

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.

Exhibit S-3A
Ratios of General Obligation Bonds Outstanding
Last Ten Fiscal Years (\$000s, except per capita)

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
2009	\$ 3,807,419	\$ 153,039,555	2.49%	\$ 6,349
2010	2,811,577	150,117,289	1.87%	4,646
2011	2,857,379	139,287,502	2.05%	4,606
2012	2,311,472	146,501,957	1.58%	3,640
2013	2,292,137	151,744,722	1.51%	3,531
2014	2,880,167	160,300,070	1.80%	4,365
2015	3,760,355	176,911,153	2.13%	5,609
2016	4,116,944	189,102,606	2.18%	6,016
2017	4,509,101	201,570,364	2.24%	6,498
2018	5,369,715	211,381,458	2.54%	7,644

Note:
 General Obligation (GO) Bonds: The GO Bonds outstanding were updated to show amounts net of related premiums and discounts.

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

Fiscal Year	Tax Increment Financing Debts						Income Tax Secured Revenue Bonds				
	Sales Tax Increment	Real Property Tax Increment	Debt Service			Coverage	Individual Income Tax	Business Franchise Tax	Debt Service		
			Principal	Interest				Principal	Interest	Coverage	
2009	\$ 10,032	\$ 4,918	\$ 4,467	\$ 5,245	153.93%	\$ 1,135,938	\$ 342,130	\$ -	\$ 7,974	18536.09%	
2010	7,529	4,431	4,390	5,320	123.17%	1,110,444	323,687	-	59,710	2401.83%	
2011	10,904	3,750	4,323	5,385	150.95%	1,296,598	359,684	23,160	136,175	1039.50%	
2012	9,747	9,711	8,034	6,452	134.32%	1,490,694	465,896	90,755	134,090	870.20%	
2013	11,238	7,119	4,203	6,496	171.58%	1,640,899	453,280	117,740	193,898	671.99%	
2014	7,178	10,324	3,973	6,719	163.69%	1,679,173	415,581	148,120	205,724	592.00%	
2015	9,133	12,328	3,914	6,785	200.59%	1,868,037	447,805	138,580	204,933	674.16%	
2016	8,203	10,132	4,073	6,839	168.03%	1,907,862	556,468	88,155	179,702	920.02%	
2017	10,686	8,953	4,136	6,852	178.73%	1,958,277	554,245	119,300	200,542	785.55%	
2018	10,630	7,678	7,180	6,860	130.40%	2,066,842	574,745	154,505	193,535	758.99%	

Note:

FY 2010: Beginning in FY 2010, the District revised the presentation of this Exhibit by removing sales tax and real property tax increments that were dedicated to debt service associated with 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 dedicated.

Source: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements (Note 7 presented on pages 109 through 119).

