
3. Debt Capacity

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

**Ratios of General Obligation Bonds Outstanding
Last Ten Fiscal Years**
(dollars in thousands, except per capita)

Exhibit S-3A

Fiscal Year	General Obligation Bonds (GO)	Actual Value of Taxable Property	GO Bonds as a Percentage of Actual Value of Taxable Property	GO Debt Per Capita *
2005	\$ 3,632,198	\$ 86,887,767	4.18%	\$ 6,240
2006	3,773,863	98,491,335	3.83%	6,462
2007	4,140,133	124,875,273	3.32%	7,060
2008	4,592,518	142,958,188	3.21%	7,917
2009	3,766,628	153,039,555	2.46%	6,281
2010	2,781,053	150,117,289	1.85%	4,595
2011	2,829,598	139,287,502	2.03%	4,561
2012	2,295,225	146,501,957	1.57%	3,614
2013	2,245,185	151,744,722	1.48%	3,459
2014	2,790,935	160,300,070	1.74%	4,236

* The prior year per capita amounts were updated to reflect the revised census population estimates.

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Exhibit S-3B

Fiscal Year	Sales Tax Increment				Real Property Tax Increment			Tax Increment Financing Debts			Income Tax Secured Revenue Bonds			
	Sales Tax Increment	Real Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Debt Service Principal	Debt Service Interest	Individual Income Tax	Business Franchise	Debt Service Principal	Debt Service Interest	Coverage		
2005	\$ 4,507	\$ 2,397	\$ 4,942	\$ 4,764	71.13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%		
2006	8,299	974	4,809	4,899	95.52%	-	-	-	-	-	-	0.00%		
2007	8,948	3,516	4,666	5,042	128.39%	-	-	-	-	-	-	0.00%		
2008	9,090	1,563	4,565	5,147	109.69%	-	-	-	-	-	-	0.00%		
2009	10,032	4,918	4,467	5,245	153.93%	-	-	1,135,938	342,130	-	7,974	18723.58%		
2010	7,529	4,431	4,390	5,320	123.17%	-	-	1,110,444	323,687	-	59,710	2421.86%		
2011	10,904	3,750	4,323	5,385	150.95%	-	-	1,296,598	359,684	23,160	136,175	1048.69%		
2012	9,747	9,711	8,034	6,452	134.32%	-	-	1,490,694	465,896	90,755	134,090	878.85%		
2013	11,238	7,119	4,203	6,496	171.58%	-	-	1,640,899	453,280	117,740	193,898	677.88%		
2014	7,178	10,324	3,973	6,719	163.69%	-	-	1,679,173	415,581	148,120	205,724	592.00%		

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.
 Beginning FY 2010, the District revised the presentation of the Exhibit by removing sales tax increment and real property tax increment that were dedicated to tax increment financing other than the Gallery Place TIF Bonds and the Mandarin Hotel TIF Bonds for which the principal and interest components of debt service were indicated.
 Beginning FY 2012, the City Market at O Street TIF was added to the presentation.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities										Total				
	General Obligation Bonds	Income Tax Secured Bonds	TIF Bonds	Qualified Zone Academy Bonds	Certificates of Participation	Capital Leases	Ballpark Bonds	HPTF Bonds(3)	PILOT Revenue Bond(4)	GARVEE Bonds(5)	Tobacco Bonds(1)	Total Debt	Total Debt as a Percentage of Personal Income	Total Debt Per Capita	"Tax Supported Debt" Per Capita
2005	\$ 3,632,198	\$ -	\$ 117,525	\$ 2,815	\$ 120,760	\$ 76,390	\$ -	\$ -	\$ -	\$ -	\$ 498,740	\$ 4,448,428	14.1%	\$ 7,643	\$ 6,786
2006	3,773,863	-	109,895	5,221	278,100	67,942	534,800	-	-	-	742,284	5,512,105	16.2%	9,439	8,168
2007	4,140,133	-	105,229	4,787	270,780	59,868	528,490	34,105	-	-	737,069	5,880,461	16.0%	10,028	8,771
2008	4,592,518	-	100,664	6,713	261,375	52,403	526,415	33,570	155,630	-	724,484	6,453,772	16.0%	11,126	9,877
2009	3,766,628	1,071,785	96,196	6,044	251,515	44,492	521,750	33,010	142,138	-	711,239	6,644,797	16.4%	11,081	9,895
2010	2,781,053	2,570,650	91,807	9,518	241,185	36,108	517,390	85,615	156,621	-	699,779	7,189,726	17.3%	11,880	10,723
2011	2,829,598	3,029,100	87,484	8,573	230,335	27,433	512,850	84,335	142,375	82,610	690,289	7,724,982	17.1%	12,451	11,205
2012	2,295,225	3,799,645	112,985	7,628	218,935	18,972	507,935	82,805	127,924	78,775	677,219	7,928,048	16.9%	12,484	11,294
2013	2,245,185	4,457,675	108,782	6,682	206,965	11,024	502,255	120,450	82,207	117,570	647,459	8,506,254	17.5%	13,104	11,926
2014	2,790,935	4,465,820	104,809	5,736	-	8,162	474,420	118,055	70,030	111,110	631,294	8,780,371	17.2%	13,326	12,199

