paid and Expected to be paid from Dedicated Tax Receipts <sup>(1)</sup>	Dedicated Tax Receipts	Debt Service Coverage
2018	\$12,188.12	\$20,320.14	1.67x	\$1,535.10	\$2,513.27	1.64x	\$22,397.45	\$0.00	\$22,397.45	\$141,448.10	6.32x

(1) Does not reflect debt service on the Series 2007A and 2010C Bonds, as shown in the Table contained in the Series 2018 Official Statement.

(2) No loan repayment.

**C. AVAILABLE TAX INCREMENT**

**Available Tax Increment  
(Dollars in Thousands)**

<b>Tax Increment</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Rooms Occupancy Tax <sup>(1)</sup>	\$7,549	\$6,778	\$8,776	\$8,209
Food & Beverage Tax <sup>(2)</sup>	3,729	3,601	4,432	4,459
Parking Tax	427	261	471	445
Real Property Tax	6,593	8,873	7,400	7,208
<b>Total Available Tax Increment</b>	<b>\$18,298</b>	<b>\$19,513</b>	<b>\$21,079</b>	<b>\$20,320</b>

(1) The "Rooms Occupancy Tax" is referred to herein as the Hotel Sales Tax.

(2) The "Food & Beverage Tax" comprises that portion of the Restaurant/Rental Car Sales Tax generated by restaurant food and beverage sales.

## D. HOTEL SALES TAX COLLECTION HISTORY

The largest portion of the Dedicated Tax Receipt is derived from the Dedicated Hotel Sales Tax @ 14.5%, the balance of the Dedicated Tax Receipts is generated by the Dedicated Restaurant/Rental Vehicle Sales Tax at 10%.

### 1. Hotel Sales Tax Collection History

#### Hotel Sales Tax Collection History, Fiscal Years 2014 – 2018 (Dollars in Thousands)

	2014	2015	2016	2017	2018
Number of Hotels <sup>(1)</sup>	124	123	129	132	140
Number of Rooms <sup>(1)</sup>	30,108	30,191	31,156	31,673	33,316
Total Hotels Sales Tax <sup>(2)</sup>	\$247,930	\$255,389	\$271,919	\$310,385	\$321,307
Total Dedicated Hotel Sales Tax	\$70,089	\$78,378	\$83,451	\$95,256	\$98,608

(1) Source: Number of Hotels and Number of Rooms – Source: Destination DC; Total Hotel Sales Tax and Total Dedicated Hotel Sales Tax – WCSA.

(2) Total Hotel Sales Tax revenues are unaudited. The District does not audit Hotel Sales Tax revenues separately in connection with its audit process.

### 2. Restaurant/Rental Car Sales Tax Collection History

#### Restaurant/Rental Car Sales Tax Collection History, Fiscal Years 2014 – 2018<sup>(1)</sup> (Dollars in Thousands)

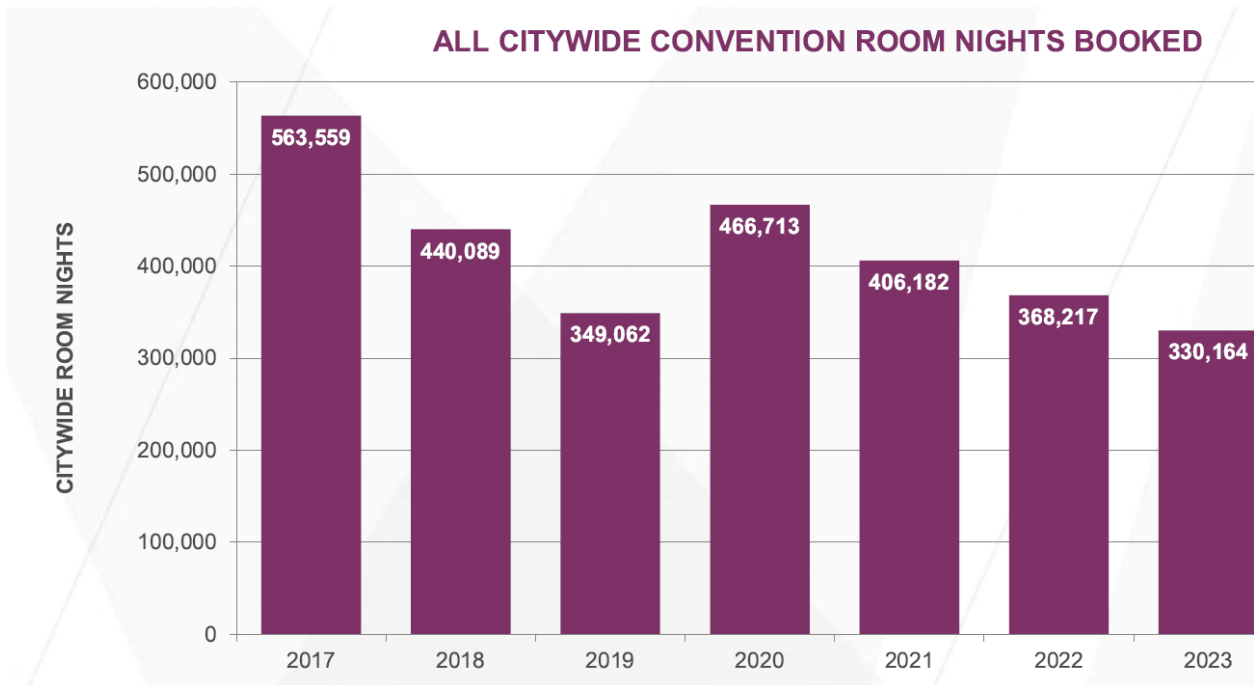
	2014	2015	2016	2017	2018
Total Restaurant/Rental Car Sales Tax	\$353,620	\$380,700	\$401,000	\$428,720	\$428,400
Total Dedicated Restaurant/Rental Car Sales Tax	\$35,362	\$38,070	\$40,100	\$42,872	\$42,840

(1) Restaurant/Rental Car Sales Tax numbers are unaudited. Figures are derived by the WCSA from the total audited Dedicated Tax Receipts transferred to the WCSA and from reports from the D.C. Office of Tax and Revenue and the Lockbox Bank for the specific year. The District does not audit Restaurant/Rental Car Sales Tax revenues separately in connection with its audit process.