Exhibit S-3C
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (\$000s, except per capita)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES										
General obligation bonds	\$ 3,807,419	\$ 2,811,577	\$ 2,857,379	\$ 2,311,472	\$ 2,292,137	\$ 2,880,167	\$ 3,760,355	\$ 4,116,944	\$ 4,509,101	\$ 5,369,715
Income tax secured bonds	1,108,044	2,591,244	2,994,209	3,840,474	4,682,049	4,697,201	4,578,445	4,399,700	4,124,380	3,836,706
TIF bonds	89,456	85,737	82,042	115,567	113,945	109,488	105,108	100,443	95,885	108,702
Qualified zone academy bonds	5,810	9,097	8,573	7,351	6,682	5,736	4,791	3,845	3,155	2,466
Certificates of participation	254,645	243,903	232,687	220,967	211,586	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	-	-	-	-	275,000
Capital leases	44,492	36,108	27,433	18,972	11,024	8,162	5,105	1,837	-	-
Ballpark bonds	516,852	512,542	507,637	504,000	507,916	479,704	472,273	374,514	336,406	287,022
HPTF bonds	32,791	85,278	83,970	82,453	123,044	120,476	117,814	114,994	112,109	109,104
PILOT revenue bonds	140,869	156,753	142,746	128,594	82,207	70,030	215,647	214,213	205,696	219,698
GARVEE bonds	-	-	87,783	83,475	130,112	122,144	114,001	104,634	96,201	87,560
Tobacco bonds	698,797	688,195	679,532	673,099	643,803	628,074	613,600	598,710	581,533	559,559
Total Debt	\$ 6,699,175	\$ 7,220,434	\$ 7,703,991	\$ 7,986,424	\$ 8,804,505	\$ 9,121,182	\$ 9,987,139	\$ 10,029,834	\$ 10,064,466	\$ 10,855,532
Personal income	\$ 40,403,096	\$ 41,499,722	\$ 45,272,125	\$ 46,873,665	\$ 48,118,236	\$ 46,015,860	\$ 48,453,108	\$ 51,842,801	\$ 53,300,341	\$ 57,720,700
Total debt percentage of personal income	16.58%	17.40%	17.02%	17.04%	18.30%	19.82%	20.61%	19.35%	18.88%	18.81%
Total debt per capita	\$ 11,172	\$ 11,930	\$ 12,417	\$ 12,576	\$ 13,564	\$ 13,823	\$ 14,898	\$ 14,656	\$ 14,503	\$ 15,454
Total "tax supported debt" per capita	\$ 10,006	\$ 10,793	\$ 11,180	\$ 11,385	\$ 12,372	\$ 12,686	\$ 13,812	\$ 13,629	\$ 13,526	\$ 14,532

Notes:

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

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 prior years' personal income amounts were updated to reflect current methodology and further enhance the presentation of the data. Prior years' debt per capita amounts were updated to reflect U.S. Census Bureau population estimates. Tobacco and GARVEE bonds are not supported by general tax revenues and are not included in the Total "Tax supported debt" per capita calculation.

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

Debt Service Cost Margin Calculation for Fiscal Year 2018:

General fund revenue	<u>\$ 8,660,050</u>
Debt service cost limitation (17% of general fund revenue)	<u>\$ 1,472,209</u>
Debt expenditure applicable to limit:	
Principal	\$ 304,964
Interest	<u>399,439</u>
Subtotal for current year	<u>704,403</u>
Highest debt service cost	<u>704,403</u>
Total debt service cost subject to the limitation	<u>704,403</u>
Debt service cost margin	<u>\$ 767,806</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt service cost limitation	\$ 1,002,774	\$ 977,459	\$ 1,019,192	\$ 1,119,360	\$ 1,165,281	\$ 1,206,218	\$ 1,302,425	\$ 1,372,556	\$ 1,412,132	\$ 1,472,209
	<u>408,506</u>	<u>408,555</u>	<u>456,152</u>	<u>464,994</u>	<u>513,639</u>	<u>576,273</u>	<u>596,468</u>	<u>591,653</u>	<u>644,703</u>	<u>704,403</u>
Debt service cost margin	<u>594,268</u>	<u>568,904</u>	<u>563,040</u>	<u>654,366</u>	<u>651,642</u>	<u>629,945</u>	<u>705,957</u>	<u>780,903</u>	<u>767,429</u>	<u>767,806</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	<u>40.7%</u>	<u>41.8%</u>	<u>44.8%</u>	<u>41.5%</u>	<u>44.1%</u>	<u>47.8%</u>	<u>45.8%</u>	<u>43.1%</u>	<u>45.7%</u>	<u>47.8%</u>
Debt limit ratio	<u>6.9%</u>	<u>7.1%</u>	<u>7.6%</u>	<u>7.1%</u>	<u>7.5%</u>	<u>8.1%</u>	<u>7.8%</u>	<u>7.3%</u>	<u>7.8%</u>	<u>8.1%</u>

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 limit ratio is calculated using the highest fiscal year debt service divided by the total revenues. The District issued more income tax revenue bonds to refund general obligation debt because the income tax revenue bonds have a higher rating, which resulted in a lower interest cost.