Note: There are no business type activities with outstanding debt.

Prior year per capita amounts were updated to reflect U.S. Census Bureau population estimates.

Convention Center bonds are neither reported nor included in this table.

(1) Tobacco and GARVEE bonds are not supported by general tax revenues and are not included in the Total "Tax Supported Debt" Per Capita calculation.

(2) The prior year personal income amounts were updated to reflect current methodology and further enhance the presentation of the data.

(3) HPTF - Housing Production Trust Fund

(4) PILOT - Payments in Lieu of Taxes

(5) GARVEE - Federal Highway Grant Anticipation Revenue Bonds

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Debt Service Cost Margin Calculation for Fiscal Year 2014:

General fund revenue	\$ 7,095,400
Debt service cost limitation (17% of general fund revenue)	\$ 1,206,218
Debt expenditure applicable to limit:	
Principal	\$ 239,888
Interest	336,385
Subtotal for current year	<u>576,273</u>
Highest debt service cost	<u>576,273</u>
Total debt service cost subject to the limitation	\$ 576,273
Debt service cost margin	<u>\$ 629,945</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt service cost limitation	\$ 823,558	\$ 875,852	\$ 1,000,684	\$ 1,039,711	\$ 1,002,774	\$ 977,459	\$ 1,019,192	\$ 1,119,360	\$ 1,165,281	\$ 1,206,218
Highest future year debt service cost	359,735	383,659	406,161	456,152	408,506	408,555	456,152	464,994	513,639	576,273
Debt service cost margin	\$ 463,823	\$ 492,193	\$ 594,523	\$ 583,559	\$ 594,268	\$ 568,904	\$ 563,040	\$ 654,366	\$ 651,642	\$ 629,945

Total debt service cost subject to the limit as a percentage of debt service cost limit	43.7 %	43.8 %	40.6 %	43.9 %	40.7 %	41.8 %	44.8 %	41.5 %	44.1 %	47.8 %
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Debt limit ratio	7.4 %	7.4 %	6.9 %	7.5 %	6.9 %	7.1 %	7.6 %	7.1 %	7.5 %	8.1 %
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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 percent of the revenues of the fiscal year in which the debt is issued. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues.

Limitation On Borrowing
(dollars in thousands)

General Fund Expenditures ¹ :	\$ 6,948,808
General Fund Transfers out ² :	152,879
Adjustment for Transfer to Component Agency (UDC) ¹ :	38,384
Adjustment for TIFs and PILOTs Bonds and Notes Debt Service Transfers ¹ :	60,704
Adjustment for Ballpark Revenue Bond Debt Service Transfers ¹ :	32,414
Adjustment for Convention Center Hotel Debt Service Transfers ¹ :	14,841
Total:	\$ 7,248,030