**E. WASHINGTON CONVENTION CENTER BOOKINGS THROUGH DESTINATION DC**

The following chart sets forth the number of room nights booked through the services of Destination DC, as of September 18, 2018 at hotels within the District in connection with events held and projected to be held at the Convention Center in 2017 through 2023. Destination DC is a private, non-profit corporation with a membership of approximately 1,000 businesses and organizations that support the District’s travel and tourism sector. Pursuant to the WCSA Act, Destination DC provides marketing services under a contract with the WCSA and is the WCSA’s primary contractor to market and sell meetings and conventions for the Convention Center. Destination DC facilitates hotel bookings in the District for hotel stays related primarily to conventions and meetings in the District.

**Room Nights**



Note: Chart reflects room nights confirmed as definite as of September 18, 2018 for the calendar year.

Source: Destination DC, 2017 Visitor Statistics, Washington D.C.

## F. MAJOR EVENTS BY FISCAL YEAR

The following major events were held at the Convention Center during the fiscal years 2014 through 2018, beginning with the most recent completed fiscal year.<sup>(1)</sup>

Meeting Name	Attendance
<b>FY2018</b>	
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
<b>FY2017</b>	
Presidential Inaugural Balls	25,000
Association of the U.S. Army	23,000
American Association for Cancer Research	21,900
American College of Cardiology	18,442
Microsoft Inspire	17,150
<b>FY2016</b>	
Association of the U.S. Army	26,101
American Dental Association	21,491
2015 Annual U.S. Green Building Conference and Expo	20,000
American Israel Public Affairs Committee 2016 Conference	18,850
American Academy of Dermatology	18,253
<b>FY2015</b>	
NBC4 Health and Fitness Expo	85,000
Capitol Hill Classic Volleyball Tournament	75,046
National Book Festival	75,000
Awesome Con DC	44,300
Society for Neuroscience	31,250
<b>FY2014</b>	
USA Science and Engineering Festival.	325,000
Capitol Hill Volleyball Classic	70,000
National Book Festival	35,000
Awesome Con DC	29,000
Association of the US Army	27,449

- (1) 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.

## G. ACTUAL EVENTS BY FISCAL YEAR

<b>Fiscal Year</b>	<b>Actual Number of Events</b>	<b>Number of Attendees</b>
2014	204	1,276,834
2015	233	1,120,398
2016	217	1,461,513
2017	185	1,165,425 <sup>(1)</sup>
2018	167 <sup>(2)</sup>	1,563,622 <sup>(3)</sup>

- (1) The drop in number of attendees in the WCSA events is attributable to a biennial public show that typically attracts approximately 250,000 attendees. This event takes place in even-numbered years and is scheduled to return in Fiscal Year 2018.
- (2) Regarding the total number of events: We hosted the World Conference on the International Gas Union and the Major League Baseball All-Star FanFest basically back-to-back. These two events occupied all leasable space in the convention center from June 19 through July 20 inclusive. This precluded our ability to book any short-term infill meeting business; in the past, we have been able to book around 10-15 meetings over that period. That said, the infill business is typically single meetings occupying one or more meeting rooms for one day; so, this business typically has little or no impact on our occupancy, attendance or revenue. What it does is increase the total number of events that we host.
- (3) Regarding the total attendance: FY 18 was the year our biannual public show returned with its attendant attendance bump. This event is a school-age STEM event (Science, Technology, Engineering and Math), and attracts field trips from virtually every school within our metropolitan area. In addition, the All Star FanFest attracted over 100,000 guests (112,390) during the event days. A ticketed event with timed-entry tickets, this event was largely attended by families who could not get tickets for the All Star Game.

Finally, we saw a significant attendance jump for the annual National Book Festival, sponsored by the Library of Congress. This is also a free event, and this year's attendance spike is largely attributable to a few popular authors who spoke about their newest book and were available for post-speech book signings.

Note: 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.

## VI. RECENT EVENTS—FUTURE IMPACTS

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Due to the nature of the Authority'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 financial statements.

The Authority hosted a grand opening on October 5, 2018 for the construction of a 118,000-square-foot Entertainment and Sport Arena (ESA) on the St. Elizabeth East Campus in the Congress Heights neighborhood of Ward 8. The approximately 4,200-seat venue will house the Washington Mystics of the WNBA, the Washington NBA G League team of the NBA G League and contain a practice facility for the Washington Wizards of the NBA. While the ESA will be used mainly for basketball, there are plans for the facility to also host concerts, community events, and other sporting events. Construction for the ESA, to include razing surrounding buildings, began in February 2016. The District and Monumental Sport & Entertainment ("Monumental") partnered with the Authority and contributed \$23 million and \$5 million respectively, towards the construction cost of ESA.



## **VII. OCCURRENCE OF LISTED EVENTS**

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As amended, 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, 2018.

1. Principal and interest payment delinquencies on the 2010 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 2010 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the WCSA.
9. Ratings changes.

As amended, 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, 2018.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of WCSA or the dissolution of the 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 2010 Bonds.