

## 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	Net Unamortized Premiums (Bond Issue Costs)	Outstanding GO Bonds Net of Related Premiums and Bond Issue Costs	Actual Value of Taxable Property	GO Bonds as a Percentage of Actual Value of Taxable Property %	GO Debt Per Capita
2011	\$ 2,829,598	\$ 27,781	\$ 2,857,379	\$ 139,287,502	2.05%	\$ 4,595
2012	2,295,225	16,247	2,311,472	146,501,957	1.58	3,629
2013	2,245,185	46,952	2,292,137	151,744,722	1.51	3,515
2014	2,790,935	89,232	2,880,167	160,300,070	1.80	4,337
2015	3,530,770	229,585	3,760,355	176,911,153	2.13	5,556
2016	3,829,305	287,639	4,116,944	189,102,606	2.18	5,992
2017	4,078,160	430,941	4,509,101	201,570,364	2.24	6,480
2018	4,827,105	542,610	5,369,715	211,381,458	2.54	7,647
2019	5,611,815	649,007	6,260,822	220,126,032	2.84	8,863
2020	5,396,870	596,131	5,993,001	228,687,317	2.62	8,429

Notes:

Outstanding GO Bonds Net of Related Premiums and Bond Issue Costs: Prior year amounts were updated to show amounts net of related unamortized premiums (bond issuance cost) and may not match the amounts presented in CAFR tables from previous years.

GO Debt Per Capita: Prior years' debt per capita amounts were updated to reflect the U.S. Bureau of Economic Analysis (BEA) population estimates as of September of each year.

**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	
2011	\$ 10,904	\$ 3,750	\$ 4,323	\$ 5,385	150.95%	\$ 1,296,598	\$ 359,684	\$ 23,160	\$ 136,175	1,039.50%
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
2019	9,865	11,072	4,284	7,629	175.75	2,299,326	642,656	159,030	186,052	852.55
2020	6,025	8,075	4,398	7,919	114.48	2,377,236	727,697	149,970	207,163	869.41

Note:  
Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements (Note 7 presented on pages 121 through 136).

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
General obligation bonds	\$ 2,857,379	\$ 2,311,472	\$ 2,292,137	\$ 2,880,167	\$ 3,760,355	\$ 4,116,944	\$ 4,509,101	\$ 5,369,715	\$ 6,260,822	\$ 5,993,001
Income tax secured bonds	2,994,209	3,840,474	4,682,049	4,697,201	4,578,445	4,399,700	4,124,380	3,836,706	3,664,404	5,635,204
TIF bonds	82,042	115,567	113,945	109,488	105,108	100,443	95,885	108,702	104,037	119,385
Qualified zone academy bonds	8,573	7,351	6,682	5,736	4,791	3,845	3,155	2,466	2,012	1,558
Certificates of participation	232,687	220,967	211,586	-	-	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	-	-	275,000	375,000	-
Capital leases	27,433	18,972	11,024	8,162	5,105	1,837	-	-	-	-
Ballpark bonds	507,637	504,000	507,916	479,704	472,273	374,514	336,406	287,022	230,864	186,963
HPTF bonds	83,970	82,453	123,044	120,476	117,814	114,994	112,109	109,104	105,965	38,535
PILOT revenue bonds	142,746	128,594	82,207	70,030	215,647	214,213	205,696	219,698	198,678	197,791
GARVEE bonds	87,783	83,475	130,112	122,144	114,001	104,634	96,201	87,560	78,661	356,937
Tobacco bonds	679,532	673,099	643,803	628,074	613,600	598,710	581,533	559,559	537,395	515,360
<b>Total Debt</b>	<b>\$ 7,703,991</b>	<b>\$ 7,986,424</b>	<b>\$ 8,804,505</b>	<b>\$ 9,121,182</b>	<b>\$ 9,987,139</b>	<b>\$ 10,029,834</b>	<b>\$ 10,064,466</b>	<b>\$ 10,855,532</b>	<b>\$ 11,557,838</b>	<b>\$ 13,044,734</b>
Personal income	\$ 42,090,600	\$ 43,020,100	\$ 44,239,000	\$ 47,674,200	\$ 51,240,800	\$ 53,531,600	\$ 55,382,900	\$ 57,500,100	\$ 58,970,400	\$ 63,063,700
Total debt as percentage of personal income	18.30%	18.56%	19.90%	19.13%	19.49%	18.74%	18.17%	18.88%	19.60%	20.69%
Total debt per capita	\$ 12,390	\$ 12,537	\$ 13,501	\$ 13,735	\$ 14,757	\$ 14,599	\$ 14,464	\$ 15,460	\$ 16,361	\$ 18,348
Total "tax supported debt" per capita	\$ 11,156	\$ 11,350	\$ 12,315	\$ 12,605	\$ 13,681	\$ 13,575	\$ 13,490	\$ 14,539	\$ 15,489	\$ 17,121

**Note:**

Outstanding debt was updated to show amounts net of related premiums and bond issuance cost, 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.

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 revised totals as of the third quarter of calendar year 2020.

Prior years' debt per capita amounts were updated to reflect the U.S. Bureau of Economic Analysis (BEA) population estimates as of the third quarter of each calendar year.

