

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
2014	\$ 2,790,935	\$ 89,232	\$ 2,880,167	\$ 160,300,070	1.80%	\$ 4,340
2015	3,530,770	229,585	3,760,355	176,911,153	2.13	5,554
2016	3,829,305	287,639	4,116,944	189,102,606	2.18	5,988
2017	4,078,160	430,941	4,509,101	201,570,364	2.24	6,469
2018	4,827,105	542,610	5,369,715	211,381,458	2.54	7,626
2019	5,611,815	649,007	6,260,822	220,126,032	2.84	8,840
2020	5,396,870	596,131	5,993,001	228,687,317	2.62	8,934
2021	5,202,750	544,789	5,747,539	244,414,935	2.35	8,591
2022	6,002,310	640,834	6,643,144	248,762,508	2.67	9,901
2023	6,329,085	656,571	6,985,656	254,609,476	2.74	10,289

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. Census Bureau estimates.

**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	
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
2023	24,664	15,198	4,849	4,239	438.62	3,048,229	1,126,304	232,560	229,030	904.38

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 124 through 138).

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General obligation bonds	\$ 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	\$ 6,985,656
Income tax secured bonds	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	5,310,005
TIF bonds	109,488	105,108	100,443	95,885	108,702	104,037	119,385	127,531	109,898	104,913
Qualified zone academy bonds	5,736	4,791	3,845	3,155	2,466	2,012	1,558	1,105	829	552
Bond anticipation notes	-	-	-	-	275,000	375,000	-	163,665	132,060	113,219
Capital leases	8,162	5,105	1,837	-	-	-	-	-	-	-
Ballpark bonds	479,704	472,273	374,514	336,406	287,022	230,864	186,963	183,400	179,351	174,773
HPTF bonds	120,476	117,814	114,994	112,109	109,104	105,965	38,535	36,144	33,642	31,031
PILOT revenue bonds	70,030	215,647	214,213	205,696	219,698	198,678	197,791	174,196	156,274	146,327
GARVEE bonds	122,144	114,001	104,634	96,201	87,560	78,661	356,937	336,486	315,609	294,286
Tobacco bonds	628,074	613,600	598,710	581,533	559,559	537,395	515,360	486,924	487,139	430,042
Total Debt	\$ 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	\$ 13,590,804
Personal income	\$ 46,523,400	\$ 49,975,800	\$ 52,344,000	\$ 54,495,700	\$ 56,933,800	\$ 57,644,400	\$ 61,375,700	\$ 65,064,100	\$ 65,008,000	\$ 69,191,300
Total debt percentage of personal income	19.61%	19.98%	19.16%	18.47%	19.07%	20.05%	21.25%	19.40%	21.06%	19.64%
Total debt per capita	\$ 13,745	\$ 14,752	\$ 14,587	\$ 14,438	\$ 15,417	\$ 16,319	\$ 19,445	\$ 18,865	\$ 20,403	\$ 20,017
Total "tax supported debt" per capita	\$ 12,614	\$ 13,677	\$ 13,564	\$ 13,466	\$ 14,498	\$ 15,449	\$ 18,145	\$ 17,634	\$ 19,207	\$ 18,950

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 2023.

Prior years' debt per capita amounts were updated to reflect U.S. Census Bureau population estimates.

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

Debt Service Cost Margin Calculation for Fiscal Year 2023:

General fund revenue	<u>\$ 11,282,783</u>
Debt service cost limitation (17% of general fund revenue)	<u>\$ 1,918,073</u>
Debt expenditure applicable to limit:	
Principal	\$ 593,296
Interest	<u>540,707</u>
Subtotal for current year	<u>1,134,003</u>
Highest debt service cost	<u>1,134,003</u>
Total debt service cost subject to the limitation	<u>1,134,003</u>
Debt service cost margin	<u>\$ 784,070</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>	<u>2023</u>
Debt service cost limitation	\$ 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	\$ 1,918,073
Highest debt service cost	<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>	<u>1,134,003</u>
Debt service cost margin	<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>	<u>\$ 784,070</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	<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>	<u>59.12%</u>
Debt limit ratio	<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>	<u>10.05%</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 cost divided by the total general fund revenue.

