



CAFR

2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT



VINCENT C. GRAY
MAYOR

NATWAR M. GANDHI
CHIEF FINANCIAL OFFICER
JUNE 2000–JANUARY 2014

JEFF DEWITT
CHIEF FINANCIAL OFFICER
PRESENT

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Year Ended September 30, 2013



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 *
2004	\$ 3,418,933	\$ 66,454,109	5.14%	\$ 6,022
2005	3,632,198	86,887,767	4.18%	6,404
2006	3,773,863	98,491,335	3.83%	6,613
2007	4,140,133	124,875,273	3.32%	7,208
2008	4,592,518	142,958,188	3.21%	7,915
2009	3,766,628	153,039,555	2.46%	6,360
2010	2,781,053	150,117,289	1.85%	4,597
2011	2,829,598	139,287,502	2.03%	4,567
2012	2,295,225	146,501,957	1.57%	3,624
2013	2,245,185	151,744,722	1.48%	3,473

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

Exhibit S-3B

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

Fiscal Year	Sales Tax Increment			Real Property Tax Increment			Tax Increment Financing Debts			Income Tax Secured Revenue Bonds			Coverage					
	Increment	\$		Increment	\$		Principal	Debt Service	Interest	Individual Income Tax	Business Franchise	Debt Service Principal		Interest				
2004	\$ 790	\$	2,397	-	\$	-	4,236	4,236	4,236	-	-	-	-	18.65%	\$	-	-	0.00%
2005	4,507		974	4,942		4,942	4,764	4,764	4,764	-	-	-	-	71.13%				0.00%
2006	8,299		3,516	4,809		4,809	4,899	4,899	4,899	-	-	-	-	95.52%				0.00%
2007	8,948		1,563	4,666		4,666	5,042	5,042	5,042	-	-	-	-	128.39%				0.00%
2008	9,090		4,918	4,565		4,565	5,147	5,147	5,147	-	-	-	-	109.69%				0.00%
2009	10,032		4,431	4,467		4,467	5,245	5,245	5,245	1,135,938	342,130	-	7,974	153.93%				18723.58%
2010	7,529		3,750	4,390		4,390	5,320	5,320	5,320	1,110,444	323,687	-	59,710	123.17%				2421.86%
2011	10,904		9,711	4,323		4,323	5,385	5,385	5,385	1,296,598	359,684	23,160	136,175	150.95%				1048.69%
2012	9,747		7,119	8,034		8,034	6,452	6,452	6,452	1,490,694	465,896	90,755	134,090	134.32%				878.85%
2013	11,238			4,203		4,203	6,496	6,496	6,496	1,640,899	453,280	117,740	193,898	171.58%				677.88%

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.

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

Fiscal Year	Governmental Activities										Total Debt	Personal Income(2)	Total Debt as a Percentage of Personal Income	Total Debt Per Capita	"Tax Supported Debt" Per Capita	
	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 Bonds(4)	GARVEE Bonds(5)						Tobacco Bonds(1)
2004	\$ 3,418,933	\$ -	\$ 124,009	\$ 3,071	\$ 128,345	\$ 84,456	\$ -	\$ -	\$ -	\$ -	\$ 502,740	\$ 4,261,554	\$ 29,082,500	14.7%	\$ 7,506	\$ 6,620
2005	3,632,198	-	117,525	2,815	120,760	76,390	-	-	-	-	498,740	4,448,428	31,484,750	14.1%	7,844	6,964
2006	3,773,863	-	109,895	5,221	278,100	67,942	534,800	-	-	-	742,284	5,512,105	34,066,250	16.2%	9,659	8,358
2007	4,140,133	-	105,229	4,787	270,780	59,868	528,490	-	-	-	737,069	5,880,461	36,817,750	16.0%	10,238	8,954
2008	4,592,518	-	100,664	6,713	261,375	52,403	526,415	33,570	155,630	-	724,484	6,453,772	40,359,750	16.0%	11,123	9,874
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	40,515,750	16.4%	11,220	10,019
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	42,179,750	17.0%	11,884	10,727
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	45,029,250	17.2%	12,479	11,364
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	46,686,500	17.0%	12,538	11,467
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	48,118,236	17.7%	13,158	12,157

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 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.
 (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)

Exhibit S-3D

Debt Service Cost Margin Calculation for Fiscal Year 2013:

General fund revenue	\$ 6,854,593
Debt service cost limitation (17% of general fund revenue)	\$ 1,165,281
Debt expenditure applicable to limit:	
Principal	\$ 193,504
Interest	320,135
Subtotal for current year	<u>513,639</u>
Highest debt service cost	<u>513,639</u>
Total debt service cost subject to the limitation	\$ 513,639
Debt service cost margin	<u>\$ 651,642</u>

