

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
2013	\$ 2,245,185	\$ 46,952	\$ 2,292,137	\$ 151,744,722	1.51%	\$ 3,548
2014	2,790,935	89,232	2,880,167	160,300,070	1.80	4,390
2015	3,530,770	229,585	3,760,355	176,911,153	2.13	5,640
2016	3,829,305	287,639	4,116,944	189,102,606	2.18	6,101
2017	4,078,160	430,941	4,509,101	201,570,364	2.24	6,615
2018	4,827,105	542,610	5,369,715	211,381,458	2.54	7,828
2019	5,611,815	649,007	6,260,822	220,126,032	2.84	9,102
2020	5,396,870	596,131	5,993,001	228,687,317	2.62	8,715
2021	5,202,750	544,789	5,747,539	244,414,935	2.35	8,606
2022	6,002,310	640,834	6,643,144	248,762,508	2.67	10,228

Notes:

The net position restricted for debt services shown on Exhibit 1-a did not have any portion restricted for principal payment of the general bonded debt. The GO amount restricted covers interest payments for the 6 months following the fiscal year end.

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 the third quarter of each calendar 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	
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
2021	3,101	14,185	6,099	6,582	136.31	2,643,213	863,057	131,285	231,220	967.23
2022	6,360	8,396	18,397	5,237	62.44	3,116,991	991,322	154,265	213,358	1,117.53

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 128 through 142).

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General obligation bonds	\$ 2,292,137	\$ 2,880,167	\$ 3,760,355	\$ 4,116,944	\$ 4,509,101	\$ 5,369,715	\$ 6,260,822	\$ 5,993,001	\$ 5,747,539	\$ 6,643,174
Income tax secured bonds	4,682,049	4,697,201	4,578,445	4,399,700	4,124,380	3,836,706	3,664,404	5,635,204	5,364,137	5,631,421
TIF bonds	113,945	109,488	105,108	100,443	95,885	108,702	104,037	119,385	127,531	109,898
Qualified zone academy bonds	6,682	5,736	4,791	3,845	3,155	2,466	2,012	1,558	1,105	829
Certificates of participation	211,586	-	-	-	-	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	275,000	375,000	-	163,665	132,060
Capital leases	11,024	8,162	5,105	1,837	-	-	-	-	-	-
Ballpark bonds	507,916	479,704	472,273	374,514	336,406	287,022	230,864	186,963	183,400	179,351
HPTF bonds	123,044	120,476	117,814	114,994	112,109	109,104	105,965	38,535	36,144	33,642
PILOT revenue bonds	82,207	70,030	215,647	214,213	205,696	219,698	198,678	197,791	174,196	156,274
GARVEE bonds	130,112	122,144	114,001	104,634	96,201	87,560	78,661	356,937	336,486	315,609
Tobacco bonds	643,803	628,074	613,600	598,710	581,533	559,559	537,395	515,360	486,924	487,139
Total Debt	\$ 8,804,505	\$ 9,121,182	\$ 9,987,139	\$ 10,029,834	\$ 10,064,466	\$ 10,855,532	\$ 11,557,838	\$ 13,044,734	\$ 12,621,127	\$ 13,689,397
Personal income	\$ 43,728,400	\$ 47,193,700	\$ 50,598,200	\$ 52,803,600	\$ 54,782,000	\$ 57,238,500	\$ 58,426,000	\$ 63,083,400	\$ 64,524,500	\$ 64,962,200
Total debt percentage of personal income	20.13%	19.33%	19.74%	18.99%	18.37%	18.97%	19.78%	20.68%	19.56%	21.07%
Total debt per capita	\$ 13,628	\$ 13,903	\$ 14,979	\$ 14,864	\$ 14,766	\$ 15,826	\$ 16,802	\$ 18,969	\$ 18,899	\$ 21,077
Total "tax supported debt" per capita	\$ 12,430	\$ 12,759	\$ 13,888	\$ 13,821	\$ 13,772	\$ 14,883	\$ 15,907	\$ 17,701	\$ 17,666	\$ 19,841

Notes:

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.

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 2022.

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 2022:

General fund revenue	<u>\$ 11,126,770</u>
Debt service cost limitation (17% of general fund revenue)	\$ 1,891,551
Debt expenditure applicable to limit:	
Principal	\$ 434,410
Interest	<u>484,898</u>
Subtotal for current year	<u>919,308</u>
Highest debt service cost	<u>919,308</u>
Total debt service cost subject to the limitation	<u>919,308</u>
Debt service cost margin	<u>\$ 972,243</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>	<u>2021</u>	<u>2022</u>
Debt service cost limitation	\$ 1,165,281	\$ 1,206,218	\$ 1,302,425	\$ 1,372,556	\$ 1,412,132	\$ 1,472,209	\$ 1,612,296	\$ 1,562,922	\$ 1,666,929	\$ 1,891,551
Highest debt service cost	<u>513,639</u>	<u>576,273</u>	<u>596,468</u>	<u>591,653</u>	<u>644,703</u>	<u>704,403</u>	<u>726,519</u>	<u>846,056</u>	<u>846,056</u>	<u>919,308</u>
Debt service cost margin	<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>	<u>\$ 820,873</u>	<u>\$ 972,243</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	<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>	<u>50.76%</u>	<u>48.60%</u>
Debt limit ratio	<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>	<u>8.63%</u>	<u>8.26%</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.

