

DEBT CAPACITY

These schedules present information about the current levels of outstanding debt of the District and the ability to issue additional debt in the future.

Exhibit S-3A
Ratios of General Obligation Bonds Outstanding
Last Ten Fiscal Years (\$000s, Except Per Capita)

Fiscal Year	General Obligation (GO) Bonds	Unamortized Premiums	Outstanding GO Bonds, Net of Related Premiums	Actual Value of Taxable Property	GO Bonds as a Percentage of Actual Value of Taxable Property %	GO Debt Per Capita
2016	\$ 3,829,305	\$ 287,639	\$ 4,116,944	\$ 189,102,606	2.18%	\$ 5,988
2017	4,078,160	430,941	4,509,101	201,570,364	2.24	6,469
2018	4,827,105	542,610	5,369,715	211,381,458	2.54	7,626
2019	5,611,815	649,007	6,260,822	220,126,032	2.84	8,840
2020	5,396,870	596,131	5,993,001	228,687,317	2.62	8,933
2021	5,202,750	544,789	5,747,539	244,414,935	2.35	8,588
2022	6,002,310	640,834	6,643,144	248,762,508	2.67	9,817
2023	6,329,085	656,571	6,985,656	254,609,476	2.74	10,164
2024	5,590,790	553,617	6,144,407	260,033,288	2.36	8,750
2025	6,398,855	654,824	7,053,679	264,964,113	2.66	N/A

Notes:

The net position restricted for debt services, as presented in Exhibit 1-a, did not include any amount restricted for principal payment of the general obligation debt.

The amount restricted for GO debt service covers interest payments for the 6 months following the fiscal year-end.

N/A: Population data issued by the U.S. Census Bureau is usually updated annually as of July 1 of each year. However, such data has not been updated and released for 2025, therefore per capita data is not available for 2025.

**Exhibit S-3B
Pledged-Revenue Coverage
Last Ten Fiscal Years (\$000s)**

Fiscal Year	Tax Increment Financing Debts					Income Tax Secured Revenue Bonds				
	Sales	Real Property	Debt Service		Coverage %	Individual	Business	Debt Service		Coverage %
	Tax Increment	Tax Increment	Principal	Interest		Income Tax	Franchise Tax	Principal	Interest	
2016	\$ 8,203	\$ 10,132	\$ 4,073	\$ 6,839	168.03%	\$ 1,907,862	\$ 556,468	\$ 88,155	\$ 179,702	674.16%
2017	10,686	8,953	4,136	6,852	178.73	1,958,277	554,245	119,300	200,542	920.02
2018	10,630	7,678	7,180	6,860	130.40	2,066,842	574,745	154,505	193,535	785.55
2019	9,865	11,072	4,284	7,629	175.75	2,299,326	642,656	159,030	186,052	758.99
2020	6,025	8,075	4,398	7,919	114.48	2,377,236	727,697	149,970	207,163	852.55
2021	3,101	14,185	6,099	6,582	136.31	2,643,213	863,057	131,285	231,220	869.41
2022	6,360	8,396	18,397	5,237	62.44	3,116,991	991,322	154,265	213,358	967.23
2023	24,664	15,198	4,849	4,239	438.62	3,048,229	1,126,304	232,560	229,030	1,117.53
2024	29,080	15,254	15,017	4,002	233.10	3,138,951	1,133,003	262,100	246,968	904.38
2025	26,038	15,371	5,701	4,636	400.59	3,605,177	1,235,185	273,808	251,745	921.00

Note:

Details regarding the outstanding debt of the District can be found in the Notes to the Basic Financial Statements (Note 7 presented on pages 126 through 139).

