

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
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	8,933
2021	5,202,750	544,789	5,747,539	244,414,935	2.35	8,588
2022	6,002,310	640,834	6,643,144	248,762,508	2.67	9,817
2023	6,329,085	656,571	6,985,656	254,609,476	2.74	10,164
2024	5,590,790	553,617	6,144,407	260,033,288	2.36	8,750

Notes:

The net position restricted for debt services, as presented in Exhibit 1-a, did not include any amount restricted for principal payment of the general obligation debt.

The amount restricted for GO debt service 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 population 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	
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
2024	29,080	15,254	15,017	4,002	233.10	3,138,951	1,133,003	262,100	246,968	839.17

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 125 through 139).

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
General obligation bonds	\$ 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	\$ 6,144,407
Income tax secured revenue bonds	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	6,184,751
TIF bonds	105,108	100,443	95,885	108,702	104,037	119,385	127,531	109,898	104,913	147,591
Qualified zone academy bonds	4,791	3,845	3,155	2,466	2,012	1,558	1,105	829	552	276
Bond anticipation notes	-	-	-	275,000	375,000	-	163,665	132,060	113,219	91,365
Capital leases	5,105	1,837	-	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	-	1,104,597	1,141,572	1,280,250
SBITA liability	-	-	-	-	-	-	-	-	89,490	95,855
Ballpark revenue bonds	472,273	374,514	336,406	287,022	230,864	186,963	183,400	179,351	174,773	136,670
HPTF bonds	117,814	114,994	112,109	109,104	105,965	38,535	36,144	33,642	31,031	29,810
PILOT revenue bonds	215,647	214,213	205,696	219,698	198,678	197,791	174,196	156,274	146,327	134,712
GARVEE bonds	114,001	104,634	96,201	87,560	78,661	356,937	336,486	315,609	294,286	272,464
Tobacco bonds	613,600	598,710	581,533	559,559	537,395	515,360	486,924	487,139	430,042	405,150
Total Debt	\$ 9,987,139	\$ 10,029,834	\$ 10,064,466	\$ 10,855,532	\$ 11,557,838	\$ 13,044,734	\$ 12,621,127	\$ 14,793,994	\$ 14,821,866	\$ 14,923,301
Personal income	\$ 49,975,800	\$ 52,344,000	\$ 54,495,700	\$ 56,933,800	\$ 57,621,100	\$ 62,004,200	\$ 65,260,400	\$ 68,384,300	\$ 72,782,000	\$ 76,501,700
Total debt percentage of personal income	19.98%	19.16%	18.47%	19.07%	20.06%	21.04%	19.34%	21.63%	20.36%	19.51%
Total debt per capita	\$ 14,752	\$ 14,587	\$ 14,438	\$ 15,417	\$ 16,319	\$ 19,443	\$ 18,858	\$ 21,861	\$ 21,565	\$ 21,251
Total "tax supported debt" per capita	\$ 13,677	\$ 13,564	\$ 13,466	\$ 14,498	\$ 15,449	\$ 18,143	\$ 17,628	\$ 20,675	\$ 20,511	\$ 20,286

Notes:

Beginning with fiscal years 2022 and 2023, respectively, the District implemented the requirements of GASB Statement No. 87 - Leases and GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs). Further details regarding the outstanding liabilities for leases and SBITAs can be found in the notes to the financial statements.

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.

SBITA liability: Subscription-Based Information Technology Arrangements
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 2024. 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 2024:

General fund revenue	<u>\$ 11,598,412</u>
Debt service cost limitation (17% of general fund revenue)	<u>\$ 1,971,730</u>
Debt expenditure applicable to limit:	
Principal	\$ 613,670
Interest	<u>561,688</u>
Subtotal for current year	<u>1,175,358</u>
Highest debt service cost	<u>1,175,358</u>
Total debt service cost subject to the limitation	<u>1,175,358</u>
Debt service cost margin	<u>\$ 796,372</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>	<u>2024</u>
Debt service cost limitation	\$ 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	\$ 1,971,730
Highest debt service cost	596,468	591,653	644,703	704,403	726,519	846,056	846,056	919,308	1,134,003	1,175,358
Debt service cost margin	<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>	<u>\$ 796,372</u>
Total debt service cost subject to the limit as a percentage of debt service cost limit	<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>	<u>59.61%</u>
Debt limit ratio	<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>	<u>10.13%</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):	\$ 12,298,012
General fund transfers out (1):	515,673
Adjustment for transfer to component unit (UDC) (1):	35,471
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	61,286
Adjustment for ballpark revenue bond debt service transfers (1):	47,650
Adjustment for convention center hotel debt service transfers (1):	5,754
Total (a)	<u>\$ 12,963,846</u>
Limitation on borrowing (12%):	\$ 1,555,662
FY 2024 debt service cost (b):	<u>1,181,527</u>
Margin on limitation:	<u>\$ 374,135</u>
FY 2024 debt service percentage (b/a):	9.11%

Debt Service Expenditures by Fiscal Year

	2024			2025			2026			2027		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Long-Term Debt												
General obligation bonds (2)	\$ 232,735	\$ 287,316	\$ 520,051	\$ 260,525	\$ 260,388	\$ 520,913	\$ 261,615	\$ 248,089	\$ 509,704	\$ 247,535	\$ 235,044	\$ 482,579
QZAB	276	-	276	276	-	276	-	-	-	-	-	-
Income tax secured revenue bonds (2)	262,100	246,968	509,068	289,685	275,244	564,929	289,390	261,542	550,932	288,710	247,022	535,732
TIF bonds (3)	15,017	4,002	19,019	5,707	4,742	10,449	6,589	4,965	11,554	6,169	5,093	11,262
TIF notes (4)	15,663	4,726	20,389	10,089	4,332	14,421	956	4,166	5,122	3,447	4,078	7,525
Ballpark revenue bonds	38,015	9,635	47,650	18,735	7,760	26,495	6,350	7,063	13,413	7,055	6,650	13,705
HPTF revenue bonds	1,150	1,103	2,253	1,190	1,057	2,247	1,240	1,010	2,250	1,290	960	2,250
PILOT bonds (5)	14,444	7,036	21,480	129,940	6,239	136,179	4,772	104	4,876	-	-	-
PILOT notes (6)	193	205	398	203	195	398	213	185	398	224	174	398
225 Virginia Avenue lease	5,338	3,935	9,273	5,710	3,564	9,274	6,107	3,166	9,273	6,533	2,741	9,274
Bond anticipation notes	-	2,284	2,284	-	7,500	7,500	-	7,500	7,500	-	7,500	7,500
Washington convention and sports authority	13,040	16,346	29,386	13,570	15,631	29,201	16,285	15,075	31,360	34,940	13,502	48,442
Total	<u>\$ 597,971</u>	<u>\$ 583,556</u>	<u>\$ 1,181,527</u>	<u>\$ 735,630</u>	<u>\$ 586,652</u>	<u>\$ 1,322,282</u>	<u>\$ 593,517</u>	<u>\$ 552,865</u>	<u>\$ 1,146,382</u>	<u>\$ 595,903</u>	<u>\$ 522,764</u>	<u>\$ 1,118,667</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 Gallery Place, City Market at O Street, Skyland Town Center, Bryant Street, Reunion Square, and Union Market projects. Adjustments were 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 in fiscal year 2024 as current interest and capital appreciation bonds. Reunion Square was issued as a variable rate draw down bond in fiscal year 2022 with a capitalized interest period; fiscal years 2025, 2026 and 2027 estimates assume no further draws and interest payments only until refinancing to a fixed rate in fiscal year 2026.
- (4) TIF Notes include Georgia Avenue CVS, Capital One Arena, and the Convention Center Hotel. Adjustments are made to TIF Notes to reflect actual principal prepayment in fiscal years 2024 and 2025.
- (5) PILOT Bonds include the Yards and the Wharf. Adjustments are made to PILOT Notes to reflect actual and estimated principal prepayments that will result in full repayment of the Wharf in fiscal year 2025 and the Yards in fiscal year 2026.
- (6) PILOT Notes include only the Foundry Lofts project.

Source: Office of Finance and Treasury