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt service cost limitation	\$ 735,472	\$ 823,558	\$ 875,852	\$ 1,000,684	\$ 1,039,711	\$ 1,002,774	\$ 977,459	\$ 1,019,192	\$ 1,119,360	\$ 1,165,281
Highest future year debt service cost	339,003	359,735	383,659	406,161	456,152	408,506	408,555	456,152	464,994	513,639
Debt service cost margin	\$ 396,469	\$ 463,823	\$ 492,193	\$ 594,523	\$ 583,559	\$ 594,268	\$ 568,904	\$ 563,040	\$ 654,366	\$ 651,642

Total debt service cost subject to the limit as a percentage of debt service cost limit	46.1 %	43.7 %	43.8 %	40.6 %	43.9 %	40.7 %	41.8 %	44.8 %	41.5 %	44.1 %
Debt limit ratio	7.8 %	7.4 %	7.4 %	6.9 %	7.5 %	6.9 %	7.1 %	7.6 %	7.1 %	7.5 %

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:	\$ 6,525,068
General Fund Transfers out:	214,446
Total:	\$ 6,739,514
Limitation on borrowing (12%):	808,742
FY 2013 debt service cost:	729,302
Margin on Limitation:	\$ 79,440
FY 2013 Debt service percentage:	10.82%

	2013			2014			2015			2016		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Long Term Debt												
General Obligation Bonds ¹	\$ 50,040	118,841	168,881	49,675	110,911	160,586	89,880	93,767	183,647	119,630	95,996	215,626
Income Tax Secured Revenue Bonds ¹	117,740	193,898	311,638	148,120	208,316	356,436	121,095	203,216	324,311	88,105	202,583	290,688
TIF Bonds ²	4,203	6,496	10,699	3,973	6,717	10,690	3,914	6,785	10,699	4,073	6,840	10,913
TIF Notes ³	2,326	4,455	6,781	11,996	6,830	18,826	1,925	4,128	6,053	2,023	4,018	6,041
QZAB	946	-	946	946	-	946	946	-	946	946	-	946
Capital Leases	10,346	1,083	11,429	2,862	645	3,507	3,057	450	3,507	3,268	239	3,507
Ballpark Revenue Bonds ¹	5,680	26,204	31,884	6,835	25,899	32,734	7,685	25,531	33,216	8,550	25,418	33,968
Equipment Financing Program	46,722	2,982	49,704	40,644	2,305	42,949	32,216	1,350	33,566	23,533	661	24,194
HPTF Revenue Bonds	1,941	4,724	6,665	2,395	5,429	7,824	2,490	5,339	7,829	2,600	5,222	7,822
PILOT Bonds ^{4,5}	35,875	4,258	40,133	7,180	3,368	10,548	7,510	3,044	10,554	7,845	2,705	10,550
PILOT Notes ⁶	208	496	704	320	690	1,010	338	672	1,010	357	653	1,010
NCRC Revenue Bonds	9,842	165	10,007	3,905	52	3,957	1,092	13	1,105	-	-	-
COPs	11,970	10,649	22,619	12,560	10,060	22,620	13,220	9,400	22,620	13,945	8,677	22,622
Other Loans Payable ⁷	2,546	6,728	9,274	2,723	6,550	9,273	2,913	6,361	9,274	3,116	6,158	9,274
Washington Convention and Sports Authority	13,865	34,073	47,938	15,625	33,384	49,009	18,200	32,652	50,852	18,970	31,769	50,739
Total	\$ 314,250	\$ 415,052	\$ 729,302	\$ 309,759	\$ 421,156	\$ 730,915	\$ 306,481	\$ 392,708	\$ 699,189	\$ 296,961	\$ 390,939	\$ 687,900

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

Notes:

1. Interest on Floating Rate General Obligation, Income Tax Secured Revenue and Ballpark Revenue Bonds assumed at 1.5% through FY 2015.
2. TIF Bonds include the Gallery Place and Mandarin Oriental Hotel projects and the City Market at O Street projects.
3. 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.
4. PILOT Bonds include Anacostia Waterfront Corp. and Capper/Carrollslburg projects.
5. The Capper/Carrollslburg (PILOT) Bonds, matured December 1, 2012, and was refunded by the District's Income Tax Secured Revenue Refunding Bonds, Series 2012D.
6. PILOT Notes include Rhode Island Place and Foundry Lofts projects.
7. Other Loans Payable include the financing agreement with S/C 225 Virginia Avenue, LLC.