Exhibit S-3C
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (\$'000s, Except Per Capita)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
General obligation bonds	\$ 4,116,944	\$ 4,509,101	\$ 5,369,715	\$ 6,260,822	\$ 5,993,001	\$ 5,747,539	\$ 6,643,174	\$ 6,985,656	\$ 6,144,407	\$ 7,053,679
Income tax secured revenue bonds	4,399,700	4,124,380	3,836,706	3,664,404	5,635,204	5,364,137	5,631,421	5,310,005	6,184,751	6,667,882
TIF bonds	100,443	95,885	108,702	104,037	119,385	127,531	109,898	104,913	147,591	141,803
Qualified zone academy bonds	3,845	3,155	2,466	2,012	1,558	1,105	829	552	276	-
Bond anticipation notes	-	-	275,000	375,000	-	163,665	132,060	113,219	91,365	322,847
Capital leases	1,837	-	-	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	1,104,597	1,141,572	1,280,250	1,500,569
SBITA liability	-	-	-	-	-	-	-	89,490	95,855	108,295
Ballpark revenue bonds	374,514	336,406	287,022	230,864	186,963	183,400	179,351	174,773	136,670	70,555
HPTF bonds	114,994	112,109	109,104	105,965	38,535	36,144	33,642	31,031	29,810	28,551
PILOT revenue bonds	214,213	205,696	219,698	198,678	197,791	174,196	156,274	146,327	134,712	-
GARVEE bonds	104,634	96,201	87,560	78,661	356,937	336,486	315,609	294,286	272,464	250,113
Tobacco bonds	598,710	581,533	559,559	537,395	515,360	486,924	487,139	430,042	405,150	380,421
Total Debt	\$ 10,029,834	\$ 10,064,466	\$ 10,855,532	\$ 11,557,838	\$ 13,044,734	\$ 12,621,127	\$ 14,793,994	\$ 14,821,866	\$ 14,923,301	\$ 16,524,715
Personal income	\$ 52,344,000	\$ 54,495,700	\$ 56,933,800	\$ 57,621,100	\$ 62,004,200	\$ 65,260,400	\$ 68,384,300	\$ 72,782,000	\$ 76,501,700	N/A
Total debt percentage of personal income	19.16%	18.47%	19.07%	20.06%	21.04%	19.34%	21.63%	20.36%	19.51%	N/A
Total debt per capita	\$ 14,587	\$ 14,438	\$ 15,417	\$ 16,319	\$ 19,443	\$ 18,858	\$ 21,861	\$ 21,565	\$ 21,251	N/A
Total "tax supported debt" per capita	\$ 13,564	\$ 13,466	\$ 14,498	\$ 15,449	\$ 18,143	\$ 17,628	\$ 20,675	\$ 20,511	\$ 20,286	N/A

Notes:
 Beginning with fiscal years 2022 and 2023, respectively, the District implemented the requirements of GASB Statement No. 87 - Leases and GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs). Further details regarding the outstanding liabilities for leases and SBITAs can be found in the notes to the financial statements.

Outstanding debt was updated to show amounts net of related premiums and resources restricted for the repayment of the principal of the Income Tax Secured Revenue Bonds debt. There was no outstanding debt for business-type activities. Convention Center bonds are not included in this table.

SBITA liability: Subscription-Based Information Technology Arrangements
 HPTF bonds: HPTF - Housing Production Trust Fund
 PILOT revenue bonds: PILOT - Payment in Lieu of Taxes
 GARVEE bonds: Federal Highway Grant Anticipation Revenue Bonds

Personal income: The presentation of prior years' data has been updated to reflect totals revised as of the third quarter of calendar year 2024. Prior years' debt per capita amounts were updated to reflect U.S. Census Bureau population estimates.
 N/A: Population data issued by the U.S. Census Bureau is usually updated annually as of July 1 of each year. However, such data has not been updated and released for 2025. Personal Income data for 2025 has not been updated and released. Therefore per capita data and debt percentage of personal income is not available for 2025.

**Exhibit S-3D
Legal Debt Margin Information
Last Ten Fiscal Years (\$000s)**

Debt Service Cost Margin Calculation for Fiscal Year 2025:

General fund revenue	\$ 12,756,235
Debt service cost limitation (17% of general fund revenue)	\$ 2,168,560
Debt expenditure applicable to limit:	
Principal	\$ 678,763
Interest	618,867
Subtotal for current year	1,297,630
Highest debt service cost	-
Total debt service cost subject to the limitation	1,297,630
Debt service cost margin	\$ 870,930

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt service cost limitation	\$ 1,372,556	\$ 1,412,132	\$ 1,472,209	\$ 1,612,296	\$ 1,562,922	\$ 1,666,929	\$ 1,891,551	\$ 1,918,073	\$ 1,971,730	\$ 2,168,560
Highest debt service cost	591,653	644,703	704,403	726,519	846,056	846,056	919,308	1,134,003	1,175,358	1,297,630
Debt service cost margin	<u>\$ 780,903</u>	<u>\$ 767,429</u>	<u>\$ 767,806</u>	<u>\$ 885,777</u>	<u>\$ 716,866</u>	<u>\$ 820,873</u>	<u>\$ 972,243</u>	<u>\$ 784,070</u>	<u>\$ 796,372</u>	<u>\$ 870,930</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	43.11%	45.65%	47.85%	45.06%	54.13%	50.76%	48.60%	59.12%	59.61%	59.84%
Debt limit ratio	7.33%	7.76%	8.13%	7.66%	9.20%	8.63%	8.26%	10.05%	10.13%	0.00%

Note:
Under the District of Columbia Self-Government and Governmental Reorganization Act, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long-term debt to exceed 17% of the revenues of the fiscal year in which the debt is issued. The debt limit ratio is calculated using the highest fiscal year debt service cost divided by the total general fund revenue.