Limitation on borrowing (12%): \$ 869,764
 FY 2014 debt service cost: 761,847
Margin on Limitation: \$ 107,917

FY 2014 Debt service percentage: 10.51%

Long Term Debt	Debt Service Expenditures by Fiscal Year											
	2014			2015			2016			2017		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
General Obligation Bonds ²	\$ 49,675	127,184	176,859	113,110	120,269	233,379	143,260	122,290	265,550	129,485	115,620	245,105
Income Tax Secured Revenue Bonds ²	148,120	205,724	353,844	138,580	208,272	346,852	88,130	209,510	297,640	119,250	204,954	324,204
TIF Bonds ³	3,973	6,719	10,692	3,914	6,785	10,699	4,073	6,840	10,913	4,136	6,853	10,989
TIF Notes ^{4,5}	12,601	21,898	34,499	3,814	18,950	22,764	5,028	18,761	23,789	5,162	18,540	23,702
QZAB	946	-	946	946	-	946	946	-	946	690	-	690
Capital Leases	2,862	645	3,507	3,057	450	3,507	3,268	239	3,507	1,837	37	1,874
Ballpark Revenue Bonds ⁶	6,835	25,579	32,414	7,060	25,221	32,281	7,925	24,816	32,741	8,850	24,370	33,220
Equipment Financing Program	43,043	2,538	45,581	38,360	1,882	40,242	29,799	1,071	30,870	19,098	537	19,635
HPTF Revenue Bonds	2,395	5,429	7,824	2,490	5,339	7,829	2,600	5,222	7,822	2,725	5,100	7,825
PILOT Bonds ⁷	7,180	3,368	10,548	7,510	3,044	10,554	7,845	2,705	10,550	8,200	2,351	10,551
PILOT Notes ⁸	345	665	1,010	389	806	1,195	411	1,152	1,563	435	1,237	1,672
NCR Revenue Bonds ⁹	3,905	50	3,955	-	-	-	-	-	-	-	-	-
COPs ¹⁰	12,560	10,060	22,620	-	-	-	-	-	-	-	-	-
Other Loans Payable	2,724	6,550	9,274	2,913	6,361	9,274	3,116	6,158	9,274	3,333	5,941	9,274
Washington Convention and Sports Authority	14,545	33,729	48,274	19,280	32,652	51,932	18,970	31,769	50,739	19,835	30,838	50,673
Total	\$ 311,709	450,138	761,847	\$ 341,423	430,031	771,454	\$ 315,371	430,533	745,904	\$ 323,036	416,378	739,414

The purpose of this exhibit is to comply with debt limitation requirement.

Notes:

- Adjustments are made to General Fund Expenditures and Transfers to reflect Component Agencies and Debt Service Expenditures not already included.
- Interest on Floating Rate General Obligation and Income Tax Secured Revenue Bonds assumed at 1.5% through FY 2015, and 3.0% thereafter.
- TIF Bonds include the Gallery Place, Mandarin Oriental Hotel and the City Market at O Street projects.
- TIF Notes include the Capitol Hill Towers, Clyde's, Forever 21, Georgia Avenue CVS, Fort Lincoln, Howard Theatre, Madame Tussaud's, the National Crime & Punishment Museum, Verizon Center, Waterfront Arts, and the Zara projects.
- Fort Lincoln was fully repaid on December 1, 2014 with a principal prepayment of \$663 thousand plus accrued interest to that date.
- Ballpark Revenue Bonds Series 2006B-2 were fully repaid on July 1, 2014 with a principal prepayment of \$21 million plus accrued interest to that date.
- PILOT Bonds include Anacostia Waterfront Corp.
- PILOT Notes include Rhode Island Place and Foundry Lofts projects.
- NCR Revenue Bonds were fully repaid on FY 2014 with periodic principal prepayments totaling \$1,092 million plus accrued interest to that date. The final payment was made on February 1, 2014.
- Certificates of Participation, Series 2003 and 2006 were fully refunded by Income Tax Secured Revenue Refunding Bonds, Series 2014A, issued September 10, 2014.

Source: Office of Finance and Treasury