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

General fund expenditures (1):	\$ 11,287,019
General fund transfers out (1):	646,222
Adjustment for transfer to component unit (UDC) (1):	32,304
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	87,011
Adjustment for ballpark revenue bond debt service transfers (1):	14,617
Adjustment for convention center hotel debt service transfers (1):	4,869
Total (a)	<u>\$ 12,072,042</u>
Limitation on borrowing (12%):	\$ 1,448,645
FY 2022 debt service cost (b):	980,984
Margin on limitation:	<u>\$ 467,661</u>
FY 2022 debt service percentage (b/a):	8.13%

	2022			2023			2024			2025		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Long-Term Debt												
General obligation bonds (2)	\$ 203,585	\$ 261,828	\$ 465,413	\$ 234,090	\$ 277,749	\$ 511,839	\$ 231,780	\$ 269,339	\$ 501,119	\$ 259,810	\$ 257,429	\$ 517,239
QZAB	276	-	276	276	-	276	276	-	276	277	-	277
Income tax secured revenue bonds (2)	154,265	213,358	367,623	232,560	228,999	461,559	253,395	228,537	481,932	267,195	215,866	483,061
TIF bonds (3)	18,397	5,237	23,634	4,849	4,251	9,100	5,342	4,114	9,456	5,701	3,946	9,647
TIF notes (4)	18,155	11,739	29,894	8,168	5,102	13,270	720	4,967	5,687	803	4,920	5,723
Ballpark revenue bonds	3,995	10,622	14,617	4,525	10,360	14,885	17,215	9,761	26,976	18,735	8,800	27,535
HPTF revenue bonds	2,420	1,351	3,771	2,535	1,230	3,765	1,150	1,103	2,253	1,190	1,057	2,247
PILOT bonds (5)	25,825	7,042	32,867	4,970	7,195	12,165	5,150	7,046	12,196	29,564	6,140	35,704
PILOT notes (6)	388	228	616	183	215	398	193	205	398	203	195	398
225 Virginia Avenue lease	4,666	4,608	9,274	4,991	4,283	9,274	5,338	3,935	9,273	5,710	3,564	9,274
Bond anticipation notes	-	183	183	-	3,750	3,750	-	7,500	7,500	-	7,500	7,500
Washington convention and sports authority	16,235	16,581	32,816	10,705	17,083	27,788	13,040	16,571	29,611	13,570	16,120	29,690
Total	<u>\$ 448,207</u>	<u>\$ 532,777</u>	<u>\$ 980,984</u>	<u>\$ 507,852</u>	<u>\$ 560,217</u>	<u>\$ 1,068,069</u>	<u>\$ 533,599</u>	<u>\$ 553,078</u>	<u>\$ 1,086,677</u>	<u>\$ 602,758</u>	<u>\$ 525,537</u>	<u>\$ 1,128,295</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 3.00%.
- (3) TIF Bonds include the Gallery Place, Mandarin, City Market at O Street, Skyland Town Center, Bryant Street and Reunion Square projects. Union Market bonds were issued in FY 2021 as convertible capital appreciation bonds that do not have principal or interest payments during the time period above. Mandarin Oriental Hotel matured in FY 2022. There was an optional redemption (prepayment) of \$12 million of Gallery Place principal in FY 2022. Reunion Square was issued as a variable rate draw down bond in FY 2022 with a capitalized interest period; interest payments assume periodic draws that increase the outstanding balance.
- (4) TIF Notes include Georgia Avenue CVS, Capital One Arena (formerly known as the Verizon Center), and the Convention Center Hotel. Adjustments are made to TIF Notes to reflect actual principal prepayment in FY 2022 and FY 2023 to date.
- (5) PILOT Bonds include Anacostia Waterfront Corp. (AWC), the Yards, and the Wharf. The Yards was refinanced in 2019 as a variable-rate drawdown bond; it does not require principal payments until maturity in fiscal year 2025, but the estimates include payment of principal through level debt service payments. Wharf 2020 and 2022 and AWC were paid off in FY 2022.
- (6) PILOT Notes include Rhode Island Place and Foundry Lofts projects. Adjustments are made to PILOT Notes to reflect actual principal prepayment. Rhode Island Place was paid off in FY 2022.

Source: Office of Finance and Treasury