**Exhibit S-3E
Limitation on Borrowing (\$000s)**

General fund expenditures (1):	\$ 13,058,497	
General fund transfers out (1):	307,451	
Adjustment for transfer to component unit (UDC) (1):	39,739	
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	173,430	
Adjustment for ballpark revenue bond debt service transfers (1):	24,970	
Adjustment for convention center hotel debt service transfers (1):	5,249	
Total (a)	<u>\$ 13,609,336</u>	
Limitation on borrowing (12%):		\$ 1,633,120
FY 2025 debt service cost (b):		<u>1,356,666</u>
Margin on limitation:		<u>\$ 276,454</u>
FY 2025 debt service percentage (b/a):		9.97%

Debt Service Expenditures by Fiscal Year

	2025			2026			2027			2028		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Long-Term Debt												
General obligation bonds (2)	\$ 283,930	\$ 301,947	\$ 585,877	\$ 301,910	\$ 299,832	\$ 601,742	\$ 304,740	\$ 285,152	\$ 589,892	\$ 275,625	\$ 270,697	\$ 546,322
QZAB	276	-	276	-	-	-	-	-	-	-	-	-
Income tax secured revenue bonds (2)	273,808	251,745	525,553	292,435	305,572	598,007	273,610	287,672	561,282	267,280	274,594	541,874
TIF bonds (3)	5,701	4,636	10,337	6,161	4,711	10,872	6,163	5,106	11,269	4,947	4,820	9,767
TIF notes (4)	17,486	4,332	21,818	10,314	3,888	14,202	3,398	3,693	7,091	3,622	3,572	7,194
Ballpark revenue bonds	18,055	6,915	24,970	3,695	4,224	7,919	4,130	3,984	8,114	4,595	3,715	8,310
HPTF revenue bonds	1,190	1,057	2,247	1,240	1,010	2,250	1,290	960	2,250	1,325	922	2,247
PILOT bonds (5)	134,712	6,165	140,877	-	-	-	-	-	-	-	-	-
PILOT notes (6)	203	195	398	213	185	398	224	174	398	236	162	398
225 Virginia Avenue lease	5,710	3,564	9,274	6,107	3,166	9,273	6,533	2,741	9,274	6,987	2,286	9,273
Bond anticipation notes	-	6,069	6,069	-	17,675	17,675	-	17,675	17,675	-	17,675	17,675
Washington convention and sports authority	13,570	15,400	28,970	16,285	7,340	23,625	32,545	14,124	46,669	34,190	12,671	46,861
Total	<u>\$ 754,641</u>	<u>\$ 602,025</u>	<u>\$ 1,356,666</u>	<u>\$ 638,360</u>	<u>\$ 647,603</u>	<u>\$ 1,285,963</u>	<u>\$ 632,633</u>	<u>\$ 621,281</u>	<u>\$ 1,253,914</u>	<u>\$ 598,807</u>	<u>\$ 591,114</u>	<u>\$ 1,189,921</u>

- Notes:
- (1) Adjustments are made to General Fund expenditures and transfers to reflect component units and debt service expenditures not already included.
 - (2) Interest rate for unhedged variable rate bonds calculated at 3.50%.
 - (3) TIF Bonds include Gallery Place, City Market at O Street, Skyland Town Center, Bryant Street, Reunion Square, and Union Market projects. Adjustments were made to TIF notes in fiscal year 2025 to reflect actual principal prepayments. Union Market bonds were issued in fiscal year 2021 as convertible capital appreciation bonds and in fiscal year 2024 as current interest and capital appreciation bonds. Reunion Square was issued as a variable rate draw down bond in fiscal year 2022 with a deferred interest period; fiscal years 2026, 2027 and 2028 estimates assume no further draws and interest payments only until refinancing to a fixed rate in fiscal year 2026.
 - (4) TIF Notes include Georgia Avenue CVS, Capital One Arena, and the Convention Center Hotel. Adjustments are made to TIF Notes to reflect actual principal prepayment in fiscal years 2024 and 2025.
 - (5) PILOT Bonds include the Yards and the Wharf.
 - (6) PILOT Notes include only the Foundry Lofts project.

Source: Office of Finance and Treasury