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

General fund expenditures (1):	\$ 11,617,270
General fund transfers out (1):	1,026,416
Adjustment for transfer to component unit (UDC) (1):	28,365
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	49,666
Adjustment for ballpark revenue bond debt service transfers (1):	14,885
Adjustment for convention center hotel debt service transfers (1):	5,766
Total (a)	<u>\$ 12,742,368</u>
Limitation on borrowing (12%):	\$ 1,529,084
FY 2023 debt service cost (b):	<u>1,087,770</u>
Margin on limitation:	<u>\$ 441,314</u>
FY 2023 debt service percentage (b/a):	8.54%

Debt Service Expenditures by Fiscal Year

	2023			2024			2025			2026		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Long-Term Debt												
General obligation bonds (2)	\$ 234,396	\$ 286,202	\$ 520,598	\$ 232,735	\$ 298,563	\$ 531,298	\$ 260,815	\$ 285,683	\$ 546,498	\$ 261,915	\$ 273,354	\$ 535,269
QZAB	277	-	277	276	-	276	276	-	276	-	-	-
Income tax secured revenue bonds (2)	232,560	229,030	461,590	253,395	228,570	481,965	267,195	215,899	483,094	265,765	203,335	469,100
TIF bonds (3)	4,849	4,239	9,088	15,017	4,174	19,191	5,701	3,849	9,550	21,071	3,828	24,899
TIF notes (4)	14,394	5,102	19,496	8,511	4,733	13,244	803	4,597	5,400	896	4,545	5,441
Ballpark revenue bonds (5)	4,525	10,360	14,885	17,215	9,761	26,976	18,735	8,800	27,535	20,350	7,753	28,103
HPTF revenue bonds	2,535	1,230	3,765	1,150	1,103	2,253	1,190	1,057	2,247	1,240	1,010	2,250
PILOT bonds (6)	13,408	7,276	20,684	10,015	7,234	17,249	6,436	7,085	13,521	6,710	6,810	13,520
PILOT notes (7)	183	215	398	193	205	398	203	195	398	213	185	398
225 Virginia Avenue lease	4,991	4,283	9,274	5,338	3,935	9,273	5,710	3,564	9,274	6,107	3,166	9,273
Bond anticipation notes	-	183	183	-	7,500	7,500	-	7,500	7,500	-	7,500	7,500
Washington convention and sports authority	10,705	16,827	27,532	13,040	16,120	29,160	13,570	15,631	29,201	16,285	15,075	31,360
Total	<u>\$ 522,823</u>	<u>\$ 564,947</u>	<u>\$ 1,087,770</u>	<u>\$ 556,885</u>	<u>\$ 581,898</u>	<u>\$ 1,138,783</u>	<u>\$ 580,634</u>	<u>\$ 553,860</u>	<u>\$ 1,134,494</u>	<u>\$ 600,552</u>	<u>\$ 526,561</u>	<u>\$ 1,127,113</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 3.50%.
- (3) TIF Bonds include the Gallery Place, City Market at O Street, Skyland Town Center, Bryant Street, Reunion Square, and Union Market projects. Adjustments made to TIF notes in fiscal year 2024 to reflect actual principal prepayments. Union Market bonds were issued in fiscal year 2021 as convertible capital appreciation bonds and will have its first interest payment in fiscal year 2026, but will not have a principal payment until fiscal year 2027. Reunion Square was issued as a variable rate draw down bond in fiscal year 2022 with a capitalized interest period; capitalized interest payments assume periodic draws that increase the outstanding balance in fiscal year 2024, with a refinancing of that balance after fiscal year 2026.
- (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 fiscal years 2023 and 2024.
- (5) Fiscal year 2024 includes a prepayment of \$8.4 million scheduled for 2/1/2024.
- (6) PILOT Bonds include the Yards and the Wharf. Adjustments are made to PILOT Notes to reflect actual principal prepayment. The Yards was refinanced in 2019 as a variable-rate drawdown bond; it does not require principal payments until maturity in fiscal year 2025, after which estimates include payment of principal through level debt service payments.
- (7) PILOT Notes include only the Foundry Lofts project.

Source: Office of Finance and Treasury