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 2020:**

General fund revenue	<u>\$ 9,193,659</u>
Debt service cost limitation (17% of general fund revenue)	\$ 1,562,922
Debt expenditure applicable to limit:	
Principal	\$ 376,876
Interest	469,180
Subtotal for current year	<u>846,056</u>
Highest debt service cost	<u>846,056</u>
Total debt service cost subject to the limitation	<u>846,056</u>
<b>Debt service cost margin</b>	<b><u>\$ 716,866</u></b>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt service cost limitation	\$ 1,019,192	\$ 1,119,360	\$ 1,165,281	\$ 1,206,218	\$ 1,302,425	\$ 1,372,556	\$ 1,412,132	\$ 1,472,209	\$ 1,612,296	\$ 1,562,922
Highest debt service cost	456,152	464,994	513,639	576,273	596,468	591,653	644,703	704,403	726,519	846,056
Debt service cost margin	<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>	<u>\$ 885,777</u>	<u>\$ 716,866</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	<u>44.76%</u>	<u>41.54%</u>	<u>44.08%</u>	<u>47.78%</u>	<u>45.80%</u>	<u>43.11%</u>	<u>45.65%</u>	<u>47.85%</u>	<u>45.06%</u>	<u>54.13%</u>
Debt limit ratio	<u>7.61%</u>	<u>7.06%</u>	<u>7.49%</u>	<u>8.12%</u>	<u>7.79%</u>	<u>7.33%</u>	<u>7.76%</u>	<u>8.13%</u>	<u>7.66%</u>	<u>9.20%</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% 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):	\$ 8,984,035
General fund transfers out (1):	364,194
Adjustment for transfer to component unit (UDC) (1):	38,104
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	60,706
Adjustment for ballpark revenue bond debt service transfers (1):	55,120
Adjustment for convention center hotel debt service transfers (1):	9,136
<b>Total (a)</b>	<b>\$ 9,511,295</b>
Limitation on borrowing (12%):	\$ 1,141,355
FY 2020 debt service cost (b):	1,032,482
<b>Margin on limitation:</b>	<b>\$ 108,873</b>
FY 2020 debt service percentage (b/a):	10.86%

**Debt Service Expenditures by Fiscal Year**

Long-Term Debt	2020			2021			2022			2023		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
General obligation bonds (2)	\$ 193,865	\$ 268,159	\$ 462,024	\$ 194,120	\$ 257,490	\$ 451,610	\$ 203,585	\$ 247,699	\$ 451,284	\$ 216,165	\$ 236,996	\$ 453,161
QZAB	454	-	454	454	-	454	276	-	276	276	-	276
Income tax secured revenue bonds (2)	149,970	207,163	357,133	131,285	229,359	360,644	198,825	226,962	425,787	250,740	216,573	467,313
TIF bonds (3)	4,398	7,919	12,317	6,099	6,278	12,377	8,332	5,087	13,419	4,339	4,673	9,012
TIF notes (4), (5)	4,504	8,436	12,940	4,465	7,754	12,219	4,069	7,456	11,525	4,248	7,165	11,413
Ballpark revenue bonds	43,455	11,665	55,120	3,510	10,853	14,363	3,510	10,622	14,132	4,525	10,360	14,885
HPTF revenue bonds	9,576	4,089	13,665	2,305	1,466	3,771	2,420	1,351	3,771	2,535	1,230	3,765
PILOT bonds (6)	26,688	7,969	34,657	14,035	7,711	21,746	14,605	7,030	21,635	4,970	6,647	11,617
PILOT notes (7)	437	355	792	461	303	764	487	249	736	515	205	720
225 Virginia Avenue lease	4,077	5,195	9,272	4,362	4,911	9,273	4,666	4,608	9,274	4,991	4,283	9,274
Bond anticipation notes	18,933	1,619	20,552	-	10,000	10,000	-	11,000	11,000	-	12,000	12,000
Equipment financing program	4,438	48	4,486	-	-	-	-	-	-	-	-	-
Washington convention and sports authority	25,600	23,470	49,070	25,600	22,209	47,809	27,590	20,853	48,443	28,960	19,421	48,381
<b>Total</b>	<b>\$ 486,395</b>	<b>\$ 546,087</b>	<b>\$ 1,032,482</b>	<b>\$ 386,696</b>	<b>\$ 558,334</b>	<b>\$ 945,030</b>	<b>\$ 468,365</b>	<b>\$ 542,917</b>	<b>\$ 1,011,282</b>	<b>\$ 522,264</b>	<b>\$ 519,553</b>	<b>\$ 1,041,817</b>

Note:

- (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 3.00%.
- (3) TIF Bonds include the issues for Gallery Place, Mandarin Oriental Hotel, City Market at O Street, and the Skyland Town Center Project. It also includes bonds for Bryant Street, which were issued in FY 2020. The District plans to issue additional bonds which have been approved and included in future years' debt service.
- (4) TIF Notes include the issues for 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 issues for Anacostia Waterfront Corporation, the Yards, and the Wharf projects. The debt service schedule for the Yards does not require principal payments until maturity in fiscal year 2025 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 discretion of the District.
- (7) PILOT Notes include issues for Rhode Island Place and Foundry Lofts Project. 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