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

General fund expenditures (1):	\$ 8,511,095	
General fund transfers out (1):	190,405	
Adjustment for transfer to component agency (UDC) (1):	44,610	
Adjustment for TIFs and PILOTs bonds and notes debt service transfers (1):	50,118	
Adjustment for ballpark revenue bond debt service transfers (1):	66,319	
Adjustment for convention center hotel debt service transfers (1):	12,018	
Total (a)	<u>\$ 8,874,565</u>	
Limitation on borrowing (12%):		\$ 1,064,948
FY 2018 debt service cost (b):		899,631
Margin on limitation:		<u>\$ 165,317</u>
FY 2018 debt service percentage (b/a):		10.14%

Debt Service Expenditures by Fiscal Year

	2018			2019			2020			2021		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
LONG-TERM DEBT												
General obligation bonds (2)	\$ 143,355	\$ 210,997	\$ 354,352	\$ 161,095	\$ 220,728	\$ 381,823	\$ 206,275	\$ 217,714	\$ 423,989	\$ 200,515	\$ 208,062	\$ 408,577
Bond anticipation notes	-	1,875	1,875	-	10,000	10,000	-	10,000	10,000	-	10,000	10,000
Income tax secured revenue bonds (2)	154,505	193,535	348,040	159,030	186,052	345,082	145,470	178,888	324,358	170,485	171,509	341,994
TIF bonds (3)	7,180	6,860	14,040	4,284	7,524	11,808	4,398	7,490	11,888	6,099	5,849	11,948
TIF notes (4), (5)	4,294	9,811	14,105	4,739	9,250	13,989	4,987	8,965	13,952	4,452	8,637	13,089
QZAB	689	-	689	454	-	454	454	-	454	454	-	454
Ballpark revenue bonds	48,525	17,794	66,319	2,635	15,881	18,516	3,055	15,708	18,763	3,510	15,507	19,017
Equipment financing program	18,690	564	19,254	11,614	230	11,844	4,438	48	4,486	-	-	-
HPTF revenue bonds	2,850	4,972	7,822	2,990	4,839	7,829	3,140	4,689	7,829	3,275	4,551	7,826
PILOT bonds (6)	11,999	9,111	21,110	34,076	8,983	43,059	24,599	9,357	33,956	15,311	9,775	25,086
PILOT notes (7)	391	472	863	413	423	836	437	389	826	461	354	815
225 Virginia Avenue lease	3,565	5,709	9,274	3,813	5,461	9,274	4,078	5,195	9,273	4,362	4,911	9,273
Washington convention and sports authority	20,655	21,233	41,888	18,105	24,963	43,068	24,380	24,069	48,449	25,600	22,840	48,440
Total	\$ 416,698	\$ 482,933	\$ 899,631	\$ 403,248	\$ 494,334	\$ 897,582	\$ 425,711	\$ 482,512	\$ 908,223	\$ 434,524	\$ 461,995	\$ 896,519

Notes:

- (1) Adjustments are made to General Fund Expenditures and Transfers to reflect Component Agencies and Debt Service Expenditures not already included.
- (2) Interest rate for unhedged variable rate bonds calculated at 3.00%.
- (3) TIF Bonds include the Gallery Place, Mandarin Oriental Hotel, City Market at O Street, and the Skyland Town Center Project. The District plans to issue additional bonds which have been approved and included in future years' debt service.
- (4) TIF Notes include the Forever 21, Georgia Avenue CVS, Howard Theatre, Verizon Center and the Convention Center Hotel.
- (5) Adjustments are made to TIF Notes to reflect actual principal prepayment.
- (6) PILOT Bonds include Anacostia Waterfront Corp., the Yards, and the Wharf projects. The debt service schedule for the Yards does not require principal payments until maturity in fiscal year 2020 at which point it is assumed to be refinanced. Debt service payments shown for the Yards and Wharf PILOT Bonds are actual or anticipated, and at the District's discretion.
- (7) PILOT Notes include Rhode Island Place and Foundry Lofts projects. Adjustments are made to PILOT Notes to reflect actual principal prepayment.

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

Source: Office of Finance and Treasury